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July 11, 2016

RE: Tourism Infrastructure Committee

Dear Mr. Mike Sloan:

Thank you for serving our community by being on the Tourism Infrastructure Committee. This is a very important issue for our community.

I was pleased to attend this morning's meeting. Having lived in Las Vegas for more than 50 years and heading up the Global Gaming Group at CBRE for the last 14 years, I believe there is some credibility to my opinions while fully understanding that I don't have a vote and it's not my money.

I was surprised that the identified sites are predominately on the east side of I-15. I believe that the neighbors who live on the east side of the Strip, and there are many, will all object to having stadium traffic impact their lives. Stadiums of this size work best when they have direct freeway access. The two identified sites on the west side of I-15 offer the best freeway access.

I was surprised that the budgeted traffic mitigation improvements ranged from \$110 million to the \$200 million that was mentioned during the meeting. I suspect that the site at Russell and I-15 would require the least improvements and does not have any adjacent residents. The VIVA property has high-end residential towers next to it. I don't know how the impact on adjacent residents enters the evaluation, but I am sure that you and the fellow committee members will take that into consideration.

From a cost perspective there is a \$100 million asking price for the 63 acres. As the expert on Resort Corridor properties this per acre price is lower than all other sites being considered except for the two UNLV properties which have substantially different property dynamics. This price is well within the \$0 - \$250 million land purchase amount that was identified in the presentation. Obviously if a landowner were to contribute their property, which I assume where the \$0 comes from, then that will likely impact how sites are considered and one is chosen. The price of land should not be the most important issue in the decision making process.

We are making a decision on a landmark project that will become an integral part of our community for the next 50 to 100 years. Think how much Las Vegas has changed since 1966. I encourage you to think about what Las Vegas will look like in 2066. What will traffic be like in 2035. That is why I believe the site must be on the freeway. I think the site should be able to accommodate slip ramps and flyovers directly onto it so the traffic impact is minimized for the 97% of the people that live here that are not attending a stadium event.

Thank you for your consideration and please feel free to call me if you have any questions or I can provide any market information.

Sincerely,



John J. Knott
Executive Vice President

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Mr. Steve Hill
Governor's Office of Economic Development
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copies:
Mr. Steve Hill
Mr. Steve Sisolak
Mr. Mike Sloan

Greetings:

Regarding the proposed Las Vegas stadium, as an observant citizen I am very concerned with the amount of proposed public funding for this stadium. While I appreciate Mr. Hill's efforts to reduce the public portion from \$750 million, I remain concerned.

Why is there no private local funding other than that from LVS and Majestic? Where is the effort to raise funds from the local business community and its leaders to mitigate the need for taxes on the public? There are billions of dollars in Las Vegas (we all know who the corporations and individuals are) and it seems that nobody has asked for any of it.

The room tax proposal seems unfair. As it stands now, through their payment of room taxes, a truck driver staying one night at the Wild Wild West hotel would pay more towards stadium construction than all of Station Casinos Corporation or the Fertittas. A school teacher staying at Encore for a bachelorette party (and having to run up her credit card) would pay more towards the stadium than the entirety of Wynn Resorts Corporation or the Wynns. I just don't think that is fair, and although I don't know him, I actually think that Mr. Wynn would feel the same way.

A key role of this committee is to protect the public interest. Is anybody on this committee going to stand up for the truck driver and the schoolteacher? They can neither afford to fund a stadium nor may never set foot inside it. Again: as to the business community which stands to benefit directly from the stadium: is anybody going to ask them to invest?

I am also concerned about the comments made by the Raiders representative at the last meeting. Mr. Hill did not suggest any change in investment by the Raiders or NFL. So why would the Raiders representative express an objection? Perhaps it is because the NFL simply loves the idea of public funding, especially if it sets a precedent for future deals. Las Vegas should not feed into this addiction.

It might also be noted that a stadium proposal with such a large public subsidy may run into opposition when it reaches the legislature in Northern Nevada. I have attached an article from Chris Murray of the Reno Gazette Journal which loudly objects to the financing scheme, calling it "unconscionable." He suggests a much more modest public investment of around \$100 million. This view could gain traction in wider political circles.

From an individual standpoint, I want this project to succeed. I am a sports fan and a UNLV graduate. I support Rebel athletics financially, and am a season ticket holder. I want to see the Rebels and the Raiders play in the new stadium. I want to see UNLV join a power conference. And I want to see our stadium support thousands of jobs.

I just want to see it funded properly. And a huge amount of public funding is simply not proper. Thank you.

Jf

Article from the Reno Gazette Journal:

Week in 1,000 Words: Las Vegas' worst idea ever



[Chris Murray, cmurray@rgj.com](mailto:cmurray@rgj.com) · 26 p.m. PDT June 4, 2016

(Photo: Kirby Lee/USA TODAY Sports)

Reno Gazette-Journal columnist Chris Murray has been known to be a bit wordy, so we're giving him 1,000 words (no more than that) to share his thoughts from the week that was in the world of sports.

*** I WAS WATCHING SPORTSCENTER** on Tuesday when Las Vegas mayor Carolyn Goodman popped on the screen to tell everybody how great of an idea it is for the Oakland Raiders to move to Las Vegas. She did a solid job of selling the idea, her final pronouncement being "the Las Vegas Raiders sounds real good to me." It sounds like a disaster to me. Not because I don't think an NFL team coming to the Silver State would be a bad idea *prima facie*. I'd love to have a big-four pro sports team in Las Vegas. But only if the circumstances are right. And the deal Las Vegas is trying to give the Raiders does not meet that criteria. Not even close. The deal being offered is not only idiotic, it's unconscionable. Las Vegas a city built on the mistakes of millions – even I've lost my share of money at the tables – but giving away \$750 million in taxpayer money to build a stadium for one of the world's richest men would rank as the city's largest mistakes ever.

*** HERE'S THE BREAKDOWN**, which only became public because of Steve Hill, the state's director of economic development (it was previously and nebulously called a "private-public partnership"): Of the \$1.4 billion estimated cost, Raiders owner Mark Davis would kick in \$500 million, with \$200 coming via an NFL loan; \$150 million would come from Sheldon Adelson's Sands Corp. (a reminder than Forbes lists Adelson as the world's 18th richest person at \$28 billion); and the taxpayers would be on the hook for \$750 million, nearly 55 percent of the cost. But get this: The proposed investments by Davis and Adelson would come via tax-increment financing, meaning they'd get taxpayer kickbacks down the road, meaning the public could eventually be on the hook for the stadium's entire \$1.4 billion price tag.

*** NOW, BILLIONAIRES ARE USED** to ripping off the public – that's how they become billionaires, after all – but this would be a historic heist. No league relies more heavily on public subsidies than the NFL. Of the league's 31 stadiums, 29 received public funds. However, the average subsidy on those deals is \$262 million. Las Vegas would be offering more than three times as much. The \$750 million would be among the largest subsidies ever handed out to build a stadium (the Yankees hold that distinction, getting \$1.2 billion for its \$2.3 billion stadium, which opened in 2009 and is rarely full). Not only would the \$750 million in public money be a record for an NFL stadium, it bucks the recent trend. Los Angeles' new stadium will be 100 percent privately funded. Atlanta's new stadium is 84 percent private; the 49ers' was 88 percent private; Minnesota's is 53 percent private. It's not a good time to go against the trend.

*** WHILE ON SPORTSCENTER, MAYOR GOODMAN** had the audacity to say "the economic boon to the entire community will far outweigh any cost." She's either ignorant or disingenuous. Economists have a "strong consensus" using public money on sports stadium is a bad idea, saying they generate little to no new spending. This stadium certainly wouldn't generate \$750 million in new spending. One study linked subsidization of new stadiums to higher poverty rates and lower median incomes in those cities. While it's impossible to determine a stadium's direct impact on wages and poverty, the consensus agrees it's a horrible gamble. Neil deMause, co-author of "Field of Schemes: How the Great Stadium Swindle Turns Public Money into Private Profit," put it well to the Las Vegas Sun a couple months back: "The question for me is not whether this is a bad deal for Nevada — it's how bad of a deal." History shows it could be a disaster. St. Louis still owes \$144 million in debt on a stadium it built in 1995 for the Rams, which just left town for Los Angeles.

*** IT IS, IN PART, ON THE FOURTH ESTATE** to drive the point home on how bad of an investment this really is. There's one problem there. Adelson, who is trying to get his stadium bankrolled with public money, bought the Las Vegas Review-Journal last December for well over market value – he tried to do so secretly before being outed as the

purchaser – perhaps in a setup for this exact moment. So, it's not a shock the Review-Journal wrote a glowing editorial titled "[No place like dome: Stadium proposal a must-do](#)" in January after the stadium plan leaked out. Coverage following that has been equally rosy. Nothing like using your money to shape public opinion, although Adelson has been doing that long before this stadium plan.

* **PROPONENTS OF THIS FINANCING PLAN** like to say "tourist taxes" are paying for the stadium but that's deception. The money belongs to Vegas citizens, not to the Raiders. As Goodman said on SportsCenter, Nevada doesn't have an income, corporate or estate tax, adding that's why it's great to live in our state. That's also part of the reason why our education system is in shambles. We don't have the money to fund it. We need the tax money derived from tourists to fund education. Nevada consistently ranks among the worst states to get an education, with Las Vegas among the worst cities. Graduation rates are bad. Teachers shortages are counted in the thousands. Some Vegas-based teachers literally drive to California every day to teach because the conditions there are better. Some Nevada classrooms have curtains that cut them down the middle to create two rooms because they're so overcrowded. Throw in Las Vegas' traffic, housing, social services and unemployment issues and spending \$750 million on a stadium is insane. UNLV is building a medical school. Throw the money there. If one must choose between giving kids a shot at a good education or building a sports stadium for a billionaire, it's an easy call.

* **THERE ARE PLENTY OF HURDLES** left to make this dream a reality. The NFL owners would still have to approve the deal and given the league's aversion to gambling – unless it's daily fantasy football, which the NFL hypocritically supports – that's no sure bet. Let's hope one of those hurdles trips up this idea before the finish line. I'd be all for the Raiders calling Las Vegas home if the public cost wasn't so prohibitive – I'd be fine with a \$100 million subsidy. There's clearly some economic boost, but it's moderate at best. Goodman seems hell-bent on getting this done, telling SportsCenter: "It's going to happen as long as the numbers work out." The numbers don't work out, Mayor Goodman. Not even close. Find new numbers. Better yet, here's an idea: Maybe there's an 82-year-old Las Vegas with \$28 billion who can build the stadium.

Columnist Chris Murray provides insight on Northern Nevada sports. Contact him at cmurray@rgj.com or follow him on Twitter [@MurrayRGJ](#).

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Mr. Steve Hill, Chair
Southern Nevada Tourism Infrastructure Committee
Governor's office of Economic Development
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Dear Chairman Hill:

I respectfully request that this letter be entered under public comment at the July 23 2016 meeting of the SNTIC as I live in Reno and am unable to attend in person.

I am a retired United States Air Force and Nevada Air National Guard veteran. I have been a resident of Nevada since 1985. I have lived in both Clark and Washoe Counties. My extended family, which includes well over 200 relatives by blood as well as marriage, resides in Nevada and represents several small communities within the state as well as Clark County. There are ancestors of mine buried in cemeteries throughout Nevada. I make the following comments on behalf of us all.

I would like to state that I support and agree with Commissioner Chris Guinchigliani's comments regarding the proposed NFL team and stadium in his June 20, 2016 letter to the commission where he states in part: *"Room taxes are public and if someone wishes to build a stadium they should use their private dollars to build it – no public taxes should be utilized in any format."* I also agree with his interpretation of Sections 2 and 3. I applaud Commissioner Guinchigliani for his stance on this issue. I view the use of public funds for billionaires and their businesses as inappropriate. The fact that visiting tourists largely pay the taxes you propose to use for the stadium is irrelevant. Las Vegas' legendary tourism is a commodity of this state as well as Clark County and the money it brings in belongs to all of us. The benefits should go to improve life for every resident of Clark County and the State of Nevada, not to fund a group of multi-billionaires who are fully capable of paying for their own stadium several times over.

According to national statistics from as recently as 2015, Nevada ranks near the bottom nationally in quality of education and has one of the highest rates of homeless per 100,000 residents. There is a shortage of teachers and we can always use more firefighters, police officers, doctors, etc. There are also many roads that need improvement throughout the entire state. I feel that it is an embarrassment to even consider using public funding for multi-billionaires and their \$1.7B - \$2.1B football palace instead of using it to address these problems. There is a statistic which shows that public investment in education has a greater ROI than for a sports stadium.

Before this stadium proposal is recommended to Governor Sandoval, I challenge each and every person on the committee and anyone who has any role whatsoever in recommending or approving the funding of a stadium to consider how you would look every Nevada resident; student, homeless person, police officer, etc in the eye and tell them that the money which could have benefited them went to multi-billionaires; who combined are worth over 20 times the amount they are asking for from us. I ask that you at least consider what their reaction would be prior to recommending what essentially amounts to public welfare for the wealthy.

I thank each and every member of the committee for your time, your consideration, and your service to the community and I sincerely hope that you cease consideration of this proposed stadium for public funding.

Sincerely,
Walter F. Spargo
Retired Veteran and Concerned Resident of Nevada