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

FEBRUARY 18, 2013

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

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Referred to Committee on Government Affairs

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

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

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

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AN ACT relating to redevelopment of communities; revising requirements for the submission of an employment plan; requiring a redevelopment agency to withhold a portion of any incentive provided to a developer unless the developer satisfies certain conditions; requiring the reporting of certain information relating to the redevelopment project by certain developers; extending the duration of certain redevelopment plans; requiring an employment plan to include information relating to preferences for hiring persons from the redevelopment area; authorizing a redevelopment agency to loan money to finance certain improvements under certain circumstances; requiring certain redevelopment agencies to set aside certain revenue from property taxes for additional purposes; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

- 1 Under existing law, if a redevelopment agency provides property for
- 2 development for less than the fair market value of the property or provides financial
- 3 incentives of more than \$100,000 to a developer, the developer must comply with
- 4 certain laws relating to the payment of a prevailing wage. (NRS 279.500)



\* S B 1 3 5 \*

5 Additionally, a proposal for a redevelopment project must include an employment  
6 plan, if appropriate. (NRS 279.482)

7 **Sections 2-10** of this bill only apply to a developer for a redevelopment project  
8 if part of the redevelopment area is within an enterprise community. **Section 7**  
9 requires public agencies who use redevelopment funds for a public work to submit  
10 an employment plan and exempts private developers who do not construct a  
11 redevelopment project for a known owner from that requirement. **Section 8**  
12 requires an agency that proposes to provide an incentive to a developer to withhold  
13 payment of 10 percent of the incentive unless: (1) at least 15 percent of the  
14 employees of contractors, subcontractors, vendors and suppliers of the developer  
15 are residents of the redevelopment area; (2) at least 15 percent of the jobs created  
16 by employers as a result of the redevelopment project are filled by residents of the  
17 redevelopment area; (3) the developer or build-to-suit owner or lessee complies  
18 with the requirements in the employment plan; and (4) the developer satisfies the  
19 reporting required by **section 9**. **Section 10** allows a developer to appeal a refusal to  
20 pay the amount provided for in **section 8** to the legislative body of the community.

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

28 **Section 13** of this bill requires the employment plan to include information  
29 about the preference for hiring persons living within the redevelopment area used  
30 by the developer and each employer who will be relocating a business into the area  
31 as a result of the redevelopment.

32 Existing law provides that a redevelopment plan adopted by a redevelopment  
33 agency before July 1, 1991, terminates at the end of the fiscal year in which the  
34 principal and interest of the last maturing securities issued before that date  
35 concerning the redevelopment area are fully paid, or 45 years after the date on  
36 which the original redevelopment plan was adopted, whichever is later. (NRS  
37 279.438) **Section 12** of this bill provides that in a county whose population is  
38 700,000 or more (currently Clark County), such a redevelopment plan terminates at  
39 the end of the fiscal year in which the principal and interest of the last maturing  
40 securities issued before that date concerning the redevelopment area are fully paid,  
41 or 60 years after the date on which the original redevelopment plan was adopted,  
42 whichever is later.

43 **Section 14** of this bill authorizes a redevelopment agency to loan money to  
44 finance certain improvements with the consent of the legislative body of the  
45 community in which the redevelopment agency is located.

46 **Section 15** of this bill requires the redevelopment agency of a city whose  
47 population is 500,000 or more (currently the City of Las Vegas) that receives  
48 certain revenue from taxes, to set aside a portion of those revenues received on or  
49 after July 1, 2013, to be used for specific purposes, including renewable energy  
50 projects, economic development, improvement of public educational facilities and  
51 the development of affordable housing within enterprise communities.

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

1       **Section 1.** Chapter 279 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 10, inclusive, of this  
3 act.

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

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

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

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

19       **Sec. 6.** *The provisions of sections 2 to 10, inclusive, of this*  
20 *act do not apply to a developer for a redevelopment project unless*  
21 *a portion of the redevelopment area of the redevelopment project*  
22 *is within an enterprise community which is currently or was*  
23 *previously established pursuant to 24 C.F.R. Part 597, including,*  
24 *without limitation, the Southern Nevada Enterprise Community.*

25       **Sec. 7. 1.** *A public agency that uses redevelopment funds*  
26 *for the design or construction of a redevelopment project being*  
27 *built as a public work pursuant to chapter 338 of NRS is required*  
28 *to submit an employment plan pursuant to NRS 279.482.*

29       **2.** *A developer who constructs a redevelopment project for the*  
30 *purpose of conveying or leasing the property to an unknown*  
31 *owner or lessee is not required to submit an employment plan*  
32 *pursuant to NRS 279.482 but may submit an employment plan*  
33 *voluntarily.*

34       **Sec. 8. 1.** *Except as otherwise provided in subsection 2, if*  
35 *an agency proposes to provide an incentive to a developer for a*  
36 *redevelopment project, 10 percent of the amount of the proposed*  
37 *incentive must be withheld by the agency and must not be paid to*  
38 *the developer unless:*

39       **(a)** *At least 15 percent of all employees of contractors,*  
40 *subcontractors, vendors and suppliers of the developer are bona*  
41 *fide residents of the redevelopment area and, among such persons,*



1 *preference in hiring and contracting is given to residents of the*  
2 *Southern Nevada Enterprise Community;*

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

8 *(c) The developer or build-to-suit owner or build-to-suit lessee*  
9 *complies with any requirements imposed by the agency relating to*  
10 *the employment plan in the agreement for the redevelopment*  
11 *project; and*

12 *(d) The developer satisfies all reporting requirements as*  
13 *described in section 9 of this act.*

14 *2. If an agency provides nonmonetary incentives to a*  
15 *developer for a redevelopment project, the developer shall*  
16 *deposit an amount of money with the agency equal to 10 percent*  
17 *of the value of the nonmonetary incentives as agreed upon*  
18 *between the agency and the developer. If the developer satisfies the*  
19 *requirements of paragraphs (a) to (d), inclusive, of subsection 1,*  
20 *the agency shall return the deposit required by this subsection to*  
21 *the developer.*

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

20 279.384 As used in NRS 279.382 to 279.685, inclusive, *and*  
21 *sections 2 to 10, inclusive, of this act*, unless the context otherwise  
22 requires, the words and terms defined in NRS 279.386 to 279.414,  
23 inclusive, *and sections 2 to 5, inclusive, of this act* have the  
24 meanings ascribed to them in those sections.

25 **Sec. 12.** NRS 279.438 is hereby amended to read as follows:

26 279.438 A redevelopment plan adopted before January 1,  
27 1991, and any amendments to the plan must terminate at the end of  
28 the fiscal year in which the principal and interest of the last  
29 maturing of the securities issued before that date concerning the  
30 redevelopment area are fully paid or :

31 1. *In a county whose population is 700,000 or more, 60 years*  
32 *after the date on which the original redevelopment plan was*  
33 *adopted, whichever is later.*

34 2. *In a county whose population is less than 700,000, 45 years*  
35 *after the date on which the original redevelopment plan was*  
36 *adopted, whichever is later.*

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

38 279.482 1. An agency may obligate lessees or purchasers of  
39 property acquired in a redevelopment project to:

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

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

44 (c) Comply with other conditions which the agency deems  
45 necessary to carry out the purposes of NRS 279.382 to 279.685,



1 inclusive, *and sections 2 to 10, inclusive, of this act*, including,  
2 without limitation, the provisions of an employment plan or a  
3 contract approved for a redevelopment project.

4 2. ~~As~~ *Except as otherwise provided in section 7 of this act,*  
5 *as* appropriate for the particular project, each proposal for a  
6 redevelopment project must also include an employment plan. The  
7 employment plan must include:

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

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

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

15 (1) Are economically disadvantaged;

16 (2) Have a physical disability;

17 (3) Are members of racial minorities;

18 (4) Are veterans; or

19 (5) Are women ~~+~~; *and*

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

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

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

29 **Sec. 14.** NRS 279.486 is hereby amended to read as follows:

30 279.486 1. An agency may, with the consent of the  
31 legislative body, pay all or part of the value of *, or loan money to*  
32 *finance*, the land for and the cost of the construction of any  
33 building, facility, structure or other improvement and the installation  
34 of any improvement which is publicly or privately owned and  
35 located within or without the redevelopment area. Before the  
36 legislative body may give its consent, it must determine that:

37 (a) The buildings, facilities, structures or other improvements  
38 are of benefit to the redevelopment area or the immediate  
39 neighborhood in which the redevelopment area is located; and

40 (b) No other reasonable means of financing those buildings,  
41 facilities, structures or other improvements are available.

42 ➤ Those determinations by the agency and the legislative body are  
43 final and conclusive.

44 2. In reaching its determination that the buildings, facilities,  
45 structures or other improvements are of benefit to the redevelopment



1 area or the immediate neighborhood in which the redevelopment  
2 area is located, the legislative body shall consider:

3 (a) Whether the buildings, facilities, structures or other  
4 improvements are likely to:

5 (1) Encourage the creation of new business or other  
6 appropriate development;

7 (2) Create jobs or other business opportunities for nearby  
8 residents;

9 (3) Increase local revenues from desirable sources;

10 (4) Increase levels of human activity in the redevelopment  
11 area or the immediate neighborhood in which the redevelopment  
12 area is located;

13 (5) Possess attributes that are unique, either as to type of use  
14 or level of quality and design;

15 (6) Require for their construction, installation or operation  
16 the use of qualified and trained labor; and

17 (7) Demonstrate greater social or financial benefits to the  
18 community than would a similar set of buildings, facilities,  
19 structures or other improvements not paid for by the agency.

20 (b) The opinions of persons who reside in the redevelopment  
21 area or the immediate neighborhood in which the redevelopment  
22 area is located.

23 (c) Comparisons between the level of spending proposed by the  
24 agency and projections, made on a pro forma basis by the agency, of  
25 future revenues attributable to the buildings, facilities, structures or  
26 other improvements.

27 3. If the value of that land or the cost of the construction of that  
28 building, facility, structure or other improvement, or the installation  
29 of any improvement has been, or will be, paid or provided for  
30 initially by the community or other governmental entity, the agency  
31 may enter into a contract with that community or governmental  
32 entity under which it agrees to reimburse the community or  
33 governmental entity for all or part of the value of that land or of the  
34 cost of the building, facility, structure or other improvement, or  
35 both, by periodic payments over a period of years. The obligation of  
36 the agency under that contract constitutes an indebtedness of the  
37 agency which may be payable out of taxes levied and allocated to  
38 the agency under paragraph (b) of subsection 1 of NRS 279.676, or  
39 out of any other available money.

40 **Sec. 15.** NRS 279.685 is hereby amended to read as follows:

41 279.685 1. Except as otherwise provided in this section, an  
42 agency of a city whose population is 500,000 or more that receives  
43 revenue from taxes pursuant to paragraph (b) of subsection 1 of  
44 NRS 279.676 shall : ~~set aside not less than:~~



1 (a) ~~Fifteen~~ *Set aside not less than 15* percent of that revenue  
2 received on or before October 1, 1999, and 18 percent of that  
3 revenue received after October 1, 1999, but before October 1, 2011,  
4 to increase, improve and preserve the number of dwelling units in  
5 the community for low-income households; ~~and~~

6 (b) ~~Eighteen~~ *Set aside not less than 18* percent of that revenue  
7 received on or after October 1, 2011, *but before July 1, 2013*, to  
8 increase, improve and preserve the number of:

9 (1) Dwelling units in the community for low-income  
10 households; and

11 (2) Educational facilities within the redevelopment area ~~H~~ ;  
12 *and*

13 (c) *Use not less than 18 percent of that revenue received on or*  
14 *after July 1, 2013, as follows:*

15 (1) *One half of such amount for economic development,*  
16 *renewable energy projects, the improvement of public educational*  
17 *facilities and the development of affordable housing within an*  
18 *enterprise community which is currently or was previously*  
19 *established pursuant to 24 C.F.R. Part 597, including, without*  
20 *limitation, the Southern Nevada Enterprise Community.*

21 (2) *One half of such amount for the improvement of public*  
22 *educational facilities within the community and to increase,*  
23 *improve and preserve the number of dwelling units in the*  
24 *community for low-income households.*

25 2. The obligation of an agency to set aside not less than 15  
26 percent of the revenue from taxes allocated to and received by the  
27 agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is  
28 subordinate to any existing obligations of the agency. As used in  
29 this subsection, "existing obligations" means the principal and  
30 interest, when due, on any bonds, notes or other indebtedness  
31 whether funded, refunded, assumed or otherwise incurred by the  
32 agency before July 1, 1993, to finance or refinance in whole or in  
33 part, the redevelopment of a redevelopment area. For the purposes  
34 of this subsection, obligations incurred by an agency after July 1,  
35 1993, shall be deemed existing obligations if the net proceeds are  
36 used to refinance existing obligations of the agency.

37 3. The obligation of an agency to set aside an additional 3  
38 percent of the revenue from taxes allocated to and received by the  
39 agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is  
40 subordinate to any existing obligations of the agency. As used in  
41 this subsection, "existing obligations" means the principal and  
42 interest, when due, on any bonds, notes or other indebtedness  
43 whether funded, refunded, assumed or otherwise incurred by the  
44 agency before October 1, 1999, to finance or refinance in whole or  
45 in part, the redevelopment of a redevelopment area. For the





1 purposes of this subsection, obligations incurred by an agency after  
2 October 1, 1999, shall be deemed existing obligations if the net  
3 proceeds are used to refinance existing obligations of the agency.

4 4. ~~From the revenue set aside by an agency pursuant to~~  
5 ~~paragraph (b) of subsection 1, not more than 50 percent of that~~  
6 ~~amount may be used to:~~

7 ~~—(a) Increase, improve and preserve the number of dwelling units~~  
8 ~~in the community for low income households; or~~

9 ~~—(b) Increase, improve and preserve the number of educational~~  
10 ~~facilities within the redevelopment area;~~

11 ~~→ unless the agency establishes that such an amount is insufficient~~  
12 ~~to pay the cost of a project identified in the redevelopment plan for~~  
13 ~~the redevelopment area.~~

14 ~~5.]~~ Except as otherwise provided in paragraph (b) *or (c)* of  
15 subsection 1, ~~and subsection 4,~~ the agency may expend or  
16 otherwise commit money for the purposes of subsection 1 outside  
17 the boundaries of the redevelopment area.

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







