



FY 15/16-19/20 STRATEGIC PLAN

JUNE 27, 2016



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USE OF THIS DOCUMENT

This document has been approved, as of the June 2016 Board Retreat. Specifically, the items approved are the Mission, Vision, Strategic Priorities, and supporting strategies, found on pages 8-20. The use of the \$3 surcharge fund was approved at the amounts indicated on page 23. This plan will be adapted on an annual basis in March or April, based on emerging market opportunities, performance against plan, and the proposed use of the Surcharge Fund for the upcoming fiscal year. For annual goals and KPIs, see the FY16/17 Annual Plan.

RSCVA OPERATING DEFINITIONS

Blocked Room Nights – The client holding the convention requires an estimated number of rooms to be held for visitors attending their convention. Blocked refers to the number of room nights contracted with the client. RSCVA tracks blocked room nights toward production goals as validated by the hotels and/or in accordance with the historical booking policies. This data is tracked in the RSCVA CRM database.

Booked Room Nights – Booked room nights are the client requested block as noted in their RFP (request for proposal), which is populated into the leads sent to the hotels. Blocks are converted to booked room nights when there is either 1) a signed contract with a hotel and/or 2) an executed agreement with the RSCVA for use of an RSCVA facility. Booked room nights are adjusted pending the final contracted, or “blocked” room nights, as noted above. For reporting purposes, the difference between blocked and booked numbers are reflected in lost lead opportunities. The method of estimating the room nights is further explained in the Group Sales Booking Policy.

Consumed Room Nights – Consumed reflects actual pick-up of the contracted block as reported by the hotels. Lost consumption refers to room nights that would have been used during the dates the organization was proposing to hold its convention as compared to blocked. This data is tracked in the RSCVA CRM database where booked room nights are updated to reflect consumed as provided by the hotels. Note that many bookings do not have reported pick-up numbers either due to lack of hotels providing such data or inability (manpower) to manage the data collection process.

Operating Cost per Room Night – Facility loss divided by the consumed room nights directly attributed to facility. Facility loss includes direct expenses assigned to the facility. Room nights are pulled from the RSCVA facility database.

Occupancy Rate Calculation – The number of rentable spaces in a facility X 360 days. Rentable spaces are as follows: RSCC - 5 rentable halls; NBS - 1 space; REC - 1 space; RSLEC - 4 spaces. For example, the RSCC has 5 spaces X 360 days equaling 1,800 rentable use days. If a hall is in use it is considered occupied whether it is a show day or move in or out day.

Attendance Calculation – Attendance is based on either the show promoter or in the cases where the RSCVA is operating the box office, there are actual ticket sales. As an example, if a convention has 1,500 attendees and it is a 2-day convention, the attendance count is 3,000 (1,500 people a day).

Event Calculation – Events are counted based on the number of event bookings in either the RSCVA CRM database or the RSCVA Facility’s database. Events are counted at the facility level.



EXECUTIVE SUMMARY





PROCESS OVERVIEW & METHODOLOGY

The process and methodology for the development of the RSCVA FY15/16-FY19/20 Strategic Plan was designed specifically to leverage the work completed by CS&L to address specific Board questions and deliver a plan with metrics that can be managed against in a timely manner.

Process Overview – The plan was developed as part of a phased approach to allow for Board feedback as part of the process. Deliverables were presented to the Board as follows:

February Board Meeting – Bowling Line of Business, Equestrian/Livestock Line of Business, Concerts & Events Line of Business, Reno Events Center Facility, Reno-Sparks Livestock Events Center Facility, and National Bowling Stadium Facility

March Board Meeting – Conventions & Group Sales Line of Business, and Reno-Sparks Convention Center Facility

April Board Meeting – Destination Analysis (CS&L)

May Board Meeting – Visitor Origination Analysis, Executive Summary of the Strategic Plan (Draft)

June 23 – Strategic Plan Retreat

Methodology – To meet the above expectations, a data-based approach was taken to develop a comprehensive analysis that includes both internal analysis' by facility and external analysis' by line of business. Below is a list of data sources used in the development of this plan. Each of the below is hosted on a cloud-based file share that has been made available to every Board member.

Facility Databases – RSCVA internal, self-reported event data for FY10-FY15 for each REC, RSCC, RSLEC, and NBS. Data represented in this report reflects years FY10/11 to FY14/15.

EMS Production Database – An industry standard for conventions & groups of self-reported rooms produced between 2006-2015. Data represented in this report reflects data from 2007 through January 6, 2016.

Market Data Sources – Where available, market data sources are used to project the market growth, trends and size. Examples include IBIS, Visitor Profile Study, and market-specific sources referenced.

TravelClick – A paid-for database made available by TravelClick that records actual room night purchases through travel agents into a destination.

STR Reports – Smith Travel Research STR and STR Global track supply and demand data for the hotel industry and provide valuable market share analysis for international, regional hotel chains and independent hotels.

Reno-Tahoe Property Data – Participating properties supplied 2015 visitor origination data that was used to identify top markets and to be used as a continual analysis of performance against marketing spend.

2015 Visitor Profile Study – A destination-specific analysis developed by EMC Research, conducted for RSCVA from January 2015 – February 2016.

GUIDING PRINCIPLES

The following guiding principles are used to provide guidance to strategic decision making through the life of the planning period. Decisions are made in accordance with these principles:

- **Focus on the core role and scope of the organization:** The core purpose of the RSCVA is to increase visitation and room nights to the region. To do so, the organization is responsible for establishing a regional positioning in coordination with other state and local efforts. Resources are prioritized to achieve this mission.
- **Work together as one region, not individual entities:** The success of this plan depends on the RSCVA and hotel properties collaborating to grow the region, in addition to active partnership with other regional efforts such as City of Reno's Reimagine Reno, City of Sparks, Travel Nevada, etc.
- **Balanced use of resources:** Expenditures are allocated based on implementing the Financial Policies #1-6, which balance the demands of infrastructure, sales, and marketing.
- **Metrics are directional:** All forecasts are directional to establish intent and magnitude across the plan. Specific targets will be set annually (see next guiding principle).
- **Adapt annually:** Use the strategic plan as a guide to develop annual targets. Adapt on an annual basis to address market demands, but also to stay on course.

FINANCIAL POLICIES

The following are financial guidelines to be funded in order of priority listed here:

1. **Capital Reserve Account:** 0.5% of room tax revenues to capital reserve account up to \$1 million.
2. **Debt Sinking Fund** (as required by Washoe County due to bond refinancing) increases from 5% to maximum of 15% of room tax revenues in excess of \$22 million annually.
3. **Rainy Day Fund:** 1 percent of room tax revenues, to build towards a goal of \$1 million.
4. **Annual Capital Funding:** 10% of all room tax collections up to \$2.5 million annually.
5. **Air Service Fund:** Dedicate \$500K annually to build up to \$1.5 million revolving fund to support new airlift.
6. **Discretionary Fund:** When Policies #1-5 are fully funded, remaining funds will be remitted to a discretionary fund for Board allocation based on the strategic opportunities articulated in the Strategic Plan.
7. **Ending Fund Balance:** Establish Ending Fund Balance of 10-15%.

STRATEGIC ISSUES ADDRESSED

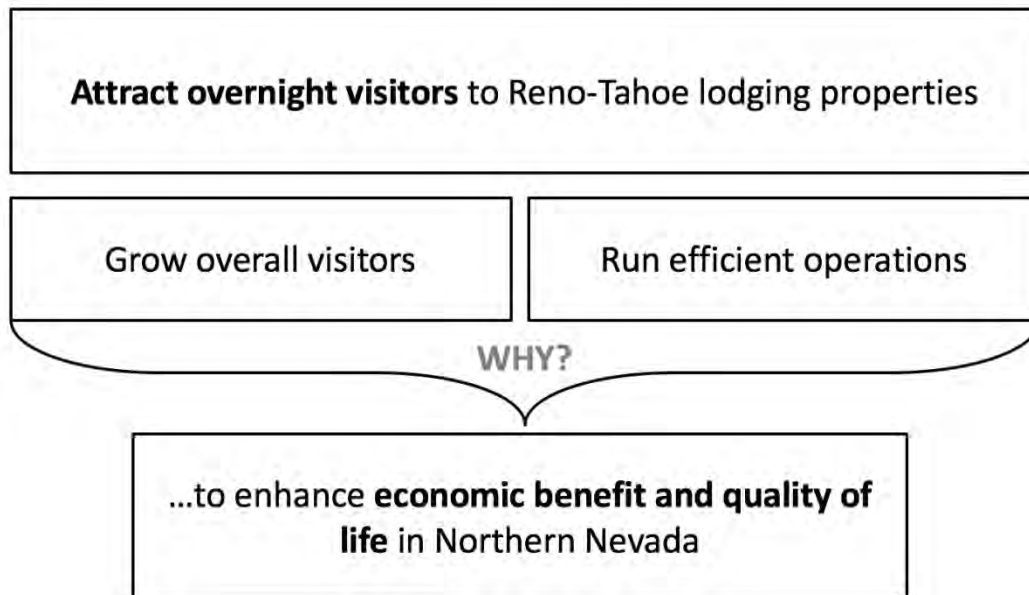
Strategic Issue	Recommendations
Core Purpose: What is the core purpose of the RSCVA?	To focus on generating cash room nights for the Reno-Tahoe area.
Strategic Direction: What does success look like in 5 years - for the organization & for the region?	See vision statement section for detail.
Building Awareness: What markets should be the focus for the RSCVA?	Increasing visitation from the targeted markets (to be selected by end of summer) by 3-7% depending on the market.
Occupancy: How do we increase occupancy, specifically mid-week?	Increase mid-week occupancy via business groups such as the corporate groups, associations, STEM, and manufacturing groups. Growth target is 22% growth over previous period.
ADR: What is the RSCVA's solution to low room rates?	Increasing mid-week occupancy is the biggest drag on a higher ADR, which will be impacted by group bookings, with the goal of increasing ADR from \$88 to \$100 within this period.
Product Improvement: Knowing that downtown is a roadblock to growing room nights, what is RSCVA's role in improving downtown & the Virginia Street Corridor?	Actively partner with the City of Reno where needed on the master planning process to improve reduce blight and homelessness and increase attractions and walkability.
Repair & Maintenance: What is the right level per year?	Dedicate \$2.5M per year given the 5-year capital expenditure schedule, which is about ~1% of the total building values.
Livestock Events: Should we be in the business of running and managing this? What direction do we want to take in either maintaining and/or improving the RLEC?	Yes, with the caveat that the facility footprint needs to be expanded to grow substantially. Footprint expansion is outside the reach of the RSCVA budget in this planning period.
Bowling: What do we do during the dark years? Shut down, or open up?	Utilize the facility for smaller tournaments, where possible, consolidated to 1 week per month to economize facility expenses.
Air Service: How do we deal with limited air service?	Actively work with the RTIA to maintain current airlift and fund new routes with a dedicated air service fund of \$1.5M.
Working Together: What can we do as property owners to grow the region?	Working with the RSCVA staff, shared lead data and shared visitor data will enable strategic allocation of resources going forward. Align around this plan and the vision for the destination, eliminating the downtown/outlying property issue.



STRATEGIC DIRECTION

MISSION STATEMENT: WHAT IS OUR CORE PURPOSE AND SCOPE?

The mission of the RSCVA is to attract overnight visitors to Reno-Tahoe lodging properties through tourism marketing, convention sales and facility operations, featuring local amenities, attractions and events; thereby enhancing the economic benefit and quality of life for Northern Nevada.



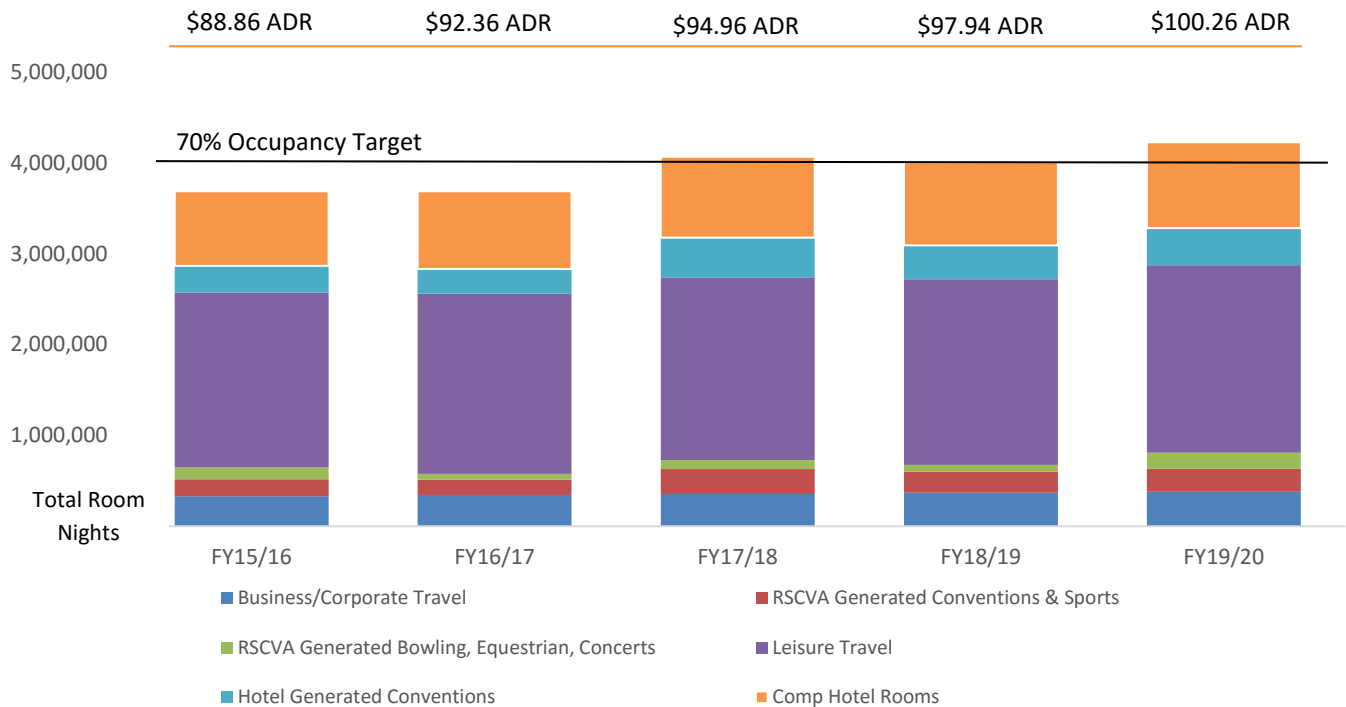


VISION: WHAT DOES SUCCESS LOOK LIKE?

The vision for Reno-Tahoe is to be a premiere year-round Western destination for leisure and group/convention travelers.

What does success look like in the next 5+ years?

The purpose of this strategic plan is to move the organization from where it is today, to a different, more impactful place in the future. With that in mind, the long-term measure of success is increasing overall hotel occupancy and ADR. The hotel occupancy target is to achieve an average of 70% (both cash and comp) where the FY14/15 baseline is 67.8%. The ADR target is \$100 by FY19/20, up from \$88 in FY15/16. As a comparison, the comp set ranges from 62% in Spokane and 79% in Anaheim.



The following assumptions are used in the forecast above:

- Total daily hotel inventory is 14,922 and likely to increase by 1-2% annually.
- Comp room nights have historically averaged 23% of total available rooms.
- Business and corporate travel is estimated to 12% of total available rooms, based on historical levels.
- Hotel properties generate on the average 60% of the total convention business.
- RSCVA generated room nights are based on the room night forecast. (See Strategic Priority #2 for detail.)
- Leisure room nights are estimated based on the five-year average of 1,885,980 room nights annually, with a 1-1.5% annual growth and RSCVA marketing activities. (See Strategic Priority #1 for detail.)

STRATEGIC PRIORITIES

To achieve this vision, the strategic priorities of the RSCVA are:

1. **Visitation/Destination Awareness:** Increase the awareness of and access to Reno-Tahoe through repositioning the destination in key growth markets.
2. **Direct Room Night Growth:** Leverage the region's competitive strengths and event facilities to grow taxable room nights.
3. **Facility Efficiency:** Efficiently and effectively operate all RSCVA facilities to support visitor growth and community benefit.
4. **Organizational Sustainability:** Enable the organization to support the growth and development of people, processes & technology improvements.



RSCVA FIVE-YEAR ROADMAP

	Stabilizing the Foundation (FY16/17)	Growing the Core Business (FY17/18 -18/19)	Innovative Expansion (FY19/20+)
Visitation Growth	<p>Destination Marketing: Establish new positioning around outdoor, arts/culture and innovative industries in partnership with the City of Reno. Invest in an overhauled digital presence.</p> <p>Airlift: Establish an Air Service Fund of \$1.5 million.</p>	<p>Destination Marketing: Increase leisure travel from 3-4 domestic, feeder targeted markets.</p> <p>Airlift: Focus on growing airlift from the 3-4 target markets.</p> <p>International: Expand promotion to Canada, Mexico and leverage TravelNevada international efforts.</p>	<p>Occupancy Target: 70% regionally.</p> <p>Destination Marketing: Solidify the development of the southern California market and the online experience.</p>
Direct Room Night Growth	<p>Production Target: 255K</p> <p>Cash Room Night Target: 3,487,529 (total market)</p> <p>Conventions & Groups: Begin to capitalize on regional growth, invest in the corporate market, associations, environmental, manufacturing and franchise/MLM.</p> <p>Sports: Continued growth in core sports (basketball, volleyball, baseball/softball).</p> <p>Concerts/Events: Begin to regain room night generation from FY14/15 slump.</p> <p>Bowling: Dark year.</p> <p>Equestrian: Retain current business.</p>	<p>Production Target: 3% annual growth</p> <p>Conventions & Groups: Significant awareness in corporate market with meeting planners.</p> <p>Sports: Continued growth in core sports (basketball, volleyball, baseball/softball), with the flat floor growth.</p> <p>Concerts/Events: Develop a rental discount agreement with properties.</p> <p>Bowling: Focus on maximizing USBC Women's tournaments.</p> <p>Equestrian: Begin to expand business to attract other mid-sized events.</p>	<p>Production Target: 300K</p> <p>Cash Room Night Target: 3,678,457 (total market)</p> <p>Conventions & Groups: Grow 8% over the five years. Corporate market is biggest driver to fill mid-week occupancy and accelerate past sports.</p> <p>Sports: Open new sports flat field to attract a new sports line, attracting groups in Spring and Fall.</p> <p>Concerts/Events: Run 30+ concerts per year.</p> <p>Bowling: Focus on maximizing USBC Open.</p> <p>Equestrian: Secure an additional 6 new western region events.</p>
Facility Efficiency	<p>RSCC: Address facility disrepair. Invest in technology upgrades. New bleachers.</p> <p>NBS: Target a minimal operating cost while maintaining USBC business.</p> <p>REC: Determine go/no go for ice.</p> <p>RSLEC: Address facility disrepair with capital expenditure needs without over-investing. Build multi-use covered structure and drainage improvements.</p>	<p>RSCC: Possibly complete facility creative upgrades.</p> <p>NBS: Target a minimal operating cost while maintaining USBC business.</p> <p>REC: Improve cost per room night back to previous five-year levels.</p> <p>RSLEC: Invest in flat floor to drive 5,000 room nights annually from the Sports line of business. Address parking needs through land purchase to expand the footprint.</p>	<p>NBS: Review management contract with City of Reno (2022). USBC contract runs through 2026.</p>
Org. Sustainability	<p>People: Expand the sales team by 1 sales manager and 2 support staff. Expand the marketing team by 3 including customer experience, sales support, and data analytics.</p> <p>Technology: Launch new CRM system to manage leads and events across the whole organization and hotel properties.</p> <p>Financial: Pursue addition of \$1 to the surcharge fund from the outlying properties.</p> <p>Culture: Create a unified culture across the organization.</p>		

PRIORITY #1: VISITATION/ DESTINATION AWARENESS

Increase the awareness of and access to Reno-Tahoe through repositioning the destination around outdoor activities, arts and culture, and innovative industries.

Driving destination awareness and leisure travel comes directly from connecting the traveler with the destination. A competitive and attractive value proposition along with channel-specific marketing strategies in targeted markets are the critical components to increasing leisure travel.

Strategic Shift: To grow destination awareness, the RSCVA will:

1. Execute a repositioning of the destination around those aspects that competitively position the region – outdoor activities, arts/culture and innovative industries (validated by 2015 RSCVA Visitor Profile, Reimagine Reno, and Urban Land Institute, to be further refined with BVK),
2. Target three markets where the region has direct airlift and existing market momentum, and
3. Connect the traveler with the market through a multi-channel approach: In-market promotion (traditional + digital), travel agents/agencies (online + offline) and special events.

GROWTH OPPORTUNITIES

Steady State Strategies:

- *Bay Area* – Slightly increase in-market promotion to generate a 5% lift, expanding into San Jose. (~20,000 RN/year)
- *Special events* – Dedicated \$300,000 event fund to support current local events.

New Growth Strategies:

- *Top Priority Markets* – RSCVA overarching strategy is to focus on markets that will support air service (including the core market of the Bay Area with airlift out of Oakland and San Jose). The closer drive markets (i.e. Sacramento) are reached by the hotel/casino advertising and direct mail efforts. Moving forward, additional research will be conducted to determine hotel property spend and coverage in closer drive markets. Therefore, the first criteria for selection is those markets with the biggest potential to increase visitation via airlift, where the Reno/Tahoe value proposition is differentiated. The second criteria for selection is media efficiency, meaning those markets where the dollars will go the furthest. The third criteria is the minimum spend required to achieve market reach, which is provided in ranges depending on the number of campaigns. Those markets highlighted are the proposed "short list." Additionally, a portion of the budget is proposed for national digital.
- *Special Events* – Increase special events fund by \$200,000 to better support local events (for a total funding pool of \$500,000.)
- *Travel Agents/Agencies* – Increase awareness for online travel agencies, travel agents and tour operator wholesalers as a key to growing awareness.

Top Markets Where Visitors Originated 2015	2015 # of Room Nights	% of Hotel Occupied Room Nights*	Estimate Market Lift	# RN Increase
San Francisco – Oakland- Fremont MSA	658,178	15%	5%	32,909
San Jose – Sunnyvale-Santa Clara MSA	-	5%	5%	-
Los Angeles – Long Beach – Santa Ana MSA	115,208	3%	2%	2,304
Seattle –Tacoma – Bellevue MSA	48,449	2%	7%	3,391
Portland-Vancouver-Beaverton, OR-WA MSA	43,001	2%	7%	3,010
San Diego-Carlsbad-San Marcos, CA MSA	25,303	1%	7%	1,771
Boise	18,866	0.6%	7%	1,321

*As of June 2016, the 2015 Visitor Origination Study represented approximately 70% of occupied hotel rooms during 2015. The estimated occupancy is calculated by grossing up the number of recorded room nights.



Innovative Growth Strategies (not included in the forecast):

- *International* – Explore campaigns in Canada, Mexico and support TravelNevada’s international efforts.
- *Domestic* – Expand marketing presence into San Diego and Portland.

GOALS, INITIATIVES & PERFORMANCE MEASURES

	BASELINE FY14/15 Actual	TARGET By FY19/20
GOAL #1 – OVERALL VISITOR GROWTH: Increase destination awareness and visitor growth by 3-7% from target markets (Bay Area, LA/San Diego, Seattle, Portland, and Boise.) <ul style="list-style-type: none"> • Improve accuracy of visitor calculation, based on room nights, to overall determine destination visitation. Conduct the Visitor Origination Analysis biannually and destination awareness research. • Launch new positioning and positioning refinement with marketing agency. • Dedicate 30% of total budget to digital, including launching a new website and cutting edge mobile app for the destination. • Gain market presence in top markets and assess effectiveness measured by quarterly visitor origination report. • Conduct research to determine hotel spend and marketing coverage in drive markets. 	TBA	TBA
GOAL #2 – CASH OCCUPIED ROOMS: Increase overall cash occupied room nights through destination marketing, sales and facility improvement. <ul style="list-style-type: none"> • Invest in relationship building and promotion with online travel agencies. • Pursue greater partnering with domestic tour operators to increase Reno Tahoe exposure, sponsoring various major trade events, and adding a staff position for greater leisure market coverage in niche segments. • Develop a travel agent awareness and recognition program. 	3,519,465 (All RNs, not just hotel properties)	3,678,457
GOAL #3 – AIRLIFT: Increase airlift in partnership with RTIA through risk mitigation where appropriate. <ul style="list-style-type: none"> • Establish an Air Service Fund, revolving \$500K, up to a fund that may build to \$1.5 million, to support new airlift. • Invest in ensuring that the top priority markets’ air service is supported. 	\$0	TBD based on opportunities
GOAL #4 – SPECIAL EVENTS: Support special events by increasing the fund from \$300K to \$500K annually. <ul style="list-style-type: none"> • Provide Partnership Funding to at least 15 special events, providing an opportunity for events to increase their marketing efforts to potential spectators and participants. • Provide financial assistance to one special event per annum to conduct an economic impact and/or demographic study. The survey is facilitated by UNR’s University Center for Economic Development and Center for Regional Studies. 	\$300,000	\$500,000

PRIORITY #2: DIRECT ROOM NIGHT GROWTH

Leverage on the region's competitive strengths and event facilities to grow taxable room nights.

The RSCVA originates room nights through six lines of business – Group Meetings/Conventions, Bowling, Concerts, Equestrian, Sports and Leisure Sales. While room night generation is diversified across these lines of business, a significant portion comes from bowling due to the National Bowling Stadium. **Strategic Shift:** Projected growth over the next five years is a shift from bowling to sports and group meetings/conventions due to the market momentum in both of those areas from direct sales efforts.

GROWTH OPPORTUNITIES

Steady State – Retention Opportunities:

- Focus on USBC room night levels, given the decline in USBC bowlers. (~30,000 RN for USBC Womens and ~190,000 RN for USBC Open over five years)
- Sports segments, specifically basketball, volleyball and baseball, have significantly grown because of competitive market position. Market saturation is close due to facility capacity and market opportunities.
- Retain repeat annual conventions, especially those over 2,000 room nights: Triple Crown, Northern California Volleyball, Jam On It, Equipovision, Wild Sheep, Senior Softball, Worldwide Distributors, Burns Events, Jazz Fest, and Fire Shows West.
- Regain room night generation from the concerts segment. (~60,000 RN over five years)
- Retain Snaffle Bit Futurity and Reno Rodeo through modest investment in RSLEC. (~50,000 RN over five years)

New Growth Opportunities:

- Elevating awareness and capitalizing on the new economic growth by marketing to the corporate market segment that is growing in the region. Focus on growing midweek RNs. (~60,000 room nights over five years)
- Increasing awareness via industry sponsorships that represent the target market segments such as Corporate, Franchise/MLM and targeted Industry Associations. (~ 61,000 room nights over five years)
- Take advantage of growth sport segment (such as Boys Volleyball, Gymnastics, Cheer/Dance, and Video Gaming) opportunities. (~65,000 room nights over five years)
- Proactively securing concerts/ticketed events to capture business that is booked less than 12 months out to fill occupancy gaps by developing a rental discount agreement with hotel properties. The intent is also to coordinate with other concert and event venues to avoid scheduling similar events on the same days. (~20,000 room nights over five years)
- Attract mid-sized equestrian events to drive room nights. (~13,900 room nights over five years)
- Actively pursuing small/mid-sized bowling tournaments. (~50,000 RN room nights over five years)

Innovative Growth Opportunities (Not included in the forecast):

The following opportunities were explored as part of the strategic planning process, but not included in the forecast:

- *Multi-use flat field:* Opportunity to bring in additional sports teams. Opportunity is contingent on all jurisdictions.
- *Ice hockey:* Opportunity to add ice to the Reno Event Center. City of Reno is conducting a feasibility study to assess the economic impact.
- *Growing the Reno Rodeo:* Reno Rodeo is in the process of developing a master plan, which will inform possible future development of the Reno-Sparks Livestock Event Center.
- *Public use of National Bowling Stadium:* Hosting private events yields about \$20/person after expenses or \$2,000 for a 100-person event. While feasible, it is not a primary opportunity at this time as it is not room night generating.

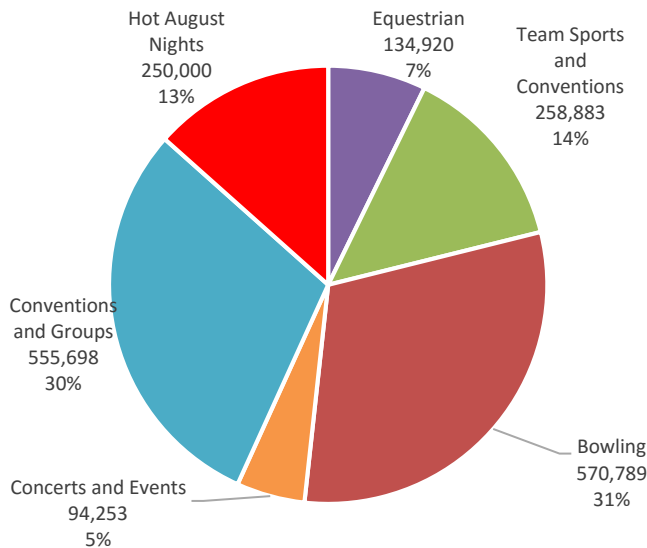


DIRECT ROOM NIGHT FORECAST

The below trend line illustrates the previous five years of room nights as well as a forecast of the next four years based on the sales analysis provided in the detail sections of each line of business. Pie charts illustrates the shift in the lines of business.

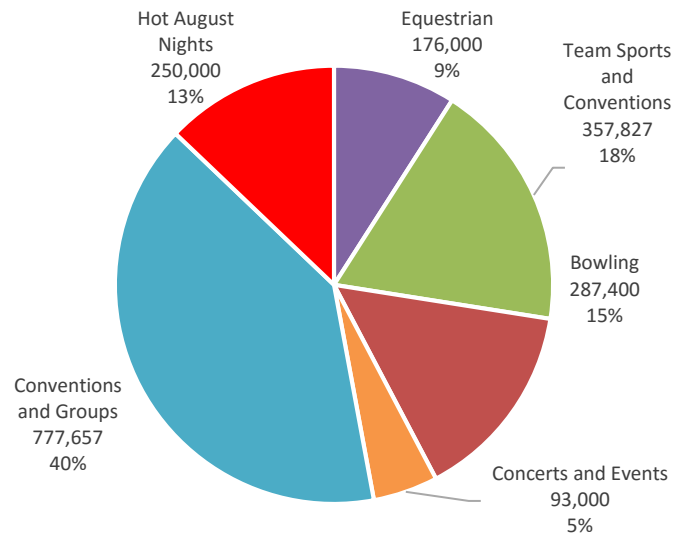
FY10/11 – FY14/15 Room Nights by Line of Business

ACTUAL



FY15/16 – FY19/20 Room Nights by Line of Business

FORECAST



GOALS, INITIATIVES & PERFORMANCE MEASURES

GOAL #1 – PRODUCED ROOM NIGHTS: Grow room nights from 230,000 in FY15/16 to 300,000 by FY19/20. (FY16/17 target includes facility-specific RNs for RSLEC and NBS)

- Grow sales staff by three additional people (Corporate Sales and two Sales Support). The Corporate Sales position is estimated to produce 10-15K room nights. Target is the high water mark over the five-year period.
- Explore shifting legacy/retention events to a dedicated sales position.

GOAL #2 – GROUPS/CONVENTIONS: Grow on the average 14% annually by raising the destination awareness to position Reno-Tahoe as a “player” in the corporate meetings and convention industry.

- Strong focus on growing small/medium-sized groups in the corporate market to leverage 1) regional awareness from recent business growth, 2) hotel convention spaces and 3) build on a successful win ratio.
- Invest in building awareness in industry associations, environmental, manufacturing, distribution and MLM markets.
- Maintain, but don’t invest in, heritage/veterans and government.
- Conduct a cost/benefit analysis of citywide events to determine destination impact.

BASELINE FY14/15 Actual	TARGET By FY19/20
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230,000 RN produced	300,000 RN produced or 5% annual growth
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FY10/11-14/15 Consumed Room Nights:	FY15/16-19/20 RN Consumption Forecast:
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555,600	777,600
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FY19/20 Target: ~195,000 RN or 14% annual growth



- Dedicate one marketing staff member to corporate sales to align sales and marketing to grow conventions.
- Strategically invest in industry associations to expand awareness with meeting planners specifically.

GOAL #3 – SPORTS: Maintain market share in core sports (basketball, volleyball and baseball) while expanding into sports with different demand periods.

- Attract smaller “core” events that can be placed in the schedule during off-peak times and add two more collegiate sports conference championship events over the next 5 years.
- Increase bid fee funding and grow the Gymnastics, Cheer/Dance, and Video Gaming sports businesses.
- Conduct a feasibility study for a sports flat field to attract a new sports line and drive room nights in different demand periods (fall and spring).
- Beyond the 5-year period Conventions & Group Sales will eclipse Sports, as the product improves and economic development continues in the region.
- Explore securing a track and a flat floor at the RSLEC to attract track & field events.

**FY10/11-14/15
Consumed Room
Nights:**
258,800

**FY15/16-19/20
Room Night
Consumption
Forecast:**
357,800

FY19/20 Target:
~90,000 RN
or 12% annual
growth rate

GOAL #4 – BOWLING: Leverage the NBS as the best facility in the country by partnering with USBC to make the most of the booked events.

- Dedicate NBS general manager to ensuring USBC business is sustained.
- Invest in target markets with direct air service to augment NBS marketing efforts in Open and Women’s tournament years to grow NBS attendance in those years.
- Approach the USBC to form a strategic partnership to aid in maintaining the relevancy of the bowling industry.
- Actively pursue smaller tournaments to improve occupancy.

**FY10/11-14/15
Consumed Room
Nights:**
570,788

**FY15/16-19/20
RM Consumption
Forecast:**
287,400

FY19/20 Target:
~113,800 RN
*FY19/20 is US
Open year

GOAL #5 – EQUESTRIAN: Retain the current business with modest expansion into mid-sized Western Region events.

- Dedicate RSLEC general manager to the growth of this segment.
- Retain Snaffle Bit Futurity to generate about 10,000 RNs in a 13-day period.
- Actively support and partner with the Reno Rodeo. (20,000 room nights over five years)
- Begin targeted sales efforts to attract mid-sized equestrian events.

**FY10/11-14/15
Consumed Room
Nights:**
134,920

**FY15/16-19/20
RN Consumption
Forecast:**
175,900

FY19/20 Target:
~37,000 RN
(includes 28
events)
or 8% annual
growth

GOAL #6 – CONCERTS: Grow room nights back to 20-25,000 RNs per year by doubling the number of concerts/ticketed events from the FY15/16 actual of 15 to 30 per year by FY19/20.

- Develop a rental discount agreement with hotel properties, being mindful of double-booking like events within the community.
- Proactively secure consistent large performances in partnership with the properties.
- Explore EDM events, taking advantage of the market growth.

**FY10/11-14/15
Average # of
Events:**
19

**FY19/20
Event
Forecast:**
30

PRIORITY #3: FACILITY EFFICIENCY

Efficiently and effectively operate all RSCVA facilities to support visitor growth and community benefit.

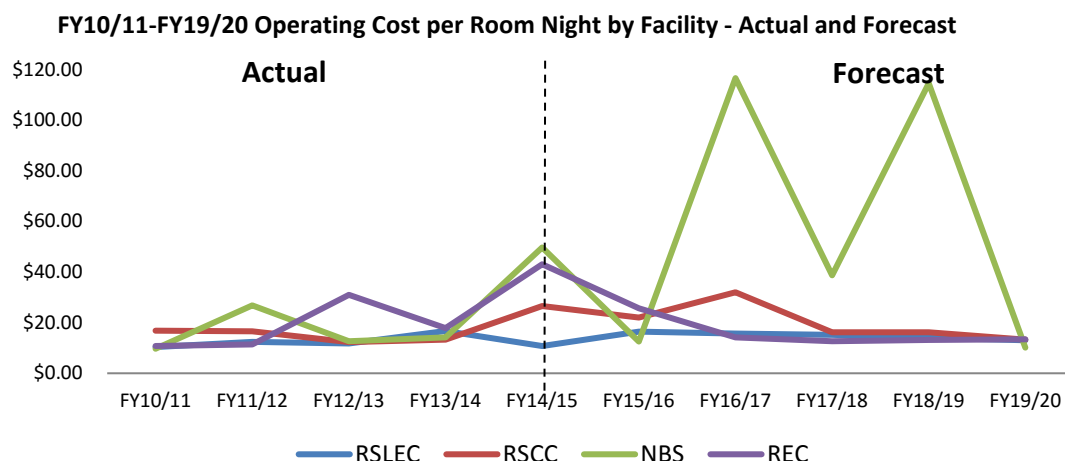
The RSCVA operates four facilities, Reno-Sparks Convention Center (RSCC), Reno-Sparks Livestock Events Center (RSLEC), the National Bowling Stadium (NBS) and the Reno Events Center (REC). The last two are owned by the City of Reno, with capital improvements funded through \$2 of the downtown Surcharge Fund. The RSCC and RSLEC are owned by the RSCVA with capital improvements funded through the RSCVA budget. Due to the recession, very little investment has been made to any of the facilities over the past five years. **Strategic Shift:** With the improving economy and the addition of the Surcharge Fund from the outlying properties, facility upgrades are proposed for all facilities with proposed improvement in overall cost per room night.

EFFICIENCY OPPORTUNITIES

- Analyze contract management options or a separate public authority for RSCVA venues. Explore contract management options.
- Developing and acting on a disposition plan for Wildcreek (currently underway.)
- **RSLEC:** Continue to operate this facility with a focus towards regaining Snaffle Bit Futurity, supporting the Reno Rodeo property maintenance, and increasing overall event capture in equestrian, sporting and livestock markets. Moderately invest in facility, avoid overinvesting.
- **NBS:** Serving as a tournament bowling venue is the highest room night generation option for at least the next five years, it would not be beneficial to close the venue.
- **REC:** Should the RSCVA and partners enter into more co-promoting or rental discount arrangements, as it may be possible to marginally increase higher-end concert events.
- **RSCC:** Modest facility enhancements in order to take advantage of potential market opportunities associated with the emerging industries in the Reno Tahoe market such as science, engineering, technology, manufacturing, distribution, multi-level marketing, sporting events, and various corporate sectors. Note that 60 percent of pure convention business generated by RSCVA Convention Sales is booked at hotel properties, impacting RSCC overall performance. Moderately invest in facility, avoid overinvesting.

COST PER ROOM NIGHT FORECAST BY FACILITY

The below trend line illustrates the operating cost per room night of the previous five years and the anticipated cost per room night for the next five years, attributed to specific facilities.



KEY OBSERVATIONS BY FACILITY

Reno-Sparks Livestock Events Center

- Owned by the State of Nevada. Managed by RSCVA through 50-year (2036) agreement with Washoe County.
- RSLEC is one of the most multi-use venues in the country.
- An average of less than 50 percent of total events over the period analyzed have produced room nights for the market. However, on average, 75 percent of total fiscal year attendance has been considered room night generating.
- Equestrian and livestock events represent the largest component of total attendance.
- The RSLEC operating loss is in line with the financial operations of similar livestock and equestrian facility complexes.
- The relative lack of investment in complex improvements over the past several years, combined with investment in competitive complexes, makes it difficult to increase market capture and may jeopardize the ability to retain certain events, such as Snaffle Bit.
- Competition from Las Vegas, Paso Robles, Murrieta and Denver is increasing.
- Significant deferred maintenance that the RSCVA is responsible for.

Reno-Sparks Convention Center

- Owned and managed by the RSCVA.
- Hotel walkability poses one of the biggest challenges in terms of attracting convention business. Lack of urban environment will impact future event activity.
- Industry trends are driving changes to building features.
- RSCC performance is compromised because 60 percent of RSCVA- booked convention business goes into hotel properties. Hotel business poses a challenge, as the destination has large amounts of flat floor space.
- Only approximately 3% of events hosted in the RSCC require the use of the entire facility.
- Sporting Events/Competitions and Conventions/Tradeshows have comprised the largest portion of RSCC attendee base as well as the largest portion of RSCC occupancy.
- The majority of RSCC event activity is generated from meetings and banquets, accounting for approximately 32 percent of total events between 2010 and 2014.
- The operating deficit generated by the RSCC is comparatively low when considering other markets reviewed. The RSCC operated at a deficit of approximately \$2.29 per square foot during the year. The majority of competitive and comparable venues tend to operate with losses between \$1 and \$8 per sellable square foot.
- Significant deferred maintenance that the RSCVA is responsible for.

Reno Events Center

- Owned by the City of Reno and managed by the RSCVA.
- An average of approximately 48 percent of REC events between 2010 and 2014 have been generated from tenant sports (Reno Bighorns).
- Concerts make up the largest portion of REC event attendance each year, representing approximately 27 percent to 43 percent of total REC attendance.
- The REC experiences significant occupancy seasonality, with its highest occupancy levels between January-May, relatively low occupancy levels June-September, and slight increases from October-December. Low occupancy levels June-September likely correlate with seasonal popularity of event venues in Lake Tahoe.
- Among the RSCVA operated facilities, the REC has historically generated the fewest estimated total room nights.
- The annual operating loss at the REC is very close to average among the arenas analyzed by CS&L.
- City of Reno pays debt service and capital repair.



National Bowling Stadium

- Owned by the City of Reno and managed by the RSCVA.
- Single-purpose facility.
- In terms of tournament group membership, the United States Bowling Congress represents approximately 95 percent of the market. There are only 10 additional associations with more than 1,000 members.
- NBS attracts a greater than typical share of certified league bowlers.
- Six contracts have been negotiated with USBC from 2018 through 2026.
- Cost per room night is heavily influenced by presence of USBC tournaments.
- Significant room night and usage variability based on USBC tournament years.
- Strong room night production.
- City of Reno pays debt service and capital repair.



GOALS, INITIATIVES & PERFORMANCE MEASURES

*Items below are only funded capital improvements.

	BASELINE FY10/11-14/15 Average	TARGET FY15/16-19/20 Average
GOAL #1 – RSCC OPERATING MARGIN: Invest in upgrading the facility to modernize the technology and interior spaces. <ul style="list-style-type: none"> Address critical repair and maintenance needs immediately. Install portable bleachers (2,000 seats). Increased bandwidth/wireless access and audio visual upgrades up to \$1.5M. Create creative spaces through upgraded, modern furniture, local art and engaging audio/visual. 	Operating Margin: (\$1.2M) Cost per RN: \$17.13	Operating Margin: (\$1.4M) Cost per RN: \$13.36
GOAL #2 – REC OPERATING MARGIN: Reduce the overall operating cost through shared staffing resources with the National Bowling Stadium. <ul style="list-style-type: none"> Analyze the profitability of local public/spectator/consumer events to determine if it should be resourced. Complete ice hockey feasibility analysis with the City of Reno. 	Operating Margin: (\$400,000) Cost per RN: \$22.82	Operating Margin: (\$317,000) Cost per RN: \$13.48
GOAL #3 – NBS OPERATING MARGIN: Target a minimal operating cost while maintaining USBC business. Operate as efficiently as possible and shut down facility during “dark years.” <ul style="list-style-type: none"> Open the facility for use of local events if the event volume results in breakeven operating margin. Implement a shared staffing model between NBS and REC. Facility to be maintained in accordance with the USBC contract via the \$2 Surcharge Fund. 	Operating Margin: (\$1.4-1.6M) Cost per RN: \$22.63	Operating Margin: (\$1.3M) Cost per RN: \$10.10 during Open Cost per RN: \$114.69 during dark years
GOAL #4 – RSLEC OPERATING MARGIN: Address facility disrepair with capital expenditure needs without over-investing. Capital expenditure targeted at maintaining current livestock and equine events and driving new sports business. <ul style="list-style-type: none"> Address critical repair and maintenance needs immediately. Raise the roof in the cutting arena and double the size of the current barn. Key event objectives for the complex include retaining the Snaffle Bit Futurity and increasing overall event capture in equestrian, sporting and livestock markets. Partner with Reno Rodeo to address future growth. Explore flat floor investment. 	Operating Margin: (\$450,000) Cost per RN: \$12.43	Operating Margin: (\$648,000) Cost per RN: \$13.06



PRIORITY #4: ORGANIZATIONAL SUSTAINABILITY

Enable the organization support the growth and development of people, processes & technology improvements.

To be developed further with new CEO.

	BASELINE FY14/15 Actual	TARGET By FY19/20
GOAL #1 – PEOPLE:		
<ul style="list-style-type: none">Assign ownership and accountability to line of business growth, and where relevant facility performance:<ul style="list-style-type: none">Assign facilities staff all responsibilities for event management and operations.Develop a Client Experience Manager position to facilitate and be responsible for client satisfaction, driving client retention year over year.Align sales and marketing teams through a dedicated marketing resource assigned to sales support to drive room night growth attributed to NBS and RSLEC facilities.Conduct a board training regarding board development, ongoing governance and roles/responsibilities.Increase partnership and collaboration with key stakeholders and special events producers (i.e. RTAA, Reno Rodeo and Hot August Nights) to align priorities, resources and data.		
GOAL #2 – TECHNOLOGY:		
<ul style="list-style-type: none">Implement a single database/system to manage all events from lead through completion – both sales and facilities. This mechanism can be used to share leads with the hotel community in real-time, and to track booking and room night results.		
GOAL #3 – FINANCIAL:		
<ul style="list-style-type: none">Support the \$1 from outlying properties.		

FUNDING SOURCES & ROI ANALYSIS

ROI ANALYSIS

The Return on Investment Analysis is based on the estimated room nights to be generated compared to the cost to generate the room nights. The increment of analysis used is cost per room night to be consistent with how the RSCVA looks at opportunities and trade-offs. Growth opportunities were developed in three specific strategic – steady state/retention, new growth and innovative growth. The diagram below indicates those new growth opportunities that are the recommended set of growth opportunities to invest in based on the full set of opportunities. Steady state opportunities are not included as these are assumed to be achieved through the core budget.

The table on the following page represents the total investment and the calculated costs per room night.

FUNDING SOURCES

\$2 Surcharge Fund

Estimated revenue to be collected by the downtown \$2 Surcharge Fund is \$10 million up to FY19/20. The repair and maintenance requirements of the National Bowling Stadium are roughly \$10-12 million over the next five years, to be funded through the Surcharge Fund in accordance with NRS. For purposes of this strategic plan, the \$2 Surcharge Fund is fully funding those needs with no additional revenues available for other downtown facilities. See the Appendix for a full \$2 Surcharge schedule.

\$3 Surcharge Fund

The proposed use of the \$3 Surcharge Fund is highlighted in the table below, aligned to the proposed growth opportunities. The items in green are already funded in the core budget due to the surplus as well as other budget adjustments. For purposes of this plan, the expenses are aligned with the growth opportunities to allow for data-based decision making. As noted, years FY17/18 and beyond show a shortfall when comparing forecasted revenue to proposed expense. This will be addressed during the annual budgeting process based on surplus and core budget.

As an overview, the resources are deployed in a balanced approach between the three strategic priorities – destination marketing, sales driving room night growth, and facility improvements. This proposed funding plan makes the following assumptions:

1. Marketing spend will be adjusted and modified as results are reported in the Visitor Origination Analysis & the in-market research from BVK.
2. The additional \$1 surcharge from outlying properties is approved.
3. The downtown \$2 Surcharge is fully exhausted with the National Bowling Stadium repairs & maintenance needs.
4. Long-term RSLEC improvements will be further analyzed via a feasibility study, as the dollars associated with the parking needs (\$7M of the \$9.5M in the new growth line item) is an estimate.



APPROVED USE OF SURCHARGE FUNDS

Facilities		Cost Estimate	Cost per Room Night	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
	Core Cap Ex	\$ 500,000				\$ 500,000	\$ 500,000	\$ 500,000
	RSCC - Maintenance + Stadium Seating	\$ 7,500,000		\$ 1,700,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Conventions & Groups	RSCC - New Growth (Creative Capital + Stadium Seating)	\$ 2,900,000	In conventions		\$ 1,450,000	\$ 1,450,000		
	NBS - Maintenance	\$ -						
	REC - Maintenance							
	RSLEC in FY16/17 Budget				500,000			
	RSLEC - Maintenance	\$ 3,100,000		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Equestrian	RSLEC - New Growth (Multi-use structure, parking)	\$ 9,500,000	\$91.45		\$ 1,300,000		\$ 1,800,000	\$ 6,400,000
Sports	RSLEC - New Growth (Flat Floor)	\$ 1,000,000	In sports				\$ 1,000,000	
Sales & Marketing		Cost Estimate	Cost per Room Night	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
Conventions & Groups	Convention Sales FY15/16 Surplus	\$ 175,000		\$ 175,000				
	Conventions - Industry Sponsorships: ~\$525K/year	\$ 2,190,000	Small Groups: \$42.78	\$ 55,000	\$ 560,000	\$ 525,000	\$ 525,000	\$ 525,000
	Conventions - Additional Admin	\$ 140,000			\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
	Conventions - 1 FTE (Corp sales manager + 1 admin)	\$ 728,000	Large Groups: \$47.69	-	\$ 182,000	\$ 182,000	\$ 182,000	\$ 182,000
Sports	Sports - Bid Fund	\$ 600,000			\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
	Sports - Feasibility Study	\$ 15,000	\$23.69		\$ 15,000			
Concerts	Concerts - Risk Fund: \$50K/year	\$ 200,000	\$10.42		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Bowling	Bowling- Marketing for airlift during events	\$ 100,000	\$0			\$ 50,000		\$ 50,000
Tourism Sales	Tourism Sales - Staffing (\$95K/yr)	\$ 285,000				\$ 95,000	\$ 95,000	\$ 95,000
	Tourism Sales - Sales & Mkt	\$ 775,000	\$6.54		\$ 175,000	\$ 175,000	\$ 250,000	\$ 175,000
	International Sales	\$ 510,000	\$10.00			\$ 170,000	\$ 170,000	\$ 170,000
Marketing	Marketing Staffing Requirements (3 FTE)	\$ 1,050,000			\$ 150,000	\$ 300,000	\$ 300,000	\$ 300,000
	Integrated Marketing Agency	\$ 960,000			\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000
	San Francisco - Oakland- Fremont MSA	\$ 3,000,000	\$22.79		\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
	San Jose - Sunnyvale-Santa Clara MSA	\$ -						
	Los Angeles - Long Beach - Santa Ana MSA	\$ 3,750,000	\$237.23		\$ 750,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
	Seattle -Tacoma - Bellevue MSA	\$ 2,800,000	\$148.56		\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
	Portland-Vancouver-Beaverton, OR-WA MSA	\$ 1,600,000	\$132.89		\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
	San Diego-Carlsbad-San Marcos, CA MSA	\$ 2,400,000	\$790.43		\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
	Boise	\$ 1,000,000	\$189.31		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
	National/Online	\$ 3,000,000			\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
	Website Development	\$ 300,000			\$ 200,000	\$ 100,000		
Special Events	Marketing FY15/16 Surplus	\$ 500,000		\$ 500,000				
	Special Event Fund	\$ 700,000	\$15		\$ 100,000	\$ 200,000	\$ 200,000	\$ 200,000
Financial Policies	Air Service Fund	\$ 2,500,000			\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000
	Capital Reserve (0.5% of room tax revenue)	\$ 377,000		\$ 145,000	\$ 145,000	\$ 87,000	\$ -	\$ -
	Contingency Fund	\$ 2,000,000		\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Total Investment					\$ 12,852,000	\$ 11,659,000	\$ 12,847,000	\$ 16,422,000
Surplus & Surcharge Sources				FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
	In core budget (All items shaded green)				\$ 4,017,000	\$ 3,959,000	\$ 3,772,000	\$ 3,772,000
	RSCVA Surcharge (\$2 outlying/\$1 downtown gaming)			\$ 4,208,360	\$ 4,677,146	\$ 4,770,689	\$ 4,866,193	\$ 4,963,425
	Surplus - Estimate					\$ 1,341,560	\$ 2,366,323	\$ 4,160,899
	Additional \$1 surcharge from outlying properties					\$ 1,500,000	\$ 1,800,000	\$ 1,900,000
	Surplus/Shortfall				\$ 50,506	\$ (87,751)	\$ (42,484)	\$ (1,625,676)
FY15/16 and FY16/17 Core Operating Budget								
	Facilities			\$ 3,470,249	\$ 4,044,740			
	Total Facilities			\$ 3,470,249	\$ 4,044,740			
	Convention Sales			\$ 3,635,138	\$ 3,806,697			
	Tourism Sales			\$ 490,089	\$ 689,636			
	Total Sales			\$ 4,125,227	\$ 4,496,333			
	Marketing			\$ 3,872,996	\$ 4,281,394			
	Web/media/promo spend (in above)			\$ 2,610,630	\$ 2,866,900			
	Total Marketing			\$ 3,872,996	\$ 4,281,394			
	G&A			\$ 1,982,296	\$ 1,655,081			
	Debt			\$ 9,675,561	\$ 9,671,861			
	Cap Ex			\$ 2,447,422	\$ 2,144,400			
	Other (Incline/contingency)			\$ 1,387,700	\$ 1,833,745			

*Areas shaded in green are built into the core budget.



APPROVED FY16/17 SPEND

Air Service Fund

FY16/17 Core Operating Budget: \$0

FY16/17 Surcharge Use: \$1M

Marketing

FY16/17 Core Operating Budget: \$4.2M

- Web/media: \$2.4M (of which \$750K in Bay Area)
- BVK Retainer: \$240K
- Web development: \$200K
- Special Events Fund: \$100K additional to the \$300K fund

FY16/17 Surcharge Use: \$3.7M

- Target Market Marketing/Media Spend: \$2.7M (LA, Seattle, Portland, San Diego, Boise)
- National/Online: \$750K
- New York: \$50K

Possible Additions:

- Target Market Addition: LA Basin – Additional \$250K

Sales

FY16/17 Core Operating Budget: \$4.9M

- Addition of corporate sales manger + 1 admin: \$182K

FY16/17 Surcharge Use: \$935K

- Industry sponsorships: \$560K
- Sports Bid Fund: \$150K
- Flat Field Feasibility Study: \$15K
- Tourism Sales Sponsorships: \$175K

Possible Additions:

- See facilities for “product improvement” needs

Reno-Sparks Convention Center (RSCC)

FY16/17 Core Operating Budget: \$1.5M

- RSCC Operations and Maintenance

FY16/17 Surcharge Use: \$1.4M

- RSCC Cap Ex: \$1.4M (creative capital & stadium seating)

Reno-Sparks Livestock Event Center (RSLEC)

FY16/17 Core Operating Budget: \$500K

- RSLEC Operations and Maintenance

FY16/17 Surcharge Use: \$1.8M

- RSLEC Maintenance: \$500K
- RSLEC: Cap Ex: \$1.3M (multi-use structure)



POSITION SUMMARY



SWOT ANALYSIS

Based on the accumulation of feedback, research and analysis, we have developed the above SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for the Reno Tahoe market, particularly as they directly and indirectly relate to the visitor industry.

There are two conditions that may best describe the Reno Tahoe market from the perspective of the visitor market. First, Reno Tahoe is a static, gaming- oriented destination catering to a significant but declining recurring customer base. Second, Reno Tahoe is on the threshold of a dramatic change in terms of national and international perception, which could significantly enhance the ability to generate visitors.

This position analysis summarizes the destination dynamics and the RSCVA organizational dynamics. For a full report, refer to the C&SL 2016 Destination Analysis Report.

Strengths <ul style="list-style-type: none"> • Affordability / value • Festivals / special events • Gaming • Diverse hotel product • Golf • Natural beauty • Outdoor sports facilities • Proximity to Lake Tahoe • Skiing • Spas • Bowling • University of Nevada Reno • Variety of event facilities • Weather • Emerging industries • Room-to-space ratio • Owner-managed business model • Food and drink scene 	Weaknesses <ul style="list-style-type: none"> • Non-stop air access • Aging of some hotel products • Perception issues • Lack of anchor attraction • Lack of downtown density • Lack of branded hotels • Lack of hotels walkable to the convention center • Lack of Tier 1 entertainment • Smoking in casinos • Areas of blight
Opportunities <ul style="list-style-type: none"> • ADR Growth • Adaptive re-use of vacant structures-Downtown development • Restaurants / nightlife • Whitewater Park • Outdoor / adventure travel • Festivals and special events • Larger national / regional conventions & tradeshow • Leverage expanding air access (US and Intl.) • International leisure • Science & technology industries • Sports market (including winter sports) • Redevelopment in Sparks (Victorian Square & Sparks Marina) • Small meetings / event market • Burgeoning arts and culture movement 	Threats <ul style="list-style-type: none"> • Aging customer base • Continued gaming competition • Downtown issues • Perceptions of being run-down • Reliance on gaming • Competitive market investment • Resistant to change • New large box hotels opening between 2015 and 2020 with over 1,000 rooms, 100,000 sf in competing cities



DESTINATION ANALYSIS

The development of the Reno Tahoe Destination Analysis included dozens of in-person interviews; site visits and telephone conversations with various stakeholders within the visitor, hospitality and other important local industries; interviews with key RSCVA staff; surveys of current and past users of RSCVA-controlled facilities; interviews with prospective event planners; conversations with travel writers; a review of competitive and comparable markets; analysis of lost business records; and our observations and experiences while on the ground in the destination.

VISITOR ANALYSIS – PROFILE STUDY

The demographics of Reno visitors are shifting, with more ethnic and geographic diversity, growing shares of 35- to 64-year olds, and more family travelers. Bay area residents are a shrinking share of Reno visitors. (RSCVA Visitor Profile Study 2015)

Customer Segment	Segment Attributes	Aligned Value Propositions(s)
First Timers	Younger, ethnically diverse and looking for fun and excitement in a getaway.	Nightlife and entertainment, local food scene, arts and culture, special events, outdoor recreation, and distinct topography.
Needs Re-introduction	Older, often retired, with the time and income to explore a wide variety of getaway for relaxation and interest; hasn't visited in over two years.	Arts and culture, special events, quality accommodations, spa offerings, evolution of destination's offerings, entertainment and nightlife.
Loyal Gaming Customers	Frequent visitors who are solicited on a regular basis by the lodging/gaming properties. They tend to be Boomers.	Gaming, affordability and value, quality accommodations, spa and other property amenities. Lodging properties often use special events and entertainment to motivate their gaming customers to travel.
Millennials	First generation to grow up in the internet era. Highly connected and technologically advanced. Adventurous and globally conscious. Attracted to Shared Economy because of the value and convenience it offers.	Special events, food and drink scene, nightlife and entertainment, distinct topography & outdoor recreation, and arts & culture.

We want consumers to directly connect a trip to Reno Tahoe with a feeling of ambition. Being in Reno Tahoe is a direct pathway to paying off your ambitions because the “things to do”, “events” and “experiences” there, as well as the mindset and sensibility of the locals are directly suited (more than anywhere else) to reflect and reward this desire. (BVK)

2015 VISITOR ORIGATION ANALYSIS SUMMARY

TO BE INCLUDED IN AFTER JUNE RETREAT



ORGANIZATIONAL ANALYSIS

As shown, overall occupancy rates have remained fairly consistent over the analysis period, dropping only slightly during the recent recession. Average room rates (excluding comp rooms) have remained consistent over the analysis period, with slight increases in recent years for non-gaming and suburban Reno properties.

The average daily rates in all Reno area submarkets are below the national average. These statistics are influenced by a reluctance on the part of existing casino operators to risk market share with higher rates, particularly among the recurring customer base. Ironically, the low rates can send signals to event planners that the room inventory in the market is “substandard”, with quality levels commensurate with low rates. Such a quality deficiency is not typically the case, and as a result, the sales team has (1) an opportunity to market highly competitive rates in quality properties, but (2) a perception challenge with non-major brand properties with limited exposure to event planners and attendees.

Overall, the rate and occupancy statistics for the various Reno area markets do not indicate a level of strength that would support significant increases in inventory, certainly not in the near term. In fact, development plans, particularly in the downtown Reno area, that could reduce overall room inventory could be beneficial to the industry.

	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 Budget
Visitor Volume - Overall	4,447,448	4,319,358	4,410,631	4,617,577	4,605,056	4,666,180	
Taxable Room Revenue	\$217,376,466	\$208,842,478	\$207,621,422	\$226,770,232	\$229,442,390	\$241,401,032	\$258,208,741
Avg. Daily Available Room Nights	15,431	15,150	15,234	15,238	15,084	14,958	15,777
Available Room Nights	5,632,168	5,529,578	5,560,384	5,561,795	5,505,722	5,459,662	5,758,482
Cash Occupied Room Nights	2,837,248	2,718,817	2,660,035	2,722,571	2,667,905	2,719,748	2,952,712
Comp Occupied Room Nights	880,829	871,981	818,142	850,734	904,456	924,211	587,798
Occupancy Percentage	66.4%	65.3%	62.9%	64.6%	65.6%	67.4%	68.8%
Cash Occupancy Percentage	50.4%	49.2%	47.8%	49.0%	48.5%	49.8%	
National Occupancy*	57.6%	60.0%	61.4%	62.3%	64.4%	65.5%	
Avg. Daily Cash Rate	\$76.62	\$76.81	\$78.05	\$83.29	\$86.00	\$88.76	\$87.45
National Avg. Daily Rate*	\$98.03	\$101.74	\$106.01	\$109.99	\$114.95	\$120.04	

Data above are Hotel Only, except Visitor Volume, as reported in the RSCVA Monthly Rooms Statistics and Trends Report Jan 15-16. National data indicated with * from PwC Hospitality Directions January 2016.



FY09/10-15/16 Financial Position

Account Description	Actual						FY15/16	
	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Budget	Outlook
Total Facility Expenditures	(3,289,598)	(4,089,166)	(3,512,889)	(4,163,250)	(4,127,170)	(4,164,013)	(4,063,993)	(3,945,121)
Total Sales and Marketing	(5,944,431)	(5,789,341)	(5,612,491)	(5,819,305)	(6,001,868)	(6,278,910)	(6,718,055)	(7,940,379)
General and Administrative	(2,152,125)	(1,922,162)	(1,484,442)	(1,609,775)	(1,528,775)	(1,792,380)	(1,692,482)	(1,796,148)
Capital and Debt Service	(8,571,865)	(7,872,261)	(8,723,808)	(8,678,248)	(10,769,513)	(11,008,608)	(12,648,162)	(13,367,197)
Room Tax Revenues	20,847,643	20,346,523	20,020,497	21,773,122	22,149,713	23,675,328	24,962,953	26,961,728
Tourism Surcharge	-	-	-	-	-	-	4,100,000	4,144,338
Total Departmental Margins	889,624	718,593	686,867	1,502,544	(277,613)	431,417	3,940,261	4,057,221
Less: Cash Flow Items	48,175	195,991	(274,863)	(1,450,561)	229,919	(36,150)	159,739	139,369
Net RSCVA Profit (Loss)	\$937,799	\$914,584	\$412,004	\$51,983	(\$47,694)	\$395,267	\$4,100,000	\$4,196,590



RSCVA Comparison

Comparison data provided by C&SL. See the full Destination Analysis for detail.

	Reno	Best-in-class	Lowest Ranking	Average
RSCC Comps				
Convention Center Space Levels – Total Sellable Convention Space	487,300 sq. ft.	938,100 sq. ft. Anaheim, CA	169,200 sq. ft. Spokane, WA	511,982 sq. ft.
Convention Center Operating Margin (per sq. ft.)	(\$2.29) (5 th out of 9)	\$4.25 San Diego, CA	(\$18.76) Portland, OR	(\$4.67)
# of Hotels Rooms within ½ Mile of Convention Center	824	2,552 San Diego, CA	295 Albuquerque, NM	1,270
RSLEC Comps				
Livestock Event Center Operating Margin	(\$419,000) (2 nd out of 5)	\$1M Denver, CO	(\$4,000,000) Fort Worth, TX	(\$1,173,800)
Livestock Event Center – Total Indoor Event Space & Total Acres	118,000 sq. ft. 43 acres (8 th out of 8)	570,600 sq. ft. 100 acres Denver, CO	105,800 sq. ft. 100 acres Rancho Murrieta, CA	282,000 sq. ft. 203 acres
REC Comps				
Event Center Operating Margin	(\$743,739) (7 th out of 11)	(\$300,000) Everett, WA	(\$1.7M) Beaumont, TX	(\$754,600)
Operating Margin (per seat)	-\$106 per seat (8 th out of 11)	-\$25 per seat Everett, WA	-\$198 per seat Beaumont, TX	-\$89.17
Operational Comps				
Annual Sales Budget of Competitive and Comparable DMOs	\$2,882,743 (Lowest of set)	\$5,225,000 Seattle, WA	\$2,882,743 Reno, NV	\$4,199,915
Annual Marketing Budget of Competitive and Comparable DMOs	\$2,903,254 (4 th out of 5)	\$9,533,192 Portland, OR	\$2,136,807 San Jose, CA	\$4,850,657
Ratio of Sales Budget to Room Nights Generated, as Cost per Room Night	\$12.53 (4 th out of 6)	\$6.58 Anaheim, CA	\$18.58 Albuquerque, NM	\$13.37
Room Nights Generated per Sales Staff	25,568 (5 th out of 6)	74,204 Anaheim, CA	22,477 San Jose, CA	39,665
Bid Fund	None	\$1.5M Portland, OR	\$200,000 Seattle, WA	\$800,000
Air Access & Corporate Base	1,611,572 - air access 15,448 - corporate base (Last)	Denver, CO	Reno, NV	9,632,577 53,178
Number of Hotel Rooms at Top 5 Largest Hotels	7,887 # of national brands: 0	5,138 San Diego # of national brands: 5	1,198 Albuquerque, NM # of national brands: 3	N/A



STRATEGIC PRIORITY #1: VISITOR GROWTH



LEISURE TRAVEL & DESTINATION MARKETING

MARKET ANALYSIS

Key Trends & Industry Shifts in Destination Marketing

General Leisure Travel Trends – Direct spending on leisure travel by domestic and international travelers totaled \$650.8 billion in 2015; Spending on leisure travel generated \$99.6 billion in tax revenue; Nearly 4 out of 5 domestic trips taken are for leisure purposes (79 percent); U.S. residents logged 1.7 billion person-trips* for leisure purposes in 2015; Top leisure travel activities for U.S. domestic travelers: (1) visiting relatives; (2) shopping; (3) visiting friends; (4) fine dining; and (5) beaches. (US Travel Association)

International Travel Trends – In 2015, international traveler spending totaled \$133 billion and U.S. resident travel spending abroad totaled \$110 billion, creating a surplus of \$23 billion in travel spending; the U.S. received 75.0 million international arrivals in 2015. Of those, approximately 35.2 million came from overseas markets, and 39.7 million came from Canada and Mexico; the United States' share of total international arrivals is 6.3 percent (down from 7.5 percent in 2000); each overseas traveler spends approximately \$4,400 when they visit the U.S. and stays an average of 18 nights; overseas arrivals represent 47 percent of all international arrivals, yet account for 80.5 percent of total international travel spending; and top leisure activities for overseas visitors: (1) shopping, (2) sightseeing; (3) fine dining; (4) national parks/monuments and (5) amusement/theme parks.

Skyrocketing Consumer Confidence – Industry demand is heavily dependent on travel trends, as business and leisure travelers are its core customers. Over the past five years, consumer confidence has skyrocketed, growing at an annualized rate of 11.2% over the five years to 2016, which has encouraged more domestic travel. (IBIS)

Increased Consumer Spending – Higher levels of consumer spending indicate households have more discretionary spending power and thus can increase expenditure on luxury items such as travel. Industry revenue depends on travel and the need for travel support services, so higher consumer spending bodes well for this industry. Consumer spending is expected to increase in 2016, presenting a potential opportunity for this industry. (IBIS)

Slight increase in Consumer Confidence – Changes in consumer sentiment have a significant impact on travel intentions and expenditure. When consumers have a favorable view of the economy, they are more inclined to take trips and use industry services. The Consumer Confidence index is expected to increase slightly in 2016. (IBIS)

Increased Domestic and Inbound International Travel – As the economy continues to strengthen, domestic travel rates are set to continue trending upward and inbound travel is expected to rise, despite currency concerns. (IBIS)

Decrease in Leisure Time – The more leisure time people have, the more likely they will be to take vacations and travel. When individuals travel, they are more likely to use industry services to book excursions or get information about their travel destination. Leisure time is expected to decrease slowly in 2016, posing a potential threat to the industry.

Increased International Arrivals – International arrivals to the United States increased by 7.1 percent in 2012 and 7 percent in 2014. These trends highlight the appeal of the United States as a travel destination. The increase in foreign travelers was driven by visitors from emerging economies with rapidly rising disposable incomes, primarily China and Russia. Decreasing purchasing power may dissuade foreign citizens to travel to the US moving forward. (IBIS)



Increased Popularity in Outdoor Recreation – According to the Outdoor Recreation Economy Report, outdoor recreation generates 6.1 million jobs and approximately \$646 billion in spending in the United States. (SMG Consulting)

National Demographic Shifting from Baby Boomers to Gen Xers/Millennials – Baby Boomers (25 percent of the population) are being replaced by Millennials and Gen Xers which now represent 46 percent of the population. The destination has successfully relied on Boomers but must be prepared to understand the purchasing habits, influences and travel behavior of Millennials and Gen Xers to successfully substitute the shifting demographics. (SMG Consulting)

Increasing Popularity of Tech-Enabled Travel – The Shared Economy is increasing in popularity with brands like Uber, Home Away, Airbnb and others. The trend is here to stay as technology has enabled individuals to find new ways to supplement income. There are currently 619 Airbnb listings in Reno, equivalent to a major hotel. In Lake Tahoe, there are 1000 listings. Future advances in technology will continue to grow the Shared Economy, inevitably affecting the destination's tourism-related service industry. (SMG Consulting)

Market Growth Rate

In the five years to 2021, domestic travel and inbound travel are forecast to grow at respective annualized rates of 1.6 percent and 4.4 percent. As a result, industry revenue is anticipated to rise at an average annual rate of 1.4 percent to \$2.1B over the period. (IBIS)

Key Success Factors for Reno Tahoe Destination Marketing

- Robust marketing budget to increase efforts to influence potential overnight visitors
 - Targeted research
 - Effective and deliverable messaging
 - Partnerships
 - Air Service
-

Reno Tahoe Value Propositions

Outdoor Activities - Although individual recreation opportunities are not exclusive to Reno Tahoe destination, the collective variety of activities, abundant locale options and distinct topography choices are unique to the destination.

Arts and Culture - There is an undeniable arts and culture movement in Reno. Burning Man has helped to precipitate the expanding arts and culture scene by inspiring innovation and creativity, and encouraging arts advocacy. Established arts and culture events such as Artown, Lake Tahoe Shakespeare Festival and Nevada Chamber Music Festival, are now joined by new events like Reno Sculpture Fest, Classical Tahoe and Off Beat Arts & Music Festival. The region can also boast that the Nevada Museum of Art is the only American Alliance of Museums accredited art museum in the state of Nevada.

Innovative Industries - Reno and the outlying area's recent success in the technology-fortified sector is positively diversifying the reliance on gaming as the primary industry. However, the tourism-related service sector will benefit from the non-tourism economy through business travel and increased awareness of the destination. Changes in lifestyle that meet the interests of the technology employees will positively affect visitor experience as well. (SMG Consulting)

Special Events - There has been a significant increase in the quality and number of special events in Reno Tahoe. Events provide motivation to travel, appeal to specific consumer demographic groups, provide destination marketing organizations with messaging opportunities and increase destination revenue. Their importance to our destination's diversity and visitor appeal will continue to grow as focus is shifted from traditional gaming.

Gaming – The region's casinos are continuously improving and upgrading their gaming products, and the newest and most popular gaming machines can be found throughout the destination. Though gaming is now widespread throughout the U.S., Nevada is still one of the few states where sports betting is legal, creating an additional draw for certain travelers.

Secondary Value Propositions:

- **Sub-Regions** - The increase in sub-regions within the Reno Tahoe destination (MidTown, RiverWalk District, Carson Valley, Carson City, Virginia City, Truckee, etc.) has increased product diversity and collective marketing efforts. In turn, it amplifies economic development within those sub-regions.
- **Affordability and Value, Quality Accommodations** – Reno Tahoe accommodations and attractions are comparable to those found in any major U.S. destination, but can be found here with the promise of a lesser price point.
- **Food and Drink Scene** – Reno Tahoe has a long history of pushing the envelope and staying at the forefront of mixology practices. The recent addition of a growing brewpub scene greatly adds to the culinary environment, and locally-sourced food programs, such as the DROPP program at the fastest growing food co-op in the U.S., shows the region is focused on creating a sustainable, farm-to-table food culture throughout the destination.
- **Nightlife and Entertainment** – With two “Vegas-style” nightclubs, nightly Broadway-style shows, and touring entertainment options, opportunities for nighttime and after-hours activities are readily available.

Competitor Analysis

Competitor	Strengths	Weaknesses	Value Proposition(s)
Lake Tahoe (north and south) outside of Washoe County	Beauty, variety of outdoor recreation, scenic, unique, proximity of large number of ski resorts, strong consumer awareness-promoted by multiple tourism organizations in 2 states	Distance to Reno airport, winter weather, traffic	Affordability, arts & culture, great bed base for Lake Tahoe
Las Vegas	Air service, shopping, entertainment, food & drink scene, gaming, popular destination to go to	Adult-only, crowded, artificial, expensive, hot in summer	Lake Tahoe, family centric, comfortable summer weather, special events, outdoor recreation
Seattle	Professional sports teams, urban “cool” factor, air service, golf, food and drink scene, shopping	Affordability, weather, crowded	Affordability of lodging, proximity to skiing; gaming, Lake Tahoe, large variety of special events, entertainment
Portland	Urban “cool” factor, food and craft beer scene, outdoor recreation, shopping, air service	Weather	Affordability of lodging, proximity to skiing, gaming, Lake Tahoe, large variety of special events, entertainment, sunny and warm in summer
Salt Lake City	Air service, variety of ski options, good transportation infrastructure to skiing, outdoor recreation	Restrictive drinking laws, limited entertainment options	Affordability of lodging, proximity to skiing, gaming, Lake Tahoe, large variety of special events, entertainment
Denver	Air service, urban “cool” factor, skiing, major professional sports teams	Traffic, not close to outdoor activities, expensive, proximity to airport	Affordability of lodging and skiing, proximity to skiing, gaming, Lake Tahoe, large variety of special events
Phoenix	Air service, golf, spa, shopping, major professional sports team	Cost to visit, summer weather, traffic	Availability and affordability of lodging options, golf and spa options, Lake Tahoe
Mammoth	Strong consumer awareness, late spring ski season, easy drive for large population base of SoCal	No major airport, limited amenities	Air service, availability of entertainment and nightlife, variety of lodging, concentration of ski resort options, Lake Tahoe, gaming, scenic skiing
Monterey	Pacific Ocean, scenic, well-known, Pebble Beach and other prestigious golf courses, Aquarium, food scene	Expensive, cold summers, small airport	Fun weekend getaway, affordable, variety of events and activities, entertainment and nightlife, air service
Napa/Sonoma	Proximity to large population base, reputation for good wine and tours/tastings, scenic, pleasant weather, food and drink scene, fun weekend getaway	Expensive, spread out, narrow appeal, lack of nightlife and entertainment, not family friendly	Entertainment and nightlife, outdoor recreation, affordable, gaming, special events, family friendly

ROOM NIGHT & EVENT ANALYSIS

Comparative Marketing Spend

- The current \$3M budget allocated to marketing initiatives at the RSCVA is comparatively low. The comparable markets reviewed range between approximately \$2.1M and \$9.5M. (CSL)
- Relative to the competitive and comparable set, the RSCVA ranks 4th with approximately 60 percent of the average total marketing budget of select DMOs. (CSL)
- Approximately 25 percent of the RSCVA's total marketing budget is allocated to personnel expenses. Salary allocation at the RSCVA is relatively low, and limited outsourcing takes place suggesting a lack of creative resources for the organization. (CSL) Opportunities exist to add staff in the marketing department to assist the sales efforts and to focus on enhancing the visitor experience. In addition, a staff person to oversee the research, data and google/digital analytics to drive and refine strategy would prove beneficial to the organization. (Richard Wells' recommendation).
- Currently, less than ten percent of the marketing budget for the RSCVA is allocated to online/digital strategies. Although the use of online/digital media efforts at various DMO's nationally varies significantly, an average of 35 percent of total marketing resources were allocated to the online/digital spend. (CSL)
- At the RSCVA, very little of the marketing resources are allocated internationally. The three-year average for percentage of marketing budget allocated to domestic marketing for the competitive set averaged ~92 percent. (CSL)

Key Insights from 2015 Visitor Profile Study

- The demographics of Reno visitors are shifting, with more ethnic and geographic diversity, growing shares of 35 to 64 year olds, and more family travelers.
- Bay Area residents are a shrinking share of Reno visitors.
- While visitor satisfaction and intent to return remain strong and consistent with previous years, seniors and retirees report slightly lower satisfaction ratings than other groups.
- Reno visitors partake in a variety of local activities, including sightseeing, shopping, gaming, and events.
- Self-reported spend is up, with a decreasing share attributed to gaming.

Leisure Travel Room Nights

Leisure Travel Room Nights						
	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
Occupied Hotel Room Nights	3,611,125	3,496,594	3,595,196	3,610,488	3,680,074	17,993,477
Cash Occupied Hotel Room Nights	2,718,817	2,660,035	2,722,571	2,667,905	2,719,748	13,489,076
***Convention/Meeting-Related Room Nights	543,763	532,007	544,514	533,581	543,950	2,697,815
**Business/Corporate Travel	326,258	319,204	326,709	320,149	326,370	1,618,689
*Leisure Travel Room Nights	1,848,796	1,808,824	1,851,348	1,814,175	1,849,429	9,172,572

*Leisure Travel Room Nights calculated as total destination Cash Occupied Hotel room nights less RSCVA sales generated room nights and Business/Corporate room nights.

**Business/Corporate Travel is determined as 12 percent of Cash Occupied Hotel room nights.

***Convention/Meeting-Related Room Nights are approximated as 20 percent of Cash Occupied Hotel room nights.



Leisure Media Spend

	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
RSCVA Spend	\$1,230,680	\$1,219,782	\$724,731	\$667,723	\$702,983	\$4,545,899

Media Spend – approximately 80 percent Northern California, 20 percent national.

Risks

- The more leisure time people have, the more likely they will be to take vacations and travel. Leisure time is expected to decrease slowly in 2016, posing a potential threat to the industry. (IBIS)
- Aging population of traditional gamers.
- Tourism is dependent on the state of the national economy, and Reno is especially dependent on the California economy.
- Americans are taking the fewest vacation days in four decades. In 2014 Americans took an average of 16 vacation days compared with 20.3 in 2000. (US Travel Assn, 2014 study).

CS&L Insights

- Specific investment initiatives that RSCVA staff are and should continue to pursue include greater partnering with international and domestic tour operators to increase Reno Tahoe exposure, sponsoring various major trade events, and adding a staff position for greater leisure market coverage in niche segments.
- Current online and social marketing efforts should be continued, refined (with direction from the new agency) and strategically expanded.
- Added Marketing Support – consideration should be given to identifying one individual within the marketing department to serve as a dedicated liaison to the sales team. This would not necessarily be a full-time position, but would be very useful in allowing for timely access to marketing expertise that can benefit the sales process.
- Social Media and the Meetings Industry – we recommend that the marketing team, with professional agency support, work with the sales leadership to develop initiatives involving highly creative content creation for use in social media platforms that can integrate with event planner sales and marketing initiatives.
- At the RSCVA, very little of the marketing resources are allocated internationally. However, opportunities to penetrate markets in Canada, Mexico, and overseas through feeder markets such as San Francisco may prove viable over the long term in generating new room nights. The recommendation section of the DDSP summarizes opportunities to use new financial resources to modestly increase participation in international marketing efforts.
- PR and communication budgets vary widely based on available resources and strategic direction of the DMO between a low of \$60,000 to a high in excess of \$500,000.



Marketing Operations SWOT

Strengths

- Community partnerships (EDAWN, Travel Nevada, Sierra Ski Marketing Council, Ski Lake Tahoe, Regional Air Service Corporation, Reno- Tahoe International Airport. Regional PR Co-Op with UNR, City of Reno, RTC and EDAWN)
- Continually implementing cutting-edge marketing strategies

Opportunities

- Secure an integrated marketing agency
- Secure a national public relations firm
- Increase financial support of special events
- Dedicate a staff position to develop a dynamic and exciting visitor experience
- Increase RASC funding sources to help increase air service
- Support the arts and culture community
- Dedicate a staff person to support convention sales needs.
- Hire a staff person to oversee the research, data and digital/google analytics to continuously refine strategy.

Weaknesses

- Antiquated web platform
- Limited PR resources
- Limited marketing budget

Threats

- Reallocation of funds to other departments and projects
 - Maintaining brand and creative integrity
-



LEISURE TRAVEL & MARKETING OUTLOOK

BVK Brand Strategy (To be finalized when customer research is complete)

Destination brands have inherent meaning to consumers. Meaning comes from the combination of physical characteristics such as mountains, beautiful scenery, fresh air, nightlife, etc. along with perceived consequences such as cost, effort and time. And then people evaluate this combination in terms of its ability to satisfy their desired emotional payoff such as feeling refreshed, challenged, playful, and passionate, etc. Together, these motivate leisure travel and guide destination choice. The greater the match between a destination's brand image and a tourist's self-concept, the greater the likelihood they will visit – spend money – and show future loyalty.

Iconic brands understand and exploit this to their advantage. They position on a potent human value that matches the brand usage experience and fits with current and prospective customer core values. In doing so, brands become antidotes for what people crave or feel is missing in their lives.

To have meaning and value beyond the planning and actual in-market trip experience, a values-based marketing approach identifies the most credible and powerful core human values for the destination. Values reflect fundamental choices of who someone is and who they want to be. Thus, values underpin decisions and guide behaviors. As such, a values-based process focuses on the relentless pursuit of discovering and connecting with a suppressed core human value that is relevant, ownable and sustainable to the brand. This automatically elevates the brand platform, and more significantly creates equity in the personal value of the brand.

This approach helps brands transcend geographies and cultures which becomes critically important as RSCVA expands into new markets.

Reno Tahoe Brand Value: Ambition

Brand Position: Where your ambitions are fully inspired and quickly rewarded

Brand Dimensions:

- Going beyond the ordinary, routine or expected
- Embracing the experience of polarity and contrast—from outdoor rec to casino gaming; old-school venues to emerging breweries and restaurants; city grit surrounded by pristine nature
- Having freedom—of mind, self-expression and thoughts—bucking the mainstream, being non-conforming
- Socializing with other people and sharing their energy and enthusiasm
- Confidence/having swagger – winning in the casinos, showing off at a themed pub crawl or competing in an event, overall just looking and feeling good

“Ambition” Psychographic Profile “

Customers' ambition drives them to want everything and be among the first to try new things, adopt new ideas and “cool” stuff. They are spontaneous, they like variety, and they savor the fresh, the “offbeat”, and the risky. They enthusiastically become interested in new possibilities, but are just as quick to cool down and are easily bored if they cannot get what they want soon. They live in the moment as active participants, not spectators. They are characteristically upbeat, optimistic and self-expressive, though often selfish. They are up on the latest fashions and are at the center of street culture. They go against the mainstream. They are un-conforming, but admire wealth, power and fame. They are sensation seeking—loving physical activities and visual stimulation. Their energy finds an outlet in exercise, sports, outdoor recreation, and social activities, including shopping. They are fun-loving. Their ambition manifests as a strong desire to better their lives but they have difficulty realizing that desire. They are striving for achievement and recognition but are resource-constrained. For many, money often defines success—and they wish to obtain things that are out of their reach. As such, they can be impulsive as their financial circumstance will allow them to be.



Target Customers

As buying power continues to shift from the baby boomer to the millennial generation, concerted efforts to target this demographic will be key to the future viability and relevancy of the region. In collaboration with the contracted marketing agency the RSCVA will execute a coordinated marketing strategy that pairs value propositions with customer profiles and reaches them through the most relevant channels, including social media and an interactive, responsive digital presence. A larger portion (~30%) of the overall marketing budget will be allocated to online/digital marketing efforts to match the comparative Marketing budget allocated, as cited by CS&L.

Repeat Visitors	Millennials	GenX	Baby Boomers
Secondary Segment Core Gamers 34% over past 4 years, visitation declining Value Prop: Gaming, Events, Entertainment	Primary Segment 33% in 2015, visitation declining Value Prop: Outdoor & Arts/Culture, Craft Breweries, Nightlife, Entertainment	Primary Segment 38% in 2015, visitation growing Value Prop: Innovative Industries, Events, Craft Breweries, Food Scene, Entertainment	Secondary Segment, Visitation declining 21% in 2015 Value Prop: Gaming, Arts/Culture, Events, Entertainment

**TO BE RESEARCHED FURTHER BY BVK CONSUMER RESEARCH.



Repeat Visitors: Maintain current visit volumes from repeat visitors.

Through continued research of visitor profiles and air service information, the RSCVA will identify strategic target geographic and demographic markets with the highest propensity to provide an influx of visitation to Reno Tahoe. As markets and individual profiles are identified, strategic marketing practices will be implemented to maximize exposure and create interest in the destination, and additional resources will be allocated to provide targets with impactful and efficient channels, through which to fulfill the planning and booking process. The RSCVA will continue to use current, and expanded, research practices to gauge the awareness and perception of the Reno Tahoe area, as a means to create tactics in an effort to improve the visitor experience.

The Net Leisure Travel Room Nights have not experience any growth during the past five years. The average has been 1,834,500 per year since FY10/11. Anticipate a ~2+% annual growth rate due to improved market landscape.

Gamers make up 58% of visitors to Reno, with about half of those considered core gamers (31%), and the other half more casual gamers (27%). Self-reported spend is up, with a decreasing share attributed to gaming (VPS). Over the last 4 years (2011-2015) the core gamer represented on average ~34% of destination visitors. Additionally, self-reported gaming participation as a core activity has declined from 56 percent to 42 percent over the last 4 years (VPS). Finally, self-reported spend has declined from \$219 per person, per day to \$182 between 2011 and 2015 (VPS).

Top Cities of Residence

San Francisco Bay Area

Marketing Strategies:

The below strategies are proposed for further development in the Marketing Plan.

Traditional: Billboards, Broadcast, Print

Digital: Emails, Newspaper, Travel and Weather Sites, SEM

Special Events: Hot August Nights, Air Races, Street Vibrations, Property-specific events (Blues & Brews Festival), Entertainment, Concerts.

Millennials: Grow the number of millennials visitors to the destination.

Millennial (age 21-36) visitation to Reno has declined from 38% of overall visitors to Reno in 2011 to 33 percent of overall visitors in 2015 (VPS). Additionally, while millennials make similar lodging choices as visitors overall, they report higher average lodging spend. Millennials report participating more in recreational activities and events compared to other visitors, and are less likely to report gaming as an activity (VPS). Millennials who are ambitious aspire to experience their dreams paying off on a daily basis. This idea is reflected in the type of vacations they take, and they feel Reno/Tahoe is uniquely suited to this sensibility. (BVK Agency).

Top Cities of Residence:

DC, Denver, Portland, Houston, Austin, San Francisco, Seattle, Riverside, Dallas, Charlotte

Marketing Strategies

The below strategies are proposed for further development in the Marketing Plan.

Traditional: Interactive Out-of-Home, Broadcast (TV)

Digital: Influencers, Bloggers, Paid Social , SEM, Real-Time Content (i.e. Snapchat), User Generated Content, Hashtags, Online Contests, Mobile, Crowdsourcing (TripAdvisor/Yelp), Instameets, Email, Mobile-Cross Device, Online Video, Native

Special Events: Craft Beer Events, Burning Man, Pub Crawls, Rib Cook-Off, Reno River Fest, Off-Road Motor events. To appeal to the Millennial segment, Hot August Nights has added Drag Races and the Air Races has added a Drone Zone and Exhibition of Big Drone (tentative). Big Name concerts, Cargo & GSR niche concerts.



GenX: Grow the number of first time Gen X visitors to the destination.

Gen X (age 37-52) visitation to Reno has grown significantly from 27 percent of overall visitors to Reno in 2011 to 38 percent of overall visitors in 2015 (VPS).

Top Cities of Residence: Orlando, Las Vegas, San Francisco, Denver, Charlotte, Ft. Lauderdale, Raleigh, Phoenix, Portland, Atlanta (Cincinnati Enquirer Research)

Marketing Strategies **Traditional:** Billboards, Broadcast (Radio &/or TV)

Digital: Influencers, Bloggers, Live Video Stream, SEM, User Generated Content, Online Contests, Mobile, Crowdsourcing (TripAdvisor/Yelp), Paid search, paid social, mobile, Online Radio/TV, Emails, Native.

Special Events: Rib Cook-Off, Barracuda Championship, Balloon Races, Reno Rodeo, Pub Crawls, Off-Road Motor events, Burning Man, Concerts, Shakespeare

Baby Boomers: Grow the number of first time Baby Boomer visitors to the destination.

Baby Boomer (age 53-71) visitation to Reno has declined from 2011 to 2015, shifting from 35 percent to 28 percent of overall visitation to Reno (VPS). Note that visitation from the age group 65+ has represented the majority of decline, from 16 to 7 percent, whereas the age group 50-64 has grown slightly, up to 21 percent in 2015 compared to 19 percent in 2011 (VPS). While all subgroups report a generally positive experience with Reno, seniors and retirees gave the lowest ratings of their experience (VPS).

Top Cities of Residence: Myrtle Beach, Dayton Beach, Portland Maine,

Marketing Requirements: Baby Boomers (that are gamers) in our primary feeder market of Northern California are heavily marketed through by robust and frequent casino database promotions. It is proposed that attitudes about Reno be explored further in selected target markets to ascertain if it is a viable demographic for our region.

Marketing Strategies: The below strategies are proposed for further development in the Marketing Plan.
Traditional: Print (Magazines and Newspapers), Broadcast (Radio and TV)
Digital: Paid Search, Travel Sites, Weather Sites, Newspaper Sites, Emails, Paid social
Special Events: Air Races, Artown, Reno Rodeo, Barracuda Championship, Rib Cook-off, Hot August Nights, Street Vibrations, Reno Philharmonic, Shakespeare, Big Name Entertainment



Target Markets – Where are we focused?

A key marketing focus for the next five years will be to strategically expand into new markets. Extensive analysis has been done in collaboration with local hotel properties to develop a Visitor Origination Analysis. As part of this study, the RSCVA was able to identify the “markets with momentum,” that currently generate a significant portion of room nights in the destination. To expand, the RSCVA will penetrate the following markets domestically: San Francisco/San Jose/Bay Area, Los Angeles Basin, San Diego, Seattle, Portland, and New York City.

Target Market #1: San Francisco/San Jose

Market Stats	<ul style="list-style-type: none">• <i>Recorded Room Nights:</i> 191,539• <i>PDEW:</i> 14,700 (PDEW – “Passengers Daily Each Way” – these are the passengers who board in Bay Area and fly to Reno, does not count through passengers that are going to another destination.• <i>Population:</i> 4,590,060• <i>RSCVA Web Traffic:</i> 526,006
Visitor Perception/ Brand Awareness	Reno Tahoe destination awareness is high Special Events resonate with this geographic market Positive Visitor experience based on Bay Area Awareness Study Reno Tahoe is considered an easy getaway, quick trip decision
Air Service	Southwest, Alaska, United Airlines <ul style="list-style-type: none">- Support new Oakland service starting on June 5, 2016- Non-stop service from all three airports
Marketing Investment	\$750,000 annually

Target Market #2: Los Angeles

Market Stats	<ul style="list-style-type: none">• <i>Recorded Room Nights:</i> 47,134• <i>PDEW:</i> 156,751• <i>Population:</i> 13,262,220• <i>RSCVA Web Traffic:</i> 126,899
Visitor Perception/ Brand Awareness	Not as high as Bay Area, but the LA market is familiar with our destination
Air Service	Southwest, Alaska, United Airlines, American, JetBlue, Allegiant <ul style="list-style-type: none">- 30% increase in air seat capacity by fall 2016- Air service out of this region represents 15% of total seat capacity- Most air seats into Reno (outside of Las Vegas-Reno service)- Three airports (Orange County, LAX, Long Beach)
Marketing Investment	\$800,000 annually <ul style="list-style-type: none">- Market focus and media spend from Travel Nevada, Lake Tahoe Visitors Authority, North Lake Tahoe, Ski Lake Tahoe



Target Market #3: Seattle

Market Stats	<ul style="list-style-type: none">• <i>Recorded Room Nights: 21,647</i>• <i>PDEW: 95,749</i>• <i>Population: 3,671,478</i>• <i>RSCVA Web Traffic: 37,640</i>
Visitor Perception/ Brand Awareness	Moderate Reno Tahoe destination awareness
Air Service	Alaska, Southwest (one stop)30% increase in air seat capacity by fall 2016 <ul style="list-style-type: none">- Interest from two airlines in expanding into this market (RT Airport)- Easy one-stop connection with Southwest through Oakland- Strategically may help to grow air service- Has been a very strong market in the past when the air service was stronger
Marketing Investment	\$600,000 annually

Target Market #4: New York City

Market Stats	<ul style="list-style-type: none">• <i>Recorded Room Nights: 16,342</i>• <i>PDEW: 35,733</i>• <i>Population: 20,092,883</i>• <i>RSCVA Web Traffic: 39,969</i>
Visitor Perception/ Brand Awareness	Key target market for Ski Lake Tahoe
Air Service	JetBlue (non-stop), American, United, Delta, Southwest <ul style="list-style-type: none">- Three airports – Newark, LaGuardia, JFK- Support JetBlue service- Strategic to getting additional air service from JetBlue
Marketing Investment	\$500,000 annually



Additional Marketing Investments

The following investments are not target market specific and are intended to drive awareness across all customer and market segments.

Digital Marketing:

Online media buy - \$850,000

Total website investment: \$400,000

- Redesign website, including a new web platform - \$400,000
- Increase usage of #RenoTahoe and overall visitor engagement on social media
- Create a user-friendly mobile site - \$100,000

Event Marketing

Increase support of special event funding as well as in-kind marketing assistance - \$100,000 (this would take the annual budget to \$400,000).

Staffing Requirements:

- Create a staff position to monitor and enhance the visitor experience - \$100,000 (includes benefits)
- Create a staff position to service Convention Sales requirements and address social media needs for the meetings industry - \$100,000
- Create a staff position to oversee the research, data and google/digital analytics to drive and refine strategy to begin in FY17/18 - \$100,000

Research Requirements:

To be included after discussion with BVK Research specialist.



ROOM NIGHT AND INVESTMENT FORECAST

Free and Independent Travelers accounted for about 1,885,000 annually over the past five years. Using that as a base, the growth in the market is expected conservatively to grow between 1-3% as a result of economic improvement, noted below as “Market Lift”. Total marketing activities are estimated to add another 2-3% per year from the promotion in six West Coast markets and online. Both the “Market Lift” and the “Marketing Activities” are in addition to the base.

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total	Annual Average
	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	
Steady State							
Five-year FIT Average	1,885,980	1,904,470	1,932,759	1,962,463	1,993,652	9,679,324	1,935,865
Market Lift	18,490	28,289	29,704	31,189	21,832	129,504	25,901
% Increase	1.00%	1.00%	1.50%	1.50%	1.00%	-	-
Growth Strategy							
Marketing Activities	18,490	50,000	50,000	50,000	50,000	218,490	43,698
Total Leisure Travel	1,922,960	1,982,759	2,012,463	2,043,652	2,065,484	10,027,318	2,005,464

Marketing activities are further broken out by the targeted markets below. Growth rates are applied based on an estimate due to spend and size of market. Additional lift in marketing activities is anticipated due to online/social promotion.

Top Markets Where Visitors Originated 2015	Population	% of Hotel Occupied Room Nights*	2015 # of room nights	Requested spend	% RN increase	# RN increase
San Francisco – Oakland- Fremont MSA	4,954,060	12.60%	478,846	\$750,000	5%	23,942
San Jose – Sunnyvale-Santa Clara MSA	1,952,872	4.40%	166,025	SF wrap	5%	8,301
Los Angeles – Long Beach – Santa Ana MSA	13,262,220	3.10%	117,835	\$800,000	7%	8,248
Seattle –Tacoma – Bellevue MSA	3,671,478	1.40%	54,116	\$600,000	7%	3,788
New York – Northern New Jersey - Long Island MSA	20,092,883	1.10%	40,854	\$500,000	7%	2,860
						47,139

* % of hotel occupied room nights is from the 2015 Visitor Origination Analysis.

TOURISM SALES

The purpose of the Tourism Sales counts are to gain an understanding of the channels by which the free independent traveler (FIT) connects to the destination, as a result of Marketing activity. Specifically, the Tourism Sales channels are the avenues by which leisure travelers book their room nights in a given destination. It is the responsibility of a destination CVB to leverage the tourism sales channels in response to market shifts to remain relevant and cater to buyer behavior of leisure travelers.

MARKET ANALYSIS

Key Trends & Industry Shifts in Tourism Sales

Top Trends Affecting Destination Sales -- DMAI's Destination Next study, the following top trends are influencing travels and what DMO's need to prioritize and respond to:

- Social media's prominence in reaching the travel market (e.g. Facebook, Pinterest, Twitter, Weibo)
- Customers increasingly seeking a personalized travel experience
- Travelers demanding more information, control, interaction, and personalization
- Brand identity for destinations becoming more critical in terms of meeting perceptions about value and experience
- Technology enabling faster decision-making by customers, thereby increasing business to a destination
- Hotel taxes increasingly vulnerable to alternative politically-based projects
- More third-party information providers aggregating content about destinations
- Peer-to-peer buyer influence driving customer purchases
- Customers increasingly going directly to suppliers for goods and services
- More information clutter and noise about destinations occurring in the marketplace
- With advances in technology and social media, greater collaboration occurring between competitors to move similar interests forward
- Marketing as a means to support sales shifting to marketing to support engagement in a destination

Market Consolidation -- Expedia acquired Travelocity North America in January 2015, added Orbitz Worldwide in September and piled on in November with a deal to acquire vacation rental giant HomeAway. The rollup formula is working — for now. Expedia Inc. saw its hotel room nights sold leapfrog 36 percent year-over-year in the third quarter with acquisitions accounting for eight percentage points of the jump. (Skift)

Virtual Reality Creating Business Opportunities -- Virtual reality (VR) is no longer a wonder of the future. Travel brands in multiple sectors demonstrated during 2015 that VR can do more than bring the wow factor to armchair travelers. They've also shown that the technology's business opportunities provide a more immediate return on investment as brands wait for VR headsets to become more widely available and affordable to most travelers. (Skift)

DestinationNEXT Providing Strategic Direction -- Many bureaus are faced with shrinking budgets and growing oversight from government and business stakeholders, so DestinationNEXT, DMAI's two-year research, was designed as a roadmap into the future. (Skift)

Emergence of Smart Cities -- Strategies focus on new technology platforms to spur two-way communication between cities and visitors. There's a growing emphasis on smarter content marketing to differentiate city brand identity for both leisure and group markets. Bureaus are also collaborating more with their economic development agencies and academic institutions to develop

new travel experiences and events. Bureaus such as Sydney, Berlin, Vienna, Amsterdam and Singapore are leading these shifts by positioning themselves as smart cities of the future. (Skift)

Increased Popularity of Food and Beverage Travel - Food tourism is nothing new, but its exponential growth is remaking how destinations position themselves in the global tourism marketplace. The most future-thinking travel brands are now connecting immersive food and beverage with other travel experiences following in the footsteps of culinary travel explorers like Anthony Bourdain. (Skift)

Emotional Selling through Storytelling - Smart brands have learned that a customer's feelings, in many ways, determine what they buy. Instead of selling hotel rooms and airplane seats as commodities, brands are learning to tell stories using video that create an emotional connection with a specific audience. (Skift)

Market Growth Rate

	Forecast Room Nights				
	FY16/17	FY17/18	FY18/19	FY19/20	Total
Ski & Golf Production	20,200	22,700	25,300	27,800	96,000
Online Travel Agencies	437,500	471,800	506,000	540,200	1,955,500
Traditional Wholesaler	38,200	37,900	37,600	37,300	151,000
Group Tour/Motorcoach	55,900	54,200	52,500	50,900	213,500
Travel Agent	193,300	219,400	245,500	271,600	929,800
International Wholesaler	10,000	12,000	14,000	16,000	52,000
Total	755,100	818,000	880,900	943,800	3,397,800

Note: Forecast developed utilizing the base period data (FY 11/12 through FY 14/15) with the base growing as additional periods were forecast, i.e., for FY 16/17 there were four periods, for FY 17/18 there were five periods, etc.

Key Success Factors for Tourism Sales

Destination Awareness and Positive Perception - Grow destination awareness and change perception: Strong destination awareness, especially related to outdoor lifestyle, the new city vitality/vibe and its cross generational appeal, particularly to millennials. City image/perception needs to be positive.

Targeted sales and marketing efforts - Provide dedicated sales deployment and marketing spend against targeted vertical sector and regional location basis. The international market is a long-term market opportunity to start developing more aggressively.

Performance metrics - Managing expectations and success metrics. Need to have a clear understanding and way of calculating ROI for Tourism Sales.

Value Proposition for the Destination

Reno Tahoe USA provides a unique opportunity to enjoy both a wide range of outdoor activities, along with an urban vibe, cultural entertainment, exceptional range of special events and authentic western historical experiences all in close proximity with great affordability.

Value Proposition for Tourism Sales

The Tourism Department provides destination sales and marketing services to the domestic and international travel trade industry, including tour operators, wholesalers, receptive tour operators, travel agents and online travel agencies (OTAs). Through strategic planning, efforts are maximized to position Reno Tahoe USA as a preferred destination for both international and domestic visitors



resulting in increased revenue to the hospitality industry, thereby contributing to the overall economy of the Reno Tahoe area. Support is given to area travel industry partners by providing leisure travel leads. In addition, the Tourism Department provides assistance to Reno Tahoe International Airport to maintain and increase destination air service.

**Competitor
Analysis**

Depending on the desired travel experiences Reno Tahoe USA competes with a wide range of western destinations.

Travel Vertical	Competitor Destinations
Ski	Vail, Park City, Mammoth
Golf	Scottsdale, Palm Springs, Las Vegas, California
Urban	Portland, Las Vegas, Denver, Phoenix, Seattle, most major California Cities

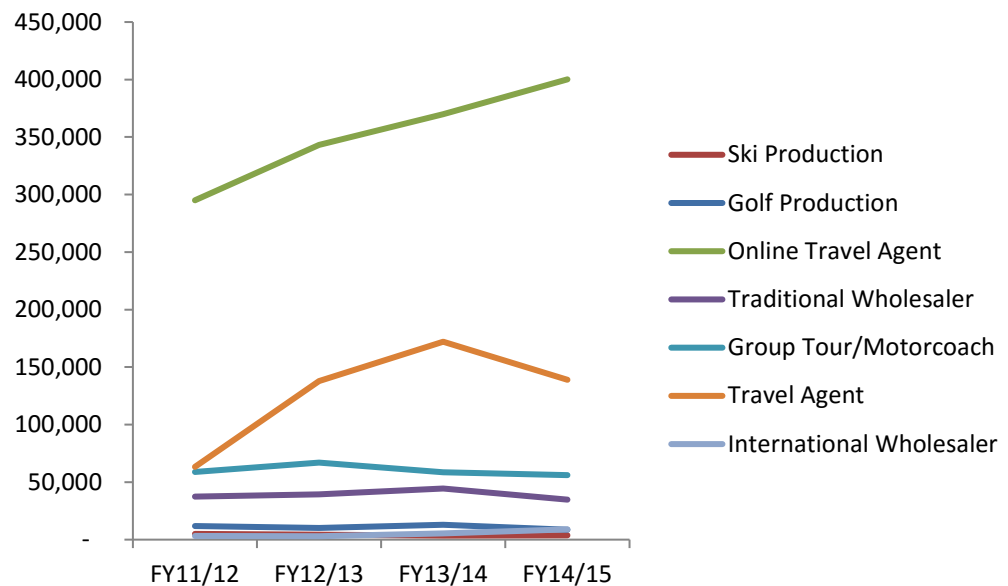
ROOM NIGHT & EVENT ANALYSIS

Room Nights

Self-reported data from 8 hotels, aggregated by RSCVA	FY11/12	FY12/13	FY13/14	FY14/15	Total	% to Total Reported Tourism Sales
Ski Production	4,998	4,205	3,527	3,804	16,534	0.7%
Golf Production	11,773	10,038	12,925	11,597	46,333	1.9%
Online Travel Agencies	295,035	343,038	369,844	400,176	1,408,093	58.7%
Traditional Wholesaler	37,479	39,391	44,444	34,775	156,089	6.5%
Group Tour/ Motorcoach	58,828	66,972	58,520	56,078	240,398	10.0%
Travel Agent	63,288	137,725	172,069	138,925	512,007	21.3%
International Wholesaler	3,112	2,972	5,349	8,933	20,366	0.8%
Total Tourism	474,513	604,341	666,678	654,288	2,399,820	100.0%

RSCVA data shows that on average, approximately one third of cash occupied room nights come through Tourism channels/markets.

Room Nights



Source of table: data is self-reported on a monthly basis from eight hotels and aggregated by RSCVA.

Tourism Sales Net Budget

	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
Tourism Expenditures Net of Revenue	\$677,713	\$335,044	\$414,560	\$460,156	\$377,813	\$2,265,286



Non-Negotiated Room Nights Generated from Domestic Markets (2015)

Domestic Market	% of Total	Total Non-Negotiated Room Nights
Chicago	14%	4,384
Tampa	12%	3,722
Phoenix	10%	3,139
Atlanta	9%	2,941
Los Angeles	6%	2,093
Seattle	6%	2,029
Dallas	6%	1,950
Philadelphia	6%	1,800
Miami FL	5%	1,739
New York City	4%	1,397
Other	22%	7,168
Total	100%	32,362

Non-Negotiated Room Nights Generated from International Markets (2015)

International Market	% of Total	Total Non-Negotiated Room Nights
United States	97.3%	52,687
Canada	1.4%	748
United Kingdom	0.2%	116
Germany	0.1%	76
Italy	0.1%	71
Ireland	0.1%	65
Mexico	0.1%	63
India	0.1%	61
Australia	0.1%	48
France	0.1%	37
Other	0.4%	193
Total	100%	54,165



International Visitation based on May 2015 Visitor Origination Analysis

Top International Markets Where Visitors Originated 2015	# of Hotel Occupied Room Nights	Estimated Possible Hotel Occupancy*
Netherlands	1,728	4,937
United Kingdom	1,006	2,874
Australia	736	2,103
Germany	701	2,003
Mexico	570	1,629
China	548	1,566
British Columbia	7,995	22,843
Ontario	2,442	6,977
Alberta	2,184	6,240
Quebec	457	1,306
Saskatchewan	279	797
Manitoba	239	682

*As of May 6, 2016, the Visitor Origination Study represented approximately 35% of occupied hotel rooms during 2015. The Estimated occupancy is calculated by grossing up the number of recorded room nights.

Top 10 Agencies for Non-Negotiated Room Night Generation (2015)

Originating Agencies	% of Total	Total Non-Negotiated Room Nights
Southwest Airlines Oww	13%	1,984
AEGBT	12%	1,881
AMEXGBT	8%	1,166
Travel Leaders	5%	740
Orbitz For Business	4%	566
Egencia Llc	3%	530
World Travel Inc	3%	517
Carlson Wagonlit Travel lgt	3%	467
HRG North America	3%	461
Travel Incorporated	3%	409
Other	43%	6,530
Total	100%	15,251

Data source for above tables: Beginning in 2015, a subscription was established with TravelClick whereby source of bookings was secured based upon specific travel agency, geographic location of agency, type of business booked – corporate, non-negotiated and consortium; location within RSCVA area receiving the booking – downtown, outlying and branded. Non-negotiated bookings most closely align with tourism travel.

Risks	<ul style="list-style-type: none"> • The international market efforts require a long-term approach, which will take three to five years to see appropriate gains. • Currency exchange, country economies, and both domestic/international political influences play a significant role in travel demand. • Currently, the RSCVA's ability to accurately measure demand generation of various Group Tourism efforts is ineffective and not trackable making ROI assessment problematic. 								
CS&L Insights	<ul style="list-style-type: none"> • Current tourism sales efforts are focused on segments that include ski, golf, motorcoach and international. The challenge isn't the breadth of outreach; it is more the limited resources needed to create depth of outreach within each of these channels. Specific investment initiatives that RSCVA staff are and should continue to pursue include greater partnering with international and domestic tour operators to increase Reno Tahoe exposure, sponsoring various major trade events, and adding a staff position for greater leisure market coverage in niche segments. (CSL) • Participation in international markets by partnering with an in-market representative. Reno Tahoe would benefit from working with representatives in targeted international markets to create enhanced Reno Tahoe focus for tour operators, greater PR efforts and new social media initiatives in targeted international destinations. Identify two or three markets (starting with Mexico and Canada as core markets) to focus on. Potential additional markets include Brazil, France, UK and Germany. Continue working with the Nevada Commission on Tourism in international markets as appropriate. (CSL) • Partner with tour operators to support destination marketing. Provide \$10,000 to \$20,000 each to several selected operators for domestic leisure outreach. These resources would be spent to address a telling lack of awareness of Reno Tahoe destination assets amongst key target markets. (CSL) • Add a staff position to provide greater leisure market coverage at industry tradeshow. This could increase exposure to ski, golf, outdoor, and various demographic niche sectors. (CSL) 								
Tourism Sales SWOT	<table> <tr> <th data-bbox="423 1129 532 1150">Strengths</th><th data-bbox="963 1129 1101 1150">Weaknesses</th></tr> <tr> <td data-bbox="472 1171 932 1423"> <ul style="list-style-type: none"> • Diverse product offerings – varied and unique outdoor lifestyle, urban, cultural, special events, gaming and authentic western activities • Proximity to key international gateway cities • Existing relations with key OTA's, wholesalers, tour operators </td><td data-bbox="1011 1171 1468 1392"> <ul style="list-style-type: none"> • Destination perceptions and lack of awareness from key fly markets • Available funds to better promote the destination in terms of staffing, promotions, PR, social media outreach and advertising • In effective production metrics </td></tr> <tr> <th data-bbox="423 1486 581 1507">Opportunities</th><th data-bbox="963 1486 1052 1507">Threats</th></tr> <tr> <td data-bbox="472 1528 932 1843"> <ul style="list-style-type: none"> • International market development • Development on new destination experiences • Grow travel agents/agencies segment thru targeted agency initiatives • Align tourism activities with new destination marketing, branding and product placement initiatives • Define new performance metrics for tourism sales </td><td data-bbox="1011 1528 1425 1686"> <ul style="list-style-type: none"> • Terrorism • Fluctuations in currency exchange rates • Economy • Political landscape </td></tr> </table>	Strengths	Weaknesses	<ul style="list-style-type: none"> • Diverse product offerings – varied and unique outdoor lifestyle, urban, cultural, special events, gaming and authentic western activities • Proximity to key international gateway cities • Existing relations with key OTA's, wholesalers, tour operators 	<ul style="list-style-type: none"> • Destination perceptions and lack of awareness from key fly markets • Available funds to better promote the destination in terms of staffing, promotions, PR, social media outreach and advertising • In effective production metrics 	Opportunities	Threats	<ul style="list-style-type: none"> • International market development • Development on new destination experiences • Grow travel agents/agencies segment thru targeted agency initiatives • Align tourism activities with new destination marketing, branding and product placement initiatives • Define new performance metrics for tourism sales 	<ul style="list-style-type: none"> • Terrorism • Fluctuations in currency exchange rates • Economy • Political landscape
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TOURISM SALES OUTLOOK

Opportunity to Increase Room Nights Generated from Online Travel Agencies

Room Night Potential:	Based on the compound annual growth rate over the last four years, an 8 percent compound annual growth rate can be expected in this channel in correlation to industry shifts and changes in buyer behavior. Given this growth rate, ~1.9 million room nights are expected to come through the OTA channel over the next four years.
Sales Requirements:	N/A
Marketing Requirements:	N/A
Proposed Initiatives:	<ul style="list-style-type: none">• Continue ongoing relationship development with various OTA Market Managers.• Develop ongoing agency education to support consumer transactions.• Reach out to target segments by leveraging their heavy use of peer-to-peer and magazine/newspaper articles for trip inspiration.• Build collection of signature brand experience stories to maximize public relations and earned media values.• Enhance local content on website including ambassadors and video.• Develop blogger strategy by leveraging current Travel Nevada research.• Tailor domestic sales missions to include JetBlue, American, Southwest, Volaris and Alaska airlines vacation packages.

Opportunities to Increase Room Nights Generated from Group Tour/Motorcoach

Room Night Potential:	Although sporadic, the previous four years showed an average of -1 percent decline annual. Carrying that downward trend forward, a Group Tour/Motorcoach segment is expected to produce ~264k room nights over the next four years.
Sales Requirements:	N/A. Maintain existing spend with key shows
Marketing Requirements:	N/A
Proposed Initiatives:	<ul style="list-style-type: none">• Continue presence at National Tour Association (NTA) and American Bus Association (ABA).• As the city economy develops and downtown becomes revitalized, a focus needs to be on creating new tourism attractions. The current focus on arts, emerging culinary, microbrew scene, and new soccer franchise presents fresh opportunities to leverage.



Opportunities to Increase Room Nights Generated from Direct to Consumer Efforts (Ski and Golf)

- Room Night Potential:** Room nights generated through direct-to-consumer efforts, specifically ski and golf, have been sporadic over the last four years, swinging +/- 15 percent year over year. On average, room nights generated from these efforts has declined approximately 2 percent year-over-year over the last four years. Moving forward, the direct-to-consumer room nights are expected to remain flat over the next four years, producing approximately 63k room nights.
- Sales Requirements:** No additional budgets required.
- Marketing Requirements:**
- As new media plan is developed in key fly cities look to have specific messaging about the destination ski and golf products.
- Proposed Initiatives:**
- Continue presence at industry golf and ski shows. This segment is a steady state.

Opportunity to Increase Room Nights Generated from Travel Agents

- Room Night Potential:** Given the opportunities below, ~680k room nights are expected to be generated through Travel Agents over the next 5 years, representing a 2% year-over-year growth over the average of the previous four years.
- Sales Requirements:**
- Additional staffing \$75,000 plus benefits.
 - Travel Agent awareness program \$50,000.
 - Host industry events, \$75,000, every other year
- Marketing Requirements:**
- Various media and online channels, \$25,000.
- Proposed Initiatives:**
- Fully leverage Reno Tahoe USA hosting of American Society of Travel Agents (ASTA) in September 2016 and the Go West Summit in February 2017. Sponsor other major travel trade events to increase the Reno Tahoe destination profile.
 - Develop a travel agent awareness and recognition program. The RSCVA had a program in the mid 2000's that was cut due to budget constraints. Las Vegas has a strong and effective program to model after. Budget approximately \$50,000 for the program.
 - Expand media and online presence in key travel agent media and channels. Budget \$25,000.
 - Better utilize new Travelclick reports to target key travel agencies.
 - Build relations.
 - Develop ongoing communication strategies.
 - Host travel agent FAMS.



Other Opportunities

Proactively and strategically pursue the LGBT Market.

Room Night Potential:

Starting in FY17/18, pursue the opportunity for incremental room night generation specific to the LGBT market has not yet been determined. Rather, the aim for this tourism sales initiative is to support overall visitor growth performance of the RSCVA.

Sales Requirements:

- New LGBT show attendance - \$25,000

Marketing Requirements:

- LGBT-focused ads and video - \$75,000

Proposed Initiatives

With the close proximity to Northern California and strong air service to other key western cities, Reno Tahoe has a strong opportunity to increase the LGBT market by working with media, travel professionals and various groups to increase total LGBT room nights.

- Add additional staff that will focus on development of the LGBT and travel agent/agency segments.
- Use market research to better understand the LGBT motivators to leisure and group business and the barriers to travel to Reno Tahoe.
- Promote Reno Tahoe as a diverse, modern and affirming destination for a younger demographic.
- Through social media and specific geo targeting, educate the 30- to 40-year old LGBT traveler that Reno Tahoe is inclusive and welcoming of gay travel.
- Create ongoing LGBT promotions on website that are gay centric.
- Partner with the International Gay & Lesbian Travel Association Media Strategy. Assist IGLTA in hosting board meetings/events.
- Attend and exhibit at key regional LGBT Events.



Innovative Growth - International: Expand marketing presence into new international markets, specifically: Canada, Mexico and support TravelNevada's international efforts.

Room Night Potential:

Due to significantly low room night numbers from international markets, focus on incremental room night generation from targeted markets is a long-term play. Because of the low base (average over the last 4 years), the short-term gain will be minimal. Assuming targeted marketing efforts could generate a 100% increase over 2015 actuals by FY19/20, as reported by the Visitor Origination Analysis, the below room nights would be expected.

- ~12k room nights in the next five years for United Kingdom, Scandinavian Countries, Brazil, and China
- ~39k room nights in the next five years for Canada and Mexico.

Sales Requirements:

- International in-market representation - \$120,000; \$30,000 per country for four countries (United Kingdom, Scandinavian Countries, Brazil, and China).

Marketing Requirements:

- International - Inclusion in key wholesaler account product catalogs - \$50,000

Proposed Initiatives:

Continue to build and strengthen travel trade relationships to influence placement and length of stay:

- Collaborate with similar economic development partners to build consistent messaging and synergy between traditional economic development strategies and visitor-related economic development strategies, e.g., destination branding, joint public relations
- Provide convenient access to brand assets to encourage partners to use them in their marketing materials and refresh current collateral.
 - Continue to provide language specific collateral and video material.
 - Develop web content that is language specific.
- Connect with key accounts in key markets to provide brand training and education to partner reservation agents, sales teams and travel agents to drive visitation.
- Leverage the international marketing efforts of major partners such as Travel Nevada, and Brand USA.
- Execute three to four joint marketing agreements with key tour operators that drive incremental room nights/length of stay. Continue to work with representation companies to target top producing tour operators in key international markets.
 - Hotel Beds, Tourico, Mark Travel, ATI and GTA are the best options.
- Secure in-market representation for Reno Tahoe in United Kingdom, Scandinavian Countries, Brazil, and China. \$20,000 to \$30,000 is needed per country. These market reps will be responsible for providing key agency training, attend travel agent shows, host events, secure FAM attendance, and seek PR opportunities.
- Attend marketplaces and missions when possible to represent the Reno Tahoe USA and key messaging abroad.
- Develop relations and strategies with key feeder international port cities, San Francisco, Las Angeles and Las Vegas to build trip itineraries that include Reno Tahoe.



ROOM NIGHT AND INVESTMENT FORECAST

Room night forecast numbers are included in the leisure travel table as Tourism Sales is a channel that feeds into leisure.

	FY16/17	FY17/18	FY18/19	FY19/20	4-Year Total
	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Steady State					
Online Travel Agencies (8%)	431,790	465,901	502,708	542,421	1,942,820
Group Tour/Motorcoach (-1%)	53,857	52,780	51,725	50,690	209,052
Direct to Consumer (Ski & Golf) (flat)	15,700	15,700	15,700	15,700	62,800
Growth Strategy					
Travel Agents (2%)	39,655	40,249	40,873	41,310	162,087
International (Canada & Mexico)	-	-	-	39,047	39,047
International (United Kingdom, Scandinavian Countries, Brazil, and China)	-	-	-	12,007	12,007
LGBT	TBD				
Total	39,655	40,249	40,873	92,364	213,141
Resource Requirements					
Additional Staffing	-	\$95,000	\$95,000	\$95,000	\$285,000
Sales Requirements	\$150,000	\$75,000	\$150,000	\$75,000	\$450,000
Marketing Requirements	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
International Spend	-	\$170,000	\$170,000	\$170,000	\$510,000
Total	\$250,000	\$440,000	\$515,000	\$440,000	\$1,645,000



STRATEGIC PRIORITY #2: ROOM NIGHT GROWTH



CONCERTS & TICKETED EVENTS

Concerts and ticketed events comprise five percent of the lines of RSCVA business, from a room night perspective over the last five years. The biggest events in the concerts category generated close to 4,000 room nights with 10 percent of the total generating less than 500. The majority of concerts are booked into the Reno Events Center, whereas the majority of local public events utilize the Reno-Sparks Convention Center, and a smaller amount the Reno-Sparks Livestock Events Center.

Key Observations & Insights

- Most events in this category are booked out less than 12 months, making market sizing and opportunity identification less concrete than other market segments.
- Concert bookings are dependent on hotel properties and outside promoters and to appropriately take advantage of opportunities prompt decisions must be made.
- Total event attendance has fluctuated over the past five years, while the number of events has declined on the average 6% per year while room nights also declined an average of 5% per year.
- The Hot August Nights event generates significant market awareness (in attendance) and room nights, and this strategic relationship should be more proactively managed to produce overall benefits.

Strategic Issues

- Should we aim to grow concerts and events event though they are not necessarily the biggest room night producers compared to other segment opportunities?
- Can the RSCVA play a larger role in attracting events and/or helping the properties be more proactive?
- Should the RSCVA dedicate resources to secure local public events to assist in facility occupancy?
- Do we want to invest in hockey?

RSCVA Outlook:

Invest in concerts/ticketed events. Maintain local public & spectator sports.

MAINTAIN/RETAIN No Change to Current Operations	NEW GROWTH Incremental Investment	INNOVATIVE GROWTH Large Investment
<p>Modest growth of 2-5% due to local economic improvement (FY09/10-14/15: 94,253 room nights)</p> <p>5-Year Room Night Forecast: 73,800 (Steady state of 5% growth)</p> <p>Total Events: ~ 29 events per year</p> <p>Resource Requirements: None. Funded by the City of Reno CIP.</p>	<p>Grow large performance concerts if RSCVA is able to create a rental discount agreement with hotel properties.</p> <p>Additional Room Nights: 19,200 (Rental discount + EDM growth)</p> <p>Additional Events: 30 additional over 5 years</p> <p>Resource Requirements: \$50,000 reserve</p>	<p>Ice hockey if feasibility study makes sense & City of Reno supports.</p> <p>Additional Room Nights: Unknown</p> <p>Additional Events:</p> <p>Resource Requirements: Unknown</p>

MARKET ANALYSIS

Key Trends & Industry Shifts

The Concert and Event Promotion industry is extremely fragmented and no consolidation is expected. Live Nation is the largest event producers in the country with 20 percent market share and AEG is the second with 5 percent share. (IBIS)

Increasing per capita disposable income: As a key growth driver, disposable income is anticipated to rise at an average annual rate of 2.5 percent over the five years to 2020. As consumers' incomes grow, they are more likely to increase their discretionary spending and attend more events. (IBIS)

Rising average ticket prices: Industry operators will respond to rising demand by increasing average ticket prices. Higher demand, coupled with rising prices, is expected to lead to stronger growth, particularly as musicians and other artists increasingly rely on advertising and live events to generate revenue. (IBIS)

Shift to multi-day festivals: There has been some concern that the increasing number of music festivals may be creating market saturation. Summer music festivals in particular have rapidly expanded. The industry's largest players have also scaled back large amphitheater shows and focused on filling smaller venues. (IBIS)

EDM still strong: The Electronic Dance Music (EDM) market is still the fastest growing concert segment, growing tenfold from 2007. Live Nation and AEG are heavily investing in production companies to continue to tap into growing demand. (IMS Business Report 2015)

Pressure from Sacramento: Historically about 40% of concert ticket sales come from California. With Live Nation's ownership and enhanced utilization of Toyota Amphitheater in Sacramento and the new arena being constructed in Sacramento in fall of 2017, there will likely be an increased draw to that facility over Reno. (RSCVA data)

Local Public/Spectator/Consumer Shows are flat: Nationally, home shows are flat or decreasing; auto shows will stay flat; and arts and craft tradeshow are decreasing. Generally, local public shows are on the decline and Reno has experienced the same trend with a substantial decline in attendance from FY10/11 to FY14/15. (RSCVA data)

Market Growth Rate

Concerts and event promotion grew 4.7 percent annually from 2010 to 2015. The market is estimated to slightly increase to 5 percent annually through 2020. The industry is growing as a result of the music business's increasing emphasis on live performance. (IBIS)

Key Success Factors

Ability to raise revenue from additional sources: Establishments must be able to diversify their revenue sources away from simply relying on admission fees. Additional revenue streams include concessions, merchandise, premium seating, artist services and rental income from venue leasing.

Optimum capacity utilization: Operators must make the most of facilities by selling out events and renting venues to third-party companies when not in use. Better capacity use creates lower per-unit costs and enables companies to offer consumers affordable tickets to events.

Having a high prior success rate (including completed prior contracts): Promoters and producers who achieve superior reputations will be better able to win new and repeat business and secure the most coveted performing acts.

Proximity to key markets: Although it is not essential for many of the industry's smaller companies to be located in major urban areas, all companies in the industry must ensure that their owned or leased venues are appropriately sized and in close proximity to local audiences.

Competitive Set

Harvey's Amphitheatre: The *Lake Tahoe Outdoor Arena* at Harvey's in nearby Stateline, NV, provides approximately 7,000 outdoor seats and is home to a very popular summer concert series. Events at this facility are produced and promoted by Another Planet Entertainment—a large Bay Area event promoter with connections to several west coast concert venues. **Strengths:** Lake Tahoe location, pays large guarantees to bring in top entertainers. **Weaknesses:** Venue only operates during the summer

Toyota Amphitheatre: Located approximately 125 miles from Reno in Wheatland, CA, the *Toyota Amphitheatre* provides 18,500 seats and is privately owned and operated by Live Nation. Live Nation is the largest concert promoter in North America and routes their tours to this venue. **Strengths:** Owned by Live Nation who routes their tours to this location. **Weaknesses:** Venue only operates from May-October.

New Sacramento Kings Stadium: The new downtown Sacramento arena provides approximately 17,000 seats. It is one of the newest NBA stadiums in the country. **Strengths:** Very attractive to play in a new building in a large market, downtown. **Weaknesses:** Events will need to work around NBA schedule.

Grand Sierra Grand Theatre: Long-standing popular venue in Reno is the 2,600-seat Grand Theatre. Recently remodeled, the venue is second in size to the Reno Events Center. **Strengths:** Full experience with hotel and restaurants, along with a single decision maker for event productions. **Weaknesses:** Small size and single resort.

Ideal Customer Profile

- National concert promoters
- Regional concert promoters
- Hispanic music promoters /producers
- Local public show producers

Producer Perspective

- Major event producers also cite competition from area casinos and concerns regarding safety and panhandling downtown as other factors negatively impacting REC demand. (CSL)
- The majority of entertainment event interviewees indicated that Reno is a great secondary market for touring events. (CSL)
- Of the entertainment event promoters interviewed, there was an overall satisfaction with current facility offerings in Reno among promoters, and those who have previously booked events had a favorable experience working with facility management. (CSL)
- When entertainment event promoters were asked what they felt are the biggest weaknesses of Reno as an event market, the responses included: the perception of downtown; the destination's lack of national accessibility; casinos offering free shows in Reno; and, the inability to use a promoters ticketing system, instead having to use Ticketmaster. (CSL)



FACILITY & EVENT ANALYSIS

Size of the RSCVA Business

Concerts-Ticketed Performances: The attendance over the past five years has averaged 66,900 with about 20 performances per year. The average annual attendance is sporadic and irregular while the number of overall events appears to be increasing somewhat. However, the number of room nights generated from the performances has declined, but the number of performances that generate room nights has held steady. The five-year average is about 17,000 annual room nights while the current room nights have declined to about 12,000.

Hot August Nights: This special event utilizes RSCVA facilities. The RSCVA facilities are definite factors in driving extra room nights for the special event.

Local Public/Spectator/Consumer: The attendance has averaged 158,600 over the past five years with a significant drop in FY14/15. Very few room nights are generated by this sub-segment due to nature of the events, which are focused primarily on consumers/customers from the Truckee Meadows. There has been an annual average of 104 events, which has declined significantly over the five years.

Spectator sports: The attendance has averaged 23,100 over the past five years, with a significant decrease between FY10/11 and FY11/12 and a marginal increase from FY13/14 to FY14/15. No trackable room nights are generated by this sub-segment due to nature of the events, which are focused primarily on consumers/customers from the Truckee Meadows.

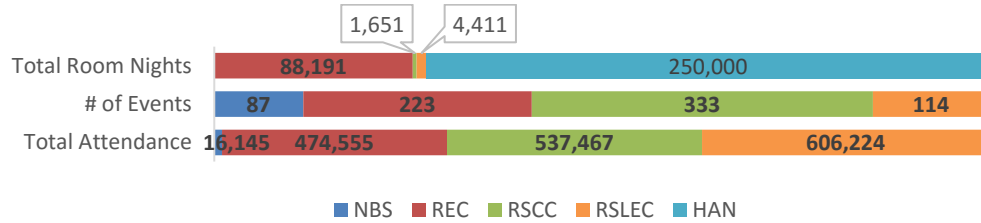
Room Nights, Events & Attendance

Consumption by Fiscal Year	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
Concerts – Ticketed Performances						
Total Attendance	75,213	90,668	41,868	68,826	58,097	334,672
# of Events	19	26	14	18	22	99
Consumed Room Nights	27,016	24,907	9,664	12,052	11,618	85,257
# of Events with Room Nights	13	20	8	13	13	67
Hot August Nights						
Total Attendance	67,102	68,565	72,574	90,000	93,000	391,241
# of Events	3	3	3	3	3	15
Consumed Room Nights	50,000	50,000	50,000	50,000	50,000	250,000
# of Events with Room Nights	3	3	3	3	3	15
Local Public/Spectator/Consumer						
Total Attendance	192,252	201,050	134,456	140,999	124,286	793,043
# of Events	129	120	95	94	82	520
Consumed Room Nights	995	1,947	1,662	3,553	839	8,996
# of Events with Room Nights	10	16	10	16	14	66
Reno Bighorns						
Total Attendance	30,311	23,611	23,049	17,459	21,005	115,435
# of Events	27	24	24	25	23	123
Consumed Room Nights	n/a	n/a	n/a	n/a	n/a	n/a
# of Events with Room Nights	n/a	n/a	n/a	n/a	n/a	n/a

*These numbers include all activity related to this segment, and is not specific to a particular facility.



Facility Usage



Value of Lost Business

Size of venue: While the size is a benefit in the market, large performances find the venue too small for the minimum thresholds required. Usually, large concerts have minimum thresholds such as 10,000 seats such as Bruce Springsteen and Red Hot Chili Peppers.

No hotel property support: Periodically when artists ask for a financial guarantee, the hotel properties choose not to pay it due to timing or lack of perceived economic benefit from the audience draw.

Proximity to Sacramento: Our proximity to Sacramento is a detriment because promoters are leery of playing two markets so close to each other. When choosing to play Reno or Sacramento they feel it is safer to play the larger market.



CONCERTS & TICKETED EVENTS OUTLOOK

Opportunities	<p>Proactively secure larger performances: Be a catalyst to help casinos be more proactive and aggressive in pursuing opportunities by providing a rental discount. Should the RSCVA and partners enter into a stronger partnership, it may be possible to marginally increase higher-end concert events. (CSL) Additionally, large music festivals in the region allow the chance to route an artist for an additional date, either in route or departing a festival.</p> <p>Ride the EDM wave: The emergence of electronic dance music gives us the opportunity to host more events by creating an event that was not around when the facility opened.</p> <p>Invest in ice hockey: Adding ice to the Reno Events Center would allow for the opportunity to pursue an ice hockey team as well as ice sporting events. (CSL)</p> <p>New outdoor amphitheater: The market could use an outdoor amphitheater with approximately 12,000 seats. (CSL)</p>
Risks	<ul style="list-style-type: none">• Live Nation competitive pressure could increase, but likely the impacts of this acquisition have already been felt in the Reno market.• The success/proliferation of music festivals leading to oversaturation.

Opportunity Detail:

Steady State: Growth at 5% per year as a result of local economic improvement.

Under the current sales efforts and facility maintenance plans, the business is projected to grow at about 5 percent per year. Based upon the current state of this market and the improving status of the local economy, we anticipate a modest growth of 5 percent over the five-year period. This assumes current sales effort and facility maintenance. Thus estimated number of *total* events will grow to about 17 with 14,000 room nights generated annually and attendance of 85,300.

In addition to maintain a **Steady State**, the relationship with Hot August Nights, which can generate approximately 50,000 annual room nights, should be proactively managed.

Future Events in the REC 2016 Pipeline Include:

April - June	Bob Dylan, Pentatonix
July-September	Pentatonix, Aerosmith, 21 Pilots, Jimmy Buffet, Def Leppard/REO/Styx, Alabama/Martina McBride
October-December	Elton John, Andrea Bocelli



Opportunity #1: Proactively secure consistent large performances.

Consistently attract large acts/performers by partnering with hotel properties to provide a facility rental discount. Establish REC as an attractive venue by proactively and consistently bringing in large performers that other venues in the region cannot accommodate. Additionally, collaborate with other concert venues to avoid double-booking of similar-style events, when possible and appropriate.

Event Potential:	4 per year/over 5 years = 20. Projecting that by FY19/20, there will be approx. 17+ large performances per year.
Room Night Potential:	800 – 1,200 room nights per event = 16,000 – 24,000 over five years considering a short ramp up. (Average room nights determined based on the activity of the last three years.) Obviously the bigger the name, the larger the draw.
Sales Requirements:	<ul style="list-style-type: none">• \$50,000 reserve
Facility Requirements:	<ul style="list-style-type: none">• REC: Concerts at REC require updated dressing rooms.• RSCC: Nothing required.
Roadblocks:	<ul style="list-style-type: none">• Downtown properties resistant to booking/supporting that are not on the weekend.• Concerts are not just focused on attracting visitors as they need to draw local attendance as well.

Opportunity #2: Ride the EDM wave.

With the emergence of electronic dance music, pursue the opportunity to host more events by creating an event that was not around when the facility opened.

Event Potential:	3 per year/over 5 years = 15. Currently doing four of these events each year which will increase the annual number to about seven with a short ramp up period.
Room Night Potential:	200-400 room nights per event = 3,000-6,000 total over the next 5 years.
Sales Requirements:	<ul style="list-style-type: none">• N/A. These events generally book on a very short-term basis, i.e. less than six months.
Facility Requirements:	<ul style="list-style-type: none">• REC: Nothing required.• RSCC: Nothing required.
Roadblocks:	<ul style="list-style-type: none">• Younger audience is not an attractive customer for hotel properties.• Competes with regional venues for the same events.

LOCAL PUBLIC/SPECTATOR/CONSUMER

Steady State: Growth at 2 - 5% per year as a result of local economic improvement.



Based upon the current state of this market and the improving status of the local economy, we anticipate a modest growth of 2-5 percent over the five-year period. The estimated number of events is critical in driving attendance, which may increase to 97 total (with 17 room night generating events) with 2,100 room nights per year generated and annual attendance of 147,000.

Opportunity #1: Analyze the profitability of local public/spectator/consumer events.

Additional public local events have the potential to offset facility overhead and improve overall occupancy rates. However, before committing to increasing these events it's important to determine the profitability of such events such that they are not loss leaders.

SPECTATOR SPORTS

Steady State: Maintain current levels for the next 5 years.

Based on the current state of the Reno Bighorns, we anticipate this market segment to remain flat over the five-year period. Moderate fluctuation is expected to continue at a similar margin as the previous five-year period. The number of events is expected to remain within the 23-27 range, driving approximately 115,000 in attendance over the course of the next five years. This event typically does not generate room nights.

Opportunity #1: Invest in ice hockey.

There is currently an outstanding proposal, pending approval by the Reno City Council, for a feasibility study by Brian Bonnefont of UNR to determine the economic impact of securing a minor league hockey team. Expected results from the study are late spring or early summer of 2016. For purposes of this plan, additional analysis is paused until the study is complete.



ROOM NIGHT AND INVESTMENT FORECAST

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	Total
	Room Nights (Events)	Room Nights (Events)	Room Nights (Events)	Room Nights (Events)	Room Nights (Events)	Room Nights (Events)
Concerts						
Steady State (5% growth)	11,600 (13)	12,200 (14)	12,800 (15)	13,500 (16)	14,000 (17)	64,100 (75)
Opportunity #1 – Rental discount		3,000 (3)	4,000 (4)	4,000 (4)	4,000 (4)	15,000 (15)
Opportunity #2 – EDM	600 (2)	900 (3)	900 (3)	900 (3)	900 (3)	4,200 (14)
Subtotal	14,200 (15)	16,100 (20)	17,700 (22)	18,400 (23)	18,900 (24)	83,300 (104)
Local Public/Spectator/Consumer						
Steady State (2-5% growth)	1,800 (14)	1,860 (14)	1,930 (15)	2,000 (16)	2,100 (17)	9,700 (76)
Subtotal	1,800 (14)	1,860 (14)	1,930 (15)	2,000 (16)	2,100 (17)	9,700 (76)
Spectator Sports						
Bighorns	-0-	-0-	-0-	-0-	-0-	
Ice Hockey	TBD					
Subtotal						
Total	16,000 (29)	17,960 (34)	19,630 (37)	20,400 (39)	21,000 (41)	93,000 (180)
Resource Requirements						
Facility -Maintain	None	None	None	None	None	-
Facility – New Growth	None	None	None	None	None	-
Hiring Needs	None	None	None	None	None	-
Marketing Investments	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$250,000

BOWLING

Bowling events comprise 31 percent of the overall RSCVA lines of business, from a room night perspective over the last five years. Contracts with the USBC have been signed for the next several years. During the term of these contracts, the level of participants and resulting room nights generated from USBC tournaments should be reviewed. However, bowling participation nationally has leveled off after past steep declines. This may result in a stabilization of major tournament participation. Efforts should be undertaken to increase NBS usage in non-tournament years.

Key Observations & Insights

- Certified league bowlers have been declining 4-5 percent annually for the past ten years with trend extending into current bowling season. However open-play/special events bowling is steadily increasing to cover loss of league bowling for local bowling centers.
- NBS attracts a greater than typical share of certified league bowlers.
- Six contracts have been negotiated with USBC from 2018 through 2026.
- The relationship with the USBC should be proactively managed to work towards improved tournament competition by members which will produce benefits for both parties.

Strategic Issues

- Four of the next five years are either dark (no USBC tournament) or only have a smaller women's tournament. What is the plan for filling in that gap with other tournaments? How does this affect the operating subsidy required to support the facility in the coming five-year period?
- Considering that open play/social increasing, and special event/tournament is steady, while league bowling is significantly declining, how should the NBS be positioned going forward?
- How can the RSCVA more effectively leverage the NBS as a national icon?
- Given the fact that the NBS has generated more room nights than the other RSCVA-operated facilities over the past five years, what should the focus be for the next five years?

RSCVA Outlook:

Leverage the NBS as the best facility in the country with modest investment to retain current USBC business.

MAINTAIN/RETAIN No Change to Current Operations	NEW GROWTH Incremental Investment	INNOVATIVE GROWTH Large Investment
<p>Business will decline from the previous five-year period (FY10/11-FY14/15: 571,000 room nights)</p> <p>5-Year Room Night Forecast: 228,700 (Just booked business)</p> <p>Resource Requirements: Invest \$50K to support air service from targeted cities during the Open.</p>	<p>Business will moderately improve</p> <p>Additional Room Nights: 47,300 over <i>Maintain</i> or 5% annual growth.</p> <p>Resource Requirements: N/A</p>	<p>Business will moderately improve</p> <p>Additional Room Nights: 11,600 additional through opportunities such as new tournaments and special events.</p> <p>Resource Requirements: TBD</p>

MARKET ANALYSIS

Key Trends & Industry Shifts	<p>Declining league membership: Membership of the United States Bowling Congress (USBC) declining each year around 5-6 percent. (RSCVA Staff)</p> <p>Industry splitting: League bowlers, who once represented the major market for industry operators, now account for only an estimated 42 percent of traditional bowling revenue, with shoe rental and open-play bowlers representing the remaining 58 percent. To attract this growing market of casual bowlers, bowling centers have increasingly become multi-use facilities that include a variety of other recreation activities, from laser tag to high-end restaurants.</p> <p>Moving to open play: Bowling centers show an increase in open play, casual bowling and non-USBC certified bowling leagues – Many bowling centers percent of business – 49% Leagues, 49% Open Bowling, 2% Tournaments. (RSCVA Staff)</p> <p>Tournament play = prize money: Award for winning/tournament play now is prize money, whereas it used to be the much less expensive trophy. (RSCVA Staff)</p> <p>Growing in college sports: Fastest growing high school team sport in the country with participation doubling over last eight years. Over 250 colleges have competitive bowling teams with over 3,000 athletes. (Hansell & Associates, Inc., December 2015)</p>
Market Size	1.57M USBC members per website. Approximately 25 percent of league bowlers are not “certified” each year, thus increasing the true market potential to 1,962,000 during the 2014/2015 season.
Market Growth Rate	<p>Certified league membership is declining 4-6 percent annually. Tournament bowling as a percentage of league bowling is staying flat.</p> <p>Overall the industry is forecasted to decline at a rate of 0.4 percent from 2015 to 2020.</p>
Key Success Factors	<p>Understanding the industry's market: The market for bowling centers has shifted toward casual, higher-income consumers. Catering to this market, rather than traditional league players, taps into the industry's current source of demand. (IBIS)</p> <p>Access to a multi-skilled and flexible workforce: Given the weekly and seasonal nature of demand, access to a flexible, casual workforce helps operators contain wage costs. (IBIS)</p> <p>Ability to attract local support/patronage: For bowling centers with very high league participation, attracting the support of local teams is essential. (IBIS)</p> <p>Carrying out all necessary maintenance to keep facilities in good condition: Maintaining clean facilities and making routine equipment upgrades are necessary to generate repeat customers. (IBIS)</p>



Competitive Set

South Point Hotel/Casino, Las Vegas, NV: Las Vegas’s South Point Hotel and Casino features two large bowling facilities: 1) 64-lane Bowling Center – used primarily for leagues, open bowling, tournaments and sweepers; limited ancillary spaces/amenities; and 2) 60-lane Bowling Plaza – used for large USBC national tournaments; provides 360-seat viewing area; large digital displays; office and event space. **Strengths:** The \$35 million facility opened in 2014 and has several large USBC events and other tournaments booked through 2023 and often competes with the NBS for large events. **Weaknesses:** Bowling lanes not close to hotel towers.

Boyd Properties Hotels/Casinos, Las Vegas, NV: The Boyd Gaming Corporation develops, owns and operates hotel and casino properties around the United States. Their portfolio of hotels in Las Vegas includes several properties that offer large-scale, tournament style bowling facilities that compete with the NBS. These include Sam’s Town Hotel Casino (56 lanes), Gold Coast Hotel/Casino (70 lanes); Orleans Casino & Hotel (70 lanes), and Sun Coast Hotel & Casino (64 lanes). **Strength:** Size and scope. **Weaknesses:** No dedicated office space for tournament staff.

Station Casinos, Las Vegas, NV: Station Casinos is a gaming company that owns and operates several casino and hotel properties in Las Vegas and Reno. Four of their Las Vegas properties feature bowling centers that provide 60 or more bowling lanes and regularly host leagues, open bowling, smaller tournaments and sweepers. **Strengths:** All amenities at one property. **Weaknesses:** No dedicated office space for tournament staff.

Bowling Centers, Indianapolis, IN: The Bowling Centers offer 364 total lanes, with the ability to host large tournaments due to number of lanes and location close to the majority of bowlers in the United States.

Ideal Customer Profile

- Organizer of United States Bowling Congress tournaments and significant size bowling tournaments
 - Convention or meeting planners
-



FACILITY & EVENT ANALYSIS

Size of the RSCVA Business

RSCVA has 3.2% Market Share:

45,120 bowlers (Open Tournament FY13/14) + 16,836 bowlers (Women FY13/14)/1,962,500 = 3.2%

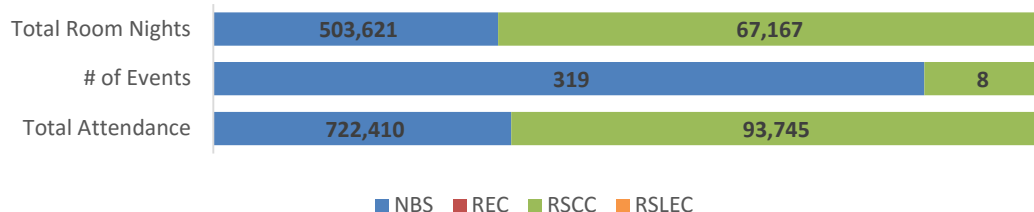
- This represents much less than data based upon Hansell's national estimation of 4.9 percent league bowlers that bowl in tournaments. When tournaments are held in Reno, the participation level is typically higher than when held in other cities, with the exception of Las Vegas.

Room Nights, Events & Attendance

Consumption by Fiscal Year	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
Tournament						
Total Attendance	196,185	85,579	230,403	200,377	62,295	774,839
# of Events	34	25	42	36	31	168
USBC Generated Room Nights	156,983	52,125	159,113	135,837	26,376	530,434
Other Generated Room Nights	7,444	4,060	5,900	4,953	4,997	27,353
Consumed Room Nights	164,427	56,185	165,013	140,790	31,373	557,788
# of Events with Room Nights	22	16	30	27	25	120
Party						
Total Attendance	5,760	8,375	6,967	8,199	8,970	38,271
# of Events	14	22	22	27	40	125
Consumed Room Nights	1,400	2,250	1,441	2,280	3,095	10,466
# of Events with Room Nights	3	7	5	6	11	32
Sweeper						
Total Attendance	510	604	689	512	730	3,045
# of Events	6	8	7	6	7	34
Consumed Room Nights	434	460	499	510	632	2,535
# of Events with Room Nights	6	8	7	6	7	34

*These numbers include all activity related to this segment, and is not specific to a particular facility.

Facility Usage

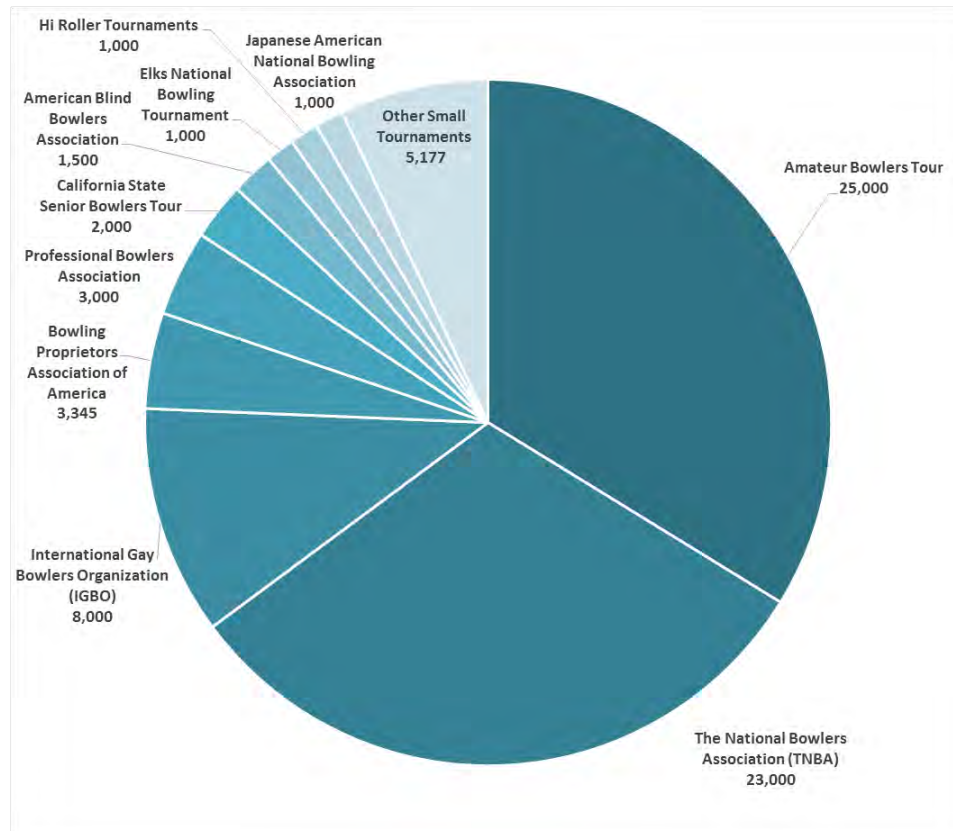


Value of Lost Business

The RSCVA loses groups because competing facilities, specifically in Las Vegas, are able to support them at a higher level.

Market Segmentation

In terms of tournament group membership, the United States Bowling Congress represents approximately 95 percent of the market. Of the remaining 5 percent, the chart below illustrates the market segmentation.





BOWLING OUTLOOK

Opportunities

Other tournaments: Market to other bowling organizations to bring their tournament to NBS to maximize NBS calendar potential.

New tournaments: Market to other bowling organizations to create new tournaments to bowl at NBS.

Special Events: Work with RSCVA and Hotel Properties to leverage the iconic NBS facility and sell it as a facility to use for social events/convention parties to improve the facility bottom line.

Risks

- USBC tournament bowlers, both men and women, have declined steadily over the years. In 2000 the women had 14,276 teams registered to bowl at the NBS, but in 2015 only 3,015 teams registered. This is an average decline of 10+ percent per year. Secondly, the number of bowlers per team decreased from 5 to 4 in FY13/14. This decrease impacts the number of room nights as the average factor for generated room nights for each woman bowler is 1.75.
 - For open/men bowlers, the annual decline in teams registered to bowl at the NBS has been an average of about 4.5 percent from 16,104 teams in 2001 to 9,024 teams in 2014. The number of men bowlers per team has not changed. Room nights generated per each member of an open bowling is 2.35.
 - Tournaments request sponsorship money to enhance the prize fund to attract more bowlers to the tournament and to help pay expenses of tournament staff traveling to tournament site.
 - The number of tournament bowlers is not guaranteed.
 - Set tournament locations/dates that restrict calendar availability.
 - Destination fatigue from repeat business.
 - The facility is USBC "dark" for three out of five years, which includes a period of renovation.
-



Opportunity Detail

Steady State: Growth at 5% per year as a result of local economic improvement.

Contracts with USBC have been signed for the next several years. During the term of these contracts, the level of participants and resulting room nights generated from USBC tournaments should be reviewed to help stabilize the reduction in tournament participation. During the past five years, non-USBC events generated 8,100 room nights per year on the average. Considering an annual 5 percent increase in events and associated room nights, the annual total will be about 10,400 room nights during FY19/20. The number of events varies each year, but there are at least 32 non-USBC events per year.

Note: There is a contract requirement with the USBC for the 2020 Open tournament necessitating substantial improvements to the National Bowling Stadium. These improvements are currently budgeted for by the City of Reno but are still under negotiation.

Opportunity #1: Pursue Other Tournaments.

Secure new, smaller tournaments during the “dark years.” Market to other bowling organizations to bring their tournament to NBS to maximize NBS calendar potential.

Event Potential:	12 per year/for FY16/17 and FY18/19 = 24 additional tournaments over the next five years.
Room Night Potential:	300 room nights per event = 7,200 total over five years (Average room nights not determined based on the last five years because these will be significantly smaller events than USBC.)
Sales Requirements:	Reorganize staff structure for the operation, marketing and event sales of the NBS. Reorganization would allow for a more focused sales effort.
Facility Requirements:	<ul style="list-style-type: none">• NBS: N/A• RSCC: N/A
Roadblocks:	Lack of available dates for FY17/18 and FY19/20 due to booked USBC events plus FY15/16 currently underway.

Opportunity #2: Recruit New Tournaments.

Market to other bowling organizations to create **new** tournaments to bowl at NBS.

Event Potential:	1 per year/for the next five years = 4 (FY15/16 is already underway)
Room Night Potential:	1,000 room nights per event = 4,000 over the next five years (Average room nights not determined based on the last five years because these will be significantly smaller events than USBC.)
Sales Requirements:	Reorganize staff structure for the operation, marketing and event sales of the NBS. Reorganization would allow for a more focused sales effort.
Facility Requirements:	<ul style="list-style-type: none">• NBS: N/A• RSCC: N/A
Roadblocks:	Lack of available dates for FY17/18 and FY19/20 due to booked USBC events.



Opportunity #3: Host Special Events.

Work with RSCVA and Hotel Properties to leverage the iconic NBS facility and sell it as a facility to use for social events/convention parties to improve the facility bottom line.

Event Potential:	2 per year/for FY16/17 and FY18/19 = 4
Room Night Potential:	100 room nights per event = 400 room nights over five years (Average room nights not determined based on the last five years because these would be significantly smaller events than USBC/historical room night counts.)
Sales Requirements:	Reorganize staff structure for the operation, marketing and event sales of the NBS. Reorganization would allow for a more focused sales effort.
Facility Requirements:	<ul style="list-style-type: none">• NBS: N/A
Roadblocks:	Lack of available dates for FY17/18 and FY19/20 due to booked USBC events.



ROOM NIGHT AND INVESTMENT FORECAST

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	Total
	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Bowling				<i>Anticipated Renovation Year</i>		
Booked Business – USBC Open	94,800	Las Vegas	Syracuse	Las Vegas	102,400	197,200
Booked Business – USBC Women	Las Vegas	Baton Rouge	31,500	Wichita	Las Vegas	31,500
Steady State with 5% annual growth	8,500	8,900	9,400	9,900	10,400	47,100
Opportunity #1 – “Dark Years”	-0-	3,600	-0-	3,600	-0-	7,200
Opportunity #2 – New Tourn.	-0-	1,000	1,000	1,000	1,000	4,000
Opportunity #3 – Special Events	-0-	200	-0-	200	-0-	400
Total	103,300	13,700	41,900	14,700	113,800	287,400
Resource Requirements						
Facility - Maintain	City of Reno	City of Reno	City of Reno	City of Reno	City of Reno	
Facility – New Growth	None	None	None	None	None	
Hiring Needs	None	None	None	None	None	
Marketing Investments		None	\$50,000		\$100,000	\$150,000
Total			\$50,000		\$100,000	\$150,000



LIVESTOCK & EQUESTRIAN

Equestrian & livestock events comprise 7% of the overall RSCVA business, from a room night perspective over the last five years. The Reno Rodeo is the biggest event in this category, generating an estimated 10,000 room nights a year. Following that, the second biggest event, Snaffle Bit Futurity, generated close to 6,000 room nights with 2-3 other events of the total generating an additional 2,000 each. All equestrian and livestock events are booked into the Reno-Sparks Livestock Events Center; therefore the facility quality greatly impacts the potential of this market.

Key Observations & Insights

- Reno Rodeo produces roughly 35 percent of all room nights generated from this segment, followed by Snaffle Bit Futurity, which represents about 30 percent of the total.
- An average of less than 70 percent of total events over the period analyzed have produced room nights for the market.
- Equestrian and livestock events represent the largest component of total attendance.
- The Reno Rodeo Association and RSLEC share similar facility needs and expectations, and it is to RSCVA's benefit to more proactively manage this relationship.

Strategic Issues

- Should the RSCVA be in the equestrian and livestock business?
- What cap ex investment is warranted given the market potential and the competitive facilities?

RSCVA Outlook:

Retain the current business with modest expansion into mid-sized Western Region events.

MAINTAIN/RETAIN No Change to Current Operations	NEW GROWTH Incremental Investment	INNOVATIVE GROWTH Large Investment
<p>Decline due to likely loss of Snaffle Bit Futurity (FY10/11-FY14/15: 134,920 room nights)</p> <p>5-Year Room Night Forecast: 136,600</p> <p>No growth in equestrian, 5% in other livestock, Snaffle Bit Futurity risk is 18,000.</p> <p>Resource Requirements: Basic maintenance including public safety improvements such as the parking lot.</p>	<p>Good increase of event generating room nights</p> <p>Additional Room Night Forecast: 33,900 over <i>Maintain</i> plus benefit of keeping Snaffle Bit Futurity, growing the Reno Rodeo and landing 6 new events.</p> <p>Resource Requirements: Additional stalls, parking spots & a multi-use covered structured.</p>	<p>Modest increase of event generating room nights</p> <p>Additional Room Night Forecast: 5,500 over the last two of the five years via securing large events.</p> <p>Resource Requirements: Facility expansion via land purchase</p>



MARKET ANALYSIS

Key Trends & Industry Shifts

Equestrian events are stabilizing and growing: The industry is forecast to grow slowly but consistently in the next five years due to further recovery in consumer disposable income, which will prompt increased demand. (IBIS & 2015 AHP Equine Industry Survey)

Per capita disposable income: Demand for horses is sensitive to household disposable income as horses are an expensive discretionary purchase, and annual maintenance, such as food, boarding, training and veterinary services, can cost into the thousands. Consumers with higher disposable income are generally more able to afford recreational horses. Per capita disposable income is expected to increase slowly in 2015. (IBIS)

Price of feed: A rise in the domestic prices of feed for horses increases operating costs for horse ranches. If firms elect to pass these costs on to downstream buyers in the form of higher prices, demand can fall. Generally, a higher price of inputs like feed causes operators to reduce the number of horses kept. The price of feed is expected to fall during 2015. (IBIS)

Show horses make up a third of the market: Of the total equine market, show horses represent fully one-third of the total. Growing events include Arabian Horse; Cutting Horse; Mustang Clinics; and Barrel Racing. (IBIS & 2015 AHP Equine Industry Survey). American Quarter Horse represents the largest percentage of the total market.

Market size: Per the American Horse Council, the industry contributes approximately \$39 billion in direct economic impact to the U.S. economy, and supports 1.4 million jobs on a full-time basis.

Market Growth Rate

The market declined 2.4 percent from 2010 to 2015 and is expected to grow 1.8 percent from 2015 to 2020. (IBIS)

Horse owners surveyed responded that 88.6 percent of respondents expect to own or manage the same number of horses or more horses in 2016. About 93 percent of respondents plan to enter the same or more competitions than last year (assume relates to 2014 to 2015), and 95.1 percent expect to compete in the same or more events in 2016. (2015 AHP Equine Industry Survey)

Key Success Factors

Regional drive access: Easily trailering and transporting animals to the event is critical to attracting participants and repeat attendance. (RSCVA data)

Diverse amenities: Because of the duration of shows, the more diverse the amenities the more attractive the destination. Additionally, a range of hotel offerings with surface parking is also attractive. (RSCVA data)

Facilities up-to-date with new technology: Athletes, trainers and owners of horses and other animals must have the ability to adopt new technology to remain at a highly competitive level. Facilities must do the same. (IBIS)

Having a high profile in the market: Facilities with a high profile will find it easier to attract public and corporate support and sponsorship, endorsements and contracts. (IBIS)

Having a good reputation: Facilities who are able to maintain a good reputation will attract greater levels of support and quality (e.g. better horses). (IBIS)

Ideal Customer Profile

- Groups that produce multiple events within their association.
- Groups that produce West Coast events.
- Prioritize breed registration shows as the membership is larger than non-breed.

Competitive Set

South Point Las Vegas, NV: South Point is the newest competitive facility with 4 arenas, 1,200 climate controlled permanent stalls and several acres of onsite parking. **Strengths:** Direct hotel attached with 2,163 rooms. **Weaknesses:** No onsite RV parking. **Expansion Plans:** None as the facility is brand new.

Murrieta Equestrian Center, Rancho Murrieta, CA: Murrieta is the closest competitive facility and boasts 14 arenas and 800 portable stalls with acres of onsite parking. **Strengths:** One of the biggest on the West Coast. **Weaknesses:** No indoor climate controlled arenas. **Expansion Plans:** A full service, 84-room Murrieta Inn & Spa is slated to open in 2016.

WestWorld, Scottsdale, AZ: WestWorld is the largest facility in the region with a 120,000 sf arena with VIP suites, 120,000 square foot multi-use tent and 64,800 sf outdoor arena. **Strengths:** The largest facility with the most amenities. **Weaknesses:** Very hot in the summer and the hotel room cost is high. **Expansion Plans:** Completed a \$51.3 million expansion in 2014. The project included the development of the new 300,000 square foot, climate-controlled Tony Nelssen Equestrian Center. Since the expansion was completed, WestWorld has attracted 38 new events, including the Arizona Off-Road and Sand Expo.

National Western Center, Denver, CO: National Western has two indoor arenas and an auction center along with 55 acres of onsite parking. **Strengths:** Central location and proximity to Texas. **Weaknesses:** No onsite RV parking. Facility is downtown where the freeway runs through the middle of the facility. **Expansion Plans:** Denver voters recently approved funding for a massive \$856 million rebuilding of the National Western Center. Upon completion, the expanded 270-acre site will become a year-round educational, research, commerce and entertainment complex and will be the permanent home for the National Western Stock Show each January.

Comparison of Space Inventories/Amenities

Facility	City, State	Ownership Structure	Size (in acres)	Total Horse Stalls	RV Hookups	Largest Arena Seating	Largest Contiguous Exhibit Space	Total Indoor Event Space
Expo New Mexico	Albuquerque, NM	501(c)3	236	2,500	65	11,286	62,100	154,400
National Western Center	Denver, CO	501(c)3	100	2,400	0	7,300	118,400	570,600
Will Rogers Memorial Center	Fort Worth, TX	City	105	3,200	190	5,700	95,000	164,200
South Point Equestrian Center	Las Vegas, NV	Private	60	1,200	0	4,600	80,000	160,000
Oklahoma State Fair Park (1)	Oklahoma City, OK	City	435	2,600	330	9,000	200,000	528,000
Murieta Equestrian Center	Rancho Murieta, CA	Private	100	1,179	150	2,500	30,900	105,800
RSLEC	Reno, NV	State	43	660	89	9,491	20,000	118,000
WestWorld	Scottsdale, AZ	City	386	936	470	3,400	117,000	291,000
Average (excluding Reno)			203	2,002	172	6,255	100,486	282,000
RSLEC Rank			8	8	6	2	8	7

(1) Includes planned space

Source: Facility management and publications, 2015



FACILITY & EVENT ANALYSIS

Size of the RSCVA Business

Equestrian: The attendance over the past five years has averaged 170,300 per year with about 12 events per year. It appears as though the event production is trending down particularly for the number of events and attendance is irregular. The critical factor of room nights is averaging 24,900 per year, which seems to be trending down as the average is higher than the previous three years. This trend is also depicted in the number of room night generating events with an average of 8.4, which is also higher than the last two years. NOTE: Reno Rodeo numbers are not included.

Other Livestock: The attendance is averaging 5,600 per year and appears to be in an upward trend; however, the number of events is static at 9.6. Even though the number of room night generating events is fairly constant at 7 per year, the number of room nights generated is trending up from an average of 2,100.

Room Nights, Events & Attendance

Consumption by Fiscal Year	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
Equestrian						
Total Attendance	55,503	58,600	53,725	46,485	52,837	267,150
# of Events	12	14	11	8	9	54
Consumed Room Nights	23,347	19,020	14,804	10,060	12,187	79,418
# of Events with Room Nights	8	10	8	5	6	37
Other Livestock						
Total Attendance	4,128	5,355	3,430	4,135	9,603	26,651
# of Events	10	10	8	8	8	44
Consumed Room Nights	900	2,190	995	1,515	4,748	10,348
# of Events with Room Nights	7	7	6	6	7	33
Reno Rodeo						
Total Attendance	100,000	125,000	125,000	140,000	93,000	583,000
# of Events	1	1	1	1	1	5
Consumed Room Nights	10,343	10,343	7,000	7,000	10,468	45,154
# of Events with Room Nights	1	1	1	1	1	5

*These numbers include all activity related to this segment, and is not specific to a particular facility

**Other Livestock is defined as: livestock sales, livestock shows, dog shows

***Methodology of room night count changed between FY11/12 and FY12/13 as follows: FY10/11 and FY11/12 room nights are based off of American Horse Counsel room night formula. FY12/13, FY13/14, FY14/15 based on actual/reported room night pick up.

**** Reno Rodeo numbers are self-reported.

Facility Usage

All events for the Equestrian and Other Livestock market segments are held at the Reno-Sparks Livestock Events Center.

Value of Lost Business

- Compared to similar facilities, the RSLEC is relatively small. As events increase in their success, we are unable to accommodate their needs.
- There have been no significant updates over the last several years.
- Land confinement - current footprint is at capacity for a number of events.



EQUESTRIAN OUTLOOK

Opportunities	<p>Actively Support the Reno Rodeo: Increase the overall footprint of the Reno Rodeo by better accommodating their ancillary events to improve their usage of the main arena to generate room night production.</p> <p>Attract mid-sized equestrian events: Use the existing RSLEC footprint to attract mid-sized equestrian events to drive room nights.</p> <p>Attract larger equestrian events: Expand the footprint of the RSLEC to have the capacity to attract and host larger equestrian events.</p>
Risks	<ul style="list-style-type: none">• The brand new facility in Las Vegas is the best on the West Coast with superior amenities.• Facility age is a significant concern. For this segment, the facility is more of a determinant than the destination for winning business.• Specific to Other Livestock - if the animal requires staying in a hotel, properties may restrict access.

Opportunity Detail

Steady State: Decline due to facility aging.

There is a dichotomy that needs to be answered to estimate the future of this market for Reno-Sparks in that attendance and room nights are trending down as well as future bookings are sparse, but overall market conditions suggest that it should be growing/improving. Likely the business will decline, due to possibly losing Snaffle Bit if no improvements are made to the facility (CSL). **Snaffle Bit represents 30% of the annual room nights at the RSLEC**, excluding the Reno Rodeo, which represents about 10,000 annual room nights over a 13-day period.

Opportunity #1: Actively Support the Reno Rodeo.

Increase the overall footprint of the Reno Rodeo by better accommodating their ancillary events to improve their usage of the main arena to generate room night production.

Room Night Potential:	5,000 room nights per year for the next FY16/17 thru FY19/20 = 20,000 additional room nights.
Sales Requirements:	<ul style="list-style-type: none">• None
Facility Requirements:	<ul style="list-style-type: none">• More parking• Second arena• Ability to accommodate additional stalls
Roadblocks:	<ul style="list-style-type: none">• The Reno Rodeo is highly dependent on a volunteer workforce.



Opportunity #2: Attract mid-sized equestrian events.

Use the existing RSLEC footprint to attract mid-sized equestrian events to drive room nights.

Event Potential

Total of 15 new events; 3 being highly likely, 6 being moderately likely, 6 possible

- **Highly Likely:** PCCHA Core Balance Derby Classic Challenge Cutting & Western Gift Show, Indian Nationals Finals Rodeo, West Coast Reining Horse Association
- **Moderately Likely:** NRCHA Presents Stallion Stakes & Western Gift Show, Andalusian World Cup, California Paint Horse Association, High Desert Team Penning Association, Western States Indian Rodeo Association, Friesian Horse Association of North America
- **Possible:** American Wagyu Association, High Desert Bucking Bull Association, Western States Ranch Rodeo Association, Nevada Team Penning & Ranch Sorting, Buckles & Barrels for Bailey Charity Barrel Race, Wild Card Reining Challenge

Room Night Potential:

Likelihood	# of events	Ave. RN	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
Highly	1	1000-1500	-0-	-0-	1	1	1
Moderate	2	750-1000	-0-	1	2	2	2
Possible	3	500	-0-	1	2	2	3

Sales Requirements:

- Reorganize staff structure for the operation, marketing and event sales of the RSLEC. Reorganization would allow for a more focused sales effort.

Facility Requirements:

- More Parking
- Second arena
- Ability to accommodate additional stalls.

Roadblocks:

- Facility availability and drive market are affected by seasonal nature of the market.



Opportunity #3: Attract larger equestrian events.

Expand the footprint of the RSLEC to have the capacity to attract and host larger equestrian events.

Event Potential

Total of 11 new events; 6 being highly likely, 1 being moderately likely, 4 possible

- **Highly Likely:** Silver Dollar Circuit Quarter Horse Show and Western Gift Expo, Arabian Breeders World Cup, American Quarter Horse Association Level One Championship, NRCHA Western Nationals, PCCHA Futurity Cutting, The International Gay Rodeo Association
- **Moderately Likely:** NBHA Professional's Choice Super Show & Gift Expo
- **Possible:** High Roller Reining Classic Horse Show & Western Gift Show, World Rodeo Finals, Total Equine Event Management (TEEM), Cowboy Mounted Shooting Association

Room Night Potential:

Likeli-hood	# of events	Ave. RN	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
Highly	2	1000-1500	-0-	-0-	-0-	1	2
Moderate / Possible	1	750-1000	-0-	-0-	-0-	1	1

Sales Requirements:

- Reorganize staff structure for the operation, marketing and event sales of the RSLEC. Reorganization would allow for a more focused sales effort.

Staff Requirements

- Additional trained staff/equipment operators.

Facility Requirements:

- The RSLEC is in need of both updates and additional facilities. It would be good to acquire UNR land to the west. (CSL)
- More Parking
- Second arena
- Ability to accommodate additional stalls
- Additional exercise space/possible third arena

Roadblocks:

- South Point facility competition - Facility is brand new and has a hotel attached to it. Additionally, they offer a larger sponsorship, making it another attractive facility on the west coast.
- Facility availability and drive market are affected by seasonal nature of the market.



OTHER LIVESTOCK

Other Livestock: In contrast to **Equestrian** segment, both room nights and attendance have been improving. However, their numbers are significantly less. Given the overall improvement of the United States economy, albeit rather slowly, this market should trend upwards at least 5 percent per year. With that perspective the 2020 market could be 6,800 in attendance with 11 events; though generated room nights could be 2,600 with 8 events.

ROOM NIGHT AND INVESTMENT FORECAST

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
	Room Nights (Events)	Room Nights (Events)	Room Nights (Events)	Room Nights (Events)	Room Nights (Events)	Room Nights (Events)
Equestrian						
Steady State 0% growth	25,000 (8)	25,000 (8)	25,000 (8)	25,000 (8)	25,000 (8)	125,000
Snaffle Bit Risk	-0-	-0-	<6,000>	<6,000>	<6,000>	<18,000>
Opportunity #1 – Reno Rodeo	-0-	5,000	5,000	5,000	5,000	20,000
Opportunity #2 – Midsized Events	-0-	1,400 (2)	4,000 (5)	4,000 (5)	4,500 (6)	13,900
Opportunity #3 –Large Events	-0-	-0-	-0-	2,100 (1)	3,400 (2)	5,500
Subtotal	25,000 (8)	31,400 (10)	34,000 (14)	36,100 (14)	37,900 (16)	164,400
Other Livestock						
Steady State w/5% growth	2,100 (9)	2,200 (10)	2,300 (10)	2,400 (11)	2,600 (12)	11,600
Total	27,100 (17)	33,500 (20)	36,300 (24)	38,500 (25)	40,500 (28)	176,000
Resource Requirements						
Facility Maintenance	\$500,000	\$500,000 + \$700,000	\$500,000	\$500,000	\$500,000	\$3,200,000
Facility – New Growth	-0-		\$4,000,000	\$4,500,000	\$1,000,000	\$9,500,000
Facility - Innovative						\$14,000,000
Marketing Investments	-0-	-0-	-0-	-0-	-0-	
Total		TBD	TBD	TBD	TBD	

CONVENTIONS & GROUPS OVERALL

Overall, Conventions and Groups has generated over 555,600 room nights during the past five fiscal periods, inclusive of ALL event sizes, which equates to 30% of the overall RSCVA generated business, from a room night perspective. Consumption is split almost equally between small (100 to 500 room nights) and medium (500 to 3,000 room nights) events. The RSCVA has successfully built a higher profile and awareness in the meetings industry, re-engineered the sales talent and focus which improved production. Much of business is driven by corporate profits and general economy well-being. As profits improve, the spend for corporate meetings increases. The segments chosen, as noted on the previous page, are based upon relative size/magnitude of the room nights generated and how similar the needs are within the segment allowing for similar value delivery and management. There are 30+ market segments as designated by DMAI, however due to the need for targeted sales efforts, fit of event into RSCVA facilities, and alignment with area value proposition; the number of segments has been aggregated to seven to enable a more focused effort.

Due to the size of the Convention and Groups business, the analysis and plan is broken down into the following sections:

- Conventions & Groups Summary – the rollup of the following segments
- Corporate
- Franchise/Multi-level Marketing
- Heritage/Patriotic/Veterans
- Enviro/STEM/Manufacturing/Distribution
- Government, Public Administration
- Industry Associations
 - Agricultural/Commodities
 - Cultural/Fine Arts
 - Educational
 - Trade Commercial
- Other

Key Observations & Insights

- Bookings outside of room blocks by event attendees have increased considerably over the past 5 to 7 years with an industry average of 20 percent.
- The sales staff has a higher success rate of booking small conventions versus mid-sized ones. (~30% versus ~10%).
- Overall booking productivity/success has been improving since FY13/14 for both small (55%) and mid-sized (25%+) conventions.
- Growth of the local industrial base (i.e., Tesla, Switch, etc.) provides a solid foundation to improve success.

Strategic Issues

- Should additional investment resources be made to better attract city-wide conventions, given resource requirements and low success ratio of booking them?
- What should a benchmark/guideline be for room night pipeline management? Or should there be one?
- How do we enhance the communication and cooperation among the sales staffs of RSCVA and hotel properties?
- What is the ROI on pursuing city-wide events?



RSCVA Outlook: *Biggest opportunity for long-term growth out of all the lines of business. Invest in growing segments.*

STEADY STATE No Change to Current Operations	NEW GROWTH Incremental Investment	INNOVATIVE GROWTH Large Investment
<p>Room Night generation will improve at a slow pace as many of the segments are correlated with overall economy and corporate profits.</p> <p>5-Year Room Night Forecast: 777,657 Annual average for Small conventions: 44,700 Medium conventions: 65,900 Outside of focus conventions: 18,800</p> <p>Resource Requirements: No additional above normal operations.</p>	<p>Additional Room Night generation can improve at a rate of 10% above <i>steady state</i> or 13,600 annual average from FY 17/18 through FY19/20.</p> <p>Room Night Forecast: 68,000 for the four-year period ending FY19/20</p> <p>Resource Requirements: Sales & Marketing Investment: \$140,000 Facility Investment: \$400,000</p>	<p>Additional Room Night generation can improve at a rate of 9% above <i>steady state</i> or 12,200 annual average from FY17/18 through FY19/20.</p> <p>Room Night Forecast: 54,000 for four-year period ending in FY19/20.</p> <p>Resource Requirements: Hiring Needs: \$668,000* Marketing Investment: \$2,050,000 Facility Investment: \$1,500,000*</p>

Based upon these assumptions and resources, the anticipated average compounded annual growth rate is 14 percent - growing from a current total of 555,600 room nights to 769,500 room nights in FY19/20.

(**Note:** The sales manager position, 2,000 seat risers and \$500,000 in technology upgrade to RSCC have been approved and included in FY 16/17 budget.)



MARKET ANALYSIS

Key Trends & Industry Shifts

Stable, steady growth: Overall business-condition predictions reflect stable, health growth at a rate of 3.8 percent. Growth in attendance at both live and virtual meetings and events is expected to remain steady at 2.7 percent. (*2015 Meetings Outlook Survey*)

Increasing rental rates: Rental rates for conventions/trade shows, consumer shows, and “other” events all increased in FY15 – consumer shows and “other” events both experienced increases for the third consecutive year. (*PWC’s 2015 Convention Center Report*)

Attendance up and down: Convention/trade show event attendance decreased approximately 5 percent in FY15 – realigning to the five-year historical average – while consumer show event attendance increased nearly 6 percent in FY15 after experiencing a four-year decline. (*PWC’s 2015 Convention Center Report*)

Booking activity increasing: In FY15, DMOs booked more room night commitments one, two, and four years into the future compared to FY14, but current year bookings decreased year-over-year. (*PWC’s 2015 Convention Center Report*)

Airlift Challenges: Like all 2nd tier cities today, Reno was negatively impacted by the airline consolidations and their focus to cut routes that don’t meet targeted profits. This has especially impacted short haul flights which Reno was dependent on. It is well documented that Safari Club International pulled their 2015 convention from Reno due to the significant decline in air service. While Reno’s air service of 120 daily flights (prior to 2009 daily flights ranged from 160 to 175) is good for similar sized cities, it is far below competing convention destinations like Denver, LV, Salt Lake City, and Portland that have 250 to 1,000 daily flights.

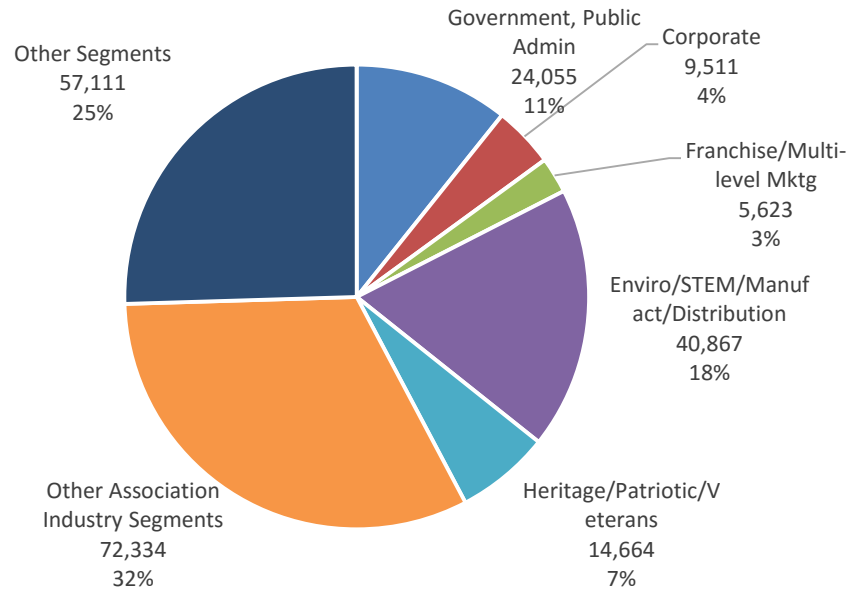
Convention Facility Expansions, Renovations and New Builds: Over the next several years Reno’s core competing cities are enhancing their meeting’s product through either significant convention center expansions, renovations, and/or hotel inventory growth. While most of Reno’s hotel product is consistently renovating their product the Reno Sparks Convention Center needs capital funding to keep up with other competing centers. Additionally, there is an increase of new large hotels with 1,000 plus rooms and over 100,000 square feet of meeting space opening in the next 1-3 years. This creates more options for those large meetings that book short term creating increased competition for hotels like the Peppermill and Grand Sierra.

Market Growth Rates	Segment	Market Growth Rate
	Corporate	1.9% nationally
	Franchise/MLM	3-5% nationally
	Heritage/Veterans	Declining
	Government, Public Administration	Declining
	Industry Associations	2.2% nationally
	Enviro/STEM/Manufacturing/Distribution	2.2% nationally

Convention and Group Sales Breakdown by Segment

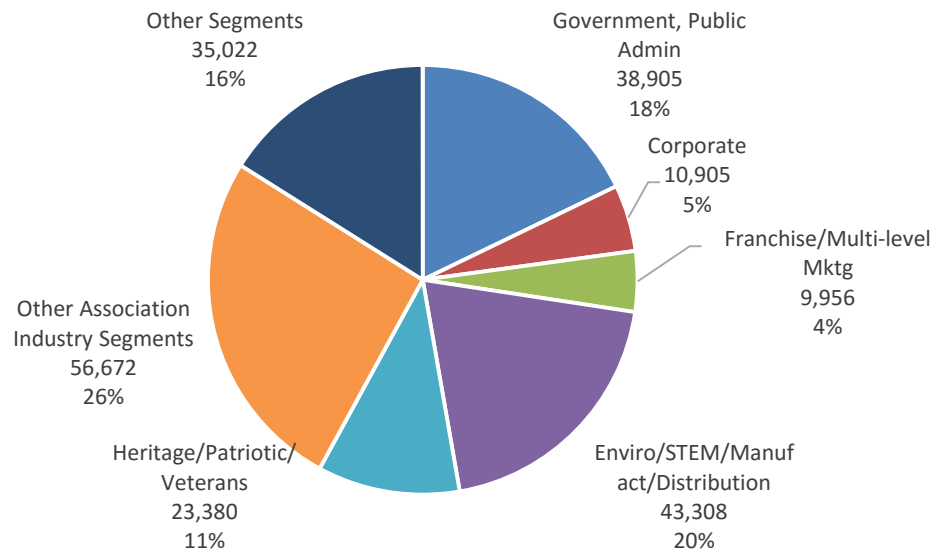
Meetings with 100-500 Peak Room Nights from FY10/11 through FY14/15:

*Room nights shown are consumed.

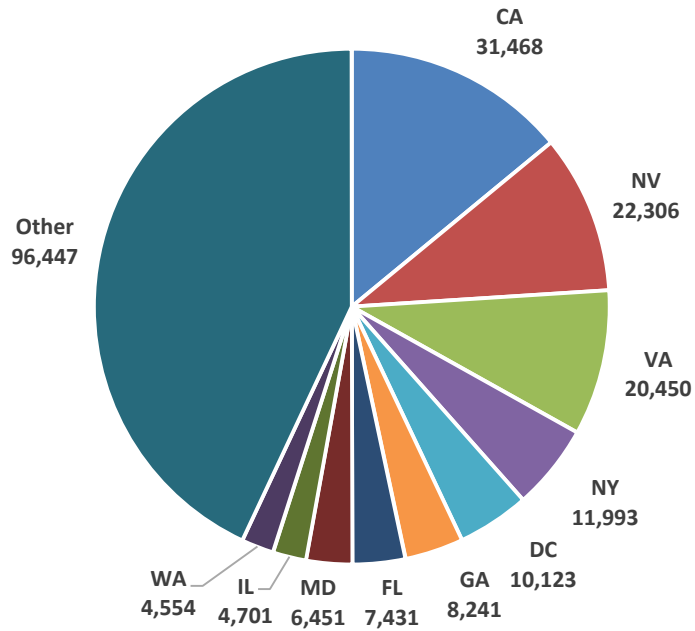


Meetings with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:

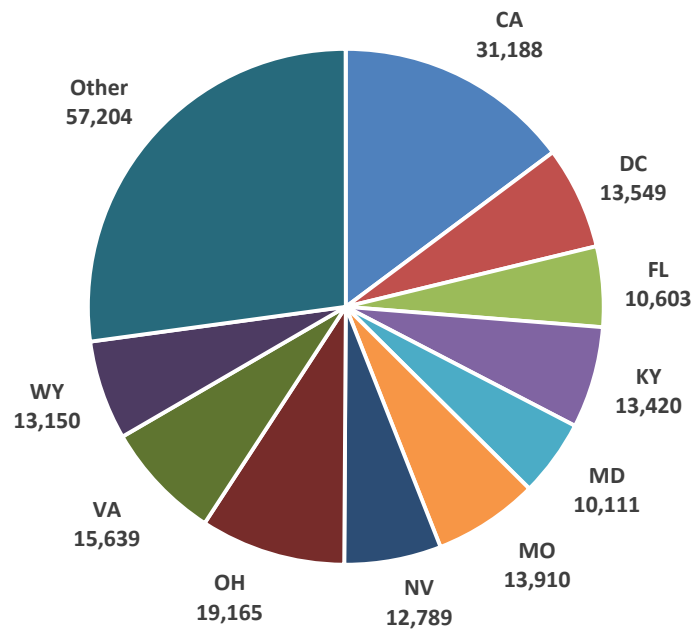
*Room nights shown are consumed.



Top 10 Organization Meeting with 100-500 Peak Room Nights from FY10/11 through FY14/15:
Origination, by State



Meetings with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:





RSCVA Competitive Set

Below are the key points relative to strengths and weaknesses of the competitive set, which includes Denver, Salt Lake City, Portland, Anaheim, Phoenix and Las Vegas.

Competitive Set Strengths:

- Air service -- # of direct flights, # of daily flights, international service and that the largest percentage of flights are served by the big three airlines with greater accepted reward programs.
- Walkability – # of committable rooms within walking distance of the center and to entertainment districts outside the hotel.
- Branded hotel products – rewards programs, better product knowledge/trust.
- Destination perception and awareness – the planner doesn't have to work harder to communicate the destination attributes, there's either a built in "sex appeal" or comfort.
- Convention Centers – except for LV, are newer, fresher, better ambiance and luxuries (like lounge seating, charging portals, gathering nooks, etc.).
- Hotels are all non-smoking (except for LV).

Competitive Set Weaknesses:

- Costs – typically room rates, F&B & A/V costs are much higher.
- Labor costs are higher, especially if it's a union facility.
- Branded chains are not as flexible with contract negotiations, concession benefits, and event execution.
- Securing large sized blocks may need to be spread amongst 5-20 hotels as the core hotels have under 500 rooms and minimize number of rooms offered due to business travel demand.
- In a convention centric city, conventions are one of many. It's easier to be the big fish in Reno.



Reno Market Convention Size

There is currently a total of approximately 679,000 square feet of total sellable space among private convention facilities in Reno. The top four hotels alone offer a combined 486,400 square feet of event space, more than that of dedicated convention centers in many mid-sized markets and just below the available square footage of the RSCC. (CSL) Properties such as the Grand Sierra Resort, Peppermill Resort Spa Casino and the Nugget Casino Resort offer contiguous ballroom space that is larger than currently available at the RSCC.

The RSCVA event sales staff dedicates significant time and resources to providing qualified leads to the individual properties. These hotel event sales efforts have resulted in approximately two-thirds of total credited RSCVA room night generation over the past three fiscal years. (CSL)

	Largest Contiguous Space	Total Meeting Space	Total Sellable Space
Grand Sierra Resort	45,300	154,700	200,000
Peppermill Resort Hotel	62,000	44,000	106,000
Nugget Casino Resort	49,800	40,600	90,400
Silver Legacy Resort Casino	29,000	61,000	90,000
Atlantis Casino Resort	14,300	35,700	50,000
Harrah's Casino Hotel Reno	14,000	10,000	24,000
Circus Circus Hotel Casino	15,800	7,200	23,000
Eldorado Hotel Casino	10,100	3,900	14,000
Whitney Peak Hotel	5,300	8,700	14,000
Sands Regency Hotel Casino	4,800	9,200	14,000
Club Cal Neva	4,500	9,500	14,000
Siena Hotel Spa Casino	6,700	4,300	11,000
Boomtown Inc.	7,200	3,100	10,300
Holiday Inn - Sparks	7,000	3,000	10,000
Ramada Reno Hotel & Casino	5,200	3,500	8,700

* Figure from CSL Report.

**Note that RSCVA facility specs are not included above. They are outlined in the Facilities portion of this Strategic Plan.



FACILITY, ROOM NIGHT & EVENT ANALYSIS

Size of the RSCVA Business

Western Region Market Share: RSCVA has a 7% market share in small conventions (100-500 peak room nights) and 3% market share in mid-sized conventions (500-3,000 peak room nights) within the western region over the past five years. Information based on the MINT database.

Total Convention Rooms Booked in Area: RSCVA assisted in booking 45 percent of convention rooms during calendar year period 2012-2015.

% OF RSCVA CONVENTION to TOTAL CONVENTION				
	2012	2013	2014	2015
Total	46.5%	51.6%	39.8%	41.2%

*Total convention room nights self-reported by major hotels.

Total RSCVA Originated Business: Conventions & Groups represent 30% of the total RSCVA originated room nights over the past five years.

Size of Segments within Conventions & Groups:

- Small conventions and mid-sized conventions each represent 41% of the total. Historically, sales staff win rate for small conventions is 44%, while mid-sized conventions is 14%.
- Government/public administration, trade/commercial/business, and environmental/STEM/manufacturing/distribution account for about half of the total convention business.

Room Nights for Small Conventions (100-500 Peak Room Night Segment)

Segment	Consumed	% Won	% of RSCVA Small-Sized Conventions	Western Region Total (MINT)	RSCVA Western Region Market Share
Government, Public Admin	24,055 (27)	28%	11%	373,268 (629)	8%
Corporate	9,511 (11)	14%	4%	422,313 (788)	2%
Franchise/MLM	5,623 (8)	47%	3%	30,818 (45)	20%
Enviro/STEM/Manuf/Distrib	40,867 (33)	34%	19%	416,520 (572)	11%
Heritage/Patriotic/Veterans	14,664 (12)	40%	6%	8,006 (9)	192%
Industry Associations	72,334 (80)	30%	33%	1,123,275 (1841)	7%
Other Segment	57,111 (62)	25%	24%	1,061,531 (1869)	6%
Grand Total	224,165 (233)	%	100%	3,435,731 (5753)	7%

Table Description: This is a summary table that compares total room nights by segment over a historical 5-year period. Numbers enclosed in parenthesis are the number of meetings referenced in total room nights.



**Room Nights for
Mid-Sized
Conventions**
(500 – 3,000 Peak Room
Night Segment)

Segment	Consumed	% Won	% of RSCVA Mid-Sized Conventions	Western Region Total (MINT)	RSCVA Western Region Market Share
Government, Public Admin	33,400 (11)	12%	16%	605,556 (227)	6%
Corporate	10,905 (3)	4%	4%	929,738 (337)	1%
Franchise/MLM	9,956 (4)	22%	6%	74,338 (36)	21%
Enviro/STEM/Manuf/ Distrib	43,308 (16)	18%	21%	1,112,271 (373)	5%
Heritage/Patriotic/ Veterans	23,380 (2)	21%	9%	4,015 (4)	582%
Industry Associations	54,757 (23)	9%	26%	2,183,566 (804)	3%
Other Segments	35,022 (11)	5%	18%	2,335,983 (841)	2%
Grand Total	210,728 (70)	%	100%	7,245,468 (2622)	3%

Table Description: This is a summary table that compares total room nights by segment over a historical 5-year period. Numbers enclosed in parenthesis are the number of meetings referenced in total room nights.

**Room Nights for
Peak (<100) and
(>3,000) Peak Room
Night Conventions**

Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
Meetings with 0-100 Peak Room Nights						
Consumed	12,292	10,270	6,714	4,817	5,702	39,795
Lost Consumption, net	7,996	9,800	10,327	10,337	10,965	49,425
Meetings with 3,000+ Peak Room Nights						
Consumed	23,885	-	22,965	20,250	-	67,100
Lost Consumption, net	84,919	176,712	95,305	112,673	113,103	582,712

The success rate for booking 0-100 Peak has been very solid at 45% but amounted to about 7% of the overall Conventions and Groups. The win rate for the very large "city-wide" events has been low at 10% and accounted for 13% of overall events.

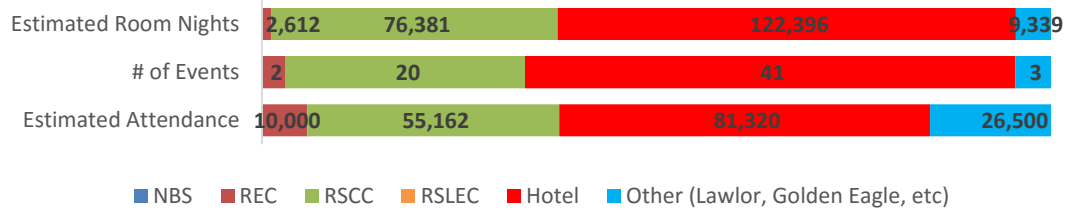


Facility Usage

Meetings with 100-500 Peak Room Nights from FY10/11 through FY14/15:



Meetings with 500-3000 Peak Room Nights from FY10/11 through FY14/15:



Value of Lost Business

The RSCVA staff sales effort has generated, on the average, a 31% success rate for the Small Conventions category of 100 to 500 room nights. However the success rate falls to 11% for Mid-sized Conventions.



CONVENTIONS & GROUPS OUTLOOK

Reno Tahoe's attributes are compelling, and as yet, not widely known. RSCVA has the ability to further define the destination and steal share. Reno's biggest challenges against the comp set is overcoming their greater air service; tighter hotel/convention center/amenity "walkability" packages and stronger destination awareness /familiarity amongst potential attendees and exhibitors. Our success is driven by our capabilities to provide stronger event profits through greater savings and unique services while offering competitive products with distinctive and unique destination attributes. Being laser focused to find events that profile well for the destination is critical.

Opportunity Landscape

Corporate	Franchise/ MLM	Heritage/ Veterans	STEM/Enviro/ Manf/Dist	Government/ Public Admin	Industry Associations	Other
Invest	Invest	Maintain	Invest	Maintain	Invest	Maintain

Opportunities Summary

The significant economic development that is happening in the region and its impact on the tourism infrastructure which will influence the meetings product provides a stronger reason for meeting planners to look at Reno Tahoe USA from a whole new perspective. Opportunities to grow the business are as follows:

Further elevate destination awareness building on the new economic growth -- The sales team participates in various industry partnerships, including a major initiative with ASAE. These appear to be effective in elevating the profile of Reno Tahoe as an event destination within the event planner community. With the expansion of the alternative energy, drone, aerospace and other sectors within the region, the sales team leadership has identified the need for added financial resources applied to these types of relationship-building efforts. These resources will be applied to developing a video to highlight various industries in the region plus additional industry sponsorships.

Develop the corporate market segment - To date, pursuit of the Corporate Market by the RSCVA has been reactive in nature and not prioritized as an opportunity. With the surge of new economic development in the region, new hotel product/upgrades, and hyper meeting costs growth outside of the Reno Tahoe area presents an opportunity to create incremental room night demand through a proactive, strategic, comprehensive sales and marketing campaign.

Grow Franchise/MLM & Industry Associations segments – Franchises/MLM and Industry Associations are all targeted growth areas given the economic growth coming to the region as noted above. To attract additional MLM events, more stadium type seating is needed to seat larger groups which are a requirement for these events. Industry Associations poses significant opportunities since this is a large overall market and many Associations are considered ICPs (Ideal Customer Profile) for the area. However, the area is not necessarily well known and significant promotion needs to be developed in the Association office geographical hubs – Washington, D.C. and Chicago.

Investment Summary

Added Marketing Support - Today, there is a modest marketing budget for the sales team, and various areas of interaction between the sales and marketing team on an as needed basis. Consideration should be given to identifying one individual within the marketing department to serve as a dedicated liaison to the sales team. This would not necessarily be a full time position, but would be very useful in allowing for timely access to marketing expertise that can benefit the sales process. In addition, a video highlighting local area industries and companies needs to be developed to assist in promotion.

Add Dedicated Sales Position for Corporate - Given the extensive hotel room and event space inventory in the market, consideration should be given to allocating one sales staff position and one support position to focus exclusively on hotel and broader corporate events. Given the fact that large hotels in the Reno Tahoe market are non-branded and generally lack a significant regional sales support infrastructure, the RSCVA could be particularly beneficial in developing leads through a dedicated staff position.

Projected costs:

- Corporate Sales Manager
 - Salary \$85k to \$100k plus benefits
 - \$10k Incentive payout
 - \$40k travel and entertainment
- Administrative Sales Assistant (x2)
 - Salary \$32k plus benefits (x2)

Expanded Industry Sponsorships and Awareness

- \$150,000 Meeting Professionals International (MPI) – to grow corporate market. \$50,000 was approved by the Board for three event exposure opportunities. An additional \$100k will allow wider branding through increased advertising and marketing initiatives. Will require three years of investment to influence this segment.
- \$250,000 Professional Conference Managers Association (PCMA) – PCMA is the premier industry association for meeting planners. It's a great compliment to ASAE which focuses on association CEO's. There are many significant PCMA sponsors (unlike ASAE). To rise above the clutter a strong sponsorship positioning is required.
- \$80,000 IMEX – the Board approved to exhibit at IMEX in October 2016 as a tactic to grow the corporate market sector. Will need to continue this investment for the next three years to realize ROI.
- \$50,000 Connect – the Board approved a title sponsorship at Connect in August 2016. Connect provides a great reach across the Corporate, Sports, and Association segments.



ROOM NIGHT AND INVESTMENT FORECAST

	FY15/16 (Jan-June)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
Corporate Conventions						
Steady State 1.9% Growth	10,760	10,963	11,172	11,384	11,600	55,879
Opportunity #1: Reposition Reno as commercial hub to increase production from the corporate market.	-	Deployment of additional personnel.	-	8,000	10,000	18,000
Total Room Nights	10,760	10,963	11,172	19,384	21,600	73,879
Hiring Needs	-	\$214,000	\$214,000	\$214,000	\$214,000	\$856,000
Marketing/Sales Investments	\$50,000	\$200,000	\$200,000	\$200,000	\$200,000	\$850,000
Facility Requirements	-	\$1,500,000	-	-	-	\$1,500,000
Total Resource Needs	\$50,000	\$1,617,000	\$367,000	\$367,000	\$367,000	\$2,768,000
Franchise/MLM Conventions						
Steady State 3-5% Growth	5,003	5,451	5,944	6,485	7,079	29,962
Opportunity #1: Grow production from Direct Selling Organizations.	-	Begin promoting enhanced facility	8,000	12,000	16,000	36,000
Innovate	-	-	-	-	-	-
Total Room Nights	5,003	5,451	13,944	18,485	23,079	65,962
Hiring Needs	-	-	-	-	-	-
Marketing/Sales Investments	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Facility Requirements		\$400,000				\$400,000
Total Resource Needs	\$5,000	\$450,000	\$5,000	\$5,000	\$5,000	\$425,000
Heritage/Patriotic/Veteran Conventions						
Steady State	7,629	7,629	7,629	7,629	7,629	38,145
Total Room Nights	7,629	7,629	7,629	7,629	7,629	38,145
Total Resource Needs	-	-	-	-	-	0
STEM/Environmental/Manufacturing Conventions						
Steady State 2.2% Growth	25,148	25,701	26,265	26,844	27,434	131,392
Opportunity #1: Capitalize on local advances to grow new STEM Association business.	-	Position Reno	2,000	4,000	8,000	14,000
Total Room Nights	25,148	25,701	28,265	30,844	35,434	145,392
Marketing/Sales Investments	-	\$55,000	\$20,000	\$20,000	\$20,000	\$115,000
Total Resource Needs	-	\$55,000	\$20,000	\$20,000	\$20,000	\$115,000
Government/Public Administration Conventions						
Steady State 1% Decline	17,161	16,988	16,819	16,650	16,483	84,101
Opportunity #1: Target local cities and specialties	-	4,000	4,000	5,000	5,000	18,000



Total Room Nights	17,161	20,988	20,819	21,650	21,483	102,101
Total Resource Needs	-	-	-	-	-	0
Association Conventions						
Steady State growth of 2.2%	21,228	21,694	22,171	22,659	23,157	110,909
Opportunity #1: Aggressively promote the destination and expand presence into the Chicago Association market.	-	Sponsorships initiated	Working leads	12,000	24,000	36,000
Total Room Nights	21,228	21,694	22,171	34,659	47,157	146,909
Marketing Investments	-	\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000
Total Resource Needs	-	\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000
"Other" Market Segment Conventions						
Steady State growth of 2.2%	31,014	31,694	67,557	33,104	33,832	197,201
Total Room Nights	31,014	31,694	67,557	33,104	33,832	197,201
Total Resource Needs	-	-	-	-	-	0

NOTE: Forecast assumptions are built out in the segments in the following sections and are summarized in the Opportunities section on the previous page.

CORPORATE CONVENTIONS- DETAIL

MARKET ANALYSIS

Key Trends & Industry Shifts

Based on American Express Meetings and Events 2016 Global Meetings and Events Forecast:

Corporate meetings growing: Over 90 percent of respondents expect their activity for all meeting types to remain steady or increase for 2016. This marks a positive trend that continues to build on the growth in activity experienced in 2015.

Mid-tier properties becoming more attractive: Top 10 destinations for North American still dominate, however meetings professionals have noticed a growing trend towards mid-tier properties in smaller cities in the face of limited space availability in larger locations due to the rise in activity. One meetings expert explains that, "As demand outpaces supply, getting the right property becomes a bigger driver than cost. The customer may want downtown Chicago but they go to nearby Schaumburg for availability reasons." Eighty percent of the meetings are held in large cities, 20 percent in second tier.

Group room rates on the rise: Group room rates are projected to increase 4.2 percent in 2016 on top of the 4.6 percent increase in 2015.

Corporate incentives are trending up: As budgets allow for a renewed focus on employee-centric meetings, companies also appear to be rewarding their staff by planning more incentive meetings for next year.

Growth in meetings creating scarcity of choices: As the number of meetings increases across North America, securing first-choice and popular locations appears to be increasingly challenging. Budget was identified as the key factor influencing meeting location by 28% of respondents based in North America. "We have more opportunity to negotiate where there is new hotel development and where there is inventory."

Improved Corporate Performance - Profitable businesses are more likely to use industry services to locate meeting and convention sites and plan events. They are also more likely to send employees to attend conferences and use industry services to book employees' travel arrangements. Corporate profit is projected to rise in 2016.

Market Growth Rate

Event planners forecast a 1.9 percent increase in their overall program spend. While this may seem small, it does mark the largest forecasted spend increase since the 2012 forecast. Predicted cost per attendee ranges from a high of \$711 for incentive and special events to a low of \$273 for internal team meetings. (*American Express Meetings and Events 2016 Global Meetings and Events Forecast*)

Key Success Factors

Destination awareness and perception: Strong destination awareness, especially related to the new economic development and city vitality. City image/perception needs to be positive.

Targeted sales efforts: Provide dedicated sales deployment against targeted corporations from both a vertical sector and regional location basis.

Performance metrics: Managing expectations and success metrics. Need to have a clear understanding and way of calculating ROI for this market in particular.



Ideal Customer Profile

- Meetings that are western regionally driven or where there is convenient direct flight access.
- Companies that are more budget conscience.
- Companies that align with the existing, new, growing industries and academics that are based in the area.

Top 5 Competitive Set (Western Market)

RSCVA Competitive Set	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
100-500 Peak Room Nights						
Tucson	10,208	19,245	22,820	14,280	62	66,615
Las Vegas	15,993	10,863	1,759	9,545	3,000	41,160
Phoenix	20,440	10,644	5,176	1,675	288	38,222
Anaheim	2,110	6,007	10,486	7,235	7,075	32,913
Denver	2,364	7,417	5,170	8,463	4,669	28,083
Reno (EBMS)	2,888	1,025	0	4,426	1,172	9,511
500-3,000 Peak Room Nights						
Anaheim	-	59,903	22,276	24,885	24,788	131,852
Las Vegas	47,928	20,825	15,631	12,950	4,375	101,709
Los Angeles	19,354	18,481	27,741	13,716	18,295	97,587
Phoenix	9,179	24,285	25,424	12,254	23,842	94,984
San Jose	16,755	19,481	13,161	20,098	-	69,495
Reno (EBMS)	3,625	3,700	0	0	3,580	10,905

A similar chart is presented in all segment analyses. It displays a comparison of the RSCVA's competitive set of convention bureaus located from the Rocky Mountains westward, and lists the top five competitors based upon consumed room nights. RSCVA information is provided from the internal CRM database, EBMS.

Key Takeaways:

RSCVA has been performing better against the top five competitors in the small convention/meeting space than in the medium-size conventions. Plus, the RSCVA effort delivering room nights has been more consistent as well in the smaller markets.



FACILITY, ROOM NIGHT & EVENT ANALYSIS – CORPORATE CONVENTIONS

Size of the RSCVA Business

Corporate conventions account for about 4% of the total RSCVA convention consumed room nights over the past five years. Historically, sales staff has been unsuccessful closing corporate conventions with the lowest win rate out of all the convention segments analyzed. Plus, as noted in the tables below, the RSCVA has a small market share of 1-2% in this segment.

Booked Room Nights

	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Bookings	2,935	1,535	1,000	2,430	2,517	506	10,923
Lost Bookings	6,789	8,257	14,567	10,922	22,343	6,344	69,222
Meetings with 500-3,000 Peak Room Nights							
Bookings	0	0	0	5,405	0	4,306	9,711
Lost Bookings	28,921	67,789	25,622	45,359	71,845	4,306	243,842

Consumed Room Nights

Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Consumed	2,888	1,025	0	4,426	1,172	0	9,511
Lost Consumption, net	12,581	3,627	10,809	11,577	14,423	5,449	58,466
Western Region Total	100,041	97,840	93,263	75,972	46,889	8,304	414,008
RSCVA Share	3%	1%	0%	6%	2%	0%	2%
Meetings with 500-3,000 Peak Room Nights							
Consumed	3,625	3,700	0	0	3,580	0	10,905
Lost Consumption, net	27,800	71,190	70,203	53,275	38,655	32,695	293,818
Western Region Total	139,121	245,697	179,758	16,6132	13,1376	67,656	929,738
RSCVA Share	3%	2%	0%	0%	3%	0%	1%

Value of Lost Business

- The RSCVA could better penetrate the larger, citywide events market – Polaris, Kubota, and Best Buy have all considered Reno. (CSL)
- The win rate for small conventions based on either – Booked or Consumed – is about 14 percent whereas medium-size events is 4 percent. In neither case does RSCVA claim more than 2 percent of the Western Region market share. Based upon this situation, there should be a substantial upside in the Corporate segment to win business.



Facility Usage

Meetings with 100-500 Peak Room Nights from FY10/11 through FY14/15:

Estimated Room Nights	9,511
# of Events	11
Estimated Attendance	4,376

■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)

Meetings with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:

Estimated Room Nights	7,205	3,700
# of Events	2	1
Estimated Attendance	1,662	1,600

■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)



CORPORATE CONVENTIONS OUTLOOK

Opportunities & Risks

Opportunities	Reposition Reno as a commercial/industry base & build destination awareness - The surge of economic development in the region provides an opportunity to reposition the destination as an up and coming hub of tech, manufacturing, and academic research that provides a foundation to attract corporations who would want to leverage those available resources.
Risks	<ul style="list-style-type: none">• This segment is one of the most sensitive to air service. The limited non-stop flights are a big detriment (except for western regional meetings).• Gaming and smoking in the casino properties is a concern for some corporations (especially smoking).• Lack of chain brand loyalty programs in Reno's larger meeting hotels is a detriment in creating brand awareness/trust and to planners and attendees who want their travel points.• In general, the corporate market does not source leads through a CVB. They tend to go direct to the hotels, use third parties or chain national sales offices (NSO's). Production to the market may go up but not directly benefit RSCVA sales production.• Corporate meetings and attendance are very susceptible to the economy. When the next down cycle occurs this segment will shrink first and the furthest.• Given this is essentially a "start-up" market it will take at least three years to see the ROI. The financial resources required to build this segment will be significantly greater vs. other segments and vs. the short-term gain.

Opportunity Landscape

Steady State/Retention: Growth at a rate of 1.9 percent, projected based on market growth rate.

The steady state growth is based on national growth projections from the American Express Meetings assessment. Given the lumpiness of the RSCVA business in this category over the past five years in both meeting size types, a conservative growth estimate is warranted.



Growth Opportunity #1: Reposition Reno as a commercial/industry base & build destination awareness.

To more effectively capture the likely growth of the Corporate conventions market, including both smaller and regional opportunities, reposition Reno as a commercial/industry base, build destination awareness, and pursue incentive programs to drive room nights. Specific tactics could include:

- **Pursue incentive programs** - Reno's and Tahoe's resort properties can provide an upper and mid-tier experience for incentive type programs. Reno's affordability and contract flexibility provided by having independent properties can and needs to be exploited during this seller's market.
- **Attract smaller corporate meetings** - The new non-gaming, non-smoking products provides a new and different product for the smaller corporate meetings. Additionally, the Renaissance (formerly Siena) and Marriott Courtyard offers a chain brand option with meeting space downtown. Small business meetings from the western United States could be an opportunity for Reno, given the affordability of the destination and it being a relatively close getaway. (CSL)
- **Leverage regional opportunities** - Increased air service in the western region, especially the non-stops being added from Oakland, Boise and Orange County, provides a great opportunity to pursue regional opportunities.
- **Change reporting and benchmarking metrics** - This will allow for more accurate tracking of segment results.

Room Night Forecast:

Corporate Market – will target 8,000 incremental new room nights booked within the first year of deployment start with average consumption in this segment of 12 to 18 months in the future. By FY19/20 will be booking 20,000 room nights that will on the average be consumed in FY 2021/2022.

Sales Requirements:

- Corporate Sales Manager (**Note:** approved and included in FY16/17 budget.)
 - Salary \$85k to \$100k plus benefits
 - \$10k Incentive payout
 - \$40k travel and entertainment
- Administrative Sales Assistant (x2)
 - Salary \$32k plus benefits (x2)

Marketing Requirements:

- Dedicated support to create social media, industry blogs, and various online/media positioning.
- Expanded industry sponsorships and awareness:
 - \$150,000 Meeting Professionals International (MPI) – to grow corporate market. \$50,000 was approved by the Board for three event exposure opportunities. An additional \$100k will allow wider branding through increased advertising and marketing initiatives. Will require three years of investment to influence this segment.
 - \$250,000 Professional Conference Managers Association (PCMA) – PCMA is the premier industry association for meeting planners. It's a great compliment to ASAE, which focuses on association CEO's. There are many significant PCMA sponsors (unlike ASAE). To rise above the clutter a strong sponsorship positioning is required.
 - \$80,000 IMEX – the Board approved to exhibit at IMEX in October 2016 as a tactic to grow the corporate market sector. Will need to continue this investment for the next three years to realize ROI.
 - \$50,000 Connect – the Board approved a title sponsorship at Connect in August 2016. Connect provides a great reach across the Corporate, Sports, and Association segments.

Facility Requirements:

RSCC Internet infrastructure is not competitive with other destination facilities. This is a critical need for larger corporate meetings. Per Smart City, \$1,500,000 is required to upgrade the infrastructure. (\$500,000 in technology upgrade to RSCC has been approved and included in FY16/17 budget.)



ROOM NIGHT AND INVESTMENT FORECAST – CORPORATE CONVENTIONS

	FY15/16 (Jan-June)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
Corporate	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Steady State: Meetings with 100-500 Peak Room Nights						
Booked	886	2,716	0	0	0	-
Lost Booked	9,855	7,730	1,603	820	1,179	-
Western Region Total	5,971	3,809	1,155	0	0	-
Steady State 1.9% Growth*	1,392	1,418	1,445	1,472	1,500	7,227
Steady State: Meetings with 500-3,000 Peak Room Nights						
Booked	5,062	4,072	2,247	0	0	-
Lost Booked	43,795	32,449	0	3,790	9,768	-
Western Region Total	8,681	13,196	2,400	2,925	2,750	-
Steady State 1.9% Growth**	9,368	9,545	9,727	9,912	10,100	48,652
Opportunities						
Opportunity #1: Reposition Reno as commercial hub to increase production from the corporate market.	-	Deployment of additional personnel.	-	8,000	10,000	18,000
Resource Requirements						
Hiring Needs (# of additional people)***	-	\$214,000	\$214,000	\$214,000	\$214,000	\$856,000
Marketing/Sales Investments	\$50,000	\$200,000	\$200,000	\$200,000	\$200,000	\$850,000
Facility Requirements***	-	\$1,500,000	-	-	-	\$1,500,000
Total	\$50,000	\$1,617,000	\$367,000	\$367,000	\$367,000	\$2,768,000

*Note: FY15/16 Room Nights are the total of Booked for the first half of the fiscal year to date (506) in chart **Booked Room Nights** three pages back plus the 886 from the second half of the current fiscal year or 1,392.

** FY15/16 Room Nights are the total of Booked for the first half of the fiscal year to date (4,306) in chart **Booked Room Nights** three pages back plus the 5,062 from the second half of the current fiscal year or 9,368.

***The sales manager position and \$500,000 in technology upgrade to RSCC have been approved and included in FY 16/17 budget.



FRANCHISE/MULTI-LEVEL MARKETING CONVENTIONS

MARKET ANALYSIS

Key Trends & Industry Shifts

From the Direct Selling Association:

Still strong growth: In 2014, more than 18 million Americans are involved in direct selling, up 8.3 percent from 2013. Direct selling or multi-level marketing is unique among retail channels because of the way in which products and services are marketed to customers. Instead of relying on traditional retail outlets or online marketplaces, direct selling companies maintain a salesforce of millions of independent workers that added \$34 billion to the U.S. economy in 2014, up from 5.5 percent over 2013.

Popular in western region: The western region accounted 24.3 percent of the total sales, the second highest region vs. the south at 37.4 percent and midwest at 20.5 percent.

Remote workers are good convention targets: Eighty-nine percent of direct sellers decide to work part-time, offering busy parents, caregivers, military spouses, veterans and others flexibility and work-life balance. Direct selling is one of the oldest ways millions of Americans have chosen to work independently.

Market Growth Rate

Based on growth trends from 2009 through 2014 the industry should see continued growth of 3-5 percent for the next five years, per the Direct Selling Association (DSA).

Key Success Factors

- Being able to offer stadium seating at low costs.
- Having double/double-bedded room inventory.
- Low room rates and flexible attrition clauses.

Ideal Customer Profile

- Meeting attendance under 10,000 people.
 - Flexible requirements with regards to meeting space – do not mandate stadium seating.
 - Heavy concentration of sellers based in the western region.
 - Hold meetings during off-peak times for the hotels.
-



Top 5 Competitive Set (Western Market)

RSCVA Competitive Set	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
100-500 Peak Room Nights						
Anaheim	256	6,950	1,824	561	1,753	11,344
Reno (EBMS)	930	870	1,430	1,693	700	5,623
Phoenix	-	1,785	1,412	-	-	3,197
Denver	676	1,168	1,245	-	-	3,089
Las Vegas	1,307	702		-	-	2,009
Pasadena	-	407	619	-	782	1,808
500-3,000 Peak Room Nights						
Reno (EBMS)	-	1,159	1,453	-	7,344	9,956
Denver	-	-	1,536	-	11,983	13,519
Anaheim	4,074	2,997	-	-	6,067	13,138
Phoenix	-	-	-	591	7,593	8,184
Portland	-	-	947	4,805	1,833	7,585
Spokane	-	-	1,851	2,216	2,783	6,850

Key Takeaways:

Given the spottiness of data during the past five years, it would appear the competitors are not very focused or too interested in this segment. Possibly it is not a very productive market for the RSCVA competitors.



FACILITY, ROOM NIGHT & EVENT ANALYSIS – FRANCHISE/MLM CONVENTIONS

Size of the RSCVA Business

Franchise/MLM conventions account for 4-5 percent of the total RSCVA convention consumed room nights over the past five years. Historically, sales staff has been very successful at closing small franchise/MLM conventions almost a 45 percent-win rate. While this only contributed a small amount to the overall total room nights sold, the success rate is worth noting. Additionally, the RSCVA owns roughly 20 percent of the western region franchise/MLM business as analyzed in the MINT database.

Booked Room Nights

Booked Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Bookings	1,160	1,435	2,328	700	468	558	6,649
Lost Bookings	0	900	1,552	640	3,431	1,433	7,956
Meetings with 500-3,000 Peak Room Nights							
Bookings	0	2,612	0	7,344	9,200	0	19,156
Lost Bookings	13,553	3,271	9,150	1,010	31,128	10,592	68,704

Consumed Room Nights

Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Consumed	930	870	1,430	1,693	700	468	6,091
Lost Consumption, net	0	1,080	260	1,812	3,129	2,100	8,381
WR Total	3,535	12,988	6,097	3,186	3,990	1,022	30,818
RSCVA Share	26%	7%	23%	53%	18%	46%	20%
Meetings with 500-3,000 Peak Room Nights							
Consumed	0	1,159	1,453	0	7,344	5,313	15,269
Lost Consumption, net	8,055	13,949	12,025	0	1,010	18,335	53,374
WR Total	4,831	10,824	6,085	8,865	36,773	6,962	74,338
RSCVA Share	0%	11%	24%	0%	20%	76%	21%

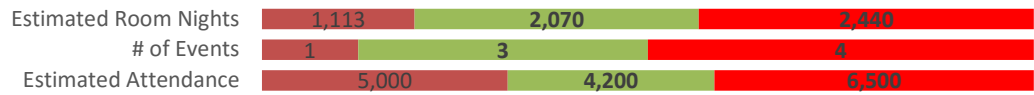
Value of Lost Business

Based on data for both small and medium conventions, activity in this segment is on the increase. This bodes well for future business.



Facility Usage

Meetings with 100-500 Peak Room Nights from FY10/11 through FY14/15:



■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)

Meetings with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:



■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)

FRANCHISE/MULTI-LEVEL MARKETING OUTLOOK

If the RSCVA wants to grow the franchise and multi-level marketing business, what are the best opportunities for growth?

Opportunities & Risks

Opportunities	Aggressively promote the destination's affordability and value proposition to the Direct Selling Association - Continue to promote the destination at the Direct Selling Association annual meeting and tradeshow. There are only a handful of exhibitors from the CVB world, which creates almost an exclusive promotion opportunity to this segment. By creating and maintaining a presence in this segment at the DSA Annual convention new business opportunities have resulted in increased bookings (7,300 and 9,200 room nights booked in FY13/14, 14/15 respectively)
Risks	<ul style="list-style-type: none"> • Securing rooms can be challenging. Pending the group, dates, and booking cycle the hotel partners don't always value this segment. • These groups tend to meet over weekends when the hotels have strong demand, vs. competing destinations where weekends are typically low demand. • There is a strong preference for tiered seating. Our facilities to accommodate this requirement are limited and typically require equipment/space rental for fulfillment. • REC and Lawlor Events Center at UNR are great facilities for the larger MLM groups but date availability is a challenge due to either concerts or UNR event needs. • This segment can require commissionable rates, RSCVA facility subsidies, housing fees, and/or rebates to the group. These add on costs drive up the group rate.

Opportunity Landscape

Steady State/Retention: Growth at a rate of 3-5 percent as a result of a higher percentage of Americans involved in direct selling.

Based on the market data provided by the Direct Selling Association and RSCVA efforts over the past two years, a 3-5 percent forecast is conservative, but realistic. All of the destination strengths and facilities are well suited to attract this market segment to the region.

Growth Opportunity #1: Aggressively promote the destination's affordability and value proposition to the Direct Selling Association.

Leverage an almost exclusive promotion opportunity to promote the destination to DSA, marketing Reno's low rate structure and resort appeal. Specific tactics include:

- Reno's low rate structure (pending dates) and other savings are very appealing to the attendees as they pay out of pocket for their entire trip expenses.
- The destinations resort appeal plays well to the organizers in terms of creating a sales incentive-like environment.

Room Night Potential: 8,000 to 16,000 room nights booked per year pending space availability at hotels, RSCC/REC, and Lawlor. The production effort can be begin once commitment has been made for resource needs with anticipated consumption beginning in FY17/18.

Sales Requirements: N/A

Marketing Requirements: Continuation of exhibiting at Direct Selling Association - \$5,000 per year.

Facility Requirements: Proposing \$400,000 for stadium seating bleachers to seat up to 2,000 people versus the rental cost of \$20,000 to \$40,000 per event. A similar proposal of \$400,000 for 2,000-person bleacher seating is included in Sports – Growth segment. Thus a total of 4,000 bleacher seating is being proposed to grow events overall.



ROOM NIGHT AND INVESTMENT FORECAST – FRANCHISE/MLM CONVENTIONS

	FY15/16 (Jan-June)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
Franchise/MLM	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights (Events)
Steady State: Meetings with 100-500 Peak Room Nights						
Booked	558	0	0	0	0	-
Lost Booked	275	0	0	0	0	-
Western Region Total	225	69	138	0	0	-
Steady State 3-5% Growth	1,116	1,160	1,207	1,255	1,305	6,043
Steady State: Meetings with 500-3,000 Peak Room Nights						
Booked	3,887	0	0	0	0	-
Lost Booked	4,030	12,494	6,861	0	0	-
Western Region Total	925	758	2,953	0	1,588	-
Steady State 3-5% Growth	3,887	4,291	4,737	5,230	5,774	23,919
Opportunities						
Opportunity #1: Grow production from Direct Selling Organizations.	-	Begin promoting enhanced facility	8,000	12,000	16,000	36,000
Resource Requirements						
Hiring Needs (# of additional people)	-	-	-	-	-	-
Marketing/Sales Investments	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Facility Requirements		\$400,000				\$400,000
Total	\$5,000	\$450,000	\$5,000	\$5,000	\$5,000	\$425,000

HERITAGE/PATRIOTIC/VETERAN CONVENTIONS

MARKET ANALYSIS

Key Trends & Industry Shifts	<p>Significant market differences between Active and Inactive. This segment needs to be divided into two groups, those that are for active military members vs. inactive.</p> <ul style="list-style-type: none"> • Active - Active veteran groups operate in the same manner as an association, their annual meetings are intended to provide education content designed skill training, career development, trend management, etc. Examples are National Guard Association of the US (NGAUS) or the Air Force Sargent Association. • Inactive - Inactive veteran related groups are struggling with being relevant to the younger generation who serve/served our country. Attendance is declining as their membership ages and or passes away, such as Veterans of Foreign Wars (VFW) and American Legion. In FY14/15 and 15/16 American Legion, VFW, and Disabled Vets all selected Reno for a future conference. These are three of the top five largest veteran's groups. Annual meetings are more fellowship, personal benefit education, and charity focused. Their members and attendees are very loyal to the annual meeting and passionate about attending every year. Finally, their larger, annual meetings have strong rotational patterns that takes 4-6 years to pass before they rebook destinations. As a result, production from this segment will be very cyclical in nature. <p>Local support critical to acquiring business: For both the active and inactive groups, the destination site selection relies heavily on local support from a political campaign to win the business, fundraising, and volunteer staffing perspective.</p>
Market Growth Rate	<p>The market is declining as evidenced by the membership declines. Membership in the VFW peaked at 2.1 million in the early 1990s. That is down to about 1.3 million in 2015, and the average age of members is nearly 70. The American Legion claims 2.4 million members, down from 3.1 million two decades ago.</p>
Key Success Factors	<p>Personal Relationships - This segment is very relationship driven and having someone like Robyn Nichols from the RSCVA sales staff that is very passionate about the vets and networked within this community has been very instrumental in booking these groups.</p> <p>Industry Connections - Staying connected with the key leaders in the state and Reno area with vets and military personnel who are leaders within their organizations.</p> <p>The Destination - For both the active and inactive groups the destination is a great appeal. They enjoy the casino amenities, outdoor environment, the value, and ability to create a vacation experience around the meeting.</p> <p>Comprehensive Event Planning - The non-active groups in particular are very reliant on the CVB to help with the whole event planning process. In addition to hotel blocks and convention center space management, this can involve parade coordination, spouse activities, volunteer recruitment and financial support.</p>
Ideal Customer Profile	<p>Any military group serving the inactive vets fits the destination profile from the largest (American Legion) to the smaller ship reunions.</p>



Top 5 Competitive Set (Western Market)

RSCVA Competitive Set	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
100-500 Peak Room Nights						
Reno (EBMS)	1,060	8,482	2,531	-	2,591	14,664
Phoenix	-	-	3,663	1,527	-	5,190
Salt Lake City	-	-	-	-	1,849	1,849
Las Vegas	620	-	-	1	-	621
Albuquerque	-	337	-	-	-	337
500-3,000 Peak Room Nights						
Reno (EBMS)	-	-	23,380	-	-	23,380
San Jose	-	-	2,167	-	-	2,167
Phoenix	698	-	-	-	-	698
Burlingame	-	-	-	-	400	400

Key Takeaways:

Similar to MLM segment, this appears to be very spotty in convention/ meetings as evidenced by the lack of data throughout the competitive set. Yet RSCVA can position itself in the Western Region as solid competitor and a quality destination.



FACILITY, ROOM NIGHT & EVENT ANALYSIS – HERITAGE/PATRIOTIC/VETERAN

Size of the RSCVA Business

Veteran's conventions account for between 7-8 percent of the total RSCVA convention consumed room nights over the past five years. As with franchise/MLM conventions, sales staff are very successful at closing business in this market segment with about a 40 percent-win rate. While the total room nights are small, the total is bigger than corporate and franchise/MLM. As noted below, the RSCVA market share is bigger than what is reported in the MINT database. Therefore, market share for this segment is unknown.

Booked Room Nights

Booked Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Bookings	2,241	3,675	0	4,584	704	675	11,879
Lost Bookings	3,290	2,783	450	2,490	1,320	0	10,333
Meetings with 500-3,000 Peak Room Nights							
Bookings	0	0	0	7,035	23,055	0	30,090
Lost Bookings	0	9,765	17,377	9,215	43,505	5,511	85,373

Consumed Room Nights

Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Consumed	1,060	8,482	2,531	0	2,591	704	15,368
Lost Consumption, net	5,325	9,443	3,152	1,521	1,680	0	21,121
Western Region Total	620	337	3,663	1,528	1,849	9	8,006
RSCVA Share	171%	2517%	69%	0%	140%	7822%	192%
Meetings with 500-3,000 Peak Room Nights							
Consumed	0	0	23,380	0	0	0	23,380
Lost Consumption, net	15,555	22,673	13,800	18,325	13,075	2,750	86,178
Western Region Total	698	-	2,167	0	400	750	4,015
RSCVA Share	0%	-	1079%	0	0%	0%	582%



Value of Lost Business

The win ratio for medium-size conventions is about half as that of the small-sized (25% to 50%). However, the effort for medium produced about twice as many room nights. Second, the market for small appears to be tapering off.

Facility Usage

Meetings with 100-500 Peak Room Nights from FY10/11 through FY14/15:



■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)

Meetings with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:



■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)



HERITAGE/PATRIOTIC/VETERAN OUTLOOK

Opportunities and Risks

Opportunities	N/A - Continue to leverage relationships with military connections and resources in the region and state.
Risks	<ul style="list-style-type: none">• Small military reunions love Reno! There are two organizations that cater to these groups, the Reunion Network and Your Military Connection (YMRC). The challenge is these groups are small in nature (100-200 room nights) and tough for the RSCVA to prioritize time and resources for a low-production return.• The inactive group's attendance is declining. If they don't find a way to get the younger vets involved their annual meetings will shrink dramatically.• The aging population is the biggest challenge with this segment.• As most of the active military groups are based in DC, the lack of direct flights from DC is a big weakness.

Opportunity Landscape

Steady State/Retention: Declining due to an aging demographic, resulting in pursuing the business opportunistically.

While the overall market is declining, the future bookings indicate there is still potential to secure conventions within this segment. The recommendation is to pursue this business opportunistically as the win rates are high, but investment will not build the business long-term due to the market dynamics.

There are no additional opportunities identified due to the market decline.

Note: The RSCVA staff has been successful in booking this segment both in the past and future however the events themselves are cyclical and rotate geographically. Currently the following are booked with future consumption: Disabled American Veterans for 6,710 room nights in July 2018; American Legion for 18,410 room nights in August 2017 (the peak room nights are 3,093 which are greater than the analysis limit of 3,000 peak room nights); and VFW for 9,600 room nights in August 2020.



ROOM NIGHT AND INVESTMENT FORECAST – HERITAGE/PATRIOTIC/VETERAN CONVENTIONS

	FY15/16 (Jan-June)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
Veterans	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Steady State: Meetings with 100-500 Peak Room Nights						
Booked	0	2,668	0	0	0	-
Lost Booked	2,130	0	0	0	0	-
Western Region Total	0	700	0	0	413	-
Steady State*	2,159	2,159	2,159	2,159	2,159	10,795
Steady State: Meetings with 500-3,000 Peak Room Nights						
Booked	0	3,000	4,035	6,710	0	-
Lost Booked	0	6,560	2,655	12,012	33,236	-
Western Region Total	0	0	0	0	0	-
Steady State*	5,470	5,470	5,470	5,470	5,470	27,350
Opportunities						
N/A	-	-	-	-	-	-
Resource Requirements - NONE						

*Since this market is not predicted to grow, future bookings will be based upon the average consumption of the past period from **Booked Room Nights** chart two pages back for both small and medium.



STEM/ENVIRONMENTAL/MANUFACTURING CONVENTIONS

MARKET ANALYSIS

Key Trends & Industry Shifts

“Steady eddy growth”: Annual meetings for groups in these segments are very much the “steady eddies”. Their memberships are solid, will grow as their specific industry grows but due to the specific niches they serve remain relevant and vital when their industries are in decline. They don’t change their annual meeting structure much from year to year but are needing to find ways to better serve their growing millennial members and leaders.

Poised for sustained growth: Associations involved with Environmental and STEM industries in general are poised for sustained future membership retention or growth. Per the Department for Professional Employees, employment growth within the STEM industries from 2003-2013:

- Computer programmers declined by 13.1 percent;
- Aerospace engineers grew by 75.6 percent;
- Electrical and electronics engineers decreased 17.4 percent;
- Drafters decreased by over 44 percent;
- Natural sciences, the number of biologists saw no change and chemists and materials scientists decreased 13.6 percent
- Medical scientists increased 42.6 percent
- The U.S. environmental industry grew 3.9% in 2014 to reach \$353.7 billion in revenues, according to primary research and data compiled by Environmental Business International Inc., publisher of Environmental Business Journal.

Market Growth Rate

Trade shows and convention planning is expected to grow at 2.2% which is based upon the improving corporate profits. *IBISWorld Industry Report* 56192, page 4.

Key Success Factors

Industry expertise - Specific collateral, video, and promotion resources that speak to the depth of the industry resources available to support education content/speakers/thought leaders, off-site “field trips”, and event sponsors.

Value and affordability for students - Many of these groups have a student population attendance. The destinations’ low cost structure is a strong advantage as well leveraging UNR’s positioning in these fields.

Large meeting spaces - Annual meetings for these types of groups tend to be “space hogs”. Given the amount of meeting space in the destination hotels and the RSCC these groups space needs typically can be easily met. In addition, convention operators need to invest in technology to increase productivity and enhance services. (*IBISWorld*, page 11.)

Ideal Customer Profile

Meetings needing 500 to 3,000 peak rooms meet midweek, use competing western destinations, and value related local industry resources for event content and experiences.



Top 5 Competitive Set (Western Market)

RSCVA Competitive Set	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
100-500 Peak Room Nights						
Portland	16,605	19,177	16,729	10,077	14,101	76,689
Seattle	12,267	6,979	8,775	15,658	12,644	56,323
Denver	10,091	5,380	7,449	10,494	10,544	43,958
Reno (EBMS)	8,281	6,980	3,935	12,409	9,262	40,867
Anaheim	9,962	6,233	5,463	4,492	4,234	30,384
Phoenix	8,709	10,617	6,296	4,532	105	30,259
500-3,000 Peak Room Nights						
Seattle	40,395	19,669	51,228	21,789	49,364	182,445
Denver	36,749	16,349	28,968	41,669	57,557	181,292
Phoenix	20,889	16,077	21,009	21,407	23,787	103,169
Las Vegas	16,195	24,538	18,201	19,575	7,525	86,034
Portland	16,339	5,927	19,680	8,521	23,956	74,423
Reno (EBMS)	13,922	9,707	9,680	7,594	2,405	43,308

Key Takeaways:

Within the small-size conventions, the competitive set appears to be experiencing a downward trend with these events. While the opposite is true of medium-size conventions – general upward trend in room nights.



FACILITY, ROOM NIGHTS & EVENT ANALYSIS – STEM/ENVIRO./MANUFACTURING

Size of the RSCVA Business

The environmental, STEM, manufacturing segment represents about 20% of the totally RSCVA convention business, meaning this segment accounts for that amount of RSCVA generated convention consumed room nights over the past five years. RSCVA market share in this segment is about 30% for smaller conventions and 7% for mid-sized.

Booked Room Nights

Booked Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Bookings	9,296	3,677	6,780	6,856	10,826	390	37,825
Lost Bookings	8,999	8,406	11,783	19,425	15,446	7,157	71,216
Meetings with 500-3,000 Peak Room Nights							
Bookings	6,799	0	3,310	12,393	36,397	14,798	73,697
Lost Bookings	42,076	26,145	37,428	49,807	12,602	22,058	190,116

Consumed Room Nights

Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Consumed	8,281	6,980	3,935	12,409	9,262	5,010	45,877
Lost Consumption, net	7,469	14,205	23,047	18,080	13,380	1,440	77,621
WR Total	103,075	83,333	81,676	71,454	60,509	16,473	416,520
RSCVA Share	8%	8%	5%	17%	15%	30%	11%
Meetings with 500-3,000 Peak Room Nights							
Consumed	13,922	9,707	9,680	7,594	2,405	10,333	53,641
Lost Consumption, net	25,104	19,710	59,344	27,642	61,784	22,907	216,491
WR Total	162,269	118,375	150,892	76,611	150,512	87,988	746,646
RSCVA Share	9%	8%	6%	10%	2%	12%	7%

Value of Lost Business

The sales team enjoys a substantially better win rate for bookings in this segment when considering small meetings at 34% and medium-size conventions at 28%. The efforts in the medium-size group have yielded a much large volume of room nights than most other segments in the Convention & Group Sales line of business.



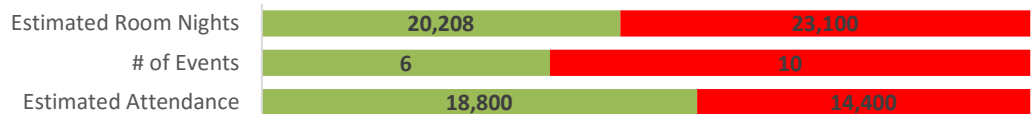
Facility Usage

Meetings with 100-500 Peak Room Nights from FY10/11 through FY14/15:



■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)

Meetings with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:



■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)

STEM/ENVIRONMENTAL/MANUFACTURING OUTLOOK

Opportunities and Risks

Opportunities	Capitalize on local advances - Leverage local resources at UNR, DRI, and various aerospace, environmental, STEM related companies in the region to be champions in bringing affiliated association meetings or conventions to the destination. Tesla plant tours if made available would be a big draw for these groups. The emerging energy, drone, aerospace and other technology sectors... help create opportunities that can be leveraged with the recently increased financial operating resources for the RSCVA. (CSL)
Risks	<ul style="list-style-type: none"> Some groups in these segments are averse to gaming and smoking facilities. New supply of large mega convention hotels and convention center remodels/expansions in competing cities creates more competition with products that will be newer and more technologically advanced. Most of these groups have a strong international attendance that other destinations can better serve with more convenient flights.

Opportunity Landscape

Retention: Grow at a rate of 2.2% due to industry growth.

B2B events are directly affected by corporate marketing budgets, as companies with higher marketing budgets spend more on promotional events. Consequently, rising US corporate profit margins over the past five years resulted in larger marketing budgets and demand for trade show and conference planning services for B2B events. (*IBISWorld*, page 5.)

Growth Opportunity #1: Capitalize on local advances.

Proactively leverage local destination resources to grow the STEM/Environmental/Manufacturing market by nurturing industry contacts and potentially developing or acquiring an RSCVA tradeshow.

- Nurture relationships with industry contacts - Continue to ensure a visible presence with Council for Engineering, Scientific Studies Executives (CESSE) the umbrella association for executives of STEM organizations like Society of Mechanical Engineers.

Room Night Potential: Annual meeting rotation is cyclical in nature so production from any one segment will vary from year to year. Target a minimum of three new bookings per year that range in size from 2,000 to 10,000 room nights. It will take a period of at least one period to begin repeating the benefits of the CESSE Sponsorship and video. Thus a small convention of 2,000 room nights will be forecast initially with a ramp up for more events.

Sales Requirements: \$20,000 per year for CESSE Sponsorship

Marketing Requirements: \$35,000 for new video to highlight related STEM industry in the destination.



ROOM NIGHT AND INVESTMENT FORECAST – STEM/ENVIRO/MANUF/DISTRIB CONVENTIONS

	FY15/16 (Jan-June)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
Enviro/STEM/Manuf	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Steady State: Meetings with 100-500 Peak Room Nights						
Booked	5,135	5,676	1,738	1,980	-	-
Lost Booked	7,668	7,760	3,864	3,822	1,496	-
Western Region Total	6,672	3,751	1,407	497	-	-
Steady State 2.2% Growth	5,325	5,442	5,561	5,684	5,809	27,821
Steady State: Meetings with 500-3000 Peak Room Nights						
Booked	5,025	2,790	16,003	9,834	13,967	-
Lost Booked	19,996	35,960	30,323	13,170	8,485	-
Western Region Total	5,840	15,120	7,465	10,615	13,322	-
Steady State 2.2% Growth	19,823	20,259	20,704	21,160	21,625	103,571
Opportunities						
Opportunity #1: Capitalize on local advances to grow new STEM Association business.	-	Position Reno	2,000	4,000	8,000	14,000
Resource Requirements						
Marketing/Sales Investments	-	\$55,000	\$20,000	\$20,000	\$20,000	\$115,000
Total	-	\$55,000	\$20,000	\$20,000	\$20,000	\$115,000



GOVERNMENT/PUBLIC ADMINISTRATION CONVENTIONS

MARKET ANALYSIS

Key Trends & Industry Shifts

Segment TBD based on presidential election: Prior to the Obama administration at the height of the recession criticizing meetings held in Las Vegas and Resorts and the 2011 GSA meeting scandal (referred to as “MuffinGate” in Las Vegas) Government related business was a huge room night generator for the RSCVA.

- New leads from government groups are minimal and below levels prior to the GSA scandal. At one time, close to 50,000 room nights per year were contracted from government group business.
- It also important to note that sequestration decimated the number of government meetings held all across the US. So between lingering resort/gaming perception issues and government travel budget cuts no rebound is projected until the impact of the new Presidential Administration can be determined.

Opportunities in fire/safety & services: The best opportunities for Government related meetings business are related to associations who serve various government city/county/state services, especially those in fire and safety, environmental, and governmental agency services.

Market Growth Rate

The *CEIR Index Report* for the macro economy and overall exhibition industry in Table 2-3: CEIR Index by Sector forecasts the Government sector to shrink 1 percent per year for 2016 and 2017. (CEIR – Center for Exhibition Industry Research)

Key Success Factors

- A new approach to government travel.
 - Invest in this segment once travel regulations are determined.
 - Stay focused on those government groups still meeting in gaming/resort destinations.
-

Ideal Customer Profile

Specific, government-related groups, especially those that are primarily male orientated and risk takers (like Narcotics Officers and Sheriffs).



Top 5 Competitive Set (Western Market)

RSCVA Competitive Set	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
100-500 Peak Room Nights						
Portland	8,262	10,389	8,159	12,888	12,308	52,006
Denver	5,380	12,461	6,234	12,416	7,838	44,329
Seattle	12,097	7,551	6,180	9,894	6,495	42,217
Sacramento	8,806	4,117	5,483	2,738	7,074	28,218
Reno (EBMS)	5,527	5,056	2,046	3,941	7,485	24,055
Las Vegas	13,754	4,988	1,418	1,125	-	21,285
500-3,000 Peak Room Nights						
Anaheim	12,007	9,820	11,397	29,328	24,506	87,058
Denver	27,427	31,039	10,511	13,723	3,334	86,034
Phoenix	27,121	17,658	8,596	2,086	8,570	64,031
Seattle	18,774	6,660	5,848	21,592	7,399	60,273
Reno (EBMS)	13,270	5,950	8,830	5,350	0	33,400
San Francisco	14,190	4,608	22,018	5,382	-	46,198

Key Takeaways:

Competitors in the small convention space have shown a general uptrend in room nights – albeit a rather slow uptick. Within medium-size events, competitors have definitely trended down during the past five years except for Anaheim which recorded significant growth.



FACILITY, ROOM NIGHT & EVENT ANALYSIS – GOVERNMENT/PUBLIC ADMIN.

Size of the RSCVA Business

The government/public administration conventions segment represents about 12-14 percent of the total RSCVA convention business, meaning this segment accounts for that amount of RSCVA generated convention consumed room nights over the past five years. RSCVA market share in this segment is about small, indicating opportunity for growth.

Booked Room Nights

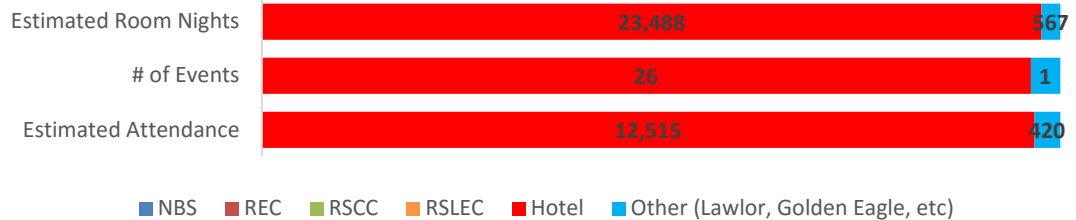
Booked Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Bookings	6,615	1,375	6,062	4,321	8,984	9,357	36,714
Lost Bookings	11,863	12,258	6,350	7,176	15,387	10,516	63,550
Meetings with 500-3,000 Peak Room Nights							
Bookings	13,176	1,985	9,832	0	16,721	4,306	46,020
Lost Bookings	45,736	29,720	16,535	6,646	39,434	4,306	142,377

Consumed Room Nights

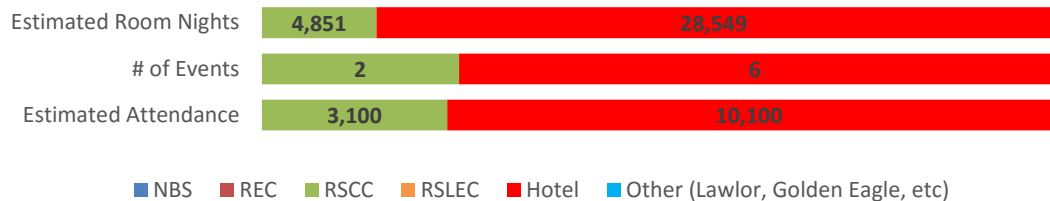
Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Consumed	5,527	5,056	2,046	3,941	7,485	3,952	28,007
Lost Consumption, net	9,244	17,967	13,284	12,263	8,486	6,788	68,032
WR Total	88,621	74,195	64,319	63,929	56,467	25,737	373,268
RSCVA Share	6%	7%	3%	6%	13%	15%	8%
Meetings with 500-3,000 Peak Room Nights							
Consumed	13,270	5,950	8,830	5,350	0	0	33,400
Lost Consumption, net	58,848	83,308	33,510	28,474	29,526	32,695	266,361
WR Total	140,914	146,177	105,875	104,178	69,372	39,042	605,556
RSCVA Share	9%	4%	8%	5%	0%	0%	6%

Facility Usage

Meetings with 100-500 Peak Room Nights from FY10/11 through FY14/15:



Meetings with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:



Value of Lost Business

Over the past five plus years, the success rate for small meetings has averaged a solid 35 percent, whereas the win rate for medium-size conventions is 30 percent less at 24 percent. The efforts of the sales team has led to a market share of about 7 percent of a medium opportunity market segment.

Opportunities

Target local and city-services specialties - Pursue associations related to various specialties/agencies within police/sheriffs, firefighting, city services like transportation/environmental/parks & rec/mining/zoning/housing. California and Western Regional events are a strong target.

- Leverage local/regional agency leaders – Build these relationships to help pursue their affiliated agency annual meetings.

Risks

- Need to closely watch what happens with the new Presidential administration and their direction of government-related travel/meetings. Any targeted spend against this segment needs to be minimal until then.
- Government meeting-related hotel/space contracts have no financial commitments, which can be prone to cancellations.
- Perception issues of meeting in gaming/resort destinations as being a “boondoggle” vs. and typical urban environment – even if costs are higher.



GOVERNMENT/PUBLIC ADMINISTRATION OUTLOOK

Opportunity Landscape

Steady State/Retention Strategy: Decline of 1 percent due to 2011 GSA scandal and negative destination gaming perceptions.

Growth Opportunity #1: Target local and city-services specialties.

Pursue associations related to various specialties/agencies within police/sheriffs, firefighting, city services like transportation/environmental/parks & rec/mining/zoning/housing. California and Western Regional events are a strong target.

Room Night Potential: Possible if California-based state associations become more open to holding their meetings across state lines due to Reno's better value proposition then we can start to see growth in this sector.

Sales Requirements: N/A

Marketing Requirements: N/A



ROOM NIGHT AND INVESTMENT FORECAST – GOVERNMENT/PUBLIC ADMIN.

	FY15/16 (Jan-June)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
Government/Public Admin	Room Nights	Room Nights	Room Nights)	Room Nights	Room Nights	Room Nights)
Steady State: Meetings with 100-500 Peak Room Nights						
Booked	1,788	4,037	791	5,509	1,993	-
Lost Booked	5,100	10,220	5,005	0	1,250	-
Western Region Total	2,937	2,814	2,414	726	413	-
Steady State 1% Decline	11,145	11,033	10,923	10,813	10,705	54,619
Steady State: Meetings with 500-3,000 Peak Room Nights						
Booked	1,710	12,010	10,666	0	9,821	-
Lost Booked	3,979	8,239	0	2,931	0	-
Western Region Total	3,997	7,641	7,005	6,525	6,506	-
Steady State 1% Decline	6,016	5,955	5,896	5,837	5,778	29,482
Opportunities						
Opportunity #1: Target local cities and specialties	-	4,000	4,000	5,000	5,000	18,000
Resource Requirements						
Hiring Needs (# of additional people)	-	-	-	-	-	-
Marketing/Sales Investments	-	-	-	-	-	-
Total	-	-	-	-	-	-

ASSOCIATIONS CONVENTIONS

(AGRICULTURAL/COMMODITIES, CULTURAL/FINE ARTS, EDUCATIONAL, TRADE COMMERCIAL)

MARKET ANALYSIS

Key Trends & Industry Shifts

Industry is growing: According to the PCMA Convene Magazine February 2016, 25th Annual Market Survey Issue, 30 percent of respondents who work for an association expect to plan more meetings in 2016; only 5 percent expect to plan fewer. Additionally, meeting budget, attendance and number of exhibitors all grew between 2.7-5.3 percent between 2014 and 2015. Respondents also reported that their largest exhibition had almost 14,500 more square feet in 2015 compared to the 2014 survey results, reversing the trend in recent years of declining exhibition space.

Majority of meeting volume attributed to corporate/business meetings: According to the Convention Industry Council (CIC), more than 1.8 million meetings were estimated to have been held in the U.S. during calendar year 2012 and involved an estimated 225 million participants. The majority of meeting participants were generated by corporate/business meetings (50 percent), followed by conventions/conferences/congresses (27 percent) and trade shows (12 percent).

Washington, DC is a hub: Primarily due to the presence of the federal government, the Washington, DC metropolitan region is home to a large concentration of trade and professional associations, as well as charities and philanthropic organizations. Nearly 3,000 associations and 36,000 other nonprofit groups call the nation's capital home. Other metropolitan areas with significant numbers of associations include Chicago and New York City. (ASAE – Power of A report, 2015)

Booking window depends on meeting size: The average booking window for large meetings is 2.3 years, the same as the 2014 survey; for small meetings, it's 10 months, compared to nine months in the 2014 survey.

Association magnitude and locale concentration: The entire nonprofit sector accounts for 9.2 percent of all wages and salaries paid in the United States. The nonprofit sector's share of GDP was 5.5 percent in 2012. The Bureau of Labor Statistics data shows that membership organizations alone employ more than 1.3 million people. The below tables illustrate top states for 501(c)(3) and 501(c)(6) organization and the top states for association employment.

Top States for 501(c)(3) Organizations, 2014	
California	123,242
Texas	77,979
New York	77,072
Florida	60,999
Illinois	44,707
Washington, DC	35,661

Top States for 501(c)(6) Organizations, 2014	
California	5,979
Texas	5,063
Illinois	4,036
Florida	2,890
New York	2,883
Washington, DC	2,916

Top States for Association Employment, 2013	
Washington, DC	36,939
Illinois	20,167
California	15,057
Virginia	14,736
Texas	12,115

Food and Beverage and technology costs matter. On average, food-and-beverage remains this segments' single-largest expense, accounting for 32 percent of their costs at their largest 2015 event, followed by A/V at 15 percent.

Industry Insights – Per PCMA Convene Magazine February 2016, Annual Market Survey, respondents who work for associations believe:

- “The cost of providing wireless internet has skyrocketed, and it’s not something we can say no to... I expect to find an affordable solution to wireless costs whether it be an outside vendor, providing hot spots, or simply negotiating lower rates in future contracts.”
- “Yes, the economy has improved... On the planner side, though, it’s now a seller’s market.”
- “I believe everyone is reaping the benefits of having increased attendance. However, I feel that our hotel suppliers are not considering their ‘partnership’ as they did when the economy was not favorable.”
- “I wish our organization would approach our meetings with more creativity. That they would see that we need to provide an experience.”
- “To create an innovation/new product showcase area outside the exhibit hall that highlights what’s new and exciting in the industry.”

Market Growth Rate	Much the same as other segments that are aligned with industry or corporate profits and general economic well-being that create or the drive for planning these events. Thus a 2.2 percent growth rate is projected for the overall conference industry. (<i>IBISWorld</i> , p.4)
Key Success Factors	<p>According to the “Current and Emerging Trends of Tradeshows” assessment of stakeholders’ preferences, published by the ASAE Foundational Research Series:</p> <p>Key Motivators</p> <p>The below list captures the top motivators, shared by both tradeshow exhibitors and attendees, that the RSCVA can work directly to influence.</p> <ul style="list-style-type: none"> • To network with industry peers • To enhance relationships with existing business partners/associates • To visit the locations where the tradeshow was organized for personal reasons • To gather competitive intelligence • To introduce new products and services and/or to learn about latest products and services • To benchmark with respect to “best-in-class” offerings <p>The below insights highlight the key motivators for both tradeshow exhibitors and attendees:</p> <ul style="list-style-type: none"> • Tradeshow location within a large or midsize city within the United States is the strongest motivator of both exhibitors and attendees • The second strongest motivator for both exhibitors and attendees is “cost relative to typical spending,” making Reno an attractive destination from an economical perspective. • 2-3-day tradeshow duration is preferred • Interestingly, both tradeshow exhibitors and attendees were indifferent to “the use of technology” as a primary motivating factor <p>Attractive Attributes</p> <p>According to tradeshow attendees, the below five attributes were considered to be the most attractive. Note that timing of the event, location of the event and ease of travel to the event destination were all ranked within the top 10 most attractive attributes.</p> <ul style="list-style-type: none"> • Quality of educational program offerings • Topics of talks, panel discussions, or education • The quality of speakers and panelists • Affordable event registration cost

- Affordable transportation and lodging cost

Ideal Customer Profile

- Associations in the sectors of trade/commercial, education, STEM, manufacturing/distribution, government/public administration, environmental are targets that historically have produced well in the destination. Within the large health/medical sector, an association for nursing and administrators is also a good profile.
- Meetings requiring 500 – 3,000 peak rooms that meet over a midweek pattern.
- Meetings that have tradeshow that can be accommodated in the RSCC or REC.

Top 5 Competitive Set (Western Market)

RSCVA Competitive Set	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	Total
100-500 Peak Room Nights						
Portland	16,028	22,655	22,631	27,055	30,000	118,369
Denver	15,469	20,459	19,802	23,548	38,751	118,029
Seattle	16,117	28,789	23,413	27,409	21,706	117,434
Anaheim	15,755	19,132	18,868	11,484	25,192	90,431
Albuquerque	17,205	19,047	13,503	11,329	20,400	81,484
Reno (EBMS)	18,995	24,368	13,416	9,986	5,569	72,334
500-3,000 Peak Room Nights						
Anaheim	40,578	89,643	64,747	67,167	83,759	345,894
Denver	65,703	51,416	57,873	47,901	45,344	268,237
Seattle	53,079	53,597	34,233	48,871	33,018	222,798
Phoenix	40,700	55,886	57,013	36,369	15,136	205,104
Las Vegas	32,800	32,965	41,619	44,645	19,850	171,878
Reno (MINT)	26,068	13,009	21,019	13,140	2,525	75,761

Key Takeaways:

Within the 100-500 Peak Room Night competitive set, most of the competitors are experiencing significant upswings in room nights. Whereas the RSCVA has shown a substantial decline. Except for Anaheim, Reno and competitors in the medium-size market have experienced a fall off of bookings – some substantial like the RSCVA.



FACILITY, ROOM NIGHT & EVENT ANALYSIS – ASSOCIATION CONVENTIONS

Size of the RSCVA Business

The Industry Association Conventions segment represents about 29 percent of the total RSCVA convention business, meaning this segment accounts for that amount of RSCVA-generated convention consumed room nights over the past five years. RSCVA market share in this segment is about small (~5 percent), indicating opportunity for growth as the Western Region market is one of the largest for the RSCVA.

Booked Room Nights

Booked Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Bookings	15,852	8,358	13,166	11,149	7,142	5,101	60,768
Lost Bookings	23,867	14,980	18,749	25,749	23,994	15,598	122,937
Meetings with 500-3,000 Peak Room Nights							
Bookings	3,460	8,306	7,600	26,343	5,870	4,550	56,129
Lost Bookings	70,315	57,040	53,706	45,326	65,406	15,340	307,133

Consumed Room Nights

Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Consumed	18,995	24,368	13,416	9,986	5,569	7,716	80,050
Lost Consumption, net	49,590	38,491	30,586	21,002	24,455	15,017	179,141
Western Region Total	209,480	252,418	217,665	190,587	184,886	68,241	1,123,275
RSCVA Share	9%	10%	6%	5%	3%	11%	7%
Meetings with 500-3,000 Peak Room Nights							
Consumed	6,951	14,983	13,926	6,289	12,608	8,227	62,984
Lost Consumption, net	122,705	82,556	103,813	108,840	85,752	42,103	545,769
Western Region Total	411,819	430,688	426,830	424,474	398,616	91,140	2,183,566
RSCVA Share	2%	3%	3%	1%	3%	9%	3%

Value of Lost Business

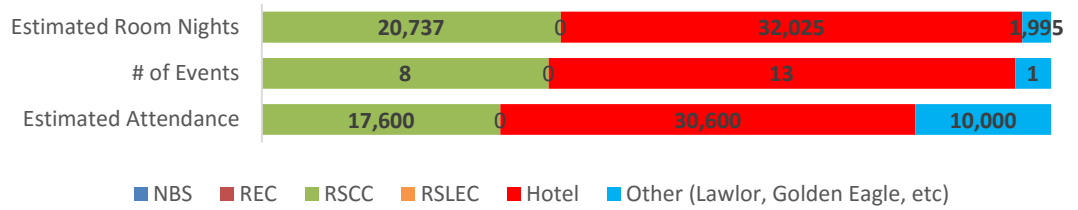
The RSCVA, as in other segments, has more success booking small events (30%+) than medium-size conventions (15 percent). In both instances, room night booking has been rather sporadic in the past and both appear to be trending downward.

Facility Usage

Meetings with 100-500 Peak Room Nights from FY10/11 through FY14/15:



Meetings with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:





ASSOCIATION CONVENTIONS (AGRICULTURAL/COMMODITIES, CULTURAL/FINE ARTS, EDUCATIONAL, TRADE COMMERCIAL) OUTLOOK

Opportunities and Risks

Opportunities	<p>Aggressively promote the destination - Creatively promote/educate the destination attributes within the association meetings industry through sponsorships, hosting industry events, and various media channels.</p> <ul style="list-style-type: none">• Develop and aggressively promote a “toolbox” of products and services supplied by the RSCVA and hotels that provides a choice of options for meeting planners based on the value of their business to receive meaningful event resources designed to influence cost savings, enhance attendee/exhibitor experiences, or event promotion.• Maintain ASAE Sponsorship, add PCMA.• Host events like ASAE Great Ideas, Collinson Connect, IAEE starting in 2020 and beyond.• Stay focused on associations in the sectors of trade/commercial, education, STEM, manufacturing/distribution, government/public administration, and environmental, which are targets that historically have produced well in the destination. Within the large health/medical sector, associations for nursing and administrators are also good profiles.• Further develop UNR, TMCC, DRI and other leaders in the city to help support bringing their affiliated associations meetings to the destination.• Continued development of the California state association market during this high demand sellers’ market to position Reno’s value. <p>Expand presence in the Chicago association market.</p> <ul style="list-style-type: none">• Maintain Association Forum for the Chicago market sponsorship.
Risks	<ul style="list-style-type: none">• Not staying competitive from a product positioning place with competing cities.• The risks in the association market are very low. Their annual meetings are very much “Steady Eddies.”

Opportunity Landscape

Steady State/Retention Strategy: Grow at a rate of 2.2 percent due to base of conventions and meetings tied to corporate profits which is forecast to grow. (IBISWorld, page 4)

Growth Opportunity #1: Aggressively promote the destination and expand presence in the Chicago association market Creatively promote/educate the destination attributes within the association meetings industry through sponsorships, hosting industry events, and various media channels.

Room Night Potential:	Add a minimum of 5 new mid-size to citywide accounts per fiscal year that equate to over 24,000 new room nights per year. The two sponsorships will be the lever for the additional production. The point of lead generation to contract averages two years. Therefore, once the sponsorships are initiated there will be period before a lead is generated with anticipated first actual consumption in FY18/19.
Sales Requirements:	Maintain and stabilize deployment of three sales managers against the DC/VA/MD region.
Marketing Requirements:	PCMA Sponsorship - \$250,000 per year. Build destination in the Chicago market through Association Forum Sponsorship - \$50,000.



ROOM NIGHT AND INVESTMENT FORECAST –ASSOCIATION CONVENTIONS

	FY15/16 (Jan-June)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
Industry Association Conventions	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Steady State: Meetings with 100-500 Peak Room Nights						
Booked	3,728	7,170	4,197	1,195	2,070	-
Lost Booked	10,924	12,098	16,456	7,477	3,125	-
Western Region Total	10,157	15,688	5,418	1,831	1,030	-
Steady State growth of 2.2%	8,829	9,023	9,221	9,424	9,631	46,128
Steady State: Meetings with 500-3,000 Peak Room Nights						
Booked	7,849	4,730	2,050	3,300	0	-
Lost Booked	18,900	56,236	30,642	32,235	18,620	-
Western Region Total	31,235	42,206	35,709	20,305	10,914	-
Steady State growth of 2.2%	12,399	12,671	12,950	13,235	13,526	64,781
Opportunities						
Opportunity #1: Aggressively promote the destination and expand presence into the Chicago Association market.	-	Sponsorships initiated	Working leads	12,000	24,000	36,000
Resource Requirements						
Marketing Investments	-	\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000
Total	-	\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000



“OTHER” CONVENTION MARKET SEGMENTS

MARKET ANALYSIS

Market Growth Rate

Much the same as other segments that are aligned with industry or corporate profits and general economic well-being that create or the drive for planning these events. Thus a 2.2 percent growth rate as for the overall conference industry. (*IBISWorld*, p.4)

Segment Breakdown

Segment	Total # of Room Nights over the last 5 years	% of Other segment
Fraternal Organizations	29,712	23.13%
Hobby & Vocational Clubs	29,609	23.05%
Health/Medical Organization	28,673	22.32%
Labor Union/Unions/Orgs	18,795	14.63%
Ethnic	4,356	3.39%
Religious Organizations	3,999	3.11%
Military Reunions	3,528	2.75%
Construction/Building Industry	3,366	2.62%
Wholesale	1,740	1.35%
Third Party	1,711	1.33%
Consumer/Public Show	946	0.74%
Reunion	543	0.42%
Entertainment/Film	541	0.42%
Supplier	340	0.26%
Entertainment	288	0.22%
Mtgs/Conv/Tourism Ind Event	198	0.15%
Automotive	73	0.06%
Travel Agent	60	0.05%
Total	128,478	100%



FACILITY, ROOM NIGHT & EVENT ANALYSIS - OTHER

Size of the RSCVA Business

The Other segment represents about 20% of the total RSCVA convention business, meaning this segment accounts for that amount of RSCVA generated convention consumed room nights over the past five years. RSCVA market share in this segment is about small (~3%), indicating the possibility of growing room nights, albeit in a fragmented marketplace.

Included within this “catch-all” category are room nights generated from small (less than 100) and large (greater than 3,000) peak room night events. These are not included in the focus of RSCVA planning however need to be accounted for as they are booked during the regular course of business, just not focused on.

Booked Room Nights

Booked Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Bookings	5,137	11,720	7,216	11,436	13,828	8,657	57,994
Lost Bookings	14,209	29,793	26,632	43,535	30,950	18,570	163,689
Meetings with 500-3,000 Peak Room Nights							
Bookings	6,148	-	-	13,302	6,849	4,126	30,425
Lost Bookings	84,687	56,707	59,474	76,050	144,511	41,123	462,552
Meetings with 0-100 Peak Room Nights							
Bookings	11,918	9,843	6,637	7,696	11,421	2,436	49,951
Lost Bookings	7,934	9,740	8,938	13,308	11,593	4,878	56,391
Meetings with 3,000 + Peak Room Nights							
Bookings	-	-	-	-		18,410	18,410
Lost Bookings	82,419	134,264	-	32,470	56,728	50,793	356,674

*Bookings and Lost Booking numbers for the (1-100 Peak Room Nights) and (3,000+ Peak Room Night) categories above include all segments within the Conventions & Groups Sales line of business, not restricted to just the “Other” segment.



Consumed Room Nights

Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (July-December)	Total
Meetings with 100-500 Peak Room Nights							
Consumed	13,553	14,410	14,700	5,682	8,766	2,790	59,901
Lost Consumption, net	45,675	24,578	29,549	29,649	35,498	17,215	182,164
Western Region Total	234,970	236,674	197,164	169,455	177,419	45,850	1,061,531
RSCVA Share	6%	6%	7%	3%	5%	6%	6%
Meetings with 500-3,000 Peak Room Nights							
Consumed	2,282	9,908	10,284	6,143	6,405	8,646	43,668
Lost Consumption, net	143,415	159,589	129,280	63,611	91,768	91,056	678,719
Western Region Total	442,351	481,140	487,759	344,050	444,948	135,736	2,335,983
RSCVA Share	1%	2%	2%	2%	1%	6%	2%
Meetings with 0-100 Peak Room Nights							
Consumed	12,292	10,270	6,714	4,817	5,702	4,242	44,037
Lost Consumption, net	8,191	10,055	10,664	10,787	11,445	4,207	55,349
Western Region Total	79,390	95,042	83,073	64,840	53,445	16,302	392,092
RSCVA Share	17%	16%	10%	11%	18%	26%	15%
Meetings with 3,000+ Peak Room Nights							
Consumed**	23,885	-	22,965	20,250	-	-	67,100
Lost Consumption, net	84,919	176,712	95,305	176,078	113,103	35,421	681,538
Western Region Total	1,119,123	968,316	1,180,298	871,268	791,469	185,704	5,116,177
RSCVA Share	2%	0%	2%	2%	0%	0%	1%

*Numbers for the (1-100 Peak Room Nights) and (3,000+ Peak Room Night categories above include all segments within the Conventions & Groups Sales line of business, not restricted to just the "Other" segment.

**Included in the >3,000 category are Safari Club (Jan2011 and Jan2013) and The Elks July2013).



Facility Usage

Meetings with 100-500 Peak Room Nights from FY10/11 through FY14/15:



■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)

Meetings with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:



■ NBS ■ REC ■ RSCC ■ RSLEC ■ Hotel ■ Other (Lawlor, Golden Eagle, etc)



ROOM NIGHT AND INVESTMENT FORECAST – OTHER PLUS OUTSIDE RSCVA FOCUS

	FY15/16 (Jan-June)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
Other	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Steady State: Meetings with 100-500 Peak Room Nights						
Booked	4,928	3,958	4,605	8,960	3,095	-
Lost Booked	10,325	21,303	19,876	6,913	4,214	-
Western Region Total	10,046	11,445	9,292	1,788	98	-
Steady State growth of 2.2%	13,585	13,883	14,189	14,501	14,820	70,978
Steady State: Meetings with 500-3,000 Peak Room Nights						
Booked	1,997	12,656	5,129	-	-	-
Lost Booked	32,448	84,215	62,798	53,353	3,920	-
Western Region Total	39,888	52,154	33,429	34,492	17,036	-
Steady State growth of 2.2%	6,123	6,257	6,395	6,536	6,679	31,990
Steady State: Meetings with 0-100 Peak Room Nights						
Booked	3,032	794	412	224	-	-
Lost Booked	5,417	4,189	353	-	-	-
Western Region Total	1,975	5,788	250	92	4	-
Steady State growth of 2.2%	7,959*	8,134	8,313	8,495	8,682	41,583
Steady State: Meetings with 3,000+ Peak Room Nights						
Booked**	-	-	38,660	-	-	-
Lost Booked	37,852	61,802	141,481	66,307	66,307	14,182
Western Region Total	106,288	239,410	135,896	123,606	119,996	89,384
Steady State growth of 2.2%	3,347*	3,420	38,660	3,572	3,651	52,650

Note: Numbers for the (1-100 Peak Room Nights) and (3,000+ Peak Room Night categories above include **ALL** segments within the Conventions & Groups Sales line of business. They are not restricted to just the “Other” segment.

*Based on average bookings for the previous 5 year periods. Forecasts are 2.2% steady state except for FY 17/18 in the 3,000+ group as 38,660 have already been booked as the of the development date of this report.

**Included in >3,000 category are American Legion (Aug2017) and Benevolent and Protective Order of Elks (July2017).

TEAM SPORTS & GROUPS – OVERALL

Overall, Team Sports and Conventions-Related Group Sports has generated approximately 258,800 room nights during the past five fiscal periods, representing 14 percent of the overall RSCVA generated business from a room night perspective.

Key Observations & Insights

The Reno-Tahoe Destination is attractive to the sports industry – The Reno/Sparks/Tahoe region has become very desirable to most sports events. Sports groups enjoy the facilities, dense hotel room block in a minimal number of hotels and hotel product, love the region for family activities, overall affordability, easy drive access within the western region, and tend to not be as concerned about air service as other groups.

Market Saturation with Retention Sports and need to shift to Growth Sports – The growth in the sports segment has been substantial, but the RSCVA is reaching market saturation with legacy indoor and outdoor sports that include volleyball, basketball, and softball/baseball. To achieve any incremental growth, focus needs to be on the Growth segment, including cheer/dance and gymnastics.

If the RSCVA chooses to own this segment, incremental growth can be gained – This is a segment that the RSCVA can own and excel at, but due to market saturation within the Retention Sports segment, need to focus on and commit resources and infrastructure for Growth segment. Our destination attributes to the Sports segment is spot on.

Strategic Issues

- Facility availability and non-compete issues for core sports (basketball, volleyball, baseball/softball) restricts demand growth.
- The three large core events (Jam On It, Northern California Volleyball, and Triple Crown Sports) are privately owned events that drive significant demand into the destination (~35,000-40,000 room nights). If those rights holders decide to move their event, retire or sell their business the destination demand is at risk. This has happened before; Festival Sports moved their June volleyball tournament to Phoenix in 2009 creating a loss of 20,000 room nights per year.
- The sports market is a very desirable segment for most cities as the events tend to impact weekends and shoulder months for most competing cities. Additionally, sports events were essentially recession proof during the great recession. As such, many cities are expanding, renovating, or adding new facilities, which consistently creates competition to host rotating events. See market analysis section for further details.
- The destination's core facilities attract events that tend to meet during holidays or summer weekends. As such, the hotels will restrict inventory or charge higher rates (also due to RSCVA rental subsidy requests), which can impact the bid process. The development of a flat field or ice skating sports complex would open the door to bringing new events to the destination that tend to compete during the off peak seasons.
- RSCVA funding for bid/host fees is not as significant as other competing cities.
- Is the RSCVA in agreement to grow this segment, and if so, willing to commit the needed resources to make that happen?



RSCVA Outlook:

Retain current events and invest in growth segments.

MAINTAIN <i>No Change to Current Operations (Steady State)</i>	NEW GROWTH <i>Significant Investment</i>	INNOVATIVE GROWTH <i>Continued Use of Investment</i>
<p>Room Night generation will improve at a slow pace of about 1.5% annually as the primary sub-segment is mature with legacy events.</p> <p>5-year Room Night Forecast: 290,200 Annual Average for – Retention: 44,400 Growth: 2,100 Other: 11,400</p> <p>Resource Requirements- Facility Investment: \$400,000</p>	<p>Additional Room Night generation can improve at modest rate.</p> <p>Room Night Forecast: 17,000 for the period ending FY19/20</p> <p>Resource Requirements: Sales Investments - \$200,000</p>	<p>Additional Room Night generation can improve at a moderate rate.</p> <p>Room Night Forecast: 50,500 period ending FY19/20</p> <p>Resource Requirements: Sales Investments - \$15,000 Sales Investments - \$400,000 <i>*Total Investment TBD, based on estimated cost of multi-use flat field.</i></p>

Based upon these assumptions and resources, the anticipated average annual compounded growth rate is 8+% - growing from a consumed five-year total of 258,800 room nights to a consumed five-year total of 357,800 room nights in FY19/20.
*Innovative Growth investment based on cost of feasibility study. Estimated investment does not include projected cost of a new, multi-use flat field.

MARKET ANALYSIS

Key Trends & Industry Shifts

The below information, released in April 2015 by the National Association of Sports Commissions, was written based on the responses from a statistically significant group of 97 organizations that are members of the National Association of Sports Commissions. 60% percent of respondents are Convention and Visitor Bureaus that work to bring sporting events to their communities. Sports Commissions make up 30 percent of the respondents and other specialized organizations such as Parks and Recreation constitute another 9 percent of the responses. Note that over 56 percent are in markets of 250,000 people or less.

Increased need for sports commissions and/or authorities. Many cities have realized sports tourism is a specialty. They have created sports commissions or sports authorities staffed by experts who understand these special needs. These experts understand where events can be found and have relationships in place with many event owners. About 110 of these special sports organizations can be found today. Some are affiliated with a DMO or chamber of commerce. Most are independent organizations. The National Association of Sports Commissions, the industry's trade association, estimates that of the 110 sports commissions about 20 are affiliated with a DMO. The other 90 markets have both: a DMO and a sports commission. (NASC)

Owner-operated events more prevalent for CVB's. Events are critical to achieving the community and organizational priorities of the Sports Tourism Industry. According to the survey data for 2014, the average number of events held per year per organization remained stable at 24.9. Based on projections, the average number of events for 2015 will increase to 28.05. Over 50 percent of the events were held in areas with a market size of 250,000 or less. Close to 30 percent of the respondents report owning and operating events, which is similar to 2012, but down 20 percent from 2013. The average number of proprietary events is 6.7 compared to 4.15 in 2013. Convention and Visitor Bureaus are more common than other types of organizations to own and operate events. (NASC)

Larger markets generate more non-local draw. Similar to 2013, a little under half (45 percent) of the events brought in or run by organizations in the Sports Tourism industry come from outside the organization's home community. This number increases to 62 percent for organizations in markets between 500,001 to one million in population and decreased to 35 percent for midsize communities (250,001 to 500,000). In terms of total number of visitors, the average number of visitors increased 3.7 percent. This indicates a slow but more sustainable growth pattern. (NASC)

Budgets primarily sourced from public funding. The majority (87.68 percent) of budgets come from public funding. This figure has increased by 12 percent since 2013.

Flat bid fees. The number of organizations reporting that they pay bid fees for events remained constant at 69 percent since 2013. Approximately one-third (33 percent) of respondents indicated bid fees have increased, while 64 percent said they remained constant. These results remain consistent with 2013 and continue to indicate a competitive market place. (NASC)

Focus on infrastructure investment. Sixty percent of surveyed respondents have expanded, grown, or modified their facilities in the last year. Of those that made improvements, the most common updates were to the venue's physical structure including concession stands, restrooms, and guest amenities. Twenty-seven percent stated that they built completely new facilities compared to 20 percent in 2013. The majority of construction/remodeling was funded by a combination of public and private sources (50 percent) or public money only (25 percent). Most facilities (92%) are compensated for use for events. (NASC)

Supported by volunteer staffing. Volunteers comprise a majority of event staffing. Only 18 percent of respondents find it difficult to recruit enough volunteers and 47 percent offer volunteers an opportunity to raise money for their organization.

Market Growth Rate

A Growing Industry. According to Kentley Insights 2016 Market Research Report, the Sports Teams and Clubs Industry Revenue has grown at an average rate of approximately 4-5 percent over the last five years, as measured by industry revenue, number of firms and number of establishments (ie. Separate facilities and locations). The 5-year forecasted growth rate is expected to be 1.9 percent, 1.5 percent and 2.3 percent for Industry Revenue, Number of Firms, and Number of Establishments, respectively. In 2014, based on reported figures from independent studies, DMAI and utilizing the NASC template, visitor spending is estimated to be \$8.96 billion. This is a 3 percent increase over 2013 estimates and projections for 2015 continue to show a positive trend.

Destination Strengths

Of the twelve sports organizations interviewed by CS&L, the below were categorized as being destination strengths relative to the sports industry: (CSL)

- Abundance of hotels
- Numerous non-sports activities available that users enjoy
- Private fields and courts are well-maintained
- Reno Tahoe recreation department is outstanding
- Very good event hosts overall for users

Destination Weaknesses

Of the twelve sports organizations interviewed by CS&L, the below were categorized as being destination weaknesses relative to the sports industry: (CSL)

- Little information about the destination is known in terms of field quality, facilities, etc. by national promoters
- Many hotels are too upscale for traveling teams and families
- Public or city-owned fields in some cases need more maintenance
- Seen as more of a market to play indoor sports like basketball and bowling than outdoor sports like baseball or soccer
- Many national baseball and softball teams host most tournaments in warm markets like Florida

RSCVA TEAM SPORTS & CONVENTIONS WEST COAST COMPETITIVE SET

Competitor	Facility Specs	Segments RSCVA Competes with	Strengths
Anaheim	Convention Center with over 800k sq. ft.	<ul style="list-style-type: none"> USA Volleyball USA Fencing USA Taekwondo USA Judo USA Weightlifting 	<ul style="list-style-type: none"> “Disney” factor All the martial arts, plus volleyball, fencing and weightlifting have taken their national championships to Anaheim.
Las Vegas	Indoor and outdoor facilities, including the Big League Dreams facility	<ul style="list-style-type: none"> Volleyball Basketball Martial Arts Fencing Softball/baseball Soccer BMX bike racing Cycling (road and off-road) 	<ul style="list-style-type: none"> One of the largest, West Coast competitors.
Salt Lake	500k sq. ft. convention center	<ul style="list-style-type: none"> Volleyball USA Weightlifting USA Archery USA Fencing 	<ul style="list-style-type: none"> Have become more active over the last five years in the sports business. Have hosted regional and national championships.
San Jose	370k sq. ft. convention center	<ul style="list-style-type: none"> Martial arts 	<ul style="list-style-type: none"> More aggressive/competitive with weekend room rates. Many hotels within walking distance to the convention center.
Denver	500k+ sq. ft. exhibit hall and 2.2M sq. ft. total space	<ul style="list-style-type: none"> Sports Meetings 	<ul style="list-style-type: none"> Located in downtown Denver, it is an ideal location for a wide variety of sports events and meetings 7 major sports franchises in which the CVB uses tickets and hospitality to lure the sports event and meeting business.
Phoenix	312,000 sq ft of exhibit space 900,000 sq ft of usable space	<ul style="list-style-type: none"> Sports Meetings 	<ul style="list-style-type: none"> Many professional sports teams A large quantity of hotel rooms located within close proximity to the center.
*Bakersfield, CA	Large soccer complexes and an 86-acre park with over 5,000 parking spaces and 24 regulation size soccer fields	<ul style="list-style-type: none"> Soccer 	<ul style="list-style-type: none"> Very active Sports Commission Located on the West Coast
*Manteca, CA	13 adult-size soccer fields (meaning they can do junior-level events, and double that number of fields)	<ul style="list-style-type: none"> Soccer Baseball/softball 	<ul style="list-style-type: none"> Located on the West Coast

*Not a direct competitor, but worth mentioning because they are west-coast communities that have built significantly sized sports facilities.

RSCVA TEAM SPORTS & CONVENTIONS NATIONAL COMPETITIVE SET

Competitor	Facility Specs	Segments RSCVA Competes with	Strengths
Austin	17 complexes within the community that have anywhere from 10 to 5 fields in one complex	<ul style="list-style-type: none"> Softball/baseball USA Cycling world USA Weightlifting USA Volleyball 	<ul style="list-style-type: none"> Austin is a burgeoning sport city, has an active sports commission within the CVB and continues to build every year on the sports properties they pursue. Doing a lot of “new” softball/baseball events. Have a close relationship with USA cycling world governing body.
Dallas	1M sq. ft. convention center	<ul style="list-style-type: none"> USA Volleyball USA Fencing USA Taekwondo USA Judo USA Weightlifting 	<ul style="list-style-type: none"> The state of TX has a “special event fund,” which is a program where events are awarded cash back on every room night they generate. Do to large sq. footage, can host many events at the same time. They have a very active Sports Commission, with multiple staff, and one that services these sports events as well. They recently brought the CEO of USA Karate over to take on the role of Senior Services Manager, further solidifying their role of a full-service Sports Commission.
Minneapolis	475k sq. ft. convention space	<ul style="list-style-type: none"> Volleyball Martial Arts Weightlifting Fencing 	<ul style="list-style-type: none"> Have a very active sports commission, aggressive in bidding for all variety of indoor sports. They are one of many CVB’s that have found it necessary to create a Sports Commission (as of January of ’16) to attain a higher-level of competitiveness. Center located downtown, with many hotel rooms within walking distance.
Columbus	410,000 sq ft of exhibit space	Every indoor event we do, and more.	<ul style="list-style-type: none"> Located downtown with a large quantity of hotel rooms within walking distance. Have also been very successful with the Cheer/Dance segment and USA Gymnastics events.
Milwaukee	<p>Managing the “convention campus” is a big plus for them; including The Wisconsin Center, the Milwaukee Theater, and the UW-Milwaukee Panther Arena.</p> <p>A number of other sports venues, i.e. Miller Park Baseball Stadium, BMO Harris Bradley Center, and a national ice facility, as well as a number of university facilities at their disposal.</p>	<ul style="list-style-type: none"> USA Triathlon USA Gymnastics USA Table Tennis 	<ul style="list-style-type: none"> Has been host to many of the same events the RSCVA bids on. All facilities have hotels attached. They were chosen to host Connect Sports show three years ago, one of the largest sport shows of the year, demonstrating they are a leader in the industry.
**Overland Park, KS	Soccer Complex has 12 lighted, synthetic soccer fields with 1,100 square feet of meeting space. Baseball/softball complex holds over 24 fields in one contiguous area.	<ul style="list-style-type: none"> Soccer Baseball/softball 	
**Alpharetta, GA	Have multiple complexes, the largest park that has 16 baseball/softball fields that is also near another facility that has another 10 fields.	<ul style="list-style-type: none"> Baseball/softball 	

**Other cities known for their sports facility development.

FACILITY, ROOM NIGHT & EVENT ANALYSIS

Size of the RSCVA Business

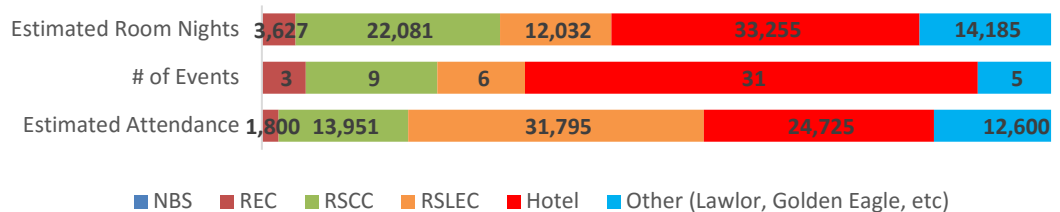
The Sports segment represents about 14 percent of the total RSCVA business, meaning this segment accounts for that amount of RSCVA-generated consumed room nights over the past five years.

Room Nights (Consumed)

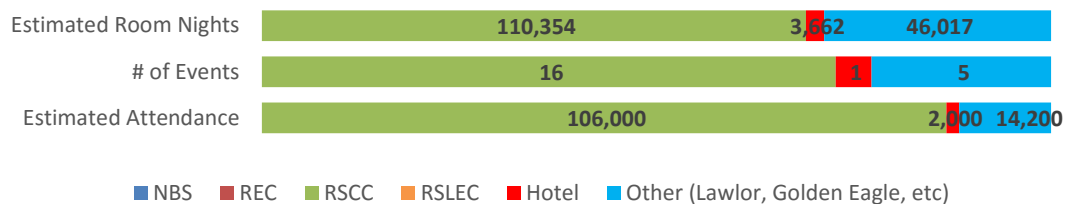
Segment	Consumed	% Won	% of RSCVA Sports
Retention	204,547	88%	79%
Growth	1,587	10%	<1%
Other	52,749	45%	20%
Grand Total	258,883	-	100%

Facility Usage

Events with 100-500 Peak Room Nights from FY10/11 through FY14/15:



Events with 500-3,000 Peak Room Nights from FY10/11 through FY14/15:



The Sports Complex at Golden Eagle Regional Park in Sparks generates 20,000 to 35,000 room nights per year in RSCVA room night production. Based on other known flat field sports events, similar or greater levels of room nights can be generated that would create demand during off-peak months. The market has been increasingly successful at attracting and accommodating a variety of youth and amateur sporting events, which can be significant generators of hotel room nights. (CSL)

Additionally, although inconsistent, sporting events/competitions have presented the largest increase in REC demand, accounting for approximately two percent of total events in 2010 and 22 percent in 2013. Even the 14 percent of demand total in 2014 is significantly higher than earlier years analyzed. The overall increase can be attributed to such large tournaments as Jam on It and Reno Tournament of Champions (RTOC) Wrestling that started hosting their annual tournament at the REC in 2012 and the NorCal Volleyball Tournament that has been hosting their annual event at the REC since 2013. (CSL)

Value of Lost Business

The RSCVA staff is very successful in their production of events/room nights in the Sports market. Legacy/mature market segment the success rate is 88 percent whereas in the Other segment the success rate is still solid at 45 percent.



TEAM SPORTS & CONVENTIONS OUTLOOK

Refer to the segment detail for opportunities and investments explanations.

Room Night and Investment Forecast

	FY15/16 (1/8-6/30)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Retention Segment						
Steady State	43,423	43,857	44,295	44,738	45,186	222,129
New Growth Opportunities	-	3,000	3,090	3,182	3,278	12,550
Innovative Growth Opportunities	-	-	3,000	3,000	3,000	9,000
Total	43,423	46,857	47,385	47,920	48,464	234,049
Growth Segment						
Steady State	2,061	2,122	2,186	2,252	2,319	10,940
New Growth Opportunities	-	-	1,125	1,125	2,250	4,500
Innovative Growth Opportunities	-	-	3,000	9,500	16,000	28,500
Total	2,061	2,122	6,311	12,877	20,569	43,940
Other Segment						
Steady State	10,993	11,213	11,437	11,666	11,899	57,208
New Growth Opportunities	-	-	-	-	-	-
Innovative Growth Opportunities	-	-	-	6,500	6,500	13,000
Total	10,993	11,213	11,437	18,166	18,399	70,208
Resource Requirements						
Sales Investment – Bid Fee Funding (New Growth)	-	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Sales Investment – Bid Fee Funding (Innovative)	-	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
Sales Investment- Feasibility Study	-	\$15,000	-	-	-	\$15,000
Facility Investments – Retention	-	\$400,000	-	-	-	\$400,000
Total	-	\$565,000	\$150,000	\$150,000	\$150,000	\$1,015,000



RETENTION SPORTS (VOLLEYBALL, BASEBALL/SOFTBALL, BASKETBALL)

MARKET ANALYSIS

Current State of the RSCVA Business

There are three primary accounts -- Production from volleyball, baseball/softball and basketball are dominated by three accounts that hold major repeat annual events.

Volleyball – Northern California, which equates to four separate events over four weekends in February, April, and May annually.

Basketball – Jam On It

Baseball/Softball – Triple Crown

On an irregular basis, US Volleyball has booked mega competitions in Reno for their Girls, Boys and Collegiate Nationals.

Core events are at risk – Long-term history with the core events is at risk should the rights holders retire and/or sell their events, which would negatively impact our facilities and hotels.

Limited facility availability for new events -- Due to seasonality of the sports, non-compete issues with other sports events, and facility availability adding new events in these sports is extremely limited. Growing the annual repeat events is restricted to facility space and hotel room availability. At times the hotel community takes these annual events for granted.

Facility capacity limitations -- The growth of the core events is restricted based on current facility capacity limitations.

Customer dissatisfaction with room blocks -- The rights holder of N. CA Volleyball and Jam On It basketball have expressed frustrations with the way their room blocks are managed. Jam On It particularly has these concerns, which resulted in the creation of additional events in Las Vegas. Both Jam On It and Northern California Volleyball events create great city compression. Hotels are restricting the number of rooms committed but are still benefitting from greater guest room pick-up outside the block. This is lost revenue to the event rights holder and trackable RSCVA room night production.

Due to its **indoor playing surface** and typical facility requirements, significant credible opportunities exist to maintain and enhance event capture in the Reno Tahoe market. The supply and pricing of hotels are advantages of hosting large volleyball events in Reno. (CSL)

Market Growth Rate

Nominal – 1 percent. Due to facility limitations and event scheduling, there is little upside in the primary accounts/events.



Key Success Factors	<p>Client relations with core accounts -- Leverage client relations with core accounts to help bring related meetings and non-competing events to the Reno Tahoe Area ie. Amateur Athletic Association, American Softball Association. Assn., etc.</p> <p>Financial incentives for new events -- Explore providing seed money to new rights holders that are willing to startup new events that provide date separation from existing events avoiding non-compete issues.</p> <p>Customer service and experience -- Improve customer service and recognition within the hospitality community at facilities to enhance athletic experience and appreciation.</p> <p>Air service is not a primary requirement -- Sports promoters love value, number of hotels, vacation potential. Air service is not such a big issue, as a lot of participants and attendees drive. (CSL)</p>
Ideal Customer Profile	Events that have scheduling dates that are far enough apart from the core events to avoid non-competing event issues.
Competitive Set	<p>Softball/Baseball</p> <p>The RSCVA hasn't competed much recently, as the facilities are at maximum capacity. Even if the RSCVA wanted to book more business, opportunities are very limited as Golden Eagle Regional Park is at capacity. There are a few mid-week, off-season openings, but that would not have a big impact on bringing more softball/baseball events in. The RSCVA occasionally works with groups to "buy out" existing events dates, but those are few and far between. Without additional facility space, opportunity for growth is capped.</p> <p>US Volleyball</p> <p>The RSCVA has competed for US Volleyball on numerous occasions against Dallas, Houston, Minneapolis, Columbus, Austin, and Atlanta in the Volleyball segment. As an example, the RSCVA is currently up against Anaheim for the Boys US Volleyball 2020 bid.</p>

**FACILITY, ROOM NIGHT & EVENT ANALYSIS****Size of segment
within RSCVA
Business**

Segment	Total # of Room Nights- Last 5 years	Retention Segment Percentage	Overall Sports Percentage
Baseball / Softball	78,371	38%	30%
Volleyball	93,614	46%	36%
Basketball	32,562	16%	13%
Total	204,547	100%	79%

The primary sports obviously account for a significant part, 79 percent, of the overall Sports Line of Business.

**Booked Room
Nights**

Booked Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (7/1-1/7)	Total
Bookings	20,897	40,192	72,307	23,700	57,495	7,361	221,952
Lost Bookings	4,334	23,312	-	-	5,474	37,495	70,615

**Consumed Room
Nights**

Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (7/1-1/7)	Total
Consumed	8,868	30,221	67,384	53,285	44,789	21,507	226,054
Lost Consumption	200	6,061	-	21,385	1,200	1,136	29,982

**Value of Lost
Business**

Whether the perspective is Booked or Consumed, the RSCVA staff is very successful in securing this core type of business. Booked success rate = 76 percent while Consumed is 88 percent.



RETENTION SPORTS (VOLLEYBALL, BASEBALL/SOFTBALL, BASKETBALL) OUTLOOK

Opportunities

To maintain, provide seed money to new rights holders -- Explore providing seed money to new rights holders that are willing to startup new events that provide date separation from existing events avoiding non-compete issues.

Conduct a feasibility study for a new, multi-use flat field -- RSCVA suggests a feasibility study be conducted for the development of a new multi-use flat field and ice sports complex that would create opportunities to host soccer, football, lacrosse, rugby, hockey and additional baseball/softball events. *Many softball and baseball events currently use 4 fields in South Valley, and some in Shadow Mountain. Reno would need 8 to 12 fields to compete for major tournaments—ideally a multi-use complex for ball and field sports.* (CSL)

Permanent stadium seating to reduce event overhead --Stadium seating for 4,000-5,000 in the RSCC to be used for large indoor sports events is needed to reduce RSCVA bleacher rental costs and adds significant value when pursuing events like US Volleyball Championships. In addition, many smaller events that require such stadium seating will now be viable. It is important to note that not owning bleachers has not deterred booking various sports events. When needed, the costs to rent bleachers has been absorbed by the RSCVA or built into hotel room rate subsidies, so this opportunity is more of a cost savings vs. incremental room night growth generation.

Risks

- Rights holders of core events retiring or selling their sport companies/events.
- Demand from other industry segments or city/hotel events creating displacements of sports groups.
- Core hotels not providing enough guest rooms or not offering competitive room rates vs. other cities. RSCVA facility rental subsidies at times create the rate disparity.
- For baseball/softball, the field facilities other than Golden Eagle are not as desirable and have restricted event growth capabilities or created lost business.
- There is significant demand for sporting events that would take place on holidays, but casinos don't want this business. (CSL)



Opportunity Detail:

Steady State/Retention Strategy: Grow at a rate of 1 percent due to the “core” events having reached maximum facility capacity therefore room night demand has pretty much been capped out.

However, since the staff is successful in booking these events, their success can be leveraged to attract smaller “core” events that can be placed in the schedule during off-peak times. Two additional events per year generating 1,500 room nights each is a real possibility with an industry average growth rate of 3 percent (*National Association of Sports Commissions*, October 2015, p.1)

Increase bid fees funding from \$15,000 to \$50,000 per year. Increased bid fee funding will help secure new events. While difficult to project, it may influence rebooking of Boys Volleyball National Championships that would generate over 20,000 room nights in 2020.

Growth Opportunity #1: Conduct a feasibility study for a new, multi-use flat field.

RSCVA suggests a feasibility study be conducted for the development of a new multi-use flat field and ice sports complex that would create opportunities to host soccer, football, lacrosse, rugby, hockey and additional baseball/softball events.

Room Night Potential:	The Sports Complex at Golden Eagle Regional Park in Sparks generates 20,000 to 35,000 room nights per year in RSCVA room night production. Based on other known flat field sports events, similar or greater levels of room nights can be generated that would create demand during off peak months. Room night projections based on current performance of Golden Eagle park.
Sales Requirements:	Estimated cost for feasibility study of \$15,000
Marketing Requirements:	N/A
Facility Requirements:	City of Reno and Washoe County are currently looking into the development of a sports complex to be located at Pembroke Lane that will accommodate up to 10 flat fields. Any new sports complex should involve the RSCVA to ensure effective complex utilization that drive room night demand.

Growth Opportunity #2: Permanent stadium seating to reduce event overhead.

Stadium seating for 4,000-5,000 in the RSCC to be used for large indoor sports events is needed to reduce RSCVA bleacher rental costs and adds significant value when pursuing events like US Volleyball Championships. It is important to note that not owning bleachers has not deterred booking various sports events. When needed, the cost to rent bleachers has been absorbed by the RSCVA or built into hotel room rate subsidies, so this opportunity is more of a cost savings vs. incremental room night growth generation.

Room Night Potential:	Not determined.
Sales Requirements:	N/A
Marketing Requirements:	N/A
Facility Requirements	N/A in this segment as the requirement is included in Growth Sports. (\$400,000 for bleachers to seat up to 2,000 people or \$800,000 for the desired 4,000 people seating.) <i>Proposal to add 2,000-seat bleachers are included in the Franchise/MLM segment of Conventions & Groups line of business and the Other segment of Sports line of business.</i>



ROOM NIGHT AND INVESTMENT FORECAST

	FY15/16 (1/8-6/30)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Retention Segment						
Steady State 1% Growth	43,423	43,857	44,295	44,738	45,186	222,129
Opportunity #1: Add two additional events per year during off-peak times.	-	3,000	3,090	3,182	3,278	12,550
Opportunity #2: Bid Fee Increase	-	-	3,000	3,000	3,000	9,000
Total Room Nights	43,423	46,857	47,385	47,920	48,464	234,049
Facility: Feasibility Study	-	\$15,000	-	-	-	\$15,000
Facility: New multi-use flat field	TBD					
Sales: Bid Fee Funding		\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Total Resource Needs	-	\$65,000	\$50,000	\$50,000	\$50,000	\$215,000
Growth Segment						
Steady State 3% Growth	2,061	2,122	2,186	2,252	2,319	10,940
Opportunity #1: Add two collegiate sports conference championship events	-	-	1,125	1,125	2,250	4,500
Opportunity #2: Pursue Cheer and Dance, US Gymnastics and Video Gaming	-	-	3,000	9,500	16,000	28,500
Total Room Nights	2,061	2,122	6,311	12,877	20,569	43,940
Sales: Bid Fee Funding	-	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Facility: Bleachers	-	\$400,000	-	-	-	\$400,000
Total Resource Needs	-	\$450,000	\$50,000	\$50,000	\$50,000	\$600,000
Other Segment						
Steady State 2% Growth	10,993	11,213	11,437	11,666	11,899	57,208
Opportunity #1: Offer bid fees to win opportunities in the sales funnel	-	-		6,500	6,500	13,000
Total Room Nights	10,993	11,213	11,437	18,166	18,399	70,208
Sales Investment – Bid Fee Funding	-	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Total Resource Needs	-	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000

*Base year FY15/16 equals first part of year booked (7,361) plus second part of year booked (36,062).

**Based upon the performance of the Golden Eagle field, an estimated 30,000 room nights could be consumed in FY19/20.



GROWTH SPORTS

(CHEER/DANCE, GYMNASTICS, VIDEO GAMING, COLLEGE CHAMPIONSHIPS)

MARKET ANALYSIS

Overview of the RSCVA Business

RSCVA has a strong reputation -- After having earned and hosted several key Olympic National Governing Bodies (NGB's), Reno/Tahoe and the RSCVA facilities (RSCC/REC in particular) are established as great facilities for indoor sports events.

Event location rotation is common -- Typically, the major NGB events will rotate cities on an annual basis.

LOC's are key to success -- Local organizing committees (LOC's) are key to hosting many events. Pending the sport, the destination is either strong or weak in this requirement.

Room rate flexibility and competitiveness -- Most sports events room patterns are over a weekend, which is a lower demand period for most competing cities giving them their greater rate flexibility.

Segment Breakdown

Segment	Total # of Room Nights over the last 5 years	% of Growth Segment
Gymnastics	1,207	76%
Cheer & Dance	380	24%
College Championships	-	-
Video Gaming	-	-
Total	1,587	100%

Key Success Factors

Strong LOC's -- Pending the event, having strong (LOC's).

Targeted sales strategies -- Effective targeted account/event sales strategies.

Seed money -- Seed money or bid fees to win business.

Proven success and track record -- US Gymnastics is hosting a regional competition in Reno in April 2017 (2,000 room nights). This is our first with this governing body and need to ensure its success.

Ideal Customer Profile

- Sports events that require 75,000 to 500,000 square feet of competition space.
- Events that meet during off-peak dates.
- Events that the destination can provide strong LOC's.



FACILITY, ROOM NIGHT & EVENT ANALYSIS

Size of segment within RSCVA Business

As displayed in the chart explaining the sub-segments that comprise this segment, the current size based upon previous consumption is less than 1 percent. The interest in this segment is based upon the potential and not leveraging past business or relationships.

Booked Room Nights

Booked Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (7/1-1/7)	Total
Bookings	-	-	315	362	8,410	2,250	11,337
Lost Bookings	60	-	450	14,229	4,010	2,530	21,279

*Numbers do not include Video Gaming or College Championship as no historical numbers have been recorded.

Consumed Room Nights

Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (7/1-1/7)	Total
Consumed	-	-	315	-	1,272	-	1,587
Lost Consumption	-	60	450	2,755	9,735	5,749	18,749

*Numbers do not include Video Gaming or College Championships as no historical numbers have been recorded.

Value of Lost Business

Unknown as little experience exists with these four sub-segments.

GROWTH SPORTS OUTLOOK

Opportunities	<p>Improve destination perceptions and develop stronger LOC's to grow the Gymnastics and Cheer/Dance sports businesses - Gymnastics and Cheer/Dance are two sports that have strong potential but have not yet been realized. Overcoming destination perception is the key and having stronger LOCs is a secondary concern. Indoor sports could be a better fit from the perspective of room night needs. Cheerleading competitions are an opportunity for the market given the availability of space at the RSCC and the significant inventory of low cost hotel rooms. (CSL)</p> <p>Permanent stadium seating to reduce event overhead --Stadium seating for 4,000-5,000 in the RSCC to be used for large indoor sports events is needed to reduce RSCVA bleacher rental costs and adds significant value when pursuing major events.</p> <p>Offer seed money -- Offering seed money or bid fees to win business.</p>
Event Potential	<p>Total of 2 new associations/events; both classified as being a solid possibility with moderate room night potential (1,000-5,000).</p> <ul style="list-style-type: none">• USA Gymnastics - 2,000 room nights• Cheer/Dance - 2,500+ room nights
Risks	<ul style="list-style-type: none">• There are minimal risks with established events, especially those that are a “stay to play” housing process. If funds are provided for start-up events there will be risk and patience may be required to develop the event over a several-year period.• Tracking room night usage that goes outside the event blocks.



Opportunity Detail:

Steady State/Retention Strategy: Grow at a rate of 3 percent for the existing book of business given that more attention will be given to these sub-segments realizing the maturity of the Primary Sport sub-segments. It is reasonable to estimate a growth rate that is aligned with the industry. (*National Association of Sports Commissions*, October 2015, p.1)

- With the success of Big Sky, pursue other collegiate sports conference championship events – D2, D3, NAIA – should generate 250 to 2,000 room nights per event per year. (average event = 1,125 room nights). Add two more championship events during the next five years.

Growth Opportunity #1:

Room Night Potential:

- Cheer and Dance has the potential to exceed over 10,000 room nights by 2020 and can provide annual repeat events that are typically held in winter months.
- US Gymnastics potential is comparable to any other NGB (National Governing Board). Their events will rotate in and out of the destination so production will vary from year-to-year ranging from 2,000 to 10,000 room nights.
- Video Gaming - based on MINT, events are booking 1,000 to 2,000 room nights. Add five of the events per year by FY19/20 at 1,500 room nights.

Sales Requirements:

- Offering seed money or bid fees to win business. Increase bid fees funding from \$15,000 to \$50,000 annually.
- Video Gaming will require \$1.5 million internet infrastructure upgrades to the RSCC in order to compete with other convention centers. (Note: resource requirement for upgraded IT infrastructure is recognized under Corporate Conventions sub-segment).

Facility Requirement:

- Bleachers cost \$400,000 to seat up to 2,000 people. A similar proposal of \$400,000 for 2,000-person bleacher seating is included in Conventions – Franchise/MLM segment. Thus a total of 4,000 bleacher seating is being proposed to grow events overall.

Marketing Requirements:

- Unknown



ROOM NIGHT AND INVESTMENT FORECAST

	FY15/16 (1/8-6/30)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Steady State						
Booked	2,660	4,590	2,500	-	-	
Lost Bookings	1,965	565	-	-	-	
Steady state growth at 3%*	2,061	2,122	2,186	2,252	2,319	10,940
Add two championships	-	-	1,125	1,125	2,250	4,500
Total	2,061	2,122	3,311	3,377	4,569	15,440
Opportunities						
Cheer & Dance	-	-	-	4,000	8,000	12,000
US Gymnastics	-	-	2,000	2,500	3,000	7,500
Video Gaming	-	-	1,000	3,000	5,000	9,000
Total	-	-	3,000	9,500	16,000	28,500
Resource Requirements						
Sales: Bid Fee Funding	-	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Facility: bleachers	-	\$400,000	-	-	-	\$400,000
Total	-	\$450,000	\$50,000	\$50,000	\$50,000	\$600,000

*Forecast is based upon average of booked room nights for the previous 5.5-year period of 2,061.



OTHER SPORTS

MARKET ANALYSIS

Segment Summary

The sub-segment is an amalgamation of sport competition events that have been booked over the past five years representing 12 groupings. There is no particular focus at this point.

Segment Breakdown

Segment	Total # of Room Nights over the Last 5 years	% of Other Segment
Martial Arts / Boxing / Wrestling	12,521	24%
Fencing	12,409	24%
Sports Association Meetings	11,106	21%
Other	4,700	9%
Non-traditional (team handball, cribbage, police and fire games, etc.	4,113	8%
Cycling	2,411	5%
Weightlifting / Strongman	2,134	4%
Track and Field	2,000	4%
Skiing	900	2%
Soccer	235	0%
Field sports / Adrenaline	220	0%
Total	52,749	100%

FACILITY, ROOM NIGHT & EVENT ANALYSIS

Size of segment within RSCVA Business This amalgamation of sporting events represents about 18 percent of room nights generated in overall the Sports line of business.

Booked Room Nights	Booked Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (7/1-1/7)	Total
	Bookings	521	7,751	8,010	18,026	19,340	12,022	65,670
	Lost Bookings	3,071	18,497	13,495	41,013	23,617	13,836	113,529

Consumed Room Nights	Consumed Room Nights	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 (7/1-1/7)	Total
	Consumed	20,825	6,062	3,207	7,700	14,955	7,715	60,464
	Lost Consumption	-	475	4,751	20,320	39,630	9,348	74,524

Value of Lost Business Whether the perspective is Booked or Consumed, the RSCVA staff is successful in securing this type of business but not as successful as Retention Sports sub-segment. Booked success rate is 37 percent while Consumed is 44 percent.

Opportunities **Offer seed money** -- Offering seed money or bid fees to win business.

Example of non-traditional sports event (CSL) -- Grow the Quidditch Market: Though only created in 2011, Quidditch has a growing presence among high schools and colleges. Currently the World Cup represents the only national tournament, but demand is increasing, and numerous regional tournaments could also represent event potential for Reno Tahoe.

- U.S. Quidditch expressed moderate to strong interest in Reno as a destination for Quidditch tournaments.
- Reasons cited for not utilizing Reno Tahoe include cold weather and difficulty of geographic location.
- Nine major tournaments are held throughout the year including one "World Cup" international tournament.
- Since its inception, over 400 colleges and 300 high schools have started Quidditch teams and 45 U.S. states are represented.

Event Potential Total of 23 new events; 3 being highly likely, 9 being moderately likely, 11 possible

- **Highly Likely:** Coaching Associations, USA Wrestling, Hobby Sports
- **Moderately Likely:** International Quidditch Association, AAU Track and Field, USA Archery, National Intramural-Recreational Sports Association, USA Strength and Conditioning, Volkssport (senior athletes), USA Climbing, National Wheelchair Basketball, USA Badminton
- **Possible:** Adrenaline Lacrosse, Aloha Lacrosse, USA Rugby, Major League Gaming, Senior Games (activities), Transplant Games, Veteran's Games, Executive Women's Golf Association, NJCAA (Junior College Athletics), USA Table Tennis, USA Ultimate (frisbee)



Opportunity Detail:

Steady State/Retention Strategy: Grow at a rate of about 2 percent for the existing book of business given that the RSCVA staff is fairly successful winning this type of business. This rate is below the industry growth rate of 3 percent. (*National Association of Sports Commissions*, October 2015, p.1)

Growth Opportunity #1:

Room Night Potential:

Based upon the information from the Sports team prospect worksheet:

- Book two highly likely events with 5,000 room night potential each
- Book two moderately likely event with 1,500 room nights

Sales Requirements:

- Offering seed money or bid fees to win business. Establish bid fees funding at \$50,000 annually.

Room Night and Investment Forecast

	FY15/16 (1/8-6/30)	FY16/17	FY17/18	FY18/19	FY19/20	5-Year Total
	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights	Room Nights
Steady State						
Booked	10,359	8,054	8,892	-	-	
Lost Bookings	14,943	20,710	5,675	52,125	-	
Steady State Growth at 2%*	10,993	11,213	11,437	11,666	11,899	57,208
Opportunities						
Highly likely events	-	-	-	5,000	5,000	10,000
Moderately likely events	-	-	-	1,500	1,500	3,000
Total	-	-	-	6,500	6,500	13,000
Resource Requirements						
Sales: Bid Fee Funding	-	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Total	-	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000

*Basis of forecast is the average number of Consumed room nights over the past 5.5 years or $60,464/5.5 = 10,993$.

STRATEGIC PRIORITY #3: FACILITY EFFICIENCY





RENO EVENTS CENTER

FACILITY STATS

- Owned by City of Reno
- Managed by RSCVA under contract with the City of Reno until 2022
- Debt – none for RSCVA, City of Reno \$123.5 million combined for NBS/REC
- Year Built – 2005
- 300 covered parking stalls, 7,000-seat multi-purpose arena
- Home to the Reno Bighorns of the NBA Development League
- Hosts a variety of concerts, family shows, sporting and other events

KEY OBSERVATIONS

- An average of approximately 45 percent of REC events between 2010 and 2014 have been generated from tenant sports (Reno Bighorns).
- Concerts make up the largest portion of REC event attendance each year, representing approximately 27 percent to 43 percent of total REC attendance.
- The REC experiences significant occupancy seasonality, with its highest occupancy levels between January-May, relatively low occupancy levels June-September, and slight increases from October-December.
- Among the RSCVA-operated facilities, the REC has historically generated the fewest estimated total room nights.
- The annual operating loss at the REC is very close to average among the arenas analyzed by CS&L.

KEY PERFORMANCE INDICATORS – FY10/11-14/15

	Non RN-Gen	RN-Gen	Total	Non RN-Gen	RN-Gen	Total	Non RN-Gen	RN-Gen	Total	Estimated Room Nights
Fiscal Year	Events	Events	Events	Attendance	Attendance	Attendance	% Occupancy	% Occupancy	% Occupancy	
FY10/11	39	20	59	59,483	78,822	138,305	11%	17%	28%	37,859
FY11/12	27	30	57	29,422	123,250	152,672	9%	18%	27%	33,056
FY12/13	31	22	53	35,508	87,033	122,541	11%	18%	29%	19,204
FY13/14	32	28	60	35,080	102,942	138,022	9%	22%	31%	22,385
FY14/15	28	19	47	25,711	72,528	98,239	9%	14%	23%	16,133

FACILITY ANALYSIS

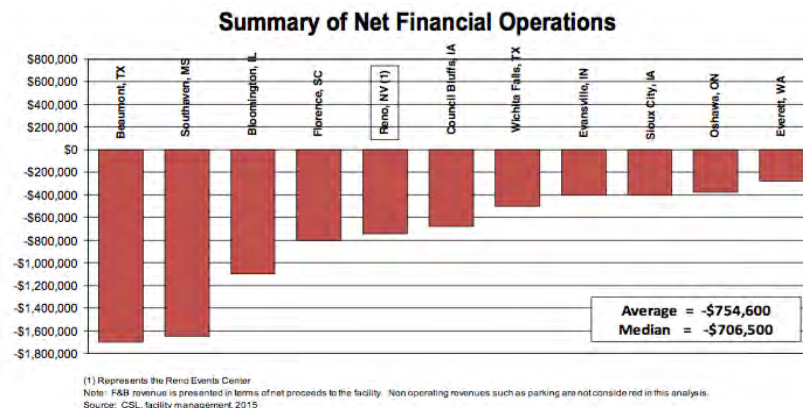
DESCRIPTIVE INFORMATION

The Reno Events Center opened in 2005 and offers a flexible 7,000-person seating capacity, of which 4,400 are retractable seats and 264 are mezzanine VIP seats. The REC is owned by the City of Reno and operated by the RSCVA. The facility is home to the NBA Development League team, the Reno Bighorns. Beginning in 2016, the arena will host the NCAA Big Sky men's and women's basketball tournaments. Additionally, discussion is underway with respect to attracting a minor league hockey franchise to the Center.

Annually, the Reno Events Center has hosted a variety of different events such as concerts, sporting events, tradeshow and fund-raisers. An analysis of historical operations of the REC with respect to event levels, attendance, occupancy levels, room nights generated and related measures for fiscal years 2010 through 2015 are provided on the subsequent pages.

CSL analyzed financial operating results from ten competitive and comparable arenas. The following is a summary of the overall operating loss incurred among competitive and comparable arenas. These figures do not consider items such as parking, debt service, public sector operating subsidies, depreciation, and other such non-operating items.

COMPARABLE AREA FINANCIAL PERFORMANCE



VALUE PROPOSITION

- Size of the venue is ideal. Not only is there is not a bad seat in the venue, it is the largest indoor event facility in the region.
- Downtown venue is ideal because it lends itself to a full experience.
- Non-union house allows for more cost effective productions and events.

STRENGTHS & COMPETITIVE ADVANTAGES

- REC accommodates a diverse set of events.
- Financial operating loss is generally w/in parameters set by comparable venues in markets throughout the country. (CSL)
- All respondents who previously held an event at the Reno Events Center indicated that they would "definitely", "likely" or "possibly" host a future event at the respective facilities. (CSL)
- Current and past REC users believe REC: Has great people to work with; Nice facilities; Is convenient to downtown properties.

WEAKNESSES & CHALLENGES

- REC produces very few family shows, civic or religious events, comparing unfavorably among competitive and comparable arenas, ranking 11th and 12th out of 12 respectively. (CSL)
- REC total sporting events (non-tenant) is roughly at or just below average compared to other arenas analyzed. (CSL)
- REC produced no meetings or banquet type of events, ranking near the bottom relative to other arena facilities. (CSL)
- Major event producers cite concerns regarding safety and panhandling downtown. (CSL)



- Current and past REC Users believe REC's challenges include: Sometimes congested downtown; population numbers; reaching people; competing with so many other venues in surrounding area; lack of exhibit space. (CSL)
- The overall daily use of the REC is significantly lower than other large seated venues throughout the country of similar size. (CSL)

The REC has generally been successful in attracting concerts in a highly competitive market, and opportunities exist to attract a minor league hockey tenant. This would significantly increase overall facility usage, and provide an important source of community entertainment with a modest number of added room nights.

The REC is a valuable community asset, and should remain in operation. The option of contract management should be reviewed.

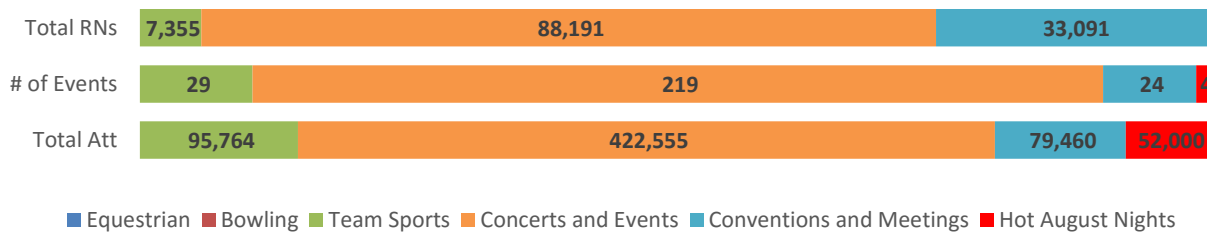
CSL OPINION OF FACILITY

While opportunities exist to increase event activity to a modest degree, any material increase will likely require the installation of ice capacity. RSCVA staff has been in discussion with representatives of various minor league hockey representatives over the past several years, and there appears to be significant interest in a Reno location for a franchise. Ice capacity could also provide opportunities to accommodate adult and youth hockey, figure skating, curling, speed skating and other functions. Previous studies have indicated that the cost for adding ice, along with needed team rooms and other amenities, would be approximately \$6.2 million. RSCVA staff should continue to work with potential franchises and the City to evaluate funding options.

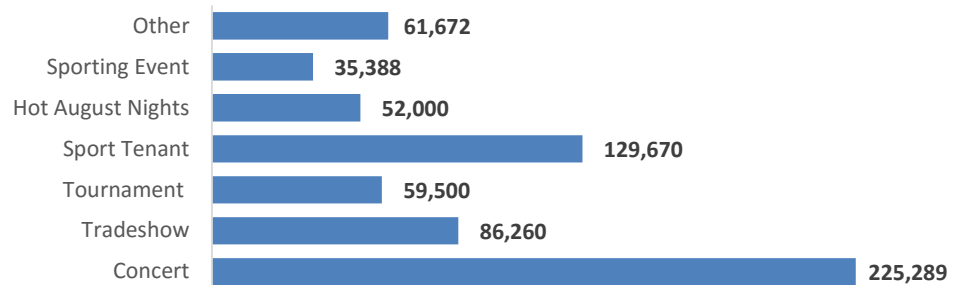
EVENT ANALYSIS

From 2010 to 2014, an average of 55 percent of events in the REC were considered non-room night generating. Concert events generated the largest portion of room nights at the REC. Tradeshows (such as Western Propane, Big Boy Toy Store and L&L Nursery Supply Marketplace) contributed an average of 24 percent. Other event types have generated comparatively low levels of room nights. Hot August Nights attendance is recognized, but room nights are not as they are not considered to be generated by the RSCVA staff.

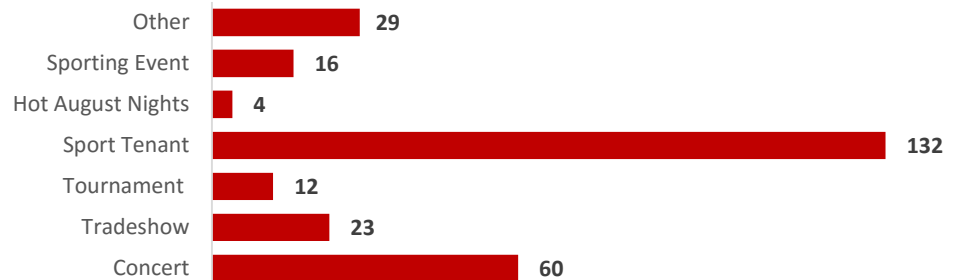
REC Utilization and Room Night Generation by Line of Business - FY10/11-FY14/15



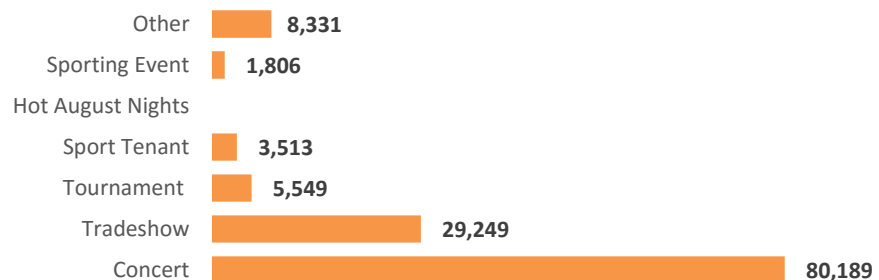
REC Total Attendance by Segment (FY10/11-FY14/15)



REC Total Events by Segment (FY10/11-FY14/15)



REC Total Room Nights by Segment (FY10/11-FY14/15)





INVESTMENTS BY STRATEGY

CRITICAL TO MAINTAIN CURRENT BUSINESS

Continually maintained by the City of Reno with reasonable capital expenditure. The City of Reno Capital Expenditure schedule is as follows:

- REC-Rigging Grid System in 2016 \$314,352
- REC-Security System in 2016 \$15,000

Estimated Cost: \$329,352 from the \$2 Surcharge Fund

REQUIRED FOR NEW GROWTH

None needed.

REQUIRED FOR INNOVATIVE GROWTH

Ice Capabilities: Adding ice capabilities at the Reno Event Center could be a big draw. A hockey team could host 32 to 36 home games each year. Ice would allow for several other events that the Center cannot currently host. Further, this is an important source of community entertainment with a modest number of added room nights (CSL) Ice capacity could also provide opportunities to accommodate:

- Adult and youth hockey
- Figure skating
- Curling
- Speed skating

Estimated Cost: \$6.2 million according to Brian Bonnefont

Back of the House: Enhanced back of house facilities. Spec drawing for this has been developed by Worth Group Architects.

Estimated Cost: Not available at this time



FACILITY FORECAST FY15/16 – FY19/20 (PRE-SURCHARGE USE APPROVAL)

Account Description	Actual					Forecast				
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Revenues										
Facility Rentals	386,048	390,365	395,260	525,049	451,653	566,608	527,010	548,090	561,793	575,837
Concessions & Catering	138,086	184,713	94,550	155,436	83,932	115,015	106,000	110,240	112,996	115,821
Parking	42,216	59,888	57,079	61,504	48,436	45,045	48,000	49,920	51,168	52,447
Suites	235,625	190,674	187,500	187,500	150,000	150,000	150,000	156,000	159,900	163,898
Box Office	104,742	166,128	91,683	144,569	71,939	188,278	126,000	131,040	134,316	137,674
Facility Use Fees	108,765	189,398	86,078	146,702	74,990	122,128	180,000	187,200	191,880	196,677
Merchandise	42,850	49,314	12,902	26,070	5,641	6,383	9,000	9,360	9,594	9,834
Sign Leases	27,991	17,891	35,379	21,888	27,540	27,278	25,300	26,312	26,970	27,644
Technical Services	208,815	228,172	118,880	217,089	107,424	136,355	128,500	133,640	136,981	140,406
Telecom	8,150	5,000	3,800	9,800	4,200	7,338	5,400	5,616	5,756	5,900
Miscellaneous	6,458	8,333	5,913	3,098	2,206	4,448	3,454	3,592	3,682	3,774
Total Revenues	1,309,746	1,489,876	1,089,024	1,498,705	1,027,961	1,368,876	1,308,664	1,361,011	1,395,036	1,429,912
Expenses										
Payroll & Related	972,862	998,326	915,557	1,005,156	868,439	873,160	704,532	739,759	776,747	815,584
Supplies & Services	700,950	816,700	737,480	871,185	841,464	879,700	862,221	879,465	897,055	914,996
Travel & Entertainment	656	3,748	7,673	4,360	3,420	5,024	6,425	6,554	6,685	6,818
Promotion & Advertising	43,625	46,701	23,699	17,925	9,941	16,071	13,500	13,770	14,045	14,326
Total Expenses	1,718,093	1,865,475	1,684,409	1,898,626	1,723,264	1,773,955	1,586,678	1,639,548	1,694,531	1,751,724
Departmental Profit (Loss)	(408,347)	(375,599)	(595,385)	(399,921)	(695,303)	(405,079)	(278,014)	(278,537)	(299,495)	(321,813)
Margin Percentage	-31.2%	-25.2%	-54.7%	-26.7%	-67.6%	-29.6%	-21.2%	-20.5%	-21.5%	-22.5%
Total Full Time Staff	17.00	17.00	17.00	17.00	15.00	16.00	9.00	9.00	9.00	9.00
Full Time Staff Charged to Facility (most staff shared with NBS)	9.00	8.50	8.75	8.75	8.25	9.25	6.00	6.00	6.00	6.00
Room Night Generating Events	20	30	22	28	19	18	20	21	22	23
Non-Room Night Generating Events	39	27	31	32	28	30	32	33	34	35
Room Night Generating Attendance	78,822	123,250	87,033	102,942	72,528	74,193	81,149	84,000	87,000	90,000
Non-Room Night Generating Attendance	59,483	29,422	35,508	35,080	25,711	31,917	34,909	35,000	37,000	39,000
Estimated Room Nights Generated	37,859	33,056	19,204	22,385	16,133	15,727	19,581	22,002	22,817	23,878
Operating Cost per Room Night	\$ (10.79)	\$ (11.36)	\$ (31.00)	\$ (17.87)	\$ (43.10)	\$ (25.76)	\$ (14.20)	\$ (12.66)	\$ (13.13)	\$ (13.48)
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll as % of Total Revenues	74%	67%	84%	67%	84%	64%	54%	54%	56%	57%
Total Expenses (Op, Cap, Debt)	\$ (408,347)	\$ (375,599)	\$ (595,385)	\$ (399,921)	\$ (695,303)	\$ (405,079)	\$ (278,014)	\$ (278,537)	\$ (299,495)	\$ (321,813)
Sales Expenses (Room nights * avg cost)	\$ (55,060)	\$ (37,374)	\$ (39,250)	\$ (58,464)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Expenses	\$ (463,407)	\$ (412,973)	\$ (634,635)	\$ (458,385)	\$ (695,303)	\$ (405,079)	\$ (278,014)	\$ (278,537)	\$ (299,495)	\$ (321,813)
Cost per room night	\$ (12.24)	\$ (12.49)	\$ (33.05)	\$ (20.48)	\$ (43.10)	\$ (25.76)	\$ (14.20)	\$ (12.66)	\$ (13.13)	\$ (13.48)



RENO-SPARKS LIVESTOCK EVENTS CENTER

FACILITY STATS

- Owned by the State of Nevada
- Managed by RSCVA through 50-year agreement with Washoe County (under contract until 2036)
- Debt – none
- Year of Management Transfer – 1986
- Total Acreage – 43
- Stalls – 440 permanent and 220 temporary
- Hosts a wide variety of livestock, equine and rodeo events, sporting events, circuses, consumer shows, motocross, track meets, conventions, corporate and cultural events, and monster truck shows.

KEY OBSERVATIONS

- An average of less than 50% of total events over the period analyzed have produced room nights for the market.
- Equestrian and livestock events represent the largest component of total attendance.
- Most public assembly facilities are lost leaders. The RSLEC is in line with competitor livestock event facilities.
- The relative lack of investment in complex improvements over the past several years, combined with investment in competitive complexes, makes it difficult to increase market capture and may jeopardize the ability to retain certain events, such as Snaffle Bit Futurity. (CSL)

KEY PERFORMANCE INDICATORS – FY10/11-14/15

	Non RN-Gen	RN-Gen	Total	Non RN-Gen	RN-Gen	Total	Non RN-Gen	RN-Gen	Total	Estimated Room Nights
Fiscal Year	Events	Events	Events	Attendance	Attendance	Attendance	% Occupancy	% Occupancy	% Occupancy	
FY10/11	23	33	56	72,110	286,309	358,519	8%	27%	35%	46,885
FY11/12	19	39	58	62,026	273,540	335,565	5%	32%	37%	44,223
FY12/13	14	30	44	62,102	257,115	319,217	6%	27%	33%	35,947
FY13/14	11	32	43	68,580	279,072	347,652	6%	25%	31%	35,949
FY14/15	13	34	47	68,348	235,071	303,419	9%	26%	35%	38,780



FACILITY ANALYSIS

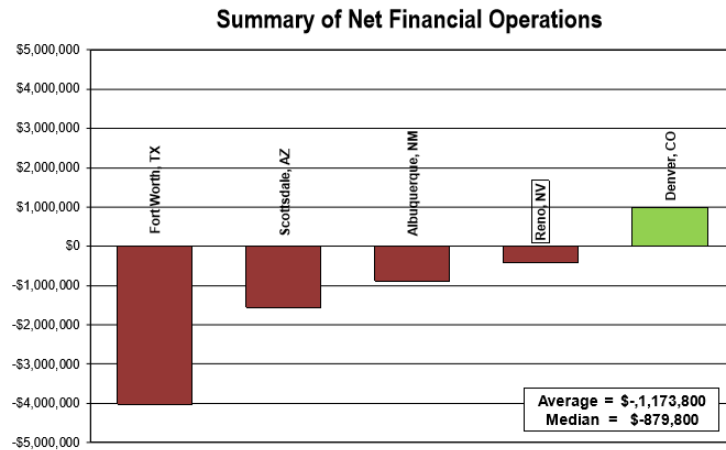
DESCRIPTIVE INFORMATION

Located adjacent to I-80 and Highway 395 on the northern edge of downtown Reno, the Reno-Sparks Livestock Events Center is a 43-acre complex that includes two indoor and two outdoor arenas, 660 animal stalls, 19 barns, a 20,000 square foot exhibition hall and 3,100 paved and lighted parking spaces.

The Center regularly hosts a variety of livestock, equine and rodeo events, sporting events, circuses, consumer shows, motocross, track meets, conventions, corporate and cultural events, and monster truck shows.

CSL compared the financial performance of the Reno-Sparks Livestock Events Center to that of similar livestock and equestrian complexes. To the extent that information was available, CSL collected and reviewed recent year financial operating statements from competitive and comparable facilities. A summary of findings is presented below.

COMPARABLE AREA FINANCIAL PERFORMANCE



Note: F&B revenue is presented in terms of net proceeds to the facility. Non operating revenues such as parking are not considered in this analysis.
Source: CSL facility management, 2015



VALUE PROPOSITION	<ul style="list-style-type: none">• 15,000 hotel rooms within 10 miles of facility.• 10 minutes from Reno-Tahoe International Airport.• Easy access for west coast drive market (CA, AZ, UT, WA, ID, CO).• Owner/manager business model.• Affordable destination amenities (gaming, outdoor lifestyle, etc.).
STRENGTHS & COMPETITIVE ADVANTAGES	<ul style="list-style-type: none">• Destination summer climate is really attractive for summer events, especially when compared to competitor facilities.• Destination is reasonably accessible from the California Central Valley.• One of the most multi-use facilities in the country. (CSL)• All respondents who previously held an event at the Reno-Sparks Livestock Events Center indicated that they would “definitely”, “likely” or “possibly” host a future event at the respective facilities. (CSL)• The RSLEC currently has no outstanding debt, and is operated with a relatively low annual subsidy. Costs per room night are also fairly low for the venue. (CSL)• From a community perspective, losing the use of the complex would be detrimental to local residents who enjoy attending RSLEC events, as well as hotels and other hospitality businesses. (CSL)
WEAKNESSES & CHALLENGES	<ul style="list-style-type: none">• As the facility currently stands, it is not attractive during the winter months.• At 43 acres, the RSLEC complex is the smallest among comparable and competitive venues. (CSL)• The relative lack of investment in complex improvements over the past several years, combined with investment in competitive complexes, makes it difficult to increase market capture, and may jeopardize the ability to retain events. (CSL)
CSL OPINION OF FACILITY	<p>The RSLEC currently has no outstanding debt, and is operated with a relatively low annual subsidy. Costs per room night are also fairly low for the venue. Historically, the RSLEC has served a very diverse event sector, and is critical in hosting large events such as the Snaffle Bit Futurity and the Reno Rodeo.</p> <p>From a community perspective, losing the use of the complex would be detrimental to local residents who enjoy attending RSLEC events, as well as hotels and other hospitality businesses. We also believe that from the perspective of the RSCVA, maintaining operational control of the complex serves the mission of generating room nights, at a relatively cost-effective level.</p>

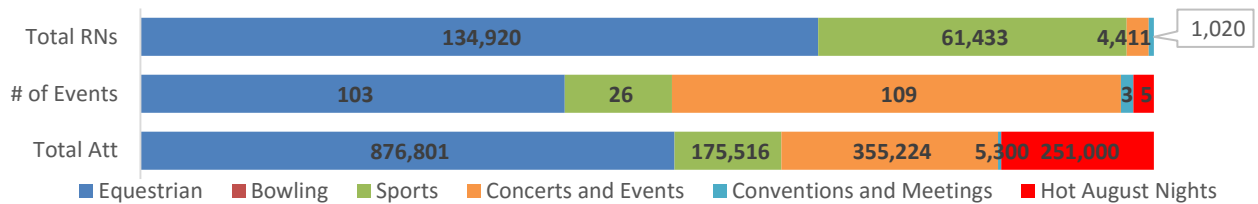


EVENT ANALYSIS

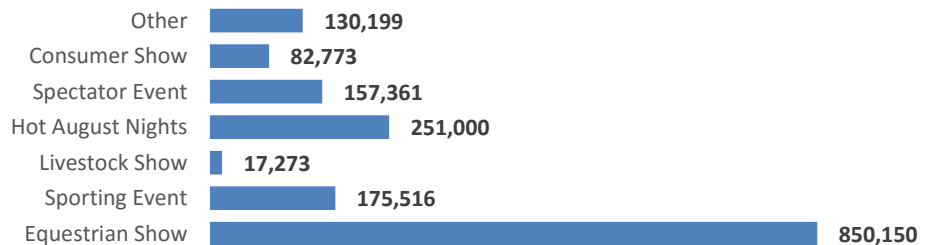
The RSLEC is one of the most multi-use venues in the country, regularly hosting a wide variety of local, regional and high-impact national events such as the Reno Rodeo, NRCHA Snaffle Bit Futurity, Hot August Nights Swap Meet, Cool Car Showroom & Nostalgia Faire, motocross and national monster truck events among others.

From 2010 to 2014, an average of 60 percent of total events have produced room nights for the market. Equestrian and livestock shows have accounted for approximately 40 percent of total events and conventions/meetings represent an average of 38 percent. More than 75 percent of total attendance is room night generating. Other than the spike in FY11, total attendance has remained relatively consistent over the past several years. Equestrian events tend to generate the highest level of total attendance, accounting for over half of annual RSLEC attendees in four of the five years reviewed.

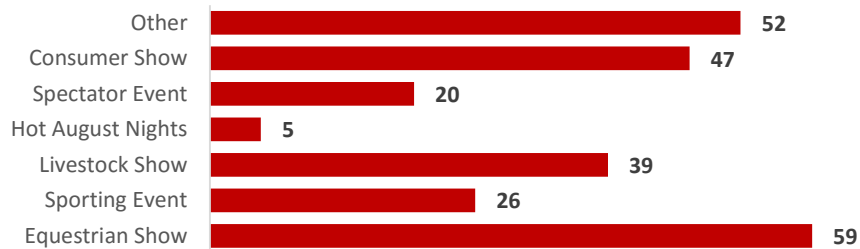
RSLEC Utilization and Room Night Generation by Line of Business - FY10/11-FY14/15



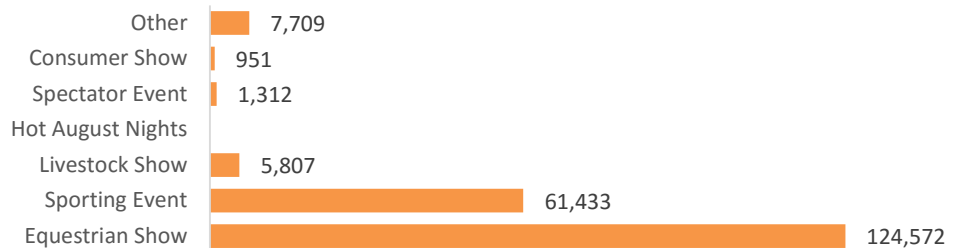
RSLEC Total Attendance by Segment (FY10/11-FY14/15)



RSLEC Total Events by Segment (FY10/11-FY14/15)



RSLEC Total Room Nights by Segment (FY10/11-FY14/15)





INVESTMENTS BY STRATEGY

CRITICAL TO MAINTAIN CURRENT BUSINESS

Critical Maintenance Items: See the Appendix for detail. *Estimated Cost:* \$500,000 per year

Technology Upgrades: Updating facility with modern technology (Wi-Fi, video screens, etc.) based on user feedback. *Estimated Cost:* \$400K, included in the Repair and Maintenance budget for FY18/19

HVAC Units: Add up to 26 total units in the building based on user feedback. *Estimated Cost:* \$500K, included in the Repair Maintenance budget for FY19/20

Facility Improvements:

2016 Phase I:

- multi-use covered structure and drainage improvements behind Livestock Pavilion
- replace current unsafe temporary stalls (210); commitment made to Snaffle Bit to rent 210 stalls for 2016 event

2017 Phase II: expand and raise roof of Cutting Arena

2018 Phase III: doubling the size of the current open barn by adding an additional multi-use covered structure

REQUIRED FOR NEW GROWTH

Solid Floor: Make it less challenging to cover the dirt floors for certain events based on user feedback. *Estimated Cost:* Not available at this time.

Expand Parking: Added contiguous land would be needed to significantly expand and upgrade the complex. Roughly 10 acres across from the RSLEC would allow for roughly 1,000 parking spots. (CSL)
Estimated Cost: No exact figure is available for the land purchase, but it is estimated at ~ \$7 million.

Second Arena: A second arena with limited seating (500 capacity) and a 125-by-250-foot floor area. (CSL) *Estimated Cost:* \$2.5M

REQUIRED FOR INNOVATIVE GROWTH

Ice Hockey Arena: A hockey arena, should the City of Reno elect to not develop a hockey stadium at the REC. *Estimated Cost:* Unknown at this time.

NICE TO HAVES

New Arena: The Reno Rodeo has expressed the need for an expanded grandstand with boxed seating and an expansion of current capacity. *Estimated Cost:* The Reno Rodeo has estimated \$12-14 million.

New Sign: Dedicate a new sign on Wells Avenue that promotes RSLEC events based on user feedback. *Estimated Cost:* TBD



FACILITY FORECAST FY15/16 – FY19/20 (PRE-SURCHARGE USE APPROVAL)

Account Description	Actual					Forecast				
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Revenues										
Facility Rentals	502,131	514,754	437,001	343,348	395,813	366,531	382,853	392,424	452,234	513,540
Concessions & Catering	187,925	176,265	149,937	158,744	147,814	166,722	161,600	165,640	169,781	174,026
Miscellaneous	351,552	306,521	322,906	296,022	302,913	272,743	329,683	337,925	346,373	355,033
Stall & Pen Rentals	1,490	1,640	5,465	1,615	1,305	1,797	300	308	315	323
R.V. Parking	54,751	78,063	93,889	85,896	151,232	99,740	96,500	98,913	101,385	103,920
Event Parking	147,654	150,167	139,266	162,520	158,006	145,208	157,500	161,438	165,473	169,610
Total Revenues	1,245,503	1,227,410	1,148,464	1,048,145	1,157,083	1,052,741	1,128,436	1,156,646	1,235,563	1,316,452
Expenses										
Payroll & Related	963,565	876,909	875,347	908,242	846,201	958,396	1,057,201	1,110,061	1,165,564	1,223,842
Supplies & Services	760,333	859,772	667,561	728,158	673,784	740,099	681,918	695,556	709,467	723,657
Travel & Entertainment	194	55	-	-	2,645	3,517	7,680	7,834	7,990	8,150
Promotion & Advertising	7,817	41,463	30,158	12,578	53,488	10,347	4,000	4,080	4,162	4,245
Special Projects	-	-	-	-	-	-	-	-	-	-
Total Expenses	1,731,909	1,778,199	1,573,066	1,648,978	1,576,118	1,712,359	1,750,799	1,817,531	1,887,183	1,959,894
Departmental Profit (Loss)	(486,406)	(550,789)	(424,602)	(600,833)	(419,035)	(659,619)	(622,364)	(660,885)	(651,621)	(643,442)
Margin Percentage	-39.1%	-44.9%	-37.0%	-57.3%	-36.2%	-62.7%	-55.2%	-57.1%	-52.7%	-48.9%
Full Time Staff	15.50	14.50	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Room Night Generating Events	33	39	30	32	34	34	35	36	37	38
Non-Room Night Generating Events	23	19	14	11	13	13	14	15	16	17
Room Night Generating Attendance	286,309	273,540	257,115	279,072	235,071	240,000	240,000	250,000	260,000	270,000
Non-Room Night Generating Attendance	72,110	62,026	62,102	68,580	68,348	68,000	70,000	75,000	80,000	85,000
Estimated Room Nights Generated	46,885	44,223	35,947	35,949	38,780	40,000	39,585	43,576	46,407	49,272
Operating Cost per Room Night	\$ (10.37)	\$ (12.45)	\$ (11.81)	\$ (16.71)	\$ (10.81)	\$ (16.49)	\$ (15.72)	\$ (15.17)	\$ (14.04)	\$ (13.06)
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Investment	\$ 39,972	\$ 637,654	\$ 92,451	\$ 740,837	\$ 186,334	\$ 300,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
City of Reno Funding (included above)	\$ -	\$ -	\$ -	\$ 599,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll as % of Total Revenues	77%	71%	76%	87%	73%	91%	94%	96%	94%	93%
Total Expenses (Op, Cap, Debt)	\$ (526,378)	\$ (1,188,443)	\$ (517,053)	\$ (742,405)	\$ (605,369)	\$ (959,619)	\$ (1,122,364)	\$ (1,160,885)	\$ (1,151,621)	\$ (1,143,442)
Sales Expenses (Room nights * avg cost)	\$ (12,610)	\$ (65,179)	\$ (26,765)	\$ (25,835)	\$ (92,244)					
Net Expenses	\$ (538,988)	\$ (1,253,622)	\$ (543,818)	\$ (768,240)	\$ (697,613)	\$ (959,619)	\$ (1,122,364)	\$ (1,160,885)	\$ (1,151,621)	\$ (1,143,442)
Cost per room night	\$ (11.50)	\$ (28.35)	\$ (15.13)	\$ (21.37)	\$ (17.99)	\$ (23.99)	\$ (28.35)	\$ (26.64)	\$ (24.82)	\$ (23.21)



NATIONAL BOWLING STADIUM

FACILITY STATS

- Owned by City of Reno; Managed by RSCVA; Under contract with City of Reno until 2022
- Debt – none for RSCVA, City of Reno \$123.5 million combined for NBS/REC
- Year Built – 1995
- 78 championship lanes, 300 covered parking stalls - Specifically designed to host large bowling events, the NBS is home to the USBC Open Championships and USBC Women’s Championships as well as other special events.

KEY OBSERVATIONS

- The NBS is a unique venue nationally, and caters to a very narrow segment of the event industry.
- NBS attracts a greater than typical share of certified league bowlers.
- Six contracts have been negotiated with USBC from 2018 through 2026.
- Financial operating subsidy for the NBS is relatively large when compared to other RSCVA facilities.

KEY PERFORMANCE INDICATORS – FY10/11-14/15

	Non RN-Gen	RN-Gen	Total	Non RN-Gen	RN-Gen	Total	Non RN-Gen	RN-Gen	Total	Estimated Room Nights
Fiscal Year	Events	Events	Events	Attendance	Attendance	Attendance	% Occupancy	% Occupancy	% Occupancy	
FY10/11	40	31	71	6,972	197,159	204,131	11%	56%	67%	166,261
FY11/12	44	31	75	10,173	87,985	98,158	13%	42%	55%	58,895
FY12/13	47	38	85	9,096	181,216	190,312	14%	54%	68%	129,249
FY13/14	47	35	82	11,128	159,142	170,270	11%	49%	60%	114,116
FY14/15	50	43	93	15,216	60,468	75,684	8%	55%	63%	35,100

FACILITY ANALYSIS

DESCRIPTIVE INFORMATION	<p>The National Bowling Stadium opened in 1995 in downtown Reno and operates with 78 championship lanes, a ten-lane VIP bowling center, a 10,000 square foot bowling pro shop, a 172-seat IWERKS movie theater, a visitor information center, the Satellite International Bowling Hall of Fame/Museum, and 300 covered parking spaces.</p> <p>In 2002, ownership of the NBS was transferred from the RSCVA to the City of Reno. However, the RSCVA continues to operate the NBS through a management agreement with the City.</p>
VALUE PROPOSITION	<ul style="list-style-type: none"> • Iconic national facility. • Unique and impressive facility (ie. Hall of Fame Museum, 40-foot ceilings, bar). • Multiple hotels, restaurants and entertainment walkable to the NBS.
STRENGTHS & COMPETITIVE ADVANTAGES	<ul style="list-style-type: none"> • 95 percent of NBS attendance is considered to be room night generating, the highest among RSCVA managed facilities due to the non-local attendance generated by such national events as the USBC Open Championship and the USBC Women's Championship. (CSL) • The NBS is unique nationally. (CSL) • Located downtown and walkable to hotels and casinos. • Given the City of Reno support for debt service and capital repair, the NBS is currently a relatively cost-effective channel for generating room nights when considered on a five-year basis to normalize for major tournament activity. (CSL) • Current and past NBS users believe NBS: (CSL) <ul style="list-style-type: none"> ○ Reno is unique in that it is within minutes of lakes, river adventures, hiking, ballooning, skiing, mining, etc. ○ Strong draw for our Northern California families and a fun destination for families. ○ There is a variety of things to do during free time. ○ Good value, plenty of choices. ○ There are great hotel choices in Reno unless you're opposed to using a gaming venue.
WEAKNESSES & CHALLENGES	<ul style="list-style-type: none"> • The NBS is highly purpose built and is very difficult to repurpose into another public assembly venue that can generate significant room nights. (CSL) • Current and past NBS users believe NBS: (CSL) <ul style="list-style-type: none"> ○ Lack of reasonable room rates on the weekend of their event. ○ Air lift for events is terrible and expensive. Flights to Reno are fewer and fewer. • Historically, all USBC tournaments have been booked between March-July, limiting the NBS availability for other annual tournaments interested in booking during that time period.
CSL OPINION OF FACILITY	<p>The NBS is a unique venue nationally, and caters to a very narrow segment of the event industry. Options to repurpose the venue have been explored in the past, with potential creation of flat floor space replacing the lanes currently being evaluated. However, the local market has very significant amounts of publically and privately operated flat floor space, and such a repurposing would not likely generate even a fraction of the room nights currently generated by the NBS.</p> <p>With the long-term City of Reno debt obligations on the venue, and the likelihood that serving as a tournament bowling venue is the highest room night generation option for at least the next five years, it would not be beneficial to close the venue.</p>



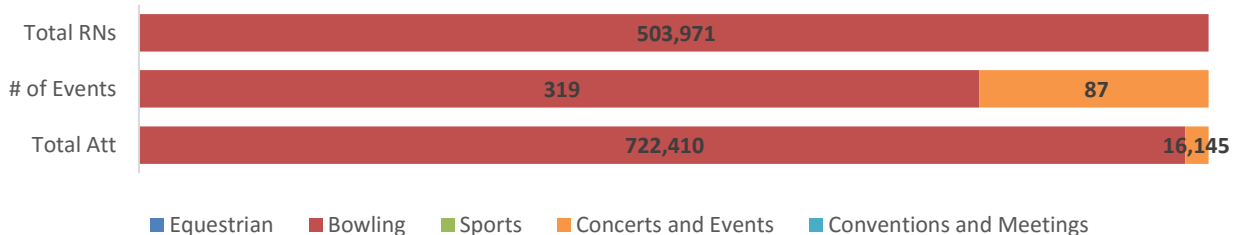
EVENT ANALYSIS

From 2010 to 2014, total events have remained relatively steady over the period of analysis, with modest spikes in event activity in fiscal years 2013 and 2015. Bowling tournaments have accounted for approximately 88 to 92 percent of annual event days at the NBS since FY10. Total NBS attendance is significantly impacted by USBC tournament activity.

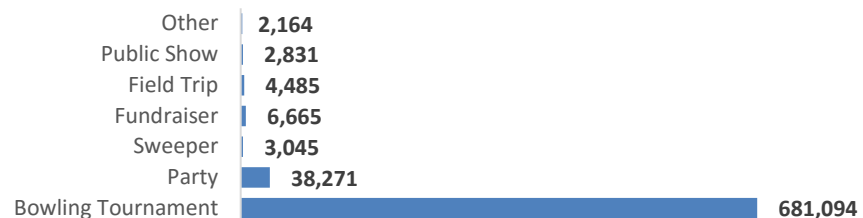
Attendance levels during tournament years have dropped since FY10. This is likely a function of past decreases in national bowling participation, past economic downturns, and stagnant wages since the past recession. Recent data indicate a stabilization and modest increase in bowling participation nationally and assuming continued economic recovery, attendance at major tournaments held in Reno could stabilize and increase.

An average of approximately 95 percent of NBS attendance is considered to be room night generating, the highest among RSCVA managed facilities due to the non-local attendance generated by such national events as the USBC Open Championship and the USBC Women's Championship. Similar to total attendance, room nights generated by NBS events have peaked during years the NBS was host to both the USBC Women's Championships and the USBC Open Championships, with modest annual decreases since fiscal year 2010.

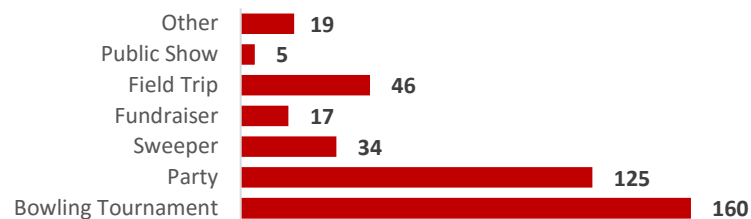
NBS Utilization and Room Night Generation by Line of Business - FY10/11-FY14/15



NBS Total Attendance by Segment (FY10/11-FY14/15)



NBS Total Events by Segment (FY10/11-FY14/15)



NBS Total Room Nights by Segment (FY10/11-FY14/15)





EXPENDITURES BY STRATEGY

CRITICAL TO MAINTAIN CURRENT BUSINESS	Facility needs to be updated on an on-going basis (aesthetically and technologically) including 4 th floor renovation prior to 2021. The City of Reno Cap Ex schedule is as follows:
	<ul style="list-style-type: none">• NBS-HVAC Repair 2016 \$2,500,000• NBS-HVAC Controls 2017 \$300,000• NBS-Furniture and Fixtures 2019 \$400,000• NBS-Fire Alarm System 2019 \$300,000• NBS-Door System 2019 \$25,000• NBS-4th Floor Remodel By 2019 \$5,000,000• NBS-Refurbish Exterior By 2022 \$3,000,000
	Estimated Cost: \$10,200,000 from the \$2 Surcharge
REQUIRED FOR NEW GROWTH	The City of Reno will be developing and presenting a 5-Year Capital Expenditure Plan (to address USBC requirements), so capital expenditure recommendations from the RSCVA are deferred until the completion of that report.
REQUIRED FOR INNOVATIVE GROWTH	N/A
NICE TO HAVES	TBD



FACILITY FORECAST FY15/16 – FY19/20 (PRE-SURCHARGE USE APPROVAL)

Account Description	Actual					Forecast				
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Revenues										
Lineage	1,150,678	852,140	1,096,324	969,123	606,604	904,166	276,808	595,676	290,000	900,000
Concessions & Catering	328,237	181,687	302,933	247,899	159,228	240,309	92,334	125,000	75,000	225,000
Tenant Leases	58,998	48,674	46,089	37,972	36,856	42,899	28,409	30,000	30,000	30,000
Signage	27,339	18,247	53,901	52,044	50,299	62,158	56,105	50,000	50,000	50,000
Miscellaneous/Kingpin	53,513	45,639	69,293	197,349	43,980	170,391	8,736	90,000	10,000	170,000
Telecom	45,000	30,000	45,000	46,075	25,000	45,000	-	30,000	-	45,000
Parking	126,448	42,693	132,810	100,133	27,255	99,215	14,955	40,000	-	100,000
Total Revenues	1,790,213	1,219,080	1,746,350	1,650,595	949,222	1,564,138	477,347	960,676	455,000	1,520,000
Expenses										
Payroll & Related	1,322,860	1,277,243	1,566,147	1,456,271	1,224,036	1,340,913	705,546	860,000	720,000	1,100,000
Supplies & Services	1,024,120	843,910	949,720	1,029,283	977,299	1,189,685	909,909	1,000,000	940,000	1,150,000
Travel & Entertainment	33,184	52,116	34,630	21,850	23,896	30,302	8,835	9,000	9,500	10,000
Promotion & Advertising	13,732	29,391	17,975	22,895	19,987	30,647	21,595	22,000	23,000	24,000
Special Projects	1,009,800	600,000	815,000	733,000	451,196	352,000	242,000	500,000	250,000	250,000
Total Expenses	3,403,696	2,802,660	3,383,472	3,263,299	2,696,414	2,943,547	1,887,885	2,391,000	1,942,500	2,534,000
Departmental Profit (Loss)	(1,613,483)	(1,583,580)	(1,637,122)	(1,612,704)	(1,747,192)	(1,379,409)	(1,410,538)	(1,430,324)	(1,487,500)	(1,014,000)
Margin Percentage	-90.1%	-129.9%	-93.7%	-97.7%	-184.1%	-88.2%	-295.5%	-148.9%	-326.9%	-66.7%
Total Full Time Staff	18.00	21.00	21.00	21.00	18.00	18.00	8.00	8.00	8.00	8.00
Full Time Staff Charged to Facility (most staff shared with REC)	10.00	12.50	12.75	12.75	11.25	11.25	5.00	5.00	5.00	5.00
Room Night Generating Events	31	31	38	35	43	37	40	43	40	38
Non-Room Night Generating Events	40	44	47	47	50	51	60	50	60	50
Room Night Generating Attendance	197,159	87,985	181,216	159,142	60,468	153,738	28,000	60,000	29,000	145,000
Non-Room Night Generating Attendance	6,972	10,173	9,096	11,128	15,216	7,724	9,500	12,000	10,000	7,500
Estimated Room Nights Generated	166,261	58,895	129,249	114,116	35,100	110,000	12,088	36,969	12,970	100,409
Operating Cost per Room Night	\$ (9.70)	\$ (26.89)	\$ (12.67)	\$ (14.13)	\$ (49.78)	\$ (12.54)	\$ (116.69)	\$ (38.69)	\$ (114.69)	\$ (10.10)
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll as % of Total Revenues	74%	105%	90%	88%	129%	86%	148%	90%	158%	72%
Total Expenses (Op, Cap, Debt)	\$ (1,613,483)	\$ (1,583,580)	\$ (1,637,122)	\$ (1,612,704)	\$ (1,747,192)	\$ (1,379,409)	\$ (1,410,538)	\$ (1,430,324)	\$ (1,487,500)	\$ (1,014,000)
Sales Expenses (Room nights * avg cost)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Expenses	\$ (1,613,483)	\$ (1,583,580)	\$ (1,637,122)	\$ (1,612,704)	\$ (1,747,192)	\$ (1,379,409)	\$ (1,410,538)	\$ (1,430,324)	\$ (1,487,500)	\$ (1,014,000)
Cost per room night	\$ (9.70)	\$ (26.89)	\$ (12.67)	\$ (14.13)	\$ (49.78)	\$ (12.54)	\$ (116.69)	\$ (38.69)	\$ (114.69)	\$ (10.10)

RENO-SPARKS CONVENTION CENTER

FACILITY STATS

- Owned by RSCVA; Managed by RSCVA
- Debt - \$115 Million (\$9.6 million annually), supported by 2% countywide room tax (approximately \$5.7 million annually)
- Year Built - 1965
- Major Construction Increase Space 2002
- Total Acreage - 47.798; Building Acreage - 13.95
- Hosts a wide variety of both local and non-local events, including conventions, tradeshow, corporate meetings, consumer shows, sporting events and competitions, community and other events.

KEY OBSERVATIONS

- Only approximately 3 percent of events hosted in the RSCC require the use of the entire facility.
- Sporting Events/Competitions and Conventions/Tradeshows have comprised the largest portion of RSCC attendee base as well as the largest portion of RSCC occupancy. These are also the only two event types that generate significant levels of room nights.
- The majority of RSCC event activity is generated from meetings and banquets, accounting for approximately 32 percent of total events between 2010 and 2014.
- The operating deficit generated by the RSCC is comparatively low when considering other markets reviewed. The RSCC operated at a deficit of approximately \$2.29 per square foot during the year. The majority of competitive and comparable venues tend to operate with losses between \$1 and \$8 per sellable square foot.
- Coming out of the recession and through today, most competing cities are offsetting convention center rental through room rebates or subsidies which typically are added on to the room rate charged to the group. As a result, in order to keep room rates as a competitive advantage or not too far out of line with the local market rates the RSCVA has increased discounting of center rental causing a loss of rental revenues. Additionally, as a result of hotel partner demands, the RSCVA significantly lowered the hotel partner rate to purchase facility space on behalf their clients. Room night generation from facility related business has been on steady incline for the past three years which partially can be attributed to the more aggressive discounting of space rental but at a rental revenue loss to the RSCVA. A strategic question, given the disparity of rental rates, is whether the RSCVA and Hotels can increase rental rates and consequently hotel group rates to close the gap on what other centers charge.

KEY PERFORMANCE INDICATORS – FY10-15

	Non RN-Gen	RN-Gen	Total	Non RN-Gen	RN-Gen	Total	Non RN-Gen	RN-Gen	Total	Estimated Room Nights
Fiscal Year	Events	Events	Events	Attendance	Attendance	Attendance	% Occupancy	% Occupancy	% Occupancy	
FY10/11	85	13	98	80,637	243,361	323,998	6%	18%	24%	77,514
FY11/12	81	17	98	137,482	201,833	339,315	8%	12%	20%	53,212
FY12/13	62	25	87	79,090	328,003	407,093	7%	31%	38%	119,610
FY13/14	61	22	83	82,030	268,300	350,330	9%	31%	40%	103,581
FY14/15	54	16	70	91,529	185,746	277,275	8%	17%	25%	41,901

FACILITY ANALYSIS

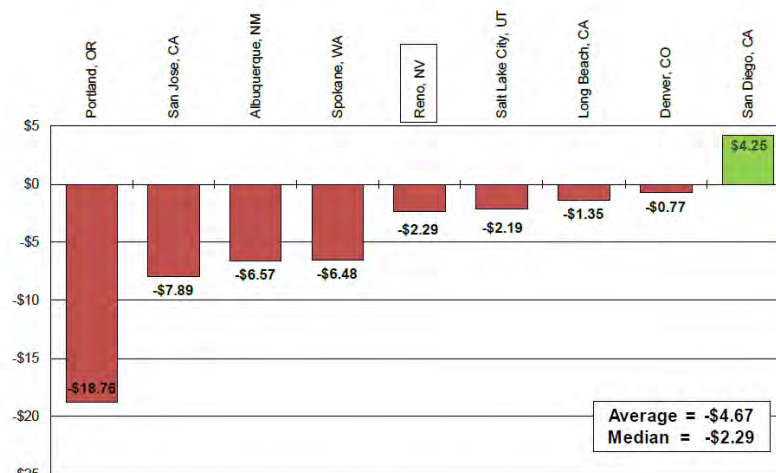
DESCRIPTIVE INFORMATION

The Reno-Sparks Convention Center is owned and operated by the RSCVA and sits on approximately 48 acres, two miles south of downtown Reno. The RSCC originally opened in 1965, undergoing a major \$105 million renovation and expansion in 2002. The RSCC provides nearly 500,000 square feet of total sellable space.

In an effort to benchmark the financial performance of similar venues, CSL developed the below summary of net financial operations per square foot of sellable event space among convention centers in the competitive and comparable market set.

Summary of Net Financial Operations per Square Foot

COMPARABLE AREA FINANCIAL PERFORMANCE



Note: F&B revenue is presented in terms of net proceeds to the facility. Non operating revenues such as parking are not considered in this analysis.
Source: CSL, facility management, 2015

VALUE PROPOSITION

- Single-level facility
- Unlimited floor load
- Easy move-in and move-out (drive-in access)
- 800 room 4-star Hotel connected via Sky Bridge

STRENGTHS & COMPETITIVE ADVANTAGES

- An estimated 85 percent of past users who held an event at the RSCC indicated some level of future interest in using the facility in the future. (CSL)
- RSCC accommodates a diverse set of events.
- No union contracts.
- Balanced ratio between exhibit space and meeting rooms.
- RSCC's operating margin averages (\$2.29), which is considerable better than the comp set average of (\$4.67). (CSL)
- Owner/operator model is an asset to sales efforts.

WEAKNESSES & CHALLENGES

- The RSCC Ballroom occupancy for 2015 was 21%, as compared to the 47% occupancy rate for other centers with 100k-500k sq. ft. of exhibit space nationally. (PWC) This speaks to the large volume of ballroom sq. footage available in local hotels. In most of the cities, the convention center ballroom is the largest available ballroom space so they get a lot of the local city business.
- The RSCC effective rental rate per sq. ft. per day (\$.027) is considerably lower than (less than a third of) other centers with 100k-500k sq. ft. of exhibit space nationally (\$.092).
- Current and past RSCC users believe the RSCC: (CSL)
 - Needs updates - nicer finishes and a more polished look.
 - Need to become more local friendly; need to promote events that are housed at their own center.
 - Need to have tiered costs for size of company and size of event.
- According to industry stakeholders in the Reno-Tahoe market: (CSL)
 - The Convention Center is in a poor location and rooms/entertainment have not been developed as hoped.
 - Because of convention center's location, even when groups come to town, its approximately ~2 miles from downtown and the hotels incur transportation costs if groups stay at their hotel.
 - Transportation to/from large hotels to the Convention Center is a cost for event planners not always incurred in other markets.

CSL OPINION OF FACILITY

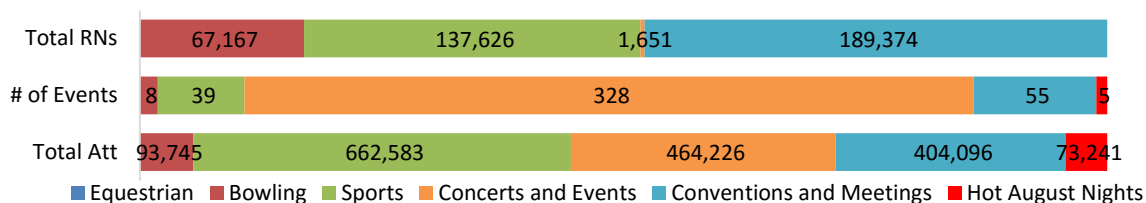
The RSCC represents the most significant investment ever made by the RSCVA, with approximately \$9.6 million in debt service scheduled annually through 2032. It is appropriate to consider the RSCC debt as a sunk cost, and should the venue be shuttered, the debt service would still remain. Further, the operating and maintenance costs, while likely to increase in future years, still yield cost per room night statistics that are in line with other RSCVA venues. As a result, should the RSCC be repurposed for another use, the resulting operational model would have to generate a greater level of room nights compared to recent and projected future RSCC performance. Any costs to repurpose the RSCC would also have to be considered.

It is our view that it is highly unlikely that another, higher room night generating alternative to using the RSCC to target convention, trade and sporting events, could be found. We know of no examples nationally where such a repurposing has taken place. Rather, modest facility enhancements should be considered in order to take advantage of potential market opportunities associated with the emerging industries in the Reno Tahoe market. These emerging industries, as well as access to major west coast technology and corporate centers, indicates potential for added event activity.

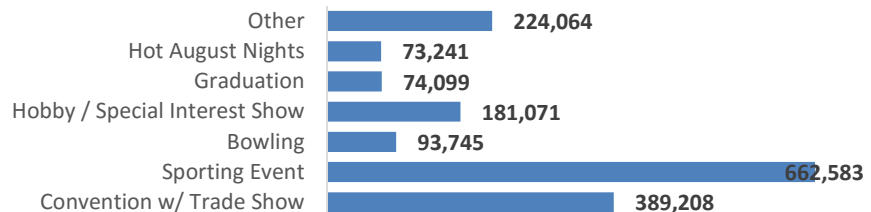
EVENT ANALYSIS

Room nights generated by RSCC events have fluctuated over the past five years with a high in FY12/13 attributed to such events as the USBC Women's Championship tournaments which were both held at the RSCC and generated more than 50,000 room nights. The only two event types that are generating significant levels of room nights include conventions/tradeshows and sporting events. In 2014, approximately 78 percent of room nights tracked by RSCC management were derived through the hosting of sporting events. This compares to 59 percent in 2013 and 23 percent in 2012. It should be noted that annual estimated room nights do not include room nights generated by Hot August Nights Auction, which draws attendance levels in excess of 40,000 to the RSCC.

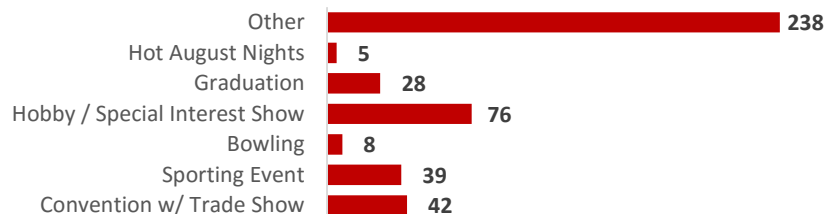
Total annual events have decreased on a relatively consistent basis since FY10. It is important to note that over the period analyzed, an average of 22 percent of annual events are considered to be room night generating. The majority of RSCC event activity is generated from meetings and banquets, accounting for approximately 32 percent of total events between 2010 and 2014. Public and consumer shows represent approximately 23 percent of total events at the RSCC over the same period. Sporting events, while a lesser share of overall event demand, have been growing over the past several years, and likely represent an opportunity for future increases in utilization. Conventions and tradeshows, typically a significant source of center utilization in other markets, are a relatively small share of overall RSCC use. Other events, which have typically included graduations, dances and seminars, among others have accounted for approximately 22 percent of total RSCC events between 2010 and 2014. Very few events (approximately three percent) require the use of the entire facility.



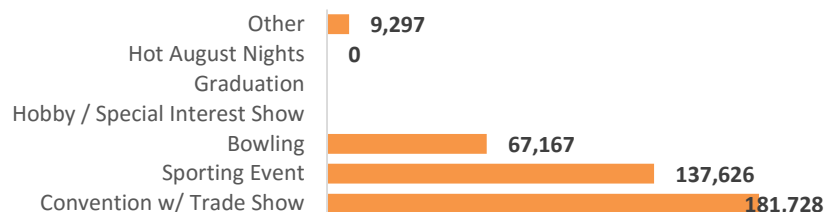
RSCC Total Attendance by Segment



RSCC Total Events by Segment



RSCC Total Room Nights by Segment





EXPENDITURES BY PRIORITY

CRITICAL TO MAINTAIN CURRENT BUSINESS

Ongoing Maintenance: Continue to maintain, improve and upgrade facility (roofs, carpet, and parking lots). *Estimated Cost:* \$1,500,000 per year (See R&M Schedule in the Appendix)

Purchase Portable Bleachers: Install portable bleachers to provide stadium seating for a minimum of 4,000 people, currently these are rented as needed.
Estimated Cost: \$800,000 with \$400,000 included in FY16/17 budget.

Increased Bandwidth/Wireless Access & A/V Upgrades: Convention centers are routinely including internet access at levels of 10 GIG, with WiFi capacity at 1.54 Mbps conveniently accessible throughout the venue. Upgraded wireless capabilities to meet current industry state-of-the-art. Evaluate needed upgrades to audio/visual equipment to industry standards. (CSL) *Estimated Cost:* \$385,000 is in FY15/16-16/17 budget, additional \$865,000 is included in the ongoing maintenance schedule.

REQUIRED FOR NEW GROWTH

Creative Capital: CSL recommends setting aside funds for needs characterized as “creative capital” investment, distinct from the more routine repair and maintenance projects. Such items include upgraded furniture, portable food service, acoustics, local art and other such amenities. (CSL)
Estimated Cost: Cost estimates should be developed for these assets, however a preliminary total of approximately \$2.5 million

REQUIRED FOR INNOVATIVE GROWTH

Open to 3rd Party Caterers: Currently use an exclusive caterer and the RSCVA could consider opening this up to 3rd party caterers to generate additional income and increase facility profitability.
Estimated Cost/Revenue: No analysis has been completed on how much additional revenue this would generate.

Open Space Learning: Convention center improvements could include extending Hall 3 into the F meeting rooms to create more contiguous space, renovating the A meeting rooms and extending the glass lobby across the front of A meeting rooms. This could include added furniture, portable food service, acoustic, local art and other amenities. (CSL)
Estimated Cost: \$20 million

NICE TO HAVES

Outdoor space: Planners are increasingly open to hosting functions in covered, outdoor settings. These include receptions, general sessions and informal gatherings (plans would need to be developed to obtain cost estimates). (CSL) *Estimated Cost:* Unknown at this time.

Walkability: Planners routinely seek destinations with walkable center, hotel and restaurant/retail options. Most centers are located in urban settings, and can provide these types of amenities within close proximity. (CSL)

Pre-Function Space: The need for pre-function space is increasing nationally. New convention center projects are incorporating the capacity for informal gathering, seating, meeting and related functions in the lobby areas – tied to an emerging “open space learning” industry trends. Plans for enhanced space should incorporate these needs. (CSL)

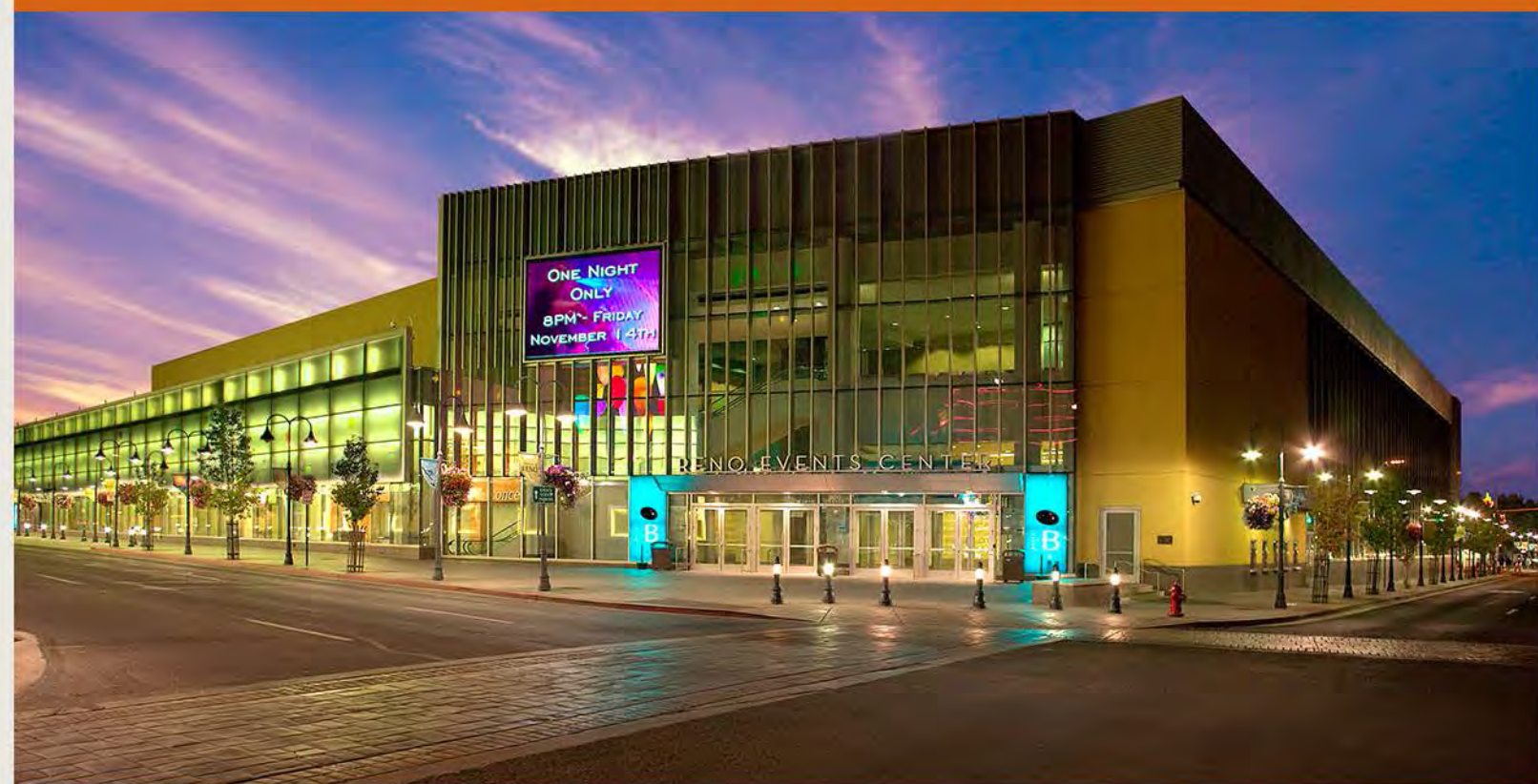


FACILITY FORECAST FY15/16 – FY19/20 (PRE-SURCHARGE USE APPROVAL)

Account Description	Actual					Forecast				
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Revenues										
Facility Rentals	1,113,133	1,259,435	1,199,746	1,125,208	1,369,581	1,339,380	1,190,943	1,252,852	1,315,381	1,378,535
Concessions & Catering	463,159	300,049	452,600	378,199	338,936	407,311	252,750	280,278	308,080	336,161
Miscellaneous & Vending	592,078	364,584	730,590	583,559	360,511	462,794	262,672	305,299	348,352	391,835
Event Parking	312,627	311,627	353,660	416,251	457,426	403,534	343,300	346,733	350,200	353,702
Total Revenues	2,480,997	2,235,695	2,736,596	2,503,217	2,526,454	2,613,019	2,049,665	2,185,162	2,322,013	2,460,233
Expenses										
Payroll & Related	2,126,371	1,936,089	2,284,089	2,187,901	1,858,057	1,944,552	1,825,909	1,917,204	2,013,065	2,113,718
Supplies & Services	1,646,817	1,173,640	1,918,808	1,676,739	1,766,323	1,824,589	1,721,877	1,796,315	1,872,241	1,949,686
Travel & Entertainment	9,623	10,144	5,844	7,591	14,391	7,263	10,537	10,748	10,963	11,182
Promotion & Advertising	350	467	2,281	5,473	3,232	6,428	6,950	7,089	7,231	7,375
Total Expenses	3,783,161	3,120,340	4,211,022	3,877,704	3,642,003	3,782,832	3,565,273	3,731,356	3,903,499	4,081,961
Departmental Profit (Loss)	(1,302,164)	(884,645)	(1,474,426)	(1,374,487)	(1,115,549)	(1,169,813)	(1,515,608)	(1,546,194)	(1,581,486)	(1,621,727)
Margin Percentage	-52.5%	-39.6%	-53.9%	-54.9%	-44.2%	-44.8%	-73.9%	-70.8%	-68.1%	-65.9%
Full Time Staff	26.50	21.50	22.50	22.50	19.50	21.50	21.00	21.00	21.00	21.00
Room Night Generating Events	13	17	25	22	16	16	13			
Non-Room Night Generating Events	85	81	62	61	54	50	54			
Room Night Generating Attendance	243,361	201,833	328,003	268,300	185,746	166,390	155,000			
Non-Room Night Generating Attendance	80,637	137,482	79,090	82,030	91,529	85,000	92,000			
Estimated Room Nights Generated	77,514	53,212	119,610	103,581	41,901	53,240	47,336	95,597	97,569	121,412
Operating Cost per Room Night	\$ (16.80)	\$ (16.62)	\$ (12.33)	\$ (13.27)	\$ (26.62)	\$ (21.97)	\$ (32.02)	\$ (16.17)	\$ (16.21)	\$ (13.36)
Debt Service	\$ 7,205,604	\$ 7,480,022	\$ 9,237,834	\$ 9,592,094	\$ 9,591,794	\$ 9,664,044	\$ 9,669,044	\$ 9,664,044	\$ 9,664,044	\$ 9,659,044
Capital Investment	\$ 76,094	\$ 198,693	\$ 352,989	\$ 89,950	\$ -	\$ 1,772,653	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Payroll as % of Total Revenues	86%	87%	83%	87%	74%	74%	89%	88%	87%	86%
Total Expenses (Op, Cap, Debt)	\$ (8,583,862)	\$ (8,563,360)	\$ (11,065,249)	\$ (11,056,531)	\$ (10,707,343)	\$ (12,606,510)	\$ (12,684,652)	\$ (12,710,238)	\$ (12,745,530)	\$ (12,780,771)
Sales Expenses (Room nights * avg cost)	\$ (1,221,842)	\$ (838,773)	\$ (1,885,395)	\$ (1,632,732)	\$ (660,479)	\$ (839,214)	\$ (746,151)	\$ (1,506,882)	\$ (1,537,966)	\$ (1,913,800)
RSCC Room Tax (2% imposed in 1999)	\$ 4,718,034	\$ 4,642,434	\$ 5,048,840	\$ 5,118,345	\$ 5,452,200	\$ 6,263,200	\$ 6,449,645	\$ 6,754,308	\$ 6,986,887	\$ 7,394,180
Net Expenses	\$ (5,087,670)	\$ (4,759,699)	\$ (7,901,804)	\$ (7,570,918)	\$ (5,915,622)	\$ (7,182,524)	\$ (6,981,158)	\$ (7,462,812)	\$ (7,296,609)	\$ (7,300,391)
Cost per room night	\$ (65.64)	\$ (89.45)	\$ (66.06)	\$ (73.09)	\$ (141.18)	\$ (134.91)	\$ (147.48)	\$ (78.07)	\$ (74.78)	\$ (60.13)



STRATEGIC PRIORITY #4: ORGANIZATIONAL SUSTAINABILITY





To be developed further with new CEO.

Modestly revise the room night accounting process - We recommend that the current room night accounting process be reviewed by staff and the Sales and Marketing Committee, with recommendations for any modifications presented for approval to the full Board. We believe that a policy consistent with current practices, perhaps with modest adjustment, be adopted. However, for the RSCVA, any tightening of the definition of a booked room night must be considered in the context of the ease of doing business in Reno Tahoe. More importantly, the process of communicating the event booking practices and progress to Board members needs to be reviewed to improve mutual understanding. (CSL) – TO BE DISCUSSED AT THE JUNE BOARD RETREAT

Create a Lead Sharing Intranet-Type Link with Area Hotels - We recommend a major software initiative to evaluate and select a new platform under which the RSCVA manages event data, leads, and bookings, and that allows for enhanced communication with hotel partners. The implementation process can take several months, followed by a data testing and pre-training process for each system user. In total, the process should take approximately 20 weeks. (CSL)



Opportunities to Drive Sales and Marketing Alignment

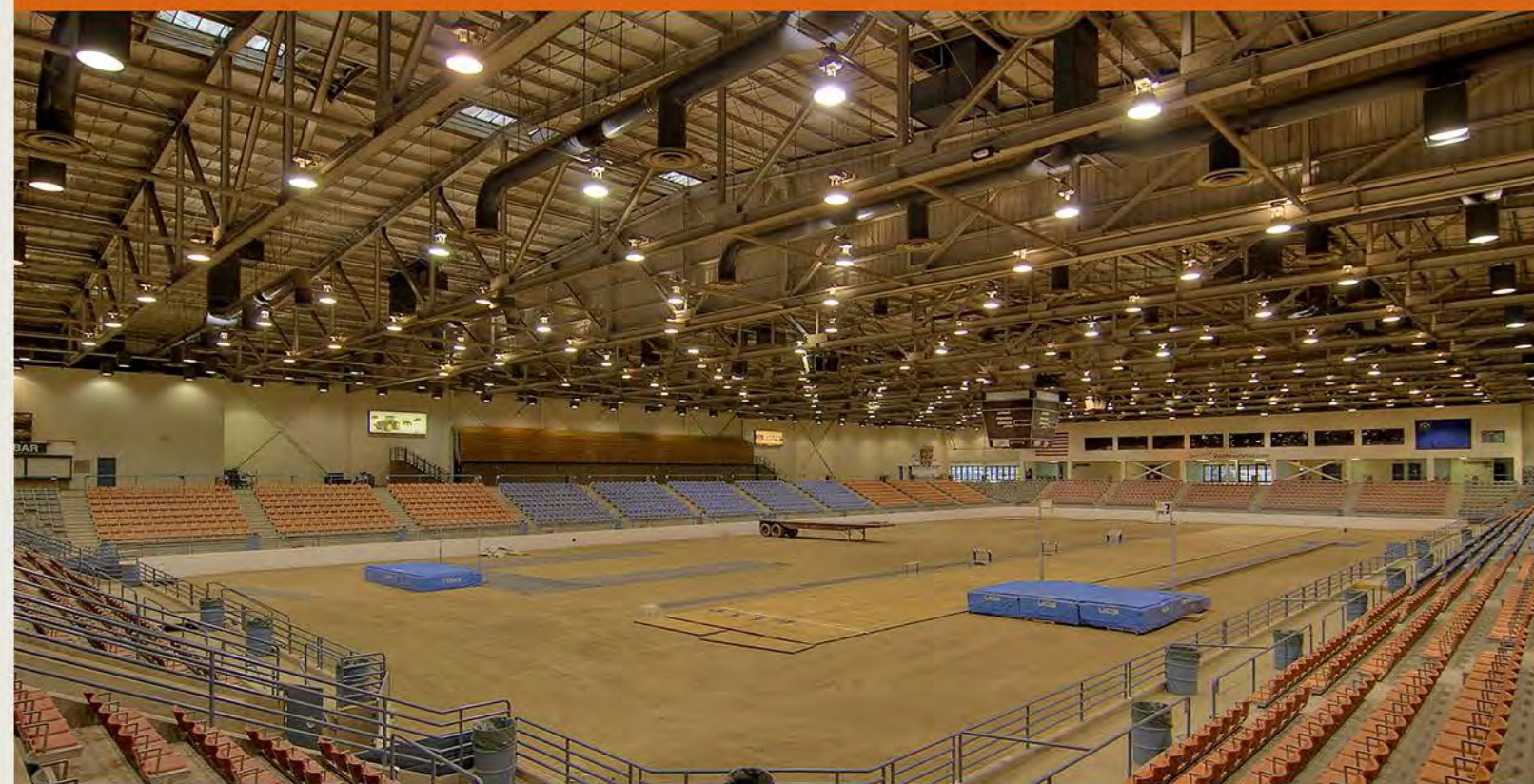
Improve the alignment of the sales, facilities staff and marketing staff around the visitor value proposition(s) to achieve consistency of messaging and uphold brand standards in tourism and convention sales as well as facility branding. Work collaboratively together to drive to a common room night growth goal, as determined by the Sales team.

Marketing Requirements: \$200,000

Proposed Initiatives:

- Build a flexible tool box for each department and facility (brochures, videos*, brand standards, logos, etc.) - \$200,000
 - Foster better communications with other RSCVA departments
 - Integrate Tourism Sales team to align with brand messaging and target markets. Dotted line of reporting to the Executive Director of Marketing.
- *Cost for new sales video to be allocated out of Sales department budget.

APPENDIX





RSCC REPAIR & MAINTENANCE BY FISCAL YEAR

FY15/16		
Item	Est. Cost	Justification
Re-roof North Hall	\$ 875,300	This roof is worn out. This was a 10 year roof installed in 1995.
Risers	\$ 400,000	2,000 Risers, to accommodate future business without needing to rent
Technology Upgrades	\$ 200,000	Total project estimated to cost \$1.5 mil, this is first allocation towards project
Slurry seal and strip Parking Lot "A", "B", "C"	\$ 150,000	It has been over 5 years since this was completed
Interior Design	\$ 50,000	Hire a consultant to advise on carpet, paint, seating, etc.
Total		\$ 1,675,300 – Fully Funded in FY15/16
FY16/17		
Item	Est. Cost	Justification
Re-roof Upper "A" Meeting Rooms	\$ 400,000	Original roof, installed in 1998 and is worn out
Replacing outdated cameras	\$ 50,000	This is to replace the send half of analog cameras (20 total) with IP cameras.
Replace "A" Concourse & Main Lobby carpet	\$ 150,000	Original carpet installed in 2002, showing age after 13 years
Replace Mt Rose Lobby, D& E Concourse Carpet	\$ 185,000	Original carpet installed in 2002, showing age after 13 years
Power Installation for Technology Upgrades	\$ 135,000	Extra power needed for core gear to expand technology bandwidth
Technology Upgrades	\$ 185,000	To continue upgrading technology throughout
Replace Concourse "B" & "C" Carpet	\$ 150,000	Original carpet installed in 2002, showing age after 13 years
Replace Domestic hot water tanks	\$ 45,000	These tanks are 25 years old. Life cycle is 20 years
Outside Lighting Retro	\$ 200,000	Aging non-energy efficient fixtures may get power company participation
Total		\$ 1,500,000 – Proposed for the FY16/17 Budget to be approved May 18
FY17/18		
Item	Est. Cost	Justification
Re-roof East Hall & Office roof	\$1,100,000	Original roof installed in 1991. Warranty was for 15 years. critical
Technology upgrades	\$ 400,000	critical
Total		\$ 1,500,000



FY18/19		
Item	Est. Cost	Justification
Leviton lighting controls	\$ 330,000	This system runs on Windows XP and Internet Explorer 6 which has been outdated since 2010. There are also several hardware components that are no longer available i.e., DMX panels. critical
Repaint the signature structure of building on the Virginia St side of RSCC.	\$ 300,000	The blue paint on our west side of the building has turned to a gray color. Nice to have
Interior furniture/seating	\$ 179,000	Nice to have
Engineering Pick-up Truck	\$ 30,000	Replace the 1987 GMC. Critical
Technology upgrades	\$ 465,000	critical
Rollup #12 door	\$ 25,000	Original door, installed in 1965 and is worn out. Critical
Frequency Drives on Chiller Pumps	\$ 61,000	Energy efficiency upgrade with 5 year payback. Nice to have
Halls 4&5 floor expansion joint repaired	\$ 25,000	The joints are starting to spall and the epoxy has dried out and failed. Critical
Total		\$ 1,500,000
FY19/20		
Item	Est. Cost	Justification
New Facilities truck	\$30,000	This 2001 Chevy has been used for plowing and is showing its age. critical
Inventory replacement red chairs	\$298,000	This is to replace damaged or missing red chairs in our inventory. critical
F Meeting Room Air Walls	\$270,000	Walls installed in 1972 tracks and panels are in bad shape and not dependable. critical
800 ton Chiller w/freq drive	\$600,000	Oldest least efficient chiller operating at 60% of capacity. critical
800 ton Chiller Controls	\$ 30,000	Oldest least efficient chiller operating at 60% of capacity. critical
AMR air wall replace/rebuild	\$252,000	1974 airwalls & tracks often jam and need bandaaid repair & they look terrible. critical
UPS Batteries	\$20,000	Past end of life cycle (life safety emergency backup). critical
Total		\$ 1,500,000
FY20/21		
Item	Est. Cost	Justification
F Meeting Room remodel	\$800,000	Upgrade out dated décor. Nice to have



Hall 4 & 5 Quick release Lighting Fixtures	\$ 50,000	Save an hour per fixture in servicing high bay lighting. Nice to have
Replace Air Handler Motors in Hall 1	\$15,000	Motors beyond normal life. critical
Replace Condenser pump motors	\$23,000	Life cycle reached on heavily used motors. critical
Replace Hall 3 Roof	\$561,000	End of life cycle for 15 year old EP Roof. Critical
Replace One Advance Scrubber	\$35,000	Life cycle reached on heavily used floor scrubber. critical
Replace 2 AV Dept. Taylor Dunn electric cart	\$16,000	Life cycle reached on building burden carrying equipment. critical
Total		\$ 1,500,000
ITEMS REQUIRED FOR NEW GROWTH		
Item	Est. Cost	Justification
Portable Bleachers	\$400,000	Second half of the portable bleachers needed – 2,000 person seating
Creative Capital	\$2,500,000	Upgraded furniture, local art, open space learning



RSLEC REPAIR & MAINTENANCE BY FISCAL YEAR

FY15/16		
Item	Est. Cost	Justification
Armory yard building demolition	\$12,511	Remove dilapidated building to create usable space for events.
Fence replacement around armory yard	\$11,287	Replace fence; no longer able to withstand use as barrier. critical
Asphalt Replacement - Phase 1 (Exhibit Hall, Dempsey Building, Grandstand 3)	\$217,625	(\$2 per sq. ft.) Damaged, dangerous asphalt in need of replacement.
Demolish Steps (east Main Arena)	\$28,300	Remove unsafe steps.
Total		\$269,723
FY16/17		
Item	Est. Cost	Justification
New barn/stalls	\$1,400,000	To retain existing and acquire new business (\$700,000 in FY16-17 Budget)
Total		\$700,000
FY17/18		
Item	Est. Cost	Justification
Asphalt Replacement - Phase 2 (Stalls area)	\$100,000	Damaged, dangerous asphalt around permanent barns - high equestrian/foot traffic
New multi-purpose barn	\$400,000	New barn based on client input/request.
Total		\$500,000
FY18/19		
Item	Est. Cost	Justification
Asphalt Replacement - Phase 3 (East Parking Lot)	\$145,000	Damaged, dangerous asphalt parking lot-high equestrian/foot traffic areas
Video Screen/Scoreboard	\$400,000	Replace outdated unit, unable to secure repair parts. Provide updated technology.
Total		\$545,000
FY19/20		
Item	Est. Cost	Justification
HVAC units, Main Arena (26 total)	\$500,000	Aged, inefficient and outdated equipment. Unable to secure repair parts
Total		\$500,000
FY20/21		
Item	Est. Cost	Justification
Asphalt Replacement - Phase 4 (North parking lot)	\$395,000	Damaged asphalt-high pedestrian traffic area
Restroom Renovations: 1) Main Arena East end and 2) Main Arena West end.	\$125,000	1) Five (5) @ \$25,000 each; 2) Two (2) @ \$50,000 each. Outdated and aged fixtures, flooring and countertops
Total		\$520,000
ITEMS REQUIRED FOR NEW GROWTH		
Item	Est. Cost	Justification
Second Arena	\$2,500,000	Requested by Snaffle Bit
Second New Barn	\$1,500,000	Added capacity for stalls
Solid Floor	TBD	To allow for sporting events requiring a solid floor
Expanded Parking	~\$7,000,000	Required of the other items are built due to limited parking

RSLEC MASTER SITE PLAN



- 1 MAIN ARENA
- 2 RODEO ARENA
- 3 EXHIBIT HALL
- 4 ADMINISTRATION
- 5 LIVESTOCK PAVILION
200' x 200' x 10' - 200' x 100' x 10' - 100' x 100' x 10'
- 6 CUTTING ARENA
200' x 100' x 10' - 100' x 100' x 10'
- 7 OPEN BARN
200' x 100' x 10' - 100' x 100' x 10'
- 8 RV PARKING
- 9 INDIVIDUAL BARNS
200' x 100' x 10' - 100' x 100' x 10'
- 10 OFFICES
- 11 SHOWER/RESTROOMS
- 12 RODEO OFFICE

PROPOSED NEW FACILITIES

- A** COVERED STAGING AREA
50' x 10' x 10' x 10'
- B** MULTI-USE COVERED AREA
20' x 40' x 20' x 40' 10' x 10' x 10' x 10'
- C** EXPANDED CUTTING ARENA
20' x 40' x 20' x 40' 10' x 10' x 10' x 10'
- D** EXPANDED MULTI-USE COVERED AREA
20' x 40' x 20' x 40' 10' x 10' x 10' x 10'
- E** FULLY COVERED BARN
50' x 10' x 10' x 10' 10' x 10' x 10' x 10'
- F** WASHRACK EXPANSION
- G** PROMENADE





\$2 CAPITAL PROJECTS SURCHARGE

City of Reno						
\$2 Capital Projects Surcharge - Account Projections						
As Of April 1, 2016						
Month- Calendar Year	Estimated Expenditures				Estimated Surcharge Revenue	Estimated Balance
	Description	Events Center	National Bowling Stadium	Total		
Balance As Of April 1, 2016				-		2,876,258
Mar-16				-	268,000	3,144,258
Apr-16	REC-Rigging Grid System	(296,802)		(296,802)	148,000	2,995,456
May-16	REC-Hockey Analysis	(15,000)		(15,000)	156,000	3,136,456
Jun-16	Captial Contingency		(250,000)	(250,000)	176,000	3,062,456
Jul-16	NBS-4th Floor Remodel- Design***		(4,640)	(4,640)	184,000	3,241,816
Aug-16	REC-Security System	(15,000)		(15,000)	207,000	3,433,816
Sep-16				-	194,000	3,627,816
Oct-16				-	179,000	3,806,816
Nov-16				-	175,000	3,981,816
Dec-16				-	114,000	4,095,816
Jan-17				-	134,000	4,229,816
Feb-17	NBS-HVAC Repair		(3,000,000)	(3,000,000)	134,000	1,363,816
Mar-17				-	148,000	1,511,816
Apr-17				-	148,000	1,659,816
May-17				-	156,000	1,815,816
Jun-17	Captial Contingency		(250,000)	(250,000)	176,000	1,741,816
Jul-17				-	184,000	1,925,816
Aug-17				-	207,000	2,132,816
Sep-17	NBS-HVAC Controls		(300,000)	(300,000)	194,000	2,026,816
Oct-17				-	179,000	2,205,816
Nov-17				-	175,000	2,380,816
Dec-17				-	114,000	2,494,816



Strategic Plan

Jan-18				-	134,000	2,628,816
Feb-18				-	134,000	2,762,816
Mar-18				-	148,000	2,910,816
Apr-18				-	148,000	3,058,816
May-18				-	156,000	3,214,816
Jun-18	Capitla Contingency		(250,000)	(250,000)	176,000	3,140,816
Jul-18				-	184,000	3,324,816
Aug-18				-	207,000	3,531,816
Sep-18				-	194,000	3,725,816
Oct-18				-	179,000	3,904,816
Nov-18				-	175,000	4,079,816
Dec-18				-	114,000	4,193,816
Jan-19				-	134,000	4,327,816
Feb-19				-	134,000	4,461,816
Mar-19				-	148,000	4,609,816
Apr-19	NBS-4th Floor Remodel***		(5,000,000)	(5,000,000)	148,000	(242,184)
May-19				-	156,000	(86,184)
Jun-19	Capitla Contingency		(250,000)	(250,000)	176,000	(160,184)
Jul-19				-	184,000	23,816
Aug-19				-	207,000	230,816
Sep-19	NBS-Fire Alarm System		(300,000)	(300,000)	194,000	124,816
Oct-19	NBS-Door System		(25,000)	(25,000)	179,000	278,816
Nov-19				-	175,000	453,816
Dec-19	NBS-FFE		(400,000)	(400,000)	114,000	167,816
Jan-20				-	134,000	301,816
Feb-20				-	134,000	435,816
Mar-20				-	148,000	583,816
Apr-20				-	148,000	731,816
May-20				-	156,000	887,816
Jun-20	Capital Contingency		(250,000)	(250,000)	176,000	813,816



Jul-20				-	184,000	997,816
Aug-20				-	207,000	1,204,816
Sep-20				-	194,000	1,398,816
Oct-20				-	179,000	1,577,816
Nov-20				-	175,000	1,752,816
Dec-20				-	114,000	1,866,816
Jan-21				-	134,000	2,000,816
Feb-21				-	134,000	2,134,816
Mar-21				-	148,000	2,282,816
Apr-21				-	148,000	2,430,816
May-21				-	156,000	2,586,816
Jun-21	Capital Contingency		(250,000)	(250,000)	176,000	2,512,816
Jul-21				-	184,000	2,696,816
Aug-21	Refurbish Exterior***		(3,000,000)	(3,000,000)	207,000	(96,184)
Sep-21				-	194,000	97,816
Oct-21				-	179,000	276,816
Nov-21				-	175,000	451,816
Dec-21				-	114,000	565,816
*Surcharge Revenue is flat based upon FY2015.						
**Other Capital is a contingency of \$250,000 per fiscal year, and is unidentified expenditures.						
***Required task pursuant to USBC Contract.						



BOWLING EVENT BREAK-EVEN ANALYSIS

* Brackets is an additional revenue opportunity
 **These positions indirectly work the event as well as cover other duties of the NBS/REC while they are here during the event.

Position	Party	Cost	Tournament Variable:	Cost	Sweeper	Cost	4 hour duration 50 person minimum	Cost	4 hour duration 75-100 person event	Cost	Hourly pay rate
Event Manager	4 hour duration Minimum 100 people										
	1	\$ 114.40	1	\$ 114.40	1	\$ 91.52	1	\$ 114.40	1	\$ 137.28	\$17.60
Control Desk Clerk	1	\$ 69.35	1	\$ 69.35	1	\$ 55.48	N/A		1	\$ 83.24	\$12.06
Score Monitor	1 for every 50 bowlers	\$ 94.88	1 for every 50 bowlers	\$ 94.88	1 for every 50 bowlers	\$ 75.90	N/A		1	\$ 56.93	\$9.25
Bracket Entry Operator Standings	N/A		1	\$ 94.88	1	\$ 75.90	N/A				\$12.06
Bracket Entry Operator Brackets* (if used)	N/A		1	\$ 126.82	N/A		N/A				\$12.06
Mechanic	1	\$ 126.82	1	\$ 126.82	1	\$ 101.45	N/A				\$19.54
Pitcher	1 for every 40 lanes	\$ 53.42	1 for every 40 lanes	\$ 53.42	1 for every 40 lanes	\$ 42.73	1	\$ 53.42	1	\$ 64.10	\$9.29
A/V	1	\$ 81.36	1	\$ 81.36	1	\$ 65.09	N/A				\$14.35
Facility Worker**	2		2		2		1		1		
Engineer**	1		1		1		1		1		
Security**	1		1		1		1		1		
Total Costs		\$ 540.22		\$ 635.09		\$ 508.07		\$ 167.82		\$ 341.52	
Per Person Revenue	\$20	\$ 2,000	\$10	\$ 1,000	\$10	\$ 1,000	\$30	\$ 1,500	\$30	\$ 2,250	
Net		\$ 1,459.79		\$ 364.93		\$ 491.93		\$ 1,332.18		\$ 1,908.48	