

**MINUTES OF THE
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Seventy-Eighth Session
February 19, 2015**

The Senate Committee on Revenue and Economic Development was called to order by Chair Michael Roberson at 7:28 p.m. on Thursday, February 19, 2015, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 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 Michael Roberson, Chair
Senator Greg Brower, Vice Chair
Senator Joe P. Hardy
Senator Ben Kieckhefer
Senator Ruben J. Kihuen
Senator Aaron D. Ford
Senator Pat Spearman

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Bryan Fernley, Counsel
Gayle Rankin, Committee Secretary

OTHERS PRESENT:

Wes Henderson, Executive Director, Nevada League of Cities and Municipalities
Patrice Frey, President and CEO, National Main Street Center, Inc.
Paula Lochridge, Program Manager, Main Street Gardnerville
Tom Dallaire, P.E., Town Manager, Town of Gardnerville
Tim Rubald, CEcD, CMSM, Main Street Gardnerville
Kenneth Miller, Town Board, Town of Gardnerville
Jenifer Davidson, Town Manager, Town of Minden
Brian McAnallen, City of Las Vegas

Chair Roberson:

We are here to discuss Senate Bill (S.B) 51, which creates the Nevada Main Street Program within the Office of Economic Development, Office of the Governor (GOED).

SENATE BILL 51: Creates the Nevada Main Street Program within the Office of Economic Development of the Office of the Governor. (BDR 18-463)

Wes Henderson (Executive Director, Nevada League of Cities and Municipalities):

Senate Bill 51 seeks to create and fund a State coordination agency for the Nevada Main Street Program of the National Main Street Center, which is a wholly owned subsidiary of the National Trust for Historic Preservation. Main Street programs are beneficial in many ways, including economic development, historic preservation and tourism as well as having a positive impact on local economies.

Patrice Frey (President and CEO, National Main Street Center, Inc.):

On page C2 of my presentation ([Exhibit C](#)), you see National Main Street Center started 35 years ago under the National Trust for Historic Preservation. We have worked with over 2,000 communities all across the Country to help them revitalize their downtowns. We do that by focusing on the older and historic buildings downtown and putting those assets back to productive use. We think about Main Street as many places throughout the Country. We also talk about Main Street as a framework that helps communities organize themselves to create a vision for what they want their downtowns to be and a road map for how they are going to accomplish this. Main Street is also a movement. Thousands of people across the Country are passionate about improving their communities and attracting small businesses and entrepreneurs.

Page C3 shows that downtown is the heart and soul of a community and reflects the identity of a place. The downtown is also important to a city's economic competitiveness and state economic competitiveness. We live in a time where people can live and work anywhere they want. We see people choose places where there is a high quality of life with excellent downtown amenities. Main Street helps to create those quality places. We see some affordable space for nurturing local businesses in older buildings that is affordable and accessible. Downtowns make great places for housing. Main Street appeals to Baby Boomers and Millennials.

Page C4 of [Exhibit C](#) shows the record of Main Street at the national level. Over the last 3 decades, there has been an investment in 2,000 communities of \$60 billion throughout the Country. Net new jobs created are over 500,000. Net new businesses are over 115,000. These numbers are significant because most of our Main Street communities are under 25,000 people in population. We have seen incredible success and transformation in these places. There have been over 240,000 building rehabilitations. That is great for construction jobs and for the vacant or abandoned buildings being put back into productive use and on the tax rolls in their cities.

Page C5 shows the composition of the National Main Street Network. Main Street is in 42 states and 1,100 communities. We are pleased the State of Nevada is considering developing a Main Street Program.

Page C6 shows our Four-Point Approach. This is a framework we developed 3 decades ago that helps communities take revitalization into their own hands. It focuses on helping organize and getting community stakeholders involved to create visions for downtown revitalizations. They market and promote their communities. They focus on the design of the older historic buildings. These old buildings are a great resource to build on. Communities take a hard look at economic restructuring. They look at the market and the conditions within their communities and come up with plans to create healthy business mixes. This program is community- and volunteer-led. We are not a national organization that tells you your downtown vision. This is a process to help people create their own vision. Throughout the Network, we require communities to have downtown managers. It is not unusual for small communities of 2,500 to 3,000 people to have 200 volunteers to help make Main Street happen.

Page C7 shows the economic impact other states have seen. New Mexico created its Main Street program in 1985. Since then, New Mexico has invested a modest figure of just over \$11 million. This investment has leveraged \$1 billion of investments in New Mexico's downtowns. There is a network of close to 20 Main Streets. These are small, rural places. There is one program in Albuquerque, but the rest are in small communities which have realized 11,000 net direct new jobs and over 3,200 businesses. Jobs are generated at the rate of \$1,100 per taxpayer investment. If you compare that to the economic stimulus bill nationally, it is not uncommon to see a job cost \$100,000 each. This is a responsible and frugal use of state resources. In New Mexico, for every \$1 invested in the program, there is a

return of \$44. Nationally, the ratio is for each \$1 invested, there is a \$33 return. New Mexico has been doing this a long time.

Page C8 of [Exhibit C](#) shows at the local level what it looks like to a community. Rawlins, Wyoming, is a town with a population of 9,000 which was facing significant disinvestment downtown and severe deterioration that took place over decades. In 2006, the town formed a Main Street program. There was a vacancy rate over 40 percent; now, 9 years later, the vacancy rate is 10 percent. Downtown is completely transformed. The program focused on a housing development downtown and helped identify the entrepreneurs who fulfilled their dreams of owning businesses.

Page C9 shows what goes on at the National Main Street Center. We provide training and technical assistance, sell publications and offer peer-to-peer network sharing. Our Network has evolved over the years. We work exclusively with state and big-city partners to run coordinating programs. Main Streets are most successful when they have a state level of commitment and resources. These partners offer local training, guidance and moral support.

We are eager to work with Nevada to create this program. Revitalizing a downtown is hard work and it does not happen overnight. There are real success stories. We have seen incredible changes around the Country.

Senator Kieckhefer:

Are other states utilizing their economic development offices as the coordinating agency?

Ms. Frey:

There is a mix. One-half of our states use economic development agencies, and one-half of them use state historic preservation offices. We have a handful that are nonprofits.

Senator Kieckhefer:

Is there a dedicated staff?

Ms. Frey:

Yes. That is a requirement of our program. Our philosophy is we want to set communities up to succeed. The best way to do that is to ensure one paid staff member at the state level.

Senator Kieckhefer:

Does S.B. 51 comply with that?

Ms. Frey:

Yes.

Senator Kieckhefer:

How do you see the appropriation being used?

Ms. Frey:

Part of it will be salary. This bill requests one full-time coordinator and one half-time assistant. Start-up time is an intense period. This is an appropriate and needed staffing structure. There is a line item for travel within the State. That is a significant cost in a large state like Nevada. The dues at the National Main Street Center are \$4,000 annually. For the first 3 years, there is a line item for technical assistance. That training does not come from the Center; we have a network of consultants we work with. The technical assistance is important during the first 3 years.

Senator Kieckhefer:

It sounds like more detail is not in the bill. I do not see staff in the bill.

Paula Lochridge (Program Manager, Main Street Gardnerville):

We will give you some information from the local perspective and show you what we have accomplished ([Exhibit D](#)).

Tom Dallaire, P.E. (Town Manager, Town of Gardnerville):

When I became Town Manager, I inherited this program. I have learned to love it over the past 6 years.

Page D1 of [Exhibit D](#) shows the vision statement for our program in Gardnerville. It is the driving force behind everything we do. The National Main Street Center program is a network to connect with other Main Streets to see what they are doing to succeed and make individual programs successful. It is the brand we are pursuing to generate advocates for the program. Page D3 shows ground rules. It is the concept that works with businesses, buildings and residential developments. It is important to build residences downtown to be close to community events. Main Street Gardnerville is not a merchant,

association or chamber of commerce. Our program works closely with the Carson Valley Chamber of Commerce on events and promotions for our mission.

Ms. Lochridge:

Pages D4 through D6 of [Exhibit D](#) answer, "Why is Downtown Important?" Downtown supports local independent businesses that in turn support local families and community projects to keep profits in communities. Arts and culture thrive in downtowns where churches and community institutions are located. Downtown serves as an incubator for new small businesses creating new jobs and an investment in the successes of tomorrow. It is an important factor for industrial commercial developers and professional recruitment. A healthy downtown encourages economic development throughout the community. Downtowns can be tourist destinations and events can attract new visitors. As shown on page D6, heritage travelers spend twice as much money as other visitors. They visit two times as many places and stay longer.

Mr. Dallaire:

Page D7 shows that Main Street uses a Four-Point Approach. This is what makes the program successful. Each organization described has its own committee comprised of volunteers from the community. These are passionate people who love their communities. Each committee has its own action plan and goal. The volunteers work together on various projects that help the program support the mission and reach program goals.

Ms. Lochridge:

Page D8 shows a list of criteria for the accreditation. Out of ten, our program has accomplished eight. We need to complete the last two criteria. We are a standard member with the National Main Street Network. We are not yet a designated program, which is why we would like to have a State program in place to help us accomplish that. We do not report key statistics to National Main Street. We do keep track of statistics for our own purposes.

Page D9 shows the necessary ingredients for an effective commercial revitalization program. You need to gather consensus and engage the community to help build and sustain an effective Main Street program. I am the only employee for this program. We have a roster of approximately 100 volunteers who are active in our downtown.

Mr. Dallaire:

Page D10 of [Exhibit D](#) shows the stages of the Main Street program. The first one is the catalyst phase, which is the phase used when getting started. The second one is the growth phase, which is handling larger projects where the projects become part of the committees' objectives. The third is the maintenance phase. The Gardnerville program is in the growth phase now. We are working on several big projects, and it has taken years to get the grant funding to finish these projects. The community has been supportive of the projects we are working on.

Page D11 shows how the community gets involved and is engaged. We have at least 100 volunteers who come to monthly meetings. The volunteers are building a relationship with each of the committees. People recognize the benefit of the program, and the local businesses realize it is a benefit to belong to this organization. It is successful. Once Main Street is successful, then the downtown will be successful.

Ms. Lochridge:

Page D12 shows our mission statement. As you can tell, we do not do it alone. We partner with a variety of entities as well as members of the community. If we had a State program in place, it would provide us with more resources and support to grow what we are doing. It could benefit the other towns and cities in Nevada.

Mr. Dallaire:

Page D15 shows our accomplishments since we brought in Paula Lochridge 6 years ago. We have a sidewalk gallery compliments of our design committee. The committee took plywood from an old abandoned building and added some photos to create a sidewalk gallery.

We installed 12 benches along U.S. Highway 395. These are donations from community members through the Main Street program and were installed by town staff. We have one more bench on its way.

We have almost completed a large movable mural. We lost the building it was to go on because Sharkey's Casino expanded. We are working on another location.

The design group volunteers work with the schools to create 68 beautiful hanging flower baskets that line our corridor throughout the summer months. The hanging flower baskets are the pride of the community.

Ms. Lochridge:

We have received phone calls from as far away as the East Coast asking us how we conduct our flower project. It is known across the states.

Mr. Dallaire:

My favorite part of this are the schools involved. They include Smith Valley schools, Douglas High School and China Springs Youth Correctional Facility in south Douglas County. The students do a great job. The baskets hang June through September.

Page D14 of [Exhibit D](#) shows the community Heritage Park Garden projects created by volunteers. The garden was partially funded through a grant with additional grants to create a labyrinth completed by volunteers. The volunteers are working on a children's garden. In the community garden and the children's garden, Boy Scouts and Girl Scouts will grow fresh food for the Carson Valley Food Closet. Later this year, we will have an Eagle Scout project install a walking bridge from the main garden to the children's garden. There is a small, designated wetland. This is a great way to get the community and youths involved.

Page D15 shows a banner pole. It holds a 40-foot-wide, 3-foot-tall banner that goes across U.S. 395. The town staff installs the banner every Monday morning. This page also shows the kiosk downtown near the J.T. Basque Bar & Dining Room. The planter area is maintained by the garden and flower committee.

Ms. Lochridge:

Page D16 shows our Main Street accomplishments in the areas of district vitality and economic restructuring. Through grant funds, we were able to obtain a market analysis of our downtown district. This will benefit the businesses and also will be used as a recruitment tool to involve more businesses downtown. We may revise the market analysis because Wal-mart opened in the area a year ago. We want to see what kind of impact that had on the downtown district. Through a U.S. Department of Agriculture Rural Business Enterprise Grant, we were able to create a revolving loan fund. The businesses

in our district that are members of our program can apply for a loan at a 2 percent interest rate to better their businesses. One of our success stories is Rick Ackerson, who owned No Place Like Home. He borrowed \$15,000 from our program when he had three employees. A few years later, he had 63 employees and sold his business so he could get benefits for his employees. He stayed on as CEO.

Page D17 of [Exhibit D](#) shows the Business Inventory Tracker. We have had difficulty getting the numbers we need to have a complete tracker in place. We rely heavily on our volunteers and the information the businesses give us. This is what we have been keeping track of since we started the program in 2009.

Mr. Dallaire:

Douglas County does not have a formal business license process. The numbers we need are not available.

Page D18 shows the organization accomplishments, which include action plans and strategic plans aligned with town and county plans. These are reviewed and revised annually before the budget process so we know what the budget will be for the next year. Other accomplishments are board training, sponsorships and drive efforts. Since the inception of this program in 2009, we have had over 25,000 volunteer hours at a value of approximately \$470,000.

Ms. Lochridge:

Page D19 describes our promotions. We partner with many organizations around our district and sponsor many of our own events. We are going into our seventh year with wine walks. One of the complaints I heard when I started as Program Manager was that there was no place to park in our district. We started the wine walks, and people were able to find parking spots and realized it is easy to walk from business to business. Some of the comments we heard from the participants, some of whom have lived here for 20 years, was that they had not visited some of the businesses on the wine walk. Some people did not realize there are great shops downtown. It is paying off in many ways. We have many people come to the wine walks to shop because the shops will be open late. We can get 300 to 500 people registered for wine walks.

We did a series of cash mobs and heard reports from businesses. When we had a daily cash mob, the businesses reported foot traffic increased 20 percent to

50 percent. One of the businesses reported 83 new people walking through the door.

Page D20 of [Exhibit D](#) shows the district special events scheduled for this calendar year.

Mr. Dallaire:

Page D21 shows what is next for the Main Street Gardnerville program: further development of Heritage Park Gardens; business recruitment, growth and training; development of a specific fundraising strategy to increase self-sufficiency; well-designed, visually attractive, pedestrian-friendly streetscapes; and restoration of existing building stock. We lost two historic buildings this year in Gardnerville. Gardnerville was able to start the program and fund it each year because we all know how this program benefits our downtown. It is easy to keep passionate people busy with projects in their backyard.

Page D22 shows our volunteers celebrating the labyrinth. We could not do this program without the volunteers. The volunteers are passionate and enjoy what they do.

Tim Rubald, CEcD, CMSM (Main Street Gardnerville):

I have worked with Main Street since 1989 when I lived in Wyoming. I came to Nevada in 1998, and the program remained a strong passion of mine. I worked in many states in the Country, from Hawaii to Virginia. I spent time working with many communities in Wyoming, laying the groundwork for the state's program which has an active Main Street program. When I came to Nevada, I went to work for the Commission on Economic Development, which preceded the GOED. In the 2003 and 2005 Legislative Sessions, we went through efforts to start a statewide Main Street Program in Nevada. In my capacity at the Commission on Economic Development, we did some creative things throughout the State, working to help communities with the same type of principles as the National Main Street Center program. I am a certified Main Street Manager and a certified economic developer. I have worked with many of the communities in Nevada. This is not a new concept nor a rural proposition. I spent about a year as a consultant doing pro bono work for volunteers in west Las Vegas. They are excited about Main Street.

I have worked in Hawthorne, Wells, Elko and a number of other Nevada communities. The State needs to work with the National Main Street Center. It is the missing piece of the puzzle. Senate Bill 51 provides the opportunity to do that. It would be a strong addition to GOED.

Kenneth Miller (Town Board, Town of Gardnerville):

I have lived in Gardnerville for 32 years. I came to northern Nevada in 1963. Over those years, I have seen many changes. I have lived in small towns such as Winnemucca, Fallon and Gardnerville. Nothing is more positive in a small community like the Main Street program. I am passionate about my Gardnerville Town Board position. I raised my children in Gardnerville, and now I am giving back to the community. Main Street has made my job fun. My constituents thank me for the Main Street program on a weekly basis. It is a positive program. The program uses the Four-Point Approach as a guideline. It is hard to revitalize a community without a guideline. The National Main Street Center program gives us the guidelines. I would appreciate your support of S.B. 51.

Jenifer Davidson (Town Manager, Town of Minden):

I am a witness to the success of the Main Street program in Gardnerville. I hope the success is contagious and hope we can bring those guiding principles to Minden. The Minden Town Board has directed town staff to explore the possibility of creating a Main Street program in Minden. We are in the catalyst phase of the process and have formed a steering committee.

We have 12 members of our business community on the steering committee. We are excited to be involved on the cusp of something really great for Minden and our small community of 3,000 residents. Minden has a vacancy rate of over 40 percent in the business district on the U.S. 395 corridor. That is a lot of vacant space. We are hopeful the Main Street program can bring a positive change to our community. We have seen the change in Gardnerville. Gardnerville went from a high vacancy rate to a high occupancy rate of over 95 percent. That is an exciting change to witness as you drive through our community. I encourage you to support S.B. 51.

Brian McAnallen (City of Las Vegas):

We support the National Main Street Center program. We appreciate the efforts of the Nevada League of Cities and Municipalities and our sister cities to show the benefit this can provide to all communities.

Mr. Henderson:

I realize we are asking for money that is not in the Governor's budget. It is difficult, but you need to consider that money as an investment in Nevada.

Senator Kieckhefer:

Because of the appropriation, we will have to see this bill in the Senate Committee on Finance. Does the appropriation make or break this bill if we get to the end of Session and I cannot find \$500,000? Would you want the bill to pass without the appropriation?

Mr. Henderson:

No. For us to have an official Main Street program, we need the funding.

Senator Spearman:

If the money is not available through public means, have you considered some type of public-private partnership and someone who would sponsor the staff position for the office?

Mr. Henderson:

No. This is our first attempt. If we are unsuccessful this year, we will look at other options. We can work with the Governor's Office to try to get this included in the Executive Budget for the next biennium.

Senator Spearman:

Is this something that has to be funded through the public or are there other options in the private and public partnership process that gets the job done? Are there stipulations that it has to be public money?

Mr. Henderson:

Some nonprofits operate as state coordinating agencies. I am not sure how they are funded, but I do not think there is a national-level requirement that it has to be public money.

Senator Hardy:

Section 7 talks about \$500,000 going to the Governor's Office of Economic Development for the Nevada Main Street program. Did we do this before?

Mr. Henderson:

No, we have not done this before.

Senator Hardy:

Can we do it by incentives, grants, gifts or donations?

Mr. Henderson:

Yes, I believe so. Thank you for your support on S.B. 51.

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Chair Roberson:

Thank you all for being here so late. Meeting is adjourned at 8:11 p.m.

RESPECTFULLY SUBMITTED:

Gayle Rankin,
Committee Secretary

APPROVED BY:

Senator Michael Roberson, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	1		Agenda
	B	5		Attendance Roster
S.B. 51	C	10	Patrice Frey	Establishment of Nevada Main Street Program Presentation
S.B. 51	D	25	Main Street Gardnerville	Presentation