



SOUTHERN NEVADA _____
Tourism Infrastructure Committee

Las Vegas Stadium Project

Senate Bill 1 Summary



If UNLV does not raise the necessary private funds within the required timeframe, all unused revenue collected under the incremental room tax increase would be transferred to the Las Vegas Convention and Visitors Authority to repay bonds used to fund the expansion and renovation of the Las Vegas Convention Center, and the room tax increase would expire.

Recommendation 2

Based on these findings, the SNTIC recommends that the Nevada State Legislature increase the transient lodging tax in Clark County to generate \$750 million in public funding toward construction of a 65,000-seat, NFL-ready domed stadium through a public-private partnership. Under this proposal, a stadium authority would be created to govern the publicly owned facility and land, and the lodging tax would increase by 0.88 percentage points within the primary resort corridor and 0.5 percentage points for all other areas within the stadium district.

If an NFL team does not commit to relocate to Southern Nevada within 18 months, the University of Nevada, Las Vegas would have 24 months to secure \$200 million in private funding toward construction of a 40,000-seat collegiate football stadium. Under the collegiate stadium proposal, the lodging tax would be reduced to 0.375 percentage points within the primary resort corridor and 0.25 percentage points for all other areas within the stadium district, and a campus improvement authority would be created to govern the publicly owned facility and land. Any unused revenues collected by the stadium authority would be transferred to the campus improvement authority for construction of a collegiate stadium with incremental lodging tax revenue funding bonds for construction of the project.

Police Protection in the Resort Corridor

Responsibility for maintaining public safety within the resort corridor lies with the Las Vegas Metropolitan Police Department, which has primary law enforcement duties in the City of Las Vegas and unincorporated Clark County. For many years, department leaders have sought alternative funding sources to increase officer staffing throughout the agency's jurisdiction and within the resort corridor. At present, the Metropolitan Police Department deploys 1.8 officers per 1,000 residents, well below the national ratio of 2.2 officer per 1,000 residents. This ratio does not include the nearly 43 million annual visitors who swell the population by more than 300,000 on a typical day.

During testimony before the SNTIC, Clark County Sheriff Joseph Lombardo said visitors along the Las Vegas Strip and in Downtown Las Vegas account for about 9 percent of his agency's calls for service, and as visitation grows, so do the demands on his department and the officers patrolling the resort corridor. The Metropolitan Police Department does not have a dedicated funding source to support officers deployed within the resort corridor, so during the busy summer months, Sheriff Lombardo testified that he must solicit private donations from resort hotels to fund the Safe Strip program to boost police presence along Las Vegas Boulevard.

“[T]he SNTIC recommends that the Nevada State Legislature increase the transient lodging tax in Clark County to generate \$750 million in public funding toward construction of a 65,000-seat, NFL-ready domed stadium through a public-private partnership. Under this proposal, a stadium authority would be created to govern the publicly owned facility and land, and the lodging tax would increase by 0.88 percentage points within the primary resort corridor and 0.5 percentage points for all other areas within the stadium district.”

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Key Considerations

- 1 How the Proposal Works
- 2 Public Oversight, Structure and Responsibilities
- 3 Contributions of and Benefits to Each Party
- 4 Funding Recommendation
- 5 Transportation and Other Stadium-Related Infrastructure
- 6 Risks and Mitigations



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Proposal Summary

NFL Stadium

- Increase room tax in Clark County by 0.88 percent in resort corridor and 0.5 percent for rest of stadium district
- Fund \$750 million public contribution for NFL stadium construction
- Create stadium authority to own and oversee public stadium

UNLV Collegiate Stadium

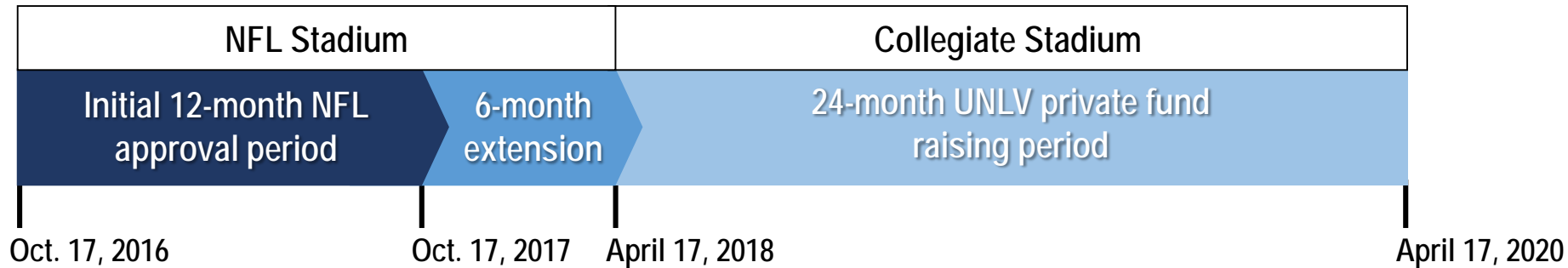
- If no NFL relocation agreement, reduce room tax in Clark County to 0.375 percent in resort corridor and 0.25 percent for rest of stadium district
- Fund up to \$300 million contribution for collegiate stadium construction, if UNLV raises \$200 million in private funds for the project
- Create campus improvement authority to own and oversee public stadium

Las Vegas Convention Center Bond Repayment

- If UNLV does not raise required private funds within 24 months, unused room tax revenue used to repay bonds for Las Vegas Convention Center expansion and renovation project
- Room tax increase expires



Las Vegas Stadium Timeline

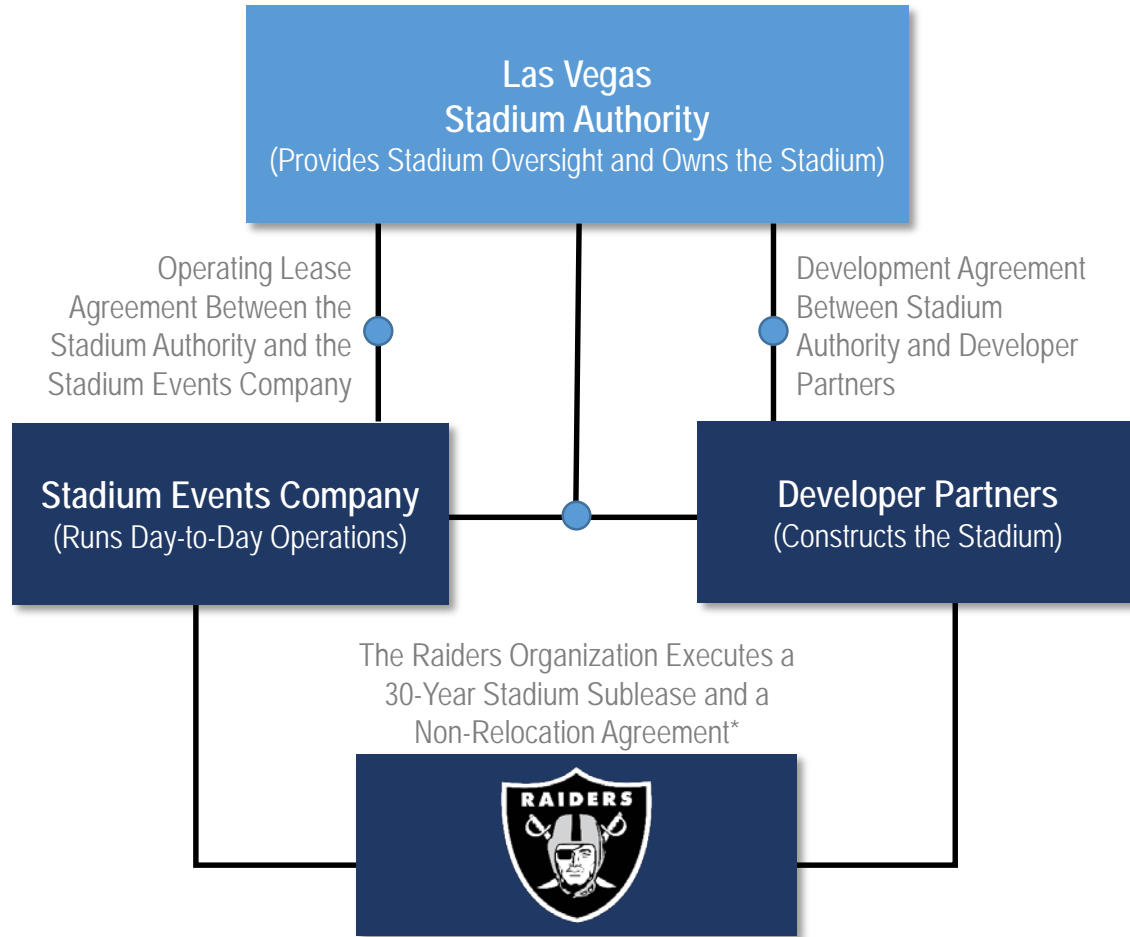


- Developer must secure approval from NFL and contract with Oakland Raiders to relocate team to Las Vegas within 12 months of Governor signing into law
- A one-time six-month extension may be approved by Stadium Authority Board
- If no relocation agreement is reached within the 18-month window, collected and future room tax revenues are redirected to UNLV collegiate stadium project
- UNLV has 24 months to raise \$200 million in private funds for collegiate stadium project to move forward



General Structure of the NFL Stadium Recommendation

Parties Involved in the Deal

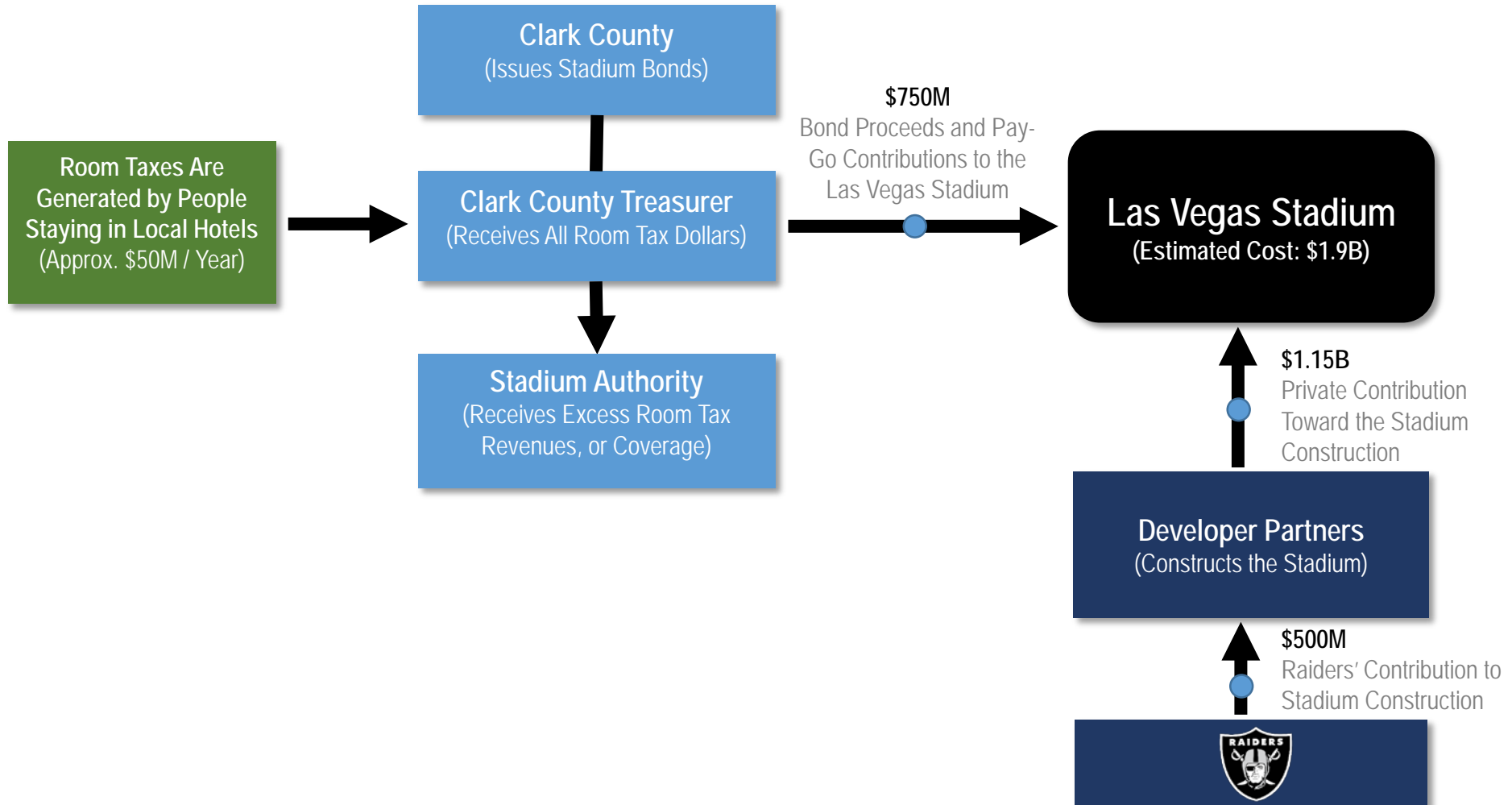


*Note: A non-relocation agreement will also be required by the National Football League.



General Structure of the NFL Stadium Recommendation

How the Stadium Project is Funded



General Structure of the NFL Stadium Recommendation

Excess Room Tax Revenue Usage (Coverage Waterfall)

Stadium Authority Use of Funds After Principal and Interest on Stadium Bonds

1. Operating budget for the stadium authority of about \$2 million per year
2. In the case of a breach of contract by the developer or operator, funds may be used to make up any funding gap in the stadium's operating budget
3. Contribution to a reserve fund of \$9 million per year up to two times annual debt service
4. Payment to UNLV for demonstrated losses based on the closure of Sam Boyd Stadium, up to \$3.5 million per year for up to 10 years
5. Contribution to a capital fund for the stadium of about \$5 million per year
6. Any residual funds can be used for early debt retirement, additional capital improvements or for needed infrastructure improvement on or around the stadium



UNLV Payment from Waterfall Revenue

Sam Boyd Stadium
Owned and Operated
by UNLV



Las Vegas Stadium
Operated by Private
Developer

- Hosts Numerous Non-UNLV Football Events (Rugby Sevens, Las Vegas Bowl, Motocross, etc.)
- These Events Generate \$3.5 Million in Net Annual Revenue for UNLV Athletic Department
- Sam Boyd Stadium Closes and All Events Move to New Stadium
- Closure Creates \$3.5 Million Budget Deficit for UNLV
- UNLV Football Revenues are Expected to Improve in New Stadium

Waterfall Revenue Payment to UNLV

- Replaces Revenue Lost from Closure of Sam Boyd Stadium
- Annual Payments Up to \$3.5 Million
- Annual Payments Up to 10 Years
- Payments Would Be Reduced Proportionally to Increases in UNLV Football Revenues

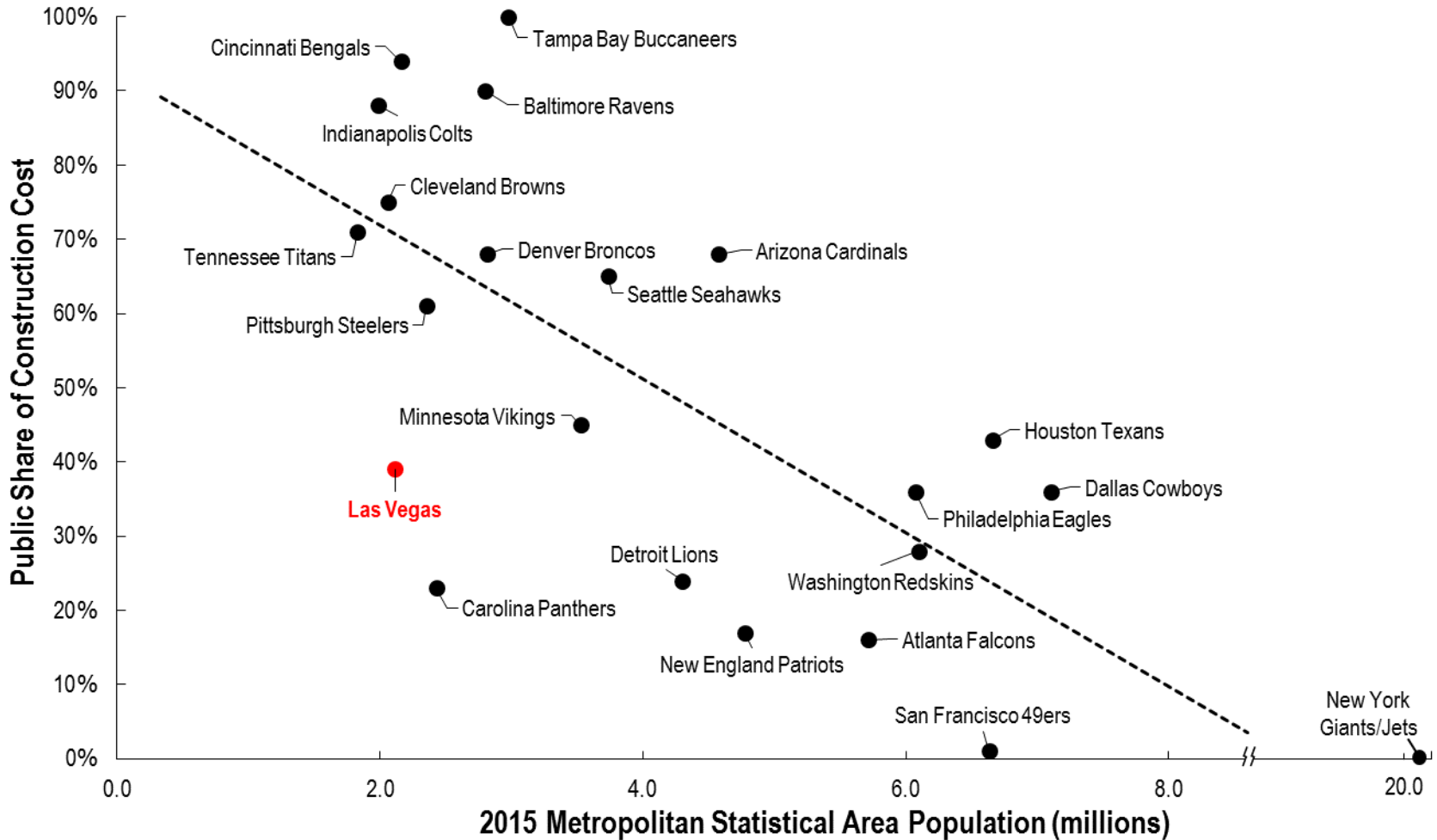


NFL Stadium Artist's Rendering



Stadium Funding Comparison

Public Share of NFL Stadium Costs and MSA Population



Note: List includes only new stadiums built since 1996; San Francisco MSA and San Jose MSA combined for 49ers population

Sources: CSL, Census Bureau



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NFL Stadium, Stadium Authority Board

Nine Board Members
Appointed By



Nevada
Governor

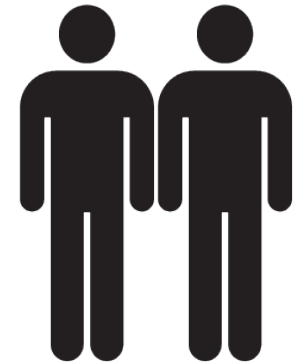
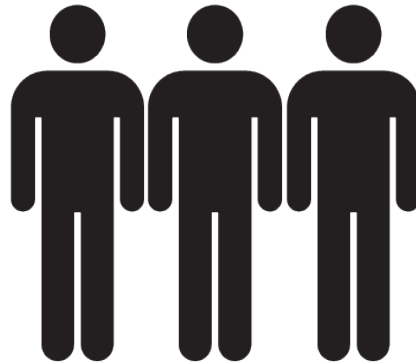
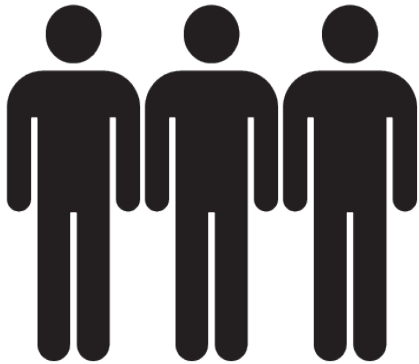


Clark County
Commission

UNLV

University of
Nevada, Las Vegas

Public At-Large
Members Appointed by
First Seven Members



Board Includes Clark County Treasurer as Nonvoting, Ex Officio Member



Stadium Authority Roles and Responsibilities

- Public Body Subject to State Open Meeting Law and All Other Applicable Laws Governing Public Agencies
- Owns and Oversees Stadium and Land
- Must Approve Stadium Location and Development Plan
- Must Approve Stadium Operating Agreement
- Manages Coverage Waterfall Revenue Distribution
- Manages Stadium Capital Improvement Fund and Related Expenditures



Collegiate Stadium, Campus Improvement Authority

Nine Board Members Appointed By



Nevada
Governor



Nevada
Board of Regents

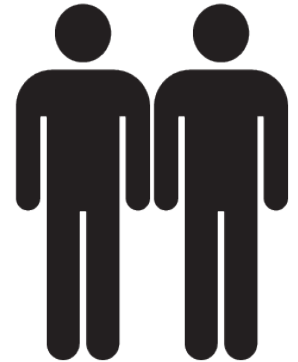
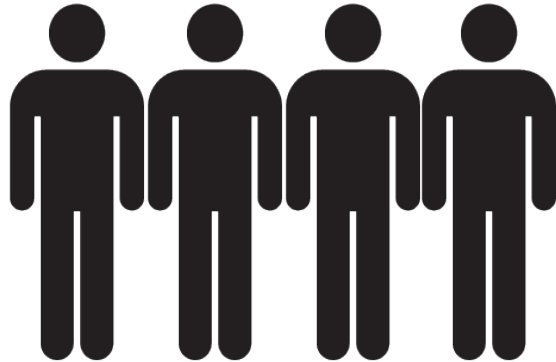


Clark County
Commission



Las Vegas
Convention and
Visitors Authority

Public At-Large
Members Appointed by
First Seven Members



Board Includes Clark County Treasurer as Nonvoting, Ex Officio Member

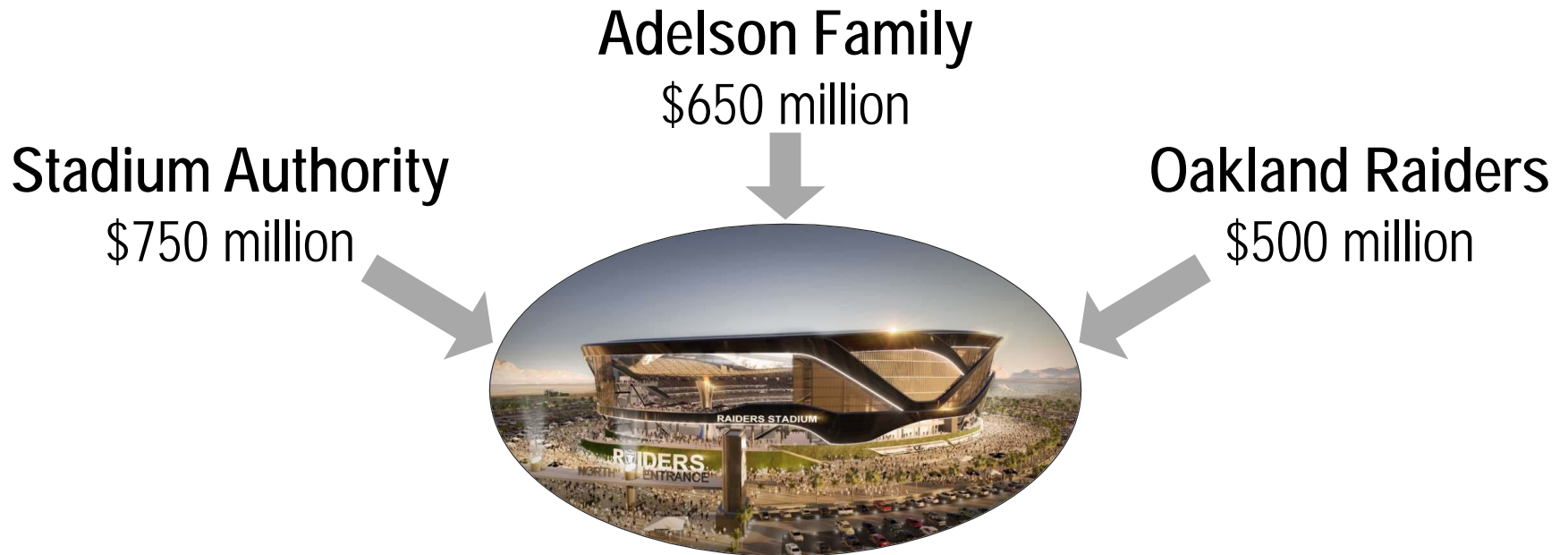


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Contributions by Each Entity



Project Cost Breakdown	Amount
Construction Costs	\$1.325 billion
Land, Infrastructure and Site Costs	\$375 million
Practice Facility	\$100 million
Contingency	\$100 million
Estimated Total Cost	\$1.9 billion



Stadium Operating Pro Forma: 30, 46 and 62 Event Scenarios

	Low Scenario	Base Case	High Scenario
Stadium Programming			
<u>Event Summary</u>			
Number of Events	30	46	62
Total Attendance	1,380,310	1,971,140	2,610,294
Stadium Revenues			
<u>Event Revenue</u>			
Facility Use Revenues	\$9.7	\$14.8	\$20.6
Suite Revenues	\$4.4	\$7.4	\$11.1
Concession Revenue	\$3.3	\$6.8	\$11.1
Merchandise Revenue	\$0.6	\$1.1	\$1.7
Parking Revenue	<u>\$0.9</u>	<u>\$1.9</u>	<u>\$3.0</u>
Total Event Revenue	\$18.9	\$32.0	\$47.5
<u>Non-Event Revenue</u>			
Naming Rights	\$1.7	\$1.9	\$2.1
Catered Events	\$0.3	\$0.3	\$0.4
Advertising and Sponsorship	\$5.9	\$6.5	\$7.2
Stadium Tours	<u>\$1.7</u>	<u>\$1.8</u>	<u>\$2.0</u>
Total Non-Event Revenue	\$9.6	\$10.5	\$11.7
Total Revenues	\$28.5	\$42.5	\$59.2
Stadium Operating Expenditures	\$19.2	\$22.1	\$25.3
Net Operating Income	\$9.3	\$20.4	\$33.9
Private Sector Investment	\$650.0	\$650.0	\$650.0
Annual Return on Investment	1.4%	3.1%	5.2%



Benefits to the Stadium Authority (Public)

- New Economic Activity, Jobs and Income for Working Families
- Additional Tax Dollars for Education, and State and Local Governments
- Publicly-Owned Stadium
- Nevada Gets an NFL Team
- UNLV Football Gets a New Home Field and a Key Component for Future Move to Power Five Conference
- New and Expanded Events, Such as the Super Bowl, Concerts and International Soccer Matches
- Filled Hotel Rooms



Stadium Events Summary

A new state-of-the-art domed stadium would enable Las Vegas to host a variety of new entertainment and sporting events throughout the year, including:

- Neutral site college football games
- College football bowl games
- NFL games
- Super Bowls
- Stadium concerts
- International soccer matches

Event Type	Events
NFL	10
UNLV	6
Soccer	2
Concerts	2
Rugby	4
Bowl Games	2
Corporate/Public Shows	10
Neutral Site CFB Game	2
Signature Events	2
Motorsports	3
Combative Events	1
Major Non-Recurring	2
Total Annual Events	46



Economic and Fiscal Benefits of the NFL Stadium

Economic Impacts Summary

\$620 million Annual Economic Impact	450,000 New Annual Visitors	708,000 Additional Room Nights
18,700 Construction Jobs	6,000 Permanent Jobs	\$38,500 Avg. Wage of New Jobs

Fiscal Impacts Summary

\$12.5 million State General Fund Revenue	\$22.5 million Local Government Revenue
\$35.0 million Total New Governmental Revenue	\$13.4 million New Education Revenue (State and Local)



Incremental Stadium Visitors

Start with Estimated Stadium Attendance
(using per-event estimates)

Calculate Visitors in Attendance
(42 percent of attendees using per-event estimates)

Calculate Incremental Visitors
(65 percent of visitors with downward adjustments
for existing Sam Boyd Stadium events)

1,971,000
annual stadium attendance



818,000
all visitors in attendance



451,000
incremental visitors

Incremental visitors are those who would not have traveled to Las Vegas if not for a special event. The estimated 65 percent of incremental stadium visitors aligns with results from recently surveyed events, including special events such as rodeo, motorsports, mixed-martial arts, football games and music events.



Stadium Activity Impacts

Stadium Economic Activity
Residents and Visitors
\$263,605,289

Total Attendance	1,971,000
Economic Output	\$1.18 Billion
Jobs	11,737
Wages & Salary	\$431 Million
Total Taxes	\$58.8 Million

Stadium Economic Activity
Visitors Only
\$131,781,166

Total Visitors	818,000
Economic Output	\$966 Million
Jobs	9,514
Wages & Salary	\$358 Million
Total Taxes	\$52.4 Million

Stadium Economic Activity
Incremental Visitors Only
\$72,733,563

Incremental Visitors	451,000
Economic Output	\$620 Million
Jobs	5,982
Wages & Salary	\$231 Million
Total Taxes	\$35.0 Million



Annual Fiscal Impact by Tax Type

Incremental stadium visitors will generate an estimated \$35.0 million in annual state and local tax revenue through a variety of sources. This figure likely underestimates total tax revenues because the model does not include other taxes such as the Modified Business Tax and the Commerce Tax.

Tax Type	Annual Revenue
Sales Tax	\$11.2 million
Room Tax	\$13.7 million
Live Entertainment Tax	\$3.8 million
Gaming Tax	\$4.3 million
Various Transportation	\$2.0 million
Total	\$35.0 million

Note: Transportation taxes include levies on rental cars, taxicab trips and transportation network company rides.



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NFL Stadium Public Funding Recommendation

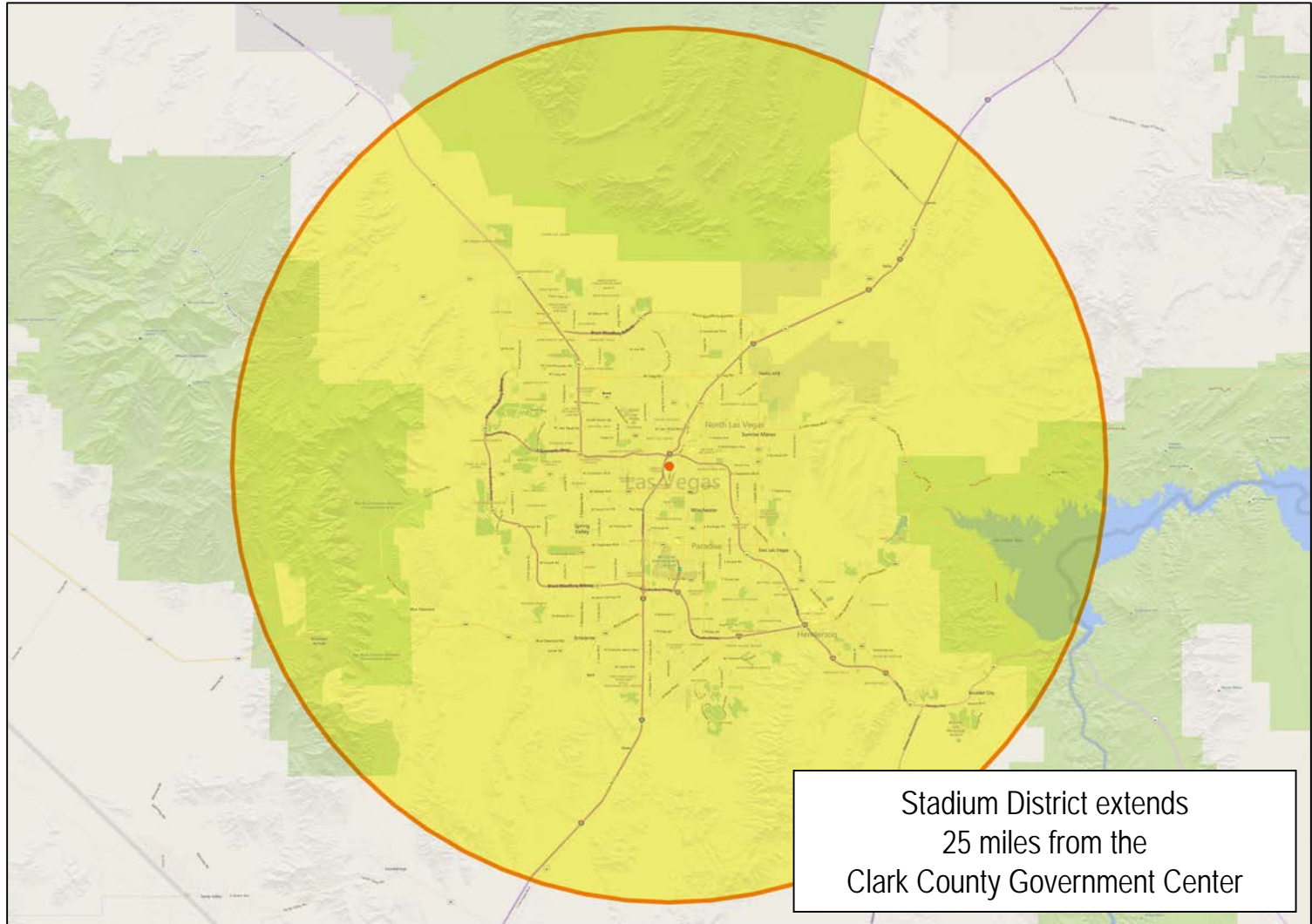
Room Tax Rate Increase

Area	Amount
Resort Corridor	0.88%
Outside Resort Corridor	0.50%
Outlying Areas (25 miles)	0.00%

- Funds up to \$750 million public contribution to NFL stadium project construction
- Tax rates become effective within not more than 4 months of passage and approval
- Funds used for both pay-go and bond repayment
- Revenue exceeds required coverage ratio of 1.5x



Stadium District Boundary



Collegiate Stadium Public Funding Recommendation

Room Tax Rate Increase

Area	Amount
Resort Corridor	0.375%
Outside Resort Corridor	0.250%
Outlying Areas (25 miles)	0.000%

- Funds up to \$300 million contribution for UNLV collegiate stadium construction
- Tax rates become effective if NFL relocation period ends without agreement
- Funds used for both pay-go and bond repayment
- Bonds require 1.5x coverage



City Room Tax Comparison

Las Vegas has one of the lowest room tax rates among the nation's top tourism destinations

City	Lodging Tax
Chicago	17.39%
Houston	17.00%
Anaheim	17.00%
Philadelphia	16.50%
San Francisco	16.25%
Atlanta	16.00%
Los Angeles	15.50%
New York	14.76%
Washington, D.C.	14.50%
New Orleans	13.00%
Miami	13.00%
Orlando	12.50%
San Diego	12.50%
Las Vegas	12.00%

Las Vegas Room Tax Rate
with Convention Center and
Stadium Projects
13.38%

Note: Rates include sales tax where applicable.



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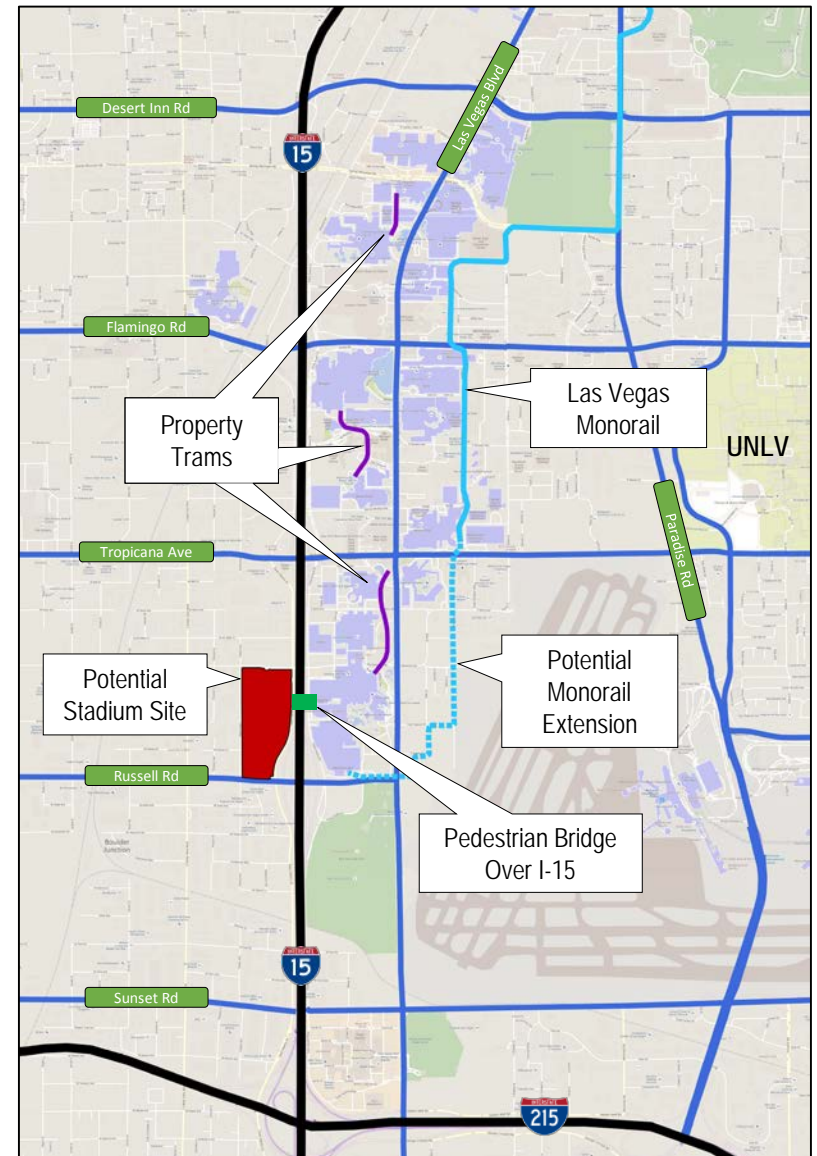


Transportation Infrastructure

An estimated 42 percent of stadium event attendees will be visitors who will be able to take advantage of transportation options along the resort corridor, including:

- Taxis
- Ride Hailing Services (Uber, Lyft, etc.)
- Las Vegas Monorail
- Property Trams
- Walking

NOTE: The developers are required to pay for added infrastructure costs that result from the construction and operations of the stadium.



Land Use Application Processing

30.16.070 **Special Use Permits.** Applications for special use permits shall be processed per Table 30.16-4. *NOTE: ADDITIONAL REQUIREMENTS ARE ESTABLISHED IN SECTIONS 30.16.210 AND 30.16.240.*

Table 30.16-4 SPECIAL USE PERMIT - AUTHORITY AND CONSIDERATION TABLE SEE ALSO 30.16.210 for general process information and standards	
a. Initiating Authority	Board, public utility, property owner or leaseholder
b. Standards for Acceptance	<ol style="list-style-type: none"> 1. Applications to expand the Gaming Enterprise District shall not be accepted unless in compliance with Chapter 30.48, Part E. 2. Applications for a special use, or for increased density, intensity, or height within any overlay district are also subject to the additional requirements and restrictions established in Chapter 30.48. (see respective Part). 3. Applications for the following (A-F) shall not be accepted prior to a pre-submittal conference which shall include plans as required pursuant to the Chapter (if applicable) noted and/or as determined by the Zoning Administrator: <ol style="list-style-type: none"> A. uses involving hazardous chemicals, explosives, materials or wastes in amounts regulated by NRS and NAC (determination of pertinent requirements for the proposed use) B. planned unit development (PUD) (see Chapter 30.24) C. mixed use development (see Chapter 30.48 Part J) D. high impact project E. neighborhood casinos F. resort hotel 4. FAA and other additional requirements and standards are established in 30.16.210. 5. Applications to establish package wastewater treatment plants shall demonstrate compliance with Clark County Code, Chapter 24.28, prior to submittal and acceptance. 6. Applications to establish supportive housing shall not be accepted without written verification from a competent professional that the project complies with all applicable HUD requirements for supportive housing. 7. High impact projects: submit initial RISE (regional infrastructure and service evaluation) reports with the pre-submittal filing package. Applicant cannot submit the special use permit until receipt of a letter from the Director of Comprehensive Planning accepting the final RISE reports as sufficient for consideration by the Board of County Commissioners. 8. Applications for Medical Marijuana Establishments shall not be accepted without written verification from the Business License Department that the Medical Marijuana Establishment business owner has submitted the required forms and documents to the Business License Department to conduct a review for the proposed use. 9. Applications for Dispensaries shall not be accepted if the maximum number of Dispensaries permitted by NRS Chapter 453A have been approved by the Board and remain active. 10. Each Medical Marijuana Establishment requires a separate application per 30.16.210 (4)(A).
c. Base Fee	\$325 - except as required below, plus sign fee if applicable \$450 - project of regional significance \$850 – high impact projects \$850 - alcohol as a principal use when not located within a Gaming Enterprise District \$850 - mixed use developments in any permitted district \$1,050 - hazardous materials \$5,000 - medical marijuana establishment \$10,000 - expansion of Gaming Enterprise District Add \$500 - pre-submittal conference fee if applicable

The Stadium will be Classified as a “High Impact Project” by the County

“High impact projects: submit initial RISE (regional infrastructure and service evaluation) reports with the pre-submittal filing package. Applicant cannot submit the special use permit until receipt of a letter from the Director of Comprehensive Planning accepting the final RISE reports as sufficient for consideration by the Board of County Commissioners.”



Sample Development Agreement

(v) Signal booster must be one hundred percent (100%) compatible with analog or digital modulations after installation without additional adjustment or modification.

(d) **Testing Procedures:**

(i) **Initial Tests.** LVMPD employees or its authorized designee will perform initial tests. An Occupancy Permit or Temporary Occupancy Permit shall not be issued to any structure if the Owner fails to comply with this Section or Section "4.02(c)" above; and

(ii) **Annual Tests.** LVMPD employees or its authorized designee in conjunction with inspection procedures will conduct annual tests.

(e) **Amplification Systems Allowed.** Buildings and structures which cannot support the required level of radio coverage shall be equipped with any of the following in order to achieve the required adequate radio coverage: (a) a radiating cable system; or (b) an internal multiple antenna system with FCC certificated bi-directional amplifiers as needed. If any part of the installed system or systems contains an electrically powered component, the system shall be capable of operating on an independent battery and/or generator system for a period of at least twelve (12) hours without external power input. The battery system shall automatically charge in the presence of an external power input.

(f) **Field Testing.** Police and fire personnel, after providing reasonable notice to the Owner or his representative, shall have the right to enter onto the Subject Property to conduct field testing to be certain that the required level of radio coverage is present. Owner shall allow access to the bi-directional amplifiers and other equipment if necessary to conduct such tests or to adjust or service the equipment in order to provide adequate radio coverage.

4.03 **Open Space.** The Owner shall allocate a minimum of twelve and eight tenths (12.8) acres of open space/trail pedestrian realms with plaza areas within the CityCenter Project for the purpose of Open Space. The Owner shall submit to the Director of the Clark County Parks and Recreation Department a parks and recreational facilities plan for the CityCenter Project that reflects green open space areas/ plaza areas in conjunction with the pedestrian realms and general recreation facilities. The Owner agrees to pay residential construction tax on all resort and hotel condominium units or any other residential unit as required by the Code.

4.04 **Master Transportation Study.** The Owner shall prepare and submit to the County and NDOT a Master Transportation Study acceptable to the County and NDOT for the Subject Property. The Master Transportation Study must be completed by the Owner and accepted by the County prior to County issuance of any grading or building permits except as specified in a separate phasing agreement entered into by the Owner and the County. The Owner agrees to construct at its sole cost and expense and dedicate to the County (or NDOT if applicable) at the Owner's sole expense, such roadway and traffic improvements identified in the Master Transportation Study as approved and accepted by the County and NDOT. If sufficient rights-of-way or government patent easements do not exist to permit construction of a mitigation measure, the Owner will be required to obtain the right-of-way necessary for the construction of that Improvement, or pay the County its acquisition cost of that right-of-way should the County elect to acquire the right-of-way.

The Master Transportation Study shall include an analysis of transit options including, but not limited to, the expected impact of the concentration of activities on the Citizens Area Transit system at the Subject Property, as well as the expected rider-ship generated by the development of the CityCenter Project. The Master Transportation Study shall address the benefit from mass transit. In addition, the Master Transportation Study shall as it pertains to the CityCenter Project include the development of traffic signal timing patterns for the Las Vegas Boulevard and Harmon Avenue corridors at a minimum, a simulation of the timing patterns both before and after the developments must be provided.

Master Transportation Study. The Owner shall prepare and submit to the County and NDOT a Master Transportation Study acceptable to the County and NDOT for the Subject Property...

The Owner agrees to construct at its sole cost and expense and dedicate to the County (or NDOT if applicable) at the Owner's sole expense, such roadway and traffic Improvements identified in the Master Transportation Study as approved and accepted by the County and NDOT...

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Key Deal Points from the Public Perspective

- The Oakland Raiders and the Adelson family will contribute up to \$1.15 billion toward the construction of a public stadium
- Any construction cost overruns are responsibility of private developers
- Any operating losses are responsibility of the private stadium operating company
- Developers are required to consider and contribute to required off-site infrastructure
- The Stadium Authority – a public body subject to the open meeting law – is required to approve the stadium’s location, development plan and operating agreement
- Annual reporting (including third-party audits) is required
- The NFL team will execute a non-relocation agreement and enter into a 30-year lease (same terms as the stadium bonds)
- Developer is required to fund first \$100 million of project costs (exclusive of land contributed to the project)
- County bonds require 1.5x coverage and include a reserve fund with as much as two years of annual debt payments
- A community benefits plan must be developed, and 15 percent of the stadium project must be subcontracted to small local businesses



What Happens if Room Tax Revenues Do Not Meet Expectations?

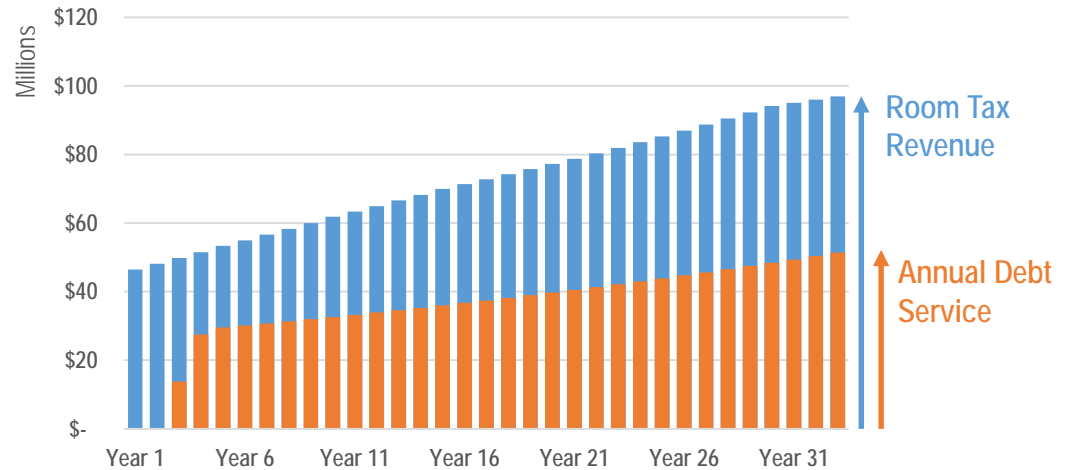
- First, any bonds issued by Clark County will require a minimum coverage ratio of 1.5x. This means if the annual debt service is \$30 million per year, room taxes have to be sufficient to generate \$45 million per year.
- Second, bond repayments are first in priority. This means that no other payments can take place before principal and interest are paid on the bonds.
- Third, the SNTIC recommendation includes a debt service reserve. To the extent revenues are available each year, \$9 million will be added to the reserve account up to a maximum of 2.0x annual debt service.
- Fourth, in the unlikely event that room tax falls below a coverage ratio of 1.0x and assuming that all funds in the debt service reserve are distributed, Clark County's general fund would be required to fund any shortfall.



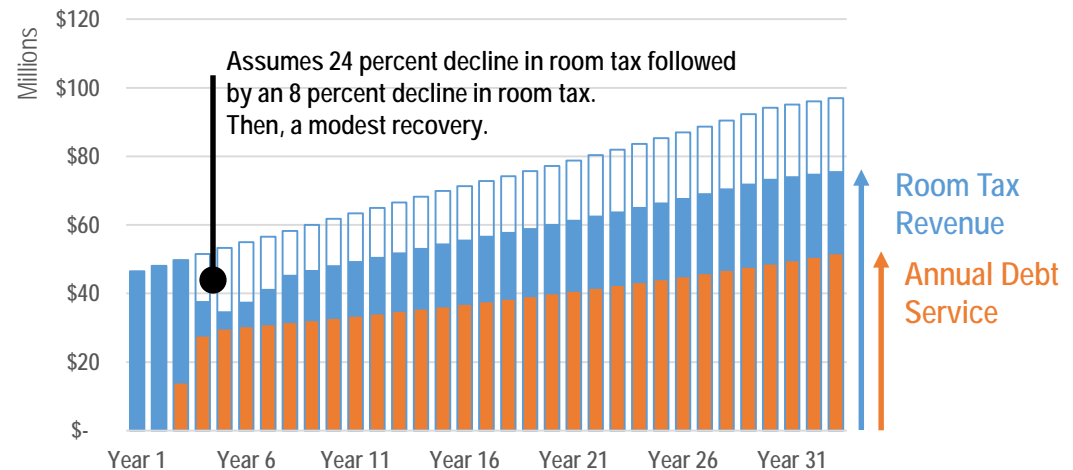
Stress Test

Coverage is Sufficient to Weather a "Great Recession" Event

BASELINE: Stadium project projection model indicates that room tax revenues will well exceed required debt service and surpass the 1.5x coverage requirement.



STRESS TEST: If an economic event equivalent to the Great Recession were to occur, the coverage ratio would remain above 1.17x, meaning the Stadium Authority would have sufficient funds to make annual debt payments.



What Happens if the Developer or Stadium Operator Fails to Perform?

- First, the public (stadium authority) would have the rights and remedies of any contracting party to compel performance or be compensated in the event of a breach of contract.
- Second, all of the assets, including the land and stadium improvements, remain with the public (stadium authority).
- Third, NFL team's lease extends for 30 years and would remain due and payable even if the developer or stadium operator fails to perform.
- Fourth, the public (stadium authority) has the ability to identify and contract with an alternative vendor in the event the developer partners fail to perform.
- Fifth, in the event the stadium operator fails to perform, room tax bond coverage funds available after all bond payments are made can be used to offset an operating shortfall.

