

SENATE TAXATION COMMITTEE
MEETING OF APRIL 30, 1977

The meeting was called to order by Chairman Bryan. The following members were present:

Senators Gary Sheerin, Carl Dodge, Norman Glaser, Floyd Lamb and Richard Bryan.

Senator Norman Ty Hilbrecht was absent.

The following items were considered and action taken:

AB 363 Provides for imposition of county cigarette tax to finance certain recreational projects.

Senator Bryan stated that Mr. Oran Gragson, Mr. Hal Smith, and Mr. Bob Broadbent had reviewed the amendment to this bill. The amendment mandates the issuance of a general obligation bond to be secured by revenues generated by the duly constructed facility and other unpledged revenues available from the Convention Authority.

Senator Lamb stated he wanted to determine the authenticity of these revenues.

Mr. Smith, member of Burroughs and Smith Company, submitted a preliminary study, which is attached. He said the only figures which are absolutely solid are on page two, column one. He explained that column two is the 20-year amortized debt service for a \$26 million issue. It will vary slightly from that amount when the actual repayment of the bond is due.

Senator Bryan stated that will depend on whether or not it is elected to begin principal repayment within one or three years.

Mr. Smith said the operation and maintenance of existing facilities are from the records and are projected at the rate of an excess of 12 per cent per year.

Senator Bryan stated that the expenses are being projected at an annual increase of 12 per cent, which Mr. Smith believes may be more than the history. But the revenues are being projected at an annual increase of 10 per cent, and have been increasing historically at a rate of 16 per cent.

Mr. Smith stated the projections of operation and maintenance of the proposed facilities were made by Mr. Burrel Cohen. Mr. Smith feels the projections are high. He said it is impossible to analyze how much give there must be to attract a market.

Senator Dodge stated Mr. Smith is taking a conservative position. This would be reduced if there are charges which may attract a market.

Mr. Smith said that was correct. All revenues projected are based on various historical records. The projection is at a 10 per cent annual increase.

Senator Bryan asked if that column includes the projected revenue from operations in the facility.

Mr. Smith said it does not. It is the Convention Authority only. He explained the seven-year projection on page three. The combined O and M is brought over from the previous page. Reserves have been included which are essential and should be part of the bond covenant. There should be a cushion. One-fifth of a maximum bond year debt service has been provided to be placed in a trust fund. Each year, one-fifth of the maximum year's debt service must be placed in a trust fund. In five years, \$2.3 million will be built up which will secure the bonds. That makes the bonds much more attractive to the market. There is an on-going program for rehabilitation and slight alterations. There is a capital fund for that purpose. These four major items are treated as funds of major consequence to the issuance of bonds. The combined revenues are brought over from the previous page, leaving a remaining balance which Mr. Smith feels is very realistic. He explained the historic and projected policy expenditures. Here is where there is leeway. There is nothing fixed, or in law, or covenanted in these monies. The Convention Authority has this area in which it can adjust the cash flow for the payment, if necessary, of the items in the chart above. Mr. Smith said he feels there should be a contingency fund so the Convention Authority has a little more cushion in that area. Using the total policy expenditures versus the remaining revenues, if this project were to go on the line tomorrow at \$26 million, there would be a shortfall in 1978-79 in the monies available to do all the projects currently planned.

Senator Dodge asked if the inflation factor was used in figuring the cost of rooms.

Mr. Smith said it was not applied.

Senator Dodge stated it was applied on the other side on operating costs.

Mr. Smith stated he is more conservative in this position and this is why it was not considered. He stated a shortfall is projected in the first four years.

Senator Dodge stated it is being assumed that the sports complex will be built in 1978-79. This will not happen. He asked what is the earliest time for building.

Mr. Smith said it would be built in 1980-81.

Senator Dodge said, by that time, some of this revenue will build to help alleviate the shortfall.

Senator Bryan stated if the cost of living factor applied to operating expenses was applied to the revenue, there is an additional \$1 million for the year of 1978-79 which would offset the shortfall projection.

Mr. Bob Broadbent, Chairman of the Convention Authority, presented the official position of the Convention Authority. Minutes of the meeting are attached. This is the only motion on record made by the Convention Authority on the sports complex. The Convention Authority approved the building of the sports complex if it was financed by resources available outside the present room tax. The Downtown Progress Association did a feasibility study. He said he didn't want the study to indicate that the Convention Authority would go by that. He disputed the recommendation for parking spaces for 2,000 cars. He hoped it would not be mandated to spend \$26 million on the building, if it could be built for less. He said he hoped the Convention Authority would not be bound to build what is in the original feasibility study. He said he would be surprised if the sports complex would bring in \$2.5 million in the first year of operation, as estimated by Mr. Smith. He said he personally felt if it is the determination of the legislature that it should mandate the building of a facility, it is possible to build within the existing revenue.

Senator Dodge asked if Clark County has the authority to increase the room tax.

Mr. Broadbent said that was correct.

Senator Dodge stated if these projections don't hold up and additional sources of revenue were needed to pay the debt service, a higher room tax could be imposed as an alternative to taking it out of the advalorem tax.

Mr. Broadbent stated he hoped the Convention Authority would be allowed to ask Union Pacific for a better break on the price of land.

Senator Bryan said the amendment does not mandate purchase of any particular property. It indicates the facility shall be built downtown.

Mr. Broadbent stated the Convention Authority knows of many 40-acre sites which would cost nothing to purchase. The Downtown Progress Association wants to build it downtown. That makes sense because it would be an asset to the downtown area. There are 600 acres near the stadium, which is owned by the county. Other acreage is available.

Senator Dodge stated they are entitled to it downtown.

Mr. Broadbent said that is recognized but he requested the committee not to mandate it. He asked to be given the ability to negotiate.

Senator Bryan said building in the stadium area would be beyond the scope of the amendment.

Senator Dodge said the amendment states "adjacent to the central business district." He asked if that gave the Convention Authority enough flexibility.

Mr. Broadbent said ~~it would not~~ The downtown people might feel it has to be included in the amendment.

Senator Dodge stated testimony indicated that the downtown businesses are presently paying about 20 per cent of the room tax. They have supported the strip and convention facility for years. It looks as if they are really entitled to that consideration at this point.

Mr. Broadbent stated there would be problems with building roads for that area.

Mr. Gragson, from the Downtown Progress Association, stated the Regional Streets has been looking for another east-west artery. The railroad is proposing to give this land for that purpose. This would be a high priority by the Regional Streets. The state is proposing to build the interchange at Charles right now.

AB 447 Eliminates interest charge on certain deferred taxes against agricultural and open-space property.

Senator Dodge moved to Do Pass. Senator Sheerin seconded the motion and it passed unanimously with Senator Hilbrecht absent.

AB 532 Makes various amendments to law relating to property taxes and taxes on mine and mine proceeds.

Mr. Jim Lien, Deputy Director of the Department of Taxation, stated that section one conforms the language on issuing subpoenas with 361.263 for county assessors.

Senator Sheerin pointed out that subpoena power was granted under SB 152.

Senator Bryan asked Mr. Jim Salo, Deputy Attorney General, to check that out.

Mr. Lien said section two, lines 23-24 on page three, allows the Department of Taxation to bill and collect all taxes assessed on private car lines. The department, in turn, will remit one check to the county. Section four prohibits those officers with a direct connection and working relationship with the County

Board of Equalization from being on that board. Section six does the same thing with regard to the State Board of Equalization.

Mr. Salo explained that sections six and 14 should be read together. Section 14 repeals NRS 361.415. Section six would amend 361.420 to encompass all property tax appeals rather than just some. NRS 361.415 currently provides that any person wishing to challenge his property tax value to the courts, must go to the justice court for a trial de novo if his tax bill is less than \$300. NRS 361.420 provides if taxes exceed \$300, it goes to the district court. There is some confusion over the language in the statute as to whether it provides for a trial de novo or a review on the record. This proposed language would make it clear that the review remedy for either situation would be to have an APA type of appeal before the district court.

Mr. Lien explained section nine clarifies that anyone who has had net proceeds in mines certified by the Tax Commission and disagrees with it may appeal to the State Board of Equalization.

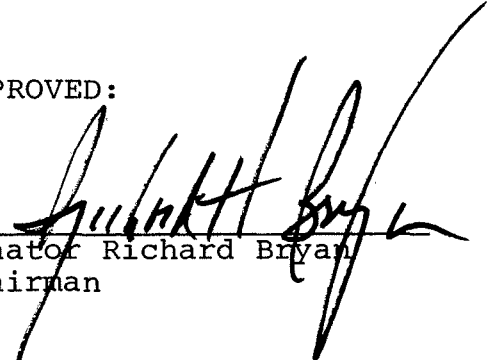
Senator Dodge moved to Do Pass. Senator Lamb seconded the motion and it passed unanimously with Senator Hilbrecht absent.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Colleen Crum

APPROVED:



Senator Richard Bryan
Chairman

A. B. 532

ASSEMBLY BILL NO. 532—COMMITTEE ON TAXATION

MARCH 24, 1977

Referred to Committee on Taxation

SUMMARY—Makes various amendments to law relating to property taxes and taxes on mines and mine proceeds. (BDR 32-1123)

FISCAL NOTE: Local Government Impact: Yes.
State or Industrial Insurance Impact: Yes.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to taxation; making various amendments to the laws relating to property taxes and taxes on mines and mine proceeds; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

1 SECTION 1. NRS 360.240 is hereby amended to read as follows:

2 360.240 1. The department shall have the power to summon wit-
3 nesses to appear and testify on any subject material to its responsibilities
4 under this Title. No property owner and no officer, director, superin-
5 tendent, manager or agent of any company or corporation, whose prop-
6 erty is wholly in one county, shall be required to appear, without his
7 consent, at a place other than the county seat or at the nearest town to his
8 place of residence or the principal place of business of such company
9 or corporation.

10 2. Such summons may be served by personal service by the executive
11 director or his agent or by the sheriff of the county, who shall certify to
12 such service without compensation therefor.

13 3. *The department may issue subpoenas to compel the attendance of*
14 *witnesses and the production of books and papers and may seek to enforce*
15 *the subpoenas by petition to any court of competent jurisdiction in the man-*
16 *ner provided by law.*

17 4. Any member of the Nevada tax commission, the executive director
18 or any officer of the department designated by them may administer oaths
19 to witnesses.

20 SEC. 2. NRS 361.320 is hereby amended to read as follows:

21 361.320 1. At the regular session of the Nevada tax commission
22 commencing on the 1st Monday in October of each year, the Nevada tax
23 commission shall establish the valuation for assessment purposes of any
24 property of an interstate and intercounty nature, which shall in any event

Original bill is 12 pages long.
Contact the Research Library for
a copy of the complete bill.

ASSEMBLY BILL NO. 447—ASSEMBLYMEN DINI, SERPA,
JACOBSEN AND MAY

MARCH 11, 1977

Referred to Committee on Taxation

SUMMARY—Eliminates interest charge on certain deferred taxes against
agricultural and open-space property. (BDR 32-1128)

FISCAL NOTE: Local Government Impact: Yes.
State or Industrial Insurance Impact: Yes.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to property taxes; eliminating interest charge on certain deferred
taxes against agricultural and open-space property; and providing other matters
properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 361A.260 is hereby amended to read as follows:
2 361A.260 Each year the tax statement for property receiving agricul-
3 tural or open-space use assessment shall contain:
4 1. The annual valuations based on agricultural or open-space use and
5 on potential use; and
6 2. The deferred tax [and interest] accrued for that tax year and the
7 cumulative amounts potentially due under [NRS 361A.280.] *this chapter.*
8 SEC. 2. NRS 361A.270 is hereby amended to read as follows:
9 361A.270 1. Within 30 days after any property which has received
10 agricultural or open-space use assessment ceases to be used exclusively
11 for agricultural use or the approved open-space use, the owner shall
12 notify the county assessor in writing of the date of cessation of such use.
13 2. If the owner fails to file the notice as required by subsection 1,
14 he [shall be] *is* liable for the penalty provided in NRS 361A.280 in
15 addition to the deferred taxes. [and interest.]
16 SEC. 3. NRS 361A.280 is hereby amended to read as follows:
17 361A.280 1. Whenever agricultural or open-space real property
18 which has received agricultural or open-space use assessment is converted
19 thereafter to a potential use, there shall be added to the tax extended
20 against the property on the next property tax roll, an amount equal to
21 the sum of the following:
22 (a) The deferred tax, which shall be the difference between the taxes

Original bill is 2 pages long.
Contact the Research Library for
a copy of the complete bill.

The information as presented, has been prepared from materials furnished by sources believed to be reliable. However, there was not sufficient time to study the projected Revenue and Operation Maintenance figures for the proposed Facility.

More definitive information will be developed under the direction of the Las Vegas Convention Authority as the Facility planning develops and policy decisions are established.

LAS VEGAS CONVENTION AUTHORITY
 PRELIMINARY STUDY
 PROPOSED DOWNTOWN SPORTS ARENA/MINI CONVENTION FACILITY
 \$26,000,000. ISSUE 20 YEAR AMORTIZATION @ 6½%

<u>F/Y</u>	<u>Present Debt Service</u>	<u>Proposed Debt Service</u>	<u>Combined Debt Service</u>	<u>Operation Maintain Existing Facilities</u>	<u>Operation Maintain Proposed Facilities</u>	<u>Combined Operation Maint.</u>	<u>All Revenues Existing Facilities</u>	<u>Projected Revenues</u>	<u>Combined Revenues</u>
74-75				2,399,724	*	2,399,724			
75-76				3,014,174		3,014,174	8,738,828		8,738,828
76-77				3,974,982		3,974,982	9,155,000		9,155,000
77-78	1,716,099		1,716,099	4,039,776		4,039,776	10,952,081		10,952,081
78-79	1,690,000		1,690,000	4,582,148		4,582,148	11,851,129		11,851,129
79-80	1,908,010	2,359,760	4,267,770	5,199,517	1,080,000	6,279,517	12,994,042	2,523,350	15,517,392
80-81	2,053,255	2,359,760	4,413,015	5,902,497	1,209,000	7,112,077	14,255,946	2,775,685	17,031,631
81-82	2,183,255	2,359,760	4,543,015	6,703,230	1,354,752	8,057,982	15,638,540	3,053,253	18,691,793
82-83	2,154,505	2,359,760	4,514,265	7,507,617	1,517,322	9,024,939	17,202,344	3,358,789	20,561,183
83-84	2,161,780	2,359,760	4,521,540	8,408,531	1,699,460	10,101,931	18,922,633	3,694,436	22,617,069
84-85	2,560,028	2,359,760	4,919,788	9,417,554	1,903,329	11,320,883	20,814,897	4,063,880	24,878,777
85-86	2,015,040	2,359,760	4,374,800						
86-87	2,015,040	2,359,760	4,374,800						
87-88	2,034,738	2,359,760	4,394,498						
88-89	2,012,540	2,359,760	4,372,300						
89-90	2,010,665	2,359,760	4,370,425						
90-91	2,011,673	2,359,760	4,371,433						
91-92	940,775	2,359,760	3,300,515						
92-93		2,359,760	2,359,760						
93-94		2,359,760							
94-95		2,359,760							
95-96		2,359,760							
96-97		2,359,760							
97-98		2,359,760							
98-99		2,359,760							

Does not include projected revenues for facilities

* SOURCE: Burrell Cohen, James McDaniel Profile Escalated 12% per year

** SOURCE: Burrell Cohen, James McDaniel Profile Escalated 10% per year

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SEVEN YEAR PROJECTION

<u>F/Y</u>	<u>Combined Debt Service</u>	<u>Combined O & M</u>	<u>Debt Reserve Fund</u>	<u>Capital Fund</u>	<u>Total 1-2-3-4</u>	<u>Combined Revenues</u>	<u>Remaining Revenues</u>
78-79	1,690,000	4,582,148	-0-	1,200,000	7,472,148	11,851,129	4,378,981
79-80	4,267,770	6,279,517	471,952	750,000	11,769,239	15,517,392	3,748,153
80-81	4,413,015	7,112,097	471,952	750,000	12,747,064	17,031,631	4,266,567
81-82	4,543,015	8,057,988	471,952	750,000	13,822,955	18,691,793	4,868,838
82-83	4,514,265	9,024,939	471,952	750,000	14,761,156	20,561,183	5,800,027
83-84	4,521,540	10,107,931	471,952	750,000	15,851,423	22,617,069	6,765,646
84-85	4,919,788	11,320,883	-0-	750,000	16,990,671	24,878,777	7,888,106

- 1.2 million

HISTORIC AND PROJECTED
POLICY EXPENDITURES

<u>F/Y</u>	<u>Remaining Revenues</u>	<u>Advertising & Tourism</u>	<u>Grants</u>	<u>Contingency</u>	<u>Total Policy Expenditures</u>	<u>Over (Under)</u>
78-79	4,378,981	3,598,683	805,620	320,000	5,924,303	(1,545,322)
79-80	3,748,153	3,658,551	886,182	320,000	4,864,733	(1,116,580)
80-81	4,266,567	3,724,406	974,800	320,000	5,019,206	(752,639)
81-82	4,868,838	3,796,846	1,072,280	320,000	5,189,126	(320,288)
82-83	5,800,027	4,176,530	1,179,508	320,000	5,676,038	123,989
83-84	6,765,646	4,594,183	1,297,458	320,000	6,211,541	554,105
84-85	7,888,106	5,053,602	1,427,204	320,000	6,800,806	1,087,300

REGULAR MEETING
Board of Directors
Las Vegas Convention/Visitors Authority

DECEMBER 14,
1976

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority was held Tuesday, December 14, 1976, Room No. 4, Main Building, Convention Center.

PRESENT

Robert Broadbent, Chairman
Roy Woofter, Vice-Chairman
Herb Stout, Secretary/Treasurer
Paul Christensen, Member
Ray Daines, Member
Burton Cohen, Member
Irwin Kishner, Member
Carlton Lawrence, Member
Chuck Ruthe, Member
Tom N. Wiesner, Member

also

Len Hornsby, Executive Director
William Hammond, Director of Finance
Bob Schmuck, Director of Convention Bureau
Paul Titus, Director of Marketing/Advertising/Tourism
George Dickerson, Authority Legal Counsel
Carol Harmon, Executive Secretary to the Board
Vicki Donaldson, Authority Staff
Roosevelt Tostin, Authority Staff
Dave Rowles, Authority Staff
Rossi Ralenkotter, Authority Staff

also

Reverend Don Loving, Redrock Southern Baptist Church
Ed Kelly, Kelly & Reber Advertising Agency
Rod Reber, Kelly & Reber Advertising Agency
Barney Rawlings, Trans American Video
Maurey Stevens, Trans American Video
Dave Jamison, Global Productions
Don Payne, Las Vegas News Bureau
Harvey Dietrich, Siteman/Brodhead
Ted Finneson, Motel/Hotel Assoc.-King 8
Dick Manoogian, Dick Manoogian Productions
Ralph Readout, UNLV Basketball
Ann McCullough, National Endowment of the Arts
Bob Cannon, Union Plaza
Penny Levin, Las Vegas Sun
Jack Breger, Las Vegas Review Journal
Franklin Bills, Valley Times
Channel 13
Gwenn Castaldi, KBMI

ABSENT

Gene Stephens, Director of Facilities

The meeting was called to order at 9:15 a.m. by Robert N. Broadbent, Chairman.

INVOCATION

The Reverend Don Loving, Redrock Southern Baptist Church, gave the invocation.

PLEDGE OF
ALLEGIANCE

Chairman Broadbent led the assembled in the Pledge of Allegiance.

ITEM I
AGENDA
APPROVAL

Chairman Broadbent requested that the Agenda include a recommendation from the Personnel Committee.

Member Wiesner requested that the Agenda also include a request from Gogian Enterprises regarding the telecasting of the University of Nevada Basketball games in Los Angeles and Southern California area.

The Agenda was unanimously approved to include the two aforementioned additions.

ITEM II
APPROVAL
OF MINUTES

On motion by Member Woofter, seconded by Member Daines,
the minutes of the Regular Meeting, held November 23, 1976, were
unanimously approved by the Board.

ITEM III
COMMITTEE
REPORTS

A. Motion Picture & Television Committee Report
The Motion Picture & Television Committee met at 9:30 a.m.,
November 23, 1976, Room #3, Convention Center.

Motion Picture
& Television
Committee
Report

Motion Picture & Television Committee Chairman Broadbent informed the Board that this committee met with representatives from the Las Vegas Chamber of Commerce, the Las Vegas News Bureau, and the Production Service Contractors Association to discuss their proposal requesting the establishment of a Las Vegas Motion Picture and Television Department.

Their presentation to the full Board on 10/26/76, outlined the possible economic impact such an office could have on Las Vegas, as through its coordinating efforts it could attract production companies to the Las Vegas area.

It was brought out that many motion picture and television companies desire to film in Las Vegas, but lack a central coordinating office.

The Authority Staff, Len Hornsby, Paul Titus, Bill Hammond, were requested by staff to prepare a proposal outlining what the Authority is qualified to do.

Mr. Hornsby reported that the staff has met and discussed this proposal. He informed the Board that they would like to get some input from the Hotel Public Relations Directors, as well as additional material from the Chamber and this committee before making a recommendation on this proposal.

Staff committee to make a report back to the Board.

Facilities/
Budget &
Finance
Committee
Meeting

B. Facilities/Budget & Finance Committee Report
The Facilities/Budget & Finance Committee met at 9:00 a.m.,
December 9, 1976, Room #4, Convention Center.

Beautification
Project

Facilities Committee Chairman Ruthe informed the Board that the first agenda item was a discussion by committee regarding the beautification project for the area between the New Meeting Room Complex and the East Hall Expansion.

Priority Item

Ann McCullough, Community Arts Specialist for Southern Nevada, addressed the committee stating the first step towards implementation of the project is for the Convention Authority to appoint a small committee to do much of the preliminary work for the competition. After this committee has (1) established the rules of the competition, (2) announced the contest, (3) juried the entries and (4) chosen the top three winners from renderings of the proposed murals, then the Convention Authority could have the final vote in choosing the one winner. The Mural Committee could check with the Convention Authority for approval after each step of the process. Or this committee could be given the full authority to produce for the Convention Authority the three top winners, leaving the rules for the competition and the actual process up to the committee. The Convention Authority, in any case, should have the final say as to who the winner is and which mural if any they desired for placement on our structures.

In conclusion Ms. McCullough supplied seven recommendations for appointment to the Mural Committee:

1. Jack Miller--A.I.A.
2. Ann McCullough--Community Arts Specialist
3. Karen Morris--Art Resource Teacher, Clark County School District
4. Lillian Nall--Member Nevada State Council on the Arts, commercial gallery owner
5. Naomi Fine--President Allied Arts Council
6. Peg Bolen--Commercial gallery owner
7. Charlene Goldman--Member Nevada State Council on the Arts, chairman of Southern Nevada Arts Council Steering Committee

ITEM III
COMMITTEE
REPORTS
(cont)

Facilities Chairman Ruthe stated that if it is the Authority's desire to continue with this beautification project, a committee could be appointed by the full Board to set up some guidelines for this project.

Based on committee recommendation, Member Ruthe made a motion that the Authority Board appoint a committee from its Board and from the seven submitted names. That this committee meet and establish some guidelines on how to proceed with this beautification project. Member Kishner seconded the motion and it carried by unanimous vote.

The Chairman referred the matter to the Facilities Committee to determine the number to comprise the committee and the names recommended for membership thereon.

Cashman Field

Committee discussed the idea of constructing an outdoor sports complex on the Cashman Field property.

Mr. Dickerson was asked if there is anything that prevents the Authority from developing an area such as Cashman Field for sports for community involvement.

Mr. Dickerson replied that pursuant to NRS 244.640 (1) (e) the Authority can promote recreational facilities located in the county which are owned by the county, the state, or an incorporated city of the county. Cashman Field is located within the city.

Based on committee recommendation, Member Ruthe made a motion requesting that Authority's architect, Jack Miller, meet with Don Saylor, City Planning Department, to update the City master plan to include the proposed development of Cashman Field, along with some cost estimates, as an outdoor sports complex. Member Woofter seconded the motion and it carried by unanimous vote.

Downtown Multi-Purpose Sports Arena/Mini Convention Facility

Facilities Committee Chairman Ruthe informed the Board that committee had a lengthy discussion regarding the Downtown Multi-Purpose Sports Arena/Mini Convention Facility. The general feeling of committee, he said, was to endorse the idea; however, Authority Legal Counsel outlined legal ramifications of what the Authority can legally undertake.

Committee report of 12/9/76 follows:

The Downtown Progress Association made a presentation to the full Board on November 23, 1976, informing the members of the proposed construction of a 16,000 to 18,000 seat multi-purpose sports arena/mini-convention facility to be constructed on a site presently owned by Upland Industries behind the Union Plaza Hotel. An allocation of \$20,000 was requested by this association for plans and market feasibility study to prepare for legislation before the 1977 Nevada State Legislature.

Member Stout informed the Board that he had received a phone call from Jerry Moffitt who requested that he and his group be allowed to make a presentation before this Board to design a multi purpose sports arena.

Mr. Dickerson informed committee that Mr. Moffitt has appeared before this Board in the past and has indicated that they wanted to have some form of financing. The Authority indicated that the only method of financing available is by bonded indebtedness or bond issue and whether it is revenue producing bonds or an ad valorem tax upon the property that is the Authority's sole method of financing.

Mr. Dickerson presented the committee with the following research on this matter.

"A similar proposal was presented by Bill Morris and the group that wanted a sports complex to then be financed by a ⁶⁹⁴cept of imposing a cigarette tax. The revenues from which would defray the expense of the complex. When he first came before the

ITEM III
COMMITTEE
REPORTS
(cont)

Authority they had exactly the same situation that Mr. Gragson has at the present time. They had already entered into an agreement with a consultant, they had entered into an agreement with an architect, and they ask for funds with which to pay for the services to be performed by each as well as the drafting of the necessary legislation to get it all off the ground before the State Legislature.

"At our meeting at that time and I am referring to the minutes of the meeting of February 18, 1975, before the Sports Complex Committee. This was really a governmental entity that was involved because it was the Governor's Committee that had been selected for the purpose of just exactly this type of a concept, and I advised the composition of the board as stated by the Governor would have no binding action as it would have no legal affect upon this Board.

"The two contracts that were negotiated by the Governor's Committee could not possibly be binding upon this Board and these are problems that you would face at the present time...are you assuming obligations of private enterprise that really have no substance as far as a governmental entity being involved. It may be well to say that ultimately the concept has in mind that the jurisdiction over this facility would rest with this Board, but we pointed out to the Governor's Committee at that time, draft the legislation, bring it to us so we can review to see that in fact this is the accomplished fact that the ultimate determination with reference to expenditure, maintenance, and operation is in fact within the jurisdiction of this Board.

"That was done, the legislation was drafted, it was brought back before us, we then determined that we absolutely positively under legal authorities and confirmed as recently as July of 1976, by the Supreme Court of the State of California, that no public entity has the right to expend public funds for an elective purpose. For instance, going to a Bond Issue, because as an elected body you represent both sides and in fairness to both sides those who would be opposed to the Bond Issue must have a representation as well as those in favor of a Bond Issue and every Bond Issue that we have ever been involved with here at the Authority has been as far as the advertising and the motion behind it for purpose of influence to the public has been privately financed. Not one penny of public funds has been expended for that purpose because of the statutory inhibitions that are imposed upon us.

"Cities have a great deal more latitude than the county has. We are a county entity and one jurisdiction has pointed out in trying even on legislation of trying to finance legislation by public funds. The legislators actually represent all the members of the county and therefore there cannot be expenditure of county monies for purpose of influencing legislation.

"One case, the following language, 'Moreover there may be a good reason for permitting towns and cities to incur expense of obtaining favorable legislation through an attorney or other agent not granting the same right to the counties, the counties have the right to rely upon the legislative representatives to protect the interest of their respective counties while cities and towns cannot repose the same confidence in them as there may be several towns and cities in the same county and as to which rivalry may exist. At any rate, the Stone Case is not in conflict with the present holding.

"In other words what we would have to see and what would have to be presented to us in any type of proposal is that a public entity in fact is the one who would be developing, maintaining and operating this facility. I don't care whether it is the state, the city, the county, or this Board. As long as that were shown, then as I just recently pointed out to you, we have the statutory authority to promote any type of recreation facility because that was the original concept of this Board. It was a Fair and Recreation Board and it expanded after the problem with reference to the need for tourism promotion and we got the specific legislation amendment to provide for expenditure of funds for promotion of tourism thereafter; but we do have an absolute legislative authority where

ownership is in any of the governmental entities to expend our funds for the promotion of those types of facilities.

"Without that, we don't have one right to expend one cent of public funds for promotion of any private enterprise and until something could come before you in the nature of appropriately drafted legislation and all they need do is go to Mr. Morris and they will see the act that was drafted through the auspicious, not only of Mr. Morris, but likewise in Washoe County, which was likewise interested at the same time as we for the same type of concept in Washoe County for a sports complex, of Russell McDonald who was the legislative counsel for years and now, until recently I understand, the County Manager for Washoe County, who with his vast expertise assisted in the drafting of the appropriate legislation to be taken before the Legislature.

"Our expenditure of \$20,000 and that is why I ask that the backup material be given to you for purpose of this meeting that we authorized at that time was that it not in any way be deemed as a method of either drafting legislation, or of bringing a matter before the voters for an elective process by a ballot proposition for a Bond Issue, both of which are absolutely restricted, but because under the concept of the act we were the ones who were to have jurisdiction. We had an absolute right to determine at the outset the feasibility of the operation of such a facility and therefore we did have the right under the statutory authority to conduct such a feasibility study.

So, we have many problems in trying to step in at this time. If there be a contract with the architect; if there be a contract with the consultant by private enterprise, and we are asked to give \$20,000 towards the preparation of those plans, then we have a problem until they put it in proper context of getting it either into the hands of a public entity right at the outset and assumption on the part of that public entity of whatever those obligations might be in that regard."

Mr. Gragson stated that this legislative act is taken entirely off the act referred to that was presented to the Authority for the last Legislative Session. The exception is, he said, that we are not designating the Authority's appointees to an Advisory Board. We felt, he said, that this should be the discretion of the Authority Board as to who their advisory board might be. It is stated in the act, he continued, that the operation and maintenance would be a total part of the Fair and Recreation Board, an extension of the present facilities.

Mr. Gragson continued stating that in order to combine the efforts of the Downtown Progress Association and UNLV to promote one sports complex, the DPA agreed to assume the obligations that had been previously made with McDaniel and Cohen to the degree that they would develop only the necessary information to intellegently take this to the Legislature and then to the voters. After that it would totally be under the control of the Authority as far as the construction, operation and maintenance. Mr. Gragson concluded that this act has been approved by the bonding attorneys in Denver as being totally adequate in every phase.

Mr. Hal Smith, financial consultant, informed committee that this Bill has been modified for introduction during this session of the Legislature.

There was discussion regarding the Authority's legal rights on this project.

Mr. Dickerson explained that he has only advised the Authority to be cautious. Explaining, he said, it depends on what you do as to whether or not you are acting illegally. If what you are doing is merely making a feasibility study for purpose of determining whether or not it is feasible for this Board to undertake such a concept, then you are within your right to make those types of expenditures. Where in fact you

ITEM III
COMMITTEE
REPORTS
(cont)

are the entity that is going to be operating it and you want to know that it is feasible to operate it as such. You want to know that the legislation is drafted to give you the revenues for purpose of operation. Now, he said, what I must caution you against is that none of the expenditures can be for either the purpose of a bond issue, or for influencing the legislation, drafting the legislation respecting that bond issue as a county entity and that is what the authorities that I cite point out.

Mr. Dickerson informed committed that the last time we asked that the two parties that had been involved in all of the work up to that point come before us and indicated that there would be no obligation on our part respecting past services and then if we wanted to negotiate with those individuals respecting what we expected of them to prepare our feasibility study, then we would have to negotiate with them regarding that.

Mr. Gragson asked the committee, if the Downtown Progress Association were to expend its own monies to develop the plans and specifications and the legislature approves the legislation to take it to the voters, would this Board want it under the arm of this organization?

Mr. Dickerson replied that as long as it is under the purview of this Board, the State of Nevada, the County of Clark, or the City of Las Vegas, there is no problem as far as our expending funds for purpose of its promotion.

After some discussion, Member Broadbent moved that this committee recommend to the full Board that the Authority support the proposal of a sports complex in downtown Las Vegas, as long as it is economically feasible for the Convention Authority to do so by resources available from sources outside of its present room tax. That the Authority would not only support, but would operate and take over the construction, operation and maintenance of such a facility. That this Board would take the necessary and appropriate steps to determine such feasibility and that any expenditure of funds would come before the Board for approval as to their legality before any payments would be made. Member Woofter seconded the motion and it carried by unanimous vote. Member Ruthe abstained his vote on the grounds of a possible conflict of interest.

On recommendation of committee, Member Woofter made a motion that the Authority support the proposal of a sports complex in downtown Las Vegas, as long as it is economically feasible for the Convention Authority to do so by resources available from sources outside of its present room tax. That the Authority would not only support, but would operate and take over the construction, operation and maintenance of such a facility. That this Board would take the necessary and appropriate steps to determine such feasibility and that any expenditure of funds would come before the Board for approval as to their legality before any payments would be made. Member Christensen seconded the motion and it carried by unanimous vote. Member Ruthe abstained his vote on the grounds of a possible conflict of interest.

Sculpture

Facilities Committee Chairman Ruthe informed the Board that committee discussed the possibility of a work of art (sculpture) and some redesigning and beautification for the grass area in the front of the Center.

The committee, he said, recommended that the Authority allocate an amount not to exceed \$300.00 for Jack Miller to investigate the tentative cost of proceeding with this idea.

On committee recommendation, Member Ruthe made a motion that Jack Miller establish a cost analysis for a beautification project to be located in front of the Rotunda, and that the architectural fees not exceed \$300.00. Member Kishner seconded the motion and it carried by unanimous vote.

ITEM III
COMMITTEE
REPORTS
(cont)

Committee requested approval to pay professional services for Expansion '76 in the amount of \$16,050.00 to Jack Miller and Associates.

Expansion '76

Based on committee recommendation, Member Ruthe made a motion to approve payment of \$16,050.00 to Jack Miller and Associates for the following professional services: Architectural services for warehouse, shops, purchasing, news bureau, entrance to north hall, east lobby mall and meeting rooms. Member Stout seconded the motion and it carried by unanimous vote.

ITEM IV
BLACK MARKET
RESEARCH
STUDY

Mr. Titus informed the members that by Board action, the Marketing Department was instructed to evaluate the oral Black Market Research Study presentation, given before the Board on October 26, 1976, and to make a recommendation to the full Board on the selection of one firm to conduct the research project.

Following is the recommendation outlined by the Marketing Department:

"November 8, 1976

To: Paul Titus
From: Rossi Ralenkotter
Subject: Black Marketing Study Presentations

"Per your request, I have reviewed the written proposals submitted by the research companies concerning the Black Research Project. Having seen the oral presentations and having reviewed the written texts, I recommend selecting the firm of Audits and Surveys. This is based upon the following:

- "1. Research Methodology - Audits and Surveys provides both a qualitative and quantitative approach to the research project. This approach should provide in-depth detailed data on all three black markets (conventions, travel agents, and tourists.)
- "2. Audits and Surveys provides the most complete proposal that covers the ideas presented in the research guidelines sent out to the companies.
- "3. The experience of Audits and Surveys in the research industry; this includes research on the black market."

Member Woofter suggested that there be an advertising meeting scheduled to discuss this matter further before making a decision on a particular firm.

Putting it in the form of a motion, Member Woofter made a motion to refer the Black Market Research Study proposals to the Advertising Committee for review and a report to the full Board. Member Stout seconded the motion and it carried by a majority vote with Member Wiesner voting in opposition.

Personnel
Committee
Report

Personnel Committee Report

The Personnel Committee met at 8:30 a.m., this date, December 14, 1976.

Based on committee recommendation, Chairman Broadbent made a motion authorizing that the position of Assistant Director of Facilities, Grade 34, be filled. Member Ruthe seconded the motion and it carried by unanimous vote.

ITEM V
DIRECTOR OF
FINANCE

On motion by Member Stout, seconded by Member Lawrence, Item A and B of the financial report were unanimously approved.

- A. Transfer from General Fund to Capital Fund -
\$204,166.67 (December)
- B. Disbursements from East Hall Expansion Fund
as follows:
J.A. Tiberti Construction Co. Inc.
(Progress Payment No. 13) \$487,936.00
Nevada Testing Lab 62.00

ITEM V
DIRECTOR OF
FINANCE
(cont)

Mr. Hammond referred to Item B of the financial report, informing the members that the architect had supplied him with a schedule of progress payments on the East Hall Expansion program. Aside from these funds, all monies were invested in TCD's.

Progress payment No. 13 is \$130,000 more than the original estimate, he said, and therefore the Authority could cash in a TCD earlier than anticipated.

GOGIAN
ENTERPRISES

Dick Monogian, Gogian Enterprises, addressed the Board informing them of a basketball package that is being put together for telecasting of the University of Nevada Basketball games in Los Angeles and Southern California area.

The budget cost for tentatively eleven (11) telecasts will be \$319,000. Cost per game - \$29,000. First telecast scheduled for January 3, 1977.

Mr. Mongian asked the Authority to pay one-half of the total cost. Three hotels so far, he said, have agreed to purchase advertising. The telecasting, he said, could prove to be of great advertising value to the Las Vegas area.

He continued stating that the University will receive exclusive rights to closed-circuit transmission in Las Vegas.

Coach Ralph Readout informed the Board that telecasting in Los Angeles would be of great value to the University's recruiting program.

Member Ruthe made a motion to refer this request to the Advertising Committee for study. Member Kishner seconded the motion and it carried by a majority vote, with Members Stout and Cohen voting in opposition.

ITEM VI
SELECTION OF
MEMBERS FOR
LVCVA BOARD
OF DIRECTORS

Pursuant to NRS 244.647 (1)(e) and (4), the Greater Las Vegas Chamber of Commerce submitted the names of the following persons for appointment to the Las Vegas Convention and Visitors Authority Board, effective January, 1977:

General Business or Commerce

Mike Cole, Owner
Cole Travel Service
P.O.B. 1479
Las Vegas, Nevada 89101

Max Kelch, Property Mgmt.-Investments
330 Rancho Circle
Las Vegas, Nevada 89102

Jack Libby, Vice President
Young American Homes
913 E. Charleston
Las Vegas, Nevada 89104

Resort Hotel Industry

Burton M. Cohen, President
Thunderbird Hotel & Casino
2755 Las Vegas Blvd. So.
Las Vegas, Nevada 89109

Frank Shattuck, V.P. & Council
Las Vegas Hilton Hotel & Casino
3000 Paradise Rd.
Las Vegas, Nevada 89109

Steve Wynn, Pres. & Chrm. of the Board
Golden Nugget Gambling Hall & Rooming House
129 Fremont St., P.O.B. 610
Las Vegas, Nevada 89101

ITEM VI
SELECTION OF
MEMBERS FOR
LVCVA BOARD
(cont)

After review of the submitted names, Chairman Broadbent called for a motion from the six elected members present, who, by law, are the only members entitled to vote.

Member Woofter made a motion nominating Jack Libby, representing General Business or Commerce; and Burton Cohen, representing Resort Hotel Industry to serve on the Las Vegas Convention/Visitors Authority Board of Directors for a two-year term of office, commencing January 1977. Member Daines seconded the motion and it carried by unanimous vote.

CLOSING

There being no further business to come before the Board, the meeting adjourned at 10:15 a.m.

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