

Nevada Commission on Tourism

**Proposed Tourism Improvement District for a
Public Parking Garage in Symphony Park**

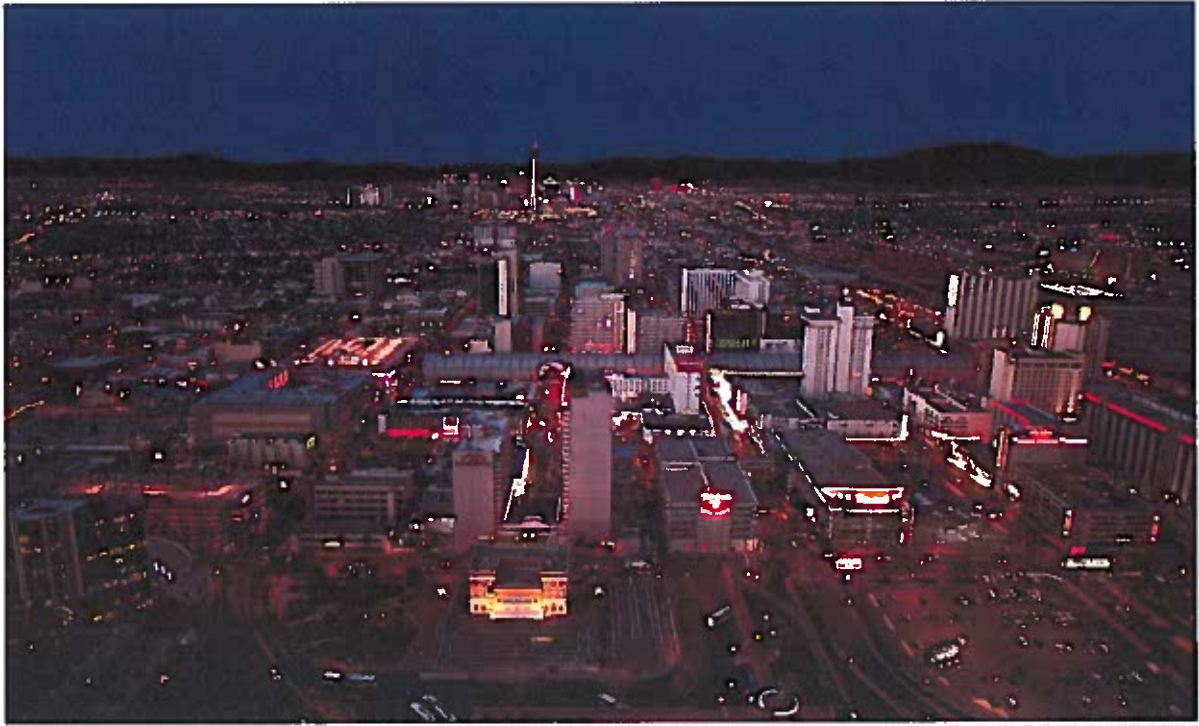
**Agenda Item 4(a)
March 16, 2015**

**Bill Arent, Director
City of Las Vegas Economic & Urban Development**

**John Lambeth, Civitas Advisors
Zachary Sears, Oxford Economics**

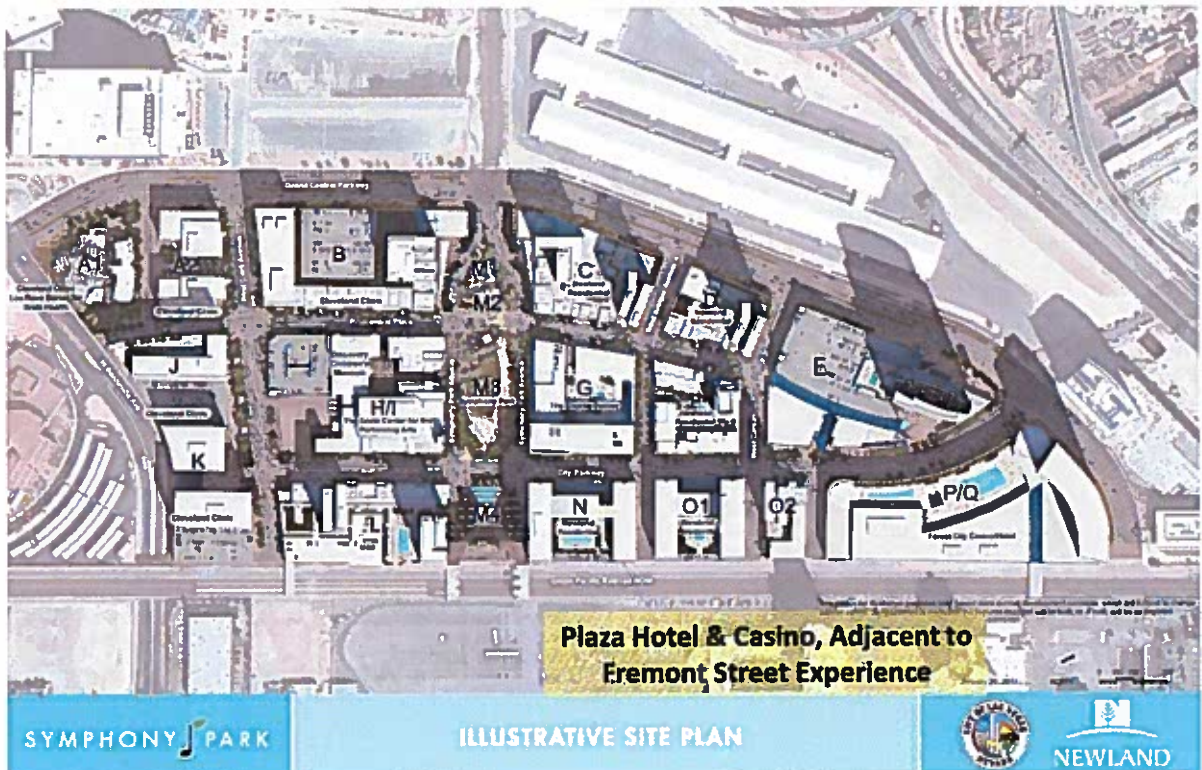


Need for Project



Night photograph of downtown Las Vegas.

Symphony Park Master Plan





Smith Center for the Performing Arts

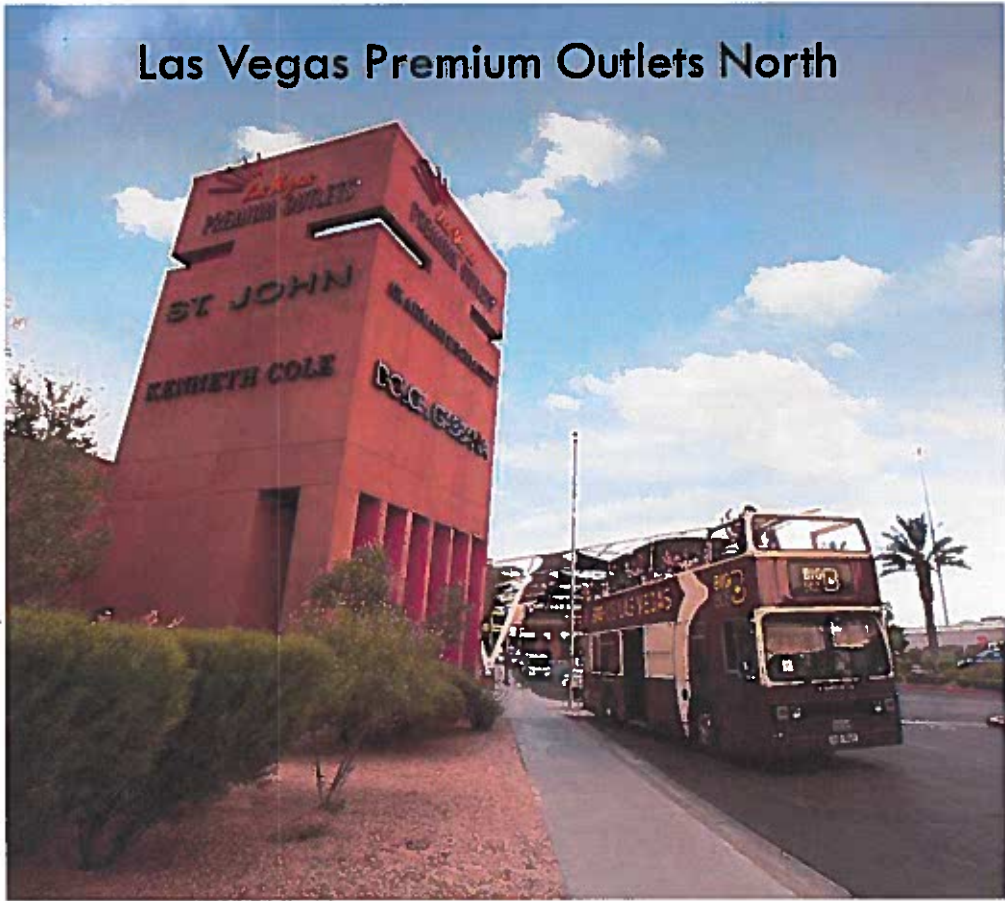
Photograph by Geri Kodey



Cleveland Clinic Lou Ruvo Center for Brain Health

Photograph by Matt Carbone Photography

Las Vegas Premium Outlets North

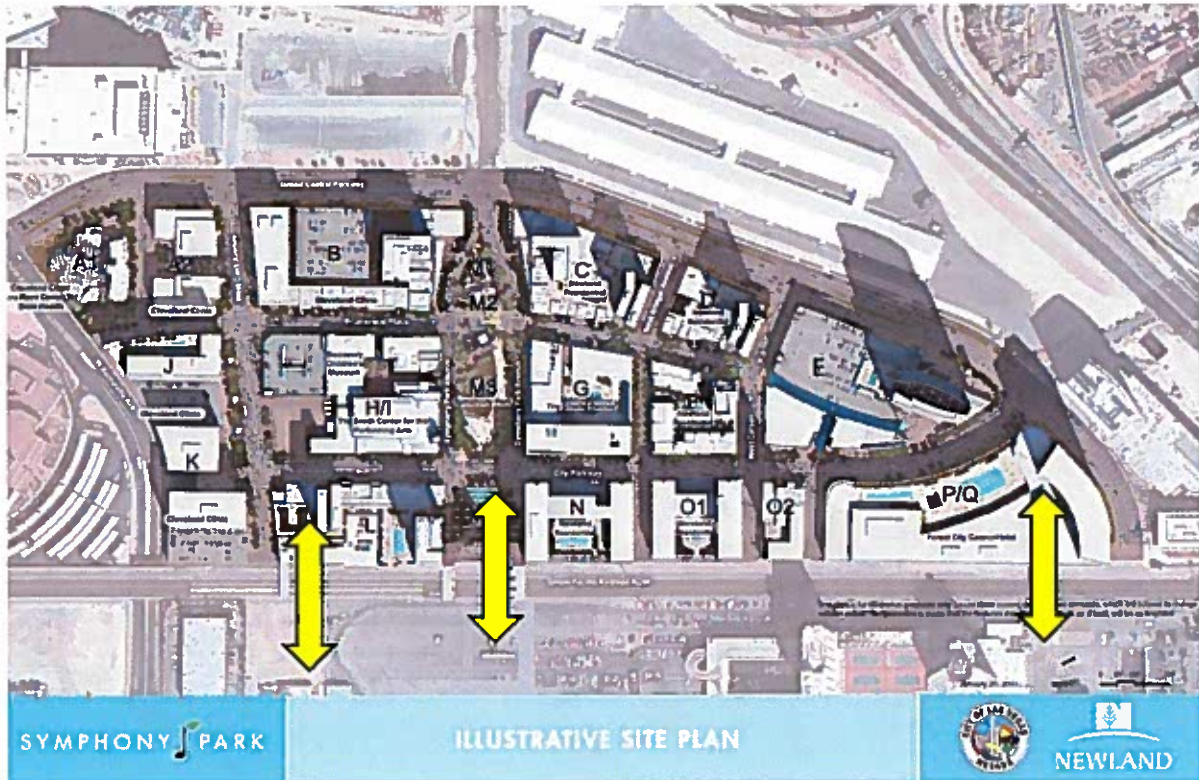




Proposed TID-Funded Project

- TID Funds would be used to fund a **public** parking garage containing at least 1,200 parking spaces
- City of Las Vegas would:
 - ✓ *Construct the garage*
 - ✓ *Own the garage*
 - ✓ *Operate the garage*
- Excess TID Funds could be used for additional off-site public infrastructure, such as drainage, roadways, and pedestrian connection bridges

Pedestrian Connections



Benefits to the Community

- Fulfills a need for additional parking in Symphony Park
- Uses **public** funds to fund a **public** asset
- Supports our community partners:
 - *Smith Center for the Performing Arts*
 - *Discovery Children's Museum*
 - *LV Metro Chamber of Commerce*
 - *Cleveland Clinic Lou Ruvo Center for Brain Health*
 - *World Market Center*
 - *LV Premium Outlets & Clark County Government Center*

Preponderance Requirement

NRS 271.080(6)

The Commission on Tourism has determined, at a public hearing conducted at least 15 days after providing notice of the hearing by publication, that a preponderance of the increase in the proceeds from sales and use taxes identified pursuant to subsection 5 will be attributable to transactions with tourists who are not residents of this State.



Summary

- This report analyzes the proposed Symphony Park Tourism Improvement District in Las Vegas.
- Sources of spending include:
 - The expansion of Premium Outlets North Mall
 - The hotels and retail businesses expected in the mixed-use portion of the development.
- Over a five-year period, a total of \$1.1 billion in spending is expected to occur within the TID, including \$870 million in retail spending.
- A total of \$37 million in sales tax revenues will be generated, of which \$20.4 million (55.2%) will be generated by out-of-state visitors to Las Vegas.
- There is little risk of displacement of existing business sales outside of the proposed TID due to the scale of the project and expectations for growth



Boundaries



Plans for District



- ❑ 1,092,000 square feet of office space
- ❑ 16,541 parking spaces
- ❑ 1,878 residential units
- ❑ 275,000 square feet of retail space
- ❑ Three hotels with 1,650 hotel rooms
- ❑ 150,000 square feet of expanded retail space in Outlet Mall

Development component: mall expansion

- Expansion of 150,000 sq ft, on top of existing 435,000 sq ft
 - Approach: estimate total sales, and local, non-local, and non-NV shares of sales at the existing mall.
 - Demand density concept is used for local and non-local share estimates.
 - Use sales per sq ft, and shares of sales (local, non-local, non-NV) applied to the mall expansion.
 - Sales tax revenues are a function of total sales.



Components: mixed-use development

- The mixed-use portion of the Symphony Park projects includes hotels, retail, and residential space.
 - Approach: estimate hotel revenues based on assumed occupancy and room rates.
 - Estimate retail sales based on expected sq ft, and estimate local, nonlocal, and non-NV share of sales.
 - Share estimates based on demand density concept.
 - Hotel tax revenues are a function of room revenues and sales tax revenues are a function of total retail sales.



All components: total spending

Estimates of Spending in Proposed TID						
	2016	2017	2018	2019	2020	5-yr total/avg
1. Mall expansion						
Additional retail sq ft, ths	150	150	150	150	150	150.0
Estimated sales/sq ft	772.81	788.27	804.04	820.12	836.52	804.4
Total sales, \$mils	115.9	118.2	120.6	123.0	125.5	603.3
2. Mixed-use parcels						
Additional retail sq ft, ths	257	257	257	257	257	257
Estimated sales/sq ft	200.00	204.00	208.08	212.24	216.49	208.16
Total sales, \$mils	51.3	52.4	53.4	54.5	55.6	267.2
Additional hotel rooms	1,650	1,650	1,650	1,650	1,650	1,650
Supply, room-nights, ths	602.3	602.3	602.3	602.3	602.3	602.3
Occupancy, %	85.1	85.3	85.6	85.8	86.1	85.6
Demand, room-nights, ths	512.2	513.7	515.2	516.7	518.2	515.2
Average daily room rate, \$/room	90.05	92.30	94.61	96.97	99.40	94.68
Total room revenues, \$mils	46.1	47.4	48.7	50.1	51.5	243.9
3. Total spending in proposed TID						
Retail sales, \$mils	167.3	170.6	174.0	177.5	181.0	870.4
Hotel room revenues, \$mils	46.1	47.4	48.7	50.1	51.5	243.9
Total spending, \$mils	213.4	218.0	222.8	227.6	232.6	1,114.3



Spending sources by project component

Out-of-State Visitor Spending: Mall Expansion						
	2016	2017	2018	2019	2020	5-yr total/avg
Mall expansion						
Total retail sales, \$mils	115.9	118.2	120.6	123.0	125.5	603.3
Local sales, \$mils	36.3	37.0	37.7	38.5	39.2	188.7
Local share, %	31.3	31.3	31.3	31.3	31.3	31.3
Non-local sales, \$mils	79.7	81.3	82.9	84.5	86.2	414.6
Non-local share, %	68.7	68.7	68.7	68.7	68.7	68.7
Non-NV visitor sales, \$mils	77.3	78.8	80.4	82.0	83.6	402.1
Non-NV visitor share, %	66.7	66.7	66.7	66.7	66.7	66.7

Out-of-State Visitor Spending: Mixed-use Development						
	2016	2017	2018	2019	2020	5-yr total/avg
Mixed-use development						
Total retail sales, \$mils	51.3	52.4	53.4	54.5	55.6	267.2
Local sales, \$mils	35.9	36.6	37.3	38.1	38.8	186.6
Local share, %	69.9	69.9	69.9	69.9	69.9	69.9
Non-local sales, \$mils	15.5	15.8	16.1	16.4	16.8	80.5
Non-local share, %	30.1	30.1	30.1	30.1	30.1	30.1
Non-NV visitor sales, \$mils	15.0	15.3	15.6	15.9	16.3	78.1
Non-NV visitor share, %	29.2	29.2	29.2	29.2	29.2	29.2



Out of state spending and tax revenues

Out-of-State Visitor Spending: Total Project

	2016	2017	2018	2019	2020	5-yr total/avg
Retail sales, \$mils						
Mall expansion	115.9	118.2	120.6	123.0	125.5	603.3
Mixed-use development	51.3	52.4	53.4	54.5	55.6	267.2
Total retail sales	167.3	170.6	174.0	177.5	181.0	870.4
Non-NV visitor spending	92.3	94.1	96.0	97.9	99.9	480.3
Non-NV visitor share	55.2	55.2	55.2	55.2	55.2	55.2

Non-Nevada Visitors Share of Tax Revenues

	2016	2017	2018	2019	2020	5-yr totals
Total retail sales, \$mils	167.3	170.6	174.0	177.5	181.0	870.4
Non-NV retail sales, \$mils	92.3	94.1	96.0	97.9	99.9	480.3
Non-NV share of retail sales	55.2	55.2	55.2	55.2	55.2	55.2
Calculated at 4.25%						
Total Sales and Use tax revenues	7.1	7.3	7.4	7.5	7.7	37.0
Net to TID, 75% of gross, less fees	5.2	5.3	5.4	5.6	5.7	27.3
Non-NV Sales and Use tax revenues	3.9	4.0	4.1	4.2	4.2	20.4
Net to TID, 75% of gross, less fees	2.9	2.9	3.0	3.1	3.1	15.0
Non-NV share of gross and net revenues	55.2	55.2	55.2	55.2	55.2	55.2



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