

# NAIOP Southern Nevada Public Affairs Position Paper 2015

NAIOP Southern Nevada (“NAIOP”) is working to support the acceleration and expansion of our local economy. Our members develop, design, construct and manage the office, medical office, industrial, retail, land and mixed-use projects essential to sustain and grow business in Southern Nevada. We are committed to improving the quality of life in our community and protecting our natural environment, including our limited land and water resources. NAIOP supports issues that are critical to the success of our member companies and the region.

**Objectives:** Our public affairs agenda is guided by the following objectives that are essential for the long-term health of our economy and the improved quality of life in Southern Nevada:

1. Support economic development efforts, organizations and incentives in Southern Nevada and statewide to further diversify our economy and increase demand for our members’ commercial real estate assets and land holdings.
2. Encourage the relevant public agencies responsible for workforce training and development to effectively allocate funding to those economic clusters and industries that enhance the state’s economic diversification efforts.
3. Maintain our business friendly tax structure and regulatory environment to sustain our competitive advantage in the regional, national and global marketplace.
4. Ensure the continued availability of office, industrial, retail and mixed-use projects needed to maintain and support the sustainability of our economy.
5. Review development fees to monitor that they are not at levels that have a negative impact upon the financial viability of development projects and discourage business expansion and attraction.
6. Review municipal and private utility development approvals to confirm they are obtained in a reasonable time so development projects can be delivered on schedule.
7. Review local building and development codes to monitor that they are not overly burdensome to attract and retain business within the community.
8. Encourage responsible growth using a balanced approach that employs sustainable development practices.
9. Maintain and expand our transportation infrastructure to support the movement of goods and services essential to our economic vitality.
10. Enhance the quality of life in our community by improving education programs and community services, as well as supporting the less fortunate.

**Issues:** Our public affairs program is focused on the following state and local issues:

**ECONOMIC DEVELOPMENT** – NAIOP supports incentives and programs that will increase demand for commercial real estate by creating jobs and encouraging businesses to remain in the state and to relocate to Southern Nevada from other markets.

## **NAIOP Supports –**

- Programs to diversify our economy and incentivize businesses to relocate to Southern Nevada.
- Programs that identify large scale tracts of industrial land, and the funding required for their infrastructure in order to leverage private investment and job creation.
- Enhanced and effective workforce training and development programs focused on high wage economic clusters, such as Health Care, Unmanned Aerial Systems/Aviation, Manufacturing Transportation, and Logistics.
- Programs to expand the alternative energy industry in Southern Nevada, including expanded generation of clean energy and manufacturing of sustainable products.
- Promotion of appropriate banking reform for increased commercial lending.
- A dedicated funding source for economic development similar to the rooms tax (but not the rooms tax) that is used to promote the state’s targeted growth industries.

- Programs of the Southern Nevada Water Authority and its affiliated retail water purveyors (the Las Vegas Valley Water District and the other municipalities) that are focused on providing Southern Nevada with a safe, secure and affordable water supply so that the region's economic sustainability is protected.

**TAX AND SPENDING POLICIES** – Businesses looking to create jobs in Nevada are concerned about the projected deficits in the state budget and the uncertainty about future tax and spending policies. The State of Nevada must maintain its competitive tax policies to help our economy accelerate and expand. Nevada has one of the least burdensome tax structures in the country, providing individuals and businesses a competitive advantage over other states in the region. Nevada has no corporate or personal income tax, gross receipts tax, inventory tax, franchise tax, inheritance tax, estate tax, or gift tax. To ensure a sustained economy, our elected officials must control spending and provide businesses long-term predictability in the taxes they will be required to pay.

**NAIOP Supports –**

- A tax structure for Nevada that is low in volatility and that enhances our competitive position in the region, the U.S., and the world economy, while providing a sufficient level of services to maintain our competitiveness.
- Tax proposals that lower the rate while expanding the base of taxpayers.
- Proven and effective tax incentives for businesses and individuals to secure a competitive advantage over neighboring states.
- Establishment of a “Rainy Day” fund to be used to balance the state budget when economic conditions cause state revenues to fall below levels sufficient to support expenditures.
- The authority of our elected officials to set tax policy.
- Controlling state and local expenditures by implementing meaningful wage and entitlement reform, recommendations that streamline programs, consolidate programs, eliminate wasteful programs, measure performance and promote efficiencies within governments that reduce the need for additional taxes.
- Using fees collected for specific local infrastructure projects for the intended purpose, not to reduce the deficit in the State General Fund.

**NAIOP Opposes –**

- Creation of new taxes that would impose an unfair imbalance among its taxpayers, businesses or adversely impact the sustainability of the local and state economy.
- Creation of new taxes through the ballot initiative process.
- Imposition of different tax rates for different types of real estate properties.
- Imposition of artificial limits on property assessments or property tax rates if such limits would create serious shortfalls in state and local government revenues.

**CONSTRUCTION LAW** –The legislature is challenged with enacting laws that address the changing needs of our state without unfairly placing interests of one group above those of another. Sensitivity to legislative proposals impacting the state's construction industry is necessary to ensure legislation is not enacted that complicates the development process, adds to the cost of individual projects and further limits the construction industry's still weakened job creating abilities.

**NAIOP Supports –**

- Governing the relationship between the parties involved in development projects by the terms and conditions contained in the contractual agreements between the parties.
- Updating Nevada's prevailing wage laws on private and public sector projects to match the needs of the economy, construction and the public.

**NAIOP Opposes –**

- Laws that do not fairly balance the rights of all parties regarding payment for services.

- Laws that do not fairly balance the rights of all parties regarding the right to repair defective work.
- Laws that impact/penalize responsible parties that are intended to penalize the irresponsible parties.

**LAND USE AND GROWTH MANAGEMENT** –The supply of land suitable for future commercial development is limited, especially as it relates to industrial projects. While there are no easy answers to the complex issues that encompass the concept of balanced growth management, NAIOP is a resource for citizens, businesses and governmental bodies that want to forge solutions built on objective information, and sound economic and development principles. NAIOP, as a policy, does not support or oppose individual development projects; however, it does encourage each municipality and county to adopt and support a general plan that provides for balanced and managed growth, which will protect and sustain a healthy and diversified economy over the long-term.

**NAIOP Supports –**

- Policies that recognize balanced growth is essential to economic vitality and sustainability.
- Policies that balance growth of residential and commercial land uses, which support a healthy jobs-housing balance and enhances workforce mobility.
- Dynamic and on-going planning processes that anticipate and accommodate development needs in response to market demand in order to maintain a healthy economy.
- Designation of federal land for industrial and office park development.
- The development of mixed-use commercial projects, which create concentrations of density in certain designated areas; thereby, providing a sustainable balance between employment centers and residential development.
- Revitalization of the Las Vegas Valley’s urban core and older suburbs through policies that encourage infill development and redevelopment of brownfield sites and perceived blighted areas.
- Pursuit of local, state and federal grant opportunities for multiple municipalities to facilitate growth.

**NAIOP Opposes –**

- Conversion of land appropriate for industrial, office or mixed use development to primarily residential uses unless comparable replacement land is identified and designated for such use.
- The reduction of the existing inventory of unimproved industrial land in the Las Vegas Valley without a measurable commitment by local municipalities and the county to replenish this supply to support the long-term sustainability of the Southern Nevada economy.

**DEVELOPMENT FEES** – NAIOP members make significant contributions to public revenues through the payment of taxes and fees on real estate development projects. Fees associated with these projects include those for project entitlements; environmental, traffic and drainage studies; building permits; and utility connections. Taxes on developers include property taxes, transfer taxes, business license fees and other taxes. Developers also contribute rights-of-way for street dedications and pay for road and traffic control improvements, utility infrastructure extensions and installations and other off-site improvement costs. Public agencies have increased fees as they transition to an enterprise fund structure where fees for services are set at levels to pay for the cost of the services provided. NAIOP members are monitoring enterprise fund agencies and private utilities to ensure fees are maintained at competitive levels.

**NAIOP Supports –**

- Competitive fees for service and entitlement approvals provided the public and private fees are predictable and services are delivered promptly.

- A fair and equitable allocation of impact fees for public and private capital infrastructure improvements that are clearly warranted.

**NAIOP Opposes –**

- Imposition of additional conditions or increased fees on development projects to cover shortfalls in public and private utility revenues from other sources.

**PROJECT APPROVALS** – The financial success of each real estate development project is contingent upon the prompt approval by all governmental jurisdictions, regulatory agencies and private utilities. The growing complexity of the entitlement process, environmental reviews, regulatory checklists, planning constraints and building codes have an impact on the viability of every commercial project. The financial consequences of delays can be detrimental to developers and users of real estate facilities. NAIOP members are working with local governments, regional agencies and utilities to simplify and streamline processing and approval time.

**NAIOP Supports –**

- Prompt approval of plans and submittals by government, regulatory agencies and utilities commensurate with the levels of fees charged for project reviews.
- Streamlined processes or accelerated plan check procedures.
- The use of enterprise fund surpluses for capital improvements or outsourced plan checks and inspections.

**NAIOP Opposes –**

- Imposition of increased fees for project approvals without delivery of timely and consistently predictable projects reviews and approvals.
- Mandated formal impact reports that would impose an undue burden on private development projects.

**SUSTAINABLE DEVELOPMENT** – NAIOP values the earth's resources and recognizes the positive impact that sustainable development has on the environment and the projects its members build. NAIOP believes that the intelligent use of energy, materials and other resources yields environmental benefits, and that the lifecycle of a building – from site development through design, construction, renovation, operations and demolition – should strive to employ every usable, cost-effective, sustainable strategy available. Within fiscally responsible limits, NAIOP applauds states, municipalities and communities that offer incentives for sustainable building that enable responsible developers to build better buildings and meet the needs of environmentally-conscious owners and occupants, both today and in the future.

**NAIOP Supports –**

- Voluntary adoption of sustainable development practices to improve the energy efficiency and environmental sensitivity of our development projects.
- Public and private incentives to encourage sustainable development practices.
- Accelerated plan check procedures for projects incorporating sustainable practices.

**NAIOP Opposes –**

- Mandated requirements for building standards or energy efficiency that may not be economically achievable or that impose an arbitrary and undue burden on private development projects.
- Incentives that put additional burdens on state and local governments, where the long term impacts have not been fully and objectively assessed.

**TRANSPORTATION INFRASTRUCTURE** –As the local economy accelerates and expands, the efficiency of our transportation systems must be enhanced to support economic growth and development, including workforce mobility and goods movement. Essentially, Southern Nevada’s transportation system is the backbone of the region’s “economic infrastructure.”

**NAIOP Supports –**

- Transportation policies that improve the efficiency of the movement of goods and services into and around the community.
- Highway expansions to improve access to the Las Vegas Valley, including Interstate 11 between Las Vegas and Phoenix and other improvements connecting to Interstate 40.
- Publicly funded improvements and public-private partnerships that expand the capacity of our highways and major arterial streets.
- Regular and timely maintenance of our existing streets and highways.
- Transportation management practices that reduce congestion and improve the efficiency of our streets and highways.

**NAIOP Opposes –**

- Arbitrary imposition of special fees on targeted users of public roadways.
- Mass transit proposals that are not closely coordinated with community’s general plan for development of areas with higher densities.

**COMMUNITY CONCERNS** – NAIOP members are concerned about the quality of life in our community; the effectiveness of our educational system; the protection of our citizens and businesses with effective crime prevention; adequate housing for our workforce; and involvement in charitable and community service organizations to assist our less fortunate residents. Integral to our concerns are those public policies that are fundamental to ensuring the long-term sustainability of our community. At the core of this concern is a sustainable economy, which is the foundation for ongoing investment by the business community, including the commercial real estate industry. A sustainable economy will provide a healthy fiscal position for state and local governments; continued economic growth and development; and job and wealth creation for our citizens.

**NAIOP Supports –**

- Innovative and effective programs that focus on workforce housing, investment/training and development and which support and benefit the commercial real estate industry.
- A balanced land use mix that supports a healthy jobs-housing balance.
- A level of funding of public safety activities, including fire, police and medical that preserves and enhances the level of services needed by our citizens and businesses.
- Adequately funded programs that protect the less fortunate of our community via private and public efforts and initiatives.

**ABOUT NAIOP**

**NAIOP - The Commercial Real Estate Development Association**

NAIOP is the nation’s leading trade association dedicated to representing the interests of commercial real estate developers. Its members include developers, owners, investors, asset managers, brokers, architects, engineers, contractors and a vast network of businesses that support growth in industrial, office and mixed-use/retail commercial real estate. With more than 16,000 members in 51 chapters throughout the United States, NAIOP is a powerful voice for commercial real estate. NAIOP provides strong legislative representation to its members by effectively coordinating its lobbying efforts on Capitol Hill regarding issues that affect the commercial real estate industry.

## **NAIOP Southern Nevada**

NAIOP Southern Nevada is the voice of commercial real estate development in Southern Nevada. The Southern Nevada chapter has over 375 members and provides networking opportunities, educational programs and strong legislative representation to its membership. By engaging effective lobbying resources at the state and local levels, we are able to leverage the collective strength of our members on key issues that have an impact on our industry, our economy and our members. NAIOP is committed to expanding its effectiveness locally and in Carson City to enhance the quality of life for residents of Southern Nevada and promote incentives for sustainable commercial development.

## **Government Affairs Committee**

Our Government Affairs Committee is responsible for monitoring local, state, and federal governments through its interaction with elected and appointed officials, staff, and our lobbyists. The committee provides a forum for interaction between our members, elected representatives and government officials. The committee places special focus on Planning, Building and Public Works departments to identify and monitor issues of interest to our members.

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