

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

**Eightieth Session
May 2, 2019**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 8:44 a.m. on Thursday, May 2, 2019, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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/App/NELIS/REL/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chair
Assemblyman William McCurdy II, Vice Chair
Assemblyman Alex Assefa
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Richard Carrillo
Assemblywoman Bea Duran
Assemblyman John Ellison
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblyman Glen Leavitt
Assemblywoman Susie Martinez
Assemblywoman Connie Munk
Assemblyman Greg Smith

COMMITTEE MEMBERS ABSENT:

Assemblywoman Melissa Hardy (excused)

GUEST LEGISLATORS PRESENT:

Senator David R. Parks, Senate District No. 7

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Asher Killian, Committee Counsel
Mark Peckham, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

James Owens, Chief of Police, Las Vegas Paiute Tribe
Marshall Emerson, Chief of Police, Fallon Paiute-Shoshone Tribal Police
Chuck Callaway, Director, Intergovernmental Services, Las Vegas Metropolitan Police Department
Eric Spratley, Executive Director, Nevada Sheriffs' and Chiefs' Association
Ernest E. Adler, representing Pyramid Lake Paiute Tribe
Marla McDade Williams, representing Reno-Sparks Indian Colony
Corey Solferino, Lieutenant, Washoe County Sheriff's Office
Mike Ramirez, Director of Governmental Affairs, Las Vegas Police Protective Association; and representing Nevada Law Enforcement Coalition
Jennifer Noble, representing Nevada District Attorneys Association
Richard P. McCann, Executive Director, Nevada Association of Public Safety Officers; and Member, Nevada Law Enforcement Coalition
Cheryl Price, Operations Officer, Public Employees' Retirement System of Nevada
Chris Nielsen, General Counsel, Public Employees' Retirement System of Nevada
Priscilla Maloney, representing American Federation of State, County and Municipal Employees Local 4041, Retiree Chapter
Drake Ridge, representing Las Vegas City Employees Association
Izzy Youngs, representing Retired Public Employees of Nevada
Michael Draper, representing Tahoe-Douglas Visitor's Authority
Lewis S. Feldman, General Counsel, Tahoe-Douglas Visitor's Authority
Carol Chaplin, President and Chief Executive Officer, Tahoe-Douglas Visitor's Authority
Tim Tretton, Vice President and General Manager, Montbleu Resort Casino & Spa
Stacey Noyes, President, Lakeside Inn and Casino
Bill Cottrill, General Manager, Lake Tahoe Resort Hotel
Patrick Rhamey, Board Member, Tahoe Prosperity Center
John McLaughlin, President and Chief Executive Officer, Edgewood Companies
Joelle Shearin, General Manager, Hard Rock Hotel & Casino
Tamara Laub, Owner, Michael Laub Building
Michael Alonso, representing Caesars Entertainment Corporation
Paul McKenzie, Executive Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada, AFL-CIO
Bill Chernock, Executive Director, Carson Valley Chamber of Commerce
Jan Vandermade, Executive Director, Carson Valley Visitors Authority

Steve Teshara, President and Chief Executive Officer, Lake Tahoe South Shore Chamber of Commerce
Marlena Freitas, Vice President of Marketing and Resort Sales, The Ridge Resorts; and Nevada Lodging Representative, South Lake Tahoe Lodging Association

Chair Flores:

[Roll was called. Committee rules and protocol were explained.] We are going to take the agenda items in the order that they appear. Senate Bill 182 (1st Reprint) is the first item on the agenda, which revises provisions relating to police officers. Senator Parks, good morning; whenever you are ready.

Senate Bill 182 (1st Reprint): Revises provisions relating to peace officers. (BDR 23-61)

Senator David R. Parks, Senate District No. 7:

Good morning, Chair Flores and members of the Assembly Committee on Government Affairs. Thank you for the opportunity to come before you today. I am here to present Senate Bill 182 (1st Reprint), which relates to the powers of tribal peace officers.

Joining me today in Las Vegas is Las Vegas Paiute Tribal Police Chief James Owens. I also have two individuals here in Carson City in support of the bill. I would like to briefly provide your Committee with a summary of S.B. 182 (R1), and then I would like to ask Chief Owens to provide greater detail on how and why this bill is needed.

Senate Bill 182 (1st Reprint) confers the same powers of a peace officer on persons employed by Indian tribes as law enforcement officers under certain circumstances. Currently, the authority of a tribal peace officer is limited to within the boundaries of the Indian reservation or Indian colony employing the tribal peace officer.

Before such a tribal peace officer may exercise the powers of a peace officer off an Indian reservation or Indian colony, the officer must have received a category I peace officer certification from the Nevada Peace Officers' Standards and Training Commission, otherwise referred to as POST.

Under S.B. 182 (R1), the sheriff of the county in which the Indian reservation or Indian colony is situated must execute a written agreement with the Indian tribe setting forth the nature of the law enforcement relationship between the Indian tribe and the sheriff of that county, including the authority of the tribal peace officer to act outside of the Indian reservation or Indian colony and within the jurisdictional boundaries of the county. The bill does not impair or affect the sovereignty of an Indian tribe.

Mr. Chair, this concludes my prepared remarks. I would be happy to try answering your Committee's questions, or Chief Owens can pick it up from here.

Chair Flores:

We would like the presentation to continue, and then we will ask questions at the end.

James Owens, Chief of Police, Las Vegas Paiute Tribe:

Just a little of my history: I retired in July 2017 after 29 years with the Las Vegas Metropolitan Police Department. It was interesting to me because I had always worked with tribal police. We had a small tribal department in Las Vegas, but never in all those years had I realized that they actually were not considered peace officers by Nevada statute. I work with some other folks and other tribal chiefs now, and we have recognized the importance of this bill.

The primary reason that we have for the bill is the fact that tribal officers work very closely with sheriffs' deputies and city police officers all over the state. Currently, the tribal officers have very limited jurisdiction outside the boundaries of their particular reservation. Most of our tribal agencies do have a memorandum of understanding or interlocal agreement with the adjoining jurisdictions. These mutual aid agreements allow tribal and county or city officers to assist each other in time of need. However, because their authority is currently limited outside the reservation, this creates situations where the tribal officers cannot fully assist their fellow officers who work for the city, county, or state. In jurisdictions with limited police resources, the ability for law enforcement agencies to fully assist each other is critical.

We believe that providing tribal police officers this peace officer status would provide the tribal officers the same protections and considerations shown to other police officers, particularly in the event of a critical incident or where a level of force is required. There is no associated financial impact or cost to this proposal for either the state or any of the local jurisdictions.

I am sure some of my partners are in the same situation as I where our tribal reservations are split up into different areas. We will travel from our jurisdiction, across a local jurisdiction, and once again back into the tribal area. At times we come across crimes where we are able to assist officers. We think it would be a huge benefit that the tribal officers in these instances have the same rights, considerations, and protections as the other peace officers at the scene. Thank you very much for your consideration.

Chair Flores:

Thank you all for your presentation. Members, are there any questions?

Assemblyman Smith:

This bill would allow local police departments and sheriffs to call on tribal folks to come to their aid. Does this also work in reverse, or does that already exist?

Marshall Emerson, Chief of Police, Fallon Paiute-Shoshone Tribal Police:

Just a little background: after 23 years of service with the Washoe County Sheriff's Office, I retired from that position as an assistant sheriff in 2013 and subsequently have now taken on the position of chief of police of the agency that I represent here today.

In answer to your question, Assemblyman Smith, yes, we have a mutual aid agreement with the county sheriff's office in Churchill County and as such they regularly assist our officers when needed. Conversely, we respond into the county when the need arises for our officers to assist them. That is generally done by way of a mutual aid agreement between the agencies.

Assemblyman Carrillo:

My question relates to putting these officers in category I status. Does this affect anything that has to do with the heart and lung act? A few sessions ago, I had a bill that was looking to bring the Clark County school police into it and that seemed to be a sticking point. So I am wondering if that is an issue or not.

Senator Parks:

That was not an issue that came up relative to this. This program is establishing the protocol for having assistance rendered by tribal police at a time when they are not on either a reservation or a colony, and it would allow them the opportunity to act in the full capacity of a POST-certified police officer rendering service to whichever county they would be serving in. The intent here is that it would be the sheriff who would negotiate a memorandum of understanding (MOU) with any of the reservations or Indian colonies. That would define the role that would be provided by the tribal peace officers.

Assemblyman Carrillo:

Essentially, if not all of them are category I officers, they will have to go through that training to make them a category I? Or do they just become category I if they assist Metro or any other jurisdictions?

Senator Parks:

My understanding is that most of them are already category I peace officers. This would certainly be restricted to those officers who are POST-certified.

Assemblyman Assefa:

Is there a distinction between the type of training provided for tribal police officers versus non-tribal police officers? My understanding is that it is a category I POST certification for non-tribal officers. Is it different for tribal police officers?

Chuck Callaway, Director, Intergovernmental Services, Las Vegas Metropolitan Police Department:

Currently, there is somewhat of a hodge-podge. Some tribes have folks who are category I certified; some may not have that certification. But the purpose of this bill is if they are going to exercise police powers off the reservation, two things must occur: they must have the category I POST certification, and they must have an MOU with the local sheriff authorizing them to exercise those powers off of the colony property or the reservation. Currently, I do not think that every single Indian colony has the same level of training. I think some are category I certified—many probably are. But there may be some that are not.

Assemblyman Assefa:

Am I correct in understanding that not all tribal police agencies have MOUs with the local sheriffs from adjoining lands?

Chuck Callaway:

Many do, but some do not. This bill is totally permissive. It does not mandate any type of MOU and it does not mandate them to get category I certification. It just says if they are going to exercise power off Indian land, they must have the training and they must have the MOU with the sheriff.

Assemblyman Assefa:

Let us say a crime is committed off an Indian reservation and there is a hot pursuit situation. You are not going to stop and check whether that officer is category I certified, correct?

Chuck Callaway:

Hot pursuit under case law and under statute is a little bit different. If an agency such as Metro is chasing someone and they go into California, we are not going to just stop chasing them because they cross the state line. Hot pursuit is a little bit different. Obviously, we do not have jurisdiction in California, but we share resources. If that were to occur, under current law we would radio the California Highway Patrol and they would come assist us in that scenario. Same with tribal police—we would communicate with them and we would assist them if they were chasing someone who goes off of tribal land and in to our jurisdiction.

Assemblyman Assefa:

Imagine a situation where there was a tribal police officer off of tribal land. Is it reasonable to expect assistance from that officer if he is in a situation where he sees a crime being committed or a citizen who is requesting assistance? In what capacity could he help that citizen if he is not authorized to exercise his police powers off tribal land?

Chuck Callaway:

Great question. Under current law as it stands today, if the tribal officer is off tribal land and he witnesses, for example, domestic violence or a crime occurring, he would be acting as a citizen. He could potentially make a citizen's arrest. He could detain someone and call for the local jurisdiction—Metro for example—to respond. But with this bill, if an MOU exists with the sheriff and that tribal officer has category I training, then that officer would have police power in order to handle that as a police officer versus making a citizen's arrest.

Assemblyman Smith:

Are the MOUs that you have talked about time-dated, or do they go until one party agrees to get out of it? How do those work currently?

Chuck Callaway:

Our MOUs at Metro all go through our legal counsel and typically are for a set period of time, and then they are renewed. Often there is no language change when they are renewed, but sometimes we identify something that needs to be tweaked, and both parties agree when that occurs. Usually, we set a specific amount of time, maybe five years. I think they vary, but most of them have a set time frame.

Assemblyman Ellison:

You have covered a lot. I know we had officers in Elko County; they were sending them to Denver or somewhere for training instead of POST in Nevada. I thought it was strange that they have different POST categories of training. Is that still pretty close?

Chuck Callaway:

The intent of this bill is that they get Nevada POST certification. In many cases, training—such as California certification or Denver, Colorado, certification—is similar. But what we need is Nevada POST certification, not certification from another state, because they need to learn Nevada laws and what is relevant in Nevada.

Assemblyman Ellison:

This officer was just getting ready to go to Denver or wherever. What a day to hear this bill. Today, we honor our fallen police officers and you could not have picked a better day in the world to do this. Thank you.

Senator Parks:

I believe we do have somebody from POST here who could answer Assemblyman Ellison's question.

Chair Flores:

We can have that answered at the end. Members, are there any additional questions? The question I have is, do the MOUs mimic each other? In other words, do we have jurisdictions that have drastically different agreements than others, or do we typically see the same agreements?

Chuck Callaway:

We try to keep the MOUs as simple and straightforward as possible. They typically are relevant to the agency that we have the MOU with. For example, if we have an MOU with the Bureau of Land Management, it is specific to what their role is and what our role is relevant to that MOU. They do vary depending on the agency—some of them may be more involved and more detailed. We also have MOUs with other state jurisdictions on various issues—data-sharing, for example. Some can be two pages long; some can be a hundred pages long.

Chair Flores:

I do not think we have any more questions. Thank you all for being here. If I could have you sit back, I would like to invite forward those wishing to speak in support of S.B. 182 (R1).

Eric Spratley, Executive Director, Nevada Sheriffs' and Chiefs' Association:

We are here in support of S.B. 182 (R1) in its amended form. The main basis of our support comes down to law enforcement resources or lack thereof, especially in our rural jurisdictions in Nevada. Having the ability to partner with other fully trained, proficient, and certified law enforcement officers in these many rural jurisdictions across the state is beneficial to all of us in public safety.

Ernest E. Adler, representing Pyramid Lake Paiute Tribe:

I was previously a Fallon tribal judge, so I am very familiar with this issue. This has always been a problem for tribal police officers, especially if they are effecting arrests off the reservation, because they step into the shoes of just a normal citizen, which exposes them to a lot of civil liability. This clears that question up and makes it much clearer where they can effectuate an arrest and assist local sheriffs' departments and so forth. Pyramid Lake Paiute Tribe strongly supports this bill because it clears up the ambiguous area of arrests off the reservation by tribal police officers.

Marla McDade Williams, representing Reno-Sparks Indian Colony:

The Reno-Sparks Indian Colony is in support of this bill. At the risk of wading into an area that I am not qualified to really talk about, I just want to put on the record that tribal police officers have a certain set of training—so they are not untrained. Mr. Callaway explained it very clearly at the hearing in the Senate. It comes down to jurisdiction. You are trained in a jurisdiction that allows you to enforce the laws of that jurisdiction. Having Nevada POST training would allow an officer to enforce Nevada law. Mr. Callaway related it to federal game wardens; where there is federal land in Nevada, federal game wardens have training that is done by a federal academy, not by a state academy. So they cannot enforce Nevada law any more than tribal officers can enforce Nevada law, until they get that POST certification.

Corey Solferino, Lieutenant, Washoe County Sheriff's Office:

Washoe County Sheriff's Office is here in support of S.B. 182 (R1). With respect for everyone's time, unless there are any questions, I just want to take this opportunity to register our support.

Mike Ramirez, Director of Governmental Affairs, Las Vegas Police Protective Association; and representing Nevada Law Enforcement Coalition:

We support this bill.

Jennifer Noble, representing Nevada District Attorneys Association:

We are in support of this bill. It is important to note that many of these officers are category I certified and that some of these officers who work for tribal organizations have lost their lives in the line of duty. This bill is entirely appropriate and overdue, in my opinion.

Richard P. McCann, Executive Director, Nevada Association of Public Safety Officers; and Member, Nevada Law Enforcement Coalition:

As a member of the Nevada Law Enforcement Coalition, I am representing 10,000 law enforcement professionals across the state. As one who represents many of the sister agencies who would deal with the tribal officers, these agencies would be given a tremendous boost in terms of their overall public safety missions. We absolutely endorse this bill, and we ask you to do the same.

Chair Flores:

Is there anybody else wishing to speak in support of S.B. 182 (R1)? Seeing no one, is there anyone wishing to speak in opposition to S.B. 182 (R1)? Seeing no one, is there anyone wishing to speak in the neutral position for S.B. 182 (R1)? Seeing no one, Senator Parks, we are ready for any closing remarks you may have.

Senator Parks:

Thank you, Mr. Chair. I appreciate your hearing this bill this morning. Not to belabor it, but if I could just give you a quick example that Chief Owens provided to me when he asked me to sponsor the bill: Envision a Las Vegas Paiute police officer who is in Las Vegas but has to go out on U.S. Route 95 to a part of the reservation. Reroute, he sees a violent crime taking place. Passage of this bill would support that officer to be able to act as a full peace officer and to act on trying to stop the crime. I hope you will give this bill favorable consideration. Thank you very much, again, for all the time you have put into it.

Chair Flores:

Thank you, Senator Parks. We are going to go ahead and close the hearing on S.B. 182 (R1). Next, I would like to open the hearing on Senate Bill 416, which revises provisions relating to the Public Employees' Retirement System. Welcome back, Senator Parks.

Senate Bill 416: Revises provisions relating to the Public Employees' Retirement System (PERS). (BDR 23-895)

Senator David R. Parks, Senate District No. 7:

Chair Flores and members of the Committee on Government Affairs, thank you for the opportunity to present Senate Bill 416 to you today. Senate Bill 416 makes revisions to the payment of benefits to the child of a deceased member of the public retirement system.

Joining me today at the table are members of the Public Employees' Retirement System of Nevada (PERS). With your permission, I would like to turn the microphone over to them to take you through S.B. 416.

Cheryl Price, Operations Officer, Public Employees' Retirement System of Nevada:

With me is Chris Nielsen, general counsel for PERS. Section 1, subsection 2 of S.B. 416 removes one provision within *Nevada Revised Statutes* (NRS) 286.673, and the same provision in the Judicial Retirement System—the provision that requires a minor child survivor benefit of \$400 per month be terminated upon adoption. This was brought to the PERS Retirement Board's attention in 2017 and individual board members requested that the staff bring this issue to the attention of the Legislature for consideration.

The Public Employees' Retirement Act [NRS Chapter 286] provides for survivor benefits for minor children of a member if the member dies prior to retirement or prior to retirement eligibility age, if receiving a disability retirement benefit. These benefits end at age 18, or at age 23 if the child remains a full-time student. The benefits also end if the child is adopted, even if he or she is still under the age of 18. These survivor benefits are valued as a part of the benefit package and are paid for through the contributions made by employers and employees.

This adoption penalty has been part of the child survivor benefits since the enactment of these benefits in 1963. The Retirement Act also provides a survivor benefit to a surviving spouse that was enacted in 1963, which had a remarriage penalty similar to the adoption penalty. The remarriage penalty was removed by the Legislature in 1999 after testimony that the provision was archaic and not within the scope of the retirement policy. Senate Bill 416 would follow suit and remove the adoption penalty and make provisions to restart certain benefits.

Although this provision does not apply all that often in the context of the survivor benefit program, it has led to the suspension of benefits in three instances in the last five years, impacting four children. This situation generally arises in two different scenarios. The first is the scenario of the child losing a public employee parent but who has a surviving parent. If that parent is receiving a spousal benefit, he or she may remarry and retain the spousal benefit and the minor child benefit will also continue. However, if the stepparent adopts the child, the minor child benefit will terminate. In this situation, the adoption penalty is effectively discouraging or preventing adoption of the child by the stepparent.

The second scenario can lead to an arguably harsher result. In this scenario, minor children have lost their public employee parent and do not have a surviving parent. Without a surviving parent, adoption into a permanent home may be the only route for these children. That is the case with one of the recent terminations of benefits—the adoptive father of the affected children has given me permission to share certain facts with the Committee. In that case, a career state employee with over 25 years of service passed away. She had two preteen children. These children did not have a surviving parent, as the parental rights of their father had been terminated many years prior to the death of their mother. Adoption of these children was required to permanently place them with a gentleman, a single father, who had been part of their lives since they were five years old. The adoption decree specifically retained their deceased mother on their birth certificates and maintained their last name, their mother's maiden name. However, the adoption penalty in the Retirement Act

required the survivor benefits their mother had earned for them to be terminated. If they had had a surviving parent, they would be receiving their survivor benefits. Therefore, we believe the adoption penalty may have a larger negative impact on those minor children who have no surviving parent.

This provision can be viewed as either preventing adoption or unduly penalizing the most vulnerable of our surviving children. The adoption penalty does not further the mission of the Retirement System and, like the remarriage penalty, is outdated and not a subject for retirement policy. As such, the board members and staff of the Retirement System appreciate your consideration of S.B. 416. I would be happy to answer any questions.

Assemblyman Assefa:

Could you please elaborate on what "adoption" is? Is that the legal definition of adoption where the new parent goes to court and formally adopts a child, or is it the mere fact that the surviving parent remarries and this child is now living with a stepparent and the surviving parent?

Cheryl Price:

This would be a legal adoption.

Assemblyman Hafen:

As I am reading this, it says that the payments would resume after this legislation went into effect, which is upon passage and approval. Would that mean that there would not be any back payments? It would just start from June 4, 2019, or June 5, 2019, and go forward from there?

Chris Nielsen, General Counsel, Public Employees' Retirement System of Nevada:

You are correct. There would not be any retroactive payments; we would correct it going forward.

Chair Flores:

Members, are there any additional questions? We do not have any. Thank you again. I invite you to sit back as I invite forward those wishing to speak in support of S.B. 416.

Priscilla Maloney, representing American Federation of State, County and Municipal Employees Local 4041, Retiree Chapter:

We monitor very closely, every session, any bill that has a potential impact on the fiscal health of our PERS system. We think this is a wonderful bill. It solves a simple problem and does it effectively. It is not about the anecdotal evidence—that we are talking about four children. Four children in this situation is four too many. So even if, going forward, this affects one child's life and his or her wellbeing, we are in complete support of this bill.

**Richard P. McCann, Executive Director, Nevada Association of Public Safety Officers;
and Member, Nevada Law Enforcement Coalition:**

I am struck that we are referring to this as an adoption penalty. Why is adoption a penalty? There is no place for that in our retirement system. This is a hell of a bill and I suggest you support it.

**Mike Ramirez, Director of Governmental Affairs, Las Vegas Police Protective
Association:**

We thank Senator Parks for bringing this forward. We support this bill.

Drake Ridge, representing Las Vegas City Employees Association:

We urge this Committee to support this bill.

Izzy Youngs, representing Retired Public Employees of Nevada:

We also support the bill.

Chair Flores:

Is there anybody else wishing to speak in support of S.B. 416? Seeing no one, is there anyone wishing to speak in opposition to S.B. 416? Seeing no one, is there anyone wishing to speak in the neutral position to S.B. 416? Seeing no one, Senator Parks, we are ready for any closing remarks you may have.

Senator Parks:

Let me leave you with this. There is, I believe, at least one or more situations where the adoptive family did not know that there was this penalty, and they assumed that because this child was the descendant of a public employee the benefits would continue. Unfortunately, invoking this adoption penalty proved to cause the family a financial hardship. Thank you. I hope you will consider this bill favorably.

Chair Flores:

Senator Parks, I believe we have a question for you.

Assemblyman Ellison:

Senator Parks, I see that this ends at the age of 18. Is there not a law out there that says a child who is 18 years of age when child support or whatever benefit goes away, if that child is in college, does it not extend until he or she is 21 years of age?

Cheryl Price:

Yes, the student—if he or she is in college—would have to certify to us that he or she is a full-time student, then benefits will continue up until age 23.

Chair Flores:

For the sake of clarity, that is already existing language; section 2, subsection 3 references that provision. Members, any additional questions? Seeing none, we will close the hearing on S.B. 416. We will open the hearing on Senate Bill 461 (1st Reprint). Senator Parks, welcome back.

Senate Bill 461 (1st Reprint): Revises provisions governing the Tahoe-Douglas Visitor's Authority. (BDR S-733)

Senator David R. Parks, Senate District No. 7:

Good morning, Chair Flores and members of the Government Affairs Committee. Thank you for the opportunity to present Senate Bill 461 (1st Reprint) to you today. I am joined at the table today by Mr. Michael Draper on behalf of the Tahoe-Douglas Visitor's Authority.

Under existing law, Tahoe-Douglas Visitor's Authority is authorized to use a portion of the proceeds of its occupancy tax on the rental of lodging in Tahoe Township of Douglas County exclusively for the advertising, publicizing, and promotion of tourism and recreation, and the planning, construction, and operation of a convention center in the Tahoe Township. Senate Bill 461 (1st Reprint) proposes to authorize the Tahoe-Douglas Visitor's Authority to acquire, improve, and operate recreational facilities in Tahoe Township of Douglas County and confers related powers. The authority may issue tax-exempt municipal securities for the acquisition of such facilities. The bill also establishes a \$5 tourism surcharge on the per-night charge for the rental of lodging in the township. That concludes my prepared remarks, Mr. Chair. I would be happy to try answering any of your Committee's questions, or you may call upon Mr. Michael Draper on behalf of the Tahoe-Douglas Visitor's Authority, who can take you through an overview of what is to be an exciting South Lake Tahoe economic development project.

Chair Flores:

Thank you, Senator Parks. We would prefer to do that, Mr. Draper, please.

Michael Draper, representing Tahoe-Douglas Visitor's Authority:

I will keep my comments very brief. Lewis Feldman, who is general counsel for the Tahoe-Douglas Visitor's Authority, has a quick PowerPoint presentation ([Exhibit C](#)) that illustrates all the planning that went into this Event Center, and I want him to be able to share that.

Briefly, some history on the Tahoe-Douglas Visitor's Authority (TDVA): The TDVA was set up in statute in 1997. It is set up in a different statute than any of the other conventions and visitors authorities in the state. Because of that, the TDVA does not have all of the same rights and privileges that the other tourism authorities have, including the ability to issue bonds and debt securities. Part of this bill is to address that. The economy at Lake Tahoe has been hit harder than any of the economies around the state. Mr. Feldman will share some

of the data on that. We even saw that yesterday in the Economic Forum, where slot revenues around the state are up except for in and around Lake Tahoe where they are the lowest and, in fact, are down.

This bill is designed to provide a badly needed infusion into the economy around Lake Tahoe. This bill is many years in the works. Many of you have sat through sometimes very challenging and complex hearings dealing with issues at Lake Tahoe. We are very proud to say that this bill is a culmination of Senator Parks' leadership on the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System and of all the casinos and resorts, the Realtors, and many other parties coming together to find a solution that would benefit the entire region. As you will see in Mr. Feldman's presentation, you will agree that it does do that.

Very briefly—I will not go line by line through the bill—the bill does just what Senator Parks says. It does a couple of things: It allows the TDVA to issue municipal securities or to essentially bond against revenues. Right now, all the revenue from TDVA is generated through a 10 percent lodging tax. The other thing that this bill does is it imposes a \$5 room surcharge on all of the properties within the Tahoe Township. That includes gaming resorts and short-term rentals. And we are proud to say that we have a unanimous agreement—this is something that all of those properties, all of those entities, are willing to do to build this event center.

This bill is also a companion bill to a bill that Assemblyman Smith is shepherding through that is now on the Senate side. If you will remember a couple of months ago, we had a very brief hearing on Assembly Bill 98, which also grants explicitly to the TDVA the ability to manage not just a convention center, but also an events facility of this nature. That bill has already been heard on the Senate side; it has come out of the Assembly. These two bills, working hand in hand, will certainly provide what you are about to see as a significant economic impact to Lake Tahoe.

Lewis S. Feldman, General Counsel, Tahoe-Douglas Visitor's Authority:

I appreciate the opportunity to share some decades-long progress with you. As has been noted, TDVA was formed in 1997. One of its missions was to design, plan, and operate a convention facility. As was just noted, A.B. 98 expands that definition to allow TDVA the authority to operate a multiuse events center. Certainly, the economy and the world has changed since 1997 and the versatility of a multiuse events center is central to the mission.

This is a fairly profound slide [page 3, ([Exhibit C](#))]. In 2000 the Lake Tahoe gaming market commanded about 11 percent of the Northern California-Northern Nevada gaming market. Tribal gaming had about 89 percent of that market. By 2018/19 Lake Tahoe's share contracted from 11 percent to 2 percent, and tribal gaming now commands 98 percent of the Northern California-Northern Nevada gaming market—obviously, a very profound economic impact.

That reality is evidenced by the contraction of assessed value in the casino core, which in 2000 was \$142 million and at present is \$84 million. That is a staggering 40 percent reduction in assessed value. As I am sure you are aware, casino resorts are not assessed based on simple replacement value and land cost, but based on revenue. That sad story continues with the realization that in 2000 we had about 10,000 jobs in the casino core and at present that has contracted to about 3,000 jobs. Obviously, the message is gaming is no longer the main attraction at South Lake Tahoe. As you may also be aware, Lake Tahoe used to be the third-largest gaming market in the country. That is not the case today.

We have worked collaboratively with Douglas County, and part of that economic decline was consistent with the findings of *Nevada Revised Statutes* (NRS) Chapter 279, the formation of a redevelopment district based on blight. Blight is evidenced by a variety of factors, most notably in this case, not only the economic decline—but if you look at the slide [page 6, [Exhibit C](#)] which is representative of the existing condition today—you might conclude that this is almost museum-like presentation of gaming from the 1970s. There is very little animation to that streetscape and it is certainly in need of reinvention. The California side has, in fact, reinvented and redeveloped fairly spectacularly, evidenced by the bringing of Heavenly Ski Area to the bed base. The creation of Heavenly Village was really a turning point and responsive to the shift in the economic reality, where Lake Tahoe is now and has been emerging as more of an outdoor recreation destination. Entertainment is certainly a vital part of that but, again, gaming is no longer the main attraction.

We have a spectacular summer concert series that is actually conducted in a parking lot, and I hope some of you have enjoyed it. What you are looking at [page 8] is Harvey's parking lot hosting the summer concert series. We have 12 to 15 events that seat maybe up to 8,000 people. We have had acts such as Beyoncé, Sting, and Lady Gaga—it is pretty magical. What happens when we have these events is the cash registers ring on both sides of the state line, occupancy is robust, gaming is enhanced, food and beverage is off the charts, and we realize that entertainment moves the needle.

As an alpine resort, in particular, we have fairly substantial shoulder seasons, meaning slow seasons. April, May, October, and November are historically very soft. Even in our prime time, midweek tends to be somewhat soft. The addition to the market of a multiuse event center is particularly compelling because the biggest meeting months happen to be April, May, October, and November, when we have abundant capacity. The center that we are proposing can accommodate an incredible array of activities. On the sports side, we can have skating, tennis, volleyball tournaments, and the like; on the concert side, what is a demonstrated success with the summer concert series can now become a year-round attraction where we can host indoor concerts all year long and seat up to 6,000 people. We can have the kinds of floor events that include banquets, special events, and corporate meetings as well as trade shows. And, of course, it would not be complete without having Disney on Ice—we look forward to sharing that experience as well.

We have done an array of studies, one of which was done by Economic Planning Systems (EPS), and EPS forecasts that if we construct this facility, the impact to the local market would be an increase in spending of about \$60 million a year. This is a pretty important observation. Because of our seasonal employment, the labor market is largely service level. In spring and fall, people's hours are cut dramatically; people often work two or three jobs. The creation of this facility creates an employment opportunity for those that are most vulnerable—up to 550 part-time jobs and, of course, with the construction, 800 construction-related jobs.

As you might imagine, the location of this facility could be the subject of a turf war. Whoever is closest to it might get the most amount of benefit. I am pleased to report that our gaming partners objectively engaged a land planning firm, Design Workshop, to do a site analysis and looked for the best site based on a variety of criteria. Our partners were unanimous in selecting what is the corner at Montbleu Resort Casino & Spa and U.S. Highway 50. That is on the lower left-hand side of page 18 ([Exhibit C](#)). You can see there is a large surface parking area—that will become the gateway from Carson City and Nevada into the core. Page 19 is an aerial of the existing condition. Again, there is the parking. Today, Montbleu has about 1,500 parking spaces; there would be a decrease of about 500 as a result of the construction of this facility. During prime time we have counted parking spaces—because parking is always an issue—and we have learned that maximum occupancy, maximum event, there were 735 spaces occupied. So there is a significant surplus, and that surplus is throughout the casino core. That surplus used to be full when we had 11 percent of the Northern California-Northern Nevada gaming market.

Page 20 is the proposed condition for the facility, which would be about 130,000 square feet under the roof; there would be an event lawn; the streetscape would be updated as well. Page 21 is a depiction of what it would look like walking from the California side of the state line to the event center. If you were coming in from the Nevada side, page 22 is how we have depicted a modern mountain theme of architecture, which is consistent with the evolution of the California redevelopment side. We are now trying to bring that flavor to the Nevada side. What you see outlined in red on page 23 would be a new parcel to be created. That parcel will be privately contributed—so there is private investment in this undertaking—that is an estimated \$10 million contribution. The following pages are floor plans that show what it would look like for a concert event [page 24], if we had a basketball exhibition or tournament [page 25], and a more traditional trade show [page 26]. This is not a unique arena. It has been constructed in many other venues, but it is uniquely presented in Lake Tahoe architecturally. This is the maximum versatility, which is what the market requires.

Paying for this is, of course, the primary challenge. Outside of land cost we are probably looking at about an \$80 million build. Senate Bill 461 (1st Reprint) is central to the ability to raise the funds necessary to construct this facility. Tahoe-Douglas Visitor's Authority currently enjoys revenue sources not only from the transient occupancy tax but there is a lodging license fee. Those resources would become part of a funding package in addition to the \$5 per room night surcharge; that revenue would be pledged. And we expect that that

bond issuance could yield about \$90 million after the cost of issuance. We have seen some significant price escalation in both labor and materials and our \$80 million estimate is appropriately cushioned with a little bit of a bump. I might also point out that I know there have been some questions concerning some of the language of S.B. 461 (R1). The word "bond" was changed to "municipal securities," which is consistent with NRS Chapter 350; it is simply a consistency cleanup.

This project is not progressing in isolation. As some of you may know, both states, through Tahoe Regional Planning Authority (TRPA), have recently approved the loop road project, which would significantly change transportation and circulation throughout the core, narrowing U.S. Highway 50 to a main street and creating a bypass along the back side—the mountain side—of the casino core. That would create a much more contemporary, pedestrian-friendly, multimodal streetscape. Today, what you are looking at on page 33 is the Hard Rock Hotel & Casino. That right-hand side is just typical of the blank-wall presentation that was common in the 1960s and 1970s for casino development, having no interaction with the streetscape. Through this reinvention of Highway 50, page 34, is that same section of the Hard Rock and what it might look like as we again continue to reinvest and reinvent the core to bring it up to a more contemporary standard. Page 35 shows the existing condition today of Montbleu with that surface parking that was depicted in the aerial photograph; with the loop road and the construction of the proposed event center, page 36 shows the gateway to the casino core.

We are very grateful for Senator Parks' leadership on S.B. 461 (R1) and appreciate your attention. Thank you for this opportunity.

Chair Flores:

Thank you all for your presentation. I will offer it up for questions.

Assemblyman Smith:

My first question is on page 2, line 19, of the bill, "A vendor is not exempt from the tourism surcharge because the taxable premises are at any time located in a political subdivision other than the municipality." Would you explain that?

Lewis Feldman:

We are in Douglas County, Nevada. Within Douglas County, Nevada, we have a demarcation for the Tahoe Township. The Tahoe Township is the geographic area that is really the Lake Tahoe portion of Douglas County. All lodging properties within the Tahoe Township would be subject to the tax.

Assemblyman Smith:

My second question is in regard to the rentals of private homes on a weekly, biweekly, whatever basis—and it is quite an issue up there. Would they fall under this?

Lewis Feldman:

Short-term rentals and vacation rentals would fall within this legislation and, in fact, that industry has voiced support for the legislation as well.

Assemblyman Smith:

I am referring to Airbnb, for example.

Lewis Feldman:

Yes.

Assemblyman Smith:

One final question. You had a pretty good picture of the parking available there. Is it your opinion that parking would be open as public parking during nonuse of the facility?

Lewis Feldman:

Lake Tahoe, like Las Vegas, is now in a transition with respect to parking. There are roughly 8,000 parking spaces within this geographic area. The maximum occupancy in an event show has been 5,000 occupied. So we have a surplus. Having said that, the transition is—like Las Vegas—paid parking is the reality now in the Lake Tahoe Basin. It is open to the public; not all of the properties are charging for parking at this point in time, but the majority are. During prime time, all of them are. Ultimately, paid parking—open to the public—will be available year round.

Assemblywoman Martinez:

Will you be using prevailing wage on the project?

Lewis Feldman:

Yes. It is a public works project; TDVA is a public entity.

Michael Draper:

I think we have representatives from labor here today. We have had discussions with labor and are anticipating continuing those discussions and formalizing those discussions.

Assemblywoman Martinez:

How long is the \$5 fee going to be imposed?

Lewis Feldman:

The fee is permanent. The reason for that is there will be a 30-year bond as a result, if the legislation is adopted. We will need that revenue source to continue to refresh the facility, because over time we will need to keep it up and maintain it. It is intended to be a permanent imposition.

Assemblyman Carrillo:

You had an individual come to my office asking whether I had any concerns about this particular bill. What is the daily average of occupancy, percentage-wise, that we are currently establishing in that area?

Lewis Feldman:

It is less than it used to be. The annual occupancy in the core is now in the 60 percentile range, where it used to be north of 80 percent before the market dilution.

Assemblyman Carrillo:

You have some outside venues and are doing some of them during the summertime, but does occupancy tend to go up in that time of year and then as the winter comes around—obviously you have a lot of skiing and other outdoor activities—are we just hoping that occupancy will get back to that 80 percent after this event center is completed and as we start putting more events on the schedule? I would really like to see an influx of people coming to Tahoe—instead of just enjoying the lake—and staying there to play as well.

Lewis Feldman:

We certainly anticipate that the event center is the catalyst to increase particularly the off-season occupancy but also to enhance midweek occupancy. You are spot-on. The occupancy in the summer is strongest. Summer is our strongest season, which is unusual for an alpine resort, but Lake Tahoe is special. Winter is—I share this with you just because you asked the question—curiously, when we were on all cylinders as a gaming market the casinos were not interested in housing skiers. Skiers get tired, they want to eat and go to bed. Today we are delighted to have skiers staying in the casino resort properties. We are doing everything we can to maximize occupancy.

Michael Draper:

Assemblyman Carrillo, all of the casino properties came together and conducted pretty significant economic studies on this. To answer the question, Are we hoping that it is going to return? While we are hoping, the science shows that this investment should generate a pretty significant return on investment.

Assemblyman Leavitt:

As your redevelopment efforts go into effect—as far as streetscapes and multimodal use of the current street—how are you looking to improve the public transportation system within the Reno-Tahoe area? As parking decreases, that is going to be more and more of an issue. Are you working proactively on that or waiting to see what happens? What is your plan for public transportation?

Lewis Feldman:

Two things: One, we have had a very successful airport service. We love having visitors arrive by plane and take the airport service to the core. They stay longer, they spend more—that is the market we would like to see develop more robustly. It is an emerging market and certainly the success of the Reno-Tahoe International Airport has provided more alternatives for our visitors to get to Lake Tahoe.

In addition to that, a component of the event center project description itself is to have a seasonal micro-transit service providing transit within the casino core area during the prime summer months. We will be funding that as a piece of this equation and are trying desperately with our partners in the core to get more people out of their cars and into transit to reduce air quality impacts, congestion, and to improve the environment.

Assemblyman Leavitt:

Are there any plans on maybe putting park-and-rides on the periphery so that people can park outside of the core, or working with the current parking at the hotels to make park-and-ride locations at their particular properties, even if people are not staying there?

Lewis Feldman:

The latter is the case. The opportunity to park in the core and through this transit service is getting access to either the ski area or Emerald Bay, the popular destinations. Quite frankly, we want to consolidate the parking so that people can come to the market, park their car once, and then access wherever they are seeking to access either by foot, bike, or bus.

Assemblyman Assefa:

You briefly touched on the return on investment earlier. Do you have revenue projections for this facility? I support the idea. It is diversification of the economy and the service that is provided to make sure that you maintain and keep traffic coming to the area. I think it is one of many things that should be done to revamp the economy there. But you did also mention that the \$5 surcharge—although you have a 30-year bond—is permanent; you intend it to continue. If you have a positive revenue projection and return on investment on this, why the continuance of the surcharge? Do you anticipate that might depress the traffic that you intend to keep?

Michael Draper:

That is a good question. The short answer to the first part of that question is, we do have projections on what the return will be. It is right around \$80 million annually. We are happy to share that economic study; I will come by your office and show you. It is definitely something that we are proud of and it excites everybody involved.

The short answer to the second part of the question is, the funding for this—the room surcharge as it is outlined in this bill—is specific for this facility. It could be used to market the facility; at some point down the road it could be used for some other things. We do anticipate—as room counts go up—that certainly the TDVA, overall, will generate or have more funding for other projects or continue with this project. Potentially—at some point,

in 30 or 40 years—that surcharge may no longer be needed and we could come back here. For instance, where all the properties, since they are assessing around themselves, decide that they do not need it any longer—then we come back and do that. But as it stands right now with that funding—it was determined by all parties involved that it would be the safest thing to do—the plan is to continue that funding mechanism to continue to refresh the facility and make sure that the facility stays up to date and is competitive with other facilities around the region.

Assemblyman Assefa:

Thank you, sir. For the record, in 40 years I may not be around here.

Assemblyman Hafen:

How did you choose to use a flat fee instead of a percentage of the room rate? Could you elaborate on why that was structured that way?

Lewis Feldman:

Perhaps we are not the most creative folks in the room. This is essentially the same mechanism that was used to fund the Reno convention facility. Since that worked, we were not shy about copying.

Assemblyman Leavitt:

Somebody who is operating an Airbnb and charging \$50 a night versus a hotel that is charging \$250 a night—the percentage gap between what they are paying and that surcharge is fairly substantial. When you were doing your research was there any pushback on that?

Lewis Feldman:

We have reached out to all of our hospitality partners in the Tahoe Township and had absolutely no pushback. I expect that you will hear from some of them later this morning.

Chair Flores:

Members, are there any additional questions? Seeing none, if I could have you sit back, please. I would like to invite forward those wishing to speak in support of S.B. 461 (R1).

Carol Chaplin, President and Chief Executive Officer, Tahoe-Douglas Visitor's Authority:

I have been the president and chief executive officer of the Tahoe-Douglas Visitor's Authority for the past 11 years. This position makes me the obvious proponent for the event center project and of this legislation, which is the hinge pin of its eventual realization.

You have already heard from Mr. Feldman what this project has the power to do in the way of destination transformation and it can impact our residents with new jobs, our visitors with new entertainment opportunities, and our economy with up to the \$60 million that you saw on the presentation. More importantly, revenue will be generated during the elongated

shoulder seasons for which our mountain town braces itself each year. With the decline of gaming as the main source of visitor attraction and subsequently of jobs, this is a competitive game-changer for not only the Tahoe Township but the county and our region.

Currently, there is no year-round facility in Lake Tahoe that can offer what the event center will. More importantly, we have the support of all of our resort hotels and our smaller properties and lodging management companies. When we have met with our constituents we have not encountered negative feedback or opposition to the proposed surcharge. Not only are some of our lodging partners here today, but you have received written testimony from them. Additionally, there were over a dozen property management companies which were contacted in the process of our outreach. As well, the Lake Tahoe Visitor's Authority, which is recognized by the TDVA as the destination marketing organization for the Tahoe Township and for South Lake Tahoe, has already established a designated fund of over \$1 million for advance promotion of the event center when it breaks ground. In summary, there is a groundswell of support for the TDVA in its new capacity and for the events center, the approach to funding its construction, and an enthusiastic anticipation for its impact on the community. Thank you for your consideration of S.B. 461 (R1).

Tim Tretton, Vice President and General Manager, Montbleu Resort Casino & Spa:

We are very much in favor of S.B. 461 (R1) for all the reasons stated previously. It allows us to diversify our economy, which is sorely needed now. We find new revenue streams that we are lacking currently. It creates new jobs, which is also sorely needed. For those reasons and all the other reasons, we are very much in favor of this.

Stacey Noyes, President, Lakeside Inn and Casino:

Lakeside Inn and Casino is a bit off the beaten path—not right there with the larger casinos. We are a small local casino outside of the core. I have worked in gaming properties in Lake Tahoe since 1996. I was first at Harrah's where I grew into the position of director of hotel operations and in 2007 I moved over to Lakeside Inn.

This need for the south shore to offer an event and convention and concert space to take advantage of an expanded visitor base is not a new one. As a destination market, we have simply never been able to compete. Our world-class vistas, the summer and winter sports opportunities, and dining and entertainment should be competing for group business and group visitors that now end up going to other destinations like Napa or Monterey because, not only do they have the space and facility, they have the alternative activities for their members to enjoy while they are there.

This event center would be a game-changer. The type of group and event market that we could grow will have a notable positive impact on our annual occupancy as well as our rate for our entire lodging market—not just the core—outside the core and on both sides of the state line. During the summer concert series, Lakeside Inn experiences a significant increase in our occupancy and our rate even though we are not in the core where all the action is. Businesses of all types over the south shore—the grocery stores, restaurants, retail, art galleries, the cabs, Uber—they all also feel the benefit of the swell of that tourism and

entertainment, but it is only 12 or 15 nights a year, as you saw in the presentation. The benefit of this event center will be shared throughout the entire community far beyond the core and would be year-round.

Lakeside Inn and Casino strongly supports the \$5 per night lodging surcharge as well as the authority for the Tahoe-Douglas Visitor's Authority to sell bonds. The surcharge will not discourage visitation and will only positively impact occupancy and rates of our market. This type of surcharge is seen as a norm in the industry and the opportunity to have guests that come to enjoy Lake Tahoe and all it has to offer, will pay the surcharge toward something that will not only enhance their experience in the future but will benefit our local economy, the county, and the state. The opportunity is too significant to ignore.

The economic study that analyzed the impact of having the center as a new world-class attraction on the south shore documents a clear revenue-generating opportunity for our entire community. For Lakeside, it means we look forward to being able to hire more full-time and year-round employees rather than the norm today: lots of part-time employees whose hours are reduced seasonally; and then we can provide benefits for more of our community as well. We urge your Committee to approve S.B. 461 (R1) and thank you for taking interest in this opportunity. We look forward to the bill moving forward.

Bill Cottrill, General Manager, Lake Tahoe Resort Hotel:

I have been at the Lake Tahoe Resort Hotel for about 20 years. It was first opened as an Embassy Suites. It sits right on the California-Nevada state line, right next to Harrah's. All of you are probably wondering, What is a California guy doing here? Well, we see the impact when the casinos have a big event going on or Keith Urban comes to town, or Lady Gaga. Even a concert called Phish, which I had never heard of until it did come to town. One hundred days out, we started seeing the impact of, Why are these two days creeping up in occupancy? Then the rates start going up and the occupancy still keeps on going up. That is not just with our hotel. That is with all the hotels in the area; all of them that are within walking distance of the venue.

This is a game-changer for the area. We see all the businesses that can come to town—whether it is for a sporting event, a concert, or even group business. During my time at the hotel, I have seen a lot of group business. We used to do a lot of shared events between our property and two, three, four, or five other casino properties. But over time we have dwindled down from 15 to 20-plus shared events a year to our last, which was two. And one of those events may be going away. They do their lunch on the top of the garage in a tented facility. That is just no way to have a lunch for a big event. It is a three-night program. This one program brings to the township about a half million dollars in room sales, not including all the banquet activity, the audiovisual activity, and all the other incremental spending these groups will do.

We have another group—they cannot do their awards dinner in one environment; they have to split their dinner up into two seatings. Hopefully, you are not the person who gets an award and you are at the wrong seating. I can see those two events possibly going away

because groups get bigger and bigger, and then they find another location. That usually means leaving the area. So this could be a game changer for the township area—to earn back all those groups. We could start doing concerts on a more frequent basis, not just July and August, and it will help us retain a lot of staffing levels. We have to reduce hours every April, May, and early June. We ramp up again for the summer time, and then we start laying people off again middle-to-late fall. I appreciate your endorsement on this.

Patrick Rhamey, Board Member, Tahoe Prosperity Center:

I am the chief executive officer of the Tahoe Beach Club, which is a 143-home residential development and private beach club just around the corner from where the event center will be. I am here today, however, as a board member representing the Tahoe Prosperity Center in support for the bill and the surcharge for the event center.

The Tahoe Prosperity Center (TPC) is the regional community and economic development organization in the Lake Tahoe region. The Tahoe Prosperity Center covers the entire region, including six different governmental jurisdictions. Our mission is to unite Tahoe's communities to strengthen regional prosperity. We focus on positive economic development projects that also have significant environmental and community benefits.

In 2016 TPC commissioned a study that provided insight into the fragility of the Tahoe economy and its impact on local families. A lack of investment, the great recession, and a long-term drought that has reduced tourism means that the industry has lost thousands of jobs over the last two decades. Job insecurity has meant that local businesses cannot attract a dedicated workforce—with local families struggling to find the jobs they need. Given that over half of the local workforce is employed in tourism and visitors services, in particular, that makes this initiative important.

Just a little insight: there was a question asked earlier about vacation rentals and hotel rooms, and there was a suggestion that vacation rentals were \$50 a night and hotel rooms were \$250. Especially in the off-season months, with the exception of Edgewood Lodge, actually the numbers are the other way around. The hotel rooms in the off-season might be \$50 and the Airbnb's might be \$250. It is important to dispel that perception because it speaks to the much-needed investment in the hospitality and tourism industry on the south shore.

Many of the jobs on the south shore are not full-time; they are seasonal part-time. This facility would greatly enhance the ability to have full-time, year-round employment by supporting the shoulder seasons and those times when you cannot have those great events in the outdoors during the summer. The jobs that will be created here and the ability to charge large events and conventions in the fall and spring, independent of weather conditions, will really provide that reliable employment base we need. While TPC is hard at work to support an expansion of other industries outside of tourism, we recognize that a significant portion of the region's economy will always be composed of tourism, due to Lake Tahoe's unique natural beauty. It is our hope that the local community, business, and government will support local families and the economy by supporting the construction of the event center.

John McLaughlin, President and Chief Executive Officer, Edgewood Companies:

Edgewood Companies is heavily invested in the Stateline, Nevada, area, owning a Top-100 golf course, a luxury hotel, and several undeveloped parcels in the basin. In addition, it is the Montbleu Hotel Casino landlord. Edgewood is in full support of S.B. 461 (R1), which would significantly change the marketability of the casino core and—in conjunction with the U.S. Highway 50 revitalization or, as Mr. Feldman described, the loop road—would not only beautify the corridor and increase visitor demand but also result in environmental improvements to the lake. The entertainment center and Highway 50 redevelopment is truly a win-win for the business community, the environment, and the local community. Edgewood Companies is proud to support S.B. 461 (R1) to make these projects a reality.

Joelle Shearin, General Manager, Hard Rock Hotel & Casino:

On behalf of Diana Bennett and Scott Menke of Paragon Gaming, we are in full support of S.B. 461 (R1) and we urge you to approve it as well, to allow the Tahoe South event center construction to proceed. The event center will be catalytic to the redevelopment and reintroduction of the Stateline casino core, bringing new visitation year-round, as has been mentioned, to a nongaming venue in Stateline to enjoy sporting events, concerts, and theatrical performances. Paragon welcomes the event center, as it will be a destination on the north end of the Highway 50 casino corridor, where visitation will allow Hard Rock Hotel & Casino and the other casino properties to create new business opportunities to enhance revenue and job creation. We appreciate your support and consideration.

Tamara Laub, Owner, Michael Laub Building:

I am a native northern Nevadan. I have lived and worked in Lake Tahoe for over 30 years. For generations my family has worked and lived at the lake. I am here this morning to voice my support of S.B. 461 (R1) and the effort to make the long-overdue changes to the Highway 50 roadway and the casino corridor and, more specifically today, the event center which will benefit all of us who live there and our visitors.

In 2010 my husband and I purchased and subsequently renovated the old Bill's Lake Tahoe Casino building, the only noncasino resort property in the Stateline Main Street management area. In 2016 I lost my husband to brain cancer. Since then, I have immersed myself in the issues of our tenants. For the past two years I have been trying to make repairs and improvements to our property with very little success, due to the regulatory environment. Not only is the current process frustratingly difficult, but the narrow sidewalks and an unattractive metal railing significantly limit what we can do.

Our building is small relative to the neighboring casinos. We have 12 tenants with mixed uses including restaurants, retail shops, and offices employing over 60 people, a majority of whom live on the California side. While our tenants see increased sales and business during the busy periods and events such as the Harvey's concerts, a year-round event center would

stabilize these seasonal fluctuations and help our local workforce. The Main Street management plan addresses these issues—not just the pretty picture, but all the technical, engineering, transportation management, as well as the social and environmental impacts.

The proposed year-round multiuse event center and streetscape improvements will bring in people during the quiet months like October, November, April, and May, and create a friendly pedestrian atmosphere, which will benefit local residents and tourists alike. The local businesses that face extreme challenges created by the shoulder seasons, including, more specifically, a transient workforce, would see a balance with the event center bringing in business year-round. A proposed \$5 tourism surcharge is a conservative strategy unlikely to discourage transient occupancy and will ensure sufficient revenue to complete these plans. My hope is that after over 10 years of meeting, planning, negotiating, this exciting plan to beautify and improve Lake Tahoe can finally move forward.

Michael Alonso, representing Caesars Entertainment Corporation:

Caesars Entertainment Corporation is here in support of S.B. 461 (R1). Caesars Entertainment owns and operates the Harrah's Lake Tahoe Hotel and Casino and the Harvey's Lake Tahoe Hotel and Casino at Stateline. I know you have been here for a long morning, so I will not repeat everything that has been said. We are in full support of the bill and urge your support.

Paul McKenzie, Executive Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada, AFL-CIO:

Our members have built most of the major construction around the lake over the last 100 years. The restrictions on building up in that area create some time frame issues for any major construction project. We have been working with the TDVA to help them figure out ways to address those and get this project done in a timely manner. We fully support the construction of this center.

Chair Flores:

Thank you. I would like to remind those in support that if somebody has already previously stated a point, it is completely all right for you to say, I agree with that. Do not feel obligated to repeat the same point.

Bill Chernock, Executive Director, Carson Valley Chamber of Commerce:

I am here today representing some 450 businesses that are located in the portion of Douglas County that is not in the Lake Tahoe Basin. I am here to echo everything that you have heard and, taking my cue properly, will only add that my board of directors and my membership are overwhelmingly in support of this project and the legislation supporting it, because we understand that an economically sound Lake Tahoe portion of Douglas County bears great benefits for Douglas County as a whole. [Mr. Chernock submitted ([Exhibit D](#)) but did not reference it in his testimony.]

Jan Vandermade, Executive Director, Carson Valley Visitors Authority:

We are not competing with the Tahoe-Douglas Visitor's Authority, but we often work very close hand in hand. It is just a 14-mile drive over the hill to get to Carson Valley; it is in close proximity. I represent 16 lodging properties in our area that are all in support of this bill. Beyond that, all of the related tourism and service facilities that are part of our valley that thrive and benefit—it is the rising tide that floats all boats—feel very much that the impact up at Lake Tahoe is felt and helps our area.

I also serve on two committees on a regional basis: the Reno-Tahoe Territory, which is a tourism organization for the six destination marketing organizations and members, as well as on the Regional Air Service Corporation, and both will benefit and support the ideas that we are talking about here. I appreciate your positive vote for S.B. 461 (R1).

Steve Teshara, President and Chief Executive Officer, Lake Tahoe South Shore Chamber of Commerce:

Our 550 members are in support of the project, and we are very proud to represent, amongst our members, all the major resort properties that have testified before you today. We also represent hundreds of small businesses and medium-sized businesses that support this project. As has been said, it really positively impacts our employee workforce as well.

Both the Highway 50 project you saw today and the events center are consistent with the adopted Tahoe Regional Planning Agency regional plan. They are also consistent with the chamber's adopted community vision. We solicited our members and our community, and there is a great deal of support for this project.

Marlena Freitas, Vice President of Marketing and Resort Sales, The Ridge Resorts; and Nevada Lodging Representative, South Lake Tahoe Lodging Association:

The Ridge Resorts supports S.B. 461 (R1). We are a major employer in Douglas County, with over 250 employees, 65 percent of whom live down in the Carson Valley area. We believe that this will strengthen and stabilize local jobs in all ways.

I am also the Nevada representative on the board of directors for the South Lake Tahoe Lodging Association. We have over 52 members who employ over 2,000 people in the region. We are also in agreement with everything that you have heard today and look forward to this project strengthening our economy and jobs for our region.

[([Exhibit E](#)) and ([Exhibit F](#)) were submitted in support of S.B. 461 (R1).]

Chair Flores:

Is there anybody else wishing to speak in support of S.B. 461 (R1)? Seeing no one, is there anyone wishing to speak in opposition to S.B. 461 (R1)? Seeing no one, is there anyone wishing to speak in the neutral position for S.B. 461 (R1)? Seeing no one, Senator Parks, we are ready for any closing remarks you may have.

Senator Parks:

Thank you, Mr. Chair and Committee members, for giving this bill an extensive hearing. I think you will all agree with me that this is a challenging project and that it is going to be some exciting development for the South Lake Tahoe area.

I would like to make two quick comments: One of them deals with the funding source. Forty years is the typical life expectancy of a facility. So come 40 years—we will all be here, I am sure—we will see the opportunity for revitalization of this project. The other comment is that recent transportation and transit innovations at the lake have been quite impressive. As a member of the TRPA Oversight Committee, which is the best committee for anyone who is looking for a committee assignment in the interim, I have had the experience of seeing the great innovations. I will share that with Assemblyman Leavitt when I next see him. Again, thank you very much for giving this bill a hearing. I hope you will act favorably on it.

Chair Flores:

Thank you, Senator Parks. I have a question that I think Mr. Draper may be the best person to answer. The language of the bill goes beyond the event center in that we are giving you the authority to do much more than that, if TDVA so wished. Is there anything else outside of the event center about which conversations are happening that the enabling language in the bill will be used for? We have seen in the past, in this building, where we have great ideas that, unfortunately, do not work out the way that we expect them to. We construct a platform with the vision—I could use Faraday as an example. We create this vision: We are going to do this then, unfortunately, things do not happen the way that we want them to, but we still have that enabling language there, and it may go in a different direction. So I am just curious to know whether we have had any conversations outside of the event center for which this enabling language will be used.

Michael Draper:

That is a great question. The short answer is, this bill and this language is specific to the event center. There have not been conversations about these funds and this policy as it relates to any of the other projects in Lake Tahoe. A little longer answer is, I remember testifying on South Lake Tahoe issues in 2011 in this Committee, and we were talking about a variety of different projects that were in the works and many of those have come to fruition. There are constant dialogues among many of the people behind me and others about other projects that are happening at the lake. Many of those are a variety of privately funded projects that the casinos and resorts are doing to improve their properties or add on to the amenities that they offer. Certainly, these funds at some point, if everybody agrees on it, might be able to be used for additional projects.

One of the things that gets lost in the excitement of this project is that the Tahoe-Douglas Visitor's Authority does not even have a convention center. So while we are talking about a bunch of other uses for this event center, there is not even the basic convention center. As you have heard, when there are larger conventions or awards dinners, those things have to be piecemealed to be held together up there. At the base of this—and we will come back

around and show you some of the data—we are anticipating 50 events a year in this facility when it is up and fully operational. I hope that answers the question, but I am happy to provide more data.

Chair Flores:

Thank you, I appreciate that. I am going to go ahead and close the hearing on S.B. 461 (R1). I would like to invite forward those wishing to speak for public comment. Seeing no one, this meeting is adjourned [at 10:22 a.m.].

RESPECTFULLY SUBMITTED:

Mark Peckham
Recording Secretary

Geigy Stringer
Transcribing Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a copy of a PowerPoint presentation dated May 2, 2019, titled "SB 461 Assembly Government Affairs Committee Hearing," presented by Lewis S. Feldman, General Counsel, Tahoe-Douglas Visitor's Authority.

[Exhibit D](#) is a letter dated April 30, 2019, to Chair Flores and members of the Assembly Committee on Government Affairs, submitted by Bill Chernock, Executive Director, Carson Valley Chamber of Commerce, in support of Senate Bill 461 (1st Reprint).

[Exhibit E](#) is an undated letter to the Assembly Committee on Government Affairs, submitted by Carlo Luri, Director of Government Affairs, Bently Heritage Estate Distillery, in support of Senate Bill 461 (1st Reprint).

[Exhibit F](#) is a letter dated May 1, 2019, to Chairman Flores and members of the Assembly Committee on Government Affairs, submitted by Debra S. Lang, General Manager, Holiday Inn Express & Suites Minden, in support of Senate Bill 461 (1st Reprint).