

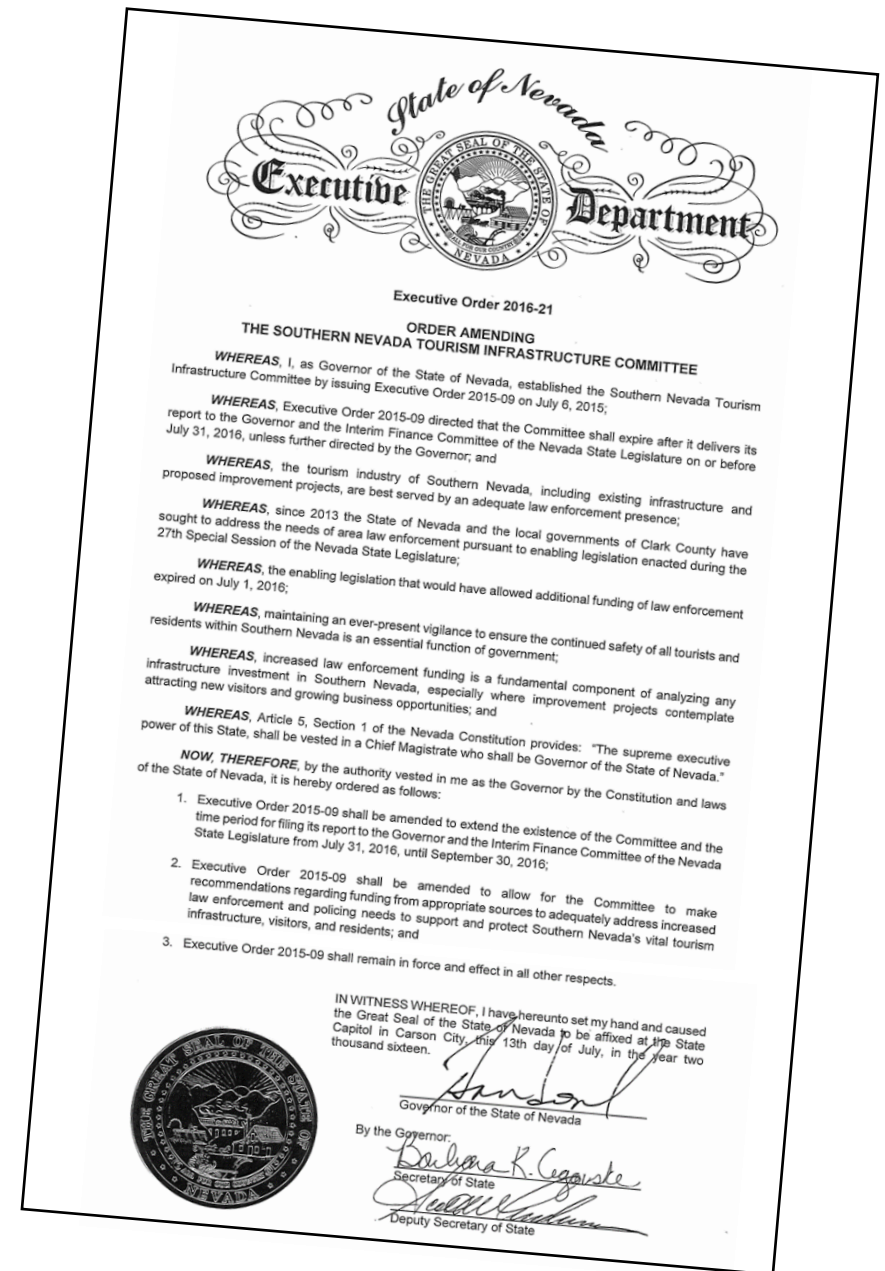


SOUTHERN NEVADA _____
Tourism Infrastructure Committee

Metropolitan Police Department Funding Alternative Analysis

Executive Order

On July 13, 2016, Governor Brian Sandoval signed an executive order extending the deadline for the Southern Nevada Tourism Infrastructure Committee to submit its final report, so it may “make recommendations regarding funding from appropriate sources to adequately address increased law enforcement and policing needs to support and protect Southern Nevada’s vital tourism infrastructure, visitors, and residents.”



Police Staffing Proposal

Sheriff Joseph Lombardo has proposed a staffing plan to increase the number of police officers and increase security on the Las Vegas Strip and in Downtown Las Vegas.

| | Initial Cost | Recurring Cost |
|---|---------------------|---------------------|
| 82 Officers (81 Patrol, 1 Technical/Surveillance) | \$12,236,460 | \$11,054,180 |
| 9 Surveillance Specialists | \$844,380 | \$805,350 |
| 10 Fixed Surveillance Cameras | \$200,000 | \$40,000 |
| 10 Mobile Surveillance Cameras | \$540,000 | \$108,000 |
| Total Cost | \$13,820,840 | \$12,007,530 |



Historical Police Staffing

The Metropolitan Police Department has established a staffing ratio target of 2.0 officers per 1,000 residents. In recent history, periods of significant population growth and economic crisis have impacted the agency's ability to maintain that level of staffing.



Source: Las Vegas Metropolitan Police Department



Police Funding Alternatives

In recent years Sheriff Lombardo, his predecessor, Sheriff Doug Gillespie, and others have commissioned multiple analyses to identify potential funding sources.

Most alternatives were eliminated because they simply did not work or they placed a disproportionate share of the burden on hotels and casinos even though a wider group of stakeholders requires additional police protective services.



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- Property Tax
- Special Improvement District
- Rental Car Tax
- Taxicab Trip Fee
- Trash Collection Fee
- Liquor Retail Sales Tax
- Liquor Excise Tax
- Cigarette Tax
- Business License Fee
- Employee Head Tax
- Sales and Use Tax
- Room Tax



Police Funding Alternatives

Two options appear to be potentially viable, considering their relative distribution of the tax burden and their ability to generate the revenue necessary to support additional police staffing in the Resort Corridor.

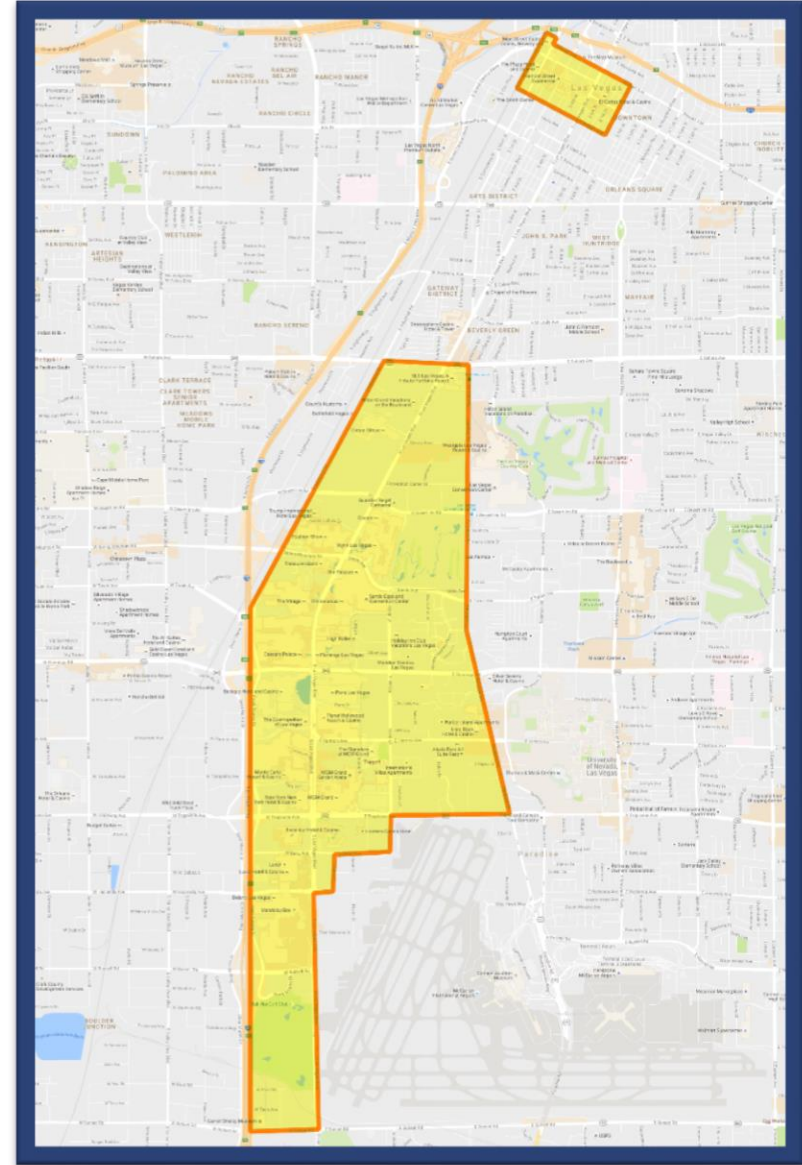
Room tax was not considered as a stand-alone funding source, however, the current Stadium Financing Model generates \$4 million per year within the waterfall revenue stream that is dedicated to police funding.

- Employee Head Tax
- Sales and Use Tax
- Room Tax



Employee Head Tax

- Charges an annual flat fee per employee for every business within the Resort Corridor.
- The total amount that an individual business pays is capped each year, creating a tiered structure whereby the largest employers pay more in total tax but less per employee.
- Spreads the burden between large employers, such as hotel-casinos, and more than 2,000 other business locations within the district.



Employee Head Tax

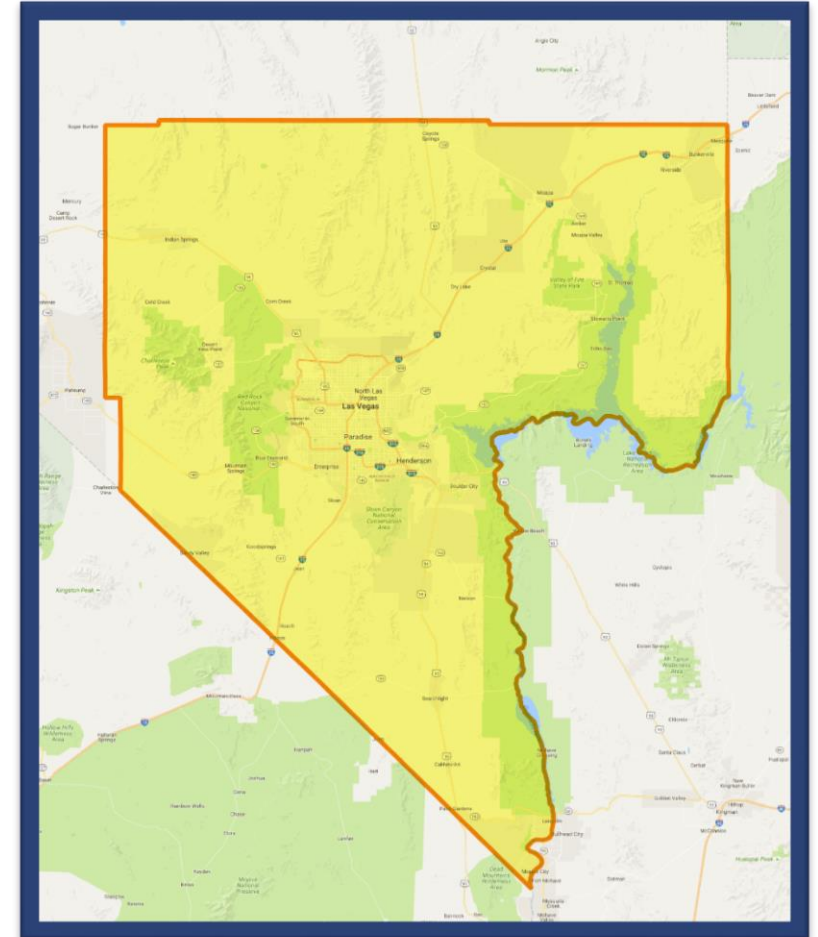
Total revenue generated by the Employee Head Tax varies depending on the fee charged per employee and the maximum amount per individual business.

| | Scenario 1 | Scenario 2 | Scenario 3 | Scenario 4 | Scenario 5 |
|----------------------|---------------|---------------|---------------|----------------|---------------|
| Per Employee Fee | \$50 | \$50 | \$75 | \$100 | \$100 |
| Maximum Per Business | \$250,000 | \$150,000 | \$100,000 | \$100,000 | \$75,000 |
| Total Revenue | \$8.3 million | \$7.4 million | \$8.3 million | \$10.1 million | \$9.4 million |



Sales Tax – More Cops

- Since 2005, 0.25 percent of sales tax in Clark County has been dedicated to funding officers within each local police agency.
- More Cops revenue is distributed by population among local jurisdictions, with the Metropolitan Police Department receiving about 72 percent of total countywide revenue.
- In 2013, the Legislature authorized an additional 0.15 percent of More Cops tax. In 2015, the Clark County Commission approved 0.05 percent, raising the rate from 0.25 percent to 0.30 percent. Authorization for the remaining 0.10 percent expired on July 1, 2016.

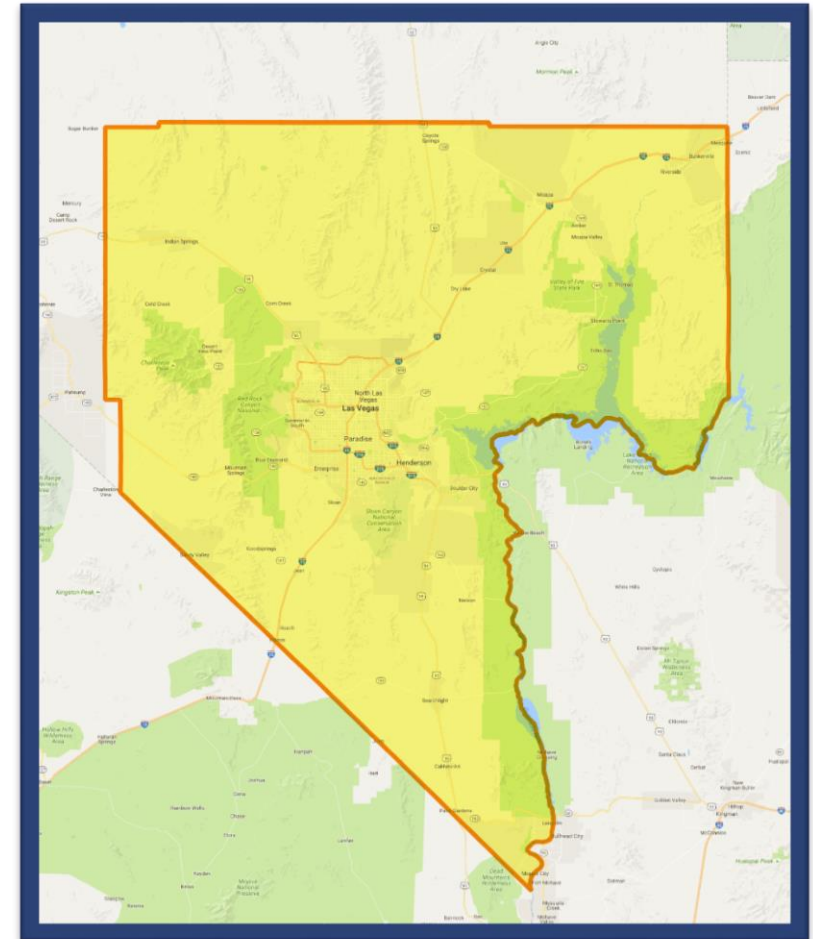


Sales Tax – More Cops

- Projected incremental revenue for the Metropolitan Police Department with each sales tax rate increase of 0.05 percent

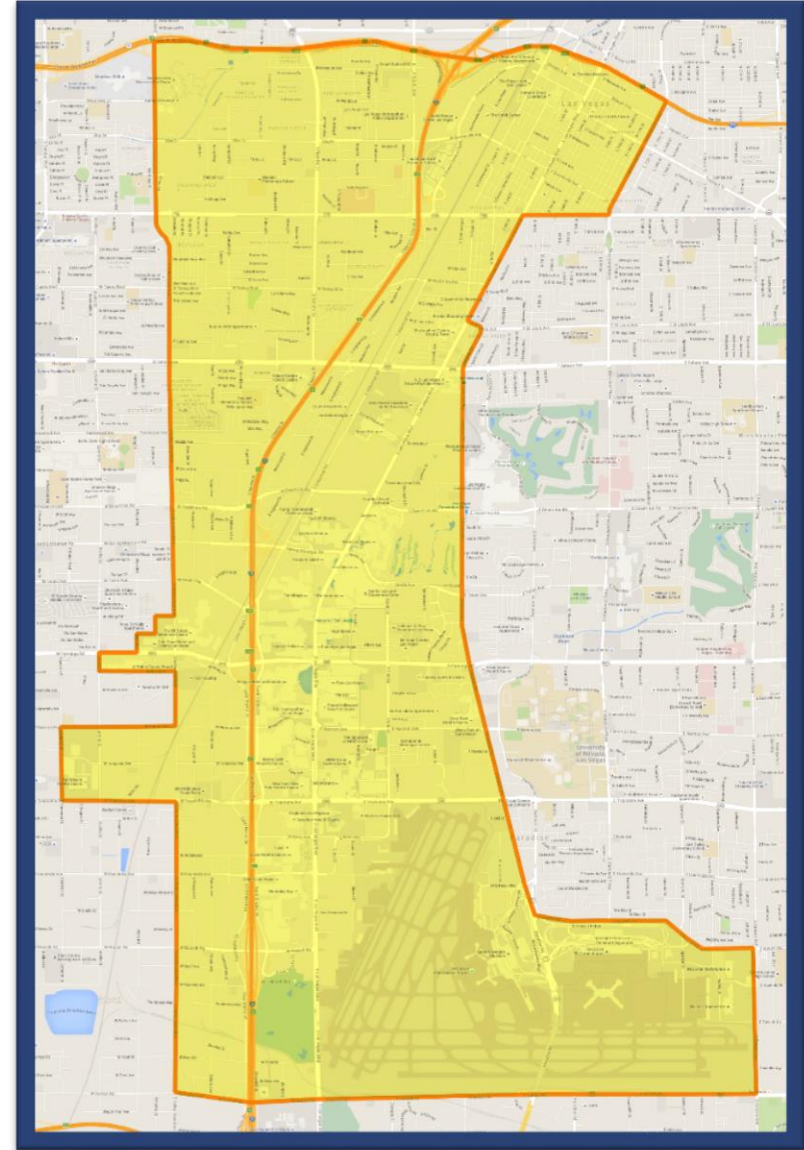
| | Estimated Revenue* |
|--------|--------------------|
| FY2017 | \$14,310,420 |
| FY2018 | \$14,954,390 |
| FY2019 | \$15,627,330 |

* Assumes 4.5 percent annual growth in taxable retail sales



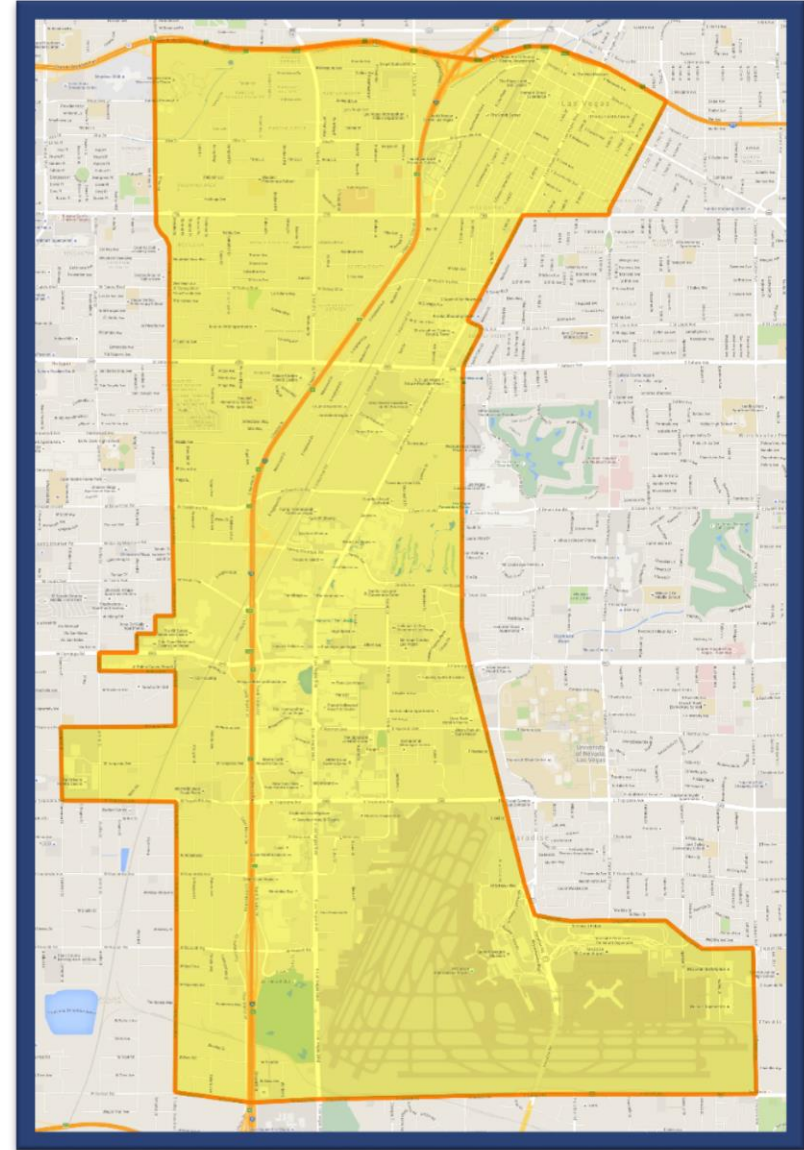
Sales Tax District

- Creates a new taxing district that encompasses the Resort Corridor and adjoining areas
- An additional sales tax rate would apply to taxable retail sales within the district, with 100 percent of incremental revenue directed to police staffing within the Resort Corridor
- Proposed general boundaries:
 - U.S. Highway 95 to the north
 - Sunset Road to the south
 - Valley View Boulevard to the west
 - Paradise Road to the east



Sales Tax District

- Spending within the district conservatively comprises between 18 and 20 percent of taxable retail sales within Clark County.
- The vast majority of sales tax revenue collected within the district (about 92 percent) is generated by visitors.
- Each 0.10 percent increase in the sales tax rate within the district would produce between \$6.8 million and \$7.5 million in revenue.





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