CLARK COUNTY BOARD OF COMMISSIONERS
AGENDA ITEM

Petitioner: Jessica L. Colvin, Chief Financial Officer

Recommendation:

That the Board of County Commissioners approve, adopt and authorize the Chairman to sign a Resolution making a finding that no increase in ad valorem is anticipated for the payment of general obligations, additionally secured with pledged revenues, in an amount not to exceed $219,275,000 for the financing of the Detention Leased Property and requesting the Debt Management Commission to convene to approve the bonds and the finding. (For possible action)

FISCAL IMPACT:

The debt service on the long-term bonds will be repaid by Consolidated Tax. Per NRS the County is authorized to pledge up to 15% of the Local Government Tax Distribution Fund allocable to the County. The Local Government Tax Distribution Fund consists of local government revenues from six sources: Supplemental City/County Relief Tax ("SCCRT"), Basic City/County Relief Tax ("BCCRT"), Cigarette Tax, Liquor Tax, Governmental Services Tax ("GST"), and Real Property Transfer Tax ("RPTT"). The law allows for up to 15% of the combination of these six revenues (the "Consolidated Tax") to be pledged as security for debt.

BACKGROUND:

On September 14, 2007, the County entered in a long-term lease agreement with PH Metro, LLC for the lease of approximately 15.3 acres of land with a 230,834 square foot correctional, administrative building, and related facilities located at 4900 North Sloan Lane (Assessor’s Parcel Number 123-34-401-005) (the "Detention Leased Property"). The Detention Leased Property is for the operation of a low level offender facility and administrative offices. The term of the lease commenced on August 10, 2009, and continues for a period of approximately thirty years. Clark County has the option to purchase the Detention Leased Property beginning ten years after the recordation of the deed of trust for the landlord’s permanent loan. The County presently intends to exercise its purchase option and finance such purchase with an interim financing that would subsequently be refinanced with general obligation bonds additionally secured by pledged consolidated tax revenues.

In order to initiate the process of securing the long-term debt financing, the Nevada Revised Statutes requires that the Board request the Debt Management Commission to convene and consider the request to issue general obligation bonds. Following this request, the Debt Management Commission must meet within 30 days to consider this matter. The resolution also includes a “reimbursement resolution” component, which will allow the County to reimburse itself, from bond proceeds, for expenditures made related to this financing prior to the issuance of the bonds. Eligible expenditures are expenditures that occur 60 days prior or any time after the adoption of the Reimbursement Resolution.

Respectfully submitted,

Jessica L. Colvin, Chief Financial Officer

12/4/2018
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