

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Sixth Session
June 6, 2011**

The Committee on Government Affairs was called to order by Chair Marilyn K. Kirkpatrick at 5:20 p.m. on Monday, June 6, 2011, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn K. Kirkpatrick, Chair
Assemblywoman Irene Bustamante Adams, Vice Chair
Assemblyman Elliot T. Anderson
Assemblywoman Teresa Benitez-Thompson
Assemblyman John Ellison
Assemblywoman Lucy Flores
Assemblyman Ed A. Goedhart
Assemblyman Pete Livermore
Assemblyman Harvey J. Munford
Assemblywoman Dina Neal
Assemblywoman Peggy Pierce
Assemblyman Lynn D. Stewart
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Steven A. Horsford, Clark County Senatorial District No. 4

STAFF MEMBERS PRESENT:

Susan Scholley, Committee Policy Analyst
Jenny McMenomy, Committee Manager
Cheryl Williams, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Ted J. Olivas, Director of Administrative Services, City of Las Vegas
Bill Arent, Director, Economic and Urban Development, City of Las Vegas
Nicole Rourke, Executive Director, Government Affairs, Community and
Government Relations, Clark County School District

Chair Kirkpatrick:

[The roll was called.] We are going to try to be on the floor at 6 p.m., and we may have to hold one more Committee meeting this evening. We will open the hearing on Senate Bill 360 (2nd Reprint).

Senate Bill 360 (2nd Reprint): Revises provisions governing redevelopment agencies. (BDR 22-937)

Senator Steven A. Horsford, Clark County Senatorial District No. 4:

I will try to be succinct in my comments. Senate Bill 360 (2nd Reprint) is targeted primarily at creating jobs in one of the most disadvantaged neighborhoods in southern Nevada with preference given to residents who live in the Southern Nevada Enterprise Community (SNEC), which encompasses West Las Vegas, East Las Vegas, Meadows Village, and parts of North Las Vegas. Within the nine census tracts of SNEC are thousands of families who are trying to get by with one, and sometimes none, of the family members having a job. Senate Bill 360 (2nd Reprint) seeks to change that. This legislation would create new incentives for developers within the southern Nevada redevelopment areas to hire from within the redevelopment areas and particularly within the SNEC. Developers of redevelopment projects receive incentives from redevelopment agencies in the form of tax increment financing, which allows a portion of revenues generated by a project to be used to finance the infrastructure for a particular project. For instance, developers in the City of Las Vegas' redevelopment area typically qualify for approximately 40 percent of increased property tax revenues to finance construction of streets, water lines, utilities, and other infrastructure improvements. Senate Bill 360 (2nd Reprint) provides that 10 percent of any overall incentive proposed by a redevelopment agency to a developer be dependent on that contractor hiring 15 percent of

their workforce from within the redevelopment area, with preference given to people who reside in the SNEC.

Why is this necessary? The redevelopment area for the City of Las Vegas was first established because of the blight that exists within these nine census tracts. The City of Las Vegas would not have a redevelopment agency (RDA) today if it had not been for those particular areas of the community. Over time, as the city expanded its RDA boundaries, more and more investment has occurred around this particular community rather than into it. By way of example, if you go to the top of the Stratosphere and look out across the valley, you will see lights and development in virtually every part of the community surrounding that particular location, other than in these particular nine census tracts. This is based on decades of neglect and, in my view, by not placing our resources where they are most needed.

The 10 percent portion of the incentive is also contingent on permanent jobs created by a redevelopment project being filled 15 percent by the residents of the redevelopment area. Once again, I want to put emphasis on the SNEC. The redevelopment area is about 3 percent of the entire city of Las Vegas. Within the area, there are nine census tracts, which Assemblywoman Neal, Assemblyman Munford, and I represent. Public works projects would not be exempt from this inclusive hiring provision, which was a modification that was made on the Senate side. This bill contains a requirement that public agencies using redevelopment funds for their own public works projects also must have employment plans. How can we expect the private sector to do something that the local government bodies would not? Developers also receive and retain the incentive only if they fulfill the hiring requirements and can document the outreach within communities that they have conducted to fill jobs. This is necessary because there have been a number of large-scale projects where it was said there would be a commitment to employment opportunities and job fairs only to find out that there was very little outreach, if any. An RDA can withhold all or part of this incentive if a developer does not perform. If developers have already received incentives, there is a provision in the bill that allows the city RDA to claw back, and the developers will have to repay any incentive they may have received for not meeting the hiring goals. If developers are given nonmonetary incentives for projects, they must deposit funds equal to 10 percent of the value of those incentives with the redevelopment agency and receive the deposit back once the hiring goals are achieved.

Madam Chair, and members of the Committee, you will see that S.B. 360 (R2) sets a relatively high bar for developers to meet to receive incentives for redevelopment projects within the area. The hiring goals are achievable, precisely because this is an area with some of the highest unemployment rates

in the state. People in this area are ready to work. If provided the right training, skills, and opportunity, they can be successful.

The bill contains another element which will ensure that some of our hardest hit neighborhoods will also get their fair share of redevelopment funds for community projects. This bill requires the City of Las Vegas to dedicate 9 percent of its redevelopment funds, out of the current 18 percent set aside, for economic development, renewable energy projects, public education facilities, and affordable housing. Currently, that 18 percent provision only applies to housing. This will allow the RDA to accept proposals for funding of projects related to the aforementioned areas.

To help the City of Las Vegas meet these and other goals, S.B. 360 (R2) extends the life of its redevelopment plan by 15 years to allow for better financing rates on its projects. In addition, this legislation gives the City's redevelopment agency the flexibility to loan money for projects rather than make outright investments in them, reducing the city's risk. I will speak about the rationale of that particular provision, and I will let the representative from the City of Las Vegas speak of its request to extend the RDA life.

Currently the RDA cannot loan money from RDA funds. It can only issue grants. Recently, the World Market Center went into foreclosure. The City of Las Vegas has invested tens of millions of dollars, I think over \$100 million, into that project. If that project were to be foreclosed, the City would have no standing whatsoever to claim any of its money back. Fortunately, I understand that someone came into the proceedings and acquired the property. The point still remains that here we have the RDA investing a ton of money into a major project, the developer cannot meet its financial obligations, and the City and the RDA are left with nothing. That is not in the public's interest, and this provision would allow the RDA program to loan money. Loaning money does two things. One, for those projects that can repay the money, it creates that revolving loan program that we want to see because the recycling of dollars comes back to invest in other programs. Two, the City can have a position on the overall project depending upon the level of investment made. If it is a small investment, the City does not have to take a significant position. If it is a large investment, the City literally can be added to the deed for the project. Therefore, if it is ever disposed of, the City can receive its money back. This is a very important provision of the bill, and it is something that allows us to move this process forward.

There are many unique elements regarding the City of Las Vegas' RDA components. With the many wonderful projects happening there, the entire redevelopment area must be supported and not just certain components of it.

I know that Assemblywoman Neal and Assemblyman Munford and I have attended more than our share of community meetings with outraged residents wanting to know why there are always available investments for other projects but none for the areas we represent. This bill seeks to address those concerns. Thank you very much for your consideration of this measure.

Chair Kirkpatrick:

Are there any questions?

Assemblywoman Bustamante Adams:

On page 3, lines 40 and 41 say, “. . . subcontractors, vendors and suppliers of the developer are bona fide residents of the redevelopment area” Can you define what “bona fide residents” means to you?

Senator Horsford:

That is a legal drafting term and is described as a person who holds a driver’s license and who has a place of business and/or residence within the redevelopment area itself. The affiliated party must have his business located in or actually reside in the redevelopment boundary. It applies to all contractors, subcontractors, vendors, and suppliers of the overall development project.

Assemblywoman Neal:

You brought forth another bill that indicated the reporting provisions for who is hired, including racial minorities. Do you remember that?

Senator Horsford:

Yes, it was Senate Bill 359.

Assemblywoman Neal:

Will that bill impact this bill regarding how information on a project is collected?

Senator Horsford:

The bill is still in the Assembly Ways and Means Committee and has not been voted out. If the bill passes and is signed by the Governor, the data collection referenced will apply to any public local or state project. The reporting of that would be part of the overall effort.

Assemblywoman Neal:

Do you think it is going to come out of the Ways and Means Committee?

Senator Horsford:

I do not know.

Assemblywoman Neal:

Moving on to my next question, in section 9 it says, "A developer may appeal the refusal by an agency" What about situations like those discussed previously in community conversations about sufficient numbers of people who could have been hired but were not hired. In the appeal process, are the community members allowed to bring rebuttable information in opposition to what the developer says was done?

Senator Horsford:

Because it would be a hearing before a legislative body, our City RDA, it would have to be a public meeting. In that public meeting, the community may bring forth information to negate or respond to whatever appeal the developer would make. The RDA is a public entity and all meetings must be held in public.

Assemblywoman Neal:

You mentioned some of the projects that would definitely benefit from this language. I see the City of Las Vegas has provided a map on the SNEC ([Exhibit C](#)). Do you have an example of one or two of the projects that will probably benefit from the 15 percent as described in the bill?

Senator Horsford:

I will answer in two parts. First, Councilman Ricki Barlow, who represents this area, has a list of projects he has been trying to get funded from within the City's budget. It is always a matter of competing with all of the other wards. It seems to never get back to this particular area. In the 9 percent portion that may go to public education, economic development, et cetera, the examples I can provide include that Councilman Barlow is working very hard on refurbishing the Westside School, similar to what the City did with the Fifth Street School. That is part of the whole F Street reopening project. There are also plans for street improvements such as lighting and landscaping all along D Street and Jackson Street, where we have heard a lot of concerns from the residents. Small businesses are not able to be as successful because we do not have some of the basic infrastructure in place. That will be another allowable use. The 15 percent requirement projects would represent anything in the redevelopment area. Zappos.com is talking about an expansion and would qualify under this provision. I think we have a representative here from Forest City Development Group which has a number of projects currently under development. They would fall under the provisions of the 15 percent requirement. If there are new developments occurring down the road in the redevelopment area, all of those projects would fall under the 15 percent requirement. That number seems rather low to many of us.

In working with developers, the City, and other stakeholders, I feel it is a reasonable step. Current law for an employment plan is best effort. The developer has to make his best effort to go out and employ people from the community. Best effort means something different to us than it means to some of these developers who have built their projects. This language is more substantive, measurable, and benchmarked. If they fail to meet the requirements, they risk losing a portion of the incentive for their project, so there is a financial incentive as well.

Assemblyman Munford:

I have spent a long time waiting to see a bill like this one. I have to say this is an outstanding bill. I commend Senator Horsford for his efforts in putting this together. I hope we get the support and cooperation from the City of Las Vegas to make sure this happens. This represents the basic premise or reason why I ran to be a representative of the area. The need was so great because we have been so neglected and ignored. We require many improvements. This is one of the first steps, which is not a little step. This is a big step, if we can make it happen. I hope with all of our combined efforts, we can sit at the table and make sure this happens and it does not slip away from us. Too many efforts have done so in the past. This is just great.

Senator Horsford:

This is a measure that I simply brought forward. As you know, through the Southern Nevada Enterprise Community Advisory Board, which meets on a monthly basis, this is something that came directly out of an interim process of discussion with stakeholders, residents, City, and county. It was a matter of finding the right balance. With all due respect and out of true transparency, when the City said it wanted to extend its RDA's life, I agreed but only with the commitment that there would be direct investment into the area that originally created the RDA in the first place. I would have liked to see a higher percentage than 9 percent. But, this is consistent with how we have treated affordable housing. I know Senator Hardy also had a bill that utilized this percentage, and I feel that it is a good step forward.

Chair Kirkpatrick:

Is there anyone else who would like to testify?

Ted J. Olivas, Director of Administrative Services, City of the Las Vegas:

With me is Bill Arent, our Director of Economic and Urban Development. We are here to testify in support of this bill. I would like to thank the Chair for hearing this bill and the Senate Majority Leader for working with us on the bill. I have an information packet, which was not yet put on Nevada Electronic Legislative Information System (NELIS) ([Exhibit C](#)). I do apologize for that, but

I have with me hard copies. I would like to provide you with a brief history on how all of this began. There has been discussion about the SNEC. What does that mean?

The first handout is titled, "Southern Nevada Enterprise Community Infrastructure Improvement Act." This bill was passed in 2007, and the document identifies nine census tracts, as mentioned by the Senate Majority Leader. This was the start of the defined area and describes how it came about. The next document shows the map of that area. The black dotted line that runs down from the left and then across to the right reflects the boundaries of Las Vegas on the bottom half and North Las Vegas on the top half. The blue highlighted areas are the three areas of the SNEC which are located within the City of Las Vegas. The next document in the package is the Community Economic Development Plan. As Senator Horsford mentioned, as a result of the legislation passed in 2007, a group was established and put together this plan. I have provided the general information but the details are available on our website. It is a very thorough process consisting of the statement of needs, the community visioning, the infrastructure goals, engaging the business community, et cetera. It was a very methodical process used to develop this plan.

Last session, there was a commitment on behalf of the City of Las Vegas through Assembly Bill No. 304 of the 75th Session. Page 22 of the handout shows section 32 of that bill. It shows our commitment to the F Street project, which is located within the SNEC. We provided up to \$2.5 million for design and construction. It is one of the major projects being worked on currently. In addition, there is a West Las Vegas plan, which is a City of Las Vegas project.

I have provided you with the table of contents as well as an executive summary with some of the tasks being worked on to try to infuse money into this area. The final item is the West Las Vegas Five Year Improvement Plan, which shows some of the projects we are currently working on within the area.

The projects that Senator Horsford mentioned are within the City of Las Vegas, as shown on the map in the blue designated areas. If we provide an incentive to a developer, they are required to meet some enhanced requirements.

The first five sections of the bill are essentially definitions. Section 6 of the bill talks about the requirements necessary to have an employment plan for our redevelopment projects. Sections 7 through 9 list the incentive requirements and the appeal process thereof. Section 10.5 relates to *Nevada Revised Statutes* (NRS) 279.438, which specifically identifies this requirement of this bill for the City of Las Vegas. That is why there is a designation as provided

in subsections 1 and 2 of that section. Section 11 lists the current requirements in the law for employment plans. Page 6 lists some additional requirements. The loan provisions in section 13 are enabling legislation. The City of Las Vegas currently has a visual improvement program for those businesses within our redevelopment agency. This is to attract small businesses to come down and participate. For example, there is an area called East Las Vegas in the Fremont East District. We have had some businesses come to the area, and we have granted them money for improvements to their businesses. The key word is grant. We do not get any money back. We would like to have the ability to loan them money so that we have a revolving fund that could be at low interest or no interest. We can continue to utilize the fund, and we think that is appropriate for the taxpayer.

Section 14 relates to NRS 279.685 and is a provision that is specific to the City of Las Vegas. The current law says that the City of Las Vegas' redevelopment agency will provide 18 percent of our redevelopment revenue, off the top, for various projects that relate to low-income households. Currently, we are the only ones that do that. We are proposing, because affordable housing is not as big an issue as it once was, that we use that same portion of the money for two things, as mentioned by Senator Horsford previously. Half of it should be used for economic development and renewable energy projects and other projects within the SNEC. The other half should be used for public educational facilities and affordable housing projects.

That was the summary and overview of the bill. I would be happy to answer any questions. As mentioned previously, Mr. Arent is our technical person, and he will be happy to answer any questions as well.

Assemblyman Anderson:

The question I have is in regard to the monetary incentives. I do not think there is a problem, but I would like to conceptualize what they would be. You were talking about determining the value and the purpose of depositing 10 percent to be sure the developer complies. I am curious, what sort of nonmonetary incentives have been offered in the past?

Ted Olivas:

If I may, I would like to turn that over to Mr. Arent.

Bill Arent, Director, Economic and Urban Development, City of Las Vegas:

In the industry, this is called a clawback. It is getting something up front from the developer so that if the developer does not perform, we can claw back on part of the incentive. It is really that simple. We get a 10 percent deposit, and

if they do not perform, there is accountability and consequence as we claw back on that 10 percent.

Assemblyman Anderson:

I understand that. My question is what kind of incentives have been offered that are nonmonetary?

Bill Arent:

The incentive, other than the nonmonetary ones, would be land. If we agree to sell a piece of land, we put it into escrow. It is hard to claw back. At that point, it is a pass/fail situation. If they already closed on the purchase of the land, we would claw back on the escrow deposit for effectively 10 percent of the purchase price. Say, for instance, we are selling a piece of land for \$1 million; the developer would post \$100,000. If the developer does not hit the performance criteria, we claw back on the 10 percent deposit.

Chair Kirkpatrick:

For the record, I want to make sure this is not for an arena to bond out. I also want to know, specifically what are you going to do with the 18 percent and the 9 percent set-aside, which are both now used for educational facilities as opposed to affordable housing, and what report are we going to get back? I am very disappointed in the whole plan, although it is a little late to be making any changes. However, I will be back next session just to make this change back. I want some specifics of what you are going to do, and I want to know when it is going to start.

Ted Olivas:

The intent is not to provide money for an arena. We keep very detailed reports on the money that we receive and set aside for these projects. I have detailed reports that would show you the money that was collected and the projects the money has been used for. We will be glad to share that information as we go forward and as we have gone back on projects we have already done.

Chair Kirkpatrick:

I think the Committee deserves to see that on a monthly or quarterly basis, as you go forward. For a long time, we have been trying to get information. We have made strides with Senate Bill 92, and this comes back and does something different. The dollars that were set aside for affordable housing, which we allowed you to use, are now going to different things. I want to be clear with my question. With the additional 15 years on top of the original 45 years, can you assure me that you are not building an arena, and that you will invest into the schools in Symphony Park in the downtown redevelopment project? The language in this bill says maintenance and operations. It sounds to me like you

are going to go in and retrofit one particular school and call it good. If that is the case, let us just put it on the record so, next session, I specifically know the questions to ask.

Ted Olivas:

We have been working very closely with the Clark County School District. It is not our intent to just provide minor maintenance. After this session is over, it is our plan to work cooperatively with the Clark County School District on a memorandum of understanding (MOU) and discuss the schools within the SNEC area, thereby identifying opportunities.

Chair Kirkpatrick:

Does the SNEC area currently include Las Vegas and North Las Vegas? In other words, would City of Las Vegas dollars be going to North Las Vegas?

Bill Arent:

The way it is set up currently, we can appropriate money within the SNEC area. We are really focusing on the City of Las Vegas. We will certainly work in cooperation with our partners in North Las Vegas. We will also talk to the school district to determine where we can have the biggest impact. To address the earlier question, one thing we have done, which is not in the bill, is to create a citizen advisory committee as approved by the City of Las Vegas by ordinance. The committee will be meeting every other month. There will be a great deal of public reporting.

Chair Kirkpatrick:

Let us just be clear. You have created the advisory committee because we have been asking you for two years to do that. You have not done it because you feel good about doing it. Is there any other information you wish to bring before us?

Bill Arent:

No. Thank you, Madam Chair.

Chair Kirkpatrick:

Is there anyone else who would like to testify on behalf of S.B. 360 (R2)?

Assemblyman Anderson:

Before you leave the table, can you just explain what is being repealed and why?

Ted Olivas:

Senate Bill 92 was Senator Hardy's bill. If you recall, the bill's initial intent was to make sure it was crystal clear that we can utilize general redevelopment funds specifically for education. We knew that the City of Las Vegas could expect a carve out of 18 percent of our revenue. We expressed that affordable housing was not as big a problem as it was in the past. We also expressed that a portion of that should be used towards education. Since that time, and since S.B. 92 was passed, we identified this other opportunity for the 18 percent. The repealed section of this bill would need to change the language of S.B. 92. Instead of half for low-income housing and half for education, the new language is reflected on page 8 of this bill on lines 8 through 19. It is worded differently and is presenting a different opportunity for those funds.

Chair Kirkpatrick:

Mr. Olivas, I would like to know specifically what your intent is. Are you going to do a resolution? It is 6 p.m., on the night of sine die. How is this revolving loan going to be handled? In Illinois and Utah, there is a procedure they go through. This does not say anything, so how do you expect to address that?

Bill Arent:

I think what we would like to do is suggest a reporting mechanism where we can report back to the Interim Finance Committee. We certainly want to be very transparent about what we are doing as far as our underwriting criteria.

Chair Kirkpatrick:

We do not have a mechanism to put into this bill. Therefore, what I would like is some legislative intent on what you plan on doing, because I will follow up in three weeks. This is not cool. What is your procedure? I do not care about a report that you are processing loans. I want to know what your procedure is. Do you plan on doing resolutions? Do you plan on adopting an ordinance? What do you plan on doing about those revolving loan funds? I am just beside myself that it is not in this bill, because we have had this conversation for at least four years.

Bill Arent:

At the minimum, what we would like to do is pass an ordinance at the City of Las Vegas' Redevelopment Agency board, which is our City Council. The ordinance would specify exactly what those underwriting criteria are. We will be at a public meeting. We will also work with you very closely to see if the Interim Finance Committee reporting is the appropriate mechanism. If not, we can explore other avenues.

Chair Kirkpatrick:

You need to report to this Committee.

Assemblyman Munford:

You mentioned an advisory board. Who selects and sits on this advisory board? How is the membership determined? Is it concentrated out of Ward 5?

Bill Arent:

The advisory committee was developed with specific criteria. It is a nine-member committee. It represents the whole redevelopment area. There are certainly portions within West Las Vegas' Ward 5 within the city. Ward 3 and Ward 1 are represented as well. We are looking for representation from this community and will be working very closely with the SNEC board to ensure cooperation.

Assemblywoman Neal:

Did you have a process for people to get on the advisory board back around October of 2010? I distinctly remember because I have the application. I was going to apply because I work for a business in the redevelopment area. Is the selection process up again? Is it every year?

Bill Arent:

When we wrote the original criteria, they were a little too narrow. We actually had difficulty in getting volunteers. We certainly do appreciate your interest in the board. We have to back to amend the criteria so that we can recruit the right people on the board. Unfortunately, we have not filled those initial seats, and we are working aggressively to do so. We expect to do so very shortly.

Chair Kirkpatrick:

Are there any other questions? [There were none.] Is there anyone wishing to testify in support of this bill? Is there anyone in opposition besides me? Is there anyone who is neutral?

Nicole Rourke, Executive Director, Government Affairs, Community and Government Relations, Clark County School District:

Since there were questions about educational facilities, I thought I would bring something to your attention. During the interim, the Clark County School District and the City of Las Vegas worked together on an MOU for the purpose of building a school for gifted students in Symphony Park using funds from the redevelopment agency. While the terms and details are still in development, we would like to thank the City for its efforts to make the District whole by using RDA funds on public educational facilities, if authorized by this Legislature, that will offset the property tax revenue the District does not

receive as a result of the RDA, which we estimate to be approximately \$63 million over the 15-year extension. The 18 percent set-aside funds required of the RDA, as modified by S.B. 360 (R2), would include public education facilities within the allotment for the SNEC and affordable housing, as you have heard. While percentages set aside are not specifically dedicated to school districts, the City has voiced its intent to using these funds for the gifted-school project and to work with the City Council bonding authorities, and other appropriate partners to obtain necessary approvals. We appreciate the efforts of the bill's sponsor to include public education in the RDA set-aside funds and those of the City of Las Vegas to ensure that potential loss of funding is not realized. Thank you.

Chair Kirkpatrick:

Thank you. Are there any questions? [There were none.] Is there anyone else who would like to testify on this bill? [There were none.] I am going to close the hearing on S.B. 360 (R2). For the Committee, we have to go to floor at 6 p.m., and this is a Senate bill that cannot be amended if it is going to be processed this evening. If you would like time to think about it, I am happy to hold a meeting behind the bar, or we can pass it now. For the City of Las Vegas, I really do not have a dog in this fight. I will be back next session, and the City will be hearing from me every 30 days. I think it is unfortunate that we received this so late. Overall, the concept is trying to help a specific part. I do not necessarily agree with the set-aside part, but we can always come back and change that. It is up to the Committee. There is no pressure because if it dies, I will be happy to let the Majority Leader know. If it passes, I am happy to allow it to go out.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO DO PASS
SENATE BILL 360 (2nd REPRINT).

ASSEMBLYMAN MUNFORD SECONDED THE MOTION.

Assemblyman Anderson:

For clarification, what would be the process if they were to try to do that with this bill? I do not understand.

Chair Kirkpatrick:

There are public hearings. We passed S.B. 92, which required much more transparency. I have never been afraid to go before the City Council or the Clark County Board of Commissioners to express my displeasure with the way they handle things. We can send a letter to whomever the new mayor is. There are many different avenues. I would be willing to take out a newspaper ad if need be. I will do what it takes if the money is not spent properly.

Assemblyman Anderson:

Is there financing in this bill? I do not understand how this bill could be used to establish an arena. I would just like clarification on that.

Chair Kirkpatrick:

Mr. Olivas, would you like to come up to explain how your redevelopment dollars are spent? You have about three minutes.

Ted Olivas:

I would like Mr. Arent to answer that question so that it is complete.

Bill Arent:

It is pretty simple. We get the final tax roll at the end of the spring, like the city property tax. Once we get that, and we know our budget; 18 percent of the budget, which is appropriated from the county, we place into a fund for a specific use. Today the use is low-income housing. If this bill passed, it would be allocated towards the new uses referenced in the bill. We project that for fiscal year 2012, it will be roughly \$2.5 million. We are at a low point, and it will ramp up. Once we have the money, throughout the budget process, we have to allocate specific uses for the money. The specific uses are explained in the bill we have heard today. That is essentially the process.

Chair Kirkpatrick:

Does that answer your question?

Assemblyman Anderson:

Yes, it does. I might add that I will vote yes, but my vote is not for an arena. If that is not a clear statement of intent, I do not know what is.

Assemblyman Stewart:

I appreciate the good intent of this bill, but I think at this late hour and with so many questions left unanswered, I am very uncomfortable about it.

Assemblyman Goedhart:

There was an earlier discussion indicating that approximately \$100 million from RDA went into the World Market Center. Is that correct?

Bill Arent:

Senator Horsford indicated there was a certain amount of money for the World Market Center. It was actually a much smaller amount. It was a rebate agreement where they did not receive any up-front cash. They only received a rebate of taxes that was actually paid for the development. We rebated 41 percent of the taxes taken, which was a much smaller amount than

\$100 million. We have spent a lot of money over the history, but the exact amount was incorrect. I think the concept held true, but the exact dollar amount was incorrect, to my knowledge.

Assemblyman Goedhart:

How long is that rebate tax amount in effect going forward? What was the length of the agreement with the developers of that project?

Bill Arent:

It was a 20-year agreement. Some of our agreements have been shorter, such as 13 years. That specific agreement was for 20 years and we executed it back in 2003. It does have a little bit of life left.

Assemblyman Goedhart:

If it started in 2003, it means you are only about seven or eight years into it currently. There is a significant length of time left. Of the 59 percent still owed and not rebated, is the center current with tax payments?

Bill Arent:

Yes, they are current. As the Senator indicated, they are on good financial footing. There are new partners, and the project is going very well.

Chair Kirkpatrick:

There is a motion on the floor by Mrs. Benitez-Thompson, which was seconded by Mr. Munford. Who is in favor?

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, GOEDHART, LIVERMORE, STEWART, AND WOODBURY VOTED NO.)

Chair Kirkpatrick:

Committee members, it may be some time before the bill makes it to the floor. You should have plenty of time to read it. Also, just in case Senate Bill 506 comes out of the Senate, I would ask that you please read it. It is a combination of three bills that we heard in detail. Senate Bill 214 was regarding toll roads. We made the adjustments with Senator Hardy, and said it would be done on the regional transportation commission level. It would strictly apply to the Boulder City area, making it unlike the broader original bill. Assembly Bill 183 was regarding the school override for bonds. Mr. Erquiaga, from the Office of the Governor, has testified in support. The bill also has some pieces from Senate Bill 100, which was the bill that dealt with Lake Las Vegas to some extent. In my opinion, it was a confusing bill, which is why it did not make it out of our Committee the first time.

We had plenty of time to work on it to retrospectively allow changes to bonding. There is no guarantee the bill will make it, but surprises come along all the time. Would you please read that bill, just in case it does?

We will adjourn until the call of the Chair. [The meeting was adjourned at 6:15 p.m.].

RESPECTFULLY SUBMITTED:

RESPECTFULLY SUBMITTED

Cheryl Williams
Recording Secretary

Lenore Carfora-Nye
Transcribing Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: June 6, 2011

Time of Meeting: 5:20 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 360 (R2)	C	Ted Olivas, City of Las Vegas	Information Packet