

SENATE BILL NO. 360—SENATORS HORSFORD AND PARKS

MARCH 21, 2011

JOINT SPONSORS: ASSEMBLYMEN ATKINSON,
BOBZIEN, KIRKPATRICK AND NEAL

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing redevelopment agencies. (BDR 22-937)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to redevelopment of communities; revising requirements for the submission of an employment plan; requiring a redevelopment agency to withhold a portion of any incentive provided to a developer unless the developer satisfies certain conditions; requiring the reporting of certain information relating to the redevelopment project by certain developers; requiring an employment plan to include information relating to preferences for hiring persons from the redevelopment area; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, if a redevelopment agency provides property for development for less than the fair market value of the property or provides financial incentives of more than \$100,000 to a developer, the developer must comply with certain laws relating to the payment of a prevailing wage. (NRS 279.500) Additionally, a proposal for a redevelopment project must include an employment plan, if appropriate. (NRS 279.482)

Sections 2-9 of this bill only apply to a developer for a redevelopment project if part of the redevelopment area is within an enterprise community. **Section 6** of this bill exempts public agencies who use redevelopment funds for a public work and private developers who do not construct a redevelopment project for a known owner from the requirement to submit an employment plan. **Section 7** of this bill requires an agency that proposes to provide an incentive to a developer to withhold



13 payment of 10 percent of the incentive unless: (1) 15 percent of the employees of
14 contractors, subcontractors, vendors and suppliers of the developer are residents of
15 the redevelopment area; (2) 15 percent of the jobs created by employers as a result
16 of the redevelopment project are filled by residents of the redevelopment area; (3)
17 the developer or build-to-suit owner or lessee complies with the requirements in the
18 employment plan; and (4) the developer satisfies the reporting required by **section**
19 **8** of this bill. **Section 9** of this bill allows a developer to appeal a refusal to pay the
20 amount provided for in **section 7** to the legislative body of the community.

21 **Section 8** requires a developer that receives an incentive of more than \$100,000
22 to report to the redevelopment agency certain information relating to the
23 redevelopment project. **Section 8** also requires a developer that receives \$100,000
24 or less in incentives to use its best efforts to report such information. Finally,
25 **section 8** allows the redevelopment agency to refuse to pay all or a portion of the
26 incentive or to require repayment of any incentive already paid if a developer fails
27 to comply.

28 **Section 11** of this bill requires the employment plan to include information
29 about the preference for hiring persons living within the redevelopment area used
30 by the developer and each employer who will be relocating a business into the area
31 as a result of the redevelopment.

32 **Section 12** of this bill makes an appropriation for a study of the feasibility of a
33 renewable energy sustainability center in the Southern Nevada Enterprise
34 Community.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 279 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 9, inclusive, of this
3 act.

4 **Sec. 2.** *“Build-to-suit developer” means a private developer*
5 *who constructs a redevelopment project in accordance with the*
6 *customized specifications of a known owner or lessee to whom*
7 *the developer will convey or lease the property upon completion of*
8 *the project.*

9 **Sec. 3.** *“Build-to-suit owner or lessee” means the owner or*
10 *lessee of a redevelopment project that has been constructed by a*
11 *build-to-suit developer to the customized specifications of the*
12 *owner or lessee.*

13 **Sec. 4.** *“Developer” means a person or entity that proposes*
14 *to construct a redevelopment project which will receive financial*
15 *assistance from an agency.*

16 **Sec. 5.** *“Southern Nevada Enterprise Community” means*
17 *the area designated as the Southern Nevada Enterprise*
18 *Community in section 5 of chapter 407, Statutes of Nevada 2007.*

19 **Sec. 5.5.** *The provisions of sections 2 to 9, inclusive, of this*
20 *act do not apply to a developer for a redevelopment project unless*
21 *a portion of the redevelopment area of the redevelopment project*
22 *is within an enterprise community which is currently or was*



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1 *previously established pursuant to 24 C.F.R. Part 597, including*
2 *without limitation, the Southern Nevada Enterprise Community.*

3 **Sec. 6.** 1. *A public agency that uses redevelopment funds*
4 *for the design or construction of a redevelopment project being*
5 *built as a public work pursuant to chapter 338 of NRS is not*
6 *required to submit an employment plan pursuant to NRS 279.482.*

7 2. *A developer who constructs a redevelopment project for the*
8 *purpose of conveying or leasing the property to an unknown*
9 *owner or lessee is not required to submit an employment plan*
10 *pursuant to NRS 279.482 but may submit an employment plan*
11 *voluntarily.*

12 **Sec. 7.** 1. *Except as otherwise provided in subsection 2, if*
13 *an agency proposes to provide an incentive to a developer for a*
14 *redevelopment project, 10 percent of the amount of the proposed*
15 *incentive must be withheld by the agency and must not be paid to*
16 *the developer unless:*

17 (a) *At least 15 percent of all employees of contractors,*
18 *subcontractors, vendors and suppliers of the developer are bona*
19 *fide residents of the redevelopment area and, among such persons,*
20 *preference in hiring and contracting is given to residents of the*
21 *Southern Nevada Enterprise Community;*

22 (b) *At least 15 percent of all jobs created by employers who*
23 *relocate to the redevelopment area are filled by bona fide residents*
24 *of the redevelopment area and, among such persons, preference in*
25 *hiring is given to residents of the Southern Nevada Enterprise*
26 *Community;*

27 (c) *The developer or build-to-suit owner or lessee complies*
28 *with any requirements imposed by the agency relating to the*
29 *employment plan in the agreement for the redevelopment project;*
30 *and*

31 (d) *The developer satisfies all reporting requirements as*
32 *described in section 8 of this act.*

33 2. *If an agency provides nonmonetary incentives to a*
34 *developer for a redevelopment project, the developer shall deposit*
35 *an amount of money with the agency equal to 10 percent of the*
36 *value of the nonmonetary incentives as agreed upon between*
37 *the agency and the developer. If the developer satisfies the*
38 *requirements of paragraphs (a) to (d), inclusive, of subsection 1,*
39 *the agency shall return the deposit required by this subsection to*
40 *the developer.*

41 **Sec. 8.** 1. *Except as otherwise provided in subsection 2, a*
42 *developer that receives incentives from an agency for a*
43 *redevelopment project shall, upon completion of the project and*
44 *upon request of the agency, report, in a form prescribed by the*
45 *agency, information relating to:*



(a) Outreach efforts that the developer has utilized, including, without limitation, information relating to job fairs, advertisements in publications that reach residents of the redevelopment area and utilization of employment referral agencies;

(b) Training conducted for persons hired by the developer and contractors, subcontractors, vendors and suppliers of the developer and the employers within the development project; and

(c) The execution of the redevelopment, including, without limitation, plans and the scope of services.

2. If a developer receives incentives from an agency for a redevelopment project with a value of \$100,000 or less, the developer shall use its best efforts to satisfy the reporting requirements described in subsection 1.

3. If the developer fails to comply with the requirements of this section:

(a) The agency may refuse to pay all or any portion of an incentive; and

(b) The agency may require the developer to repay any incentive already paid to the developer.

Sec. 9. 1. A developer may appeal the refusal by an agency to pay the amount provided for in section 7 of this act to the legislative body of the community.

2. In an appeal, the developer has the burden of demonstrating that:

(a) Specific actions were taken to substantially fulfill the requirements of section 7 of this act;

(b) An insufficient number of significant opportunities for appropriate contractors, subcontractors, vendors or suppliers to perform a commercially useful function in the project existed; and

(c) Use of appropriate contractors, subcontractors, vendors or suppliers as required by section 7 of this act would have significantly and adversely affected the overall cost of the project.

3. If the legislative body finds that the developer's appeal has satisfied the requirements of subsection 2, the agency shall pay the developer the amount provided for in section 7 of this act.

Sec. 10. NRS 279.384 is hereby amended to read as follows:
279.384 As used in NRS 279.382 to 279.685, inclusive, **and sections 2 to 9, inclusive, of this act**, unless the context otherwise requires, the words and terms defined in NRS 279.386 to 279.414, inclusive, **and sections 2 to 5, inclusive, of this act** have the meanings ascribed to them in those sections.

Sec. 11. NRS 279.482 is hereby amended to read as follows:
279.482 1. An agency may obligate lessees or purchasers of property acquired in a redevelopment project to:



(a) Use the property for the purpose designated in the redevelopment plans.

(b) Begin the redevelopment of the area within a period of time which the agency fixes as reasonable.

(c) Comply with other conditions which the agency deems necessary to carry out the purposes of NRS 279.382 to 279.685, inclusive, including, without limitation, the provisions of an employment plan or a contract approved for a redevelopment project.

2. ~~As~~ *Except as otherwise provided in section 6 of this act,* as appropriate for the particular project, each proposal for a redevelopment project must also include an employment plan. The employment plan must include:

(a) A description of the existing opportunities for employment within the area;

(b) A projection of the effect that the redevelopment project will have on opportunities for employment within the area; ~~and~~

(c) A description of the manner in which an employer relocating a business into the area plans to employ persons living within the area of operation who:

(1) Are economically disadvantaged;

(2) Have a physical disability;

(3) Are members of racial minorities;

(4) Are veterans; or

(5) Are women ~~and~~; and

(d) *A description of the manner in which:*

(1) The developer will give a preference in hiring for construction jobs for the project to persons living within the redevelopment area and, among such persons, to persons living within the Southern Nevada Enterprise Community; and

(2) Each employer relocating a business into the area plans to give a preference in hiring to persons living within the redevelopment area and, among such persons, to persons living within the Southern Nevada Enterprise Community.

Sec. 12. There is hereby appropriated from the State General Fund to the Interim Finance Committee the sum of \$50,000 for the contractual services of a consultant to study the feasibility of a renewable energy sustainability center in the Southern Nevada Enterprise Community.

Sec. 13. This act becomes effective on July 1, 2011.

