

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON NATURAL RESOURCES

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
May 13, 1981

The Senate Committee on Natural Resources was called to order by Chairman Norman Glaser at 2:00 P. M., Wednesday, May 13, 1981, in Room 323 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Norman Glaser, Chairman
Senator Wilbur Faiss, Vice Chairman
Senator James H. Bilbray
Senator Joe Neal

COMMITTEE MEMBERS ABSENT:

Senator Lawrence E. Jacobsen
Senator Floyd R. Lamb

GUEST LEGISLATOR:

Assemblyman Nicholas J. Horn

STAFF MEMBERS PRESENT:

Robert E. Erickson, Senior Research Analyst
Carolyn L. Freeland, Committee Secretary

SENATE JOINT RESOLUTION NO. 37

Chairman Glaser referred to this resolution which had previously been heard by committee members. He noted committee members had wished to hear from Assemblyman Nicholas Horn and/or Senator Echols in regard to international trade and discussion on the matter during an interim study, at which time Mr. Horn had attended conferences on the subject. The Chair called upon Mr. Horn to present testimony.

Senate Committee on Natural Resources
May 13, 1981

Mr. Horn, Assemblyman, District 15, is a member of the Western Council of the Conference of State Governments, assigned to the International Trade Task Force. The purpose of the Task Force is very similar to what this resolution is encouraging, the exploration of international trade zones which could be established in the thirteen western states. At the last meeting of the Western Council of the Conference of State Governments, the thirteen western states adopted a resolution which would encourage trade, promote international trading centers within the different states, establish an organization of the different economic development directors or international trade zone directors, and promote and encourage trade with the Asian countries. Mr. Horn said he took that resolution with him on a trip to the Republic of China last October (1980) and presented it to the Minister of Foreign Trade of the Republic of China. The Minister was most happy to see the thirteen western states are interested in establishing international trade centers, and indicated the Republic would cooperate with those centers to promote trade.

Mr. Horn continued input has been received from the State of California which said it would be happy to work with the trade task force to facilitate the establishment of the international trade zones. California feels such a move would be healthy and it would bring more development. Mr. Horn said the resolution, and the idea it would encourage further study, would not only be welcome to the Asian countries but would also fit harmoniously with the Western Council of the Conference of State Governments. If it were possible to establish a trade zone, in some part of the state, with the Department of Economic Development coordinating the activities, it would do nothing but promote and diversify the state's economic base.

Mr. Horn concluded this resolution fits very harmoniously with what the other western states are doing and the direction in which it is hoped Nevada will go.

Senator Bilbray said his only reservation with the resolution is on page 2, line 9. He asked Mr. Horn if, at any time, his committee determined that they would, by resolution, urge that a certain organization handle this matter, or would it be by a general planning committee which would be created by the proper authority. Mr. Horn replied the direction in which his group was moving was for the State Department of Economic Development to be the coordinating unit, as that is how other states are handling the matter, by housing coordination in a state unit. He feels the plan for the international trade concept would fit more harmoniously with the Department of Economic Development because the

Senate Committee on Natural Resources
May 13, 1981

task force has encouraged that department to participate with the other states.

Senator Bilbray asked if the language could be changed by dropping the language, "...by the Nevada Industrial Trade Exchange, a non-profit organization..."

Chairman Glaser suggested language which would read, "...by the Nevada Department of Economic Development, or non-profit organizations ..."

Senator Bilbray expressed concern about naming an organization in a resolution as the organization will then claim the legislature endorsed its efforts, and would use this claim in raising money. Senator Faiss echoed this sentiment.

Mr. Horn explained the Asian countries feel more comfortable working with a state because they are states, and have been accustomed to contacting state officials in past transactions.

Senator Bilbray said he liked the general concept instead of a definitive designation of one group.

The Chair thanked Mr. Horn for his testimony and asked him who else was a member of the task force. Mr. Horn replied Mr. Arthur Palmer, Director, Legislative Counsel Bureau, was one among others.

Mr. Robert Hager, trustee for the Nevada International Trade Exchange, noted Mr. Palmer is aware of his organization and is supportive of its efforts. He noted the Nevada International Trade Exchange has already spent three million dollars within the state in order to establish the type of trade district which is being discussed. He said if the state is interested in investing that kind of money in a state agency for a promotion of this type, then it is appropriate for that state agency to be named in the resolution. However, he feels his organization has greater access to a greater amount of money, which would not entail public expense, than does the state, due to its ability to attract the type of companies which are already working with it in this effort. Therefore, Mr. Hager would recommend the committee retain the name of the Nevada International Trade Exchange in this resolution.

Senator Bilbray stated he would not vote for a resolution which places the name of a certain organization within it.

Chairman Glaser asked Mr. Hager if he would prefer to have the thrust of the bill, deleting the name "Nevada International Trade

Senate Committee on Natural Resources
May 13, 1981

Exchange," maintained or if he would prefer not to have the resolution at all. Mr. Hager replied by making reference to the resolution to which Mr. Horn had referred, saying his group had drafted that resolution. Chairman Glaser asked him if explicit mention was made in that document of the Nevada International Trade Exchange. Mr. Hager answered it was written from the perspective of supporting private activity and it was clearly phrased in that direction. He said "private activity" is the key to the resolution under consideration; the exchange is not asking for money, but it is an opportunity for the state to diversify its economy with solely private funds.

Chairman Glaser stated Senator Bilbray's concern is well-taken, saying it is not customary for the Nevada Legislature to incorporate the names of institutions or companies in legislation.

Mr. Hager replied he is well aware of that fact, but it is also not customary for an organization to spend a vast sum of money in an effort to establish a trade district from totally private funds. Senator Bilbray commented an organization could proceed with its plans without the state becoming involved. Mr. Hager said without the endorsement of the state, it makes it much more difficult for the organization to approach the type of companies having interest in the plan.

Senator Faiss expressed the same reservations expressed by Senator Bilbray, who said he had talked with the other members of the committee and they feel the same way he does; they are not in favor of putting out a resolution which specifically names a certain organization.

Chairman Glaser then asked if the wording was changed to read, "planning by the Nevada Department of Economic Development and nonprofit organizations," would it be acceptable, pointing out the exchange would then be included under the nomenclature "nonprofit organizations."

Mr. Hager said the Nevada Congressional delegation is interested in introducing legislation whereby the exchange may establish through the study process if the project would be feasible and beneficial to the State of Nevada, and further, their interest is more along the lines of the Nevada International Trade Exchange project. It is this project of which the delegation is aware, and that it is not just a vague concept of anyone who would want to enter into this activity. Mr. Hager said his group is not trying to foreclose any other group but it is asking for some type of recognition

Senate Committee on Natural Resources
May 13, 1981

of the steps which it has already taken, and of efforts to date.

Senator Bilbray then asked, if perhaps at the end of the resolution, the committee could commend the exchange for its efforts in the past. Mr. Hager countered perhaps the language could make reference to the Nevada International Trade Exchange and other nonprofit organizations, on page 2, line 9.

Senator Bilbray expressed the feeling the matter should be worked on further.

The Chair asked if there were any other questions on Senate Joint Resolution No. 37. He asked for the pleasure of the committee. Senator Bilbray reiterated he would like to work on the wording with the other members of the committee before making a decision. The Chair acquiesced in this request.

Mr. John Eck, of the Southern Pacific Land Company, testified in regard to this resolution. He noted he had been present earlier at the hearing, but had stepped out to obtain the latest information available on the matter via telephone with San Francisco.

Chairman Glaser advised Mr. Eck the committee had more or less decided to amend out any reference to any specific group named in the resolution.

Mr. Eck was requested to proceed with his testimony. He referred to the promotional material which the Nevada International Trade Exchange had been distributing. He said one section of it was of concern to his company. He quoted from remarks made on their letterhead referring to progress made to date and the fact that the exchange was in the "third draft of an agreement which refines points of mutual interest and concern" with Southern Pacific Land Company. The remarks continued, "A meeting is set for the latter part of March, 1981, with Southern Pacific Land Company's O. Greg Linde. A final contract between S. P. Land Company and NITE concerning approximately 375,00 acres is imminent."

Mr. Eck said his people deny that "wholeheartedly." There is no contract in the offing. He referred to a letter sent to Mr. Fred Hawlik, President, Nevada International Trade Exchange, Inc., on April 16, 1981 (Exhibit C), in reply to a letter from Mr. Hawlik dated March 12, 1981 (Exhibit D). Mr. Eck said his company is not opposed to this type of study per se and anything to promote industrial development or trade exchanges for the good of the state. However, his company is not amenable to the idea of information being disseminated that it is heavily involved and committed to

Senate Committee on Natural Resources
May 13, 1981

a project when, in truth, it is not.

The Chair read the proposed amendment to page 2, line 9, as follows: "...planning by the State Department of Commerce to determine ..."etc.

Senator Neal asked what disposition is to be made of Senate Joint Resolution No. 37. The Chair indicated it should be amended as suggested. Senator Bilbray added he had also struck out the word "Northern" in line 11, page 2.

Senator Bilbray moved Amend and Do Pass
Senate Joint Resolution No. 37 (Exhibit E).

Senator Faiss seconded the motion.

The motion carried unanimously. (Senator Lamb and Senator Jacobsen were absent for the vote).

SENATE BILL NO. 664

Mr. Jac Shaw, Director, State Lands, explained this bill. It gives the state land registrar authority to exchange some property east of Elko near the Youth Training Center. This trade would block up state land around the center to maintain the open campus concept desired. It would also prevent commercial development too close to the center. Mr. Shaw endorses this bill and feels it would be in the best interests of the state.

Mr. Shaw said in order to accomplish the exchange of the state land with privately held land, an official appraisal would have to be made, with the owner of the private land paying the appraisal cost. There was discussion on the value basis in the transaction and the matter of who instituted the exchange.

Mr. Frank Carmen, Nevada Youth Services Division, also testified in favor of this bill, and repeated many of Mr. Shaw's sentiments. He said this particular piece of land had presented problems for a number of years, with the owner of that property attempting to gain easement through state lands to develop it. The solution offered in this bill works out far better than other arrangements which might be made. He expressed fears development in and around the center would in the future present certain temptations to the youth of the center, creating a discipline and runaway problem. If the state could acquire the land, it would give a contiguous section to the center, and be of great benefit to it.

Senate Committee on Natural Resources
May 13, 1981

There was no further testimony offered, either for or against, this legislation.

Senator Bilbray moved Do Pass
Senate Bill No. 664 (Exhibit F).

Senator Neal seconded the motion.

The motion carried unanimously. (Senator Lamb
and Senator Jacobsen were absent for the vote).

The last order of business concerned a proposed field trip on Wednesday, May 20, 1981, when the committee and guests would raft-ride a portion of the Carson River as guests of Sandpiper Trips, Inc. Details of the trip are to be worked out by Mr. Erickson.

There being no further business, the meeting was adjourned at 2:30 P. M .

Respectfully submitted by:


Carolyn L. Freeland, Secretary

APPROVED:


Senator Norman Glaser, Chairman

DATE: May 14, 1981

SENATE AGENDA

COMMITTEE MEETINGS

EXHIBIT A

Committee on Natural Resources, Room 323.

Day Wednesday, Date May 13, 1981, Time 1:30 P. M.

S. B. No. 664--Authorizes state land Registrar to exchange certain real property near Nevada youth training center.

WORK SESSION

S. J. R. No. 37--Supports study of development of international trade center in Nevada.

COMMITTEE MEETINGS

DATE: May 13, 1981

EXHIBIT B

[illegible]

Southern Pacific Land Company

Southern Pacific Building • One Market Plaza • San Francisco, California 94105 • (415) 362-1212

INDUSTRIAL DEVELOPMENT • NATURAL RESOURCES • REAL ESTATE

G. G. LINDE
PRESIDENT

April 16, 1981

EXHIBIT C

GI-12145

Mr. Fred Hawlik
President
Nevada International Trade Exchange, Inc.
55 East Nugget Avenue, Suite 728
Sparks, NV 89431

Dear Mr. Hawlik:

I have been on an extended business trip and have just had the opportunity to review your letter of March 12 about the Nevada Industry and Trade District proposal.

As I indicated to you during our meeting in March, Southern Pacific is very interested in promoting international trade and economic growth in Nevada which will benefit both state and national interests. You are well aware of the long involvement of Southern Pacific in the state and our confidence in its future.

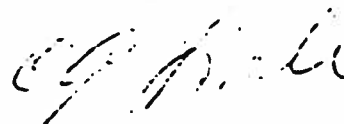
Most of the land owned by Southern Pacific which is located in the study area is leased for mining, grazing or agricultural uses. Obviously, we must carefully consider the interests of our lessees when reviewing possible alternate land uses. Consequently, we are not in a position at this time to commit any property to the proposed Industry and Trade District.

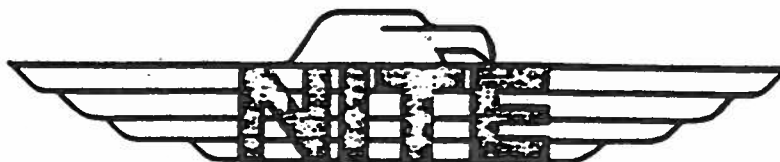
Southern Pacific does not have planners available for outside projects but at the appropriate time we would certainly be pleased to provide technical help in connection with the design of railroad and intermodal transportation facilities. Please let me know when your study reaches that stage.

I wish I could be more encouraging about providing direct financial assistance to the study but as I explained during our meeting Southern Pacific cannot commit land or funds to the project at this point in time. When the project becomes more definitive, I will review the extent of our projected involvement and let you know whether Southern Pacific can participate in the District.

I appreciated the time that you and Mr. Hager spent with me in March and I wish you every success in progressing the Industry and Trade District concept.

Very truly yours,





TRUSTEES

11 MEMBERS

INITIAL BOARD

EDMUND R. BARMETTLER
PROF. ECONOMIST
SCHOOL OF AGRICULTURE
UNIVERSITY NEVADA-RENO

FRED HAWLIK
PRESIDENT
CIBOLA F. A. LTD.
RENO, NV.

GIL ANDREEN
PETROLEUM ENGINEER
SAN ANTONIO, TX.

JOSEPH A. RAUWOLF
HOUSING
SPARKS, NV.

SIDNEY J. ZIMMET
MEDICAL DOCTOR
SPARKS, NV.

BOARD OF ADVISORS

28 MEMBERS

A NEVADA NON-PROFIT CORPORATION
(702) 331-0833

EXHIBIT D

March 12, 1981

Greg Linde - President
Southern Pacific Land Company
Southern Pacific Building
One Market Plaza
San Francisco, CA 94105

Dear Mr. Linde:

This letter is to follow up on the meeting we held yesterday in your San Francisco office. I hope that the update and information provided by myself and Robert R. Hager, attorney for NITE, will assist you in evaluating the progress and status of the Nevada Industry and Trade District (NITD) proposal. Although it is not possible to obtain a thorough understanding of a project of this magnitude through such a short briefing, I do feel that you now have a better understanding of the proposed project.

I appreciate the support which you expressed for our proposal, and the willingness to provide NITE with information which may be helpful in completing the initial project feasibility study. We will gladly provide you with periodic updates on the progress of the feasibility study, including any information which might be helpful to you in making your management decisions regarding uses of Southern Pacific land within proposed site.

Please let me reemphasize our desire to work directly with Southern Pacific planners or other members of your staff on the feasibility study which we are currently conducting. It would unquestionably improve the lines of communication between NITE and SPLC, as well as improve your understanding of the overall project, if a planner with your organization could be involved, even if only on a part-time basis, in the current phase of project development.

Again, I appreciate the opportunity of meeting with you and look forward to working with Southern Pacific Land Company in the development of the NITD.

With best wishes,


Fred Hawlik, President

FH/lg

S. J. R. 37

**SENATE JOINT RESOLUTION NO. 37—SENATORS KOSINSKI,
GETTO, GLASER AND McCORKLE**

MAY 7, 1981

Referred to Committee on Natural Resources

**SUMMARY—Supports study of development of international
trade center in Nevada. (BDR 1700)**

**FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.**

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

**SENATE JOINT RESOLUTION—Supporting the study of the possible
development of an international trade center in northern Nevada.**

- 1 WHEREAS, The State of Nevada cannot continue to rely principally
- 2 upon gaming and tourism as major sources of public revenue; and
- 3 WHEREAS, The economy of this state would benefit by the develop-
- 4 ment of additional commercial enterprises which would attract more
- 5 revenue into the state, provide more diversified occupational opportuni-
- 6 ties and contribute to an expansion of the state's tax base; and
- 7 WHEREAS, This state is blessed with an abundance of natural resources
- 8 which may be harnessed commercially to provide sources of energy
- 9 alternate to fossil fuel and nuclear power; and
- 10 WHEREAS, The development of solar, geothermal and wind sources of
- 11 energy can substantially contribute to the commercial development of
- 12 this state; and
- 13 WHEREAS, The existing potential for development, if realized with a
- 14 sensitivity to the interests and goals of the western states of the United
- 15 States, involves major development of public works, including improved
- 16 systems of public transportation, better land use planning and more
- 17 economical use of natural resources, new opportunities for capital invest-
- 18 ment and more occupational opportunities for residents of the western
- 19 United States; and
- 20 WHEREAS, The United States continues to experience a serious dis-
- 21 advantage in international marketing which is exacerbated by a negative
- 22 balance of payments; and
- 23 WHEREAS, The State of Nevada, in cooperation with other western
- 24 states, has particular geographical advantages as a gateway to the grow-
- 25 ing markets for international trade in the Pacific Basin which contains at
- 26 least half of the world's population; and
- 27 WHEREAS, The development of a major international center of trade

within this state would enhance the position of the United States as an international marketing force, serve as a showcase for the commercial application of sources of energy developed within the state, promote the development of commercial enterprises compatible with the traditional businesses of this state and contribute to the financial stability of this state; now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, jointly, That the Nevada legislature hereby supports additional research and planning by the Nevada Industrial Trade Exchange, a nonprofit organization, to determine whether the development of an international trade center in northern Nevada is economically feasible and whether it would benefit the citizens of Nevada and the United States; and be it further

Resolved, That copies of this resolution be immediately transmitted by the legislative counsel to the legislatures of the western states of the United States, all members of the Nevada congressional delegation and to the United States Departments of Agriculture, Commerce, Energy, the Interior, State and Transportation; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

S. B. 664

**SENATE BILL NO. 664—COMMITTEE ON
NATURAL RESOURCES**

MAY 11, 1981

Referred to Committee on Natural Resources

SUMMARY—Authorizes state land registrar to exchange certain real property near Nevada youth training center. (BDR S-2080)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to state lands; authorizing the state land registrar to exchange certain real property near Nevada youth training center; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 **SECTION 1.** The state land registrar may exchange, on behalf of the
2 state, real property within the S½ of the SW¼ of section 36 in T. 35
3 N., R. 55 E., M.D.B. & M., for and having a value equal to the real
4 property more particularly described as:
5 That parcel of land consisting of 41.40 acres, more or less, within
6 the NW¼ of the SE¼ of section 36 in T. 35 N., R. 55 E., M.D.B. & M.
7 **SEC. 2.** This act shall become effective upon passage and approval.