

*Department of Administration*

*State Public Works Division*

**2019 CIP**

# **Governor's Recommendation**

*Ward Patrick, Administrator SPWD*



# *Presentation Highlights*



- \* Vision - Mission - Philosophy
- \* 2019 Capital Improvement Program
  - Agency Requests by Department
  - Governor's Recommendation by Department
  - Funding Sources
  - Prioritization Criteria
    - \* Funding by Priority
    - \* Project List by Priority
- \* Facility Condition Analysis
- \* Major Challenges
- \* Bond Capacity (Treasurer's Office)

# *Vision - Mission - Philosophy*



## **Vision:**

State agencies will occupy exemplary facilities.

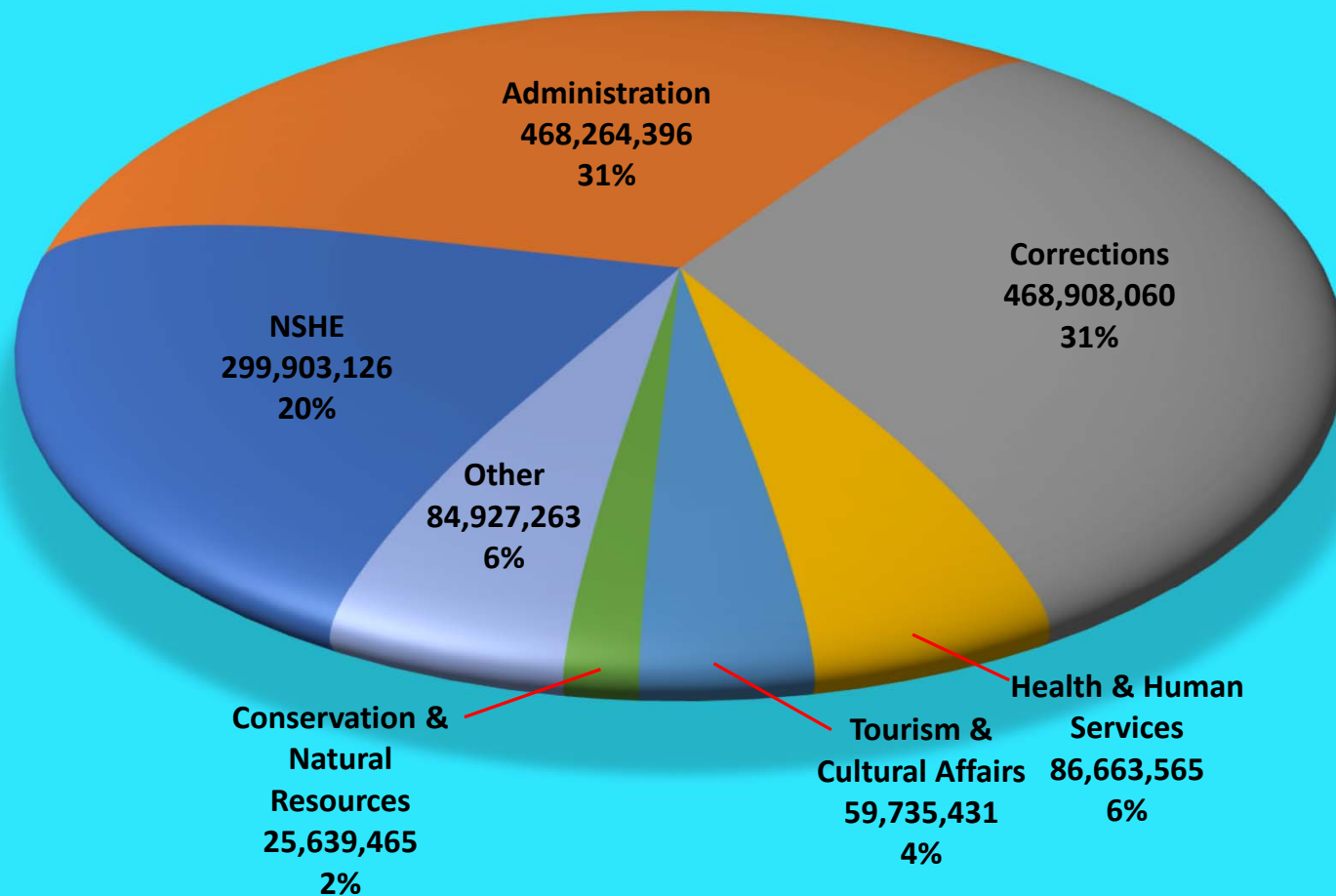
## **Mission:**

To provide well-planned, efficient, and safe facilities to state agencies so they can effectively administer their programs.

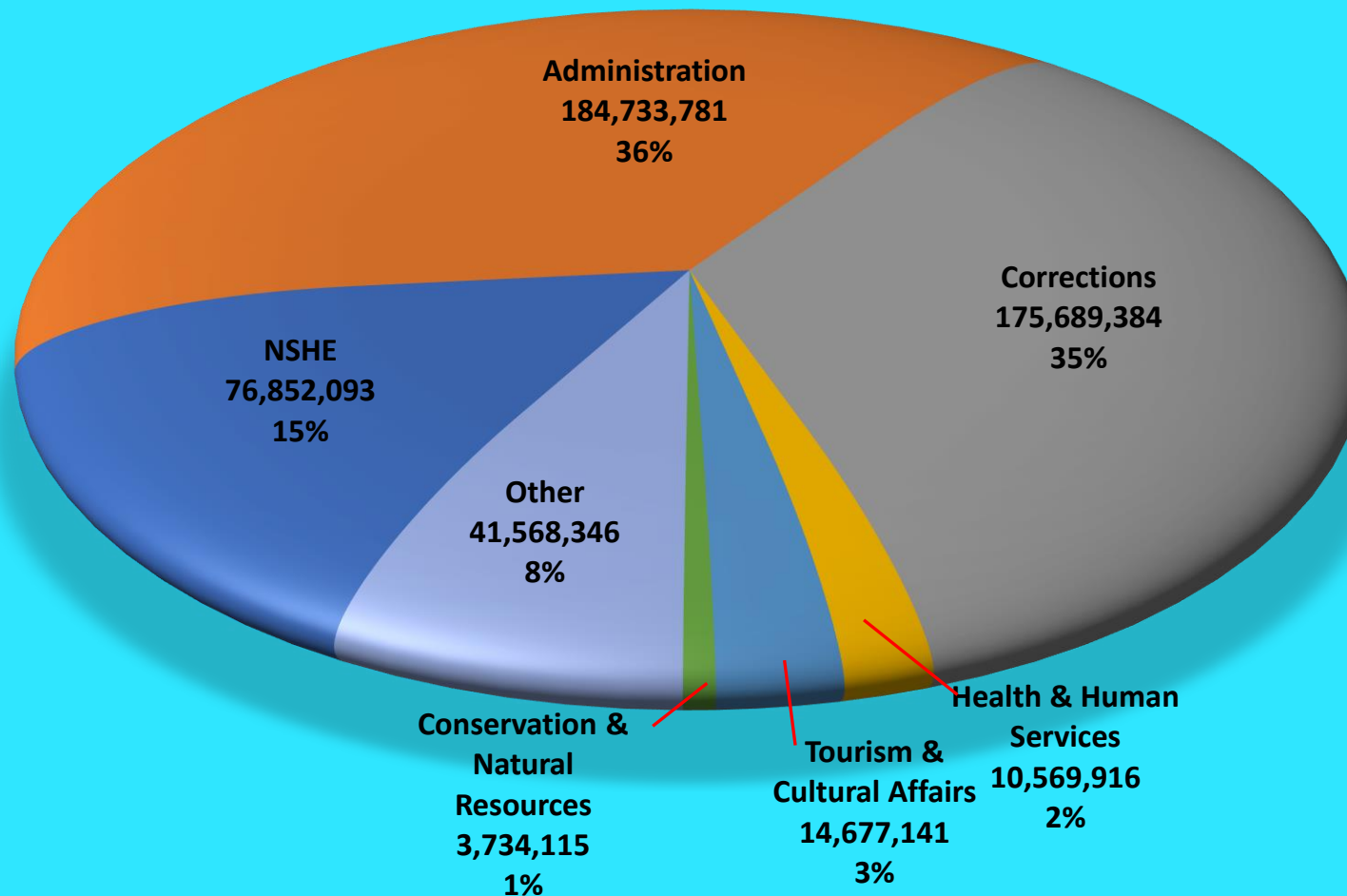
## **Philosophy:**

We work as a team to build consensus, take pride in our work, and serve with humility.

# *Distribution of Agency Requests by Department (470 Projects \$1.494 Billion)*



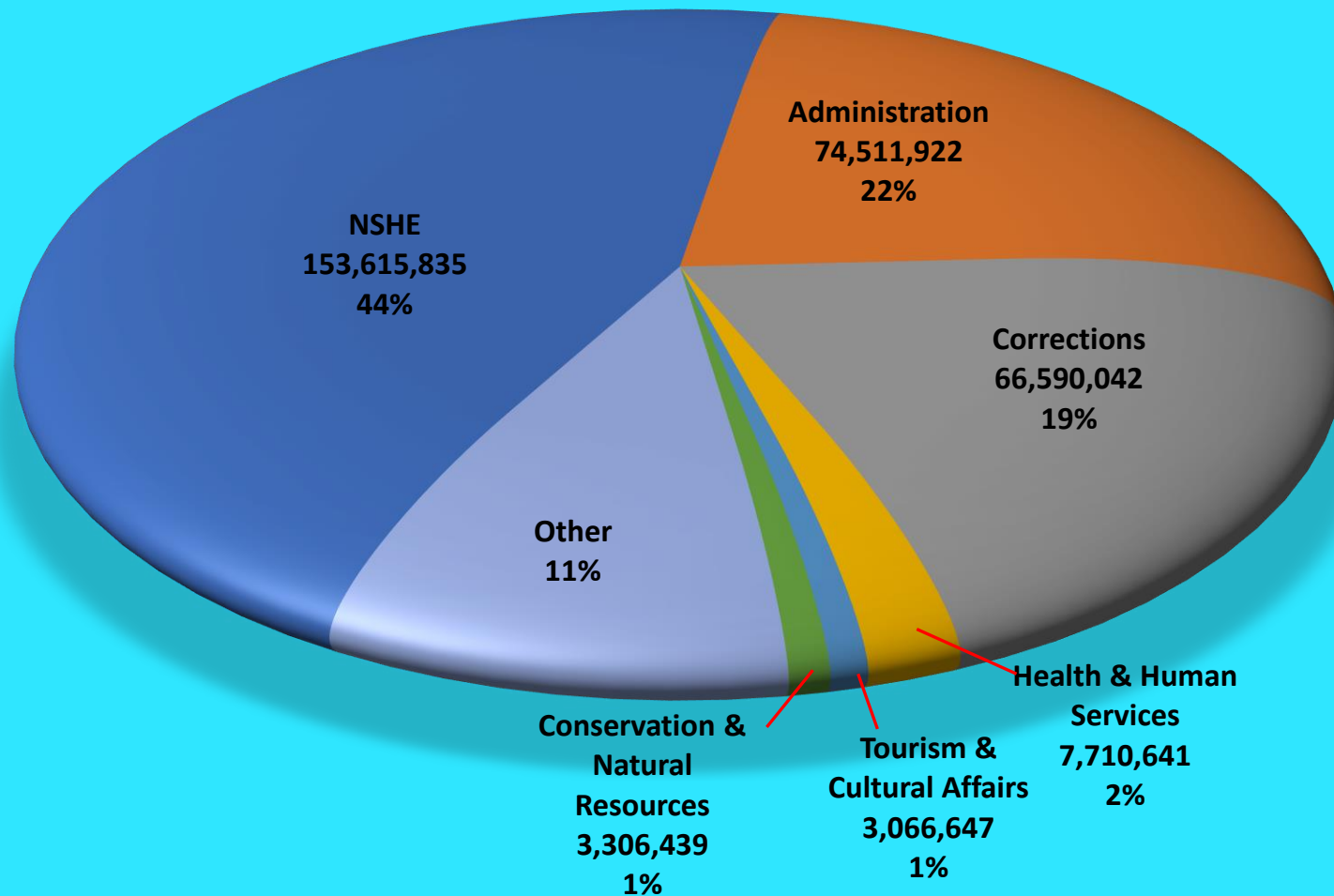
# *Distribution of the Board's Recommendation by Department (101 Projects \$508 Million)*



# Governor's Recommendation by Department

## Analysis of Total Funding Distribution

(95 Projects \$346 Million)



# *Funding Sources*



- \* State Funding
  - General Funds
  - General Obligation Bonds
  - Reallocation from prior Capital Improvement Programs
  
- \* Other Funding
  - Highway
  - Federal
  - Agency

# Prioritization Criteria



## 1. LEGAL REQUIREMENTS

- Americans with Disabilities Act
- Court Orders / Legal Requirements
- Life Safety / Code Violations / Seismic

## 2. DEFERRED MAINTENANCE

- Essential Facilities (Prisons, Hospitals, Nevada Highway Patrol Command)
- Governance Centers (Capitol, Mansion, Grant Sawyer Office Building, Enterprise Information Technology Services- Computer Facility)
- Statewide Programs (Roofing, Fire and Life Safety, Indoor Air Quality, Paving)
- Other Facilities

## 3. PROJECT CONTINUATIONS

- Furniture, Fixtures, & Equipment from previously funded construction projects.
- Ongoing phases from previously funded construction or planning projects.
- Other Funding

## 4. NEW CONSTRUCTION

- a. Required for State Programs
- b. Historic Renovations
- c. Planning for future needs (including Master Planning)



# *Funding by Priority*



	Prioritization Criteria	Other Funding	State Funding	Total
1	Legal Requirements	2,075,704	10,825,965	12,901,669
2	Deferred Maintenance	14,092,379	86,943,370	101,035,749
3	Project Continuations	29,606,508	149,058,524	178,665,032
4	New Construction	18,888,750	12,059,967	30,948,717
	Planning for Future Needs	669,398	21,964,132	22,633,530
Grand Total		65,332,739	280,851,958	346,184,697



# *Project List by Priority*

# Legal Requirements



Priority	Project Name	Other	State	Total
S06	Statewide Indoor Air Quality - Environmental Program	100,000	188,380	288,380
S03h	Statewide Fire and Life Safety Program (Highway Funds)	675,081	-	675,081
S03	Statewide Fire and Life Safety Program	-	1,734,863	1,734,863
M01	Freezer Replacement (Department of Agriculture Purchasing Warehouse)	-	2,131,380	2,131,380
M02	Electrical Outlet & Cable Upgrades (High Desert State Prison)	-	1,653,626	1,653,626
S02	Statewide ADA Program	-	2,729,649	2,729,649
M03	Replace Emergency Generator (Sierra Regional Center)	-	693,587	693,587
M04	Domestic Hot Water Storage Tank Replacement (Boulder City Veterans Home)	-	194,054	194,054
S02h	Statewide ADA Program (Highway Funds)	211,466	-	211,466
M05	Groundwater Well Abandonments (Carson City)	-	103,478	103,478
S09	Statewide Building Official Program	1,089,157	-	1,089,157
M06	Replace Culinary Refrigeration Units (Boulder City Veterans Home)	-	363,424	363,424
M07	Emergency Generator & Service Entrance Upgrade (Reno Purchasing Warehouse)	-	1,033,524	1,033,524
Total		2,075,704	10,825,965	12,901,669

# Deferred Maintenance (1 of 6) (Essential Facilities)



Priority	Project Name	Other	State	Total
M09	Boiler Replacement (Ely State Prison)	-	6,101,353	6,101,353
M11	Replace Domestic & Heating Hot Water Piping (Ely State Prison - Housing Unit 1)	-	2,204,109	2,204,109
M15	HVAC Replacement (Ely State Prison - Building 9)	-	1,844,192	1,844,192
M16	Upgrade Door Controls (Summit View Youth Center)	-	1,625,495	1,625,495
M18	Building Renovation (Department of Public Safety - Training Division)	1,569,284	1,233,009	2,802,293
M19	Replace Magnetic Door Controls (Southern Nevada State Veterans Home)	-	226,668	226,668
M20	Flooring Replacement (Caliente Youth Center Multi-Purpose Building)	-	1,691,370	1,691,370
M21	Generator, Controls Replacement & Pump System Modifications (Marlette Lake)	-	953,680	953,680
M22	Chiller Replacement (Caliente Youth Center - Administration Building)	-	489,496	489,496
M23	Install Security Cameras (High Desert State Prison)	-	4,658,968	4,658,968
M24	Surveillance System Replacement (Casa Grande Transitional Housing)	-	1,720,849	1,720,849
M25	Install Panic Alarm System (Dini-Townsend Hospital)	-	854,658	854,658
M28	HVAC Systems Renovations (NNCC - Operations, Administration Buildings & Housing Unit 6)	-	1,863,293	1,863,293
M35	Replace Door Locks and Controls (Ely State Prison) - Phase 1	-	4,218,060	4,218,060

# Deferred Maintenance (2 of 6) (Essential Facilities)



Priority	Project Name	Other	State	Total
M42	Install Sanitary Sewer Macerator (Caliente Youth Center)	-	468,539	468,539
M43	Replace Cooling Towers (Southern Desert Correctional Center - Central Plant Building)	-	3,818,124	3,818,124
M46	Install Security Cameras (Southern Desert Correctional Center)	-	6,301,871	6,301,871
M48	Install Recreation Yard Fencing (SDCC and HDSP)	-	571,412	571,412
M49	Electrical Upgrade (Caliente Youth Center)	-	980,496	980,496
M52	Main Electrical Switchgear Replacement (Southern Nevada Adult Mental Health Services - Building 3)	-	388,875	388,875
Total		1,569,284	42,214,517	43,783,801

# Deferred Maintenance (3 of 6) (Governance Centers)



Priority	Project Name	Other	State	Total
M29	Central Plant Renovation (Paul Laxalt State Office Building)	-	1,664,420	1,664,420
M30	Central Plant Renovation (Attorney General's Office Building)	-	1,567,051	1,567,051
M47	Elevator Renovation and Modernization (Blasdel Building)	-	260,068	260,068
M51	Perform Electrical Coordination Studies (Various State Buildings)	-	627,897	627,897
M59	HVAC System Renovation (Capitol Building)	-	2,217,184	2,217,184
Total		-	6,336,620	6,336,620

# Deferred Maintenance (4 of 6) (Statewide Programs)



Priority	Project Name	Other	State	Total
S01	Statewide Roofing Program	-	9,975,568	9,975,568
S04	Statewide Advance Planning Program	200,000	1,945,087	2,145,087
S05g1	Construct Parking Addition (Washoe County Armory)	732,100	313,867	1,045,967
S05	Statewide Paving Program	-	2,447,493	2,447,493
S05g	Statewide Paving Program (Nevada Army National Guard)	98,615	113,666	212,281
S05h	Statewide Paving Program (Highway Funds)	928,690	0	928,690
Total		1,959,405	14,795,681	16,755,086

# Deferred Maintenance (5 of 6) (Other Facilities)



Priority	Project Name	Other	State	Total
M08	Deferred Maintenance (Higher Education)	3,447,341	11,552,659	15,000,000
M14	Construct Water Wells and Water Systems (Various Fish Hatchery Sites)	-	2,606,412	2,606,412
M26	Install Emergency Generator (Washoe County Armory)	742,046	842,385	1,584,431
M27	Pavilion Renovation (Northern Nevada Veterans Memorial Cemetery, Fernley)	-	161,622	161,622
M31	HVAC Systems Renovation (Washoe County Armory)	1,076,505	1,212,411	2,288,916
M32	HVAC Systems Renovation (Office of the Adjutant General)	857,865	976,226	1,834,091
M33	Replace Sanitary Sewer and Upgrade Restrooms (Lost City Museum)	-	408,484	408,484
M34	Replace Overhead Coiling Doors, Seals, and Operators (Various Locations)	311,616	356,159	667,775
M36	Visitor Center Renovations (Valley of Fire State Park)	-	762,029	762,029
M37	Rooftop Unit Replacement (Carson City DMV)	475,431	0	475,431
M38	HVAC Systems Renovation (Department of Wildlife - Various Wildlife Management Area Sites)	404,276	170,708	574,984
M39	HVAC Systems Renovation (Department of Wildlife - Various Fish Hatchery Sites)	-	623,843	623,843
M40	Construct Water Wells and Water Systems (Various Wildlife Management Area Sites)	894,680	382,064	1,276,744
M44	Packaged Rooftop Unit Replacement and Lighting Upgrade (Plumb Lane Armory)	295,805	128,887	424,692



# Deferred Maintenance (6 of 6) (Other Facilities)



Priority	Project Name	Other	State	Total
M45	Replace Lighting Control System (Nevada State Museum Las Vegas)	-	212,811	212,811
M50	Comfort Station Replacement (Valley of Fire State Park)	-	636,017	636,017
M53	Park Facilities Maintenance & ADA Upgrades (Fort Churchill State Park)	-	1,332,352	1,332,352
M54	Upgrade Warehouse Loading Dock (Carson City DMV)	203,318	0	203,318
M55	Exterior Building Repairs (Carson City DMV)	712,626	0	712,626
M56	Boiler Replacement (Henderson DMV)	523,475	0	523,475
M57	HVAC Replacement (Donovan DMV Express)	338,220	0	338,220
M58	Heat Pump Water Piping Distribution Replacement (Carlin Readiness Center)	280,486	1,231,483	1,511,969
Total		10,563,690	23,596,552	34,160,242

# Project Continuations



Priority	Project Name	Other	State	Total
C01	Completion of South Reno DMV	8,660,000	-	8,660,000
C05	Southern Nevada Fleet Services Maintenance Building (Grant Sawyer Site)	8,946,508	-	8,946,508
C19	Education Academic Building (Nevada State College)	6,000,000	55,852,093	61,852,093
C28	Health and Sciences Building (College of Southern Nevada)	6,000,000	70,763,741	76,763,741
M10	Underground Piping and Boiler Replacement (Lovelock Correctional Center)	-	12,214,101	12,214,101
M12	Central Plant Renovation (Northern Nevada Correctional Center) - Phase 2	-	8,073,180	8,073,180
M17	Central Plant Renovation (State Library and Archives)	-	2,155,409	2,155,409
Total		29,606,508	149,058,524	178,665,032

# New Construction



Priority	Project Name	Other	State	Total
C03	Cemetery Expansion (Southern Nevada Veterans Memorial Cemetery)	4,144,981	161,329	4,306,310
C04	Columbarium Expansion (Northern Nevada Veterans Memorial Cemetery)	4,418,769	175,370	4,594,139
C07	Security Perimeter Upgrades (Three Lakes Valley Conservation Camp)	-	4,090,412	4,090,412
C08	Marlette Lake Dam Rehabilitation (Marlette Lake Water System)	10,000,000	3,780,132	13,780,132
C09	Entry Lobby Security Barrier Wall (Attorney General's Office Building)	-	199,525	199,525
C10	Lobby Remodel (Desert Regional Center Building 1391)	-	238,604	238,604
C12	Entry Lobby Security Barrier Wall (Education Building)	-	205,870	205,870
C13	Heavy Equipment Simulator Classrooms (High Desert State Prison)	225,000	583,851	808,851
C16	Renovation of Collections Storage Building 19 (Stewart Facility)	-	998,889	998,889
C17	Storage Facility Addition (Indian Hills Curatorial Center)	100,000	1,346,464	1,446,464
C18	Building Demolition (Sierra Regional Center Buildings 16, 17, & 18)	-	279,521	279,521
Total		18,888,750	12,059,967	30,948,717

# Planning for Future Needs



Priority	Project Name	Other	State	Total
P01	Advance Planning: Grant Sawyer Office Building - Remodel	-	8,101,788	8,101,788
P02	Advance Planning: Renovation and Seismic Retrofit (Heroes Memorial Building & Annex)	-	361,715	361,715
P03	Advance Planning: Housing Unit and Core Expansion (Northern Nevada Correctional Center)	-	3,214,759	3,214,759
P04	Advance Planning: Replace Domestic Water and Sanitary Sewer (Northern Nevada Correctional Center)	-	1,314,436	1,314,436
P05	Advance Planning: HVAC Renovation (Carson City DMV)	488,088	0	488,088
P06	Advance Planning: Electrical Distribution Upgrade (Northern Nevada Correctional Center)	-	1,259,372	1,259,372
P07	Advance Planning: Central Plant Renovation (High Desert State Prison)	-	659,075	659,075
P08	Advance Planning: Heavy Equipment Shop & Renovation (Elko)	-	458,392	458,392
P09	Advance Planning - Headquarters Building (Department of Public Safety)	181,310	368,114	549,424
P10	Advance Planning: Exterior Envelope Protection (Spring Mountain Ranch State Park)	-	117,648	117,648
P41	Advanced Planning: State Office Building (Las Vegas)	-	6,108,833	6,108,833
Total		669,398	21,964,132	22,633,530

# *Statewide CIP Projects: Progress to Date*



## **2015 CIP**

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- \* **S01 Roofing- 100%**
- \* **S02 ADA- 100%**
- \* **S03 Fire/Life Safety- 95%**
- \* **S04 Planning- 100%**
- \* **S05 Paving- 100%**
- \* **S06 Environmental- 100%**

## **2017 CIP**

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- \* **S01 Roofing- 60%**
- \* **S02 ADA- 60%**
- \* **S03 Fire/Life Safety- 80%**
- \* **S04 Planning- 90%**
- \* **S05h Paving- 25%**
- \* **S06 Environmental- 75%**

# *Benefits of the Facility Condition Analysis Program*



- \* Document Necessary Repairs
  - Assure safety issues are documented
  - Provides a prioritized database of recommended projects
  - Planning level basis for Agency CIP and Maintenance budget requests
  - Address Deferred Maintenance needs
  
- \* Provides a building inventory and estimate of facility replacement costs.
  
- \* Provides information for facility planning.
  
- \* Provides maintenance education for facility managers.
  
- \* Fulfills the statutory requirements to visit state buildings.

# *Statistics in Brief*

## *Facility Condition Analysis*



* Number of Buildings	2,686
* Building Area	9.7 Million SF
* Estimated Facility Replacement Costs	\$2.7 Billion
* Recommended Repairs	\$561.5 Million

*Excludes NSHE, Legislature and NDOT*

# *Facility Condition Analysis- Priorities*



Priority 1: 0-2 Years	\$179.0 Million
Priority 2: 2-4 Years	\$288.8 Million
Priority 3: 4-10 Years	\$93.7 Million
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Total Facility Repair Needs:	\$561.5 Million

*Excludes NSHE, Legislature and NDOT*



# Performance Indicators Facility Condition Analysis



Description	\$ Millions	Percent	Performance Indicator Goal
Total Recommendations	\$561	100%	
2019 Agency Requests for Funding (from FCA Recommendations) (Performance Indicator*)	\$118	21%	45%
Board's Recommendation (CIP from FCA Recommendations)	\$39	7%	
Projects Completed (Performance Indicator*)	\$73	13%	15%

*Excludes NSHE, Legislature and NDOT*

# *Facility Condition Analysis*

## *Surveyed Buildings*



July thru December 2016	158
January thru June 2017	154
July thru December 2017	193
January thru June 2018	177
July thru December 2018	171
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Total	853

# Facilities Surveyed



Caliente Youth Center Site (9950)  
Pioche Conservation Camp Site (9949)  
DMV Reno Site (9858)  
Beaver Dam State Park Site (9947)  
Cathedral Gorge State Park Site (9947)  
Key Pittman Site (9954)  
Cave Lake State Park Site (9946)  
Ely Conservation Camp Site (9976)  
Ward Charcoal Ovens State Park Site (9942)  
Sierra Regional Center Bldg. #600-601 (0322)  
NV State Railroad Museum CC Site (9932)  
Comstock Office Building Site (9840)  
Northern Nevada Adult Mental Health Services Site (9985)  
Lakes Crossing Center Site (9980)  
Sierra Regional Center Site (9981)  
NV Early Intervention Services Site (9859)  
Children's Behavioral Services Site (9958)  
Steptoe Valley WMA Site (9940)  
Ely NDOW Office Site (9825)  
Ely NDOW OLD Field Office Site (9933)  
East Ely Railroad Depot Museum Site (9857)  
Ely Armory Site (9841)  
LV Casual Labor Site (9833)  
Marlette Ash Canyon Site (9895)

Old LV Mormon Fort State Park Site (9913)  
Big Bend SRA Site (9931)  
Grant Sawyer Office Site (9835)  
Floyd Edsall Training Center Site (9879)  
Valley of Fire State Park Site (9963)  
Las Vegas Purchasing Warehouse Site (9914)  
DMV Flamingo Road Site (9901)  
Laxalt Building Site (9963)  
Washoe Lake State Park Site (9929)  
Governor's Mansion Site (9978)  
Fort Churchill State Park Site (9921)  
Richard H. Bryan Site (9867)  
Nevada Historical Society Site (9856)  
Western Region NDF Nursery Site (9795)  
Henderson DMV Site (9888)  
North Decatur DMV Site (9869)  
Donovan DMV Site (9832)  
Belrose Building Site (9831)  
Florence McClure Correctional Center Site (9893)  
Eastern Region NDOW Site (9880)  
Elko DETR Office Site (9823)  
Spring Creek Fish Rearing Station Site (9882)  
Humboldt Conservation Camp Site (9972)  
Elko Armory Site (9937)

# *Facilities Surveyed (Cont'd)*



Wells Conservation Camp Site (9974)  
Marlette Water System Site (9788)  
Washoe Casual Labor Office Site (9847)  
High Desert State Prison Site (9952)  
Southern Desert Correctional Center Housing  
Unit 8 (1481)  
Henderson Armory Site (9912)  
Boulder City Railroad Museum Site (9951)  
Spring Mountain Ranch State Park Site (9930)

# *Major Challenges*

- \* SPWD Staffing Levels
- \* Qualified Employees



*Questions?*



State of Nevada  
General Obligation Debt Capacity and  
Affordability Report  
2019-2021 Biennium

**Prepared by**  
**The Office of the State Treasurer**

**The Honorable Zach Conine**  
**State Treasurer**



# State of Nevada Bonding Programs Paid with Ad Valorem Property Tax

## Bonding Programs Paid with Ad Valorem Property Tax

Bonding Programs Subject to the Constitutional Debt Limit	Authority	Proceeds Required for Authorization
Capital Improvement Program (CIP)	2017 (SB546)	\$ 32,215,000
Historic Preservation Grants	NRS 383.530	\$ 3 million per year
Open Space (Q1)-State Lands	2001 (AB9)	\$ 12,555,579
Bonding Programs Exempt from the Constitutional Debt Limit	Authority	Proceeds Required for Authorization
Water System Grants	NRS 349.986	\$ 78,722,284
Tahoe Environmental Improvement Projects	2009 (AB18)	\$ 87,460,469
Open Space (Q1)-State Lands	2001 (AB9)	\$ 4,996,481





# Constitutional Debt Limitation

## Debt Capacity

The Constitution of the State (Article 9, Section 3) limits the aggregate principal amount of the State's general obligation debt to 2% of the total reported assessed valuation of the State. The limitation does not apply to debt that is incurred for the protection and preservation of any property or natural resources of the State or for the purpose of obtaining the benefits thereof.

### Constitutional Debt Limitation As of January 1, 2019

Effective June 30	Assessed Valuation	Debt Limitation	Outstanding Debt Subject to Limitation	Remaining Constitutional Debt Capacity
2015	\$101,414,649,154	\$2,028,292,983	\$1,127,220,000	\$901,072,983
2016	108,331,564,829	2,166,631,297	1,082,845,000	1,083,786,297
2017	114,727,736,818	2,294,554,736	1,034,015,000	1,260,539,736
2018	123,398,562,960	2,467,971,259	1,025,895,000	1,442,076,259
2019	123,398,562,960	2,467,971,259	1,067,070,000	1,400,901,259



# Ad Valorem Property Tax Revenue

## Actual and Estimated

In November 2018, a committee comprised of the Departments of Taxation and Education, the Governor's Finance Office, and the Legislative Counsel Bureau met to discuss and prepare a forecast of ad valorem property tax revenues. They projected revenue for the 2019-2021 biennium and the growth rate for the outlying fiscal years in order to estimate the revenue to be received from the \$0.17 ad valorem tax levy. This committee does not include net proceeds of minerals revenue in their ad valorem property tax estimates. Fiscal year 2019 net proceeds of minerals revenue estimate is from the December 2018 Economic Forum Forecast.

The Table below reflects the actual revenue received to pay the State's general obligation debt from the current ad valorem property tax levy of \$0.17 per \$100 of assessed valuation for fiscal years 2014-2018 and the estimated revenue to be received for fiscal year 2019.

### Ad Valorem Property Tax Levied and Revenues Collected to Repay General Obligation Debt

Fiscal Year	Tax Rate Per \$100 of Assessed Valuation	Property Tax Revenues	Net Proceeds of Minerals Revenues	Total Ad Valorem Property Tax Revenues	Percentage of Change Year/Year
2014	\$0.17	\$132,481,797	\$2,145,956	\$134,627,753	2.57%
2015	0.17	139,390,372	209,089	139,599,461	3.69%
2016	0.17	142,225,422	2,686,420	144,911,842	3.81%
2017	0.17	145,457,344	1,854,906	147,312,250	1.66%
2018	0.17	152,149,743	5,349,054	157,498,797	6.91%
2019	0.17	158,070,336	4,978,000 <sup>(1)</sup>	163,048,336	3.52%

<sup>(1)</sup> Estimated from the December 2018 Economic Forum Forecast



# Affordability Analysis Assumptions

## **Projected Net Ad Valorem Property Tax Revenue and Growth Rates:**

In November 2018, a committee comprised of the Departments of Taxation and Education, the Governor's Finance Office, and the Legislative Counsel Bureau met to discuss and prepare a forecast of ad valorem property tax revenues. They projected revenue for the 2019-2021 biennium and the growth rate for the outlying fiscal years in order to estimate the revenue to be received from the \$0.17 ad valorem tax levy (does not include net proceeds of minerals revenue).

Fiscal Year	Ad Valorem Property Tax Revenue Projections	Percentage of Change Year/Year	Increase / (Decrease)
2019	\$158,070,336	3.89%	Increase
2020	\$168,376,579	6.52%	Increase
2021	\$178,462,798	5.99%	Increase
2022	\$183,816,682	3.00%	Increase
2023	\$189,331,182	3.00%	Increase

## **State's Ad Valorem Property Tax Levy:**

The State continues its current levy of \$0.17 per \$100 of assessed valuation for general obligation debt allocated as follows:

FY 2020-2021            \$0.1575 Allocated to Non-Open Space (Q1) Programs  
                                 \$0.0125 Allocated to Open Space (Q1) Program

Increased allocations to the Open Space (Q1) Program may be required if additional Open Space (Q1) Program debt issuance is proposed in the future.



# Affordability Analysis Assumptions (Continued)

## **Projected Net Proceeds of Minerals:**

Due to the sun-setting of the prepayment of the taxes on net proceeds of minerals (NRS 362.115) in Fiscal Year 2016 and the volatility of the revenues, net proceeds of minerals revenue projections have not been included in this analysis.

## **Estimated Future Borrowing Cost:**

- Future borrowing costs are modeled at a conservative 6% interest rate.
- The State maintains its current AA+/Aa2/AA bond ratings from Fitch, Moody's, and S&P respectively throughout the amortization of all bonds.
- Tax-Exempt bonds issued for capital expenditures.
- Fixed rate debt.

## **Reserves maintained within the Consolidated Bond Interest and Redemption Fund:**

- Reserve balance maintained at June 30th of each fiscal year equal to at least 50% of the next fiscal year's debt service.

## **Constitutional Debt Limit:**

- Outstanding and proposed general obligation debt subject to the Constitutional debt limit shall not exceed the Constitutional debt limit.



# Conclusion

The results of the Affordability Analysis indicate the State's bonding affordability for all capital programs paid with ad valorem property tax is \$32.215 million to complete the remaining bonding for the fiscal year 18-19 allocation and \$200 million for the upcoming 2019-2021 biennium and additionally, a minimum of \$200 million of affordability for each of the subsequent bienniums.

<b>Governor Recommended General Obligation Bonding Affordability Allocation</b>				
<b>Bonding Program</b>	<b>Authority</b>	<b>Proceeds Required for Authorization</b>	<b>Remaining Fiscal Year 18-19 Affordability Allocation</b>	<b>Fiscal Year 20-21 Affordability Allocation</b>
<i><b>Programs Subject to Constitutional Debt Limit-2017-2019 Biennium</b></i>				
Capital Improvement Program (CIP)	2017 (SB546)	\$ 32,215,000	\$ 32,215,000	\$ -
<i><b>Programs Subject to Constitutional Debt Limit-2019-2021 Biennium</b></i>				
Capital Improvement Program (CIP)	2019 CIP	\$ -	\$ -	\$ 186,000,000
Historic Preservation Grants	NRS 383.530	\$ 3 million per year	\$ -	\$ 3,000,000
Open Space (Q1)-State Lands	2001 (AB9)	\$ 12,555,579	\$ -	\$ -
<i><b>Total Subject to Constitutional Debt Limit</b></i>			<b>\$ 32,215,000</b>	<b>\$ 189,000,000</b>
<i><b>Programs Exempt from Constitutional Debt Limit-2019-2021 Biennium</b></i>				
Water System Grants	NRS 349.986	\$ 78,722,284	\$ -	\$ 3,000,000
Tahoe Environmental Improvement Projects	2009 (AB18)	\$ 87,460,469	\$ -	\$ 8,000,000
Open Space (Q1)-State Lands	2001 (AB9)	\$ 4,996,481	\$ -	\$ -
<i><b>Total Exempt From Constitutional Debt Limit</b></i>			<b>\$ -</b>	<b>\$ 11,000,000</b>
<b>Total</b>			<b>\$ 32,215,000</b>	<b>\$ 200,000,000</b>



## Conclusion (Continued)

The actual bonding capacity in future bienniums is dependent largely on actual ad valorem property tax revenue growth as compared to estimates.

Based on current assumptions for ad valorem property tax revenue growth and bond issuances, estimated revenues are sufficient to pay debt service on both outstanding and proposed bonds.

Additionally, in each fiscal year, the projected reserve balance within the Consolidated Bond Interest & Redemption Fund is expected to meet or exceed the State's policy of maintaining a reserve balance at June 30th of each fiscal year equal to at least 50% of the next fiscal year's debt service.

The actual amount of reserves required for future debt service is dependent upon future growth rates in ad valorem property tax revenue, bond interest rates, and amortization periods as compared to estimates.