

SENATE BILL NO. 135—SENATORS ATKINSON,
SPEARMAN AND FORD

FEBRUARY 18, 2013

JOINT SPONSORS: ASSEMBLYMEN FRIERSON,
NEAL, FLORES, HORNE AND KIRKPATRICK

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing redevelopment agencies. (BDR 22-876)

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 relating to certain redevelopment projects; requiring certain redevelopment agencies to withhold a portion of any incentive provided to a developer until the developer satisfies certain conditions; requiring the reporting of certain information relating to the redevelopment project by certain developers; requiring that certain employment plans include information relating to efforts to hire persons who reside in certain areas; 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 2-10 of this bill apply to a redevelopment project if the project is undertaken in a redevelopment area of a city whose population is 500,000 or more (currently the City of Las Vegas). **Section 7** requires public agencies who use redevelopment funds for a public work to submit an employment plan. **Section 8** requires an agency that proposes to provide an incentive to a developer to withhold



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payment of an amount equal to 10 percent of the incentive until: (1) at least 15 percent of the employees of contractors, subcontractors, vendors and suppliers of the developer are residents of the redevelopment area, an area in the city for which the city council has adopted a plan for neighborhood revitalization or which is eligible for a community development block grant, or the Southern Nevada Enterprise Community; (2) at least 15 percent of the jobs created by employers as a result of the redevelopment project are filled by residents of such an area; and (3) the developer satisfies the reporting requirements of **section 9**. **Section 10** allows a developer to appeal a refusal to pay the amount provided for in **section 8** to the city council.

Section 9 requires a developer that receives an incentive of more than \$100,000 to report to the redevelopment agency certain information relating to the redevelopment project. **Section 9** also requires a developer that receives \$100,000 or less in incentives to use its best efforts to report such information. Finally, **section 9** allows the redevelopment agency to refuse to pay all or a portion of the incentive or to require repayment of any incentive already paid if a developer fails to comply.

For a redevelopment project undertaken in a redevelopment area of a city whose population is 500,000 or more, **section 13** of this bill requires that the employment plan include information about the efforts of the developer and each employer who will be relocating a business into the redevelopment area to hire residents of the redevelopment area, an area in the city for which the city council has adopted a plan for neighborhood revitalization or which is eligible for a community development block grant, or the Southern Nevada Enterprise Community. **Section 13** also requires a developer or employer to agree to offer and conduct training for such residents or to make a good faith effort to provide training through an available program of training.

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

Section 1. Chapter 279 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10.5, inclusive, of this act.

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

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

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

Sec. 6. *The provisions of sections 2 to 10, inclusive, of this act apply only to a redevelopment project undertaken in a redevelopment area of a city whose population is 500,000 or more.*

Sec. 7. *A public agency that uses redevelopment funds for the design or construction of a redevelopment project being built as a public work pursuant to chapter 338 of NRS shall submit an employment plan pursuant to NRS 279.482.*



1 **Sec. 8. 1.** *Except as otherwise provided in subsection 2, if*
2 *an agency proposes to provide an incentive to a developer for a*
3 *redevelopment project, an amount equal to 10 percent of the*
4 *amount of the proposed incentive must be withheld by the agency*
5 *and must not be paid to the developer until:*

6 *(a) At least 15 percent of all employees of contractors,*
7 *subcontractors, vendors and suppliers of the developer are bona*
8 *fide residents of a redevelopment area described in section 6 of*
9 *this act, an area in the city for which the legislative body has*
10 *adopted a specific plan for neighborhood revitalization or which is*
11 *eligible for a community development block grant pursuant to 24*
12 *C.F.R. Part 570, or the Southern Nevada Enterprise Community;*

13 *(b) At least 15 percent of all jobs created by employers who*
14 *relocate to the redevelopment area are filled by bona fide residents*
15 *of any of the areas described in paragraph (a); and*

16 *(c) The developer satisfies all reporting requirements as*
17 *described in section 9 of this act.*

18 **2.** *If an agency provides incentives in a form other than cash*
19 *to a developer for a redevelopment project, the developer shall*
20 *deposit an amount of money with the agency equal to 10 percent*
21 *of the value of such incentives as agreed upon between the agency*
22 *and the developer. If the developer satisfies the requirements of*
23 *subsection 1, the agency shall return the deposit required by this*
24 *subsection to the developer.*

25 **Sec. 9. 1.** *Except as otherwise provided in subsection 2, a*
26 *developer that receives incentives from an agency for a*
27 *redevelopment project shall, upon completion of the project and*
28 *upon request of the agency, report, in a form prescribed by the*
29 *agency, information relating to:*

30 *(a) Outreach efforts that the developer has utilized, including,*
31 *without limitation, information relating to job fairs,*
32 *advertisements in publications that reach residents of the areas*
33 *described in section 8 of this act and utilization of employment*
34 *referral agencies;*

35 *(b) Training conducted for persons hired by the developer and*
36 *contractors, subcontractors, vendors and suppliers of the*
37 *developer and the employers within the redevelopment project;*
38 *and*

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

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



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

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

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

7 **Sec. 10. 1.** *A developer may appeal the refusal by an*
8 *agency to pay the amount provided for in section 8 of this act to*
9 *the legislative body of the community.*

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

12 (a) *Specific actions were taken to substantially fulfill the*
13 *requirements of section 8 of this act;*

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

17 (c) *Use of appropriate contractors, subcontractors, vendors or*
18 *suppliers as required by section 8 of this act would have*
19 *significantly and adversely affected the overall cost of the project.*

20 3. *If the legislative body finds that the developer's appeal has*
21 *satisfied the requirements of subsection 2, the agency shall pay the*
22 *developer the amount provided for in section 8 of this act.*

23 **Sec. 10.5.** (Deleted by amendment.)

24 **Sec. 11.** NRS 279.384 is hereby amended to read as follows:

25 279.384 As used in NRS 279.382 to 279.685, inclusive, *and*
26 *sections 2 to 10.5, inclusive, of this act*, unless the context
27 otherwise requires, the words and terms defined in NRS 279.386 to
28 279.414, inclusive, *and sections 2 to 5, inclusive, of this act* have
29 the meanings ascribed to them in those sections.

30 **Sec. 12.** (Deleted by amendment.)

31 **Sec. 13.** NRS 279.482 is hereby amended to read as follows:

32 279.482 1. An agency may obligate lessees or purchasers of
33 property acquired in a redevelopment project to:

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

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

38 (c) Comply with other conditions which the agency deems
39 necessary to carry out the purposes of NRS 279.382 to 279.685,
40 inclusive, *and sections 2 to 10.5, inclusive, of this act*, including,
41 without limitation, the provisions of an employment plan or a
42 contract approved for a redevelopment project.

43 2. ~~As~~ *Except as otherwise provided in section 7 of this act,*
44 *as* appropriate for the particular project, each proposal for a



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1 redevelopment project must also include an employment plan. The
2 employment plan must include:

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

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

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

10 (1) Are economically disadvantaged;

11 (2) Have a physical disability;

12 (3) Are members of racial minorities;

13 (4) Are veterans; or

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

15 (d) *For a redevelopment project undertaken in a*
16 *redemption area of a city whose population is 500,000 or more,*
17 *a description of the manner in which:*

18 (1) *The developer will, in hiring for construction jobs for*
19 *the project, use its best efforts to hire veterans and other persons*
20 *of both sexes and diverse ethnicities living within the*
21 *redemption area, an area in the city for which the legislative*
22 *body has adopted a specific plan for neighborhood revitalization*
23 *or which is eligible for a community development block grant*
24 *pursuant to 24 C.F.R. Part 570, or the Southern Nevada*
25 *Enterprise Community; and*

26 (2) *Each employer relocating a business into the area will*
27 *use its best efforts to hire veterans and other persons of both sexes*
28 *and diverse ethnicities living within any of the areas described in*
29 *subparagraph (1).*

30 3. *A description provided pursuant to paragraph (d) of*
31 *subsection 2 must include an agreement by the developer or*
32 *employer to offer and conduct training for the residents described*
33 *in that paragraph or make a good faith effort to provide such*
34 *training through a program of training that is offered by a*
35 *governmental agency and reasonably available to the developer or*
36 *employer.*

37 **Sec. 14.** (Deleted by amendment.)

38 **Sec. 15.** (Deleted by amendment.)

39 **Sec. 15.5.** (Deleted by amendment.)

40 **Sec. 16.** This act becomes effective on July 1, 2013.

