



NEVADA LEGISLATURE NEVADA VISION STAKEHOLDER GROUP

(Senate Concurrent Resolution No. 37, File No. 102, *Statutes of Nevada 2009*)

SUMMARY MINUTES AND ACTION REPORT

The fifth meeting of the Nevada Legislature's Nevada Vision Stakeholder Group was held on March 12, 2010, at 9 a.m. in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 2135 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. A copy of this set of "Summary Minutes and Action Report," including the "Meeting Notice and Agenda" ([Exhibit A](#)) and other substantive exhibits, is available on the Nevada Legislature's website at <http://www.leg.state.nv.us/interim/75th2009/committee/>. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775/684-6835).

GROUP MEMBERS PRESENT IN LAS VEGAS:

Robert E. Lang, Ph.D., Chair, Brookings Mountain West and Department of Sociology, University of Nevada, Las Vegas (UNLV)
Peter C. Bernhard, Cleveland Clinic Nevada
Doug Busselman, Nevada Farm Bureau Federation
René Cantu, Jr., Ph.D., Latin Chamber of Commerce Foundation
Alan Feldman, MGM Mirage, Inc.
Marsha Irvin, Andre Agassi College Preparatory Academy
Janelle Kraft Pearce, Las Vegas Metropolitan Police Department, Retired
Boyd Martin, Boyd Martin Construction and Associated General Contractors, Las Vegas Chapter
John Packham, Ph.D., University of Nevada School of Medicine
Thomas A. Perrigo, AICP, City of Las Vegas
Devin Reiss, Nevada Association of Realtors
Terry J. Reynolds, The Reynolds Company
Brian Rippet, Nevada State Education Association
Keith Smith, Boyd Gaming Corporation
Jacob L. Snow, Regional Transportation Commission of Southern Nevada
Donald D. Snyder, The Smith Center for the Performing Arts
Denise Tanata Ashby, Nevada Institute for Children's Research and Policy, UNLV

GROUP MEMBERS PRESENT IN LAS VEGAS (Continued):

Cedric D. Williams, North Las Vegas Fire Department
Sylvia Young, FACHE, Sunrise Hospital and Medical Center

GROUP MEMBERS PRESENT IN CARSON CITY:

Paul Dugan, Washoe County School District, Retired
Robert Lee Potter, American Federation of State, County, and Municipal Employees

GROUP MEMBERS ABSENT:

Joseph E. Dini, Jr., Nevada Assembly Speaker Emeritus
Douglas D. Dirks, Employers Holdings, Inc.
Dan Goulet, United Way of Southern Nevada
Susan Rhodes, LASW, National Association of Social Workers, Nevada Chapter
Katy Simon, Washoe County

LEGISLATOR PRESENT IN LAS VEGAS:

Senator Steven Horsford

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT IN LAS VEGAS:

David Ziegler, Principal Research Analyst, Research Division

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT IN CARSON CITY:

Donald O. Williams, Research Director, Research Division
Marjorie Paslov Thomas, Principal Research Analyst, Research Division
C. J. Smith, Secretary, Research Division

INTRODUCTION AND OPENING REMARKS

- Robert E. Lang, Chair, welcomed the members and the public to the meeting and explained that The Brookings Institution (Brookings) publishes the *Mountain Monitor* which addresses issues relevant to states in the intermountain west. He said there are important notes in the publication concerning Las Vegas and, despite job losses, Las Vegas made gains over the last decade. He said that southern Nevada has a substantially larger economy. Chair Lang said a second study by Brookings examined the distribution of federal money to the states based on the census formula; Nevada is a relatively affluent State, and Nevada is not receiving hundreds of millions of dollars in the categories of health and transportation. Chair Lang stated that Nevada receives half the per capita return rate of other states and needs to build capacity to capture resources for matching funds and grant writing.

The Chair said there is new thinking that the United States has been riding a consumption wave, and southern Nevada has benefited. But with new drivers of growth, the State needs to focus on production and new technologies, and to position itself to be opportunistic regarding new businesses for the global economy.

REVIEW OF LONG-TERM VISION STATEMENT FOR THE STATE OF NEVADA AND RECOMMENDATIONS FROM THE NEVADA VISION STAKEHOLDER GROUP (NVSG) MEETINGS OF FEBRUARY 11 AND FEBRUARY 25, 2010

- Dave Ziegler, Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB), read the updated vision statement of the NVSG members. He commented on the phrase “Home Means Nevada” as discussed during the last meeting ([Exhibit B](#)).
- Donald D. Snyder, member, said the NVSG is focused appropriately on improving the quality of life for all Nevadans. He said the State needs to expand and diversify its economy, while ensuring a healthy tourism foundation. He said Nevada’s tourism economy is very special and has carried the State a long way, and it is important that it continue to be strong. He said that Nevada’s tax structure needs to be evaluated objectively and reformed. Governance, the size of government and its structure, should be part of the conversation, including the Spending and Government Efficiency (SAGE) Commission’s analysis and recommendations. Mr. Snyder said the vision statement can be fine-tuned to include some of those points. He suggested moving the paragraph beginning, “Nevadans of all ages.” Regarding the business climate, he suggested the language, “Our public policy and business climate must provide the economic foundation for the overall quality of life,” as part of the lead in, and adding “encourage innovation, leverage market strengths, attract investment and talent, and balance sustainable growth.”
- Chair Lang asked whether there is a way to shorten the vision statement while capturing Mr. Snyder’s suggestions.

- Mr. Snyder said that he added 12 words only.
- Chair Lang asked whether the members were comfortable with the vision statement with the inclusion of those words as a final statement. The members agreed with the Vision Statement as presented. There were no objections.

IDENTIFICATION OF NEVADA'S STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS ("SWOT") AND 5-, 10-, AND 20-YEAR GOALS RELATING TO ECONOMIC DIVERSIFICATION, BASED ON DISCUSSIONS AT THE NVSG MEETING OF FEBRUARY 25, 2010

- Mark McMullen, Director, Moody's Analytics, Inc., concurred in Chair Lang's comments on economic diversification, development, and federal funding. A document summarizing the SWOT analysis in economic diversification was distributed ([Exhibit C](#)).

Group 3 (Room 2134—Carson City):

- Robert L. Potter, member, discussed the SWOT analysis on economic diversification by the Group in Room 2134 in Carson City. (See February 25, 2010, minutes for details.)
- Mr. McMullen said the idea of vertical integration is important. He said, in northern Nevada, vertical integration could focus on rare earth metals, gold refining, and manufacturing. In southern Nevada, vertical integration could involve tourism, the hospitality industry, entertainment, and renewable energy businesses.

Group 2 (Room 4412—Las Vegas):

- Peter C. Bernhard, member, reviewed the SWOT analysis as discussed by the Group in Room 4412 in Las Vegas. (See February 25, 2010, minutes for details.)

Group 1 (Room 4401—Las Vegas):

- Mr. Snyder reviewed the SWOT analysis as discussed by the Group in Room 4401 in Las Vegas. (See February 25, 2010, minutes for details.)

Mr. Snyder noted the need to expand and diversify Nevada's economy, reform the tax structure, ensure efficient government and related spending, and develop "green spots" to create a competitive advantage, particularly renewable and solar energy. Other opportunities include electric transmission lines between north and south; biomedical technology; design; capitalizing on the Nevada Test Site and Yucca Mountain infrastructure; distribution and warehousing; and the retiree population. He said an interstate highway to Phoenix, high-speed rail to southern California, and reallocating

flights into the Las Vegas airport represented opportunities. He said economic development and diversification require capital formation, from angel investors, venture capitalists, and commercial and investment banks. He said the tax structure must support economic diversification.

- Mr. McMullen said in addition to vertical integration the idea of comparative advantage and building of clusters was mentioned by all the groups. Southern Nevada as a hub for furniture design, the Nevada Test Site and Yucca Mountain, and distribution and warehousing are additional themes. He said there is a need for capital formation and attractions of investment.

He said energy resources are plentiful but prices are high. Mr. McMullen said there are good rail corridors for transportation of commodities, public transportation is a weakness, and there is potential for high-speed rail or a highway to Phoenix. Solid waste could be leveraged as a positive.

- Brian Rippet, member, said the reference to an underfunded Public Employees' Retirement System (PERS) is a red herring that demonizes government in general and the public workforce specifically. He said PERS is very well funded. Eighty percent of revenues come from investments and 20 percent from employee contributions. He said Nevada's teachers and firefighters are not eligible for Social Security so for an additional salary contribution, the State is getting a well-managed, prefunded system that includes disability, death benefits, and a stable retirement system.
- Boyd Martin, member, asked for clarification on listing barriers to green construction as a weakness due to building codes.
- Mr. Ziegler said in his testimony of February 25, 2010, Ray Bacon, Executive Director, Nevada Manufacturers Association, said that in the north there is a manufactured panel used in construction that is allowed in California but not in Nevada, even though the product is manufactured in Nevada.
- Mr. Martin said a short-term strength for attracting new industry to the State is that the pricing structure for construction costs is lower than ever and that attracts new development.
- Janelle Kraft Pearce, alternate member, clarified a statement she made during the SWOT analysis. It was her intent to talk about incentives available to redevelopment agencies that can possibly be utilized across Nevada.
- Mr. Snyder asked the members to focus on global issues and look objectively at what is the best long-term structure to support Nevada as it moves forward.
- Mr. Snyder said Yucca Mountain should not be a dead zone. He said with its infrastructure, it is incumbent upon the State to take advantage of the area.

- Chair Lang said given the security at the Yucca facility, there are opportunities for technology jobs at that site. Nevada could develop a specialty in security associated with the safety of that facility. Chair Lang said the State could use something that represents an investment from the federal government and make something altogether different of it.
- Mr. Snyder said there are opportunities at Yucca Mountain, since it is a secure facility. He said there are data centers the government needs to build over several years that will need protecting and represent billions of dollars.

PRESENTATIONS ON CURRENT ISSUES AND ACTIVITIES IN NEVADA RELATED TO AIR QUALITY, WATER QUALITY, WATER RESOURCES, SOLID WASTE, ENERGY, AND TRANSPORTATION

Allen Biaggi, Director, State Department of Conservation and Natural Resources

- Mr. Biaggi provided the Group with an environmental briefing ([Exhibit D](#)). He said:
 - Ø Nevada's environmental programs must protect public health and environmental quality, and also must look at the economic ramifications;
 - Ø Greenhouse gas emissions can now be regulated under the federal Clean Air Act and, without changes to the Clean Air Act, regulation could dramatically increase the number of stationary sources subject to air quality permitting in Nevada;
 - Ø Not attaining air quality standards can have significant economic consequences and Nevada has expended much effort over many years to attain air quality standards;
 - Ø The federal Environmental Protection Agency has proposed a significant revision to the ground-level ozone standard, which would have serious implications for parts of rural Nevada, which probably could not comply;
 - Ø A California company has proposed a large landfill near Winnemucca in Desert Valley, Nevada has issued an air quality permit, and a decision on a solid waste permit is months away;
 - Ø Governor Jim Gibbons has proposed legislation requiring municipalities to recycle up to 75 percent of waste material, an increase over the current goal of 25 percent ([Exhibit E](#));
 - Ø Most impairment of water bodies in Nevada is the result of nutrients, suspended solids, and increased temperature contributed by erosion, loss of riparian vegetation, land use practices, wildfires, and urban and agricultural runoff;

- Ø The national drinking water standard for arsenic was lowered nationally to 10 parts per billion and Nevada has many areas with high arsenic, has spent much money bringing facilities into compliance, has 53 facilities now under waiver or in nonattainment, and needs about \$126 million for construction of facilities;
 - Ø Nevada has used treated wastewater for many years for various purposes and finds new uses constantly; and
 - Ø Water resources are a limiting factor in Nevada, water rights have become very expensive, nearly every decision of the State Engineer is litigated, and the Legislature has directed the Department and the State Engineer to conduct workshops and make recommendations related to a recent Nevada Supreme Court decision regarding Spring Valley in eastern Nevada, which could affect thousands of water rights issued since 1947.
- Mr. Potter asked whether the ozone standard of 0.60 and 0.70 parts per million is reasonable for White Pine County.
 - Mr. Biaggi said this is a standard for ground-level ozone, which has health implications, and is usually related to auto emissions. He said he did not believe the proposed standard was reasonable, since rural counties would not have any means of control to implement.

James Groth, Director, Office of Energy, Office of the Governor

- Mr. Groth provided a presentation on energy. He said:
 - Ø Nevada is rich in energy resources and opportunities;
 - Ø There are many barriers to renewable energy development and Nevada has lost \$3.5 billion in revenue in the last 10 months from energy companies that have decided to locate elsewhere;
 - Ø Nevada completed a plan in September 2009, in order to receive \$47 million for energy programs under the federal stimulus act;
 - Ø Training of the renewable energy workforce is outrunning the need, Nevada needs to bring in manufacturing companies, and energy theme parks could be built where companies could demonstrate their products and projects;
 - Ø Nevada has plentiful sources of electricity but relatively high prices, which drive costs to consumers but also create opportunities for innovation;
 - Ø Exporting electrical energy to California is driving renewable energy development in Nevada in the short term; and

Ø The pace of building transmission corridors on federally managed land in Nevada is very slow.

- Chair Lang said the issue of public lands is important. He said Nevada needs access to its land and needs control in terms of energy resource production.

He discussed the idea of Nevada hosting permanent trade shows. When people begin to associate this State with the latest and greatest technologies, Nevada can position itself as being in the forefront, he said.

- Doug Busselman, alternate member, said Nevada's infrastructure that moves energy from where it is produced to where it is needed by transmitting it across federal lands is a weakness. Mr. Busselman asked whether anyone from Nevada government is interacting with the U.S. Fish and Wildlife Service, U.S. Department of the Interior, and the Bureau of Land Management, U.S. Department of the Interior, on how to avoid listing the sage grouse as endangered.
- Mr. Groth said he attends Geothermal Council meetings and that the sage grouse habitat is primarily from Tonopah north; the geothermal footprint is small, and Nevada is fortunate to have the Interstate 80 transmission corridor.

Mr. Groth said Nevada has good intellectual resources, from the new solar technology and innovation center at University of Nevada, Las Vegas, and the Desert Research Institute (DRI), to improve technology. Local manufacturers have awarded grants to the University of Nevada, Reno, and DRI for improving technologies.

- Marsha Irvin, member, asked what kind of discussions companies have relating to health, education, and other quality-of-life indicators. The NVSG members have been talking about those areas to attract businesses to Nevada.
- Mr. Groth said Nevada's Department of Employment, Training and Rehabilitation has done well in workforce training. From an education and major health care standpoint, the companies want to anchor in Nevada and have a satisfied workforce.
- Ms. Irvin said she was focusing on kindergarten through 12th grade (K-12) and higher education for families moving to Nevada.
- Mr. Groth said he had not been involved in K-12 discussions as a help or hindrance when businesses consider moving to the State. The higher education workforce is something that companies look at.
- Thomas A. Perrigo, member, said there is a good opportunity for energy conservation and green job creation through energy retrofit of existing buildings.

- Mr. Groth said he supports energy efficiency in reducing energy costs, but it should be a stand-alone program and removed from the renewable portfolio standard ([Exhibit F](#) and [Exhibit G](#)).
- Mr. Potter said he was encouraged by the military knocking down some barriers to accomplish their energy development needs.

Mr. Potter asked about companies reconsidering a move to Nevada. Is Arizona entertaining a nuclear development policy, or are wind generation companies more attracted to Nevada because there is no threat to their business?

- Mr. Groth said there is much nuclear generation currently in Arizona, and if that generation is added to Arizona's renewable portfolio standard as an accepted form of renewable energy, the solar companies would consider that a great threat, and he thinks it is the wrong approach.
- Chair Lang requested confirmation of the smaller footprint for geothermal energy. In addition, Chair Lang asked for more detail regarding federal land management and its effect on renewable energy development. He said it is good that both the State Department of Conservation and Natural Resources and Nevada's Office of Energy are focused on economic development.

Scott Rawlins, P.E., C.P.M., Deputy Director/Chief Engineer, Nevada's Department of Transportation

- Mr. Rawlins made a presentation on current and future challenges and strategies of Nevada's Department of Transportation (NDOT). He said most of NDOT's funding is derived from federal and State fuel taxes. Mr. Rawlins referred to a chart showing the shortage of funding versus revenue, including bonding needs over the next 6 years ([Exhibit H](#)).

Continuing, Mr. Rawlins discussed the following issues:

- Ø Current challenges include declining revenues from gasoline taxes, increased traffic congestion, the need to maintain infrastructure, and the uncertainties of federal legislation;
- Ø Future challenges include emerging mega-regions (including the complex of Las Vegas, Los Angeles, and Phoenix), finding new ways to address congestion, and finding funding mechanisms to replace the gas tax model;
- Ø NDOT is addressing these challenges with a wide variety of strategies involving planning for quality of life; congestion mitigation; freight corridors; more adequate and equitable funding sources; multi-modal master planning in partnership with

- Arizona and California; new project delivery methods; new technology; pricing strategies; and public-private partnerships;
- Ø The Pioneer Program is an innovative project delivery program designed to put projects on the ground more quickly, partnering with the construction industry to reduce risk and increase value; and
 - Ø Two national commissions have recommended transitioning away from reliance on the gasoline tax, toward a fee model, to pay for transportation infrastructure.
- Mr. Busselman asked where Nevada is in terms of the State's bonding capacity, and how much flexibility is there in using bonding as a method for financing construction activities.
 - Mr. Rawlins replied that U.S. 95 was bonded, as was the Henderson Spaghetti Bowl, the Hoover Dam project, and Interstate 580 in the north; Nevada pays about \$90 million per year in debt service on the bonds. He said Nevada has some remaining capacity and would like to issue a bond package within a year.
 - Alan Feldman, member, asked whether a list of the projects underway or contemplated could be provided to the NVSG, relating to the gap shown in the budget slide ([Exhibit H](#)).
 - Devin Reiss, alternate member, asked whether Nevada was losing out to other states in reference to corridor coalitions or something else.
 - Mr. Rawlins said private investors are looking for projects and that Arizona, California, and Utah can either solicit from private partners or are considering legislation allowing private participation in hot lanes and toll roads, which are congestion relievers that people are willing to pay for the right to use.
 - Mr. Martin said the Legislature passed a jobs' bill in the recent special session and asked whether the elimination of a sunset provision will provide additional bonding capacity and additional funding for transportation.
 - Mr. Rawlins said the major component of the jobs' bill was the removal of the sunset provision for the Question 10 funding of the Regional Transportation Commission of Southern Nevada. NDOT anticipates a \$180 million bond package to build projects, creating about 2,000 jobs. The other portion was waste cleanup for the Division of Environmental Protection. The agencies are looking at how that money is distributed among the entities.
 - Mr. Potter mentioned freight corridors through Nevada. He envisions interstate trucking having a hub at each end of the State with trailers loaded onto the rail system

and moved across Nevada into Utah. This would cost less, reduce congestion, improve air quality, and create new business.

- Mr. Rawlins said discussions have been held with Union Pacific and other rail operators. If freight is moved less than 600 miles, it is more efficient to move it by truck. The Nevada Department of Transportation is building coalitions with the Port of Oakland, California; Utah; and Wyoming to achieve a better mix of trucks and rail freight. NDOT is also considering inland ports, perhaps at Ivanpah Valley, where short-haul truck trips can originate.
- Mr. Potter asked whether bonding includes Grant Anticipation Revenue Vehicles (GARVEE bonds).
- Mr. Rawlins replied that GARVEE bonds were used in the Reno trench project.

REVIEW AND DISCUSSION OF FUTURE MEETING AGENDAS AND DATES

(At the direction of Chair Lang, this agenda item was taken out of order.)

- Chair Lang said May 14, 2010, is the final date for the NVSG members to meet, either in Carson City or Las Vegas.
- Mr. Busselman said he thought originally there was a discussion about the members meeting in one place for the final meeting.
- Mr. Ziegler said that in January, it was stated that the final meeting would be in Carson City. The last meeting will be videoconferenced to the other facility for the convenience of the public.
- Mr. Snyder asked if the last meeting will be longer.
- Mr. Ziegler responded that usually the last meeting is called a work session in which the members review a document that summarizes everything that has transpired in previous meetings. The decision points are in writing so that at the close of the meeting, it is understood what the committee decided. This is not a legislative committee, nor are the NVSG members legislators. The Group will do something similar and consider recommendations on May 14, which may or may not take additional time.
- Ms. Irvin requested additional time to discuss early childhood education issues before ending the NVSG meetings. In light of the economic development and education discussions, she said there is a need to prepare Nevada's children for the workforce and for a global world.

- Chair Lang said the NVSG can accommodate her request and include some time to finish that discussion.

PUBLIC COMMENT

(At the direction of Chair Lang, this agenda item was taken out of order.)

- Mr. Samuel Wright, private citizen, Las Vegas, Nevada, spoke on land use changes. He said Nevada is beginning to look like California. Building more freeways will not solve the traffic and congestion problems. Local governments can work with the Regional Transportation Commission to consider transit corridors and bike lane connections.

DISCUSSION AND IDENTIFICATION OF NEVADA'S SWOT AND 5-, 10-, AND 20-YEAR GOALS RELATING TO THE ENVIRONMENT, ENERGY, AND TRANSPORTATION

Group 1 (Room 4401, Las Vegas, to Room 2135, Carson City):

- Mr. McMullen introduced the SWOT analysis on energy, the environment, and transportation.
- Mr. Snyder said a gubernatorial commission on transportation created a few years ago ("Blue Ribbon Task Force to Evaluate Nevada Department of Transportation Long-Range Projects"—October 2005) was very thorough and comprehensive in dealing with issues similar to those discussed at today's meeting.
- Terry J. Reynolds, member, said he agreed and he suggested a copy would be helpful, since the report contains good recommendations, especially in terms of alternative transportation.
- Mr. McMullen said there are several transportation investments that may provide good returns for the State. He listed the highway system to Phoenix, high-speed rail north and south and to Los Angeles, and increased public transport. He asked the Group for a ranking in terms of importance.
- Mr. Busselman said there have been ongoing meetings in the north where more emphasis is placed on how transportation projects are a source of jobs. In southern Nevada, there is a focus on congestion and how one gets around the city. The rural areas have been ignored because of a lack of a regional transportation commission that is creatively trying to establish financing mechanisms, he said. Mr. Busselman said there is territorialism that does not provide focus on a statewide basis.
- Mr. Snyder said that is a difficult situation comparing rural and urban needs. He said the study he mentioned addresses the relative benefits. A high-speed rail corridor

between Las Vegas and southern California would translate into a substantially different structure, short-haul versus long-haul, for McCarran airport, he said.

- Mr. Reynolds said it is a system issue in looking at the different transport systems in Nevada, whether interstate, airports, or rail. How can the State maximize systems to move people, goods, and services and locate businesses along the transportation networks? It would benefit the State to create inland ports and improve its ability to move goods and passengers through and into Nevada.
- Mr. Snyder commented on the competitive aspect of funding. Everybody wants high-speed rail, so there is competition for those funds, whereas an interstate between Las Vegas and Phoenix may be more attainable.
- Mr. Busselman asked whether a market analysis had been conducted regarding the need to move goods or passengers between Las Vegas and Phoenix via an interstate system.
- Mr. McMullen said the Brookings' *Mountain Megas* report probably did the most thorough study of that question.
- Mr. Reynolds said U.S. 93, which stretches from Canada to Mexico, is a major route for shipping, carries a large amount of truck traffic, and needs to be expanded.
- Mr. McMullen said Nevada appears to have a comparative advantage in transportation and warehousing.
- Mr. Snyder said funding of a high-speed rail line between Las Vegas and Victorville, California, may soon be announced.
- Mr. Busselman said there is much competition for resources. Funding is so constricted that transportation projects are basically competing with school projects.
- Mr. Reynolds said Nevada needs to free-up corridors through Bureau of Land Management (BLM), U.S. Department of the Interior, lands both from an environmental perspective and processing through BLM. It affects not only high-speed rail but also the utility corridors.
- Paul Dugan, member, said the NVSG continues to refer to the high percentage of BLM land in Nevada, and how that may have been a major roadblock for the State. It is a weakness and also an opportunity, he said.
- Mr. McMullen said changing regulations regarding BLM land does not necessarily cost money. Regarding a strategy to evolve away from the gas tax, he said there may be resistance to that, and asked whether that is something the NVSG should recommend.

- Mr. Busselman said there is a strong push to make more use of public transportation systems, but demand has been soft. He said there needs to be a willingness to accept that public utilization will not match the investment necessary to make that change happen.
- Mr. McMullen asked whether there are water supply issues in northern Nevada as well as southern Nevada.
- Mr. Busselman said there are areas in the north that have a very immediate issue. He said some water needs in urban areas have been quenched by the economic downturn.
- Mr. Snyder said water is another challenging issue. It is complicated and the State needs to find a way to get the facts, perhaps with an independent, unbiased opinion from a water expert. Mr. Snyder noted the disparity of water allocations from the Colorado River Compact that was negotiated in the 1920s. He said water usage in the Phoenix area compared to Las Vegas is staggering.
- Mr. Reynolds said Nevada has a strength with having practical solutions to environmental controls. The State does a good job of working through issues with new businesses. He suggested from a water perspective that Nevada needs to separate water supply issues from water management issues; and that the State improve its water management and administration. He said Nevada needs to study regional issues, and the State Engineer's process should employ more research and collaboration with other locales.
- Mr. McMullen asked which industries are most at risk from water shortages?
- Mr. Snyder said what hurts the most is uncertainty, and water provides an element of uncertainty. Economic development and diversification are most at risk, he said.
- Mr. Reynolds said the first question asked by businesses is the cost to relocate and the cost of sewer and water. A business also needs to know whether there is sufficient supply to grow the business, and whether housing is available and affordable for its employees. He said these are central issues in economic development.
- Mr. Snyder said there is a need to focus on businesses that are less dependent on water. Nevada has to carefully choose emerging technologies and be water protective.
- Mr. McMullen said there appears to be no opposition to the solar or geothermal energy or investment in transmission lines, especially with the available market in California.
- Mr. Snyder said to the extent renewable energy is an export industry, that is one thing. However, except for geothermal energy, renewable energy may mean substantially higher prices for consumers, and Nevada's prices are already high.

- Mr. Reynolds said there are costs and benefits to generating electricity inside Nevada versus importing electricity and paying transmission costs. He said there is a large environmental debate over solar plants that use large tracts of public land to develop solar fields.
- Mr. Busselman said that the notions of alternative energy are driven by political correctness that may not have an economic basis. We want to embrace the green concept but do not want power lines in our back yard, he said.
- Mr. Snyder said Nevadans need to anticipate that power bills will be higher with a higher component of renewable energy included.
- Mr. Busselman said Nevada should look at a more distributed system. Many energy discussions include building power facilities and sending the power elsewhere, as opposed to generating and using energy on-site.
- Mr. Reynolds said Nevada is fortunate to have those resources. Nellis Air Force Base or the planned Ivanpah Valley Airport could have a solar field. Regarding nuclear energy, he said Elko County was considered years ago for accommodating a nuclear plant because of the water availability and its proximity to transmission lines.
- Mr. Snyder said currently there is no serious dialogue in that regard. He commented on the statistic that if solar panels were placed on one-quarter of 1 percent of the land in Nevada, it would power 25,000 megawatts, three times what the State needs today.
- Mr. McMullen said there may be consensus that the Nevada Test Site and Yucca Mountain can be exploited for energy.
- Mr. Busselman said the State needs to focus the attention of the Nevada State Office of Energy. It is a new agency that needs to focus on affordable energy.
- Mr. McMullen said Moody's Analytics, Inc., will do its best in balancing the interest in developing renewable energy and impacts on consumers in Moody's report.
- Mr. Reynolds noted there are two different discussions: (1) a developed infrastructure available at Yucca Mountain to bring in facilities able to take advantage of that infrastructure; and (2) continuing to use that facility for nuclear waste, which is not a direction the State or public officials want. That area's infrastructure can support research or development facilities and work with issues related to expanding nuclear waste or nuclear energy, but not as a repository.
- Mr. Busselman said there is a controversial plan to bring California garbage to northern Nevada landfills, and that recycling incentives are weak.

- Mr. Reynolds said it is a vertical integration issue of developing facilities to supply the market and have them make economic sense.
- Mr. Snyder said if nuclear waste is not in the future for Yucca Mountain, what is the future of that site, and what is the highest and best use that creates economic development and diversification? He said Yucca Mountain is a tremendous resource.
- Mr. McMullen asked for comments on air quality. To what extent would proposed federal regulations hurt development in Nevada, and will the rules be relaxed for the high desert?
- Mr. Snyder said he is not sure whether it is an economic development and diversification issue as much as it involves access to federal funding.
- Mr. Reynolds said that the PM-10 (particulate matter) issue is the most significant issue for Nevada. Local governments in Clark and Washoe Counties have made considerable progress in lowering PM-10, and it is a solvable issue. The second part of that equation is the ozone, a regional issue, that is spurring investigations of air flows. Mr. Reynolds said that has been looked at in the Four Corners (Arizona, Colorado, New Mexico, and Utah) for power plants and air sheds.
- Mr. Busselman said Nevada benefits from the regulatory staff in Nevada's Division of Environmental Protection, State Department of Conservation and Natural Resources. The Division is oriented toward problem solving and deals with science, not regulation for the sake of regulation.

DISCUSSION AND IDENTIFICATION OF NEVADA'S SWOT AND 5-, 10-, AND 20-YEAR GOALS RELATING TO THE ENVIRONMENT, ENERGY, AND TRANSPORTATION

Group 2 (Room 4412, Las Vegas, to Room 3137, Carson City):

- Mr. Ziegler and Marjorie Paslov Thomas, Principal Research Analysts, LCB, Research Division, explained the Group will talk about strengths, weaknesses, opportunities, and threats in the areas of environment, energy, and transportation ([Exhibit I](#)).
- Mr. Martin said a strength of the construction industry in Nevada is the desire to go green.
- Mr. Potter said Nevada has 24-hour service for a 24-hour state. There are good roads and bridges, a good railroad system, military bases, and an experienced workforce who provide immediate response at a high level of service.
- Mr. Bernhard said the renewable energy resources available in Nevada are a strength.

- Mr. Perrigo said in terms of the workforce, Nevada has a supply of skilled trades workers ready to take jobs in renewable energy and energy conservation.
- Ms. Irvin said Nevada has a fabulous airport system in Las Vegas as an established international hub.
- Mr. Perrigo said that another strength for transportation is the Southern Nevada Public Lands Management Act (SNPLMA) of 1988, which brought much money to the area. As a result, the State has a good trail system and bike lanes to move people within communities in ways other than by automobile.
- Chair Lang asked whether those accounts are held by the U.S. Department of the Interior or transferred to Nevada, and how much funding is left.
- Mr. Perrigo said it goes to several different accounts for parks, trails, and natural areas; and capital improvements; and purchasing environmentally sensitive lands.
- Chair Lang asked how much is left, or has it been spent, and are these projects helping the construction industry now.
- Mr. Perrigo said projects of \$30 to \$40 million dollars were awarded in a community. Currently, projects are being awarded for less than \$1 million dollars per community.
- Mr. Ziegler suggested the NVSG be provided with a one-page document on SNPLMA on where things currently stand.
- Chair Lang said another strength is the sun in Nevada, and the State wants to target solar. In terms of transportation, Las Vegas is within close range to nearby large neighbors such as Los Angeles, California, and Phoenix, Arizona. The rationale for the investment is there because of the triangle between Las Vegas, Los Angeles, and Phoenix.
- Mr. Reiss said that our proximity to other population centers is a good selling point, especially the southern Nevada portion with its ease of getting in and out of the airport.
- Ms. Irvin said Nevada is proactive in its approach to how water is used and marketing the importance of conserving water and energy.
- Mr. Perrigo said the energy efficiency of the State's economy is a strength. Nevada does not have some of the large manufacturers that are energy intensive. The State is water efficient, leading in water conservation, and leading EPA standards.
- Mr. Martin said another strength is an awareness among responsible officials of PM-10 emissions and other environmental issues, and the federal funding tied to standards attainment.

- Chair Lang asked whether Phoenix is worse in PM-10 emissions.
- Mr. Martin said Phoenix may have improved with the decrease in construction, but Las Vegas and Clark County used to be one of the worst areas in the United States.
- Mr. Ziegler asked for comments on weaknesses in energy, environment, and transportation.
- Chair Lang said Nevada is the most arid State in the United States, and there needs to be careful management of water resources. A disadvantage is that Las Vegas, the State's largest city, emerged late, and when negotiations occurred in the 1920s on division of the Colorado River, Nevada had a modest presence and does not have secure water resources as do others.
- Mr. Reiss said although Nevada is proactive with water, the State could be more so in terms of water rates and how the public uses water.
- Mr. Perrigo said a weakness is the way communities have been built. The majority of Nevada residents live in urban environments with auto-oriented type development, so there is high energy use with vehicle miles traveled. Although Nevada is relatively dense for cities built after World War II, the State does not achieve densities that would support mass transit and is therefore less energy efficient with development patterns. It is not something that is easily changed, but there are opportunities with commercial corridors.
- Ms. Kraft Pearce said that the large percentage of federal lands is a weakness.
- Mr. Potter said a weakness is the national perception that Nevada is a desert with no water. The State needs to preserve its resources and educate the rest of the country to that fact. Another weakness is the transmission grid of natural gas and electricity. He said there are large gaps in central Nevada in transportation and transmission lines for energy. He said there is insufficient federal investing in the State for environment, energy, and transportation. Nevada has the lowest per capita number of State employees of the 50 states.
- Mr. Martin said funding is a weakness for transportation and not just the level of funding, but the ability to put the money in place to provide some benefit.
- Chair Lang said Nevada lacks the capacity to get the funds and the capacity to distribute the funds once received. He said it is recognized at the federal level that funding will not produce much stimulus.

- Mr. Martin said when The Associated General Contractors of America tried to determine why that was, the Association could not get a good answer as to why those projects were so slowly administered.
- Mr. Perrigo said one weakness is that Nevada has not invested in light rail, for example. When the American Recovery and Reinvestment Act of 2009 funds were distributed, such cities as Denver and Phoenix were collecting those funds to add to their light rail systems, whereas Nevada did not have a plan. Mr. Perrigo said the State is planning projects to be ready for future opportunities.
- Mr. Bernhard said in addressing concerns about connectivity, we have a giant nuclear wasteland in central Nevada from years of above- and below-ground testing. This is part of the federal government's relationship with the land it owns in Nevada. It might also affect the use of the Yucca Mountain site because it is adjacent to the contaminated property.
- Mr. Potter stated he agrees with Mr. Bernhard. Also, with the renewable portfolio standards that will put more hybrid vehicles on the road in California, Las Vegas may have 15,000 electrical vehicles in town on a weekend, and recharging will be a problem for our visitors. There may be a lack of infrastructure for electrical recharging stations.
- Chair Lang said an opportunity is that Las Vegas is densely built. There is a retrofit issue that will need to be addressed. As the State gains population, infill will remake some of the urban space in Nevada. There are many parking lots and commercial facilities that could accommodate alternative housing if the market exists for those spaces. Nevada can be a leader in creatively developing opportunities that restrain outward movement.
- Jacob Snow, alternate member, said that Nevada has an opportunity in pursuing improvements in local transportation and pursuing connections to the rest of the country by high-speed rail. He said an alliance was recently formed with Arizona, Colorado, and Utah, called the Western High Speed Rail Alliance (WHSRA). It is made up of urbanized areas of those states: Denver, Las Vegas, Phoenix, Reno, and Salt Lake City. The Alliance was informed that the Mid-America Regional Council in Kansas City wants to join. The WHSRA has contacted persons in Illinois and Missouri who want to create a corridor from Los Angeles to Chicago and to the northeast corridor. He said the last time the United States had a coherent transportation policy was when President Dwight D. Eisenhower was in office. Since then, the U.S. has had unparalleled growth, prosperity, and improved mobility. An Interstate II network with a national high-speed rail is needed that focuses on markets of 600 miles or less. Mr. Snow also said the resort corridor needs a grade-separated form of transit.
- Chair Lang asked for clarification on bus rapid transit and its future plans.

- Mr. Snow said bus rapid transit is where a right-of-way is preserved as it would be for a train; it is a train-on-tires concept that is less expensive. He said bus rapid transit service would begin at the end of March.
- Mr. Martin said that an opportunity comes with available funding for energy and technology upgrades for older facilities to be more energy efficient and create jobs.
- Mr. Perrigo said the cost of saving a kilowatt hour is a fraction of the cost of generating new energy. He said the number of jobs created is 10 to 1 for retrofits versus building new capacity. There is a tremendous opportunity with the existing number of buildings in the State, the skilled labor force, and ongoing training.
- Mr. Potter said an opportunity exists to plan and identify the corridors the State will need in the future and to secure those easements now, especially with the sage grouse issue. He said there are many opportunities for federal funding in renewable energy and the environment. He said state infrastructure banks are successfully used around the country to provide funding opportunities for “outside-the-box” projects. Mr. Potter considered the Nevada Test Site and outsourcing as threats.
- Ms. Irvin said Nevada’s climate is a strength and a threat. During the summer months, heat is a problem and people do not walk to the store. People use their vehicles for convenience. There are not a lot of children playing outdoors in the summer.
- Chair Lang said The Scripps Research Institute has been reporting that Lake Mead may dry up. The west can be dry, yet well watered, because of the orographic effect. Nevada needs to make sure there is some additional capacity to absorb a decrease in some resources.
- Mr. Martin stated that with 85 percent of Nevada being controlled by the BLM, that is a threat to potential progress that somehow needs to be resolved.
- Mr. Reiss said it is a threat as well as an opportunity because the land is a resource. Nevada needs to find access to the land, because it gives the State great opportunities for utilizing those resources in a multitude of ways.
- Mr. Snow said reliance on the gasoline tax for funding infrastructure in transportation is a future threat, because that will be a significantly diminishing resource.
- Mr. Perrigo said hardening of the water supply is a threat. The State has been doing well in conserving water, but there is a point where there is no more room to conserve, especially in a drought or when Nevada is not able to find other water supplies, yet the State continues to grow.
- Mr. Potter said he appreciates the coalition for a high-speed rail system but does not want to overlook other technologies. Newer technologies revolve around magnetic

levitation trains. One of those includes a system that runs off hydrogen, which can be extracted from water. He said technology exists to create a transportation system from Los Angeles to Las Vegas that would operate off hydrogen from the Pacific Ocean. Mr. Potter said this could be tied together with nuclear power.

- Mr. Ziegler suggested the group spend some time talking about goals, not at what level the goal should be set, but in what categories the group wants to set goals or metrics.
- Chair Lang requested a statistic for water use for unit of gross domestic product (GDP) generated, instead of water use statistics. That would tell the group whether it is being efficient in getting GDP out of the water.
- Mr. Perrigo requested the same for renewable energy generation.
- Mr. Snow suggested use of alternative forms of transportation.
- Mr. Bernhard asked how the benefit is measured for using alternative forms of transportation.
- Mr. Snow said the percentage of people who use single occupant vehicles, carpool, public transit, walk, or bike to work is measured in conjunction with the census. He suggested a better statement would be to see an increase in use of alternative forms of transportation. Mr. Snow said that anything above 5 percent transit use would be excellent for the Sunbelt. Nevada is about 3 percent.
- Mr. Perrigo asked whether it would make sense to look at creating the opportunity for using alternate forms of transportation, e.g., bike lane miles per capita. Mr. Snow said that walkability indices are being quantified for development.
- Chair Lang said Las Vegas has a fairly high walk score because of its density, but the algorithm does not take into account whether you have barriers in the walk path.
- Mr. Potter said Salt Lake City has a good transportation system. He said the topics of energy, environment, and transportation could and should be subjects where the State has a research facility to expand Nevada's opportunities.
- Chair Lang said Nevada does not have the highest-level Carnegie ranked research institution. He said we have research universities at UNR and UNLV, both are ranked below the University of New Mexico, and that is worrisome in terms of the State's economic development potential.
- Mr. Perrigo said another goal and an opportunity is to increase recycling. Nevada is at 19 or 20 percent and without too much expense, that could be doubled.
- Chair Lang asked what is the average recycling rate for U.S. metropolitan areas.

- Mr. Perrigo said that it varies substantially. Some areas recycle at 70 to 80 percent and composting is utilized. It depends on how the program is managed, but those areas that have a high recycling percentage typically pay more for their trash hauling. Nevada has an opportunity to do single-stream recycling where waste and the recycling will be picked up once a week from bins provided.
- Samuel Wright, public citizen, Las Vegas, suggested one metric and one goal. The metric is the number of trips per person. Nevada has the highest number of trips per person. Secondly, increase the number of transit-oriented community land uses.

ADJOURNMENT

There being no further business to come before the Group, the meeting was adjourned at 1:08 p.m.

Respectfully submitted,

C. J. Smith
Research Secretary

David Ziegler
Principal Research Analyst

APPROVED BY:

Robert E. Lang, Ph.D., Chair

Date: _____, 2010.

LIST OF EXHIBITS

[Exhibit A](#) is the “Meeting Notice and Agenda” provided by Dave Ziegler, Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB).

[Exhibit B](#) is a memorandum dated March 10, 2010, to the Members of the Nevada Vision Stakeholder Group, from Dave Ziegler, Principal Research Analyst, Research Division, LCB, titled “Revised Draft Vision Statement.”

[Exhibit C](#) is a report titled *Summary of SWOT Analysis For Economic Development*, provided by Mark McMullen, Director, Moody’s Analytics, Inc., dated March 11, 2010.

[Exhibit D](#) is a document titled “Environmental Briefing Summary, Nevada Vision Stakeholders Group,” provided by Allen Biaggi, Director, State Department of Conservation and Natural Resources (SDCNR).

[Exhibit E](#) is a report titled *2009 Recycling and Waste Reduction Report*, provided by Allen Biaggi, Director, SDCNR.

[Exhibit F](#) is a document dated March 12, 2010, titled “Nevada Vision Stakeholder Group Presentation,” presented by James Groth, Director, Office of Energy, Office of the Governor.

[Exhibit G](#) is a table dated February 25, 2010, titled “Average Retail Price of Electricity to Ultimate Customers by End-Use Sector, by State,” presented by James Groth, Director, Office of Energy, Office of the Governor.

[Exhibit H](#) is a presentation titled “Transportation in Nevada, Visions and Strategies,” provided by Scott Rawlins, PE, CPM, Deputy Director, Nevada’s Department of Transportation.

[Exhibit I](#) is a memorandum dated March 10, 2010, to the Members of the Nevada Vision Stakeholder Group, from Dave Ziegler, Principal Research Analyst, Research Division, LCB, titled “Quality-of-Life Indicators: Energy, Environment, and Transportation.”

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