

Stadium Project Funding, Administration and Oversight

Stadium Recommendation Working Draft

EXPLANATION: Matter in *bolded italics* is new; matter between brackets ~~[omitted material]~~ is material to be removed.

OVERVIEW

SECTION 1 to **SECTION 25** of this bill establish a method to finance the acquisition, construction, lease, improvement, equipping, operation and maintenance of a National Football League (NFL) stadium project in a county whose population is 700,000 or more (currently Clark County). **SECTION 11** through **SECTION 19** create a stadium authority as a public body and establish its powers and authorities. **SECTION 20** creates a stadium district to finance an NFL stadium project or a collegiate stadium project in such a county and provides that the stadium district consists of all property that is located within the county that is within 25 miles of the center of the stadium project site. **SECTION 20** of this bill also provides for the imposition, collection and administration of a tax upon on all persons in the business of providing lodging in the stadium district at a specified rate of the gross receipts from the rental of transient lodging in the stadium district. **SECTION 21** and **SECTION 22** of this bill require the stadium authority for the county in which the stadium district is located to use the proceeds of the tax to pay all or part of the costs to acquire, construct, lease, improve, equip, operate or maintain an NFL stadium project within the stadium district. **SECTION 23** of this bill provides number of special conditions that the stadium authority must include in any agreements with the developer and operator of the NFL stadium project. **SECTION 24** of this bill requires the county in which the stadium district is located to issue general obligations of the county to defray the cost to acquire, construct, lease, improve, equip, operate or maintain an NFL stadium project, if an NFL franchise commits to relocate to the stadium district. **SECTION 25** defines exemptions from and applicability of certain Nevada Revised Statutes dealing with public works. **SECTION 26** transfers collected tax dollars, in the event an NFL franchise does not commit to locate or relocate to the stadium district or other conditions are not met, to a university within the stadium district where that university obtains a commitment of at least \$200,000,000 in funding for a collegiate stadium on its campus. If the conditions for the use of the proceeds of the tax for an NFL stadium project or a collegiate stadium project are not satisfied, **SECTION 26** then requires that the proceeds of the tax be distributed to the county fair and recreation board to pay debts incurred for capital facilities and that all stadium project-related tax increases sunset. **SECTION 27** defines an undertaking for the development of a collegiate stadium project to include the collegiate stadium itself and any supporting projects, improvements or facilities. **SECTION 28** to **SECTION 35** create a campus improvement authority as a public body and defines its powers and authorities. **SECTION 36** reduces the room lodging tax rate imposed by **SECTION 20** in the event the proceeds of the tax will be used to construct a collegiate stadium project as opposed to an NFL stadium project. **SECTION 37** through **SECTION 39** of this bill require the campus improvement authority for the county in which the stadium district is located to use the proceeds of the lodging tax to pay all or part of the costs to acquire, construct, lease, improve, equip, operate or maintain a collegiate stadium within the stadium district. **SECTION 40** of this bill requires the county in which the stadium district is located to issue general obligations of the county to defray the cost to acquire, construct, lease, improve, equip, operate or maintain a collegiate stadium if an NFL franchise does not commit to locate or relocate to the district and a university within the stadium district obtains a commitment of at least \$200,000,000 in private funding for a collegiate stadium on its campus. **SECTION 41** of this bill clarifies that no provision of this bill

This is a preliminary draft document.
It is intended for discussion purposes only.

9/8/2016 10:36 AM

shall infringe on rights and powers of university or its board of regents. **SECTION 42** establishes the terms of stadium authority board members. **SECTION 43** establishes the terms of campus improvement authority board members. **SECTION 44** provides a timeline for certain actions required by the NFL franchise, stadium developers and the stadium authority board. **SECTION 45** establishes effective dates for each section of the act.

LANGUAGE FOR CONSIDERATION

DEFINITIONS

SECTION 1. *As used in section 1 to 45, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 2 through 45 of this act have the meanings so ascribed to them in those sections.*

SECTION 2. *“Developer partner” means one or more private parties providing funds needed to construct the stadium project or providing all or a portion of funds needed to make capital improvements to the stadium project in the District. The developer partner, or its affiliate, may also be a part owner or owner of the Stadium Events Company.*

SECTION 3. *“Stadium district” means the district to finance a stadium project that is created by section 20 of this act.*

SECTION 4. *“NFL team” means the National Football League franchise that has committed to relocate to the District and utilize the stadium project for its home National Football League games and related activities. The NFL team, or its affiliate, may also be a part owner or owner of the Stadium Events Company and may be a developer partner.*

SECTION 5. *“Stadium authority” means the stadium authority for the county in which a district is located and is inclusive of its appointed board pursuant to this act.*

SECTION 6. *“Stadium Events Company” means the legal entity owned by and comprised of the NFL team, or its affiliate, and/or any other developer partner, or its affiliate, contributing equity to pay a portion of construction costs of the NFL stadium project. Stadium Events Company will lease the NFL stadium project pursuant to a long-term lease with the stadium authority. Stadium Events Company will be responsible for all stadium operating cost overruns.*

SECTION 7. *“NFL stadium project” means a domed stadium developed within the stadium district containing not less than 65,000 seats constructed by one or more developer partners in cooperation with an NFL team. The location, design, fit and finish of the NFL stadium project shall be consistent with first-class, premier National Football League facilities currently in operation or approved for construction by the National Football League.*

SECTION 8. *“Collegiate stadium project” means a stadium developed within the district containing not less than 40,000 seats constructed by a public university. The location, design, fit and finish of the stadium project shall be consistent with similar competitive facilities existing at universities in Power*

This is a preliminary draft document.
It is intended for discussion purposes only.

9/8/2016 10:36 AM

Commented [JA1]: Size of the Project. The developers would prefer that this language reads approximately 65,000 seats. The SNTIC indicated that this should be a defined standard. Based on discussions with the developer this was lowered to “not less than 60,000” to provide the necessary flexibility. They have subsequently requested that the “approximately 65,000” language be added.

Five athletic conferences within National Collegiate Athletic Association Division I Football Bowl Subdivision.

SECTION 9. *“Campus improvement authority” mean the improvement authority created by a university located within the stadium district and is inclusive of its appointed board pursuant to this act.*

SECTION 10. *“System” means the Nevada System of Higher Education.*

NFL STADIUM PROJECT

PART I | STADIUM AUTHORITY BOARD FORMATION, POWERS AND AUTHORITIES

SECTION 11. 1. *In each county whose population is 700,000 or more, there is hereby created a stadium authority consisting of seven members to be appointed as follows:*

- (a) Three members appointed by the Governor;*
- (b) Two members appointed by the board of county commissioners of the county in which the stadium district is located;*
- (c) Two members representing the public at-large shall be appointed by members of the stadium authority appointed pursuant to paragraphs (a) and (b), with consideration given to appointment recommendations made by the Stadium Events Company and the NFL Team.*

2. *The stadium authority constitutes:*

- (a) A body corporate and politic;*
- (b) A political subdivision of the county in which the stadium district is located; and*
- (c) A political subdivision of this State, the boundaries of which are coterminous with the boundaries of the stadium district.*

3. *A vacancy on the stadium authority occurs when a member:*

- (a) Dies or resigns; or*
- (b) Is removed, with or without cause, by the person or entity who appointed that member.*

4. *A vacancy on the stadium authority must be filled in the same manner as the original appointment pursuant to subsection 1.*

5. *A member of the stadium authority is not entitled to receive any compensation for serving as a member or officer of the stadium authority.*

6. *The members of the stadium authority are public officers for the purposes of chapter 281A of NRS.*

7. *All members of the stadium authority shall reside in the county in which the stadium district is created.*

8. *Stadium authority members appointed pursuant to subsection 1 shall be:*

- (a) Executives and/or directors of construction of active commercial hotel resort properties who have experience in design, engineering, cost estimating and construction;*
- (b) Professionals experienced in the financing of capital projects within the state of Nevada;*
- (c) Professionals experienced in the field of stadium, arena or event management; or*
- (d) Other private sector representatives with the education, experience and skills necessary to effectively execute the duties and responsibilities of to the stadium authority as set forth in this act.*

9. *No two members of the stadium authority shall be representatives of the same company.*

SECTION 12. 1. *The stadium authority shall appoint:*

**This is a preliminary draft document.
It is intended for discussion purposes only.**

9/8/2016 10:36 AM

Commented [JA2]: Qualifications for Stadium Authority Members. The request was made to provide guidance relative to the type of people who should be appointed to the stadium authority. Note that the language provided here is different than the language provided by the developers.

- (a) *One of its members as Chair;*
(b) *One of its members as Vice Chair; and*
(c) *A Secretary and a Treasurer, who may be members of the stadium authority and may be one person.*
(b) *The Vice Chair of the stadium authority shall serve as Chair when the position of Chair is vacant or when the Chair is absent from any meeting.*
(c) *The stadium authority shall meet regularly in the stadium district at such times and places as it designates. Special meetings may be held at the call of the Chair, upon notice to each member of the stadium authority, as often as the needs of the stadium authority require.*
(d) *Except as otherwise provided in subsection 5 of NRS 281A.420:*
(a) *Four of the members of the stadium authority constitute a quorum at any meeting of the stadium authority.*
(b) *The stadium authority may take action only by a motion or resolution adopted with the approval of at least four members of the stadium authority when a quorum is present, and only actions complying with this act may be taken by the stadium authority.*
(e) *The stadium authority constitutes a public body for the purposes of chapter 241 of NRS.*

Commented [JA3]: **Appointment of Stadium Authority Chair.**
The request was made to have the stadium authority appoint one of its members as the chair as opposed to having the Governor appoint one of its members as chair.

Commented [JA4]: **Stadium Authority Quorum.** The request was made by an SNTIC member to reduce the number of members required for a quorum to four from five.

SECTION 13. 1. The Secretary of the stadium authority shall keep:

- (a) *Audio recordings or transcripts of all meetings of the stadium authority;*
(b) *Minutes of all the meetings of the stadium authority;*
(c) *A record of all the proceedings and actions of the stadium authority;*
(d) *Any certificates issued or received by the stadium authority;*
(e) *Any contracts made by the stadium authority; and*
(f) *Any bonds required by the stadium authority from its employees.*
2. *Except as otherwise provided in NRS 241.035, the records and information required by subsection 1 must be open to inspection by any interested person at any reasonable time and place.*
3. *The Treasurer of the stadium authority shall keep, in permanent records, strict and accurate accounts of all money received by and disbursed for and on behalf of the stadium authority.*
4. *The Secretary and Treasurer of the stadium authority do not constitute a part of the staff of the stadium authority for the purposes of section 14 of this act.*
5. *The board of the stadium authority may direct staff of the stadium authority, retained pursuant to section 14, of this act to provide the services necessary for the Secretary and Treasurer to fulfill their respective duties as set forth in this section.*

SECTION 14. 1. The stadium authority may retain such staff as it determines to be necessary to conduct the activities of the stadium authority. The stadium authority may:

- (a) *Hire the members of its staff as employees;*
(b) *Contract with any governmental entity or other person to provide the persons to serve as its staff;*
or
(c) *Retain the members of its staff using any combination of the methods described in paragraphs (a) and (b).*
2. *The stadium authority shall specify:*
(a) *The powers and duties of the members of its staff; and*
(b) *The amount and basis of compensation for the members of its staff.*

SECTION 15. The stadium authority:

This is a preliminary draft document.
It is intended for discussion purposes only.

9/8/2016 10:36 AM

1. *May adopt a seal;*
2. *May adopt, and from time to time amend or repeal, as it determines to be necessary or desirable, appropriate bylaws, rules and regulations, not inconsistent with the provisions of section 14 to section 19 of this act, for carrying out its business and affairs; and*
3. *Shall create a stadium tax account, a stadium capital projects fund and a stadium authority operating account to carry out the provisions of this act.*

SECTION 16. 1. *In addition to the duties and powers granted to the stadium authority in sections 14 and 15, the stadium authority shall:*

- (a) In accordance with the facts, certify that the National Football League has authorized an NFL team to locate or relocate into the stadium district within the timeframe set forth by section 44 of this act.*
- (b) In accordance with the facts, certify that the NFL team identified in paragraph (a) has committed to locate or relocate into the stadium district within the timeframe set forth by section 44 of this act.*
- (c) In accordance with the facts, certify that the Stadium Events Company has been properly formed in this State. Certification of the Stadium Events Company shall include, but may not be limited to, a disclosure of all owners and operators of the Stadium Events Company.*
- (d) Identify and qualify the developer partners as a matter of public record.*

(1) Identification of the developer partners shall include, but may not be limited to, a disclosure of all participating entities.

(2) Qualification of the developer partners shall include, but may not be limited to, documented affiliation with the NFL team certified by the stadium authority pursuant to subparagraph (b) and a demonstrated ability to successfully construct the development project.

(e) Prior to approving a development agreement with developer partners, the stadium authority shall ensure that the developer partners have provided suitable financial security for the developer partners' funding obligations as a part of the NFL stadium project financing. This shall include, but may not be limited to, that the assurances required by subsections 4 through 6, inclusive, of section 24 of this act are provide in advance of the issuance of any bonds or other forms of indebtedness by the county on behalf of the stadium authority.

2. *After all certification and qualifications set forth in subsection 1 have been completed, the stadium authority shall negotiate and may approve a development agreement with the developer partners or the Stadium Events Company for the construction of an NFL stadium project. The development agreement may be combined with the lease to create a development and lease agreement as determined by the stadium authority.*

(a) The development agreement shall identify the site of the NFL stadium project.

(b) The development agreement shall set forth the overall design, scope and specifications of the undertaking.

(c) The development agreement shall set forth the sources of funding for the NFL stadium project in a manner consistent with the provisions of this act.

(d) The development agreement shall establish a process and criteria for periodic progress reporting by the developer partners to the stadium authority on the construction and development status of the NFL stadium project.

(e) The development agreement shall state that any and all construction and development cost overruns incurred in the construction and development of the NFL stadium project shall be the sole responsibility of the developer partners. The sole exception to this provision shall be any cost overruns caused by a design or other change mandated by the stadium authority or other governmental entity subsequent to the approval of the development agreement required by this section, excluding any

Commented [JA5]: Security of Developer Performance. The developers submit that the provided language is overreaching and out of market. They offer the following "reasonably satisfactory" standard as an alternative.

"(e) Enter into a development agreement with the developer partners which shall require that the developer partners provide a financing commitment reasonably satisfactory to the stadium authority for the developer partners' funding obligations as a part of the NFL stadium project financing prior to the issuance of any bonds or other forms of indebtedness by the stadium authority."

change subsequent to the development agreement required to comply with building codes, including without limitation, those relating to building safety.

(f) The development agreement shall comply with the provisions of section 23 of this act, independently and when combined with any other agreement entered into by the stadium authority.
(g) The development agreement may include other terms and conditions as deemed necessary and appropriate by the stadium authority board.

3. Once all certification and qualifications set forth in subparagraph 1 have been completed, the stadium authority shall negotiate and may approve a lease agreement, which may be combined with the development agreement to create a development and lease agreement, with the Stadium Events Company and/or an NFL Team or its affiliate.

(a) The lease agreement(s) shall set forth all of the requirements and responsibilities of the Stadium Events Company and/or NFL Team or its affiliate as the operator(s) of the NFL stadium project and empower such lessee the right to engage a stadium operations company to operate the NFL stadium on a day-to-day basis as determined by the lessee.

(b) The lease agreement(s) shall establish minimum standards for capital reinvestment and maintenance of the NFL stadium project, ensuring that the design and development standards set forth in this act are maintained or enhanced throughout the life of the lease agreement(s).

(c) The lease agreement(s) shall provide for the annual allocation of revenues and expenses consistent with this act.

(d) The lease agreement(s) shall state that all operating losses generated by the NFL stadium project or the Stadium Events Company shall be the sole responsibility of the Stadium Events Company the developer partners, and/or the NFL Team or its affiliate.

(e) Should a public university with a Division I football program exist within the stadium district, the lease agreement(s) shall provide for accommodation of a sufficient number of dates to host the university's regular and post-season home games at the NFL stadium project, with the express understanding that NFL events shall have absolute priority of use and the NFL team shall have priority in terms of the stadium, the playing surfaces and all related stadium assets.

(1) These dates shall be mutually agreed upon by the university and the Stadium Events Company and shall be approved by the stadium authority board, respecting the requirement set forth in paragraph (e) that such dates may not interfere with the NFL schedule.

(2) The stadium authority shall establish and include in the lease agreement(s) a reasonable rent for the university's use of the NFL stadium project.

(3) During these dates, the university shall be given access to the stadium, its facilities and its amenities commensurate with the access that a university in a Power Five athletic conference within the National Collegiate Athletic Association Division I Football Bowl Subdivision would otherwise have.

(4) The stadium authority shall have final discretion in any disputes relative to the provisions of paragraph (e) of subsection 3.

(f) The lease agreement(s) shall establish a process and criteria for periodic progress reporting by the Stadium Events Company to the stadium authority on the operations of the stadium and the revenues and expenditures and profitability of Stadium Events Company. This reporting shall be sufficient to ensure that the stadium is being properly maintained, operated in a manner consistent with this act and in the best interests of the State.

(g) The lease agreement(s) shall include the requirement that a lease or sublease with the NFL team certified in subsection 1 of this section, or its affiliate, shall be for a period of not less than 30 years.

(h) The lease agreement shall comply with the provisions of section 23 of this act, independently and when combined with any other agreement entered into by the stadium authority.

This is a preliminary draft document.
It is intended for discussion purposes only.

9/8/2016 10:36 AM

Commented [JA6]: Transferability Stadium Events Company.

The developer has requested that a provision be added to subsection 3, which governs the contents of the lease between the stadium authority and the Stadium Events Company, effectively allowing the lease to be transferable in whole or in part to a third party.

Commented [JA7]: Allocation of Revenues and Expenses. The developers feel that this is too broad and would like to see this provision be removed.

Commented [JA8]: UNLV's Use of the Stadium. The developers expressed concern that this section does not provide them enough protection relative to scheduling for the stadium outside of NFL games.

Additionally, the developers object to the stadium authority having final discretion relative to scheduling and access disputes as they relate to UNLV's use of the NFL stadium project.

Note that UNLV also provided comments relative to this section indicating concern over their relative position and use of the NFL stadium project. UNLV recommends the following revisions paragraph (e):

(e) Should a public university with a Division I football program exist within the stadium district, the lease agreement(s) shall provide for the stadium providing a true "home field" for their football team, consistent with what would be expected of a Power Five athletic conference within the NCAA. This would include accommodation of a sufficient number of dates to host the university's regular and post-season home games at the NFL stadium project, with the express understanding that NFL events shall have absolute priority of use and the NFL team shall have priority in terms of the stadium, the playing surfaces and all related stadium assets.

(1) These dates shall be mutually agreed upon by the university and the Stadium Events Company and shall be approved by the stadium authority board, respecting the requirement set forth in paragraph (e) that such dates may not interfere with the NFL schedule.

(2) The stadium authority shall establish and include in the lease agreement(s) a reasonable way to recover actual costs for the university's use of the NFL stadium project.

(3) During these dates, the university shall be given access to the stadium, its facilities and its amenities commensurate with the access that a university in a Power Five athletic conference within the National Collegiate Athletic Association Division I Football Bowl Subdivision would otherwise have for their "home field" for football games.

Note also that UNLV indicated that while they why the NFL would require priority, language that would provide special events priority would "be a major problem."

Commented [JA9]: Audit and Confidentiality. Note that there is general agreement that the Stadium Events Company will be subject to an annual audit and the traditional and customary confidentiality provisions will be added. This section has yet to be redrafted to reflect these changes.

(i) The lease agreement may include other terms and conditions as deemed necessary and appropriate by the stadium authority board.

4. In furtherance of the specific duties and responsibilities of the stadium authority as set forth in subsections 1 through 3 of this section, the stadium authority may:

(a) Enter into any contracts and other agreements with any person or other entity.

(b) Sue and be sued.

(c) Acquire by purchase, lease, gift, devise, condemnation or otherwise and own, in its own name, all necessary right, title, and interest in and to land and the improvements upon that land as well as any associated air rights and personal property.

(d) Proceed with any undertaking and enter into any contracts or other agreements that the stadium authority determines to be necessary or desirable.

(e) Enter into a lease, ground lease, sublease or management agreement with any party.

(f) Receive any public and private resources necessary to fund, finance and develop the undertaking.

(g) Receive audits and other performance measurements as may be required to ensure that the stadium operations are consistent with the intent of this act. This may include an audit of the lessee(s), but shall not include in any event any right to audit the business of the NFL team generally or the business of any of the developer partners generally.

(h) Consider and approve or disapprove an annual capital improvement budget submitted by the lessee(s) and approve or disapprove specific requests for capital improvements made by the lessee(s) or the NFL team.

(i) Perform any other acts that may be necessary, convenient, desirable or appropriate to carry out the powers and duties of the stadium authority.

SECTION 17. 1. The stadium authority shall retain the sole and exclusive right to enter into agreements to provide for the sale, license or transfer of personal seat licenses, stadium builders' licenses or other similar instruments for any and all seats in the NFL stadium project to generate revenues used for construction of the NFL stadium project.

2. The stadium authority may not grant any other person the right to enter into such agreements, but it may in its contract with the developer partners, agree that any agreements regarding seat licenses will be made only in consultation with the developer partners, or if applicable, the Stadium Events Company and the NFL team. Such personal seat licenses or similar instruments may contain priority purchase rights to ticketed events in the NFL stadium project, including the NFL team's home games.

3. Proceeds from the sale of such personal seat licenses or similar instruments shall be collected by or on behalf of the stadium authority for the benefit of the NFL stadium project and are a payment by purchasers to the owner of the NFL stadium project for special rights of access to events at the NFL stadium project.

4. The stadium authority may contract with, or appoint as its sales agent, a third party sales agency, subject to the approval of the NFL team, or an affiliate of the NFL team, for the sale of such licenses or similar instruments. The lessees and sublessees of the NFL stadium project shall agree to honor the rights granted by the stadium authority to purchasers of these personal seat licenses or similar instruments.

SECTION 18. 1. The stadium authority and any person to whom the stadium authority delegates any of its powers or duties shall not:

(a) Expend or authorize the expenditure of more than \$1,000,000 from the stadium tax account unless the stadium authority has entered into a development agreement pursuant to subsection 2 of section

Commented [JA10]: Programming and Management of the Stadium. The developers would like this provision to be modified to restrict any interference by the stadium authority in the day-to-day operations of the stadium including "no restrictions on programming." The developers' proposed language is provided below.

(f) The lease agreement may include other terms and conditions as deemed necessary and appropriate by the stadium authority board, however the lease agreement(s) must generally provide that the Stadium Events Company and/or the NFL Team shall have full operational control of the NFL stadium project and nothing in such lease(s) may interfere with the discretion to operate the NFL stadium project, including but not limited to not restricting programming or events that may be held in the stadium in any way.

Commented [JA11]: Audit and Confidentiality. Cross reference also needs to be included here.

Commented [JA12]: Treatment of PSLs. The developers have offered the following language relative to the treatment of the PSLs. This would appear to simply allow the stadium authority to sell the PSLs in bulk to a third party who would then resell the individual PSLs to businesses/consumers. This language is pending review by counsel.

"Stadium authority shall have the power to enter into one or more agreements with third parties pursuant to which it sells to each such third party the right to receive and own the proceeds from the sale, license or transfer of personal seat licenses, stadium builders' licenses, or other similar instruments as described in subsection 1, for cash and such other consideration as it deems appropriate to be paid upon sale or over time. **Any financing or similar transaction by any such third party to affect such sale shall not be deemed a debt of the stadium authority for any purpose.**"

16, a lease agreement(s) subsection 3 of section 16 of this act, or a combined development and lease agreement.

(b) Proceed with any undertaking or issue any securities to defray in whole or in part any cost of any undertaking unless the stadium authority has entered into a development agreement pursuant to subsection 2 of section 16, a lease agreement(s) pursuant to subsection 3 of section 16 of this act, or a combined development and lease agreement.

SECTION 19. 1. The stadium authority shall dissolve and wind down its affairs in the event that:

(a) The stadium authority is unable to certify that an NFL team has committed to locate or relocate to the stadium district as required by subparagraphs (a) and (b) of subsection 1 of section 16 of this act;

(b) The stadium authority is unable to certify that the Stadium Events Company has been properly formed pursuant to subparagraph (c) of subsection 1 of section 16 of this act;

(c) The stadium authority does not approve a development agreement with the developer partners within 18 months of creation of the stadium district pursuant to section 11 of this act, such agreement may be combined with the lease;

(d) The stadium authority does not approve a lease agreement with the Stadium Events Company and/or an NFL Team or its affiliate within 18 months of creation of the stadium district pursuant to section 11 of this act, such agreement may be combined with the development agreement; or

(e) Seven of the stadium authority board members vote to dissolve the stadium authority, and the stadium authority has no outstanding financial obligations.

2. If any of the conditions of subsection 1 are met:

(a) The stadium authority shall have 60 days to dissolve and wind down its affairs.

(b) The Chair of the stadium authority shall provide notice to the office of the Governor of that the stadium authority intends to dissolve and wind down its affairs.

(c) The Chair of the stadium authority shall provide notice to the presidents of all public universities within the stadium district that the stadium authority intends to dissolve and wind down its affairs.

3. All funds remaining in the stadium tax account, stadium capital fund and stadium authority operating accounts shall be transferred to the campus improvement district collegiate stadium tax account created pursuant to subsection 3 of section 37 of this act.

NFL STADIUM PROJECT

PART II | CREATION OF A STADIUM DISTRICT AND IMPOSITION OF ROOM TAX

SECTION 20. 1. In each county whose population is 700,000 or more, the board of county commissioners shall, by ordinance, create a stadium district to finance an NFL stadium project or a collegiate stadium project. The stadium district consists of all property that is within the county and that is located within a radius of 25 miles from location where the board of county commissioners have their regular meetings.

2. Once a stadium district is created, the board of county commissioners shall impose upon all persons in the business of providing lodging in the district a tax at the rate of:

(a) Eighty-eight one-hundredths of one percent of the gross receipts from the rental of transient lodging in the primary gaming corridor within the stadium district.

(b) One-half of one percent of the gross receipts from the rental of transient lodging in areas within the district but outside of the primary gaming corridor within the stadium district.

Commented [JA13]: Location Reference for the Stadium district. Note that the location reference has been changed from the location or proposed location of the NFL stadium project as the district may be created prior to the identification of the stadium site.

3. *The tax imposed by subsection 2 may be shown as an addition to the charge for the rental of transient lodging. The person providing the transient lodging is liable to the county in which the stadium district is located for the tax whether or not it is actually collected from a paying guest.*
4. *The taxes imposed by subsection 2 must:*
 - (a) *Be in addition to all other taxes imposed on the revenue from the rental of transient lodging in the county or city;*
 - (b) *Be collected and enforced in the same manner as any other tax imposed in the county or city on the gross receipts from the rental of transient lodging; and*
 - (c) *Be distributed to the stadium authority, which shall use the proceeds of the taxes in the manner set forth in section 21 of this act.*
 - (d) *Be imposed and collected in each incorporated city in the county in addition to being imposed in the portion of the district which is not in an incorporated city.*
5. *The tax imposed in subsection 2 of this act shall be effective on the first day of the month that is not less than 3 nor more than 4 months after the adoption of the ordinance imposing the tax.*
6. *The provisions of NRS 237.030 through 237.150 shall not apply to the adoption of any ordinance creating a stadium district or imposing a tax under this section or any amendment thereof or any other action of the board of county commissioners relating thereto.*
7. *Any parcel of land, building or other structure which is partially within a district created under this section or the primary gaming corridor described in paragraph (a) of section 10 shall be treated as being wholly within the applicable district or corridor for the purposes of the tax imposed by this section.*
8. *Taxes imposed by this section shall reduce pursuant to subsection 9 shall sunset:*
 - (a) *After thirty-three years; or*
 - (b) *At such time as bonds or other securities outstanding to which the receipts of that tax are pledged have been paid in full and the lease with Stadium Events Company, and/or NFL Team or its affiliate has expired and not been renewed,*
Whichever occurs first.
9. *Upon full payment of the bonds or other securities to which the receipts the taxes imposed by this section are pledged, the tax rate defined in paragraph (a) of subsection (2) shall be reduced to a level determined by the board of county commissioners to be sufficient for the stadium authority to meet its recurring obligations.*
10. *As used in this section:*
 - (a) *“Primary gaming corridor” shall be defined as the geographic area comprising the submarket with the greatest amount of gross gaming revenue within the stadium district as reported in the latest edition of the Nevada Gaming Control Board Gaming Abstract. Gaming and non-gaming businesses that exist within the primary gaming corridor and collect taxes imposed on the rental of transient lodging shall be subject to the taxes imposed by subsection 2 whether or not they are included in the Nevada Gaming Control Board Gaming Abstract.*
 - (b) *“Gross receipts from the rental of transient lodging” does not include the tax imposed or collected from paying guests pursuant to this section.*

Commented [JA14]: **Sunset of the Room Tax.** The room tax will need to continue at a reduced level once the bonds are paid off such that the stadium authority can remain a going concern.

NFL STADIUM PROJECT
PART III | STADIUM AUTHORITY USE OF FUNDS

SECTION 21. 1. *The stadium authority shall create a stadium tax account and deposit into such account any proceeds of the taxes imposed by subsection 2 of section 20 of this act received by the stadium authority.*

2. Except as otherwise provided in subsection 3 or 4, before the issuance of any securities pursuant to section 24 of this act, the stadium authority shall use the proceeds of the taxes imposed by subsection 2 of section 20 of this act and any applicable penalty or interest solely to pay all or part of the cost to acquire, construct, lease, improve, equip, operate and maintain within the boundaries of the district an NFL stadium project or to establish a bond reserve fund and other reserves to secure any bonds or other securities issued pursuant to section 24 of this act, or any combination thereof, as directed by the stadium authority.

3. Except as otherwise provided in subsection 4, the stadium authority shall not expend any of the proceeds of the taxes imposed by subsection 2 of section 20 of this act to pay any costs to acquire, construct, lease, improve, equip, operate or maintain an NFL stadium project unless all of the requirements of section 13 of this act have been met.

4. The stadium authority may expend up to \$1,000,000 from the stadium tax account to execute its duties as set forth in sections 13 through 19 of this act prior to the issuance of bonds or other securities pursuant to section 24 of this act. After the issuance of bonds or other securities pursuant to section 24, stadium authority expenditures shall be governed by section 22 of this act.

SECTION 22. 1. *After bonds or other securities are issued under Section 24 of this act, the stadium authority shall use the proceeds of the tax imposed under subsection 2 of section 20 of this act, and any penalties or interest only for the following:*

(a) Payment of amounts needed to pay principal, interest or other costs due in that year in connection with any bonds or other securities issued to finance or refinance the stadium, including any reserve funds created to secure the payment of such bonds, and including any past due amounts from any prior years;

(b) Payment of the administrative costs of the stadium authority of not more than \$2,000,000 per year;

(c) Contributions to the police department in the stadium district to support enhanced police protective services within one or more primary gaming corridor within the district of \$4,000,000 per year;

(d) Payments to a public university in the event that the university operated a stadium in the district prior to the construction of the NFL stadium project to mitigate demonstrated losses to that university as a result of the operations of the NFL stadium project of not more than \$3,500,000 per year, but only to the extent the university can demonstrate that such losses have not been offset by increases in net revenue related to playing its home football games in the new stadium, and in no case for more than 10 years;

(e) Creation of and contributions to a debt service reserve fund in an amount of \$9,000,000 per year for a minimum of 5 years or until \$45,000,000 in debt service reserves has been accumulated. Such reserves will be available to fund stadium authority debt service in the event that there is a revenue shortfall in any future year. Once the bonds have been repaid, the reserve will be transferred to the stadium capital improvement fund;

Commented [JA15]: Debt Limit/Public Funding Shortfalls. In the event that the increase in room tax is not sufficient to fund the public contribution of \$750M, the developer would like a provision that requires that any shortfall will be repaid to the developer out of the bond coverage waterfall. The developer request that this payment include both principal and reasonable interest. The developers provided the following language:

"(a) In the event that proceeds generated from tax revenues defined in section 20 and bonds or other securities to which the receipts of that tax are pledged generate less than \$750,000,000 for the stadium authority's contribution to the construction of the stadium project and Stadium Events Company funds the difference, a payment to Stadium Events Company for the difference plus interest based on a payment schedule agreed to by the stadium authority in the development agreement or lease."

Commented [JA16]: UNLV Payment from the Waterfall. The UNLV payment has been moved above the debt service reserve fund. The developers believe it may be more appropriately located below the debt service reserve fund.

UNLV proposes that they be moved up in the waterfall noting losses due to the opening of the new stadium and uncertainty of future events relating to the success of the football program.

Commented [JA17]: Debt Service Reserve Fund Declining as Coverage Increases. The SNTIC would like to see the debt service reserve fund decline as the coverage ratio of the bonds gets larger. This would free up funds over time as opposed to locking them up in a fund that would, at that point in time, be unnecessary. The proposed schedule is as follows:

- a. Less than 2.0x, \$9M per year to \$45 million
- b. 2.0x to 2.5x, \$5M per year to \$25 million
- c. 2.6x to 3.0x, \$1.0M per year to \$10 million
- d. Above 3.0x, no debt service reserve fund required

This remains an unsettled issue.

- (f) Upon completion of the NFL stadium project, Creation and contribution to a stadium capital improvement fund in an amount of at least \$5,000,000 per year.
- (g) All remaining amounts shall be contributed to the creation and maintenance of a fund to provide early debt retirement, additional capital improvements to the stadium in an amount determined by the stadium authority, and to fund any required infrastructure on or around the site of the NFL stadium project.
2. Allocations of funds available after all bond and other current debt obligations of the stadium authority are paid shall be at sole discretion of the stadium authority but those expenditures shall be restricted to those items set forth in paragraphs (b), (f) and (g) of subsection 1.
3. Not-to-exceed and minimum payment amounts set forth in paragraphs (b), (c) and (f) of subsection 1 shall be adjusted annually by the percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average (All Items), published by the United States Department of Labor, between the effective date of this act and July 1 of each subsequent fiscal year.

NFL STADIUM PROJECT
PART IV | SPECIAL PROVISIONS ON THE FUNDING, FINANCING
AND ALLOCATION OF AVAILABLE FUNDS SOURCED TO THE STADIUM PROJECT

- SECTION 23.** 1. Any development agreement entered into pursuant to subsection 2 of section 16 of this act, any lease agreement(s) entered into pursuant to subsection 3 of section 16 of this act and any and all other agreements of any kind entered into between the stadium authority and one or more developer partners, NFL team, or any affiliate, subsidiary or related entity of a developer partner or NFL team, shall include the following:
- (a) The stadium authority's contribution to the construction cost of the NFL stadium project shall not:
- (1) Exceed \$750,000,000 exclusive of the proceeds realized from the sale of personal seat licenses or similar instruments and from other NFL stadium project assets sold by or on behalf of the stadium authority, which proceeds shall be used to pay costs of construction of the NFL stadium project and any capital improvements thereto; or
 - (2) The maximum amount that can be raised from the issuance of bonds issued pursuant to section 24 of this act, secured by revenues generated by the tax imposed in subsection 2 of section 16 of this act, whichever is less.
- (b) The total debt undertaken by the county on behalf of the stadium authority shall not, at any given point in time, exceed the stadium authority's contribution limits set forth in paragraph (a) of subsection 1.
- (c) The stadium authority's contribution to the construction and development cost of the NFL stadium project shall not exceed 39 percent of the total cost of the stadium project.
- (1) The following shall be included in determining the total cost of the NFL stadium project:
- (I) All design, development, and construction costs related to the NFL stadium project;
 - (II) Land costs;
 - (III) All infrastructure costs on and around the NFL stadium project site paid funded through the capital contributions made by the developer partners and/or the stadium authority;
 - (IV) NFL practice facility costs, regardless of whether such facility is constructed in the same site as the stadium project, up to \$100,000,000; and
 - (V) Other soft costs related to the stadium project.

Commented [JA18]: Exemption from New Taxes. Note that the developers would like to have a section exempting the stadium project, the NFL team and NFL events from any new or additional taxes that are specific to the NFL team or NFL events. In providing this protection, they would like a reimbursement of any new or additional industry specific taxes from the debt coverage waterfall as follows:

"(h) A reimbursement to the NFL team in the amount of any taxes paid by the NFL team for any tax levied by any state, local or municipal tax on the NFL stadium project, NFL events or NFL event related revenues (including but not limited to any ticket tax) that are passed or imposed subsequent to the approval of this act."

Commented [JA19]: Debt Limit/Public Funding Shortfalls. In the event that the increase in room tax is not sufficient to fund the public contribution of \$750M, the developers would like a provision that required that any shortfall will be repaid to the developer out of the bond coverage waterfall. The developer request that this payment include both principal and reasonable interest.

Commented [JA20]: Maximum Public Contribution. The developers object to the use of maximum public contribution percentage and indicate that the standard should be one requiring them to build a stadium that meets NFL stadium standards. The developers indicated that the cost of the project could be lower than the amount presented during the August 25, 2016, SNTIC meeting, and therefore, a higher public share percentage could result.

Commented [JA21]: Calculation of Total Costs. The developers want to ensure that everything that is included in the \$1.9 billion cost reviewed with the SNTIC is included as the cost of construction and development. This issue remains unsettled.

NOTE: Should the percentage concept be removed, there is need to detail the costs that would be included.

(2) Stadium authority's contribution to the construction and development cost of the NFL stadium project shall be exclusive of the proceeds realized from the sale of personal seat licenses or similar instruments and from other NFL stadium project assets sold by or on behalf of the stadium authority, which proceeds shall be used to pay costs of construction of the NFL stadium project and any capital improvements thereto.

(d) The stadium authority's contribution to the construction and development cost of the NFL stadium project shall be proportional in terms of amount, contemporaneous in terms of timing and similar in terms of risk profile to the developer partners' contribution to the construction and development costs of the NFL stadium project.

(e) The developer partners shall be entitled to receive a preferred return of not more than X% annually on the amount of their capital contribution to the NFL stadium project.

(1) The amount upon which the preferred return shall be calculated shall not exceed \$650,000,000.

(2) Operating losses, construction cost overruns or any other losses incurred by the developer partners or the NFL team shall not be added to or otherwise adjust the basis upon which the preferred returns described in paragraph (e) of subsection 1, or any other payments to the developer partners or the NFL team, are calculated.

(f) The preferred return as set forth in paragraph (e) of subsection 1 shall be paid annually out of the net operating income of the Stadium Events Company. The net operating income shall be the difference between normal operating revenues and normal operating expenditures of the Stadium Events Company. Notwithstanding any other provision of this section, the revenues of Stadium Events Company shall include only those NFL event revenues that the NFL team as agreed will be paid to the Stadium Events Company and in no event shall any other distribution of NFL team or NFL event revenues be otherwise included in this calculation.

(g) Should any net operating income of the Stadium Event Company remain after the payment of the preferred return made to the developer partners pursuant to paragraph (e) of subsection 1, the residual amount shall be distributed equally between the developer partners and a stadium capital construction improvement fund.

(h) Any return to the developer partners in excess of the preferred return set forth in paragraph (e) shall be considered return of capital and shall lower the developer partners' basis used to calculate preferred returns in later years.

(i) No payments of any kind shall be due to the developer partners or the NFL team after the term of the master lease agreement(s) set forth in subsection 3 of section 16 of this act expires.

NFL STADIUM PROJECT

PART V | ISSUANCE OF STADIUM PROJECT CONSTRUCTION BONDS

SECTION 24. 1. If:

(a) All certifications and other requirements of subsection 1 of section 16 have been met; and the stadium authority determines that the proceeds of the taxes imposed by subsection 2 of section 20 of this act are sufficient to establish a debt service coverage ratio of at least 1.5x on securities issued, to defray in whole or in part the cost to acquire, construct, lease, improve, equip, operate and maintain an NFL stadium project, the board of county commissioners in which the stadium district is located, at the request of the stadium authority, shall issue general obligations of the county in an amount not to exceed \$750,000,000 additionally payable from and secured by all or any portion of the proceeds of the taxes imposed by subsection 2 of section 20 of this act.

This is a preliminary draft document.
It is intended for discussion purposes only.

9/8/2016 10:36 AM

Commented [JA22]: **Net Income Distribution After Preferred Return.** The developers summarily object to any allocation of net operating income other than directly to the developer as a return on their investment, irrespective of the net income earned or the actual level of investment.

2. The securities authorized by this subsection must be issued pursuant to the Local Government Securities Law.

3. The proceeds of any bonds issued pursuant to this subsection, after payment of the costs of issuing those bonds, and making provision for any required reserves, must be allocated to the stadium authority to be used for the NFL stadium project.

4. The board of county commissioners shall not issue the bonds authorized by paragraph (a) of subsection 1:

(a) Unless an agreement between the stadium authority and the developer partners, including provisions that provide adequate assurances that the NFL stadium project, as approved, will be completed as required by section 13 of this act. Such assurances must provide security to the county and the stadium authority that there will be adequate funds:

(1) To pay the portion of the estimated cost of the project that is to be paid from sources other than the county bonds issued pursuant to this act; and

(2) To provide a contingency amount of ten percent of the estimated cost of the project or such higher percentage as is determined to be adequate by the stadium authority.

(b) Security provided guarantees timely performance of the construction of the project, if so required in the agreement between the stadium authority and the developer partners.

(c) Aggregate security provided is equal to the portion of the cost to be paid from sources other than the county bonds plus the contingency amount determined by the stadium authority as set forth in paragraph (a)(2), and must be in the form of one or more of the following, provided that in the case of security other than an irrevocable deposit of cash into an escrow held in trust by a commercial bank with trust powers that cannot be used for any purpose other than the payment of project costs, the entity obligated under the security instrument must be rated "A" or better by Moody's or Standard and Poor's or have an equivalent rating from another rating agency that provides ratings on security of the type being provided:

(1) A personal guarantee from the principals of the development partner or development partnership;

(2) A cash deposit made into an escrow account by the development partner;

(3) An irrevocable letter of credit provided by the development partner; and

(4) A performance or completion bond provided by the development partner.

(d) A finding by a vote of the board of county commissioners that the prerequisite for issuing the bonds described in this subsection has been met, absent fraud, shall be conclusive.

5. In the event that the board of county commissioners has issued the bonds pursuant to this section, and the developer partners fail to perform by either withdrawing from their obligation to complete the project or by any other circumstance that would result from the developer partners not committing all funds as required by their agreement with the stadium authority, the stadium authority shall have the right to act upon any letters of credit, completion and performance bonds, cash deposits made to a project escrow account, personal guarantees or other forms of security agreed to as required by this section and included as part of any agreement or lease created pursuant to section 16 of this act.

6. In addition to acting upon the agreed upon security as set forth in subsection 5, there is hereby imposed an additional liquidated damages penalty of not less than \$50,000,000 upon the developer partner to compensate for any delays and cost increases that may result from the developer partners' failure to fulfill their obligation to fully perform.

Commented [JA23]: Exemption from New Taxes. Note that the developers would like to have a section exempting the stadium project, the NFL team and NFL events from any new or additional taxes that are specific to the NFL team or NFL events.

Commented [JA24]: Security of Developer Performance. The SNTIC would seek to ensure that there is sufficient security that the developer will perform as required and cannot unilaterally back out of the deal. This remains an unsettled issue. The developers submit that this is overreaching and out of market. They offer, as an alternative, the a "reasonably satisfactory" standard for the developer and guarantees provided by the contractor, set forth as follows:

"4. The board of county commissioners shall not issue the bonds authorized by paragraph (a) of subsection 1:
(a) Unless the developer partners provide a financing commitment reasonably satisfactory to the stadium authority sufficient to pay the portion of the estimated cost of the NFL stadium project that is to be paid from sources other than the county bonds issued pursuant to this act.
(b) Unless the construction contract for the NFL stadium project is a guaranteed maximum price contract with a contingency amount of ten percent of the estimated hard costs of the project or such lesser percentage as is determined to be adequate by the stadium authority.
(c) Unless the security provided by the contractor to guaranty timely performance of the construction of the project and liquidated damages related thereto, is determined to be adequate by the stadium authority."

This is pending review and approval by Clark County, as they would be the entity responsible for issuing these bonds.

NFL STADIUM PROJECT
PART VI | APPLICABILITY OF STATE PUBLIC WORKS PROVISIONS

SECTION 25. 1. *Except as otherwise provided in this act and notwithstanding any other provision of law to the contrary:*

(a) Any contract, lease, sublease, lease-purchase agreement, management agreement or other agreement entered into pursuant to this act by the stadium authority, the developer partners or any related entity relating to the NFL stadium project financed in whole or in part pursuant to this act, and any contract, lease, sublease, lease-purchase agreement, management agreement or other agreement that provides for the design, acquisition, construction, improvement, repair, demolition, reconstruction, equipment, financing, promotion, leasing, subleasing, management, operation or maintenance of such an undertaking or any portion thereof, or the provision of materials or services for such an undertaking are exempt from any law:

(1) Requiring competitive bidding or otherwise specifying procedures for the award of agreements of a type described in this paragraph;

(2) Specifying procedures for the procurement of goods or services; or

(3) Limiting the term of any agreements of a type described in this paragraph.

(b) The provisions of chapter 341 of NRS do not apply to any undertaking financed in whole or in part pursuant to this act or to any agreement of a type described in paragraph (a).

(c) The provisions of chapter 338 of NRS do not apply to any undertaking financed in whole or in part pursuant to this act or to any agreement of a type described in paragraph (a), except that:

(1) The provisions of NRS 338.013 to 338.090, inclusive, apply to any construction work to be performed under any contract or other agreement pertaining to such an undertaking even if the estimated cost of the construction work is not greater than \$100,000 or the construction work does not qualify as a public work, as defined in subsection 16 of NRS 338.010;

(2) Any person or entity that executes one or more contracts or agreements for the actual construction, alteration, repair or remodeling of such an undertaking shall include in such a contract or agreement the contractual provisions and stipulations that are required to be included in a contract for a public work pursuant to the provisions of NRS 338.013 to 338.090, inclusive; and

(3) The stadium authority, any contractor who is awarded a contract or enters into an agreement to perform the construction, alteration, repair or remodeling of such an undertaking and any subcontractor on the undertaking shall comply with the provisions of NRS 338.013 to 338.090, inclusive, in the same manner as if the county had undertaken the project or had awarded the contract.

2. *The stadium authority and any prime contractor, construction manager or project manager selected by the stadium authority shall competitively bid all subcontracts involving construction which the stadium authority determines can be competitively bid without affecting the quality of the project. Any determination by the stadium authority that such a subcontract can or cannot be competitively bid without affecting the quality of the project is conclusive in the absence of fraud or a gross abuse of discretion. The stadium authority shall establish one or more procedures for competitive bidding which:*

(a) Must prohibit bidders from engaging in bid-shopping;

(b) Must not permit subcontractors to avoid or circumvent the provisions of paragraph (c) of subsection 1; and

(c) Must provide a preference for Nevada subcontractors in a manner that is similar to, and with a preference that is equivalent to, the preference provided in NRS 338.1389.

**This is a preliminary draft document.
It is intended for discussion purposes only.**

9/8/2016 10:36 AM

3. Any determination by the regarding the establishment of one or more procedures for competitive bidding, and any determination by the developer partner or its prime contractor, construction manager or project manager regarding the award of a contract to any bidder is conclusive in the absence of fraud or a gross abuse of discretion.

4. For purposes of this section, "undertaking" refers to an NFL stadium project as defined in section 7 of this act.

TRANSITION: TRANSFERRING UNUSED REVENUES FROM THE NFL STADIUM PROJECT TO COLLEGIATE STADIUM PROJECT TO FAIR AND RECREATION BOARD

SECTION 26. 1. In the event that the requirements of section 16 of this act are not met, and an NFL stadium project is not constructed:

(a) After having received notice of this fact pursuant to paragraph (c) subsection 2 of section 19 of this act that an NFL stadium project will not be constructed, a university in the district shall have 90 days to notify the Governor and the director of Legislative Counsel Bureau of the university's intent to construct a collegiate stadium project with the district.

(b) That university will have 24 months from the date the president of the university receives the notice pursuant to paragraph (c) subsection 2 of section 19 of this act to secure a commitment of at least \$200,000,000 in private funding, including without limitation revenues sourced to the collegiate stadium itself, for the acquisition, construction, lease, improvement, equipment, operation or maintenance of a collegiate stadium within the boundaries of the district.

2. If the funding commitment required by paragraph (b) of subsection 1 are met within the established timeframe, the campus improvement authority may use the remaining proceeds of the taxes imposed by subsection 2 of section 20 of this act and the proceeds of the tax imposed by subsection 1 of section 36 of this act to acquire, construct, lease, improve, equip, operate or maintain a collegiate stadium project within the boundaries of the stadium district, and to pay for any bonds or other securities issued for that purpose, including refunding securities.

3. If, within the period prescribed by paragraph (b) of subsection 1, no university within the boundaries of the stadium district has raised the required private funding, the remaining taxes imposed by subsection 2 of section 20 of this act and the taxes imposed by subsection 1 of section 36 of this act shall be distributed to the county fair and recreation board for the payment of outstanding securities issued to finance the renovation and expansion of its facilities located with the stadium district.

4. The board of county commissioners shall, within 60 days of funds being transferred to the county fair and recreation board pursuant to subsection 2, sunset any taxes imposed by subsection 2 of section 20 of this act and the taxes imposed by subsection 1 of section 36 of this act.

COLLEGIATE STADIUM PROJECT
ADDITIONAL, SECTION-SPECIFIC DEFINITION

SECTION 27. For purposes of sections 28 through 39 of this act, "undertaking" means any enterprise to acquire, construct, improve, equip, operate or maintain, or any combination thereof, a collegiate stadium project and such other projects, improvements or facilities related to the development of a collegiate stadium deemed necessary or desirable by the campus improvement authority.

COLLEGIATE STADIUM PROJECT

PART I | CAMPUS IMPROVEMENT BOARD FORMATION, POWERS AND AUTHORITIES

SECTION 28. 1. *Upon receiving notice that stadium authority intends to dissolve and wind down its affairs pursuant to paragraph (c) of subsection 2 of section 19 of this act, the president of a public university within the stadium district may create a campus improvement authority.*

(a) The campus improvement authority shall be comprised of nine members appointed as follows:

(1) Four members appointed by the university's board of regents.

(1) One of these members must be either a member of the university's board of regents or an officer of the university and the remainder must be members of the university's board of regents.

(2) One member appointed by the Governor.

(3) One member appointed by the board of county commissioners for the county in which the stadium district is located and must be either a member of the board of county commissioners or an officer of that county.

(4) One member appointed by the county fair and recreation board of the county in which the stadium district is located and must be a member of the county fair and recreation board who is not also a member of a board of county commissioners.

(5) Two members appointed by the members appointed pursuant to paragraphs (1) to (4), inclusive. Each of these members must be employed in an executive position in the county by a business in the tourism, hotel and gaming industry in which the stadium district.

2. *A vacancy on the board occurs when a member:*

(a) Dies or resigns;

(b) Is removed, with or without cause, by the person or entity who appointed that member; or

(c) Ceases to be qualified for appointment as a member pursuant to the pertinent provisions of subsection 1.

3. *The campus improvement authority constitutes:*

(a) A body corporate and politic; and

(b) A political subdivision of this State, the boundaries of which are conterminous with the boundaries of the stadium district.

4. *A vacancy in the campus authority board must be filled for the remainder of the unexpired term in the same manner as the original appointment pursuant to subsection 1, except that, notwithstanding any provision of this section to the contrary, a member appointed pursuant to paragraph (5) of subsection 1 whose position becomes vacant as the result of his or her cessation of employment in an executive position in the county by a business in the tourism, hotel and gaming industry may be reappointed to serve the remainder of his or her unexpired term.*

5. *No member of the campus improvement authority may receive any compensation for serving as a member or officer of the board.*

6. *The members of the campus improvement authority constitute public officers for the purposes of chapter 281A of NRS.*

SECTION 29. 1. *At the initial meeting of the campus improvement authority the board of the campus improvement district shall appoint:*

(a) One of its members as Chair;

(b) One of its members as Vice Chair; and

**This is a preliminary draft document.
It is intended for discussion purposes only.**

9/8/2016 10:36 AM

- (c) A Secretary and a Treasurer, who may be one person.*
- 2. The Vice Chair shall serve as Chair when the position of Chair is vacant or when the Chair is absent from any meeting.*
- 3. The campus improvement authority shall meet regularly in the stadium district at such times and places as it designates.*
 - (a) Special meetings may be held at the call of the Chair, upon notice to each member of the campus improvement authority, as often as the needs of the campus improvement authority require.*
- (1) Except as otherwise provided in subsection 5 of 19 NRS 281A.420:*
 - (b) Six of the members of campus improvement authority shall constitute a quorum.*
 - (c) The campus improvement authority may take action only by a motion or resolution adopted with the approval of at least six members of its membership.*
- 4. The campus improvement district constitutes a public body for the purposes of chapter 241 of NRS.*

SECTION 30. 1. The Secretary of the campus improvement authority shall keep:

- (a) Audio recordings or transcripts of all meetings of the campus improvement authority;*
 - (b) Minutes of all the meetings of the campus improvement authority;*
 - (c) A record of all the proceedings and actions of the campus improvement authority;*
 - (d) Any certificates issued or received by the campus improvement authority;*
 - (e) Any contracts made by the campus improvement authority; and*
 - (f) Any bonds required by the campus improvement authority from its employees.*
- 2. Except as otherwise provided in NRS 241.035, the records and information required by subsection 1 must be open to inspection by any interested person at any reasonable time and place.*
- 3. The Treasurer of the campus improvement authority shall keep, in permanent records, strict and accurate accounts of all money received by and disbursed for and on behalf of the campus improvement authority.*
- 4. The Secretary and Treasurer of the campus improvement authority do not constitute a part of the staff of the campus improvement authority for the purposes of section 30 of this act.*

SECTION 31. 1. The campus improvement authority may retain such staff as it determines to be necessary to conduct the activities of the campus improvement authority. It may:

- (a) Hire the members of its staff as employees;*
 - (b) Contract with any governmental entity or other person to provide the persons to serve as its staff;*
- or*
- (c) Retain the members of its staff using any combination of the methods described in paragraphs (a) and (b).*
- 2. The campus improvement authority shall specify:**
- (a) The powers and duties of the members of its staff; and*
 - (b) The amount and basis of compensation for the members of its staff; and*
 - (c) May delegate any of its powers and duties to any member of its staff as it determines to be appropriate, except that the campus improvement authority shall not delegate:*
 - (1) Any of the specific obligations or responsibilities of the campus improvement authority imposed by sections 28 to 31, inclusive, paragraph (d) or (e) of subsection 1 of section 33, subsection 2 of section 34 or section 35 of this act; or*
 - (2) Any ability to bind the campus improvement authority to a contract that could require an expenditure by the campus improvement authority in excess of such an amount as the campus improvement authority determines to be appropriate, which amount must not exceed the sum*

\$500,000, as adjusted by the percentage change between the effective date of this act and July 1 of the fiscal year the delegation is made in the Consumer Price Index for All Urban Consumers, U.S. City Average (All Items), published by the United States Department of Labor.

SECTION 32. *The campus improvement authority:*

- 1. Shall adopt a seal;*
- 2. May adopt, and from time to time amend or repeal, as it determines to be necessary or desirable, appropriate bylaws, rules and regulations, not inconsistent with the provisions of this act, for carrying on the business and affairs of the campus authority board; and*
- 3. Shall create a collegiate stadium tax account, a collegiate stadium capital projects fund and a collegiate stadium authority operating account to carry out the provisions of this act.*

SECTION 33. *1. Except as otherwise provided in section 34 of this act, the board of the campus improvement authority may:*

- (a) Enter into any contracts and other agreements with any person or other entity that the campus improvement authority determines to be necessary or desirable to conduct the business of the campus improvement authority.*
- (b) Sue and be sued.*
- (c) Proceed with any undertaking and enter into any contracts or other agreements that the campus improvement authority determines to be necessary or desirable therefor. The contracts and other agreements authorized by this subsection:
 - (1) May include, without limitation, contracts or other agreements relating to the construction, acquisition, lease, lease-purchase, gift, equipment, maintenance, insurance, operation, management, promotion or advertising of any undertaking or any part thereof; and*
 - (2) Are not subject to the limitations of subsection 1 of NRS 354.626.**
- (d) Enter into a lease, ground lease or management agreement with the Nevada System of Higher Education authorizing the campus improvement authority to lease from the System any portion of the land area owned by the System and any improvements thereon, or to manage any such land or improvements for the System, on such terms as may be acceptable to the campus improvement authority and the university's board of regents and which do not violate any covenants concerning any securities issued by the board of regents, provided that:
 - (1) The property subject to the lease, ground lease or management agreement is limited to:
 - (I) Land and improvements that will be developed and used to carry out the development of a collegiate stadium project; and*
 - (II) Any other land, improvements and appurtenances that the university's board of regents determines to be necessary or desirable to carry out the development of a collegiate stadium project;**
 - (2) The university's board of regents is entitled to limit any uses, rates, charges or other factors pertaining to the property subject to the lease, ground lease or management agreement by including the limitations in the agreement; and*
 - (3) After any indebtedness incurred to improve the property subject to the lease, ground lease or management agreement has been retired or defeased and any other contracts and obligations of the campus improvement authority pertaining to that property have been satisfied and terminated, the improvements will become the property of the Nevada System of Higher Education and will no longer be subject to the lease, ground lease or management agreement.**
- (e) Enter into, with any person or other entity:*

- (1) One or more subleases of all or any portion of any land or improvement leased to the campus improvement authority;*
- (2) One or more management agreements to provide for the management by that person or other entity of any land or improvement that the campus improvement authority is authorized to manage, control or occupy;*
- (3) One or more leases or management agreements pertaining to any undertaking or any facility owned by the campus improvement authority; or*
- (4) Any combination of the agreements described in subparagraphs (1), (2) and (3), on such terms as may be acceptable to the campus improvement authority and which are not inconsistent with the terms of the lease, ground lease or management agreement with the Nevada System of Higher Education pursuant to which the campus improvement authority has possession or control of the subject property. The leases, subleases and management agreements authorized by this subsection are not subject to the limitations of subsection 1 of NRS 354.626.*
- (f) Fix, and from time to time increase or decrease, fees, rates, tolls, rents or charges for services or facilities furnished in connection with any undertaking and take such action as may be necessary or desirable to affect their collection or, by contract or other agreement described in paragraph (d) or (e), authorize another person or entity to fix, from time to time increase or decrease, and collect all or any designated portion of such fees, rates, tolls, rents or charges. Such fees, rates, tolls, rents or charges must be consistent with or allowed by the lease, ground lease or management agreement with the System pursuant to which the campus improvement authority has possession or control of the land or improvements upon which the undertaking is located.*
- (g) Receive, control, invest and order the expenditure of pledged revenues and any other money pertaining to or derived from any undertaking, including, without limitation, any grants from the Federal Government, the State, the County or any incorporated cities in the County, or from any other person or entity, for the purposes described in section 37 of this act.*
- (h) Except as otherwise provided in this act, exercise all or any part or combination of the powers and duties of the campus improvement authority set forth in this act.*
- (i) Perform any other acts that may be necessary, convenient, desirable or appropriate to carry out the purposes and provisions of this act.*
- 2. If the campus improvement authority has no indebtedness or other financial obligations, the campus improvement authority board, by an affirmative vote of at least six of its members, may dissolve.*

SECTION 34. 1. The board of the campus improvement authority and any person to whom the campus improvement authority delegates any of its powers or duties shall not:

- (a) Expend or authorize the expenditure of any money in the collegiate stadium tax account unless the board of the campus improvement authority has entered into a lease, ground lease or management agreement with the Nevada System of Higher Education pursuant to paragraph (d) of subsection 1 of section 33 of this act which authorizes a specific undertaking.*
- (b) Proceed with any undertaking or issue any securities to defray in whole or in part any cost of any undertaking unless the campus improvement authority has entered into a lease, ground lease or management agreement with the Nevada System of Higher Education pursuant to paragraph (d) of subsection 1 of section 33 of this act which authorizes that undertaking.*
- 2. The campus improvement authority shall not own any land, but may own improvements on land located stadium district if the Board of Regents, in its sole discretion, allows that ownership.**

SECTION 35. 1. Except as otherwise provided in this act and notwithstanding any other provision of law to the contrary:

(a) Any contract, lease, sublease, lease-purchase agreement, management agreement or other agreement entered into pursuant to this act by the campus improvement authority, the Nevada System of Higher Education or any related entity relating to any undertaking financed in whole or in part pursuant to this act, and any contract, lease, sublease, lease-purchase agreement, management agreement or other agreement that provides for the design, acquisition, construction, improvement, repair, demolition, reconstruction, equipment, financing, promotion, leasing, subleasing, management, operation or maintenance of such an undertaking or any portion thereof, or the provision of materials or services for such an undertaking are exempt from any law:

(1) Requiring competitive bidding or otherwise specifying procedures for the award of agreements of a type described in this paragraph;

(2) Specifying procedures for the procurement of goods or services; or

(3) Limiting the term of any agreements of a type described in this paragraph.

(b) The provisions of chapter 341 of NRS do not apply to any undertaking financed in whole or in part pursuant to this act or to any agreement of a type described in paragraph (a), except that the provisions of paragraph (a) of subsection 9 of NRS 341.100 and of NRS 341.105 apply to any such undertaking.

(c) The provisions of chapter 338 of NRS do not apply to any undertaking financed in whole or in part pursuant to this act or to any agreement of a type described in paragraph (a), except that:

(1) The provisions of NRS 338.013 to 338.090, inclusive, apply to any construction work to be performed under any contract or other agreement pertaining to such an undertaking even if the estimated cost of the construction work is not greater than \$100,000 or the construction work does not qualify as a public work, as defined in subsection 16 of NRS 338.010;

(2) Any person or entity that executes one or more contracts or agreements for the actual construction, alteration, repair or remodeling of such an undertaking shall include in such a contract or agreement the contractual provisions and stipulations that are required to be included in a contract for a public work pursuant to the provisions of NRS 338.013 to 338.090, inclusive; and

(3) The campus improvement authority, any contractor who is awarded a contract or enters into an agreement to perform the construction, alteration, repair or remodeling of such an undertaking and any subcontractor on the undertaking shall comply with the provisions of NRS 338.013 to 338.090, inclusive, in the same manner as if the State had undertaken the project or had awarded the contract.

2. The campus improvement authority and any prime contractor, construction manager or project manager selected by the campus improvement authority shall competitively bid all subcontracts involving construction which the campus improvement authority determines can be competitively bid without affecting the quality of the project. Any determination by the campus improvement authority that such a subcontract can or cannot be competitively bid without affecting the quality of the project is conclusive in the absence of fraud or a gross abuse of discretion. The campus improvement authority shall establish one or more procedures for competitive bidding which:

(a) Must prohibit bidders from engaging in bid-shopping;

(b) Must not permit subcontractors to avoid or circumvent the provisions of paragraph (c) of subsection 1; and

(c) Must provide a preference for Nevada subcontractors in a manner that is similar to, and with a preference that is equivalent to, the preference provided in NRS 338.1389.

3. Any determination by the campus improvement authority regarding the establishment of one or more procedures for competitive bidding, and any determination by the campus improvement

authority or its prime contractor, construction manager or project manager regarding the award of a contract to any bidder is conclusive in the absence of fraud or a gross abuse of discretion.

COLLEGIATE STADIUM PROJECT

PART II | REDUCTION OF ROOM TAX DEDICATED TO COLLEGIATE STADIUM PROJECT

SECTION 36. 1. *If the stadium authority has provided notice of its intent to dissolve and wind down its affairs pursuant to section of this act and a campus improvement authority has been created pursuant to section 28 of this act, the board of county commissioners in the stadium district shall reduce the taxes imposed under subsection 2 of section 20 to the following rates:*

(a) Three-eighths of one percent of the gross receipts from the rental of transient lodging in the primary gaming corridor within the stadium district.

(b) One-quarter of one percent of the gross receipts from the rental of transient lodging in areas within the stadium district but outside of a primary gaming corridor.

2. *Taxes imposed by this section shall sunset:*

(a) At such time as bonds or other securities outstanding to which the receipts of that tax are pledged have been paid in full; or

(b) Thirty-three years,

Whichever occurs first.

3. *In addition to the rate sunset requirements set forth in subsection 2, in the event tax rates are reduced pursuant to subsection 1, taxes imposed by this section shall not be reduce further or otherwise modified for a period of two years following the rate reduction.*

4. *As used in this section:*

(a) "Primary gaming corridor" shall be defined as the geographic area comprising the submarket with the greatest amount of gross gaming revenue within the stadium district as reported in the latest edition of the Nevada Gaming Control Board Gaming Abstract. Gaming and non-gaming businesses that exist within the primary gaming corridor and collect taxes imposed on the rental of transient lodging shall be subject to the taxes imposed by subsection 1 whether or not they are included in the Nevada Gaming Control Board Gaming Abstract.

(b) "Gross receipts from the rental of transient lodging" does not include the tax imposed or collected from paying guests pursuant to this section.

COLLEGIATE STADIUM PROJECT

PART III | STADIUM AUTHORITY USE OF FUNDS

SECTION 37. 1. *The campus improvement authority shall create a collegiate stadium tax account and deposit into such account any proceeds of the taxes imposed by section 36 of this act received by the campus improvement authority.*

2. *Except as otherwise provided in subsection 3 or 4, before the issuance of any securities pursuant to section 40 of this act, the campus improvement authority shall use the proceeds of the taxes imposed by subsection section 36 of this act and any applicable penalty or interest solely to pay all or part of the cost to acquire, construct, lease, improve, equip, operate and maintain within the boundaries of the stadium district a collegiate stadium project or to establish a bond reserve fund and other reserves*

to secure any securities issued pursuant to section 40 of this act, or any combination thereof, as directed by the campus improvement authority.

3. The campus improvement authority shall not expend any of the proceeds of the taxes imposed by section 36 of this act to pay any costs to acquire, construct, lease, improve, equip, operate or maintain a collegiate stadium project until campus improvement authority has entered into a lease, ground lease or management agreement with the Nevada System of Higher Education pursuant to paragraph (d) of subsection 1 of section 33 of this act which authorizes that undertaking.

SECTION 38. 1. *After bonds or other securities are issued under Section 40 hereof, the campus improvement authority shall use the proceeds of the tax imposed under section 36 of this act, any funds transferred from the stadium authority to the campus improvement authority pursuant to subsection 3 of section 19 of this act and any penalties or interest received only for the following:*
(a) Payment of amounts needed to pay principal, interest or other costs due in that year in connection with any bonds or other securities issued to finance or refinance the stadium, including any reserve funds created to secure the payment of such bonds, and including any past due amounts from any prior years; and
(b) Costs of capital improvements to the collegiate stadium and the creation and maintenance of a fund to provide capital improvements to the collegiate stadium in an amount determined by the campus improvement authority.

SECTION 39. 1. *If the campus improvement authority does not raise funds required by paragraph (b) of subsection 1 of section 26 of this act within the time allocated by that section, notwithstanding any other provision of this act to the contrary, the campus improvement authority shall:*
(a) Remit all funds deposited in the stadium infrastructure account to the fair and recreation board within the stadium district;
(b) Wind up the affairs of the campus improvement authority; and
(c) Dissolve the campus improvement authority pursuant to subsection 2 of section 33 of this act.
2. *After dissolution, all the remaining assets of the campus improvement authority shall become property of the Nevada System of Higher Education.*

COLLEGIATE STADIUM PROJECT

PART IV | ISSUANCE OF COLLEGIATE STADIUM BONDS

SECTION 40. 1. *If:*

(a) General obligations of the county are not issued pursuant to section 24 of this act;
(b) Within 24 months after notice has been provided pursuant to paragraph (c) of subsection 3 of section 19 of this act, a university located within the stadium district has secured a commitment of at least \$200,000,000 in private funding, including without limitation revenues sourced to the collegiate stadium itself, for the acquisition, construction, lease, improvement, equipment, operation or maintenance of a football stadium within the boundaries of the district; and
(c) The stadium authority determines that the proceeds of the taxes imposed by section 36 of this act are sufficient to establish a debt service coverage ratio of at least 1.5x on securities issued to defray in whole or in part the cost to acquire, construct, lease, improve, equip, operate and maintain a collegiate football stadium, board of county commissioners of the county in which the district is located at the request of the stadium authority may issue general obligations of the county in an

amount not to exceed \$300,000,000 payable solely from and secured solely by all or any portion of the proceeds of the taxes imposed by section 36 of this act.

(1) The securities authorized by this subsection must be issued pursuant to the Local Government Securities Law.

(2) The proceeds of any bonds issued pursuant to this subsection, after payment of the costs of issuing those bonds, and making provision for any required reserves, must be allocated pursuant to section 38 of this act.

COLLEGIATE STADIUM PROJECT

PART V | NONINTERFERENCE WITH EXISTING RIGHTS, POWERS AND AUTHORITIES OF THE UNIVERSITY OR ITS BOARD OF REGENTS

SECTION 41. 1. *The provisions of this act do not:*

(a) Require the any university or its board of regents to enter into any lease, ground lease, management agreement or any other contract or agreement.

(b) Limit the conditions or other provisions which a university or its board of regents may, in their sole discretion, determine to include in any lease, ground lease, management agreement or any other contract or agreement.

ADMINISTRATIVE PROVISIONS

PART I | TIMING AND TERMS OF AUTHORITY APPOINTMENTS

SECTION 42. 1. *For a stadium authority created by section 11 of this act in Clark County:*

(a) The Governor shall, on or before January 1, 2017, appoint the three members of the stadium authority pursuant to paragraph (a) of subsection 1 or section 11 of this act to initial terms that, for two of the appointees, commences on January 1, 2017, and expires on December 31, 2018, and for the third appointee commences on January 1, 2017, and expires on December 31, 2017; and

(b) The Board of County Commissioners of Clark County shall, on or before January 1, 2017 appoint two members of the stadium authority pursuant to paragraph (b) of subsection 1 of section 11 of this act to an initial term that, for one appointee commences on January 1, 2017, and expires on December 31, 2018, and for the second appointee commences on January 1, 2017, and expires on December 31, 2017;

(c) The stadium authority shall within 30 days after the effective date of the lease agreement(s) and any other contracts or agreements between Stadium Events Company and the stadium authority entered into pursuant to section 16 of this act, appoint two members of the stadium authority pursuant to paragraph (c) of subsection 1 of section 11 of this act to an initial term that, for one appointee, will commence immediately upon appointment and will expire on December 31 of that same year, and, for the second appointee, will commence immediately upon appointment and will expire on December 31 of the following year.

2. *After each stadium authority initial term, each subsequent stadium authority appointment shall be for a period of three years;*

3. *The same person may be appointed to serve multiple consecutive or not consecutive terms as a member of the stadium authority.*

4. *The stadium authority appointed pursuant to this section shall hold an organizational meeting during January 2017. At that meeting, the stadium authority shall elect:*

**This is a preliminary draft document.
It is intended for discussion purposes only.**

9/8/2016 10:36 AM

- (a) One of its members as Vice Chair; and*
- (b) A Secretary and Treasurer.*

SECTION 43. 1. *If the campus improvement authority is created by section 28 of this act:*

(a) The board of regents shall appoint:

(1) Two of the members of the campus improvement authority pursuant to paragraph (a) of subsection 1 of section 28 of this act to initial terms that commence on the date of their appointment, and expire on September 30 of that same year; and

(2) Two of the members to the campus improvement authority pursuant to paragraph (a) of subsection 1 of section 28 of this act to initial terms that commence on the date of their appointment, and expire on September 30 of the following year.

(b) The member of the campus improvement authority appointed by the Governor pursuant to paragraph (b) of subsection 1 of section 28 of this act to an initial term that commences on the date of their appointment, and expires on September 30 of the following year.

(c) The member of the campus improvement authority appointed by the board of county commissioners pursuant to paragraph (c) of subsection 1 of section 28 of this act to an initial term that commences on the date of their appointment, and expires on September 30 of that same year;

(d) The member of the campus improvement authority appointed by the fair and recreation board pursuant to paragraph (d) of subsection 1 of section 28 of this act to an initial term that commences on the date of their appointment, and expires on September 30 of the subsequent year;

(e) The members of the campus improvement authority appointed by the pursuant to paragraph (e) of subsection 1 of section 28 of this act to an initial term that commences on the date of their appointment, and expires September 30 of the following year;

2. *After the initial terms, each member of the campus authority board shall be appointed for a 4-year term.*

ADMINISTRATIVE PROVISIONS

PART II | TIME REQUIREMENTS FOR NFL ACTION AND AGREEMENTS

SECTION 44. 1. *The NFL team and the developer partners shall have twelve months from the effective date of the act as set forth in subparagraph (1) of section 45 to secure the rights and any necessary approvals to locate or relocate an NFL team into the district created pursuant to section 20 of this act.*

(a) The stadium authority shall have the ability to grant one, six-month extension to the established timeline for securing the rights to locate or relocate an NFL franchise into the stadium district.

2. *Once the rights to locate or relocate an NFL franchise have been secured pursuant to subsection 1, the developer partners and the NFL team shall have six months to form the Stadium Events Company and to enter into all required contracts and agreements with the stadium authority as set forth in section 16 of this act.*

(a) The stadium authority shall have the ability to grant one, six-month extension to the timeline established for forming the Stadium Events Company and entering into all require contracts and agreements with the stadium authority.

ADMINISTRATIVE PROVISIONS
PART III | EFFECTIVE DATES

SECTION 45. 1. *Section 1 to section 44, inclusive, of this act become effective upon passage and approval of this act, and expire by limitation:*
(a) If general obligations of the county are issued pursuant to section 24 of this act or by the state of Nevada pursuant to section 40 of this act, on the date on which those obligations are fully paid.
(b) If general obligations of the county pursuant to section 24 of this act or pursuant to section 40 of this act on the date which is 24 months after the end of the period prescribed by paragraph (b) of subsection 1 of section 26 of this act.

END