

**SOUTHERN NEVADA TOURISM INFRASTRUCTURE  
COMMITTEE MEETING  
July 28, 2016**

**The meeting of the Southern Nevada Tourism Infrastructure Committee was called to order by Chairman Hill at 8:04 A.M. in the Stan Fulton Building located at the University of Nevada, Las Vegas.**

**1. ROLL CALL/CALL TO ORDER/ESTABLISH QUOROM**

**BOARD MEMBERS PRESENT**

Mr. Steve Hill, Committee Chairman  
Mr. Len Jessup, Committee Vice Chairman  
Ms. Carolyn Goodman, Mayor of the City of Las Vegas  
Mr. Steve Sisolak, Chairman of the Clark County Commission  
Ms. Kristin McMillan, President and CEO of the Las Vegas Metro Chamber of Commerce  
Mr. Tom Jenkin, Global President of Caesars Entertainment  
Mr. Bill Noonan, Senior Vice President of Boyd Gaming  
Mr. George Markantonis, President and COO of The Venetian and The Palazzo  
Mr. Mike Sloan, Senior Vice President of Station Casinos

**BOARD MEMBERS ABSENT**

Mr. William Hornbuckle, President of MGM Resorts International  
Ms. Kim Sinatra, Executive Vice President of Wynn Resorts

**ADVISORY COMMITTEE MEMBERS PRESENT**

Ms. Elizabeth Fretwell, City Manager of the City of Las Vegas  
Mr. Don Burnette, County Manager of Clark County  
Ms. Tina Quigley, General Manager of Regional Transportation Commission of Southern Nevada  
Ms. Rosemary Vassiliadis, Director of the Clark County Department of Aviation  
Mr. Rossi Ralenkotter, President and CEO of the Las Vegas Convention and Visitors Authority  
Mr. Guy Hobbs, Managing Director of Hobbs, Ong & Associates

**STAFF MEMBERS PRESENT**

Ms. Jennifer Cooper, Communications Director for the Governor's Office of Economic Development  
Ms. Melanie Sheldon, Executive Assistant and Business Development Specialist for the Governor's Office of Economic Development

**2. PUBLIC COMMENT: 8:05 A.M.**

Mr. James Nagourney states there is a discrepancy between the Las Vegas Sands and Majestic Group's March and April reports for the predicted National League Football (NFL) season ticket sales. He would like to know why this change occurred and if they are reserving tickets for tourists.

Mr. Barnett Sturm states his skepticism about the Oakland Raiders moving to Las Vegas. He does not believe thousands of fans will travel to Las Vegas to see the Raiders play.

Mr. Ed Uehling is in favor of the proposed projects, but suggests alternative means of stadium funding. He states a law should be passed to allow homeowners to host tourists.

Chairman Hill closes Agenda Item 2.

### **3. ACCEPTANCE OF MINUTES FROM JULY 11, 2016: 8:16 A.M.**

Chairman Hill opens Agenda Item 3 for a motion to accept the meeting minutes from July 11, 2016. A motion is made by Mayor Goodman for additions to the meeting minutes which include her objection to the convention center advisory oversight committee in its entirety. Following additions, a motion is made by Mayor Goodman for the acceptance of the minutes. Mr. Sloan seconds the motion. The meeting minutes pass unanimously.

Chairman Hill closes Agenda Item 3.

### **4. CHAIRMAN/COMMITTEE COMMENTS: 8:18 A.M.**

Chairman Hill states that Governor Brian Sandoval approved extending the committee through the end of September and expanding the committee's authority to include consideration of funding for additional police officers. As a result of the extension, dates for three additional meetings have been established: August 25<sup>th</sup>, September 15<sup>th</sup> and September 22<sup>nd</sup>.

Chairman Hill closes Agenda Item 4.

### **5. RESEARCH STAFF REPORT: 8:20 A.M.**

Mr. Jeremy Aguero, Principal of Applied Analysis, reviews the materials located in each committee member's binder, including a letter from the City of Las Vegas regarding a request for a presentation on Cashman Field as a potential stadium site. Mr. Aguero states that progress has been made on the final report for the committee and will be forthcoming at the next meeting. Further work on the language for the proposed stadium legislative recommendation has been made, but there are still refinements to be made before presenting to the committee for review.

Mr. Aguero presents an analysis of potential tax increment districts for the proposed stadium. An analysis has not been done on all the sites due to limited time, and the

presentation is not an indication of the primary sites under consideration by the developer. The sites in the analysis have been inventoried relative to their acreage, land value, improvement value, total taxable value and value per acre. A 500-foot buffer zone for potential development was added to each site. Mr. Aguero summarizes other retail and entertainment districts throughout the nation, including Downtown Disney in Anaheim, California.

Chairman Hill asks if other tax revenue streams in addition to sales tax could be generated from a stadium district. Mr. Aguero states there is a wide spectrum of taxes that may be collected, including modified business tax, live entertainment tax, property tax, and retail sales and use tax.

Mr. Sloan asks for clarity on the buffer zone. Mr. Aguero states the buffer zone is the first 500 linear feet around each stadium building, which is a high probability development zone.

Commissioner Sisolak asks how the committee will make progress with the developers and site owners given the analysis presented by Mr. Aguero. Mr. Craig Cavileer, Executive Vice President of Majestic Realty, states a short-list of potential stadium sites has been drafted. Each of those sites will be carefully analyzed and discussed with the individual site owners. Mr. Cavileer also states that frequent meetings and discussions have been had with both Ms. Vassiliadis and Clark County on potential issues regarding site infrastructure and aviation impacts.

Mr. Noonan asks what the typical sales tax rebate is for a newly developed district. Mr. Aguero states a 75 percent sales tax capture would be appropriate given precedent in Nevada. Moreover, the idea of a tax increment area would not be to take money away from another entity; it would only apply to new revenues generated in a specific area.

Ms. McMillan asks to develop a matrix of various tax revenue scenarios with an examination of other jurisdictions. Mr. Aguero states he will provide an analysis with examples as a point of reference. Mayor Goodman reiterates the request to examine tax scenarios with competing tourist destinations.

Chairman Hill closes Agenda Item 5.

## **6. COMMITTEE WORKSHOP**

### **a. Las Vegas Stadium Proposal: 8:45 A.M.**

Mr. Marc Badain, President of the Oakland Raiders, states the Raiders have finalized a parking and traffic study for numerous Las Vegas sites. He says a market study as well as a media study has been completed and another market study will be beginning next week. Mr. Robert Goldstein, President and Chief Operating Officer for the Las Vegas Sands, informs the committee that the Sands/Majestic Group has met with several landowners to discuss stadium sites. Mr. Andy Abboud, Senior Vice President of the Las Vegas Sands

Government Relations and Community Development, reiterates the full dedication, of all parties involved, to reach an agreement in time for the January 2017 NFL proposal deadline to relocate by 2020.

Mr. Cavileer presents the stadium program, site requirements, potential stadium locations and site selection criteria. He says the stadium will fulfill requirements to host a Super Bowl with seating capacity of 65,000 that is expandable up to 75,000 seats. He states a retractable roof is a necessity to host year-round events and to preserve natural grass. Mr. Cavileer provides a list of four stadium sites: the Bali Hai Golf Club, Russel Road, the Fertitta Site, and the UNLV Campus. There are also three ancillary sites: Wynn Golf Course, MGM Rock in Rio and Cashman Field. He says the stadium site must have 60-100 acres of space for development, although other factors including design, transportation, parking, site factors, cost, and timing will influence site selection. Mr. Cavileer is committed to narrowing the list of stadium sites down to two locations by the August 25<sup>th</sup> meeting.

Commissioner Sisolak asks if the seating capacity requirement to host a Super Bowl would be met with the proposed 65,000-seat stadium. Mr. Badain states the expansion capabilities of the proposed stadium would satisfy that requirement. Commissioner Sisolak asks how the NFL selects a Super Bowl location. Mr. Badain states the NFL considers public contributions to stadium construction costs and the Raiders' owner sits on the Super Bowl selection committee. Commissioner Sisolak asks for clarification of the NFL relocation deadline. Mr. Badain states the relocation filing window is open from January 2, 2017 through February 15, 2017.

Commissioner Sisolak asks if Mr. Cavileer will meet with each of the proposed site owners. Mr. Cavileer states he has requested either the sale price or long-term ground lease rate from each of the respective site owners.

Chairman Hill asks for an update on airport conflicts with each of the proposed sites. Mr. Cavileer states two of the largest preferred sites, Bali Hai and UNLV, will be most challenging to develop because of their close proximity to the airport. The UNLV site has a pending Federal Aviation Administration (FAA) Form 7460, which addresses some flight obstruction concerns. Ms. Vassiliadis states she has recently received dimensions to give the airport an approximation of the proposed stadium size and the issues that could arise. Chairman Hill states that for the next meeting, there should be at least one site that the developers have some certainty on moving forward with. Mr. Goldstein states the real estate portion is the biggest challenge for stadium development.

Mayor Goodman states Cashman Field should be considered among the top four preferred stadium sites. Mr. Goldstein states he would consider other sites, if a deal among a preferred site could not be brokered, but agrees to hear Mayor Goodman's Cashman Field proposal at a future date. Commissioner Sisolak highlights that Cashman Field is leased to the Las Vegas 51s until 2022.

Commissioner Sisolak asks to clarify which sites require airport approval. Ms. Vassiliadis states the Bali Hai Golf Club, Russell Road, Fertitta Site, and UNLV Campus will all need to file an FAA Form 7460. Commissioner Sisolak asks if the 7460 can be filed immediately for the preferred sites to expedite matters. Ms. Vassiliadis states site-specific schematics, such as a design and site placement, are required for each of the filings.

Chairman Hill closes Agenda Item 6a.

**b. Las Vegas Metropolitan Police Department: 9:44 A.M.**

Sheriff Joseph Lombardo of the Las Vegas Metropolitan Police Department (Metro) presents recommendations on law enforcement and policing requirements to enhance public safety within the resort corridor. Metro currently has 1.8 police officers per 1,000 residents; the national average is 2.2. Sheriff Lombardo believes 2.0 officers per 1,000 residents would be an ideal number. There are currently 153 officers assigned to the Strip, averaging about 25 officers per shift. Sheriff Lombardo states Metro needs \$12 million to fund 82 additional officers to the Strip and Fremont Street, nine surveillance camera specialists and 20 surveillance cameras.

Mr. Jenkin asks how the committee can be assured that funding for additional Metro officers will be a long-term solution for tourism safety on the Strip. Sheriff Lombardo states an audit process may be implemented to monitor police staffing between the resort corridor and local neighborhoods.

Mayor Goodman stresses there needs to be a permanent system in place that will grow as the community and tourism grows. Any formula put in place for additional police officers needs to address the needs of the entire community as well as the resort corridor.

Ms. McMillan asks what Homeland Security funding can cover in regards to Metro. Sheriff Lombardo states those funds are very limited in use for human capital because they have to be applied for each year. Most of the Homeland Security funds are allocated toward equipment and software. Mayor Goodman states that additional federal funding, for security in southern Nevada, is an issue that is continually being raised by elected officials and staff.

Ms. McMillan asks what destinations such as Orlando do for security funding. Sheriff Lombardo states that much of the police staffing comes from corporate donations, with Disney World providing a substantial amount. He believes that each jurisdiction has its own unique way to fund police officers.

Commissioner Sisolak stresses that unless the property tax issue, directly affecting Metro's funding, is resolved there will be an insufficient amount of officers in the neighborhoods. Commissioner Sisolak states that, unless the money for additional officers on the Strip is sourced to an enterprise fund, it doesn't seem fair because the money should be used where it is generated.

Mr. Aguero presents an analysis of Metropolitan Police Department alternative funding sources. Mr. Aguero highlights that the initial cost for Sheriff Lombardo's proposed staffing plan is about \$13.8 million and has a recurring cost of \$12.0 million. Mr. Aguero believes that there are two viable funding options: an employee head tax and the sales and use tax. Also, an increase in room tax to fund the proposed stadium will generate approximately \$4 million per year for police funding within the waterfall revenue stream. The employee head tax would charge businesses, within the resort corridor, an annual flat fee per employee. The total amount an individual business pays would be capped each year. This would potentially generate anywhere from \$7.4 million to \$10.1 million per year.

Mr. Aguero explains that increasing the More Cops sales tax rate, currently 0.30 percent countywide would generate additional police funding. If the tax were to increase an additional 0.05 percent, it would generate approximately \$14.3 million in fiscal year 2017 and increase proportionately with taxable retail sales growth. A second option involves creating a sales tax district encompassing the Las Vegas Strip, downtown Las Vegas and adjoining areas. An additional sales tax rate would be applied to taxable retail sales within the district, with 100 percent of incremental revenue directed to police staffing within the district. Each 0.10 percent increase in the sales tax rate within the district would produce an estimated \$6.8 million to \$7.5 million in revenue.

Mayor Goodman asks if recreational marijuana tax would be a viable funding alternative. Sheriff Lombardo states Metro unsuccessfully attempted to procure funds from legalized marijuana taxes in the last legislative session Chairman Hill says that this can be reintroduced to legislature.

Commissioner Sisolak asks if a column would be added to the budget, report for the additional funding for the resort corridor, so the community can see the results of the funding. Mr. Richard Hoggan, Chief Financial Officer for Metro, states that for transparency purposes an additional fund would be created where the new revenue would be collected.

Commissioner Sisolak favors the special sales tax district proposed, but asks that the boundaries of the district expand to include some prominent casino and hotels.

Chairman Hill asks if any committee member is interested in implementing the employee head tax. The committee agrees to remove the employee head tax option, leaving the potential sales tax district and room tax rate increase options available for Metro funding. Mayor Goodman requests leaving recreational marijuana sales as a potential option pending legalization. Commissioner Sisolak states other committee members would like to see a sales tax increase countywide. Sheriff Lombardo says a countywide increase would not generate enough revenue to assign the additional requested officers to the resort corridor. Commissioner Sisolak notes that a countywide increase will not distribute officers proportionately to where those funds are being generated.

Chairman Hill asks if any special sales tax districts exist in Nevada and how they operate. Mr. Agüero states each county in Nevada has a single sales tax rate. He says Nevada is a member of the Streamlined Sales Tax Act, so Clark County may face opposition in the creation of a special tax district on the resort corridor.

Mr. Noonan asks how all entities would be included in the special tax district. Mr. Agüero states entities would be included in the tax district generally within geographical boundaries on a parcel-by-parcel basis.

Ms. McMillan asks if proposed property tax corrections could be modeled to show funding available for Metro. Chairman Hill states that analysis would be too difficult and time consuming. Commissioner Sisolak believes that if there were not property tax caps, then Metro would not have funding shortfalls.

Chairman Hill closes Agenda Item 6b.

**7. AUGUST 25<sup>TH</sup> MEETING PREVIEW: 11:13 A.M.**

Chairman Hill states the August 25<sup>th</sup> meeting will have the same agenda but may take place in at an alternate location.

Chairman Hill closes Agenda Item 7.

**8. COMMITTEE MEMBER COMMENTS: 11:15 A.M.**

There are no comments from the committee members.

Chairman Hill closes Agenda item 8.

**9. PUBLIC COMMENT: 11:15 A.M.**

Mr. James Nagourney states his concern that 35 percent of the stadium seats would be reserved for tourists.

Mr. Barnett Sturm cautions the committee's desire to fund public services with taxes. He says in times of economic crisis, tax revenues will decline and public service funding will fall short.

District 7 Assemblywoman Dina Neal asks how the executive order permits the committee to provide funding recommendations. Chairman Hill states the committee will provide funding recommendations to the governor, who may then relay those recommendations to the Legislature.

Mr. Ed Uehling states his concerns about police abuse of power.

Mr. Ken Evans, President of the Urban Chamber of Commerce, commends the committee for its work.

There are no more public comments. Chairman Hill closes Agenda Item 9.

**10.ADJOURNMENT: 11:28 A.M.**

**CHAIRMAN HILL OPENS AGENDA ITEM 10 FOR POSSIBLE ACTION. COMMISSIONER SISOLAK MAKES THE MOTION TO ADJOURN THE COMMITTEE MEETING. MR. MARKANTONIS SECONDS THE MOTION. THE MOTION PASSES UNANIMOUSLY.**



July 28, 2016

To: **SNTIC members, Hill, Jessup, Goodman, Sisolak, McMillan, Sinatra, Hornbuckle, Markantonis, Noonan, Sloan, Jenkin**

From: Ed Uehling

RE: Item: 6: opportunities for public benefits in exchange for \$750,000,000 Stadium and increased Police costs which the same public is expected to pay

As I have told this Committee, my friends and the New York Times, I am in favor of

- The expansion of the Convention Center (although a much larger expansion is needed)
- The Stadium
- Rail connections among the Airport, Strip, Downtown, UNLV, Medical School, and Convention Center
- A police department that doesn't set a societal standard of violence or kill a dozen citizens a year

I think there are alternative means of paying for these projects, including 1) saving first and then spending, 2) avoiding new taxes and borrowing, 3) demanding the proceeds of land sales from the Federal Government (after all, it is local business activity that gives Federal lands around Las Vegas 99.99% of their sale value!), 4) finding economies in local government, the cost/price of which likely ranks in the top 1% of the nation—in spite of our relatively low cost of living, 5) soliciting bids internationally for 100% of construction and operation costs or 6) focusing on meeting the needs and wants of the end consumers of the 4 projects (VERSUS paying off all the middle-men in Las Vegas' infamous "good ol' boy network", which results in massive and unnecessary costs).

Accepting the reality that other alternatives were not considered and the near certainty that the Legislature will approve stacking another billion-dollar burden on the politically weak, disorganized, already over-burdened and ever poorer citizenry and non-subsidized business community, I request that you allow minimal participation by the public, help CES and other conventions avoid limiting convention invitees, stimulate more public trust of public officials and save lives. These four things can happen by doing more to include the public:

- Allowing homeowners to host tourists and thus participate in our dynamic industry (BNB, etc)
- Removing all barriers and compensation limits against persons harmed by government/police actions. No person or institution allowed to investigate and/or judge itself can have long-term credibility or trust. The perception that public leaders are captives of special interests is not healthy for the society or the officials. Judgment should rest in the purview of juries, not friends in a back room. To quote one common government manta: "If you're not doing anything wrong, then you have nothing to worry about." And another, "If we just save one person's life, it is worth it." Not just one, but many lives will be spared by reinstating accountability.

Your four projects, these two suggested additions and the political back-drop in this particular year (2016) present golden opportunities for SNTIC to gain public support for its projects and simultaneously restore trust in public decision-makers. Everyone can win and benefit.