

Southern Nevada Tourism Infrastructure Committee

Southern Nevada Multi-Purpose Stadium



May 26, 2016

Proposed Stadium Will Propel Las Vegas Tourism to New Heights

- The proposed Stadium fills a void in the tourism infrastructure of the entertainment capital of the world
- State of the art facility will attract and accommodate the Raiders and provide a new home for the UNLV Rebels
- The Stadium will have the flexibility to host other world-class events that do not currently visit Las Vegas due to the lack of a suitable venue

Las Vegas Stadium Overview

Feature	Proposed Stadium
Total Seating Capacity	65,000+
Club Seats	6,000
Luxury Suites	100+
Stadium Square Footage	1,500,000+
Retractable Roof and Climate Control	Yes
Estimated Stadium Construction Cost (Excl. Land)	\$1.3 - \$1.6 billion
Expected Opening	Summer 2020

Las Vegas Stadium Event Types

- Targeted event types do not have overlapping peak seasons, enabling maximum utilization of the Stadium throughout the year
- Anticipate hosting at least 10 NFL home games and 36 other large-scale events

Target Stadium Event Types

- NFL Home Games – Raiders
- Major League Soccer
- Stadium Format Concerts
- NFL Super Bowl
- International Soccer Matches
- Neutral Site College Football Games
- NCAA Basketball Tournaments
- Vegas Branded Music Festivals
- Rugby
- Championship Motorsports
- Title Bouts (Boxing and UFC)

Overview of Key Constituents

- There are three primary entities that have distinct roles in the ownership and operation of the Stadium

Entity	Formed By	Purpose
Stadium Authority	Public / State Legislation	<ul style="list-style-type: none"> Owns Stadium and leases to EventsCo (see below) Collects specific assigned public revenue streams and remits payments to Clark County for debt service <ul style="list-style-type: none"> Room tax revenues of \$50 million per year Certain incremental taxes generated by the Stadium No role / risk related to stadium construction or operations
EventsCo	Private Investors ²	<ul style="list-style-type: none"> Leases Stadium from Stadium Authority¹ <ul style="list-style-type: none"> Responsible for development, construction and ongoing operation of the Stadium, including events programming EventsCo / private investors do not receive room tax dollars Responsible for cost overruns of construction and risk of operations
StadCo	Raiders	<ul style="list-style-type: none"> Leases Stadium from EventsCo for NFL Games³ <ul style="list-style-type: none"> Raiders enter into non-relocation agreements with EventsCo and Stadium Authority Ownership of the team would not be affected by the Stadium transaction

¹ Precedent lease terms have been 30-years with extension options.

² May include Sands, Majestic, Raiders and/or other potential investors.

³ Stadium lease terms including revenue allocations and expense splits between EventsCo and the Raiders will be negotiated over the coming months.

Las Vegas Stadium Project Sources and Uses

(\$ in millions)

- The current cost estimates for Stadium construction ranges from \$1.3 billion to \$1.6 billion¹
- Public direct investment in the project is capped with no risk of an increase due to increases in construction costs
- Raiders will contribute at least \$500 million to relocate to Las Vegas
- Private investors take all upfront and ongoing project cost risks and would contribute at least \$240 million - \$540 million to the development of the Las Vegas Stadium

Sources of Funds

	Range		
Public Funding	\$750	-	\$750
Raiders Contribution (Raiders StadCo)	500	-	500
Private Investor Contribution (EventsCo)	240	-	540
Subtotal Private Funding	\$740	-	\$1,040
Total Sources	\$1,490	-	\$1,790

Uses of Funds

	Range		
Stadium Construction Costs ¹	\$1,300	-	\$1,600
Practice Facility	100	-	100
PSL Taxes and Sales Costs	90	-	90
Total Uses	\$1,490	-	\$1,790

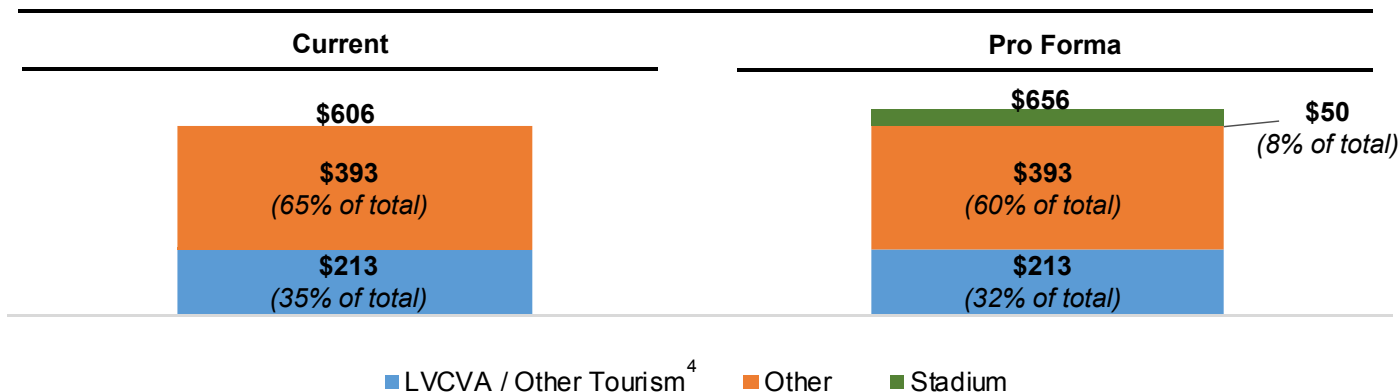
¹ Excluding land acquisition costs.

Public Contribution Funded by Hotel Room Tax

(\$ in millions)

- The hotel room tax is collected from tourists and is not a tax on Las Vegas locals
- Private investors in the Stadium project would not receive any of the revenue collected from the room tax
- For an annual contribution of \$50 million in room tax revenue, Clark County is estimated to receive \$870 million in total net new annual spending and 8,000 new jobs¹
- The Stadium project does not affect other public services currently funded by the room tax
 - Room tax revenue used to fund the Stadium would be generated by a small increase in the current room tax effective January 1, 2017
 - Proposed \$50 million in annual room tax revenue equates to a room tax rate of approximately 0.9% charged to tourists, or an increase of approximately \$1.08 per hotel night²
- Excess Stadium Authority revenues can be used to fund Stadium capital expenditures, pay other Stadium Authority expenses, prepay debt and/or be used by another municipal entity

Room Tax Amounts and Allocation³



¹ Based on estimates prepared by CSL.

² Based on average nightly room rate of \$120 for 2015. Source: <http://www.lvcva.com/includes/content/images/media/docs/2015-Vegas-FAQs.pdf>.

³ Based on FY2015 actual room tax distribution in Clark County. Source: <http://sntic.org/meeting/07/staff/SNTIC%20Room%20Tax%20Brief%20FINAL.pdf>.

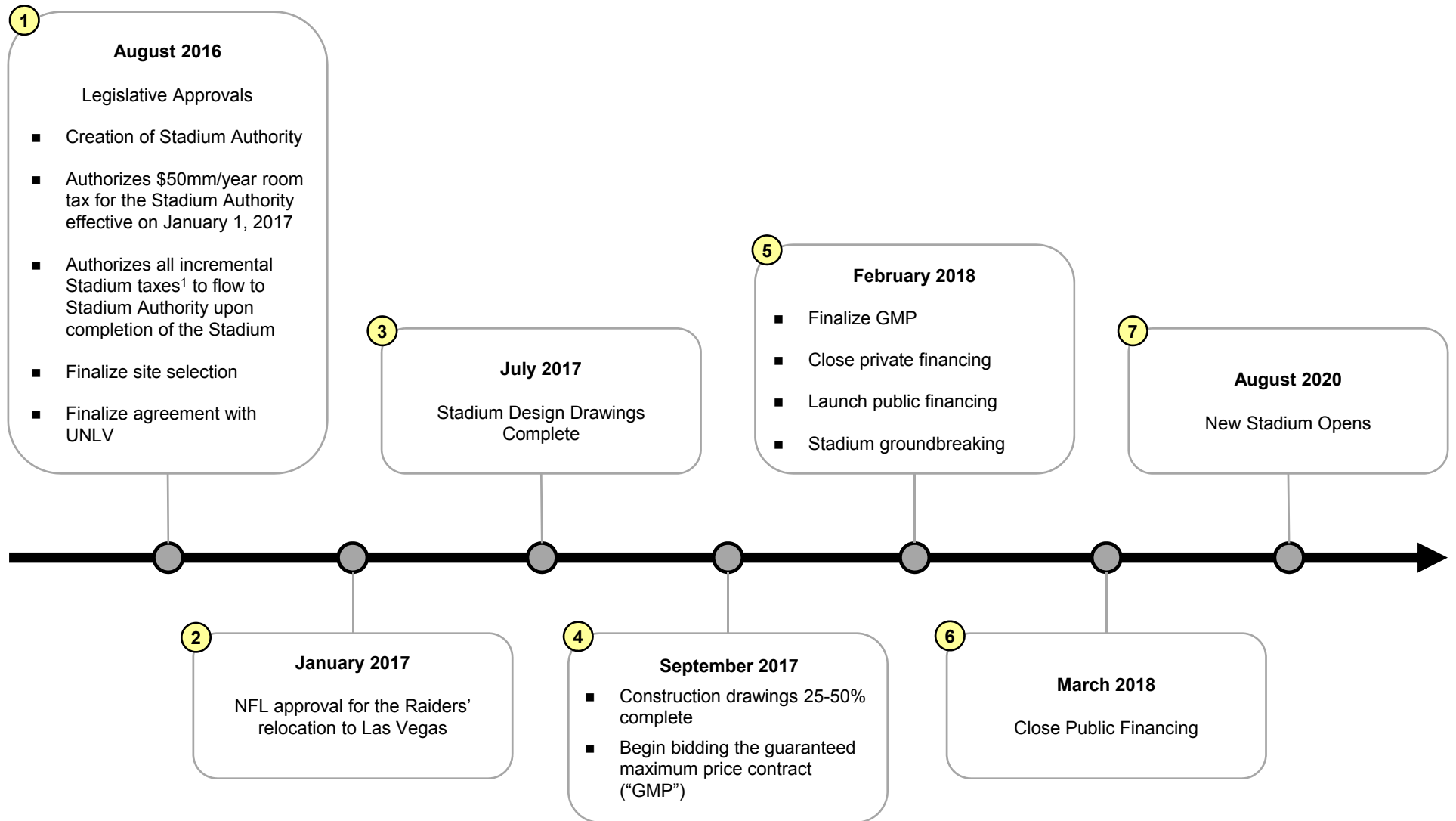
⁴ Includes \$194 million for LVCVA and \$19 million for Nevada Commission on Tourism.

Project is a True Public-Private Partnership

Partner	Contributes	Receives
City / State / County / Stadium Authority	<ul style="list-style-type: none"> ■ Bondable revenue stream of \$50 million per year to support construction costs; funds will be available for other public use once muni bonds are repaid ■ Incremental taxes generated by the Stadium¹ available to for capital expenditures, other Stadium Authority expenses and accelerated debt repayment ■ Public contribution is <u>known</u> and has no risk associated with Stadium operations 	<ul style="list-style-type: none"> ■ World-class facility that fills a void in the Las Vegas entertainment market and attracts new large-scale events ■ An NFL team and potentially other professional sports teams will call Las Vegas home and be actively engaged in the community ■ 8,000 new permanent jobs and over \$870 million of total net new annual spending in Clark County; upfront construction impact in excess of \$2 billion
EventsCo (Private Investors)	<ul style="list-style-type: none"> ■ Initial financial contribution of at least \$240 - \$540 million ■ Development and construction management ■ Ongoing Stadium operation, programming and maintenance ■ Private contribution would be <u>variable</u> and investors assume all construction and operating risk 	<ul style="list-style-type: none"> ■ Variable and unknown financial return based on event performance ■ Room tax dollars are not contributed to private investors
Raiders	<ul style="list-style-type: none"> ■ Long-term lease with non-relocation agreement ■ Upfront financial contribution to construction costs as well as annual rent payments ■ Community engagement programs 	<ul style="list-style-type: none"> ■ World-class stadium in a vibrant locals and tourist market ■ Financial return based on performance of NFL events and other items such as naming rights, sponsorships, etc.
UNLV	<ul style="list-style-type: none"> ■ Lease stadium for home football games 	<ul style="list-style-type: none"> ■ World-class stadium enabling UNLV to attract the best football talent from across the country ■ Opportunity to partner with the Raiders

¹ Includes sales tax, live entertainment tax and modified business tax collected in connection with stadium operations.

Illustrative Timeline for Multi-Purpose Stadium Opening in 2020



¹ Includes sales tax, live entertainment tax and modified business tax collected in connection with stadium operations.