

**Legislative Commission's Subcommittee to Study the
Development and Promotion of Logistics and
Distribution Centers and Issues Concerning
Infrastructure and Transportation**

Assembly Concurrent Resolution No. 30
(File No. 96, *Statutes of Nevada 2009*)

WORK SESSION DOCUMENT



June 21, 2010

Prepared by the Research Division
Legislative Counsel Bureau



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The following "Work Session Document" was prepared by staff of the Legislative Commission's Subcommittee to Study the Development and Promotion of Logistics and Distribution Centers and Issues Concerning Infrastructure and Transportation (Assembly Concurrent Resolution No. 30, File No. 96, *Statutes of Nevada 2009*). The document contains recommendations within the scope of the study that were presented in hearings or submitted in writing for the Subcommittee's consideration.

The possible actions listed in this document do not necessarily have the support or opposition of the Subcommittee. Rather, these possible actions are compiled and organized so the members may review them to decide if they should be adopted, changed, rejected, or further considered. Individual or joint sponsors of recommendations may be referenced in parentheses. Please note that specific sponsors of the recommendations may not be provided if the proposals were raised and discussed by numerous individuals and entities during the course of the study.

Pursuant to *Nevada Revised Statutes* (NRS) 218D.160, interim committees conducting a study or investigation are limited to five legislative measures (bill draft requests and requests for the drafting of resolutions). The Legislative Commission shall then submit any recommendations for legislation to the 76th Session of the Nevada State Legislature.

For purposes of this “Work Session Document,” the recommendations have been grouped by the type of Subcommittee action requested. Please note that the recommendations are not preferentially ordered. Additionally, although possible actions may be identified within each recommendation, the Subcommittee may choose to recommend any of the following actions: (1) draft legislation; (2) draft a resolution; (3) draft a letter; or (4) include a statement in the final report.

Finally, it should be noted that many of the recommendations may contain an unknown fiscal impact. Subcommittee members should be advised that Legislative Counsel Bureau staff will coordinate with the interested parties to obtain detailed fiscal estimates, where appropriate (for inclusion in the final report), and that all recommendations may be considered within available funding limits.

RECOMMENDATIONS FOR LEGISLATIVE MEASURES

RECOMMENDATION NO. 1—Draft a resolution asking Congress and the Federal Highway Administration to designate U.S. Route 93 as future Interstate Highway 11. The Interstate Highway would begin at the border of Mexico (south of Tucson, Arizona), continue through Las Vegas, Nevada, and Reno, Nevada, and end at the border of Canada (north of Seattle, Washington). By designating this as an Interstate Highway, it would connect to the Interstate Highway 40 east to west corridor and assist in making Nevada the distribution and manufacturing “Capital of the West.”

(Discussed by Subcommittee members at the April 26, 2010, meeting)

RECOMMENDATION NO. 2—Draft a bill to allow a person who intends to locate a logistics-based business or renewable energy business, excluding businesses that would be currently eligible for the abatements set forth in *Nevada Revised Statutes* (NRS) 360.750 or 701A.365, to apply to the Commission on Economic Development for a partial abatement of one or more of the taxes imposed on the new business pursuant to Chapter 361, 363B, or 374 of the NRS. If the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business must meet at least two of the following requirements:

- (a) The business will have 50 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation;
- (b) Establishing the business will require the business to make a capital investment of at least \$500,000 in this State; or

(c) The average hourly wage that will be paid by the new business to its employees in this State is at least 80 percent of the average statewide hourly wage established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year, and the business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees. The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Commission.

(Discussed by Subcommittee members at the January 21, 2010, meeting, April 26, 2010, meeting, and the June 2, 2010, meeting)

RECOMMENDATION NO. 3—Draft a resolution expressing the Legislature’s intent to prioritize economic development in two areas: (a) logistics-related businesses; and (b) renewable energy-related businesses. The resolution should further express the legislative intent that funds from any source which are used for job training, vocational education, or other relevant projects, be considered first for job training, education and development in logistics-related businesses, and renewable energy-related businesses to develop expertise in the Nevada workforce.

RECOMMENDATIONS FOR WRITING LETTERS

RECOMMENDATION NO. 4—Draft letters to Nevada’s Department of Transportation and Nevada’s Congressional Delegation supporting the development of State Route 805, which will connect Interstate Highway 80 and U.S. Highway 50. According to testimony, the developers of the Tahoe–Reno Industrial Center in Storey County will donate the right-of-way to the State for the construction of State Route 805. Further, it was noted that the creation of this road is vital to the continued growth and economic diversification of Nevada.

(Discussed by Subcommittee members at the April 26, 2010, meeting.)

RECOMMENDATION NO. 5—Draft letters to the Clark County Board of Commissioners, the Director of the Aviation Department of Clark County, and the Director of Nevada’s Department of Transportation urging their support of the industrial development within the Ivanpah range along with the development of a the future Ivanpah Airport. According to testimony, industrial development in the area should be included in the Environmental Impact Study, which is being prepared by Clark County’s Aviation Department. Additionally, funding should be allocated for the development of road, rail, and utility infrastructure into the Ivanpah area and consideration should be given to expand State Route 164 in order to serve the Ivanpah area.

(Recommended by representatives of the National Association of Industrial and Office Properties [NAIOP], Southern Nevada Chapter, at the April 26, 2010, meeting)

RECOMMENDATION NO. 6—Draft letters to the Clark County Board of Commissioners; City Councils of Boulder City, the City of Henderson, the City of Las Vegas, the City of North Las Vegas; and the Board of NAIOP, Southern Nevada Chapter, requesting that they coordinate and designate funding and stimulus dollars for construction of infrastructure improvements including roads, electrical, sewer, and other utilities to large areas of vacant land in southern Nevada. It was noted that large sites should be developed quickly in order to attract major distribution centers and manufacturers.

(Recommended by representatives of NAIOP, Southern Nevada Chapter, at the April 26, 2010, meeting)

RECOMMENDATION NO. 7—Draft letters to the members of the Western High-Speed Rail Alliance, which include the Denver Regional Council of Governments, Maricopa Association of Governments, Regional Transportation Commission (RTC) of Southern Nevada, RTC of Washoe County, and the Utah Transit Authority, supporting their efforts of determining the viability of developing and promoting a high-speed rail (HSR) network to provide high-speed rail connections throughout the Rocky Mountain region with eventual connections to the Pacific Coast and other regions of the United States. Additionally, the members of the Alliance should be commended for their plan to work jointly for the acquisition of funding to conduct studies of HSR options, to develop plans for HSR infrastructure, and to construct HSR facilities throughout the region as they are determined to be viable. Further, a HSR network promotes economic expansion (including new manufacturing jobs), creates new choices for travelers beyond flying or driving, reduces national dependence on oil, and fosters urban and rural community development.

(Discussed by Subcommittee members at the April 26, 2010, meeting)

RECOMMENDATION NO. 8—Draft letters to the Governor of the State of Nevada, Lieutenant Governor (serving in his capacity of Chair of the Commission on Economic Development), Chair of the Senate Committee on Finance, and Chair of the Assembly Committee on Ways and Means urging them to promote Nevada as the “Manufacturing and Distribution Capital of the West” and the “Best Business Climate in America.” Focus should be on companies that have a large number of jobs, not only highly-technical jobs but high-paying jobs. Additionally, a professional national media campaign should be designed to attract businesses from the east that are considering moving west. In order to accomplish this, funding should be included in the *Executive Budget* to hire and pay for such a campaign. Further, the State should increase funding to local economic development agencies, including the Economic Development Authority of Western Nevada (EDAWN) and the Nevada Development Authority (NDA).

(Recommended by representatives of NAIOP, Southern Nevada Chapter, at the April 26, 2010, meeting)

**RECOMMENDATION TO INCLUDE A STATEMENT
IN THE FINAL REPORT**

RECOMMENDATION NO. 9—Include a statement in the final report encouraging the Secretary of State, Commission on Economic Development, EDAWN, NDA, Las Vegas Chamber of Commerce, Reno/Sparks Chamber of Commerce, and any other interested parties including leaders of the business community, to meet and develop a coordinated statewide economic development plan to promote diversification of the Nevada economy. The participants should consider consolidating resources and identifying targeted industries to relocate to Nevada. It is important to target such industries, particularly for education and training.

(Recommended by Senator Dennis Nolan)

RECOMMENDATION NO. 10—Include a statement in the final report supporting a partnership between the State, the business community, and the Nevada System of Higher Education, to further the logistics and supply chain management industry in Nevada. Members of the partnership should consider focusing their resources on a consolidated Supply Chain Management program, beginning in the elementary schools and continuing up to the university level.

(Discussed by Subcommittee members at the June 2, 2010, meeting)

NOTE:

- The Legislative Commission’s Subcommittee to Study the Development and Promotion of Logistics and Distribution Centers and Issues Concerning Infrastructure and Transportation may make additional recommendations based on discussions held at its June 21, 2010, meeting. Please see meeting agenda for discussion topics.
- Subcommittee staff may need to seek additional details or clarification on approved recommendations from Subcommittee members and others prior to drafting bill draft requests or Subcommittee letters/statements.