POLICY NO. FIN-01	DATE 11/14	OFFICE OF PRIMARY RESPONSIBILITY (OPR) Finance
Title: **DEBT MANAGEMENT**		

1) POLICY

The Las Vegas Convention and Visitors Authority (LVCVA) recognizes the foundation of any well-managed debt program is a comprehensive debt policy. A debt policy sets forth the parameters for issuing debt and managing outstanding debt and provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. The debt policy should recognize a binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into the capital markets. Adherence to a debt policy helps to ensure that a government maintains a sound debt position and that credit quality is protected.

2) PURPOSES FOR WHICH DEBT MAY BE ISSUED

Debt financing is normally used for land acquisition, capital construction, improvements, facilities expansion and other infrastructure improvements and additions which cannot be funded from current revenues, capital reserves or fund balance designations. Debt may also be incurred to fund capital recreation grants to other government entities.

A) Capital improvement plan

i) The LVCVA prepares a multi-year capital improvement plan (CIP) as a financial planning and management tool, which is updated annually. The CIP lists all proposed capital projects and capital acquisitions for a rolling five-year period. For each project / acquisition, the CIP contains an explanation, justification, documentation, amount of funding that is expected to be needed, and a priority category. Based on the individual project details, a summary of capital funding needs over the next five years is prepared and sources of funding identified.

ii) It is important to match capital needs with economic resources on an annual basis to ensure that the proposed level of debt issuance does not place a constraint on maintenance of the LVCVA's credit worthiness or future credit rating improvements. In this regard, the CIP process includes a complete analysis of the anticipated sources of funds for future capital projects, as well as the resulting impact of long-term financing on the LVCVA's debt position.

iii) The LVCVA plans long- and short-term debt issuance to finance its capital program based on its cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The Sr. Vice President of Finance oversees and coordinates the timing, issuance process and marketing of the LVCVA's borrowing and capital funding activities required in support of the capital improvement plan.

iv) As part of the CIP, the LVCVA sets aside sufficient current revenues to finance ongoing maintenance needs and to provide periodic replacement and renewal consistent with its philosophy of keeping its capital facilities and infrastructure systems in good repair and to maximize a capital asset's useful life.

v) It should be recognized that changing circumstances require flexibility and revision. Anticipating every future contingency is unrealistic. When adjustments to debt plans become necessary, the reasons will be well documented to demonstrate that the LVCVA's commitment to sound debt management remains unchanged.

B) Operational Costs and Revenue Sources Associated with Each Project

i) Prior to proceeding with any major capital building or expansion project, analyses and appraisals are prepared by staff, professional consultants, or both. Pro forma projections play a central role in the decision-making process. The feasibility of the project is subjected to extensive evaluation, not only operationally, but financially as well. Financial analyses include:

- ✓ Start-up costs
- ✓ Future maintenance and operational costs
- ✓ Financial impact upon current support services
- ✓ Projected operational revenues

ii) Several forecasts may be prepared using a different basis by adjusting for the size and scope of the project. The planning process for most major capital building projects extends several years, and projections are revised throughout the process.

3) TYPES OF DEBT

The LVCVA is authorized to issue debt under Nevada Revised Statutes (NRS) 244A.597 through 244A.655 pursuant to the Local Government Securities Law of Nevada (NRS 350.500 et seq.). Authorized debt types include the following:

A) General Obligation Bonds (GO Bonds)

i) The LVCVA may issue general obligation bonds in the name and on behalf of Clark County. General obligation bonds are direct and general obligations of Clark County and the full faith and credit of the County is pledged for the payment of principal and interest, subject to certain Nevada constitutional and statutory limitations.

ii) In Nevada, governments must present their general obligation debt proposals to the Debt Management Commission (DMC). The DMC reviews the statutory debt limit, the method of repayment and the possible impact on other underlying or overlapping entities. DMC approval is required for the LVCVA to initiate borrowing.

iii) General obligation bonds are additionally secured by a pledge of revenues from the LVCVA. As a matter of practice, the LVCVA has never had to use property taxes for debt service, using only net pledged revenues derived from operations.

B) Revenue Bonds

Under NRS 244A.637, the LVCVA may issue revenue bonds payable solely from the net revenues derived from operations and room taxes. Revenue bonds are not general obligations of the County and no ad valorem taxes may be levied to pay the debt service. They are excluded from the legal debt limitation and approval by the DMC.

C) Medium-Term Limited Financing

Negotiable notes, short-term negotiable bonds or commercial paper may also be issued. These issues are payable from all legally available funds of the LVCVA. The LVCVA is not authorized to levy ad valorem taxes to pay debt service on these obligations.

D) Certificates of Participation/Other Leases

Certificates of Participation are essentially leases, which are sold to the public. The lease payments are subject to annual appropriation. Investors purchase certificates representing their participation in the lease. Often, the equipment or facility being acquired serves as collateral. These securities are most useful when other means to finance are not available under state law.

E) Taxable Bonds

The cost of taxable debt is higher than for tax exempt debt. However, the issuance of taxable debt may allow valuable flexibility in the timing and nature of a bond sale. Additionally, it may be mandated in some circumstances. Legislation in the United States Congress may affect the tax status of proposed or future debt issuances. Unless mandated, the LVCVA will usually issue tax-exempt obligations.

F) Direct Pay Bond

The LVCVA may obtain certain advantages and savings when issuing taxable obligations for capital projects that meet certain requirements of the Tax Code and Treasury regulations under the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”), Congress added sections 54AA and 6431 to the Tax Code, Such bonds are referred to as “Build America Bonds (BAB’s).”

4) STRUCTURAL FEATURES

A) Maturity

The term of LVCVA debt issues should not extend beyond the useful life of the project or equipment financed. The repayment of principal should generally not extend beyond 30 years unless there are compelling factors that make it necessary to extend the term beyond this point.

B) Repayment

Debt should be structured to provide for either level principal or level debt service. The LVCVA may choose to structure debt repayment so as to wraparound existing obligations or to achieve other financial planning goals. Deferring the repayment of principal should be avoided except in select instances where it will take a period of time before project revenues are sufficient to pay debt service. Ascending debt service should generally be avoided.

C) Bond Insurance

Bond insurance is an insurance policy purchased by an issuer or an underwriter for either an entire issue or specific maturities, which guarantees the payment of principal and interest. This security provides a higher credit rating and thus a lower borrowing cost for an issuer.

The LVCVA will determine with each debt issuance if bond insurance is required or beneficial to the LVCVA. Bond insurance can be purchased directly by the LVCVA prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option). When insurance is purchased directly by the LVCVA, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium.

D) Reserve Fund

A debt service reserve fund is created from the proceeds of a bond issue and/or the excess of applicable revenues to provide a reserve to meet debt service payments. This provides a measure of added security to bond holders and may improve the credit rating and thus a lower borrowing cost for an issuer. Certain debt issues may require a reserve fund or the LVCVA may choose to create one if it is determined to be cost effective. When cost/beneficial, the LVCVA may consider the use of surety bonds, lines of credit or similar instruments to satisfy reserve requirements.

E) Coverage Policy

Coverage is the ratio of pledged revenues to related debt service for a given year. The LVCVA targets a minimum coverage ratio of 3.0 due to the current single-source revenue structure. Coverage may be re-assessed if there is a significant change in revenue structure, sources and diversification.

For purposes of calculating annual debt service to be used in determining the coverage ratio, any interim financings (commercial paper, bank drawdown facilities, etc.) will assume annual interest on the maximum amount at 6%. Long term financings that are not fixed rate bonds will be assumed to be amortized over a 30 year period at a 6% interest rate.

F) Call Provisions

A call option, or optional redemption provision, gives the issuer of a bond the right to prepay or retire a debt prior to its stated maturity. This option allows the issuer to achieve interest savings in the future through refunding of the bonds. Often the issuer must pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future. In addition, if a bond or debt is called, the holder may be entitled to a premium payment ("call premium"). Because the cost of call options can vary widely, depending largely on market conditions, the LVCVA and its financial advisor evaluate optional redemption provisions for each issue to assure that the LVCVA does not pay unacceptably higher interest rates to obtain such advantageous calls.

5) CREDIT OBJECTIVES

Credit ratings indicate to potential buyers whether a government entity is considered a good credit risk. Credit ratings issued by the bond rating agencies are a major factor in determining the cost of borrowed funds in the municipal bond market. The LVCVA's goal is to maintain or improve its bond ratings. To that end, prudent financial management policies will be adhered to in all areas.

Full disclosure of operations will be made to the bond rating agencies. The LVCVA shall maintain a line of communications with the appropriate rating agencies, informing them of major financial events as they occur. The rating agencies will be informed of how to download the Comprehensive Annual Financial Report after the Board of Directors has accepted it. A personal meeting with representatives of the rating agencies will be scheduled every few years or whenever a major project is initiated.

Standard & Poor's Fitch		***Moody's***	
+AAA AAA, -AAA	The best quality companies, reliable and stable	Aaa	Highest quality, with the "smallest degree of risk"
+AA, AA, -AA	Quality companies, a bit higher risk than AAA	Aa1, Aa2, Aa3	High quality and subject to very low credit risk, but their "susceptibility to long-term risks appears somewhat greater"
+A, A, -A	Economic situation can affect finance	A1, A2, A3	Upper-medium grade and are subject to low credit risk, but that have elements "present that suggests a susceptibility to impairment over a long term"
+BBB, BBB, -BBB	Medium class borrowers, which are satisfactory at the moment	Baa1, Baa2, Baa3	Medium-grade and "protective elements may be lacking or may be characteristically unreliable"

6) METHOD OF SALE

A) Competitive Sale

With a competitive sale, any interested underwriter(s) is invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter(s) presenting the best bid according to stipulated criteria set forth in the notice of sale. The best bid is usually determined based on the lowest overall interest rate. Competitive sales should be used for all issues unless circumstances dictate otherwise.

B) Negotiated Sale

When certain conditions favorable for a competitive sale do not exist and when a negotiated sale will provide significant benefits to the LVCVA that would not be achieved through a competitive sale, the LVCVA may elect to sell its debt obligations through a private or negotiated sale, upon approval by the Board of Directors. Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program.

The underwriting team may be selected through a competitive process. The Finance Department will solicit proposals from underwriters who have submitted, in their own name, or as part of a syndicate, bids for previous competitive bond issues. All such firms will have an equal opportunity to be selected to the negotiated underwriting pool. Before work commences on a bond issue to be sold at negotiated sale, the underwriter shall provide the Finance Department a detailed estimate of all components of their compensation. The criteria used to select an underwriter in a negotiated sale should include the following:

- ✓ Overall experience
- ✓ Marketing philosophy
- ✓ Capability

- ✓ Previous experience as managing or co-managing partner
- ✓ Financial statement
- ✓ Public finance team and resources
- ✓ Breakdown of underwriter's discount
- ✓ Management fee - compensation to the underwriter for their work in structuring the issue
- ✓ Underwriting fee - compensation to the underwriter for use of capital to underwrite the bonds
- ✓ Average takedown - the portion of the underwriters' discount used to pay the sales force
- ✓ Expenses - administrative costs such as underwriter's counsel and administrative fees

7) FINANCIAL CONSULTANTS

A) Bond Counsel

The primary role of bond counsel is to certify that the issuer has legal authority to issue the bonds and to issue an opinion as to the tax status of any debt issuances. Bond counsel also advises the issuer on whether proposed borrowing is legally permitted and works with the issuer to assure compliance with all constitutional, statutory, and procedural requirements. LVCVA will also seek the assistance of Bond Counsel in drafting bond documents, including the official statement, resolutions authorizing the sale and issuance of the bonds and other necessary documents.

B) Financial Advisor

The LVCVA will seek the advice of the Financial Advisor when necessary. The Financial Advisor will advise on the structuring of obligations to be issued, provide information on various options, give advice as to how choices will impact the marketability of LVCVA obligations and will provide other services as required.

8) REFUNDINGS

A refunding is generally the underwriting of a new bond issue whose proceeds are used to redeem an outstanding issue. Key definitions are described as follows:

a) Advance Refunding - A method of providing for payment of debt service on a bond until the first call date or designated call dates from available funds. Advance refundings are accomplished by issuing a new bond or using available funds and investing the proceeds in an escrow account in a portfolio of U.S. government securities structured to provide enough cash flow to pay debt service on the refunded bonds.

b) Current Refunding - The duration of the escrow is 90 days or less.

*A **critical IRS restriction*** limits an issuer to no more than one advance refunding for each issue after August 1986. As a result, the LVCVA must carefully evaluate the appropriateness of advance refunding when an opportunity arises because there will be only one chance to reduce interest cost of the refunded bond until the call date, if any.

Considering this, the LVCVA will generally consider refunding outstanding bonds only if the present value savings are at least 3% of the par amount of the refunded bonds, or if the bonds to be refunded have restrictive or outdated covenants, or if restructuring debt is deemed in the best interest of the LVCVA.

9) DISCLOSURE PRACTICES

A) Secondary Market Disclosure

i) In November 1994, the Securities and Exchange Commission ("SEC") amended Rule 15c2-12 (the "Rule") to prohibit any broker, dealer, or municipal securities dealer from acting as an underwriter in a primary offering of municipal securities unless the issuer promises in writing to provide certain ongoing information. The annual financial information is to be sent to the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access (EMMA) website as designated by the SEC.

ii) The LVCVA will comply with the Rule by providing the secondary market disclosure as required.

B) <u>Arbitrage</u>

The Debt Issuance Compliance Policy (FIN-28) discusses the requirements and procedures for ensuring compliance with federal laws relating to arbitrage rebate.

10) OTHER

A) <u>Use of Debt Service Funds</u>

The LVCVA establishes a separate debt service fund for each debt issue. Reserves at June 30 will be sufficient to pay principal and interest due on July 1 of each year.

B) <u>Extraordinary R, M & I</u>

NRS 354.6105 may establish a fund for the extraordinary maintenance, repair or improvement of capital projects funded by bonds. Except as otherwise provided in NRS 374A.020, the money in the fund may be used for the extraordinary maintenance, repair or improvement of capital projects or facilities that replace capital projects of the entity that made the deposits in the fund. The money in the fund at the end of the fiscal year may not revert to any other fund or to be a surplus for any purpose other than the purpose specified in this subsection.

C) <u>Policy Administration Responsibility</u>

This policy was adopted by the LVCVA's Board of Directors. It is updated annually and submitted to the Debt Management Commission and the State Department of Taxation. The President and the Sr. Vice President of Finance are responsible for the administration of the policy, with the Board ultimately responsible for approval of the form of any LVCVA borrowing. The LVCVA's chief financial officer is identified as follows:

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AUTHENTICATION:	Policy reviewed/Supplement updated by the CFO	07/18
	Policy reviewed/Supplement updated by the CFO	07/17
	Policy reviewed/Supplement updated by the CFO	07/16
	Policy reviewed/Supplement updated by the SVP of Finance	07/15
	Approved by the Board of Directors	11/14
	Policy approved/Supplement updated by the SVP of Finance	10/14
	Policy reviewed/Supplement updated by the SVP of Finance	07/14
	Policy reviewed/Supplement updated by the SVP of Finance	07/13
	Policy reviewed/Supplement updated by the VP of Finance	07/12
	Policy reviewed/Supplement updated by the VP of Finance	07/11
	Approved by the Board of Directors	07/10
	Approved by the Vice President of Finance	06/10

DEBT CAPACITY ANALYSIS

This portion of the debt management policy has been developed to analyze the existing debt position of the LVCVA and to assess the impact of future financing requirements on the LVCVA's ability to service the additional debt. In addition, Senate Bill 413 requires certain information be provided to the Nevada Department of Taxation and the Debt Management Commission on or before August 1 of each year. The following information satisfies those informational requirements. This supplemental reflects the updated debt balances with the most current information.

Current Debt Position

As of 6/30/2018, the LVCVA has the following outstanding debt issues:

Date	Original Amount	Type	Purpose	Maturing	Balance as of 6/30/2018
2008	26,455,000	G.O./Revenue	NDOT	FY 2019	630,000
2010A	70,770,000	G.O./Revenue	NDOT	FY 2039	70,770,000
2010B	28,870,000	G.O./Revenue	NDOT	FY 2023	13,660,000
2010B	24,650,000	G.O./Revenue	Refunding	FY 2027	24,010,000
2010C	155,390,000	G.O./Revenue	NDOT	FY 2039	146,620,000
2012	24,990,000	G.O./Revenue	Land & Improve.	FY 2033	20,805,000
2014	50,000,000	G.O./Revenue	Land & Improve.	FY 2044	50,000,000
2015	72,370,000	G.O./Revenue	Refunding	FY 2022	44,285,000
2015	109,435,000	G.O./Revenue	Refunding	FY2045	109,435,000
2016A	1,000,000	Revenue/LOC	Land & Improve.	FY 2019	1,000,000
2016C	100,705,000	Revenue	Refunding	FY 2047	100,705,000
2017	21,175,000	G.O./Revenue	Refunding	FY2039	21,175,000
2017B	71,005,000	Revenue	Refunding	FY 2041	71,005,000
2017C	126,855,000	G.O./Revenue	Refunding	FY2039	126,855,000
2018A	200,000,000	G.O./Revenue SB-1	LVCCD	FY 2048	200,000,000
				Total	$ 1,000,955,000

The 2016A Revenue bond is the revolving line of credit, in the maximum amount of $300,000,000 of which only $100,000,000 can be outstanding at any time. The current outstanding amount on June 30, 2018 was $1,000,000, which is included above. Also included in the Debt Position above, and the Future Debt Payments schedule below, is the 2017C issued in FY 2018. The 2010C is not defeased, and the proceeds of 2017C have been placed in escrow from which the payments for 2017C will be made until the 2010C is legally defeased. The 2010C debt liability must be included as LVCVA debt until it is defeased. Also issued in FY 2018 was the 2017B to refund 2010E. The 2018A bond is for the LVCCD project, and the associated debt service is planned to be paid from SB1 room tax revenues.

Future Debt Payments

Annual debt service requirements for the LVCVA's bonds are as follows:

Year Ending 6/30	Principal	Interest	Total
2019	$ 28,210,000	$ 44,299,487	$ 72,509,487
2020	27,830,000	44,816,841	72,646,841
2021	15,855,000	43,851,411	59,706,411
2022	22,280,000	42,994,281	65,274,281
2023	26,125,000	41,777,026	67,902,026
2024-2028	162,970,000	184,823,996	347,793,996
2029-2033	182,735,000	140,161,084	322,896,084
2034-2038	213,815,000	92,142,556	305,957,556
2039-2043	107,445,000	51,132,005	158,577,005
2044-2048	213,690,000	24,041,093	237,731,093
	$ 1,000,955,000	$ 710,039,780	$ 1,710,994,780

Totals may not foot due to rounding

The totals above include the estimates for the $1 million outstanding on the line of credit extended through 11/30/18. Principal and interest payments for the LOC are $1,162,298 in FY 2019, based on an effective interest rate of approximately .25% and an ending date of 11/30/2018. The schedule also includes $225.3 million in payments for the 2010C which is not considered legally defeased until 2021 and $15.4 million for the 2017C debt which will be paid by escrow until 2021. The table does not include the $500 million authorized for issuance by the board in May 2018, and expected to be issued in the fall of 2018 at an estimated total cost of $973.6 million, nor the possibility of drawing on the LOC prior to November 2018.

Ability to Afford Existing and Future Debt Obligations

Coverage is the ratio of pledged revenues to related debt service for a given year. It shows that the revenues pledged to pay the debt service are, in fact, sufficient to pay debt service by the number of times it is covered.

Senior Lein Debt	Gross Pledged Revenues	Operating & Maintenance Expenditures	Collection Costs	Net Pledge Revenue	Debt Service	Debt Coverage	Expansion Revenue	Debt Coverage With Expansion
	(1)	(2)			(3)	(4)		
FY 2008	$ 282,743,913	$ 59,504,325	$ 22,258,498	$ 200,981,090	$ 23,989,128	8.4		N/A
FY 2009	225,682,302	56,292,011	17,882,816	151,507,475	30,454,599	5.0		N/A
FY 2010	200,886,994	50,013,839	15,600,670	135,272,485	28,562,969	4.7		N/A
FY 2011	227,600,497	48,726,140	17,734,516	161,139,841	44,321,298	3.6		N/A
FY 2012	250,917,732	53,674,772	20,140,605	177,102,355	42,754,341	4.1		N/A
FY 2013	253,121,291	54,128,255	20,502,802	178,490,234	53,951,716	3.3		N/A
FY 2014	285,749,837	54,601,014	22,449,149	208,699,674	55,149,034	3.8		N/A
FY 2015	293,340,228	54,894,429	24,104,565	214,341,234	57,554,480	3.7		N/A
FY 2016	322,769,973	58,965,588	26,161,392	237,642,994	61,252,680	3.9		N/A
FY 2017	351,597,011	60,607,964	28,298,262	262,690,785	62,892,859	4.2		N/A
FY 2018 (Est.)	351,793,648	63,273,466	28,512,237	260,007,945	62,693,064	4.1	32,674,536	4.7
FY 2019 (Bud.)	349,005,400	65,625,500	29,144,200	254,235,700	72,347,189	3.5	33,128,400	4.0

Collection costs include $25 million to local entities and the remainder transferred to the LVCCD fund, per SB1 legislation

Totals may not foot due to rounding

(1) Gross pledged revenues include interest income and miscellaneous fees and charges in the general fund and the debt service funds. Revenues from the capital fund have been excluded since these are not a constant source of income. FY 2018 are projected for June 30, 2018, and FY 2019 are budgeted projections for June 30, 2019.

(2) Total expenditures for the Public Affairs are excluded due to the nature of the expenditures benefiting the City of Las Vegas and the County rather than the Las Vegas Convention Center and Cashman Center. Marketing expenditures included in the total relate to the sales efforts of marketing the convention facilities, primarily the Las Vegas Convention Center and Cashman Center (Customer Experience, Convention Services, and Registration). All other Marketing departments expenditures are excluded.

(3) Includes principal and interest payments on senior lien debt (LVCCD and non-LVCCD) and excludes bond issuance costs and operating transfers to the General Fund.

(4) Debt Service costs in FY 2019 are budgeted, as per internal policy, to include interest on the full amount of the available balance of the Line of Credit.

(5) Only bonds 2018A and future LVCCD debt have a lien upon the Expansion Revenue.

Capacity to Incur Future Debt without Exceeding Applicable Debt Limit

Nevada Revised Statutes 244A.059 limit the aggregate principal amount of Clark County's general obligation debt to ten percent of the County's total reported assessed valuation. In addition to the debt limits imposed on overall County general obligation indebtedness, state statutes (NRS 244A.653) limit the aggregate indebtedness for recreational purposes that may be incurred by the LVCVA on behalf of the County to no more than five percent of the County's total assessed valuation. The statutory debt limit in the table below is based upon the County's assessed valuation for fiscal year 2016-17 of $77,201,273,046 (including the assessed valuations of the Redevelopment Agencies). Outstanding debt is identified as of June 30, 2017 for the LVCVA and June 30, 2017 for Clark County:

	Las Vegas Convention and Visitors Authority	**Clark County**
Reported Assessed Valuation	$ 77,201,273,046	$ 77,201,273,046
Bonded debt limit	5%	10%
Statutory debt limitation	3,860,063,652	7,720,127,305
Less:		
Outstanding General Obligation	527,450,000	1,403,176,292
Proposed Bonds		
Additional Statutory Debt Capacity	3,332,613,652	6,316,951,013

G.O. Debt per Capita Compared to the Average of Such Debt for Other Local Governments

Due to the nature of the LVCVA, it is not considered feasible to determine a per capita debt comparison of the LVCVA with other governmental agencies within the state. The only similar agency within the state is the Reno-Sparks Convention and Visitors Authority. Because of the size difference, a comparison with that organization is not considered appropriate. However, if the LVCVA's portion of Clark County's general obligation debt ($527,450,000 as of 6/30/17) is compared to the most recent County population estimate (2,193,818 at June 30, 2017); the resulting ratio is $240.43 per person.

G.O. Debt as a Percent of Assessed Value of All Taxable Property in the County

Clark County's total assessed valuation for fiscal year 2016-17 was reported at $77,201,273,046. The LVCVA's total outstanding general obligation debt equals 0.68% of the assessed value.

Credit Ratings

The LVCVA's bonds issued through Clark County are rated "AA+" by Standard & Poor's and "Aa1" by Moody's. LVCVA's separate revenue bond ratings, as of April 2018, were rated at "A+" with a stable outlook by Standard & Poor's and "A1" with a stable outlook by Moody's.

Sources of Money Projected to be Available to Pay Existing & Future Debt

All existing and future debt will be paid from revenues derived from use of the facilities and unrestricted room taxes (net of collection allocation) less operation and maintenance expenses of the facilities.

Room taxes account for approximately 83% of the LVCVA's total revenue. This revenue is heavily dependent on the tourism industry. Any fluctuation in the level of tourist activity or in the rates charged for room rentals by hotel operators is likely to have an effect in room taxes collected by the LVCVA. General fund revenues for FY 2018 are projected at $350.4 million, a .3% decrease from FY 2017, and FY 2019 are budgeted to be $349.0 million, a 1% decrease from FY 2017.

Fiscal Year	Total General Fund Revenues	Room Tax	Room Tax as a % of Revenue
FY 2008	$ 282,743,913	$ 220,733,128	78%
FY 2009	225,682,302	176,726,992	78%
FY 2010	200,886,994	154,046,265	77%
FY 2011	227,600,497	175,425,978	77%
FY 2012	250,917,732	199,592,498	80%
FY 2013	253,121,291	203,196,429	80%
FY 2014	285,749,837	222,781,385	78%
FY 2015	293,340,228	239,318,802	82%
FY 2016	322,769,973	259,967,636	81%
FY 2017	351,597,011	281,389,017	80%
FY 2018 (Est.)	350,420,800	282,950,000	81%
FY 2019 (Bud.)	349,005,400	289,842,000	83%

* The FY 18 & 19 estimated and budgeted numbers for revenues include only General Fund revenues and room taxes. The LVCVA began receiving additional room tax revenues related to SB1 for the LVCCD project in FY17. The projected revenues related to SB1 are $28.3 million for FY18, with $29.0 million budgeted for FY19. The SB1 room tax revenues will be pledged to future new debt issuances related to the LVCCD project.

Upcoming Contemplated Issuance of Debt

The LVCVA completed Phase One of the Las Vegas Convention Center District (LVCCD) in January 2017. This included the acquisition of the Riviera Hotel, and the site improvements in preparation of Phase Two. The LVCVA has transitioned into Phase Two, which includes the construction of 600,000 square feet of additional indoor and outdoor exhibition space, along with meeting rooms, food and beverage outlets, parking spaces, and support spaces. The LVCVA plans to utilize flexible financing throughout the remaining phases.

The LVCVA currently has a credit agreement with JP Morgan which provides for a $100 million credit line, which can be revolved up to three times at a maximum of $100 million each time. The agreement has been extended and is scheduled to end in November 2018.

The LVCVA Board of Directors approved the issuance of up to of $400 million of debt in January 2018, and an additional $500 million in May 2018. $200 million of this was issued in April 2018, and is included in the debt schedules above (2018A). The remaining debt is expected to be issued in phases, the first $500 million as revenue bonds planned for FY 2019, and the remaining $200 million in FY 2020.

The LVCVA will also continue to review market conditions for potential restructuring opportunities which generate significant savings.