

**MINUTES OF THE
SENATE COMMITTEE ON NATURAL RESOURCES**

**Seventy-ninth Session
June 2, 2017**

The Senate Committee on Natural Resources was called to order by Chair Yvanna D. Cancela at 10:33 a.m. on Friday, June 2, 2017, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Yvanna D. Cancela, Chair
Senator Mark A. Manendo, Vice Chair
Senator Julia Ratti
Senator James A. Settelmeyer
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Assemblywoman Heidi Swank, Assembly District No. 16

STAFF MEMBERS PRESENT:

Alysa Keller, Policy Analyst
Erin Roohan, Counsel
Maria Vega, Committee Secretary

OTHERS PRESENT:

Daniel Roberts, President, The Huntridge Foundation
Melissa Clary, The Huntridge Foundation
Michelle Larime, Associate Director, Nevada Preservation Foundation
Charles Donohue, Administrator, State Land Registrar, Division of State Lands,
State Department of Conservation and Natural Resources

CHAIR CANCELA:

We will open the hearing with [Assembly Bill \(A.B.\) 371](#).

ASSEMBLY BILL 371 (1st Reprint): Authorizes the State Land Registrar to facilitate the restoration and preservation of certain historic buildings by entering into a public-private partnership. (BDR 26-883)

ASSEMBLYWOMAN HEIDI SWANK (Assembly District No. 16):

I am going to talk about Restore Nevada's Treasures Revolving Account, and my constituents will talk about the Huntridge Theatre which is the genesis for this bill.

Restore Nevada's Treasures Revolving Account is a fund that would be applied to preserve and rehabilitate the larger endangered historic buildings across Nevada. The impetus for this bill was the Huntridge Theatre in Las Vegas, which would be the first project. There is a significant need beyond the Huntridge Theatre for this program. There are many endangered buildings across the State that could use help to bridge the gap between what it costs to buy a building and what it costs to restore a building.

Two of the buildings that come to mind are the Reed Whipple Cultural Center and the Bridger Building in Las Vegas, which have sat empty for the past ten years. There are numerous county courthouses statewide and, the Belmont Courthouse is everyone's favorite. I am looking forward to visiting the White Pine County Courthouse in Ely next week. There are also some lucky buildings that have been rehabilitated.

The old post office in Reno, which was rehabilitated, rents space to the Hoover's West Elm furniture store located on the ground floor. In the basement of the building, there are several nice restaurants and shops. This gives you an idea of what can be done with this fund and ways that we can help developers to adaptively reuse these buildings. It is challenging to bridge the expense gap for buildings that have suffered significant neglect, making these projects difficult.

So often, these buildings play a significant role in creating the communities that we would like to live in. We want communities that have a mix of old and new. The older buildings provide an anchor to our memories and our past, and the new ones direct us to the future. There is a great quote from an architect that I use when I talk about older buildings: "These old buildings are like memories we can touch." This is an important viewpoint to have in creating great communities across Nevada. Restore Nevada's Treasures Revolving Fund would

provide the much-needed assistance at the start of a project when money is usually the tightest. This would provide a loan through the purchase of a building that would be paid back over time.

While Restore Nevada's Treasures Revolving Account would start with the Huntridge Theatre, it could facilitate similar projects statewide. There are several definitions, but I will just focus on section 5 that states the building must be eligible for or listed on the State or National Register of Historic Places, or it has other historic significance as determined by the Office of Historic Preservation. This is not for all buildings, it is only for the larger buildings.

According to section 8, the building must be at risk of loss, which means those buildings that are teetering on the edge. We had hoped to obtain the \$3 million appropriation. Being a pragmatist, we will go with money that it is available. We would never turn down the \$3 million.

Section 8, subsection 1, states,

To the extent that money is available in the Restore Nevada's Treasures Revolving Account created by section 11 of this act, the State Land Registrar may purchase a historic building that has been determined by the Office of Historic Preservation of the State Department of Conservation and Natural Resources to be a historic building that is at risk of loss.

The Historic Preservation Office recommends the State Land Registrar would purchase the historic building and enter into a public-private partnership. That partnership would be structured so that the private partner eventually pays back the loan for the purchase price of the building, therefore becoming full owner of the building. The State Land Registrar would structure this partnership to ensure that the State's interests are provided.

We were trying to think of what this money would do. We thought that by the State purchasing the building, the State would still have ownership of the building during the renovation in the event of something going awry in the partnership. At the expense of the private partner, the building is preserved, rehabilitated, restored and reconstructed to make it useful again. Gone are the days where historic preservation is about mothballing buildings. We want to make these buildings functional and would be flexible in terms of the interior

design. The Office would provide assistance to the State Land Registrar for identifying the building and the subsequent design and work to maintain as much of the historic integrity of the building as feasible while still allowing the project to pencil out for the contractor. The exterior of the building is the primary focus so that from the street, the view looks like a period in the building's history.

Section 9, subsections 1, 2 and 4 of the bill state that the State Land Registrar can retain consultants as necessary, apply for grants, accept donations and adopt regulations to run the program.

Section 10, subsection 1 states that the construction and rehabilitation of the building is subject to prevailing wage, pursuant to NRS 338.013 to 338.090 inclusive. Section 10, subsection 2 provides that the Deputy Administrator of the Public Works, Compliance and Code Enforcement Section of the State Public Works Division of the Department of Administration serves as the building official on all work.

DANIEL ROBERTS (President, The Huntridge Foundation):

I am in support of A.B. 371 and have submitted my written testimony ([Exhibit C](#)).

MELISSA CLARY (The Huntridge Foundation):

I am in support of A.B. 371 and have submitted my written testimony ([Exhibit D](#)).

SENATOR RATTI:

I cannot wait to see the Huntridge Theatre. I am curious about financing. If the property is owned by the State, how does the private developer put together financing?

ASSEMBLYWOMAN SWANK:

That will be up to the developer. I have been working with a developer who has been interested in entering into this private partnership for this property for the past year. There have been many people over the years who have tried to get this project going without being able to get all the financing together. The developer that I have been talking with seems to think that it would take approximately \$7 million to \$8 million restore the building. Nevertheless, it would be up to the developer to obtain his or her own financing.

SENATOR RATTI:

In future efforts, whether it is this or another project and similar to the post office in Reno, the developer cannot use the building as collateral to put a financing package together. Is that correct? It seems that would go against the notion of making sure that the building stays in public hands if the deal falls apart.

ASSEMBLYWOMAN SWANK:

That is correct Senator Ratti.

SENATOR GOICOECHEA:

Will that contractor be required to pay prevailing wage?

ASSEMBLYWOMAN SWANK:

Yes, they would be required to pay prevailing wage.

SENATOR SETTELMAYER:

The bill contains an appropriation that is not included in the *Executive Budget*. How much money are we discussing?

ASSEMBLYWOMAN SWANK:

The amount was originally \$3 million Now, sadly, we are only asking for funds as necessary. We would still take the \$3 million.

SENATOR SETTELMAYER:

Are we are just setting up the program with no money for now?

ASSEMBLYWOMAN SWANK:

That is correct. At this point, we are still hoping that in the next couple of days an appropriation could be passed. If this does not happen, it would be a project for my Assembly Committee on Natural Resources, Agriculture and Mining in a future Legislative Session.

SENATOR GOICOECHEA:

Do you have a mechanism in the bill where this program can accept grants or endowments in case you do not get the money from the State Budget? Perhaps a philanthropist would offer you \$10 million to start the program. Stranger things have happened.

ASSEMBLYWOMAN SWANK:

Yes, it is set up that way. We are hoping that stranger things will happen.

CHAIR CANCELA:

I want to make it clear to the Committee that Amendment No. 999 has been placed into the bill that is before us right now. Is there a proposed amendment that we are missing?

ASSEMBLYWOMAN SWANK:

The proposed amendment that I referenced was the original mock-up from the Floor Session yesterday, adopted as Amendment No. 999 that was added as the first reprint to the bill.

CHAIR CANCELA:

We are looking at the most current version of the bill because there is not a second reprint of the bill. This is a mismatch of sections with the biggest change added by Amendment No. 999. This change would make it a policy bill and not an appropriation bill. Is that correct?

ASSEMBLYWOMAN SWANK:

Yes, that is correct.

SENATOR GOICOECHEA:

The building we are discussing was built in 1924, which makes it about a century younger than many of the buildings in my district. I agree with the program, and I know you are involved in some of the committees in northern Nevada. There are other communities such as Austin, Belmont and Eureka for instance. I do not know if you have been through there to see the Eureka Opera House or the Eureka County Courthouse. A lot of money went into those buildings.

ASSEMBLYWOMAN SWANK:

The good thing about this is that it is a revolving loan fund; however, this will not happen frequently. Conceivably, every five to ten years there will be another building that is identified. The idea is that following the Huntridge Theatre project, the program will travel around the State. I will be in Eureka next week.

CHAIR CANCELA:

The Huntridge Theatre is in my district, and I have driven by it every day for the past four years. It has been wonderful to see the changes from before the exterior renovation to now. The Huntridge Theatre is a tremendous community hub and can be used for many different things. It is located in an area that has become an up-and-coming section of Las Vegas.

SENATOR MANENDO:

As a kid growing up, I used to go to the Huntridge Theatre and see plays all the time. It was a place we would go as kids on through our adult years until it closed down. It is a community fixture that brings life back into our wonderful community in Las Vegas.

ASSEMBLYWOMAN SWANK:

Recently, there was a community project to paint the Huntridge Theatre, which I attended and saw many of my neighbors. People came from all over Las Vegas Valley to spend their day repainting that building by hand. This is something that is important for downtown Las Vegas.

MICHELLE LARIME (Associate Director, Nevada Preservation Foundation):

We are a statewide historic nonprofit organization. We support this bill. I am a resident of Las Vegas and from a professional and community standpoint, I think the restoration of the Huntridge Theatre is immensely important. I agree with all that has been said today.

I also feel it is important to approve this bill for the future preservation of Nevada. As many people have pointed out, the Huntridge Theatre is not the only building that is endangered. As a historic organization, we would like to bring this idea to help preserve multiple buildings throughout the State.

CHARLES DONOHUE (Administrator, State Land Registrar, Division of State Lands, State Department of Conservation and Natural Resources):

We are neutral to A.B. 371. As you have heard, this bill establishes the Restore Nevada's Treasures Revolving Account for the acquisition of historic buildings deemed to be at risk. This would be a new program for the agency, and we need to work closely with the bill sponsors, the State Public Works Board and the Office of Historic Preservation. We will need to define the specific elements and mechanics which were commented on by Senator Ratti to

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achieve the overall intent of preservation and rehabilitation of these significant structures throughout the State.

SENATOR MANENDO MOVED TO DO PASS A.B. 371.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CANCELA:

There being no further business, the meeting is adjourned at 10:57 a.m.

RESPECTFULLY SUBMITTED:

Gayle Farley,
Committee Secretary

APPROVED BY:

Senator Yvanna D. Cancela, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	3		Attendance Roster
A.B. 371	C	2	Daniel Roberts / The Huntridge Foundation	Written Testimony
A.B. 371	D	2	Melissa Clary / The Huntridge Foundation	Written Testimony