City of Las Vegas

Agenda Item No.: **4.**

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: APRIL 6, 2011

DEPARTMENT: ECONOMIC AND URBAN DEVELOPMENT
DIRECTOR: WILLIAM ARENT

SUBJECT:
RA-4-2011 - Discussion and possible action regarding a Resolution to implement an Employment Plan Policy designed for Las Vegas Redevelopment Agency projects to supersede the amended Redevelopment Agency Employment Plan Policy dated June 6, 2001 - Wards 1, 3 and 5 (Tarkanian, Reese and Barlow) [NOTE: This item is related to Council Item 49 (R-13-2011)]

Fiscal Impact

- ☐ **No Impact** ☐ **Augmentation Required**
- ☐ **Budget Funds Available**

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:
The purpose for an Employment Plan Policy is to ensure that all segments of the local business community have a reasonable and significant opportunity to participate in redevelopment projects. In order to encourage diverse and local hiring, an incentive will be awarded for the hiring of Redevelopment Area residents. Developers and build-to-suit lessees will report progress using a common template which provides for accuracy, accountability and consistency of results. Approval will adopt findings that the Employment Plan Policy is in compliance with and in furtherance of the goals and objectives of the RDA and the Redevelopment Plan.

RECOMMENDATION:
Approval and authorize the Chairman of the RDA to execute all related documents as required, following approval as to form by the City Attorney.

BACKUP DOCUMENTATION:
1. Resolution No. RA-4-2011
2. Submitted at Meeting PowerPoint Presentation by Staff and Written Correspondence from Charleston Neighborhood Preservation by Juanita Clark

Motion made by GARY REESE to Approve

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1
RICKI Y. BARLOW, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-LOIS TARKANIAN)

Minutes:
BILL ARENT, Director of Economic and Urban Development, through a PowerPoint Presentation, briefed the Board on new recommendations for the Employment Plan Policy. The

Redevelopment Agency (RDA) has been working with the City Attorney's Office to develop a policy that will hold up if challenged. One way to obtain hard, fast goals is to do a Disparity Study; however, a Disparity Study is time intensive and costly. Recently the Regional Transportation Commission (RTC) did a Disparity Study to apply to transportation construction and engineering industry firms. It allowed them to set a three-year goal for hiring in the range of five percent. In 2007 the Nevada Department of Transportation (NDOT) also did a Disparity Study to describe how they would encourage diverse hiring for a disadvantaged business enterprise program for federal assisted projects and also determined a goal of five percent. Therefore, rather than spend time and money, the RDA decided to set an "aspirational" goal and revisit its performance in one year to determine if a Disparity Study is needed.

MR. ARENT outlined the New Policy Recommendations for the RDA and City of Las Vegas projects. The 15 percent goal is an "aspirational" goal only. Some project will reach the goal, some will exceed it and some will fall short. The proposed goal will be the most aggressive policy goal of any public agency in the State of Nevada for local hiring. All private development projects valued over $100,000 will be required to meet the goals. Smaller projects will still do an employment plan but not be required to follow the annual reporting progress.

MR. ARENT indicated that public agency funds for design or construction of public works project are exempt from the employment plan policy. This has been addressed in the new policy to alleviate some of the confusion from the community.

MEMBER WOLFSON verified that the proposed Resolution will supersede the 2001 Resolution, and for accountability and consistency, reporting will be done on a quarterly basis as to whether or not the developer is meeting the goals. MR. ARENT added that the Employment Plan will be applied both to the developer and employer of the specific business being built. Currently, the reporting requirement has been done project by project but it has not been consistent. This new Resolution will be fair and clear with partners from the beginning to make sure they understand what it is being asked of them. This would also encourage developers to reach to the subcontractors and vendors in the community. MR. ARENT stated there is a limited number of cities in the State of Nevada that have RDA Employment Plan policies. They have the same state requirement, but he is not aware they have a fully developed employment plan as the RDA does.

MEMBER BARLOW stated this is a perfect time to implement an Employment Plan given today's economy. Under the state law requirement, he asked MR. ARENT to clarify the economically disadvantaged and members of racial minorities. MR. ARENT responded that the way the law is written there is no clear definition imposed by law. Staff has attempted to come up with a definition that match definitions used in other areas. The intent of the law is broad and it reaches a big segment of the community population.

Regarding the slide under current policy regarding "Local Hire" preference, MR. ARENT explained that when the 2001 policy was drafted, a provision in the law said that attempt had to be made to employ persons within the "area of operation", which staff has redefined as the redevelopment area, such as Ward 5, West Las Vegas, East Las Vegas, older areas in Ward 1 and downtown neighborhoods.

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MEMBER BARLOW asked if the number of residents who actually live in the RDA have been identified in order to determine whether or not developers or businesses coming into the RDA will have an opportunity to pull from the specific segment population. MR. ARENT responded that the 2009 RDA population is just under 35,000 and the City is 586,000. MEMBER BARLOW asked if the population within the RDA meets the qualifications of the 15 percent for new policy. MR. ARENT responded that every resident that lives in the RDA that works on a redevelopment project, will go towards the 15 percent. The RDA will have to reach into those communities and work hard with the business partners to reach the 15 percent. The RDA is just a portion of the City. Every job counts and hiring residents from the community is incredibly important and is going to require pro-active work by the development partners. MEMBER BARLOW remarked that he supports the employment plan and wants to make sure that developers are held accountable to reach into the community and hire those people who live in the RDA.

MEMBER BARLOW discussed with CITY ATTORNEY BRAD JERBIC that the Disparity Study conducted in 1993-1994 by the City was looking to adopt the Minority and Women Owned Businesses (MWBE) Guidelines and looking whether or not the number of contracts that were awarded City wide represented those businesses owned by minorities and women in a proportionally equal amount. In order to have a policy that set aspirational goals, they had to look at the number of existing businesses and whether or not they were qualified to bid on certain public works projects. The Disparity Study drills very deep into the data that looks at the number of contractors, breaks them down by minority, women and veteran status and looks at their bond requirements to determine whether or not they are deliberately excluded from bidding on certain public projects; only then can a governmental entity adopt a policy that sets aspirational goals to correct disparities, if they exist.

MEMBER BARLOW asked why the City of Las Vegas is included in the new policy recommendation and why it does not mention residents specifically targeted for the RDA. MR. ARENT replied that a business may or may not coincide with urban or blighted areas and so this was done to ensure those projects built in City parks, regardless where they are in the City, whether in older or newer areas of the City, target as many local jobs as possible. MEMBER BARLOW supports local businesses and asked how the new policy would give preference to local businesses. MR. ARENT responded that the incentive program has more flexibility and regardless where the company is located, they are given an extra incentive to hire locals.

MR. ARENT explained for MEMBER BARLOW that projects over $100,000 are more construction intensive and will provide more jobs. Visual Improvement Program (VIP) projects range from $10,000 to $50,000 and build out within two to three months.
MR. ARENT indicated that staff will provide a quarterly report for every project for transparency and accountability to the Board and the community.