

LAS VEGAS REVIEW-JOURNAL



TOURISM COMMITTEE BACKS ROOM TAX INCREASE FOR CONVENTION CENTER UPGRADES

BY RICHARD N. VELOTTA
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Clark County Commissioner Steve Sisolak speaks on a proposed Las Vegas dome stadium during a meeting with other local government and UNLV officials at the Stan Fulton Building at UNLV on Thursday, April 28, 2016, in Las Vegas. Erik Verduzco/Las Vegas Review-Journal Follow @Erik_Verduzco

The Southern Nevada Tourism Infrastructure Committee all but signed off Thursday on a proposal to fund the expansion and improvement of the Las Vegas Convention Center.

Las Vegas Convention and Visitors Authority officials have a \$1.4 billion plan they say is necessary to keep the center competitive with convention facilities in other cities, which are working to lure meetings and trade show business away from Southern Nevada.

To pay for the upgrades, the committee would recommend adding 0.5 or 0.6 percentage points to the existing Southern Nevada room tax rate, which ranges from 10 percent to 12 percent, depending on the property, and removing a \$25 million cap on the total revenue the authority can receive above its approved budget.

The committee, formed by Gov. Brian Sandoval to evaluate projects that support

the region's tourism economy, must issue its nonbinding recommendations to the Nevada Legislature this summer. A tax increase would require the approval of the Legislature.

"As far as the convention center is concerned, I think we're about 97 percent done," committee Chairman Steve Hill said after Thursday's meeting.

Committee members also suggested that the authority consider raising its rental rates to generate additional revenue. Southern Nevada analyst Jeremy Aguero,

who has provided research to the committee since its creation in July, said the authority's rental rates are 2 cents per square foot below Orlando's and 8 cents below New York City's.

Some rate increases already are on the way. The rate of 29 cents per net square foot, in effect since Feb. 14, 2006, will be increased to 33 cents per square foot on July 1, and to 35 cents per square foot on July 1, 2018. Rates also will increase from the current 14.5 cents per net square foot on move-in and move-out days to 16.5 cents per square foot on July 1, and 17.5 cents on July 1, 2018. The LVCVA board already approved those rates but might consider raising them higher.

Authority officials say they price the building to compete with public venues in other cities. Private convention centers in Southern Nevada, particularly those operated by Las Vegas Sands Corp. and MGM Resorts International, routinely charge higher rates than the Las Vegas Convention Center, company officials have said at previous committee meetings. Las Vegas Sands opposes the convention center expansion; MGM supports it.

An increase in the room tax could solve the authority's \$46 million shortfall for its expansion and improvement program. The \$1.4 billion price tag doesn't include the authority's cost of acquiring and demolishing the shuttered Riviera hotel-casino, a site under consideration for the expansion.

Committee members made it clear Thursday that the Las Vegas Convention Center expansion is a priority to stay ahead of rival cities and keep major shows such as CES, the National Association of Broadcasters and the Specialty Equipment Market Association from leaving Las Vegas.

The Legislature won't meet in regular session until February 2017, but lawmakers could be called into special session to address the committee's recommendations.

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