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Could the GOP Tax Plan be a Game Changer for Raiders' Las Vegas Stadium?

First, it would have to pass.

Only after the Trump tax plan completes a run through the congressional gauntlet — a tossup possibility at best, according to experts — would the finances for the Raiders stadium in Las Vegas significantly change.

A provision in the original version of the bill would prohibit the use of tax-exempt bonds to finance public stadium projects. Such bonds would make up the bulk of the $750 million in public funding approved by the Nevada Legislature in October 2016 to build the $1.9 billion project.

At its Thursday meeting, the Las Vegas Stadium Authority board will hear scenarios prepared by Clark County consultants on how the provision could affect the stadium project. Board Chairman Steve Hill dismissed chatter that the need to pay federal interest on stadium bonds could jeopardize the viability of the project.

"It matters, it's meaningful," Hill said. "But it is not debilitating."

Hill said the authority might need to redirect about $3 million per year to pay federal interest if the law changed. That money otherwise would go toward paying interest on issued bonds or into the bond waterfall — a reserve fund. If that somehow led to the room tax funds designated for stadium construction coming up short, the Raiders would need to make up any shortfall.

"The way the law is written, we have one commitment, which is simply to provide the bond capacity that (the) 0.88 percent (tax) can bond," Hill said. "If it isn't $750 million, then the developers — the Raiders — would be responsible for closing that gap."

Through a combination of loans from Bank of America and the NFL, as well as personal seat license and naming rights revenue from the stadium project, the Raiders plan to put $1.15 billion toward the construction of the stadium and a practice facility.

Had the Raiders and the stadium authority completed their required agreements by October as originally planned, they might have mitigated the impact of the provision by beginning bond issues before the law potentially takes effect. The four-month holdup, necessitated by a delay in completing the construction contract between the Raiders and contractors Mortenson and McCarthy, means bond issues will not begin until well into 2018.

The Raiders also must put in the first $100 million of their contribution toward the stadium before they can access any public money. Hill said the authority first will make a cash contribution from room tax revenues before using the rest of the funds toward bonds.

"Every month that we don't issue bonds, we're collecting room tax that could be used to buy down the bonding it would take to get to the $750 million," Hill said. "If we collect $50 to $60 million in

room tax, then we only need to bond $690 million. We're not actually bonding $750 million."

Room tax revenue fell short of projections for a second consecutive month after exceeding expectations in the first five months of collections. The seven-month total of $29.3 million outpaces anticipated revenue by just under $3 million.

While the tax proposal would create an estimated $200 million for the federal government over a 10-year period, its introduction could be related to the recent dustup between the president and the NFL over players kneeling during the national anthem.

"Why is the NFL getting massive tax breaks while at the same time disrespecting our Anthem, Flag and Country?" President Donald Trump tweeted last month. "Change tax law!"

Responding to a follow-up question at a press briefing later, White House press secretary Sarah Huckabee Sanders expounded on the president's tweet.

"While the NFL may have given up its tax-exempt status a few years ago, it's been well documented that billions of dollars continue to subsidize the construction and renovation of professional sports stadiums," Sanders said. "If this industry is going to use money from American taxpayers to build the very fields they play on, then is it really too much to ask that they show respect for the American flag at the beginning of the game?"

No major action will be taken at the board's first meeting in two months. The planned October meeting was canceled in the wake of the Oct. 1 massacre.

The board will receive an update on the much-discussed community benefits plan being developed by the Raiders and community leaders. While the board does not hold formal approval power of the plan, it appeared as an item up for a vote on the October agenda. It is listed as an informational item this time.

"We just decided that there was enough that was new that we didn't want to put the board in a position of having to take any action on it," Hill said.

The board meets at 1 p.m. Thursday at the Clark County Government Center.

The Las Vegas Sun

By Adam Candee

Wednesday, Nov. 8, 2017 | 2 a.m.

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