

**MINUTES OF THE  
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-fifth Session  
May 8, 2009**

The Senate Committee on Government Affairs was called to order by Chair John J. Lee at 1:35 p.m. on Friday, May 8, 2009, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator John J. Lee, Chair  
Senator Terry Care, Vice Chair  
Senator Steven A. Horsford  
Senator Shirley A. Breeden  
Senator William J. Raggio  
Senator Randolph Townsend  
Senator Mike McGinness

**GUEST LEGISLATORS PRESENT:**

Assemblywomen Marilyn Kirkpatrick, Assembly District No. 1  
Assemblywoman Sheila Leslie, Assembly District No. 27  
Assemblyman Tick Segerblom, Assembly District No. 9

**STAFF MEMBERS PRESENT:**

Heidi Chlarson, Committee Counsel  
Michael Stewart, Committee Policy Analyst  
Olivia Lodato, Committee Secretary

**OTHERS PRESENT:**

Steve Bradhurst, Water Resource Management and Policy Development  
Rosanna Coombes, Director of Regional Planning, Truckee Meadows Regional  
Planning Agency  
Alexis Miller, City of Reno

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Adrian P. Freund, Community Development Director, Washoe County  
Community Development  
Marge Frandsen, Trans-Action Realty  
Jim Smitherman, Water Resources Program Manager, Northern Nevada Water  
Planning Commission, Western Regional Water Commission  
Steve K. Walker, Truckee Meadows Water Authority  
John W. Griffin, LSC Development, Inc.  
Robert F. Joiner, Government Affairs Manager, City of Sparks  
Patricia M. Wade, President, Wade Development Company, Inc.  
Gregory F. Peek, Builders Association of Northern Nevada  
Tray Abney, Director, Government Relations, Reno-Sparks Chamber of  
Commerce  
Alex Flangas, Attorney  
Randal L. Walter, Builders Association of Northern Nevada  
Naomi Duerr, P.G., Director, Truckee River Flood Management Project  
Rosemary Menard, Director, Washoe County Department of Water Resources  
John Slaughter, Washoe County  
Lynda Engeseth  
Ken Fabian  
Sally Bates  
Renny Ashleman, City of Henderson  
Susan G. Martinovich, P.E., Director, Nevada Department of Transportation  
Brandon Greene, F Street Coalition  
Shandra Summers Armstrong, Cochair, F Street Coalition  
Barbara Crockett, F Street Coalition  
Samuel Wright  
Ricki Y. Barlow, City Council, City of Las Vegas  
Margaret Crockett, F Street Coalition  
Scott D. Adams, Director, Office of Business Development, City of Las Vegas;  
Chief Urban Redevelopment Officer, City of Las Vegas  
Lon DeWeese, Chief Financial Officer, State Housing Division, Department of  
Business and Industry  
Julianna L. Ormsby, League of Women Voters of Nevada  
Susan Fisher, Southern Nevada Multi-Housing Association; Northern Nevada  
Motel Association

Chair Lee opened the Committee meeting with an announcement two bills  
would not be heard today. He said Assembly Bill (A.B.) 130 and A.B. 225  
would be heard at a later date.

[ASSEMBLY BILL 130 \(1st Reprint\)](#): Revises provisions governing the membership of a metropolitan police committee on fiscal affairs. (BDR 22-632)

[ASSEMBLY BILL 225 \(1st Reprint\)](#): Revises certain provisions relating to county fire departments. (BDR 20-908)

Chair Lee opened the hearing on A.B. 119.

[ASSEMBLY BILL 119 \(1st Reprint\)](#): Requires the comprehensive regional plan in certain counties to include provisions concerning the sustainability of certain water resources. (BDR 22-750)

Assemblywoman Sheila Leslie, Assembly District No. 27, said in March 2008, 125 citizens went to the Washoe County Commission requesting an advisory question on the ballot. The question asked the voters if they wanted the regional plan based on identified and sustainable water resources. The vote from the County Commissioners was 3 to 2 and denied consideration of the request. The citizens placed the issue on the ballot as a requirement and not an advisory question. She said it was the county initiative petition process. It required the gathering of approximately 18,000 signatures in just a few months. The citizens acquired 28,000 signatures, about 25 percent of the registered voters in Washoe County. The question was placed on the ballot last November.

Assemblywoman Leslie said the question asked if the Truckee Meadows Regional Plan should be amended to reflect and include a policy or policies requiring local government land use plans be based upon, and in balance with, identified and sustainable water resources within Washoe County. She said the question was approved by 73 percent of the voters. She mentioned over 121,000 people approved the question.

Assemblywoman Leslie said after the election, she was approached by people in her district who were concerned about comments they heard saying the public did not understand what they approved in the ballot question and the measure was not needed since water planning was already tied to the Regional Plan. She said those citizens requested she present the bill to codify the ballot question into State law. Their reasoning was the Legislature created the Western Regional Water Commission and the Regional Water Planning Commission, later named the Northern Nevada Water Planning Commission, which had a stake in

making sure wishes of the citizens were met. She said some citizens were also worried that when local elected officials were replaced, the intent of the ballot question might be lost.

Assemblywoman Leslie said the Assembly amended the bill and the first reprint was included in A.B. 119. They worked with a group of professional planners from the Reno and Sparks, the County, regional planning agencies and the regional water authority to make sure the bill addressed only the ballot question. She said all the local government entities were in favor of the bill. She said the Assembly also worked with the State Engineer, addressing his concerns, and he was now neutral on the bill. She said the opposition consisted of the Builders Association that believed the bill was not needed, preempted local decision making and had unintended consequences. Assemblywoman Leslie said as an elected representative and citizen of Reno, she believed the legislation was needed and reflected the will of the voters.

Chair Lee asked Assemblywoman Leslie if the bill was an instance where people did not know what they were voting for on the ballot. He asked if the wording was ambiguous or irregular in any way.

Assemblywoman Leslie said she read the question to the Committee so they would know the language was clear and straightforward. She said it was a straight up-and-down question, and the voters were fully aware of their vote.

Steve Bradhurst, Water Resource Management and Policy Development, submitted written testimony ([Exhibit C](#)). He said he had been involved in Washoe County land use and water resource planning. He was one of the people providing technical assistance to the group that developed Washoe County Ballot Question WC-3, [Exhibit C](#). He said Washoe County voters overwhelmingly supported WC-3 in the last election. He said the purpose of A.B. 119 was to implement WC-3, to put it into State law. He said the document entitled Washoe County Questions in [Exhibit C](#) contained the language in WC-3.

Mr. Bradhurst stated the Truckee Meadows Regional Plan was mandated by state law. He said it was a requirement that went into effect in the 1980s. He said A.B. 119 was the same as WC-3. The bill was needed to provide an agreed-upon definition of WC-3. There had been questions after the election concerning the meaning of WC-3, [Exhibit C](#). He said local planners and

governments approved the language, and there was agreement now on the intent and definition of WC-3. He added A.B. 119 provided assurance the intent of WC-3 was not lost in future updates of the Truckee Meadows Regional Plan, [Exhibit C](#). He said A.B. 119 did not diminish a person's right to develop his property. It did not prohibit interbasin transfers, affect the ability of the region to grow, reduce the number of dwelling units approved but not built in Washoe County, or eliminate the requirement for local government to implement WC-3 through normal processes, [Exhibit C](#).

Mr. Bradhurst explained how A.B. 119 codified WC-3. He said it linked the population and the land use elements in the Truckee Meadows Regional Plan to identified, sustainable water resources that can be used in Washoe County. He said subsection 1 of section 2 in A.B. 119 was the population element of the Truckee Meadows Regional Plan, [Exhibit C](#). He said the provisions of the subsection did not limit the authority or duty of the State Engineer. The land use element of the regional plan and local master plans were based on the total population that may be supported by the identified sustainable water resources. Mr. Bradhurst said WC-3 was an example of participatory democracy in Nevada, [Exhibit C](#).

Rosanna Coombes, Director of Regional Planning, Truckee Meadows Regional Planning Agency, testified on behalf of the Truckee Meadows Regional Planning Board regarding its position on A.B. 119. She said the Board supported the language contained in the bill, [Exhibit D](#). She said section 2, subsection 4, paragraph (c) stated the regional plan must set forth a pattern of development consistent with the total population of the region that may be supported by the sustainable water resources, [Exhibit D](#). She said a pattern of development must be linked to the population projections based on sustainable water resources. Planning tools or concepts included in the Regional Plan may include an urban service area established where urban and suburban development will occur in the next 20 years, [Exhibit D](#). Regional centers and higher density developments aimed at promoting a healthy jobs/housing balance would be part of the plan. She said policies promoting infill, rural development areas intended to develop at lower densities and designation of development constrained areas that limit the type of development in those areas, were part of the plan, [Exhibit D](#). Ms. Coombes said the preferred pattern of development would be developed and amended locally using existing statutory processes, including a range of public processes so the community participated in the decisions, [Exhibit D](#).

Alexis Miller, City of Reno, said the City of Reno supported A.B. 119. She said staff from a number of entities participated in the creation of revised language to the bill ([Exhibit E](#)). Ms. Miller said section 2, subsection 4, paragraph (f) linked city and county plans to the development pattern. She said it required making land use and zoning in local plans consistent with the regional pattern and water resources. She said they developed a population-land use model that tied the population projection and land use together. It juxtaposed long-term average annual growth with the adopted land use and zoning to project where growth will occur and facilities will be required, [Exhibit E](#). She summarized her comments for the Committee.

Senator Care said section 2, subsection 1 referred to the language stating a portion of the plan must set forth the total population of the region that may be supported by the sustainable water resources. He asked when the figure was determined, would it be a permanent number or could it change depending on the circumstances?

Mr. Bradhurst said the number could go up. He said the basis of the sustainable water resource number was whatever the State Engineer provided. He said as information came in over time, the State Engineer could change the number.

Chair Lee asked about the Truckee River water allotment.

Mr. Bradhurst said a certain amount of water per decree was used. He said the rights changed according to the climate conditions. He said the existing Regional Water Management Plan had surface water resources and groundwater resources. He said the surface water resource was Truckee River water based on water rights and decree. He said the Truckee Meadows Water Authority was the primary purveyor of the water rights. He said Truckee River water was limited, but it was not all used at this time.

Chair Lee said he was going to hear from people that A.B. 119 was a controlled growth bill. He said his real question was about the regional planning agency. He asked if it had a master plan authority over all the cities and counties.

Ms. Coombs said in northern Nevada, there was more structure than in the southern part of the State. A board oversaw the regional planning process and a regional planning commission that met to identify the strategies they wanted to implement. She said a regional plan document was prepared with the policies

they wanted. She said the policies stated a particular local governing body must do certain things. She said each jurisdiction approached their plan differently. They then resubmitted their plans back to the regional planning agency for review to see if the plan was in conformance with the regional plan.

Chair Lee asked if there was a planning czar. He asked whether local governments had a person on the board.

Ms. Coombs said there were two levels of boards. The Regional Planning Governing Board was made up of ten members from Reno, Sparks and Washoe County officials at the elected level. The Northern Nevada Water Planning Commission was below that board and comprised of three members each from the local planning commissions from Reno, Sparks and Washoe County. She said they were an independent staff who made recommendations to the Planning Commission. She said the ultimate czar at the first stage was the Regional Planning Commission. She said if the Commission found the plan in conformance and there were no appeals, their decision was final. If there were appeals, they went to the Governing Board.

Adrian P. Freund, Community Development Director, Washoe County Community Development, expressed the Washoe County Commission's support of A.B. 119 as drafted.

Marge Frandsen, Trans-Action Realty, said she was a past member and chair of the Washoe County Planning Commission and the Truckee Meadows Regional Planning Commission. She said she supported A.B. 119 and voted for WC-3 because of a concern for land use in balance with future water availability ([Exhibit F](#)). She said some of the language in the original version of A.B. 119 contained concepts that were not part of the question that went to the voters. She said they worked with local government planners and the language was deleted, [Exhibit F](#). The governing bodies wanted no more legislation than what was voted on by the Washoe County residents. The language in WC-3 was clear to the voters in November, [Exhibit F](#). The ballot initiative and the bill were not about the immediate future but about 20 or 30 years from now. The bill was a codification of good planning supported by the local planning agencies and elected governing bodies. She said the language ensured the requirement would not disappear during a future regional plan update, [Exhibit F](#). She concluded by saying implementing A.B. 119 ensured the Truckee Meadows would continue to be a wonderful place for future generations to live.

Jim Smitherman, Water Resources Program Manager, Northern Nevada Water Planning Commission, Western Regional Water Commission, stated the Western Regional Water Commission supported A.B. 119 as amended.

Steve K. Walker, Truckee Meadows Water Authority, said the board of directors of the Water Authority unanimously supported the amended version of A.B. 119.

John W. Griffin, LSC Development, Inc., said LSC Development was a long-time developer in northern Nevada. He said they wanted the record to reflect their appreciation and commend Assemblywoman Leslie and local government for the work they did on A.B. 119. He said LSC Development supported the bill.

Robert F. Joiner, Government Affairs Manager, City of Sparks, said the City of Sparks respected the decision of the Regional Planning Governing Board to support the bill, and they were in favor of A.B. 119 as amended.

Patricia M. Wade, President, Wade Development Company, Inc., opened her presentation by saying A.B. 119 was unneeded and created another unnecessary and costly layer of government ([Exhibit G](#)). The current *Nevada Revised Statutes* (NRS) allowed the existing Truckee Meadows Regional Governing Board to implement WC-3. She said the bill preempted local decision making and created substantial conflict with local project planning. The bill inappropriately gave the Western Regional Water Commission the power to control all local development, and thus all local growth and land uses. She said A.B. 119 caused water decisions to become political rather than logical and based on scientific facts, [Exhibit G](#). The proposed bill ignored and overrode current regional plans. It would cost local governments substantial funds to implement A.B. 119. The bill would also cost the private sector and the State would lose revenue. She said the bill did not take into account current water importation projects nor contemplate new ones, [Exhibit G](#). She said A.B. 119 discouraged and could potentially stop responsible growth and cost major losses of jobs and revenue, [Exhibit G](#).

Gregory F. Peek, Builders Association of Northern Nevada, reiterated the bill was unneeded. He said the language in WC-3 was already in effect in the Truckee Meadows. He said the bill asked if the Truckee Meadows Regional Plan should be amended. He said it was not the NRS being amended; it was a local issue. He pointed out that local plans had a water link. He said water rights



were included in all the permitted projects. The comprehensive regional water management plan that was adopted addressed the issue of growth outpacing the water supply. Mr. Peek said it was not possible. Actual growth cannot outpace water supplies because new development approvals had to have proof of water rights. He said A.B. 119 had a lot of ambiguity. The bill asked the regional governing board to tie water and population together but also reaffirmed the supremacy of the State Engineer. He said the fiscal notes attached to the bill were never addressed. He said the fiscal note was several million dollars.

Tray Abney, Director, Government Relations, Reno-Sparks Chamber of Commerce, said the Chamber was concerned about the unintended consequences of and undefined terms in A.B. 119 ([Exhibit H](#)). He said the Chamber believed the bill presented impediments to the protection of the quality of life in the area. He asked if the bill created unfunded mandates for local governments, [Exhibit H](#). He urged the Committee to let the county officials work through the process at the local level.

Chair Lee asked if there was opportunity for input at the regional planning process. He asked if they could attend the meetings and address their concerns.

Mr. Peek said they participated in the regional plan. He said before the bill was introduced, the regional board met and directed staff to start the process to understand what the voters intended behind WC-3. He said the process stopped when the first drafts of A.B. 119 were introduced.

Chair Lee asked him about the bill being a local issue. He asked Mr. Peek what part of 73 percent of the vote was not understood. He said it went to the voters and passed with that percentage.

Mr. Peek said his organization believed they had good managed growth, planning and development. He said growth cannot outstrip the water. The bill needed vetting at the local level, not the State level. He was concerned about people opposed to any sort of growth leveraging the bill into something that was unintended.

Senator Care asked if the Chamber took a position on the ballot question.

Mr. Abney said the Reno-Sparks Chamber of Commerce opposed WC-3.

Senator Care said there was a measure on the ballot and now a statute. He said the bill, in amended form, reflected the ballot question. He said there were efforts to craft an ordinance based upon the results of the ballot question, and the process had been halted with the introduction of A.B. 119.

Mr. Abney said a meeting had been scheduled to try to understand and implement WC-3.

Senator Care asked if there was some reason or concern that the ordinance would never be adopted.

Mr. Abney said that may be the case.

Alex Flangas said he was an attorney who practiced in the area of water rights and commercial litigation. He asked the Committee to consider what would be accomplished by the enactment of additional language that was already a part of State law. He said adding conflicting language caused problems. He said the ballot question passed, but the problem was it formed the basis of water law in Nevada since 1903. He said the current process required the water resource if development was to occur. The State Engineer's Office had to approve the available water resource. The State was required to sign off on subdivision maps concurring there was available water. He said the language of the bill added the requirement that local officials identify sustainable resources. He said if there were differences of opinions between the local officials and the State Engineer, the decision would have to go to the courts. He said it was not a good policy. He said plans were implemented based on knowledge, but nobody was discouraged from finding and implementing new resources.

Randal L. Walter, Builders Association of Northern Nevada, said he was a land planner for the past 30 years. He said the issue with the bill was the new terms not in legislation. He said the definition of the new terms was difficult. He used an example of sustainable water resources. He said the State Engineer had been defining it for many years, and it did not need new definition. He said Ms. Coombes interpretation of "pattern of development" described the current Washoe County regional plan adopted in 2007. He said the plan did not need to be incorporated into this legislation. If these were new terms, they were concerned with the definitions.

Chair Lee asked if there were further speakers on A.B. 119. He closed the hearing on the bill and opened discussion on the work session. He said they would hear discussion on A.B. 192.

**ASSEMBLY BILL 192 (1st Reprint)**: Revises provisions governing certain performance contracts for operating cost-savings measures. (BDR 27-245)

Michael Stewart, Committee Policy Analyst, reviewed A.B. 192 for the Committee. The bill required companies wishing to be considered "qualified service companies" apply to local governments for preapproval (Exhibit I). The bill set forth the criteria local governments would use to determine a "qualified service company." He said performance contracts may not be used in connection with new buildings or building additions, Exhibit I. The bill allowed local government to retain a third-party consultant to assist in the evaluation of proposals for performance contracts. The bill required a qualified service company post a bond for any contract over \$100,000, Exhibit I. Finally, the local government entering into a performance contract must report annually to the Legislature or to the Interim Finance Committee on the terms of the contract, Exhibit I. An amendment was proposed to section 3, subsection 1 to add one additional criterion to the list of factors a local government may use in determining which companies may be deemed a "qualified service company" for the purpose of submitting a proposal for the design and executing cost-savings measures, Exhibit I. He said a mock-up of the amendment was attached to the work session document, Exhibit I.

Chair Lee said the amendment added accountability in the bill. He asked if there were any questions on A.B. 192.

SENATOR CARE MOVED TO AMEND AND DO PASS AS AMENDED  
A. B. 192.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Lee opened the discussion on A.B. 220.

[ASSEMBLY BILL 220 \(2nd Reprint\)](#): Makes various changes regarding the purchase of property for school construction. (BDR 22-551)

Mr. Stewart said A.B. 220 set a schedule for the purchase of a school site that was set aside as part of the approval of a subdivision in Washoe County ([Exhibit J](#)). He said in Washoe County, the school district and subdivider may negotiate for a price that does not exceed fair market value at the time of the tentative map approval or the fair market value of the land on the date of the purchase, whichever was less, [Exhibit J](#). The Washoe County School District must purchase the site no later than five years from the date the school site was approved. He said an amendment was presented clarifying that the time frame for the school district to begin construction of a school was ten years after the date of approval of the final map, [Exhibit J](#). He said testimony indicated A.B. 220 was a result of deliberations by the Washoe County Schools Construction and Revitalization Advisory Committee which was chaired by Senator Townsend, [Exhibit J](#).

SENATOR TOWNSEND MOVED TO AMEND AND DO PASS AS AMENDED A.B. 220.

SENATOR CARE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Lee opened the discussion on A.B. 236.

[ASSEMBLY BILL 236 \(1st Reprint\)](#): Revises provisions governing grants of money for water conservation and capital improvements to certain water systems. (BDR 30-1049)

Mr. Stewart said A.B. 236 allowed a nonprofit water association or water cooperative to be eligible for grants for capital improvements or water conservation measures through the Board for Financing Water Projects ([Exhibit K](#)). The bill required the nonprofit water companies receiving grants to comply with prevailing wage provisions applicable to public works projects, [Exhibit K](#). There were no amendments to the bill.

SENATOR MCGINNESS MOVED TO DO PASS A.B. 236.

SENATOR CARE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Lee opened the discussion on A.B. 54.

[ASSEMBLY BILL 54 \(1st Reprint\)](#): Authorizes certain counties to establish programs to provide financial assistance to certain persons. (BDR 20-473)

Naomi Duerr, P.G., Director, Truckee River Flood Management Project, said she was going to address section 3 of A.B. 54.

Rosemary Menard, Director, Washoe County Department of Water Resources, provided the Committee with suggested amendments to the bill. Ms. Menard said she would present a quick overview of why they were interested in the bill. The Truckee Meadows Service Area had approximately 15,000 parcels served by on-site septic systems and 6,000 parcels served by domestic wells ([Exhibit L](#)). She said some of the parcels may need to be converted to community water or wastewater systems due to falling water tables, failing septic systems, declining water quality or wastewater management systems. A general estimate of the cost to the property owner to convert per utility was approximately \$30,000 per property. She said they were unable to provide any financing. She said with current economic conditions, the home equity loan was no longer possible for many of the properties, [Exhibit L](#). She said they wanted the authority to develop and provide some kind of financing program to assist property owners who wanted to connect to community systems, [Exhibit L](#). She said special assessment districts were not right for every project and required approximately \$100,000 in administrative costs for bond counsel work, [Exhibit L](#). Ms. Menard said A.B. 54 gave Washoe County the ability to create and implement a financing program to be used to assist property owners where a special assessment district was not well suited to the circumstances. She said the proposed amendment ([Exhibit M](#)) was intended to clarify and specify access to a financing program for people. Ms. Menard said the amendment did not have unintended consequences as a result of the legislation.

John Slaughter, Washoe County, said he was available if there were questions about the amendment. He said at a work session in the Assembly Government Affairs Committee, there was a request for clarification on some items. The new proposed amendment, [Exhibit M](#), offered clarification of issues of concern for the State Engineer.

Ms. Duerr spoke to section 3 of [A.B. 54](#). She said section 3 requested specific authorization to provide financial assistance to private parties for nonstructural alternatives to levees and floodwalls. She said the flood project was a cooperative effort between Washoe County, Reno-Sparks and the University of Nevada, Reno, to reduce flood damages, restore the Truckee River and enhance open space and recreational opportunities. Ms. Duerr said \$700 million in damages in Washoe County occurred from the flood in 1997. She said a similar flood today would cause over \$2 billion in damages in the same area. The purpose of [A.B. 54](#) was to protect property in the best and least expensive way. She listed the advantages to the proposals ([Exhibit N](#)). She said as an example in Hidden Valley, the levee-floodwall would cost approximately \$60 million. She said elevating homes in that area would cost approximately \$8 million to \$10 million. She said that represented a potential savings of \$50 million in the flood project, [Exhibit N](#). Ms. Duerr said it was the only practical solution in some cases. The Federal Emergency Management Agency (FEMA) and the Army Corps of Engineers had implemented thousands of nonstructural projects across America. She said there were two types of projects: a dry floodproofing, where the structure remained in place with a berm surround, and a wet floodproofing which elevated the entire building, [Exhibit N](#). Ms. Duerr said the cost to elevate a house was \$100,000 to \$150,000. She said it took two to three months to elevate the house. She said the State Engineer raised concern about permits concerning moving, managing, storing, conserving or using water. She said all flood management activities, including floodproofing and home elevation, would obtain any required permits including any permits required by the State Engineer, [Exhibit N](#).

Senator McGinness asked if the bill was strictly a volunteer program.

Ms. Menard said all the language in the bill that required mandatory hookups or gave the County the authority to mandate hookups was removed. She said the goal was to support hookups when the property owner wanted to hook up to the community system.

Lynda Engeseth said she lived in the Heppner Subdivision. She said they were unaware of the water problem when they moved into the Subdivision. She said the County Department of Water Resources came in with piping and offered the opportunity to hook up to the system.

Ken Fabian said he also lived in the Heppner Subdivision. He said the pipe was in front of his property to hook up to the system. However, the cost was high for the hookups. He said the cost was approximately \$20,000 for all the hookups. It included closing off the old well. He said they would appreciate help in spreading the costs over a period of time.

Sally Bates said she was also a Heppner Subdivision resident. She said the aquifer was disappearing underneath them. She said her well was dying, and she did not yet have the piping at her property. She still had water, but the well was dying and they had no recourse. She added it was a low to moderate-income neighborhood.

Senator McGinness asked where the area was located and what caused the drop in the water. He asked if the wells were dying due to the drought or because other areas were pumping the water.

Ms. Bates said she was on an individual well that predated the well servicing the municipal system. She stated there was a lot of pumping, but she did not understand all the reasons for the wells dying.

Senator Raggio asked where the funding came from to provide the financial assistance required for any plan adopted.

Ms. Menard said for the water-wastewater conversions, they would acquire a letter of credit for a sum of money. They would take applications from residents wanting financial assistance for their hookup costs. When they reached the sum of the credit, they would sell a bond and amortize the cost over a period of 20 years. The residents using the financing program would pay a surcharge on their monthly water and sewer bill. She said it provided a mechanism for people to receive water service.

Ms. Menard referred to the map in [Exhibit L](#). She said Heppner Subdivision was a subdivision in north Lemmon Valley where the water rights were under a moratorium since the 1970s. The parcels were plotted before the moratorium

went into effect, and 518 parcels were developed with domestic wells. She said there was a falling water table in the area.

Chair Lee asked if there was further testimony on A.B. 54. He closed the hearing on A.B. 54 and opened the discussion on A.B. 304.

[ASSEMBLY BILL 304 \(1st Reprint\)](#): Makes various changes relating to the preservation of existing neighborhoods. (BDR 22-641)

Assemblyman Tick Segerblom, Assembly District No. 9, said A.B. 304 required government entities in southern Nevada to document historic neighborhoods in their jurisdictions. He said a historic district was 40 years old or older. He said it was appropriate to start the process because there was not a lot of history in southern Nevada. He said there was a small fiscal note from the City of Henderson.

Chair Lee asked if there was a 50-year time period on historic designations.

Assemblyman Segerblom said 50 years was the national designation for qualifying for the historic designation. He said if they start looking at 40-year-old houses now, areas would not disappear in the ensuing 10 years. He said houses built in the 1950s and 1960s needed protection. He said inner-city neighborhoods were often beautiful but were being destroyed. He wanted to ensure protection.

Renny Ashleman, City of Henderson, said there was a small technical conflict in the bill. He introduced a proposed amendment that corrected the error and made two sections of the bill consistent ([Exhibit O](#)). He said the amendment did not change policy.

Assemblyman Segerblom said A.B. 304 only applied to Clark County. He said northern Nevada had their historic areas and historic preservation districts. He said the City of Las Vegas had the Historic Preservation Commission.

Chair Lee asked about the Rancho Circle area. He asked how the bill would affect such an area.

Assemblyman Segerblom said the bill did not prevent tearing down anything. He said the bill asked cities to look at historic areas and at policies that could



protect those areas. He said nothing in the bill prevented anything from being torn down or rebuilt.

Senator McGinness asked about the neighborhood identified by the governing body. He asked if it affected the homeowner. He asked if there were advantages to being in or out of a historic area.

Assemblyman Segerblom said at this stage, there was no advantage or disadvantage in the bill. He said some neighborhoods volunteered to become a historic neighborhood. If they made that choice, the City had other ordinances which impacted houses. He said before a house was destroyed, the City had to be given notice and the chance to buy the property.

Senator McGinness asked if the City or the governing body made the determination of the location of a historic area.

Assemblyman Segerblom said members on the Historic Preservation Commission in Las Vegas were appointed by the City Council. He said the bill was proactive as opposed to reactive.

Senator Care said there was reference to NRS. He asked if the language made the bill effective in Clark County exclusively.

Assemblyman Segerblom said it affected counties whose population was over 400,000 or more.

Senator Care said the next question concerned the language referring to ten or more dwelling units. He asked if they were detached houses.

Assemblyman Segerblom said it could be apartment buildings or attached housing units.

Senator Care asked about the range of the neighborhood. He asked if the houses had to be on the same block.

Assemblyman Segerblom referenced the Paradise Palms neighborhood around the Las Vegas National Golf Club. He said they would look at areas built as sections as opposed to specific houses. He said Las Vegas had classic Palm Springs-style architecture in some of the areas from the 1950s and 1960s.

Mr. Ashleman said the bill was designed so that studies could be done with a great deal of flexibility for the local bodies. He said it was a new concept in most of the jurisdictions. He said at this time, it was whatever the governmental body wanted. He said no one was defining these areas, and this bill would allow studies to define historic areas.

Assemblyman Segerblom said various areas would be eligible in Las Vegas. He worked with former Assemblywoman and current County Commissioner Chris Giunchigliani on the bill.

Chair Lee said there was another proposed amendment on the bill from Senator Horsford.

Senator Steven Horsford, Clark County Senate District No. 4, thanked Assemblyman Segerblom for allowing proposed Amendment 4832 to Assembly Bill No. 304. He said he was presenting the amendment on behalf of constituents in his district ([Exhibit P](#), original is on file in the Research Library). He said they viewed one of the only ways to preserve West Las Vegas was to address the impact resulting from the closure of F Street. He provided background on the closing of F Street. He said the closure eliminated a direct link from West Las Vegas to downtown Las Vegas. He said the closure was strongly opposed by residents in the community. He said in 2003, the Nevada Department of Transportation (NDOT) started the process for widening Interstate 15 (I-15). He said the plan initially kept F Street and the underpass bridge open. The City of Las Vegas requested NDOT to include the closure as part of the environmental assessment they were required to submit to the federal government. He gave a PowerPoint presentation showing the effects of the closure ([Exhibit Q](#), original is on file in the Research Library). Senator Horsford said F Street passed under both major highways linking to the downtown area. He said F Street was the only remaining through street from West Las Vegas to downtown. The proposed amendment accomplished several things. He said he sponsored a bill that created the Southern Nevada Enterprise Community Advisory Board in the last Session to help address the blight and underdevelopment in the area. He wanted to include the management of F Street and any other projects resulting from stimulus dollars for the area. He said there was a need for at least \$500,000 to fund a study on how much it would cost to reopen F Street. He said the estimates based on reviews by NDOT indicated the cost to reopen F Street would be \$40 million to \$70 million. The other provisions of the amendment required the Las Vegas Redevelopment

Agency to transfer up to \$18.6 million dollars to the Board for the use of reopening F Street on or before July 1. He said there was an ending fund balance of this amount available in the Agency. The amendment further required the Redevelopment Agency to provide another \$52.4 million to the Board or provide bond financing for the purpose of funding the opening of the street. He said if the project cost less than \$70 million, the funds would be appropriated to the amount of the cost. The cost estimates were important because I-15 was already under construction. He said in order to make a modification to the project, an adjustment in the environmental statement was required. He said the study would take at least 18 months.

Senator Horsford elaborated on the nexus as to why funding this project from the Redevelopment Agency was appropriate. He said the identified area was within the Las Vegas redevelopment area. Secondly, the primary purpose of redevelopment agencies was to address blighted communities. Senator Horsford referred to NRS 279.388 in which "blighted area" was defined. He said the redevelopment law further permitted use of funds collected for the purposes as proposed in the amendment. He said he was aware there would be considerable opposition to the amendment from the City of Las Vegas. However, the need to identify a solution that reopened F Street to the satisfaction of the residents was paramount to the opposition. He said it represented the inability to redevelop and prosper one neighborhood based on contributing barriers, including not having access to streets that lead to other areas in the region.

Chair Lee asked what the process was that resulted in the closure of F Street. He asked if the closure of the street was a shock and surprise to the representatives on the Clark County Council, Commissioner Lawrence Weekly and, Las Vegas Councilman Ricki Y. Barlow. He asked how it got to become this issue, and whether it was an issue to the district representatives.

Senator Horsford said he could not speak to those questions. He said since he was elected, it had become an important issue to him and represented a larger challenge to the problems of development in this area.

Susan G. Martinovich, P.E., Director, Nevada Department of Transportation, provided background on the project. She said the I-15 project was NDOT's first design-build project. She said designing the project was concurrent with the building of the \$240 million project. She said all projects developed with the use of federal funds required a National Environmental Impact Assessment (NEIA).

The NEIA document for this project was started with their original intent-to-study letter. She said the process took a long time due to the many aspects studied. She said NDOT had several public meetings about the project. She said in the original studies, F Street was maintained as a through route. She said NDOT did not make any decisions about the routes of streets and highways within a city. She said in approximately 2005, NDOT was approached by the City of Las Vegas to consider closing F Street. She said NDOT said it did reduce the cost of the project to close the street. The process for NEIA required NDOT to hold public hearings as part of the City process. She said the City of Las Vegas enacted the master plan, and NDOT adopted the changes into the NEIA process. She said a contract was executed in 2007. She said cost was associated with the F Street bridge removal, and a new one had to be constructed if the street was reopened. She said because it was a design-build project, the contractor had control over the scope of the project. She said Senator Horsford was correct in his timing of another NEIA document.

Chair Lee asked if the people in the neighborhood were notified about the closure and whether knew what was happening.

Ms. Martinovich said both the City and the State had to follow a process for the public hearings and announcements. She said NDOT could have done a better job of notifying the residents. The federal requirements were followed.

Senator Care said he understood the decision to close F Street was made by NDOT with the approval of the City of Las Vegas.

Ms. Martinovich said the City approached NDOT to close the street.

Senator Care said there were hearings by NDOT and by the City on the proposed closure of the street. He mentioned the minimal notice requirement.

Ms. Martinovich said she did not know the exact of number of feet from the site of the construction changes required for notification.

Senator Care asked if the notices were for approval of a plan as opposed to a notice stating they were holding hearings on the closure of F Street.

Ms. Martinovich said the notices were not specifically about the closure of F Street. She said it was noticed as a description of the project. She said the project was large with many details, so the notice was not specific.

Senator Horsford submitted a letter from the President of the National Association for the Advancement of Colored People, Las Vegas Branch 1111, for the record ([Exhibit R](#)).

Chair Lee said there was a list of people wishing to testify on the amendment to A.B. 304.

Brandon Greene said he was a representative from the F Street Coalition. He said in terms of the notice, several people stated they had not received a notice of closure. He said there was never widespread notice throughout the community. He said Commissioner Weekly stated he did not know about the closure.

Shandra Summers Armstrong said she was cochair of the F Street Coalition. She said they appreciated Senator Horsford's efforts to open the street. She said they were hopeful the amendment to A.B. 304 would help open F Street.

Barbara Crockett, F Street Coalition, said she was a resident of the area for over 50 years. She said F Street represented a relief corridor during emergencies. She wanted the street reopened. She said notices were sent to people within 400 feet of F Street.

Samuel Wright said he was a 30-year resident of Las Vegas. He said the notice concerned the I-15 project and not specifically the closure of F Street. He said the original language discussed an F Street connector to City Parkway. He said the notice also showed the closing of D Street. He said in 1968, the City attempted to close F Street, D Street, A Street, B Street and C Street. He said NDOT reopened F Street and D Street. He requested the Committee work to get F Street open.

Chair Lee said he had people from the City of Las Vegas signed in to speak.

Councilman Ricki Y. Barlow, City Council, City of Las Vegas, said there was one more constituent from Ward 5 who wanted to speak on the topic.

Margaret Crockett, F Street Coalition, said she had lived in Las Vegas for 70 years. She wanted F Street reopened.

Chair Lee said five people from the City of Las Vegas signed in to speak to the bill. He asked Mr. Barlow if he was acting as the spokesman for the City.

Councilman Barlow said the Director of the Department of Finance and Business Services, Mark Vincent; the Director of Urban Development for the City of Las Vegas, Scott Adams; the Acting Director of the Office of Business Development, Bill Arent; and the Director of Public Works, Jorge Cervantes, were present to answer technical questions regarding the F Street project. Councilman Barlow said he served as the chief liaison to former Councilman Lawrence Weekly. There were discussions of the widening of US Highway 95 as well as I-15. He said not one person from NDOT, the City of Las Vegas or the State came to then Councilman Weekly requesting or suggesting closing F Street. He said although it was approved by the City as a connector, the impression was the street would be connected. He said Commissioner Weekly was unaware that F Street was being closed. Councilman Barlow said he understood the street was closed temporarily for repairs and bridge widening. He said further discussions showed that F Street was to be closed permanently. He understood the residents' position concerning reopening the street. However, he was not in support of the suggested funding source. He said the funding took away from the Redevelopment Agency in Ward 5. He said many projects in the area were funded with earmarked redevelopment dollars. He said another source of funding was needed. He said NDOT received approximately \$140 million from the stimulus package. The bill needed further vetting by the community. They needed information about the best possible solution to the issue of F Street and not exhaust the redevelopment funds.

Scott D. Adams, Director, Office of Business Development, City of Las Vegas, said he was also Chief Urban Redevelopment Officer of the City. He addressed the last page of the amendment, section 33, subsections 1 and 2. He said there was an effort to transfer funds in cash and debt obligations from the Redevelopment Agency to address the funding of F Street. He said he did not know how the transfer could technically occur. He said it had been said there was a fund balance of over \$18 million. The money was there at the start of the fiscal year, but by the end of this fiscal year, there would not be that much money. He said the only way that much money could be committed would be to shut down the operations of the Redevelopment Agency. He said section 33,

subsection 2 addressed long-term financing of up to \$51.4 million which was virtually impossible. He said the Agency was fully obligated from a debt standpoint. They had issued debt this year of \$85 million, and there was no way they could financially obligate to that much further debt. He said funding from the Agency would have to come out of Agency operations. He said they were willing to work with the sponsor but needed to point out the funding was not possible.

Senator Horsford said he was committed to opening F Street. He said he was attempting to find a solution for the funding. He said all the projects indicated by Councilman Barlow were worthwhile and had a tremendous benefit; ultimately, nothing would matter if people cannot get in and out of the community. He said it was not the first street closed without ample notice or understanding and appreciation of the impact. He looked forward to finding a solution to the street closure. He said they could find funding to open the street.

Chair Lee closed the hearing on A.B. 304. He opened the hearing on A.B. 139.

**ASSEMBLY BILL 139**: Requires the compilation, analysis and reporting of information concerning low-income housing and housing suitable for use by persons with disabilities. (BDR 25-225)

Assemblywoman Marilyn Kirkpatrick, Assembly District No. 1, said legislation similar to A.B. 139 was first introduced by Assemblyman Bernie Anderson in 2005 and again in 2007 when the affordable housing crisis occurred. She said the bill had support of the Housing Division. The bill allowed the Division to utilize up to \$175,000 within their fund. She said the State missed out on grants because of lack of data.

Lon DeWeese, Chief Financial Officer, Housing Division, Department of Business and Industry, said his Division supported A.B. 139. He said another real estate cycle had occurred, from a shortage of affordable housing to a large inventory of unsold affordable housing. He said it was the seventeenth real estate cycle since Nevada was a state. He said it was time to track the information regarding how the real estate cycle was working and what the impacts were. The data was available for affordable housing and what the overall economy was doing with regard to housing. He said the urban jurisdictions had the type of data needed, and additional work was required from the rural counties. He said the

database was important and affordable, and with additional data, they could qualify for more grants.

Julianna L. Ormsby, League of Women Voters of Nevada, submitted a written copy of her testimony ([Exhibit S](#)). She said affordable housing was supported by the League of Women Voters nationally as well as in Nevada. She said there were good models to follow and suggested Utah had an excellent model database. She said the database at <<http://findhousing.utah.gov>> was user-friendly and simple to use, [Exhibit S](#). She urged support of the bill.

Chair Lee asked if people with disabilities could bring up the database and request information in a certain area concerning affordable housing.

Ms. Ormsby said the Housing Division would determine how the information was made available. She said she spoke to people in Utah who said it did not take a great deal of their time to administer the information. She said the information was available online.

Senator Raggio said a fiscal note indicated the cost was approximately \$255,000 in the future biennium and \$131,000 in the next two years. The bill provided the cost would come from the account for low-income housing. He asked where the source of the funding was derived.

Mr. DeWeese said the source of the money was the Real Property Transfer Tax. The State Low-Income Housing Trust Fund received a small portion of the tax. He said the cost for future years presumed they did not have a good model. When the bill was first drafted, they were not aware of the Utah program. He said they should be able to lessen the financial burden by adapting the software similar to Utah's program.

Senator Raggio said Ms. Ormsby's written testimony indicated Utah administered their program for \$36,000 to \$40,000. He asked if that was her testimony.

Ms. Ormsby said when she spoke to Utah's programmer, he said it took him approximately three to four months to put the program together. The programmer estimated the cost at \$36,000 to \$40,000. He told her it was all free software that could be maintained and hosted in-house. She said other communities purchased software, and that was expensive.



Senator Raggio said it would not be a General Fund appropriation of any kind. He said it would take money from the Real Property Transfer Tax. He asked how it would affect the other Housing Division commitments.

Mr. DeWeese said they evaluated the maximum-cost impact. The total impact would not interfere with any one particular project on the approved list for the next two years.

Senator McGinness asked about Esmeralda and Mineral Counties' information. He asked who would maintain the information.

Ms. Ormsby said in Utah someone in the housing division managed the outlying areas. They had a program that provided incentive funding to people in the community who wanted to rehabilitate or create affordable housing. She said a requirement of the grant funding was they must report back and list the housing. She said the system was automated, and people were required to update the information every 30 days.

Mr. DeWeese said the system would have an online application where the local jurisdiction could enter data online as well as accept inquiries from the general public.

Chair Lee asked if there was further testimony on A.B. 139.

Susan Fisher, Southern Nevada Multi-Housing Association; Northern Nevada Motel Association, fully supported A.B. 139. She said they hoped there would be provisions where landlords and property managers could go online and enter information as soon as they had a vacancy.

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Chair Lee asked if there was further testimony. As there was none, he adjourned the meeting at 4:08 p.m.

RESPECTFULLY SUBMITTED:

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Olivia Lodato,  
Committee Secretary

APPROVED BY:

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Senator John J. Lee, Chair

DATE: \_\_\_\_\_