

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

**Seventy-Sixth Session
February 15, 2011**

The Joint Assembly Committee on Transportation and the Senate Committee on Transportation was called to order by Chair Marilyn Dondero Loop at 3:35 p.m. on Tuesday, February 15, 2011, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, 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/76th2011/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 COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn Dondero Loop, Chair
Assemblyman Jason Frierson, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblyman Richard Carrillo
Assemblywoman Olivia Diaz
Assemblyman John Hambrick
Assemblyman Scott Hammond
Assemblyman Joseph M. Hogan
Assemblyman Randy Kirner
Assemblywoman Dina Neal
Assemblyman Mark Sherwood
Assemblywoman Melissa Woodbury

ASSEMBLY COMMITTEE MEMBERS ABSENT:

Assemblyman Kelvin Atkinson (excused)
Assemblyman Steven Brooks (excused)

SENATE COMMITTEE MEMBERS PRESENT:

Senator Shirley A. Breeden, Chair
Senator Elizabeth Halseth
Senator John J. Lee
Senator Mark A. Manendo
Senator Mike McGinness
Senator Dean A. Rhoads

SENATE COMMITTEE MEMBERS ABSENT:

Senator Michael A. Schneider, Vice Chair (excused)

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Kelly Gregory, Senate Committee Policy Analyst
Darcy Johnson, Committee Counsel
W. Bruce Daines, Senate Committee Counsel
Mistia Zuckerman, Committee Manager
Jordan Neubauer, Committee Secretary
Janel Davis, Committee Secretary
Pat Devereux, Senate Committee Secretary
Sally Stoner, Committee Assistant

OTHERS PRESENT:

Terry Johnson, Director, Department of Business and Industry
Krys Bart, President/CEO, Reno-Tahoe Airport Authority
Ron Smith, Chairman, Regional Transportation Commission of Washoe County
Lee Gibson, Executive Director, Regional Transportation Commission of Washoe County
Susan Martinovich, P.E., Director, Nevada Department of Transportation
Rudy Malfabon, P.E., Deputy Director, Nevada Department of Transportation

Chair Dondero Loop:

[Roll was called. Rules and protocol were stated.] For our first presenter we will have the Director of the Department of Business and Industry, Mr. Terry Johnson. He will provide us an overview of the Taxicab Authority.

Terry Johnson, Director, Department of Business and Industry:

I am joined today by the Chairman of the Board for the Taxicab Authority, Iliana Drobkin. The Taxicab Authority is an entity within the Department of Business and Industry. It is my pleasure today to give you a brief overview of the Taxicab Authority. I want to tell you a little about what it does, and where it is going.

We provided a handout ([Exhibit C](#)) which gives you an overview of the Taxicab Authority. By statute, the Taxicab Authority is essentially charged with regulating the taxicab industry in Nevada counties that have populations of 400,000 or greater. Right now, the agency is only in operation in Clark County. Outside of Clark County, the Nevada Transportation Authority has similar regulatory jurisdiction over taxicabs as well as some other industries. In Clark County, where the Taxicab Authority operates, there are about 16 companies with about 9,000 cab drivers working for them. They utilize 3,000 vehicles in their business.

I will provide you with a little bit of history on the Taxicab Authority over the last 40 years. It was created July 1, 1969 with a staff of eight people regulating eight cab companies. They had amongst them 275 medallions, which are used to identify cab companies who are licensed to operate. They employed about 600 permitted cab drivers.

As the agency moved forward in time, it became a completely self-funded agency. By 1971, they received no funds from the Nevada General Fund or the Nevada Highway Fund. In 1973, they started regulating taxicab loading areas at McCarran International Airport, at the request of the Clark County Board of Commissioners. Two decades later, they started using geographic restrictions on the medallions. The medallions tell the taxicab companies where they can operate. Later in 1993, the medallions were restricting not only the geographic location, but also the time of day the taxicabs could operate. The objective in restricting the allocation of those medallions was just to ensure even flow and even distribution of taxicabs throughout the geographic area. In 1993, under then-Governor Bob Miller, the state government underwent reorganization, and it was during the reorganization when the Taxicab Authority became a part of the Department of Business and Industry.

During 2009, there were over 23 million taxicab trips completed. Last year, with the 16 companies, there were about 2,000 medallions that were used with 3,000 taxicabs, and over 9,000 permitted drivers working in the jurisdiction.

There is a board that oversees the Taxicab Authority. There are five members of the Taxicab Authority Board, and they are appointed by the Governor. They serve terms that cannot exceed six years. They have rules and responsibilities consistent with others that preside over hearings, issue decisions, and ensure that the statutory provisions of the legislature governing this industry are administered accordingly. The Board also handles any issues that might come before it, such as transferring a certificate of public convenience, which is required for anyone who wants to operate a taxicab. It will also make determinations on how many taxicabs will be on the streets at any given time as well as the rates they are going to charge. That can fluctuate. The amount charged and time of operation might have to be adjusted for special events. The Board has, as its objective, to ensure that the riding public has adequate transportation needs by way of taxicab. The members will assemble for those purposes.

In addition to the Board, there is an Administrator who oversees the day-to-day management of the agency. That position is selected by the Director of Business and Industry, currently that is me. The Board selects three people, those three people are submitted to the Director of Business and Industry, and the most appropriate candidate is selected by statute. Currently that position is vacant, and the Board is conducting a recruitment.

In addition to staffing of the Taxicab Authority, the Board has some employees who are certified through the Peace Officers' Standards and Training Commission. They will conduct investigations of any violations of the taxicab statutes. The investigators are on duty 24 hours a day, 7 days a week. There are staff members currently housed at McCarran Airport. They take responsibility for regulating and controlling the flow of taxicabs at the airport. They also ensure that those operations are conducted in a safe manner. There is administrative staff who assists the Taxicab Authority. There are also four public safety dispatchers. In total they are responsible for regulating the taxicab industry here in Clark County.

I want to share with you some good news about the Taxicab Authority and the industry here in southern Nevada. There was a recent survey that was done for < www.hotels.com >, and in the release it stated: "Las Vegas taxi cabs have been voted the best overall in the U.S. according to an annual taxi survey that was compiled by Hotels.com." I think it speaks volumes to the people who

regulate that industry and also to the people who operate taxicabs in, obviously, one of the busiest tourist destinations in the country. Some other good news is about one-third of the taxicab fleet runs on propane. By using that technology, there are no discernible emissions that are polluting the environment further. They have about 43 hybrid-electrical vehicles that are being used as taxicabs in Clark County.

As we go forward, the agency will face some challenges. First, stabilizing its leadership. There have been a number of administrators in the agency over the past few years, and the position is currently vacant. The Board, under the chair's leadership, has undertaken an active and aggressive recruitment effort to find the best candidates. They will be talking with those candidates on April 5, 2011 and submitting three candidates for selection to me. Second, maintaining a positive work environment. It is a difficult business, and maintaining a positive work environment will be a challenge we look forward to addressing. Last, we want to make sure "long hauling" does not cast a negative light on Nevada's economy, the tourism aspects of our economy especially. Long hauling is where a person who gets in a cab to go from point A to point B is taken on a route that is unnecessarily and illegally lengthened by the cab driver. We want people to have positive experiences when coming to our cities here in Nevada and utilizing our taxicabs. Those are a few of the challenges we will be facing going forward. We look forward to addressing them and working with this Committee to meet the needs of the cab-riding public.

Chair Dondero Loop:

Thank you Mr. Johnson, does the Committee have any questions?

Senator Breeden:

You mentioned that your Authority oversees Clark County only. Is there an authority similar to yours that oversees the taxicabs in northern Nevada?

Terry Johnson:

The statute says that the Taxicab Authority has jurisdiction over counties with populations in excess of 400,000. As you know, up to this point that has always been largely the Clark County area. There is another agency within the Department of Business and Industry, the Nevada Transportation Authority, who has similar jurisdiction in counties with populations less than 400,000.

Assemblyman Kirner:

Based on the census data and assuming that Washoe County surpasses 400,000 persons, how would you see that affecting your organization?

Terry Johnson:

I have seen some of the data that appears to suggest that Washoe County is in excess of 400,000 persons now. If the Legislature were inclined to do so, we would need to look at modifying the statutory language to keep this agency's jurisdiction in Clark County by adjusting the population figures, or we would look at expanding the jurisdiction of the agency. That is something we will need to deal with soon, so we know which direction we are going in that area.

Assemblyman Sherwood:

I am looking at slide 5 of your PowerPoint, which talks about the demand for taxi service. Do you have metrics in place for determining when taxicabs who work with restrictive medallions can go out of the restricted area? Specifically for the two cab companies, A-Cab Company and Deluxe Taxicab Service, who are currently restricted geographically. How do you get removed from the restricted, list if at all?

Terry Johnson:

I want to make sure I understand the question. You want to determine the degree to which someone can have the geographical restriction lifted from their medallions?

Assemblyman Sherwood:

Correct, and whether that be by a company or by individual medallions.

Terry Johnson:

The Board has the ability to lift or modify any geographical restriction that they place on a certificate. They look at various things such as whether or not there is demand and the degree to which the public will be well-served by a geographical modification. They look at the general criteria that the statute sets forth in terms of granting the certificate of public convenience in the first place to see whether or not the circumstance would warrant modifying any geographical restrictions.

Assemblyman Sherwood:

Specifically for handicap access, Deluxe Taxicab Service has a couple of vans that are specifically retrofitted to pick up a wheelchair. They might be picking someone up in Green Valley and taking them to Summerlin; there may be another call in Summerlin for a pickup and because they are restricted with their medallion, they cannot pick up the customer in Summerlin and they would have to do a dead ride back. That would be an issue because there are so few of those cabs who can take handicapped people to begin with. It seems like we could lift the geographical restriction in a case like that.

Terry Johnson:

That is something we can certainly take a look at. Providing for greater clarity as to what circumstances would allow for a more on-the-spot modification of those geographical restrictions.

Chair Dondero Loop:

Do any other Committee members have any questions? I have a question. I noticed that the term limit for a member on the Taxicab Authority Board is six years. Is there a reason for that term limit, and does anyone ever get reappointed? Are there currently any vacancies?

Terry Johnson:

By statute, they can be appointed for a term up to six years. The years do not have to be consecutive; they can be appointed for a three-year term and then reappointed for a subsequent three-year term. As of now there is one vacancy on the Taxicab Authority Board.

Chair Dondero Loop:

Are there any other questions from the Committee? [There were none.] Thank you kindly, Mr. Johnson. Our next presenter is Ms. Krys Bart, President and CEO of the Reno-Tahoe Airport Authority. Welcome, Ms. Bart.

Krys Bart, President/CEO, Reno-Tahoe Airport Authority:

I am here to tell you about the Airport Authority. First of all, we are a unique creature in the State of Nevada because the Airport Authority has been created by an act of the State Legislature in 1978. We actually have a system of airports similar to McCarran Airport, which has McCarran and some general aviation airports. We have two: the Reno-Tahoe International Airport and the Reno-Stead Airport, home of the National Championship Air Races. The Airport Authority is governed by a board of trustees whose members are represented and appointed by four entities: City of Reno, City of Sparks, Washoe County, and Reno-Sparks Convention and Visitors Authority.

As an Airport Authority, we are a financially self-sufficient, quasi-municipal corporation. All of our operating revenues at the airport are from money that is raised at the airport. There are not any local tax dollars that go into the operations at the airport. We exceed the national average by a significant amount. The balance between revenues from airlines and revenues from other sources, like concessions and parking, is usually about fifty-fifty. At the Reno-Tahoe International Airport (RNO), 70 percent of our revenues are generated by nonairline sources. This helps contribute to a low cost for the carriers, which helps us with our air service efforts. We have been ranked

seventh in the country for concession spending per passenger. We are the 64th busiest commercial airport in the United States, and we do have a Nevada Air National Guard base on both airports.

Although McCarran Airport and Reno-Tahoe Airport are very different, we still have a great partnership. Randy Walker and I work closely together on national issues. This year, three authorizations are being considered in the Senate in Washington, D.C., and we are both very engaged in that. We have different core missions, but we are both vital to the economy of Nevada.

While Las Vegas is focused on passenger activity and has over 40 million passengers per year, we are focused on both passenger and cargo activity. We believe that cargo, for a long-term basis, is really the key to creating economic diversification. Of our passengers, 60 percent are leisure passengers and about 40 percent are business passengers. A lot of our passengers come in for some of the activities that are known in northern Nevada including gaming and skiing. Our key months for passengers are March for skiing and August for the summer activities.

When we look at the air service we have from a community the size of Reno, it really is amazing. There is an air service map ([Exhibit D](#)) titled "RNO Has Non-Stop Service to 16 Destinations". You can see on the map that we not only have non stop service to 16 destinations, but we have one-stop, same plane service to 31 destinations. Even more importantly, for a community our size, we reach into the majority of the hubs in the United States. You can go to Seattle, San Jose, San Francisco, Oakland, Los Angeles, Houston, Dallas or Chicago, and you can do a one-stop and connect to anywhere in the world. We like to say that we are one stop to anywhere in the world. This provides a tremendous opportunity for the continuing growth of northern Nevada.

When we take the same statistics and same amount of air service and we put it into a comparative chart ([Exhibit D](#)) with other communities our size, we can see that we have 69 departures a day, but more importantly, we have just a little over 8,000 seats. That is 8,000 seats each way or 16,000 seats with 16 destinations. By comparison, if you look at other communities our size there are no other communities that can come close to the amount of air service we have. We not only have service to a significant number of hubs for connections, but also to a great market locally and regionally.

The State of Nevada has suffered some economic challenges but Reno-Tahoe is coming out of that and has shown some very strong numbers in terms of passengers. We finished the 2010-calendar year 1.8 percent up over 2009.

Our passenger count is still not as good as it was in 2008, but nonetheless the trend is coming up. This week we begin a new nonstop service on Continental Airlines to Houston, Texas. The aircraft is a Boeing 737-800 and has 155 seats. When we look at air service, we always look at the connecting capability. The Houston, Texas service gives us some significant international connections. There are a lot of international passengers that do come out of northern Nevada and eastern California, which is part of our market as well.

Cargo is really about economic diversity and jobs. When an aircraft lands, it pays a landing fee based on the weight of the aircraft. Since cargo carriers typically operate larger, heavier aircraft, the landing fee is bigger. The landing fee from the cargo carriers goes into the same pot of money as all of the commercial carriers landing fees. The end result is that it helps reduce the cost for the passenger carriers so that we can continue to offer all of the seats that we do each and every day. It is very important to us to keep our costs low, and we have been able to do that very effectively. Take a look at the map titled "Future Growth—International Cargo, Reno-Tahoe Physical Demographics" ([Exhibit D](#)). It is really important and highlights our future. This map surprises many people because it clearly shows that Reno is north of San Francisco and west of Los Angeles, and they are both major cargo hubs. We are also at the crossroads of both Interstate 80 and U.S. Highway 395.

The next map, titled "Closer to Asia than the Los Angeles Basin" ([Exhibit D](#)), shows that we are about 300 nautical miles closer to Asia than either San Francisco or Los Angeles. It also means that cargo carriers from those Asian markets can operate much more cheaply coming into the Reno market than they can into either Los Angeles or San Francisco where they will have airspace delays, delays getting through customs, and then delays and additional costs loading their cargo and transporting it across the country. We are very optimistic and have been working very aggressively on soliciting and getting Asian cargo. I do believe within the next two years we will be successful based on the efforts we have achieved so far.

When we look at the cargo statistics, unlike the passenger statistics, our cargo in 2010 was up over 10 percent. In fact, in December 2010 our cargo reached the second highest all-time level. This is a huge positive indication for the economy of northern Nevada because this clearly says that inventories must be down, and companies and businesses are now purchasing and moving more cargo. This is high-end cargo that will continue to generate jobs. An example of high-end cargo that moves by air is pharmaceuticals. When cargo numbers are up, it is typical that the economy will soon follow.

One of the key points of the Reno-Tahoe Airport Authority's philosophy and culture is to focus on economic development. We are prohibited by federal law to focus on general economic development, but we are fortunate enough that we do have a lot of opportunity to focus on economic development on airport property. Over the last two years working with the State of Nevada, Governor Sandoval, and Lieutenant Governor Krolicki, we have had some big successes in bringing some businesses to northern Nevada. The key among those has been three aviation-related businesses that we have recently attracted.

The first one is the new fixed-base operator called Million Air. They will be contributing about \$20 million of private investment into the Reno-Tahoe Airport Authority, which will generate close to \$1 million in state tax revenue as well as \$2.2 million in local tax revenue over the next five years. The second business is Dassault Falcon, and they have been with the Airport Authority for two years. They are a regional facility for maintenance of Falcon jets. They have far exceeded their business plan, and they will soon be announcing that they are taking down seven additional acres, and this will be creating over 30 good-paying jobs. This is a huge opportunity because not only is it direct employment, but it is also an opportunity to introduce northern Nevada to other businesses that fly their jets in for service. Those jets that come into Reno-Tahoe International Airport for service of Dassault Falcon are coming from all across the country and as far away as Asia. Last, we have Western Jet Aviation, which is similar to Dassault Falcon but focuses only on Gulfstream aircraft. This business is just starting, but they have already exceeded their anticipated business bookings.

We plan to continue our economic development outreach because in our two airports we have a significant amount of land available for development. At the Reno-Stead Airport, we have over 3,000 acres of land; it is challenging to develop because we do not have enough water to develop all 3,000 acres. We have enough water to develop 100 acres only. At Reno-Tahoe International Airport, we have about 200 acres of developable land. We are working very closely at the federal level on a major opportunity for aircraft manufacturing. Our congressional delegation has been extremely supportive in our efforts of economic development, which of course benefits the State of Nevada.

Specifically speaking, Reno-Tahoe International Airport generates \$3.25 billion of economic impact annually. We think about passengers coming and going, but we do not actually think about each and every plane that lands. In our region every time a Southwest Airlines 737 lands, it is \$90,000 worth of local economic impact. We have been doing some very significant projects in the last

two years. In the 2009-2010 fiscal year, we contributed \$70 million in direct payments to Nevada companies, primarily through construction projects. In the last 10 years, we have received over \$237 million in federal grants.

Federal grants are confusing with an airport and how the money flows. We take no tax dollars, but we generate all the money that is used for operating the airport at the airport. If you buy a ticket, you pay a ticket tax, and that ticket tax goes to Washington, D.C. The ticket tax is available to support the Federal Aviation Administration, and it is available in the form of grants for very specific projects that contribute to the aviation system in the country: security, safety, and capacity are primarily the projects. While we do not operate on local taxes, we are a user-paid system on a national basis, and all the fees you pay in the ticket tax go into maintaining the system. If you do not buy an airplane ticket, you do not pay a tax that benefits any part of the aviation system.

Continuing our focus on economic development, we have about 4 million passengers a year. Some of those passengers live here and some are visitors, but nonetheless, they all have a very positive impact on the industry and the tourism opportunities. The Reno-Tahoe Airport Authority has 240 employees right now. Airports should be thought of as regional job centers. At the Reno-Tahoe International Airport alone there are 2,600 jobs. Those jobs are in a variety of areas that do not touch the Airport Authority as an entity, but all contribute to the operation of the airport.

In 2009 we employed over 1,000 people in construction jobs. We did our new in-line baggage system; the Hyatt Hotel, which is on airport property and directly across the street; a new air traffic control tower; and a significant amount of airfield repaving. In 2010 we generated more than 550 jobs in the construction industry through paving, airfield lighting, redesigning the U.S. Customs facility, and sound insulation program. We really focus on local job creation and support.

We are proud of all of our accomplishments. Two times in the last four years we have been identified as the most efficient operating airport in North America. The Transportation Security Administration (TSA) has been selected this year as the best team in the country. The Federal Security Director of the TSA has received the award for the best Security Director. For 13 straight years, we have won the Government Finance Award. We have no outstanding airport system bonds. This past year we defeased the final debt we had. We are one of two airports in the United States that can claim that. Our philosophy on projects is pay as you go, and it has served us well as we continue to drive

business for northern Nevada. Over the last ten years we generated additional jobs by insulating over 2,000 homes that had been impacted by airport noise.

Over the next three years we have some significant projects in the works. The first thing is the checkpoint of the future. We have just been identified as the Western United States' test bid for new airport security. The food court area will be moved to the second level, and the new centralized security checkpoint will be where the food court is currently. In the checkpoint there will be the latest technology that the TSA has to offer. It will all be tested together as a unit, and then as things continue to improve, it will be tested at the Reno-Tahoe International Airport. It will be an economic opportunity for businesses who build and service this equipment to be focused in northern Nevada and provide that kind of service outward to other airports. We are going to continue the terminal refurbishment in the check-in lobby. We are building a new combination terminal and emergency operation center at our Reno-Stead Airport because our administration building there dates back to World War II, and we desperately need to provide some support in case of an emergency. We are also building a new snow removal equipment building because in the north it is important to have snow removal equipment. Each piece of equipment is an excess of \$1 million investment. We need to be sure we maintain that investment, so it is always available when needed. Those projects, which will occur and be completed over the next three years, will generate at least 117 more local jobs in the form of construction projects.

This was just an overview. I am certainly available for any questions you may have. I am pleased to be here and pleased to be contributing to the economy.

Chair Dondero Loop:

Thank you, Ms. Bart. Are there any questions from the Committee?

Assemblyman Hambrick:

On the refurbishing, will the food court be behind or in front of security?

Krys Bart:

It will be behind security. If you are familiar with the central connecting corridor, that is going to be pushed out 40 feet into the back of the airport and it will be in that location. The majority of the food concessions will be behind security, which will greatly enhance the customer service. We will still have to have a couple before security.

Assemblyman Hambrick:

I disagree because many times I have had to wait for flights to depart, so I go downstairs to get a cup of coffee.

Krys Bart:

We will retain some concessions downstairs for just that purpose and for employees too. Many employees do not have the ability to go past security.

Senator Rhoads:

What do you do to attract a new airline carrier into Reno? For instance, how could we get a flight from Elko to Reno and back?

Krys Bart:

We have worked on Elko for a long time. There are a number of components. The first component is having the proper relationships to be able to actually get in and meet with an airline; airports today, by in large, have a difficult time doing that. We have great relationships with all the carriers. The second component is having a business case. We do put business cases together that clearly demonstrate to the airline that they can make money. It is a business; they are going to make money, and they have a huge investment with an airplane. The third is that there has to be demand in the community. We have worked on the Elko-Reno service for a long time, and the biggest issue was the demand. We will continue to work on the service because I, along with you, agree that it is an essential service for northern Nevada. We just cannot seem to get over the hump.

Chair Dondero Loop:

I noticed Allegiant Air was dropped from the list of your carriers.

Krys Bart:

Yes, Allegiant Air had contracts with Harrah's, and they were doing charter. I understand they are in negotiations again with some local properties for potential charter, but they do not fly schedule service out of Reno.

Assemblyman Frierson:

At some point Southwest Airlines had kiosks right at the entrance of the airport, and it was eventually moved down to the end by the Southwest Airlines desk. Is there any plan to have a general set of kiosks for all the airlines right at the entrance?

Krys Bart:

Yes, there is. Southwest Airlines was moved to the south end of the check-in area at their request when we refurbished the check-in area and did the baggage security project. The reason for that was because that is where their gates are. When they are loading baggage, it takes less time for them to load the baggage on the terminal and get it to the airplane. With the terminal refurbishment continuing into the baggage claim, we have a plan to add kiosks. We approached all the carriers, and Southwest Airlines was the first to step up to the plate, and they will be putting kiosks up front.

Chair Dondero Loop:

Are there any more questions? [There were none.] Thank you, Ms. Bart. The next presenter is the Regional Transportation Commission (RTC) of Washoe County.

Ron Smith, Chairman, Regional Transportation Commission of Washoe County:

I serve as a member of the City of Sparks, City Council. Thank you for this opportunity to provide information to you about the RTC of Washoe County and the services and functions we provide. I would like to introduce to you: Mr. Lee Gibson, the Executive Director of the RTC and Tom Taelour, our Chief Financial Officer who will give you a brief presentation. At the conclusion of our presentation, we would be happy to answer any questions you may have.

Lee Gibson, Executive Director, Regional Transportation Commission of Washoe County:

I would like to start my presentation with a quick overview of the function of the RTC. We have three core businesses and those businesses include first serving as a metropolitan planning organization (MPO) for Washoe County; we are the street and highway provider as well as the public transit provider. As the MPO it is our responsibility to meet long-term needs and help deliver federal funding to our region and to make those investments in a fashion that reflects our partnership with our local government as well as the Nevada Department of Transportation (NDOT). As a street and highway provider, it is our responsibility to administer the revenue sources and also to design and deliver critical transportation projects that we believe reflect the goals and objectives of our regional transportation plan. As a public transit provider, we operate both fixed-route and paratransit services, both are critical to the economic functioning of our region.

In terms of our funding sources, we have a number of federal and state sources we rely on. First and foremost is a county fuel tax. The county fuel tax is indexed to inflation pursuant to Senate Bill No. 201 of the

75th Legislative Session, codified at *Nevada Revised Statutes* (NRS) 373.066. We also use sales taxes for our street and highway program as well as a regional road impact fee. The regional road impact fee is a funding source that is not generating a whole lot of money these days because it is tied to development. During the history of the RTC in Washoe County that source actually did contribute significant funds, and we are of course working with our local government partners as well as the development community to bring that back when development does return. As an MPO, we are responsible for helping deliver federal funds; we do receive funds from the Federal Highway Administration. These include surface transportation program funds, Congestion Mitigation Air Quality funds (CMAQ), and on occasion specific earmarks that we obtain working in cooperation with NDOT and the Nevada Congressional Delegation.

With respect to our public transportation program, we rely on sales taxes, passenger fares, and advertising. Sales tax is consistent; one quarter-cent sales tax was approved by the voters, and it funds our operations. We also rely on funds from the Federal Transit Administration, both formula and discretionary funds that go towards our capital projects, which include the construction of transfer facilities as well as acquisition of busses. We also use CMAQ funds in our transportation program. I would like to note that under current law, both state and federal, CMAQ and sales tax revenues are our only fund sources that we are allowed to move between highway and transit projects.

Our MPO framework is at the heart of what we do, and it really drives the substantive projects we select and the partnerships we form with our local and state agencies. Critical to this is the establishment of our 20-year plan, defining an improvement program, and making sure the public is actively involved and engaged. We also want the public participating in not only the planning, but the design process as well. We focus on safety and security, and by balancing our books, we attend to the fiscally-constrained.

A theme that will be reoccurring is economic vitality. The RTC invests in jobs through our infrastructure. For 2011, our budget is \$236 million, of which \$172 million is going to streets and highways, a total of \$58 million is going to public transportation, and our administrative expenses are \$8 million. In this year alone we will create and preserve 2,500 highway and transit jobs. We do that with public-private partnerships, consistently building consensus and cooperation with our local government partners, NDOT, and the federal government.

As we are all aware from today's headlines, it is important for agency administrators to look at the bottom line and attempt to manage their agencies in a streamlined fashion. Since 2008 our staffing is down 28 percent. We have done this through a voluntary separation package (VSP) as well as attrition of existing positions. The positions that have been lost both to VSP and to attrition have been eliminated. We have also been able to save substantial funds over the last three years with a pay and benefit freeze for all positions and a senior management pay cut of 3.5 percent. I believe the chart ([Exhibit E](#)) represents how we have streamlined our operation. Since S.B. No. 201 of the 75th Legislative Session and through our public-private partnerships and our partnership with NDOT, we have still been able to put one of the largest programs in the history of the agency out on the street.

The accomplishments of that program include: the completion of Vista Boulevard; the current construction of the Meadowood Interchange; the current construction of Northbound U.S. Highway 395; Interstate 80 improvements, which they will be critical to economic diversification; the Geiger Grade Roundabout, which just recently opened; and a substantial investment in pavement preservation. Pavement preservation, in this past year, was around 250 miles; in 2010 we had a record year of 552 miles.

In our pipeline right now, we have the Big 6 Projects: the southeast connector, Moana Lane widening, Pyramid/McCarran intersection, U.S. Highway 395/Pyramid connector, southeast McCarran, and Interstate 580 Meadowood Interchange. All of these projects, as they go through the pipeline, will create over 10,000 jobs for our community. We have been able to estimate the number of jobs from the Restrepo Report by looking at applying those projects to Washoe County. These investments will also help create permanent jobs in businesses, such as those along Virginia Street as well as those in the Meadowood Mall area as we move forward with completion of those projects.

I now would like to turn to public transportation and what it means for our community. We operate two services: paratransit and fixed-route. Our paratransit service is operated under the regulations of the Americans with Disabilities Act. We carry about 600 persons per day with special needs. The majority of those rides are for medical appointments, but a substantial amount of those rides are for jobs. The fixed-route service provides about 22,000 rides per day. We know that about 50 percent of those riders are going to work. The 22,000 rides of the fixed-route service would be the equivalent mobility level of Kietzke Lane in Reno, Nevada. When you do that comparison, you can tell that the fixed-route service does provide substantial mobility in job access.

In this last year, although we have faced a number of challenges, we have had some accomplishments in the public transportation arena. We opened 4th Street Station, which provides a substantial investment in the downtown Reno area; it also was a substantial commitment of our funds. Most importantly, the construction period and the investment of those dollars helped create almost 500 jobs. We implemented the RAPID service along Virginia Street this year. That has seen an increase of ridership of 7 percent. That is significant given the economic downturn that we have experienced. We are in the process now of getting ready to bid for the construction of new RAPID transit stations. Overall through the recession, our ridership has declined slightly, but it is beginning to hold its own, and with respect to the RAPID service, we are beginning to see some increase.

Going forward we do face a number of challenges. Our sales tax revenues continue to decline. With that we have also seen a slowdown in the farebox revenues, and over the past several years, we have had to implement service cuts to bring our service in line with our revenues. In terms of the service hours that we provide, which are about 250,000 hours, our current service levels are equivalent to 1991. Our ridership is holding its own and in some cases increasing; clearly this is indicative of us trying to keep up and in some cases not being able to meet the local demands for transit in our community.

As we move forward, we are looking at a complete restructuring of our routes and schedules. We are also in the process of implementing a new business model. We are evaluating proposals right now from private sector partners and we are hoping—just as we see a positive bid climate in our construction markets—to see a positive bid climate in our delivery models and be able to bring those savings to the forefront of our community. We are also looking at a possible streetcar on Virginia Street as well as a 4th Street corridor study, where we will be looking at enhanced service. We want to tie the traditional downtown section of Reno with the downtown of Sparks as well as continue to link the resorts, shopping, and educational centers along Virginia Street with those two downtowns.

We are now in the process of starting an update of our regional transportation plan. We believe this regional transportation plan will be one of the most significant regional transportation plans that will be developed in our area for a number of years. The reason for that is because of the risks and changes at the federal level that we have seen and also because the need to target transportation is a key element of economic diversification. We are tying transportation investments and economic diversification to livability. Livability will be a key element of our future, and it is a key comparative asset and

comparative advantage of our region. We want to tie transportation to livability, so we will be able to get our community back on an economically sustainable path. We will want to leverage federal funding as much as we can.

I would like to turn to some programmatic initiatives. First and foremost is our Traffic Operations Infrastructure Program. Here we are looking to deploy technology and provide real-time traffic signal coordination as well as improving on-street operations. We will be doing this through the installation of detectors, cameras, and communications equipment. You will be seeing a lot of new, interesting devices at traffic signals. We will always be working to bring a better traffic flow to our major arterials. We will be doing that in partnership with the City of Reno, City of Sparks, Washoe County, and NDOT.

We are now studying the long-term prospects for a streetcar project. Virginia Street is our most productive route; it is where most of our riders are and it connects downtown, University of Nevada, Reno, and the Reno-Sparks Convention and Visitors Authority. We want to make sure we can strengthen that connection and help promote livability. Our consultants have indicated that there is a potential to bring \$1 billion over the next 20 years in new land use projects. This would equate to a six-time return on our investment and will help move our region forward in terms of economic diversification while capitalizing on our quality of life and livability. We are not looking at abandoning our RAPID project. We want to build off of the investments we are making in corridor for the streetcar project.

Our Complete Streets Program is something that has gained notoriety in our community. It is a way that we leverage our maintenance and rehabilitation program to help improve the right for all users: bicycles, pedestrians, as well as automobiles, and transit patrons. We do this on an annual basis; you will hear this in the press in the coming months as we complete our bike and pedestrian plan and as the RTC moves forward with its budget process.

To conclude, I would like to note that we are working in cooperation with the Reno Tahoe Winter Games Coalition. As that entity moves forward, we want to make sure we are able to plan for and integrate the potential for bringing the Winter Olympics to northern Nevada. We will make sure we are there to provide for the transportation needs should that proposal be successful.

Chair Dondero Loop:

Thank you, Mr. Gibson. Are there any questions from the Committee?

Assemblyman Sherwood:

Jacob Snow with RTC of Southern Nevada gave us a similar presentation last week. In their presentation they discussed Interstate 11. The impetus is already happening in the south with Arizona and the bypass. Federally we do not have any money right now. If we take the 20-year-and-beyond horizon, is Interstate 11 on your radar? If so, what are you doing to make sure that Nevada gets the bid first and we become the new Interstate 5?

Lee Gibson:

I work with Jacob Snow on the Interstate 11 project. In fact, we are in cooperation with NDOT to start a review of Interstate 80. RTC of Southern Nevada has a major interchange between Interstate 11 and Interstate 80 just to the east. We will be looking at that opportunity in the Interstate 80 corridor study. The corridor study will go from Salt Lake City, Utah to the Bay area. We will be in partnership through NDOT with those two states as well as the metropolitan areas along that corridor. The Interstate 11/Interstate 80 connection is the opportunity to work with our friends at the airport to focus on the intermodal connectivity of freight movement. We have a substantial portion of Asian trade that goes right by our front door here on Interstate 80. The Interstate 11 interchange connecting with the airport will be an important part of our future, and as we go through our regional transportation plan, we will be looking at leveraging the Interstate 11 investment. We work very closely with the RTC of Southern Nevada; Jacob and I communicate frequently, and we work on regional issues in cooperation with Susan Martinovich at NDOT to make sure we are all working to leverage those federal investments and make sure the strategic concerns of the state are at the forefront of everyone's radar screen.

Assemblyman Hammond:

When you spoke about the Big 6 Projects, you mentioned that it has been estimated you might create about 10,000 temporary jobs. You also mentioned there might be some permanent jobs gained along Virginia Street and in the Meadowood Mall area. How many jobs and what kinds of jobs are you talking about?

Lee Gibson:

I do not have the number of jobs with me. I can tell you that the types of jobs, for example, from the Moana Lane investment, would be in the resort industry. Some of the hotels along the corridor look to the Moana Lane project as a key element for them to make investment decisions on their properties. Talking with the City of Reno, there are projects that have been in the pipeline with respect to entitlements. The Meadowood Interchange Project and improved

access to that area are going to make those projects start and will then create those permanent jobs I was talking about. We used the Restrepo Report with minor modifications for northern Nevada. It is the same report that Mr. Snow used in his presentation to help estimate the construction jobs. I can get the number of permanent jobs for you and transmit it to the Committee.

Chair Dondero Loop:

Are there any other questions from the Committee? [There were none.] Thank you Mr. Gibson, Mr. Smith, and others. Next, we will hear a presentation from NDOT.

Susan Martinovich, P.E., Director, Nevada Department of Transportation:

We are a highway-fund agency, and I just wanted to recognize that. We are constitutionally separated from the General Fund. A lot of the issues regarding the balancing of the budget are separate. Our mission is to provide a better transportation system for Nevada through our unified dedicated efforts. We have also established very strategic priorities that we work to build into performance measures because, at the end of the day, it really is how you are performing and that will feed into the national arena of federal funds.

Statewide we have over 1,700 employees and the headquarters are in Carson City, Nevada. We have three major district offices in Nevada: Reno, Las Vegas, and Elko. We have three major maintenance stations in Nevada: Ely, Winnemucca, and Tonopah. You can see from the map titled "Maintenance and Support Personnel" ([Exhibit F](#)), we have maintenance stations across the state. They are very important and usually manned by one-, two-, or three-people crews that take care of things that happen for hundreds of miles. They are first responders to incidents, they plow snow, and they are receptive to what is going on across the state.

Nevada Department of Transportation maintains over 5,000 of the 26,000 roads in the state. While you think that is a small number, of those 5,000 we carry the majority of traffic. Over 60 percent of the traffic that is on Nevada streets and highways are carried on the roads that are maintained by NDOT.

Highlighting our major focus areas, first is safety. Overall we want to maintain a safe condition for the traveling public. We adopted a multi-state, statewide strategic safety plan. This plan was developed collaboratively with other agencies: the Department of Public Safety (DPS), the Department of Motor Vehicles (DMV), Clark County, Washoe County, RTC, as well as other education in engineering enforcement and emergency response. Prior to last year, we saw a three-year drop in the number of people killed on our streets and highways by

almost 60 a year. Last year, unfortunately, we had an uptick, but so far this year we are trending downwards. I know that Senator Manendo and Senator Breeden have both been champions in the safety arena. We have had efforts as far as the engineering goes, with edge and median rumble strips. You have probably seen those across the roads in Nevada as you have been traveling. Especially the median rumble strips, they just help keep people in their lanes. We have been putting up median cable barrier rails, and we have also been getting better data of where the incidents are, so we can go out and address what we need to address. We are also working on the education efforts to reduce distraction. We will be working with you in the Legislature going forward.

Another major focus area is communications and customer service. We have the 511 program; what that service does is provide statewide telephone operations on our current road conditions as well as the weather reports. It is the backbone of the road conditions website. People can also get on the website at www.nvroads.com and see what the road conditions are before they leave to go to their destination. It is a chance to give people opportunities to make choices; maybe now is not the time to leave, maybe they can leave later. Since it began in 2006, we have had over one million calls that have been received on 511, and we are constantly updating that to make sure it does provide the user service.

Freeway Arterial System of Transportation is a joint effort with the RTC of Southern Nevada to operate and manage the freeways. You have probably seen the ramp meters and the dynamic message signs in Las Vegas, and we are growing them here in northern Nevada. It is to give people information of what is happening on the facility. The ramp meters have shown to be a benefit in reducing congestion on the Interstate 15 corridor. We are getting more in the operation of our system because we cannot widen our way out of congestion.

The Traffic Incident Management coalition is part of our communication of customer service. Over 50 percent of congestion is caused by non-reoccurring events, such as weather and accidents. Last Friday in northern Nevada heading into Reno, there was a large backup, and it was caused by an accident. What resulted from that backup was a secondary accident. We have great efforts in Nevada to bring all the groups together and clear the road safely. We want to get the road clear, so we do not have the secondary accidents and we reduce congestion. Many of you have seen our Freeway Service Patrol vehicles in southern and northern Nevada. They are very popular helping stranded motorists. They have emergency medical technician capabilities, gasoline, and anything a car needs to get the car off the road. It helps with reducing

congestion. As for community outreach, I would like to applaud the Nevada Broadcasters Association, which we work closely with, in developing radio messages to let the public know what we are doing, so they can have information before they make their journeys.

The third major focus is contractor relations and project delivery. Nevada Department of Transportation initiated an industry NDOT advisory committee to look at key issues facing the construction industry. We look at specifications, bidding practices, and anything that will be more efficient getting projects out. We are delving into partnering, and that is where we are able to talk and work. While the information is at the lowest levels, we will be able to solve it and not end up paying large claims. I would rather put money into asphalt than into legal claims. Partnering has really shown to be a success for us.

We have also expanded our focus in the area of diversity in the workforce, and I thank Assemblyman Hogan for his efforts in coordinating with Rudy Malfabon. Building on the ideas from this legislative body, we are developing a program to increase the diversity within our contractors. We formed the Disadvantaged Business Enterprise (DBE) stakeholder group to encourage more participation by DBEs and women-owned businesses. We currently have DBE goals on all of our projects or on our federally-funded projects at 10 percent.

As part of our contracting efforts, we are working to increase our contractor participation and our maintenance efforts. We recently completed a study that provided information on where the best areas and what the best opportunities are to put maintenance projects out to contractors. We think there is opportunity to put out striping projects in urban areas and slope-flattening projects. There are a lot of opportunities where we intend to supplement our staff. There is more work for us to do than we have manpower, and it is a great opportunity to use more contractors.

We are also looking at ways to accelerate construction. We have our pioneer programs, and you will be seeing some bills come forward: our public-private partnership bill as well as our construction management at risk bill that will identify different forms of contracting. We are currently doing a design build, which is a type of contracting, and looking at others to expedite and provide quality in our business. We have 15 performance measures across the four functions of the Department, and our goal is to be accountable and to improve our operations.

Our focus is not only on roads; we do have other NDOT activities as well. The Federal Highway Administration is a federally-funded program we receive grants through for our transit operations. It is a growing area, especially in the rural counties; they rely on those transit services. The money comes through us and we oversee that. We are not involved in McCarran Airport or Reno-Tahoe International Airport, but we do inspect the rural airports, and we work with them in seeking grant money to help them expand and grow. There are 18 rural airports across the state.

We have the Safe Routes to School program which is a \$1.6 million federal program, and we have coordinated with local schools in providing signing, striping, and developing infrastructure. We have an economic development program that allows and helps the rural areas provide for projects that do not really fall under the capacity that is new interchanges, new widening, or the pavement preservation, but allows things like left-turn pockets or to help with economic development in smaller areas.

Almost half of NDOT employees are general maintenance staff. They are out there in the inclement weather, they are picking up the garbage, they are doing the striping, sweeping, plowing, and they are the first responders on jobs.

We are on a two-year budget for our funding; NDOT is about \$1.2 billion. We work closely with DMV for our highway fund revenues; they are the projectors of the highway fund. We also work with DPS and the budget office on determining what we think is going to happen for the fund. It has been relatively flat, which we see ups and downs all the time because people do drive less, and we do take that into account. We do tend to be very conservative in our projections and estimates. The revenues into the highway fund are federal gas tax, the state gas tax, many county taxes, leases and licenses, and also bond receipts we have received in the past.

The highway fund does not go only to NDOT. It goes to bond repayment, DMV, DPS, and other agencies, such as the Transit Service Authority, Department of Information and Technology, Legislative Counsel Bureau, and then some funding for the Office of the Attorney General. Our proposed expenditures for the highway is \$1.2 billion. Our focus is on pavement. The majority of our spending in our business is capacity. We work towards capacity projects, preservation projects, and the operations I talked about. The money includes consultant designs and contract administration. We do not have the staff or the expertise to design all the projects we put out, so we do supplement our staff. The funding also goes to right-of-way acquisition, federal programs, and construction costs. Currently we have 42 projects that are under

construction. Our bidding climate has been very competitive, and some of the projects you have heard Mr. Gibson mention: our Interstate 580 freeway extension, that is the one between Carson City and Reno that should be done this fall; the Northbound U.S. Highway 395 Moana Lane/Spaghetti Bowl widening; Meadowood Mall, which was a fully-funded stimulus project, is under construction right now; and soon, as Mr. Gibson mentioned, our Interstate 80 design build. In southern Nevada: currently our biggest project is our Interstate 15 design build south project, which is underway and doing great; U.S. Highway 95 at Ann Road, which is widening up through that corridor from Rainbow Boulevard up to the Ann Road interchange; Interstate 15 and U.S. Highway 95, where we have some major overlays; and soon you will be seeing construction start in Mesquite as well as the Summerlin flyover, the airport connector, and Cactus Avenue within the next year.

All of our projects are designed under the American Association of State Highway and Transportation Officials, which is a compilation of all 50 states and sets the standards for the design of interstates and highways in this country; we do work closely with them. Across the state we have tried to keep a balance of funding and distribution. The majority of the funding is in Clark County, but the majority of the pavement preservation is across the rest of the state because we do have a lot of roads with Interstate 80, U.S. Highway 95 and U.S. Highway 93. It works out where it is a balance of funding in Clark County, Washoe County and the rest of the state.

Our projects are selected through a statewide transportation plan that is approved every year by the Department of Transportation Board of Directors. That Board is chaired by the Governor and also has three other elected officials: Lieutenant Governor, Attorney General, and the State Controller. There are three members at large representing each of the three major districts. The plan is then submitted for federal highway approval every year. We must do a lot of coordination with the metropolitan planning organizations of Washoe County, Clark County, Carson City, and Tahoe; they develop their regional plan and we adopt it. We cannot go in and change it. We work with them but we cannot pick and choose projects; we have to adopt it in whole. We also visit every county, every year. We ask the counties what their needs are, we tell them what we are bringing forward, when we will be working in their county, and get their input as well. We have a group of pavement people who drive the roads every year and do a pavement analysis for preservation. They look at the condition and evaluate the roads on the volumes of traffic and the condition and prioritize that. Interstates get the highest priority, national highway system routes—U.S. Highway 93 and U.S. Highway 95—getting next priority, and downwards from there. We also have a preservation program.

As you can see on this slide titled "Federal Program" ([Exhibit F](#)), the challenge with the funding categories are that there are numerous funding categories. It is not a matter of putting project number one, number two, number three because different projects are eligible for different funding categories. We actually design far more projects than we have money for because we do not know the federal criteria exactly; it changes. We do not know how much money we will get or when we will get it. If we use federal money, it requires a right-of-way certification as well as an environmental certification. We need to have projects ready to go in case a project gets delayed because of a right-of-way action. We will have another project to fill the delayed project's place. We are constantly getting projects ready. What we do is not any good if it is on the shelf of a designer; it needs to be on the ground and used by our citizens.

The federal scene is uncertain. Our current authorization bill, the Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users, expired September 30, 2009. We have been operating under continuing resolutions that extended the authorization; this is the fifth one we have been under, and it is set to expire March 4, 2011. After that, NDOT does not know what is going to happen. We do not know how much money we will get, when we will get it, or what the parameters for the money will be. We are assuming that it will be the same as the other five extensions and go to at least the end of this fiscal year which ends in September 2011. We are setting up our program under that assumption, so we can be ready. The federal money comes from a reimbursable program. If you do not spend the money, you do not get it. They tell us every year how much we obligate, and we work very hard to obligate it all. When we spend it, we get it back.

President Obama just put out his budget Monday, and we are looking at what it means for transportation. There are some exciting items in the bill that we are watching. First, it is a multi-year bill; it is a six-year bill being proposed, and that gives us the ability to plan. We will know what we have over those six years. Second, it is going to take all those categories I mentioned earlier and put them into six; it seems like we will have a lot more flexibility than we do now. Third, the amount the President is proposing is higher than what we are currently getting.

We have been very successful obligating all of our money. At the end of the fiscal year, we set ourselves up in a position to get money that other states have not obligated. Last year we were one of four states to be in that position, and we received an additional \$9 million in authority. That is why it is important to have many projects ready to go that qualify for all the different categories of federal funding, so we can be in a position to get more money.

Our goals that we are going to propose as legislation are more contracting tools; we will also be working with you on the safety initiatives. It comes down to obligating all of the federal money so that we do not leave any money on the table. Transportation to us means jobs and an end product. When we are done, there is a product that people can see and that benefits thousands of users. We are also working on our communication; it is complicated. We will continue our outreach with the counties. We work very closely with Washoe County and RTC; in fact, I sit on both boards and talk closely with them as well as our staff. I appreciate the relationships that we have.

We are successful. Our roads and bridges are ranked in the top five in the country for their condition. A lot of effort has gone into being proactive in what we do. There is some luck; we do not have the weather, sand, salt, and age that some of the others do have, but still we have kept them in a good condition and plan to do that. We do have the great partnership. I think that is important because we understand that transportation is a need for all of the state; they are not just NDOT's or the counties' roads, they are all of our roads. We have won awards in our technology, projects, and partnering, and people are looking at what we are doing to our landscaping that better fits into the community. We are reducing fatalities, and that is very important. Thank you for the opportunity. We are going to continue to work to be accountable, transparent, and to keep delivering a safe and reliable transportation system.

Chair Dondero Loop:

Thank you. Does the Committee have any questions?

Assemblywoman Neal:

I recently heard that NDOT was starting another disparity study or going out to at least find a consultant group to do a disparity study. Can you give me more information about that?

Rudy Malfabon, P.E., Deputy Director, Nevada Department of Transportation:

Yes, NDOT is updating the disparity study that was completed in 2006. In that time frame we have been under a race-neutral program, we are currently under a race-conscious program where we have the DBE goals, which are involving minority- and woman-owned firms in our federal aid projects. The update is necessary because it has been awhile. We will put out a request for proposals so firms can submit a proposal to NDOT to be considered, and we will be selecting that in the next few months. That proposal should go out next month.

Susan Martinovich:

I want to expand on that. In the review of those proposals, we will also be working with stakeholders from the community to help us choose the appropriate consultant to do that study.

Assemblyman Sherwood:

You had mentioned that bidding has been very competitive for the projects, which is good given the fact that we have limited dollars. Specifically, why is bidding so competitive? What are a couple bullet points that make it more competitive?

Susan Martinovich:

I cannot speak for contractors, but from what I understand, the contracting teams want to keep their staff on board, and the prices of materials have also gone down. Between that and minimizing their profits, they have been able to reduce the prices in their bids they give to us.

Assemblyman Sherwood:

What you are saying is this is similar to the concept from Economics 101, the supply and demand theory. There is less construction demand, more supply, and a better price for NDOT.

Susan Martinovich:

That is exactly it. As well as another thing that is happening, the State Public Works Board projects have been challenged, and they are not putting out as many projects. We are one of the few agencies that are putting out projects. There are more contractors that are available to bid on our work and more competition.

Assemblyman Sherwood:

I am looking forward to driving on Interstate 11, 20 years from now.

Susan Martinovich:

We are working on that. We have been in contact with the State of Arizona because it would start in Phoenix, Arizona and go up to Las Vegas, Nevada and then move on up. We are starting the discussion, laying out the plan, and looking at timing and funding of when it can start. It is on everyone's radar, and we are pushing very hard for that project to start.

Assemblywoman Diaz:

I was just wondering: how many contractors being awarded these jobs end up staying in the state? Do you have any facts and figures as to how many contractors are Nevada-based companies as to out-of-state companies?

Susan Martinovich:

Over the last two years, all of our contracts except one has been an in-state contractor. That one out-of-state contractor was in Elko. It is expensive for an out-of-state contractor to come work in Nevada because they have to mobilize and bring in the workforce. The project in Elko was a federally-funded project. When the projects are federally-funded, we cannot put the bidder's preference on them. The out-of-state contractor had to be very diligent in their pencil sharpening to win the bid over an in-state contractor.

Assemblywoman Diaz:

You made a comment about awarding more contracts to smaller minority-owned businesses as well as women-owned. Is that correct?

Susan Martinovich:

That is correct, yes.

Assemblywoman Diaz:

What is the percentage you were looking to award out to these businesses? Was it 10 percent?

Susan Martinovich:

We are required on our federal projects to try and get 10 percent diversity. The Disadvantaged Business Enterprise (DBE), or the Women's Business Enterprise, and federal highways will be tracking that. We have to report every year if we made that goal and explain if we did not. We are making an extensive outreach to inform DBE contractors how to bid on our projects, and where to go for information—our website outlines it, and extensive outreach through Rudy Malfabon. Last year, the Legislature approved a position for a civil rights officer that we hired, specifically to help us in our efforts of civil rights. The Civil Rights Officer is Norma Norman, and she will also be working to get the information out.

Senator Manendo:

How are things going with sound walls?

Susan Martinovich:

They are up and we are always looking for opportunities for sound walls. I do not know if there are any others that we are working to move forward.

Senator Manendo:

How are the programs going?

Susan Martinovich:

Very well but we have so much construction, especially on U.S. Highway 95 up north. Because we are coming back and looking at these older roads and widening or doing items there, that is when we will be putting sound walls in. There are not a lot of requests right now for new walls on old facilities.

Chair Dondero Loop:

Are there any other questions for the Committee? [There were none.] Thank you kindly for your presentation. I appreciate what NDOT does. Is there any public comment here or in Las Vegas? Are there any comments from the Committee members before we adjourn? [There were none.] We are adjourned [at 5:11 p.m.].

RESPECTFULLY SUBMITTED:

Jordan Neubauer
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn Dondero Loop, Chair

DATE: _____

Senator Shirley A. Breeden, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Transportation/Senate Committee on Transportation

Date: February 15, 2011

Time of Meeting: 3:35 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Sign In Sheet
	C	Terry Johnson, Director, Department of Business and Industry	Department of Business and Industry Taxicab Authority (PowerPoint)
	D	Krys Bart, President/CEO, Reno – Tahoe Airport Authority	Airport Update
	E	Lee Gibson, Executive Director, Regional Transportation Commission of Washoe County	RTC Public Transportation Streets and Highways Planning
	F	Susan Martinovich, P.E., Director, Nevada Department of Transportation	State of Nevada Department of Transportation Overview 2011