



Nevada State Campus Lands Corporation Frequently Asked Questions

Why does Nevada State College want to engage in strategic, third-party development?

The Nevada State College campus consists of more than 512 acres. Recent master planning has determined that Nevada State College can provide educational services, within its mission as a middle-tier Nevada institution, to approximately 20,000 students, in facilities including about 1.0 million gross square feet, constructed on 80 acres of campus land. By reserving an additional 120 acres for common space, green areas, and access (roads, sidewalks, etc.), a vibrant academic core can be positioned comfortably on 200 acres. The remaining acreage is intended to be developed in a manner that provides academic synergies and financial resources for the benefit of Nevada State College and the Nevada System of Higher Education (NSHE).

Why does Nevada State College need a “lands corporation”?

The private sector operates at a significantly quicker pace than higher education. Nevada State Campus Lands Corporation (NSCLC) can provide the flexibility and targeted expertise to assess and engage third-party strategic opportunity projects in a responsive and effective manner.

What role will the Board of Regents play going forward?

The Board of Regents has the ultimate authority over the Nevada State College campus, and all activities that take place on the Nevada State College campus. Therefore, the Board of Regents is empowered under Nevada law and its own policies and procedures to require that the NSCLC and Nevada State College report as to proposed and present development activities, and how the NSCLC’s activities are furthering the mission of Nevada State College.

How will the NSCLC’s activities impact on the Master Plan for Nevada State College?

The proposed development activities will be consistent with, and in furtherance of, the Nevada State College Master Plan as well as the Nevada State College Strategic Plan, both of which are approved by the Board of Regents.

What expertise do NSCLC trustees have to assess and engage in projects?

The trusteeship of NSCLC was intentionally designed to reflect expertise across a broad range of Nevada industries and sectors. The current trustees are leaders in development, design, banking and finance, real estate law, and the general Henderson community surrounding the Nevada State College campus. It is the intent of Nevada State College to maintain representation of these key sectors even as the individual membership of the initial board of trustees changes over time.

What will Nevada State College do with the revenues from these land-transactions?

It has become increasingly clear that, even in strongest of financial times, the State of Nevada will not be able to fund new space for Nevada State College at the rate required to accommodate its rapid growth. Nevada State College will formally designate, subject to NSHE policy, all revenues from campus lands transactions to finance the future build-out of the Nevada State College campus' academic core, including new academic and support buildings and related infrastructure. Nevada State College intends to obtain required financing for future academic and related capital projects by bonding against these designated funds.

What procedures will be in place to guarantee that the designated funds are properly used and that there is transparent accounting?

NSCLC will deposit all revenues generated into unique accounts within a prescribed fund, all in accordance with NSHE policies and procedures. The only uses allowed for this fund will be for financing academic and related capital projects. NSHE Internal Audit will ensure compliance with the appropriate NSHE policies and procedures.

Why is NSCLC structured as a 501(c)(2) title-holding corporation?

When the NSHE Board of Regents provided its approval in March 2022 to contract legal expertise for the formation of a non-profit entity tasked with effectively assessing and engaging third-party land opportunities, NSC leadership initially envisioned creating a 501(c)(3) tax-exempt organization. Following the engagement of, and discussions with, outside legal counsel, we were advised that the creation of a 501(c)(2) title-holding corporation would be more appropriate given the entity's primary purpose of managing lands and not engaging in fundraising and/or other charitable activities. The sole permitted purpose of a 501(c)(2) title-holding corporation is to hold title to, and manage, real property, collect any revenues generated therefrom and turn over all such revenues (less expenses) to an organization which itself is exempt under Section 501(a) of the Internal Revenue Code (i.e., a 501(c)(3) tax-exempt organization).

Why is Nevada State College Foundation the sole member of NSCLC and not the Board of Regents?

All proceeds from 501(c)(2) transactions must be transferred to a 501(c)(3) tax-exempt organization in order to maintain tax-exempt status. Therefore, the sole member of a 501(c)(2) entity must be a 501(c)(3) entity. The Nevada State College Foundation will serve as the sole member of NSCLC since the contemplated transactions will pertain strictly to the Nevada State College campus and there is already a structured financial relationship between Nevada State College and the Nevada State College Foundation in place.

How will the Board of Regents be notified of any new land use?

The terms and conditions of the proposed NSCLC ground lease contain identical language as that which is found in the DRI Research Parks Ltd. lease, which requires the entity to provide information about subleases to the Board of Regents promptly upon request. The proposed NSCLC ground lease also requires the NSCLC to permit the Board of Regents to review any sublease within a reasonable period of time following the request.