

Financial Appetizers – Infrastructure?

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WILL ROGERS

Thank God I don't get
all the government I
pay for!!



OVERALL PICTURE

- FEDERAL
- STATE
- REGIONAL
- LOCAL



SPEAKING OF WASHINGTON, D.C.

Former Mayor Marion Barry

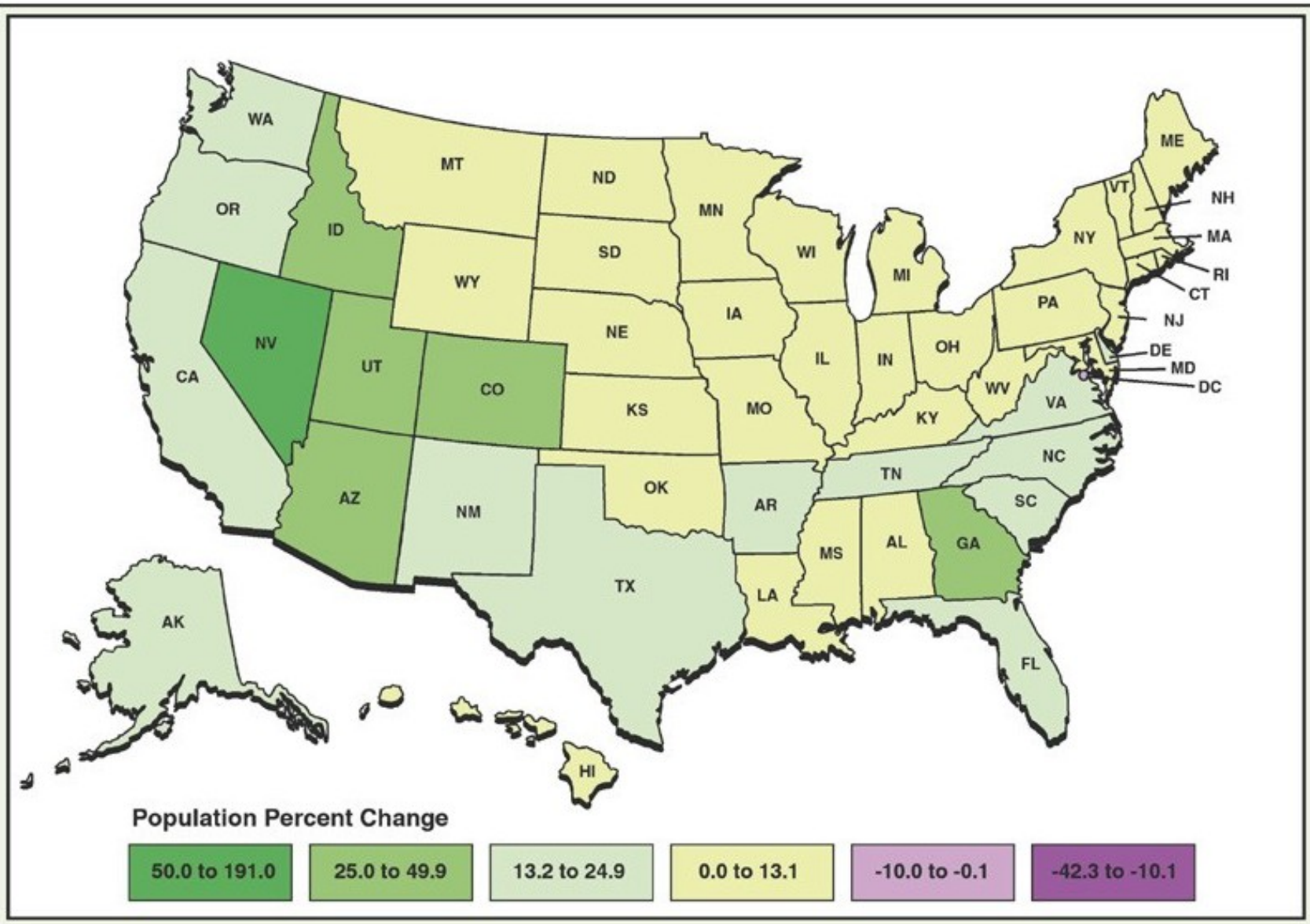
‘Outside of the killings,
Washington has one of
the lowest crime rates in
the country.’



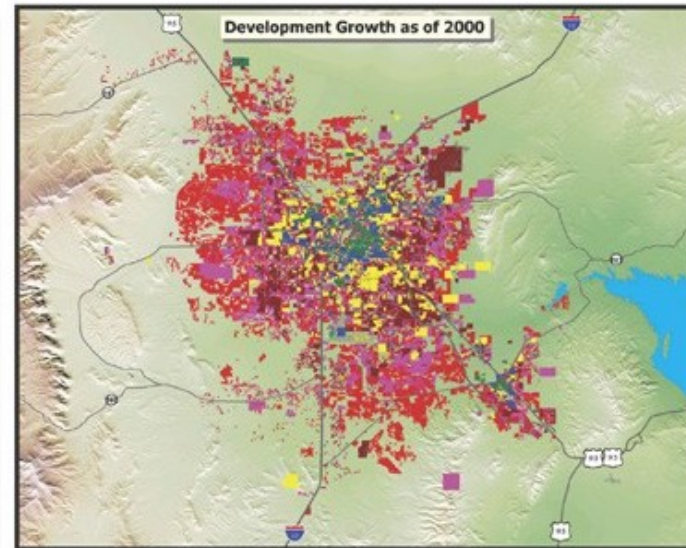
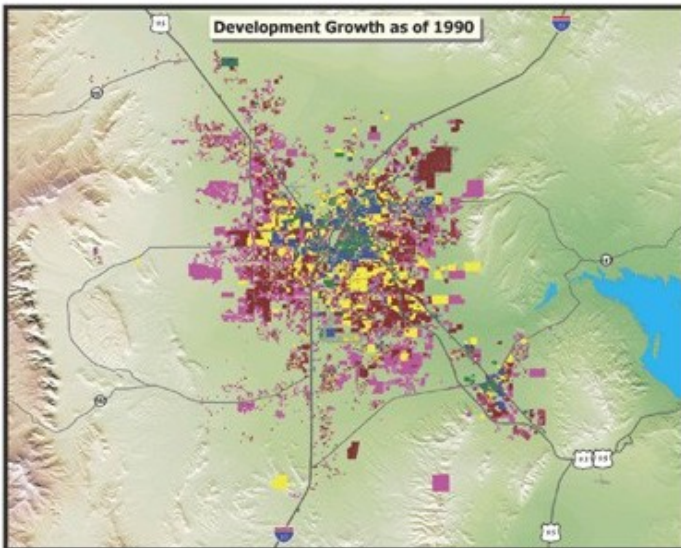
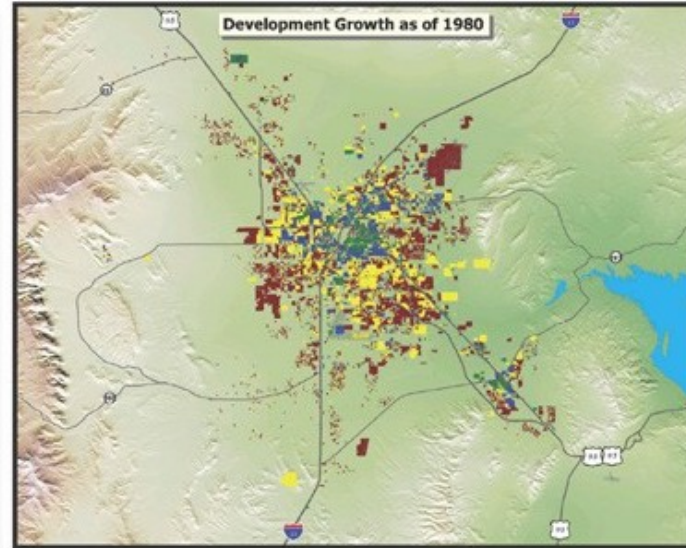
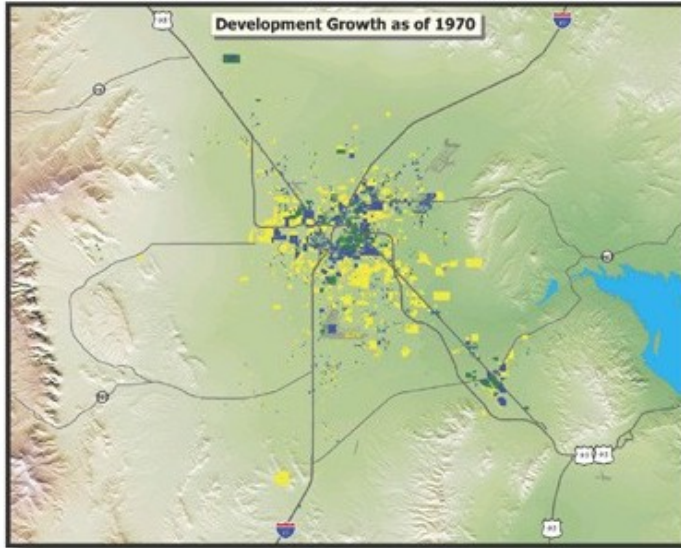
Growth



United States: Population, percent change, 1990 to 2000



Development Growth in Las Vegas from 1970 to 2000



Future Growth

A major foundation recently concluded that Las Vegas is the 10th most congested city in the United States, and that unless major steps are taken, by 2030 driving times during peak travel hours will be far worse than even present-day Los Angeles. The same report also concluded that Reno's driving times during peak travel hours will increase 680 percent in 25 years.

Interstate 15 Future Growth 2003 - 2030

- I-15 south of Sloan Road: 42,000 to 156,000
- I-15 north of Blue Diamond Road: 67,000 to 420,000
- I-15 from Tropicana Avenue to south of Sahara Avenue: 230,000 to 500,000
- I-15 at Lamb Blvd.: 23,000 to 123,000

Challenges



Buying Power

- Cost of oil and energy
- Cost of right-of-way
- Urban Interstate reconstruction
- GROWTH

Growth-Driven Challenges

Inflationary Impacts

Contracting

Staffing

Driver Behavior

Right of Way

Funding



AGC Inflation Index

FY 2001	- 3.6%
FY 2002	1.0%
FY 2003	2.6%
FY 2004	10.8%
FY 2005	14.1%
FY 2006	13.8%

Last 3 years: 43.9%

HOUSE

Bought - 1989

Present Worth - 4 to 5
times original price

Taxes - 4 times original
tax



Automobile

1990 to present

At least double in price

Cost to maintain (tires, oil
change, service)

3 to 4 times cost to maintain



FOOD, WATER, HEAT, ETC.

PICK ANY AREA
IN YOUR LIFE



STATE GAS TAX

➤ 1992 - 18.305

cents

➤ 2008 - 18.455

cents



Maintenance of the System

- Cost to the Public
- High Speeds
- Higher level of Maintenance necessary for Safety of the Public

Pavement / Bridge Backlog

During the last biennium, the backlog of pavement and bridge work increased \$396 million to **\$795 million**: \$661 million for pavement and \$134 million for bridges. Under present funding, the backlog is expected to jump to **\$1.4 billion** in 2010 and continue to increase to **\$1.8 billion** by 2019. (State system)

POPULATION SHIFT

- HUGE GROWTH IN SOUTHWEST US
- AGING POPULATION
- CHANGING JOB OPPORTUNITIES AND MARKETS



- Revenues and Projections
- Past two years
- Flat Line

Actions



Corridor / Environmental Studies

US 95	Washington to Kyle Canyon
I-515	Spaghetti Bowl to Foothill
I-15 Resort Corridor	I-215 to Spaghetti Bowl
I-15	Tropicana to Sloan
I-15	Apex to Mesquite
Eastern Corridor	Las Vegas
Super Train	Anaheim to Las Vegas
I-80 Corridor	Stateline to Wadsworth
Pyramid Highway	Sparks to Spanish Springs
US 395 Sierra	Carson City to State Line



Super / Mega Projects Summary

Southern Nevada

I-15 North Corridor – Spaghetti Bowl to Apex Interchange

US-95 Northwest Corridor – Washington to Kyle Canyon

Beltway Interchanges – US-95, I-15, Summerlin Parkway

I-15 – Tropicana Avenue to Spaghetti Bowl

I-515 – Foothills Road to Spaghetti Bowl

I-15 South Corridor – Stateline to I-215 Beltway

Boulder City Bypass

Northern Nevada

I-80 – Robb Drive to Vista Boulevard

US-395 – Moana Lane to Stead Boulevard

Pyramid Highway – Nugget Avenue to Calle De La Plata Drive

Other – Statewide

Two-Lane Highways – Widening and Passing Lanes

Preservation Program

ITS/Operations

NDOT Programs

- Economic Development
 - Enhancement
 - Maintenance
- Environmental Stewardship
 - Landscaping
 - Noise Walls
- Other Transportation Modes
(Transit, Rail, Aviation, Bicycle, Pedestrian)
- Traveler Information & Assistance
 - Safety
- CMAQ, Passing Lanes, ITS



- Lee Iacocca
'We've got to pause
and ask ourselves:
How much clean air
do we need?'

- Al Gore, former Vice President
- 'It isn't pollution that's harming the environment. It's the impurities in our air and water that are doing it.'



Funding



WE ARE

BROKE



Federal Funding Categories

- Interstate Maintenance
- National Highway System
- STP Statewide
- STP Clark
- STP Washoe
- STP Areas < 5000
- Safety
- Railroad Safety



MORE!!!!!!!

- Safe Routes to School
- Enhancement
- CMAQ Washoe
- CMAQ Clark
- Bridge On-system
- Bridge Off-system
- Recreational Trails
- Discretionary



24 Categories subject to obligation limitation

- 10 to 15 others not subject to obligation limitation

Corridors of the Future

I-15 Selected

Out of 36 Other States



DISCRETIONARY MONEY

- CORRIDORS OF THE
FUTURE
- URBAN PARTNERSHIP
GRANTS

DEVOLUTION



ASSEMBLY BILL

NO. 595

Through redirecting various taxes and fees, estimated to provide some \$1 billion in bonds for transportation projects.

REQUIRES TWO-THIRDS MAJORITY VOTE (§§ 34, 36, 49) EXEMPT
(Reprinted with amendments adopted on June 3, 2007)
THIRD REPRINT A.B. 595

ASSEMBLY BILL NO. 595—COMMITTEE ON TRANSPORTATION
(ON BEHALF OF THE DEPARTMENT OF MOTOR VEHICLES)

MARCH 26, 2007

Referred to Concurrent Committees on Transportation and Taxation

SUMMARY—Makes various changes relating to taxes on fuels and the provision of funding for highway projects. (BDR 32-643)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
Effect on the State: Yes.

EXPLANATION - Matter in *bolded italics* is new; matter between brackets (*deleted material*) is material to be omitted.

AN ACT relating to vehicles; making various changes regarding the imposition, reporting, payment, collection, refunding, administration and enforcement of certain taxes on fuels; providing for the issuance of bonds by the county fair and recreation board in certain counties to assist in the funding of highway projects in the county; allocating a portion of the proceeds of certain taxes and fees to the construction and maintenance of public highways; requiring analyses of the costs and benefits of proposals for certain highway projects; requiring annual performance measurements of and various periodic reports by the Department of Transportation; revising the provisions governing the fees charged by a short-term lessor of a passenger car; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Under existing law, a taxpayer is entitled to receive interest on an overpayment
- 2 of taxes. (NRS 360.2935, 360A.110) Section 2 of this bill provides that no interest
- 3 will be paid on an overpayment of taxes on fuels if the overpayment is made
- 4 intentionally or carelessly.
- 5 Under existing law, if the Department of Motor Vehicles issues a deficiency
- 6 determination against a taxpayer for underpayment of taxes on fuels, the taxpayer



Under AB 595

Las Vegas Convention and Visitors Authority will contribute \$20 million per year from room taxes.

Clark and Washoe counties will reallocate some existing property tax revenue.

Rental car companies will reallocate one-quarter of revenue now generated from imposing a 4% surcharge.

All to the State Highway Fund.



EXEMPT
(Reprinted with amendments adopted on June 4, 2007)
SECOND REPRINT A.B. 544

ASSEMBLY BILL NO. 544—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 26, 2007

Referred to Committee on Ways and Means

SUMMARY—Makes appropriations to the Department of Transportation for highway improvements. (BDR S-1225)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation included in Executive Budget.

EXPLANATION - Matter in *red italics* is new; matter between brackets (*omitted material*) is material to be omitted.

AN ACT making appropriations to the Department of Transportation for highway improvements; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. There is hereby appropriated from the State
2 General Fund to the Department of Transportation for
3 improvements, funded by State General Fund revenues in excess of
4 the spending cap, to:
5 1. Interstate Highway 15 in Las Vegas, the sum of
6 \$154,000,000.
7 2. State Route 160, Blue Diamond, the sum of \$16,000,000,
8 except that no portion of this sum for improvements to State Route
9 160 may be utilized by the Department unless the State Controller,
10 upon satisfactory proof submitted by the Department, determines
11 that \$2,000,000, in money or in goods and services provided in
12 kind, or both, has been committed for such improvements from
13 sources other than federal, state, regional or local governmental
14 entities.
15 Sec. 2. Any remaining balance of the appropriations made by
16 section 1 of this act must not be committed for expenditure after



* A B 5 4 4 R 2 *

ASSEMBLY BILL

NO. 544

General Fund Appropriation:

\$154 Million to I-15
Design-Build Project
\$16 Million to SR 160



Under AB 595

NDOT Accountability

- **Annual and quarterly reports**
- **Funding expenditures**
- **Schedules / status**
- **Research and cost analysis**
- **Performance measures**

All to the Legislature and Posted on Website

Public-Private Partnerships



- A public-private partnership is a joint alliance to optimally achieve a common objective.
- Private developer assumes greater role and responsibility in design, build, finance, operation, and maintenance.
- Private developer partially responsible for providing and mobilizing funds.
- Private developer can obtain increased return, including profits, but assumes greater risk.



Private Investors

- Private Investors expect a
**RETURN ON THEIR
INVESTMENT!!!!!!**

The Future



Roads #1 in the Nation

*Nevada Interstates, Urban Freeways,
Principal Arterials, Rural Minor Arterials*
Federal Highway Administration

Bridges #1 in the Nation

Federal Highway Administration



PRIORITIES

- MAINTENANCE
- CAPACITY
- NATIONAL FREIGHT
MOVEMENT
- ECONOMY



➤ BONDING

➤ OREGON PILOT
PROJECT

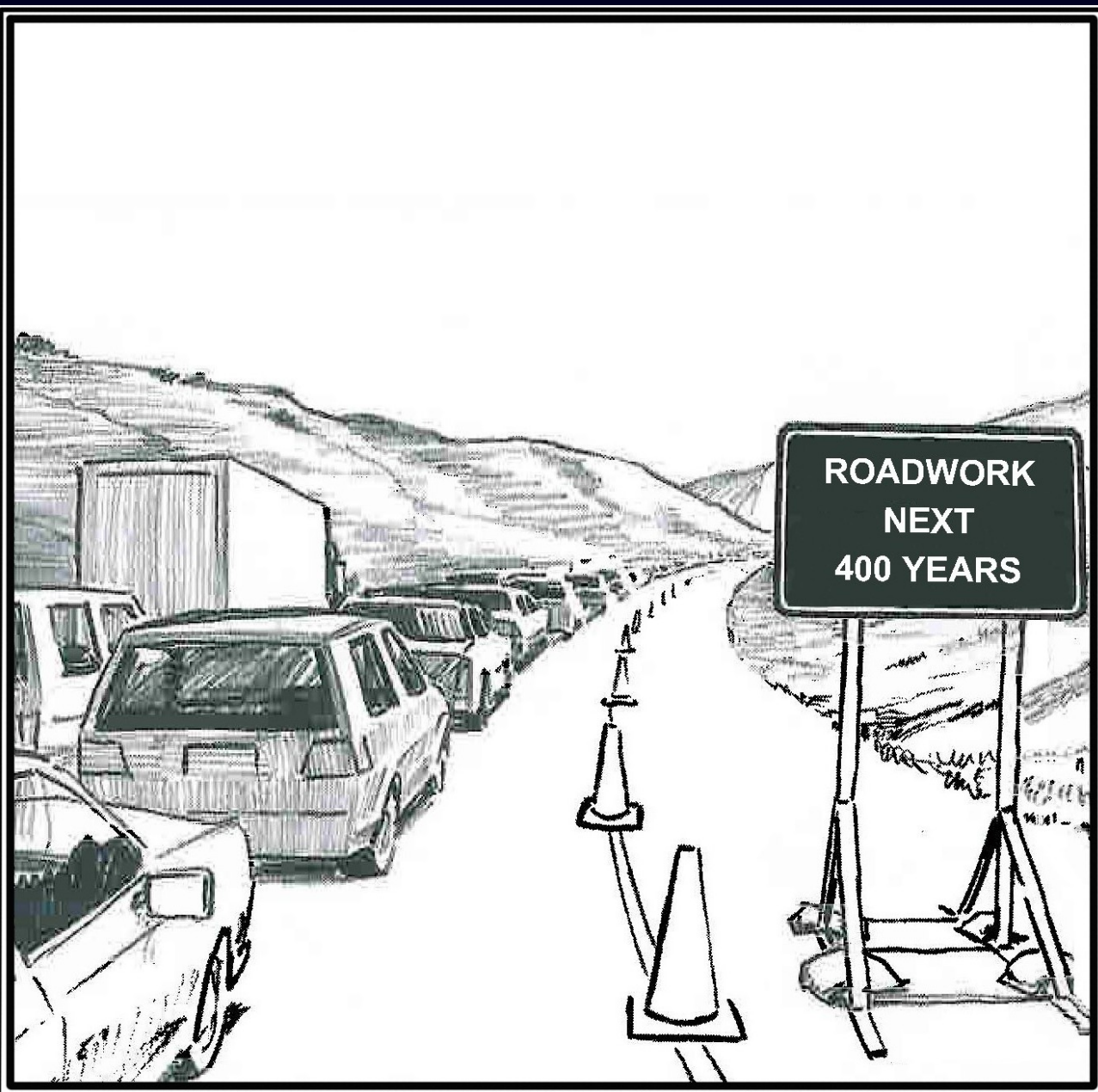
➤ WESTRAC



U.S. HAS GREATEST TRANSPORTATION SYSTEM IN WORLD

- BEST FEDERAL PROGRAM IS PAY AS YOU GO
- WE NEED INVESTMENT IN INFRASTRUCTURE, OR
- WE WILL GO DOWN AS THE GREEDIEST GENERATION IN U.S. HISTORY





Congressional Candidate in Texas

‘That lowdown scoundrel
deserves to be kicked
to death by a jackass,
and I’m just the one to
do it.’

