

Journal
OF THE
SENATE OF THE STATE
OF NEVADA

THIRTIETH SPECIAL SESSION

THE FIRST DAY

CARSON CITY (Monday), October 10, 2016

Senate called to order at 8:20 a.m.

President Hutchison presiding.

Prayer by the Chaplain, Pastor Nick Emery.

We ask from You, Lord, for Your favor to be poured out upon this gathering today. Give to our leaders Your wisdom, strength and unity as they conduct the business of our great State, Nevada.

Give these leaders the focus and perspective they need this day. Give them a special ability to hear and understand deeply all that comes before them. May they recognize, this day, what You want from them, and may they quickly respond to it. Thank You for bringing out the best in each one of them. Thank You for Your desire to redeem and transform and to work through them. May they be faithful, this day, in seeking You and seeking Your heart for all You have before them.

May the Lord richly bless you, and may God bless Nevada. It is in His Name that we pray.

AMEN.

Pledge of Allegiance to the Flag.

MOTIONS, RESOLUTIONS AND NOTICES

Mr. President requested Mrs. Claire J. Clift to serve as temporary Secretary of the Senate and Mrs. Teri Peterson to serve as temporary Sergeant at Arms.

Mr. President instructed the temporary Secretary to call the roll of the holdover Senators.

Roll called.

All holdover Senators present.

Mr. President appointed Senators Farley, Goicoechea and Denis as a temporary Committee on Credentials.

Mr. President announced that if there were no objections, the Senate would recess subject to the call of the Chair while credentials of the newly-appointed Senators are examined by the temporary Committee on Credentials.

Senate in recess at 8:23 a.m.

SENATE IN SESSION

At 8:28 a.m.

President Hutchison presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your temporary Committee on Credentials has had the credentials of the respective Senator-appointees under consideration and begs leave to report that the following persons have been and are duly appointed and qualified members of the Senate for the Thirtieth Special Session of the Legislature of the State of Nevada: Senators Jesse James Haw and Julia Ratti.

PATRICIA L. FARLEY
PETE GOICOECHEA
MOISES DENIS

MOTIONS, RESOLUTIONS AND NOTICES

Senator Farley moved that the report of the temporary Committee on Credentials be adopted.

Motion carried unanimously.

Mr. President appointed Senators Harris, Hardy and Manendo to escort Chief Justice Ron D. Parraguirre of the Supreme Court of the State of Nevada to the rostrum to administer the oath of office to the newly-appointed Senators.

Mr. President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 8:28 a.m.

SENATE IN SESSION

At 8:37 a.m.

President Hutchison presiding.

Quorum present.

Chief Justice Parraguirre administered the oath of office to the newly-appointed Senators.

Mr. President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 8:41 a.m.

SENATE IN SESSION

At 8:46 a.m.

President Hutchison presiding.

Quorum present.

Senator Settelmeyer moved that the Chief Justice be extended a unanimous vote of thanks for administering the oath.

Motion carried unanimously.

Mr. President instructed the temporary Secretary to call the roll of the Senators.

Roll called.

All Senators present.

Senator Roberson moved that the organization of the Senate of the Seventy-eighth Session of the Nevada Legislature be designated as the organization of the Thirtieth Special Session of the Nevada Legislature with the following exceptions: Senator Atkinson serving as the Assistant Minority Leader, Senator Woodhouse serving as Co-Minority Whip and Mrs. Teri Peterson serving as Sergeant at Arms.

Motion carried.

Senator Roberson moved that the Secretary of the Senate be instructed to insert the Thirtieth Special Session organization into the Journal of the Senate as outlined in the Agenda booklet located on each Senator's desk.

Motion carried.

PRESIDENT PRO TEMPORE OF THE SENATE—

SENATOR JOSEPH P. HARDY

MAJORITY FLOOR LEADER—

SENATOR MICHAEL ROBERSON

ASSISTANT MAJORITY FLOOR LEADER—

SENATOR BEN KIECKHEFER

CO-MAJORITY WHIP—

SENATOR SCOTT T. HAMMOND

CO-MAJORITY WHIP—

SENATOR JAMES A. SETTELMAYER

MINORITY FLOOR LEADER—

SENATOR AARON D. FORD

ASSISTANT MINORITY FLOOR LEADER—

SENATOR KELVIN ATKINSON

CO-MINORITY WHIP—

SENATOR RUBEN J. KIHUEN

CO-MINORITY WHIP—

SENATOR JOYCE WOODHOUSE

SECRETARY OF THE SENATE—

CLAIRE J. CLIFT

Mr. President appointed Senators Lipparelli, Hammond and Parks as a Committee to inform the Assembly that the Senate is organized and ready for business.

Mr. President appointed Senators Kieckhefer, Settelmeyer and Kihuen as a Committee to inform the Governor that the Senate is organized and ready for business.

Senator Roberson moved that the following persons be accepted as accredited press representatives, and that they be assigned space at the press table and allowed use of appropriate media facilities: AHORA LATINO JOURNAL: Mario DelaRosa; AMERICAN BRIDGE: Brandon Turner; ANDE ENGLEMAN, FREELANCE (RAN Newsletter, KNPB, Channel 5): Ande Engleman; ASSOCIATED PRESS: Lance Iversen, Michelle Rindels, Riley Snyder, Scott Sonner; BRASS CANNON PRODUCTIONS: Keith Wood; CAPITAL PUBLIC RADIO: Kyril Plaskon; COVEREDGE TELEVISION NEWS SERVICES: Kausik Bhakta, Dan Bryant, Ryan Coleman, Tracey Frohn, Robert Gatti, Andrew Gray, Randy Hunter, Mark Materne, Robert Noble, Jim Parker, Bill Pearce, Keith Taylor, Richard Travis; ENVISION VIDEO: Eric Darensburg; FORTUNE MAGAZINE: Peter Elkind; JOE SACCO PRODUCTIONS: Joe Sacco; KKLH CUMULUS MEDIA: Samantha Stone; KKOH RADIO: Daniel Burel; KLAS-TV: Chris Maathuis, Mark Mutchler, Ian Russell, Patrick Walker; KNPB CHANNEL 5 PUBLIC BROADCASTING: Brent Boynton, Rebecca Cronon, Jeremy Dunn, Alex Muench, Dave Santina; KNPR NEWS: Joe Schoenmann; KOLO 8 NEWS NOW: Edward Barnett, Chris Buckley, Jennifer Carruthers, Michael Cooper, Ben Deach, Paul Harris, Sarah Johns, Ray Kinney, Rebecca Kitchen, Colin Lygren, Ed Pearce, Terri Russell, Sydnee Scofield, Stanton Tang, Catherine Van; KRNV NEWS 4: Alexandria Cannito, Madison Corney, Jeff Deitch, Roger Duplessis, Joe Hart, Terri Hendry, Ryan Kern, John Linn, Melissa Matheney, Steven Neils; KSNV NEWS 3: George Romero; KTNV-TV: Mason Agnew, Bryan Callahan, Steven Smallwood, Riley Snyder; KTVN CHANNEL 2 NEWS: Arianna Bennett, Hoffman Bryan, Ryan Canada, Amanda Ketchledge, Luis Latino, Mark Conon, Zac Mooney, Paul Nelson, Ky Sisson, Gaby Taffola, Gene Vance, KUNR 88.7 FM, RENO PUBLIC RADIO: Michelle Billman, Noah Glick, Ahn Gray, Will Stone; KVVU-TV: Kevin Bolinger, Luis Marquez, Miguel Martinez-Valle, Kurt Rempe, Faith Tanner; LAHONTAN VALLEY NEWS: Steven Ranson; LAS VEGAS REVIEW-JOURNAL: Benjamin Botkin, Sandra Chereb, Steven Ranson, Steve Sebelius, Sean Whaley; LAS VEGAS SUN: Megan Messerly, Kyle Roerink, Cy Ryan; LET'S TALK NEVADA: William Hurd, Rudy Moertl; LISA J PHOTOGRAPHY: Lisa Tolda; MINEWEB.COM: Dorothy Kosich; NEVADA APPEAL: Brad Cockman, Geoff Dornan, James Grant, Taylor Pettaway, Adam Trumble; NEVADA BROADCASTERS ASSOCIATION: Adrienne Abbott, Mary Beth Sewald; NEVADA MEDIA ALLIANCE: Gabriella Benavidez, Ashton Blake, Conner Board, Rayna Charnley, Nicholas Coleman, Kailee Gett, Nicole Kowalewski, Carolina Lopez, Kortney Melchiorre, Annalise Mishler, Carolina Lopez, Nohemi Sandoval, Ryan Smith, Alex Stewart, Drake Stewart, David Thompson, Vanessa Vancour, Walanya Vongsvirates; NEVADA PHOTO SOURCE: Tim Dunn; NEVADA PRESS ASSOCIATION: Kevin Clifford; NEVADA SAGEBRUSH: Breanna Denney, Blake Miller; NORTHERN NEVADA HOPES: Clinton Demeritt;

PETER WINTER: Peter Winter; RALSTON REPORTS: Jon Ralston; RECORD-COURIER, THE: Kurt Hildebrand; RENO GAY PAGE: Paco Poli; RENO GAZETTE-JOURNAL: Andy Barron, Jason Bean, Marcella Corona, Anjeanette Damon, Ray Hager, Jason Hidalgo, Trevon Milliard, Bill O'Driscoll, Seth A. Richardson, Benjamin Spillman; RENO PUBLIC RADIO: William Stone; REUTERS: Steve Keegan; SPARKS TRIBUNE: Andrew Barbano; STEALTH REPORTER, THE: Todd Bailey, Theresa Catalani; TASMAN PACIFIC MEDIA GROUP: Donna Andres, Peter Hutchinson; TRUCKEE MEADOWS COMMUNITY COLLEGE: Tim III; UNIVISION NEVADA: Laura Calzada, Ivet Contreras; VEGAS PBS: Elizabeth Thompson; VEGAS VOICE, THE: Dan Roberts; VETERANS REPORTER: Chuck Baker.

Motion carried.

A Committee from the Assembly composed of Assemblymen Oscarson and Brunetti and Assemblywoman Neal appeared before the bar of the Senate and announced that the Assembly is organized and ready for business.

Mr. President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 8:53 a.m.

SENATE IN SESSION

At 9:02 a.m.

President Hutchison presiding.

Quorum present.

Senator Lipparelli reported that his Committee has informed the Assembly that the Senate is organized and ready for business.

Senator Kieckhefer reported that his Committee has informed the Governor that the Senate is organized and ready for business.

MESSAGES FROM THE GOVERNOR STATE OF NEVADA EXECUTIVE CHAMBER CARSON CITY, NEVADA 89701

October 10, 2016

THE HONORABLE MICHAEL ROBERSON, *Senate Majority Leader*, Nevada State Senate
401 South Carson Street, Carson City, NV 89701

TO THE HONORABLE MEMBERS OF THE NEVADA STATE SENATE:

Nevada continues to feel the effects of the worst economic crisis in the history of our State. While we work together and continue to emerge from this economic crisis, Nevada must expand its economic opportunities and provide greater diversification of its workforce.

Before us is a rare opportunity to seize the moment and raise Las Vegas, already the best in the world, to the next level of entertainment and hospitality. The approval of the convention center expansion, construction of a potential NFL stadium, and funding more police on our streets to secure our community will open new doors for Las Vegas, bring thousands of Nevadans jobs and cement our leadership position in hosting conventions, entertainment and

tourism. Understanding that an extraordinary occasion exists, this opportunity requires immediate action by the Nevada State Legislature.

Article 5, Section 9, Subsection 1 of the Nevada Constitution provides that the Governor may, on extraordinary occasions, convene a Special Session of the Nevada State Legislature by proclamation. I have issued a proclamation calling the Legislature into a Special Session. In that proclamation, I identify a number of items to consider which will allow new businesses to move to and flourish in Nevada.

Sincere regards,
BRIAN SANDOVAL
Governor

OFFICE OF THE GOVERNOR
EXECUTIVE ORDER

A PROCLAMATION BY THE GOVERNOR

WHEREAS, the new Nevada economy requires a careful balance of growing and attracting businesses that bring innovative and new technologies and diversify our tax base while at the same time supporting and expanding our foundation as the world leaders in gaming, tourism, and entertainment;

WHEREAS, the continued safety of residents and visitors is a top priority for this for this State and integral to our economic growth;

WHEREAS, an extraordinary occasion exists that requires immediate action by the Nevada State Legislature.

WHEREAS, Article 5, Section 9, Subsection 1 of the Nevada Constitution provides that "the Governor may, on extraordinary occasions, convene the Legislature by Proclamation and shall state to both houses, when organized, the business for which they have been specially convened;"

WHEREAS, Article 5, Section 9, Subsection 2 of the Nevada Constitution further provides that at a special session convened by the Governor "the Legislature shall not introduce, consider or pass any bills except those related to the business for which the legislature has been specially convened and those necessary to provide for the expenses of the session;" and

WHEREAS, Article 5, Section 1 of the Nevada Constitution provides: "The supreme executive power of this State, shall be vested in a Chief Magistrate who shall be Governor of the State of Nevada."

NOW, THEREFORE, I, BRIAN SANDOVAL, GOVERNOR OF THE STATE OF NEVADA, by the authority vested in me by the Constitution and laws of the State of Nevada, do hereby convene the Nevada State Legislature into a special session to begin at 8:00 a.m. on Monday, October 10, 2016. During this special session, I ask the Legislature to consider the following:

1. Imposing a lodging tax on the gross receipts from the rental of transient lodging to finance the expansion and the renovation of the Las Vegas Convention Center.
2. Providing a method to finance the construction and the operations of a National Football League stadium project or a college football stadium project in Clark County, including the imposition of a lodging tax on the gross receipts from the rental of transient lodging, and the creation of a Public Stadium Authority Board to manage the operations of such a facility.
3. Authorizing the Clark County Board of Commissioners to increase the sales and use tax in order to employ and equip additional law enforcement officers, including a means for distributing tax proceeds within Clark County.

FURTHERMORE, during the Legislatures deliberations, I respectfully request that they stand in recess from an appropriate time before sundown, Tuesday, October 11, 2016 to an appropriate time after sundown, Wednesday, October 12, 2016 in recognition of Yom Kippur.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson

City, this 15th day of December, in the year two thousand fifteen.

BRIAN SANDOVAL

Governor

BARBARA K. CEGAVSKE

Secretary of State

SCOTT ANDERSON

Chief Deputy Secretary of State

MOTIONS, RESOLUTIONS AND NOTICES

By Senators Roberson and Ford:

Senate Resolution No. 1—Adopting the Rules of the Senate for the 30th Special Session of the Nevada Legislature.

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, That the following Rules of the Senate for the 30th Special Session of the Legislature are hereby adopted:

I. *APPLICABILITY*

Rule No. 1. Generally.

The Rules of the Senate for the 30th Special Session of the Legislature are applicable only during the 30th Special Session of the Legislature.

II. *OFFICERS AND EMPLOYEES*

DUTIES OF OFFICERS

Rule No. 2. President.

The President shall take the chair and call the Senate to order precisely at the hour appointed for meeting. The President shall preserve order and decorum, and in case of any disturbance or disorderly conduct within the Senate Chamber, shall order the Sergeant at Arms to suppress it, and may order the arrest of any person creating any disturbance within the Senate Chamber. The President may speak to points of order in preference to members, rising from the President's seat for that purpose, and shall decide questions of order without debate, subject to an appeal to the Senate by two members, on which appeal no member may speak more than once without leave of the Senate. The President shall sign all acts, addresses and joint resolutions, and all writs, warrants and subpoenas issued by order of the Senate; all of which must be attested by the Secretary. The President has general direction of the Senate Chamber.

Rule No. 3. President pro Tempore and Other Presiding Officers.

1. Except as otherwise provided in subsection 2:

(a) The President pro Tempore has all the power and shall discharge all the duties of the President during his or her absence or inability to discharge the duties of his or her office.

(b) If the President is unwilling to discharge the duties of his or her office, the Senate may, by majority vote of the Senate, call upon the President pro Tempore to serve as the President. Upon such call, the President pro Tempore has all the power and shall discharge all the duties of the President during his or her unwillingness to discharge the duties of his or her office.

(c) In the absence or inability of the President pro Tempore to discharge the duties of the President's office, the Senate shall elect one of its members as the presiding officer for that occasion. A member who is serving as the presiding officer has all the power and shall discharge all the duties of the President until the absence or inability which resulted in the member serving as the presiding officer has ended.

2. When the President pro Tempore or another member is serving as the presiding officer, the President pro Tempore or other member may vote on any question for which he or she is otherwise qualified to vote as a member. If the Senate is equally divided on the question, the President pro Tempore or other member may not give an additional deciding vote or casting vote pursuant to Senate Rule No. 14 of the 30th Special Session or Section 17 of Article 5 of the Nevada Constitution.

Rule No. 4. Secretary.

1. The Secretary of the Senate is elected by the Senate, and shall:

(a) Recruit, interview, select, train and supervise all staff employed to assist with the work of the Senate.

(b) See that these employees perform their respective duties.

(c) Administer the daily business of the Senate, including the provision of staff as needed.

(d) Adopt such administrative policies as the Secretary deems necessary to carry out the business of the Senate.

(e) Unless otherwise ordered by the Senate, transmit as soon as practicable those bills and resolutions upon which the next action is to be taken by the Assembly.

2. The Secretary is responsible to the Majority Leader.

3. The President and the Secretary are authorized to make any necessary corrections and additions to the final Journal, Daily History and committee minutes of the Senate.

Rule No. 5. Sergeant at Arms.

1. The Sergeant at Arms shall:

(a) Attend the Senate during its sittings, and execute its commands and all process issued by its authority.

(b) Keep the secrets of the Senate.

(c) Superintend the upkeep of the Senate's Chamber, private lounge and meeting rooms.

2. The Sergeant at Arms is responsible to the Majority Leader.

Rule No. 6. Deputy Sergeant at Arms and Assistant Sergeants at Arms.

The Deputy Sergeant at Arms and Assistant Sergeants at Arms shall serve as doorkeepers and shall preserve order in the Senate Chamber and shall assist the Sergeant at Arms. The Deputy Sergeant at Arms and Assistant Sergeants at Arms shall keep the secrets of the Senate. In the event that the Sergeant at Arms is incapacitated or absent for any reason, the Deputy Sergeant at Arms shall serve as the Sergeant at Arms until the incapacity or absence has ended.

III. SESSIONS AND MEETINGS

Rule No. 7. Call of Senate—Moved by Three Members.

1. A Call of the Senate may be moved by three Senators, and if carried by a majority of all present, the Secretary shall call the roll and note the absentees, after which the names of the absentees shall again be called over. The doors shall then be closed and the Sergeant at Arms directed to take into custody all who may be absent without leave, and all Senators so taken into custody shall be presented at the bar of the Senate for such action as the Senate may deem proper.

2. In the event an emergency occurs during a special session of the Legislature which requires a meeting of the Senate, the Majority Leader shall call the members back to order before the hour to which the Senate has adjourned.

Rule No. 8. Absence—Leave Required.

No Senator shall absent himself or herself from the service of the Senate without leave, except in case of accident or sickness, and if any Senator or officer shall so absent himself or herself, his or her per diem shall not be allowed.

Rule No. 9. Open Meetings.

1. Except as otherwise provided in the Constitution of the State of Nevada and in subsection 2, all meetings of the Senate and the Committee of the Whole or a standing committee must be open to the public.

2. A meeting may be closed to consider the character, alleged misconduct, professional competence, or physical or mental health of a person.

IV. DECORUM AND DEBATE

Rule No. 10. Points of Order.

1. If any Senator, in speaking or otherwise, transgresses the Rules of the Senate, the President shall, or any Senator may, call him or her to order. If a Senator is so called to order, he or she shall not proceed without leave of the Senate. If such leave is granted, it must be upon the motion, "That he or she be allowed to proceed in order," and the Senator shall confine himself or herself to the question under consideration and avoid personality.

2. Every decision of points of order made by the President is subject to appeal, and a discussion of a question of order may be allowed only upon the appeal of two Senators. In all cases of appeal, the question must be, "Shall the decision of the Chair stand as the judgment of the Senate?"

Rule No. 11. Breaches of Decorum.

1. In cases of breaches of decorum or propriety, any Senator, officer or other person is liable to such censure or punishment as the Senate may deem proper.

2. If any Senator is called to order for offensive or indecorous language or conduct, the person calling the Senator to order shall report the offensive or indecorous language or conduct to the presiding officer. No member may be held to answer for any language used on the floor of the Senate if business has intervened before exception to the language was taken.

3. Indecorous conduct or boisterous or unbecoming language is not permitted in the Senate Chamber.

Rule No. 11.5. Legislative Ethics.

1. In determining whether a Legislator has a conflict of interest, the Legislator should consider whether the independence of judgment of a reasonable person in his or her situation upon the matter in question would be materially affected by the Legislator's:

- (a) Acceptance of a gift or loan;
- (b) Private economic interest; or
- (c) Commitment to a member of his or her household or his or her immediate family.

↳ In interpreting and applying the provisions of this subsection, it must be presumed that the independence of judgment of a reasonable person in the Legislator's situation would not be materially affected by the Legislator's private economic interest or the Legislator's commitment to a member of his or her household or immediate family where the resulting benefit or detriment accruing to the Legislator, or if the Legislator has a commitment to a member of his or her household or immediate family, accruing to those other persons, is not greater than that accruing to any other member of the general business, profession, occupation or group that is affected by the matter.

2. Except as otherwise provided in subsection 3, if a Legislator knows he or she has a conflict of interest pursuant to subsection 1, the Legislator shall make a general disclosure of the conflict of interest on the record in a meeting of a committee or on the floor of the Senate, as applicable. Such a disclosure must be entered:

(a) If the Legislator makes the disclosure in a meeting of a committee, in the minutes for that meeting.

(b) If the Legislator makes the disclosure on the floor of the Senate, in the Journal.

3. If, on one or more prior occasions during the current session of the Legislature, a Legislator has made a general disclosure of a conflict of interest on the record in a meeting of a committee or on the floor of the Senate, the Legislator is not required to make that general disclosure at length again regarding the same conflict of interest if, when the matter in question arises on subsequent occasions, the Legislator makes a reference on the record to the previous disclosure.

4. In determining whether to abstain from voting upon, advocating or opposing a matter concerning which a Legislator has a conflict of interest pursuant to subsection 1, the Legislator should consider whether:

- (a) The conflict impedes his or her independence of judgment; and
- (b) His or her interest is greater than the interests of an entire class of persons similarly situated.

5. The provisions of this Rule do not under any circumstances and regardless of any conflict of interest:

- (a) Prohibit a Legislator from requesting or introducing a legislative measure; or
- (b) Require a Legislator to take any particular action before or while requesting or introducing a legislative measure.

6. If a Legislator who is a member of a committee declares on the record when a vote is to be taken by the committee that he or she will abstain from voting because of the requirements of this Rule the necessary quorum to act upon and the number of votes necessary to act upon the matter is reduced as though the Legislator abstaining were not a member of the committee.

7. The standards and procedures set forth in this Rule which govern whether and to what extent a Senator has a conflict of interest, should disclose a conflict of interest or should abstain from voting upon, advocating or opposing a matter concerning which the Senator has a conflict of interest pursuant to subsection 1:

(a) Are exclusive and are the only standards and procedures that apply to Senators with regard to such matters; and

(b) Supersede and preempt all other standards and procedures with regard to such matters.

8. For purposes of this Rule, "immediate family" means a person who is related to the Legislator by blood, adoption or marriage within the first degree of consanguinity or affinity.

V. QUORUM, VOTING, ELECTIONS

Rule No. 12. Action Required to Be Taken in Senate Chamber.

Any action taken by the Senate must be taken in the Senate Chamber.

Rule No. 13. Recorded Vote—Three Required to Call For.

1. A recorded vote must be taken upon final passage of a bill or joint resolution, and in any other case when called for by three members. Every Senator within the bar of the Senate shall vote "yea" or "nay" or record himself or herself as "not voting," unless excused by unanimous vote of the Senate.

2. The votes and names of those absent or recorded as "not voting" and the names of Senators demanding the recorded vote must be entered in the Journal.

Rule No. 14. President to Decide—Tie Vote.

A question is lost by a tie vote, but when the Senate is equally divided on any question, the President may give the deciding vote.

Rule No. 15. Manner of Election—Voting.

1. In all cases of election by the Senate, the vote must be taken viva voce. In other cases, if a vote is to be recorded, it may be taken by oral roll-call or by electronic recording.

2. When a recorded vote is taken, no Senator may:

(a) Vote except when at his or her seat;

(b) Explain his or her vote or discuss the question while the voting is in progress; or

(c) Change his or her vote after the result is announced.

3. The announcement of the result of any vote must not be postponed.

VI. LEGISLATIVE BODIES

Rule No. 16. Committee of the Whole.

1. All bills and resolutions may be referred only to the Committee of the Whole or to such standing committee as may be appointed pursuant to Senate Rule No. 16.5 of the 30th Special Session of the Legislature.

2. The Majority Leader shall preside as Chair of the Committee of the Whole or name a Chair to preside.

3. Any meeting of the Committee of the Whole may be conducted outside the Senate Chamber, as designated by the Chair of the Committee.

4. A member of the Committee of the Whole may speak on an item listed on the Committee's agenda, for a period of not more than 10 minutes, unless he or she is granted leave of the Chair to speak for a longer period. If a member is granted leave to speak for a longer period, the Chair may limit the length of additional time that the member may speak.

5. The Chair may require any vote of the Committee of the Whole to be recorded in the manner designated by the Chair.

6. All amendments proposed by the Committee of the Whole:

(a) Must first be approved by the Committee.

(b) Must be reported by the Chair to the Senate.

7. The minutes of the Committee's meetings must be entered in the final Journal.

Rule No. 16.5. Standing Committees.

In addition to the Committee of the Whole, such standing committees may be appointed as may be deemed necessary.

Rule No. 17. Rules Applicable to Standing Committees and Committee of the Whole.

The Rules of the Senate shall apply to proceedings in the Committee of the Whole and such standing committees as may be appointed, except that the previous question shall not be ordered nor the yeas and nays demanded, but the Chair may limit the number of times that any member may speak, at any stage of proceedings, during its sitting. Messages may be received by the President while the Committee is sitting; in which case the President shall resume the chair and receive the message. After receiving the message, the President shall vacate the chair in favor of the Chair of the Committee. The rules of parliamentary practice contained in Mason's Manual of

Legislative Procedure shall govern such committees in all cases in which they are applicable and in which they are not inconsistent with the rules and orders of the Senate.

Rule No. 18. Motion to Rise Committee of the Whole.

A motion that the Committee of the Whole rise shall always be in order, and shall be decided without debate.

VII. RULES GOVERNING MOTIONS

A. MOTIONS GENERALLY

Rule No. 19. Entertaining.

- 1. No motion may be debated until it is announced by the President.*
- 2. By consent of the Senate, a motion may be withdrawn before amendment or decision.*

Rule No. 20. Precedence of Motions.

When a question is under debate, no motion shall be received but the following, which shall have precedence in the order named:

- 1. To adjourn.*
- 2. For a call of the Senate.*
- 3. To recess.*
- 4. To lay on the table.*
- 5. For the previous question.*
- 6. To postpone to a day certain.*
- 7. To refer to committee.*
- 8. To amend.*
- 9. To postpone indefinitely.*

↪ The first three motions shall be decided without debate and a motion to lay on the table without question or debate.

Rule No. 21. When Not Entertained.

- 1. When a motion to postpone indefinitely has been decided, it must not be again entertained on the same day.*
- 2. When a question has been postponed indefinitely, it must not again be introduced during the Special Session unless this Rule is suspended by a majority vote of the Senate.*
- 3. There must be no reconsideration of a vote on a motion to postpone indefinitely.*

B. PARTICULAR MOTIONS

Rule No. 22. To Adjourn.

A motion to adjourn shall always be in order. The name of the Senator moving to adjourn, and the time when the motion was decided, shall be entered in the Journal.

Rule No. 23. Lay on the Table.

A motion to lay on or take from the table shall be carried by a majority vote.

Rule No. 24. To Strike Enacting Clause.

A motion to strike out the enacting clause of a bill has precedence over a motion to refer to committee or to amend. If a motion to strike out the enacting clause of a bill is carried, the bill is rejected.

Rule No. 25. Division of Question.

- 1. Any Senator may call for a division of a question.*
- 2. A question must be divided if it embraces subjects so distinct that if one subject is taken away, a substantive proposition remains for the decision of the Senate.*
- 3. A motion to strike out and insert must not be divided.*

Rule No. 26. Explanation of Motion.

Whenever a Senator moves to change the usual disposition of a bill or resolution, he or she shall describe the subject of the bill or resolution and state the reasons for requesting the change in the processing of the bill or resolution.

VIII. DEBATE

Rule No. 27. Speaking on Question.

- 1. Every Senator who speaks shall, standing in his or her place, address "Mr. or Madam President," in a courteous manner, and shall confine himself or herself to the question before the Senate. When the Senator has finished, he or she shall sit down.*
- 2. Except as otherwise provided in Senate Rules Nos. 10 and 45 of the 30th Special Session, a Senator may speak only once on a question before the Senate, for a period of not more than*

10 minutes, unless he or she is granted leave of the President to speak for a longer period or more than once. If a Senator is granted leave to speak for a longer period or more than once, the President may limit the length of additional time that the member may speak.

3. *Incidental and subsidiary questions arising during debate shall not be considered the same question.*

Rule No. 28. Previous Question.

The previous question shall not be put unless demanded by three Senators, and it shall be in this form: "Shall the main question be put?" When sustained by a majority of Senators present, it shall put an end to all debate and bring the Senate to a vote on the question or questions before it, and all incidental questions arising after the motion was made shall be decided without debate. A person who is speaking on a question shall not while he or she has the floor move to put that question.

IX. CONDUCT OF BUSINESS

A. GENERALLY

Rule No. 29. Mason's Manual.

The rules of parliamentary practice contained in Mason's Manual of Legislative Procedure shall govern the Senate in all cases in which they are applicable and in which they are not inconsistent with the rules and orders of the Senate for the 30th Special Session of the Legislature, and the Joint Rules of the Senate and Assembly for the 30th Special Session of the Legislature.

Rule No. 30. Suspension, Rescission or Change of Rule.

No rule or order of the Senate for the 30th Special Session of the Legislature shall be suspended, rescinded or changed without a majority vote of the Senate.

Rule No. 31. Protest.

Any Senator, or Senators, may protest against the action of the Senate upon any question, and have such protest entered in the Journal.

Rule No. 32. Privilege of the Floor.

1. *To preserve decorum and facilitate the business of the Senate, only the following persons may be present on the floor of the Senate during formal sessions:*

- (a) State officers;*
- (b) Officers and members of the Senate;*
- (c) Employees of the Legislative Counsel Bureau;*
- (d) Staff of the Senate; and*
- (e) Members of the Assembly whose presence is required for the transaction of business.*

2. *Guests of Senators must be seated in a section of the upper or lower gallery of the Senate Chamber to be specially designated by the Sergeant at Arms. The Majority Leader may specify special occasions when guests may be seated on the floor of the Senate with a Senator.*

3. *A majority of Senators may authorize the President to have the Senate Chamber cleared of all persons except Senators and officers of the Senate.*

4. *The Senate Chamber may not be used for any business other than legislative business during a legislative session.*

Rule No. 33. Material Placed on Legislators' Desks.

1. *Only the Sergeant at Arms and officers and employees of the Senate may place papers, letters, notes, pamphlets and other written material upon a Senator's desk. Such material must contain the name of the Legislator requesting the placement of the material on the desk or a designation of the origin of the material.*

2. *This Rule does not apply to books containing the legislative bills and resolutions, the daily histories and daily journals of the Senate or Assembly, or Legislative Counsel Bureau material.*

Rule No. 34. Petitions.

The contents of any petition shall be briefly stated by the President or any Senator presenting it. It shall then lie on the table or be referred, as the President or Senate may direct.

Rule No. 35. Objection to Reading of Paper.

Where the reading of any paper is called for, and is objected to by any Senator, it shall be determined by a vote of the Senate, and without debate.

Rule No. 36. Questions Relating to Priority of Business.

All questions relating to the priority of business shall be decided without debate.

B. *BILLS AND RESOLUTIONS*

Rule No. 37. *Requests for the Drafting of Bills, Resolutions and Amendments.*

Except as otherwise provided in this Rule, the Legislative Counsel shall not honor a request for the drafting of a bill, resolution or amendment to be introduced in the Senate unless it is submitted by the Committee of the Whole, a standing committee or a Conference Committee. The Majority Leader may request the drafting of five legislative measures for the 30th Special Session of the Legislature without seeking the approval of the Committee of the Whole or any other committee that may be appointed for the 30th Special Session.

Rule No. 38. *Skeleton Bill Prohibited.*

Skeleton bills may not be introduced.

Rule No. 39. *Reading of Bills.*

1. Every bill must receive three readings before its passage, unless, in case of emergency, this Rule is suspended by a two-thirds vote of the Senate.

2. The first reading of a bill is for information, and if there is opposition to the bill, the question must be, "Shall this bill be rejected?" If there is no opposition to the bill, or if the question to reject is defeated, the bill must then take the usual course.

3. No bill may be referred to committee until once read, nor amended until twice read.

4. The third reading of every bill must be by sections.

Rule No. 40. *Second Reading File—Consent Calendar.*

1. All bills or joint resolutions reported by the Committee of the Whole or a standing committee must be placed on a Second Reading File unless recommended for placement on the Consent Calendar.

2. The Committee of the Whole or a standing committee shall not recommend a bill or joint resolution for placement on the Consent Calendar if:

(a) An amendment of the bill or joint resolution is recommended;

(b) It contains an appropriation;

(c) It requires a two-thirds vote of the Senate; or

(d) It is controversial in nature.

3. A bill or joint resolution must be removed from the Consent Calendar at the request of any Senator, without question or debate. A bill or joint resolution so removed must be immediately placed on the Second Reading File for consideration in the usual order of business.

4. When the Consent Calendar is called:

(a) The bills remaining on the Consent Calendar must be read by number and summary, and the vote must be taken on their final passage as a group.

(b) No remarks or questions are in order and the bills remaining on the Consent Calendar must be voted upon without debate.

Rule No. 41. *Reading of Bills—General File.*

1. Upon reading of bills on the Second Reading File, Senate and Assembly bills reported without amendments must be placed on the General File.

2. Only amendments proposed by the Committee of the Whole, a standing committee or a conference committee may be considered.

3. Amendments proposed by the Committee of the Whole or a standing committee and reported with bills may be adopted by a majority vote of the members present. Bills so amended must be reprinted, engrossed or reengrossed, and placed on the General File. The File must be made available to members of the public each day by the Secretary.

Rule No. 42. *Reconsideration of Vote on Bill.*

No motion to reconsider a vote is in order.

C. *RESOLUTIONS*

Rule No. 43. *Certain Resolutions Treated as Bills.*

Joint resolutions addressed to Congress, or to either House thereof, or to the President of the United States, or the heads of any of the national departments, or proposing amendments to the State Constitution are subject, in all respects, to the foregoing rules governing the course of bills. A joint resolution proposing an amendment to the Constitution must be entered in the Journal in its entirety.

Rule No. 43.3. *Memorial Resolutions.*

Once the sponsor has moved for the adoption of a memorial resolution, not more than one member from each caucus, and, upon request of a member of the body and the approval of the Majority Leader, one additional member may speak on the resolution.

Rule No. 44. *Certain Resolutions Treated as Motions.*

Resolutions, other than those referred to in Senate Rules Nos. 43 and 43.3 of the 30th Special Session of the Legislature, must be treated as motions in all proceedings of the Senate.

Rule No. 44.5. *Return From the Secretary of State.*

A Senate resolution may be used to request the return from the Secretary of State of an enrolled Senate resolution for further consideration.

Rule No. 45. *Order of Business, Special Orders and Other Matters.*

1. Roll Call.
2. Prayer and Pledge of allegiance to the Flag.
3. Reading and Approval of the Journal.
4. Reports of Committees.
5. Messages from the Governor.
6. Messages from the Assembly.
7. Communications.
8. [Reserved.]
9. Motions, Resolutions and Notices.
10. Introduction, First Reading and Reference.
11. Consent Calendar.
12. Second Reading and Amendment.
13. General File and Third Reading.
14. Unfinished Business.
15. Special Orders of the Day.
16. Remarks from the Floor; Introduction of Guests. A Senator may speak under this order of business for a period of not more than 5 minutes each day.

Rule No. 46. *Privilege.*

Any Senator may rise and explain a matter personal to himself or herself by leave of the President, but the Senator shall not discuss any pending question in such explanation.

Rule No. 47. *Preference to Speak.*

When two or more Senators rise at the same time, the President shall name the one who may first speak—giving preference, when practicable, to the mover or introducer of the subject under consideration.

Rule No. 48. *Special Order.*

The President shall call the Senate to order on the arrival of the time fixed for the consideration of a special order, and announce that the special order is before the Senate, which shall be considered, unless it be postponed by a majority vote of the Senate, and any business before the Senate at the time of the announcement of the special order shall go to Unfinished Business.

Senator Roberson moved the adoption of the resolution.

Remarks by Senator Roberson.

Senate Resolution No. 1 adopts the rules for the Senate for the 30th Special Session of the Nevada Legislature. These rules have been drafted based upon the rules that were adopted for the 29th Special Session. All of the changes included in this resolution were made at the request of the Secretary of the Senate. I have a list of the four nonsubstantive changes that were made if anyone would like to hear it. There is only one substantive addition, and it affects Rule No. 21. The change appears on page 9, at lines 9 and 10, where it adds the phrase "unless the rule is suspended by a majority vote of the Senate," at the end of subsection 2, of Rule No. 21. The change was suggested for the purpose of mirroring the corresponding rule in the Senate Standing Rules for the 78th Session. The additional language simply clarifies a question which has been postponed indefinitely may be introduced again during the Special Session but only if Rule No. 21 is suspended by a majority vote of the members of the Senate.

Resolution adopted unanimously.

By Senators Roberson and Ford:

Senate Resolution No. 2—Providing that no allowances will be paid for the 30th Special Session of the Nevada Legislature for periodicals, stamps, stationery or communications.

Senator Roberson moved the adoption of the resolution.

Remarks by Senator Roberson.

It is the tradition of the Senate that no allowances will be paid for periodicals, stamps, stationery, etc., during the 30th Special Session.

Resolution adopted unanimously.

By Senators Roberson and Ford:

Senate Resolution No. 3—Recognizing the appointment of the Senate staff.

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, That the following persons are recognized as the duly-appointed staff of the Senate for the 30th Special Session of the Legislature of the State of Nevada: Stella Blood, Colleen K. Brennan, Steve Brummer, Diana Jones, Lynette Jones, Julie Newman, Teri Peterson, Gena Plummer, Jodi Poley, Sherry L. Rodriguez, Susan Whitford, Todd Westergard and Jeanine M. Wittenberg.

Senator Roberson moved the adoption of the resolution.

Remarks by Senator Roberson.

We are fortunate, once again, to have an exceptional Senate staff work with us during this Special Session.

Resolution adopted unanimously.

President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 9:09 a.m.

SENATE IN SESSION

At 9:12 a.m.

President Hutchison presiding.

Quorum present.

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, October 10, 2016

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day adopted Assembly Concurrent Resolution No. 1.

SUSAN FURLONG

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Assembly Concurrent Resolution No. 1.—Adopting the Joint Rules of the Senate and Assembly for the 30th Special Session of the Nevada Legislature.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the following Joint Rules of the Senate and Assembly for the 30th Special Session of the Legislature are hereby adopted:

APPLICABILITY OF JOINT RULES

Rule No. 1. Generally.

The Joint Rules for the 30th Special Session of the Legislature are applicable only during the 30th Special Session of the Legislature.

CONFERENCE COMMITTEES

Rule No. 2. Procedure Concerning.

1. In every case of an amendment of a bill, or joint or concurrent resolution, agreed to in one House, dissented from in the other, and not receded from by the one making the amendment, each House shall appoint a committee to confer with a like committee to be appointed by the other; and the committee so appointed shall meet publicly at a convenient hour to be agreed upon by their respective chairs and announced publicly, and shall confer upon the differences between the two Houses as indicated by the amendments made in one and rejected in the other and report as early as convenient the result of their conference to their respective Houses.

2. The report shall be made available to all members of both Houses. The whole subject matter embraced in the bill or resolution shall be considered by the committee, and it may recommend recession by either House, new amendments, new bills or resolutions, or other changes as it sees fit. New bills or resolutions so reported shall be treated as amendments unless the bills or resolutions are composed entirely of original matter, in which case they shall receive the treatment required in the respective Houses for original bills, or resolutions, as the case may be. A conference committee shall not recommend any action which would cause the creation of more than one reprint or more than one bill or resolution.

3. The report of a conference committee may be adopted by acclamation. The report is not subject to amendment.

4. There shall be but one conference committee on any bill or resolution. A majority of the members of a conference committee from each House must be members who voted for the passage of the bill or resolution.

MESSAGES

Rule No. 3. Procedure Concerning.

1. Proclamations by the Governor convening the Legislature in special session must be filed and entered in the Journal of proceedings.

2. Whenever a message from the Governor is received, it shall be entered in full in the Journal of proceedings.

3. Messages from the Senate to the Assembly shall be delivered by the Secretary of the Senate or a person designated by the Secretary and messages from the Assembly to the Senate shall be delivered by the Chief Clerk of the Assembly or a person designated by the Chief Clerk.

NOTICE OF FINAL ACTION

Rule No. 4. Communications.

Each House shall communicate its final action on any bill or resolution, or matter in which the other may be interested, by written notice. Each such notice sent by the Senate must be signed by the Secretary of the Senate, or a person designated by the Secretary. Each such notice sent by the Assembly must be signed by the Chief Clerk of the Assembly, or a person designated by the Chief Clerk.

BILLS AND JOINT RESOLUTIONS

Rule No. 5. Signature.

Each enrolled bill or joint resolution shall be presented to the presiding officers of both Houses for signature. They shall, after an announcement of their intention to do so is made in open session, sign the bill or joint resolution and their signatures shall be followed by those of the Secretary of the Senate and Chief Clerk of the Assembly.

Rule No. 6. Joint Sponsorship.

1. A bill or resolution introduced by a committee of the Senate or Assembly may, at the direction of the chair of the committee, set forth the name of a committee of the other House as a joint sponsor, if a majority of all members appointed to the committee of the other House votes in favor of becoming a joint sponsor of the bill or resolution. The name of the committee joint sponsor must be set forth on the face of the bill or resolution immediately below the date on which the bill or resolution is introduced.

2. The Legislative Counsel shall not cause to be printed the name of a committee as a joint sponsor on the face of a bill or resolution unless the chair of the committee has signed his or her name next to the name of the committee on the colored back of the introductory copy of the bill

or resolution that was submitted to the front desk of the House of origin or the statement required by subsection 4.

3. Upon introduction, any bill or resolution that sets forth the names of primary joint sponsors must be numbered in the same numerical sequence as other bills and resolutions of the same House of origin are numbered.

4. Once a bill or resolution has been introduced, a primary joint sponsor or nonprimary joint sponsor may only be added or removed by amendment of the bill or resolution. An amendment which proposes to add or remove a primary joint sponsor must not be considered by the House of origin of the amendment unless a statement requesting the addition or removal is attached to the copy of the amendment submitted to the front desk of the House of origin of the amendment. If the amendment proposes to add or remove a committee as a primary joint sponsor, the statement must be signed by the chair of the committee. A copy of the statement must be transmitted to the Legislative Counsel if the amendment is adopted.

5. An amendment that proposes to add or remove a primary joint sponsor may include additional proposals to change the substantive provisions of the bill or resolution or may be limited only to the proposal to add or remove a primary joint sponsor.

PUBLICATIONS

Rule No. 7. Ordering and Distribution.

1. The bills, resolutions, journals and histories will be provided electronically to the officers and members of the Senate and Assembly, the staff of the Legislative Counsel Bureau, the press and the general public on the Nevada Legislature's Internet website.

2. Each House may order the printing of bills introduced, reports of its own committees, and other matters pertaining to that House only; but no other printing may be ordered except by a concurrent resolution passed by both Houses. Each Senator is entitled to the free distribution of four copies of each bill introduced in each House, and each Assemblyman to such a distribution of two copies. Additional copies of such bills may be distributed at a charge to the person to whom they are addressed. The amount charged for distribution of the additional copies must be determined by the Director of the Legislative Counsel Bureau to approximate the cost of handling and postage for the entire session.

RESOLUTIONS

Rule No. 8. Types, Usage and Approval.

1. A joint resolution must be used to:

- (a) Propose an amendment to the Nevada Constitution.
- (b) Ratify a proposed amendment to the United States Constitution.
- (c) Address the President of the United States, Congress, either House or any committee or member of Congress, any department or agency of the Federal Government, or any other state of the Union.

2. A concurrent resolution must be used to:

- (a) Amend these Joint Standing Rules which requires a majority vote of each House for adoption.
- (b) Request the return from the Governor of an enrolled bill for further consideration.
- (c) Request the return from the Secretary of State of an enrolled joint or concurrent resolution for further consideration.
- (d) Resolve that the return of a bill from one House to the other House is necessary and appropriate.
- (e) Express facts, principles, opinions and purposes of the Senate and Assembly.
- (f) Establish a joint committee of the two Houses.
- (g) Direct the Legislative Commission to conduct an interim study.

3. A concurrent resolution or a resolution of one House may be used to memorialize a former member of the Legislature or other notable or distinguished person upon his or her death.

4. A resolution of one House may be used to request the return from the Secretary of State of an enrolled resolution of the same House for further consideration.

5. A resolution of one House may be used for any additional purpose determined appropriate by the Majority Leader of the Senate or the Speaker of the Assembly, respectively.

AMENDMENTS

Rule No. 9. Germaneness Required.

1. *The Legislative Counsel shall not honor a request for the drafting of an amendment to a bill or resolution if the subject matter of the amendment is independent of, and not specifically related and properly connected to, the subject that is expressed in the title of the bill or resolution.*

2. *For the purposes of this Rule, an amendment is independent of, and not specifically related and properly connected to, the subject that is expressed in the title of a bill or resolution if the amendment relates only to the general, single subject that is expressed in that title and not to the specific whole subject matter embraced in the bill or resolution.*

3. *This Rule must be narrowly construed.*

ADJOURNMENT

Rule No. 10. Limitations and Calculation of Duration.

1. *In calculating the permissible duration of an adjournment for 3 days or less, Sunday must not be counted.*

2. *The Legislature may adjourn for more than 3 days by motion based on mutual consent of the Houses or by concurrent resolution. One or more such adjournments may be taken to permit a committee or the Legislative Counsel Bureau to prepare the matters respectively entrusted to them for the consideration of the Legislature as a whole.*

EXPENDITURES FROM THE LEGISLATIVE FUND

Rule No. 11. Manner of Authorization.

Except for routine salary, travel, equipment and operating expenses, no expenditures shall be made from the Legislative Fund without the authority of a concurrent resolution regularly adopted by the Senate and Assembly.

RECORDS OF COMMITTEE PROCEEDINGS

Rule No. 12. Duties of Secretary of Committees and Director.

1. *Each committee shall cause a record to be made of the proceedings of its meetings.*

2. *The secretary of a committee shall:*

(a) *Label each record with the date, time and place of the meeting and also indicate on the label the numerical sequence in which the record was made;*

(b) *Keep the records in chronological order; and*

(c) *Deposit the records upon their completion with the Director of the Legislative Counsel Bureau.*

3. *The Director of the Legislative Counsel Bureau shall:*

(a) *Make the records available for accessing by any person during office hours under such reasonable conditions as the Director may deem necessary; and*

(b) *Retain the records for two bienniums and at the end of that period keep some form or copy of the record in any manner the Director deems reasonable to ensure access to the record in the foreseeable future.*

Rule No. 13. Reserved.

ANTI-HARASSMENT POLICY

Rule No. 14. Maintenance of Working Environment; Procedure for Filing, Investigating and Taking Remedial Action on Complaints.

1. *The Legislature hereby declares that it is the policy of the Legislature to prohibit any conduct, whether intentional or unintentional, which results in sexual harassment or other unlawful harassment based upon any other protected category. The Legislature intends to maintain a working environment which is free from sexual harassment and other unlawful harassment. Each Legislator is responsible to conduct himself or herself in a manner which will ensure that others are able to work in such an environment.*

2. *In accordance with Title VII of the Civil Rights Act, for the purposes of this Rule, "sexual harassment" means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:*

(a) *Submission to such conduct is made either explicitly or implicitly a term or condition of a person's employment;*

(b) *Submission to or rejection of such conduct by a person is used as the basis for employment decisions affecting the person; or*

(c) Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive working environment.

3. Each Legislator must exercise his or her own good judgment to avoid engaging in conduct that may be perceived by others as sexual harassment. The following noninclusive list provides illustrations of conduct that the Legislature deems to be inappropriate:

(a) Verbal conduct such as epithets, derogatory comments, slurs or unwanted sexual advances, invitations or comments;

(b) Visual conduct such as derogatory posters, photography, cartoons, drawings or gestures;

(c) Physical conduct such as unwanted touching, blocking normal movement or interfering with the work directed at a person because of his or her sex; and

(d) Threats and demands to submit to sexual requests to keep a person's job or avoid some other loss, and offers of employment benefits in return for sexual favors.

4. Retaliation against a person for engaging in protected activity is prohibited. Retaliation occurs when an adverse action is taken against a person which is reasonably likely to deter the person from engaging in the protected activity. Protected activity includes, without limitation:

(a) Opposing conduct that the person reasonably believes constitutes sexual harassment or other unlawful harassment;

(b) Filing a complaint about the conduct; or

(c) Testifying, assisting or participating in any manner in an investigation or other proceeding related to a complaint of sexual harassment or other unlawful harassment.

5. A Legislator who encounters conduct that the Legislator believes is sexual harassment, other unlawful harassment, retaliation or otherwise inconsistent with this policy may file a written complaint with:

(a) The Speaker of the Assembly;

(b) The Majority Leader of the Senate; or

(c) The Director of the Legislative Counsel Bureau, if the complaint involves the conduct of the Speaker of the Assembly or the Majority Leader of the Senate.

➤ The complaint must include the details of the incident or incidents, the names of the persons involved and the names of any witnesses.

6. The Speaker of the Assembly, the Majority Leader of the Senate or the Director of the Legislative Counsel Bureau, as appropriate, shall cause a discreet and impartial investigation to be conducted and may, when deemed necessary and appropriate, assign the complaint to a committee consisting of Legislators of the appropriate House.

7. If the investigation reveals that sexual harassment, other unlawful harassment, retaliation or other conduct in violation of this policy has occurred, appropriate disciplinary or remedial action, or both will be taken. The appropriate persons will be informed when any such action is taken. The Legislature will also take any action necessary to deter any future harassment.

8. The Legislature encourages a Legislator to report any incident of sexual harassment, other unlawful harassment, retaliation or other conduct inconsistent with this policy immediately so that the complaint can be quickly and fairly resolved.

9. All Legislators are responsible for adhering to the provisions of this policy. The prohibitions against engaging in sexual harassment and other unlawful harassment which are set forth in this Rule apply to employees, Legislators, lobbyists, vendors, contractors, customers and any other visitors to the Legislature.

10. This policy does not create any enforceable legal rights in any person.

Senator Roberson moved the adoption of the resolution.

Remarks by Senator Roberson.

This resolution adopts the Joint Standing Rules of the Senate and Assembly for the 30th Special Session of the Nevada Legislature. These rules have been drafted based upon the joint rules that were adopted for the 29th Special Session. The only changes in these rules occur in Rule No. 3, page 2, at line 31, where the phrase "of the Senate" is added immediately following "Secretary"; and at line 33, where the phrase "of the Assembly" is added immediately following "Chief Clerk." These changes are simply clarifications to include the proper title of these Officers.

Resolution adopted unanimously.

Senator Roberson moved that all necessary rules be suspended and that the resolution be immediately transmitted to the Assembly.

Motion carried.

Resolution ordered transmitted to the Assembly.

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee of the Whole:

Senate Bill No. 1—AN ACT relating to tourism infrastructure projects; enacting the Southern Nevada Tourism Improvements Act; establishing in Clark County a stadium district for the financing of a National Football League stadium project or a college football stadium project; creating a public body to carry out the provisions of law governing the National Football League stadium project or the college football stadium project, as applicable; providing for a Board of Directors to govern each such public body; prescribing the powers and duties of such a public body and its Board of Directors; requiring the imposition of taxes on the gross receipts from the rental of transient lodging in the stadium district; providing for the administration, collection, distribution and use of such taxes; requiring the issuance of general obligations of Clark County for the financing of a National Football League stadium project or a college football stadium project under certain circumstances; establishing and prescribing the powers and duties of an Oversight Panel for Convention Facilities in Clark County; requiring the imposition of a tax on the gross receipts from the rental of transient lodging in Clark County and in each incorporated city in the County; requiring the proceeds of this tax to be used to pay the cost of the renovation or expansion of the Las Vegas Convention Center or the principal and interest on bonds or other securities issued to defray the costs of such a project; establishing a maximum amount of the collection fees for the collection of the tax on the gross receipts from the rental of transient lodging in Clark County and incorporated cities in the County; providing that collection fees in excess of the maximum amount must be used for the purpose of renovating or expanding certain convention facilities in Clark County; and providing other matters properly relating thereto.

Senator Roberson moved that Senate Bill No. 1 be referred to the Committee of the Whole.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Roberson moved that, for the remainder of the 30th Special Session, all necessary rules be suspended, and that all bills and joint resolutions reported out of the Committee of the Whole for floor consideration be declared emergency measures under the Constitution and placed on third reading and final passage.

Remarks by Senator Roberson.

Declaring bills and joint resolutions emergency measures will speed up the legislative process of these measures by not having to comply with the constitutional requirement of having "three readings on each measure on three separate days."

Motion carried.

Senator Roberson moved that, for the remainder of the 30th Special Session, all necessary rules be suspended, and that all bills and resolutions that have been passed or adopted by the Senate be immediately transmitted to the Assembly, time permitting.

Remarks by Senator Roberson.

Mr. President, suspending this rule will allow all legislative measures to be sent to the Assembly immediately instead of waiting for the day's Floor Session to adjourn. However, immediately transmitting these measures to the other House will eliminate the opportunity to rescind a final Senate action on the bill or resolution once the measure has been transmitted. The President will announce the transmittal of these measures before they leave the Senate.

Motion carried.

Senator Roberson moved that, for the remainder of the 30th Special Session, the Secretary of the Senate dispense with reading the titles and histories of all bills and resolutions.

Motion carried.

Senator Roberson moved that, for the remainder of the 30th Special Session, the reading of the Journal be dispensed with, and the President and Secretary be authorized to make any necessary corrections and additions.

Motion carried.

Senator Roberson moved that the Senate resolve itself into a Committee of the Whole for the purpose of considering Senate Bill No. 1, with Senator Roberson as Chair and Senator Kieckhefer as Vice Chair.

Motion carried.

IN COMMITTEE OF THE WHOLE

At 9:19 a.m.

Senator Roberson presiding.

Senate Bill No. 1 considered.

The Committee of the Whole was addressed by Senator Roberson; Steve Hill, Director, Governor's Office of Economic Development; Senator Ford; Senator Hardy; Senator Farley; Senator Manendo; Senator Spearman; Senator Lipparelli; Senator Segerblom; Senator Hammond; Senator Harris; Senator Kihuen; Senator Denis; Senator Ratti; Senator Atkinson; Guy Hobbs, Managing Director of Hobbs, Ong and Associates; Senator Haw; Senator Goicoechea; Senator Woodhouse; Steve Wynn, CEO, WYNN Resorts, Ltd; Jan Jones-Blackhurst, Executive Vice President, Public Policy and Corporate Responsibility, Caesars Entertainment Corporation; former Mayor, Las Vegas; Jim Murren, Chair and CEO, MGM Resorts International; Danny Thompson, Executive Secretary-Treasurer, Nevada State AFL-CIO;

Kristin McMillan, President and CEO, Las Vegas Metro Chamber of Commerce; Jonas Peterson, President and CEO, Las Vegas Global Economic Alliance; Tommy White, Business Manager–Secretary Treasurer, Laborers' International Union of North America, Local 872; Peter Guzman, President, Latin Chamber of Commerce, Nevada, Inc.; Shaundell Newsome, Vice Chair, Board of Directors, Urban Chamber of Commerce, Nevada; Len Jessup, Ph.D., President, University of Nevada, Las Vegas; George Markantonis, President and COO, Sands Expo and Convention Center, Las Vegas Sands Corporation; Lawrence Weekly, Clark County Commissioner; Chair, Las Vegas Convention and Visitors Authority Board; Rossi Ralenkotter, President, Las Vegas Convention and Visitors Authority; Karen Chupka, Senior Vice President, International Consumer Electronic Show and Corporate Business Strategy, Consumer Technology Association; Chris Brown, Executive Vice President, Conventions and Business Operations, National Association of Broadcasters; Tim McGuinness, Staff Vice President, Global Trade Expositions, International Council of Shopping Centers; Megan Tanel, Vice President, Exhibitions and Events, Association of Equipment Manufacturers, CONEXPO-CON/AGG; Steve Sisolak, Chair, Clark County Commission; Christina Ortiz, Veterans in Politics International; Annette Magnus, Executive Director, Battle Born Progress; Stacy Shinn, Policy Director, Progressive Leadership Alliance of Nevada; Barbara Paulsen, Nevadans for the Common Good; Brett Pojunis, Chair, Libertarian Party of Nevada; Steve Seroka; John Lupo, Stay in Oakland; Mike Palzes, Attorney; Autumn Zembre; Senator Parks; Senator Settlemeyer, and Senator Kieckhefer.

SENATOR ROBERSON:

The first order of business is to approve the rules for the Committee of the Whole.

The rules are as follows:

1. All meetings shall be open to the public.
2. Committee recesses shall be at the call of the Chair or to a time certain.
3. Provided a quorum is present, a majority of those present and voting is sufficient to pass a bill or resolution, or adopt Committee amendments.
4. The Chair must be present and will decide when the Committee takes an action or a vote. The Secretary shall record motions and votes of Committee members on all votes and other actions.
5. Matters not within the Governor's Proclamation or not relevant to the specific topic under consideration will be ruled out of order.
6. Any work requested of Legislative staff on behalf of the Committee must be made through the Chair.
7. In cases of breaches of decorum or propriety, any Senator, officer or other person is liable to such recourse as the Chair may deem proper.
8. Indecorous conduct or boisterous or unbecoming language is not permitted.
9. Guest Legislators must comply with the adopted rules of the Committee as outlined.

Senator Kieckhefer moved to adopt the rules of the Committee of the Whole.

Senator Settlemeyer seconded the motion.

Motion carried.

SENATOR ROBERSON:

Steve Hill from the Governor's Office of Economic Development will walk through Senate Bill No. 1 and the briefing materials in your packet. We have presenters coming in this afternoon who will only be able to make the trip up, once. The Assembly has requested to be in the same room during the presentations. We will reconvene the Senate Committee of the Whole in the Assembly Chamber with Assembly Members present. They will not be able to speak or ask questions.

STEVE HILL (Director, Governor's Office of Economic Development) :

I am the Director of the Governor's Office of Economic Development (GOED) and the Chair of the Southern Nevada Tourism Infrastructure Committee (SNTIC). Fifteen months ago and shortly following the last regular Session in 2015, the Governor formed the Southern Nevada Tourism Infrastructure Committee. That Committee was made up of 11 members. It included six of the leading minds in gaming, tourism and hospitality: Kristen McMillin, Las Vegas Metro Chamber of Commerce; Carolyn Goodman, Mayor, City of Las Vegas; Steve Sisolak, Chair, Clark County Board of Commissioners; and Len Jessup, President, University of Nevada Las Vegas, who served as Vice Chair of the Committee. There was also a Technical Advisory Committee of six members that included members from southern Nevada who make that economy happen. This group included the County Manager; the City Manager; Rossi Ralenkotter, CEO, Las Vegas Convention and Visitors Authority (LVCVA); Rosemary Vassiliadis, Director, McCarran International Airport; Tina Quigley, General Manager, Regional Transportation Commission, and Guy Hobbs, Hobbs, Ong and Associates.

I want to thank these members for their exceptional work. During the last 15 months, we held 16 public meetings that encompassed approximately 100 hours of time. We were able to issue and approve a final report on September 15, 2016. There were five recommendations in that report. All five were unanimously approved by the Committee. Some of these were complex issues and required a great deal of work in order to reach a unanimous decision. The final report was presented to the Governor. This information is available on the SNTIC website. The work that was done through that Committee was intense and exhaustive. The Committee looked at each of the considerations in each of those recommendations.

Two projects that came from the Committee and that were unanimously recommended are the subject of the bill before you. The first is the Las Vegas Convention Center expansion and renovation. Some parts of the Convention Center have been in place since the 1950s. The buildings themselves were built in a somewhat piecemeal fashion, which made sense at the time, but has since started to cause difficulties in taking care of our customers—the folks that come to conventions in southern Nevada. This is a critical need. This is a topic that has come before this Body in the last few Sessions, and we hope we can move forward with this project in this Special Session. It is important for the community to retain its status as the global leader in conventions. Las Vegas has been named the top convention destination for each of the last 20 years. We heard from many of our largest customers at SNTIC meetings, and they expressed concern about our status if we do not move this project forward.

The competition for conventions is fierce. Our competitors, in particular: Orlando, Chicago, New York and locations on the West Coast, are investing billions of dollars in their facilities to try and wrestle the top location spot from Las Vegas. We need to invest funds to keep up and to maintain our position as it is such a critical lifeline for the southern Nevada economy. Between 16 percent and 18 percent of the visitors who come to Las Vegas come because they are coming to a convention. To see that number drop or to see that number not continue to advance puts the economy in southern Nevada in jeopardy.

This project is a 1.4-million square foot expansion of the Convention Center to be added to the 3.2 million square feet that are already in place. Not all of that square footage will be exhibition space. Of the 1.4 million square feet, 600,000 square feet will be new exhibition space. That will be in addition to the 1.9 million square feet that is now there. After the initial expansion, the Convention Center will shut down approximately one-third of the existing space and fully renovate the South Hall, the Central Hall and the North Hall of the facility. This will allow the Convention Center to operate more efficiently. Currently, there is no kitchen near the South Hall. If food service is needed in that hall, there is no way to get there from the kitchen

without going outside and taking the food on a cart for at least a half a mile over the bridge. That is the type of situation that is causing difficulty at the Convention Center now. This will be rectified through the renovation program.

The second project in this bill is the opportunity to build an National Football League (NFL) Stadium in Las Vegas that would attract an NFL team to southern Nevada. This would also provide the University of Nevada at Las Vegas (UNLV) with a world-class location in which to play football. Sam Boyd Stadium has been in existence for many years. It is in a remote location and no longer serves the needs of the University. That project has been before this Body in each of the last couple of Sessions, and this is an opportunity to resolve that issue as well.

Building a stadium in southern Nevada fills the only entertainment-venue hole we have in the market. Las Vegas leads the world in entertainment and hospitality opportunities, but we do not have a venue in which to hold large events. We heard from many event promoters that if we had that type of facility, it would make Las Vegas an even more attractive venue. Event promoters are looking for venues in which to host their events. Bringing the NFL to Las Vegas would be a significant step in moving Las Vegas forward. Together, these 2 projects would bring 14,000 new and permanent jobs to the community. Most of these jobs would be throughout the community, not just in the facilities themselves, but 14,000 new jobs would be brought to southern Nevada.

Between them, these projects would bring 25,000 person-years of construction employment. Of those, 8,000 person-years would be spent on the Convention Center project. Because it requires four phases, that project would take approximately eight years to complete. The Stadium would bring approximately 17,000 person-years of construction employment. Because of the economic activity that would go through them, the two projects would generate at least \$85 million per year in new tax revenue. Approximately, one-third of that revenue would go directly to education. The majority of the remaining revenue would go into the General Fund of either the local government or the State.

SENATOR FORD:

Please repeat the job numbers and the potential revenue. The job numbers are important to me.

MR. HILL:

Between the 2 projects, there would be 14,000 jobs created throughout the community. Most of these would be in the tourism and hospitality industry. Some of those would be created by the projects and others would be in the community. During the construction phases, there would be 25,000 person-years of construction jobs created. Often, these are referred to as construction jobs, and they are not permanent jobs. Approximately 8,000 person-years of construction would be needed for the Convention Center project and 17,000 person-years for the stadium project. There will be \$85 million of tax revenue generated. This is a conservative estimate, and we will review these numbers later in more detail. A large portion of this revenue will be generated between the room tax, Live Entertainment Tax and sales tax. We did not include the Modified Business Tax or the Commerce Tax in our estimates. Both of these would also apply and be added to the \$85 million. The Room Tax generated annually would be slightly less than the \$85 million. We can raise the \$85 million and use it for other reasons, or we can raise it to rehabilitate and expand the Convention Center, build a stadium for the NFL and UNLV and generate, slightly, more in tax revenue than if we simply raised the revenue for other purposes.

SENATOR HARDY:

You said the \$85 million does not include the Live Entertainment, room, sales, Commerce or Business License taxes. What will be the impact on per pupil spending caused by the laborers coming back into Nevada? Does this \$85 million include any of the \$5,500 per student we spend today? Has that offset on the gain been taken into consideration?

MR. HILL:

We looked at that. We average one-third of a student per job in the State. There are 400,000 students in our K-12 population and approximately 1.3 million jobs. This project will add approximately 4,000 additional K-12 students to the project area. When the Committee

started its work, the LVCVA thought it had a funding deficit of approximately \$1.22 billion for the \$1.4-billion project. In order to fund a \$1.22-billion bond, the room tax needed to increase approximately 1.35 percent. The Committee, working with the LVCVA, Clark County, the City of Las Vegas and local governments, identified savings and alternative funding mechanisms that reduced the gap from approximately \$1.22 billion to approximately \$420 million. That reduction allowed the room tax increase to be reduced from 1.35 percent to the 0.5-percent increase that is contained in this bill. That allowed Las Vegas to remain competitive from a room tax point of view in building a stadium. The 0.88 percent plus the 0.5 percent for the Convention Center, contained in the bill, totals 1.38 percent, which is where we began our work, with the understanding that the original number would only build the Convention Center project.

In the 2011 Legislative Session, with the Governor's leadership and partnership, we changed economic development in Nevada. The work you, the Governor and others in Nevada have done in the past five years has made a significant difference in our State. In 2013, you supported our efforts to secure a Unmanned Aerial Vehicle test site in Nevada. That effort was successful because of your support and that of others across the State. You funded the Knowledge Fund in 2013. This has produced a host of exciting projects that are having exceptional results. In 2014, we came together and brought Tesla to northern Nevada. That project has already changed the face of the economy in northern Nevada. This has made an exceptional difference for the entire State and put us on the map, not only around the Country, but around the globe. We are now looked at by anyone considering an operation in the western part of the United States. In 2015, you supported both data-center and aviation-abatement bills. This has made a huge difference in a short period of time. We have had over 15 aviation companies commit to Nevada since the end of the 2015 Legislative Session. That bill facilitated the expansion of Switch in southern Nevada and the beginning of the largest data center in the world in northern Nevada. It allowed a fiber connection between Las Vegas and the Reno area that now connects the entire K-12 educational system throughout Nevada. Nevada will now be the most connected state in the Country and the most connected location in the world once that project is complete. This is because of the work you did in the 2015 Legislative Session. Later that year, in the 29th Special Session, you allowed Faraday Future to make the commitment to come to southern Nevada. Two months ago, they broke ground on a 3-million square foot facility that will be home to 4,500 manufacturing workers in southern Nevada. This took a step toward solving one of the largest problems in economic development we have by opening Apex and allowing the opportunity for other manufacturers to come to southern Nevada.

In the five years I have been doing this work, we have attracted, approximately, a company a week. We have reached almost 200 companies, and they are expected to produce almost 42,000 direct jobs within 5 years from the time they committed or are fully mature. This has made a huge difference for Nevada. We have begun the effort and started to realize the results of diversifying our economy. The tourism and hospitality industry is still the foundational industry of our State, and that is not going to change. We do not want it to change. We want that industry to be just as vibrant as the other industries we are trying to attract. The two projects in this bill are critical to making this happen. This bill provides the next step in keeping Las Vegas the global leader in hospitality and tourism which is a critical economic reality for all of us throughout the State. That matters to every Nevadan. When that industry suffers, the 400,000 people who work in the industry suffer and those who live in the State do as well. When that industry is vibrant, we all feel it. The binder on your desks contains the legislation being proposed, and I would like to walk through it.

SENATOR FARLEY:

Please discuss the 14,000 jobs that will be created by this legislation, specifically, as referenced in section 2, subsection 3, paragraph (c), where it talks about the diversification in creating high-value jobs. What will the average salary be for those 14,000 jobs, and what will be the average permanent versus seasonal or event status? How many of these jobs will be in food service or retail sales? What is meant by a high-value job opportunity?

MR. HILL:

The estimates were based on projections of the revenue generated in the facility and the community and applying these to job structures in the tourism and hospitality industry today. The projection for the average wage of the full-time employee positions is approximately \$39,000 per job.

SENATOR FARLEY:

Is this an equation, or is it an estimate based on companies bringing in actual jobs? Is this an assumption based on the types of jobs we are looking for in this industry? My concern is we are attracting retail and food service jobs and creating more of the same type of jobs we already have.

MR. HILL:

We like to think this is more of a science than a projection. We have a good deal of history about how this type of injection works in southern Nevada. It is an expansion of the tourism and hospitality industry. It also provides additional security for the nearly 400,000 people who work in that industry now.

SENATOR ROBERSON:

The Committee of the Whole will stand in recess until the call of the Chair.
The Committee of the Whole has reconvened.

MR. HILL:

The proposal overview is in your binder. The second tab, titled "Stadium," presents a summary of the SNTIC recommendations for funding and construction of an NFL-ready stadium. Prior to a stadium being built, the NFL would have to contractually commit to move a team to Las Vegas and a number of other criteria would need to be met. An NFL stadium would not be built to try to attract a team; the team would have to commit to moving prior to the stadium being built. If this does not occur within 18 months, UNLV would have the opportunity, for a period of 2 years and at a reduced room tax rate, to raise \$200 million in alternative and private funding to match a reduced amount of funding to be bonded through Clark County to build a college football stadium to replace Sam Boyd Stadium. That information is on page 2 of the second tab.

SENATOR HARDY:

What would the total cost be for UNLV to build a stadium if we do not build the NFL stadium?

MR. HILL:

The presentation made by UNLV to SNTIC indicated a college football stadium, holding approximately 42,000 people, would cost \$580 million.

SENATOR HARDY:

How much of that cost would be public and how much would be privately carried?

MR. HILL:

The University would be required to raise \$200 million to exhibit the ability to move forward and allow bonds to be issued by Clark County. Some revenue would be collected along the way, because the tax would be implemented in the next several months and collected up to that three and a half year period. Bonds could be issued for up to \$300 million dollars if the room tax increment at the prevailing interest rate at the time would allow it. There would be \$380 million of public funding and \$200 million of private funding.

SENATOR HARDY:

This UNLV stadium would cost half as much public money as the NFL stadium, is that correct?

MR. HILL:

That is correct.

SENATOR FORD:

What is the rationale for requiring UNLV to raise any private funds? Why not just use the bonding structure we have laid out if the NFL does not come and use those funds to build a fully publically-funded stadium for a public university in southern Nevada?

MR. HILL:

I was not intimately involved with the UNLV Now project or the Campus Improvement Authority Board. It is my understanding that private contributions were contemplated throughout that process. The recommendation made by SNTIC was made in conjunction with UNLV. The University wants a state-of-the art stadium and that is an expensive proposition. The Committee felt the balance between private contributions, showing community support, and public contributions was appropriate.

SENATOR FORD:

Was there any press to allow the stadium to go through using public funds in the event \$200 million could not be raised, even though UNLV was supportive?

MR. HILL:

To my knowledge that issue was not raised.

SENATOR FORD:

Was the cost of a college stadium that could be funded for \$580 million dollars a private-public partnership as well or was that only using public funds?

MR. HILL:

The \$580 million reflects the cost for construction of the stadium presented by UNLV to the Committee. The investment of room tax is done to partly help drive tourism and to provide a venue for events. The opportunity to have a covered stadium of NFL size and caliber justifies a higher investment of room tax than what could be held at a college stadium without a roof. To have a college stadium, this is, approximately, half of the contribution as compared to the \$750 million contribution needed for the NFL stadium. This was viewed by the Committee as an appropriate proportion.

SENATOR FORD:

I misunderstood your example. I thought you said \$580 million was an example used elsewhere. You are saying this was a proposal that previously came from UNLV, is that correct?

MR. HILL:

Yes, that budget number was presented to the Committee by UNLV.

SENATOR MANENDO:

I would like to see the jobs numbers related to this project, as would the public. If we go the UNLV route, would the University be required to pay-to-play in that stadium?

MR. HILL:

The tab titled "Economic Impact" gives summary economic impact reports for the Convention Center and the stadium. I can provide additional jobs information. The Board of Regents would own the stadium just like they own other facilities on campus. There would be no additional fees for UNLV to play if they build a stadium to replace their current stadium.

SENATOR MANENDO:

Would part of the reason for this be because the public is putting money into the stadium? What is the estimated cost the Raiders would pay per game or per season to use the NFL stadium?

MR. HILL:

That would be part of the contract negotiations between the Stadium Authority Board, the developers and the team. Conversations have indicated this may be in the \$2.5 million to \$3 million per year range and would cover 10 game dates a season.

SENATOR MANENDO:

What would the UNLV football team pay to play in this stadium?

MR. HILL:

The legislation requires that reasonable rent be charged, and it be agreed upon between the University and the events company. Any disputes would be resolved by the Stadium Authority. The conversation has generally been around reimbursing the costs of the stadium event company for providing the facility and putting on the event. It has been estimated that UNLV might pay approximately \$250,000 per game for 6 games a year.

SENATOR MANENDO:

Did you say that amount was \$250,000 per game?

MR. HILL:

Yes, \$250,000 per game for 6 games.

SENATOR MANENDO:

That is a significant number, and it gives me pause.

SENATOR SPEARMAN:

I would like to revisit the Modified Business Tax (MBT). How would this be calculated? It is my understanding that where a team plays determines where their salary is taxed. How does that apply to the rest of the organization? Please give me some ballpark figures on this amount.

MR. HILL:

The MBT was not calculated in terms of the 14,000 permanent employees, some of whom would be Raider's players. The calculation for professional sports participants is a difficult one to make, which is why we did not consider that. Where these participants are as they do their trade is where they earn their paycheck. The MBT applies at the rate it applies to all companies in Nevada when they are in Nevada either playing or practicing. The salary cap in the NFL is \$125 million to \$150 million a year for players. Half of their games would be played here and half of them would be away. This means roughly \$1 million could be made just on the players from this tax.

SENATOR SPEARMAN:

Is that amount per game?

MR. HILL:

No, that is for the entire season.

SENATOR HARDY:

The \$750 million does not include funding for the Convention Center which is separate and distinct. Have you projected the combined, total public cost of Senate Bill No. 1 for both the Convention Center and the stadium?

MR. HILL:

The annual room tax that will be raised, and it is the only tax that will be raised, will start at approximately \$85 million per year. That will pay for the bonds that will be issued. The maximum amount of the bonds that can be issued will total \$1.17 billion. Of this, \$750 million is for the stadium and \$420 million is for the Convention Center. Between those two projects, the \$1.17 billion maximum investment will bring \$3.3 billion worth of projects and 14,000 jobs to southern Nevada.

SENATOR ROBERSON:

How many construction jobs will these projects bring to the area, isn't it over 30,000?

MR. HILL:

The number of construction jobs is 25,000.

SENATOR LIPPARELLI:

My question is similar to Senator Manendo's and regards UNLV. Section 29, subsection 3, paragraph (h), of the bill requires a reasonable rent be established. The intent of this legislation is to accommodate the number of home games needed for the University, but there does not seem to be a boundary regarding what reasonable rent is. Can you clarify this, as it is not defined? It is plausible, although unlikely, that the Stadium Authority could determine that an agreement with UNLV could not be reached regarding reasonable rent and consequently not accommodate their schedule. Would it be appropriate to create a boundary around what constitutes reasonable rent or define it in some terms? If it is the intention of the Legislature that this represents cost reimbursement, should we state this?

MR. HILL:

That is a possibility. Prior to the opportunity for UNLV to play, there will be at least two regular Legislative Sessions. If there is a dispute along these lines that has not been resolved, the Legislature will have the opportunity to step in and cause that to happen.

SENATOR FARLEY:

You stated the Raiders organization will be considered a part of the 14,000 jobs that are created. The players and management staff of professional sports organizations are, in many cases, highly paid. If those salaries are taken and averaged with salaries of those who do not make a lot of money, does this raise the average salary to \$39,000? Are we really creating highly compensated jobs for workers in Nevada? It is important for all of us to be able to go back to our constituents and tell them the truth about these jobs. We need to know if these are minimum-wage jobs, seasonal jobs, \$39,000-a-year jobs or other types of jobs. I would like a clear picture regarding job creation.

MR. HILL:

The job-creation calculation is based on a total number of hours, divided by the 2,080 hours a year that constitute a full-time equivalent job. This is projected across the economy in southern Nevada. The 14,000 jobs reflect an increase in all the types of jobs in the community. The projection for the average wage is similar to the average wage for employment in southern Nevada. This encompasses the cross-section of all jobs currently there.

SENATOR FARLEY:

I would like to see how that calculation was reached. I am concerned that including several, multi-million dollar player salaries, plus those of high-level management with 14,000 lower-paying jobs will skew the average wage. I need to be able answer this question honestly when asked about it by my constituents.

MR. HILL:

I will provide these calculations to you. The player and management salaries for the Raiders were not part of the calculation used to determine average wages for the 14,000 new jobs.

SENATOR SEGERBLOM:

You stated that the room tax, if approved, would generate \$85 million per year in revenue. Is this based on the current number of rooms and the current average room rate?

MR. HILL:

Yes.

SENATOR SEGERBLOM:

Hypothetically, if we have 10,000 more rooms in 5 years and the average room rate increases by \$10 per night, where would the extra money go?

MR. HILL:

In the projections for both the Convention Center and the stadium, we projected a reasonable and conservative gradual rise in the room tax total. In the first 5 years, we projected a 3.5-percent increase. In the next 5 years, we projected a 3-percent increase, and for the 5 years after that, we projected 2.5 percent. For the final 15 years, we have projected an increase of

2 percent. All of these projections are below the historical trend of room-tax growth rate. We believe these are conservative projections. That amount of room-tax is built into the project itself. Generation of additional room-tax revenue would be part of the "waterfall" excess described in this proposal. This excess room-tax money could be used to pay off bonds more quickly than projected, used for the capitol fund for these projects or used to invest in infrastructure around the stadium.

SENATOR SEGERBLOM:

Are these things the Legislature could change in the future or are they locked in? If the \$85 million is used to pay for the bonds, is the actual cost to the taxpayer \$85 million times 30 years?

MR. HILL:

In answer to your first question, the Legislature cannot change the provision once the bonds have been issued. The revenue would be pledged against those bonds and would be required to be available and used for the purpose in the contract with the bond holders.

SENATOR SEGERBLOM:

Are you saying that even though the cost of the bonds is \$85 million, any additional revenues are locked into the bond package?

MR. HILL:

That is correct.

SENATOR SEGERBLOM:

Is \$85 million a year for 30 years the true cost?

MR. HILL:

The \$85 million would gradually rise as the room tax increases. If the room tax increases quickly enough, the number of years could be reduced.

SENATOR HAMMOND:

You mentioned a possible rent charge for UNLV of \$250,000 per game. It has not been determined if this is reasonable. How did you come up with this amount? This seems like a large number. Please help us understand how UNLV would receive revenue when paying this amount. I understand that television deals are available, but will UNLV be able to sell suites, personal seat licensing agreements (PSL), concessions and receive other revenues from game day income to help offset this cost? If this is not in the bill, will it be part of an agreement that will be entered into with UNLV and the Stadium Authority?

MR. HILL:

During their events, UNLV will have the run of the stadium, and these revenues will be to their benefit. They will sell the tickets, the PSLs and the concessions, all to their benefit. A Power Football Conference home game for a top 25 team can generate, approximately, \$3 million per game in profit. Page 10, of the Stadium tab in your binder, illustrates how the agreement with UNLV would work. In order to generate a safe level of funding, we will be collecting approximately 80 percent more in room tax than is needed to make the bond payment. This is called a coverage ratio. In the bill, there is a prescriptive set of uses for that additional money. One of the uses is the opportunity for UNLV to recoup, for 10 years, the \$3.5 million a year they currently make at Sam Boyd Stadium. They would be required to show they are still making that profit from events at the new stadium. If they are, they would be paid the \$3.5 million other than the amount of profit they would be making by having moved from Sam Boyd to the new stadium. That would be an offset to the \$3.5 million. The reasonable rent amount has not been determined. It has been part of conversations, and this is a projection as to what it would cost to operate the stadium around that event.

SENATOR HAMMOND:

The profit formula you talked about, is it going to be in the legislation or in the agreement UNLV would make with the Stadium Authority?

MR. HILL:

That requirement is in the bill.

SENATOR HARRIS:

What priorities will be given to UNLV for scheduling games? What would happen if the stadium is presented with the problem of scheduling a high-rent concert and a reasonable-rent UNLV game at the same time? Will UNLV have preference or priority? Is there a guarantee their games will be there? If not, where would they play?

MR. HILL:

That was an important point for the Committee to discuss. Without a firm commitment for UNLV to play there, this recommendation would have suffered. The NFL typically plays on Sundays, with occasional Monday or Thursday night games. College football is typically played on Saturday. It would be possible to have a college game on Saturday and an NFL game on Sunday in the same stadium. This happens now in some stadiums. Both the Raiders and the University have agreed that, when necessary, they will make this work. In this proposal, UNLV is given the right to play in the stadium. UNLV has agreed that, prior to determining the game schedule for their season, they will accommodate significant major events to be held at the stadium during football season that were booked prior to their schedule being finalized. This legislation requires that once the schedule is finalized, any change to it must be made with the approval of UNLV. That agreement would be between the team, the University and the stadium events company. Any disputes will be settled by the Stadium Authority Board.

SENATOR HARRIS:

Assuming UNLV loses one of these disputes and cannot play at the stadium and the University does not want to change their schedule, where would they play?

MR. HILL:

We are comfortable that this legislation would allow and require UNLV to play at the new stadium. There is no alternative. That is not something we would have found acceptable.

SENATOR HARRIS:

The schedule will be worked out so UNLV will be able to play because there is no alternative site; is that correct?

MR. HILL:

That is correct.

SENATOR KIHUEN:

This deal is based on tourists coming to Las Vegas. What guarantees do we have that if there is another recession in Nevada, the stadium will be a success? We saw what happened between 2009 and 2011. We lost almost 200,000 jobs. The economy tanked, people were unemployed and tourists were not coming to Nevada or Las Vegas. What guarantees do we have that when the economy suffers again, this is going to be a success?

MR. HILL:

Page 38 in the Stadium tab section addresses this question. This is a graphical answer to your question from the security standpoint on bonding. The top right chart titled "Baseline" shows the bond payments and annual debt service that would be required in the stadium project and the projected room tax growth that would be collected as discussed earlier today. This chart shows we would be collecting approximately 80 percent more in revenue than is needed to make the annual bond payment. The lower chart titled "Stress Test" is a model of what might happen if we almost immediately went into a recession similar to that of 2008 to 2010. The downward slope where the blue lines become white lines shows the decline of the room tax revenue in that magnitude of a recession. In this scenario, there is still a comfortable gap between the bond payments that would be required and the amount of revenue that would be collected. The coverage ratio drops from the 1.8 range to the 1.17 range as indicated in this chart. The recovery modeled in this stress test chart is less robust than we experienced in recovering from the most recent recession. It is a modest recovery that begins to separate again moving forward.

Looking at the projections for visitor volume, we realized that all the vendors suffered in the last recession. Attendance might suffer proportionally in relationship to the other events in other facilities in Las Vegas. However, this project would help diversify the portfolio of opportunities we have in the area. For current employees, this scenario offers a broader base of employment and additional job security.

SENATOR KIHUEN:

If we have another recession, are we assuming the stadium will still be full? To be able to fill 65,000 seats is a lot. I have been to some big sporting events at Sam Boyd Stadium at UNLV. We have brought in world class soccer teams to UNLV and only had 25,000 people attend the games. I have reviewed the projections for the 46 events per year to be held in this stadium. I have a hard time believing we can fill 65,000 seats, or draw that many events to the stadium. Some of these events may not draw more than 25,000 or 30,000 people. Are your revenue projections based on 65,000 people per event or game?

MR. HILL:

Page 24 in the Stadium section of your binder addresses this question. We had six representatives of the largest gaming companies in southern Nevada on the planning committee. Those companies represent leaders in tourism and hospitality across the globe, not just on the Strip in southern Nevada. They believe this project is solid and balanced. They realize there is potential for additional events to be held at the stadium in some years and fewer events in others. Games being hosted by the NFL would be expected to have a certain attendance. Games for UNLV would be expected to have a difference attendance, and other events would have attendance estimates based on the event.

A total attendance of slightly under 2 million people is projected for the 46 events to be held in the stadium per year. That averages to around 40,000 people per event. Page 24 shows the calculation of the economic impact these projects would bring for the stadium and the Convention Center. The top third of the page shows the economic impact of total stadium attendance. This is not the best way to calculate economic impact, and it is one of the reasons other cities have found themselves with stadium projects that have not worked well. They projected that all of the economic impact occurred from the stadium and did not take into account that many attendees live in the community and might have spent their money in a different way. They did not understand that what they were building had a community benefit and was not solely an economic development driver.

The only attendees at an event that drive economic development are those who come from outside the state because of the event. The LVCVA surveys major events in southern Nevada on a regular basis. They ask attendees questions about where they are from and why they visit Las Vegas. From this, the LVCVA has determined that 27 percent of the visitors to Las Vegas come from out of state to attend a specific event. Visitors are also surveyed to determine the length of their stay and other activities they pursue while in town. Results of these surveys formed the economic model we created in making the projections for the economic impact report.

There are also attendees from out of state who decide to attend an event after arriving in Las Vegas. These visitors did not come to town specifically for the event but decide to attend it after they arrived. The event did not drive the economy in this case. Some other event was the reason the visitors came, so that event got credit for the economic impact. The only number we used in determining stadium economic impact was the 27 percent of the visitors who would come to Las Vegas for a stadium-specific event. This percentage may vary some with the economy, but we feel these numbers are balanced.

SENATOR KIHUEN:

The city of Oakland is still paying off their stadium debt and the Raiders want to leave. What assurances can you give to Nevadans that they will not do the same thing here? How can we reassure our constituents that what happened to Oakland will not happen to Las Vegas? What if the Raiders leave before the contract ends? The people of Nevada—not the tourists, but the people of Nevada—will be left with the bill. This is a question I have heard for the last several weeks from my constituents and people all over the State. If tourists stop coming, if the team is

not a success or if they decide to move to another city, we will be left with the bill and have to pay for it. We will potentially have a \$400-million shortfall in the next Legislative Session, and we are going to have a difficult time funding our educational system. How do we justify a stadium to our constituents who want their children educated?

MR. HILL:

The Coliseum in Oakland is a mixed-use stadium. It is used by the Oakland Athletics professional baseball team and the Oakland Raiders. The Raiders have moved twice in their history, and they have never had a new stadium in which to play. They have never broken a lease and moved. They have moved at the end of a lease period when their lease expired, which is what is happening now. The move to Los Angeles included a series of promises, such as building or rehabilitating a stadium for them in the Los Angeles market. They stayed in Los Angeles for a number of years waiting for that to happen, and it did not. Because the commitments made to them in Los Angeles were not fulfilled, they left and returned to Oakland. They are now in a position in Oakland where it does not appear things will work out for them, and they are looking for a new stadium to provide the correct economics to allow their team to flourish. This legislation calls for the Raiders to sign a minimum 30-year lease and invest \$500 million into the stadium. The NFL would require them to sign a nonrelocation agreement as well. The Stadium Authority Board would require the right to sue for specific performance and rent payments as a part of that lease.

SENATOR DENIS:

Page 9 under the Stadium tab discusses usage of excess room tax revenue or the "waterfall" as it is called. Item four on the list states that contributions of \$9 million per year will be made to a reserve fund until the fund equals up to 2 times the annual debt service. Please discuss this.

MR. HILL:

In the legislation, numbers 3 (contribution to a reserve fund of \$9 million per year up to 2 times annual debt service) and 4 (contribution to the Metropolitan Police Department, about \$4 million per year) have been reversed in order. The parties who are a part of this—Clark County and the police department—have agreed to this.

SENATOR RATTI:

I would like to explore the protections for taxpayers in Clark County as they relate to the Clark County general fund. Please discuss why we chose to go with general-obligation bonds over something safe, like revenue bonds, that would not be backed by the good faith of the County.

MR. HILL:

General-obligation bonds are the least expensive bonds that can be issued for a project. They have the most security for bonds. This reduces the interest rate and the required coverage ratio from the bondholders. The result is that end revenue will be able to bond a higher amount than any other type of bond available. We worked with SNTIC members and with Clark County to develop the specifications for how the bonds could be issued. There is a Clark County requirement for 150 percent coverage that we will exceed in the way we have structured the recommendation. A different path—such as use of private-activity bonds—would not be possible because this is not a private activity; it is a public facility. Revenue bonds would bring with them a higher interest rate because they are not backed by the general obligation of the county. For this same reason, they would also bring a higher coverage-ratio requirement.

We have structured these bonds similar to revenue bonds in that the coverage ratio is relatively high and there is a significant debt-service reserve fund of two full years of payment. Even in the worst of recessions, room tax will be accrued. This provides a significant level of security, and Clark County was comfortable with that level.

SENATOR RATTI:

Is it correct that the 0.5 percent coverage called for in the bill also funds the waterfall provisions?

MR. HILL:

That is correct.

SENATOR RATTI:

I have a concern about what might happen if the developer breaches the contract. If another recession occurred and the revenue stream decreased and less revenue was available to fund the waterfall provisions, there would be a higher likelihood that partners would default. Good people sometimes just do not make it through bad times in an economy. That funding is prioritized to operate the stadium should the partner default, is that correct?

MR. HILL:

It is first prioritized to make the bond payments and then to operate the stadium.

SENATOR RATTI:

The funding available to ensure we are safe—the 0.5 percent bond coverage—is the same funding available to ensure some of the unfortunate situation provisions are covered in the waterfall, is that correct?

MR. HILL:

Yes, that is correct.

SENATOR RATTI:

I am concerned that if the worst-case scenario occurs, we could be hit on both sides.

MR. HILL:

In the case of a recession equivalent to the one we just went through, all of the provisions you just brought up would be funded.

SENATOR RATTI:

Using the stress test, what would the impact be on the waterfall provisions? Within the stress test, can you fund all seven waterfall provisions?

MR. HILL:

No, during the depth of a recession, all seven could not be funded.

SENATOR RATTI:

What level of the waterfall could be funded in the stress test?

MR. HILL:

At the depth of a recession, we could fund the Stadium Authority Board's portion up to \$2 million and the \$9 million toward the debt-service reserve fund.

SENATOR RATTI:

That means, during the depth of a recession, there would be no funding for police officers, no payments to UNLV and no contributions to capital or other funding, is that what you are saying?

MR. HILL:

That is correct.

SENATOR RATTI:

My other concern for taxpayers is the capital investment. You said the bulk of the cost for maintenance and future capital investments for this facility would be on the shoulders of the stadium operator. Please remind me of the numbers you shared in regard to these expenses.

MR. HILL:

These are outlined in the binder, under the Stadium tab, on page 19. The total revenue number for the base example is \$42.5 million for 46 events. For the lower estimate, the revenue is \$28.5 million for 30 events. Stadium operating expenditures and net operating income are also listed on this chart. In the base example, the annual return on investment is 3.1 percent, and in the low scenario, it is 1.4 percent.

SENATOR RATTI:

In round numbers, then, they will bring in \$42 million, spend \$22 million and make \$20 million, is that correct?

MR. HILL:

Yes, that is correct.

SENATOR RATTI:

Will the \$22 million they are going to spend include capital expenditures?

MR. HILL:

No. That would be a capital investment, and it would be depreciated. It would not show up on an income statement.

SENATOR RATTI:

Where is the money for capital investment coming from on their side?

MR. HILL:

It will either come out of their pocket, or it will come out of their profit.

SENATOR RATTI:

I understand it will be funded out of their revenue. What is the standard amount a good business should be putting toward capital investment on an annual basis—that, funding of depreciation if you will?

MR. HILL:

It depends on whether the asset in question is considered an infinite asset or one that will have a useful life and then be replaced. I estimate about 5 percent of the cost of the structure itself. There is a range to this due to the construction being made from concrete and there not being a need to replace much concrete over time. The stadium construction itself will be approximately \$1.1 billion, so around \$50 million a year might be needed.

SENATOR RATTI:

I based my figures on a \$1.9 billion dollar asset. If you adequately pay for capital improvements as needed, which might include the concrete structure but also includes things like the seats and AV which have a shorter depreciation schedule, it comes to \$100 million a year. I am having a hard time seeing where there is a sufficient revenue source to fund basic capital investment in the revenue generated by the stadium. The \$5 million in the waterfall provision is the last of the waterfalls. It assumes the bond coverage stays at 1.5 percent and the funding stream has not been overestimated. The funding we have sent aside as public is 0.26 percent of that asset. Reasonable funding of an asset through depreciation would eat up these profits five-fold. My concern is that 10 or 15 years from now, the stadium operator will return to us, or to Clark County, and ask for more money for seats or upgrades, similar to what the Convention Center is now having to do. Is there a solution to this? We are involved with WC-1 in the north now, and they are saying 3 percent is a good figure for this.

MR. HILL:

The contract would have to comply with the law. The law would require the developer make the contributions necessary to ensure capital improvements. The security for this is, it must be in place prior to issuing bonds and the developer must have the ability to follow through with it. We would have full recourse against the developer in the event they decided they did not want to comply.

SENATOR RATTI:

Given those numbers, what is the exit strategy for a developer? I appreciate the fact there is a stress test and that we want to plan for a worst-case scenario to protect the tax payer, but what is the exit strategy for the developer? What is their stress test?

MR. HILL:

They testified before our Committee, and we asked that question. They committed to making a contribution to the community. They think the stadium is a missing element in Las Vegas. They realize they will make an appropriate return on their investment. They have agreed to stand behind any cost overruns during the construction of the stadium. They will stand behind any operating losses as a result of operating the stadium. They realize that between the team and themselves, they will have the responsibility for making the capital contributions and performing the maintenance necessary to keep the stadium at the standard required by the contract and by the NFL.

SENATOR RATTI:

Many of your answers allude to the contract between the Stadium Authority and the stadium operator. Can we get a copy of that contract-in-concept?

MR. HILL:

That contract is not currently in place, but once it has been developed, it will be public record. The bill requires these things be in the signed contract.

SENATOR RATTI:

I read that the contract-in-concept was needed for the meeting with the NFL owners to be held on the 18th. If it exists, I would like to see it.

MR. HILL:

That document does not currently exist.

SENATOR ATKINSON:

I am not sure we can expect there will be sold-out crowds for all 46 events projected for the stadium. Can we get a more definitive estimate regarding the number of attendees that might attend these events?

MR. HILL:

We can provide a line-item calculation of events and attendance.

SENATOR ATKINSON:

That makes more sense to me. I know that all NFL games are not sold out, especially preseason games. Has anyone, such as the NFL, projected how to continue their product during times such as the recent recession? The latest recession did not just affect Nevada, it impacted all of the cities in which the NFL has teams. What did they do to keep their teams viable in these cities? Is there a study that shows what they did? Sports do not seem to suffer the same fate as other activities during a recession. There must be a study that shows what happens to sports during economic downturns.

MR. HILL:

I have observed this phenomenon, but I have not asked for those statistics. I will do so.

SENATOR ATKINSON:

Two boards are described under the Stadium tab on pages 14 and 16 of the binder. One board is for the college stadium and one is for the NFL stadium. Are these two, independent boards with different members, or are they the same board with additional members added?

MR. HILL:

Any similarity between members on the two boards would be a coincidence of the appointing party in choosing the same person. There is no requirement that a person serving on the NFL board serve on the Collegiate Stadium Board. The language in the bill requires the dissolution of the Stadium Authority Board in the event the NFL does not come within 18 months.

SENATOR ATKINSON:

I am glad you said that as the board would still then exist at the collegiate level in that case. I have some questions about bonds I will save for later. I want to make sure I can tell my

constituents that this will be paid for by tourism money not by local citizens, even if the team leaves.

MR. HILL:

Mr. Hobbs can provide information to answer those questions for you.

SENATOR FORD:

Mr. Hill indicated that private activity bonds were not a good option for this type of project. I have received analysis—not from my own counsel but from elsewhere—that indicates otherwise. Please tell me why you do not believe what we used for the monorail, for example, would be available in this instance.

SENATOR ATKINSON:

What is the difference in the bonds? How do these bonds protect the average Nevadan? What happens if the NFL team plays their events, but the other parts of the event calendar do not come to pass? What assurances do we have that our citizens will not be on the hook?

GUY HOBBS (Managing Director; Hobbs, Ong and Associates):

There are three levels of protection. The bonds themselves will be serviced by the room-tax revenues. The stadium revenues and any of the revenues arising from the events inside the stadium are not being pledged to the bond. This is solely a room-tax pledge. You can draw a very bold line between stadium operating revenues and the revenues pledged to the bonds.

The estimates of the future room-tax growth used to generate the amount of bonding that could occur from the revenues are conservative projections based on histories of growth in room-tax revenue. When we issue general obligation or revenue bonds, we include a debt-service reserve fund. The policies of most well-rated agencies of the State—and Clark County and the State are rated AA in credit—include a one-year debt service reserve fund. This is usually equal to the highest amount of debt service that will be due in any of the years over which the bonds are being repaid. In this case, we are looking at average annual debt service which is a higher amount that would be due in the early years. We are requiring two years of debt service reserve, with the norm being one year of reserve.

The first year of debt-service reserve would be prefunded from the proceeds when the bonds are sold; it would be there from day one. The second year would be funded from the coverage waterfall. This would be the \$9 million per year, and it would be contributed to until it equaled a second year of debt-service reserves. With \$9 million being contributed per year, we estimate the second year of debt-service would be fully funded between the fourth and fifth year. Once this second year of debt-service reserve is fully funded, the \$9 million required by that item in the coverage waterfall would be available to fund things below it, including capital expenses.

Under this scenario, two years of debt-service reserves would be available, which is stronger than most other bonding cases. There would also be 150-percent coverage on the general obligation bonds. The market does not generally require coverage on these bonds because full faith and credit of the issuing agency is being pledged in support of it. This is not a market requirement as much as it is a requirement of Clark County. They are issuing the debt and want to be certain there is adequate cash flow to make the payments when they come due. They feel this requires a coverage of 1.5 times coverage.

It is our assessment that if we were to issue revenue bonds, we would have to go to an assessment of two to two and a half times the annual debt service. The impact of this would be significant on the tax rate. The assumed tax rate is 0.88 percent to service these bonds with 150-percent coverage. If we went to two times coverage, the tax rate would have to rise roughly 33 percent more. If we went to two and a half times coverage, it would be another substantial increase in the tax rate, essentially, to service the same debt. In our Committee meetings, the trade-off between the security and the size of the tax rate was considered. The County felt comfortable that the taxpayers would be protected as long as the estimates were reasonably conservative, adequate protections existed between the coverage and the debt-service reserves were in place.

SENATOR ATKINSON:

Who will issue the bond?

MR. HOBBS:

Clark County will issue the bonds, but they will not be \$750 million in outstanding bonds. The amount produced will be \$750 million. We anticipate a crude room-tax revenue, before we issue the bonds, would reduce the \$750 million by about \$90 million. Bonds issued today are issued with a premium structure. This means the buyers looking to buy the bonds prefer higher coupons. If you invest in higher-income securities, you know you pay a premium to buy a bond with a return of 3.5 or 4 percent. The bondholders in the market would pay us a premium. We think the level for this would be in the \$560 million to \$575 million range. Things can substantially change between now and the day of issuance; the market changes daily. The amount of bonds we are talking about as being outstanding in this case are, significantly, less than the \$750 million overall revenue production.

SENATOR ATKINSON:

Clark County will be issuing the bond. What is the bond rating for Clark County?

MR. HOBBS:

Clark County has an AA rating from Standard and Poor's and a rating of AA1 from Moody's.

SENATOR ATKINSON:

Bond ratings are based on risks; the higher the risk of a bond, the more likely it would be to affect a rating. How would this affect the rating for Clark County?

MR. HOBBS:

We held an internal assessment of this with Public Financial Management, the largest financial management firm in the Country. Our opinion is that issuing between \$560 million and \$575 million in general-obligation debt bonds will not have a negative impact on the credit rating of Clark County. The County is considering other bonding opportunities beyond the stadium. There has not been as much discussion about how the Convention Center bonds might be issued. We are expecting the Las Vegas Convention and Visitors Authority to request the County act as a conduit issuer for those bonds. That will offer the County the ability to manage its total outstanding debt in a way that does not negatively impact its credit rating.

SENATOR ATKINSON:

That is a fair answer. I want assurance the credit rating will not be negatively impacted. I want to look out for my constituents and citizens. If it affects the credit rating here, it will affect it afterwards somewhere else, and the citizens will have to pay for it. We need some assurances.

MR. HOBBS:

We have reviewed all of the rating criteria, which have become more formulaic since the turbulence experienced in the financial markets during the last decade. Based on our running of many of the characteristics of Clark County through the criteria of both Standard and Poor's and Moody's, we are confident this should not have an impact on the Country's credit rating. I cannot make assurances for the future as these credit rating agencies may make changes in how they view credit or they may change the criteria in the future.

SENATOR ATKINSON:

Was the credit rating of Clark County negatively affected by the last recession?

MR. HOBBS:

The only downgrade Clark County experienced was from Standard and Poor's. This occurred due to municipal and corporate credit ratings being recalibrated by the major companies. This caused Clark County to be downgraded from AA+ to AA. A rating of AA is still a very high, investment-grade level of credit. I act as the financial advisor for Clark County and regularly meet with them to discuss strategies to increase their credit rating. There is a direct relationship between the credit rating of an issuing agency and the cost of capital the taxpayers eventually have to pay. We are aggressive in working to manage these credit ratings for the County, and we will continue to be so.

SENATOR ATKINSON:

Is it possible to add a section to the bill in case one of these sections falls apart?

MR. HOBBS:

In response to Senator Ford's question about private-activity bonds, there are two tests. The first is a private-use test. I believe the stadium would meet this test because the activities going on inside the stadium would largely be things other than UNLV activities or similar types of events. The second is a private-payment test. This test asks if any of the payments to the bonds will be made from private sources. We have built a wall between the revenues that will support the bonds that are public revenues, and the revenues that come from the operation of the stadium that are the private revenues. The private revenues will not cross that wall so this fails the second, private-payment test. We do not see eligibility for private-activity bonds nor do we see an advantage from the standpoint of the cost to these bonds even if they were available to be used.

SENATOR FORD:

If we committed private revenues to help pay off the bonds, why would there not be an advantage to using private-activity bonds at that juncture?

MR. HOBBS:

If we include private revenues—if it crosses that wall—the bonds we would issue would no longer be tax-exempt; they would be taxable bonds. That would be a reason. Taxable bonds are issued at a premium. They are more expensive to issue and have a higher tax rate to maintain the coverage.

SENATOR HAW:

Is there a volatility risk related to the interest rate between now and when these bonds are actually issued?

MR. HOBBS:

When we did the projection on what we thought the debt service would be, we took the current market rate (MMD) and added 50 basis points to it to act as a hedge. We ran this a second time and included 100 basis points. Normally, when we do these schedules, we run the MMD plus 100 for the very reason you are asking this question. In both the 50-basis-point and the 100-basis-point cases, the debt service met the 150-percent test.

SENATOR HAW:

Is it correct that Clark County is the only county that would have an obligation for this bond?

MR. HILL:

That is correct.

SENATOR HAW:

The Raiders have discussed having a summer camp and a training camp in Reno, but this is not part of the bill. Do you have any information about this? Would it be for the duration of the lease?

MR. HILL:

The Raiders are interested in holding their training camp in northern Nevada. It is intended that there will be a practice facility in southern Nevada. Teams practice throughout the year, and they would need a facility close to where they play, as they would not practice in the stadium. Weekly practice is different from a training camp where the team prepares for the upcoming season for four or five weeks or trains for exhibition games, similar to spring training in baseball. Training outside in Las Vegas during July and August is not a reasonable option. Having a field in northern Nevada makes a lot of sense, and the team has a high level of interest in making this happen. It will take time to look at the possibilities for where this training camp could be located. It is not a requirement in the bill, but there is a commitment on the part of the Raiders to pursue it.

SENATOR GOICOECHEA:

You stated we would have the debt reserve accumulated in four to five years. If we end up in a situation seven or eight years out where we have to use the waterfall and the buckets are not full halfway down the list, is there anything that would preclude the dedication of another point in room tax?

MR. HILL:

Are you asking about a scenario where there is not sufficient revenue to build the second year's reserve?

SENATOR GOICOECHEA:

I am asking about a situation where it has taken us longer than we thought it would to build the second year's reserve, indicating our projections missed. In this scenario, we are seven or eight years out, the money is not trickling down and we still owe UNLV the \$3.5 million. Is there anything in the bill that says we could not, at that time, add another point onto the room tax?

MR. HILL:

No, there is nothing in the bill that prohibits that.

SENATOR GOICOECHEA:

This would not then be on the back of the taxpayers in Clark County who I represent. We could allow the room tax to creep up a little more to satisfy what we have encumbered.

SENATOR FARLEY:

I would like to address page 24 of the Stadium section in the binder. It appears the casino owners and the Strip are behind this bill. I would be as well, especially, if visitors will pay the fee and it will bring the number of people projected. The numbers on this page indicate we need an attendance of between 18,000 to 22,000 people at each event. If we drop to the more modest numbers, we need an attendance of 10,000 people at each event. We have heard from economists and from people who have nothing to do with our State that they do not believe these numbers. Why are your assumptions about this more viable than what they have stated? It does not look like we are funding enough in the depreciation schedules to cover some of these things. In section 29 of the bill, it states the developer or operator will cover the shortfalls. What does that mean? Well-known economists are not in agreement with you. What is your counter to their concerns?

MR. HILL:

Las Vegas leads the world in tourism and hospitality. The LVCVA has tracked statistics over a long period of time. The bottom-line answer is that an economist in a different city, looking at different projects, does not have the same level of understanding the people on the SNTIC Committee have about Las Vegas. The representatives of gaming in Las Vegas know the industry better than anyone. I moved to Las Vegas 29 years ago and helped with construction of the Mirage Hotel by providing concrete. At that time, people felt the builder was making a mistake—we could never make \$1 million a year. That project launched Las Vegas for the next 20 years. We have the same opportunity now. We have a broader set of experts who have proven they know what they are doing.

SENATOR FARLEY:

Casino owners will benefit from this if it works but will not suffer if it does not work. It does not seem they would be against this bill. It seems we need to go somewhere else to find knowledgeable experts who can review these sorts of transactions and also understand our economy. Some experts are saying this is a not good deal. We have some excellent casino owners. There just seems to be an assumption of risk from people who do not have skin in the game.

MR. HILL:

The economists do not have skin in the game either. The people in the gaming industry do feel they have skin in the game. There is an elasticity between the revenue they can generate and

the tax rate on top of that revenue. They certainly feel they have skin in the game. A different way that they have skin in the game is the need to be competitive with our room tax. Orlando is our biggest competitor. Its room rate is at 12.5 percent. We are at 12 percent. We are considering going to 13.4 percent. From a tourism infrastructure standpoint, there are only a number of ways a room-tax increase can be used. For the industry to unanimously say it should be used this way is a significant expression as there are not that many opportunities for these types of increments.

SENATOR FARLEY:

How confident are you that the numbers you used to make your projections on page 24 are accurate? I do not feel there are enough people who will come, specifically, for a football game and stay for four days. I think the number of 818,000 is a good one, as it captures the people who realize a game is occurring once they arrive in Las Vegas and then decide to attend. I am concerned about the projection that 10,000 to 22,000 people will fly to Las Vegas to, specifically, attend an NFL game.

MR. HILL:

The LVCVA tracks this on a regular basis as does the industry. Las Vegas has 325,000 visitors daily. The 10,000 visitors who would come for an NFL game comprise 3 percent of that number. The people who are the best thinkers in the world believe these projections are correct.

SENATOR HARDY:

The \$25 million per year room-tax cap goes to local jurisdictions, which equals \$50 million per biennium. The infrastructure I have read about equals \$250 million. That is not included in the \$400-million budget hole we are looking at in the 2017 Legislative budget, is that correct?

MR. HOBBS:

The infrastructure requirement is part of a working estimate for the entire cost of the stadium project; consequently, it is part of the overall funding model.

SENATOR HARDY:

Is the infrastructure included within the \$1.2 billion of public money?

MR. HOBBS:

It is within the \$1.9-billion total. It is assumed the cost of the infrastructure would be borne by the developer, not by the public side. The public side would be used for the actual bricks-and-mortar construction of the stadium. The infrastructure component would be the responsibility of the developer.

SENATOR HARDY:

Next Session, we are going to be faced with roll-ups and a 5-percent cut, and we are still looking at a \$400-million hole. People who are going to support this increase may be the people who squeal when they realize we need to do something besides just make cuts to fill the budget hole. Have they been part of the discussion about what will happen in the 2017 Legislative Session in regards to filling that hole?

MR. HILL:

We have had a series of public meetings with the people involved although I do not know whom you may be referring to specifically. These projects will not begin to create revenue in the coming biennium. As the construction process ramps up, the early numbers will be stronger because sales tax for materials will be included in the stadium numbers. We will be putting construction workers back to work and generating taxes as a result of the construction process. We are early in the State budgeting process. Agency requests went in early in August and that report is due at the end of this week. The Governor will make his proposals in December, and those will come out in January. The budgeting process is running its normal course.

SENATOR HARDY:

I understand the Raiders have 18 months, so it is not likely construction will begin early in the coming biennium. The elephant, not in the room, is the Clark County Commission. Do they want this? If so, do they want it to be mandated or do they want to have a choice? I do not think they have had a public meeting on this issue. I get nervous when we are doing something to someone and not necessarily with them. I have not heard their collective unanimity on this issue.

MR. HILL:

Chairman Sisolak played an important role on SNTIC and was very helpful. He has supported this recommendation as did everyone on that Committee. The Clark County Commissioners, as a board, have made a statement on the proposal but I have not heard any objections to the way this recommendation is structured. I would assume Chairman Sisolak has spoken to his colleagues about the proposal as it has been public for quite some time. This is an important decision and process. We have to seize on this opportunity now. There is an urgency to it because there is an NFL owners' meeting soon and certainty is necessary before that meeting. Legislation that does not provide that is problematic.

SENATOR HARDY:

I would like to ask the Clark County Finance Director what he is going to suggest to the County regarding their bond obligation.

MR. HOBBS:

The CFO for Clark County is speaking to the Assembly. I have had many discussions with County staff during this process. I served as a technical advisory committee member to SNTIC and have a long history working with Clark County. I cannot speak on behalf of County staff and say they are absolutely supportive of this—their governing body would have to do that. The staff is well aware of this process. They have had opportunities to provide input into the bill draft you will be considering. This bill draft offers them additional assurances regarding performance on the bonds and performance of the other parties to the deal—namely the team and the developers. All of the what-if questions that are on your minds have been matters of discussion with them for weeks and months.

SENATOR HARDY:

If you were going to give bond counsel to the County, what would you say?

MR. HOBBS:

I have had those discussions with them. The 150-percent coverage and the debt-service reserves are a product of those discussions. These have been encoded into the bill draft you are considering.

SENATOR HARDY:

Are these consistent with your recommendations?

MR. HOBBS:

From a financial standpoint, we felt the 150-percent coverage, plus the 2 years of debt-service reserve offered protection that is better than customary for the County and the taxpayers. We are comfortable with that.

SENATOR HARDY:

Is that a win-win for the State and the County?

MR. HOBBS:

That is in the eye of the beholder, and your eye matters more than mine at this point.

SENATOR MANENDO:

I would like to discuss the UNLV portion of this bill. According to the bill, UNLV has a right to play in the stadium if they pay. I am troubled by the suggested sum of \$250,000 per game—that seems like a lot. I do not know what the impact of this will be on ticket sales. These games are reasonable for the public to attend now, and I want the cost to stay reasonable. I do not know

if the fee of \$250,000 per game for UNLV to play in the stadium is going to have an impact on the cost of tickets for the general public. It seems more people would be able to attend UNLV games than an NFL game. If UNLV had a Saturday day or evening time slot scheduled far in advance for a game and an event such as a concert came up that could draw 60,000 people into the stadium, which event would have priority? Would the UNLV football game that could draw 15,000 to 25,000 people have priority, or would the concert that might be able to fill the stadium have priority? I am worried about where UNLV would play their football game in this situation.

SENATOR ROBERSON:

How much does UNLV generate now per game at Sam Boyd?

MR. HILL:

I do not know the answer to that question. The response I have received is that UNLV roughly breaks even on football games and makes the \$3.5 million on other events held at Sam Boyd. We anticipate ticket sales for football would improve with the move to a better stadium. The University has been part of this discussion all along, and President Jessup was Vice Chair of SNTIC. The recommendation from the Committee, included in the bill draft, is that UNLV would work around major events scheduled in advance. There may be one or two of these events during the college football season. Once the schedule is set, UNLV dates could not be moved without their permission. The Stadium Authority Board, made up of appointments from the Governor and the County Commission, would have the ultimate authority to ensure UNLV could play in the facility with a reasonable schedule. There is language around access to the facility that is the same as other football bowl-series universities.

SENATOR MANENDO:

I understand money is involved, and I want to make sure that if Beyoncé or some other artist comes to town and the stadium can sell 60,000 tickets, that event would not take priority over use of the field by UNLV football. I would also like to know what the rate will be if the increase in room tax occurs.

MR. HILL:

The room tax rate will be 13.38 percent in the hotel corridor. In the 25-mile radius around the Clark County building, it will be 13 percent. Outside the 25-mile radius, it will be 12.5 percent.

SENATOR MANENDO:

How does that compare to markets like Orlando?

MR. HILL:

Page 30 in your binder, under the Stadium tab, provides a chart that shows room-tax information for our major competitors. We are currently at the bottom of that list. We have a 12-percent rate and Orlando has a 12.5-percent rate. With the increase, we would be at 13.38 percent. This demonstrates the competitiveness of the increased tax rate and the opportunity we have to dedicate it to this project as opposed to a different one.

SENATOR MANENDO:

Is there room to increase this another 0.5 percent or even a full percent and still keep our rate competitive with cities like Orlando so some of the money could go to education?

MR. HILL:

The people collecting and remitting the tax would probably say no.

SENATOR RATTI:

Page 32, line 45, of the bill indicates that this project is exempt from debt limits. Is this correct?

MR. HILL:

That is correct.

SENATOR RATTI:

If we were to bond for both the stadium and the Convention Center as projected, would this exceed the current Clark County debt limit?

MR. HOBBS:

We would not be exceeding the debt limit of the County even if we did not have the separate exemption on behalf of stadium projects. The thinking behind offering a separate exemption or bonding capacity was to ensure it did not impede the County from pursuing other projects for normal public purposes at some point in time in the future. Whether it is under one set of bonding capacities or another, the credit of the County will be viewed in terms of the total amount of debt it has outstanding, regardless of which capacity limit applies. I do not expect it will impede the County nor will this or the Convention Authority issuance push the County above its bonding capacity or even near that capacity.

SENATOR RATTI:

You are saying these two projects will not, but if they anticipate other infrastructure projects such as roads or bridges, could they?

MR. HOBBS:

Without knowing the size of those projects, it is difficult to say how close they might push the County to the bonding capacity. They are significantly below their bonding capacity now by a couple of billions of dollars or more.

SENATOR RATTI:

This was a significant enough concern that we felt we needed to loosen the standards for debt capacity in this bill, is that correct?

MR. HOBBS:

SNTIC wanted to offer reassurance to the County that issuing these bonds on behalf of the project would not otherwise impede the County's ability to do projects for other public purposes.

SENATOR RATTI:

The bill calls for use of either general-obligation bonds or revenue bonds for the Convention Center expansion and refurbishment. It calls for only the use of general-obligation bonds where the stadium is concerned. Is this correct?

MR. HOBBS:

That is correct.

SENATOR RATTI:

Why is there flexibility on the Convention-Center side and not on the stadium side?

MR. HOBBS:

The Convention Center wanted the flexibility to do either type of bonds, with the recognition that the County was in the position of not only issuing debt on behalf of the stadium but of other County projects. I will meet with County staff to determine other bond issuances they are contemplating issuing in the next three or four years. I will provide that information to you so you can become more comfortable with the bonding capacity. The Convention Authority normally has the flexibility of issuing revenue or general-obligation bonds through the County and it is up to the County, if it wants to assume the additional general-obligation capacity on their behalf. This was a repetition of the prior flexibility they had.

SENATOR RATTI:

We are using general-obligation bonds because they are cheaper—the interest rate is lower. The interest rate is lower because there is less risk because it is backed by the good faith of the County. Are you saying we are comfortable with the higher-rate revenue bonds for the fully publically financed project—the Convention Center—but we are insisting on the lower

interest rate bond backed by the good faith of the County for the project that has investor money in it?

MR. HOBBS:

I would not have worded it that way. The Convention Authority normally chooses if it is going to issue in its own name or through the County. This was an extension of the operating method for the LVCVA. I do not know if the LVCVA has met with Clark County to determine if they will issue all or part of that as general-obligation bonds. I am confident the LVCVA will prefer to issue as much of their debt as possible as general-obligation bonds.

SENATOR WOODHOUSE:

One of the things that was important about having UNLV involved in this stadium was that it would be closer to campus, and we would be able to get higher student attendance at events than we get at Sam Boyd. When you look at college football games around the Country, the stadiums are full of students. We do not have that in southern Nevada. We have been told one of the reasons for this is that students cannot get to the Silver Bowl. Along with our concerns about the priority UNLV would have for events like football, is our students' ability to attend their own team's games in the stadium and to afford tickets for the games. What about our students?

MR. HILL:

Ticket pricing will be set by UNLV. There is no requirement this will change, and there is nothing driving a change in ticket prices. Because the stadium will hold an additional 30,000 people, one could argue there will be a greater number of inexpensive tickets available. There have been two final locations identified for the stadium. It is not required it be built in either one, and the Stadium Authority Board has to approve the location. The team and developers would like to build the stadium on the Russell Road parcel—due west of Mandalay Bay on the west side of I-15. That location is closer to campus than the Silver Bowl. The modes of transportation available to students will be broadened due to the location.

SENATOR SEGERBLOM:

We are going to pass a percentage room tax for the stadium that will generate a set amount of money. Is that correct?

MR. HOBBS:

That is correct.

SENATOR SEGERBLOM:

That money is based on the number of rooms and the room rate so it could increase over time and increase substantially. Does that money strictly stay with the stadium?

MR. HOBBS:

Yes. When we sell the bonds, we will be making a pledge to the bond holders that the room tax generated from the 0.88 rate is pledged to the bonds. We can only use these funds for what we agree to do as part of this legislation. Once it is pledged, there is a contractual obligation between us and the bondholders that will remain pledged until the bonds are paid off.

SENATOR SEGERBLOM:

Who makes the decision as to whether to pay the bonds off early, set aside money for bad times or use it for other things?

MR. HOBBS:

There is a sequence of different buckets in the waterfall that takes place. If there is additional revenue that makes it to the bottom of the buckets, it could be used to either add to the physical plant of the building, make capital repairs to the building or possibly to redeem the bonds early.

SENATOR SEGERBLOM:

Who makes that decision?

MR. HOBBS:

The Stadium Authority Board, in conjunction with the County, would be in the position to do this. These are County bonds so this needs to be done to determine whether to redeem the bonds early or not.

SENATOR SEGERBLOM:

Hypothetically, if we raised an extra \$100 million, we could not take it? It would go to pay off the bonds early, is that correct?

MR. HOBBS:

If there were an extra \$100 million and all other waterfall items had been satisfied, it could be used to redeem bonds early.

SENATOR SEGERBLOM:

But it could not be used for schools?

MR. HOBBS:

No. Part of the pledge when we sold the bonds would be that the money was only to be used for stadium-related capital and debt-service associated purposes.

SENATOR SEGERBLOM:

If the Stadium Authority wanted to put in new seats and the County Commission wanted to pay off the bonds early, who would make the decision?

MR. HILL:

The Stadium Authority Board would make the decision in this case.

SENATOR FORD:

Why are the bonds being issued for 33 years instead of 20 years? We have been getting a lot of input from constituents on this issue. Some people hate it, and some people love it. Some people who do not care for the current proposal, such as Nevadans for the Common Good, Battle Born Progress and others, have asked why we are issuing 30-year bonds versus 20-year bonds. Can you please explain that?

MR. HOBBS:

The bonds would not be for a 33-year term, they would be for a 30-year term. The tax rate would be expected to run for a period longer than that because we would be accruing the taxes prior to the bonds being issued. The actual term on the bonds would be 30 years. That is consistent with Nevada law regarding the terms on the bonds.

MR. HILL:

This is similar to a 30-year mortgage where an individual might save for 3 years prior to getting a mortgage in order to have the money to make the down payment on a home. The ability to make the down payment is similar to the \$90 million referred to earlier. Instead of issuing \$750 million of bonds, we will have \$90 million, up front, because we have waited 3 years and saved money. That will allow us to raise the room tax by a lower amount to make the payment.

SENATOR FORD:

That makes sense, but it also makes sense to pay off a mortgage in 20 years rather than 30 years. Why are we going with a 30-year rather than a 20-year bond period?

MR. HOBBS:

It is the same decision-making process that would be involved if you were determining to take out a mortgage—what can you afford from a cash-flow standpoint?

SENATOR FORD:

Are you saying we cannot afford a 20-year term?

MR. HOBBS:

If we were to go with a 20-year term instead of a 30-year term, the tax rate required would be higher than the one proposed in the bill.

SENATOR FORD:

How much higher would it be?

MR. HOBBS:

I am not sure. I will research that for you.

MR. HILL:

It is inappropriate to finance something for a longer term than the asset lives. The stadium will be there at least 30 years. That is an appropriate length of time to issue the bond. If it was a 20-year asset and a 30-year bond was issued, that would be inappropriate.

MR. HOBBS:

One of the other considerations we look at is the useful life of the asset. We try to match up the term on the bonds with the useful life of the asset. The useful life of this asset is beyond a 20- or 25-year term. We are looking for a 30-year lease with the team.

SENATOR FORD:

What is the useful life of the asset?

MR. HILL:

At least 30 years.

SENATOR FORD:

Is there a better answer than that? What is the average age of a stadium as opposed to the useful life of the stadium?

MR. HILL:

I do not know the answer to that question, but it is at least 30 years. When they get to 40 years, most stadiums are being replaced.

MR. HOBBS:

You will hear about stadiums during this hearing that did not have as long a useful life, and you may know about stadiums that have had a useful life of well beyond 30 or even 50 years. It depends on the design and utilization of the stadium, the market and the market's acceptance of the stadium.

SENATOR FORD:

I share the concerns about UNLV and the concern about of the \$250,000 per game usage fee. What was that fee based upon? It is my understanding it was based on maintenance, upkeep, and wear and tear from per-game use of the stadium. What is the going rate in other places? Is this arrangement unique in that no other NFL teams are sharing their stadiums with college teams, and we do not know what an appropriate rate should be?

MR. HILL:

The amount of \$250,000 per game is a general estimate and is not the final number. The entire stadium proposal takes advantage of opportunities that are unique in that they have all come together at the same time. Without any one of them, this recommendation would not have come from SNTIC. The Committee was in place, an NFL team expressed a strong desire to move to Las Vegas and a private developer was willing to make a contribution to a public facility. I do not think this has ever happened, or it has not happened in the last couple of decades at least. I do not know of a stadium that has been built where there are three different investing parties. Interest rates are at historic lows, and we need to take advantage of them and lock them in. All of this allows for a room-tax increment that permits us to remain competitive with our challengers in other markets. We have a developer who, as an investor, is looking for a reasonable return on investment. On the room-tax side of the equation, we are replacing revenue with \$3.5 million dollars so there is a fairness aspect to this in that UNLV pays for the cost of

playing their games at the stadium. That is the private component of the agreement. The public component is paying UNLV to shut down Sam Boyd Stadium. If they do not shut down the stadium, that \$3.5 million will not be available to them. That is a decision the Regents will have to make.

SENATOR FORD:

Is there a comparison elsewhere with a college team playing in a professional stadium?

MR. HILL:

There are a couple of examples in which college football teams play in the same stadium, as NFL teams. The University of Pittsburg and the Pittsburg Steelers share a stadium, and the Eagles may share their stadium as well. I do not know the answer to your question, and I do not know the cost structure for those stadiums. I will try to find that information for you.

SENATOR FORD:

That would be an interesting comparison to make in figuring out a reasonable amount of rent to be paid by UNLV.

SENATOR ROBERSON:

It is important we ask President Jessup these questions this afternoon.

SENATOR FORD:

Please discuss the infrastructure costs. Some of my colleagues have asked questions about this, and Mr. Hobbs stated the costs were to be borne by the developer. There is a \$300-million allocation out of the \$1.9 billion to go towards infrastructure, is that correct?

MR. HILL:

Pages 32 to 34 in the binder, under the Stadium tab, discuss the costs. This project would be considered a high-impact project for Clark County. If you visit Clark County Comprehensive Planning's website, you can look this up. An example of a traffic study is included in the binder. The high impact project classification process the project will go through is discussed on page 33. From this impact analysis, one of two things will happen. If the infrastructure needed is caused solely by the project, the project developer can contract to have the infrastructure built or pay an entity such as NDOT, RTC or Clark County to build it. That process happens for any project of any size in southern Nevada and across the State. The developer receives an invoice stating that their project will be adding a determined percentage to the increase in traffic at an intersection, and they will be responsible for paying that amount of the traffic light, sidewalks and other assets. In order to get a building permit, the developer has to either build, commit to build or pay someone the bottom line of the invoice.

SENATOR FORD:

Am I correct that there is a \$300-million allotment within the \$1.9 billion the developers are contemplating that is to go toward infrastructure?

MR. HILL:

There is an allotment that incorporates several things. This is a \$375-million bucket in the budget. Some of this is for off-site infrastructure, and some of it is for on-site infrastructure. There are three or four uses in that bucket. I would not describe it as \$300 million reserved for off-site infrastructure. What the developers have agreed to is that any cost overruns will be their responsibility.

SENATOR FORD:

Where in the bill does it say infrastructure-cost overruns will be borne by the developer?

MR. HILL:

Section 29, subsection 2, of the bill lists the responsibilities of the Stadium Authority Board and includes the contracting process with the developer and the Stadium Events Company. It states the agreement must: (a) identify the site; (b) set forth the overall design specifications; (c) set forth detailed sources of financing; (d) and (e) require and define progress reports; (f) state

development and cost overruns are the responsibility of the developer partner; (g) contain provisions consistent with sections 31 and 35 of the bill; (h) provide for adequate contribution by the developer partner for construction or improvement of any infrastructure off the site of the project determined necessary for the project, and (i) require the developer partner ensure they remain current and pay subcontractors and keep liens off the property.

SENATOR ROBERSON:

The Committee of the Whole will stand in recess until 1:45 p.m. and will reconvene in the Assembly Chamber in order that Assembly Members may hear the testimony, first hand, of the Senate's Committee of the Whole proceedings.

The Committee of the Whole has reconvened in the Assembly Chamber. We will now view a video concerning this project.

STEVE WYNN (CEO, Wynn Resorts, Ltd.):

I spent four years on the Tahoe Regional Planning Agency, and a day like this reminds me I need to come back and live here again. The video you just watched is accurate. You heard from almost everyone who has something to add to the conversation. I concur with the points that were made. My colleague and friend, Jim Murren, and I will soon fly from Beijing to Las Vegas on the first nonstop service from the People's Republic to Las Vegas. This is a sign of the point being made in the video—the increasing impact globalization is having on Las Vegas, the State and Nevada's tourism industry. The video did a great job of making that point regarding the need for improvement to the Convention Center.

Last Christmas, in response to the clearly increasing threat of terrorism and having been informed that according to the Department of Homeland Security (DHS) that Las Vegas was one of the top ten targets in America, we increased our security and created a new division focused on counter-terrorism and counter-intelligence. We changed the profile of our security department to include monitoring all entrances and daily online coordination with DHS, the FBI and Metro. We are one of many companies on the Strip that have found it necessary to coordinate with the Las Vegas Metropolitan Police Department (Metro) on a more intimate and current basis than before. This collaboration with Metro has placed an additional strain on their manpower. When the Sheriff asks for help, we should give him the respect and attention required as his points are well taken, and we support them.

I have been in Nevada for 49 years. At 74 years of age, I believe I hold the longest continuous gaming license in the State. During those 49 years, I have seen Las Vegas change. I have seen this incredible tourist destination morph and adjust to changing world-market conditions over and over again. It has been wonderful, yet every once in a while, there comes a time when we reach a threshold and must go to the next level. That time has clearly come now, and it has presented itself in the form of this opportunity to have the NFL move to southern Nevada. In my 49 years, nothing has presented itself that has the overwhelming potential to impact the tourism industry in Las Vegas as this. If the NFL and the Raiders come because we build the stadium—and we will not build it if they do not come—for the first time in modern history the National Football League will have signaled a willingness to allow the team to transfer. It takes 24 out of 32 members of the NFL owner's committee to approve a transfer. My friends who are team owners have told me the NFL is ready to do this if Nevada steps up by providing a stadium in Las Vegas.

I can assure everyone in this room that in 49 years, nothing has happened to the room tax, originally designed to support the Convention Bureau and increase and underwrite tourism and the financial viability of the City, that compares to the opportunity of having professional sports in Las Vegas—nothing even close. We have an NHL team that will launch this year in Las Vegas. With the new T-Mobile Arena, built by the MGM, if the NFL comes to Las Vegas, we will undoubtedly get an NBA team as well. To have these sports in Las Vegas will be the final cornerstone in the future structural stability of tourism in Nevada. The tourism industry in Nevada underwrites the General Fund contribution made by the gaming industry. Having a football team and other professional sports teams in Las Vegas, more than any other single thing in my 49 years, will underwrite the future occupancy of the hotels.

I represent my thousands of employees. We have created 250,000 jobs in Las Vegas, both directly and indirectly. When something as powerful as this potential event underwrites the

occupancy in the hotel—the cash flow of the tables, the purchase of food and beverages, the use of convention and meeting space—it underwrites the General Fund contribution that comes to Carson City. More than anything else we could imagine, it underwrites the occupancy of our hotels. I am here because of my employees. They are the only constituency that matters to you or to me at this point in our lives. This opportunity underwrites the employment security of the tens of thousands of people who are in the gaming industry. Because it does, it represents a singular opportunity for us to take a giant step forward in the years ahead to ensure Las Vegas is indeed the destination resort, on a world-class basis, that it has been in the past.

The recession was difficult on us all. Most of us ended up with negative profit and loss statements. We are now recovering and occupancy is up. The convention business has recovered, and it has recovered in a robust way. That is encouraging us to support expansions within our own businesses, to add to our employment base and to expand the Convention Center to keep it modern and competitive with Orlando, Chicago, Dallas and the other places competing with us.

To stakeholders that receive part of the Convention Center funding—Henderson, North Las Vegas, Boulder City and others—this increase ensures and underwrites the cash flow to your communities. When we spend money in the community, we ask how the funds are used. Are they constructive? Do they represent sound thinking and good future planning? On behalf of my organization and my employees, I want to say this is an absolute dead-bang, winning opportunity. I hope you will find it in your wisdom to approve it promptly so our opportunity with the Raiders and the NFL does not pass. If we lose this opportunity, it will be one of the most heart-breaking mistakes we could have made in my 49 years.

JAN JONES-BLACKHURST (Executive Vice President, Public Policy and Corporate Responsibility, Caesars Entertainment Corporation; former Mayor, Las Vegas):

I have seen Las Vegas grow from 12 million visitors in 1982 when I first moved here, to approximately 35 million visitors when I left office as Mayor, to over 45 million visitors today. This growth did not just happen. It was the result of incredible vision on the part of the men and women in the Nevada Legislature, the entrepreneurs in Las Vegas and the people who were willing to take risks and determine how to build the top tourist and business destination within that period of 20 years. They did this through the cooperation of the Convention Authority and entrepreneurs who realized that people would come to Las Vegas to enjoy the experiences. They would come for the things they could do; the meetings, conferences and planning, weekend shows and entertainment. This has continued to evolve. In the 1980s, 80 percent of the revenue from the Las Vegas Strip came from gambling. Today, 40 percent or less comes from gambling because people come to do other things. Consumer trends show that people are no longer interested in buying things; they are interested in buying experiences. That is the opportunity we have. We can offer experiences that no one else can in one destination. Even at the height of the financial collapse, our room-occupancy rate was almost 80 percent. Today, it is 89 percent while the rest of the Country is around 60 percent or 70 percent. This is because we see things differently. We provide different opportunities.

I am always amazed when I read that stadiums do not provide economic development. A stadium in Cincinnati is not the same as a stadium in Las Vegas. A town like that could never provide the event space or the opportunities to create new experiences that we can. A stadium is the one element we are missing. We cannot bring in the huge concerts or offer the big events, like National Collegiate Athletic Association games, that bring in people from around the world. This will give us the venue to make that happen.

It has been almost a decade since there has been a major infrastructure investment in the Las Vegas Strip. It started when Steve Wynn had the vision at the Mirage and ended when Jim Murren had the vision for City Center. In the time since, there has not been a major investment. That time is now because this is what will allow us to continue to grow. This is what will keep us the number one resort destination and the number one business destination. It is what will make us much more competitive than Germany or China or the other countries that are looking to knock Las Vegas off the top of the hill. With your help, this will happen.

Mr. Wynn talked about how, in 49 years, he has not seen a more important project, not just for the future of the City and who we attract, but for job creation. In Las Vegas, 40 percent of

the laborers and those working in the building trades are still unemployed. They need these projects, not just for now, but ongoing. As we bring in more people, we add new hotel space, new rooms and new facilities that will keep things going. There will be 14,000 jobs created to build and support the Convention Center project and the stadium. There will be more service jobs as we build more rooms. This is all part of the continuing chain of what real economic development is about. We have been offered a gift that can take us from 45 million visitors to 55 or 65 million visitors. Does it take some entrepreneurialship to make this happen? Of course, it does. Does it take a vision and a belief in what we can do? Absolutely. Who would have believed, when we started with 12 million visitors, we would be at 45 million visitors today? The men at this table did. A lot of the leaders who have sat in these chairs did. It is important that all of us going forward understand we can make this happen, and we can continue to be number one. We should settle for nothing less.

JIM MURREN (Chair and CEO, MGM Resorts International):

I am privileged to represent the late, great visionary, Mr. Kirk Kerkorian. When there was little in Las Vegas but desert, Kirk saw the future. He invested in Nevada, ultimately becoming the largest investor in the history of the State. Today, the company he founded, more than 60 years ago and that I lead, is the largest employer and the largest taxpayer in the State of Nevada. More convention space is owned by MGM than any company in the State, and this is expanding. When our projects are completed, we will have more than 3.5 million square feet of convention space to manage. With the theaters in all of our resorts, combined with our sports and entertainment venues such as the Mandalay Bay Event Center, the MGM Grand Garden and the T-Mobile Arena, MGM owns and operates more entertainment venues and sells more tickets to live events than any other operator in the State. Last year, we sold over 6 million tickets to live events. That is equal to half of all the tickets sold on Broadway for an entire season, and that is just our company. This might lead you to believe MGM would be opposed to both of these projects. The exact opposite is true. We at MGM have supported a football stadium from the earliest discussions about improving the experience for the football program at UNLV. The NFL was not a consideration during those early discussions. This opportunity, that has been developed in conjunction with the Las Vegas Sands, allows us to consider two major projects that can have a permanent, lasting and positive impact on not only Las Vegas but on the entire State.

No company would be more affected by the renovation and expansion of the Convention Center than the MGM, yet we welcome the competition. We know the entire community benefits when our Convention Center is full and the largest trade shows continue to come from around the world. Last year, nearly 6 million of the 42 million visitors to Las Vegas were convention delegates. The economic impact of the Las Vegas Convention Center was nearly \$2 billion, making Las Vegas the leading convention and trade show destination in North America. We have worked hard as a community to build a reputation for Las Vegas as the place to stage any global convention. We must keep up with the times, and we must be prepared for the future. The loss of just one medium-sized show would cost Las Vegas \$70 million. We cannot afford that. To lose a large show such as the Consumer Electronics Show would be devastating to Las Vegas. Having an expanded and upgraded Convention Center is part of the solution to maintaining our status as the top destination in the Nation. We are able to offer business visitors entertainment, restaurants and retail—the total experience. That is what allows Las Vegas to extend tourist visits. This translates to more jobs and more tax revenues for the State. Our City has many outstanding entertainment assets. Several of them are operated by my colleagues who spoke earlier. We have arenas and theaters. We now have basketball and hockey venues. We have the beautiful Smith Center and the Thomas and Mack Center. We have the Colosseum, the Access and soon MGM will open the Park Theater. We also have two festival lots in town. Venues like this drive incremental visitation. We estimate the T-Mobile Arena alone will bring over 500,000 incremental visitors a year to Las Vegas. But, it is not the single-entertainment venue that is important, it is the entire community and what it has to offer. For any of us to succeed, we all must succeed. It is not about filling rooms at a specific venue, it is about filling the town and the State. It is about filling them all.

The one area in which Las Vegas is not competitive, is that we do not have a stadium adequate for major sports or entertainment events. These are not everyday events. These are major, special events. These are exactly the type of events we need, now, in Las Vegas. We need events such as college and professional football or soccer or large stadium concert tours. This is where our lack of a proper facility makes us uncompetitive, and that is unacceptable. We could not host the Super Bowl or a college or basketball final. We do not have the venue in which to do so. You have the opportunity to change that with the support of the legislation in front of you. These projects differ, but they are both equally important to the success of our community. Projects like these do not come around often. The benefits they would bring will extend to all communities in our State. No community has the visitation Las Vegas enjoys or the ability to grow that visitation further. These projects will add over 1 million visitors to Las Vegas and 2 million incremental room-nights. Imagine the revenue that will generate! That will be billions of dollars of incremental economic activity, thousands of jobs and millions of dollars going into State and local coffers each and every month. We cannot afford to lose this opportunity. We must do what Las Vegas does best—be the best. On behalf of the 50,000 men and women of MGM resorts who live and work in this State, I would like to express my appreciation for your support on both of these critical requests.

DANNY THOMPSON (Executive Secretary-Treasurer, Nevada State AFL-CIO):

I am a native of Henderson and was an Assemblyman for ten years. During that time, there was always discussion about how we needed to diversify our economy because the focus was always on gaming and mining. When I was growing up in Henderson, the only place you could legally gamble in America was the great State of Nevada. When I came to the Assembly, we would turn to the gaming industry when we needed money. They paid the way for years with the slot tax, the entertainment tax, the gaming tax, the property tax and the live entertainment tax. They were the cash cow for all of us. Hence, the need to diversify the economy.

In the past 4 years, you have supported more economic development than at any time in the 37 years I have been here. This includes things like Tesla, Faraday Future, Switch and other exciting opportunities that have diversified our economy. We still, however, have a reliance on gaming and entertainment because we are the entertainment capital of the world. In my job, I get invited to many events. I attend some, but I turn many of these down based on where the event is located. In my geographical region, the question is always asked about when a conference is going to be held in Las Vegas. Participants want to attend conferences in Las Vegas. They want to bring their families to these events, and they want to stay for a week. Las Vegas has always been a special place, and it has been recreated many times. I will always remember the first time I set foot inside the Mirage Hotel and realized it was not just a casino, a gambling hall or a club—it was an experience. I did not think things could get better than that and, then, came the Bellagio.

What you have before you, today, is not a problem, it is a solution. It is an opportunity for Las Vegas to be something more than it is right now. Today, you can gamble in Coeur d'Alene, Idaho. Things are not what they used to be. Las Vegas has always had to recreate itself, but the question is how does this impact the rural communities? The people in Esmeralda County are not generating enough of a tax base to pay for their schools, roads or law enforcement needs. This is not their fault. That seven-mile stretch of the Strip is the cash cow for this building. It is what funds the budget for the State. It does not matter if you live in White Pine County or in Henderson; we are looking at the budget for the State. We have to protect that.

We have the opportunity to go to the next level. We have world-class conventions coming and a world-class Convention Center, but the competition is tough. Many major cities have invested in convention centers because they know what that convention business is worth. We have a world-class airport that has continuously been remodeled. They are putting in new flooring at the airport and creating thousands of jobs. The runway is being redone. These are long-term projects that hire Nevadans who are taxpayers. This proposed project is the most exciting thing that has happened. It will put heads in the beds all week long. We fill up the hotels on the weekends, but it is difficult to do in the middle of the week. If you do not fill those beds in Las Vegas, you have problems.

Las Vegas gets 90 percent of its water from Lake Mead. The other 10 percent comes from pumping or other sources. We are the only city in the United States that recycles all of its indoor water. All of the water from sinks, toilets, dishwashers etc. is treated and put back into Lake Mead. We get return-flow credits and take the water back out. This opportunity will solve a lot of problems. It has been said we do not have the water to do this project. Any water used in this project will go back into the system. The only water we do not capture is that used for landscape irrigation, and I would argue that some of that goes back into the aquifer. This is an opportunity to solve a problem; it is not a problem itself. It will create thousands of jobs, which will create thousands of taxpayers. This will help solve some of the problems you, as Legislators, face. McCarran Airport is landlocked and has no room to grow. This project creates the opportunity to bring back the Ivanpah Valley Airport. It creates the opportunity to have true mass transit. Our transit system in Las Vegas now has a larger ridership than Salt Lake City. They have \$2.2 million in debt for their project, and we have none. This will solve problems in the short-term and create opportunities in the long-term that will be solutions to the problems we have. When I was a Legislator, I measured my vote on whether it was defensible. It does not matter if you are from a rural area or from an area like Las Vegas, this is the right thing to do. I urge you to support this bill.

KRISTIN MCMILLAN (President and CEO, Las Vegas Metro Chamber of Commerce):

The Las Vegas Metro Chamber of Commerce (LVMCC) believes investment in these two world-class tourism infrastructure projects will strengthen and diversify the array of our core economic assets. It will also open up myriad economic and community opportunities that will benefit not only our larger hospitality companies and UNLV, but will also provide support and help grow our smaller businesses within the community and support our entrepreneurs. As president of the broadest-based business association in Nevada, for the past five years I have sat as a representative of the general business community on the boards of both the LVCVA and SNTIC. From that experience, I will share the framework that LVMCC used to analyze and understand these projects and to identify the most compelling reasons why we feel they both should be supported.

We first wanted to make sure there was a compelling need for both of the projects. If something was missing from our portfolio of core economic-tourism assets, we felt it might impact the competitive future of Las Vegas. Using this criteria, we overwhelmingly concluded there is a need for these projects. Las Vegas and its economy have grown up around significant infrastructure milestones. This started with Hoover Dam then moved to the Flamingo, the Mirage and UNLV. These and other large infrastructure projects fueled the growth and development of Las Vegas over the entire time of its existence. Innovation, ingenuity and sheer determination got us to where we are today being the most notable tourism brand in the world. But the world is changing, and we are in a race with cities across the globe. The global tourism market is hypercompetitive and our competitors have us in their sights. Cities, such as Orlando, Chicago, New York, San Francisco, Washington D.C. and Houston, have all upgraded their convention facilities to provide more flexibility, better amenities and a higher level of technology for shows. Our competitors around the Country have built world-class stadiums and are using those assets to attract more visitors and pull them away from Las Vegas. Around pure tourism cities, Las Vegas is the only one without a stadium holding 60,000 or more seats. These cities are quickly gaining a competitive edge when it comes to attracting large special events and gaining new visitors.

SNTIC was presented with thousands of documents and a lot of data analysis it was the testimony of industry experts, such as customers, and trade show and events operators, that was most compelling. We risk losing stature because of our ever-expanding trade show and events economy. That is what we are facing as a major tourism city. If we do not take advantage of opportunities that come before us that make sense, we are going to lose out and lose ground. We believe each of these projects will fill a significant gap in keeping our Las Vegas brand strong and continuing to attract visitors to our destination.

We wanted to know if a strong case could be made for economic and fiscal benefits to be returned to the public as a result of these projects—did the proposals make sense. There appeared to be tremendous opportunities for high returns based on the projections we saw and

analyzed. The public benefits, in terms of fiscal and economic impacts, including job creation, are strong. The increase in jobs and the economic boost will be felt not only by the properties along the Strip but also by retail operations, restaurants, commercial and real estate operations, general business people and others. Both of these projects create opportunities for incremental tax revenues to be returned that would not exist if not for these projects. These will be significant, incremental tax revenues of more than \$84 million per year that can be used to support the General Fund, public services and education.

Another important part of our analysis was related to the public financing for the stadium. If the room tax does not perform as stated, we wanted to know the legislation included sufficient protections and safeguards for taxpayers. We believe these are in the draft legislation as reviewed by Mr. Hobbs and Mr. Hill.

The importance of jobs created by this legislation cannot be overstated. Many small businesses depend on Las Vegas continuing to remain a top tourist destination, and we cannot risk losing our status. We have invested a tremendous amount in infrastructure and resources, both human and otherwise, in Las Vegas, but there are gaps, and we have identified them. If we do not address these gaps, they will hold us back in the quest for an increased share of global tourism.

Having done this analysis, on behalf of the Las Vegas Metro Chamber of Commerce, I can confidently say there is a strong business case in support of both of these projects, and there are sufficient taxpayer safeguards in place. The process undertaken by SNTIC is a compelling example of government and business working together to address big issues and figure out together how to move our economy forward. It is a template for what we can do together as a State in other areas if business and government can work together. The intangibles cannot be ignored. In my role as president of the LVMCC, I meet individuals throughout the Country who are excited about this project. They cannot wait to come to Las Vegas. They want to see what is happening, and they want to be a part of it. Imagine what this will mean for the businesses, the families and residents in our community who have exhibited the resilience to remain. To be able to improve and rebuild our economy and the quality of life for those who have been through the worst recession of their lives is critical. The energy and boost to our economy and the development of community pride will be absolutely contagious. We have a next-generation opportunity in front of us. LVMCC commends Governor Sandoval for his vision and thanks him. We urge the Legislature to approve the proposed funding for these important assets that will increase jobs and drive economic development not only for southern Nevada but for the entire State.

JONAS PETERSON (President and CEO, Las Vegas Global Economic Alliance):

The Las Vegas Global Economic Alliance (LVGEA) is the regional economic development authority for southern Nevada. Our mission is to grow the economy through community development; business recruitment, retention and expansion. Our team is constantly looking for opportunities and projects that will enhance our global competitiveness and deliver a high rate of return to our entire community. After careful review, we believe you have this opportunity before you today. Our board of directors is comprised of 50 leading public, private and educational leaders from throughout southern Nevada. Last week, that board chose to support both the Convention Center expansion and the development of a new NFL stadium. Gaming, tourism and hospitality are the core industries of our economy, and these are included in the comprehensive economic development strategy that is the blueprint for economic development for southern Nevada. We can grow our regional economy through gaming, tourism and entertainment, but in order to do that, we need to help diversify and strengthen that core industry—we need Las Vegas to keep pace with other cities around the globe. The Convention Center expansion and the new stadium will be a game changer for our region. The economic impact alone is massive—millions of dollars in economic impact and thousands of new jobs once completed. Our market is ready to take that next step. We are one of the few cities with over 2 million in population that does not have a stadium of this size. It is time for Las Vegas to join that elite club. This is a once-in-a-generation deal. It represents a tremendous benefit to our economy, our major university and to our community. On behalf of LVGEA and our board, I urge you to support the expansion of the Convention Center and the stadium.

TOMMY WHITE (Business Manager-Secretary Treasurer, Laborers' International Union of North America, Local 872):

I represent Nevada construction workers and their families. I know this is a difficult decision for some of you, but this legislation is not about the Convention Center or building a stadium, it is about building lives for Nevada families. I am sure many of you have a neighbor or a friend who lost a job because there was no work. Since the Great Recession, families in Nevada have suffered. This bill gives hope to those such as Rudy Jr., who was with us last week at Thomas and Mack Center and was so excited because he thought his dad was going to work the next day.

I could quote statistics about how we need these jobs and how we need to put our members, our veterans and our minorities to work, but at the end of the day, this is about the working class and about giving us back jobs. It is about putting people back to work. The longer we sit without jobs, the worse our communities and our schools become. In 2006, the State brought in \$1.4 billion in tax revenue from construction. In 2016, we are only at \$714 million. That is half of that amount. Imagine what would happen if we were to build the Convention Center and the stadium. This would boost our economy back to where it needs to be. I am not a begging person, but I would stand up here and beg that you pass this bill just to put everyone back to work. It has been a long time coming. I just remember Rudy's face and how excited he was. He is now my inspiration.

PETER GUZMAN (President, Latin Chamber of Commerce, Nevada, Inc.):

I am president of the Latin Chamber of Commerce, the largest and most powerful Hispanic Chamber in the State of Nevada. It represents entrepreneurs, moms, dads, children and people trying to make a better life for themselves. To me this is a no-brainer, and for my members, it is an absolute no-brainer. To have the opportunity, within a 10-mile radius, to zip-line down Fremont Street, watch a volcano, go to Paris or New York and now to have a stadium with an NFL team and a place for UNLV to play football, is a no-brainer. This is the greatest community. Everyone wants to come to Las Vegas. What this stadium and an NFL team will do is continue to bring us to another level. This will create thousands of jobs. It will help entrepreneurs. Whether they sell tee-shirts or coffee, they will be part of this economically historic moment. These will be people who look like me, and I embrace that because we are entrepreneurs. People are not happy we are doing this as a partnership, but I am glad we have billionaires in this community. Between them, union workers, nonunion workers and laborers, we can build this community. We are all involved together. If this partnership creates more jobs and opportunities, what does it matter if a billionaire is at the top of it? It all trickles down. We all win with this stadium and with this team. Today, more than ever, communities need things that bring them together. Families will be able to tailgate on Sundays or go out to watch our UNLV football team on a Saturday night. I find it difficult to see any negatives in this proposal. People will come to Las Vegas early for these games or will extend their stay to attend them. That equals opportunities for the people who live in our community and who want to work or start businesses. Now is the moment for us to make this decision. We look to you to make sure there is diversity and inclusion in this process. That is a difficult job for you, but I know the right people are in the room to make the decision. We cannot let this opportunity escape. The time is now; this is a uniting proposal. I will make our community even that much better. You had visionaries come together who, five years ago, might not have agreed on it. They see the value in this. Be part of this historical moment. We need to get construction started as soon as we can.

SHAUNDELL NEWSOME (Vice Chair, Board of Directors, Urban Chamber of Commerce, Nevada):

I have resided in southern Nevada for almost 30 years; I came by way of serving at Nellis Air Force base. One of the things, I think was important, was the innovation that occurred at Nellis, with not only drone technology, but also with stealth technology. I have seen many changes in the Las Vegas area and the State. I see the diversity in the Legislature, and it is galvanizing the things we have to be thankful for in our State. My daughter recently ended a 10-year enlistment in the military, and I served in the military because I wanted the best for my children. I am a business owner, and my family business was the Nevada Small Business Association, Family Owned Business of the Year in 2015. When we talk about equity and inclusion, we are not

talking about handouts. We are not talking about things being given to someone. We are talking about things that are earned. During the recession, we lost 60 percent of our business. I did not receive a paycheck for five years, but I stayed in business because it was a dream we had in our family. We were not going to give up, and we were not going to quit. My daughter is now the president and CEO of our company because I did not quit.

Last year, we were discussing equity and inclusion with the Clark County Commissioners on a project having to do with fuel-tax dollars. Almost half of the project was served by small businesses that looked just like us. We have done this before, and that is why we are so excited for this opportunity. Today, I am here to represent small businesses and those owned by minorities, women and veterans—all of the people who had to work hard through adversity and challenges to survive. We are resilient, and we always come back strong. We know there is an opportunity now. That is why we are in support of the economic-development opportunities related to the stadium and the Convention Center. We have seen it.

The Urban Chamber, Latin Chamber, Asian Chamber, National Association of Minority Contractors and the Western Regional Supplier Development Council have written letters of support for the stadium and the expansion of LVCVA. We want to ensure that equity and inclusion are part of these contracts, including, at a minimum, construction, professional services, concessions, employment, facilities and maintenance. We want to ensure economic development opportunities are afforded to the members of those organizations. Our agencies expect provisions, consistent with the Minority Work Development Plan developed for the Faraday project, be in both projects. We do not want you to give us anything but the opportunity to compete and win contracts so we can take care of the families we raise in the State of Nevada. We have learned that if we are intentional and deliberate in being inclusive, we can achieve the goal of diversity everyone talks about. All of these organizations thank you for the opportunity to be included on these contracts to serve our families and to give employment to our communities.

LEN JESSUP, PH.D. (President, University of Nevada, Las Vegas):

Sam Boyd Stadium has been the home for Rebel football for more than four decades. It has been a great home for football, the Silver Bowl and all the events we hold there. We owe a great debt of gratitude to the Boyd family for providing the opportunity to the University for this Stadium. The facility has served us well, but the landscape of college athletics has changed in the last decade. In order to compete, especially in football, we need a state-of-the-art facility. This would help in a number of ways. It begins by helping us continue to recruit great athletes and that affects the performance on the field. Coach Sanchez tells us if he could recruit just half of the local, D-1-level athletes in Las Vegas, it would be enough to power the football program and get it where it needs to go. This would drive attendance which drives revenue for the program. The facility would provide a great game-day experience not just for the athletes but for all who attend the games. We estimate that if we can hold our football performance constant, attendance would increase in the new venue because it would be nicer. It would be bigger, closer to campus and closer to where people are on the Strip. It would be easier to get to and easier to get in and out of—challenges we face at Sam Boyd Stadium. We are confident attendance would go up based on these factors and the energy a world-class, NFL-ready, 65,000-seat stadium would provide for the program. We average around 15,000 people per game and estimate we could double that number in the new stadium while holding other things constant. We are building new facilities on or near campus that will provide living for 6,000 students. It is now a challenge for students to get to Sam Boyd Stadium. The proximity alone will drive up attendance at the games. The new venue will draw in opposing fans making it a much more popular destination for fans to travel to with their teams. Our attendance will go up significantly.

This legislation provides an opportunity for the University to participate in this project without having to pay for building a new stadium. This is an unprecedented opportunity for us. I have been involved in SNTIC for the last 14 months and have participated in the detailed negotiations about this bill. The University is happy about the language being presented to you that came out of that Committee. Having language included that gives UNLV the home-field advantage was important, and we are happy about the language regarding the scheduling. We

agreed that mega-concerts, booked a year or two in advance, would have priority over the Raiders' and UNLV's schedules. We understand we have to make way for some of those events in scheduling. Our events will generally be played on weekend nights. There will be a few major events a year, and each of the teams will work around those with their scheduling. The NFL schedule usually comes out before the collegiate schedule so it made sense they would set their schedule first. We have six games which are generally on Saturday nights because it is too hot to play in the daytime. We want to play during the day. We will gladly take daytime spots on Saturday for our games and these will not conflict with the Sunday NFL schedule. All other events will be scheduled after scheduling the two teams and the occasional mega-event.

We were treated fairly with the offset from the revenue from Sam Boyd Stadium. We are going to stand down from those activities and that revenue will move to the new venue. We will be well compensated for that, and we are happy with the offset language.

We are happy with the contingency language stating that if the NFL proposal does not work out, the option to build a stadium moves to the University. Questions were asked earlier about the \$200 million that would be the responsibility of UNLV in the event we move to the collegiate-stadium option. We are happy with that. We felt we needed to have some skin in the game, and we are confident that \$200 million can be generated by the University in the 24-month period using a combination of philanthropic gifts, naming and sponsorship opportunities, and the presale of the suites, loges and other luxury seating.

The strategic plan for the University—the Top Tier Plan—is well underway. This plan fits in with that plan. We are a year into this plan, and we are making a lot of progress on it. There are two key features to this plan. Our academic goal is to become a Carnegie R-1 University—a top university—with all of the benefits that come with that rating. Second, we want to make ourselves attractive to the Power Five, whether it is in the Pac-12 or the Big 12 Conferences. This stadium is a key part of the overall strategy of the University to reach that goal. We had conversations with leaders from these conferences this summer, and we learned UNLV is on a path toward the Power Five Conference. We were told there are three things to be done to reach that level. The first, and most difficult, is that the school must be located in a great place. Las Vegas has a built-in media market that is attractive to the Power Five. The second is academic. The Top Tier plan, especially with the addition of the medical school and law school, clearly puts UNLV on the path academically to rival the quality of the Power Five schools. We were told the missing ingredients were in athletics, specifically football and more specifically in facilities for football. The missing ingredients for the Power Five include a practice facility for the football team and a stadium on or near campus. With this work, we are putting those building blocks in place. The payouts in the Power Five conferences are significantly more than those in the Mountain West. The average payout for a Mountain West team is about \$3 million a year. The average payout last year in the Big 12 was 10 times that at \$30 million to \$35 million, and it can be even higher in the Pac 12.

In our strategic plan on the athletic side, we have worked hard to upgrade facilities. We recently received a gift from the Fertitta family that puts us over halfway toward funding the Fertitta Football Complex—the operation center for the football team. We just wrapped up \$72.5 million in renovations to the Thomas and Mack Center putting us once again in the upper echelon of facilities for basketball programs across the Country. With the help of the Marnell family, we are now using the Marnell Baseball Clubhouse. This is a fully, privately funded \$3-million facility that now becomes the operations headquarters for our baseball team. A group is doing the same thing for a soccer facility that will rival any college facility in the Country. These are all part of the strategic plan for the University in athletics and in academics that are pushing us toward the Power Five.

This is a rare opportunity. My colleagues across the Country are all saying this is a good deal for UNLV and the community—it is a no brainer. To steal a line from Tommy White, it is time to put the shovels in the ground. It is time to get these two projects going. For UNLV, this can be a transformational event to allow our University to move to the top tier.

SENATOR FORD:

I have questions related to the arrangements such as pricing, use, rental cost, uniqueness of the relationship between a college and an NFL team in sharing a facility and how the number of \$250,000 was determined. Can you address these?

DR. JESSUP:

The rental number of \$250,000 is hypothetical. It is used as an example and is not based on analysis. The Committee discussed that it will be two years or more before a reasonable game day rent can be accurately determined. The facility has not been built, and we do not know the cost to run it. We can make estimates, but they would be just that, estimates. There are scores of universities that rent facilities in which to play, and four or five share a facility with an NFL team. The rents paid by these teams vary greatly and can run as high as \$1 million per game. We need to wait so we can do a more reasonable job of determining what a fair-and-reasonable rent would be. That is why language is included in the bill as a marker. The amount of \$250,000 is not unlike what the costs are now for a game day in our own facility. We will determine the exact number at the appropriate time.

SENATOR FORD:

What about the priority UNLV has to use the stadium if a more lucrative opportunity comes up for its use?

DR. JESSUP:

The conversation and negotiations about scheduling worked out the way they needed it to work out, and I am happy with the results. The natural timing of events makes it so, at a minimum, mega-events are booked nine or ten months in advance and sometimes as much as two years in advance. These will be booked first and will take precedence over everything else. There are not that many happening in any given year. It is only an occasional occurrence that a mega-event happens next. The NFL will do their scheduling, which will be a few months in advance of the collegiate scheduling. That is the natural order of occurrence. This year, the NFL schedule came out first; then, the Mountain West schedule was determined. The NFL plays mostly on Sundays with occasional Monday or Thursday night games. Our schedule with the Mountain West will come out after the NFL schedule, and our games will be on Saturdays with an occasional game during the week. These can be negotiated with the Mountain West when they happen. We will, now have the opportunity to play during the day in an enclosed stadium, which we would rather do, as it is better for the fans and for television coverage. There will rarely be conflicts between the Raiders and the Rebels with this scheduling. The language in the bill states that all other events will follow in scheduling. I am confident this language will work for the University.

SENATOR MANENDO:

Will students get free tickets to UNLV games?

DR. JESSUP:

Our tickets cost between \$14 and \$45 per game. We do not expect this will change much, and it may even decrease due to having a larger venue. We offer almost 500 free tickets to students now and will continue to do this in the new stadium. Students do not always take these tickets, but we will continue to offer them. We expect attendance to rise from the 15,000 that attend now to 30,000 in the new venue with fans of opposing teams coming to the games and increased UNLV student attendance. When we move to a Power Five Conference, the average will go up to 45,000, and, if we are winning, we will fill the stadium. Winning teams in those conferences are filling stadiums significantly larger than 65,000. We see a day when UNLV will be driving the schedule because we are the ones filling the stadium.

SENATOR MANENDO:

I understand about the power of winning on getting fans to attend. Basketball is the game in southern Nevada, and we do not sell out every game for basketball. I am concerned about getting 30,000 football fans into the stadium. We need to do more student outreach, above the 500 free tickets, especially if the stadium is not going to be built on campus. It is a struggle for

students to get to Sam Boyd Stadium so transportation is a concern. They are not going to walk up Tropicana and walk across I-15 to get to the new stadium. We need to discuss transportation, whether it be light rail or other forms. I have talked to constituents who feel that if we put public money into this project, UNLV should not have to pay a usage fee because the University is funded with public money. They feel the University would be paying twice for the opportunity to play in a stadium they are partially paying for anyway. We need to take a hard look at this.

SENATOR FARLEY:

Can we identify a number that is a "cannot exceed" number for rent in the stadium that will allow you to negotiate, even if it is only for two years? I would feel better knowing that was there to protect against future disagreement. What is reasonable to me might not be reasonable to you. I would like to see if we can prevent that from occurring.

DR. JESSUP:

We can discuss this. It now costs us about \$250,000 to put on a game and break even.

SENATOR FARLEY:

I would like to see you do better. You will find support from this Body in identifying a good rental price.

SENATOR ATKINSON:

Are you suggesting we add something to the bill regarding hiring of minorities and people of color? That is not in the bill.

MR. NEWSOME:

A community development agreement would work for this, something similar to what you did for the Faraday project. Minnesota has an agreement in place for their stadium that is consistent with what we were looking at. You may want to look at that for ideas.

MR. GUZMAN:

We are going to make sure there is inclusion, and we need to have those conversations. We need to be part of the workforce and part of the contracts. That is why we elect officials we feel can properly represent us.

SENATOR ROBERSON:

The Committee of the Whole will stand in recess until the call of the Chair.

The Committee of the Whole has reconvened.

GEORGE MARKANTONIS (President and COO, Sands Expo and Convention Center, Las Vegas Sands Corporation):

I agree with all of the previous speakers. I served on SNTIC, and our mission was to ensure we stayed in front of what happened with tourism in our State. Under the leadership of Mr. Hill, we conducted over a year's worth of public meetings. This was probably the most open and transparent process I have been involved with. There may not have been a lot of agreement between the Committee members when we began, in fact we disagreed on many items, but we knew this was a competitive industry both locally and on a larger convention level. We knew we had to make sure we kept the quality our residents and guests expect for Las Vegas. After significant scrutiny from many of our State's major investors and top public and private people, we ended up with a unanimous vote on these two critical projects—the expansion of the Las Vegas Convention and Visitors Center and the construction of a new state-of-the-art multi-use stadium.

Mr. Sheldon Adelson has proven to be one of the most successful entrepreneurs in the history of Nevada, investing his resources to the benefit of this State. From his development of the Sands Expo Center, which modernized Las Vegas into a business destination for conventions and trade shows, and development of the Venetian and Palazzo hotels, he has left a transformative mark on Nevada. Tens of thousands of Nevadans are employed because of these investments, and enormous State and local tax revenues are generated by the economic activity generated by these ventures. This project will, once again, modernize and improve the economic offerings of our State.

The Adelson family are major philanthropic donors to the State and the community. They decided long ago they wanted to invest in a new state-of-the-art, multi-use stadium for a number of reasons. First, it is the one thing our State and tourism industry does not have. Second, it will provide a new home for UNLV football—one they have been seeking public funding to finance for a long time. Next, Las Vegas will no longer have to turn down major events such as concerts or sporting events that can only book into major arenas or stadiums. Finally, it is a rare and exciting opportunity to bring an NFL franchise to southern Nevada. On behalf of the Adelson family, I would like to commend Mark Davis, Marc Bedain and the Raider's franchise for their commitment to Nevada. They were represented at every SNTIC meeting and answered to the Committee, the press and the public every step of the way. They are sincere about this project and will be a great partner for the future of Nevada. This public-private partnership presents us with a once-in-a-lifetime opportunity. I hope we do not let it slip through our fingers.

The reason most stadiums are built through this sort of partnership is that both the public and the private sector benefit. More tourists will come to town to see events and buy products and this helps local businesses. It will lead to more tax revenue flowing into government coffers. All of us in Nevada will get a stake in a state-of-the-art facility that will attract premier entertainment. The structure of this partnership is a good one. The public portion is a fixed amount, estimated to be between 35 percent and 44 percent of the total cost. Everything over that fixed amount will be paid for by private investors, even if there are overages, design changes, new construction or infrastructure changes. The money to pay back the public contribution comes from a safe, stable and efficient revenue source—the hotel room tax charged to our guests. The Adelson family is making a significant and generous private investment into a stadium they will not own, for a team they do not own. This is a private investment into a public stadium that will be owned by the public. In the last two Special Sessions, two big wins have occurred for our State. We have the opportunity during this Special Session to have two more big wins. The new stadium will provide \$35 million in State and local revenue, 39 percent of which will go to education funding. It will create 18,700 construction jobs and 6,000 permanent new jobs. It will, potentially, add 450,000 incremental visitors annually to Las Vegas. I implore you to approve both of these projects.

LAWRENCE WEEKLY (Clark County Commissioner; Chair, Las Vegas Convention and Visitors Authority Board):

In the 1950s, the visionaries came together to create a place where organizations could meet with each other and discuss how to grow our economy in southern Nevada. When we look at job creation and other areas of economic impact, the LVCVA appreciates the support you have given us over the years. LVCVA has never before come to the Legislature to ask for support of a bill. We have a proven track record with billions of dollars being provided to the State over the years. This expansion is critical for southern Nevada. If we were to lose one of the current shows in the Convention Center, it would have an enormous impact on our economy. I ask the questions. If not you, who? If not now, when? If not today, why not?

ROSSI RALENKOTTER (President, Las Vegas Convention and Visitors Authority):

These two projects will change the face of Las Vegas and allow us to become competitive both domestically and internationally for the next 25 to 30 years. I have been with the Convention Center for 43 years and have seen many changes. We are the only city that evolved strictly to host people. It is what we do, and we do it better than anyone else. We have great customer service, and we deliver on our brand promise. We offer something you cannot get in any other city in the world, but we have a lot of competition.

The opportunity to make a difference in the resort industry that presented itself to the Legislature in 1953 is the same as you have today not only for southern Nevada but for the State. In 1953, the political leaders, business leaders and hotel owners and partners got together and determined they had no midweek business. They realized that building a convention center would allow them to get into the convention and meetings business and that would fill the midweek vacancies. Under the leadership of Governor Charles Russell, the Legislature approved funding that eventually evolved into LVCVA. The vision they had at that time was critical. Also critical was the 5-percent room tax to fund the Convention Center, proposed by Commissioner Bud Albright from Clark County. There were four components of this. First, was to build the

Convention Center. Second was to put together a marketing and branding company to market all of the destinations of Las Vegas and southern Nevada. Our responsibility today is to fill 150,000 rooms; we call it, heads in beds. Third was to allow LVCVA to become a quasi-governmental entity. This allowed it to be neutral and work with all the hotel properties to sell and market. The last component was the 5-percent room tax. This allowed us to build and expand our building and to market and sell the destination. That is the opportunity we have again, today. We need to look at the vision for where Las Vegas is going to be 25 years from now. This is not about the near future, it is about 25 or 30 years from now. We are now booking conventions into the Convention Center for the year 2030. Those convention leaders need to know they will have a facility with the most up-to-date technology, more space, more meeting rooms and all the things that allow them to have a tremendous convention. This is what you have in the bill in front of you. Since we opened the Las Vegas Convention Center in 1959, 40 million attendees have had an economic impact of \$45 billion on the Las Vegas area. This equals jobs, jobs and more jobs.

The stadium is all about special events. LVCVA Events Group is the one who went after the National Rodeo Finals event and brought that event to Las Vegas, totally changing the month of December for tourism. We are the entertainment capital of the world. What the hotels have done is add attractions so we have both a price point and a product for anyone who wants to travel. That is critical. The one thing we do not have is a stadium that allows us to hold mega-events. This is important for you to consider and approve along with the expansion and renovation of the Convention Center. These two things will be game changers. They can turn things around and allow us to be competitive far into the future.

There will be four major brands that are part of the stadium. The first will be the UNLV Runnin' Rebels. Next is the NFL, and the Raiders are a third brand. Las Vegas itself comprises the fourth brand. These are four winning brands that no one else can compete against. We need this stadium not only for football but for special events such as international soccer, the World Rugby Sevens Series—which has been in Las Vegas and can grow—major concerts and other events which require a 65,000-seat area. Special event producers have already been contacting us about this facility.

Last year, the Convention Center held 21,000 events. Almost 6 million delegates came to Las Vegas. They had an economic impact of \$9.3 billion dollars, and this generated 66,000 jobs. This is all about the jobs. For the 22nd straight year, out of the 250 largest trade shows, we are the leading trade show destination in North America. We need to make sure we stay number one for another 22 years. It took us 34 years from the time we opened to reach the top position. We do not want to relinquish that title. The Convention Center has evolved based on the needs of our customers. Everything we do at the Convention Center is driven by research. We talk to our customers and find out their needs. We have not had an expansion since 2002, and our competition is spending billions of dollars on expansions. Chicago, New York, Anaheim, Los Angeles and Orlando have all expanded. Chicago has said they will take conventions away from Las Vegas. We need this expansion and renovation today. It will support 7,800 jobs in the community. It will increase business by at least \$800million per year. We have identified 30 trade shows that will, then, come to Las Vegas either to co-locate or because we have more space.

The expansion will occur in four phases. The first is completed and involved purchasing the Riviera Hotel and demolishing it. That was funded internally and is not part of the \$1.4 billion project. The second will be the Convention Center expansion itself. This will be by the Gold lot and part of the Riviera lot. It is important to do this expansion first because we do not want to lose business while we are doing this project. The bookings into 2030 are almost \$25 billion worth of business. We cannot lose those so we will do the expansion first and, then, the renovations. The renovations will occur in order with the South Hall, Central Hall and, then, the North Hall being renovated so we do not lose any business. We are competing against Asia and Europe for conferences. We need to have more international trade shows. The international market is one of our big growth markets for Las Vegas.

The room tax has benefited us all, whether you live in Las Vegas and are in the industry or live anywhere in the State. Of that money, 39 percent goes to teacher salaries and school construction. That has amounted to over \$2 billion since it began. The Nevada Commission on

Tourism is also funded through room-tax dollars, and it gets 32 percent. This organization benefits the entire State and represents the State on national issues relative to the tourism industry. Parks and Recreation gets 14 percent of the funding, and 12 percent goes to transportation. We do not have the option to remain status quo. We do not have the option not to do these projects. We have to do them because they are good for the residents of Nevada, good for the residents of Las Vegas and good for the industry. I urge you to vote for both of these projects to ensure the vision we have for the future.

KAREN CHUPKA (Senior Vice President, International Consumer Electronic Show and Corporate Business Strategy, Consumer Technology Association):

The Consumer Technology Association produces the Consumer Electronics Show (CES) each year. We first came to Las Vegas in 1978, and our show will be celebrating its 50th anniversary this January. We are excited about the long relationship we have had with the State of Nevada and with the City of Las Vegas. Our show is held annually in Las Vegas. In 2016, we had over 2.47 million square feet of exhibit space, 3,800 exhibitors and 177,000 attendees who came for the show. Of those attendees, 54,000 came from outside of the United States. Our show is unique in that it uses every convention center in Las Vegas. We use the Sands, the Venetian, the Las Vegas Convention Center, Mandalay Bay and several other locations to house our exhibits. At our upcoming show, we expect to surpass last year's numbers. One thing we have had to do the last couple of years is start pulling back on our growth. That is partly because, from an exhibit and an attendance standpoint, there is no more room for us to grow in Las Vegas. Two years ago, we decided to cap attendance. We limited our growth last year at 1 percent and are doing the same this year. We have sold out almost all of our exhibit space. I have companies banging on the door to get into our show as I look forward into planning for 2018 and 2019. There is no room for this show to grow. That is a challenging situation to be in because we have been a longtime partner with Las Vegas and we love this City.

The world is getting smaller, and we launched our first show in China two years ago. We did that because we felt China was a growing market and the United States might not always be the place people would come to see the latest and best technology. In our first launch in Shanghai, we went in hoping to get one and a half halls. We sold out 100,000 square feet, which is equal to about two halls in the Convention Center. We had 28,000 attendees and 1,300 members of the media come in the first year of this event. That was larger than the first show we launched in 1967. Last May, we held our second show in China and grew to over 200,000 square feet of space—almost four halls—33,000 attendees and over 449 exhibitors. That is tremendous growth coming from a show that is now considered a secondary market for us, but that may, one day, be bigger than this one.

As you consider these projects, please consider that we, show organizers, are now competing in a global world. We not only have to look at what is best in the United States, but what is the best for our businesses throughout the world. There are some wonderful convention centers out there. As wonderful as the Las Vegas Convention Center is, it needs a lot of renovation, and it is important to discuss that. When we welcome our 54,000 attendees from outside of the U.S.—some of whom are visiting for the first time—they are now coming to a convention center where they sometimes have to sit on the floor to eat because there are no restaurants. They come into the meeting rooms that look old and tattered. As a technology show, this is not always the best for our image. This is important to us. I am not just speaking for CES. Other show organizers are frustrated because dates to bring shows to Las Vegas are not available in the three convention centers.

This is important for the future of the economy in Nevada. Our show has been here since 1978, and some people think, because we are the largest, we have the most power. As of this week, I found out that there may not be available dates in 2023 that would accommodate all of our growth. If we cannot get an expansion to the Convention Center, we may not be able to be here that year. That is scary to me because we love this State and Las Vegas. We love what we have been able to do as partners with you. Please do this and do this quickly as 2023 is not that far away.

CHRIS BROWN (Executive Vice President, Conventions and Business Operations, National Association of Broadcasters):

The argument has been thoroughly laid out for you today. Part of the question is, will the customers leave if this does not happen? You cannot take current business for granted. The time to do this is now. A project like this was on the books about ten years ago, and then, the recession hit. At that time, we were ten years too late doing this based on what many customers needed. We are now 20 years behind. We have many things that need to be improved at the Convention Center to make our events successful. It is important that this happen now. We are maxing out the building with our event. We run these events as businesses. We are in the face-to-face meeting business and our equation is simple. We live in a chicken and egg world; our lifeblood is attendees. We need to drive as many attendees into your City as possible, and to do that, we need exhibition space. We need to build an expo to attract them. We need meeting space to build education programs that will attract them. We need good, common area spaces to run the functions of the event itself. We need good networking space. SNTIC has done a good job in meeting with us to understand these needs and those of other customers. What they have laid out is a tremendous plan. The time is now. This plan is the right plan, and we support it. Would we leave? We do not want to leave, but this is a business. If it becomes too costly or too painful, we need to do what is right for our membership and our organization.

TIM MCGUINNESS (Staff Vice President, Global Trade Expositions, International Council of Shopping Centers):

The International Association of Shopping Centers is a trade association based in New York that holds an annual event in Las Vegas called RECon. It is a highly prestigious, well-respected event and represents the retail real-estate development community. Our event brings 36,000 people to Las Vegas each May and is one of the largest trade shows in the Country. Las Vegas has hosted this event for 25 years. This project is important to my organization. Ten or 15 years ago, the Las Vegas Convention Center was the gold standard for conference centers in the U.S. That is no longer the case. Other cities such as New York, San Diego, San Francisco and others have now surpassed Las Vegas. They are more efficient, better looking and better designed. This project is desperately needed to upgrade the antiquated, old and inefficient facility. Two years ago, for the first time in our history, we went out to bid for our show and looked at having it in another city. There were only three that could host our event; Chicago, Orlando and Las Vegas. At that time, our board voted to leave Las Vegas. It was not a close vote; it was 23 to 1. I have close relationships with many people in this community, but this was a business decision. We heard this renovation might possibly be occurring. We presented this to our executive board, and they decided to hold off on that decision. That decision will come around again for my organization so we are anxious to see this project approved.

MEGAN TANEL (Vice President, Exhibitions and Events, Association of Equipment Manufacturers, CONEXPO-CON/AGG):

I represent the equipment manufacturers in construction and agriculture. Our trade show has been around for over 100 years. We are pleased with the relationship we have with Las Vegas. We did not start in Las Vegas. Our convention was in two cities prior to coming to Las Vegas. We were in Chicago for a number of years then in Houston. Las Vegas whetted our appetite for what they had to offer while we were in Houston, and we have been in Las Vegas since 1993. The question is often asked about whether there is enough space here for us. There is not. I am sold out a year before my show. We cap the amount of space someone can take during the show, and we spend roughly \$1 million to \$1.5 million every show cycle to build structures because we need more indoor space. I have the interesting challenge of also needing outdoor space so that cranes and earth-moving vehicles can be seen on the Strip during our shows. This is not just a need for additional conference space; it is a need to keep the additional outdoor space as well. The footprint needs to be significant for both the indoor and outdoor needs of our show. The enhancements are also crucial. We are the largest show out there. We are compared to shows in Germany and China. Germany can hold a show two times larger than ours and does. China can now hold a show four times the size of what we have, and they do it with the latest technology and creature comforts. I cannot stress the importance of this project enough. We are vested in Las Vegas. We love bringing the show there, and our attendees and members love to go there. If

you build it, we will come and we will stay. We are ready to make a long-term commitment, and we hope you are as well.

STEVE SISOLAK (Chair, Clark County Commission):

I became involved in this project 18 months ago when the Governor asked me to be on SNTIC. The Committee spent 15 months on this proposal, and the Clark County Commission has never had a proposal that has been vetted to the extent of this one. The need and desire has been established, and the coverage is there. There is a 1.8 coverage ratio on the general-obligation bonds. We have 32 bonds in the County now backed with a general-obligation pledge. The revenue has been assessed, and the general-obligation will take over if the revenue does not meet that amount. We have never had to go to the general obligation intention to pledge bonds; there has always been adequate revenue. There is 1.8 coverage for the stadium, and we have asked for 2 years of reserve funds to cover the debt service. The first year will go in right away, and the second year will accumulate over several years with the waterfall. I have no doubt the coverage is there even if we experience an economic downturn. As a County Commissioner, that is a concern I need to have. We hope the Convention Center bonds will be general obligation bonds because they have a better interest rate. We try to get the most value for our money and reduce the taxes as much as we can. We have never reviewed a proposal as diligently as we did this one. I have three banker boxes full of materials from these meetings. We asked many questions and did not stop until we received satisfactory answers. I am satisfied, as are our financial officers and advisers, that there is adequate debt coverage to pay off these bonds. There are adequate reserves if there is a downturn in the economy. I encourage you to rest assured; we have done our homework on this issue.

SENATOR ROBERSON:

The Committee of the Whole will stand in recess until the call of the Chair and resume its testimony in the Senate's Chamber.

The Committee of the Whole has reconvened.

CHRISTINA ORTIZ (Veterans in Politics International):

I am a veteran, and I am opposed to the stadium because instead of discussing education and the needs of our students, we are talking about the game of football. In Nevada, we do not own all of our land. We should be conscious about what we build and how we build it. As taxpayers, we have a lot at stake in this, but the billionaires with the money do not put anything in. If there is a stadium to be built, the billionaires should have to pay for it instead of making it a burden on the taxpayers. We should focus on education before we focus on a stadium. I urge you to oppose this stadium.

ANNETTE MAGNUS (Executive Director, Battle Born Progress):

People in Las Vegas waited all day to give testimony, but they had to leave so I will speak for them. This process should allow all people to have a voice not just those of us who are paid to do so. The public needs to have ample time to comment on this issue because it has to do with them. These are their tax dollars whether you think they are or not. This is public money. We need to make sure their voices are heard. I rise in opposition to the way the process has been played out and to the bill. You have not allowed the public to have their voice heard. I hope there will be time for additional public comment to allow people in Las Vegas to have their voices heard.

SENATOR ROBERSON:

There will be more time for public comment in the morning. We are a long way from the end of this process.

SENATOR KIHUEN:

I support the comments made by Ms. Magnus. We are doing a disservice to the State of Nevada by bringing in only the supporters of this bill to testify and not allowing those opposed the time to do the same. We allowed the supporters three hours, without hearing from one

person who was opposed. We did not even have the opportunity to ask questions during that time. That should not be how this process works.

SENATOR ROBERSON:

We are just beginning this process. It is appropriate to start by having the Governor's team give us their presentation and allow members to ask all the questions they want of the proponents of this bill. That does not mean we will not hear the other side.

SENATOR KIHUEN:

I am concerned because some of the presenters will not be available tomorrow, and we will not be able to ask them our questions. We wanted to ask those questions today. If we are going to consider one of our largest tax increases and a \$750-million handout to a multi-billionaire, we should be allowed to ask questions, as should the public. We just spent three hours without having anyone speak who was opposed. I hope they have the opportunity to speak in the next few days. This money belongs to the taxpayers of Nevada. I am speaking on behalf of many Nevadans who cannot speak because they are working. We are their voice, and we should be allowed to ask questions.

SENATOR ROBERSON:

Public testimony will continue in the morning. Today, we wanted to have Mr. Hill explain the proposal and hear the joint testimony.

STACY SHINN (Policy Director, Progressive Leadership Alliance of Nevada):

The proponents had an orchestrated and scheduled hearing where the all-stars in Nevada spoke to you so I would like to ask that we have a time scheduled for tomorrow to allow the working people of Nevada to come and speak. It is highly unfair we are unable to tell the public when they can come and participate in this process, yet we are asking them and telling them this is also their stadium. Their voices should be included in this process. I am opposed to this. Why do we not call a Special Session when our mentally ill are being bussed out of the State? Why are we not calling a Special Session when the roofs in our schools are leaking? We need to start placing people above profits and the corporations in this State.

BARBARA PAULSEN (Nevadans for the Common Good):

Nevadans for the Common Good is a nonprofit, nonpartisan community organization with more than 40 institutional members including faith-based and nonprofit organizations. Our members represent approximately 20,000 people living in the Las Vegas Valley. We applaud the excitement and enthusiasm over the NFL stadium in Las Vegas, but the current proposal is a bad one for Clark County taxpayers. We ask you to negotiate a better deal on behalf of your constituents. The question was raised, today, about why you are using general-obligation bonds instead of revenue bonds. A question was also asked about why there was a 30-year time limit on those bonds instead of a 20-year time limit. The testimony made it clear that the project will not work without these elements. The developers do not want to budge from the \$750-million figure and cannot cover this amount without using general-obligation bonds over a 30-year period. The public should get more back for bearing this risk and carrying that debt for the longer period. It is the public that pays the extra interest for doing this. The public will own the stadium but will get no revenue from it. The depreciation costs could be from \$50 million to \$100 million annually. If the revenue is not sufficient to cover this amount, who will pay? Cincinnati has put public projects on hold and sold a hospital because it committed to paying off bonds for a stadium that is now obsolete. The Seattle Kingdome, after several public funding efforts, was in disrepair and no longer usable. It was imploded in 2000, but the city continued to have to pay bonds on the facility until 2015—15 years after the stadium no longer existed.

This project is being looked at during a time the State is facing a funding shortfall of possibly \$400 million. Is this the best use of taxpayer money? We have major needs related to workforce development, education and healthcare for our citizens. We should consider this as part of a financial package rather than in isolation. Today, it felt like pressure tactics were being applied. None of us likes to feel pressured as if we were looking to buy a car and were told this is the only one, and if we do not buy this car, we are not going to get any car. As Legislators, you should not feel pressured to do this when you are voting on the stadium.

The contracts written between the Stadium Authority and the developers are also important. The NFL has said they want to see a contract before moving forward with this deal. There is not yet a contract to review. You should want to see the contract before you vote. The decisions you make, today, will affect Nevada for the next 30 years. Our citizens have many needs to be met over those years. Please take time and review the contracts and options before voting on the stadium. You need to get a better deal for all constituents before moving forward.

BRETT POJUNIS (Chair, Libertarian Party of Nevada):

I am also one of the founders of Don't Raid Nevada. The working people of Nevada should have the same opportunity as billionaires to prepare testimony. Many people would like to share their ideas about this project. Please share your schedule for tomorrow with us. The working class deserves the same rights as billionaires.

SENATOR ROBERSON:

We are not through with the questions the members of this Body have for the proponents. There will be more public testimony tomorrow morning.

STEVE SEROKA:

I am a retired Air Force Colonel, and I am here representing the 300,000 veterans in our State who are excited to support an NFL team like the Raiders and the UNLV Runnin' Rebels in a new domed venue. I am also here to say our veterans can use your help. Our Governor supports veterans. We have mayors who support our veterans. We have people in our community who support our veterans, but according to studies, Nevada is in the bottom five of states in rankings for veterans' jobs. In southern Nevada, we have a U.S. Congressman who is a veteran, yet the area is home to three of the bottom cities in America when it comes to jobs for veterans. What we have here is a golden opportunity to tap this untapped resource. As we put this venue in place, we can spark a renaissance in productivity by bringing these trained and disciplined people into our workforce. A combination of their skillsets along with the skillset of industry is unbeatable.

Veterans come from the top 20 percent of your community. Only two out of ten Americans right now are fully qualified for military service. We take these warriors, and we hone them and make them better. They are coming back to our communities at a rate of 16,000 per month. Are they coming to Nevada? They are not. They cannot get jobs, and their families cannot get jobs. These are our Nation's greatest asset. The U.S. military has been the most respected institution in America in the Gallup poll for many years. The U.S. military is considered the most dominant and effective organization in the world—in the history of the world dating to Roman times. These would be great people to have on your team. Why are we not tapping that resource? I encourage us to work with the Governor and local mayors to give them the leverage to bring those warriors on board, but there is a challenge. According to the Bureau of Labor and Statistics, only 2 percent of Americans have worn the Nation's uniform in the 25 years since Desert Storm. Veterans are misunderstood and characterized by the media. They are hyped to be broken, to have PTSD and to take orders and not think. I cannot find a single warrior in my 30-year career that was like that. Veterans have great leadership experience. It is the secret sauce of the number one institution in our country—the leadership from the top down to the bottom—but when they go to interview for a job, they are told, "We do not do that military leadership here." We would all be better off with this type of respectful, involved leadership. I ask that we make sure our legislation includes language to give our veterans a fair chance at how they can contribute and work side by side with those who have not served in our military. They can make our community more productive, more effective and better for us all. I know this is just a step, but this stadium and Convention Center expansion can be a model for the Country, for our State and for all projects where public funds are used. I urge you to ensure there is language that has set-asides and opportunities for veterans and veteran-owned businesses as well as minorities and minority-owned businesses. We need to make Nevada, battle born with veterans, welcome here.

JOHN LUPO (Stay in Oakland):

The Raiders are asking for 100 percent of the stadium naming rights in Oakland. I asked a Raiders executive about this, and he explained that I needed to understand what is fair. He told

me a stadium was not being built in Oakland so it was fair that the Raiders get the naming rights. I stated to Mr. Bradshaw that if Adobe wanted to put their name on the stadium, that name would be there for the entire year, not just for the football games. I did not understand how it was fair for the team to get 100 percent of the naming rights for a stadium they only used for 10 games a year.

I am concerned that Majestic Realty pulled out of this project three days ago. Majestic is run by Ed Roski who is a long-term friend of Al Davis, the deceased owner of the Raiders. Mr. Roski was scheduled to do the deal at Hollywood Park with Al Davis and may have done so if Hollywood Park had not changed the deal at the last minute. Majestic Realty was also involved with Goldman Sachs in the deal to build a stadium in Carson, California. That deal was not financially viable so it did not go through either. Up until three days ago, Majestic Realty was part of this deal, but they are not any longer. That should be concerning. This group has a good understanding of the Raiders and over a 20-year relationship with Raider management. Suddenly, they have pulled out of this deal. I would question why.

MIKE PALZES (Attorney):

Procedurally, the way this is being done is unfair to voters in Nevada. We have an election in three weeks. This is a major election issue and a major issue facing our State. If it is a good deal, and been put together in a way that is well thought out, it can wait a few months. The people of Nevada do not have a voice in this matter. I was not prepared to testify today and was not sure there was going to be public testimony. What we heard this morning was two and a half hours of straight, unadulterated propaganda in favor of this stadium. There have been no notices about this and the public has not been afforded the opportunity to comment. The idea of passing a general-obligation bond for this project and assuming certain tax revenues is, frankly, irresponsible. Las Vegas has been one of the metropolitan areas hardest hit by the housing crisis, and we have no reason to expect this will not happen again. We have no reason to expect another recession is not right around the corner. The tax rates in this proposal are not ones we can guarantee. It is indefensible to the voters. That is why this vote has been called in a Special Session right before an election.

Nevada ranks 49th in the quality of its public schools, and we lead the Nation in instances of syphilis, which is a preventable disease. We do not have the money to give \$750 million to the Raiders. Anyone saying the team will stay and make a 30-year commitment to Nevada needs to look at the other cities they have sued to get out of their contracts. Look at the city of St. Louis that is still on the hook for a stadium the Los Angeles Rams just left. Look at the city of Seattle that finally finished paying off the Kingdome last year for a stadium that was demolished in 2000. I do not want to see Las Vegas added to that list. This project is embarrassing to me as a Nevadan.

AUTUMN ZEMBRE:

According to different sources, Nevada is either 49th or 50th in quality of education in the United States. This \$750 million could go to help fund a better education for my children, who are eight and ten years old and impact them for years. It could be so long, that the stadium may not even be supporting a team by the time the impact to my family no longer exists. That \$750 million could pay for 21,000 teachers. That is a lot of money to give to a stadium. I am opposed to paying for this when the money could go to support many other things. What happens when we need a tax increase for another reason and there is a vote against it because we are already over-taxed? Please consider how this will impact our long-term future. The proponents say it will create jobs. It will create jobs for four years while the stadium is being built, but what kind of jobs? We need to improve our educational system so we can bring more companies like Tesla here and have Nevadans take the jobs.

SENATOR ROBERSON:

The Committee of the Whole will stand in recess until the call of the Chair.

The Committee of the Whole has reconvened. Further public testimony will occur at 8 a.m. tomorrow. We will continue with questions for Mr. Hill and Mr. Hobbs.

SENATOR PARKS:

In sections 53 and 54, of the bill, on pages 49 through 51, creation of an Oversight Panel for Convention Facilities is discussed. What brought this about and why was it decided that this was needed? If it is good for the LVCVA, might it also not be applicable to the stadium portion of the bill?

On the bottom of page 50, it states that an annual third-party audit will be held on or before August 31. It seems this might be more appropriately held later in the year after an audit has been completed for the previous fiscal year.

MR. HILL:

The members of the Committee may have decided the Oversight Panel was important for different reasons, but it was, generally, felt that a project of this size could be more efficiently built and financed with input from the industry that does this for a living on a regular basis. There were concerns with how some of the plans for the current Convention Center had been executed over time. The South Hall has structural issues that limit its use. This is one of the reasons it requires renovation. It was felt that adding the industry expertise was an appropriate thing to do, and the industry itself felt that to support the project going forward this was an important component. The Stadium Authority Board is structured similarly to the Oversight Panel for the LVCVA. We discussed whether it was a good idea to have an oversight panel for the construction of the stadium and felt that the Stadium Authority Board structure was similar enough that it was unnecessary and would have been duplicative.

There will be fiscal year audits. This will provide two months for that audit to be completed; that is why that date was chosen.

SENATOR PARKS:

Is the Oversight Panel something LVCVA agreed to and is supportive of having?

MR. HILL:

Yes. They not only agree, but after consultation with their board, they were supportive of the effort.

SENATOR SETTELMEYER:

In section 34 of the bill, it references \$4 million for Metro. How was that amount determined?

MR. HILL:

The Sheriff came to the Committee with a well-reasoned approach to crime prevention that offered more security and created a better environment on the Strip. He felt he needed 90 more police officers to accomplish this, and the 90 officers would cost \$12 million per year. The 0.1 percent proposed in the Assembly bill provides \$8 million of that revenue. The remaining \$4 million is included in this bill. The combination of funds from these two bills allows for the funding within the resort corridor requested by the Sheriff.

SENATOR SETTELMEYER:

I am concerned because we have an additional bill specifically looking at funding. Whenever there is an event, it is the responsibility of the event to pay for overtime. If there is construction on a highway, coverage has to be provided for an officer at the job. I assumed things would be the same with the NFL. We should be worried about getting the roads in that area improved versus the concept of their paying for an off ramp but not the general roads. I am concerned with that section.

MR. HILL:

The funding in this bill is not for the event-specific law enforcement that would be needed for the stadium or for any event on the Strip. Those events would continue to have that responsibility. This is additional, general funding for crime prevention, terrorism prevention and for providing the environment we need for tourists and the general public in the resort corridor.

SENATOR KIECKHEFER:

It appears Metro will be building part of their base budget with waterfall funds from this project. If the waterfall is short, they will then be short in their operating budget, is that correct?

MR. HILL:

That is correct.

SENATOR KIECKHEFER:

Does it then go back to the County to find a way to replace the funding or lay off officers?

MR. HILL:

The Sheriff will be able to answer that question. I do not know how he would manage that type of shortfall if it happened.

SENATOR KIECKHEFER:

It seems problematic to build this into these projects, and it is a concern for me going forward. I have a general concern about the arrangement of the waterfall payments. I think we need to move stadium costs above the Metro costs and the UNLV costs. I do not know if these can be rearranged. Since it is designed to fund the stadium, the capital expense cost would, more appropriately, be placed above both the Metro and the UNLV pieces.

On page 15 of the bill, it discusses cost overruns. There is an exception for any change in construction mandated by the Stadium Authority or another governmental entity after the development agreement has been executed. My concern is about changes made by another governmental entity over whom we have no control, whether it be the FAA, Clark County with their building requirements or others. These changes could be expensive. How do we deal with that?

MR. HILL:

I will do some research and get you the answer.

SENATOR GOICOECHEA:

The waterfall list in the binder has the contribution to Metro as third. In the bill it is listed as fourth after the reserve fund of \$9 million. Is the bill correct?

MR. HILL:

Yes, the bill is correct.

SENATOR SPEARMAN:

I would like to revisit MBT. You stated salaries are taxed where the players play, is that correct?

MR. HILL:

That is correct.

SENATOR SPEARMAN:

How much might a weekly payroll for a team be?

MR. HOBBS:

Hypothetically, payroll for an entire team and staff for a year could be \$200 million. Weekly, this amount would be around \$4 million.

SENATOR SPEARMAN:

What would the MBT from that be?

MR. HOBBS:

It would be 1.47 percent of the weekly payroll; approximately \$60,000 per week.

SENATOR DENIS:

We heard about a practice facility and other things. Where do we see the budget for these things in the bill?

MR. HILL:

On page 18, in the stadium section of the binder, there is a brief budget outline that breaks out project costs for construction; land, infrastructure and site; the practice facility and contingencies.

SENATOR DENIS:

Do we have anything that breaks this down further?

MR. HILL:

I can share the next level of the budget with you.

SENATOR DENIS:

I would be interested in seeing that. These are large items, and they are not broken down.

SENATOR FORD:

Please tell me where in the bill it states that cost overruns will be borne by the developer. Also, please tell me where it says that the operator is required to make capital improvements.

MR. HILL:

On page 15, section 29, subsection 2, paragraph (f), of the bill it states: "...any and all development and construction cost overruns for the development and construction of the project must be the sole responsibility of the developer partner..."

SENATOR FORD:

Where are the capital improvements addressed?

MR. HILL:

These are on page 16, section 29, subsection 3, paragraph (d). In this section, it states: "Establish a minimum standard for the maintenance of, and capital reinvestment in, the project to ensure that the design and development standards set forth in sections 21 to 37, inclusive, of this act are maintained or enhanced throughout the term of the lease agreement."

SENATOR FORD:

In your opinion, section 29, subsection 3, paragraph (d), places the responsibility of capital improvement solely on the shoulders of the developer. Is that correct?

MR. HILL:

The developer has the ultimate responsibility to maintain the facility and invest the capital necessary to maintain the long-term standard of the stadium. The waterfall portion of the agreement is a public contribution to that effort, but whatever it takes is, ultimately, the responsibility of the developer.

SENATOR FORD:

Why does the City of Las Vegas not have a spot on the governing board?

MR. HILL:

The location of the stadium, the fact that Clark County and not the City of Las Vegas will be issuing the bonds, and the desire to keep the board at a functioning size were the reasons these appointments were selected.

SENATOR FORD:

There is a 25-mile radius of hotels and casinos that will be submitting room-tax dollars to fund this project. This will include Fremont Street, which is in the City of Las Vegas proper as opposed to Clark County. The money will be spent and allocated toward funding the stadium. It seems this would argue in favor of putting the City of Las Vegas on this board more than some other municipalities.

MR. HILL:

I cannot deny that is an argument that could be made, just like it could be made for Henderson, Boulder City or North Las Vegas. The appointments are based on the

responsibilities, experience and expertise the members would have. They can live anywhere in the stadium district.

SENATOR FORD:

I think the composition of the governing board is worth a conversation relative to inclusion of cities like Las Vegas and Henderson. These cities are putting money into the fund being bonded against, and even though Clark County is doing the bonding, we should be having conversations about whether or not these entities should be on the board as well.

SENATOR MANENDO:

I would like a breakdown of the land, infrastructure and site costs referred to on page 18 in the binder under the stadium tab. I would like to know how much is going to land, how much to transportation, etc. I am sure we are going to have to dig into the transportation part of this at some point.

MR. HILL:

The design work has not been done at this point so these are conceptual budgets. We have some information on a more-detailed level, but the work that needs to be done to design the project and determine those costs requires the certainty that will be provided over the next couple of days.

SENATOR KIECKHEFER:

People have told us they think the idea of the stadium is great and that it would be a good thing, but if the NFL and Mr. Adelson want it, they should pay for it. Through your work with SNTIC, what makes you feel comfortable justifying such a significant public investment into a stadium when others are being built with entirely private funds?

MR. HILL:

Page 12 of the binder, under the stadium tab, has a graph that shows the percentage of public commitment to the last 20 stadiums. Public commitment is along the y-axis on the left hand side, and the x-axis shows the size of the community in which the stadium was built. The regression line runs from the top left of the page to the bottom right of the page, showing the average from small markets to large markets. From this graph, I draw the point that the larger the market in which a stadium is built, the less public funding typically is needed. Levi Stadium in San Francisco was built with minimal public funding. It has 160 suites that sell annually for approximately \$500,000 per suite. The San Francisco 49ers generate \$80 million a year just from suite sales. The proposed stadium in Las Vegas will have 80 suites that will sell annually for approximately \$250,000 per suite. The suite revenue in the Las Vegas stadium would be around \$20 million per year. The difference between building a stadium in San Francisco, where there is a large corporate base having the ability to buy the suites, and a market like Las Vegas, where there are great corporations but not as many of them, is the \$60 million to \$70 million a year difference. That can be financed, and it would produce \$900 million to \$1.1 billion of current money that can be put into the stadium construction. That is what allows the public to not make a contribution in those large markets. The Personal Seat Licenses (PSLs) are similar, although they provide a smaller dollar amount. These two reasons are why smaller market teams have a decision to make. They need a public contribution if they want a stadium. Other than the Carolina Panthers, who are located in a city that serves as the second financial headquarters for the United States and has a large corporate base, any city the size of Las Vegas has to put in substantially more as a percentage of the cost of the stadium.

SENATOR KIECKHEFER:

Did they use suite revenues to finance Levi Stadium by securing long-term obligations and front the money to construction costs?

MR. HILL:

Yes, the suite revenue and the money from the PSLs were a major portion of that funding. It is a portion of the funding that would be provided for the stadium in Las Vegas, but the high level of funding would not be available in our smaller market.

Sections 1 through 3, of S.B. No. 1, provide a description and justification for the creation of a special act. Sections 4 through 20 are definitions, most of which are either straightforward or are things which have been discussed today.

Section 21, creates the stadium district, consisting of an area consisting of a 25-mile radius from where the Board of County Commissioners holds its regular meetings. It also creates the Clark County Stadium Authority. Subsection 4 of this section requires the County Treasurer, who is the ex officio treasurer of the Stadium Authority, to collect the revenue and ensure bond payments are made before any of the additional waterfall revenue is passed to the Stadium Authority Board.

Section 22, creates the Stadium Authority Board of Directors and outlines how this Board would be appointed. Section 23, on page 11, outlines the terms and appointment process for the Stadium Authority Board. Section 24, on page 12, outlines the Stadium Authority Board officers and begins to outline the operations of the Stadium Authority Board. That continues in sections 24 and 25. Section 26 discusses the Stadium Authority's power to hire staff. Section 27 details additional operations of the Stadium Authority Board. Section 28 outlines the authority of the Stadium Authority.

Section 29 outlines the responsibilities of the Stadium Authority. These include entering into a development agreement with a developer; selecting the developer; selecting the Stadium Events Company and entering into an agreement with this Company; identifying the site; overseeing the overall design scope and specifications of the facility; setting forth the sources of financing; requiring finance reports; responsibility for cost overruns; ensuring the developer pays for the cost of offsite improvements as part of the project, and ensuring the developer uses commercially reasonable efforts to keep liens off the project. On page 16, it states the Stadium Authority will enter into a lease agreement with the Stadium Events Company and grant this Company full operational control of the stadium. It discusses minimum standards for maintenance and capital investment and says that the developer is responsible for all operating losses.

The next section relates to the use of the facility by UNLV and its access to the stadium. An annual audit of the Stadium Events Company is required in subsection 3, paragraph (k), on page 18. The cost of this audit will be split between the Stadium Authority and the Stadium Events Company. There is a requirement in this section that the NFL team enter into a lease of at least 30 years.

Section 30 deals with confidentiality provisions, primarily related to the audit. Section 31 provides exemption language related to *Nevada Revised Statutes* (NRS) chapter 338 that allows the developer to select the general contractor for the project. This section requires that unless the general contractor can show cause that competitive bidding should not be used for a specific trade, subcontracts will be competitively bid. It requires the project be subject to prevailing wage. It requires a preference for Nevada sub-contractors.

Section 32 discusses Personal Seat Licenses. The Stadium Authority will have the right and responsibility to sell PSLs. It is projected this will raise \$200 million. The Stadium Authority has no responsibility if the amount is below this number and does not benefit if it is above this number. They are the organization the process works through, and the process is explained in this section.

Section 33 provides the imposition of the room-tax increments of 0.88 percent on The Strip and 0.5 percent within the stadium district. There is no additional room tax imposed outside of the stadium district. The primary gaming corridor, mentioned on page 23, will be defined by the Board of County Commissioners in Clark County. Subsection 6 discusses the sunset of the bonds which occurs after they have been significantly repaid. This is discussed at the bottom of page 23. Upon repayment of the bonds, the rate will be reduced to no more than 1/8 of 1 percent. The stadium will still be in operation, and funds will still be needed for the Stadium Authority and for ongoing capital use.

Section 34, explains the waterfall. After the bonds are paid, the waterfall provisions go into effect. Section 35, subsections 1 and 2, limit the amount of the bonding to the lesser of \$750 million or the amount of money that can be generated using that increment of the room tax that will have been implemented. This means the developer is also taking the interest risk with this deal. Section 1, paragraph (d), is a provision that requires the developer and the NFL ensure

that any required transfer of land, improvements or property to the Stadium Authority occur prior to or simultaneously with the bonds being issued. The developer is required to invest the first \$100 million in the project. There will then be proportional funding of the construction of the facility. The Stadium Authority will pay the last \$50 million. This frontloads the funding for the developer so they have a significant investment in the project before the public begins to invest.

Section 36, requires the Board of County Commissioners to issue general-obligation bonds for the project. Those bonds will not be issued until security is in place guaranteeing the development partners will execute the entire project. Subsection 1, paragraph (e), lists the four methods of security permissible: an irrevocable deposit of cash; closed construction debt financing; closed NFL financing, which is a common occurrence for NFL stadium construction, and irrevocable letters of credit or commitments from financial institutions to pay the costs of construction. All but the first method have a requirement that the lending institution hold a certain level of rating from an investor rating service. In each of these alternatives, there will be a financial institution between the developer and the project that will be guaranteeing and providing the security for the project. The security will not come directly from the developer.

In subsection 2, of this section, the County Commissioners are given the charge to issue the bonds once the hurdles have been met. These bonds may be issued without going through the debt-management process and are exempt from the debt limit set by NRS.

Section 37 gives the requirements for the Stadium Authority after 18 months to dissolve, the project if it has not moved forward. Section 38 allows UNLV and Clark County to pursue the college football stadium project. It requires that if they do so, the funds gathered so far from the room tax be transferred to the College Football Stadium Authority. Section 39 creates the stadium district for a college football stadium project. Section 40 outlines the Campus Improvement Authority Board and the makeup of the Board of Directors for this Board. One member must be appointed by the Governor; four, by the Board of Regents; one, by the Board of County Commissioners; one, by the Las Vegas Convention and Visitors Authority, and two members appointed by the original seven members. Section 41, of the bill, details appointments and terms. Sections 42 through 45 deals with responsibilities and operations of the Board and staff under this scenario. Section 46 is the set of authorities for the Campus Improvement Authority Board. Section 47 requires the land on which the stadium will be constructed be controlled by the Campus Improvement Authority. Section 48 is the same as the NRS 338 bidding exemption for the NFL project and puts back in the prevailing-wage component and bidders preference.

Section 50 is the implementation and reduction of the room tax. This would go into effect after the 18 months if the University elects to move forward with this project. Room tax on the Strip would be reduced to 3/8 of 1 percent and to 1/4 of 1 percent in the stadium district.

Section 51 discusses the use of that revenue to construct the stadium. It establishes the bond-reserve fund to pay for the operation of the Campus Improvement Authority Board.

Section 52 requires the University to acquire at least \$200 million in private funding to match the public contribution. If bonds are issued, there must be a service ratio of at least 1.5 times, and the bonds must not be issued until the security for the \$200 million is in place. This can be cash, closed construction debt financing, an irrevocable letter of credit or surety bonds. The limits for these bonds are discussed in subsection 2 details setting this at \$300 million.

Sections 53 and 54 discuss the Oversight Panel for Convention Facilities. They detail the appointment process. The Governor will make those appointments, but County Commissions, City Councils, incorporated Cities in the County, the Majority Leader of the Senate, the Speaker of the Assembly and the Resort Association may all nominate potential members. Five of the members will be executives or directors of construction for the resort hotel industry in the County, and two members will have experience in financing capital projects in the State. The Governor will appoint the chair and vice chair.

Section 55 talks about the Oversight Panel process. The LVCVA must submit plans for the construction process, and the Oversight Panel, then, has 30 days to respond to those plans. If they agree, the Convention Center can move forward. If the Panel does not agree, the LVCVA Board can make one of two choices. The first is override the objection of the Panel with a two-thirds supermajority vote of their members, record it in their minutes and report it to the

Legislature and the Governor. They could then move forward. The second option is to provide a second set of plans to the Oversight Panel for review and begin the process again.

Section 56 creates the collection-allowance cap of \$25 million. This is the same as the current Clark County collection allowance. The growth of the room tax that will allow that collection allowance to grow in the future will be used for the construction of the Convention Center project.

Section 57 is the implementation of the 0.5 percent of the room tax. Section 59 discusses the use of the funds, requiring LVCVA to use the room-tax increment to build the project.

Section 60 lists the prohibited uses for the funds. Section 61, deals with the issuance of the bonds and the coverage ratio that is required. Section 62 provides the effective date and the implementation of the statute.

SENATOR FORD:

Under the bill, who gets the revenue from parking?

MR. HILL:

That would be part of the negotiations between the Stadium Events Company and the event promoter. This is subcontracted out and a portion of the revenue may go to the Stadium Event Company and to the event promoter.

SENATOR FORD:

If UNLV is playing at the stadium, would they get the revenue from parking?

MR. HILL:

Yes, they would.

SENATOR FORD:

Otherwise, these would be negotiated?

MR. HILL:

Yes, the law does not require parking revenue go to a specific entity. It would be negotiated.

SENATOR FORD:

Section 30 appears to deal with confidentiality. I have had people ask me why there is a lack of transparency in these issues. Please explain this section and tell me why there is confidentiality associated with this when we are talking about a public stadium.

MR. HILL:

This language is similar to or the same as we have in the economic development statute. It protects proprietary information, and there is a definition of what can be considered confidential. That proprietary information might be something such as the amount an individual is paid or the amount a company pays for a service or a supply. There would need to be a reason for that information to be shared, and the Stadium Authority Board would review the request and make the determination.

SENATOR FORD:

An analogy would be a situation where the Governor's Office of Economic Development received an application for an incentive, and those documents are considered confidential under certain circumstances. In this case, because you have a public body—the Stadium Authority Board—that is receiving information from someone like the stadium operator, are we considering that confidential or proprietary?

MR. HILL:

An example would be if the stadium event entity entered into a contract with a specific event promoter. That contract might detail how much an artist was being paid or other information that, through the audit process, the Stadium Authority Board would have access to but would be proprietary information and not made public.

SENATOR FORD:

In section 35, I did not understand what you were saying about the issue of the lesser of the \$750 million contribution.

MR. HILL:

There is a contribution limit of \$750 million. This is a combination of the money collected plus the borrowing, and it cannot exceed \$750 million. If the interest rate the bonds are issued at, 0.88 percent, does not generate enough revenue to reach \$750 million, that lesser amount is the amount the bonds generate. We think this is unlikely to happen, but we can only generate revenue on the revenue the 0.88 rate.

SENATOR FORD:

The cap remains at \$750 million, and there is no way we will be giving more, is that correct?

MR. HILL:

That is correct.

SENATOR GOICOECHEA:

The bill states the developer shall pay the initial \$100 million, excluding the value of the land purchased by the developer. It also states the Commissioners shall issue the general-obligation bonds. After 18 months, if there is no action, the Stadium Authority Board will be dissolved. At that point in time, who owns the property and the first \$100 million? The developer will have issued the initial \$100 million in cash and invested in land, and we will have \$750 million in bonds. If at that point, we decide to roll this to the University, I am concerned about lawsuits.

MR. HILL:

That is a sequencing issue in the bill. A decision has to be made within the 18-month period to move forward or not with the NFL stadium. The dissolution of the Stadium Authority Board after 18 months occurs if we are not going to build the NFL stadium. If the project moves forward, the dissolution would not happen. The project cannot move forward until the funding is secure and we know the stadium will be completed, or the project never starts, and we know within the 18-month period that Stadium Authority Board is not spending any money, developers have not bought any land and nothing has happened. At that point, the Stadium Authority Board would be dissolved.

SENATOR GOICOECHEA:

The language in the bill is confusing to me. It says in section 35 that the developers shall pay the initial \$100 million excluding the land, and that this all happens before the bonds are issued. Then, the County issues the \$750 million in bonds, and the room-tax funds begin to be generated to offset those bonds.

MR. HILL:

That all happens simultaneously. The security for the bonds would have to be in place; the land would need to be available to be closed upon when the sequence happened, and the full set of requirements would have to have been met when the decision to move forward happened. They would, then, move forward in a relatively quick fashion.

SENATOR GOICOECHEA:

It appears there could be an investment in real estate and other investments by the developer, the bonds could be issued and a decision could still be made by the NFL to not allow us to have a team.

MR. HILL:

That is not going to happen.

SENATOR GOICOECHEA:

There is nothing in the bill that says what happens with the upfront money or land if it was purchased.

SENATOR HARDY:

Section 38 discusses the money remaining in the tax being transferred to the Stadium Authority. Section 39 sets up the Campus Improvement Authority. It is stated the money needs to be used according to section 59, but the Campus Improvement Authority is not mentioned. Is there a link between the money that goes from the failed NFL football stadium project to the Convention Authority and the Campus Improvement Authority that is in the bill, and does it state where the money is going?

MR. HILL:

The room tax will be implemented, and there will be a period of 18 months for the NFL stadium project to move forward. If the stadium project does not move forward during this time, the room tax will be lowered. There will, then, be a choice for UNLV to make—pursue a college football stadium project or not. If the college football stadium does not happen, whether at the end of 18 months or 42 months, the funding collected will go to LVCVA to pay off the bonds for the Convention Center project.

SENATOR HARDY:

Under this scenario, does the Campus Improvement Authority ever receive the money?

MR. HILL:

They would receive the money if they elect to pursue the college football stadium. They cannot spend the money until that project has met the requirements to move forward and the County has issued the bonds.

SENATOR HARDY:

Is that covered in section 59, or is it discussed in another section?

MR. HILL:

Section 52 discusses the Convention Center project. These issues are in prior sections of the bill.

SENATOR HARDY:

So, there is a nexus that allows the Campus Improvement Authority to access the bonding money.

MR. HILL:

Yes, there is.

SENATOR KIECKHEFER:

The process, where we exempt the project from public work provisions and use backdoor into what we want it, is uncomfortable to me. In the sections on pages 20 and 43, there are descriptions of compliance with the prevailing-wage provisions. On page 20, regarding the stadium project, it states that the provisions shall comply with NRS in the same manner as if the County had undertaken the project or awarded the contract. On page 43, for the UNLV stadium project, it states it as if the State had undertaken or awarded the contract. Is there a difference that makes that substantively necessary?

MR. HILL:

That is a question for the Legal Counsel Bureau. My understanding is that this is a Board of Regents projects when it is in the Campus Improvement Project, and that is why the reference is to the State. I do not, however, have a definitive answer to your question.

SENATOR KIECKHEFER:

It seems like an odd difference to me. Section 35, subsection 2, page 29, states the "...stadium project must be proportional in terms of amount, contemporaneous in terms of timing and similar in terms of risk profile..." I believe this will be managed by a trust agreement over who will be putting in assets. If the project does not cost \$1.9 billion, will all three parties share in the savings?

MR. HILL:

No, that is not the case. There will be a budget established for the stadium. The public will contribute \$750 million, and the developers will contribute the remaining amount whether it is less or more than the \$1.9 billion dollars.

SENATOR KIECKHEFER:

Then, what does this section mean?

MR. HILL:

It means that after the first \$1.9 billion has been invested by the developers, in addition to the cost of the land for the project, the calculation of a budget is the \$50 million that is funded by the public at the end of the project plus the \$750 million from the public plus whatever the developer contribution is. That might be something like a 60 percent to 40 percent split, or a 70 percent to 30 percent split—it will be determined at that time. As money is invested, it will be funded into that account and paid accordingly.

SENATOR KIECKHEFER:

Page 47 discusses the projected revenue for the college football stadium. How was that projection reached? Was there a process? Was a consultant hired?

MR. HILL:

The requirements that must be met before the County can issue bonds for the project are not based on estimates; they are based on secured financing of those potential revenues. That language refers to stadium naming rights and PSLs. They would have to be able to finance the perspective revenue toward that \$200 million. It is not just their thoughts on what they might be able to achieve in the future.

SENATOR SEGERBLOM:

I have two questions. The first, why \$750 million? The second, is why do we not just authorize the tax then wait until the NFL approves the team moving to Las Vegas before we kick in the tax? That way, if the transfer is not approved, we do not have to worry about the tax.

MR. HILL:

I will answer your second question first. By collecting the tax immediately, rather than waiting for NFL approval, we allow for the room-tax rate to be lower when the approval is given.

SENATOR SEGERBLOM:

Could we raise the tax and then wait until the approval is finalized so we do not have to worry about having a tax with no place to put the money?

MR. HILL:

That was an option that could have been implemented. Regarding your first question about the \$750 million, the Committee came to the conclusion that the cost of the stadium is going to be in the \$1.9-billion range. We looked at an alternative where there was less initial funding—\$550 million—and in exchange for that difference, there was a tax increment district created around the stadium where the taxes generated within the stadium would have been contributed to the developer to improve their return on investment. Under this plan, we would have required they invest the additional amount. The Committee came to the conclusion, after input from a number of others, including members of the Legislature, that the additional room tax to generate \$750 million in revenue was the difference between 0.88 percent and 0.70 percent. That was preferable to increasing the taxes within the tax increment district in the stadium which allows education and State and local governments to have the additional \$14 million per year.

SENATOR SEGERBLOM:

Mr. Adelson could give \$500 million or \$600 million. The \$750 million was a number he gave you as needing, is that correct?

MR. HILL:

That is correct. You can see on page 19 that the investment, pro forma, the developer would make is not one that will generate a significant return on investment.

SENATOR SEGERBLOM:

Being as Majestic has dropped out, is Mr. Adelson the developer?

MR. HILL:

Yes. The return on investment is not a commercial return on investment, and this is one of the reasons Majestic will not be involved in the project.

On the motion of Senator Settlemeyer, seconded by Senator Harris, the Committee did rise and report back to the Senate.

SENATE IN SESSION

At 11:00 p.m.

President Hutchison presiding.

Quorum present

REPORTS OF COMMITTEES

Mr. President:

Your Committee of the Whole has considered Senate Bill No. 1.

MICHAEL ROBERSON, *Chair*

UNFINISHED BUSINESS

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Senate Resolutions Nos. 1, 2, 3.

REMARKS FROM THE FLOOR

Senator Ford requested that his remarks be entered into the Journal.

I would like to acknowledge that my son Aaron Ford Jr. is celebrating his 16th birthday. He is not here, unfortunately, and I am not with him because I am doing the State's work. I wanted to stand and give him a public acknowledgement. Happy birthday, son. I love you.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Haw, the privilege of the floor of the Senate Chamber for this day was extended to Amber Haw, Keely Haw and Emme Haw.

On request of Senator Ratti, the privilege of the floor of the Senate Chamber for this day was extended to James Cavanaugh and Robert Ratti.

Senator Roberson moved that the Senate adjourn until Tuesday, October 11, 2016, at 7:30 a.m.

Motion carried.

Senate adjourned at 11:01 p.m.

Approved:

MARK A. HUTCHISON

President of the Senate

Attest: CLAIRE J. CLIFT

Secretary of the Senate