

Executive Summary

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The Las Vegas market is renowned as one of the world's top entertainment and tourism destinations. In recent years, this reputation has grown as the Las Vegas tourism industry has expanded its entertainment offerings to appeal to a wider range of tourist demographics. The addition of several new arenas, theaters and other entertainment venues has provided the market with new entertainment options for tourists and residents of all ages, which has played a key role in the steady growth in annual visitation to the Las Vegas market over the past several years.

In addition to the expansion of the market's tourism industry, the resident population of the Las Vegas market has also grown rapidly in recent years. The population of Clark County has grown from approximately 741,000 in 1990 to 1.8 million in 2005. This strong population growth is expected to continue in future years, with the County's population projected to nearly double to 3.5 million by 2035.

In order to ensure that the Las Vegas market is able to meet the demands of its growing population and tourism base from a sports and entertainment standpoint, the Las Vegas Events Center Task Force ("Task Force") was formed to evaluate the current and potential future facility needs of the market. The University of Nevada-Las Vegas's ("UNLV") Thomas and Mack Center ("TMC") and Sam Boyd Stadium ("SBS") represent the largest indoor and outdoor sports and entertainment venues in the market, respectively. The TMC, which opened in 1983, accommodates a variety of major events, but lacks many of the amenities associated with more modern arenas. Sam Boyd Stadium opened in 1971 and was extensively renovated in 1998. Both venues are the home of various UNLV athletic programs and are owned and operated by the University.

The Task Force is evaluating a variety of potential facility development options to address the Las Vegas market's sports and entertainment needs. The Task Force retained the team of Conventions, Sports & Leisure International ("CSL"), HOK Sport + Venue + Event ("HOK"), Hobbs, Ong & Associates ("Hobbs Ong") and International Facilities Group ("IFG"), collectively referred to as the "Project Team", to conduct a variety of research and analyses related to these potential facility developments. In addition to the firms comprising the Project Team, representatives of UNLV provided services related to the development of the economic impact analysis presented herein. The scope of the analyses completed by the Project Team included the following key tasks:

- Reviewed the historical operations of the TMC and SBS, including event and attendance levels, financial operations and other key operational characteristics;
- Analyzed the key demographic and socioeconomic characteristics of the Las Vegas market, as well as the current and potential future inventory of sports and entertainment venues in the market;

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- Collected and analyzed information pertaining to industry trends and standards, including characteristics of recent arena development projects, operating information related to the National Basketball Association (NBA) and the National Hockey League (NHL) and other such information;
- Interviewed existing users of the TMC and SBS and other potential users of a new Events Center, including concert and other event promoters, sports leagues and other users;
- Conducted surveys of Las Vegas area corporations, residents and visitors to assess potential interest in purchasing seating and attending events at a new Events Center;
- Developed estimates related to potential annual event and attendance levels that could be achieved by a renovated TMC and SBS, as well as a new Events Center in Las Vegas;
- Developed a financial model based on the estimated levels of utilization and patron spending derived from the previous tasks and other information pertaining to the Las Vegas market;
- Estimated the existing economic and fiscal impacts generated by the operations of the TMC and SBS, as well as the impacts that could result from the development of a new Events Center in Las Vegas;
- Evaluated several potential Events Center sites; and,
- Identified potential sources of funding for a new Events Center and evaluated the potential funding capacity of those sources.

The following summary focuses on the key findings and recommendations based on the research conducted, and is presented to the Task Force in order to assist in making informed decisions with regard to potential event center development options. As this section is only a summary of the study's findings, the full report should be read in its entirety to ensure that all study methods, assumptions and analyses are considered.

- **The TMC has generally accommodated the market, but the design, condition and location of the venue will not enable it to continue to accommodate the potential markets (major impact events, concerts, family shows, sporting events).**
 - The TMC does not control an adequate inventory of parking spaces to be able to accommodate events with attendance larger than approximately 13,000 people. For larger events, the lack of parking creates a negative overall fan experience, impacting the attractiveness of the facility for events in the future. With the University's continued growth, the current inventory of parking controlled by the TMC will continue to dwindle below existing levels, unless structured parking is developed in close proximity to the TMC.
 - The TMC's location results in significant traffic congestion before and after events, particularly for larger events, resulting in a negative fan experience overall.

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- The TMC's use as the primary indoor UNLV athletic facility results in scheduling conflicts when competing for other, non-University events such as concerts, family shows and other events that generate significant revenues for the facility.
- The TMC lacks many of the amenities commonly associated with newer NBA, NHL and large municipal arenas, including:
 - The TMC offers only 30 suites at present, compared to 50 or more at comparable NBA, NHL and other large municipal arenas. This factor limits the revenue generating capability of the facility, making it highly unlikely to be able to attract an NBA or NHL tenant in the future.
 - Newer facilities also offer a wider variety of premium seating options, including club seating and loge boxes that are not available at the TMC. Based on the results of the surveys conducted as part of this analysis, there appears to be strong demand for such amenities in the Las Vegas market.
- The TMC is approximately half the square footage of newer NBA facilities, limiting storage and event production spaces, and also impacting patron accessibility.
- The TMC's current rigging capacity of 39,000 pounds is significantly less than the industry standard of approximately 150,000 pounds, impacting the venue's ability to attract major touring events with large stage and sound equipment set-ups.
- The current seating configuration of the TMC does not meet current ADA requirements. Any potential renovation would need to accommodate these requirements to current standards.
- With only one concourse, the number of concession points of sale, restrooms and other fan amenities is significantly limited. This impacts both the overall fan experience as well as the revenue generating potential of the facility.
- While a renovation plan could be developed to address some of these issues, such a project would likely require a significant investment (potentially \$125 to \$150 million), and would have significant impacts on the facility, including the likelihood of requiring the facility to be closed during some portion of the renovation project. In addition, even with a major renovation, it is considered unlikely that an NBA or NHL tenant could be attracted to a renovated venue.

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- **The Las Vegas market is a growing market that is comparable to other markets in the country that currently host an NBA or NHL franchise**
 - The market provides both unique advantages and disadvantages unlike most other professional sports markets.
 - Overall, the Las Vegas area's demographic characteristics are generally comparable to those of many NBA-only and NHL-only markets currently hosting recently built arenas.

Summary of Comparative Market Demographics

Demographic Variable	Las Vegas	Rank ⁽¹⁾	Market Average	Market High	Market Low
Comparable NBA Arena Markets					
Current CBSA Population	1,816,000	5	2,618,000	5,240,000	1,256,000
10-Year CBSA Population	2,652,000	3	2,926,000	6,247,000	1,343,000
Current Media Market Population	1,709,000	9	2,963,000	5,557,000	1,763,000
Median Age	34.8	T-4	35.1	38.8	32.8
Median HH EBI	\$49,300	5	\$48,100	\$53,500	\$40,700
Corporate Inventory	2,260	7	3,940	7,590	2,040
Comparable NHL Arena Markets					
Current CBSA Population	1,816,000	5	2,502,000	5,379,000	922,000
10-Year CBSA Population	2,652,000	5	2,896,000	6,207,000	1,127,000
Current Media Market Population	1,709,000	8	3,225,000	4,464,000	1,637,000
Median Age	34.8	T-3	36.6	40.6	33.3
Median HH EBI	\$49,300	5	\$50,400	\$62,400	\$42,900
Corporate Inventory	2,260	8	3,730	5,630	1,810

(1) Rankings are of nine comparable NBA arena markets and nine comparable NHL arena markets. Median age is ranked from youngest to oldest.

Source: Claritas, Inc.; Dun and Bradstreet.

- The Las Vegas metropolitan area is anticipated to experience significant population growth over the next several years, with current population projected to nearly double by 2035. Within the next 10 years, the population of the Las Vegas market is projected to draw significantly closer to the average population among comparable arena markets.
- The median age of Las Vegas-area residents is more than one year younger than the national average, with a relatively high percentage of the population in the 25 to 44 age group, which is generally considered to be the primary market for sports and entertainment events.
- The median household income in the Las Vegas market area is higher than the majority of comparable municipal arena markets, and falls well within the range of existing NHL and NBA markets with recently built facilities.
- The presence of a younger, affluent population in the Las Vegas area could make it a strong market for club seating and other upscale amenities that could be incorporated into a new Events Center.
- The corporate inventory of the Las Vegas market area is also relatively strong compared to other municipal arena markets, and is within the range of NHL and NBA markets with arenas opened since 1995.

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- Nearly 30 percent of Las Vegas' employment base is derived from the leisure and hospitality industry, compared to less than 10 percent of the national workforce. This could have a negative impact on the ability of many residents to attend NBA or NHL games at the new Events Center, as a relatively high proportion of the workforce is likely to be working during weekday evenings and weekends when games take place. In markets with more traditional workforce characteristics, the majority of the workforce is available to attend games at these times.
- Key tourism indicators, such as hotel occupancy, gaming revenues and airline passengers, have demonstrated steady growth over the past several years. In addition, major investments are being made in hotel and condominium development in the Las Vegas market, an indication that the strong growth of the area is anticipated to continue in future years.
- **The Las Vegas market is potentially capable of supporting a new arena and a professional sports team**
 - As noted previously, the population and corporate inventory of the Las Vegas market area rank similar in size to other markets currently hosting NBA or NHL franchises. Coupled with the projected growth of the market, Las Vegas appears to be poised to be able to support an NBA or NHL franchise.
 - While the Las Vegas market is home to a variety of sports and entertainment options, with no major league professional sports franchises at present, an NBA or NHL franchise in Las Vegas would face limited direct competition for the discretionary sports-related spending of the local population and corporate inventory.
 - Based on surveys of over 200 local corporations, demand appears to be strong for season tickets, club seats, private suites and other premium amenities that could be offered at a new Events Center with an NBA or NHL tenant.
 - The level of positive interest for private suites ranged from 21 to 50 percent depending on the tenants, which exceeds the typical industry market average of 25 percent.
 - The level of positive interest for club seats ranged from 43 to 49 percent depending on the tenants, which exceeds the typical industry market average of 35 percent.
 - Surveys of 275 Las Vegas area residents also indicated strong support for a proposed NBA or NHL franchise and new Events Center compared to other markets. Specifically, 44 and 21 percent of survey respondents indicated a desire to attend NBA or NHL games, respectively.

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- In addition to the strength of the local population and corporate inventory, surveys conducted with visitors to Las Vegas indicate the potential for additional support from non-residents for attendance at NBA or NHL games as well as potential touring events or special sports events, such as neutral site NCAA games, NBA or NHL All-Star games and other such events.
 - 57 percent of tourists interviewed indicated a desire to attend NBA games, while 50 percent indicated a desire to attend NHL games while in Las Vegas.
 - 69 percent of those tourists indicated an interest in making a special trip to Las Vegas to attend an NBA or NHL game.

Summary of Events Center Event Estimates

Event Type	Stand Alone ⁽¹⁾				With TMC Competition ⁽²⁾			
	No Pro Tenant ⁽³⁾		Pro Tenant ⁽⁴⁾		No Pro Tenant ⁽³⁾		Pro Tenant ⁽⁴⁾	
	Events	Total Attendance	Events	Total Attendance	Events	Total Attendance	Events	Total Attendance
<i>Professional Sports</i>								
NBA/NHL	2	24,000	45	675,000	2	24,000	45	675,000
AFL	8	80,000	8	80,000	8	80,000	8	80,000
Professional Sports Totals	10	104,000	53	755,000	10	104,000	53	755,000
<i>Rodeo/Equestrian</i>								
NFR	10	200,000	10	200,000	10	200,000	10	200,000
PBR	10	160,000	4	64,000	10	160,000	4	64,000
FEI World Cup	4	20,000	4	20,000	4	20,000	4	20,000
Other	5	20,000	0	n/a	3	12,000	0	n/a
Rodeo/Equestrian Totals	29	400,000	18	284,000	27	392,000	18	284,000
<i>Other Events</i>								
Concerts	18	144,000	15	120,000	15	120,000	12	96,000
Family Shows	18	72,000	15	60,000	10	40,000	8	32,000
Boxing	5	37,500	3	22,500	4	30,000	2	15,000
Neutral Site NCAA Games	8	96,000	4	48,000	8	96,000	4	48,000
Other Sports	18	108,000	12	72,000	13	78,000	7	42,000
Graduations	10	60,000	10	60,000	6	36,000	6	36,000
Corporate Events	15	75,000	15	75,000	10	50,000	10	50,000
Meetings/Banquets	0	n/a	0	n/a	0	n/a	0	n/a
Miscellaneous	20	50,000	20	50,000	20	50,000	20	50,000
Other Event Totals	112	642,500	94	507,500	86	500,000	69	369,000
Total - All Events	151	1,146,500	165	1,546,500	123	996,000	140	1,408,000

- (1) Assumes New Events Center is developed and TMC does not actively pursue non-UNLV athletic events
 (2) Assumes New Events Center is developed and TMC continues to actively pursue non-UNLV athletic events
 (3) Assumes New Events Center would not host an NBA or NHL tenant.
 (4) Assumes New Events Center would host an NBA or NHL tenant.

- Based on interviews with event promoters and other potential facility users, it is estimated that the proposed Events Center could host approximately 151 total events without an NBA franchise, and approximately 165 total events with an NBA franchise, compared to approximately 126 events currently held at TMC.
- These event levels are estimated to attract between approximately 1.1 million and 1.5 million attendees per year.
- If the TMC continues to operate following the development of the new Events Center, the competition presented by the TMC could impact event and attendance levels at the Events Center. In this scenario, it is estimated that the Events Center could host approximately 123 events with total attendance of approximately 1.0 million assuming no NBA franchise, or approximately 140 events with attendance of approximately 1.4 million assuming an NBA tenant.

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- The proposed Events Center could generate a significant positive cash flow, before debt service, in both scenarios (professional sports tenant/no professional sports tenant)
 - Based on the event and attendance levels outlined previously, it is estimated that the proposed Events Center could generate net operating income of between \$16.6 million and \$18.5 million before debt service without an NBA or NHL tenant, depending on the level of competition from the TMC.
 - With an NBA or NHL tenant, total net income is estimated to range from approximately \$18.5 million to \$20.7 million. However, it is important to note that it is likely that the NBA or NHL franchise would be responsible for operating the Events Center, and would therefore retain the majority, if not all, of the net income from the facility.

Summary of Events Center Financial Estimates

	No TMC Competition ⁽¹⁾		With TMC Competition ⁽²⁾	
	No Pro Tenant ⁽³⁾	Pro Tenant ⁽⁴⁾	No Pro Tenant ⁽³⁾	Pro Tenant ⁽⁴⁾
Revenues				
Direct Event Income	\$6,480,000	\$4,480,000	\$5,585,000	\$3,700,000
Facility Fee	1,923,000	2,723,000	1,720,000	2,544,000
Premium seating	8,281,000	21,010,000	8,281,000	21,010,000
Naming rights	2,700,000	4,000,000	2,700,000	4,000,000
Food and beverage	3,249,000	5,931,000	2,840,000	5,450,000
Parking	2,902,000	3,916,000	2,515,000	3,558,000
Advertising	5,000,000	12,000,000	5,000,000	12,000,000
Merchandise	385,000	603,000	338,000	559,000
NBA Team Revenues	0	100,500,000	0	100,500,000
Other	500,000	500,000	500,000	500,000
Total revenues	\$31,420,000	\$155,663,000	\$29,479,000	\$153,821,000
Expenses				
Facility	\$4,500,000	\$5,500,000	\$4,500,000	\$5,500,000
General & administrative	6,000,000	9,500,000	6,000,000	9,500,000
Management Fee	1,500,000	0	1,500,000	0
NBA Team Expenses	0	120,000,000	0	120,000,000
Other	900,000	0	900,000	0
Total expenses	\$12,900,000	\$135,000,000	\$12,900,000	\$135,000,000
Operating Income (Loss)	\$18,520,000	\$20,663,000	\$16,579,000	\$18,821,000

(1) Assumes New Events Center is developed and TMC does not actively pursue non-UNLV athletic events

(2) Assumes New Events Center is developed and TMC continues to actively pursue non-UNLV athletic events

(3) Assumes New Events Center would not host an NBA or NHL tenant.

(4) Assumes New Events Center would host an NBA or NHL tenant.

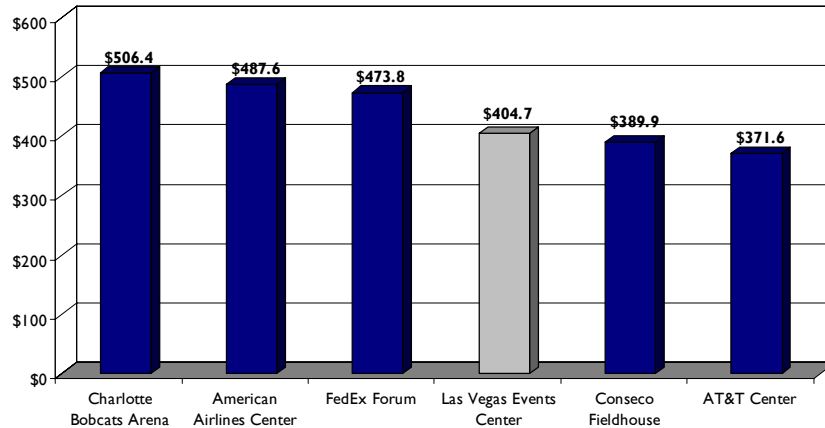
Note: Expense estimates include only fixed operating expenses. Revenues are stated net of variable/event expenses

- It should be noted that these estimates do not include debt service payments related to Events Center construction. Based on the construction costs of comparable arenas built in other markets in recent years, debt service related to Events Center construction is likely to be significant.

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- Based on a preliminary construction cost estimate of approximately \$404.7 million, annual debt service could approximate \$29.4 million, assuming a 30-year term and 6.0 percent interest rate.

Total Project Costs (2010\$\$)



Note: Costs presented in chart include hard and soft construction costs, and exclude land acquisition and infrastructure costs. The costs for each building represent the cost to replicate the various arenas in Las Vegas with a 2010 opening, and are not representations of the actual cost of each facility in its respective marketplace.

- It should also be noted that the presence of a new Events Center could have a significant impact on the financial operations of the TMC, as the new facility would likely attract many of the events that are currently held at the TMC. Specifically, it is estimated that the presence of the new Events Center could reduce the combined net operating profit of the TMC, SBS and Cox Pavilion by approximately \$1.4 to \$2.0 million per year.

Estimated Impact of Events Center on TMC/SBS/Cox Operations

	On-Going Operations	Scenario 1 ⁽¹⁾		Scenario 2 ⁽²⁾	
		Impact from Events Center	Adjusted TMC/SBS	Impact from Events Center	Adjusted TMC/SBS
Revenues					
<i>Event Revenues</i>					
Rent & Reimbursements	\$5,157,000	(\$3,789,000)	\$1,368,000	(\$3,095,000)	\$2,062,000
Food and beverage	9,302,000	(3,518,000)	5,784,000	(3,234,000)	6,068,000
Novelties	409,000	(106,000)	303,000	(106,000)	303,000
Parking	323,000	0	323,000	0	323,000
Ticketing	178,000	0	178,000	0	178,000
VIP Box Leases	340,000	(300,000)	40,000	(300,000)	40,000
Miscellaneous	649,000	(200,000)	449,000	(200,000)	449,000
Other	791,000	0	791,000	0	791,000
Total Event Revenues	17,149,000	(7,913,000)	9,236,000	(6,935,000)	10,214,000
<i>Non-Event Revenues</i>					
Sponsorship/Signage	\$1,915,000	(\$500,000)	\$1,415,000	(\$500,000)	\$1,415,000
Suites	2,800,000	(1,800,000)	1,000,000	(1,800,000)	1,000,000
Other	7,030,000	(1,019,000)	6,011,000	(712,000)	6,318,000
Total Non-Event Revenues	11,745,000	(3,319,000)	8,426,000	(3,012,000)	8,733,000
Total revenues	\$28,894,000	(\$11,232,000)	\$17,662,000	(\$9,947,000)	\$18,947,000
Expenses					
<i>Event Expenses</i>					
Event Expenses	\$7,622,000	(\$4,356,000)	\$3,266,000	(\$3,876,000)	\$3,746,000
Other	14,450,000	(5,491,000)	8,959,000	(4,118,250)	10,331,750
Total expenses	\$22,072,000	(\$9,847,000)	\$12,225,000	(\$7,994,250)	\$14,077,750
Operating Income (Loss)	\$6,822,000	(\$1,385,000)	\$5,437,000	(\$1,952,750)	\$4,869,250
<i>Debt and Transfers</i>					
Principal and Interest	\$2,007,000	\$0	\$2,007,000	\$0	\$2,007,000
University Transfer	2,905,000	0	2,905,000	0	2,905,000
Operating Income (Loss)	\$1,910,000	(\$1,385,000)	\$525,000	(\$1,952,750)	(\$42,750)

(1) Assumes no AFL games, rodeo events, concerts, boxing matches and non-tenant sports events and 50% reduction in historical family show event levels.

(2) Assumes no AFL games or rodeo events and 50% reduction in historical concert, family show, boxing and non-tenant sports event levels.

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- **The economic impact of a new Events Center is significant, with or without a major league sports franchise tenant.**
 - Unlike other facilities similarly sized markets, the Las Vegas market offers the types of attractions and amenities that will help to attract major events that will also have significant interest for visitors, resulting in increased economic impacts for the community as a whole.
 - Based on an estimated construction cost of approximately \$404.7 million, it is estimated that the development of the Events Center could generate approximately \$237.8 million in direct local spending during the three-year construction period. This amount of spending would generate approximately \$405.1 million in total output, which would support approximately 4,100 jobs and approximately \$194.1 million in earnings throughout the construction period.
 - In addition to construction-related impacts, the annual impacts generated by the on-going operations of the Events Center were estimated. Impacts are represented as total economic activity and net new economic activity. Total economic activity represents gross spending associated with the operations of the Events Center regardless of the origin of spending and whether or not the spending would have taken place in another form within the local economy (i.e. displaced spending). Net new economic activity represents gross spending that has been adjusted to account for only the spending that (a) originates from outside the immediate area, (b) originates from inside the area but normally occurs outside the area, or displaced spending.
 - Based on the estimated operating revenues outlined previously, it is estimated that the operations of a new Events Center with no major league sports franchise could generate approximately \$248.3 million in net new annual direct spending, which would support approximately \$393.7 million in total output, including \$155.7 million in earnings, and approximately 5,500 jobs. In addition, this spending would generate approximately \$13.0 million in net new State sales tax revenue and \$1.2 million in State live entertainment tax revenues along with \$2.5 million in County sales tax revenues and \$2.8 million in County lodging tax revenues.
 - With an NBA franchise, total net new direct spending is estimated at approximately \$298.2 million, which would result in approximately \$478.8 million in total output, including \$208.4 million in earnings and 7,300 jobs. In addition, this spending would generate approximately \$12.9 million in State sales tax revenues and \$1.1 million in State live entertainment tax revenues, as well as approximately \$2.5 million in County sales tax revenues and \$2.7 million in County lodging tax revenues.

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Estimated Economic and Fiscal Impacts New Las Vegas Events Center

	Gross Impacts ⁽¹⁾		Net New Impacts ⁽²⁾	
	No Pro Tenant	Pro Tenant	No Pro Tenant	Pro Tenant
Direct Spending	\$320,339,000	\$412,958,000	\$248,319,000	\$298,217,000
Total Output	\$508,033,000	\$663,424,000	\$393,735,000	\$478,822,000
Earnings	\$201,843,000	\$290,872,000	\$155,695,000	\$208,444,200
Jobs (3)	7,100	10,300	5,500	7,300
State Tax Revenues				
State Sales	\$17,485,000	\$18,101,000	\$13,031,000	\$12,932,000
State Live Entertainment	2,767,000	4,008,000	1,178,000	1,127,000
Total State Taxes	\$20,252,000	\$22,109,000	\$14,209,000	\$14,059,000
County Tax Revenues				
County Sales	\$3,363,000	\$3,481,000	\$2,506,000	\$2,487,000
County Lodging	3,392,000	3,395,000	2,757,000	2,726,000
Total County Taxes	\$6,755,000	\$6,876,000	\$5,263,000	\$5,213,000

(1) Represents gross impacts associated with the operations of the facility regardless of the origin of spending and whether or not the spending would have taken place in another form within the local economy.

(2) Represents impacts after adjusting the gross impacts to account for only the spending that (a) originates from outside the immediate area, (b) originates from inside the area but normally occurs outside the area, or displaced spending.

(3) Includes full- and part-time jobs

Note: Impacts in the table include some impacts currently generated by the presence of the TMC.

- The net present values (NPV) of the impacts estimated to be generated by the proposed Events Center are significantly higher than the NPV's estimated to be generated by the TMC in future years. Specifically, the NPV of the total output related to the operations of the Events Center in its first 30 years of operation is estimated to be approximately \$3.5 to \$4.5 billion higher than the NPV of output associated with TMC operations. The incremental NPV of State taxes generated by the Events Center are estimated to approximate \$194.7 to \$197.4 million, while the incremental NPV of County taxes generated by the Events Center are estimated to approximate \$71.6 to \$72.5 million.

Estimated Incremental Economic and Fiscal Impacts Resulting from Events Center Operations 30-Year Net Present Value

	NPV of Arena Generated Impacts (1)				
	TMC	Events Center		Net New Impacts (2)	
		No Pro Tenant	Pro Tenant	No Pro Tenant	Pro Tenant
Direct Spending	\$1,262,584,000	\$4,779,290,000	\$5,743,318,000	\$3,516,706,000	\$4,480,734,000
Total Output	\$1,999,209,000	\$7,578,062,000	\$9,221,364,000	\$5,578,853,000	\$7,222,155,000
Earnings	\$782,873,000	\$2,996,588,000	\$4,013,872,000	\$2,213,715,000	\$3,230,999,000
Jobs (3)	2,600	5,500	7,300	2,900	4,700
State Tax Revenues					
State Sales	\$69,112,000	\$250,803,000	\$249,090,000	\$181,691,000	\$179,978,000
State Live Entertainment	6,960,000	22,680,000	21,689,000	15,720,000	14,729,000
Total State Taxes	\$76,072,000	\$273,483,000	\$270,779,000	\$197,411,000	\$194,707,000
County Tax Revenues					
County Sales	\$13,291,000	\$48,231,000	\$47,902,000	\$34,940,000	\$34,611,000
County Lodging	15,491,000	53,078,000	52,458,000	37,587,000	36,967,000
Total County Taxes	\$28,782,000	\$101,309,000	\$100,360,000	\$72,527,000	\$71,578,000

(1) Represents 30-year NPV of estimated arena-related spending and impacts that are assumed to not take place in Las Vegas if not for the presence of the TMC or the new Events Center.

(2) Incremental impacts of new Events Center as compared to impacts estimated to be generated by the existing TMC.

(3) Includes full- and part-time jobs. Represents jobs supported in first year of operations.

Note: All NPV calculations assume a 6.0% discount rate.

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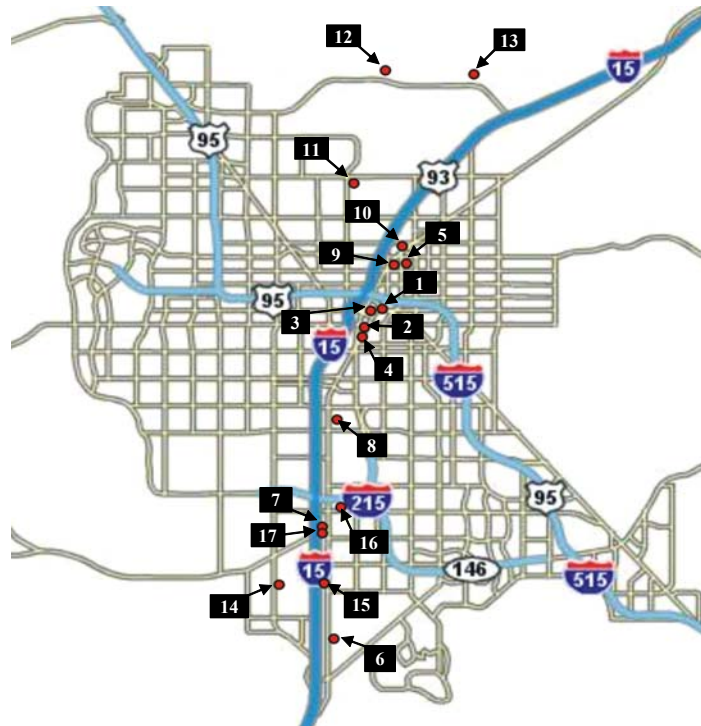
- In addition to the direct economic and fiscal impacts, the presence of a new Events Center could result in significant non-quantifiable impacts for the community, including:
 - Enhanced growth and ancillary private sector development spurred by the presence of the new Events Center;
 - Diversified entertainment alternatives for local residents as well as visitors;
 - New advertising opportunities for local businesses;
 - Enhanced community pride, self-image, exposure and reputation; and,
 - Other such benefits.
- **A number of potential sites are viable locations for a new Events Center, depending on the development parameters.**
 - The purpose of the site analysis was to identify potential sites within the Las Vegas marketplace that could be capable of accommodating the footprint of the proposed event center and provide or have the capability to provide the appropriate level of infrastructure including parking and accessibility via roads and public transportation.
 - In order to provide for a comprehensive review of potential sites, the Task Force approved the issuance of a Request of Information (“RFI”) with regard to identifying potential sites for such a facility. (See Appendix E). The RFI requested private entities to submit information about sites capable of accommodating the proposed Events Center.
 - The issuance of the RFI and this analysis comprise the first steps in determining the interest and capabilities of developers and other interested entities to provide a site. Local governing bodies were not asked to formally submit sites through the RFI process. CSL representatives met personally with the local municipalities to identify potential sites in their jurisdictions.
 - 17 sites have been submitted either through the RFI process or meetings with local governing bodies.

Executive Summary

Summary of Potential Las Vegas Sites

Site	Total Site Acreage	Parcels	Ownership	Land and Improvement Value ¹	Market Values ²	Access to Freeway
1 Downtown Site 1	11.50	42	Multiple Owners	\$16,110,187	N/A	Adjacent
2 Downtown Site 2	10.00	1	Clark County	\$21,200,000	N/A	Adjacent
3 Downtown Site 3	5.50	25	Developer	\$16,892,283	N/A	0.62 Miles
4 Downtown Site 4	60.00	10	Multiple Owners	\$13,631,669 *	\$136,500,000 to \$168,000,000 *	Adjacent
5 Cashman	55.00	2	LVCVA	N/A	N/A	0.33 Miles
6 Olympia	250.00	11	Olympia Land Corporation	\$17,738,271 *	\$75,000,000 *	Adjacent
7 Nassiri	66.11	3	Fred Nassiri	\$20,410,236 *	\$63,000,000 to \$84,000,000 *	Adjacent
8 Harrah's	28.00	6	Four Entities	\$131,087,172 *	N/A *	1.0 Mile
9 North Las Vegas Site 1	23.78	2	B.E. Trade Investments Group	\$8,616,686	N/A	0.36 Miles
10 North Las Vegas Site 2	32.35	2	Bradshaw & Associates	\$8,221,977 *	N/A *	0.43 Miles
11 North Las Vegas Site 3	150.02	1	Athena Group	\$4,528,027 *	\$16,800,000 to \$18,200,000 *	1.5 Miles
12 North Las Vegas Site 4	53.61	1	Land Investors, LLC	\$5,232,960 *	N/A	Adjacent
13 North Las Vegas Site 5	731.98	1	NSHE/UNLV	N/A	N/A	Adjacent
14 Clark County	59.15	1	Clark County	N/A	N/A	1.4 miles
15 Koroghli – Mobile 18	37.67	2	Ray Koroghli	\$17,035,420 *	\$63,551,898 *	Adjacent
16 Koroghli – Mobile 215	10.00	3	Ray Koroghli	\$9,084,874	\$47,900,000	0.37 Miles
17 Koroghli – Oasis	72.00	7	Ray Koroghli	\$13,138,175 *	\$95,223,700 *	Adjacent

(1) Based on the 2006 Clark County tax assessment.
 (2) Based on discussions with real-estate professionals and property owners.
 (*) Assessed and market value based on a 21-acre site.
 N/A = Not Available



Executive Summary

At this time, a definitive scoring of the 17 sites with a resulting ranking has not been performed. While each of the 17 potential sites exhibits both strengths and weaknesses, no site is ideal in every way, nor is any site ultimately unworkable. However, based on a preliminary evaluation, the sites have been classified into three tiers, with Tier One sites considered most viable:

<u>Tier One</u>	<u>Tier Two</u>	<u>Tier Three</u>
Downtown Site 1	Clark County	Cashman
Downtown Site 3	Downtown Site 4	Downtown Site 2
Nassiri	Harrah's	Koroghli Mobile 215
Olympia	Koroghli Mobile 18	North Las Vegas Site 2
	Koroghli Oasis	North Las Vegas Site 4
	North Las Vegas Site 1	North Las Vegas Site 5
	North Las Vegas Site 3	

- **Public participation will be an important component of the financing structure for the Events Center development program.**
 - With the trends toward the development of new, multi-use Events Centers around the country, the public sector has realized the potential benefits of public investment in such facilities.
 - The average cost of similar facilities has increased significantly in recent years, pushing the average adjusted cost of recently built NBA facilities to approximately \$430.8 million.
 - Of the seven single-tenant NBA or NHL facilities opened since 1995, the public has contributed an average of 68 percent of the total project cost. Public funding is typically derived through a variety of tax sources, including sales taxes, lodging taxes, vehicle rental taxes, entertainment taxes, income taxes, property taxes and other such sources.
 - The private sector has contributed approximately 32 percent towards the cost of construction for recently built single tenant NBA or NHL facilities, with these funds derived primarily from facility or franchise revenues, including contractually obligated income such as naming rights, long-term sponsorships, long-term suite contracts and other such sources.

Executive Summary

- Potential public and private revenue sources that could be used to fund Events Center construction in Las Vegas could include:

Public Sources:

- Auto rental tax
- Ticket tax
- Hotel/motel tax
- Entertainment tax
- Sales tax
- Food and beverage tax
- Property tax

Private Sources:

- Naming rights
- Sponsorships
- Private suites
- Club seats
- Team equity
- Concessionaire
- Parking

- Dedicating contractually obligated revenues to debt service rather than allowing a potential NBA or NHL tenant to retain those revenues would negatively impact the potential profitability of the franchise, which could hinder the ability of the Events Center to attract an NBA or NHL franchise.

Estimated Funding Covered by Facility Income

Estimated Construction Cost	\$404,700,000	
	No Pro Tenant	Pro Tenant
% of Cost Covered by Tenant	0%	32%
Remaining Cost to be Funded	\$404,700,000	\$275,196,000
Estimated Annual Debt Service ⁽¹⁾	\$29,401,000	\$19,993,000
Estimated Operating Income ⁽²⁾	\$18,520,000	\$20,663,000
% of Income Dedicated to Debt	100%	0% ⁽³⁾
Total Dedicated to Debt	\$18,520,000	\$2,723,000
% of Debt Service Covered	63%	14%
Estimated Annual Funding Gap	\$10,881,000	\$17,270,000

(1) Assumes a 30-year term and a 6.0 percent interest rate.

(2) Assumes no competition from the TMC. If the TMC is in competition with the Events Center, operating income is estimated to decrease to approximately \$16.6 million for the No Tenant scenario, which would cover an estimated 56% of debt service, resulting in a funding gap of approximately \$12.8 million.

(3) Assumes only Ticket Fee revenue would be dedicated to debt service, with the professional sports tenant retaining the remaining arena income.