

**MINUTES OF THE
JOINT MEETING OF THE ASSEMBLY COMMITTEE ON TRANSPORTATION
AND THE
ASSEMBLY COMMITTEE ON TAXATION**

**Seventy-Fourth Session
March 1, 2007**

The Joint Assembly Committee on Transportation and the Assembly Committee on Taxation was called to order by Chair Kelvin Atkinson at 1:36 p.m., on Thursday, March 1, 2007, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY TRANSPORTATION MEMBERS PRESENT:

Assemblyman Kelvin Atkinson, Chair
Assemblyman Mark Manendo, Vice Chair
Assemblyman David Bobzien
Assemblyman John C. Carpenter
Assemblyman Jerry D. Claborn
Assemblyman Ty Cobb
Assemblywoman Susan Gerhardt
Assemblyman Ed Goedhart
Assemblyman Pete Goicoechea
Assemblyman Joseph Hogan

ASSEMBLY TAXATION MEMBERS PRESENT:

Assemblywoman Kathy McClain, Chair
Assemblyman David R. Parks, Vice Chair
Assemblywoman Francis Allen
Assemblyman Morse Arberry Jr.
Assemblyman Mo Denis
Assemblyman Tom Grady

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Assemblyman William Horne
Assemblyman John W. Marvel
Assemblyman Harry Mortenson
Assemblyman James Ohrenschall
Assemblywoman Peggy Pierce
Assemblywoman Valerie E. Weber

COMMITTEE MEMBERS ABSENT:

Assemblywoman RoseMary Womack (excused)

STAFF MEMBERS PRESENT:

Marjorie Paslov-Thomas, Committee Policy Analyst
Russell Guindon, Senior Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Kelly Troescher, Committee Secretary
Christine Henriksen, Committee Secretary
Matt Mowbray, Committee Assistant
Gillis Colgan, Committee Assistant

OTHERS PRESENT:

Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada
Kevin Eubanks, Assistant General Manager, Regional Flood Control District, Clark County
Virginia Valentine, Clark County Manager
Denis Cederburg, Director, Clark County Public Works
Philip D. Speight, City Manager, City of Henderson
Richard A. Derrick, Manager, Office of Budget and Strategic Management, City of Henderson
Mark Vincent, Director, Department of Finance and Business Services, City of Las Vegas
Douglas A. Selby, City Manager, City of Las Vegas
Gregory E. Rose, City Manager, City of North Las Vegas

Chair Atkinson:

[Meeting called to order. Roll Called. Spoke from prepared text. ([Exhibit C](#))]
Instead of Clark County going first, we are going to ask the Regional Transportation Commission (RTC) to the table. Because there are six entities presenting today, we are going to ask you to keep your presentation

between ten and fifteen minutes and leave time for the Committee members to ask questions.

Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada:

([Exhibit D](#)) Like all local government to a certain extent, the RTC was created by the Legislature. We were created in the 1960s. A question we often get asked in the community is "who are we?" We are a regional government. State statutes say we have two county commissioners on our board, two members from the City of Las Vegas Council, and one member from each of the other incorporated entities in southern Nevada. You can see them on the list that you have. Bruce Woodbury is our chairman. He has been chairman for a very long time. The other County Commissioner is Chip Maxfield. Larry Brown and Oscar Goodman, represent the City of Las Vegas; Andy Hafen, Henderson; Robert Eliason, North Las Vegas; Roger Tobler, Boulder City; and Mayor Bill Nicholes, Mesquite.

I will briefly tell you what the Legislature has directed us to do based upon the three letters that you see on the screen—R, T, and C. "R" stands for "roadways"; "T" for "transit"; "C" for "clean air." I will talk about each of them in answer to the questions you asked in your letter. [Referred to slide 1 ([Exhibit D](#)).] This is a picture that shows in red lines all of the gasoline tax funded in the last ten years. The green dots represent an interchange, a bridge, or an intersection improvement project. In the material we passed out to you, we could have shown another 360 projects on the map, but it would have been unintelligible. Within your backup, RTC Tax Revenue Sources ([Exhibit E](#)), there is a page titled *Traffic Capacity and Safety Improvement Projects*.

The project that our board has decided is the top priority for roadway funding is the Interstate 215 (I-215) Bruce Woodbury Beltway. Before I came to work for the RTC, I was a county employee. The County does things very well; however, one of the things they do better than anything else is handle the design and construction of the Beltway. They have done a terrific job. We are happy to be their funding and planning partner in this effort. I wanted to let you know that even though we are seeing growth of about 100 cars per day over the past two decades, we are still seeing major improvements in relieving traffic congestion along the Beltway. I have brought some videos to show that to you.

[Referred to video.] This is Rainbow Boulevard at the Beltway in 2001 when there was only a frontage road there. Every morning, you could see the backup for miles around this second Rainbow curve. It was a very difficult situation, both morning and night.

This is the same spot not too long ago. You can see that the frontage road has been replaced by mainline sections of the Beltway. This is good evidence that we are relieving some major congestion on some of the key choke points along the Beltway.

This is the City of Henderson in 2001 ([Exhibit D](#)), and you can see there were only two lanes there at that time. With only two lanes, there was a lot of congestion in the afternoon. There were some safety and capacity problems. This is the 'after' video, now that that facility has been widened from two lanes to three lanes. You can drive along this section of the Beltway at 65 miles per hour close to 24 hours per day without having to slow down.

An example of a public-private partnership that the RTC has participated in funding is the Auto Show Drive Interchange in Henderson. This was a situation in which the developer came forward with several million dollars to fund an interchange. From a planning standpoint, we were anxious to be one of the funding partners in this facility because there was no interchange there. The Sunset Road Freeway Interchange was over-capacity. Along with Nevada Department of Transportation (NDOT), federal, and RTC funding, this facility was recently completed.

Looking to the future and how we are doing our transportation planning: this is a project we call the North 5th Street Superarterial in North Las Vegas ([Exhibit D](#)). It connects the Bruce Woodbury Beltway in the north through 5th Street. The blue segment is a bridge over I-15 that connects to downtown North Las Vegas. It is a very important north-south corridor. This picture demonstrates that this corridor brings together all of our modal transportation elements in one transportation corridor. We have three high-speed, high-capacity lane miles, a raised median in the center for safety, dedicated lanes for mass transit, a bicycle lane, and a 20-foot wide pedestrian pathway on both sides. All of our planning elements are rolled into one corridor.

Another project which we partner with both our local member entities and NDOT and that has many roadways is shown on this slide ([Exhibit D](#)). I want to focus on the Martin Luther King Boulevard (MLK) portion of the project. It involves widening MLK and connecting with a bridge spanning I-15 that would meet with Industrial Road or Dean Martin Drive, which is another very important north-south corridor. We are participating in funding both a single-point urban interchange and the bridge. There are also federal funds and State gas tax funds programmed for this project. Much of the remainder of this project, including the widening of I-15 and the collective distributive roads, have no identified funding source.

Moving to the transit portion of our program, these are the double-decker buses we call The Deuce ([Exhibit D](#)). They have been well received along the strip corridor. We have 50, and we have decided to buy 80 more. We did an experiment. We took four of these coaches and put them on the Nellis route. The ridership went up by 15 percent. The only thing we can conclude is that people like this vehicle better. It has a better air conditioning system, the seats are more comfortable, people like being 14 feet above the road, and they enjoy the view. It is making public transportation a classier experience.

I am showing you a video of our MAX system along Las Vegas Boulevard North. [Referred to video.] I am impressed that this looks more like a light rail system than it does a bus system. You can see the center-drive platform there with the driver. On the inside, it looks more like a train. It has 100 percent low-floor. There is no step up. It has its own dedicated lane so that we can move in this corridor twice as fast as the regular bus. That saves people time and adds value. We serve 7,000 people per day and 2.5 million per year; 24 percent of ridership on this system comes from another form of transportation. It is a great looking vehicle. We designed it to be a train-emulation system. We built within NDOT's right-of-way for only \$19 million. If we would have built a light rail system out there, it would have been more than \$300 million.

Our customers love the fact that we have saved them time. They ask where we will add more of this type of transit. [Referred to slide 22 ([Exhibit D](#)).] The purple corridor is where we have the existing system. The red system along Boulder Highway will be the next corridor to have this system added. The blue corridor, McCarran to the Strip to downtown, will be added at the same time, around late 2008 or early 2009. The green line is Sahara Avenue. There is excess right-of-way that we can utilize as dedicated transit right-of-way in all of these corridors. The one to the south goes all the way down Las Vegas Boulevard South and into the City of Henderson in the Inspirada development. The dark blue lines in the northwest represent the high occupancy vehicle lanes. We are able to put buses in them. We have double-decker buses on order that will be here this year. We expect to start service to the northwest with park-and-ride lots supporting that service by this time next year.

I will give a quick overview of the downtown connector, ACE. Traffic is mixed from McCarran Airport and on the Strip. We have dedicated right-of-way going to the Convention Center and after the Stratosphere tower. The next picture shows some of the dedicated right-of-way that we have going through Grand Central Parkway servicing many burgeoning developments there.

For those who are interested in history, you will notice the Landmark sign in the station to the left ([Exhibit D](#)). That is the old Landmark sign. We are working with the Neon Museum in re-lamping and restoring some old signs. They will be incorporated as art and architecture to the stations and platforms for these systems as you can see in the Fremont Street Experience Station. Here is the Boulder Highway route with the stations. There is a look at the stations and a look at the vehicle inside and out. The Sahara Corridor is another example of how we are combining all modes into one corridor.

We are looking at constructing a superarterial roadway from Boulder Highway on the east to the Beltway on the west with great separations at the major interchanges. This is Eastern Avenue. We also have the dedicated right-of-way for transit and the bicycle pedestrian lanes here.

How is the RTC funded? The first funding source is a half-cent sales tax. In the information that we have provided to you, it shows the tax bringing in roughly \$180 million per year. We split that funding for the Beltway, the roadways, and as a source of capital and operating funding for our mass transit system. The second major source is a nine-cent per gallon gasoline tax. The *Constitution* says we can only use the gasoline tax to build roadways. We have provided you with a detailed breakdown of the projects we have funded in the past and the projects we are funding in the future with these sources combined. This brings in almost \$70 million per year. When the citizens passed Question 10, a ballot initiative to accelerate the construction of the Beltway and to build more roadways and transit, a couple of sources of funding were added to the Fair Share Funding Program. One was a one-cent per gallon gasoline tax, which brings in around \$4 million per year. Another was two cents per \$100 of assessed evaluation from existing property tax, which is dedicated transportation. Those sources go exclusively for roadway projects.

In conclusion, with the rate of inflation in construction materials such as steel, concrete, and asphalt, the projects we had planned to build have seen costs go up about 50 percent from the time we took Question 10 to the public in 2002 to present. The Beltway cost has increased by more than \$400 million. Our other roadway projects have increased by about 50 percent. For the future, we are going to be able to build about half of what we had planned, primarily because of the cost increase for these specific construction materials, the expansion of the economies of China and India, and the growing demand for concrete, steel, and asphalt. The combination of these things is making the cost of these materials very expensive. It is a large challenge for us. In consultation with our financial advisors, we have decided it is more cost-efficient to bond projects than pay-as-you-go, if the cost of the increase of

materials through inflation is greater than the debt service we would pay. That is the program we have. We already have a \$200 million bond program. At our last RTC meeting, our commission gave us the authority to bond another \$400 million in projects for both roadways and transit. We intend to financially manage these projects to the best of our ability.

Chair McClain:

What percentage have you put on the inflation of the cost of production? We are hearing different things.

Jacob Snow:

It depends. When we talk about steel and concrete, we are looking anywhere between 40 and 50 percent. For asphalt, we have seen a 100 percent increase. It depends specifically on what materials you are talking about. When we put it all together, we are looking at an average of about 50 percent, but it varies depending on what kind of project we are going to build.

Assemblyman Goicoechea:

It appears that the largest portion of your revenue is from the half-cent sales tax. Is that correct?

Jacob Snow:

That is correct.

Assemblyman Goicoechea:

Does that mean it escalates as the price of commodities goes up?

Jacob Snow:

The challenge we have in the escalation is with the gasoline tax because it is a flat tax that is not indexed to inflation. Because of that, we cannot build what we used to with that amount of money. The sales tax, being a percentage, provides us a little more. We are much better off using the sales tax funding as opposed to the gas tax funding.

Assemblyman Horne:

Regarding the 50 percent increase for materials—I do not know how material purchases are contracted and if that is also a pay-as-you-go system. Because you have long-term projects, do you also have long-term contracts, such as how some people purchase power, et cetera, so we can try to catch it at the low end?

Jacob Snow:

We do not have long-term contracts, nor do we construct any of the roadway projects. We contract with either the cities or the counties to construct on our behalf. They may be able to give you better information than I have. Those are open-bid contracts, and we go with the lowest responsible bidder. Those are over the short-term. We are looking at design-build contracts over the long-term. Commodities are going to fluctuate depending on the local, regional, national, and international economies. It is difficult to make long-term predictions. We do not know if the demand is going to continue to be there over the long-term for these types of commodities. All the experts are telling us we should plan on the demand being there for quite some time.

Chair McClain:

These hearings are not just for the Legislature's information. Much of our thought process is based on public perception. We hear about the State being short \$3.8 billion, and even if we found that money, the person sitting in traffic on a side street in Las Vegas is going to wonder what we did with it. Part of what I want to see come out of these hearings is information for the public so they understand who does what, some of the time lines that you are facing, construction inflation, et cetera. Maybe you could explain the relationship between the RTC and the cities and the county in general.

Jacob Snow:

Maybe NDOT as well?

Chair McClain:

NDOT as well.

Jacob Snow:

NDOT funds the national highway system, including the interstates. In the Las Vegas valley, there are about a dozen of those primary roadways, with the Beltway as an exception. The Beltway is a principal arterial roadway that functions as a limited access freeway. Because of limitations in funding at NDOT back in the 1980s and 1990s, we came up with our own Fair Share Funding Programs to build the Beltway. Often, if those types of projects are going to be built, we have to come to the table to work with NDOT and all the partner agencies at the local level to deal with these problems. In the past, the RTC has primarily funded the arterial and collector streets in the valley such as Charleston Boulevard, Sahara Avenue, Sunset Road, Tropicana Avenue, Gowan Road, Simmons Street, et cetera. Those are streets with rights-of-way between 80 and 120 feet. The smaller streets in the neighborhoods are mainly built by developers. When someone is stuck in traffic, he does not care

whether it is an NDOT, RTC, county, or city road—he is still stuck in traffic. We have a collaborative planning approach with all of the agencies involved. Right now, NDOT is, in my opinion, at a crisis point in terms of this deficit. They are now the weak link in the chain. None of us have the revenue to come forward and, for lack of a better term, financially assist the weak link in the chain. There are some great people there that we have a great working relationship with, but they do not have the revenue to widen I-15 out to Apex and the Boulder City bypass, widen I-515, and further widen US-95. Our view is that if we have gridlock in the resort corridor in Las Vegas, it has a detrimental impact on the economy of the State. We applaud these Committees for coming together. We have the sense that you are serious about this issue, and we appreciate that. We need your help.

Chair McClain:

I can assure you we are serious about it. It is a serious issue. It is not going to fix itself.

Assemblyman Ohrenschall:

There are many great projects here. In terms of the congestion in the Sunrise Mountain area and Nellis Boulevard, are there any plans to try to do anything with that part of town that cannot get the Beltway because of the Air Force Base?

Jacob Snow:

Yes. The Sahara Superarterial will be an important project that will come out to that area. It should reshape some of the traffic patterns in that area. We are also working with NDOT to try to get an interchange on I-515 in the east part of the valley with Sahara. There are a couple of other interchanges that we want to add to I-515. Future plans call for at least a partial one at Pecos Road. We did a study several years back on building an east leg of the Beltway through the eastern valley. We looked at going behind Sunrise Mountain, but we did not have good traffic loading there. We looked at other alternatives coming west of Sunrise Mountain along Hollywood Boulevard, and other routes. Going to those public meetings was a very unpleasant experience because the people out there told us they did not want that type of facility out there. We started looking at superarterial facilities along Nellis and Lamb Boulevards. It is probably not feasible to do it along Nellis. The one facility that is more suitable for a superarterial development in the future is Lamb Boulevard. We recently completed some other studies that would allow us to extend north-south roadways to the eastern part of the valley. That is what we can do with the built-out nature of that part of the valley. You might be able to get more specific information from Mr. Cederburg from Public Works on the roadways he

is looking at in that part of the district. I acknowledge that it is a challenge out there.

Assemblyman Parks:

Yesterday some of us sat in committees dealing with NDOT's budget. Would you talk about the process of how plans are developed at the local government level and moves up to the State, both the Transportation Improvement Program (TIP) and the Statewide Transportation Improvement Program (STIP)?

Jacob Snow:

It is a lot like making legislation. There is a federally mandated process and a local collaborative process. In our planning process, we have adopted what is called a congestion management system. Before we go out to build or widen a new roadway, we look at each roadway segment and measure existing congestion for how long it lasts, how long the lines of traffic get, and whether that congestion is recurring. Then we look at whether we can do something with traffic signal timing, demand management, or access management. Maybe we could take away driveways that are slowing things down. We can possibly add medians or mass transit. When we have gone through that exercise, we are left with a number of corridors that can be considered for widening. We look at the congestion coefficients, and we see if we can get participation from the developers in this process. Then we look at the revenues we have available. We categorize the projects through our transportation model as to how well we think they can relieve congestion and what the congestion model system says about what is feasible and what is not. Looking at how much money we have, we allocate money to various projects from the funding sources that I described to you. We do that for the short-term by looking three years ahead and focusing on what we build with the money we have. That is our TIP. We also look at a 20-year long-term plan. This is where we can take off some of the fetters of the finances and establish a vision for what we think the transportation system ought to look like and operate in southern Nevada. We can put that into our program, but we must come up with a plan that improves air quality. That is why some of our transit projects have been so important. Without those we would not be able to demonstrate attainment of the federal standards for air quality. We have a short- and long-term process. It is very collaborative and technically driven for project selection. One of the reasons the Beltway was selected as the top priority project is because it is a true regional facility that impacts the entire valley.

Chair Atkinson:

Next we are going to call up the Regional Flood District. I need to make a statement before you begin because we have four others to follow you. Today

we are taking a look at tax sources, specifically dedicated to capital projects related to flood control, public safety, roads, and transportation. I am saying that again because I feel that the presentations should focus on the structures, what we are doing with them, and how we are moving along with them. I caution members of the Committee that that is what we will focus on today. Please keep your questions and comments to the presenters to that.

Kevin Eubanks, Assistant General Manager, Regional Flood Control District, Clark County:

I am here on behalf of our chairman, Larry Brown, and our general manager, Gale Fraser. They are in Washington, D.C., seeking federal appropriations for our Tropicana and Flamingo Washes flood control project, so they are unable to be here today.

([Exhibit F](#)) We are similarly structured as the RTC, but our funding, resource, and expenditure model is much simpler. Our mission is straightforward and focused: to improve the protection of life and property for existing residents, future residents, and visitors from the impacts of flooding.

After some serious flooding in the 1970s and early 1980s, we came to the Nevada Legislature to find enabling legislation to allow for the creation of flood control districts. That was approved in 1985. In 1986, our Board of County Commissioners crafted a ballot question to go before the voters to see if they would support a one-quarter of one percent sales tax to support the regional flood control district. You can see how that ballot question was worded; I will not read it to you unless you are interested in it later. That measure passed by an overwhelming 2-1 margin in September 1986. Based on that overwhelming support, the Clark County Commissioners approved an ordinance to approve and fund the Regional Flood Control District. Once again, the one-quarter of one percent sales tax is our sole source of revenue.

On page 4 ([Exhibit F](#)) is a pie chart showing district resources. Sales tax revenue is 58 percent of those resources. That sales tax revenue allows us to incur bond debt, which provides 34 percent of our revenue. Within the last ten years, total revenue has amounted to a little over \$1 billion. Interest and smaller parts of other sources account for eight percent of the total picture.

Our expenditures over the last ten years come to almost \$1 billion. You can see that 63 percent of that is for flood control projects, 18 percent is for debt service, 5 percent is for maintenance of flood control facilities, 10 percent is for other Capital Improvement Program (CIP) contractual obligations, and only 4 percent is for our district operations.

Looking at our sales tax only, 90 percent of our sales tax revenue goes to design, right-of-way, and construction of flood control facilities, maintenance, and bond debt. This is to get concrete and steel in the ground and other measures to protect families, businesses, and properties from the threats of flooding.

Over the past ten years, we have expended more than \$600 million to build 25 detention basins and 136 miles of channels and storm drains, which has allowed us to remove 47 square miles of flood hazard areas throughout Clark County.

In our CIP this year to date, we have completed five projects. We have five other projects under construction. We have 13 projects funded for construction waiting to go out to bid and 38 other projects currently in design whose construction costs are estimated to be \$346 million.

Every time it rains, we are reminded that there are areas throughout Clark County that need more flood control. In the same regard, every time it rains now, we see that the flood control we have been able to accomplish is working well. We are on the right track. We have identified those hazards either through observation or through engineering methods and have developed a master plan of flood controlled facilities to mitigate those hazards. Remaining on our master plan are 62 detention basins, 415 miles of channels and storm drains, and an estimated cost in 2007 dollars of \$2.2 billion. We estimate that will take another 30 years to complete. We face the same challenges as RTC for the cost of materials and construction. We find that our revenue growth almost keeps pace with the inflation costs of construction. We are building less and less each year with the money we have. We find the best way to shortcut inflation is to try to build things as quickly as possible and to take advantage of every means to do that. In the past, we have bonded to build more projects sooner. We have also partnered with private and public partners.

To give you an example of the kinds of projects we undertake, and the breadth and scope of them, I will show you some pictures ([Exhibit F](#)). The I-15 Channel project protects the area south of the Spaghetti Bowl in a commercial and industrial area including the Charleston Boulevard underpass and the Western Avenue and Wall Street areas. These were completed within the last ten years. The next picture is of the Flamingo Wash at Boulder Highway, just south of Sahara Avenue. We have a before and after picture. In 1999 we were hit with a severe flood that approached, or maybe exceeded, a 100-year flood. Some people do not understand that at the time of that flood, we were 60 percent complete with the design of the channel improvements that you see on the

"after" picture. We plan these things, look into the future, and try to get ahead of things, but Mother Nature seems to know where we are not prepared. She rains there more often. This area is now protected for a 100-year storm. The Gowan Phase III project is in the northwest. In 2003, this area was hit very hard. This project was in design when that happened. The storm centered over Alexander Road. South of Alexander Road, most of our facilities were in place. Not many problems occurred there. Had this project been in place during that storm, the effects of that flood would have been greatly softened. There are projects further downstream of this area and north of Alexander Road that need to be finished in order to complete this system and provide the complete protection that we planned for that area. In North Las Vegas near I-15, we have the Cheyenne Peaking Basin. This is a basin that is designed to allow flow to pass through the area until the capacity of the downstream system is exceeded. You are looking at a picture from upstream to downstream. When that amount of flow is exceeded, it will overrun these banks and be stored in the blank area that you see there. It is a depression. Down near Henderson, two major watersheds at Duck Creek and Pittman converge at the Boulder Highway. These channel improvements are now in place protecting that area. One last example, the Flamingo Wash downstream of the resort corridor is now complete and protecting that area.

We work with many public and private partners. One prime example of that partnership is with the U.S. Army Corps of Engineers on the Tropicana and Flamingo Washes Project. This is a project that is 75 percent funded by the federal government and 25 percent funded by the Regional Flood Control District. Total cost of the project is \$336 million, of which the District's share is \$84 million. In the southwest part of the valley, this project is nearing completion. We have five detention basins, three debris basins, and 28 miles of channel. We undertook a cost benefit analysis that showed for every flood control dollar spent, there are two dollars worth of benefits. We have removed over 30,000 acres of flood zone from Clark County. We are improving traffic safety and protection of property. We are taking every opportunity to put joint recreational uses in our facilities. Our channel system is part of the regional trail system, and during dry weather, this is an appropriate use if safety permits.

Our facilities are designed for up to and including a 100-year storm. This is a flood that has only a one percent chance of being equaled or exceeded in any given year. We maintain these facilities, and we have dedicated resources for maintenance so that these facilities will provide flood safety for generations to come. Our mission can be stated in another way: we try to keep floods away from people through our CIPs, and we try to keep people away from floods through our public education programs.

Chair Atkinson:

I do not see many numbers in what you just presented. What would you say the core percent sales tax has created annually?

Kevin Eubanks:

At present, we are at about \$90 million per year.

Assemblyman Goicoechea:

You do not have any impact fees or fees from development? There are no private dollars incorporated into this?

Kevin Eubanks:

No. There are no impact fees.

Chair McClain:

Based on the way the valley sits, as development keeps expanding, are we creating more flood areas, or will we eventually have everything covered so it will not matter how big we get?

Kevin Eubanks:

We do our master plans based on an assumption of full growth in the valley. As there is more development, there is more direct runoff. Our flow rates for design would be higher. Anything that we have built now will have the capacity in the future because we assume full growth.

Chair McClain:

What do we consider full development—up the mountains?

Kevin Eubanks:

As a starting point, we used the Bureau of Land Management's (BLM) disposal boundary. We have gone beyond that. We are limited by areas that have federal protection and/or topography.

Chair McClain:

Do you think you are funded appropriately and will you be able to handle these projects over the next 30 years?

Kevin Eubanks:

We do. We are doing well. We find that when we bond, we go through a design phase, and then we can bond to construct. We can get enough projects designed and funded for construction that reach the capacity of the construction industry to absorb.

Chair Atkinson:

I may have missed it, but do you have a schedule of your up-and-coming projects, as well as the cost and funding of them?

Kevin Eubanks:

We prepare annually a ten-year construction program. We look at estimated project cost and inflate that over the years. We then look at projected revenue available.

Chair Atkinson:

Is that anywhere in the document you provided to us?

Kevin Eubanks:

I think it is, but it may not be. I probably put that in "future projects." It is in our CIP for the current year. We have not provided a ten-year plan for you. On page 8 ([Exhibit F](#)), we have 13 projects funded for construction and 38 projects in design.

Chair Atkinson:

I think you may be missing my question. I am asking for specific projects—not just a total number of 13, but each project.

Kevin Eubanks:

We do have that information. I can provide it for you.

Chair Atkinson:

Will you do that for me? I am sure the Committee will like that as well. Can we also have the funding and cost of each project?

Kevin Eubanks:

I will do that. We can provide it to you by next week.

Chair Atkinson:

I would appreciate that.

Assemblyman Parks:

You referenced much about the Las Vegas valley, but you are a county-wide agency that gets sales tax from the whole county. Could you reference some of the projects you do outside the urban valley?

Kevin Eubanks:

We represent the entirety of Clark County. We have master plans not only in the Las Vegas valley for the cities of North Las Vegas, Henderson, and Las Vegas, but also for Mesquite, Boulder City, and the outlying towns. We have plans for Jean, Stateline, Good Springs, Indian Springs, et cetera. We have identified hazards and have provided master plan solutions for the populated areas throughout Clark County.

Chair Atkinson:

Any other questions from the Committee? [There were none.] Next up is Clark County.

Virginia Valentine, Clark County Manager:

We have tried to adhere to your request today. You should have a table that was passed out to you that is attached to a letter addressed to Chairwoman McClain and Chairman Atkinson ([Exhibit G](#)). You may want to hang onto this. It lists the different types of funding, tells the amount of tax authorized, the authority under which it was authorized, and the amount of revenue that has been generated from that funding source over the ten year period you requested information for.

I would like to tell you about the Clark County Capital Plan ([Exhibit H](#)). We undertake a five-year plan that is reviewed and updated annually. It shows our projects in progress and committed for the future, and the estimated dates of completion. It identifies our financial resources committed to fund the plan, the projects as yet unfunded, and priorities for those projects within the county. It also reflects our commitment to Clark County residents. As you look through the list of taxes and fees currently imposed, you will see many of them were voter approved, which also demonstrates the Clark County taxpayers commitment and priority for transportation projects and flood control. Sometime this month, Clark County will exceed 2 million in population. It is a major milestone for us. We continue to experience challenges for transportation in terms of our growth, the increasing density along the urban area, construction inflation, and the disbursement of population to some of the rural areas that we also serve.

In selecting our Capital Plan projects, we use the Regional Project's Master Plan for regional flood control and master transportation. We do those in cooperation with the RTC, the Regional Flood Control District, and the other entities involved. Other Clark County capital projects are selected according to specific criteria designating things such as: core projects—health, safety, legal mandates, fire stations, police substations; essential projects with positive cost

benefit, critical maintenance, financial leverage, Community Development recommendations, and conformance with Board policy; and other projects after those priorities: automation, information technology projects, remodeling, construction, parks, and nondiscretionary programs.

In the Master Transportation Plan (MTP) funding, in 1990 and again in 2002, there were ballot questions. Senate Bill No. 112 of the 66th Session and Senate Bill No. 237 of the 72nd Session provided the enabling legislation to allow us to pursue the voter approved tax plans for transportation funding. They include the following elements: one percent Motor Vehicle Privilege Tax for the Beltway; new development fees for the Beltway; one percent Room Tax for the resort corridor; Motor Vehicle Fuel Tax for RTC arterial streets; one-half of one percent sales tax for mass transit; and a jet fuel tax for aviation projects.

As requested, you will also see a breakdown of those funding sources for the ten-year period between 1997 and 2006 in the PowerPoint presentation ([Exhibit H](#)). In the percent of the total funding, it shows each revenue source that makes up the MTP funding. That is followed by a pie chart to show you what that looks like graphically in terms of the percent of revenue generated by each of those sources. Over that ten-year period, 30 percent has gone to the Beltway; 11 percent was spent in the resort corridor; 0.6 percent has gone to the Laughlin/non-resort corridor; a little under 15 percent has gone for RTC arterial streets; 38.6 percent has gone to RTC mass transit; and 5.4 percent has gone to airport capital projects. I would also caution that when you hear these numbers, they are for the Clark County unincorporated area. They do not include the figures you will subsequently hear from the incorporated cities within Clark County.

Flood control is voter approved. We have administered the flood control projects in cooperation with the Regional Flood Control District. Over the ten-year period, it has generated about \$593 million for all the entities in Clark County, and about \$359 million in County projects is planned for the period of 2007-2011. I also wanted to mention in regard to the question asked about developer participation, developers participate with us in many of these projects through Special Improvement Districts, direct contributions, or actually constructing the projects and dedicating them to us. We do not account for some of those donations in the numbers we are giving you.

With regard to public safety, we have given you a list on public safety funding sources. Public safety bond proceeds totaling around \$119 million in 1996; bond proceeds totaling around \$80 million in 1999; Metro bonds totaling \$38 million; fire bonds totaling \$10 million; the fire protection district totaling \$27.8

million; administrative assessment fees totaling \$9.9 million; County Capital Project contribution totaling \$107 million; donations totaling \$4 million; intergovernmental participation with the State and cities totaling \$28.9 million; grants totaling \$9.2 million; developer contributions totaling \$7.6 million; and interest and other earnings totaling \$67.8 million. Those funds combine for a total of about \$510 million over the ten-year period. That is followed by a pie chart that gives you a breakdown of the different sources.

The distribution of the \$510 million I just spoke about, around five percent of it goes to fire stations and capital improvements related to those stations; about 12 percent goes to Metro substations and capital; about 28.8 percent goes to the detention center; about 42 percent goes to court facilities and capital, including the Regional Justice Center; and about 12.3 percent goes to juvenile justice and family services.

If you look at the sheet we distributed with the letter ([Exhibit G](#)), following the breakdown of different tax sources, there is a list of projects that were completed using the revenues that were accrued over the ten-year period. If you are interested in what we have planned for the future, there is a website listed in the letter that you can visit to see our capital plan.

Assemblyman Goicoechea:

What is your sales tax rate in Clark County? We have had three presentations, and we are up to one-and-a-quarter cents. What is the total sales tax?

Virginia Valentine:

It is seven and three-quarters percent.

Assemblyman Manendo:

Do you have time frames on any of the initiated projects listed? I am specifically looking at the Stephanie Realignment at Russell.

Virginia Valentine:

I would like Mr. Cederburg to answer that question.

Denis Cederburg, Director, Clark County Public Works:

We have completed the right-of-way transactions and purchased the right-of-way from the Young Men's Christian Association (YMCA). That project is currently in final design, and it should be bid before the end of the year.

Assemblyman Manendo:

Did they have an estimated completion date?

Denis Cederburg:

It is about a six month project, so it should be completed by mid-2008.

Assemblyman Manendo:

I am impressed you answered that off the top of your head, so I will pick out another one. What about Russell, Boulder Highway to Broadbent?

Denis Cederburg:

That one is virtually in line with the Stephanie Realignment Project. We had an appraisal done on a piece of property there. We have reached an agreement with the property owner to sell it. The plans have been completed for about six months. Our goal is to get that completed at the stadium prior to the start of the football season.

Assemblyman Manendo:

That is imperative, too. I am impressed.

Chair Atkinson:

I am impressed, too, that you knew that off the top of your head.

Chair McClain:

I am looking through some of these. Does the jet aviation fuel tax used for airport access capital projects include roads?

Virginia Valentine:

That includes the roads directly associated with the airport.

Chair McClain:

How directly associated? How many miles out from the airport do they cover?

Virginia Valentine:

The piece of the Beltway that directly accesses the airport from the south and comes up the east-west runways.

Chair McClain:

We have been able to use aviation fuel taxes for transportation? I always figured there was access there. People are flying in, renting cars, and getting on our roads.

Denis Cederburg:

Just to expand on that—the airport has used those dollars for the improvements of Swenson Street and Paradise Avenue also. They are currently doing that

with the realignment of Russell Road. They also have their rental car facility on Gilespe Street. They are using funding in that area for traffic signals along the frontage roads of the Beltway and along Warm Springs Road.

Chair McClain:

Those are all county owned roads. Is Tropicana Avenue still owned by the State?

Denis Cederburg:

That is correct.

Assemblywoman Weber:

Is graffiti abatement included in any of the initiated or future scheduled projects?

Denis Cederburg:

In many of the resort corridor areas, we have used resort corridor room-tax revenues to perform graffiti abatement in the resort corridor. That is one source that we have utilized. When we build projects, particularly our sound walls along the Beltway, we try to build them with a fractured fin-type face, so it is more difficult to have the graffiti legible on those types of surfaces.

Chair McClain:

The NDOT is responsible for Tropicana Avenue, the Strip, and what else?

Denis Cederburg:

The NDOT has the right-of-way for Tropicana Avenue. When Tropicana was last improved with the widening to four lanes from Las Vegas Boulevard down to the University at Wilbur Street, the project was paid for by the County using resort corridor funds. Although NDOT has the right-of-way, the improvements to Tropicana were made by the County. In addition, NDOT maintains the pavement along Tropicana, but the street lights, sidewalks, and traffic signals are maintained by the County.

Chair McClain:

Are there any plans to turn it over to the County?

Denis Cederburg:

I believe NDOT has plans to turn quite a few streets over to the County, but the County finds itself in the same position as NDOT with the lack of resources to accept that maintenance and maintain it in the proper condition.

Chair McClain:

How many streets? What are they?

Denis Cederburg:

The streets in the County that the County conveyed to NDOT after 1983 are: Nellis Boulevard from Las Vegas Boulevard to Tropicana Avenue; Flamingo Road from Boulder Highway to Rainbow Boulevard; Rainbow Boulevard from Sahara Avenue to Tropicana Avenue; and Tropicana Avenue from I-15 to Boulder Highway. I believe that is most of them.

Chair Atkinson:

Any other questions from Committee members? [There were none.] I think the Committee will find the information from your presentation very useful.

Next we have the City of Henderson.

Philip D. Speight, City Manager, City of Henderson:

If I could, by overview, begin by saying that transportation continues to be a critical issue for the City of Henderson ([Exhibit I](#) and [Exhibit J](#)). It is, in fact, a strategic priority for our City Council. Approximately 95 percent of the funding for transportation, streets, flood control, and public safety capital projects comes from sources outside the City of Henderson, primarily donated assets from projects that are built by the developers and partnerships with the RTC and the Regional Flood Control District. Growth continues to present us with significant challenges in regard to new streets, flood channels, maintenance of existing streets and highways, and flood control infrastructure.

Our most recent community assessment survey completed in 2004 identified "traffic congestion" as the second most important issue for the city residents, surpassed only by managing growth and development. Condition of streets and roads was ranked very important by those individuals. Two key areas were labeled as high importance to them: reducing traffic congestion, and repairing and maintaining local roads and streets.

In the decade of the 1990s, we grew at 225 percent, and we were the fastest growing community in the nation. Our current population of approximately 262,000 people is projected to go to 435,000 in the year 2015, less than ten years away.

The city's transportation infrastructure continues to grow with 750 centerline street miles and 131 traffic signals, 68 of which are on the coordinated "Advanced FAST network" improvement program. The major projects we have

underway are 13 major transportation projects within the city comprising approximately \$207 million. The two most significant we have identified are the Galleria Interchange at US-515 and the Starr Interchange at US-15.

For the remainder of the program, I would like Mr. Derrick go over some of the numbers for you.

Richard A. Derrick, Manager, Office of Budget and Strategic Management, City of Henderson:

The pie chart on page 7 ([Exhibit I](#)) represents the funding sources for the last ten years. A total of \$804 million was spent, of which 68 percent, or \$548 million, were donated assets from developers and local improvement districts. It is a significant portion. The balance of that came through our own CIP. On page 8, we have broken up that piece that has gone through our CIP. Of that portion, 83 percent was from the RTC and Flood Control District. Again, significant dollars came from our partnerships with those two entities. The balance came from our own funding sources: gas tax, some general obligation bonds, and some other sources—very minor. It equates to five percent of our total expenditures.

Over the next ten years, our CIP life, we have \$526 million scheduled for transportation, roads, flood control, and public safety projects. Once again, a significant portion comes from developers and RTC and Flood Control District partnerships.

On page 10 ([Exhibit I](#)) we talk about our maintenance challenges. I think the State is feeling the same things that the cities and counties are also feeling—with all this extra infrastructure coming online, especially what is coming in from the developers' asset donations to the City, we have the benefit of the maintenance associated with that. As it ages, our cost for the maintenance continues to escalate with items such as micro-surfacing, reconstruction, and preventative maintenance. We have some dedicated streams on page 11 for those types of expenditures. Much of it comes from the General Fund. The General Fund helps with street repair, street lighting, and flood control maintenance. We also have some dedicated gas tax funds that come through to the City representing about \$3.2 million per year. On page 12 we identify what those are and the rates. We have a one percent room tax, which generates about \$700,000; a motor vehicle fuel tax of 2.35 cents, generating about \$1.4 million; and a one-cent motor vehicle fuel tax, generating about \$1.1 million, for a total of \$3.2 million.

Philip Speight:

The City is very supportive of the joint efforts that are being put forth to find solutions for transportation issues at both the State and the local levels. They continue to be very important to us and our residents. The partnerships we have with the regional entities are vital to our continued success on these projects. Maintenance is going to continue to be a significant issue for us, as those donated projects are going to require continual operation and maintenance.

Chair Atkinson:

On page 6 ([Exhibit I](#)), you list 13 major transportation projects. Do you have anything telling us what they are and the funding and cost of them? I keep asking this question because this is what we asked for in the letter. I think only one has given that to us so far. We are happy you have 13 projects, but we would like to know what they are.

Philip Speight:

We will provide you with that information. It will point out those we have in our CIP and where the funding source will be derived from. We will get that to you as quickly as possible.

Chair Atkinson:

Can we have it by next week?

Philip Speight:

Sure.

Chair McClain:

On page 11 ([Exhibit I](#)), do you have a gas tax in Henderson that no one else has? What is this?

Richard Derrick:

We have a portion of a gas tax that goes through the City through a special revenue fund. You will find that many other cities have that as well. It is dedicated specifically toward maintenance issues. It is part of the overall per-gallon fee that is paid. That is what is detailed on page 12 ([Exhibit I](#)). That shows the actual components of that tax.

Chair Atkinson:

Any other questions from the Committee? [There were none.]

City of Las Vegas is next.

Mark Vincent, Director of Finance and Business Services, City of Las Vegas:

Dr. Douglas Selby and Charles Kajkowski from the City of Las Vegas are down south.

Douglas A. Selby, City Manager, City of Las Vegas:

Mark Vincent will give our presentation. I think it is more convenient for him because he is present with you. I would like to make a few introductory comments before Mark speaks. First of all, thank you for inviting us to address this topic. It is of great importance to us, and I know it is of great importance to you. We all face challenges in meeting the expectations of a rapidly growing population and doing it in a timely manner, so we appreciate the consideration of our input into your deliberations.

Much of what you have already heard in testimony from other entities is applicable to Las Vegas. It might be summed up best by saying our collective issue is keeping up our commitment to provide adequate critical infrastructure to a growing population, to maintain safe communities, and support our continued economic prosperity. Like all entities, we have projects that lack adequate funding to meet our needs in a timely manner.

There are a few points I would like to bring up that I think are important to carry forward through these discussions. On the issue of transportation and roadways, it is important to remember that what we have is a system of roadways. It really is a system. It does not do much good for the City of Las Vegas to have a great local system of roads without an interconnecting County and State system. These are the systems that tie our communities together and help us to be a vibrant geographic area. In fact, in the City of Las Vegas, both the Sahara Avenue and Charleston corridors are State highways. They serve critical functions to move transportation within the City and connect us to a giant city. We are truly partners in serving the traveling public. Another issue that has been touched on is maintenance. Road maintenance rests largely with local governments. A report by the State of Nevada indicates that 84 percent of the roads in the State are maintained by local governments. Even if construction is funded by others, or contributions are made by developers to the construction of roadways, the burden of maintenance forever lies with local government. As a point of reference, in the City of Las Vegas we spend about \$34,000 per year per mile, or almost \$38 million on road maintenance, including street sweeping, road reconstruction, et cetera.

Finally, on top of what we have already funded and committed to construction, we have a number of unfunded needs. They are significant. We have about a \$2.3 billion forecast for roadway needs that, as of yet, have no funding source.

In flood control, we have about \$600 million of unfunded needs. For public safety, including fire stations, jail expansions, public safety complex and police facilities, we have about \$300 million in unfunded needs. I want to note that these are in today's dollars. As it has already been mentioned, every year of delay costs additional money to build these projects. Our estimate for these unfunded projects is that collectively, for each year that passes, the cost of those projects goes up by \$390 million. That is assuming a 12 percent escalation factor. Historically in recent years, we have seen an 18.5 percent increase in escalation. I wanted to set the stage for Mr. Vincent's presentation that will give you more detail on the financing and the projects.

Mark Vincent:

We have provided 16 pages of detail under previous cover for you ([Exhibit L](#)). I will acknowledge that we did not identify in this detail any future projects. I do have that detail and will provide it to you, but it was not included in this presentation. I would like to go through the slide presentation ([Exhibit K](#)).

With respect to dedicated revenue sources on page 3 ([Exhibit K](#)), the City of Las Vegas has only three dedicated revenue sources if we put aside the funding we get through the RTC and the Flood District. We get a share of the motor vehicle fuel tax. It is distributed to us through the State distribution formulas. We reported to you that it was about \$72.7 million in revenues over the last ten years. With respect to public safety, we have a Fire Safety Initiative (FSI), which was an operating tax override. It allowed us to issue some medium-term debt for some of our capital needs in the area of fire services. It is a 9.5 cent override. It sunsets on June 30, 2030. In the ballot question, we indicated to the voters that at least 20 percent of this tax override would be spent on capital projects. That is what we have done. Since we implemented this tax override in 2002, we have collected about \$11.2 million in revenues. The third area of dedicated taxes and fees in the City of Las Vegas is in the area of traffic signal impact fees (TSIF). We implemented this in FY 2004, and to date, we have collected about \$3.1 million in TSIF. Most of our infrastructure needs that come to us through the Flood District and RTC, as well as our own, are principally coming from voter-approved overrides of some sort.

On page 7 ([Exhibit K](#)), there is a pie chart of the \$432 million that we spent on roadwork over the last ten years. Of that, 62 percent came from the RTC. About 23 percent came from other Las Vegas sources. Principally, that is from special improvement districts, interlocal agreements with other municipalities and utilities, as well as General Fund contributions. As you can see, the motor vehicle fuel tax contributed only about 15 percent.

Page 8 ([Exhibit K](#)) is a historical picture of our dedicated road revenues versus our expenditures. It is a picture of the detail that we provided to you. Page 9 is a stacked bar chart that shows that the blue bar at the bottom represents the motor vehicle fuel tax, about 15 percent of our total expenditures. As Dr. Selby mentioned, on page 10, when we look at our current and future road needs and the RTC 20-year plan, we notice that in the last ten years, we have spent about \$267 million of RTC money. In the next five years, the plan is to spend another \$377 million within the City of Las Vegas limits. When we look at the 15 years beyond that, the RTC has identified \$2.2 billion in unfunded projects. The majority is for Mountain Edge Parkway in the far northwest.

Something you did not ask for, but Dr. Selby mentioned, is when we look at just road maintenance that is funded in our General Fund, we are spending about \$28 million per year. There are some revenues we receive that off-set that amount, but when you look at it in totality, for the record, about 91 percent of our government services tax, including the old motor vehicle privilege tax, is going to support some of the maintenance. I think Dr. Selby indicated we are spending about \$34,000 per center-line mile. On average, we get about 53 new center-line miles added each year. A majority is residential and most likely developer contributions or dedications.

With respect to flood, 96 percent of our flood expenditures are coming through the Flood District. We set aside money every year for nominal drainage, which is the other portion. Other than the Flood District, there are not any dedicated revenues for flood. On page 14 ([Exhibit K](#)), there is a diagram of some of the patterns of expenditures. On page 15, with respect to the Regional Flood Control, similar to what we see with the RTC slide, we have spent \$167 million in the last ten years for flood projects within the city. We plan on spending another \$289 million in the next five years. When we look beyond the five-year timeframe, there is a \$608 million shortfall that has been identified with the flood district in terms of projects we have yet to identify funding sources for.

On page 16 ([Exhibit K](#)) is something I think the previous presenters had mentioned: the cost of construction. It is escalating significantly. In fact, in the last five years in the City of Las Vegas, we have seen a 130 percent increase on bid prices. On an annual basis, we have about 18.5 percent per year growth in our construction cost. We are forecasting we will see another 60 percent growth over the next five years. It is a major issue for us.

When we talk about public safety on page 17 ([Exhibit K](#)), the vast majority of our expenditures are funded through other sources. Almost 50 percent of our total expenditures over the last ten years was funded directly from the General

Fund. About 25 percent was funded through the FSI tax override. Page 18 is a history of the spending pattern. In this case, you can see we were able to leverage the FSI, which is why we have expenditures occurring before we had the revenue stream. Page 19 is a stack bar graph that indicates about 75 percent of our expenditures is being funded from other sources.

Page 20 ([Exhibit K](#)) shows unfunded needs in the area of public safety. We have identified four phases of the Regional Public Safety Center in the north-northwest area, a \$114 million project in total. We have identified about \$128 million, which would be our share to fund the Las Vegas Metropolitan Police Department (LVMPD). Las Vegas currently funds about 38 percent of LVMPD's budget. Like many other municipalities down south in the County, we are having a jail bed shortfall. We have a phase one jail bed expansion that would cost us about \$50 million. We have also identified future fire stations that would cost about \$43 million. That is the \$300 million funding shortfall we are looking at.

The next slide ([Exhibit K](#)) is that about half of our public safety infrastructure needs are being met by the General Fund. With respect to transportation, you will see Las Vegas does not do a lot in transportation, but, in the interest of responding to your request, we run a senior bus service in the downtown area. We have fare box revenues, and we get some funding from the RTC. There is a net subsidy of about \$300,000 that the General Fund absorbs.

In conclusion, as Dr. Selby indicated, dedicated revenue sources funded only about 14 percent of the expenditures we have had in the last ten years in the four categories you have asked about. From our perspective, the funding we get from the RTC and Flood District is not going to be sufficient to meet all the needs in the Las Vegas area. You might have noticed that expenditures have grown, on average, about 12.6 percent over the last ten year period. During the same ten year period, the population was growing at only 3.8 percent. The cost of the infrastructure is growing at a rate that is more than three times our population growth. That is a major issue for us.

Chair McClain:

I am curious now. We have had two people quote 40 percent construction inflation, and now I have heard 18 percent twice.

Mark Vincent:

The 18 percent was an average on an annual increase basis. We have observed about a 130 percent increase in the last five years on our construction of arterial roadways, including the flood infrastructure.

Chair McClain:

Would you agree that concrete and steel are probably closer to 40 percent?

Mark Vincent:

The concrete and steel are the major drivers. At one point, we were looking at a 100 percent increase in one of those commodities. It fluctuates, but it is a significant increase in cost.

Chair McClain:

When we look at southern Nevada, we have four large Public Works Departments all doing their own things in their own areas, but RTC is contracting with you, correct?

Mark Vincent:

Yes, that is true. They contract with us to do the work. Charles Kajkowski is down south, but I think he could tell you that it is very much a coordinated effort. The Public Works Departments in each of those locations work very closely with both RTC and their planners and NDOT.

Chair McClain:

All right, it is a coordinated effort, but would it not be more cost-effective to have one big, regional Public Works Department?

Mark Vincent:

In terms of the planning, or in terms of the execution of the project?

Chair McClain:

Both.

Mark Vincent:

We have it in terms of the planning. That is what the RTC and the Flood District do. They do the regional planning. They also provide the funding on a regional basis.

Chair McClain:

I think if the four of you worked together under one umbrella, you would get better prices on your raw materials, you would get things done faster, and it would be a much more coordinated effort. Therefore, we would not have a blocked road one week in the City limits, and the next week in the County. Let us block them all off at the same time and get it done at once. I think it is something we need to be thinking about. Clark County and the urban area has grown so much in the last 15 or 20 years, there are no borders anymore. We

need to be looking at regional departments to handle all of our different needs. If you think of the cost savings we could put into traffic and social issues, I think it is time.

Chair Atkinson:

I know you mentioned that you did not outline your future projects, which is what we asked for, but can you spend a little time on the spreadsheet you handed out and explain to us what that is?

Mark Vincent:

The first page of the spreadsheet ([Exhibit L](#)) is a summary. At the top, it identifies the three dedicated revenue sources, which I highlighted at the beginning. I also highlighted the year those revenues were collected and where the authorizations came from. The next part identifies the expenditures we had related to those dedicated revenue sources, which was one of your questions. In the next section, it identifies the RTC and the flood interlocal agreements, which is not necessarily a dedicated revenue source that comes into the City of Las Vegas, but actually flows to us through our contracts with the RTC and Flood Control District. I recognize that is redundant to the presentations that you have already had from them. The next group says "other sources." These are the other sources of revenues that we have generated through our General Fund, developer contributions, SIDs, and other sources that have gone to pay for these infrastructure costs in the categories you asked for.

The remaining series of pages are the details behind the expenditure numbers for the last ten years by category. The next page shows ten years of expenditures related to the fire safety tax override expenditures, and so on. Every one of the subsequent sheets has the detail for the expenditure numbers on the summary page.

Chair Atkinson:

You are going to get us the future projects sometime next week?

Mark Vincent:

I have them with me, so I can get them to you today.

Chair Atkinson:

We would appreciate that.

Assemblyman Goedhart:

On the revenue sources under the motor vehicle fuel tax, there seems to be some fluctuation from year to year. In 2005, it was over \$9 million, but in

2006 it went down to about \$5.8 million. What is the reasoning for that? It seems almost counter-intuitive.

Mark Vincent:

I am not sure why that fluctuation is. Perhaps I can get that answer for you along with the projected data.

Chair Atkinson:

Any other questions from the Committee members? [There were none.]

North Las Vegas is next.

Gregory E. Rose, City Manager, City of North Las Vegas:

With me today is our finance director, Phil Stoeckinger, and our legislative affairs officer, Kimberly McDonald. You should have two handouts in front of you. One is the brief presentation we will be going over today ([Exhibit M](#)). The other is a history of some of our capital improvement projects ([Exhibit N](#)).

I will start out by giving you a brief snapshot for those of you who are not familiar with North Las Vegas, and then I will discuss our revenue sources and our capital improvement projects. North Las Vegas is the fastest growing city in Nevada. We are the second fastest growing city in the country. By July of 2007, the city will have grown by 156 percent or a little over 77,000 people in the last five years. That is equivalent to adding a city the size of Sparks or Boulder City per year.

One of the things we are not very proud of is that we currently have the highest property tax rate in Clark County, but we are working on that. Over 65 percent of the city's tax rate is a voter-approved tax override. While we have the highest tax rate, we are the fastest growing city, and critical services must be provided to the citizens. I want to briefly give you a breakdown of our tax overrides and our tax rate ([Exhibit M](#)). I will not go through each, but I certainly want to highlight the street, fire, and parks tax override at 21 cents. Consolidated Tax (CTAX) is the General Fund's largest revenue source and has decreased by a little less than a percentage point as compared to December 2005. Our Building Permit Revenue is \$3.3 million, approximately one-half of December 2005 levels of \$6.5 million. Preliminary revenue estimates projected a 5.9 percent revenue growth in FY 2007, and a 4.7 percent growth in FY 2008, as compared with an average annual 15.8 percent in revenues for the prior two fiscal years. Needless to say, the prior two fiscal years were robust for us. The housing economy was robust as were our revenues. Our housing economy has slumped. As such, our revenues have slumped.

I would like to briefly scan the percentage of the CTAX revenue of the General Fund for Clark County in FY 2005-2006 ([Exhibit M](#)). It gives you a highlight of Clark County, Henderson, Las Vegas, and shows North Las Vegas contributing 30.3 percent. We had some challenges with our budget this year. We enacted some budget-saving techniques. One of the things that is not shown is transportation. The reason it is not here is because it is a critical service that we provide, so we did not remove any revenues out of transportation.

This is a chart showing the growth in the City of North Las Vegas since 1997 ([Exhibit M](#)). We have already discussed population. Assessed valuation has changed 525 percent. The funded CIP since 2002 has gone up a little more than 403 percent. Capital projects expenditures increased roughly 1,715 percent more. Property tax revenue is up 543 percent. Water meter revenues are up 105 percent. The number of employees is up 125 percent.

Reviewing the number of projects completed or in progress since 1997, there are 14 traffic projects at \$21.2 million; 18 flood control projects at \$153.2 million; 20 public safety projects at \$51.8 million; and 33 roadway projects at \$483.7 million.

Some of our major flood control projects since 1997 have totaled \$153,182,400 in cost. A Lower Las Vegas Wash and Detention Basin completed in 2002 was a \$47.8 million project. The Upper Las Vegas Wash completed in 2006 cost \$33.7 million. The Centennial Parkway Channel will be completed in 2009 at a cost of \$19.5 million. The Gowan Outfall will also be completed in 2009 for \$15.1 million. The Range Road Wash will be completed in 2008 for \$10.6 million. A Channel Lining – 3 Bridges project was completed in 2006 at a little over \$10 million.

Major public safety projects since 1997 are our justice facility completed in 2006 for \$28.4 million; our detention center dormitories completed in 2002 for \$6.1 million; the Washburn Police Department facility completed in 2004 for \$4.2 million; Fire Station 57 will be completed this year for \$4.1 million; and Fire Station 52 was completed in 2002 for \$3 million. Many of you are probably aware that we were audited by the Justice Department. It identified areas where we were out of compliance with the Americans with Disability Act (ADA) laws. We entered into an agreement with them, and we should complete all of those projects by 2009 for a total of \$2.2 million.

Major transportation projects since 1997 include: North Fifth Street, which was highlighted by Mr. Snow, with an expected completion date of 2010 at a cost of \$205.8 million; Craig Road, completion date 2009, for \$81.4 million; Lamb

Boulevard, completion date 2008, for \$61.3 million; Losee Road, completion date 2010, for \$35.4 million; Ann Road, completed this year, for \$17.8 million; Simmons Street, completion date 2009, for \$16 million; I-15 and Lamb Interchange, completed in 2006, for \$11.9 million; and MLK Boulevard, completed in 2004, for \$5.2 million.

Revenue sources from 1997-2006 include ([Exhibit M](#)): non-dedicated funds of \$143.2 million; developer participation dedicated specifically for fire stations and equipment, \$13.5 million; Special Improvement Districts (SID), \$63.1 million; developer participation, \$7.5 million; NDOT, \$48.5 million; the Regional Flood Control District, \$164.2 million; Community Development Block Grant (CDBG) funds at a small percentage; and RTC funding, \$268.9 million.

In highlighting our CIP, it goes from 2008-2013 for a cost of \$497,287,819. Of those projects, transportation will be \$317.9 million; flood control will be \$84.4 million; and public safety will be \$94.9 million. Funding sources include non-dedicated at \$51.3 million; fire at \$500,000; developer participation at \$68.8 million; SID at \$60.6 million; the RTC, funding the bulk, especially transportation projects, at a little over \$200 million; CDBG funds at \$1.5 million; and NDOT at \$19.5 million.

Chair Atkinson:

I have the same question I have asked everyone else: What are your future projects?

Gregory E. Rose:

We have identified our future projects. We do not include them in the body of our CIP because they either are not funded, or we have not identified a funding source. We will provide that information to you.

Chair Atkinson:

We would appreciate that. Also, on page 11 ([Exhibit M](#)), can you tell me exactly what you did at MLK? I know it was done in 2004, but what is "MLK, 2004"?

Gregory E. Rose:

Median and street improvements. If you drive down MLK today, you will see a beautiful median where we have vegetation that replaced rock. We also tried to improve traffic flow. That is what the \$5.2 million was spent on.

Chair Atkinson:

I know where you are talking about because I take that street every day when I am home, but it is not MLK there, it changes to Camino El Norte. Since the

medians are already in, and it is already beautiful, if we have to change signage from Camino El Norte to MLK, it would be a minimal expense, correct?

Gregory E. Rose:

From the City's perspective, the change very likely would not cost us a lot of money. That is not to say that there is not a significant impact on the private sector for changing that, but I cannot articulate what the cost would be to them. We could certainly help in getting that information.

Chair Atkinson:

Any other questions from the Committee? [There were none.]

We are going to move to public comment. [There was none.] Any other comments from any Committee members before we adjourn?

Assemblyman Parks:

I would simply like to observe that in FY 2006, our population in Clark County increased by over 78,000 individuals. That translates to well over 100 additional vehicles placed on the streets of Clark County each day.

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Chair Atkinson:

Any other comments from Committee members? [There were none.] We will adjourn the meeting. [3:27 p.m.]

RESPECTFULLY SUBMITTED:

Kelly Troescher
Committee Secretary

APPROVED BY:

Assemblyman Kelvin Atkinson, Chair

DATE: _____

Assemblywoman Kathy McClain, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Transportation/Assembly Committee on Taxation

Date: March 1, 2007

Time of Meeting: 1:30 p.m.

Bill	Exhibit	Witness / Agency	Description
	A	Committees on Transportation and Taxation	Agenda, March 1
	B	Committees on Transportation and Taxation	Attendance Roster
	C	Chair Atkinson	Prepared text
	D	Jacob Snow, RTC	PowerPoint presentation
	E	Jacob Snow, RTC	RTC Tax Revenue Sources
	F	Kevin Eubanks, Regional Flood Control District	Packet including PowerPoint presentation
	G	Virginia Valentine, Clark County	Capital Improvement Plan, Summary of Major Projects and Funding Sources
	H	Virginia Valentine, Clark County	PowerPoint presentation
	I	Philip D. Speight, City of Henderson	PowerPoint presentation
	J	Philip D. Speight, City of Henderson	Capital Project History Summary
	K	Mark Vincent, City of Las Vegas	PowerPoint presentation
	L	Mark Vincent, City of Las Vegas	Transportation Projects and Funding Sources Data
	M	Gregory E. Rose, City of North Las Vegas	PowerPoint presentation
	N	Gregory E. Rose, City of North Las Vegas	Capital Projects History Packet