

**CLARK COUNTY STADIUM AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM**

Petitioner: Steve Hill, Chairman

Recommendation:

That the Clark County Stadium Authority approve, adopt, and authorize the Chairman to sign a resolution establishing the Stadium Authority Debt Service Fund (3960). (*For possible action*)

FISCAL IMPACT:

Fund#:	N/A	Fund Name:	N/A
Fund Center:	N/A	Funded Pgm/Grant:	N/A
Description:	N/A	Amount:	N/A

Added Comments: N/A

BACKGROUND:

Senate Bill 1 (SB 1), as approved by the 30th Special Session (2016) of the Nevada Legislature, and signed by the Governor on October 17, 2016, provided for the increase in the combined tax rate on transient lodging within Clark County. SB 1 required the Clark County Board of County Commissioners to hold a public hearing and adopt an ordinance to impose an increase to the current combined county transient lodging tax rate on providers of transient lodging within the incorporated cities and unincorporated towns for the purpose of financing the acquisition, construction, lease, improvement, equipping, operation and maintenance of a National Football League stadium project.

On April 3, 2018, the Clark County Board of County Commissioners adopted an ordinance authorizing the issuance of up to \$750,000,000 of General Obligation (Limited Tax) Stadium Improvement Bonds. Included in this ordinance are provisions requiring the creation of a Debt Service Fund for the purpose of paying the principal and interest on the bonds issued and to hold the required debt service reserves.

This Debt Service Fund is being established so that the Clark County Treasurer may deposit the bonds' required debt service and reserve requirements from the aforementioned room tax revenue and to separately account for payment of the principal and interest due and reserve requirements.

Respectfully submitted,

Steve Hill, Chairman

Cleared for Agenda

Agenda Item #

**RESOLUTION TO CREATE THE STADIUM AUTHORITY
DEBT SERVICE FUND (3960)**

WHEREAS, Senate Bill 1 (SB 1) was approved by the 30th Special Session (2016) of the Nevada Legislature, and signed by the Governor on October 17, 2016, requiring that the Board of County Commissioners of Clark County, Nevada, to impose an increase to the current combined transient lodging tax rates by either eighty-eight one hundredths of one percent (0.88%) of gross receipts from the rental of transient lodging within the defined “Primary Gaming Corridor,” or one-half of one percent (0.50%) of gross receipts from the rental of transient lodging within the defined “Stadium District” (but outside of the “Primary Gaming Corridor”) for the purpose of financing the acquisition, construction, lease, improvement, equipping, operation, and maintenance of a National Football League stadium project; and

WHEREAS, the Board of County Commissioners of Clark County, Nevada, adopted an ordinance imposing an additional rate on the current combined transient lodging tax rate effective March 1, 2017; and

WHEREAS, on April 3, 2018, the Board of County Commissioners of Clark County, Nevada, adopted an ordinance authorizing the issuance of up to \$750,000,000 of General Obligation (Limited Tax) Stadium Improvement Bonds (the “Bond Ordinance”); and

WHEREAS, the Bond Ordinance, Article IV, Section 402 A creates a Pledged Revenues Interest and Principal Retirement Fund for the purpose of paying the principal and interest on the bonds issued; and

WHEREAS, the Bond Ordinance, Article VI, Section 603 (8) requires the additional transient lodging tax revenue imposed by the Board of County Commissioners effective March 1, 2017, accrued after the issuance the General Obligation (Limited Tax) Stadium Improvement Bonds issued pursuant the Bond Ordinance, to be used to fund the debt service requirements; and

WHEREAS, the Bond Ordinance, Article IV, Section 401 B creates a Clark County, Nevada, General Obligation (Limited Tax) Stadium Improvement Bonds (Additionally Secured by Pledged Revenues) Series 2018, Reserve Account (the “Reserve Account”) to hold an amount up to two times the average annual debt service for the bonds issued in a manner consistent with SB 1, Section 34(4)(c) (the “Reserve Requirement”); and

WHEREAS, the Bond Ordinance, Article VI, Section 603 A(8) and Section 603 B(9) require that, after the issuance of the General Obligation (Limited Tax) Stadium Improvement Bonds issued

pursuant to the Bond Ordinance, revenues accrued pursuant to the lodging tax imposed by the Board of County Commissioners effective March 1, 2017, be used, after funding is allocated to the Stadium Authority for debt service requirements, administrative costs, and other priority purposes, to fund the Reserve Account in an amount of up to \$9,000,000 annually until the Reserve Requirement is obtained, to the extent funds are available to so fund the Reserve Account; and

WHEREAS, the Stadium Authority Board of Directors shall create a debt service and reserve fund as contemplated by the Bond Ordinance and in a manner consistent with SB 1; and

WHEREAS, NRS 354.612 and NAC 354.241 require that local government entities adopt a resolution establishing the various funds of the local government and setting forth the purpose of the Fund and plan for administration of the funds.

NOW, THEREFORE, BE IT RESOLVED by the Clark County Stadium Authority, as follows:

1. A new fund called the Stadium Authority Debt Service Fund (3960) shall be created as a debt service fund, effective April 12, 2018 (the “Fund”).
2. The primary purpose of the Fund will be to account for the funds necessary to pay the interest and principal on the bonds and to hold the funds necessary to meet the Reserve Requirement.
3. The primary source of revenues to be deposited in the Fund will be the additional transient lodging tax accrued after issuance of the General Obligation (Limited Tax) Stadium Improvement Bonds issued pursuant to that certain Bond Ordinance, interest earnings, and a one-time deposit from bond proceeds.
4. The short-term and long-term plan for expenditures from the Fund will be for the debt service requirements and paying reasonable and customary agent and investment and continuing disclosure fees for the bonds issued as set forth in the Bond Ordinance, Article VI, Section 603A(9) and Section 603B(10).
5. The residual funding at the end of the fiscal year will roll over to the next budget year for the aforementioned uses and will be counted toward the Reserve Requirement pursuant to the Bond Ordinance adopted on April 3, 2018 and as as set forth in SB 1, Section 34(4)(c).

- 6. The Fund will be monitored and reviewed periodically to ensure that the activities of the Fund are reasonable and necessary to carry out the purpose of the Fund.
- 7. The Fund will account for its sources and uses in conformance with Generally Accepted Governmental Accounting Principles, Nevada Revised Statutes, Nevada Administrative Codes and the Regulations of the Nevada Tax Commission.

PASSED, ADOPTED AND APPROVED this 12th day of April, 2018.

CLARK COUNTY STADIUM AUTHORITY

AYES: _____

NAYS: _____

ABSENT: _____

BY: _____
 Steve Hill, Chairman

ATTEST:

 LYNN MARIE GOYA, Clark County Clerk