

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Seventy-Third Session  
May 17, 2005**

The Committee on Growth and Infrastructure was called to order at 1:51 p.m., on Tuesday, May 17, 2005. Chairman Richard Perkins presided in Room 4100 of the Legislative Building, Carson City, Nevada, and, via simultaneous videoconference, in Room 4406 of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Mr. Richard Perkins, Chairman  
Ms. Chris Giunchigliani, Vice Chairwoman  
Ms. Francis Allen  
Mr. Bernie Anderson  
Mr. Tom Grady  
Mrs. Marilyn Kirkpatrick  
Ms. Sheila Leslie  
Mr. Harry Mortenson  
Mr. David Parks  
Ms. Peggy Pierce  
Mr. Scott Sibley  
Ms. Valerie Weber

**COMMITTEE MEMBERS ABSENT:**

Mr. Lynn Hettrick (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Susan Scholley, Committee Policy Analyst  
James Cassimus, Committee Attaché  
Gwenavere Dally, Committee Aide

**OTHERS PRESENT:**

Meg Jensen, Deputy State Director, Lands and Planning, Division of Natural Resources, Bureau of Land Management, U.S. Department of the Interior

James Stobaugh, Lands Program Lead, Lands and Planning, Division of Natural Resources, Bureau of Land Management, U.S. Department of the Interior

Dave Ziegler, Director, Truckee Meadows Regional Planning Agency

Tom Harris, Director, University Center for Economic Development, University of Nevada, Reno

**Chairman Perkins:**

[Meeting called to order. Roll called.] We are short of a quorum; we can start as a subcommittee. We have three presentations today on growth.

**Meg Jensen, Deputy State Director, Lands and Planning, Division of Natural Resources (DNS), Bureau of Land Management (BLM), U.S. Department of the Interior (USDOI):**

[Read from prepared statement, [Exhibit B.](#)]

The Southern Nevada Public Land Management Act (SNPLMA) of 1998 has been amended several times. This allows the BLM to sell appropriate public lands in the Las Vegas Valley to meet the demands for community expansion and economic development, and to use the proceeds from these sales to meet the demands from the public to address critical, environmental, and education needs in Clark County and other areas of Nevada.

The BLM would like to commend the Nevada congressional delegation for its vision and innovation in developing the SNPLMA. While generating growth in the Las Vegas Valley, the Act includes language to mitigate the effects of that growth and enhance natural resource management.

SNPLMA promotes competitive land sales that allow local interests to have an opportunity to acquire public lands through competitive market auctions. The Act authorizes specific categories of expenditures of the sale funds. I'll mention some of the totals that have been generated to date. More detailed information has been included in a fact sheet ([Exhibit C](#)) provided to you.

According to the Act, 5 percent of sales revenues go to the State general education fund for the education of Nevada's schoolchildren; \$79 million has been received by that fund. Ten percent of the funds go to the Southern Nevada

Water Authority (SNWA) to fund the infrastructure needed to support the development resulting from these land sales; \$144 million has been allocated for that purpose. Eighty-five percent of the funds generated by the land sales are deposited into a special account, and those funds are available to be spent in six categories; to date, \$1.44 billion has been deposited into that account.

[Meg Jensen, continued.] The monies in the special account may be used for six categories of expenditures. The first of those is parks, trails, and natural areas in Clark and, recently, Lincoln Counties. The next is conservation initiatives in Clark and now Lincoln Counties. Another is implementation of the Clark County Multiple Species Habitat Conservation Plan of 2000; also, capital improvements projects at designated federal recreation areas in Clark and Lincoln Counties. The BLM, U.S. Forest Service, and U.S. Fish and Wildlife Service are all eligible for these funds. The fifth area is acquisition of environmentally sensitive lands around the State, with an emphasis in Clark County. The last category is restoration work at Lake Tahoe.

Of these categories, \$532 million has been allocated to date for parks, trails, and natural areas in Clark County, and \$37 million has been allocated for Lake Tahoe restoration. It is safe to say that no other geographic area of the lands managed by the BLM in the United States has had this large an outside funding source that directly contributes to improving the quality of life for all Nevadans. The listing of allocations and other expenditures, as well as other information, is provided in greater detail in the fact sheet ([Exhibit C](#)).

Local government entities in Clark County determine the sequence and timing of lands offered for sale. Clark County and the cities of Las Vegas, North Las Vegas, and Henderson agree on the parcels they would like to have offered for sale and advise the BLM of their preferences.

The SNPLMA is not the only way the BLM is making public lands available to local governments and private ownership. Nearly 1 million additional acres of land throughout the State are available for disposal under other authorities. These lands are available for disposal into private ownership through a public planning process that provides for community expansion and economic development.

For example, the BLM sold 7,700 acres to the City of Mesquite under the Mesquite Land Act. We are working with the city on the conveyance of an additional 4,500 acres of land. Last February, the BLM offered for sale 13,500 acres of land under the Lincoln County Land Act of 2004. Over the next several years, the BLM plans to offer for sale about 23,200 acres of land in 13 Nevada counties other than Clark County.

[Meg Jensen, continued.] We also have land we make available for education and community services. The BLM has conveyed land to communities in Nevada for schools and other facilities through the Recreation and Public Purposes Act Classification, Nevada, of 2000 [43 U.S.C. 869] (R&PP). These R&PP transfers authorize local governments and qualified nonprofit organizations to have the use of public lands for schools, fire houses, municipal and law enforcement facilities, hospitals, churches, parks, campgrounds, landfills, and fairgrounds. R&PP transfers exist throughout the State, and a significant number of these transfers are in Clark County, which has the highest number of R&PP transfers anywhere in BLM.

Affordable housing is also a provision of the SNPLMA. The Secretary of the Interior may make available land at less than fair market value for affordable housing purposes. Lands for affordable housing may be made available only to State or local governmental entities, including public housing authorities. BLM has policies and provisions in place to work with communities to obtain land for affordable housing. We have received a few nominations, but the program is just getting started.

Under the Clark County Conversion of Public Land and Natural Resources Act of 2002, the BLM transferred three parcels of public land to the City of Las Vegas for the development of low-income housing.

What I have given you is a snapshot of the SNPLMA and the ability we have to support local growth and development under those provisions. Under the various laws enacted in Nevada, BLM is conveying almost 100,000 acres of public lands into private ownership to accommodate community growth and economic development throughout Nevada. The BLM is pleased to join with State and local government partners to implement these laws to help address pressing needs in the State.

As Las Vegas continues to grow, it is important for all of us to recognize that this growth does bring impacts to other areas of the state—increased visitation, land use, and infrastructure needs. Use of account revenues can be focused on maintaining a high quality of life for all Nevadans.

**Chairman Perkins:**

Ms. Jensen, thank you for your presentation. The interest to this Committee is quite varied. Also, let the record reflect we now have a quorum present. The Growth and Infrastructure Committee has looked at a number of things already in this session. Although we are not interested in capping everything, nor is that the State's role, we are interested in making sure that there is good

communication and coordination between the State, local, and federal governments as this State continues to grow and maximize the best use of our natural resources.

Do you know how many acres of disposable, developable land still exist within the disposable boundary in Clark County?

**Meg Jensen:**

At last count, it was about 49,000 acres.

**Chairman Perkins:**

Do you know, on average, what is the consumption of those acres over the past 3, 4, or 5 years?

**Meg Jensen:**

I'd say that for most of our sales we average a couple thousand acres per sale.

**Chairman Perkins:**

What is the annual consumption of those acres?

**Jim Stobaugh, Lands Program Lead, Lands and Planning, Division of Natural Resources (DNS), Bureau of Land Management (BLM), U.S. Department of the Interior (USDOI):**

We sold a total of 10,060 acres for that \$1.44 billion Meg referred to earlier. Roughly, of what was available, a quarter of that was disposed of. We seem to be going lately at a more accelerated rate. This year we are looking at about 5,500 acres being offered for sale in 2005.

**Assemblywoman Kirkpatrick:**

If we averaged 5,500 acres for sale over the next few years, then we have about 8 years of inventory left.

**Jim Stobaugh:**

There is actually a transfer of about 5,000 for conservation purpose. If you have about 42,000 available, your 5,500 is about an 8- to 10-year period that the SNPLMA land, with the Clark County amendment, may be exhausted.

**Assemblywoman Kirkpatrick:**

Under the land sales you mentioned, you sold 7,700 acres to the City of Mesquite or you sold it by public auction? How did that work?

**Jim Stobaugh:**

It was a direct sale out of the Mesquite Land Act of 1999 and a direct transfer to the City of Mesquite from BLM.

**Assemblywoman Kirkpatrick:**

Did the BLM appraise it and sell it to Mesquite at the fair market value at the time?

**Jim Stobaugh:**

Yes, all sales that we do have to be disbursed at not less than fair market value until they get to a competitive auction. The only part of the SNPLMA that allows for less than fair market value is the affordable housing provision under Section 7b of that law.

**Assemblywoman Kirkpatrick:**

I was under the impression that the State lands, as far as parks, et cetera, could not use this money to further build their parks. In this presentation, it shows that the U.S. Forest Service (USFS) and Lake Tahoe are getting some of it. So, the State parks could not use any of this money for potential projection they might have?

**Jim Stobaugh:**

Under the appropriations act that allowed for the amendments to the SNPLMA for Lake Tahoe restoration funding, it does provide for projects to be submitted by a coalition of federal and state organizations in Lake Tahoe. They submit a project to be approved and may become eligible for a recommendation to the Secretary of the Interior for such expenditures of those projects that meet restoration criteria at Lake Tahoe.

**Assemblywoman Kirkpatrick:**

For clarification, the State is not allowed to access these funds, is that correct?

**Jim Stobaugh:**

Yes, but I would have to review that portion of the law. Right now, it would be the federal agencies that are involved with the Lake Tahoe restoration. I would have to go back and review to see if the State is eligible, among the coalition, to receive federal dollars.

**Assemblyman Anderson:**

We are happy to see the restoration up at Tahoe; it is of great benefit to us. Is the 85 percent (page 1 of [Exhibit C](#)) deposited in special accounts for southern Nevada land management dedicated by law to a particular project, or are they competing against each other at each sale?

**Meg Jensen:**

The 85 percent is mandated by law. How those proceeds are used is variable year to year. There is an interagency committee that makes recommendations, ultimately to the Secretary of the Interior, on how to use those funds. Those allocations are made every year.

**Assemblyman Anderson:**

I note that the Santini-Burton [Act of 1980, Public Law 96-586] acquisition seems to be a set provision. Is it an ongoing question compared to the other dollars that come to the Multiple Species Habitat Conservation Plan? Is it a project that has a conclusion to it, or is it an ongoing acquisition?

**Jim Stobaugh:**

Six categories of the SNPLMA allow for expenditure of that 85 percent of available funds that have not been obligated by approval of the Secretary of the Interior. The projects that are proposed and presented for recommendation are project which have defined levels of accomplishments with them. There are some projects that have had a first and second phase to them. Overall, we are looking at the projects having an endpoint and a result accomplished on the ground. The Multiple Species Habitat Conservation Plan is one phase of a development of a plan. That project would be less than finite.

**Assemblyman Anderson:**

That is what causes me the most concern. The Santini-Burton acquisition is a specific project that has an end date in mind. Several of these, like parks, trails, and natural areas, must be accomplished within a single fiscal cycle.

**Meg Jensen:**

The parks, trails, and natural areas are specific construction projects, primarily. They have a clear, articulated product. The money is committed, but it does not necessarily have to be spent within a defined period of time.

**Assemblyman Anderson:**

Is it possible, then, this is a means of sheltering dollars against the federal budget by putting it into these projects and not having the dollars actually called on?

**Meg Jensen:**

Absolutely, we have a separate account set up, and it is closely monitored. Those parks, trails, and natural area projects are local government projects. When we set the money aside for the purpose, it is not touched for any other reason.

**Assemblywoman Pierce:**

Are 46,700 acres what is left to be disposed of in the Las Vegas Valley?

**Jim Stobaugh:**

Yes, that is the figure from our sales that was recently analyzed in the environmental statement for land disposal in the Las Vegas Valley.

**Assemblywoman Pierce:**

Could you talk about the process for decision what is going to be acquired as environmentally sensitive land and the time frame on deciding that?

**Meg Jensen:**

We have a process we go through where we put a call out for nominations. It is a public notice. We solicit nominations for land acquisitions of environmentally sensitive land by a specified due date. For the cycle we are working on now, those nominations had to be in by January of this year.

The nominations are posted on our website. We have an SNPLMA working group composed of the four federal agencies, BLM, Forest Service, Fish and Wildlife Service, and National Park Service; the State of Nevada; local governments, represented by NACO [Nevada Association of Counties]; and a representative from the local governments. We rank all the nominated land acquisitions. There is a criteria sheet that gives points for different aspects: whether it has endangered species; it is in Clark County; or there is support from local governments for the land acquisition.

The working group then ranks all the proposed land acquisitions. We had that meeting in March 2005. The ranking went out for public comment. It is posted on our website. We put a news release out. People have 60 days to review the proposed land acquisitions and comment on them to our Las Vegas office. The working group then puts together a recommendation for the head of the agencies in the local area. They review it and we have some input from the congressional delegation. Ultimately, it goes to the Secretary of the Interior for approval.

**Assemblywoman Pierce:**

Recommendations to heads of what agencies?

**Meg Jensen:**

It is the four federal agencies: BLM, Forest Service, Fish and Wildlife Service, and the National Park Service. The State Director of the BLM, Bob Abbey, then represents that committee to the Secretary of the Interior and carries those recommendations to the Secretary of the Interior.



**Assemblywoman Pierce:**

The comment period ended in April. If someone goes to your website, what will we see? The working group is back together to look at the public comment, is that where you are now?

**Meg Jensen:**

We will be, next week, in Las Vegas.

**Assemblywoman Pierce:**

The list from January is still on the website now?

**Jim Stobaugh:**

Our problem now is that our external Internet capabilities are down because of a lawsuit that we have. The Department of Interior's external website has been shut down.

**Assemblywoman Pierce:**

Why is that?

**Jim Stobaugh:**

It is because of a lawsuit we are engaged with, *Cobell v. Norton* [310 F. Supp. 2d 77 (DDC 2004) ("Cobell XI")], dealing with a trust land. A judge has placed an order shutting down the Interior Department's site until there is some resolution.

**Assemblywoman Pierce:**

Is this nationwide?

**Jim Stobaugh:**

Yes.

**Meg Jensen:**

This is the ongoing trust fund litigation.

**Assemblywoman Pierce:**

How would someone find out where you are in this process, see the list, or have some input?

**Meg Jensen:**

For right now, I would recommend they contact our Las Vegas field office.

**Assemblyman Mortenson:**

Who will our southern Nevada working group accept nominations from?

**Meg Jensen:**

Anyone can make a nomination. The land has to be environmentally sensitive. There are a number of criteria we rank it for.

**Assemblyman Mortenson:**

Do you have archaeologists, anthropologists, paleontologists, and other experts who evaluate them and tell you this would be good wetlands or can be extended into wetlands?

**Meg Jensen:**

That is correct. We ask our field offices, prior to the initial working group meeting, to go out and evaluate the property that is proposed for acquisition and do some validation of the resource values that the nomination indicates are present on that site.

**Assemblyman Mortenson:**

If you find land that you feel is culturally valuable, then you do not allow it to go up for disposal, correct?

**Meg Jensen:**

We have a land-use planning process. We look at our lands across the State and evaluate them for long-term management. One of the things we do when we write those management plans is evaluate them for sale. You are correct: we would not sell lands that have high cultural value, archaeological resources, threatened or endangered species, et cetera. We try to focus on small parcels of land that are not viable for us to manage that would have economic benefits if they were sold and used for local development purposes.

**Assemblyman Mortenson:**

To come up with a list of lands that you are going to dispose of, you take nominations from that working group.

**Meg Jensen:**

They are two separate processes. The first step in determining whether lands are suitable for sale is the planning process we go through. We rely heavily on local governments to give us advice and counsel in terms of lands that they'd like to see us sell or otherwise convey out of federal ownership for use for local community development.

[Meg Jensen, continued.] Sometimes we think land is valuable for disposal, but the local communities are not ready to provide the infrastructure to support those lands. We keep a list but do not actually sell anything until we have completed this planning process and worked with the local governments. The Bureau of Land Management makes those decisions about selling BLM land without the involvement of other federal agencies.

**Assemblywoman Kirkpatrick:**

Out of these 49,000 acres, is your timing all master planned? I am surprised you didn't bring a map to give a gist of where this acreage is and what to expect for the future of Nevada. How far out does this master plan usually go?

**Meg Jensen:**

What you refer to as master plans we refer to as land use plans. We have one for each of the six field offices that we manage. The Las Vegas Valley has 49,000 acres identified for additional disposal. Across the State, we have about 1 million acres that could potentially be sold, with about 100,000 acres that we would anticipate possibly offering up for sale in the next 5 years.

The plans are updated every 15 to 20 years unless there is a reason to update them more frequently. Again, we would not sell any land unless the local community is ready to accept it into the infrastructure.

**Vice Chairwoman Giunchigliani:**

Do you have land use plans you could provide to the Committee?

**Meg Jensen:**

We certainly could. We also have a map of our land disposal areas on a statewide basis.

**Vice Chairwoman Giunchigliani:**

That would be very helpful.

**Assemblyman Anderson:**

From your experience with the actual bidding process, it would appear that it went for much higher than you were anticipating those bid processes to go; thus, the increases. What was the approximate differentiation between what you thought the assessed value and the actual bid price?

**Meg Jensen:**

We have very strict requirements for appraising land for fair market value. That term has a very specific connotation in the federal government, and our appraisers have what they call the yellow book. It is basically their bible on how

they are supposed to appraise land. You will find that we have much less latitude in terms of appraisal than the journeyman appraiser on the street who would appraise for anybody.

We have these appraisals done to a very strict guideline based on a willing buyer and seller in the marketplace. When you take those same parcels and put them into a competitive auction environment, all bets are off on what the bids are. That is what we have all seen as we put those parcels that had been appraised at a fair market value on the auction block and folks start bidding. There is a competitive atmosphere, and the prices have gone up significantly. The appraised value is about 60 percent of what the properties actually sell for.

**Assemblyman Anderson:**

Anticipating that the yellow book was going to be the touchstone you were going to come to, have you found that this is an anomaly for these past particular sales, or has it been consistent expectation when a willing seller and a willing buyer come forward at an auction?

**Jim Stobaugh:**

The *Uniform Standards of Professional Appraisal Practice* is the standard the appraisers consult for what is available on the market at the time. As an example, hypothetically, a lot of the sales from February 2 were a lot of two-and-a-half-acre parcels; they averaged around \$400,000.00.

If you had gone out in the marketplace that day, in certain segments of the Las Vegas Valley, with certain amenities attached to those properties, the data would have only shown, through the uniform appraisal standards, that the market data would only approve \$400,000 for a two-and-a-half acre plot that day.

**Assemblyman Anderson:**

I am curious as to whether it was anticipated that it would go for higher than the yellow book value.

**Meg Jensen:**

It is hard to quantify that at this point. If you had asked us this question in 1998, we would not have questioned that the auctions would have generated as high an increase as they generating.

**Assemblyman Anderson:**

Generally, the real auction value tends to be higher than the yellow book.

[Ms. Jensen agreed.]

**Chairman Perkins:**

Thank you for your information; it has been helpful for the Committee. I will ask Mr. Ziegler of the Truckee Meadows Regional Planning Agency to come forward and enlighten us.

**Dave Ziegler, Director, Truckee Meadows Regional Planning Agency:**

This is the common name for the program of regional planning that the Legislature established in Washoe County in 1989. Backing me up today are Rosanna Coombes, Senior Planner, and Patricia Rogers, Community Outreach Specialist.

First, I will give you information about the statute, the regional plan itself, and the litigation and litigation settlement that we were involved with 2 years ago ([Exhibit D](#)).

The Legislature created the program of regional planning in 1989. The first regional plan was completed in 1991. The statute requires an update of that plan every five years. The first update occurred in 1996 and the second one was scheduled for 2001. It was ultimately completed in 2002; that is the one we are now operating under. This summer we begin work on your next update, which is due by May of 2007 ([Exhibit E](#)).

The structure of the regional planning program (slide 4 of [Exhibit D](#)): It is often not clear who we are and who we work for. My employer is the Regional Planning Governing Board, made up of four members of the Reno City Council, three members of the Sparks City Council, and three members of the Washoe County Commission. The Regional Planning Governing Board is the ultimate authority for the regional planning program. They adopt the regional plan, hear appeals, set the budget, et cetera.

The Regional Planning Commission (RPC) (slide of [Exhibit D](#)) is made up of appointed officials: three from the Reno Planning Commission, three from the Sparks Planning Commission, and three from the Washoe County Planning Commission. It develops the regional plan and forwards it to the governing board for adoption. It implements the regional plan through the process known as the conformance review.

By statute, there is a group of agencies known as the affected entities. This group includes the RTC [Rapid Transit Commission] of Washoe County; the District Health Department, both the Air Quality Management Division and Environmental Services Division/Solid Waste Disposal; the Airport Authority; and the School District. Their master plans, facilities plans, and other plans must conform to the regional plan. They have to submit their plans to the Regional

Planning Commission for conformance review. This is an ongoing process of review.

[Dave Ziegler, continued.] The RPC meets twice a month. On every agenda, there is some matter for conformance review. Amendments to those plans also have to be checked for conformance. Sierra Pacific Power Company also brings its resource plans to the RPC for conformance review. In that case, the finding of the RPC is only advisory; it is submitted to the PUC [Public Utilities Commission of Nevada].

The history of the 2002 update (slide 6 of [Exhibit D](#)) is interesting. The regional plan has been around for 12 years; there has been a lot of public input over that period.

We got community feedback on that update (slide 7 of [Exhibit D](#)). We did surveying and had many responses. The community asked us to maintain the character of the communities and neighborhoods in the region, minimize sprawl, manage natural resources responsibly, keep open space accessible, and make the regional plan durable and predictable. The public wanted managed growth and for us in the Truckee Meadows to work as a region. The scope of the 2002 regional plan (slide 8 of [Exhibit D](#)) was basically three main areas: land use planning; infrastructure and service provision; and natural resource management.

When we were invited to present this, your staff asked us to shed some light on the relationship between our planning process and the water planning process and the water purveyors and how the whole thing fits together. We modified this slide (slide 9 of [Exhibit D](#)) to help illustrate that.

On the left, you see the responsibilities of the Truckee Meadows Regional Plan (TMRP). These are the elements of the regional plan that are set forth in statute, starting with population forecast and going down that entire list (slide 9 of [Exhibit D](#)). Those are the things that are required to be covered in our regional plan.

There is a separate Regional Water Management Plan (RWMP) process (slide 9 of [Exhibit D](#)). That is set forth in Chapter 540A of NRS [*Nevada Revised Statutes*]. It is run by the Regional Water Planning Commission (RWPC), which is a separate entity. The connection between TMRP and RWMP is that the water plan must conform to the regional plan. It is updated from time to time and submitted from conformance review.

[Dave Ziegler, continued.] On the RWPC, you have the same three local governments; domestic well owners; the public at large; SVGID [Sun Valley General Improvement District], the largest GID in the region; TMWA [Truckee Meadows Water Authority], the largest water purveyor in the region; the Pyramid Paiute Tribe; and the Washoe County Water Conservation District. There are non-voting members on the RWPC, including the State Engineer's Office, NDEP [Nevada Division of Environmental Protection], and others. All the water expertise is focused in the RWPC and the water purveyors are represented there. The major water facilities to that Commission for review for conformance of the water plan.

**Chairman Perkins:**

We had a discussion this morning in Ways and Means about water, the Office of Water Planning in the State, and water challenges facing northern Nevada, water rights in particular. When a developer in southern Nevada purchases a piece of property within a municipality, that municipality provides the water through the municipal water service. Is that the same process in northern Nevada, or do the developers have to purchase water rights along with the land they are trying to develop?

**Dave Ziegler:**

There is a difference. In Washoe County, the rule is that a person who wishes to develop a piece of land must provide both the water right and the physical source of supply. They must dedicate that water right over to the water purveyor.

In terms of the structure of the regional plan (slide 10 of [Exhibit D](#)), we would like to walk you through the main provisions, which have to do with where and how we develop, how we manage our unique resources, how we provide infrastructure and services, and how we implement the plan.

Let me touch on some fundamental assumptions (slide 11 of [Exhibit D](#)). Our jurisdiction is all of Washoe County, which extends north to the Oregon-Idaho border, less the Paiute tribal lands and the portion of the county that is within the Tahoe Basin. For practicality, we focus on the southern 15 percent of Washoe County, the urbanizing area, and the immediately surrounding rural.

Currently, the population of our region is about 350,000. We forecast by the year 2020 there will 100,000 on top of that. The numbers I have been seeing lately are higher than that. If you look at the recent absorption rates and recent population growths, it is actually higher than this forecast. We anticipate, in the north, increasing ethnic and cultural diversity, a changing age structure as the

“baby-boomers” mature, need for diversity in housing products from rental to larger homes, and economic and environmental sustainability.

[Dave Ziegler, continued.] In these next few slides (page 3 of [Exhibit D](#)), we get into the fundamentals of the plan itself. The first is the Truckee Meadows Service Area (TMSA). This is a boundary in the regional plan that separates the rural area from the urbanizing area. The presumption is that if lands are inside the TMSA, they will, over the long haul, receive municipal services such as water, sewer, parks, streets, roads, schools, et cetera.

The rural area is the rural area. The purpose of the TMSA, among other things, is to have an edge to the urbanizing area. Secondly, it is to keep a lid on the impacts that come from having too large of an area to serve, where you have long, linear facilities, long vehicle trip lengths, and a large service area. The purpose of the TMSA is to try to keep the urbanizing area compact.

Outside the TMSA is the Rural Development Area (RDA). The white area in the center basically is the TMSA (Slide 14 of [Exhibit D](#)). The area around that is the RDA. In the RDA, the assumption is that municipal services will not be provided. If you have a parcel in the rural area, you are basically talking about well and septic tank. The general rule is that the divisions of land in the RDA are limited to 5 acres. That 5-acre limit is the smallest size parcel that district health is comfortable with putting septic tanks on. There are exceptions to that rule. Generally, it is a 5-acre rule for land in the RDA.

Both inside and outside this service area, there are development constrained lands. These are lands that are too wet, too steep, or in federal hands. In our plan, these lands are considered to be constrained and off-limits to development.

Within the urbanizing area of the region (slide 15 of [Exhibit D](#)), our plan is based on a concept of centers and corridors. We are targeting certain transportation corridors and regional centers as infill target areas. We have the two downtown regional centers, Reno and Sparks. Then, we have other regional centers, the areas around Stead and Reno-Stead Airport; UNR (University of Nevada, Reno); Dandini Drive and the Desert Research Institute (DRI); Washoe Medical Center; Meadowood Mall; and the Redfield Campus at the south end of the area.

These regional centers are connected by five transit-oriented development (TOD) corridors. The South Virginia Street, North Virginia Street, West Fourth Street, and East Fourth Street corridors are TOD corridors, as is the Mill Street corridor out to the airport. These are definitely infill target areas.



[Dave Ziegler, continued.] Our plan is a smart-growth plan. It tries to encourage infill within the certain portions of the urbanizing area. It is really the only alternative available to us other than the typical sprawl model. If the people are not satisfied with the result we are getting now from the land-use planning process, then infill is the only other way to go. Our plan is based on the concept of infilling centers and corridors and targeting the area within the McCarran ring road within the center of the urbanizing area.

There are areas inside the TMSA and outside the cities and their spheres of influence. Those are the unincorporated areas limited by the regional plan to three dwelling units per acre. They are basically suburban areas. Spotted throughout the regional planning area, there are jobs/housing-balanced targets, which we call emerging employment centers. Central Sparks is one; the South Truckee Meadows is one; the area around Verdi is one.

We have these different types of areas within the TMSA. Some are infill target areas; some are designed to be employment centers with a good job housing balance [also called mixed development]. That is the fine grain of the regional plan.

There is a priority statement (slide 16 of [Exhibit D](#)) in the regional plan that we will marshal our public investment and infrastructure and services to support 35 percent of population and employment growth inside McCarran Boulevard and the remaining 65 percent to go outside of McCarran Boulevard. Over time, I don't know if that is going to be obtainable and, in our next update, we will probably take a look at those goals and fine-tune them. The idea is to direct as much residential and employment growth as we can into the core areas.

Here is a map (slide 17 of [Exhibit D](#)) of what I have been talking about. You can see in the center the McCarran ring road, which goes around most of Reno and Sparks, the North and South Virginia Street TOD corridors, the East and West Fourth Street TOD corridors, the TOD corridor going out to the airport, and the various regional centers.

Let's move on to the Development Constraints Area (DCA) (slide 33 of [Exhibit D](#)). There are steep areas and wetlands that are off-limits to normal development. There are certain allowed uses on those, such as forestry uses and certain transportation uses. These areas are generally limited to 1 unit per 40 acres or 1 unit per parcel if the parcel already existed when the plan was adopted. In the DCA, commercial, office, industrial, and residential development is not generally allowed.

[Dave Ziegler, continued.] In terms of managing natural resources (slide 34 of [Exhibit D](#)), we have slope policies in the regional plan that make slopes over 30 percent out of bounds to most development. Slopes between 15 and 30 percent are managed areas where the local governments must prepared management strategies. Under the RWMP, those plans need to be reviewed by the RWPC.

In terms of green space and open space, Washoe County is encouraged in our plan to identify funding sources to implement the open-space plan. The local government master plans are required to include a green-space and open-space strategy.

On air quality (slide 34 of [Exhibit D](#)), the slide here is cut off at the bottom. Our plan relies on the plans of the Air Quality Management Division of District Health. We basically try to reinforce and support their planning efforts.

The RWPC reports to the Washoe County Board of Commissioners. Their plan must be consistent with and carry out our plan. We just check their plan for conformance. We checked it this spring and it went well. With the water plan, the transportation plan, and these other large master plans that we check, we try to make that conformance review process a give-and-take, negotiated process to get both agencies on the same page.

One of the things our regional plan is required by law to do is identify the spheres of influence (slide 38 of [Exhibit D](#)) of the cities of Reno and Sparks. These are areas that the cities may annex into over 20 years. This has been a very controversial element of the regional plan for the whole existence of the regional planning process. It is a hot button in the regional plan that refuses to go away. The local governments are required to have annexation programs and submit them for conformance review.

This is a map (slide 39 of [Exhibit D](#)) of the cities of Reno and Sparks that show their incorporated areas. The darker areas are those spheres of influence that they can annex into over the next 20 years. In those spheres of influence, the cities may exercise something is called ETJ [extra-territorial jurisdiction]. Even though those spheres of influence are not inside the cities' corporate boundaries, the cities may adopt master plans for those areas and enforce planning and zoning ordinances in those areas wherein they have taken an ETJ. It sounds bizarre, but it is not an unusual process throughout the United States. Many cities in our country are granted ETJ in state laws.

In terms of implementing the regional plan (slide 41 of [Exhibit D](#)), the plan includes numerous policies that get into the procedural element of how we do our business.

**Assemblyman Anderson:**

Seeing the changes on the west slope of the Pah Rah Range as it faces the City of Sparks, I am concerned about the slope question you mentioned. They seem to have grown up over the east side of the ridge and down the face of the slope. Do all those meet that 15 to 30 percent requirement?

**Dave Ziegler:**

As far as I know, they do. I could check on whether there has been any deviation from the plan. Sparks' 15 to 30 percent management policies were found to be in conformance with the regional plan.

**Assemblyman Anderson:**

The D'Andrea properties seem to be doing well. Some of the more recent projects on the face of the Pah Rah Range seem to be rather dramatic compared to earlier slope definitions. I am concerned about that part of the regional plan.

**Dave Ziegler:**

One example of development on the east side of Sparks is the Copper Canyon project, which came into the regional planning commission for conformance about a year ago and found to be in conformance. I noted that there were large cuts and fills in that project. There were cuts and fills of as much as 80 feet deep or more.

The policies of the regional plan did not specify that was a conformance issue. We analyzed that proposal carefully. It may point to an area in our update that we should look at in policies on cuts and fills. We constantly get emails that we need to get a handle on excessive cuts and fills. I don't know if it is slope management or cut-and-fill issues that raise those types of questions.

As to working relationships, we put a high priority on having the best possible working relationship with all the local governments and affected entities. It is the foundation of your program.

**Assemblywoman Leslie:**

I have the 2030 Transportation Plan. I flipped through them and was alarmed to see that they were saying that our population is going to double in the Reno-Sparks area. Who is planning for water, sewers, et cetera, for that kind of growth? Also, isn't there a new growth task force that has been formed? How does that task force interact with the work that you do at Regional Planning?

You were saying in your testimony how the transportation corridors could look much better. In the 2030 Transportation Plan, it looked like they were talking about expanding several roads, like Arlington Avenue, to six lanes. You

remember the fight we had over Plumas Street in my district. You can't be serious about expanding lanes in those residential corridors. That seems to go against your presentation.

**Dave Ziegler:**

The Truckee Meadows Growth Task Force was established from a grassroots effort, originating around the time of last year's fall elections. There was some controlled or managed growth sentiment that surfaced in the form of proposed ballot measures. It was suggested by the Chamber of Commerce and EDAWN [Economic Development Authority of Western Nevada] and others that perhaps a growth task force might be a better response.

A growth task force has been formed. It is not a governmental entity. It includes 25 members, a cross-section of people from industry, environment, education, health services, labor, et cetera. I have been attending their meetings as a resource person to basically make recommendations and follow through on them to manage growth in the region. They are just getting started.

We are counting on them in our 2007 Update ([Exhibit E](#)) as one of the ways we can get input into the update process. They have a great cross-section of people throughout the region. We feel we can tap into their expertise.

As to growth projections, RTC's 2030 Plan, RWMP, and all the other plans are required to use the same growth projections that everyone else does. That is called the Consensus Forecast. The TMRP requires that everybody use the Consensus Forecast. The Forecast historically underpredicts. If you go back 10 or 15 years and look at their projections, they are consistently lower than what actually happens. We are bracketing future growth in a range, saying that it could be at the Consensus Forecast level, which is about 3 percent a year, or could be like more recent experience, which is at about the 5.5 percent a year absorption rate of new population.

We have had issues with both the water plan and the transportation plan as to the splits. When you split it out by various factors, we get different estimates at that detailed level as to where the growth is going to occur. We have forged an agreement with RTC and RWPC to work together to see if we can come up with a consistent methodology for doing those splits.

If we are targeting 35 percent of growth to infill, that means 65 percent growth is going to occur, according to the standard model, that will have to be accommodated.

**Assemblywoman Leslie:**

In the Reno-Sparks area, it is different from Las Vegas in terms of how people think about growth. They will wonder where these people are going to live. What we need is some strong leadership. Your group was designed to be that leadership. With all the infighting between the county and the cities, who is really going to look at the whole, overall, complex picture of all these needs? Is that your group?

**Dave Ziegler:**

I was about to mention a settlement conference (slides 42-44 of [Exhibit D](#)) with which we were involved in the fall of 2002. District Judge Hardesty mediated that settlement conference. He sees the Truckee Meadows Regional Planning Governing Board (TMRPGB) and the Truckee Meadows Regional Planning Commission (TMRPC) as leaders. The way the planning process is structured, the regional plan is the umbrella plan with which the others must conform. The structure is there.

There is a theory about regional planning agencies that they have to reach a certain level of maturity, just in number of years of being around, before their role in the region starts to be accepted. Our agency has been around for about 15 years. Maybe we are just getting to that maturity where we can be the glue that holds everything together. We want to keep the urban form as compact and dense as we can. Unfortunately, that conflicts with other people's visions of why they move to a particular street or area. It is difficult.

Let me finish by mentioning the Settlement Agreement (slide 42 of [Exhibit D](#)). Right after the 2002 update, Washoe County and SVGID sued the TMRPGB to prevent the implementation of the regional plan. Their basic complaint was that the plan was vague and didn't follow the law, in their opinion. They won a preliminary injunction against the agency.

In the fall of 2002, Judge Hardesty invited all the parties to the courtroom and asked if they would be interested in trying to settle. All the parties agreed to try. There was a four-week settlement conference in the fall of 2002. Ultimately a settlement agreement was reached and the lawsuit dismissed, along with a couple of associated lawsuits. Some of the key elements of the agreement were some adjustments in the sphere of influence and TMSA boundaries, places that had been areas of dispute between the cities and the county. There was an adoption of a new planning process called cooperative planning.

One of the county's objections to the regional plan was, as the cities came out into the spheres of influence and exercised their ETJ option, the county felt that its master plan, after years of effort and public input, was being wiped out. One

of the elements of the settlement agreement was that the county plans are floored in. Any changes to those county plans have to be done cooperatively between county and cities.

[Dave Ziegler, continued.] If disputes were to arise, there was a dispute resolution process embedded in the agreement that would come up through the TMRPC and the TMRPGB and, if necessary, to Judge Hardesty. At first, there was a flurry of those dispute resolution cases. That has died down, and there is only one in front of us.

The question came up during the settlement conference, is the regional plan resource constrained? Our agency agreed that it was or should be resource constrained. The regional plan was amended in the spring of 2003 to make it clear that we have to follow all the natural resource laws and evaluate all conformance reviews and all regional plan amendments to make sure that they are consistent with the resource constraint. That is an area that needs more. The fundamentals, though, are in place.

**Vice Chairwoman Giunchigliani:**

Thank you for the presentation. I wish southern Nevada's regional plan was more progressive. When that law passed, modeled after yours, I was hoping they would get into more of the proper land use, planning, spheres of influence, et cetera. There are people serving on it who don't support the concept of regional planning.

**Dave Ziegler:**

We like our plan. We know it can be improved and are looking forward to the update, but we do like the TOD corridor, TMSA boundaries, infill target areas, and the DCA. Maybe the southern Nevada regional planning coalition needs just to mature for a little while.

**Vice Chairwoman Giunchigliani:**

We have one more presentation on rural growth and infrastructure needs.

**Tom Harris, Director, University Center for Economic Development, University of Nevada, Reno (UNR):**

I am also a professor in the Department of Resource Economics in the College of Agriculture, Biotechnology, and Natural Resources at the UNR.

I want to talk about the Nevada Rural Council, which started about two-and-a-half years ago, and what issues we are looking at. When we talk about rural, people think that you take the total population minus the urban and have the rural as the remainder. The rural economy, especially in the State of Nevada, is

very diverse. When working with rural, we have to go through an understanding that, nationally, a farm bill is not just rural development.

[Tom Harris, continued.] In classifying rural areas ([Exhibit F](#)), the Bureau of Census developed in 1950 MSAs [Metropolitan Statistical Areas]. In 1950, Clark County was a rural county. Pima County, where the University of Arizona is in Tucson, was also a rural county. In 1960, with rapid growth, Clark County became an MSA. What we found was that the most growth, percentage-wise, was happening in what we formerly called rural counties. Sometimes, we look at rural areas and we talk about decreases. It may be better to incorporate those counties first declared rural in 1950 and look at the further developments.

Growth is also in those counties adjacent to MSAs. In the north, these are Douglas, Storey, Lyon, and Churchill Counties. Some people call Nevada the most urban state because the urban counties make up, in the 2000 census, about 86 percent of the population of Nevada. It seems odd for them to classify us as urban. If you flip that and look at it as acreage, taking out Washoe and Clark Counties, you have about 87 percent of the acreage in rural areas. So, "rural" has many definitions and meanings.

What exactly is causing these changes? How does this impact the rural areas? Most of us know that the growth in the U.S. economy is really developed in goods-producing sectors and service-producing sectors. Goods are agriculture, mining, construction, and manufacturing. Services are retail, wholesale, and those types of things.

In 1920, about two-thirds of our employment was in goods-producing sectors and one-third in service. That changed rapidly so that, in 1947, it was fifty-fifty. As you see on the graph (page 5 of [Exhibit F](#)), it has increased substantially to about 80 percent of our employment in the service sector and only 20 percent in the goods-producing sector.

Our increased production capability is causing the change (page 6 of [Exhibit F](#)). Our production of goods and services, due to technology, is more than what we could do before. In the agricultural sciences, we try to grow two blades of grass where one grew before. What we have is mass productivity. It does not take as much to grow, produce, or mine.

This is where some people misconstrue things. They think, since only 5 percent of the workforce is in mining, it is not as important (page 7 of [Exhibit F](#)). Not true. In India, where they use sledgehammers to break rocks, put those rocks in baskets, and put those baskets into a 1947 pickup, about 80 percent of the population is in mining. By being productive, we are able to have more

production of goods and services, and going to the service sector helps the quality of life.

[Tom Harris, continued.] Capable technology is causing a lot of the production increases and why we see changes in the service sector. The service sector is not immune to these production processes. For example, where you used to see many table games, you now see slot machines in casinos. Productive capacity in agriculture and mining impacts the mining wages and the returns to agriculture.

There is increased person income and changes in demands. Per capita income in the U.S. has been increasing steadily. What that does is yield different demand. People, especially those from urban areas, want to recreate in rural areas. This causes people to make different expenditures. We don't spend 50 percent of our budget on food anymore. There is now a difference in expenditures and the way we make our incomes—dividends, interest, rents, et cetera.

When we talk about rural areas, especially in terms of tourism, we need to recognize the need to have certain services that urban people are familiar with. For example, a rural area in Utah was trying to develop a tourist trade and nothing was working until they put in an ATM [automated teller machine]. Now, people in urban areas could get to their money. In other words, those kinds of conveniences that people see in urban areas they want to see in rural areas. This is how we should look at rural health. If someone gets hurt in a rural area and cannot get adequate health care, that gets around and you can forget about having an active tourist trade. We can now do that with telecommunications.

We are part of a global economy, even in rural Nevada. This is because of NAFTA [North American Free Trade Agreement of 1994]. When gold, alfalfa, or cattle prices change, it is a worldwide phenomenon. That has an influence in the rural communities.

The change in sector employment does not signify which sectors are important because you can have productivity come in. We look at which sectors are exporting. In many of our rural areas, manufacturing, mining, and agricultural are the main exports. They are bringing dollars into the local economy. Their total percentage of employment is down because the total productivity is up.

The change in income shares has been very different. People get income from work but also by dividends, interests, rents, and transfer payments—Social Security and Medicaid. In 1969, when the statistics were accumulated in the U.S., about 20 percent was passive income. This meant you did not have to live close to where you work if you had dividends, interests, rents, and transfer



payments. Those are now about one-third of the U.S. They are even larger in some of our rural areas. People are getting older, and that has an influence also.

[Tom Harris, continued.] We always ask, "Do people follow jobs, or do jobs follow people?" In the big exporting industries, people follow the jobs. To maintain the health of retired people, especially those on passive incomes, jobs follow those people. It offers in rural areas a different segment for recreation and economy. People can now live in different places because they can take those dividends, interests, rents, and transfer payments and live off that income.

Washoe and Clark Counties get a lot of their employment from those educated people in rural areas. An educated workforce is very important. A viable economy in these rural areas means that the local, State, and county governments do not have financial problems. If they have financial problems, those problems will come back to the State. White Pine School District is one example of that. The closing of the army depot at Hawthorne is causing that county problems, and later maybe to the State. A healthy, viable rural economy is very important is helpful to Washoe and Clark Counties and their tourism.

Here is a picture of the State of Nevada (page 8 of [Exhibit F](#)) showing the urban counties of Washoe and Clark; the other 15 are the very large rural counties. I would have to say that Laughlin is a rural area. You have to drive 1.5 hours just to get there, and it has a different dynamic. This is the land space and some of the characteristics.

Nevada is the fastest-growing state in the U.S. From 1999 to 2000, we grew 66.3 percent (page 9 of [Exhibit F](#)). In comparison, Arizona only grew by 40 percent. The states of Colorado, Utah, and Idaho were not far behind. The United States only grew 13.1 percent overall. Not all the counties in the State of Nevada (page 11 of [Exhibit F](#)) participated equally in that growth. In 2000 (page 12 of [Exhibit F](#)), 85.7 percent of the population was in the urban areas of Clark and Washoe Counties. In 1990, 83 percent was in the rural and urban counties. If you look at Clark and Washoe Counties, the total percent of change from 1990 to 2000 was 90.3 percent. That is not to say that the rural counties were not growing. Counties such as Lyon had a 72.5 percent increase in population; overall, it only contributed 1.82 percent to the total population of the State of Nevada.

Many counties between 1990 and 2000 went into a mining bust. Four counties realized population decreases: Esmeralda, Lander, Mineral, and White Pine. As you go through rural Nevada now, you see increases in activity. Lyon and Douglas Counties next to Washoe County are increasing. Even in Elko, there are

increases. In Elko, the mines are going so fast that, if you were an electrician and worked underground, you could get a \$2,000 signing bonus. There is employment now.

[Tom Harris, continued.] The State Per Capita Income chart (page 13 of [Exhibit F](#)) shows the wealth in each of the counties and for the State. Per capita income is resident income. Per capita income is made up of not only the net earnings but also the dividends, interests, rents, and transfer payments. "Net earnings" is money you earn where you live and work. If you live and work in the same area, it is combined. If you work outside from where you live, it is deducted; that is the net. That causes these changes.

Douglas County is number one in per capita income, and has been for some time, at \$41,048 (page 15 of [Exhibit F](#)); Washoe County is second at \$38,241; and Clark County is fourth at \$20,961. If you think about how fast Clark County has grown, that is truly remarkable. Pershing County is the lowest at \$16,737; droughts that affected them and they have the prison population, which would bring that down.

In 2003, the State had a per capita of \$31,910 (page 14 of [Exhibit F](#)), ranking Nevada 18th in the United States; remarkable, given our rapid growth. Pennsylvania is 17th with a per capita of \$31,911; and Michigan is ranked 19th with \$31,178. The State has been growing in per capita income but dipped a bit as growth slowed. As you get more service industry to fill the needs of the local people, you will see the per capita income increase. Also, as people sell their homes in California and come to reside here, their dividends, interests, and rents are an influence on per capita income.

If you put Douglas County in with the U.S., it would be the third-highest of all the states in per capita income. Pershing is the lowest, but with this wet winter, things should improve there. Characteristic of rural counties is that they are impacted by a single industry, agriculture. Clark County had a per capita income that would rank it 20th among the 50 states. Washoe County had a per capita income that would rank it 5th among the 50 states.

The main characteristic of rural Nevada is sparse population density (page 16 of [Exhibit F](#)). In regional economics, we talk about economies of place instead of economies of a product. Some think if we had price supports that would increase activity in rural areas. That is not true; some places don't have that.

Interesting about Nevada is that the urban area had a density of 113 people per square mile, and rural has a density of about 7.5 people per square mile. In this, I have included Carson City, which now, by the MSAs, has 364 people per

square mile. In the rural communities, three counties have less than 1 person per square mile; six counties have between 1 and 2 people per square mile; and the rest have a population of over 2 people per square mile. The lack of density increases the cost of community services. If you have people close in, then you don't have to build pipelines as far, et cetera. With density, there are impacts to the local economy.

Another unique thing about Nevada (page 17 of [Exhibit F](#)) is that only 21.3 percent of Nevadans were native-born, and about 83 percent of Nevada's land is federally administered. Page 18 (of [Exhibit F](#)) has a list of native-born percentages of other states for you to compare to Nevada's 21.3 percent. Florida has 32.7 percent; Alaska has 38.1 percent; Arizona has 34.7 percent; and Pennsylvania has 77.7 percent. We have a very changing population; people are moving.

In Clark County, many older people are coming from California after selling their homes; there are a large number of younger people coming in also. This means that people do not have a history of the State. You have to teach them what this State is about so they will buy into what we have.

Everything is not uniform for the State of Nevada. White Pine County has the most native-born population, 42 percent. These are mainly the counties that have not grown, and you will see them probably aging. Washoe County has 26 percent; Clark County has 19 percent. A lot of new people are coming in, new ideas, et cetera. This helps to build a new history.

One of the main things that impacts us is federal lands (page 20 of [Exhibit F](#)). Nevada has 83 percent under federal control. Alaska has 67.9 percent; Utah has 64.5 percent; and Idaho has 62.5 percent. It is a factor of production. You have labor, water, land, et cetera. Federal lands are big factor in many of our counties. In the 11 western states, 47 percent of all land is in federal acreage. There is a program called PILT [payment in lieu of taxes] that many of the counties get in the State of Nevada based on acreage and population. Because of the formula, there has been a difference. California has a million acres less than Nevada, but they give \$1 million more in PILT payments. That is because they have so many more counties. You can calculate what it is to be, and then the U.S. government tells you that they will only pay 80 percent of it.

In 2000, rural Nevada accounted for 14 percent of the State's population, down 17 percent from 1990 (page 22 of [Exhibit F](#)). It experienced slower growth; it has grown, but its proportionate share has been lower. Rural Nevada has a higher percentage of native-born than in the metropolitan area.

[Tom Harris, continued.] A higher percentage of rural Nevada's land is administered by the federal government (page 23 of [Exhibit F](#)) than the metropolitan areas. Rural counties have more in transfer payments than they do in other counties. Therefore, when there is a change in Medicare, Medicaid, or Social Security, there is an impact on rural Nevada. They have more small businesses than the urban area. These are mostly proprietorships and the huge mines.

Rural Nevada is less diversified (page 24 of [Exhibit F](#)) than the rest of Nevada. Therefore, fluctuations in one industry can change the economy. As we have seen, the rural economies can be impacted by gold prices, the closure of bases, et cetera. Rural has the largest dependence on natural resources, which vary.

For many rural counties, the unemployment rate gives an incorrect picture of its economy. The unemployment rate is more about the labor force. When mines shut down, people leave. When some of the rural counties have problems, they say, "We would like to get some EDA [Economic Development Administration, U.S. Department of Commerce] funding or other funds, but the unemployment rate is still 2 percent." The problem is that everyone has left. Sometimes, we get impacted by Eastern and Midwest formulas that hurt us.

The Nevada Rural Development Council (page 25 of [Exhibit F](#)) was created about two-and-a-half years ago. It is focused on helping rural communities. We are going to have a summit June 27-29, 2005, called "Keys to Sustaining the Quality of Life in Rural Nevada." It will be at the Carson Valley Inn in Minden. We will talk about issues from employment to health and other issues.

I have also listed some websites (page 27 of [Exhibit F](#)) that can give you other information on rural areas.

Rural Nevada is not "one size fits all." It is very diverse. We have some increases in rural areas due to mines and other economic activity. We also have what is going on in Hawthorne, which may have equally decreasing effects on the county's economy. This shows the problem with having only one major industry sector.

**Vice Chairwoman Giunchigliani:**

Thank you, we do appreciate the information and the presentation.

We have no questions and no further business. We will have a work session on Thursday. We are adjourned [at 3:42 p.m.].

RESPECTFULLY SUBMITTED:

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James S. Cassimus  
Committee Attaché

APPROVED BY:

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Assemblyman Richard Perkins, Chairman

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Growth and Infrastructure

**Date:** May 17, 2005

**Time of Meeting:** 1:51 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	<b>A</b>		AGENDA.
	<b>B</b>	Meg Jensen / BLM	Prepared statement.
	<b>C</b>	Meg Jensen / BLM	Fact sheet.
	<b>D</b>	David Ziegler / TMRPA	PowerPoint presentation.
	<b>E</b>	David Ziegler / TMRPA	2007 Fact Sheets for proposed plan updates.
	<b>F</b>	Tom Harris / University Center for Economic Development, UNR	PowerPoint presentation.