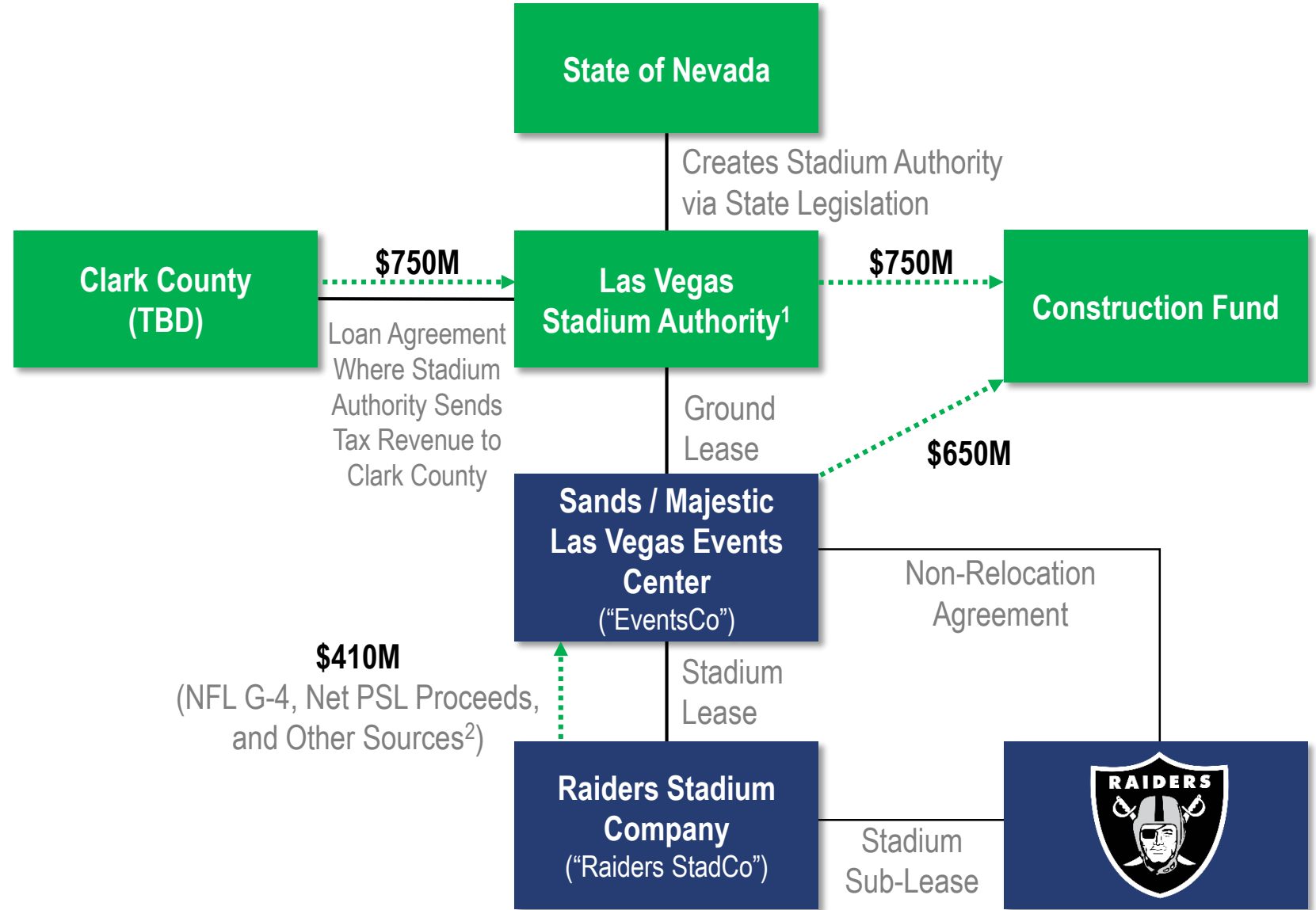




SOUTHERN NEVADA _____
Tourism Infrastructure Committee

Las Vegas Stadium Alternative Funding Concept

Proposed Stadium Corporate Structure



¹ Assumed to be a newly created entity that is separate and distinct from the Las Vegas Convention and Visitors Authority

² \$200M face value of PSLs sold resulting in after-tax proceeds of \$110M plus \$200M of G-4 Loan and \$100M Contribution from Raiders

Source: LVS-Majestic Model, May 2016.

Comparison of Alternatives



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Total Cost	\$1.4 billion	
Stadium	\$1.3 billion	
Practice Facility	\$100 million	
Land	N/A	



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Total Cost	\$1.4 billion	\$1.45 billion
Stadium	\$1.3 billion	\$1.3 billion
Practice Facility	\$100 million	\$100 million
Land	N/A	\$50 million



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Total Cost	\$1.4 billion	\$1.45 billion
Stadium	\$1.3 billion	\$1.3 billion
Practice Facility	\$100 million	\$100 million
Land	N/A	\$50 million
Public Funding	\$750 million	
Total Debt	\$572 million	
Pay-Go	\$95 million	
Coverage	1.55x	



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Total Cost	\$1.4 billion	\$1.45 billion
Stadium	\$1.3 billion	\$1.3 billion
Practice Facility	\$100 million	\$100 million
Land	N/A	\$50 million
Public Funding	\$750 million	\$550 million
Total Debt	\$572 million	\$421 million
Pay-Go	\$95 million	\$67 million
Coverage	1.55x	1.51x



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Total Cost	\$1.4 billion	\$1.45 billion
Stadium	\$1.3 billion	\$1.3 billion
Practice Facility	\$100 million	\$100 million
Land	N/A	\$50 million
Public Funding	\$750 million	\$550 million
Total Debt	\$572 million	\$421 million
Pay-Go	\$95 million	\$67 million
Coverage	1.55x	1.51x
Private Funding	\$650 million	
Sands-Majestic	\$240 million	
Raiders	\$410 million	



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Total Cost	\$1.4 billion	\$1.45 billion
Stadium	\$1.3 billion	\$1.3 billion
Practice Facility	\$100 million	\$100 million
Land	N/A	\$50 million
Public Funding	\$750 million	\$550 million
Total Debt	\$572 million	\$421 million
Pay-Go	\$95 million	\$67 million
Coverage	1.55x	1.51x
Private Funding	\$650 million	\$900 million
Sands-Majestic	\$240 million	\$400 million
Raiders	\$410 million	\$500 million



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Total Cost	\$1.4 billion	\$1.45 billion
Stadium	\$1.3 billion	\$1.3 billion
Practice Facility	\$100 million	\$100 million
Land	N/A	\$50 million
Public Funding	\$750 million	\$550 million
Total Debt	\$572 million	\$421 million
Pay-Go	\$95 million	\$67 million
Coverage	1.55x	1.51x
Private Funding	\$650 million	\$900 million
Sands-Majestic	\$240 million	\$400 million
Raiders	\$410 million	\$500 million
Preferred Investment Return	Uncertain	
Residual Revenue (Private/Public)	100% / 0%	



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Total Cost	\$1.4 billion	\$1.45 billion
Stadium	\$1.3 billion	\$1.3 billion
Practice Facility	\$100 million	\$100 million
Land	N/A	\$50 million
Public Funding	\$750 million	\$550 million
Total Debt	\$572 million	\$421 million
Pay-Go	\$95 million	\$67 million
Coverage	1.55x	1.51x
Private Funding	\$650 million	\$900 million
Sands-Majestic	\$240 million	\$400 million
Raiders	\$410 million	\$500 million
Preferred Investment Return	Uncertain	9.0%
Residual Revenue (Private/Public)	100% / 0%	50% / 50%



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Room Tax		
Resort Corridor	1.0%	
Outside Resort Corridor	1.0%	
Outlying Areas (25 mi)	1.0%	



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Room Tax		
Resort Corridor	1.0%	0.7%
Outside Resort Corridor	1.0%	0.5%
Outlying Areas (25 mi)	1.0%	0.0%



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Room Tax		
Resort Corridor	1.0%	0.7%
Outside Resort Corridor	1.0%	0.5%
Outlying Areas (25 mi)	1.0%	0.0%
Tax Increment Area		
Sales Tax	Yes	
Live Entertainment Tax	Yes	
Modified Business Tax	Yes	



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Room Tax		
Resort Corridor	1.0%	0.7%
Outside Resort Corridor	1.0%	0.5%
Outlying Areas (25 mi)	1.0%	0.0%
Tax Increment Area		
Sales Tax	Yes	Yes
Live Entertainment Tax	Yes	Yes
Modified Business Tax	Yes	Yes



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Room Tax		
Resort Corridor	1.0%	0.7%
Outside Resort Corridor	1.0%	0.5%
Outlying Areas (25 mi)	1.0%	0.0%
Tax Increment Area		
Sales Tax	Yes	Yes
Live Entertainment Tax	Yes	Yes
Modified Business Tax	Yes	Yes
Tax Increment Distribution		
Stadium Authority	100%	
EventsCo	0%	



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Room Tax		
Resort Corridor	1.0%	0.7%
Outside Resort Corridor	1.0%	0.5%
Outlying Areas (25 mi)	1.0%	0.0%
Tax Increment Area		
Sales Tax	Yes	Yes
Live Entertainment Tax	Yes	Yes
Modified Business Tax	Yes	Yes
Tax Increment Distribution		
Stadium Authority	100%	0%
EventsCo	0%	100%



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Stadium Authority Board Allocations		
Tier 1: Debt Repayment	\$34.9 million	\$27.5 million



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Stadium Authority Board Allocations		
Tier 1: Debt Repayment	\$34.9 million	\$27.5 million
Tier 2: Stadium Authority Ops	\$0	\$2.0 million



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Stadium Authority Board Allocations		
Tier 1: Debt Repayment	\$34.9 million	\$27.5 million
Tier 2: Stadium Authority Ops	\$0	\$2.0 million
Tier 3: Capital Improvement Fund		
Stadium Authority	\$2.5 million	\$5.0 million
EventsCo	\$2.5 million	\$0



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Stadium Authority Board Allocations		
Tier 1: Debt Repayment	\$34.9 million	\$27.5 million
Tier 2: Stadium Authority Ops	\$0	\$2.0 million
Tier 3: Capital Improvement Fund		
Stadium Authority	\$2.5 million	\$5.0 million
EventsCo	\$2.5 million	\$0
Tier 4: UNLV Payment	\$3.5 million	\$3.5 million



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Stadium Authority Board Allocations		
Tier 1: Debt Repayment	\$34.9 million	\$27.5 million
Tier 2: Stadium Authority Ops	\$0	\$2.0 million
Tier 3: Capital Improvement Fund		
Stadium Authority	\$2.5 million	\$5.0 million
EventsCo	\$2.5 million	\$0
Tier 4: UNLV Payment	\$3.5 million	\$3.5 million
Tier 5: Metro Police Funding	\$0	\$4.0 million



Stadium Funding Models Comparison

	Sands-Majestic Proposal	Potential Alternative
Stadium Authority Board Allocations		
Tier 1: Debt Repayment	\$34.9 million	\$27.5 million
Tier 2: Stadium Authority Ops	\$0	\$2.0 million
Tier 3: Capital Improvement Fund		
Stadium Authority	\$2.5 million	\$5.0 million
EventsCo	\$2.5 million	\$0
Tier 4: UNLV Payment	\$3.5 million	\$3.5 million
Tier 5: Metro Police Funding	\$0	\$4.0 million
Tier 6: Clark County Event Fund	\$0	Residual



Proposed Funding Structure



NFL Stadium Proposed Funding Structure

Stadium Authority Board

- Clark County will issue bonds on behalf of Stadium Authority Board in the amount supported by available room tax revenue and a coverage ratio of 1.5x
- Maximum public funding: \$550 million

Stadium
Authority
Board
\$550M



NFL Stadium Proposed Funding Structure

Stadium Authority Board

- Clark County will issue bonds on behalf of Stadium Authority Board in the amount supported by available room tax revenue and a coverage ratio of 1.5x
- Maximum public funding: \$550 million

Raiders

- Contribution: \$500 million

Raiders
\$500M

Stadium
Authority
Board
\$550M



NFL Stadium Proposed Funding Structure

Stadium Authority Board

- Clark County will issue bonds on behalf of Stadium Authority Board in the amount supported by available room tax revenue and a coverage ratio of 1.5x
- Maximum public funding: \$550 million

Raiders

- Contribution: \$500 million

Developer

- Responsible for all remaining stadium development costs, including land and required standard infrastructure

**Total Cost
\$1.45 Billion**

**Developer
\$400M**

**Raiders
\$500M**

**Stadium
Authority
Board
\$550M**



Stadium Authority Board Formation, Powers & Authorities



Stadium Authority Board Formation

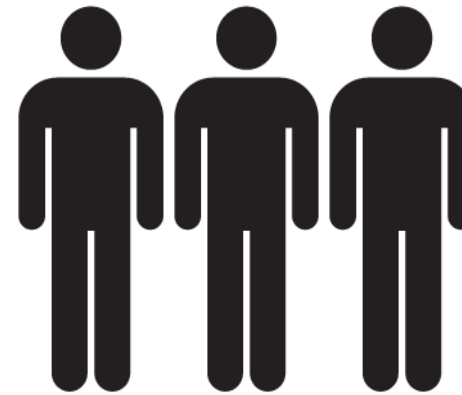
Seven Board Members Appointed By



Clark County
Commission



Nevada
Governor



Project
Developer



Stadium Authority Board Powers & Authorities

- Created as a unit of government with appropriate powers, duties and authorities
- Authorized to receive any private and public resources necessary to fund, finance and develop the project
- Authority to bond against the public revenues
- Solicit and receive bids, enter into contracts, hire necessary personnel and other duties necessary to discharge its responsibilities
- Serve as the governing body for a tax increment area
- Approve the stadium site



Stadium Authority Board Powers & Authorities *(continued)*

- Approve the overall scope of the stadium project
- Approve the overall design and specifications of the stadium project
- Enter into a development agreement with the developers
- Own the stadium
- Receive audits and other project and performance measurement-related reports to ensure stadium operations are consistent with the intent of the Nevada State Legislature
- Authority to contract with a third party to operate the stadium
- Ability to approve any development within the tax increment area



Stadium Authority Board Sources & Uses



Sources

Increase in the Hotel Room Tax

- State of Nevada to increase room tax rates based on geographic location
- Stadium Authority Board receives incremental revenue
- All taxes identified or relied upon for stadium construction shall sunset when all public debt has been fully retired

Incremental Room Tax Increases NFL Stadium

<u>Area</u>	<u>Amount</u>
Resort Corridor	0.7%
Outside Resort Corridor	0.5%
Outlying Areas (25 mi)	0.0%



Uses

Allocation of Incremental Room Tax Revenue

Tier 1: Debt Repayment

- 1.5x coverage

Tier 2: Stadium Authority Operations

- \$2.0 million per year, increasing 3% annually

Tier 3: Capital Improvement Fund

- \$5.0 million per year, increasing 3% annually

Tier 4: UNLV Payment for Lost Sam Boyd Stadium Events

- \$3.5 million per year, increasing 3% annually

Tier 5: Metro Police Resort Corridor Funding

- \$4.0 million per year, increasing 3% annually

Tier 6: Clark County Event Fund

- Any remaining funds



Event Fund Governance

➤ To Be Determined



Creation of a Stadium Tax Increment Area



Stadium Tax Increment Area

- State of Nevada to allow creation of a Tax Increment Area
- Clark County will create Tax Increment Area unless state grants necessary powers to Stadium Authority Board to do so
- Tax Increment Area to include footprint of stadium and related practice facilities
- EventsCo receives all revenue generated from Tax Increment Area, offsets additional capital contribution
- Tax Increment Area capture rates:
 - Sales Tax – 100% of collections
 - Live Entertainment Tax – 100% of collections
 - Modified Business Tax – 100% of collections



NFL Team Terms & Conditions



NFL Team Terms & Conditions

- Lease agreement of 30 years with two, five-year extensions at team option
- Minimum annual team rent payment of \$2.5 million
- Team guarantee for rent payments for full term of lease
- All domestic home games must be played in stadium
- Team provides an agreed upon number of affordable tickets and a method for distributing those tickets
- A best-practices public safety plan



Stadium Developer Terms & Conditions



Stadium Developer Terms & Conditions

- Developer assumes all development and operating risk
- Developer will operate the stadium and be responsible for all costs associated with operation
- Developer will provide an annual audit of stadium operations for the prior fiscal year to the Stadium Authority Board no later than August 31st of each year
- Developer will be allocated first 9.0% of free cash flow as a preferred return on investment
- Stadium net revenue in excess of 9.0% return on developer investment will be shared on a 50/50 basis between developer and Stadium Authority Board



Stadium Developer Terms & Conditions *(continued)*

- Developers and the Raiders agree that they will make their best efforts to acquire the NFL's assent to relocate the Raiders to Las Vegas
- Project funding
 - Stadium Authority Board bond funds will not be released until \$350 million of project expenditures have been incurred by the developers (modeled at January 1, 2019)
 - Thereafter, the remaining \$1.1 billion will be funded equally by the developers and the Stadium Authority Board



Stadium Timeline

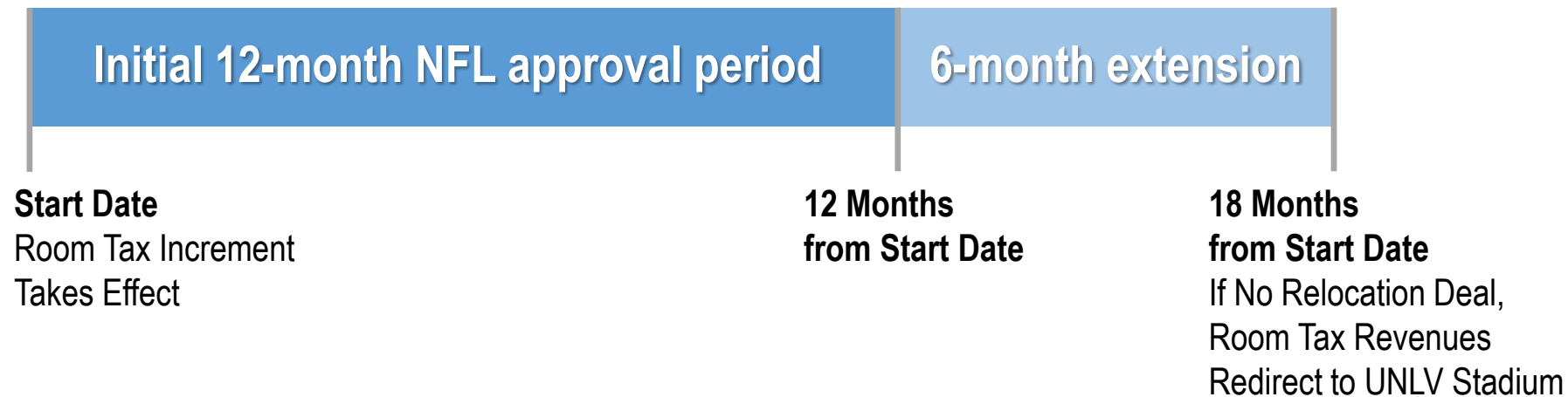
(Window of Opportunity)



NFL Stadium Timeline

- Developer must secure approval from NFL and contract with Raiders to relocate team to Las Vegas within 12 months of implementation of room tax increment
- A one-time six-month extension may be approved by Stadium Authority Board

Potential Raiders Relocation Timeline



UNLV Stadium Alternative

- If NFL stadium proposal does not meet required contingencies, room tax funds will be dedicated to build a collegiate-style stadium for UNLV football and events
- Room tax increment funding is contingent upon UNLV raising \$200 million in private funds within 24 months and approval of development plan by Stadium Authority Board
- If contingencies are met, the State of Nevada will issue bonds in the amount supported by available room tax revenue and a coverage ratio of 1.50x



UNLV Stadium Alternative *(continued)*

- Under UNLV stadium alternative, incremental room tax rates will be reduced

Incremental Room Tax Increases UNLV Stadium

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



No Stadium Alternative

- If UNLV does not raise the necessary private funds within the 24-month timeframe, all collected incremental room tax revenue will be made available to repay bonds issued for the Las Vegas Convention Center expansion and renovation project





SOUTHERN NEVADA _____
Tourism Infrastructure Committee

Las Vegas Stadium Alternative Funding Concept