

**MINUTES OF THE MEETING OF THE
INTERIM FINANCE COMMITTEE
SUBCOMMITTEE ON SELECTION
OF VETERANS' HOME SITE**

Las Vegas, Nevada

The first meeting of the Interim Finance Committee's Subcommittee on Selection of Veterans' Home Site was called to order by Chairman William J. Raggio, on September 16, 1997, at 2:30 p.m., in Room 4401, of the Grant Sawyer Office Building, in Las Vegas, Nevada.

SUBCOMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chairman

Assemblyman Morse Arberry, Jr., Vice Chairman

Senator Lawrence E. Jacobsen

Senator Jack B. Regan

Assemblyman Jack D. Close, Sr.

Assemblyman Bob Price

LEGISLATIVE COUNSEL BUREAU STAFF:

Gary Ghiggeri, Principal Deputy Fiscal Analyst

Robert Guernsey, Principal Deputy Fiscal Analyst

Yhvona Martin, Transcription Secretary

A. ROLL CALL.

After announcing the full subcommittee membership was present, Chairman Raggio introduced the members of the subcommittee, the members of the Legislative Counsel Bureau's staff serving the Interim Finance Committee subcommittee, Mr. Eric Raecke, Manager, State Public Works Board (SPWB), and Mr. Charles Abbott, Commissioner for Veterans Affairs.

B. SUBCOMMITTEE SITE RECOMMENDATIONS:

In first providing background information, Chairman Raggio announced that the Interim Finance Committee's Subcommittee on Selection of Veterans' Home Site was acting under authority of Senate Bill 327 (1997 Legislative Session), which amended Chapter 417 of Nevada Revised Statutes (NRS) and proposes and authorizes the construction and operation of a Veterans' Home in the form of a skilled nursing facility. Chairman Raggio also noted that prior to the meeting, the subcommittee had completed a tour of several proposed sites; specifically: Old Airport Site and Industrial Road Site located in Boulder City; 301 South Tonopah Drive Site in Las Vegas; and Fifth and Craig Site in North Las Vegas (under the jurisdiction of the United States Air Force). Under the authorized funding of the 1997 Legislature the site must be approved by the Interim Finance Committee. The subcommittee plans on providing its recommendation to the Interim Finance Committee at the next scheduled meeting on Thursday, September 18, 1997 in Carson City. In addition, during its decision-making process, the subcommittee must be mindful of certain proscriptions in the statute with reference to the location of the veterans' facility; i.e.: the site must be located in southern Nevada, in reasonable

proximity to a public transportation system, shopping centers, and a major hospital that provides a level 2 center for treatment of trauma, and must not be less than 5 acres in area.

In speaking for the members of the subcommittee, Chairman Raggio said he wished to express appreciation for the input that had been forthcoming regarding the establishment and siting of a Veterans' Home. It was Chairman Raggio's understanding that no other sites, other than those he previously identified, were under consideration at the present time. Chairman Raggio asked Mr. Raecke to provide an overview of the proposed sites and any data that might be pertinent to discussion by this subcommittee.

When he first met with Mr. Charles Abbott, Commissioner for Veterans Affairs, Mr. Raecke said it was determined that approximately 32 to 40 acres would be necessary to accommodate a 900-bed facility in order to meet the long-term needs of the veterans in southern Nevada. With this in mind, Mr. Raecke said he started searching for available sites. Boulder City offered two sites either of which, he said, would provide ample acreage for such a facility. He said, however, Boulder City's Charter requires a fair market value for the property; thus, a cost would be involved for either site. He added that both sites have utilities and would provide a sense of community for the veterans. Also, the Southern Nevada Veterans Cemetery is located at Boulder City.

Mr. Raecke pointed out that the 301 South Tonopah Site would be a completely different concept than either of the two Boulder Sites or the 5th and Craig Site (Nellis) in that an architect would have to be hired to design the building, the project would go out for public bid, and the facility would either be built on a site owned or leased by the state. He also noted that a developer currently has an option to purchase 10 acres of land at the Tonopah site and although he had no information on the remaining 8 acres, he said this would limit the eventual growth if a 900-bed facility were to be built as a common facility so common-use items could be shared. According to information provided by the developer, the first 180-beds would be placed on a 5-acre site. It was Mr. Raecke's personal opinion that this 5-acre site was two acres short in adequately accommodating the initial phase of a 180-bed facility. Mr. Raecke called attention to a letter from the developer, Andrew J. Peressin, dated September 10, 1997, a copy of which is included in the meeting minutes as Exhibit A. Mr. Peressin proposes to deliver a turn-key project on a 5-acre site at 301 South Tonopah Drive, Las Vegas, plus the adjacent 5-acre site at 300 South Shadow Lane, Las Vegas, for a total 10-acre site. The cost for the 10-acre site and improvements would be between \$12,498,000 and \$12,987,000. The project size would be approximately 74,000 square feet. Water lines and water meters have already been installed on the site. Other utilities such as gas, electricity, and sewer are available at the site. Mr. Raecke said, however, Project No. 97-C16 (Southern Nevada Veterans' Home) proposed a larger facility with 115,000 square feet.

Chairman Raggio said he would be interested in learning how the 900-bed estimate was arrived at. Mr. Abbott indicated that the U.S. Department of Veterans Affairs had originally authorized a 500-bed facility for Nevada's veterans to meet current needs; however, with the help of a planner, who projected those needs over a 30- to 40-year period, it was determined that a 900-bed facility would be required.

Continuing his testimony, Mr. Raecke indicated that the USAF had committed 8 acres at the 5th and Craig site, which is located at the Nellis Air Force Base, for the first phase, but had made no land commitment for future phases. It was Mr. Raecke's understanding that the USAF was involved in a possible land swap or land purchase with Clark County and if the land swap were to materialize, he did not believe there would be any problem in expanding on the 5th and Craig site. He said, however, if USAF was unsuccessful in consummating a deal with Clark County, representatives from Nellis Air Force Base have indicated to him that the balance of the site would be held in reserve. Mr. Raecke indicated that the site contains a total of 80 acres and that he thought 32 acres was minimum for the build out of the proposed 900-bed facility. The 5th and Craig site is level, has easy access to Nellis Air Force Base, to downtown and to the interstate and could be acquired at no cost to the state. Mr. Raecke said he had checked all of the sites from a geological standpoint and he thought each site would accommodate the type of light construction proposed for the facility. He also noted that the utilities, infrastructure and site were all about equal with regard to the cost of building.

Chairman Raggio said he would attempt to summarize the differences in each of the sites as follows:

Boulder City - Old Airport Site and Industrial Road Site--Each site contains 40 acres of available land;

however, in accordance with Boulder City's Charter, the land would have to be either sold, leased or exchanged at fair market value. In addition, any sale or exchange of the land would be subject to the vote of the residents of Boulder City. Boulder City representatives have indicated that it might take a year to 15 months to hold public hearings and an election for that purpose. Boulder City representatives have also indicated that the land adjacent to the two 40-acre sites would be available, if needed, for expansion.

301 South Tonopah Drive Site--This proposal is not for the purchase or lease of land, but rather for a proposed turn-key operation. The facility will be built on a 5-acre site at 301 South Tonopah, Las Vegas, plus the adjacent 5-acre site at 300 South Shadow Lane, Las Vegas, for a total 10-acre site. The estimated turn-key price for the 10-acre site and improvements, which will be sold or leased to the state, is between \$12,498,000 and \$12,987,000, based upon the plans and specifications provided by the developer.

5th and Craig Street Site--This site, which is located at Nellis Air Force Base, will contain between 6 and 8 acres of land. The state will enter into a long-term lease with USAF and there will be no cost to the state for the land other than a token cost of \$1 per year.

Chairman Raggio said it was the consensus of the subcommittee that all of the sites under consideration, in varying degrees, had met the criteria which were set forth in the statutes. Due to time constraints, Chairman Raggio said 30 minutes would be allowed for input from spokesmen designated for any particular site.

Chairman Raggio recognized former Senator Hal Smith, who recalled that he had chaired an interim committee several years ago to study the establishment in Nevada of a Veterans' Home and Veterans Transportation. According to Senator Smith, the findings of that committee were presented to the 1995 Legislature; however, enabling legislation was not adopted due to a lack of support. It was Senator Smith's belief that the current legislation had the full support of all Nevada veterans. He also indicated that he had attended a number of meetings on establishing a Veterans Home in southern Nevada and it was his opinion that the majority of veterans in attendance at those meetings supported the Boulder City sites. Senator Smith pointed out that Boulder City was a "clean, green, caring, family oriented community" and he urged the subcommittee to recommend one of the Boulder City sites.

Chairman Raggio asked Senator Smith if he had been referring to any particular organized group who was supporting the Boulder City sites. Senator Smith indicated that numerous coalitions had been meeting together in support of the Boulder City sites.

To respond to a question from Senator Regan, Senator Smith said the organized groups supported either one of the two sites in Boulder City. Senator Smith also said the subcommittee might want to consider the state-owned land on which the Southern Nevada Children's Home was presently located because it was his understanding the state was abandoning the property.

Mr. Price asked Senator Smith if he was suggesting converting the Southern Nevada Children's Home into a Veterans' Home. Senator Smith said he was not recommending such a conversion, but rather he wanted the subcommittee to be aware of the possibility.

Chairman Raggio implored the subcommittee to stay focused on the four sites under consideration.

Chairman Raggio recognized Mr. Ed Gobel, Vice President, Council of Nevada Veterans Organizations, who said he was also representing Veterans in Politics, Military Order of the Purple Heart, Women Marines Association, and Pearl Harbor Survivors. In addition, Mr. Gobel said he would be expressing the support of the Department Commander, Disabled American Veterans (DAV), the Air Force Sergeants Association, and several other organizations. Mr. Gobel thought that some people may have lost sight of the original intent of selecting a site for the Veterans' Home and he questioned why it was necessary to design a facility for 900 beds when a simple formula should be adhered to; i.e. 2-1/2 beds for each 1,000 veterans. Mr. Gobel also thought some people may have forgotten the fact that a 120-bed facility was being proposed for northern Nevada. Mr. Gobel said the veterans he represents clearly support the site at 301 South Tonopah Drive for a Veterans Home. He provided the subcommittee with a copy of his September 1997 newsletter entitled "Veterans Home in Site," and a copy of which is included in the meeting minutes as Exhibit B.

In citing some of the reasons for supporting the site at 301 South Tonopah Drive, Mr. Gobel explained that the facility could be completed in the shortest amount of time, perhaps as early as 1998; the general contractor, Martin and Harris, will provide a written guarantee of completion in 8 months; plans have been approved by the federal Housing and Urban Development (HUD) agency; environmental assessment has been completed; soil analysis has been completed; and the property can be accessed by four bus routes. In addition, he noted that this property was included in the City of Las Vegas Master Plan and it was only about one-half mile to the University Medical Center (UMC), a level 2 trauma center. In concluding his testimony, Mr. Gobel told the subcommittee that the 10-acre site could accommodate approximately 464 beds when the facility was completely built out and he did not believe Nevada could justify nor would the federal government provide funding for a larger facility than that in the near future.

It was Chairman Raggio's understanding that Mr. Gobel had surveyed 20,000 veterans. Mr. Gobel indicated that two automated telephone surveys had been conducted on July 17, 1997 and July 23, 1997, and a meeting was held several days ago which was attended by all of the Veterans organizations, and on a 2 to 1 margin the veterans had selected the 301 South Tonopah Drive Site.

Chairman Raggio recognized Mr. Thomas Caenen, Senior Past Department Commander, Disabled American Veterans (DAV) and Southern Nevada Veterans Coalition, who read a prepared statement into the record, and a copy of which is included in the meeting minutes as Exhibit C. In summarizing his report, Mr. Caenen apprised the subcommittee that while all of the sites under consideration were found to be suitable, the Southern Nevada Veterans Coalition had selected either of the two Boulder City sites. According to Mr. Caenen, the site least acceptable to his group was the 5th and Craig Site, primarily because the veterans have lost confidence that the USAF would actually release the land. Speaking to the 301 South Tonopah Site, Mr. Caenen said that although this was an excellent site, many veterans feel it would be a "sweetheart deal." Mr. Caenen indicated that a copy of the August 8, 1997, meeting minutes for the Veterans' Coalition which recorded the votes taken for each site was attached to his prepared statement (Exhibit C).

Chairman Raggio introduced Mr. J. Scott Bensing, Legislative Director for Congressman John Ensign, who said Congressman Ensign had been involved for more than two years in trying to locate an appropriate site for a Veterans Home in Nevada. Although he would agree that the issue of site selection was an important one, Mr. Bensing said it was secondary to the actual ground breaking at the final location. Speaking for Congressman Ensign, Mr. Bensing told the subcommittee that the Congressman would support any location that the Veterans agree is most convenient, offers the best quality of life, and the best quality of medical care. Mr. Bensing said he realized that obtaining a consensus was not an easy task. According to Mr. Bensing, the Congressman's Veterans Task Force, which has met quarterly for the past two years, and is comprised of 29 representatives of various veterans' service organizations in southern Nevada, as well as several state commanders, met yesterday to cast its vote and the Task Force voted 11 in favor of the 301 South Tonopah Drive Site and 6 first priority votes were cast in favor of both the 5th and Craig Road Site (located at Nellis Air Force Base) and the two Boulder City Sites.

Chairman Raggio said it was his understanding that in early October the U. S. Department of Veterans Affairs was expected to release a list of Veterans Homes to be funded in FY 1998 and the subcommittee was hopeful and optimistic that the southern Nevada Veterans Home would be on that priority list.

Chairman Raggio recognized Ms. Brenda Williams, who he said represented U.S. Senator Richard Bryan. Ms. Williams thanked the subcommittee for the opportunity to speak and indicated that Senator Bryan had been involved in trying to assist Nevada's veterans in getting a home since he was Governor. According to Ms. Williams, both Senator Bryan and Senator Reid have been very effective back in the Congress as it relates to all matters dealing with their many pronged approach to assisting veterans who live in Nevada. Ms. Williams said she wished to read for the record a portion of a letter sent to Charles Abbott, Commissioner for Veterans Affairs, on September 12, 1997, that was signed by Hershaw W. Gober, Secretary-Designate, of the U.S. Department of Veterans Affairs, and a copy of which is included in the meeting minutes as Exhibit D.

It is my understanding that the State Interim Finance Committee will meet on September 18 to select the location for the veterans home. It is important to do this as soon as possible. While location does not affect Nevada's competitive position for federal funds, the State must present its

proposal to VA in time to receive a federal grant during the funding year. This process can begin at once. The official VA announcement of the priority group one grant applications for FY 98 is expected in October 1997, and grants will be funded from VA's annual appropriation.

Ms. Williams also indicated that due to the efforts of Senator Bryan and Senator Reid, Nevada's application would be in priority group one to receive a federal grant during FY 1998, which begins October 1, 1997. In concluding her remarks, Ms. Williams said Senator Bryan was supportive of any site that has the blessings of the veterans of the State of Nevada.

Chairman Raggio recognized Mr. Hugh Ferree, who he said represented U.S. Senator Harry Reid's Las Vegas staff. Because he wants the home to be built, Mr. Ferree said Senator Reid had made every effort possible to see that the federal funds were appropriated to Nevada to be matched with state funding for this purpose. He also wants a home built in northern Nevada. It was Senator Reid's belief that the location of the home was best left to the users, the veterans. Senator Reid and Senator Bryan have both indicated that they would do whatever they could to ensure that the location was adequate to support the size and type of facility that would best suit the needs of the veterans in Nevada and would continue to support the veterans on the federal level. Senator Reid wants to see the right home built in the right location. Settling for less would not be an option because the concerns of Nevada's veterans must be paramount. In concluding his remarks, Mr. Ferree said that Senator Reid was pleased to see the Nevada Legislature authorize an appropriation for the construction of a Veterans Home in Nevada.

Chairman Raggio recognized Mr. William Brzezinski, who represents Las Vegas Chapter 11 of the Disabled American Veterans (DAV). Mr. Brzezinski said he wished to state that he had attended the Veterans Coalition meeting on August 8, 1997, where many of the veterans had expressed an interest in the Tonopah Site, but were also concerned that the developer was going to build an "old folks home" in order to make a lot of money. The veterans were also concerned that the rooms were going to be small and crowded; thus, would not provide the quality of life the veterans deserved. Mr. Brzezinski said he had personally toured the facility at Barstow, California and was very impressed with its design.

Chairman Raggio asked Mr. Brzezinski which site his group was recommending. Mr. Brzezinski said the Veterans Coalition had selected either of the two Boulder City sites because the sites would allow for expansion and would provide the best quality of life for the veterans. In addition, Mr. Brzezinski said the Coalition had discussed the proximity of Boulder City to downtown Las Vegas, the new outpatient clinic being built in Henderson, Rose de Lima Hospital and Boulder City Hospital, and decided that location was not a factor.

To respond to a question from Mr. Close, Mr. Raecke said that although he did not have available with him the actual square footage on a bed-for-bed basis for the proposed facility, the Tonopah Site would accommodate a 74,000 square foot facility compared to the Barstow Model, which provides 115,500 square feet.

Senator Regan said he had measured the room size from the developer's plans for the Tonopah Site and each room would be approximately 260 square feet, which would be a smaller room size than the Barstow Model.

Mr. Close said he would like to have Mr. Raecke provide a comparison of square footage for the rooms that would house the veterans at each site before the subcommittee makes a decision. Chairman Raggio said Mr. Close's request would be honored.

Mr. H.B. Williams, State Commander for the American Legion, said he wished to point out that he was the sole representative of the American Legion in Nevada. On September 6, 1997, Mr. Williams indicated that a district meeting was held and the Clark County members in attendance favored as their first choice the Old Airport Site in Boulder City and the Industrial Road Site in Boulder City as their second choice. Mr. Williams said the primary reason for choosing the Boulder City sites was because the site selected should allow for future expansion to meet the rapid growth of Clark County.

Chairman Raggio recognized Mr. Brad Benson, who said he was a resident of Boulder City, a member of the American Legion Post 31, and a trustee of the Boulder City Hospital. Mr. Benson said he wished to point out that he was one of five authors of the recently passed land sale initiative which requires Boulder City residents

to vote on the sale of Boulder City properties. He said, however, leases do not have to be voted on by the people.

Chairman Raggio said he had reviewed the provisions in Boulder City's Charter and he suggested that the voting requirement on the sale of Boulder City properties was subject to interpretation. He said, however, in any event, the Charter requires fair market value for any properties sold.

It was Mr. Benson's opinion that Boulder City would be interested in leasing the land at either site. Mr. Benson thought a lease would be very advantageous to the state because the funding for the lease would be deducted from the operating budget, leaving the entire appropriations from both state and federal governments for construction of the 180-bed facility. Mr. Benson was also of the opinion that the majority of veterans groups want either of the Boulder City sites because they would provide adequate space for the facility and parking as well as provide beautiful grounds. In addition, the cost for utilities in Boulder City is much lower than the rest of the valley. Boulder City is known as "clean and green" and it has much less traffic than in Las Vegas. Mr. Benson said the Boulder City sites would allow for future expansion; whereas, future expansion at the other sites would be limited. The Boulder City Hospital is conveniently located to both sites. Although small, Mr. Benson said the Boulder City Hospital could provide all of the necessary services veterans might need, but it was not a level 2 trauma center nor could it accommodate open-heart surgery. Mr. Benson indicated that the Boulder City Hospital currently handles trauma situations by first stabilizing the patient and then airlifting them by helicopter to a trauma center.

Chairman Raggio noted that UMC was currently the only level 2 trauma center in the valley. As a member of the Nevada Hospital Board, Mr. Benson said it was his understanding that the St. Rose Dominican Hospital was planning to construct a new hospital which would have trauma capabilities.

Senator Jacobsen said Boulder City officials had stated this morning that it would take about 1-1/2 years before a proposal, which would include all of the infrastructure needed for a Veterans Home, could be presented to the subcommittee and he asked Mr. Benson if he would agree with that statement. Mr. Benson said he did not agree with that statement because he thought all of the necessary infrastructure would be available to the Old Airport Road Site when Adams Boulevard was extended.

It was Chairman Raggio's understanding that Adams Boulevard was now ready for its extension and that Boulder City was providing, at its own expense, the infrastructure for water and for sewer and that electricity was already available. The Boulder City officials had indicated, however, that the process required to have public hearings and to hold an election could take approximately 1-1/2 years. Reading from Section 140 of the Boulder City Charter, Chairman Raggio stated that leases as well as sales or other dispositions must be at the current appraised value.

Mr. Arberry said he had asked Boulder City officials this morning if it would be possible for the state to select one of the sites under a lease provision and then at a later date switch the lease to a purchase and Boulder City officials had indicated a willingness to accommodate the state if the contract were written properly.

Chairman Raggio asked Mr. Benson what in his opinion was the likelihood of public approval if one of the sites were to be put to an election. Mr. Benson thought that about 80 to 85 percent of Boulder City residents would vote approval because many people were retired and approximately 40 percent of the residents were veterans.

Chairman Raggio recognized Mr. Irving Finver, who said he would be speaking on behalf of two organizations in his capacity as the Judge Advocate for Nevada's Disabled American Veterans (DAV) and as the Senior Vice Commander for the Jewish War Veterans. According to Mr. Finver, he and Nick Condos, Department Commander for DAV, had attended Congressman Ensign's meeting yesterday, and Mr. Condos had asked him to represent him today by advising the subcommittee that his choice was the Old Airport Site in Boulder City. Mr. Finver also wished to clarify that the Council of Nevada Veterans Organizations no longer represents all Nevada veterans organization because many organizations have resigned; i.e., Disabled American Veterans (DAV), American Legion, Jewish War Veterans, and other organizations. Mr. Finver also said it was interesting to note that a vote taken during Congressman Ensign's meeting was identical to the vote that was taken at the Veterans' Coalition meeting on August 8, 1997, a record of which is included in Exhibit C.

Chairman Raggio asked Mr. Finver to advise the subcommittee on what he perceived to be the main objections of those present at the two meetings to the 5th and Craig Site (Nellis) and the 301 South Tonopah Drive Site. Regarding the Nellis Site, Mr. Finver indicated that the veterans who attended the two meetings did not trust the USAF because it had promised Governor Miller a certain piece of land and then reneged on it and that the USAF would not provide a written agreement. Also, the veterans were displeased with the small amount of acreage (6 acres) being offered by the USAF. As far as the Tonopah Site, Mr. Finver stated that the veterans felt 5 acres of land was entirely too small to accommodate a 180-bed facility and that parking would be on the street. Also, the veterans were told the additional 5 acres of land was not included in the proposal nor was the 8 acres across the street.

Senator Regan wanted to address the statements previously made that the USAF had reneged on its promise to Governor Miller regarding the first site for the Veterans Home. It was Senator Regan's position that if the USAF was at fault so was the Nevada Legislature. It was Senator Regan's recollection that the legislature was offered an excellent site in proximity to the USAF Military Hospital, which had been newly-named the Mike O'Callaghan Federal Hospital, but the legislature dropped the ball. Senator Regan suggested that the veterans contact him because he would have no problems in getting answers from the USAF.

Chairman Raggio recognized Mr. Andy Peressin, who stated he was the developer of the 301 South Tonopah Drive Site. Mr. Peressin said he wished to clarify that the cost of the site as a turn-key project would be between \$12.5 million and \$13 million and includes the entire 10-acre parcel. Although his proposal does not mention a lease, Mr. Peressin said he would be happy to consider a lease arrangement which would reduce the cost of the project substantially. It was Mr. Peressin's understanding in talking with representatives from the state Division of State Lands that the state preferred owning the land rather than leasing the land; thus, his proposal was structured accordingly. Mr. Peressin said he also wanted to point out that his firm was open to design changes; however, the proposed design was very similar in almost all design factors to the Barstow facility. He also indicated that the resident rooms would be similar in size to the Barstow facility, or approximately 280 to 300 square feet. In citing a major design difference, Mr. Peressin noted that the proposal calls for a huge area for administrative offices which would be separate from the nursing facility.

It was Chairman Raggio's understanding that the Barstow Model has a domiciliary unit separate from the nursing facility and he questioned whether the federal funding was limited to a skilled nursing facility (SNF) or whether it would allow for a domiciliary unit as well. Mr. Abbott explained that the nursing facility must be built to SNF standards and utilized as a SNF. He suggested, however, that some of the square footage could be used as a domiciliary.

Chairman Raggio stated that Mr. Gary Ghiggeri, legislative Fiscal Analysis Division, had provided him with a copy of "Grants to States for Construction or Acquisition of State Home Facilities," a copy of which is included in the meeting minutes as Exhibit E. He directed the subcommittee's attention to page 3 which states:

The maximum number of beds to provide adequate nursing home care and domiciliary care to veterans residing in each State not to exceed four beds per 1,000 veteran population for nursing home care and two beds per 1,000 veteran population for domiciliary care.

Mr. Peressin told the subcommittee that the cost to build and the time required to build were considerably less with a turn-key project as opposed to other types of projects. Mr. Peressin also said the 10-acre parcel of land was designed to provide up to 464 beds and if the state were to decide at some future date to acquire or lease an additional 8 acres it would provide up to 864 beds. Having a facility in a central location will provide numerous benefits from an operational cost standpoint, especially in the recruitment of staff, because a nursing home facility was a labor intensive operation. It was Mr. Peressin's belief that the quality of care was of primary importance in a nursing facility regardless of whether it was a veterans facility or private-pay facility. Even though the facility would be financed through HUD, Mr. Peressin said he wished to emphasize that this facility was designed to be a private-pay facility and as such would offer many amenities not otherwise available in most nursing facilities.

Senator Regan wanted to know the fair market value of the 10-acre parcel at the 301 South Tonopah Drive Site. Mr. Peressin said he had not yet placed a fair market value on the 10-acre parcel.

Senator Regan said he would appreciate having an estimate of the fair market value, on either a purchase or a lease basis, of the 10-acre parcel and the additional 8 acres. Mr. Peressin said he did not believe he could get an appraisal done of the land before the Interim Finance Committee meets on Thursday, September 18, 1997. He said, however, he has had an option to purchase the land since 1990.

Mr. Price wanted to know who owned the land. Mr. Peressin apprised the subcommittee that 70 Limited Partnership, 2500 West Sahara Avenue, Suite 106, Las Vegas, was the owner of the parcel.

Chairman Raggio recognized Mr. Joseph Schwartz, who said he was a member of the Jewish War Veterans, Veterans of Foreign Wars, Disabled American Veterans (DAV), and the Military Order of the Purple Heart. Mr. Schwartz said he wanted to know whether the state requires open bidding for the architectural work as well as the construction work because he did not believe a turn-key project requires open bidding. In responding to Mr. Schwartz's question, Mr. Raecke indicated that the SPWB does not actually bid for architectural services, but rather it does a qualification based selection. After the best qualified architect has been selected, the fee is negotiated. According to Mr. Raecke, the majority of the state's Capital Improvement Projects (CIP) are designed, bid, and awarded on an open competitive basis. Chairman Raggio said he would ask the legislative staff whether the proposed turn-key project would require open bidding.

Chairman Raggio recognized Mr. Douglas P. Shields, Post Commander of Jewish War Veterans (JWV) Post 711, the oldest JWV Post in southern Nevada, who said he wished to make a disclaimer that his views were his own and not those of JWV because he was still on active duty. Mr. Shields said he wished to comment on the hostile relationships which appear to have invaded this whole project. According to Mr. Shields, there has been a perception of what the proposed Veterans Home would bring to this community and if the subcommittee decides to select a cheaper and smaller piece of land because it would be expedient, the perception of the veterans would be negative to the Commission on Veterans Affairs and the subcommittee. Mr. Shields said his main reason for testifying today was because he wanted to see veterans taken care of over the long haul; therefore, he urged the subcommittee to take sufficient time in its deliberations rather than selecting a turn-key operation that might not meet the needs of veterans today or tomorrow.

Chairman Raggio said he wished to assure Mr. Shields that the subcommittee would not be sitting in this meeting today if it was a matter of expediency. Furthermore, the funding that was authorized by the 1997 Legislature was conditioned upon the Interim Finance Committee approving the site. Chairman Raggio said he was hopeful that whichever site was selected would have the unconditional support of all of the veterans in the state.

Chairman Raggio requested that the legislative staff prepare either a written or oral resume of some of the comments and discussion which had transpired during the subcommittee's tour for the subcommittee's review prior to the Interim Finance Committee meeting on Thursday, September 18, 1997.

There being no further business to come before the subcommittee, Chairman Raggio announced that the subcommittee would stand in recess until 7:30 a.m. on Thursday, September 18, 1997, in the Legislative Building, in Carson City.

Senator William J. Raggio

Chairman, Interim Finance Committee

Subcommittee on Selection of Veterans' Home Site

