City of Las Vegas

Agenda Item No.: **8.**

AGENDA SUMMARY PAGE

RECOMMENDING COMMITTEE MEETING OF: MAY 31, 2016

DEPARTMENT: CITY ATTORNEY
DIRECTOR: BRADFORD R. JERBIC

☐ **Consent** ☒ **Discussion**

SUBJECT:

Bill No. 2016-40 - For Possible Action - Authorizes the issuance of City of Las Vegas, Nevada, Sales Tax Increment Revenue Bonds, Series 2016, in an amount not to exceed $25,000,000, for the purpose of financing projects in the Symphony Park Tourism Improvement District.
Proposed by: Veneta Appleyard, Director of Finance

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**

☐ **Budget Funds Available**

Amount: $25,000,000
Funding Source: Special Programs - Tourism Improvement District Symphony Park
Dept./Division: Economic and Urban Development

PURPOSE/BACKGROUND:

Pursuant to NRS Chapter 271A and NRS 350.500 through 350.720, the City is authorized to borrow money and to issue special revenue bonds for the purpose of defraying wholly or in part the costs of projects within a Tourism Improvement District. This bill will authorize the issuance of the bonds referred to above and authorize the Chief Financial Officer to arrange for the sale of the bonds under a negotiated sale with Stifel, Nicolaus & Company, Incorporated, the underwriter. The bonds will be payable and secured by net sales tax revenues.

RECOMMENDATION:

This bill should be submitted to a Recommending Committee for review, hearing and recommendation to the City Council for final action.

BACKUP DOCUMENTATION:

Bill No. 2016-40

Motion made by BOB COFFIN to Approve as Do Pass

Passed For: 2; Against: 1; Abstain: 0; Did Not Vote: 0; Excused: 0
BOB COFFIN, RICKI Y. BARLOW; (Against-STAVROS S. ANTHONY); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:
COUNCILMAN BARLOW declared the Public Hearing open.

VENETTA APPLEYARD, Finance Director, explained that the City is authorized to issue bonds in the Tourism Improvement District (TID) by the Bond Act for the purpose of defraying any costs for improvements in the TID. Staff is proposing that the bond amount not exceed $25 million. A portion of the bonds will be used for infrastructure in the TID, and another portion will be used for a parking garage. The bonds are revenue bonds, so they are secured by the pledge revenues of the sales tax increment revenue and will be repaid with that funding source. She informed COUNCILMAN BARLOW that the proposed interest rate was an assumed interest rate of about five percent. These are revenue bonds, so they are unrated, which are a little bit higher than a general obligation bond.

COUNCILMAN COFFIN wondered if the City has been able to estimate the revenue from the TID it created. MS. APPLEYARD reported that the City has been receiving revenues for one year; which staff monitors very closely. There is approximately $2 million sitting in the fund right now, which will be used as part of this financing to set up the reserve. The underwriters the City is working with, along with their bond counsel, have reviewed the tourism improvement revenue study, required as a part of this process, and they are very comfortable with the not to exceed $25 million range; staff is anticipating approximately $23 million.

As this item relates to the Tourism Improvement District that was created for the parking garage, COUNCILMAN ANTHONY stated that he would be voting no on this item for reasons previously stated on the record.

COUNCILMAN BARLOW stated that this bill would move out of Committee with a two-one vote and would be eligible for adoption at the June 1st City Council meeting.

COUNCILMAN BARLOW declared the Public Hearing closed.