



Las Vegas Monorail Recommendation Action Item for Consideration

The Las Vegas Monorail Company is in the process of developing an expansion of the Monorail from its southern terminus at MGM Grand Hotel to the Mandalay Bay Hotel, Luxor Hotel and Mandalay Bay Convention Center campus. Working with financial advisors, the company has estimated construction, debt issuance and retirement, capitalized interest and reserve costs at approximately \$125 million.

As a nonprofit entity, the Las Vegas Monorail Company meets IRS requirements to issue tax exempt bonds, subject to certain tax rules. IRS Rev. Rul. 63-20, 1963-1 C.B. 24, permits the issuance of tax exempt debt by entities like the Las Vegas Monorail Company provided they satisfy all legal requirements to do so. One of the requirements is that the Governor, as the company sponsor under its Articles of Incorporation, makes certain findings and authorizes the company to issue the debt.

The Las Vegas Monorail Company requests a recommendation that the Governor, subject to making the findings and all other legal requirements being satisfied by the company, approve and authorize the Las Vegas Monorail Company's issuance of debt to finance the Mandalay Bay expansion project.