Department of Transportation
Board of Directors
Notice of Public Meeting
1263 South Stewart Street
Third Floor Conference Room
Carson City, Nevada
August 12, 2013 – 9:00 a.m.

AGENDA

1. Receive Director's Report – *Informational item only.*

2. Public Comment – limited to no more than three (3) minutes. The public may comment on Agenda items prior to action by submitting a request to speak to the Chairman before the Meeting begins. *Informational item only.*

3. Approval of July 8, 2013 Nevada Department of Transportation Board of Directors Meeting Minutes – *For possible action.*

4. Briefing on Vehicle Miles Travelled (VMT) Study – *Informational Item Only.*

5. Approval of Agreements over $300,000 – *For possible action.*

6. Contracts, Agreements, and Settlements – *Informational item only.*

7. Condemnation Resolution – *For possible action.*

    a. Condemnation Resolution No. 439 – US-93, Boulder City Bypass Project, Phase 1; between Foothills Drive and US-95, in the City of Henderson, Boulder City and in the unincorporated area of Clark County, NV – 1 owner, 1 parcel

8. Quitclaim Deed – *For possible action.*

    a. Disposal of NDOT water rights along Interstate 80, east of Imlay Interchange, in Pershing County, NV SUR 13-03

9. Approval of Amendments and Administrative Modifications to the FFY 2012-2015 Statewide Transportation Improvement Program (STIP) – *For possible action.*

10. Update on the Status of I-11 and Intermountain West Corridor Study – *Informational item only.*

11. Old Business

    a. Report of Outside Counsel Costs on Open Matters – *Informational item only.*
    b. Monthly Litigation Report – *Informational item only.*
    c. Fatality Report dated July 17, 2013 – *Informational item only.*

12. Public Comment – limited to no more than three (3) minutes. The public may comment on Agenda items prior to action by submitting a request to speak to the Chairman before the Meeting begins. *Informational item only.*

13. Adjournment – *For possible action.*

Notes:

- Items on the agenda may be taken out of order.
- The Board may combine two or more agenda items for consideration
- The Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.
- Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Requests for auxiliary aids or services to assist individuals with disabilities or limited English proficiency should be made with as much advance notice as possible to the Department of Transportation at (775) 888-7440.
- This meeting is also expected to be available via video-conferencing, but is at least available via teleconferencing, at the Nevada Department of Transportation District One Office located at 123 East Washington, Las Vegas, Nevada in the Conference Room and at the District III Office located at 1951 Idaho Street, Elko, Nevada.
- Copies of non-confidential supporting materials provided to the Board are available upon request.
- Request for such supporting materials should be made to Holli Stocks at (775) 888-7440 or hstocks@dot.state.nv.us. Such supporting material is available at 1263 South Stewart Street, Carson City, Nevada 89712 and if available on-line, at www.nevadadot.com.

This agenda was posted at www.nevadadot.com and at the following locations:

Nevada Dept. of Transportation
1263 South Stewart Street
Carson City, Nevada

Nevada Dept. of Transportation
123 East Washington
Las Vegas, Nevada

Nevada Dept. of Transportation
310 Galletti Way
Sparks, Nevada

Nevada Dept. of Transportation
1951 Idaho Street
Elko, Nevada

Governor's Office
Capitol Building
Carson City, Nevada

Clark County
200 Lewis Avenue
Las Vegas, Nevada

Pershing County
398 Main Street
Lovelock, Nevada

Minutes of Nevada Department of Transportation
Board of Director's Meeting
July 8, 2013

Governor Brian Sandoval
Attorney General Catherine Cortez Masto
Controller Kim Wallin
Frank Martin
Len Savage
Tom Fransway
Rudy Malfabon
Bill Hoffman
Dennis Gallagher

Sandoval: Good morning, ladies and gentlemen. I'd like to welcome you to the July meeting of the Board of Directors for the Department of Transportation Meeting. Can you hear me loud and clear in Southern Nevada?

Martin: We can, sir.

Sandoval: Great. And I hope everyone had a great Fourth of July weekend, and we're back to it now. So we'll begin with Agenda Item No. 1, which is presentation of retirement plaques to 25-plus-year employees.

Malfabon: Thank you, Governor. Apparently, I'm not sure if any of them are present. But I'm going to go through the names and years of service. First, Dennis Taylor, who is the head of the Transportation Multimodal Planning at NDOT, retired with 21 years of service. Todd Montgomery was Assistant Construction Engineer in the Construction office here in headquarters, retired in April with 25 years of service. I don't see him here, although I did go to his retirement party. Bradley Hunt, who is a Maintenance Supervisor I, in Beatty, out there in District I, retired recently with 25 years of service. Hanigan Carpenter, who was an Electrician I on the Reno Maintenance Traffic Crew, retired in May with 22 years of service. John Koster, who is a Professional Engineer, Roadway Design, 17 years of service, retired in May. And William Schworer, Highway Maintenance Worker III in Cold Springs District II Maintenance, 20 years of service, retired in June. So I wanted to give them a round of applause for their years of service.

Sandoval: I wish they were here, because I know that I can speak for all the Board members that we personally thank them all for their years of service as well as their commitment to the people of the State of Nevada. So if you'll pass that on if you see them -- you probably won't, already you're…

Malfabon: I might see a few of them.

Sandoval: Okay. All right then. Let's move on to Agenda Item No. 2, presentation of awards.

Malfabon: Thank you, Governor and Board members. First, there is one that's not in the packet, but I wanted to take care of that first. It was the American Public Works Association Nevada Chapter, and we have two chapters in Nevada, Southern and Northern Chapter. We have representatives from the Northern Chapter here, Joy Guinn and Darren Schulz, who are going to talk about the award and why NDOT was selected.

Schulz: Good morning.

Sandoval: Good morning.

Schulz: Darren Schulz, for the record. I'm the President of the Nevada Chapter of APWA. And I just wanted to start off by saying I wanted to thank the NDOT for their support for APW over the years. Your numbers have went down recently, so if you want to encourage more people to be members…

Malfabon: Well, there you go.

Schulz: …that'd be great. We have luncheons every month and a couple of conferences every year, and Joy's going to go on and talk a little bit about our -- the award that you're getting.

Guinn: Good morning. Thank you for having us here today. My name is Joy Guinn. I am with Nichols Consulting Engineers and I am a Director for the State Chapter for APWA. And one of my responsibilities this year is to recognize outstanding projects throughout the State of Nevada. And through that, we have a project of the year award. We present the awards twice a year. In the spring are the categories that are $10 million and less in construction, and then in the fall we recognize the projects that are over $10 million in construction.

This year, at our spring conference, I was thrilled to see we had nine nominees for our project of the year, and one of them was a NDOT project. And it was for SR 431, the water quality improvement program. And Tyler Thew came and did a wonderful presentation in which we, out of a panel of three judges, selected NDOT to win that award for environmental projects

$5 million to $10 million in construction. So if Tyler and Matt can come can come up and receive their award.

Malfabon: If we could, Governor, we'd like to do a photo opportunity with the Board. Julie, if we could just have them go with the Board members, I guess, on the -- yeah.

And the next two awards are related to the same project, although they're different awards, they're actually for the same purpose. This is for the West Mesquite Interchange Design-Build Project, a very innovative project we used accelerated bridge construction on. We had the design-build team of Horrocks Engineers and W.W. Clyde was the contractor on it. And using the design-build method really opened it up to innovation.

The Partnering Award, though, was from very -- a very prestigious award from AGC, Associated General Contractors of America, the Marvin M. Black Excellence in Partnering Award. This is the second time that NDOT has won this award. And both occasions it was for a design-build effort. So a lot of teambuilding and partnering goes into these types of projects, because we hand over the project at a certain preliminary design stage, and the contractor and their designer work together to finish that design and construct it, often saving a lot of time because they can start construction while it's -- the other future stages are being designed.

So I wanted to honor the team that worked on this project, starting with the -- if there's representatives in Las Vegas, we want them to approach the -- for a photo opportunity in Las Vegas, at the same time as the group up here. Just to mention, the Project Manager for NDOT was Adam Searcy, and our Resident Engineer was Martin Strganac. If any of them are present, if they could come up top. And, I think, Tom Stevenson, is he also the -- is this an RE, Tracy, is he present?

Unidentified Female: Director, both Martin Strganac and Tom Stevenson are here, so we've got a little stage set up for them to get their photo op.

Malfabon: Okay, great. We can take a photo op with the group down in Southern Nevada, while the group up here gets a photo as well. And any representatives from the design-build team, either that worked for W.W. Clyde or Horrocks Engineers as well. Because it's an AGC Award, it's

really on behalf of that design-builder team. So I wanted to acknowledge them, if there's any present up here in Carson City or in Las Vegas.

So the -- just a little bit of background on the project. We had -- our designer that assisted us was HDR on the delivery team. And they worked in concert with the construction with project management and design to basically have delivery of a very successful project, received a lot of national attention. We had other DOTs represented for the bridge slide that occurred overnight, a very amazing thing to see for the public, too. They probably didn't even -- people driving through there didn't realize that -- how much effort went into that just to open it back up the next day on an important interstate.

So with that, anybody up here that was -- is Adam around or -- he's not here today, so let's do the photo opportunity in Las Vegas. Unfortunately, we have the awards up here, so we'll Photoshop them in. And I wanted to acknowledge Mary Martini's efforts, too. She's very good at getting the teams together whenever there was any kind of issues, getting with project management and the design-builder. Thank you, Mary, for your efforts on this successful project.

Sandoval: Before you proceed, Mr. Director, I just, personally, on behalf of the Board, wanted to congratulate everybody involved with this project. You truly make Nevada proud and a great representation of the Nevada Department of Transportation. Thank you.

Malfabon: Thank you, Governor. The next award to mention is the American Society of Civil Engineers, Truckee Meadows Branch, Outstanding Achievement in Civil Engineering for the I-580 project. We worked together with our consultant, CH2M Hill, for an outstanding civil engineering project on I-580. It opened in the summer of 2012, eight and a half miles, six lanes of freeway from South Reno to Washoe Valley. As everybody up here knows, it's really a timesaver and also a safer facility to use in getting between Carson City and Reno.

I don't have all the names that were -- a multitude of people, other than CH2M Hill and NDOT, obviously the constructor of that project. But we wanted to acknowledge their efforts in this ASCE Award. That's a great project to use, as I've said. And although there's some concern with that North versus South issue, I think that it shows that it's a very good facility

and a much safer facility than the freeway that was, I mean, the highway that was through the valley there, that had some fatalities over the years.

Next contract is -- I mean, award is the AGC, Nevada Chapter, Sensitivity to Environment, History and Culture for projects more than $5 million for the same project, I-580 freeway extension project. And this award is given for consideration and recognition of the environmental, cultural and historical sensitivity. The AGC, Nevada Chapter, also had the Meeting the Challenge of a Difficult Job Award, a project more than $5 million for the I-80 design-build project. And Granite Construction did a great job in the -- through the heart of Reno on this project, really doing the construction under traffic was significant. They came up with some innovative means to handle traffic during construction, and actually came up with some great ideas that improved flow of traffic through that corridor. So I wanted to acknowledge Granite Construction's efforts and partnership with our team. Jeff LaRud was the Project Manager on that project, did a great job on the I-80 design-build project.

The International Partnering Institute, another project for the Sapphire Level of Northbound 395 Improvement Project. This was through partnering, working with stakeholders, weekly team meetings and project walkthroughs. They quickly identified any opportunities, issues and had a full public-outreach plan that helped make the public aware of any travel-related impacts. The project was substantially completed five months ahead of schedule. So we acknowledge the International Partnering Institute Award, there for -- Sapphire Level for that Northbound 395 project. I believe that that was Jim Gallegos was the Project Manager on that one and Granite Construction was the contractor.

Another one from the same institute, Sapphire Level for the Moana Lane Diverging Diamond Interchange. Adam Searcy was the Project Manager on that, and Granite Construction did a great job of working in concert with the Q&D project that was under RTC that had to tie together on Moana Lane with this Diverging Diamond Interchange. Anybody that drives through that interchange can attest that it is a unique interchange, but it really is well set up so that you can't really take the wrong path when you enter into that. But people are getting the hang of that. It is the first Diverging Diamond Interchange in Nevada, and it's working quite well with traffic flow.

Another AGC Nevada Chapter Award, Contractor Innovation for a Project more than $5 million for that same project. One thing to mention is because of that Construction Manager at Risk method of delivery on this project, it saved a lot of time. We could order the long-lead items with the Board approval of that two-phase construction contract, and it was open in only 70 calendar days. And that's pretty much amazing to see that type of level of effort by the contractor, and just everything meshing together to deliver a great project. The project also won the Caesar Chavez Day Union Project of the Year for Granite Construction. And that is an annual event that they have. You know, just pleased to mention that Moana Lane Diverging Diamond won another award there.

Also, the Western Cooperative Test Group gave the Department superior quality and highest measure of participation for the materials testing -- the material sample testing of performance-grade binder. And what performance-grade binder is, is basically the asphalt cement that's mixed with the aggregate to make hot-mix asphalt. And it's performance grade because they've developed it to withstand extremes in temperature, load stresses from the traffic. And our two asphalt labs, we have labs that do the testing of the asphalt in the Materials Division here, and they insure the highest quality of asphalt materials on all State roads. Use of quality material with the most efficient lifestyle costs and material recycling are priorities of the labs. The labs were recently recognized for superior quality and breadth of asphalt-binder testing by the Western Cooperative Test Group. The Group shares innovative techniques to improve blacktop and the standardized testing of asphalt material, all to enhance the use, safety and value of asphalt roads across the West. So I wanted to acknowledge the efforts of our Material Sample and Testing Group, particularly the asphalt labs that work every day with this material and make sure that we receive the quality on the roads.

With that, wanted to acknowledge, is anyone -- oh, Reid Kaiser from Materials Division is here, so stand up, Reid. I wanted to acknowledge the efforts of your staff and Materials Testing, particularly with asphalt. Thank you. With that, that concludes the awards portion.

Sandoval: Thank you, Mr. Director. Any questions for Board members on this Agenda item? We will move on to the Director's Report.

Malfabon: Thank you, Governor and Board members. As you saw, Governor, this weekend when you flew down to view the damage to the Mount Charleston Fire and the activities that were in place to try to get that fire under control, the State plane is operational again. Marcus Thomason was recently rehired by NDOT. We are very pleased to get him back. He was probably the best pilot we've ever had in service of the Department. In mention of the flight operations, obviously, his goal is to make sure that he achieves the cost savings by flying our contingency of engineers and staff to Las Vegas on a daily basis, so that we can save those costs compared to the commercial airline costs.

The mention of the Mount Charleston Fire, I wanted to acknowledge District Engineer Mary Martini's efforts and her staff in working with the public agencies that are working to contain that fire. Apparently it's about 15 percent contained right now, so it's still a huge amount of work to do. And we're assisting by providing fuel to those public works -- public agencies' vehicles from our maintenance station.

The other thing to mention, on the federal level, Anthony Foxx was sworn in as U.S. DOT Secretary of Transportation recently. He had mentioned that safety is his first priority, and I'm pleased to hear that. And the Board will be receiving a presentation on Nevada's safety efforts later in the Agenda.

Also on the national front, I chaired the meeting of the Standing Committee on Highway Traffic Safety. There were representatives from Nevada present at that meeting. We did a joint meeting this year with the Subcommittee on Traffic Engineering at the national level. So it was good for us, because traffic safety and traffic engineering are usually tied very closely at the hip, as well as working with other groups. It was good to have a joint meeting. And also, we heard a lot of good things, recognizing Nevada for our safety efforts. And you'll hear about those later in the Agenda item. But I just wanted to acknowledge that they've, AASHTO and the states that were present at the meeting, view NDOT and Nevada as a leader in the safety efforts that we've implemented.

The Veterans' Affairs issue came up recently from Senator Heller's office. I wanted to mention that we will be working directly to respond to Senator Heller's office, but we came up with a solution that we think will work. It had to do with when veterans are getting reimbursement for travel to a

veterans' hospital or clinic, they have to work through the VA, and sometimes there's road closures due to weather or due to other restrictions, and they have to take an alternate route. So the VA takes the direct route, looking at map software from the internet such as Google Maps, and sometimes a veteran has to take a more circuitous route. So we're going to work directly with the VA and Director of Veterans' Affairs, Caleb Cage, for State of Nevada, to make sure that our solution is implemented and that it's workable, doesn't add a lot of administrative costs, a very simple solution. And we'll, as I said, respond to Senator Heller's office on that issue.

On the legislative front, we've got a lot of work to do in implementation of some of the legislative requirements. Obviously the groups in engineering will handle the Construction Manager at Risk requirements and the reporting requirements there that deal with the future elimination of the Sunset Clause that NDOT will be under. But we will be allowed to continue using the Construction Manager at Risk process for procurement. On the planning side, they'll be responsible for dealing with the getting together with the local agencies in road relinquishments and road transfers, bringing that policy forward to the Board for your approval.

And the Administrative Services Group and Civil Rights Group will work together on DBE implementation on State-funded contracts. There's a limited number of State-funded contracts. Most of our State funds are used to leverage the federal funds. But we'll work closely between those two groups to come up with a process that doesn't add a lot of administrative cost to implement that DBE requirement. So a lot of other work to be done, and I'll report to the Board back or bring stuff for the Board approval on any policies that have to be enacted, such as the sponsorship of rest stops and rest areas requirements. We'll bring that to the Board for your approval on how we propose to implement that.

Recently, in the news, you might have seen in the media report about the Reason Foundation gave an annual highway report, Nevada was ranked 16th. And they looked at pavement condition, urban traffic congestion, deficient bridges, unsafe narrow lanes, traffic fatalities, total spending per mile on State roads and administrative cost per mile. We're staying about what we were last year. I think we might have dropped down one place. But they look at a lot more than what we report on bridge or pavement condition. As

you saw on another media report a month ago, we were actually tied for first or second for the bridge condition. So a lot of these things have to be taken in context and look at the factors that they use to rank. But the point is, at least we weren't losing any ground from last year's report on that Reason Foundation report.

Our budget has been established for fiscal year '14, and we worked closely with different divisions within the Department and the District Engineers to understand what went into building their budget. A lot of the Directors' office staff came in after that budget had been submitted, but we came up to speed as far as what the needs were and saw that we had to make some cuts. Between our budget requests and what was submitted, there was a lot of additional requests. And often we have to look at what our commitments are, what we have a responsibility to deliver on a daily basis and then what we would like to do in the future as far as providing additional service, and have to establish our budgets in that manner.

So we'll watch our budgets closely, Governor and Board members, and stay within those budgets. We might be taking some recommendations forward to shift some funding around, because we feel that we probably need a little bit more money in the operations section. And we're trying to see what -- a lot of times the operations section of the budget is dependent on weather. We had a, fortunately and unfortunately, a good kind of mild winter. But for water, it's not so good. And you see some of the after-effects of that with brush fires and forest fires. But we'll stay on top of that and keep the Board apprised of any kind of budget swaps that we would go to Interim Finance Committee to do.

Project NEON, we're moving ahead with that. We'll have formal presentations on a quarterly basis. You had the big presentation last month, as you approved going forward with that procurement. We have an industry meeting scheduled on July 25. And a lot of the meetings set up with the Interim Finance Committee are coming up. So we'll meet directly with the individuals on the Interim Finance Committee, explain the project to them, explain this financing scenario that we've received Transportation Board approval for, and let them know that eventually we'll come formally to the IFC Committee as a whole to request the bonding and the funding, financing for the project. We'll also be working closely with the Treasurer's office and the Bond Council for the State.

We also will be meeting directly with the City of Las Vegas to hammer out the terms of an agreement, because there's a lot of local streets affected and local property affected. We wanted to talk about what we're building and what, in the future, the City of Las Vegas will construct in support of future phases of Project NEON.

Presently the utility relocations are proceeding. Much of that was approved recently, in the last month, by the Board to -- we have contracts with utility companies either for engineering or construction, and you'll continue to see those in the months ahead.

Regarding Boulder City Bypass Project, which is also called the future I-11 project, since Assembly Bill 413 was passed, we expect that Clark County Commission -- Board of Commissioners will vote in August on enacting the fuel-tax indexing. But as I reported previously, the RTC of Southern Nevada is looking at giving the Department some funding out of that to support our Phase 1 project, and they're looking at funding their Phase 2 project, over $330 million estimate, I think, for that project. So $300 million of this additional fuel-tax revenue to support Phase 2. We're going to be working closely to make sure that our schedules tie together on delivery of Phase 1 and Phase 2, so they're completed around the same time.

We have a -- on the -- another thing to report is that they are, the Boulder City Phase 2 project, which the RTC has responsibility for, they're looking at perhaps an operations and maintenance component on that project, because the legislature, when they gave them the authority over that phase of the project, they asked for some innovative public-private partnerships to be considered in that. So the RTC is considering operations and maintenance. NDOT understands that at some point it might -- it should become a State facility, an Interstate 11. So we'll be working closely with them on oversight and hammer out an agreement on who's responsible for what. Often, when -- similar to the beltway construction in Clark County, NDOT oversees the fabrication of girders and some elements that are fabricated offsite. And we have a role to play in oversight during construction phase, as well as design oversight.

And we also will be looking -- because of the issue with eminent domain, which will be covered later, and the impacts of the PISTOL initiative on State law and the State constitution, we're going to be looking for additional

legal support. And we will issue a request for proposals, so they'll be kind of casting a broader net for any kind of legal support that's needed for these eminent domain cases. And Dennis Gallagher will cover that a little bit later, more in detail, as he covers the eminent domain issues and the impacts from PISTOL. And that about covers the Director's Report, Governor and Board members.

Sandoval: Thank you very much. And, question, backing up a little bit on that sponsorship of the rest stops. Do you have any idea when this Board will receive the proposed -- proposals?

Malfabon: I think that it's going to take us about -- by the third month I think that -- I think that we should have it within two to three months, we should have the proposed method of implementation. We are going to model it after the Sponsor-A-Highway. It could be sooner than that, Governor, but I like the idea that we heard from the Board members previously about, maybe, levels of sponsorship and you see that sometimes when there's sponsors of certain events. There's the platinum sponsor or diamond sponsor and gold, silver. And we'll work that out and bring that for Board approval, and then start advertising and announcing that and getting it out there to the possible sponsors of this.

We've enjoyed a lot of success on our Sponsor-A-Highway Program. We see a lot of the Zappos signs. And I think there's a lot of good community partners out there that are willing to get some credit for offsetting some of our costs on operating these rest areas and rest stops.

Sandoval: You know that I'm a little eager, only because our Sesquicentennial celebration begins October 31 of this year, and I was hoping that we could coordinate those sponsorships for the beginning of the improvements on the rest areas consistent with that celebration, which is going to be for a year and there are going to be 150 different events statewide. And I thought there'll be a great opportunity for tourists as well as Nevada residents to enjoy those rest stops as they participate in these various events.

Malfabon: That's a good idea. And I think that we could meet that schedule to try to get it to the October Board meeting, so we'd have it in place before the Sesquicentennial celebration starts on October 31.

Sandoval: Yeah, it takes a while to learn to say Sesquicentennial.

Malfabon: Sesquicentennial.

Sandoval: No, I had trouble myself. And I also wanted to compliment the work that's going on at Elko on those tunnels. I traveled through there recently, and it looks like it's moving along extremely well.

Malfabon: Thank you, Governor. And that is a Construction Manager at Risk project with Q&D and the crew there from District 3. So thank you.

Sandoval: Any other questions from Board members with regard to the Director's Report? Then we'll move on to the public comment portion of the Agenda. Is there any member of the public here in Carson City that would like to provide public comment to the Board?

Fransway: Governor?

Sandoval: Yes, Mr. Fransway?

Fransway: As a member of the public, I would like to say that I had the opportunity to travel the improvements of Highway 50 between Dayton and Silver Springs, and what a difference a month makes. It's a beautiful project and I think that the public is well served by that project, so…

Sandoval: Thank you. Is there anyone in Southern Nevada that would like to provide public comment to the Board?

Martin: No, sir.

Sandoval: Thank you. We'll move to Agenda Item No. 5, approval of June 10, 2013 NDOT Board of Director Meeting Minutes. Do any of the members have any changes to the proposed minutes?

Cortez Masto: Governor, I have just a few corrections.

Sandoval: All right.

Cortez Masto: Page 60 of the minutes, I guess the last -- second to last paragraph, where I'm speaking and it states, "I just assume that there's some sort of language in there that protects the State from them trying to come back after the State." It should read, "If there is a failure to perform by the contractor." And then the only other one is page 64, "I appreciate the Board's

indulgence," although I like your diligence as well. But it was "indulgence." And that's it.

Sandoval: Member Savage.

Savage: Thank you, Governor. Two minor corrections on page 52. Five lines down, "I would really like to see the contractor," not "contract to." It should read "contractor." And on page 76, six lines from the bottom, after Mr. Kaiser, should read, "Mr. Dyson." That's all. Thank you, Governor.

Sandoval: Do any other Board members have any changes to the proposed minutes? And do we have all those changes marked?

Hoffman: Yes.

Sandoval: All right. If there are no further changes, Chair will accept a motion for approval of the Board of Director's Meeting Minutes for June 10, 2013.

Martin: So moved.

Wallin: Move to approve.

Sandoval: We have a motion by Member Martin, second by Madam Controller. Any questions or discussion on the motion? All in favor, please say aye.

Group: Aye.

Sandoval: Opposed, no? Motion passes unanimously. We will move on to Agenda Item No. 6, update on United States EPA audit and NDOT storm water program.

Malfabon: Thank you, Governor. Steve Cooke, who is our Chief of Environmental Services, is going to cover this Agenda item.

Cooke: Good morning, Governor, members of the Board. My name's Steve Cooke. I'm the Director of Environmental Services Division here at NDOT. I'm here to provide you a brief summary of our EPA audit as well as our MS4 Permit, which is administered by NDEP.

So we'll start off with a summary. Since our last face-to-face meeting with the EPA in August, 2012, we've been in contact with the EPA on a two to

three month basis, giving them updates about how we're implementing our MS4 Permit. We're being proactive in this approach. Rather than waiting for the EPA to come back and dictate to us what we need to be doing, we're showing them that we are moving ahead with implementation of our program. I failed to provide on this slide, but we've also been meeting quarterly with the NDEP to discuss our program and any other water quality permit aspects. I appreciate their input. They've been very insightful in providing us great guidance on how to proceed.

We've been short staffed on the water quality work, and we're working right now to get three new people in place. One individual will be placed in each of the three districts. We do anticipate some enforcement action from the EPA, possibly as soon as the end of this year. They haven't provided much guidance back to us. It's been kind of a one-way point of communication. We've provided information to the EPA. They have not responded back with them. We do know that the audit was turned over to the Enforcement Division several months ago.

Arizona DOT, they had their audit about nine months prior to ours. And in April this year, they were administered a consent decree. So we suspect that we'll see something possibly the end of this year, if not, early next year.

Malfabon: And, Governor, I wanted to mention that we're thankful for your approval of using vacant positions for this effort, and also mention that Director of Conservation and Natural Resources, Leo Drozdoff, has been helping us to be a liaison also with U.S. EPA with his contacts.

Cortez Masto: And, Governor, I just have a quick question. So with respect to the penalties, is it remediation that's required and/or are there civil penalties that can be assessed as well? Do we know?

Cooke: We don't know. There's a probability there will be a fine as well as some sort of consent agreement stating that we need to complete our mitigation measures by a certain timeframe. Rather than wait for them to tell us, we are moving ahead actively in pursuing those mitigation measures.

Cortez Masto: Okay. Thank you.

Sandoval: You know, and I'd like to see if we can get some type of communication with Region 9 of EPA so we're not flying blind here. I feel like I don't want

to get to this -- get a letter in the mail, when perhaps maybe there's some other mitigation measures we can be taking. So I'm happy to make a phone call to the Director of Region 9 to see if we can get a little bit more information as to what's going on.

Cooke: I think that would be very helpful. Thank you.

Sandoval: Because I think I share the Attorney General's concern that we don't know, as you said, maybe a consent decree, it could be a fine. And we don't know how much and the degree of what the penalty will be, if any. So I -- as I said, it seems like, if it's been almost a year since the -- we had contact with EPA or the meeting, that they should help with a bit more specificity with regard to what's going on.

Cooke: No, your input would be very helpful.

Sandoval: Okay.

Cooke: No, and I just had -- I should have connected it, because I just spoke with the acting EPA administrator, and I'm sure he -- he asked me if there's anything that -- any questions that he could answer. So now I'll take him up on that.

Malfabon: And we have a lot of things that we've enacted and the Board has approved that substantial contract last month, so we definitely have a -- at least a story to tell EPA about what efforts we have implemented in the year since we met with them directly.

Sandoval: Any other questions or -- why don't you finalize your presentation?

Cooke: Sure. One other item I wanted to mention on this is we're pursuing hiring a consultant to help us implement our program. That's to help speed up our process, build, implement momentum, because we go through an audit cycle every five years. And our next audit will be 2015, which is essentially, in my opinion, around the corner.

I want to change gears here and talk about our MS4 Permit. MS4, as it's typically called, is an acronym for Municipal Separate Storm Sewer Systems. It's essentially a system of conveyances. It allows us to discharge storm water from our facilities, and this would be statewide. All DOTs are -

- have one of these permits. And I've looked at the permits for CalTrans, Arizona and Hawaii, and a lot of the components that they have under their permit are the same components that we have. So they have kind of a blanket of requirements that everybody needs to follow.

The MS4 is authorized under the Clean Water Act, and it's permitted under the National Pollutant Discharge Elimination System, which regulates point discharges in waters of the U.S. We have an individual permit, and that covers all of our facilities within the State.

Our permit has five components. I won't go through these, but I want you to know Item No. 3, it has 23 subparts, and that's the component of our permit that requires the most involvement in terms of labor and time. These are some of the items that are under Item or Part No. 3. It's fairly extensive and laborious. The first item, we have to go out and identify and locate all of our culverts within the State that are 36 inches or larger. We have to locate them and identify them using GPS so we can build a map showing where all these discharge points are, so we can use them to help regulate potential pollutants into the waters of the U.S.

We have to develop three storm water programs; one for the public awareness, one for NDOT employees and one for contractors. We have to develop an illicit discharge detection elimination system. Develop facility pollution prevention plans for all of our facilities within the State of Nevada. We have to conduct annual maintenance facility inspections, develop a water quality focus use application program for herbicides, pesticides and fertilizers. We have two existing manuals. We have to update those. One is our design manual and one's our construction manual. They both deal with water quality. And we have to develop a maintenance facility.

In order to do this, we're proposing to hire a consultant. Back, late this year, or actually in 2012, we issued an RFP. And early this year, we evaluated them. These are the six entities who submitted an RFP. After we reviewed them, we selected Stantec Consulting Services, and we initiated negotiations with them in March. The initial cost estimate was a little over $6 million. And after five rounds of negotiations, we agreed to the scope and cost of $4.365 million. The proposed agreement is for a duration of four years.

And I want to switch gears now, once again. Back in May, Member Fransway had asked about EPA and their expanding their definition of waters in the U.S. and how that might impact our operations here at NDOT. The EPA is looking to use different methods and types of criteria for expanding what they consider waters in the U.S. That's the criteria they use to determine where their jurisdiction lies. So they're looking to expand their jurisdiction. To me, it partially makes sense. We have to protect our waters. It's a valuable resource, more so here in Nevada, being that it's such a dry state. But the implications to NDOT will be is, more of our projects will require more permits -- water quality permits, and that'll take more time. So it's likely some of our schedules for our projects will be extended. And that concludes our -- the presentation.

Malfabon: And, Governor, this was in concert with Item No. 3 on Agenda Item 8 for approval of agreement. So we wanted to give you the presentation and allow the Board to ask any questions to Steve in clarification of the contract as well.

Sandoval: Questions for Mr. Cooke? Member Fransway.

Fransway: Thank you, Governor. And thank you for your response to my concern last meeting relative to the proposed changes in the Clean Water Act by changing applicable to waters of the U.S. And, Governor, I want to compliment you on your decision to contact District 9. And I hope that you will ask that question of where that's at, because I am very concerned that it is indeed an administrative change that will usurp congressional action. And I believe that it's very serious not only for the State of Nevada, but for all 50 states. So, anyway, thank you for keeping an eye on that. And I'd appreciate any updates coming to the Board. Thank you, Governor.

Sandoval: Member Savage.

Savage: Thank you, Governor. And thank you, Mr. Cooke. One question, did the Department of Transportation engage an outside consultant for the EPA services during the years of 2010 and 2011?

Cooke: Yes, we did. We used an outside consultant to help update our storm water management manual. We needed to have that updated as part of our MS4 Permit.

Savage: And who was that consultant?

Cooke: That was Stantec Consulting.

Savage: Stantec? Thank you.

Sandoval: Further questions from Board members? Thank you very much.

Cooke: Thank you.

Malfabon: Thank you, Steve.

Sandoval: And if you -- Mr. Cooke, if you could give me a one page primer on dates and some of these issues that you just described, I can have that as a reference when I speak with Mr. Blumenfeld. Thank you. Agenda Item No. 7, report on the Department of Transportation's efforts to reduce traffic fatalities.

Malfabon: Thank you, Governor. Ken Mammen and Traci Pearl from the Department of Public Safety are going to jointly give this presentation. I just wanted to thank Traci for her coordination and efforts with NDOT, a very close partner in driving down Nevada's fatalities. Ken is the acting Director of the Safety Division, and take it away, Ken.

Mammen: Thank you, Rudy. Good morning, Governor, members of the Board. For the record, I'm Acting Chief Safety Engineer, not Director, but I'd like the promotion. That'd be nice. Thank you, sir.

Today we're here to give you an overview of what our efforts are currently, to date, to reduce traffic fatalities on all of our roads. I'm going to give you a brief overview of the fatal information as to date. And I'm going to give you an emphasis on, basically, Clark County and interstate routes. I'll also talk about pedestrian fatalities. And then I'll give you an overview of our current program and what we're doing from NDOT's side to reduce fatalities. With me, today, is Traci Pearl. She'll be talking about what the Office of Traffic Safety will be and what their current efforts are.

Currently, this is an old slide, you've seen this one before. Chuck Reider presented this when he gave the annual report. And, of course, it has the numbers. The dash line is our rolling average. That's the one we use to track where we're currently at. The top line, the dash line, or the dotted line,

is our trend line where we like to set our goal. That's our goal line, actually. So you can see we're well below that goal line. And we've had a 40 percent reduction in fatal crashes since 2006. And as you can see, in 2009, we've kind of hit a small plateau. We expect ups and downs in the numbers, and that's why we use that five-year rolling average.

I took the liberty to break the information out as to interstates. I think, Governor, you had a question on -- to the interstates. And this is interstate routes only, and then local roads, and then the blue, of course, is NDOT maintained roads. And the interstate is basically about 15 percent of our crashes. And the local roads are about half. So State routes and local roads were almost evenly split on fatal crashes. And these numbers pretty much hold true from 2011 to 2012. They don't really change a whole lot, still about 15 to 16 percent on the interstate and almost half on local roads.

This is pedestrian fatalities. As you can see, the trend lines in Clark County almost follow identically the total fatalities. So we can see that the pedestrian fatalities actually drive some of the numbers down in Clark County. And, unfortunately, we don't have 2012 demographics yet for the fatals, but for 2011, we had 50 fatalities. Out of those, 17 involved impairment. Out of those 17, 10 were driver impaired, 6 were pedestrian, 1 was both.

And right now I want to thank my staff who helped pull this information together at the last minute and put these slides together for me so I didn't look like a complete, total nerd engineer. I was going to show some tables, and they said, "No, don't do that. Just show some good graphs."

As you look at these, what you see here is the fact that a lot of our fatalities are from the age of 46 on up. That's almost 70 percent of our fatalities. And, again, there's a high number of those that are -- 13 of those involved impairment.

Going on to what we are doing currently for Nevada for our Department of Transportation, we get about $21 million a year from MAP-21 to spend on our projects and our programs. We're spending about $3 million of that hiring consultants to run our road-safety audit program, doing some design services for us. The Zero Fatalities Campaign, you see the bling on the tables, this is some of the outreach we do. We pass this stuff out and get

some awareness up to get the word out on Zero Fatalities. We also use the consultants to rollout the Highway Safety Manual, to implement that as a guide for NDOT and local users.

We give support to the Office of Traffic Safety and about $2 million every year for their behavioral aspects. And Traci will be speaking about that in a few minutes. We spend about $1 million, plus or minus, on railroad crossings, upgrades, all the signals and lights and everything. So every year we go out and do a diagnostic review on a third of our crossings, and from that we come up with some projects and programs to update these things. We spend about $15 million a year on systemic programs. $11 million of that goes into shoulder widening, slope flattening, center-line rumble strips, cable median barrier. We look at, you know, medians of less than 50 feet for cable.

We spend about $2 million a year on systemic improvements statewide for the flashing yellow arrow, as you might see those down in Vegas. We're almost done in Vegas. We have some of the harder projects to do yet, ones that involve right-of-way (inaudible) we have to put new poles in. Those are a little bit longer. But all the easy-picking ones where we can update the signals, we have done that or are going to be done next year. And we spend about $2 million doing mitigations at local intersections. This is, here, just an idea of blocking off the left-turn motions, which reduces crashes.

This is the high-crash map for 2012 for Las Vegas area. As you can see, they're everywhere. They're just -- crashes are everywhere. So looking at the inset, what we'd like to do in the future, and I think, Governor, you had a question on Kietzke Lane Safety Management Plan and why we're spending so much money on that. We've been kind of reactionary. We look at the high-crash locations and we try to come up with mitigations. And what we're trying to do -- and Kietzke Lane was our prototype project to look at -- instead of looking at spot locations, we're looking at a corridor, and doing a corridor plan to improve everything. So as you look at the map, like Sahara, we're going to try to take point A to point B, Valley View to Eastern to come up with a project that addresses all the issues through that for safety. That'd be ADA, signals, striping, signs, everything. And that's what the Kietzke Lane Management Plan's doing for us.

And I'd like to stress that we have to look at all the roads, not just State routes. We are responsible for all those crashes on all roads, and we're able to spend federal dollars to mitigate those crashes. So, hopefully, that answered your question on the Kietzke Land Management Plan. Okay. And with that, I'm going to turn it over to Traci who's going to talk about Traffic Safety's efforts.

Pearl: Hi. For the record, Traci Pearl. I'm the Division Administrator for the Department of Public Safety's Office of Traffic Safety. We work hand-in-hand with NDOT, but we work from the behavioral side of the aspect and they work with the engineering side of the aspect. Jim Wright is the Acting Director and serves as the State's Governor's Representative for Highway Safety. Every state has one per the Highway Safety Act of 1966.

Our office is a grants office. We're one of the few offices in the Department of Public Safety that don't have sworn personnel. We apply for traffic safety grants from the National Highway Traffic Safety Administration and then sub-grant those to locals and nonprofits throughout the State to mitigate traffic crashes, to change behavior of bad driving.

Our funded grant projects must be evidence based. They must exhibit a proven counter measure. And they must align with the Strategic Highway Safety Plan Program areas and emphasis areas. That's come a full circle, and ten years ago, when I was in this business, the federal government wanted us to have innovative projects. And we've done a 180 to where everything is data based. If it's not data based or proven, it's not funded. So money is being spent well.

We've been onboard with the Strategic Highway Safety Plan or the statewide plan since 2004 with NDOT. We pretty much co-sponsor that. And we are basically a ying-yang with NDOT. Like I said, they're engineering, we're behavioral, and we complement each other on our strengths and weaknesses.

The Zero Fatalities media campaign has been going on for -- it's in its second year now. That is a joint campaign between our office and NDOT. And using -- fortunately, we have the same media contractor for both of our departments. That helps a lot. And I'm going to show you some examples

of those public service announcements and TV ads and such from that campaign.

Every year we have to create a highway safety plan, which is we're telling the government this is what we want to spend that grant money on and this is who we're awarding it to and this is what we're doing with it. We just had to complete that plan for next federal fiscal year, as of July 1st. It can be found online on our website, and I will get that information to the Board. And, of course, anything about Zero Fatalities in Nevada is also on the zerofatalitiesnv.com website.

Joining forces is one of our star programs. HVE means High Visibility Enforcement. We started a pilot of that in Nevada in 2001 and 2002, where the law enforcement agencies in Nevada work multi-jurisdictionally on certain problems in their local areas. For instance, you might see a Click-it or Ticket seatbelt enforcement campaign in May in Fernley, and it involves the Lyon County Sheriff's office and the Nevada Highway Patrol, and Washoe County might be over there with them. And so they join together, they work overtime events, they look at the data where they're having traffic problems in their jurisdictions and conduct those enforcement events. And at the same time we have commercials and radios and TV and messaging going out saying, "You will get ticketed if you're not wearing a belt," or "Don't drink and drive," or those messages. These are the five areas we focus on with the High Visibility Enforcement. They're all in tandem, again, with the Strategic Highway Safety Plan.

Since 2009 we've aggressively put a lot of federal money and earned -- into earned and paid media, where they're -- earned media being press conferences, safety fairs, outreach. We get a new story because of adjoining forces, High Visibility Enforcement event, that kind of thing. Hopefully, you have seen our commercials, and if not, it's because you're not the target market that we're trying to hit.

I have some samples of public safety announcements, current and recent, this year. This is, "Marker Face." This just ran for July 4th impaired driving.

(Playing Public Safety Announcement)

There's no shame in being the designated, sober driver. Plan ahead and don't drive impaired.

Pearl: When I ran that by my Director, he said, "I don't get it." And I said, "Respectfully, sir, you're not the target market." And he said, "Are you calling me old?" I said, "No, I'm not. No." But the target market for drinking and driving is males, males, males age 25 to 34. So that appeals to them. Oh. It's okay. This next one is "Walking Wife." It's a pedestrian safety commercial.

(Playing Public Safety Announcement)

Do you see the face of someone you love in every pedestrian? You should, because every pedestrian is important to someone. Watch out for each other on our roads and make zero fatalities your goal. Drive safe, Nevada.

Pearl: This message is double. Obviously someone -- a pedestrian is someone you love or can be someone you love. And it also has the driver making eye contact with the pedestrian and back and forth, which is the message we're trying to get. Look and make sure the driver sees you and make sure you see the driver. And this last one is called, "You're Dead."

(Playing Public Safety Announcement)

You're dead. You're dead. You're dead. You're dead. It's just a figure of speech, until you let it become a reality. Make zero fatalities your goal. Drive safe, Nevada.

Pearl: So we have general Zero Fatalities messages. We're saying, you know, don't drive impaired, look for pedestrians, et cetera. And then we have specific ones focused on a specific problem area like the impaired driving or pedestrian safety. So that's just some examples of what we've done recently. Again, this is a major partnership with NDOT and we appreciate any feedback that you have on that. And we also appreciate the Board's support for this very important campaign. Thank you.

Mammen: We have a little bit more information. We have some contacts and some links for more information. If you're interested in more information, you can always contact Traci or myself. Contact information is provided. It'll be in the packet that Holly uploads.

Some takeaways that Tom wanted to make sure that you shared is we did have -- we have had a 40 percent reduction in fatals since 2006. And we're using the systemic approach to reduce fatalities, where we're actually going

out and being proactive instead of reactive. So a lot of our projects that you'll see will be like shoulder widening and slope flattening, where we know we have a certain characteristic of the road that causes serious injuries and fatals. So those are the things that we'll be working on.

So with that, we'll open up for any questions.

Sandoval: I have a few. How long has that media been playing or been out there?

Mammen: A lot of those just started. The one, the, "Marker Face," is brand new. And you all have your little kits there, you've got a pen and a little doodle pad, so you can actually have some ideas to mark up, if you ever have the need. But that just started. And some of the others are just brand new, too, as well. Those are the new, current media that we have.

Sandoval: And I guess that's going into my next question is, what is the theory for why we've plateaued?

Mammen: That's a good question. I'm not sure why. When we get the answer, we'll let you know. But we do expect ups and downs in the numbers. And, hence, again, that's why we use that rolling average. And I think when we hit this marketing campaign as heavily as we have in the last year or so, moving forward, we're going to get more visibility with the campaign. And the more visibility we get, the more the numbers will change in the perception of the bad driving behaviors. And hopefully, with that, plateau will start going back down again in the next couple of years.

Sandoval: And you moved a little fast through some of those slides, but what was the proportion between the pedestrian and -- pedestrian and fatality versus vehicle, on vehicle fatality?

Mammen: As a percentage?

Sandoval: Yes.

Mammen: Do you know that off the top of your head?

Pearl: I do. Pedestrian fatalities are about 17 percent. Motor vehicle fatalities are about 44, 45 percent.

Sandoval: And then perhaps it's because it's reported more in the media, it just seems like there have been more pedestrian fatalities than historical.

Pearl: That came to our attention in early January, especially in 2012 and early first half of this year, Clark County and Carson City County have experienced some, not only pedestrian fatalities, but unusual ones. There's been some hit-and-runs at night. The one driver in Vegas who drove up on the sidewalk with the people sitting outside eating, those kind of things. So when those type of things occur, and they weren't necessarily planned, our joining forces program and our media program, we sit down with them and say, "We need to do something about X." And so we created the, "Walking Wife," and ran the pedestrian campaign in April and May. And between that and the High Visibility Enforcement, to me, that is what's really brought down the fatals in the last ten years, is making it visible that it's not acceptable, that you will get cited for whatever you're doing wrong. And just like drunk driving took 30 years to become socially unacceptable, now we're trying to make distracted driving and cell phones socially unacceptable.

Sandoval: And you anticipated my next question. Do you -- have you looked statistically about the number of citations we've had for texting while driving and how is that going?

Pearl: I only have access to NHP's. They've issued about 12,000 in the last two years. And fortunately a very small percentage of those are second and third-time offenders, with the height of the fine.

Sandoval: Mm-hmm. And then I don't know if you have this -- the answer to this question, but Director Malfabon, in his Director's Report or in the awards, talked about I-580 and the relationship between -- or the fact that we've had -- had had fatalities on 395. And I'm not aware of any fatalities on I-580. So do we know, perhaps, how many lives we've saved in this one year's time, based on historical experience?

Mammen: Actually, Governor, we've actually got a study going on currently to analyze both the existing road and the new 580 road from a crash analysis standpoint. And we will actually have some of those information for you maybe in next Board meeting or the Board meeting after that. But we have UNR actually looking at all that.

Sandoval: Thank you. And I don't want to jinx anything, but my understanding is that we have not had a fatality on I-580 since it opened. Is that accurate?

Unidentified Male: Correct.

Mammen: That is accurate. I do not believe we've had a single fatality up there.

Sandoval: All right. I have no further questions. Madam Controller?

Wallin: Thank you very much for your presentation. This is great and I like seeing the two agencies working together. So I applaud you for that, because it's a little hard to do one side and not the other side. Ken, you mentioned that NDOT's responsible for all safety on all roads, even those that we don't own and stuff. And one of the things that I noticed, especially driving around Las Vegas, is crosswalks that, especially like on Maryland Parkway south of Tropicana, you can't even see the lines. And at night it's dark there and a lot of times you don't see the people. And I know, myself, driving on that road a few times, it's -- I know that people might be there, so I'm paying attention, but it's kind of dangerous. So are you guys also looking to make sure that the striping and that people do see the crosswalks and stuff? Because I know people are kind of unaware, just here on, what, Stewart Street where you've got the little blinky light, and you push it and cars still whiz by you there. So what are you doing for that?

Mammen: That's an ongoing maintenance issue. And, yes, we do look at that. When we do a road safety audit, we look at all the striping issues and recommend that they be updated or upgraded. Unfortunately, down in the Vegas area, you know, with the heat, it does wear out the striping much faster. And for the crews to get out there and maintain those, it just -- it's a cycle that they have to go through. And I know that each of the agencies down south are all strapped for cash as well, so I know they push their limits as much as they possibly can, unfortunately.

Malfabon: And also, to add to that response, Madam Controller, the RTC of Southern Nevada actually sponsored a study on that issue, because of the heat and the road oils, they get a build-up even on newer crosswalks down there. They get that black discoloration over a very quick period of time. But it is something that we, as Ken mentioned, our maintenance forces try to stay on top of that on a regular cycle. It's just that they -- there's just so many crosswalks down there that are not the Department's. Even keeping on top

of the Department's State routes, it's really tough to stay on top of those and prevent that discoloration that happens from the tires and the road oils in Las Vegas.

Sandoval: Member Fransway.

Fransway: Thank you, Governor. I did see one statistic on one of your graphs as it relates to pedestrian fatalities, and that was the gap of gender as it relates to numbers of fatal incidents. And it seems as though males is way up there. Is there a reason for that? Has there been any study into why that is a fact?

Mammen: Do you have any basic information on that? I have some, but not a lot.

Pearl: I have some, but not a lot as well. It's males, unfortunately, traditionally are more aggressive and more risk takers and end up being our main focus for changing behavior, whether it's impaired driving or pedestrian safety or such. And as you might have noticed, too, about half of our pedestrian fatalities are impaired. It's definitely an urban problem, Washoe County and Clark County, 24-hour towns, 24-hour alcohol. We tell them not to drink and drive and then they go walk and drive. So we don't really have a good answer for that yet, but we're working on it.

Fransway: Okay. I suggest that maybe it might be a target for you. I understand that males may have a thicker skull, but it doesn't count when it meets the pavement or a bumper, so…

Mammen: One thing I will mention, Member Fransway, is that we also have another study going on in Vegas where they're going to put cameras up and -- thematic cameras up and take videos of pedestrians walking on some of our heavier traveled routes and monitor it for a period of time to see the activities of pedestrians and vehicles, so we can get a better understanding of what's actually going on. Because we can theorize that people are just wandering out in traffic, but are they actually darting out in traffic? Are they just -- are they distracted out in traffic, or what? So we do have a study going on that will help us understand some of the behaviors.

Fransway: Thank you.

Sandoval: Any other questions? One more, and you had that map with all the locations of the -- where we've had those accidents. You know, obviously, in

Southern Nevada, we've got some pretty wide streets with some higher speed limits. Is there more incidents of the pedestrian accidents there, because it takes a while to get across that street and you have cars traveling at a greater rate of speed?

Pearl: Absolutely. The majority is probably about 70, 72 percent of the pedestrian fatalities occur in Clark County. And you're absolutely right, it's because of the multiple-lane roads, the average speed is 45 miles per hour, so they're going 55. A lot of folks, including pedestrians, don't understand that a legal crosswalk doesn't necessarily have to be painted. It's just -- it could be an intersection between two traffic signals. That's a crosswalk by definition. So that's the education we try to put out there as well.

Sandoval: And I've always wondered about this, but those buttons actually work, don't they, when you -- when you're at an intersection?

Mammen: Sometimes.

Sandoval: I mean, again, I've always wondered.

Malfabon: Only press it once, Governor. It actually doesn't jump any faster.

Mammen: They don't work faster if you push them more than once (inaudible). As long as they're maintained, they should function, yes.

Sandoval: All right. Any further questions? Thank you very much. That was very informative.

Malfabon: I just wanted to add a few things, Governor. And Traci hit on it, is one thing that I learned as the Chair of the AASHTO Standing Committee on Highway Traffic Safety is the importance of the behavioral side. And as an engineer, I kind of had to be educated about that. We will have to continue on shifting a portion of our safety funds to that effort, although we had the legislation changed that corrected the open-container law in Nevada, to get it compliant with the national standard. Because of the fact that it doesn't take effect until October 1st, that was after the deadline that the federal government had for the Department to enact that law. So it's just one more year of shifting some additional funds over to the -- that effort, will continue.

And what it is, is a shift from the regular projects to the safety projects, and a portion of that is going to the behavioral side as well. But it is worthwhile. It does actually pay great benefits for the cost. And you can see some of that in the ad campaign that's been very successful, as we've done some polling on recognition of that ad campaign. A lot more people are getting more -- are recognizing that Zero Fatalities message. So it is getting out there and being understood and heard.

Sandoval: Thank you. And in all seriousness, those buttons, I mean, I think sometimes people get impatient, because they don't feel like it's responding. And then, perhaps, they are more willing to take a risk because they want to get across the street, and perhaps it's not responding. So that -- I know I've experienced that myself. So that's why I asked the question. All right. Then we'll move on to Agenda Item No. 8, approval of agreements over $300,000.

Malfabon: Governor, I wanted to mention, as Bill is approaching the podium there, that there was a error on the payable amount on No. 3. We had discussed the storm-water management program consultant. And it is a new agreement, so those columns should match up, the original agreement amount and the payable amount. It's just that it's a multi-year agreement. I think they just split it up into what would be paid out in the first year or approximately, so that was an error. Those numbers should match. $4.365 million should be in both of those columns. And take it away, Bill.

Hoffman: Okay. Good morning, Governor, Transportation Board Members. Bill Hoffman, for the record, Deputy Director. I'm still filling in for the Assistant Director of Administration. So this Agenda Item No. 8 is fairly straightforward. There are three agreements this month that we're seeking approval on. The first is an update to the 2007 Southern Nevada High-Occupancy Vehicle Plan and to evaluate Phase 1, HOV, or High-Occupancy Vehicle Short-Term Priorities for Implementation for Project NEON in Clark County. The second one is design services for the removal and replacement of 16 escalators at the Tropicana pedestrian bridges in Clark County. And the third, as Rudy noted, there was a correction. You should be looking at the July 1st Board memorandum, not the June 27th version. The July 1st should have the updated amount of $4.365 million, and those are services to assist the Department with implementing the MS4 Permit Storm-Water Program. So those, Steve Cooke presented on that a little

earlier and actually gave a little bit of detail on the firms that competed for that and that had submitted RFPs. So with that, I'll just open it up for any questions.

Sandoval: Questions from Board members?

Malfabon: Governor, I wanted to mention that on the design services for the pedestrian bridges at Tropicana and Las Vegas Boulevard, that, as we go forward in requesting the remaining funding from the Las Vegas Convention and Visitors Authority, that we will ask that they reimburse the State funds used for the design effort as well.

Sandoval: If there are no questions, the Chair will accept a motion for approval of the agreements over $300,000, as described in Agenda Item No. 8.

Wallin: Move to approve.

Sandoval: We have a motion for approval by Madam Controller. Is there a second?

Cortez Masto: Second the motion.

Sandoval: We have a second by Madam Attorney General. Any questions or discussion from Board members? All those in favor, please say aye.

Group: Aye.

Sandoval: Opposed, no? The motion passes. I don't see Mr. -- or Member Martin in the room, so will you mark him as absent from the vote? We'll move on to Agenda Item No. 9.

Malfabon: Bill Hoffman will present this item, Governor.

Hoffman: Okay. Again, for the record, Bill Hoffman, Deputy Director. Contracts and agreement settlements, for informational only. The purpose of this item is to inform the Board of construction contracts under $5 million, awarded between May 21, 2013 to June 17, 2013; also for agreements under $300,000 that were executed between May 21 and June 17 of this year. And then to inform the Board of settlements entered into by the Department, which were presented for approval to the Board of Examiners between that same timeframe.

So to start off with, construction contracts under $5 million, we do have two. And there was an addendum or an updated corrected version, so, again, you should be working off the July 1, 2013 Board memorandum, not the June 27 version. So the first of the contracts that were awarded that are under $5 million is Contract No. 800-13, it's the project for demolition, asbestos and hazardous material abatement for 12 parcels along I-15 corridor for Project NEON in Clark County. The Director awarded the contract on May 22, 2013 to Baldwin Development, LLC, in the amount of $972,972. The engineer's estimate for that was $2.221 million.

Malfabon: And that is the correction, Governor and Board members, that provided -- I mean, required us to give an update, as the engineer's estimate was an error in the first packet.

Hoffman: The engineer's estimate in that -- in the contract number that I just listed was also an error, too. But those two were corrected in the July 1 version. So that was the first project that was awarded.

The second was Contract No. 3542. And that is a bridge rehabilitation project on multiple bridges on I-80 in the Verdi area. So there were -- there was work done to repair the bridge deck spalls, delaminations, replace bridge joints and so forth. The Director awarded the contract on June 4, 2013 to Q&D Construction in the amount of $1.33 million. The engineer's estimate was $1,648,940.36. So are there any questions on the contracts awarded?

Sandoval: Only on question one, for me. There's a substantial gap between the amount of the bid and the engineer's estimate.

Hoffman: Right. Well, I might be -- I don't know exactly why that is. If I could guess, it would be that the DOT, with transportation projects, we're not experts in the demolition area. So this was building demolition, and there were some high-risk items, hazardous material and asbestos that was involved. So we might have priced that, probably, a little bit higher. Again, I'm just guessing, but we can certainly get word back to you, to the Board, on why there was such a large gap. But, just offering up, that would be what I would suspect.

Malfabon: That typically is the case, Governor, with asbestos abatement. We do sample the buildings that are going to be demolished, but we kind of put a

factor in there to -- just to make sure that we have enough budget in there to do the demolition with the appropriate abatement measures on asbestos.

Sandoval: Any other questions from Board members?

Martin: Yes, sir.

Sandoval: Member Martin?

Martin: There's a $266,000 gap between Baldwin and NCM. Is that any concern to the staff?

Malfabon: Member Martin, it is significant. However, since we're -- we have to award to the apparent low bidder, in this case, that's what we're recommending to the Board. And in that case of contracts, if there is an issue, then we can look at the -- any kind of legal terms of the contract to basically end the contract with them and look at those scenarios. Typically, we've been in the situation before, infrequently, in the past with contactors that give a low bid. And they may end up losing money on the project. But we have controls in the legal contract that protect the State in those instances.

Sandoval: Does that satisfy your question, Member Martin?

Martin: Well, kind of. It just seems to me like it's -- maybe be easier to anticipate these issues rather than depending on the legal process, because we all know how well that works for us.

Sandoval: You know, and that -- you've basically touched on what my concern was as well, is that we get a nice, low bid, but I don't want to see a lot of change orders in the future.

Hoffman: Right.

Sandoval: So we'll keep a close eye, I would imagine, on this contract.

Hoffman: Yeah, we'll keep a close eye, Governor.

Sandoval: Any other questions? Do you have anything else, Mr. Hoffman?

Hoffman: Not on those two, but if I could just continue down. So we still have, under that same item number, agreements under $300,000. So that's the list, pages

-- I think it starts on page 16. But that's the table of agreements under $300,000. And I just would open it up for any questions on any of those.

Sandoval: While we're back on Agenda Item No. 8, Member Martin, you had stepped out of the room when I took a motion. And, Mr. Gallagher, is it -- am I allowed to go ahead and ask him if he would have voted yes on that, so he can be included in the record as a vote one way or the other?

Gallagher: Governor, you could certainly do so, but the motion has already carried and passed. So, well, Board Member Martin may appreciate the courtesy, it's not necessary, but it would allow for a new -- reconsideration of the same motion.

Sandoval: Would you like me to open that vote back up so you can be recorded as having voted on that matter, Member Martin?

Martin: No, sir. It's not necessary from my end. I had already reviewed this stuff prior to coming into this meeting and I was comfortable with the items.

Sandoval: All right. Thank you. Board members, do you have any questions with regard to the other information contained in Agenda Item No. 8?

Hoffman: Well, I'm sorry. If I said Agenda Item No. 8, I apologize. That was a misstatement. I should have said Agenda Item No. 9. Sorry about that.

Sandoval: Right. Agenda Item No. 9.

Hoffman: And also, we're on agreements under $300,000 under Agenda Item No. 8 -- 9, 9.

Sandoval: Now, wait. Now, you've got me confused here.

Hoffman: I don't know why I've got 8 in my mind.

Sandoval: Because No. 9, we have for…

Hoffman: No. 9, yes.

Sandoval: …contracts, agreements and settlements. I mean, we've already taken a motion on Agenda Item No. 8. So are you on 9?

Hoffman: I'm on 9. I was just -- what I was doing was just walking -- in the Board memo, there's three sub-categories. It's construction contracts under $5,000, agreements under $300,000 and settlements. I was just taking each one of those in order, to see if you had specific questions. I just wanted to make sure you had every opportunity to go through each of those sub-items.

Sandoval: Member Savage.

Savage: Thank you, Governor. Mr. Hoffman, on line item number 30 and 32, I'm reading those as time extensions only. And as you know, I've asked this question in the past, but if there are any dollars associated with the time extensions, it's an expectation to provide those dollars at the same time; is that correct?

Hoffman: Yes, Member Savage. That is correct. These are just time extensions. And if we do have amendments that are for an increased cost and it does take the total cost for that over $300,000, then they do come before the Board. Yes, sir.

Savage: But the timing -- my whole point is the timing is -- that if there is a dollar amount change, it should reflect at the same time as the extension of the date.

Hoffman: Yes. Yes, sir. Yes.

Malfabon: And in response to Member Savage, the dollar amounts were previously amended. In each of those cases, there was a previous amendment to increase. So you'll see the payable amount increase, but these current ones before the Board are the time extensions, not related to increased cost.

Savage: That's why I saw that. I thank you, Mr. Director. Thank you, Mr. Hoffman.

Hoffman: Sure.

Savage: Thank you, Governor.

Sandoval: Any other questions from Board members with regard to Agenda Item No. 9?

Fransway: Governor?

Sandoval: Yes, Member Fransway.

Fransway: Thank you, Governor. First of all, number three. Could you explain what the terminology "down and out" means?

Saucedo: Member Fransway, Paul Saucedo, for the record.

Fransway: Sounds like a boxing match.

Saucedo: Well, it's actually -- it's in regards to removal of the service, of the power service. And that's in anticipation of a demolition. And so that's for a particular property. So they'll actually -- the power company will come in and actually remove their equipment, the meters and things of that nature, and disconnect the power, so that the demolition can move forward.

Fransway: Thank you.

Sandoval: And for the record, that was Paul Saucedo.

Fransway: Mr. Hoffman?

Hoffman: Yes, sir.

Fransway: Number 14.

Hoffman: Fourteen. Yes. I have that circled on my…

Fransway: That is a substantial reduction in monthly air rent -- charge. And I -- can you explain that?

Hoffman: Yes. Well, actually, I'd like Mr. Paul Saucedo to explain that.

Saucedo: Thank you, Member Fransway. Paul Saucedo, Chief Right-of-Way Agent, for the record. When we -- we have to reevaluate leases every -- I think it's every five years. And when we do that, we have an appraisal done. And in this situation, when the appraisal was done, the appraiser came back with a lower per month rent. And I think that may be due to recent commercial values, you know, being lower than they were back then. I know, in this particular instance, the area also decreased a little bit. Initially, when the original appraisal was done, they included the entire area. This is for a -- for the Sparks Nugget, and it's a building underneath I-80. They actually lease

a space underneath I-80. I think, in the new lease that was done, they actually removed the area of the pillars and things of that nature, so reduced the rentable space to the Sparks Nugget to just include what they were actually using. So between that and probably the lowering of the commercial values, you get a substantial decrease in the value.

Fransway: Okay. So the bottom line, that's determined by appraisal.

Saucedo: Yes, sir.

Fransway: Okay. Thank you.

Sandoval: Any more questions with regard to Agenda Item No. 9? It's an informational item, so we will not be taking a motion. Do you have anything else, Mr. Hoffman?

Hoffman: No. No, I don't. Thank you, Governor.

Sandoval: Thank you very much. Agenda Item No. 10, overview of condemnation process, inverse condemnation claims, including Article 1, Section 22, of the State Constitution, PISTOL.

Malfabon: Thank you, Governor. Dennis Gallagher, Chief Deputy, AG, will present this item to the Board.

Gallagher: Good morning, Governor, members of the Board. For the record, Dennis Gallagher, Chief Counsel. It was suggested to me this morning that perhaps I'm violating a Board policy, because I do not have a PowerPoint. So my apologies.

The concept of the state or a sovereign taking private property for public use has been around at least since the time of the Romans. However, the concept or the name, "eminent domain," is of far more recent origin. Grotius, a 17th century legal scholar and philosopher, is believed to be the person who came up with the phrase. Now, Grotius does sound like he might have been a Roman, but he was a Dutch philosopher/legal scholar. And he described it in the power of the government to take private property for the greater good, but that the owner of the property should not bear the consequences of the loss of the property without some sort of compensation. The underlying principle is that it's unfair for government to force an

individual property owner to give up their property without payment. And all those who benefit, the citizens, should bear the cost of compensating that property owner.

I did think about taking the Board through the history of eminent domain from the 17th century, but out of deference for your time and respect for your sanity, I'm going to fast-forward it to the present. The just compensation clause is found both in the United States Constitution, contained in the Fifth Amendment, and Nevada's independent, but similar just compensation provision in Article 1, Section 8 of the State Constitution. And it simply provides, very briefly, private property shall not be taken for public use without just compensation having been first made or secured, except in the case of war, riot, fire or great public peril, in which case, compensation shall be made afterward.

For my purposes today, I'm going to use the phrase "taking clause," when I refer to the rights and obligations of NDOT and in the context of the eminent domain cases. I'm also going to use the term "eminent domain," "condemnation," and "takings," interchangeably. Under Nevada law, eminent domain proceedings are considered to be special judicial proceedings. The basic ground rules for eminent domain proceedings are set forth in Chapter 37 of the Nevada Revised Statutes.

I'm going to take a little time at the beginning of this presentation to describe the fundamentals of condemnation action and explain the difference between a direct condemnation action and an inverse condemnation action. I'm going to briefly describe what I believe to be is the legal framework that's been established in the United States Supreme Court and in the Nevada Supreme Court through decisions they have rendered. A brief timeline explaining the procedures NDOT follows before filing an eminent domain action will be discussed, followed by a basic timeline of how a condemnation case works its way through the State court system. The final part of this presentation will be a summation of the people's initiative to stop taking of our land, commonly known as PISTOL, which became effective in 2008.

First, I'll start off with the direct condemnation case, because perhaps it's the simplest, or at least most straight forward. NRS Chapter 408 gives NDOT the power to exercise eminent domain for road and highway

purposes, to acquire private property for those purposes. If a property is needed for a project and it cannot be obtained through negotiation with the landowner, NDOT has the authority to come before this Board to ask for a condemnation resolution authorizing initiation of a legal proceeding to condemn the property that's needed for the project. In a direct condemnation action, NDOT identifies the property it needs for the public use. And within NDOT, this identification happens after the project has been designed.

Once a design has been determined, NDOT holds a meeting called the right-of-way setting to identify what privately-owned property it needs to acquire in order to build and complete the project. Once there's been a right-of-way setting, NDOT hires an appraiser to determine the amount of fair compensation that should be paid to the landowner for the taking of their property. Once the appraisal is received and reviewed by NDOT, a right-of-way agent provides the appraiser -- the appraisal to the landowner. Oftentimes the landowner agrees to the just compensation amount determined by the appraiser and the agreement is reached. So NDOT receives its land in exchange for the payment of compensation.

But sometimes NDOT cannot reach an agreement with the landowner over the amount of compensation that is fair both to the landowner and to the taxpayers. In those cases, again, after coming to the Board for a condemnation resolution, we file a complaint in State court and ask the court to enter an order condemning the property so that NDOT can use it. When that happens, what NDOT is really doing is admitting that it's required to pay just compensation for the property. And usually the landowner agrees that NDOT has the right to take the property. The sole issue that remains to be determined either by a judge or a jury is the amount of compensation that should be paid. In some instances, the construction project requires that the entire parcel owned by a particular landowner is needed for the project. That's what's referred to as a total take. In other instances, the project may only require a portion of that property, and that's what's referred to as a partial take.

In a total-take case, NDOT pays the fair market value of the property as of the date of value, which is the date the condemnation complaint is received by the landowner. The property is valued on that date for the amount the appraisers estimate the property would sell for on the open market between

informed parties dealing at an arm's length with each other. These cases are relatively straightforward. NDOT hires an appraiser to evaluate the legitimate uses to which the property could be put. If the landowner does not agree to that value, typically they hire their own appraiser. And then the negotiations start. As negotiations reach a settlement, the settlement is presented to the Board of Examiners for its approval, because it's a settlement of litigation at that point. If negotiations are not successful, the trial focuses on the simple issue of which appraiser's estimate of value is most reasonable.

Partial-taking cases are a little bit more complicated. In a partial-taking case, the first step is the same as a total-takings case. In other words, the determination of the fair market value of the entire property is made. But then additional steps must be taken to determine what compensation should justly be paid to the landowner.

Probably the best way to explain this might be an example. Imagine a ten-acre vacant parcel zoned for residential development. NDOT needs to acquire two of those acres for a freeway interchange. The landowner will lose two acres through condemnation and keep eight acres after NDOT's taking. The first step in the evaluation analysis will be value the entire ten acres on an open-market sale to, let's say, a residential homebuilder. Let's say, for example, the land is determined to be worth $10,000, or, excuse me, $100,000 per acre, or the total parcel cost would be $1 million. Since NDOT is taking two acres valued at $100,000, NDOT would owe the landowner $200,000 for the land taking. That is called the "value" of the take.

But the analysis does not stop there in these partial-taking cases. The next step is to examine whether the NDOT interchange in our example adds any value to the remaining eight acres, or does it somehow damage the value of the remaining eight acres? If the NDOT project, as construction, damages the remaining eight acres, the landowner is entitled to what's called severance damages. Severance damages can be caused by many factors. There could be a loss of reasonable access to the remaining eight acres in our example. There could be a drainage problem caused by the construction of the freeway interchange. There could be local zoning regulations that are triggered by the smaller size, now, of the property available for development. Whatever the issue is, that is something the appraisers need to

consider to determine whether or not severance damages should be paid to the landowner.

But sometimes a project can both damage a property, but also benefit. Using our example, let's assume the landowner would have had the severance damages of $200,000. But let's also assume that the freeway off-ramp will increase the accessibility of the remaining eight acres, so the property that was worth $100,000 an acre is now worth $120,000 an acre. That special -- that benefit is called a special benefit, because the $20,000 increase per acre would make the remainder of the property $160,000 more valuable on the open market. So in our example, NDOT would get a credit, if you will, of $160,000 credited against the severance damages of $200,000, and only owe $40,000 for the property.

One other area that we sometimes deal with is referred to as a "temporary construction easement." Sometimes NDOT only needs the property during a construction phase. It may be that it needs the property in order to construct some of the improvements, the roadways, the drainage ditch, a slope that supports a roadway. For this, NDOT pays the property owner what, in essence, is a fair rental value for the property for the duration of time that the property's needed by NDOT.

So to summarize, in a direct-taking case, NDOT pays the landowner the fair market value of the property that's being permanently acquired for a highway project. In a partial-taking case, if there are severance damages caused, the property that will remain in private ownership after construction, NDOT must pay the amount of those damages, after being credited for any increase in the fair market value that's a result of the construction of the highway project. In addition, NDOT basically pays the rent for temporary construction easements to property owner. Those are direct-taking cases. As of May 15, we have 19 direct-taking cases, all in Clark County, the vast majority of which are related to either Project NEON or the Boulder City Bypass.

Now, you've heard many times the phrase inverse condemnation. I'm going to briefly walk you through what that is. Until the current recession, inverse condemnation claims against NDOT were extremely rare. We have recently seen a number of lawsuits brought against NDOT in which the landowners have claimed, through various allegations, that NDOT acted in a manner

which appropriated their property for public use, but that NDOT did not file a direct condemnation actions. This is an inverse condemnation claim.

As Board members are keenly aware, the planning process for a highway project is very complicated. It involves the federal government, lengthy environmental studies, the participation of local entities and utilities and, certainly, budgetary constraints. The public is kept informed through many public hearings in which input to various alternatives are reviewed, received, discussed. NDOT has a duty to keep the public informed every step of the way, from the time the project is first envisioned until final plans are in place. This massive effort, in some cases, often can take longer than ten years.

We all recognize that land values in Nevada peaked sometime a few years ago, 2007, 2008. Two NDOT projects were in the planning-design stage during those years, Project NEON and the Boulder City Bypass. Some landowners have filed inverse condemnation claims against NDOT alleging that because of NDOT's public announcements, the hearing process and other activities, that their property was inversely condemned, and they're seeking a date of value back at the height of the market. While in these cases the landowner has a heavy burden of proof to show that NDOT took actions that constituted a taking, they're trying to, again, tie their date of valuation to the height of the market.

And NDOT's approach in these cases is very different than in the direct actions. In the direct actions, if you recall, NDOT basically says, "We admit, we're liable to you. We just may disagree over what is just compensation." In an inverse case, NDOT is defending itself and its actions, taking the position that it did not take the property, and that no taking took place, therefore no compensation is due the landowner. NDOT relies on Supreme Court precedent here in Nevada that says, "Mere planning is not a taking in the State of Nevada."

And the stakes can be very, very high in these cases, because if a landowner does, in fact, prove that NDOT's actions constituted something beyond mere planning and constituted a functional acquisition or taking of their property, they're entitled to just compensation. They'll also argue, then, that NDOT must also pay their cost, their attorneys' fees. In addition, they'll argue they must pay interest on the value of the property at prime, plus two,

compounded daily. So in some cases, it's quite possible that adding all that up would far exceed the value of the underlying property. That's why we really fight hard in these inverse claims, because the stakes are so high.

Cortez Masto: (Inaudible).

Gallagher: Actually filed, I believe ten, Madam Attorney General, and probably at least another half dozen to a dozen that have been threatened to be filed. We're seeing, in some cases, as we now move forward with the direct eminent domain actions, that the landowner is filing a counterclaim based on an inverse condemnation theory. So it, you know, ups the litigation value a little bit.

A couple of general legal principles on these taking cases. The Nevada Supreme Court has held that inverse condemnation cases are the functional equivalent to a direct condemnation. So what that means is the provisions of Chapter 37 of NRS applies. And as you may recall, one of the provisions in Chapter 37 is that these matters are deemed a special proceeding and get a priority in the courts. And the courts have typically set these matters for trial within two years of the filing. That is so different than all other civil litigation, which typically takes four to five years to go through the process. What that means is the cases are in a consolidated or accelerated discovery process.

The discovery, especially in the inverse condemnation claims, are extreme by way of an extreme example, a request to NDOT to produce every piece of paper, every electronic file that deals in any way, shape or form with Project NEON. I don't even know the number of documents that, you know, that will require a response to. Plus, not only the staffing to collect the documents, then there's the issue of reviewing the documents for privilege, et cetera. These are very large cases and very time intensive.

If you'll remember, though, the underlying principle in all takings cases is the landowner should be paid an amount that puts him back in the same financial position he or she would have been in had their property not been taken. In other words, the landowner should be made whole. However, just as the landowner shouldn't have to sustain a unique burden because their property is needed for a highway, the taxpayers should not have to shoulder the burden of paying a landowner a windfall value for that property. The

legal process in eminent domain action is designed to determine what compensation is "just" to the landowner and to the taxpayers.

Now, in a direct takings action, if the landowner and NDOT can't agree to just compensation, this Board will pass it's condemnation resolution. Shortly thereafter, my office will file a complaint in the district court for eminent domain. Typically, if we need the property right away, we will make a deposit with the court with the appraised value for that property. That allows us to ask the court for immediate occupancy to commence the project that it's needed for. If we don't need the property right away, we don't have to file that amount with the court at that point in time.

The complaint, once it's filed, is served on the landowner and anyone else who a title search indicates may have an interest in the underlying property, which oftentimes includes utilities with their easements. The landowner usually files an answer agreeing that NDOT has eminent domain authority to take their property, but what they're asking is for the judge or a jury, if requested, to determine the amount of just compensation. Thus, as we proceed in the litigation, you have one set of appraisals versus another set of appraisals, and it becomes the battle of the appraisers. Which does the fact finder, be it the jury or judge, determine?

Anecdotal evidence would suggest that in some cases, juries don't understand the fine art of appraisal, since it's not a science, and some might dispute that it's a fine art. But I will defer to the appraisers who are licensed in this State. But there are huge differences of opinion in some of these cases, just huge. And the anecdotal evidence would suggest, at least in a couple of jury cases, that the juries were inclined to split the difference. That's a reality that, you know, we must -- we must face. Judges, on the other hand, generally display some other theory other than just cutting the baby in half.

Sandoval: Mr. Gallagher, may I ask a question?

Gallagher: Of course, sir.

Sandoval: Sorry to interrupt. When you file your cases, do you seek to waive jury, or do you -- which approach do you take?

Gallagher: Different lawyers have different theories. Generally, we -- the State does not ask for a jury.

Sandoval: Thank you.

Gallagher: The trier of fact, be it the judge or jury, will hear testimony when we go to trial from engineers, consultants and appraisers and render their verdict for whatever they feel is just compensation. The landowner is entitled -- additionally entitled to interest on what the award is. And the amount of interest will depend on when or if NDOT deposited with the court its appraised value and how much higher, perhaps, the fact finder determines is just compensation. I'm not aware of any case where the fact finder came in at a lower dollar amount than the appraisal for the State.

The landowner also seeks to recover reasonable costs associated with the litigation. Those include expert witness fees, depositions fees. And then the judge hears arguments from both sides as to what the interest and cost award should be and will include those amounts in the order of condemnation.

Once the payment is made, after Board of Examiner approval, title to the property is transferred to NDOT. Now, if NDOT believes that a condemnation award was the result of a serious error of law, NDOT will file an appeal with the Nevada Supreme Court. Such an appeal can take 12 to 24 months to work its way through the court process. The filing of an appeal by NDOT is something that is extremely rare and is only done if something really egregious happened at the lower court.

Earlier this year, however, NDOT filed a petition in the Nevada Supreme Court seeking an extraordinary writ of prohibition or mandamus in a district court case involving an inverse condemnation claim where the district judge found a taking had occurred back in, I believe, 2007. NDOT filed a writ with the Supreme Court, ask -- arguing that, based upon the evidence, NDOT did not acquire this property back in 2007. Last week, the court ordered the landowner to file an answer to our application for a writ. So we're encouraged by that.

Which now brings me to the exciting world of PISTOL, which we've said, we say it sometimes like an expletive. It was a significant change in Nevada law. It was the result of the initiative, a voter initiative that passed both in 2006 and 2008, and became law in 2008. The People's Initiative to Stop the

Taking of Our Land, I mean, and then commonly referred to PISTOL. It's something we have to live with.

One of the major causes for PISTOL's adoption was a U.S. Supreme Court case, I believe it was from Connecticut, where the U.S. Supreme Court permitted the city to take private land and transfer it to another developer, because this other developer was going to redevelop this certain area. And the city's view was it was going to enhance tax revenues, it would help clear up a blighted area of their city, et cetera. Well, about the same time as that decision, there was a case out of Clark County, Nevada, involving the Pappas family, who owned property in downtown Las Vegas that was acquired and then given to the -- or transferred to the Fremont Street Experience in order that a garage could be built on it. There was a lot of public outcry to both of those questions. And the landowner's bar, in particular, was the prime mover behind PISTOL, and funded it and argued it. And, ultimately, the public approved it, and it became effective in 2008, like I said.

While NDOT doesn't engage in redevelopment projects, such as the one at issue in the Pappas case in Las Vegas or the U.S. Supreme Court case, there are provisions of PISTOL that have a direct impact on NDOT. For example, when NDOT needed to widen a portion of Warm Springs Road in Las Vegas, it acquired Nevada Energy utility easements on the north side of the road in order to widen it. Well, in order to assist Nevada Energy relocate those easements, as it acquired -- NDOT acquired property on the south side of the road, it acquired property for the Nevada Energy easement so it could move its transmission lines from the north side to the south side.

NDOT filed a condemnation complaint to acquire those easements. And NDOT argued that those easements -- or that particular easement was needed for public use, because NDOT couldn't widen Warm Springs without providing a replacement easement for Nevada Energy. However, based upon PISTOL, the landowner is challenging NDOT's right to condemn its property, so that Nevada Energy could have an easement for its transmission lines. The district court denied the landowner's objection, and the widening of the road and the relocation of the utility lines has been completed.

However, the landowner has now filed a writ in the Nevada Supreme Court, alleging that PISTOL prevented NDOT from acquiring that easement on behalf of Nevada Energy, because it viewed Nevada Energy as a private person. And it also challenges the district court's finding that PISTOL -- that, under PISTOL, the landowner had the right for a jury determination that it was a public use.

On the same day last week that we received notification from the court, the Supreme Court, that our writ apparently had found its way of some merit in that the property owner was ordered to answer it, on that same day, minutes apart, we were ordered to respond to the landowner in this case on Warm Springs. So we will proceed, obviously, on both cases. This is the first time, at least in recent memory, that I can think that NDOT's had two matters pending before the State Supreme Court.

Now, the key provisions of PISTOL impacting NDOT are as follows. Public use does not include the direct or indirect transfer of any interest in property from one private property owner to another. That's the issue in the case involving Nevada Energy that I just mentioned. A landowner, under PISTOL, is entitled to a determination by a jury that the taking is for a public use. That's also an issue in the Nevada Energy case.

Another impact of PISTOL, all appraisals by the government must be given to the landowner prior to an occupancy order. PISTOL also requires property to be valued at its highest and best use. PISTOL defines just compensation as the sum necessary to place the property owner back in the same monetary position as if the property were never taken. Just compensation includes compound interest, reasonable costs and expenses actually incurred. This particular provision of PISTOL, in my opinion, has provided landowners a motivation to bring inverse condemnation claims to push back the date of taking so that interest will begin to run at the earlier date and accrue on a compound basis, which the court must determine, but the landowners' attorneys argue must be compounded daily.

Fair market value under PISTOL is defined as the highest price for the property would get on the open market. The property, which is condemned, must be used within five years of the entry of the final order of condemnation. If not so used, the property owner has the right to purchase it for the price he sold it -- he or she sold it for. This provision may, in fact,

be in violation of the code of federal regulations. No cases have gone before the State Supreme Court interpreting these provisions of PISTOL, not yet anyway. At some point in time I anticipate that a number of them will.

I should also point out, too, there was -- I believe there was a voter petition in 2010 to amend PISTOL. One of the amendments would have taken that 5-year provision that I just mentioned and changed it to 15 years, which is the provision that's currently provided in the Nevada Revised Statutes. However, the petition in 2010 failed.

The final provision of PISTOL that impacts is the provision of the property owner shall not be liable to the government for attorneys' fees and costs in any eminent domain action, no matter what. Even if -- even if the property owner acquires, excuse me, gets an award that's less than the amount that NDOT put in, NDOT is not entitled to seek its costs and fees from the property owner. So the settlement incentive is taken off the table. The contrary argument is the government has unlimited resources and property owners don't. I'll leave that to the public to decide.

But, thank you for your time and attention for this very broad 35,000-feet view of this little process that NDOT deals with. And, you know, Paul Saucedo from Right-of-Way was up earlier and his people. You know, they work very, very hard trying to make sure that these actions don't make it to my office. And I'm very much appreciative of that. However, I do anticipate, both with NEON, particularly NEON, we will have a number of condemnation actions that will come before the Board, because I don't know that the negotiations that are currently underway in Right-of-Way will be successful. And, of course, we have all those threats of inverse condemnations, and I expect more of those.

I would like to take this opportunity, if I may, Mr. Chairman, to introduce the Board to Laura Fitzsimmons, who's here. Laura is, in my opinion, the most -- the preeminent eminent domain lawyer in the State of Nevada. She has a long and successful career representing landowners. And I don't want to put words in her mouth, but she agreed to assist us in formulating a legal strategy, understanding the plaintiff's bar a little bit more, and she's actually defending the State in a couple of actions. And we're very grateful to have her. The deputies -- my deputies that work directly with her think the world of her. And contrary to popular belief, when she agreed to work with us and

came into the building, the building still is standing. I'd be happy to entertain any questions any of the Board members may have.

Sandoval: Thank you, Mr. Gallagher. And good morning, Ms. Fitzsimmons, and we're glad you're on our side. And we look forward to working with you. One other question, procedurally, Mr. Gallagher, are there judges who these cases are generally assigned to, or are they assigned randomly?

Gallagher: It's a random assignment.

Sandoval: Has there been any kind of discussion similar to the construction defect litigation, whereby we might want to have specific judges who volunteer to take these kind of cases so that there's that -- because this is such a complex area, that those cases would be assigned to a particular department?

Gallagher: We've had some of those discussions, but have not yet gone to the eighth judicial district court to see about perhaps the creation or appointment of a condemnation court.

Sandoval: It just seems that that would be ripe for conversation now, given your anticipation of these multiple cases and the evolution of Project NEON.

Gallagher: Mm-hmm. And as the Board knows, with the build-out for Project NEON, you know, Phase 6 is estimated to be completed in 2025?

Unidentified Male: Yeah.

Gallagher: About? So, yeah, I think we're going to have a steady flow of litigation, Governor, throughout. Especially as we move forward in these next phases.

Sandoval: So would that conversation occur with the chief judge in the eighth judicial district?

Gallagher I believe it would, sir.

Sandoval: Thank you. Any further questions from Board members? Mr. Martin, do you have any questions?

Martin: No, sir.

Sandoval: Thank you very much. That was very informative. Did you see the balls on the bottom of the screen? They look like lottery balls.

Gallagher: I missed that. Did anybody else see that? Because I didn't. Thank you.

Sandoval: Thank you very much.

Gallagher: Mm-hmm.

Malfabon: Thank you, Dennis.

Sandoval: Agenda Item No. 11, old business.

Malfabon: Thank you, Governor. Standing items of report to the Board, we have the report of outside counsel costs and open matters, the monthly litigation report and the fatality report.

In the fatality report, I'm pleased to report that at least the fatalities compared to this time last year, or at least on the day of the report, which was July 1, that we were a bit lower than these fatalities last year, in comparison.

I also wanted to echo the appreciation for Ms. Fitzsimmons' efforts on the Boulder City Bypass Project and educating NDOT, not just the right-of-way, but also the engineering side, on how to approach projects differently to mitigate these types of challenges under PISTOL. And also kudos to the Attorney General's staff in Las Vegas that have been very good at handling these cases. You saw, previously, the settlement in the Iovino case that went to the Board of Examiners for -- previously for approval. But they're very hard working and very educated on the process and, unfortunately, have a lot more to get through. But it is kind of the nature of the business nowadays with our projects is that we definitely impact landowners that are adjacent to these projects, and we have to deal with these situations as they come up. Any questions for the old business reports? We have the staff available to respond.

Sandoval: There are none.

Malfabon: I wanted to add, Governor, that Mr. Gallagher is going to proceed with a request for proposals for casting that net for outside counsel on these matters, recognizing that we do have a lot of legal attorneys on staff, both

in-house and that we've hired externally. But we see, as he had mentioned, a lot of cases coming up.

Gallagher: Governor, if I may, it's been some time since the office has gone out and solicited interest from the bar. And so we thought this would be a good opportunity to do it, to see who's interested, what resources are available as we move forward. I'd also like to mention, with the approval of the Attorney General, we had a vacancy in our office here in Carson City. The General approved the relocation of the position to Las Vegas, because that's where these cases are all coming up. And so I'm pleased to inform the Board that today is the first day for the individual who was hired to fill that position. And he, like his colleagues down there, will be dedicated almost full time, or exclusively, to litigation.

Sandoval: Thank you. Any other questions on Agenda Item 11? Agenda Item 12, public comment. Is there any member of the public here in Carson City that would like to provide public comment to the Board? I see none.

Malfabon: Governor, I'd mentioned that we have conducted the interviews for Assistant Director for Administration. We interviewed nine applicants. We received over 20 applications and very good, qualified applicants. And hopefully by this time next month we'll have somebody in place.

Sandoval: All right. Thank you. Is there any public comment from Las Vegas?

Martin: No, sir.

Sandoval: I'll close the public comment portion of the Agenda. Agenda Item 13, adjournment. Is there a motion for adjournment?

Martin: So moved.

Sandoval: Member Martin has made a motion for adjournment. Is there a second?

Savage: Second.

Sandoval: Second by Member Savage. All those in favor, please say aye.

Group: Aye.

Sandoval: Motion passes unanimously. Thank you, ladies and gentlemen. This meeting is adjourned.

_____ _____

Secretary to the Board Preparer of Minutes

1263 South Stewart Street
Carson City, Nevada
89712
Phone: (775) 888-7440

MEMORANDUM

July 18, 2013

TO: **Department of Transportation Board of Directors**
FROM: **Rudy Malfabon, Director**
SUBJECT: **August 12, 2013 Transportation Board of Directors Meeting**
Item # 4: **Briefing on Vehicle Miles Travelled (VMT) Study**

Summary:

Nevada Department of Transportation is currently working to explore alternative funding mechanisms for transportation needs. The purpose of this alternative funding study is to assess the feasibility and practicality of any alternative, equitable and future-oriented transportation funding mechanism that will potentially replace the current fuel tax (per gallon)funding mechanism. The study has eliminated vehicle GPS tracking, is not advocating for a particular payment mechanism, and is not intended to discuss raising taxes, fees, or generating additional revenue. Taxing, fees, and revenues are policy questions that will be decided by the elected officials with support from the system users. The sole purpose of this study is to find a sustainable, future-oriented payment and collection method to potentially replace the fuel tax as the fuel tax method is becoming less effective due to technological changes and its lack of flexibility with the changing needs and paradigm shift as a result of increased fuel efficiency standards and electric and hybrid vehicles.

We are working with UNR, UNLV, Oregon and Washington States on a regional west coast multi-state alternative funding study. Oregon recently became the first state to pass legislation to allow the use of mileages based user fee system (VMT) instead of tax per gallon on voluntary basis.

About 18 other States across the nation are also evaluating alternative funding mechanisms to potentially replace the fuel tax mechanism.

At the end of the study, every aspect of the alternative funding mechanism will have been studied and answers will be provided for all relevant questions to the decision makers and the public to see what might be the best future-oriented mechanism to continue to provide funding for a safe and efficient transportation infrastructure.

Background:

Most of the funding for Transportation projects comes from the fuel tax per gallon levied on gasoline and special fuels in Nevada and at the national (Federal) levels. Fuel tax has been a good source of revenue in the past and has served well its purpose of providing funding for the transportation system, except that the Federal fuel tax has not been raise in over two decades. Therefore, the fuel tax funding format has become insufficient and threatens the sustainability of the nation's transportation system. The fuel tax revenue mechanism will continue to become less effective and less sustainable due to a myriad of reasons. The fuel tax has lost over 35% of purchasing power due to inflation and continues to lose the purchasing power. Alternative fuel vehicles and electric vehicles, although good for the environment, don't pay for the road usage. It is projected that the number of electric and hybrid vehicles will continue to grow in the near

future. By 2016, car manufacturers have been tasked to produce 1 million electric vehicles. Increased Corporate Average Fuel Efficiency (CAFÉ) to 37 mpg by 2016 will cause further dent to the highway fund revenue for transportation.

We will be primarily focusing on collection methods to minimize cost of admin and eliminate privacy issues. The study will assess the impact of out-of-state visitors relative to VMT fee payment and collection, identify administrative issues related to out-of-state travelers, and define parameters for seamless collection and distribution of VMT fee associated with the out-of-state vehicles. The west-coast multi-state study will pave the way for building a future broader coalition and support among the states for eventual transition from the fuel tax to an alternative funding mechanism.

The study will include: comprehensive public outreach and education to solicit input, identify concerns, educate the public about the critical future funding shortfalls and limitations of the current fuel tax, assessment and evaluation of any privacy impacts, analyses of institutional, policy, legislative, and legal aspects and, developing economic models to assess and recommend equitable VMT fee. The study will also include reaching out to the legislators and key decisions makers and other stakeholder groups. In addition to other components, the main elements of the study include:

1. Grass-Roots Level Public Involvement and Participation: Meet with and receive guidance and feedback from Elected Officials, Stakeholders, Public Policy Makers, Business Owners, Rural and Urban Residents, Farmers, Shipping Companies, Taxis, Trucking Association, League of Cities, Utilities Providers, Tax Payers Association, Departments of Taxation, Tourism, Business and Industry, Motor Vehicles, and Economic Development, Chambers of Commerce, ACLU, Regional Development Authorities, Economic Development Offices, RTCs- MPOs, Cities, Counties, and others
2. Rural versus Urban Equity
3. Financial Impact on Low-Income Residents and high-mileage users
4. Impact of Out-of-State visitors
5. System Interoperability and revenue collection and distribution between neighboring States
6. Revenue collection and distribution of revenue among local agencies
7. Technological costs
8. Cost of Administration
9. Additional resources needed, if any, for DMV
10. Review of existing legislation and regulations
11. Legal Issues and constitutional aspects
12. Socio-economic analyses
13. Impact on Tribal population
14. Equity between heavy vehicles and passenger cars
15. Collection mechanism for electric vehicles and hybrid vehicles
16. Impact on a Regional and Mega-Regional basis
17. Institutional Structures
18. Transition Plan For eventual transitioning to a new payment mechanism
19. Payment and collection mechanism: The field test will include a spectrum of payment mechanisms to give users a choice.

Analysis:

The combined impact of the increased fuel efficiency standards and the increased number of hybrid and electric vehicles will result in approximately 18% less revenue to the highway trust fund per year by 2016. This will translate to about $40 million less revenue for the State of

Nevada roads and highways. The impact will continue to grow higher as the number of alternative fuel vehicles grow and increased fuel efficiency standards increase. By 2025, the average fuel efficiency standards will be raised to 55 mpg.

Recommendation for Board Action:

Informational item only.

List of Attachments:

None

Prepared by:

Alauddin Khan, Chief Performance Analysis Engineer

1263 South Stewart Street
Carson City, Nevada 89712
Phone: (775) 888-7440
Fax: (775) 888-7201

MEMORANDUM

August 5, 2013

TO: **Department of Transportation Board of Directors**
FROM: **Rudy Malfabon, Director**
SUBJECT: **August 12, 2013 Transportation Board of Directors Meeting**
Item #5: **Approval of Agreements Over $300,000 - For Possible Action**

Summary:

The purpose of this item is to provide the Board a list of agreements over $300,000 for discussion and approval following the process approved at the July 11, 2011 Transportation Board meeting. This list consists of any design build contracts and all agreements (and amendments) for non-construction matters, such as consultants, service providers, etc. that obligate total funds of over $300,000, during the period from June 18, 2013 to July 22, 2013.

Background:

The Department contracts for services relating to the development, construction, operation and maintenance of the State's multi-modal transportation system. The attached agreements constitute all new agreements and amendments which take the total agreement above $300,000 during the period from June 18, 2013 to July 22, 2013.

Analysis:

These agreements have been prepared following the Code of Federal Regulations, Nevada Revised Statutes, Nevada Administrative Code, State Administrative Manual, and/or Department policies and procedures. They represent the necessary support services needed to deliver the State of Nevada's multi-modal transportation system.

List of Attachments:

A) State of Nevada Department of Transportation Agreements over $300,000, June 18, 2013 to July 22, 2013.

Recommendation for Board Action:

Approval of all agreements listed on Attachment A.

Prepared by: Administrative Services Division

Attachment A

State of Nevada Department of Transportation
Agreements for Approval
June 18, 2013 to July 22, 2013

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Notes
1	51012	01	LAURA FITZSIMMONS, ESQ	LEGAL SERVICES PERTAINING TO EMINENT DOMAIN LAW	N	300,000.00	850,000.00	1,150,000.00	-	12/6/2012	7/31/2015	8/12/2013	Service Provider	AMD 1 08-12-13: INCREASE AUTHORITY BY $850,000.00 FROM $300,000.00 TO $1,150,000.00 FOR CONTINUED SERVICES OF AN OUTSIDE COUNSEL IN PROSECUTING VARIOUS EMINENT DOMAIN ACTIONS, AND DEFENDING VARIOUS INVERSE CONDEMNATION ACTIONS. 12-06-12: LEGAL SERVICES TO ASSIST THE DEPARTMENT WITH EMINENT DOMAIN LAW. CLARK COUNTY. NV B/L#: NV20121016853
2	03013	00	PENNA POWERS BRIAN HAYNES	ZERO FATALITIES MARKETING PROGRAM	Y	3,400,000.00	-	3,400,000.00	-	8/12/2013	6/30/2017	-	Service Provider	08-12-13: ZERO FATALITIES MARKETING PROGRAM TO SUPPORT THE NEVADA STRATEGIC HIGHWAY SAFETY PLAN IN REDUCING HIGHWAY FATALITIES AND SERIOUS INJURIES ON NEVADA ROADWAYS. STATEWIDE. NV B/L# NV20111035305
3	02713	00	UNITED ROAD TOWING, INC.	RENO/SPARKS FREEWAY SERVICE PATROL	Y	1,460,160.00	-	1,460,160.00	-	8/12/2013	8/31/2017	-	Service Provider	08-12-13: RENO/SPARKS FREEWAY SERVICE PATROL PROGRAM FOR THE CONTINUED SAFETY OF THE MOTORING PUBLIC. WASHOE COUNTY. NV B/L#: 20061458836

Line Item 1

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

MEMORANDUM

July 3, 2013

TO: 1. Jaimarie Dagdagan, Budget Section
2. Norfa Lanuza, Project Accounting N. Lanuza
3. Rudy Malfabon, P.E., Director

FROM: Dennis Gallagher, Chief Deputy Attorney General, Legal Division

SUBJECT: REQUEST APPROVAL TO OBTAIN BUDGET APPROVAL FOR AMENDMENT #1 TO AGREEMENT NO. P510-12-004 RE: LAURA FITZSIMMONS, ESQ. LEGAL CONSULTING REGARDING VARIOUS CONDEMNATION ACTIONS

This Amendment is to increase the total agreement fee by $850,000, to provide written approval for subcontractors, set forth that subcontractors will submit invoices to and be paid by the Service Provider. Agreement continues with the services of attorney Laura FitzSimmons as an outside legal consultant to assist the Department, the Legal Division, and outside counsel in prosecuting various eminent domain actions, and defending various inverse condemnation actions.

The scope of services will be to provide professional services to review and advise on matters of strategy in a number of legal proceedings pertaining to condemnation and inverse condemnation actions pending or expected to be filed in Clark County. The consultant shall provide status reports and advice to the Department and its Chief Counsel. The consultant shall also provide copies of all memoranda, pleadings, briefs, reports, studies, photographs, negatives or other documents or drawings prepared in the performance of consultant's obligations under the agreement which shall be the exclusive property of the Department. The consultant will also work closely with the Attorney General's Office staff and outside counsel and include such personnel as the Chief Counsel and the consultant deem appropriate, in strategy discussions, discovery, motion practice, trial practice, appellate work, and such other matters as they may arise.

The additional estimated cost for the services is $850,000 has been adjusted due to the complication of the Boulder City Bypass condemnation and inverse condemnation actions which are filed and which may be filed, and the complex issues involved in these eminent domain actions. The exact amount to be spent each fiscal year has yet to be determined.

Approval of this memo by the Project Accounting Section and the Budget Section indicates funding authority is available for consulting services for Budget Category 06, Object 814R, Organization A004. The A04 Financial Data Warehouse, Budget by Organization Report No. NBDM30 must be attached. Actual availability of funds and the monitoring of actual expenditures must be determined by the Division Head/District Engineer. Return this memo to the originator for inclusion in the project.

Approval of this memo by the Director's Office authorizes this request.

Approved:

Director

Approved

Budget Section

COMMENTS:

Current contract expires on 12/31/14 and has $342 left in authority.

$1,150,000.00 Agreement Total. NTP

Line Item 2

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

MEMORANDUM

December 5, 2012

TO: 1. Jaimarie Dagdagan, Budget Section
2. Elaine Martin, Project Accounting
3. Rudy Malfabon, P.E., Director

FROM: Chuck Reider, Chief Safety Engineer

SUBJECT: REQUEST APPROVAL TO SOLICIT SAFETY ENGINEERING SERVICES AND OBTAIN BUDGET APPROVAL FOR A REQUEST FOR PROPOSAL (RFP) TO SUPPORT THE SHSP ZERO FATALITIES MARKETING PROGRAM.

Safety throughout all transportation programs remains NDOT's number one priority. Moving Ahead for Progress in the 21st Century (MAP-21) continues the successful Highway Safety Improvement Program (HSIP) to reduce highway fatalities and serious injuries on Nevada roadways. Therefore, Safety Engineering requests approval to solicit services and obtain budget approval through an RFP for the enhancement and continuation of the Zero Fatalities program. This program is consistent with the HSIP that promotes the awareness of the public concerning highway safety matters. This program continuation will further the reach of the campaign in all areas of the state by means of:

- TV and radio advertisements will be aired and placed strategically during many parts of the day in coordination with other statewide safety measures.

- *On-line traffic safety ads and presence.* These on-line ads on such sites as Google, Facebook and YouTube, as well as continued Zero Fatalities Twitter, allow us to reach Nevadans across the state that may not see or hear the TV and radio ads placed specifically in the Reno and Las Vegas markets. This advertising will be targeted to various ages, interests and locations of the drivers we want to reach. This will aid in reaching our media objective of reinforcing the Zero Fatalities message. The ads will allow us to further engage motorists and provide more in-depth traffic safety information to them on-line.

- *Community outreach.* Through booths at community and other events, we will directly reach Nevada drivers one-on-one with driving safety messages, including engaging and educational activities such as DUI goggles to simulate the dangers of drunk driving.

- *Public outreach advertising/sponsorships.* The campaign will also take advantage of other appropriate public outreach opportunities, whether particularly advantageous sports marketing/outreach opportunities (such as potential sponsorship and presence at college sporting events) or unique advertising avenues to reach our target young male demographic such as Hulu streaming TV on-line ads. Advertising in unique rural outlets (restaurants, etc.) to reach rural Nevadans with our traffic safety message is another option that could potentially be included, along with traffic safety billboards placed across the state.

The estimated cost for the above Zero Fatalities Marketing Program is $3,400,000.00, 95% Federal-aid ($3,230,000.00) and 5% State funding ($170,000.00). The anticipated expenditures by the successful consultant would be $850,000 for each Fiscal Year of FY 14, 15, 16 and 17.

Approval of this memo by the Project Accounting Section and the Budget Section indicates funding authority is available from state funds, federal funds; Budget Category 06, Object 814P, and Organization C816. The A04 Financial Data Warehouse, Budget by Organization Report No. NBDM30 is attached. Please return this memo to the originator for inclusion in the project.

This memo supersedes Form 2a memo dated August 14, 2012.

Approval of this memo by the Director's Office authorizes this request.

Approved:

Director

Approved:

Budget Section

COMMENTS:

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

MEMORANDUM

July 9, 2013

TO: Tom Greco, Assistant Director Planning

FROM: Ken Mammen, Acting Chief Safety Engineer

SUBJECT: Master Agreement Negotiation Summary for the continued support of the Zero Fatalities Marketing Program

A negotiation meeting was held at the NDOT building in Carson City on June 20, 2013 with Penna Powers Brian Haynes staff members (by conference call), and NDOT Safety Engineering and Public Information staff in attendance. The Service Provider chosen was the most qualified through the Request for Proposal (RFP).

The following key items were discussed:

1. This contract is as required on as-needed basis by Task Order. Each Task Order scope of services and cost estimates will be discussed and negotiated with the Service Provider after the master agreement is fully signed.

2. Total contract amount is $3,400,000.00 for a 4-year contract (FY14 through FY17).

3. Goal – build 75% public awareness by 2017 on Zero Fatalities message. The 2012 public opinion polling shows achieving 50% awareness campaign.

4. Below are the general tasks but not be limited to the following:
   - Develop a Marketing Plan to Optimize Budget
   - Design and Produce Media Materials as Per Plan
   - Coordinate with other governmental agencies statewide to partner and or combine the marketing campaign
   - Purchase Media Time (Media Buys)
   - Print, Distribute, and Place Collateral
   - Develop educational materials formatted around produced media materials
   - On-line traffic safety ads and presence.
   - Community outreach.
   - Public outreach advertising/sponsorships.
   - Present Marketing Plan and Materials for Strategic Communication Alliance (SCA) review.

5. Agreed Fixed Fee is 12.50% (please see attached Fixed Fee calculation).

6. The Service Provider agrees that no mark up and or commission will be added or charged for the compensation by the Service Provider in the production and or media buying for the implementation of any tasks specified in its individual Task Orders.

7. Key personnel who will be dedicated to this project are as follows:

Name	Title/Role	Hourly rate
Mike Brian	Partner, COO	$57.69
Brent Wilhite	Project Manger/Account Supervisor	38.46
Kyle Kubovchik	Nevada Director	45.67
Marc Stryker	Media Director	36.06
Becki Letham	Media Planning Supervisor	24.04
David Royal	Assistant Media Planner	15.87
Clayton Carter	Advertising Account Supervisor	26.44
Christy Clark	Associate Account Manager	18.27
Eugene Kim	Advertising Account Coordinator	15.38
Erico Bisquera	Creative Director	43.27
Eric Larson	Senior Art Director	28.85
Jane Putnam	PR Account Manager	25.00
Frank Harnden	Production Manager	27.88
Mitch Vice	Interactive Director	28.85
Chris Page	Interactive Developer	20.19

8. The Service Provider overhead rate of 151.14% was verified and provided by the Internal Audit Division.

cc: Agreement Services

ENGINEERING CONSULTANT CONTRACTS

FIXED FEE CALCULATION

CONSULTANT: PPBH

PROJECT I. D.: _____

PROJECT DESCRIPTION: Zero Fatalities Marketing Program (October 1, 2013 to June 30

BASE LEVEL: (Percentage of direct labor and overhead only) 7.0%

CONSIDERATIONS		%	
SCHEDULE (2% Maximum)			
Typical Delivery	=	0.0%	0.0%
Aggressive Delivery	=	1.0%	
Very Aggressive Delivery	=	2.0%	
SIZE (2% Maximum)			
Less than $250,000	=	2.0%	
$250,000 - $1,000,000	=	1.0%	
More than $1,000,000	=	0.0%	0.0%
DURATION (2% Maximum)			
Less than 1 year	=	0.0%	
1 to 2 years	=	1.0%	
More than 2 years	=	2.0%	2.0%
COMPLEXITY (2% Maximum)			
Low	=	0.0%	
Low to Mid	=	0.5%	
Mid	=	1.0%	
Mid to High	=	1.5%	1.5%
High	=	2.0%	
OTHER SPECIAL (+/-2% Maximum)*			2.0% (see attached)

*Explanation: Please see attached Explanation

TOTAL FIXED FEE (Maximum 15%) 12.5% **calc**

NDOT
070 068
Rev. 05/10

Tuddao, Jaime B

From: Brent Wilhite [bwilhite@ppbh.com]
Sent: Monday, July 08, 2013 12:05 AM
To: Tuddao, Jaime B
Cc: Mammen, Ken W; Ragonese, Meg; Kubovchik Kyle
Subject: Re: Draft master agreement

Hi Jaime,

After a thorough discussion with our Finance Director and Managing Partner, we wanted to address the Fixed Fee calculation worksheet.

You list the complexity of this project as only "low to mid" complexity. The previous contract was listed at "mid" complexity and we would argue that this new effort will actually be even more complex than the previous contract. The reason is that now, we are coordinating the Zero Fatalities message between NDOT and OTS. As you know, we have had much discussion and coordination between NDOT and OTS to ensure the messages are planned, created, designed and executed with the involvement of both state agencies. While we completely agree that the best approach to traffic safety in Nevada is a joint effort between NDOT and OTS, it does make our communication, planning, approval and coordination efforts much more difficult than previously. We feel a "mid to high" level complexity is more appropriate than "low to mid."

We would also like to propose a 2% increase in the "Other Special" consideration. There are two reasons why we feel this is justified: media commissions and markup. The typical model for an ad agency is to work with media partners to negotiate discounted advertising rates, since ad agencies buy media space in bulk. This results in a 15% commission for agencies that cover the cost of our media department working to analyze, negotiate and place ad space throughout the year. To adjust for this, we typically do not charge for the hours that our media department puts forth on behalf of clients. This 15% media commission is standard practice for ad agencies. Media partners are aware of this standard practice and that was our intent going into the initial contract in 2011. NDOT later required PPBH to discontinue this practice. We have since had to bill the time our media department spends on the contract, but at the flat, unloaded rate instead of the 15% commission.

The second issue is markup. When an agency has to pay for hard costs such as giveaway items and other elements purchased for the campaign, there is typically a markup to account for the money that the agency has to front before getting the product. It is not advantageous or cost-effective for the agency to pay for giveaway items and other things when the cost is a straight run-through where the agency has to front the money to pay for the items and does not make any money on the transaction. Again, this is a standard practice that NDOT required PPBH to discontinue during the beginning of the contract.

In order to accommodate for the lack of media commissions and markup, PPBH would like to propose the 2% addition to the "Other Special" category. While this would bring the contract only two percent higher, it is still well below the percentage PPBH could retain if we were allowed to apply our standard business practices.

If you agree to the considerations we have proposed, that would bring the total to 12.5 (2% for Duration, 1.5% for Complexity, 2% Other Special).

Thank you for your understanding and consideration.

BRENT WILHITE | Account Supervisor
Salt Lake • Las Vegas
Advertising | Public Relations | Digital | Public Involvement
801.487.4800 Office | 801.660.5158 Mobile
ppbh.com • twitter • facebook

Keep connected with marketing trends on the PPBH blog

On Jun 25, 2013, at 1:00 PM, "Tuddao, Jaime B" <jtuddao@dot.state.nv.us> wrote:

Hi Brent,

Fixed fee is negotiable; however, similar to our previous contract negotiation with PPBH, NDOT Agreement Services have a Fixed fee calculation worksheet (attached) and resulted to 9.5% fixed fee.

Please don't hesitate to contact me if you require further information.

Thanks,

Jaime B. Tuddao, P.E.
NDOT Senior Safety Engineer
Safety Engineering Division
1263 S. Stewart Street
Carson City, Nevada 89712

Tel No. 775 888 7467
E-mail: jtuddao@dot.state.nv.us

www.zerofatalitiesnv.com

Line Item 3

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

MEMORANDUM

June 12, 2012

TO: 1. Phyllis Ness, Budget Section
2. Elaine Martin, Project Accounting
3. Susan Martinovich, P.E., Director

FROM: Denise M. Inda, P.E., P.T.O.E., Chief Traffic Operations Engineer

SUBJECT: REQUEST TO SOLICIT CONTRACTOR SERVICES AND OBTAIN BUDGET APPROVAL FOR A REQUEST FOR PROPOSAL (RFP)

The Department implemented the Freeway Service Patrol (FSP) program in 2007 to reduce the clearance time of disabled vehicles from travel lanes and shoulders by providing motorist assistance and incident management support. The benefits achieved as a result of the program included enhanced motorist and responder safety; reduced travel delay and congestion; and reduction of secondary accidents.

The existing agreement for the FSP program was scheduled to expire March 31, 2012. A request for proposal (RFP) for a new contract advertised November 2011; however, there was a valid protest against the project that required the RFP to readvertise. As a result, the FSP contract was amended for an additional six months (through September 30, 2012) to allow time to revise and readvertise the RFP.

The second RFP advertised April 2012. The new contract was scheduled to begin October 2012; however, because the proposers were not fully familiar with the disadvantage business enterprise (DBE) goal process, there were irregularities in the proposals. As a result, the RFP was terminated and the existing contract will need to be amended approximately through March 2013 in order to allow time for the Department to provide guidance related to DBE goals to the proposers.

The Traffic Operations Division would like to request approval to issue a revised RFP. The scope of work will consist of the continuation and expansion of the FSP program, as well as the implementation of the Incident Response Vehicle (IRV) pilot program. The project will be funded using NHS funds and will cost approximately $19,918,080.00. The duration of the project will be for forty-eight (48) months.

The FSP program will have vans equipped with the necessary tools to assist with minor incidents. FSP personnel will continue to provide cost-free assistance to motorist for a wide variety of roadway incidents, including but not limited to: disabled vehicles, accident scenes, lost motorists, sick or injured motorists, pedestrians on roadways, animals on roadways, travel lane or shoulder debris, vehicle fires, fuel leaks, and other incidents that can be mitigated by FSP personnel. The program will follow specific freeway routes and hours of operation during peak traffic periods.

The IRV program will have vehicles better equipped to respond to incidents resulting in lane closures and other major incidents. The IRV program will allow the Department to assess the advantage of providing vehicles with enhanced response capabilities, temporary traffic control devices, and trained flaggers/traffic control personnel. The program will start with two vehicles in Las Vegas and one vehicle in Reno/Sparks. After a year trial period, the program will be modified to provide the best service to the public.

The table below depicts the project's total estimated cost plus an additional twenty percent (20%) reserved for other services needed such as for special events, construction projects, and emergency situations. A synopsis of the justification analysis for hiring an outside firm and the cost estimate determination is provided in Attachment A.

Federal Fiscal Year	Dates	Time Duration (months)	Reno	Las Vegas	Reno & Vegas plus 20%
13	4/1/13-9/30/13	6	$608,400	$1,881,360	$2,489,760
14	10/1/13-9/30/14	12	$1,216,800	$3,762,720	$4,979,520
15	10/1/14-9/30/15	12	$1,216,800	$3,762,720	$4,979,520
16	10/1/15-9/30/16	12	$1,216,800	$3,762,720	$4,979,520
17	10/1/15-3/31/17	6	$608,400	$1,881,360	$2,489,760
	Total:	**48**	**$4,867,200**	**$15,050,880**	**$19,918,080**

Approval of this memo by the Budget Section of Financial Management Division, indicates funding authority is available for services for Budget Category 6, Object 813S, Organization C016. The A04 Financial Data Warehouse, Budget by Organization Report No. NBDM30 must be attached. Actual availability of funds and the monitoring of actual expenditures must be determined by the Division Head/District Engineer. Return this memo to the originator for inclusion in the project.

Approval of this memo by the Directors Office authorizes the request to solicit services.

Approved: _____
Director

Approved: _____
Budget Section

COMMENTS: _____

_____

Attachment A

Synopsis of Justification Analysis for FSP/IRV
Services Contract and Cost Estimate

The reasons for pursuing an RFP for an outside contractor to provide FSP/IRV services on the Las Vegas and Reno Freeway Systems is related to insurmountable in-house difficulties involving the absence of qualified personnel and problems with the acquisition of vehicles.

Personnel: With no funding or new positions coming from the legislature, FSP/IRV operators would have to come from existing District I & II maintenance positions. Loss of those positions would mean a reduction of level of services for the functions and/or areas from which they were taken.

Vehicles: The District I & II Equipment budgets were cut resulting in no new or replacement vehicles available, consequently, FSP/IRV vehicles could not be obtained. Also, additional allocations of vehicle registration for state vehicles are not available for NDOT.

The cost of this combined program was estimated using existing FSP costs and an IRV cost estimate provided the current NDOT Freeway Service Patrol firm. The cost is based on a moderately expanded FSP program in Las Vegas and Reno; and the addition of two incident response vehicles in Las Vegas and one incident response vehicle in Reno.

The FSP program is often called upon to provide additional coverage for construction projects and special events (such as Hot August Nights, Burning Man, etc) that result in added congestion by tourism. We propose that an additional twenty percent (20%) be included in the contract to ensure adequate service can be provided during special events and unforeseen circumstances.

The following is a breakdown of the annual costs for each program.

Annual Cost Estimates

Reno

FSP Coverage: $663,000.00
IRV Coverage: $351,000.00
Total Coverage: $1,014,000.00
Total plus 20% Contingency: $1,216,800.00

Las Vegas

FSP Coverage: $2,433,600.00
Proposed New IRV Coverage: $702,000.00
Total: $3,135,600.00
Total plus 20% Contingency: $3,762,720.00

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

MEMORANDUM

July 8, 2013

TO: Richard J. Nelson, P.E. Assistant Transportation Director

FROM: Juan C. Hernandez, P.E. Project Manager JCH

SUBJECT: Negotiation Summary for the Reno Freeway Service Patrol Program RFP No. 027-13-016

A negotiation meeting was held with Samaritania Inc. on May 1, 2013, at NDOT Traffic Operations 1301 Old Hot Springs, Conference Room 112 in Carson City. The following were in attendance:

Ish Garza	NDOT Traffic Operations
Juan Hernandez	NDOT Traffic Operations
Paul Ponzio Jr.	Samaritania Inc.

A negotiated Freeway Service Patrol (FSP) hourly rate could not be reached at the meeting; and on June 19, 2013, we requested permission to terminate negotiations with Samaritania Inc. and move forward with negotiations with the second ranked firm. Please refer to the attached memorandum for additional information regarding our recommendation to terminate negotiations with Samaritania Inc. due to financial stability concerns.

On June 21, 2013, we obtained approval to begin negotiations with United Road Towing Inc. The scope of services and FSP hourly rate were negotiated by the parties and a consensus was reached on July 3, 2013.

The negotiated FSP rate was reached at $65.00 per hour. The total estimated cost for the four year contract is $1,460,160; which includes an additional twenty (20%) reserved for additional services needed such as special events, construction projects, and emergency situations.

The disadvantage business enterprise goal for this project has been established at three (3%) percent. The key United Road Towing Inc. personnel dedicated to the project are George Bergeron, Project Manager, and Ryan Davids, VP of Business Development.

Attach (1):
Recommendation of Termination of Negotiations with Samaritania Inc. for FSP Services in Reno

cc: Denise M. Inda, P.E., Chief Traffic Operations
Ish Garza, P.E., Assistant Chief Traffic Operations
Mark Stewart, Program Officer Admin Services

1263 South Stewart Street
Carson City, Nevada 89712
Phone: (775) 888-7440
Fax: (775) 888-7201

MEMORANDUM

August 5, 2013

TO: **Department of Transportation Board of Directors**

FROM: **Rudy Malfabon, Director**

SUBJECT: **August 12, 2013 Transportation Board of Directors Meeting**

Item #6: **Contracts, Agreements, and Settlements – Informational Item Only**

Summary:

The purpose of this item is to inform the Board of the following:

- Construction contracts under $5,000,000 awarded June 18, 2013 to July 22, 2013
- Agreements under $300,000 executed June 18, 2013 to July 22, 2013
- Settlements entered into by the Department which were presented for approval to the Board of Examiners June 18, 2013 to July 22, 2013

Any emergency agreements authorized by statute will be presented here as an informational item.

Background:

Pursuant to NRS 408.131(5), the Transportation Board has authority to "[e]xecute or approve all instruments and documents in the name of the State or Department necessary to carry out the provisions of the chapter". Additionally, the Director may execute all contracts necessary to carry out the provisions of Chapter 408 of NRS with the approval of the board, except those construction contracts that must be executed by the chairman of the board. Other contracts or agreements not related to the construction, reconstruction, improvement and maintenance of highways must be presented to and approved by the Board of Examiners. This item is intended to inform the Board of various matters relating to the Department of Transportation but which do not require any formal action by the Board.

The Department contracts for services relating to the construction, operation and maintenance of the State's multi-modal transportation system. Contracts listed in this item are all low-bid per statute and executed by the Governor in his capacity as Board Chairman. The projects are part of the STIP document approved by the Board. In addition, the Department negotiates settlements with contractors, property owners, and other parties to resolve disputes. These proposed settlements are presented to the Board of Examiners, with the support and advisement of the Attorney General's Office, for approval. Other matters included in this item would be any emergency agreements entered into by the Department during the reporting period.

The attached construction contracts, agreements and settlements constitute all that were awarded for construction from June 18, 2013 to July 22, 2013 and agreements executed by the Department from June 18, 2013 to July 22, 2013. There were no settlements during the reporting period.

Analysis:

These contracts have been executed following the Code of Federal Regulations, Nevada Revised Statutes, Nevada Administrative Code, State Administrative Manual, and/or Department policies and procedures.

List of Attachments:

A) State of Nevada Department of Transportation Contracts Awarded - Under $5,000,000, June 18, 2013 to July 22, 2013

B) State of Nevada Department of Transportation Executed Agreements - Informational, June 18, 2013 to July 22, 2013

Recommendation for Board Action: Informational item only

Prepared by: Administrative Services Division

Attachment A

STATE OF NEVADA DEPARTMENT OF TRANSPORTATION

CONTRACTS AWARDED - UNDER $5,000,000

June 18, 2013 to July 22, 2013

1. June 13, 2013 at 1:30 p.m. the following bid was opened and read related to Department of Transportation Contract No. 3538-READV, Project No. BR-0007(036). The project is to replace a substandard off-system bridge B-1662, Deeth Bridge on CR701B, at Mary's River, Elko County.

   Gerber Construction, Inc. $273,563.10
   Q & D Construction, Inc. $291,290.00
   A & K Earth Movers, Inc. $306,500.00
   Remington Construction Company LLC $309,999.00
   MKD Construction, Inc. $319,000.00

   The Director awarded the contract on July 1, 2013, to Gerber Construction, Inc. in the amount of $273,563.10. Upon receipt of an approval bond from the contractor, the State will enter into contract with the firm.

   Engineer's Estimate: $278,197.65

2. June 20, 2013 at 1:30 p.m. the following bid was opened and read related to Department of Transportation Contract No. 3535-READV, Project No. SP-000M(191). The project is to chip seal existing roadways on US 6, SR 361, SR 375, and SR 160 in Lincoln and Nye Counties.

   Intermountain Slurry Seal, Inc. $3,966,996.00
   Sierra Nevada Construction, Inc. $4,177,007.00
   Road and Highway Builders, LLC $5,050,050.00

   The Director awarded the contract on July 9, 2013, to Intermountain Slurry Seal, Inc. in the amount of $3,966,996.00. Upon receipt of an approval bond from the contractor, the State will enter into contract with the firm.

   Engineer's Estimate: $3,406,016.15

Attachment B

State of Nevada Department of Transportation
Executed Agreements - Informational
June 18, 2013 to July 22, 2013

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Notes
1	22813	00	CENTURYLINK	RELOCATE PHONE POLE KYLE CNYN	N	21,085.54	-	21,085.54	-	6/17/2013	6/16/2015	-	Facility	06-17-13: RELOCATION OF TELEPHONE POLE FACILITIES, US 95, KYLE CANYON, CLARK COUNTY. NV B/L#: NV19711000425
2	22913	00	KINGSBURY GEN IMPRV DISTRICT	ADJ WATER LINE KINGSBURY GRD	N	743,166.25	-	743,166.25	-	6/18/2013	12/15/2013	-	Facility	06-18-13: ADJUST AND/OR RELOCATE A WATER LINE ON KINGSBURY GRADE, DOUGLAS COUNTY. NV B/L#: EXEMPT
3	23113	00	NV ENERGY	US 95 PKG ANN TO DURANGO	N	-	-	-	-	6/3/2013	6/2/2035	-	Facility	06-19-13: DESIGN APPROVAL US-95 PACKAGE 2A, ANN TO DURANGO FOR ADDITION OF FIVE (5) NEW PEDESTALS, CLARK COUNTY. NV B/L#: NV19831015840
4	24013	00	NV ENERGY	LINE EXTENSION WILSON AVENUE	N	6,048.00	-	6,048.00	5,000.00	7/8/2013	7/7/2018	-	Facility	07-08-13: LINE EXTENSION/NEW METER BEING MOVED TO WILSON AVENUE NEAR SIGNAL, PROJECT ID 73632, ELKO COUNTY. NV B/L#: NV19831015840
5	24113	00	NV ENERGY	RELOCATION DESIGN APPROVAL	N	-	-	-	-	7/8/2013	7/7/2018	-	Facility	07-08-13: RELOCATION DESIGN APPROVAL, PROJECT ID 73527, CLARK COUNTY. NV B/L#: NV19831015840
6	24213	00	NV ENERGY	RELOCATION DESIGN APPROVAL	N	-	-	-	-	7/8/2013	7/7/2018	-	Facility	07-08-13: RELOCATION DESIGN APPROVAL, CLARK COUNTY.NV B/L#: NV19831015840
7	24313	00	NV ENERGY	LINE EXTENSION ON IDAHO STREET	N	6,653.00	-	6,653.00	5,000.00	7/8/2013	7/7/2018	-	Facility	07-08-13: LINE EXTENSION/NEW METER BEING MOVED TO NORTHEAST SIDE OF THE INTERSECTION ON IDAHO STREET, ELKO COUNTY. NV B/L#: NV19831015840
8	25913	00	UPRR	REPLACE STRUCTURE G-324	Y	19,700.00	-	19,700.00	-	7/12/2013	7/31/2018	-	Facility	07-12-13: REPLACE SUBSTANDARD STRUCTURE G-324 OVER UPRR, PROJECT BR-0011-(009), EUREKA COUNTY. NV B/L#: NV19691003146
9	25313	00	890 GENTRY WAY, LLC	LEASE PARCEL I-580-WA-022.728	N	-	-	-	19,100.00	8/1/2013	7/31/2033	-	Lease	08-01-13: MULTI USE LEASE PARCEL I-580-WA-022.728, PROJECT ID 70595, WASHOE COUNTY. NV B/L#: NV20081534692
10	26313	00	JESSIE WARRICK	INDEP MS HOUSE 251	N	-	-	-	3,100.00	7/16/2013	7/3/2017	-	Lease	07-16-13: LEASE OF INDEPENDENT MS HOUSE #251 IN ELKO COUNTY. NV B/L#: EXEMPT
11	26213	00	JOSEPH TOM	NORTHFORK #273	N	-	-	-	3,200.00	7/16/2013	7/3/2017	-	Lease	07-16-13: LEASE OF NORTHFORK MS HOUSE 273 IN ELKO COUNTY. NV B/L#: EXEMPT
12	25513	00	RICHARD GONZALES	RUBY VALLEY MS 311	N	-	-	-	2,900.00	7/12/2013	6/22/2017	-	Lease	07-12-13: EMPLOYEE HOUSE LEASE C331 RUBY VALLEY HOUSE #311, ELKO COUNTY. NV B/L#: EXEMPT
13	23313	00	212 ESTELLA AVE LLC	SUR-08-29 U-095-CL-078.146XS6	Y	-	-	-	2,934.30	6/20/2013	6/13/2014	-	Property Sale	06-20-13: LAND SALE SUR-08-29 PARCEL U-095-CL-078.146XS6, CLARK COUNTY. NV B/L#: NV20121357812
14	24613	00	ANN ROSE BLAND	TEMP ESMT S-650-WA-020.879TE	Y	5,200.00	-	5,200.00	-	7/8/2013	4/30/2016	-	ROW Access	07-08-13: TO GRANT A TEMPORARY EASEMENT FOR CONSTRUCTION RELATED TO THE SOUTHEAST MCCARRAN BLVD PROJECT, PHASE II, PARCELS-650-WA-020.879TE, WASHOE COUNTY. NV B/L#: EXEMPT
15	24813	00	CALIFORNIA AVENUE RENTALS LLC	TEMP ESMT SE MCCARRAN	Y	3,600.00	-	3,600.00	-	7/11/2013	4/30/2016	-	ROW Access	07-11-13: TO GRANT A TEMPORARY EASEMENT FOR CONSTRUCTION RELATED TO THE SOUTHEAST MCCARRAN BLVD PROJECT, PHASE II, S-650-WA-021.151TE, WASHOE COUNTY. NV B/L#: NV20091203724
16	23613	00	CLIFFNE/MICHAEL BATEMAN	TEMP ESMT S-650-WA-128TE	Y	500.00	-	500.00	-	6/26/2013	4/30/2016	-	ROW Access	06-26-13: TEMPORARY EASEMENT FOR THE CONSTRUCTION OF THE SOUTHEAST MCCARRAN BLVD PROJECT, PARCEL S-650-WA-128TE, WASHOE COUNTY. NV B/L#: EXEMPT
17	24713	00	DUSTIN/HILARY RUFF	TEMP ESMT SW MCCARRAN	Y	2,400.00	-	2,400.00	-	7/11/2013	4/30/2016	-	ROW Access	07-11-13: TO GRANT A TEMPORARY EASMENT FOR CONSTRUCTION RELATED TO THE SOUTHEAST MCCARRAN BLVD PROJECT, PHASE II, WASHOE COUNTY. NV B/L#: EXEMPT

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Notes
18	24513	00	EILEEN E. JACOBS	TEMP ESMT S-650-WA-021.484TE	Y	4,600.00	-	4,600.00	-	7/8/2013	4/30/2016	-	ROW Access	07-08-13: TO GRANT A TEMPORARY EASEMENT FOR CONSTRUCTION RELATED TO THE SOUTHEAST MCCARRAN BLVD PROJECT, PHASE II, S-650-WA-021.484TE, WASHOE COUNTY. NV B/L#: EXEMPT
19	25613	00	FIVE TEN REAL ESTATE OPPS LLC	TEMP ESMT S-650-WA-021.085TE	Y	6,700.00	-	6,700.00	-	7/12/2013	4/30/2016	-	ROW Access	07-12-13: TO GRANT A TEMPORARY EASEMENT FOR CONSTRUCTION RELATED TO THE SOUTHEAST MCCARRAN BLVD PROJECT, S-650-WA-021.085TE, WASHOE COUNTY. NV B/L#: NV20111760545
20	25213	00	HARRY A. PEARCE	TEMP ESMT S-650-WA-021.11TE	Y	1,300.00	-	1,300.00	-	7/12/2013	4/30/2016	-	ROW Access	07-12-13: TO GRANT A TEMPORARY EASEMENT FOR CONSTRUCTION RELATED TOTHE SOUTHEAST MCCARRAN BLVD PROJECT, S-650-WA-021.011TE, WASHOE COUNTY.NV B/L#: EXEMPT
21	23213	00	HERMAN J. SCHMIDT	PARCEL S-605-WA021.131TE 73511	Y	3,300.00	-	3,300.00	-	6/20/2013	4/30/2016	-	ROW Access	06-24-13: TEMPORARY EASEMENT FOR THE CONSTRUCTION OF THE SOUTHEAST MCCARRAN BLVD PROJECT PARCEL #S-650-WA-021.131TE, WASHOE COUNTY. NV B/L#: EXEMPT
22	24913	00	JOIS DONAGHEY BROCK	TEMP ESMT S-650-WA-021.168TE	Y	2,800.00	-	2,800.00	-	7/11/2013	4/30/2016	-	ROW Access	07-11-13: TO GRANT A TEMPORARY EASEMENT FOR CONSTRUCTION RELATED TO THE SOUTHEAST MCCARRAN BLVD PROJECT, PHASE II, S-650-WA-021.168TE, WASHOE COUNTY. NV B/L#: EXEMPT
23	23913	00	LEONA & ADRIAN HERTZ	S-650-WA-021.106TE 73511	Y	500.00	-	500.00	-	6/28/2013	4/30/2016	-	ROW Access	06-28-13: TEMPORARY EASEMENT FOR THE CONSTRUCTION OF THE SOUTHEAST MCCARRAN BLVD PROJECT PARCEL #S-650-WA-201.106TE, WASHOE COUNTY. NV B/L#: EXEMPT
24	24413	00	TERRI YI FAN LE	TEMP ESMT S-650-WA-020.420TE	Y	3,500.00	-	3,500.00	-	7/8/2013	4/30/2016	-	ROW Access	07-08-13: TO GRANT A TEMPORARY EASEMENT FOR CONSTRUCTION RELATED TO THE SOUTHEAST MCCARRAN BLVD PROJECT, PHASE II, S-650-WA-020.420TE, WASHOE COUNTY. NV B/L#: EXEMPT
25	19013	00	BLACK EAGLE CONSULTING INC	EXPERT WITNESS FOR 3389	N	75,000.00	-	75,000.00	-	7/17/2013	12/31/2014	-	Service Provider	07-17-13: CLAIM SUPPORT AND EXPERT WITNESS SERVICES, WASHOE COUNTY. NV B/L#: NV19971293847
26	30111	02	CHAPMAN LAW FIRM	AD AMERICA VS STATE OF NV	N	281,675.00	85,000.00	491,675.00	-	6/14/2011	12/31/2014	6/18/2013	Service Provider	AMD 2 06-18-13: INCREASE AUTHORITY $85,000.00 FROM $406,675 TO $491,675.00 AND EXTEND TERMINATION DATE FROM 12-31-13 TO 12-31-14. AMD 1 03-29-12: EXTEND TERMINATION DATE FROM 06-14-13 TO 12-31-13 TO ALLOW FOR LITIGATION SUPPORT. TO ADD TO THE SCOPE OF THE AGREEMENT TO INCLUDE LEGAL SERVICES AND LITIGATION SUPPORT AND REPRESENTATION OF THE DEPARTMENT FOR ALL CASES DETAILED IN THE AMENDMENT IN MATTERS REGARDING AD AMERICA,INC. REPRESENTATION BY MICHAEL G CHAPMAN, ATTORNEY AT LAW, PC IN THE MATTER OF AD AMERICA, INC. VS STATE OF NEVADA, EX REL. DEPARTMENT OF TRANSPORTATION, CASE NO. A640157 (8TH JD), STATEWIDE. NV B/L#: NV20011462722

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Notes
27	16409	04	CLEAN HARBORS ENVIRONMENTAL	CULVERT CLEANING LAKE TAHOE	N	403,947.00	200,000.00	1,007,894.00	-	6/24/2009	9/30/2013	6/28/2013	Service Provider	AMD 4 06-28-13: INCREASED AUTHORITY $200,000.00 FROM $807,894.00 TO $1,007,894.00 FOR CULVERT CLEANING IN LAKE TAHOE; EXTENDED THE TERMINATION DATE FROM 06-30-13 TO 09-30-13, DISTRICT CONTRACT NUMBER D2-014-09 AMD 3 06-26-12: LEGAL SETTLEMENT REQUIRING THE CLEANING OF BOX VAULTS AND CULVERTS UNDER US 395 AND OLD 395 AT THE SOUTHERN END OF WASHOE VALLEY. AMD 2 11-14-11: DUE TO TRPA REGULATIONS FOR REMOVAL OF SAND, WATER, AND DEBRIS FROM CULVERTS AND OTHER HIGHWAY APPURTENANCES WITH NDOT RIGHT-OF-WAYS THE CONTRACTOR HAS AGREED TO PERFORM THESE SERVICES FOR AN ADDITIONAL 2-YEAR PERIOD AT THE SAME UNIT BID COSTS THAT WERE ORIGINALLY BID. INCREASE AUTHORITY $403,947.00 FROM $403,947.00 TO $807,894.00. AMD 1 06-28-2011: EXTEND TERMINATION DATE FROM 06-30-11 TO 06-30-13 06-24-2009: CULVERT CLEANING AT VARIOUS LOCATIONS IN THE LAKE TAHOE BASIN IN CARSON CITY, WASHOE, AND DOUGLAS COUNTIES. NV B/L#: NV20021375471
28	39611	02	EXEVISION, LC	E-BIDDING IMPLEMENTATION EXT.	N	272,800.00	94,000.00	454,800.00	-	7/1/2011	6/30/2014	6/18/2013	Service Provider	AMD 2 06-18-13: EXTEND TERMINATION DATE FROM 12-31-13 TO 06-30-14 AND INCREASE AUTHORITY $94,000.00 FROM $360,800.00 TO $454,800.00 FOR SIX MONTHS OF E-BIDDING VAULT FEES AND ADDITIONAL ENHANCEMENT FEES. AMD 1 03-06-12: EXTEND TERMINATION DATE FROM 06-30-13 TO 12-31-13, INCREASE AUTHORITY $62,000.00 FROM $298,800.00 TO $360,800.00 FOR AMENDED VAULT FEE LANGUAGE AND ADD MAINTENANCE AND ENHANCEMENT FEES. 07-01-11: TO CONTINUE ELECTRONIC BIDDING IMPLEMENTATION AND SOURCE ESCROW AGREEMENT. CARSON CITY. NV B/L#: NV20111589256
29	22213	00	JOAN TIEARNEY, SAFETY CONSUL	PROTECTIVE EQUIP HAZARD ASSESS	N	2,296.00	-	2,296.00	-	6/26/2013	12/31/2013	-	Service Provider	06-26-13: HAZARD ASSESSMENT OF PERSONAL PROTECTIVE EQUIPMENT AS FOUND AT FOUR (4) DEPARTMENT FACILITIES: NORTH LAS VEGAS MAINTENANCE SHOP, RENO MAINTENANCE SHOP, CARSON CITY MAINTENANCE SHOP, AND ELKO MAINTENANCE SHOP, Q0-014-13, CLARK, WASHOE, CARSON CITY, AND ELKO COUNTIES. NV B/L#: NV20131290860
30	26413	00	LAS VEGAS PAVING	SR146 MULCH LINING	N	228,000.00	-	228,000.00	-	7/16/2013	3/31/2014	-	Service Provider	07-16-13: TO PROTECT SLOPE AT SR146 WITH GRAVEL MULCH LINING IN CLARK COUNTY. NV B/L# NV19581000650
31	26513	00	LAS VEGAS PAVING	PLACE RIPRAP SR170	N	133,000.00	-	133,000.00	-	7/16/2013	3/31/2014	-	Service Provider	07-16-13: PLACE RIPRAP ON SR170 MP2.64 IN CLARK COUNTY. NV B/L#: NV20051055015
32	20712	01	SIN CITY PORTABLES, LLC	WATER/SEWER FOR CREW 916 OFFICE	N	8,960.00	1,000.00	9,600.00	-	5/31/2012	5/31/2013	6/21/2013	Service Provider	AMD 1 06-24-13: INCREASE AUTHORITY $1,000.00 FROM $8,600.00 TO $9,600.00.05-31-12: TO PROVIDE WATER AND SEWER SERVICES FOR C916 CREW TRAILER LOCATED ON CENTENNIAL BLVD, Q1-026-12, CLARK COUNTY. NV B/L#: NV20101609856

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Notes
33	23813	00	T.Y. LIN INTERNATIONAL. INC	PLANNING/DEVELOPMENT ANALYSIS	Y	45,000.00	-	45,000.00	-	5/2/2013	5/1/2015	-	Service Provider	07-03-13: CIVIL ENGINEERING, REAL ESTATE PLANNING & DEVELOPMENT ANALYSIS AND EXPERT WITNESS TESTIMONY; PROJECT ID DE-STP-015-1(146), CLARK COUNTY. NV B/L#: NV19851016777
34	24810	02	THYSSENKRUPP ELEVATOR CORP.	ELEVATOR MAINT. 3 LOCATIONS	N	24,120.00	-	55,385.30	-	9/3/2010	1/1/2014	6/28/2013	Service Provider	AMD 2 06-28-13: EXTEND TERMINATION DATE FROM 07-01-13 TO 01-01-14 TO ALLOW TIME FOR A REQUEST FOR PROPOSAL TO BE ISSUED FOR THE CONTINUATION OF ELEVATOR SERVICING. AMD 1 02-14-12: TO EXTEND TERMINATION DATE FROM 07-01-12 TO 07-01-13 FOR ONE MORE YEAR OF SERVICE. INCREASE AUTHORITY $31,265.30 FROM $24,120.00 TO $55,385.30 TO COVER THE COST OF THE ADDITIONAL YEAR OF SERVICE AND FOR INSPECTION AND REPAIRS FOR OSHA REQUIREMENTS 09-03-10: ELEVATOR MAINTENANCE FOR HEADQUARTERS, SOUTH ANNEX AND DISTRICT II OFFICE, CARSON CITY AND WASHOE COUNTIES. NV B/L#: NV19841018200
35	21213	00	TITAN ELECTRICAL CONTRACTING	TRAFFIC COUNTING LOOP INSTALL	N	49,910.00	-	49,910.00	-	6/28/2013	12/31/2014	-	Service Provider	07-01-13: TRAFFIC COUNTING LOOP INSTALLATIONS, Q0-012-13N, WASHOE COUNTY. NV B/L#: NV20071408571
36	25713	00	TRI STATE SURVEYING LTD	EXP WIT STATE VS RR PASS INV	Y	40,000.00	-	40,000.00	-	5/1/2013	5/1/2015	-	Service Provider	05-01-13: LAND SURVEY, EXPERT WITNESS AND RELATED SERVICES FOR THE STATE VS RAILROAD PASS INVESTMENT GROUP, LLC CONDEMNATION ACTION, CLARK COUNTY. NV B/L#: NV19861018780
37	25813	00	TRI STATE SURVEYING LTD	EXP WIT STATE VS K&L DIRT CO	Y	40,000.00	-	40,000.00	-	5/1/2013	5/1/2015	-	Service Provider	05-01-13: LAND SURVEY, EXPERT WITNESS AND RELATED SERVICES FOR THE STATE VS K&L DIRT COMPANY, LLC CONDEMNATION ACTION, CLARK COUNTY. NV B/L#: NV19861018780
38	03113	01	WEBSOFT DEVELOPERS INC	DEVELOP PLAN PORTAL FORMS	N	24,950.00	9,800.00	34,750.00	-	1/22/2013	9/30/2013	6/26/2013	Service Provider	AMD 1 06-26-13: EXTEND TERMINATION DATE FROM 06-30-13 TO 09-30-13, AND INCREASE AUTHORITY $9,800.00 FROM $24,950.00 TO $34,750.00.01-22-13: DEVELOPMENT OF THE PLANNING PORTAL FORMS, CARSON CITY.NV B/L#: NV20121454363
39	21013	00	ZEE DESIGNS INC	NEVADADBE.COM WEBSITE	N	3,992.35	-	3,992.35	-	6/17/2013	8/30/2013	-	Service Provider	06-19-13: CONTINUOUS HOSTING, MAINTENANCE, AND DEVELOPMENT OF THE NEVADADBE.COM WEBSITE, STATEWIDE. NV B/L#: NV20071293824

1263 South Stewart Street
Carson City, Nevada 89712
Phone: (775) 888-7440
Fax: (775) 888-7313

MEMORANDUM

August 1, 2013

TO: Department of Transportation Board of Directors
FROM: Rudy Malfabon, P.E., Director
SUBJECT: August 12, 2013 Transportation Board of Directors Meeting
Item # 7a: Condemnation Resolution No. 439
US 93, Boulder City Bypass Project, Phase 1; Between Foothills Drive and US 95, in the City of Henderson, Boulder City and in the unincorporated area of Clark County, NV.
1 Owner, 1 Parcel – For possible action.

Summary:

The department is acquiring property and property rights for the construction of Phase 1 of the US 93 Boulder City Bypass project in the City of Henderson, Boulder City and the unincorporated area of Clark County. The advertising date for this phase of the project is currently planned for the Fall of 2013. The department is seeking the Board's approval of a condemnation action for the unresolved acquisition as described below.

Background:

Negotiations to acquire properties for this phase of the project began in November of 2011. To date, the necessary right-of-way has been acquired from 5 of the 9 property owners involved and the following negotiation is one of those not resolved:

City of Los Angeles - The negotiation is unresolved for the acquisition from the City of Los Angeles. It is necessary to acquire a permanent easement and right-of-way for highway purposes containing 27,176 square feet (0.62 acres) from a 2.56 acre holding. The CA-zoned (Auto-Mall Commercial) land is crossed by a large power transmission line, but is otherwise unimproved. **The parcel in question, which is located approximately 30 feet southeast of Dawson Avenue, in the City of Henderson, is highlighted in blue on the right-of-way plans that are part of the Condemnation Resolution (Attachment 2).** The State's initial offer of $271,000.00 for the 0.62 acres as a fee acquisition was presented by letter on December 2, 2011. This offer was rescinded on April 27, 2012 when it was decided that the City of Henderson would acquire the parcel as a permanent easement. The State then made a revised offer of $260,000.00 for the permanent easement on June 6, 2013 to insure that legal possession of the property could be obtained by Fall of this year. The revised offer consisted of $95,000.00 for the permanent easement (at $3.50 per square foot) and $165,000.00 for damages to the remainder parcels. The property owner has made no counter-offer at this time. The department is continuing to work towards settlement, but is requesting this condemnation resolution to meet construction deadlines.

Analysis:

A condemnation resolution is requested so that the Department can meet the advertising schedule planned for the Fall of 2013. Prior to construction, all environmental testing,

demolition and utility relocations must be accomplished. Pursuant to Chapter 241 of the Nevada Revised Statutes, the required notices regarding this open meeting have been served.

Recommendation for Board Action:

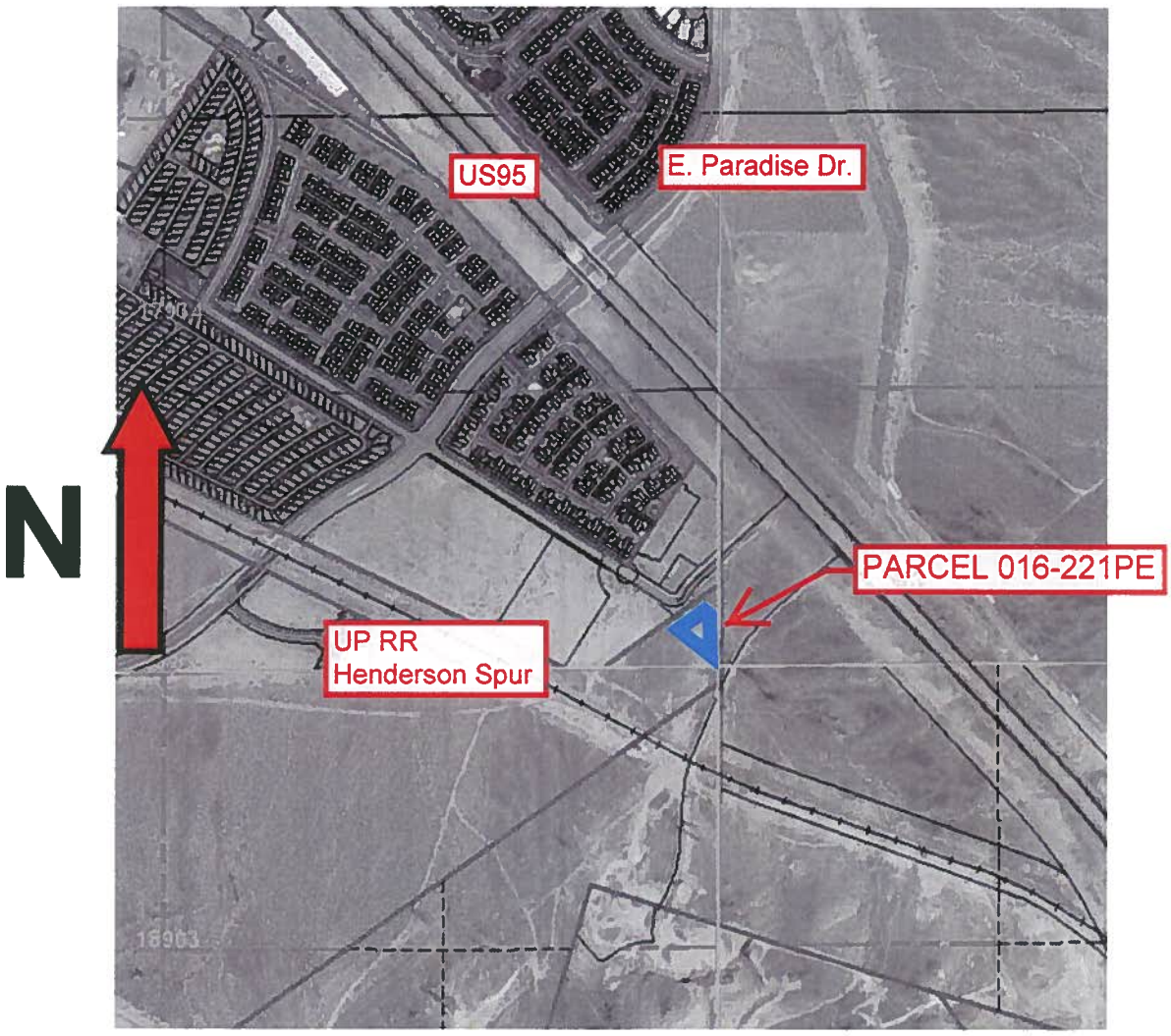
Board approval of this resolution of condemnation is respectfully requested.

List of Attachments:

1. Location map
2. Condemnation Resolution No. 439 with Right-of-Way plans
3. Section 408.503 of the Nevada Revised Statutes
4. Section 241.034 of the Nevada Revised Statutes

Prepared by: Paul Saucedo, Chief R/W Agent

LOCATION MAP

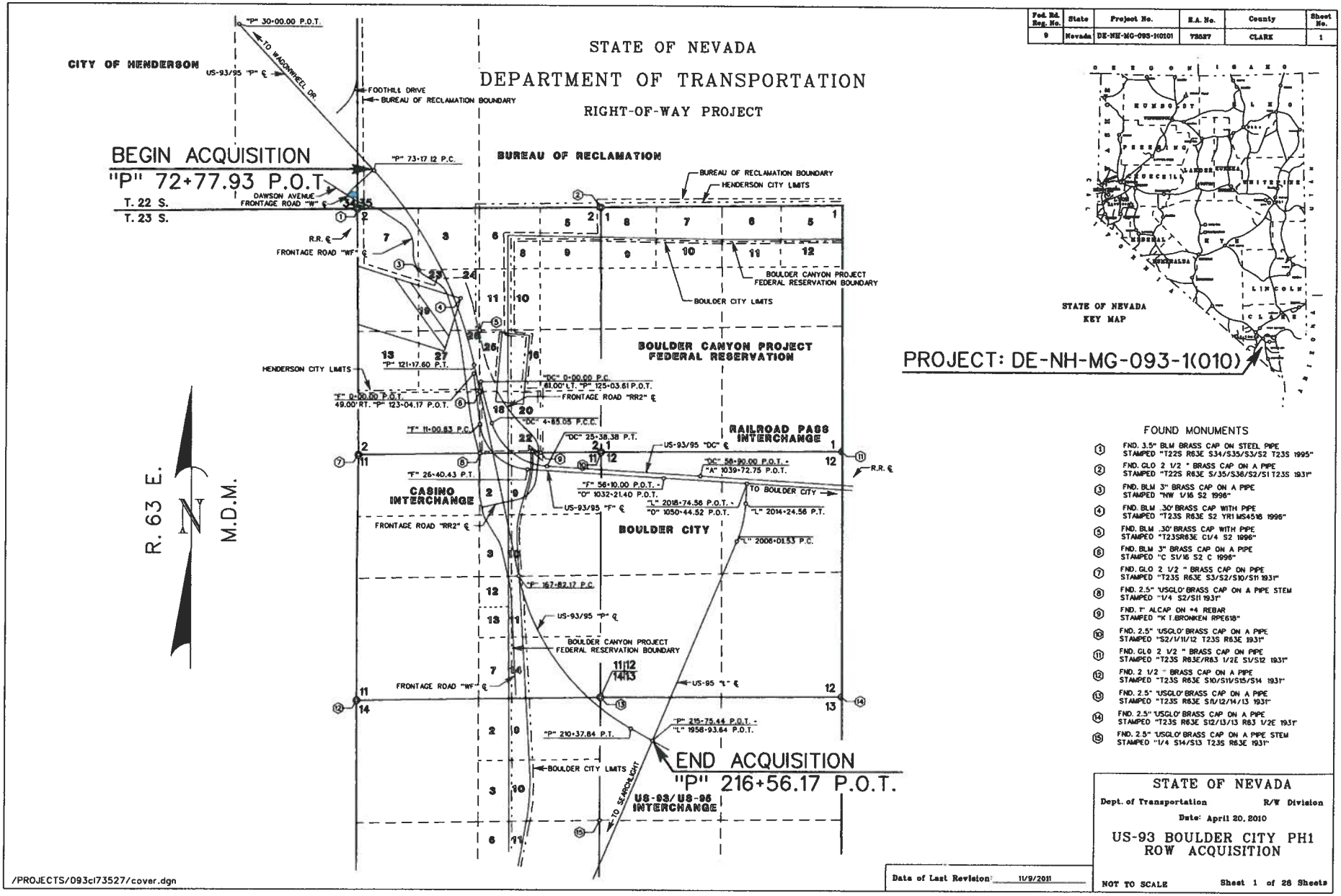


RESOLUTION No. 439

DESCRIPTION:
US 93, Boulder City Bypass Project, Phase 1; Between Foothills Drive and US 95, in the City of Henderson, Boulder City and in the unincorporated area of Clark County, NV.

ATTACHMENT 1

149



Fed. Rd. Reg. No.	State	Project No.	R.A. No.	County	Sheet No.
9	Nevada	DE-NH-MG-093-1(010)	73527	CLARK	1

PROJECT: DE-NH-MG-093-1(010)

FOUND MONUMENTS

1. FND. 3.5" BLM BRASS CAP ON STEEL PIPE STAMPED "T22S R63E S34/S35/S3/S2 T23S 1995"
2. FND. GLO 2 1/2 " BRASS CAP ON A PIPE STAMPED "T22S R63E S/35/S36/S2/S1 T23S 1931"
3. FND. BLM 3" BRASS CAP ON A PIPE STAMPED "NW 1/16 S2 1996"
4. FND. BLM .30" BRASS CAP WITH PIPE STAMPED "T23S R63E S2 YR1 MS4516 1996"
5. FND. BLM .30" BRASS CAP WITH PIPE STAMPED "T23SR63E C1/4 S2 1996"
6. FND. BLM 3" BRASS CAP ON A PIPE STAMPED "C S1/16 S2 C 1996"
7. FND. GLO 2 1/2 " BRASS CAP ON PIPE STAMPED "T23S R63E S3/S2/S10/S11 1931"
8. FND. 2.5" 'USGLO' BRASS CAP ON A PIPE STEM STAMPED "1/4 S2/S11 1931"
9. FND. 1" ALCAP ON #4 REBAR STAMPED "K T.BRONKEN RPE618"
10. FND. 2.5" 'USGLO' BRASS CAP ON A PIPE STAMPED "S2/1/11/12 T23S R63E 1931"
11. FND. GLO 2 1/2 " BRASS CAP ON PIPE STAMPED "T23S R63E/R63 1/2E S1/S12 1931"
12. FND. 2 1/2 " BRASS CAP ON A PIPE STAMPED "T23S R63E S10/S11/S15/S14 1931"
13. FND. 2.5" 'USGLO' BRASS CAP ON A PIPE STAMPED "T23S R63E S11/12/14/13 1931"
14. FND. 2.5" 'USGLO' BRASS CAP ON A PIPE STAMPED "T23S R63E S12/13/13 R63 1/2E 1931"
15. FND. 2.5" 'USGLO' BRASS CAP ON A PIPE STEM STAMPED "1/4 S14/S13 T23S R63E 1931"

TRACED: JPP JMO

CHECKED: QA7

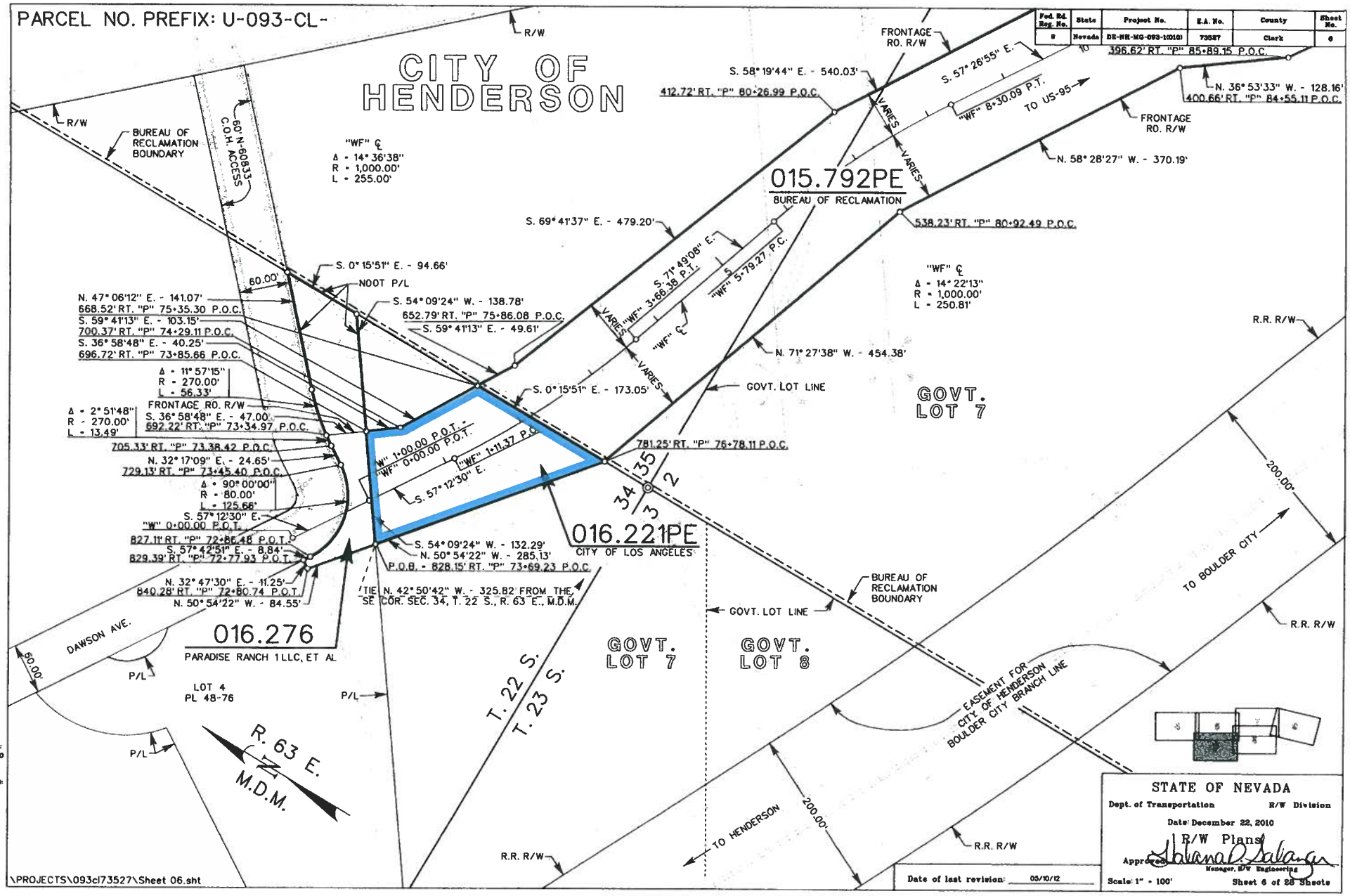
Date of Last Revision: 11/9/2011

STATE OF NEVADA
Dept. of Transportation R/W Division
Date: April 20, 2010

US-93 BOULDER CITY PH1
ROW ACQUISITION

NOT TO SCALE Sheet 1 of 26 Sheets

/PROJECTS/093c173527/cover.dgn


PARCEL NO. PREFIX: U-093-CL-
CITY OF HENDERSON
Fed. Rd. Proj. No. | State | Project No. | E.A. No. | County | Sheet No.
9 | Nevada | DE-HR-MG-093-10(10) | 73527 | Clark | 6
R/W
BUREAU OF RECLAMATION BOUNDARY
60' N-60833 C.O.H. ACCESS
"WF" ℄
Δ = 14°36'38"
R = 1,000.00'
L = 255.00'
FRONTAGE RD. R/W
S. 58°19'44" E. - 540.03'
412.72' RT. "P" 80+26.99 P.O.C.
S. 57°26'55" E.
"WF" 8+30.09 P.T.
TO US-95
396.62' RT. "P" 85+89.15 P.O.C.
N. 36°53'33" W. - 128.16'
400.66' RT. "P" 84+55.11 P.O.C.
FRONTAGE RD. R/W
N. 58°28'27" W. - 370.19'
VARIES
015.792PE
BUREAU OF RECLAMATION
S. 69°41'37" E. - 479.20'
S. 71°49'08" E.
"WF" 3+66.38 P.T.
"WF" 5+79.27 P.C.
538.23' RT. "P" 80+92.49 P.O.C.
"WF" ℄
Δ = 14°22'13"
R = 1,000.00'
L = 250.81'
S. 0°15'51" E. - 94.66'
60.00'
NOOT P/L
N. 47°06'12" E. - 141.07'
668.52' RT. "P" 75+35.30 P.O.C.
S. 59°41'13" E. - 103.15'
700.37' RT. "P" 74+29.11 P.O.C.
S. 36°58'48" E. - 40.25'
696.72' RT. "P" 73+85.66 P.O.C.
S. 54°09'24" W. - 138.78'
652.79' RT. "P" 75+86.08 P.O.C.
S. 59°41'13" E. - 49.61'
"WF" ℄
N. 71°27'38" W. - 454.38'
Δ = 11°57'15"
R = 270.00'
L = 56.33'
Δ = 2°51'48"
R = 270.00'
L = 13.49'
FRONTAGE RD. R/W
S. 36°58'48" E. - 47.00'
692.22' RT. "P" 73+34.97 P.O.C.
705.33' RT. "P" 73+38.42 P.O.C.
S. 0°15'51" E. - 173.05'
GOVT. LOT LINE
GOVT. LOT 7
781.25' RT. "P" 76+78.11 P.O.C.
"W" 1+00.00 P.O.T.
"WF" 0+00.00 P.O.T.
"WF" 1+11.37 P.O.T.
S. 57°12'30" E.
N. 32°17'09" E. - 24.65'
729.13' RT. "P" 73+45.40 P.O.C.
Δ = 90°00'00"
R = 80.00'
L = 125.66'
S. 57°12'30" E.
"W" 0+00.00 P.O.T.
827.11' RT. "P" 72+86.48 P.O.T.
S. 57°42'51" E. - 8.84'
829.39' RT. "P" 72+77.93 P.O.T.
N. 32°47'30" E. - 11.25'
840.28' RT. "P" 72+80.74 P.O.T.
N. 50°54'22" W. - 84.55'
016.276
PARADISE RANCH 1 LLC, ET AL
S. 54°09'24" W. - 132.29'
N. 50°54'22" W. - 285.13'
P.O.B. - 828.15' RT. "P" 73+69.23 P.O.C.
016.221PE
CITY OF LOS ANGELES
TIE N. 42°50'42" W. - 325.82 FROM THE SE COR. SEC. 34, T. 22 S., R. 63 E., M.D.M.
34
35
2
3
R.R. R/W
200.00'
TO BOULDER CITY
BUREAU OF RECLAMATION BOUNDARY
GOVT. LOT LINE
GOVT. LOT 7
GOVT. LOT 8
EASEMENT FOR CITY OF HENDERSON BOULDER CITY BRANCH LINE
DAWSON AVE.
80.00'
P/L
LOT 4
PL 48-76
T. 22 S.
T. 23 S.
R. 63 E.
M.D.M.
TO HENDERSON
200.00'
R.R. R/W
STATE OF NEVADA
Dept. of Transportation
R/W Division
Date: December 22, 2010
R/W Plans
Approved:
Manager, R/W Engineering
Date of last revision: 05/10/12
Scale: 1" = 100'
Sheet 6 of 28 Sheets
\PROJECTS\093cl73527\Sheet 06.sht
TRACED: JPP JMO
CHECKED:

PARCEL NO. PREFIX: U-093-CL-

PROPERTY SCHEDULE

STATE OF NEVADA DEPT. OF TRANSPORTATION

AC = ACRES
SF = SQUARE FEET

PROJECT NO.	E. A. NO.	COUNTY	SHEET NO.
DE-NH-MG-093-1(010)	73527	Clark	28

PARCEL NO.	GRANTOR	GROSS AREA OF ACQSN.	PREV. ACQ.	NET AREA	R/W AREA	REMAINDER		ACQUISITION RECORDING DATA			SURPLUS LAND DATA				REMARKS
						LT.	RT.	INST. OR DOC.	BK. PG.	DATE TYPE	AREA	INST. OR DOC.	BK. PG.	DATE TYPE	
013.574	BOULDER CITY	95.74 AC		95.74 AC	95.74 AC	367.15 AC	207.36 AC								DONATED AS A PE TO BE DEEDED IN FEE UPON DIR. ACCEPTANCE OF PACKAGE IV
014.239PE	BUREAU OF LAND MANAGEMENT	10.68 AC		10.68 AC	10.68 AC										PORTION TO BE RELINQUISHED TO CLARK COUNTY
014.496	K & L DIRT COMPANY, LLC	17.18 AC		17.18 AC	17.18 AC		8.26 AC								PORTION TO BE RELINQUISHED TO CLARK COUNTY
014.742PE	BUREAU OF LAND MANAGEMENT	31.14 AC		31.14 AC	31.14 AC										PORTION TO BE RELINQUISHED TO CLARK COUNTY
014.750	MTEA FAMILY, LLC, ET AL	4.32 AC		4.32 AC	4.32 AC		151.42 AC								TO BE RELINQUISHED TO CLARK COUNTY
014.971	RAILROAD PASS INVESTMENT GROUP	57,691 SF		57,691 SF	57,691 SF	15.27 AC									TO ACQUIRE UNDERLYING FEE
014.979	RAILROAD PASS INVESTMENT GROUP	13.85 AC		13.85 AC	13.85 AC	15.27 AC									
015.021PE	BUREAU OF LAND MANAGEMENT	22.64 AC		22.64 AC	22.64 AC										PORTION TO BE RELINQUISHED TO CITY OF HENDERSON / CLARK COUNTY
015.187	RAILROAD PASS INVESTMENT GROUP	22,857 SF		22,857 SF	22,857 SF	15.27 AC									TO ACQUIRE UNDERLYING FEE
015.237TE	RAILROAD PASS INVESTMENT GROUP	5,404 SF		5,404 SF	5,404 SF										DELETED PER MEMO 05/23/2013
015.575	JERICHO HEIGHTS LLC	3.09 AC		3.09 AC	3.09 AC		11.77 AC								PORTION TO BE RELINQUISHED TO CITY OF HENDERSON
015.678PE	BUREAU OF LAND MANAGEMENT	5.88 AC		5.88 AC	5.88 AC										PORTION TO BE RELINQUISHED TO CITY OF HENDERSON
015.792PE	BUREAU OF RECLAMATION	14.84 AC		14.84 AC	14.84 AC										PORTION TO BE RELINQUISHED TO CITY OF HENDERSON
016.221PE	CITY OF LOS ANGELES	27,176 SF		27,176 SF	27,176 SF	10,140 SF	74,199 SF								CHANGED FROM FEE TO PE PER MEMO 3/21/2013
016.247PE	BUREAU OF RECLAMATION	5.10 AC		5.10 AC	5.10 AC										DELETED PER MEMO 9/12/2011
016.276	PARADISE RANCH 1, LLC, ET AL	16,027 SF		16,027 SF	5,627 SF		2.61 AC								EASTERLY REMAINDER ACQD. - F.R. R/W TO BE RELINQUISHED TO C.O.H.
016.494	CITY OF HENDERSON	56,349 SF		56,349 SF	56,349 SF	3.99 AC									DELETED PER MEMO 9/12/2011

DATE OF LAST REVISION: 06/11/13

STATE OF NEVADA
DEPT. OF TRANSPORTATION R/W DIVISION
DATE: April 20, 2010
R/W PLANS
SHEET 28 OF 28 SHEETS

CK'D BY
RDL

Filename: cl73527

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DEPARTMENT OF TRANSPORTATION AUTHORIZING ACQUISITION BY CONDEMNATION OF PROPERTY FOR THE REALIGNMENT AND RECONSTRUCTION OF THE US-93 HIGHWAY, FROM FOOTHILLS DRIVE TO US-95, IN THE CITY OF HENDERSON, BOULDER CITY, AND IN THE UNINCORPORATED AREA OF CLARK COUNTY, NEVADA.

CONDEMNATION RESOLUTION NO. 439

WHEREAS, the Department of Transportation of the State of Nevada (hereinafter the "Department") is empowered by chapter 408 of the Nevada Revised Statutes to acquire real property, interests therein, and improvements located thereon for the construction and maintenance of highways; and

WHEREAS, the Department has determined that the public interest and necessity require the acquisition, construction, and completion by the State of Nevada, acting by and through the Department, of a public improvement, namely the realignment and reconstruction of the US-93 Highway, from Foothills Drive to US-95, in the City of Henderson, Boulder City, and the unincorporated area of Clark County, State of Nevada and that the real property hereinafter described is necessary for said public improvement; and

WHEREAS, the right-of-way plans are attached hereto and incorporated herein depicting the parcel described herein; and

WHEREAS, the Department plans to obligate federal-aid funds for this project, and let a construction contract for said project, and the real property hereinafter described will be needed for said highway project; and

WHEREAS, pursuant to section 408.503 of the Nevada Revised Statutes, the Department shall not commence any legal action in eminent domain until the Board of Directors of the Department adopts a resolution declaring that the public

ATTACHMENT 2

interest and necessity require the highway improvement and that the property described is necessary for such improvement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Department, pursuant to section 408.503 of the Nevada Revised Statutes:

That the public interest and necessity require the acquisition, construction, reconstruction, improvement, maintenance or completion by the State of Nevada, acting through the Department, of a public improvement, namely a highway; and that the real property hereinafter described is necessary for said public improvement; and

That the proposed construction of said public highway improvement on and along an alignment heretofore approved is planned and located in a manner which will be the most compatible with the greatest public good and the least private injury.

BE IT FURTHER RESOLVED THAT the Department be and is hereby authorized and directed:

To acquire in the name of and in behalf of the State of Nevada, in fee simple absolute, unless a lesser estate is hereinafter described, the following described real property and interests therein by the exercise of the power of eminent domain in accordance with the provisions of chapters 37 and 408 of the Nevada Revised Statutes;

To commence and prosecute, if necessary, in the name of the State of Nevada, condemnation proceedings in the proper court to condemn said real property and interests therein; and

To make application to said court for an order permitting the Department to take possession and use of said real property as may be necessary for construction of said public highway improvement, and to pledge the public faith and credit of the State of Nevada as security for such entry or, should the Department deem such advisable, to deposit with the Clerk of such court, in lieu of such pledge, a sum equal to the value of the premises sought to be condemned as appraised by the Department, and to acquire the following real property:

PARCEL NO. U-093-CL-016.221PE, owned by City of Los Angeles, a municipal corporation, to be acquired as a permanent easement for highway purposes

Said real property situate, lying and being in the City of Henderson, County of Clark, State of Nevada and more particularly described as being a portion of the SE 1/4 of the SE 1/4 of Section 34, T. 22 S., R. 63 E., M.D.M., and more fully described by metes and bounds as follows, to wit:

> COMMENCING at a 2 1/2" GLO Brass Cap on a pipestem stamped "1/4 S35/S2 1931" accepted as being the quarter corner common to Sections 2 and 35, shown and delineated as a "2-1/2 INCH USGLO BRASS CAP DATED 1931" on that certain Record of Survey, filed on July 6, 2000, as Map File 110, Page 11 of Surveys and recorded in Official Records, Book No. 20000706, as Instrument No. 00587, of Clark County, Nevada; thence S. 89°22'17" W., along the north line of said Section 2, a distance of 2,638.38 feet (record N. 89°22'26" E. – 2,638.30 feet per said Record of Survey), to a 3.5" BLM Brass Cap on steel pipe

stamped "T22S R63E S34/S35/S3/S2 T23S 1995", accepted as being the corner common to Sections 2, 3, 34 and 35, shown and delineated as a "3 INCH BLM BRASS CAP DATED 1995" on said Record of Survey; thence N. 42°50'42" W. a distance of 325.82 feet to the POINT OF BEGINNING; said point of beginning described as being the intersection of the right or westerly right-of-way line of the southwesterly frontage road with the southeasterly property line of Lot 4 on that certain Plat of Car Country, filed on February 7, 1991, as Book 48, Page 76 of Plats and recorded in Official Records, Book No. 910207, as Instrument No. 00858, of Clark County, Nevada, 828.15 feet right of and measured radially from Highway Engineer's Station "P" 73+69.23 P.O.C.; thence N. 54°09'24" E., along said property line, a distance of 132.29 feet to the left or easterly right-of-way line of the southwesterly frontage road; thence S. 36°58'48" E., along said right-of-way line, a distance of 40.25 feet; thence S. 59°41'13" E., along said right-of-way line, a distance of 103.15 feet to east section line of said Section 34; thence S. 0°15'51" E., along said section line, a distance of 173.05 feet to said right or westerly right-of-way line of the southwesterly frontage road; thence N. 50°54'22" W., along said right-of-way line, a distance of 285.13 feet to the point of beginning; said parcel contains an area of 27,176 square feet (0.62 acres).

SUBJECT TO those rights granted to the United States of America, Department of Energy, Western Area Power Administration, by that certain RIGHT OF WAY RELOCATION CONTRACT AND GRANT OF EASEMENT recorded on

November 18, 1991 as Book 911118, Instrument 00168, Official Records, Clark County, Nevada.

The Basis of Bearing for this description is the NEVADA STATE PLANE COORDINATE SYSTEM, NAD 83/94 DATUM, East Zone as determined by the State of Nevada, Department of Transportation.

BE IT FURTHER RESOLVED that the Director, Deputy Director, and Chief Counsel of the Department have the power to enter into any stipulations or file any necessary pleadings in any condemnation proceeding and to bind the Department of Transportation in the completion of this project.

Adopted this _____ day of August, 2013.

ON BEHALF OF
STATE OF NEVADA
DEPARTMENT OF
TRANSPORTATION
BOARD OF DIRECTORS

_____
Secretary to the Board
William H. Hoffman

_____
Chairman – Brian Sandoval
Governor

APPROVED AS TO LEGALITY
AND FORM

_____
Dennis Gallagher, Chief Counsel
Department of Transportation

NRS 408.503 Eminent domain: Resolution by Board; precedence over other legal actions.

1. The Department shall not commence any legal action in eminent domain until the Board adopts a resolution declaring that the public interest and necessity require the acquisition, construction, reconstruction, improvement or completion by the State, acting through the Department, of the highway improvement for which the real property, interests therein or improvements thereon are required, and that the real property, interests therein or improvements thereon described in the resolution are necessary for such improvement.

2. The resolution of the Board is conclusive evidence:

(a) Of the public necessity of such proposed public improvement.

(b) That such real property, interests therein or improvements thereon are necessary therefor.

(c) That such proposed public improvement is planned or located in a manner that will be most compatible with the greatest public good and the least private injury.

3. All legal actions in all courts brought under the provisions of this chapter to enforce the right of eminent domain take precedence over all other causes and actions not involving the public interest, to the end that all such actions, hearings and trials thereon must be quickly heard and determined.

(Added to NRS by 1957, 691; A 1960, 392; 1987, 1810; 1989, 1306)

ATTACHMENT 3

NRS 241.034 Meeting to consider administrative action against person or acquisition of real property by exercise of power of eminent domain: Written notice required; exception.

1. Except as otherwise provided in subsection 3:

(a) A public body shall not consider at a meeting whether to:

(1) Take administrative action against a person; or

(2) Acquire real property owned by a person by the exercise of the power of eminent domain,

➥ unless the public body has given written notice to that person of the time and place of the meeting.

(b) The written notice required pursuant to paragraph (a) must be:

(1) Delivered personally to that person at least 5 working days before the meeting; or

(2) Sent by certified mail to the last known address of that person at least 21 working days before the meeting.

➥ A public body must receive proof of service of the written notice provided to a person pursuant to this section before the public body may consider a matter set forth in paragraph (a) relating to that person at a meeting.

2. The written notice provided in this section is in addition to the notice of the meeting provided pursuant to NRS 241.020.

3. The written notice otherwise required pursuant to this section is not required if:

(a) The public body provided written notice to the person pursuant to NRS 241.033 before holding a meeting to consider his character, alleged misconduct, professional competence, or physical or mental health; and

(b) The written notice provided pursuant to NRS 241.033 included the informational statement described in paragraph (b) of subsection 2 of that section.

4. For the purposes of this section, real property shall be deemed to be owned only by the natural person or entity listed in the records of the county in which the real property is located to whom or which tax bills concerning the real property are sent.

(Added to NRS by 2001, 1835; A 2001 Special Session, 155; 2005, 2247)

ATTACHMENT 4

1263 South Stewart Street
Carson City, Nevada 89712
Phone: (775) 888-7440
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MEMORANDUM

Right-of-Way Division

August 1, 2013

TO: **Department of Transportation Board of Directors**

FROM: **Rudy Malfabon, P.E., Director**

SUBJECT: **August 12, 2013 Transportation Board of Directors Meeting**

Item # 8a: **Disposal of NDOT water rights along Interstate 80 east of Imlay Interchange in Pershing County, NV. SUR 13-03 – For possible action**

Summary:

Approval is requested from the Department of Transportation Board of Directors to dispose of the above referenced water rights by Quitclaim Deed. The water rights to be disposed of are located along Interstate 80 east of Imlay Interchange in Pershing County, NV.

Background:

The Department originally acquired 0.022 c.f.s. of water rights from the Nevada Department of Water Resources on April 18, 1961, by Water Right Permit No. 18296, Certificate of Appropriation of Water No. 5112, for domestic purposes at the Imlay Maintenance Station.

On January 10, 1989, the Department abandoned the Imlay Maintenance Station and the water rights were not included in the abandonment thus creating a cloud on the title of the water rights. Since Nevada Department of Water Resources has not received notification of the transfer of said rights, they are still showing the water rights in the name of the State. The Department must quitclaim the water rights in order to clear the title on the property. Pershing County is currently utilizing the land as a maintenance station and needs the water rights to run the maintenance station.

Analysis:

It was not the intention to retain the water rights when the Department abandoned the property. Since the Department abandoned the underlying property, the release of NDOT's interest in the water rights is being made in accordance with N.R.S. 408.533 without compensation to the Department.

TO: Department of Transportation Board of Directors

August 1, 2013

Recommendation for Board Action:

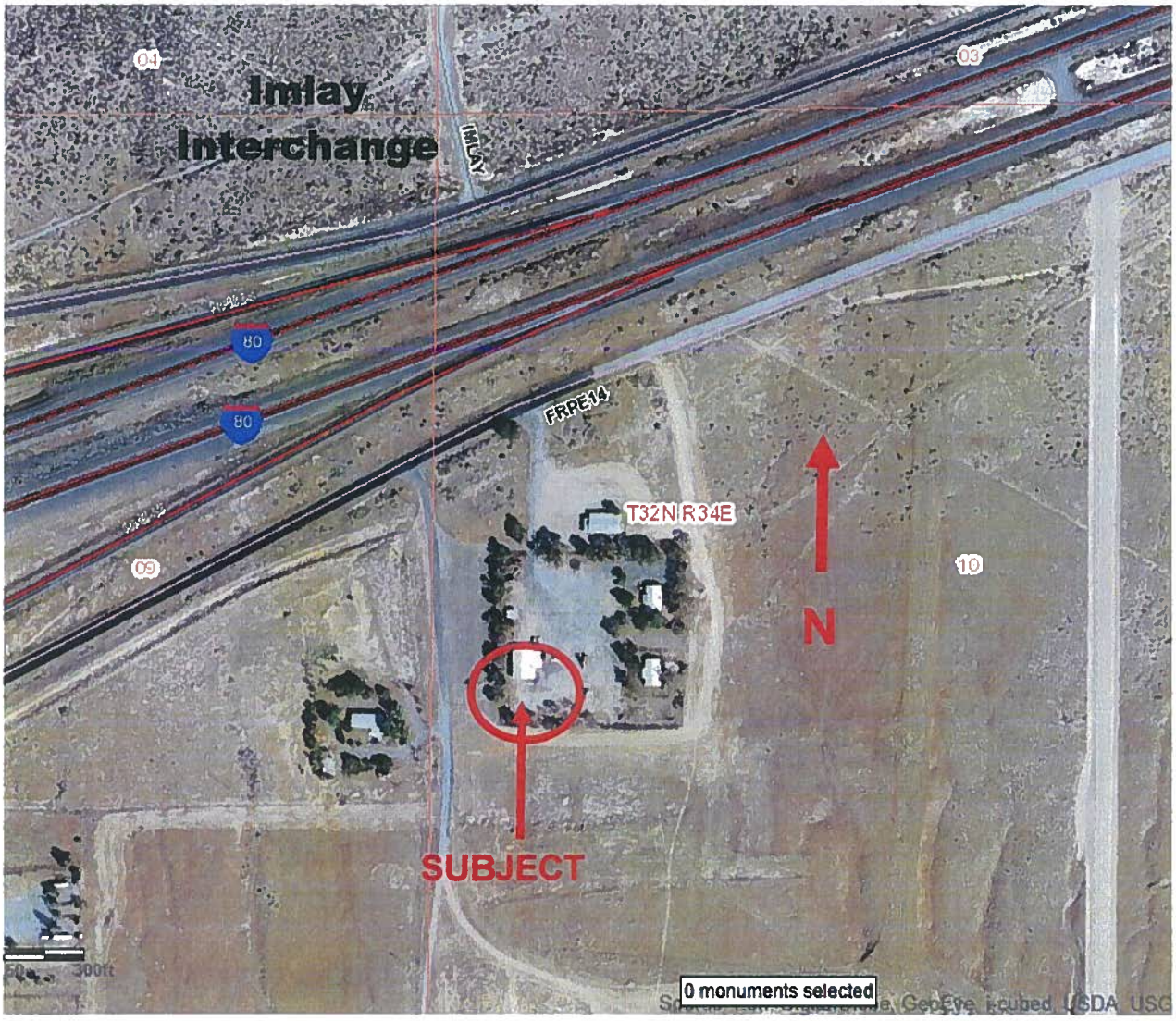
Approval of disposal of NDOT water rights along Interstate 80 east of Imlay Interchange in Pershing County, NV.

List of Attachments:

1. Location Map
2. Right-of-Way Plan Sheet
3. Certificate of Appropriation of Water
4. Environmental Clearance
5. N.R.S. 408.533

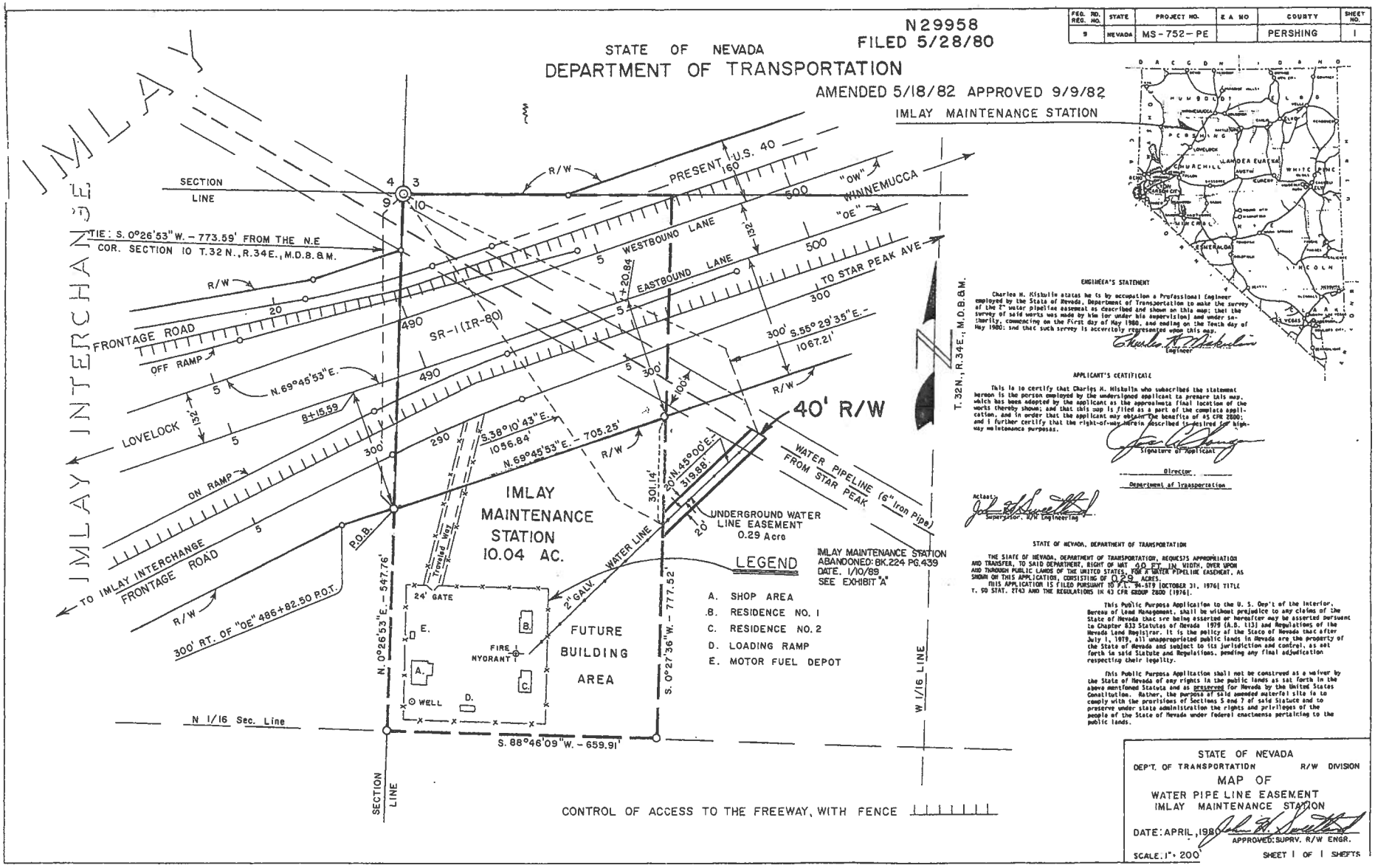
Prepared by: Paul A. Saucedo, Chief R/W Agent

LOCATION MAP



SUR 13-03
DESCRIPTION: Along Interstate 80 east of Imlay Interchange

ATTACHMENT 1



ATTACHMENT 2

ATTACHMENT 2

Application No. 18296 Certificate Record No. 5112 Book 15 Page 5112

THE STATE OF NEVADA
CERTIFICATE OF APPROPRIATION OF WATER

WHEREAS, W. O. Wright, State Highway Engineer has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from an underground source through well, pump, tank and distribution system for domestic purposes. The point of diversion of water from the source is as follows: NW¼ NW¼ Sec. 10, T. 32 N., R. 34 E., M.D.B.&M., or at a point from which the N.W. corner of said Sec. 10 bears N. 8° 50' W., 1,048.93 feet, situated in Pershing County, State of Nevada.

NOW KNOW YE, That the State Engineer, under the provisions of NRS 533.425, has determined the date, source, purpose, amount of appropriation, and the place where such water is appurtenant, as follows:

Name of appropriator State of Nevada, Department of Highways

Post-office address Carson City, Nevada

Amount of appropriation 0.022 c.f.s.

Period of use, from January 1st to December 31st of each year

Date of priority of appropriation August 26, 1959

Description of works of diversion, manner and place of use: Water is developed by means of a drilled well and pumped into a storage tank, thence conveyed by a distribution system to the place of use located in the SW¼ NW¼ NW¼ Sec. 10, T. 32 N., R. 34 E., M.D.B.&M., where it is used for domestic purposes at a highway maintenance station.

The right to water hereby determined is limited to the amount which can be beneficially used, not to exceed the amount above specified, and the use is restricted to the place and for the purpose as set forth herein.

IN TESTIMONY WHEREOF, I EDMUND A. MUTH, State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 18th day of April, A. D. 1961.

Compared lh/ha

Recorded 5/15/61 Bk. 17 Page 257 Pershing County Records.

Edmund A. Muth
State Engineer.

1923

ATTACHMENT 3

1263 South Stewart Street
Carson City, Nevada 89712
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MEMORANDUM

Environmental Services Division

May 29, 2013

To: Jessica Biggin, Staff Specialist, Right-of-Way

From: Steve M. Cooke, PE, Chief, Environmental Services SMC

Subject: Environmental Clearance for Transportation Board
Project: I-015-1(7)43
EA: 70091
Surplus No.: SUR 13-03
Disposal of NDOT water rights located along IR-80, east of Imlay interchange, Pershing County, NV
Disposal by Quitclaim Deed

The Environmental Services Division understands FHWA authorization is not required and reviewed the requested action accordingly. It was found clear of any documented environmental concern for disposal.

Cc: R. Borrelli, Surplus Property Committee, Chair
H. Salazar, Surplus Property Committee, Vice-Chair
Project File

ATTACHMENT 4

NRS 408.533 Disposal of property.

1. All real property, interests therein or improvements thereon and personal property acquired before, on or after April 1, 1957, in accordance with the provisions of NRS 408.487 and 408.489 must, after approval by the Board and if no longer needed for highway purposes, be disposed of by the Director in accordance with the provisions of subsection 2, except that:

(a) When the property was originally donated to the State, no charge may be made if it is returned to the original owner or to the holder of the reversionary right.

(b) When the property has been wholly or partially paid for by towns, cities or counties, disposal of the property and of money received therefor must be agreed upon by the governing bodies of the towns, cities and counties and the Department.

(c) When the title to the real property has been acquired in fee pursuant to NRS 408.487 and 408.489 and, in the opinion of the Board, a sale by means of a public auction or sealed bids is uneconomical or impractical because:

(1) There is no access to the property;

(2) The property has value or an increased value only to a single adjoining property owner; or

(3) Such a sale would work an undue hardship upon a property owner as a result of a severance of the property of that owner or a denial of access to a public highway,

➥ the Board may enter into a direct sale of the property with such an owner or any other person for its fair market value.

(d) When the property has been acquired and the property or any portion of the property is no longer needed for highway purposes, the Department shall give notice of its intention to dispose of the property by publication in a newspaper of general circulation in the county where the property is situated. The notice must include the Department's appraisal of the fair market value of the property. Any person from whom the property was purchased or his heir or grantee may purchase the property at its fair market value by direct sale from the Department within 60 days after the notice is published. If more than one person qualified to purchase the property by direct sale pursuant to this paragraph so requests, the person with the superior claim, as determined by the Department in its sole discretion, is entitled to purchase the property by direct sale. If a person who is entitled to purchase the property by direct sale pursuant to this paragraph reasonably believes that the Department's appraisal of the property is greater than the fair market value of the property, the person may file an objection to the appraisal with the Department. The Department shall set forth the procedure for filing an objection and the process under which a final determination will be made of the fair market value of the property for which an objection is filed. The Department shall sell the property in the manner provided in subsection 2 if:

(1) No person requests to purchase the property by direct sale within 60 days after the notice is published pursuant to this paragraph; or

(2) A person who files an objection pursuant to this paragraph fails, within 10 business days after he receives a written notice of the final determination of the fair market value of the property, to notify the Department in writing that he wishes to purchase the property at the fair market value set forth in the notice.

(e) When the property is sought by another public agency for a reasonable public use, the Department may first offer the property to the public agency at its fair market value.

2. All property, interests or improvements not included within the provisions of subsection 1 must first be offered for sale by the Department singly or in combination at public auction or by sealed bids. If the highest bid received is 90 percent or more of the Department's appraisal of the fair market value of the property, the property may be sold to the highest bidder. The notice and the terms of the sale must be published in a newspaper of general circulation in the county where the property is situated. The auctions and openings of bids must be conducted by the Department. If the property cannot be sold for 90 percent or more of its fair market value, the Department may enter into a written listing agreement with a person licensed pursuant to chapter 645 of NRS to sell or lease the property for 90 percent or more of its fair market value.

3. It is conclusively presumed in favor of the Department and any purchaser for value that the Department acted within its lawful authority in acquiring and disposing of the property, and that the Director acted within his lawful authority in executing any conveyance vesting title in the purchaser. All such conveyances must be quitclaim in nature and the Department shall not warrant title, furnish title insurance or pay the tax on transfer of real property.

4. No person has a right of action against the Department or its employees for a violation of this section. This subsection does not prevent an action by the Attorney General on behalf of the State of Nevada or any aggrieved person.

5. All sums of money received by the Department for the sale of real and personal property must be deposited with the State Treasurer to be credited to the State Highway Fund, unless the Federal Highway Administration participated in acquisition of the property, in which case a pro rata share of the money obtained by disposal of the property must be paid to the Federal Highway Administration.

6. The Department may reserve and except easements, rights or interests from the conveyance of any real property disposed of in accordance with this section or exchanged pursuant to subsection 5 of NRS 408.489. The easements, rights or interests include, but are not limited to:

(a) Abutter's rights of light, view or air.

(b) Easements of access to and from abutting land.

(c) Covenants prohibiting the use of signs, structures or devices advertising activities not conducted, services not rendered or goods not produced or available on the real property.

(Added to NRS by 1957, 693; A 1959, 599; 1963, 978; 1967, 1743; 1971, 140; 1979, 1781; 1985, 707; 1987, 1812; 1989, 1308; 1991, 1691; 1995, 1140; 2001, 2132)

ATTACHMENT 5

1263 South Stewart Street
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MEMORANDUM

August 2, 2013

TO: **Department of Transportation Board of Directors**

FROM: **Rudy Malfabon, P.E., Director**

SUBJECT: **August 12, 2013 Transportation Board of Directors Meeting**

ITEM #9: **Approval of Amendments and Administrative Modifications to the FFY 2012-2015 Statewide Transportation Improvement Program (STIP) – For Possible Action.**

Summary:

At the October 10, 2011 State Transportation Board of Directors Meeting, the FY 2012 – 2015 Statewide Transportation Improvement Program (STIP) was approved as a part of the FY 2012-2021 Transportation Systems Projects (TSP). Amendments and Administrative Modifications are made throughout the year to the document in order to facilitate projects. NDOT staff works closely with the local Metropolitan Planning Organizations (MPO's) and local governments to facilitate these project changes. Attachment "A" lists Amendments and other state program projects. NDOT is requesting the State Transportation Board's approval of these changes as summarized in Attachment "A".

Background:

NDOT staff works continuously all year with federal and regional agencies, local governments, and planning boards to develop the *Transportation System Projects* notebook. The fiscal years 2012-2021 document contains the:

Statewide Transportation Improvement Program (STIP), FY 2012-2015
Annual Work Program (AWP), FY 2012
Short Range Element (SRE), FY 2013-2014
Long Range Element (LRE), FY 2015-2021

Attachment "A" details Amendments to projects which include any actions taken in Washoe, Clark, CAMPO, and TMPO Transportation Improvement Plans (TIP) and areas outside of the MPO boundaries since the last time the Board approved changes to the STIP on June 10, 2013.

Attachment "B" details Administrative Modifications to projects which include any actions taken in Washoe, Clark, CAMPO, and TMPO Transportation Improvement Plans (TIP) and areas outside of the MPO boundaries since the last time the Board approved changes to the STIP on June 10, 2013.

Analysis:

The attached listing of amendments and administrative modifications to projects are those completed since the June 10, 2013 Transportation Board approval of the *Transportation System Projects* notebook for fiscal years 2012-2021.

Recommendation for Board Action:

Approval of the Amendments/Administrative Modifications to the FY 2012 – 2015 Statewide Transportation Improvement Program (STIP).

List of Attachments:

A. List of Amendments

B. List of Administrative Modifications

Prepared by:

Jason Van Havel, Acting Chief, Transportation & Multimodal Planning Division

Attachment A

Project Amendments List (6/8/13 – 8/2/13)

RTC of Southern Nevada

(NO AMENDMENTS MADE)

Washoe County RTC

(NO AMENDMENTS MADE)

Carson Area MPO

(NO AMENDMENTS MADE)

Tahoe MPO

Amendment LTMPO #5: This Amendment is an action to add project DO20100024 SR 207 Kingsbury Grade from US 50 to 3.76 M E / Reconstruct with plantmix surface and open grade. The funding sources are STP Areas < 5000 in the amount of $6,175,000, Tahoe Bond in the amount of $2,000,000 and State Match in the amount of $325,000 in FY 14 for a total of $8,500,000.

Statewide/Rural

Amendment Statewide #6: This Amendment is an action to add *SR 227, Lamoille Road / Mill, plantmix surface and open grade* projects, in FY 13, under STP Statewide, at $9,650,000

Attachment B

List of Administrative Modifications (6/8/13 – 8/2/13)

RTC of Southern Nevada

Admin Modification CL #9: This action adjusts Federal Transit Administration (FTA) Section 5317 New Freedom, FTA Section 5310 and Local Funding as requested by the Regional Transportation Commission of Southern Nevada

Admin Modification CL #7, 8 and 10:

Modify TRP Project #5022 (NDOT ID# CL2010018) funding: Martin Luther King Blvd/Industrial Rd Connector from Oakey Blvd. to Alta Dr. Widen and connect Grand Central PKWY to Industrial RD (4 lanes with bike lanes). Widen Martin Luther King Blvd to 4 lanes with bike lanes. Add landscaping within the limits of Project neon. (PE, RW).

FFY 2014 STP Clark Funds: Decrease funds from $9,615,000 to $5,265,000
FFY 2016 STP Clark Funds: Add funds $1,350,000

Modify RTP Project #5030 (NDOT ID# CL20130017) funding: Main St/Commerce St from Las Vegas Blvd. to Owens Ave. Convert Main St. & Commerce St. to one-way couplet with 2 lanes in each direction, bike lanes and widen sidewalks. (PE).

FFY 2014 STP Clark Funds: Add funds $4,350,000
FFY 2016 STP Clark Funds: Delete funds $1,350,000

Modify TRP Project #5081 (NDOT ID# CL20130035) description: Change description from "Oakey Blvd. from Rainbow Blvd. to Martin Luther King Blvd. to Industrial Rd. install bicycle lanes PE, Const".

FFY 2013: CMAQ funds $700,000 (No Change)

Modify RTP Project #1590 (NDOT ID# CL20120107) funding and description: Las Vegas, Electric Vehicle & Supply Equipment Program: Purchase (4) Series plug-in electric vehicles and charging station equipment for internal DAQ (campus fleet) purposes. (Increase the number of vehicle purchase from 2 to 4).

Move FFY 2013 CMAQ funds in the amount of $100,000 and combine with 2014 funds.
FFY 2014 CMAQ funds: 253,464

Admin Modification CL #11: This action changes the description and funding for project CL20120089 to Westcliff Express Bus Route Operating Support for the Downtown and Veterans Medical Center Express, decrease FTA Section 5307 Congestion Mitigation and Air Quality (CMAQ) program funding in FY 2013 from $5,650,000 to $2,850,000 and adds RTC Sales Tax in the amount of $150,000. It also changes the description and funding for project CL20100090 to 24 Compressed Natural Gas (CNG) paratransit vehicle replacements, increasing FTA Section 5307 CMAQ funding in FY 2013 from $1,700,000 to $2,693,250, adds RTC Sales Tax of $141,750 and in FY 2014 adds FTA Section 5307 CMAQ funds of $1,806,750 and RTC Sales Tax of $95,092.

Washoe County RTC

(NO ADMINISTRATIVE MODIFICATIONS MADE)

Carson Area MPO

(NO ADMINISTRATIVE MODIFICATIONS MADE)

Tahoe MPO

(NO ADMINISTRATIVE MODIFICATIONS MADE)

Statewide/Rural

(NO ADMINISTRATIVE MODIFICATIONS MADE)

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MEMORANDUM

Date: July 19, 2013

TO: **Department of Transportation Board of Directors**

FROM: **Rudy Malfabon, Director**

SUBJECT: **August 12, 2013 Transportation Board of Directors Meeting**

Item # 10: **Update on the Status of I-11 and Intermountian West Corridor Study**

Summary:

The goal of this study is to evaluate the designated future I-11 between Phoenix, AZ and Las Vegas, NV, as well as potential connections north and south of that corridor. The I-11 & Intermountain West Corridor Study is a two year coordinated effort between the Nevada and Arizona Departments of Transportation, in cooperation with the RTC of Southern Nevada, Maricopa Association of Governments, Federal Highway Administration, and Federal Railroad Administration. The team released a Corridor Justification Report in July of 2013.

This report, which evaluated existing and projected transportation demand economic scenarios shows that the corridor is in fact justified, and further study is warranted. The team is now evaluating alternative alignments, and feasibility of the various portions of the corridor

Background:

Many efforts, dating back at least to the early 1990's, have shown a desire and need for a robust and efficient North-South corridor for North American trade. In 1995, the CANAMEX Corridor was designated by Congress as a High Priority Corridor. The corridor is defined as I-19 from Nogales to Tucson, I-10 from Tucson to Phoenix, US 93 in the vicinity of Phoenix to Las Vegas, and I-15 from Las Vegas to Canada. The only portion of the CANAMEX Corridor that is not an interstate is US 93 between Phoenix and Las Vegas. However, this portion was designated as future I-11 in the passage of MAP-21. Several other high priority corridors are designated in the intermountain west that include connections between Nevada and the Pacific Northwest and/or Canada.

The Arizona and Nevada Departments of Transportation felt it was critical to study the proposed I-11 in conjunction with potential north-south connections beween Mexico and Canada and have embarked on a two-year study to look at need, opportunities and constraints, including a Planning and Environmental Linkages effort to prepare portions of the Corridor for future environmental analysis.

Analysis:

The total consultant contract for this study is $2,500,000, funded through a combination of federal, state, and Arizona funding sources:

Funding Source	Federal	State Match	Other	TOTAL
Transportation Community & System Preservation Grant (TCSP)	$1,000,000	$52,632		$1,052,632
State Planning and Research	$357,895	$89,474		$447,368
Arizona DOT			$1,000,000	$1,000,000
TOTAL	$1,357,895	$142,106	$1,000,000	**$2,500,000**

This study will help to eliminate alternatives and identify potential risks with alternatives for future project development and environmental analysis for the various sections of the corridor. Recommendations and planning level cost ranges will be provided at the end of ths study in late summer 2014.

List of Attachments: (all can be found at http://i11study.com/wp/?page_id=237)

a. I-11 & Intermountain West Corridor Vision Summary
b. Corridor Justification Report
c. Frequently Asked Questions

Recommendation for Board Action:

Information item only.

Prepared by:

Sondra Rosenberg, Federal Programs Manager

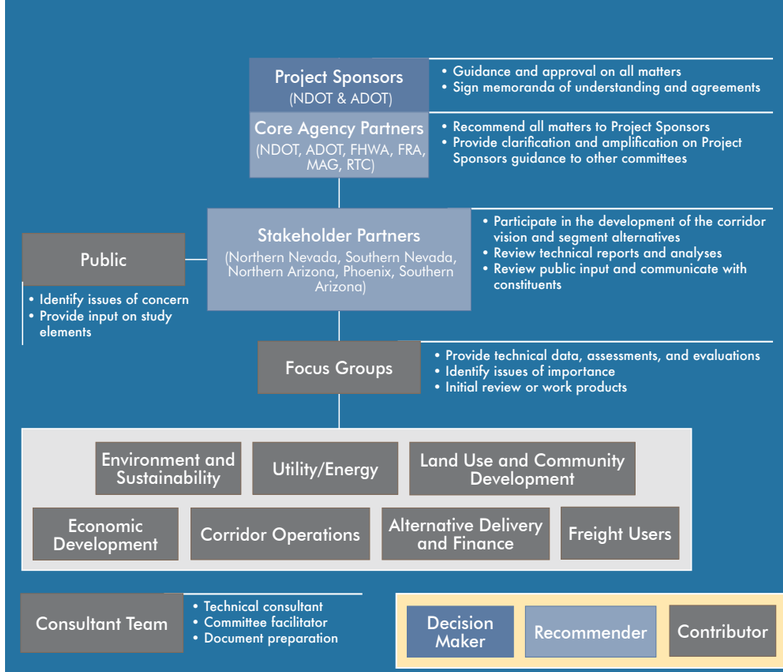
Study Partners and Stakeholder Involvement Opportunities

The I-11 & Intermountain West Corridor Study is a high priority for NDOT and ADOT, who have pooled their resources and are jointly managing this study. The metropolitan planning organizations in the greater Las Vegas and Phoenix areas (Regional Transportation Commission of Southern Nevada and Maricopa Association of Governments), the Federal Highway Administration, and the Federal Railroad Administration are actively involved in the study, and together with the sponsoring agencies of NDOT and ADOT form the Core Agency Partners.

All interested public agencies, non-profit organizations, and private interest groups are invited to participate in a Stakeholder Partners group that will be asked to provide data and other input, and to share their opinions and ideas on decision points throughout the process.

In addition, Focus Groups will be formed with subject matter experts from the Core Agency Partners and Stakeholder Partners. These groups will be asked to provide data and input into specific topics, and to make recommendations for the Study Team to consider.

The Public will have opportunities to learn about the study and share their opinions via public meetings and a project website.



Preliminary Corridor Vision

By comparison with the Eastern United States, the West has seen little addition of Interstate routes since the Interstate Highway System was established in 1956. Population and employment growth in the West has generally outpaced growth in Eastern states, and the demand for travel along the Western Interstate corridors has grown. Specifically, the Intermountain West is confronted with a rapidly growing population, expanding global trade, and aging transportation infrastructure that is reaching capacity. Therefore, the solutions must be innovative, cost-effective, and most importantly, confront our 21st century transportation needs.

Serving the nation's north-south transportation needs from Mexico to Canada, the proposed Intermountain West Corridor will provide a vital connection between Phoenix and Las Vegas, two large metropolitan areas not currently connected by an Interstate highway. It is also envisioned to promote possible freight linkages between the new and expanding ports in Mexico and Canada, existing U.S. West Coast ports, and future inland ports and commerce centers crucial to distributing goods across North America. These linkages could stimulate the development of new crossroads, spurring community and economic development opportunities spanning the entire corridor. Effective inclusion of infrastructure elements that form the building blocks for growth and expansion – power, telecommunication, freight rail, and potentially passenger rail – could serve as the foundation of a stronger and more diversified economy for the Intermountain West.

Early in this study process, stakeholder input will be actively sought after to determine a universal mission for the project, as well as a series of values, goals, and objectives. Moving forward, decisions will support these goals and objectives, and be made in a manner that is inclusive of community values and input.

I-11 & INTERMOUNTAIN WEST CORRIDOR STUDY

CORRIDOR VISION

CONTACT

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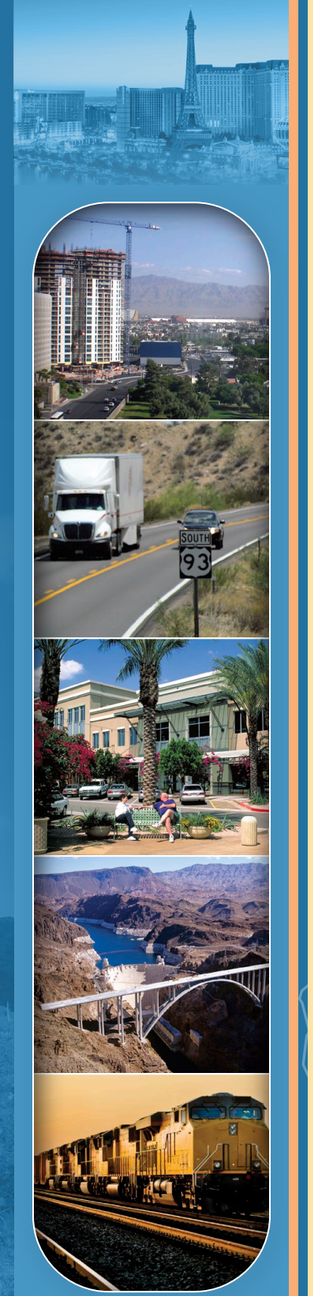


I-11 & INTERMOUNTAIN WEST CORRIDOR STUDY

CORRIDOR VISION SUMMARY

October 16, 2012

I-11 & INTERMOUNTAIN WEST CORRIDOR STUDY

The Arizona and Nevada Departments of Transportation are working together on the two-year Interstate 11 (I-11) and Intermountain West Corridor Study (Corridor) that includes detailed corridor planning of a possible high priority interstate link between Phoenix and Las Vegas (the I-11 portion), and high-level visioning for potentially extending the corridor north to Canada and south to Mexico. Congress recognized the importance of the portion of the corridor between Phoenix and Las Vegas and designated it as future I-11 in the recent transportation authorization bill, Moving Ahead for Progress in the 21st Century Act (MAP-21).

A Visionary Transportation Corridor

I-11 is intended to be a new high-capacity, multimodal transportation facility connecting the metropolitan areas of Las Vegas and Phoenix. If extended north of Las Vegas and south of Phoenix, this corridor has the potential to become a major multimodal north-south transcontinental corridor through the Intermountain West. The Corridor would connect major cities, existing and future trade hubs, existing and future domestic and international deep-water ports, intersecting Interstate highways, and railroads. The corridor is proposed to include an upgraded highway facility, but could be paired with rail and other major infrastructure components—such as energy and telecommunications—to serve the nation's needs from Mexico to Canada. There are a number of potential benefits, including:

- **Connecting communities,** major trade hubs, existing and future domestic and international deepwater ports, and intersecting transcontinental roadways and railroad corridors.
- **Enhancing the economic vitality** of communities connected and served by the corridor.
- **Improving safety and travel time reliability** for the movement of people and goods throughout the Intermountain West.
- **Providing relief** for congested north-south corridors in the Western United States, such as I-5 and I-15.
- **Enhancing commercial opportunities** by linking trade between Canada, Mexico and the Intermountain West.
- **Increasing the global competitiveness of the region.**

The Vision Began Years Ago…

The concept of an access controlled, high capacity transportation facility connecting Phoenix and Las Vegas (with connections further north and south) has been around for decades, initiated with the CANAMEX corridor discussions in 1991. An approach for comprehensive corridor implementation was furthered by the Maricopa Association of Governments as a bypass route around the western and southern edges of metropolitan Phoenix, and further conceptualized through statewide planning efforts by ADOT to extend outside the state of Arizona. Nevada has been an equal partner with Arizona since the early 1990s, planning for a regional corridor with improved access between Las Vegas and Phoenix and a potential northern extension to Reno – creating a better connected Intermountain West with greater economic opportunities. Both states have already implemented various planning, design, and construction projects for potential corridor components, with the most notable being the completion of the Hoover Dam Bypass and Mike O'Callaghan – Pat Tillman Memorial Bridge.

Developing a new north-south trade corridor through Nevada and Arizona could supplement the existing system and relieve freight congestion on I-5, one of only two (including I-15) continuous north-south Mexico-to-Canada interstate routes west of Texas. The CANAMEX corridor, established under the North American Free Trade Agreement, has been designated as such a parallel route, spanning the Western U.S. between Mexico and Canada through the states of Arizona, Nevada, Utah, Idaho, and Montana. However, this corridor is composed of a myriad of existing Interstate corridors and state highways, and is not a continuous route due to a gap in the designation between I-10 and US 93. Implementation of the Corridor can fill this gap – allowing significant commerce, tourism and international trade opportunities across the Western U.S.

Study Area

For study purposes the Corridor is divided into five segments—three high priority segments between (and including) the Las Vegas and Phoenix metropolitan areas, and two high-level visioning segments for possible future extensions from Las Vegas to Canada, and from Phoenix to Mexico.

Study Approach

This Corridor Vision Summary is part of the first phase of the study and establishes the basis for the project.

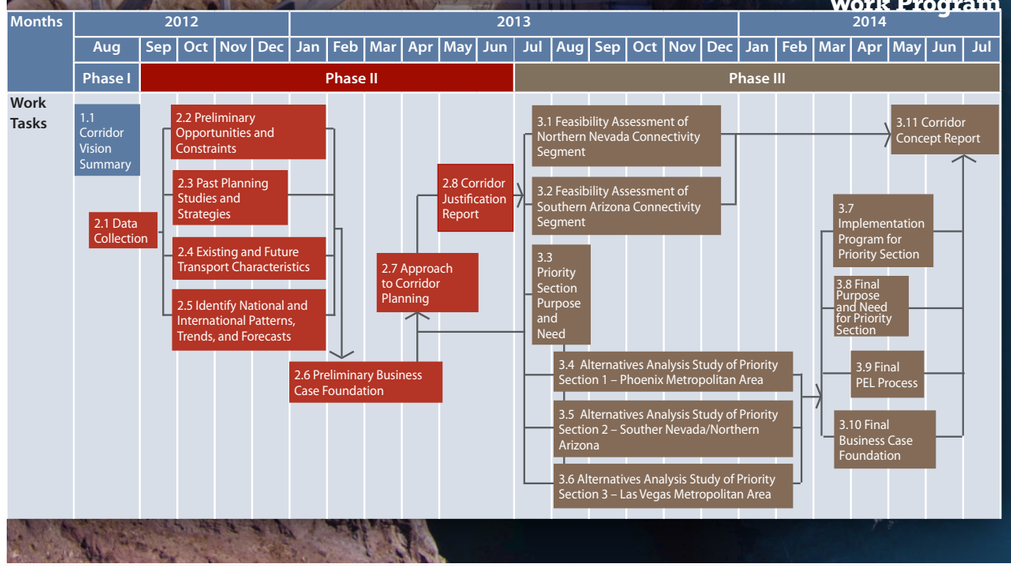
The second phase will include the Corridor Justification Report, in which the preliminary purpose and need for the Corridor will be developed, existing and future conditions reviewed, and the economic context for the Corridor established. One unique element of this project is the development of a Corridor Business Case to help determine the benefits and costs of the proposed corridor, and to identify possible funding scenarios and planning options for bringing it to fruition.

The third phase, Corridor Concept Development, will lead to the project's recommendations. Alternatives will be developed and evaluated for the separate corridor segments, the corridor's final purpose and need will be developed, the business case finalized, and implementation requirements outlined.

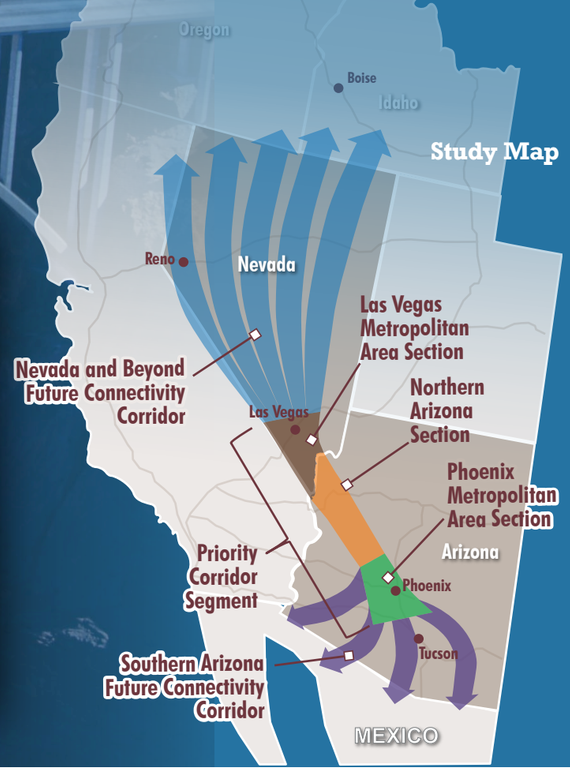
Purpose of the Corridor Vision Summary

The Corridor Vision Summary documents the previous planning efforts for the proposed I-11 corridor and its anticipated purpose, function, role, and value in the multimodal transportation network of the Western U.S. It also introduces the study process, public communication program, and a work plan developed to undertake the I-11 & Intermountain West Corridor Study.

Work Program



Study Map



Attachment b

DRAFT

I-11 and Intermountain West Corridor Study

Corridor Justification Report







Prepared for

NEVADA DOT and ADOT

July 2, 2013

Attachment b

I-11 AND INTERMOUNTAIN WEST CORRIDOR STUDY

Corridor Justification Report

Prepared for

Nevada Department of Transportation

and

Arizona Department of Transportation

July 2, 2013

CH2MHILL® and AECOM

In association with:
HDR, Inc., ESI Corporation, and Partners for Strategic Action, Inc.

DISCLAIMER

The contents of this planning document are based on information available to the Arizona Department of Transportation and the Nevada Department of Transportation (herein referred to as the Sponsoring Agencies) as of the date of this report. Accordingly, this report may be subject to change.

The Sponsoring Agencies' acceptance of this report as evidence of fulfillment of the objectives of this planning study does not constitute endorsement/approval of any recommended improvements nor does it constitute approval of their location and design or a commitment to fund any such improvements. Additional project-level environmental impact assessments and/or studies of alternatives will be necessary.

The Sponsoring Agencies do not warrant the use of this report, or any information contained in this report, for use or consideration by any third party. Nor do the Sponsoring Agencies accept any liability arising out of reliance by a third party on this report, or any information contained in this report. Any use or reliance by third parties is at their own risk.

Executive Summary

This region is facing a rapidly growing population, expanding global trade, and an aging transportation infrastructure that is reaching capacity and not expected to sustain future growth.

The I-11 and Intermountain West Corridor

The Arizona Department of Transportation and Nevada Department of Transportation are working together on the 2-year Interstate 11 (I-11) and Intermountain West Corridor Study that includes detailed corridor planning of a possible high-priority Interstate link between Phoenix, Arizona, and Las Vegas, Nevada (I-11), as well as high-level visioning for potentially extending the Corridor north to Canada and south to Mexico (the Intermountain West Corridor). The Corridor is proposed to include an upgraded highway facility, but it could be paired with rail and other major infrastructure components—such as energy and telecommunications—to serve the nation's needs from Mexico to Canada.

For the purposes of this study, the Intermountain West is the geographic region of the western United States (U.S.) located between the Rocky Mountains on the east and the Cascade Range and Sierra Nevada on the west. This region is facing a rapidly growing population, expanding global trade, and an aging transportation infrastructure that is reaching capacity.

In addition to the designation of the CANAMEX High Priority Corridor in 1995, recently enacted federal transportation legislation called Moving Ahead for Progress in the 21st Century (MAP-21) designates I-11 as a future Interstate between Phoenix and Las Vegas. In approving the I-11 designation, Congress recognized the need for, and importance of, an Interstate link between these two metropolitan areas.

Key justifications for the I-11 and Intermountain West Corridor:

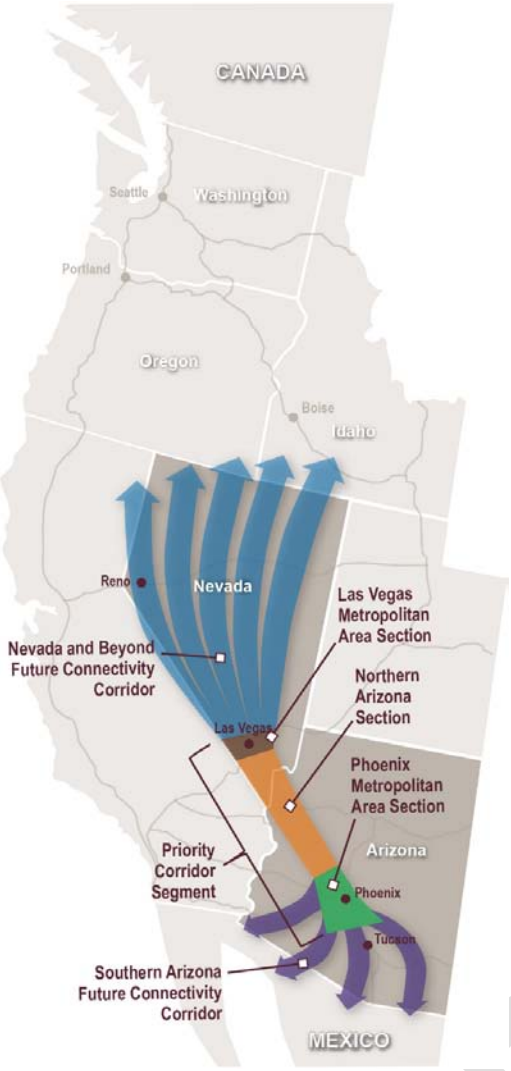
- Enable economic development
- Add needed north-south capacity
- Integrate the economies of the Southwest Triangle megaregion and improve connections to other regions
- Capitalize on Mexico's growing role in North American manufacturing and trade
- Support economic development initiatives of Arizona and Nevada
- Prevent congestion from crippling economic competitiveness
- Comply with enabling federal legislation

Overview of the Corridor Study

The purpose of this report is to determine whether sufficient justification exists for a new high-speed transportation corridor, and if so, to establish and characterize the likely range of future transportation demand in the region that would give rise to the need for a new I-11 and Intermountain West Corridor.

This study is the first part of a planned two-phase process to illustrate and document the state of transportation capacity, supply, and future growth in the Intermountain West Corridor, and to assess the potential suitability of the proposed I-11 and Intermountain West Corridor linking Phoenix and Las Vegas in addressing future needs. The next study phase will provide support for and define the modal and alignment characteristics of an appropriate I-11 and Intermountain West Corridor and the economic benefits expected to result.

Figure ES-1. Study Area Segments



The Study Area

The study area includes the entire states of Arizona and Nevada, although more detailed planning will occur in concentrated study segments. The principal project goal is to identify and establish feasible corridor(s) and transportation connections for the portion of the study corridor between Phoenix and Las Vegas, with options for extensions to the north and south. Because of its length and varying characteristics, this Corridor segment is divided into three sections. Two additional segments beyond the Phoenix and Las Vegas metropolitan areas will allow higher-level visioning for potential extensions (Figure ES-1).

Initial Findings

This report will show that further study of the I-11 and Intermountain West Corridor is indeed justified and that the Corridor is needed for the following key reasons:

- Transportation is a key enabler of economic development.
- There is currently a lack of sufficient north-south capacity for existing goods movement or any increase in economic activity in Arizona and Nevada.
- The effective integration of the economies of the Southwest Triangle megaregion (Southern California, Sun Corridor, and Las Vegas) will require continuing investment in transportation capacity over the planning horizon of the study. This megaregion, and particularly the cities of Phoenix and Las Vegas, are poorly served by surface transportation when compared to other U.S. cities of comparable size and proximity, and the areas lacks sufficient connectivity to the rest of the Intermountain West.
- Current developments in the structure of the North American economy and the role of Mexico in North American manufacturing and trade have the potential to add substantial economic growth and transportation demand to north-south transportation corridors in the region, further exacerbating the congestion described above.
- Economic development initiatives underway by Arizona and Nevada, which are focused on selected cluster targets in aerospace, life sciences, and other high-value manufactured goods, rely on high-quality transportation corridors for mobility of raw materials, finished products, and workers. The success of state economic development initiatives will depend on continuing transportation investment to maintain competitiveness.
- Over the planning horizon of the study, ongoing and established growth trends will result in a significant increase in the portion of the states' highways reaching unacceptable levels of congestion, posing a significant threat to economic competitiveness.

- The significance of this Corridor has already been recognized by Congress through its designation of I-11 as a future Interstate between Phoenix and Las Vegas, and previous congressional action in 1995 designating CANAMEX as a High Priority Corridor. Other High Priority Corridors in the Intermountain West relevant to this study are US 395 from Reno to Canada, US 95/I-580 from Reno to Las Vegas, and US 95 from the Idaho/Oregon state border to Canada.

Current global and regional trends are creating demands for new north-south transportation links.

Taken together, the current state of surface transportation in the region supports the need for sustained investment in incremental capacity, with a particular emphasis on north-south corridors, over the time frame of this study. The second part of the current assignment will address the quantification of transportation demand shortfalls in the Corridor, suggest the appropriate range of modes to address this shortfall, and confirm the role that the I-11 and Intermountain West Corridor may be able to play in addressing in this shortfall.

Growing Opportunities in the Region

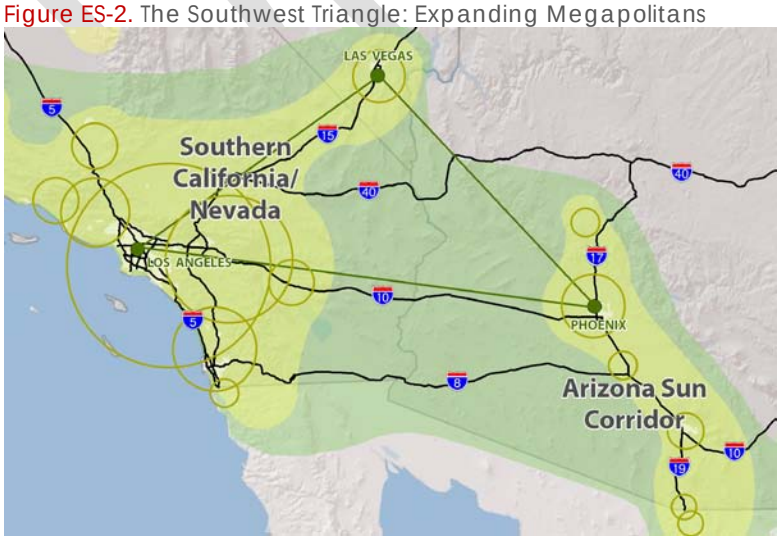
This region has the weakest ground-based transportation connectivity of any U.S. megapolitan cluster, especially between Phoenix and Las Vegas.

Current global and regional trends are creating demands for new transportation links. It is now more cost-effective to manufacture and import goods from Mexico than it is from Asia Pacific, increasing the need for high-capacity, north-south transportation infrastructure. The transportation network in the Intermountain West was developed decades ago to serve the economic, population, and mobility needs at that time—east-west movement of people and goods between Southern California and the rest of the country. The need is now shifting to north-south demand.

The emerging Southwest Triangle, with a population approaching 30 million, (Figure ES-2) consists of three main centers of growth: Southern California, the Sun Corridor, and the Greater Mojave Region centered around Las Vegas.

The Southwest Triangle is on a trajectory to be the strongest American region that maintains linkages to the world's fastest emerging economies in both Asia and Latin America.

Figure ES-2. The Southwest Triangle: Expanding Megapolitans



The Southwest Triangle is on a trajectory to be the strongest American region that maintains linkages to the world's fastest emerging economies in both Asia and Latin America. For the last half century, Southern California has built America's most significant connections to Asia, displacing San Francisco as the nation's leading region for this trade. Southern California is now hyperlinked to Asia, and Las Vegas and the Sun Corridor are actively engaged in establishing new trade with Latin America.

The key issue now is to determine what infrastructure improvements would facilitate greater economic integration of this megaregion. This region has the weakest ground-based transportation connectivity of any U.S. megapolitan cluster. The Southwest Triangle, especially Phoenix and Las Vegas, has an underdeveloped Interstate network that does not meet current demand—which is expected to double between these cities by 2040 (Nelson and Lang 2011).

How the I-11 and Intermountain West Corridor Has Evolved Over the Past Two Decades

Figure ES-3. I-11 Corridor as Identified in MAP-21 Legislation

Corridor concepts for a transportation facility through the Intermountain West have been suggested and studied at various levels of detail over the past several decades. The first major study began with the 1991 Intermodal Surface Transportation Efficiency Act legislation where the Federal Highway Administration (FHWA) designated a series of High Priority Corridors for federal funding, to the more recently enacted federal transportation legislation, MAP-21, which designates I-11 as a future Interstate between the Phoenix and Las Vegas metropolitan areas (Figure ES-3).

Preliminary Business Case Foundation

The I-11 and Intermountain West Corridor has the potential to play a transformative role for both the Intermountain West and the nation in facilitating and shaping trade patterns and related economic growth in the Southwest.

The Business Case Foundation is intended to address a key fundamental question: Is the I-11 and Intermountain West Corridor worthy of future investment? A two-step process is used to answer this question. The first step, the Preliminary Business Case Foundation, considers four possible future economic scenarios that might exist alone or in

combination when the Corridor is completed, and it provides a qualitative evaluation and preliminary analysis of the potential economic impact the Corridor might have.

The next step, the Final Business Case, will be completed at the end of this study and will provide additional analyses refinements and a further understanding of the potential economic impacts that an I-11 Corridor could have in Arizona and Nevada.

The increased economic activity associated with the Growth in Asia Pacific Trade Scenario results in a greater number of vehicles throughout the region, exacerbating the already congested urban Interstates and some regional routes.

The Nearshoring Scenario would add demand for north-to-south transportation facilities, including this Corridor as a result of significant production growth occurring in Mexico. The modeled economic output in Arizona and Nevada, and resulting congestion, are greatest with this scenario.

Many of the industry clusters in Arizona and Nevada rely on a robust transportation infrastructure for the movement of goods and access to customers.

Four Possible Future Economic Scenarios

1. **Baseline Scenario.** This scenario serves as the background against which the results of the other scenarios are compared. Generally, this scenario reflects a continuation of recent background growth in the region and of current trends, without major structural changes. It is presented as the highly probable economic future of the region, in the absence of significant changes from the recent past.

2. **Growth in Asia Pacific Trade Scenario.** This scenario is based on continued growth of the trade flows with Asia that have characterized West Coast trade during recent decades. This scenario is predicated on the continued growth in U.S. imports of a wide array of low-cost consumer goods from China and other low-cost Asian sources. This scenario assumes that current trends in manufacturing in the Asia Pacific region continue and that the U.S. continues to receive a growing volume of goods from Asia.

3. **Trade with Mexico Expands (Nearshoring) Scenario.** This scenario assumes that Asia Pacific manufacturing for the U.S. market flattens and significant production growth occurs in Mexico (nearshoring). Nearshoring refers to the current trend of moving manufactured goods production, much of which was previously in Asia, to Mexico. Since the enactment of the North American Free Trade Agreement, bilateral trade has grown exponentially and reached a record high of nearly $400 billion in 2010. Mexico's gross domestic product growth of 5.4 percent in 2010 resulted in a $35 billion increase in Mexican purchases from the U.S. (New Policy Institute 2012). This trend reflects the advantages of Mexico's proximity to the U.S. market and its growing strength as the 14th largest economy in the world. In addition, China's labor cost advantage in relation to Mexico's is estimated to have shrunk to 14 percent (Thunderbird School of Global Management n.d.).

4. **State Economic Development Plans are Fully Realized Scenario.** This scenario assumes that Arizona and Nevada are able to realize their major economic development goals. A cornerstone of their plans is the implementation of an industry cluster-based approach to foster economic sustainability by stimulating growth in key sectors—such as aerospace, life sciences, and other high-value manufactured goods—and increasing trade with Mexico and Canada. The end result is a group of industry clusters that

has the ability to generate economic growth both in the short and long term.

Each of the scenarios examined has the potential to make a major contribution to the economic well-being of the region's residents, bringing up to an additional half a million people and 240,000 employees to the region over the next 25 years. The specifics of the modeled increases in economic output, population, and employment are shown in Table ES-1.

Table ES-1. Key Modeled Results Corresponding to Each Scenario

Scenario	Economic Output ($ billions)	Population (high range)	Employment (high range)	Unacceptably Congested Highways (%)
Current Conditions (2011)	634	9,253,806	4,711,352	9
Projected Baseline Conditions (2040)	911	15,078,114	6,934,707	28
Growth in Asia Pacific Trade	924–937	15,398,688 (2.1%)	7,082,049 (2.1%)	34
Trade with Mexico Expands (Nearshoring)	928–953	15,599,549 (3.5%)	7,174,171 (3.5%)	Up to 43
State Economic Development Plans are Fully Realized	919–927	15,264,701 (1.2%)	7,020,407 (1.2%)	34

The region will, under the entire range of alternative future scenarios considered, experience significant sustained growth in the regional economy, accompanied by corresponding growth in travel demand.

A brief consideration of the range of current and anticipated trends in U.S. trade, together with the natural geographic advantages of the Intermountain West region, suggests that the region will, under the entire range of alternative future scenarios considered, experience significant sustained growth in the regional economy, accompanied by corresponding growth in travel demand.

The level of highway congestion associated with some of these possible economic futures (Figure ES-4 shows the projected congestion under the Nearshoring Scenario) suggests that additional investment in transportation infrastructure is likely required to realize the full extent of these benefits. In fact, the levels of system congestion for the scenarios examined suggest that without additional system capacity such as the I-11 Corridor, even the most conservative growth scenarios may not be realized due to the constraining factor of transportation congestion. By strategically enhancing regional transportation infrastructure, the region has the opportunity to enjoy full access to the significant incremental and economic growth related to important trends in regional and national trade.

Figure ES-4. Projected Congestion under the Nearshoring Scenario

Sources: Arizona Department of Transportation 2012k, California Department of Finance 2012, Florida Department of Transportation 2012, Maricopa Association of Governments 2012b, Nevada Department of Transportation 2012f

By strategically enhancing regional transportation infrastructure, the region has the opportunity to enjoy full access to the significant incremental and economic growth related to important trends in regional and national trade.

The increasing importance of Mexico as a trading partner, the emergence of nearshoring as an important and strongly growing structural feature of U.S. commerce, and the continuation of the historic growth of the region all suggest that during the next few decades the Intermountain West region's demands on its transportation infrastructure will grow strongly.

The high levels of congestion in Southern California (Figure ES-4) suggest that a high-quality, north-south corridor in the Intermountain West such as I-11 has the potential to become the corridor of choice for trade-related traffic to and from Mexico, particularly should the nearshoring phenomenon continue to grow. When the current preference for supply chain reliability and resilience to support just-in-time delivery in integrated manufacturing and distribution systems is factored in, the potential attractiveness of the I-11 Corridor is further strengthened. Analysis in the next project phase will further examine the implications of these insights.

Contents

Appendices

1. Introduction and Overview

The I-11 and Intermountain West Corridor

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The Arizona Department of Transportation (ADOT) and Nevada Department of Transportation (NDOT) are working together on the 2-year Interstate 11 (I-11) and Intermountain West Corridor Study that includes detailed corridor planning of a possible high priority Interstate link between Phoenix, Arizona, and Las Vegas, Nevada (I-11), as well as high-level visioning for potentially extending the Corridor north to Canada and south to Mexico (the Intermountain West Corridor). The Corridor is proposed to include an upgraded highway facility, but it could be paired with rail and other major infrastructure components—such as energy and telecommunications—to serve the nation's needs from Mexico to Canada.

For the purposes of this study, the Intermountain West is the geographic region of the western United States (U.S.) located between the Rocky Mountains on the east and the Cascade Range and Sierra Nevada on the west (Figure 1-1). This region is facing a rapidly growing population, expanding global trade, and an aging transportation infrastructure that is reaching capacity.

In addition to the designation of the CANAMEX High Priority Corridor in 1995, recently enacted federal transportation legislation called Moving Ahead for Progress in the 21st Century (MAP-21) designates I-11 as a future Interstate between Phoenix and Las Vegas. In approving the I-11 designation, Congress recognized the need for, and importance of, an Interstate link between these two metropolitan areas.

Key justifications for the I-11 and Intermountain West Corridor:

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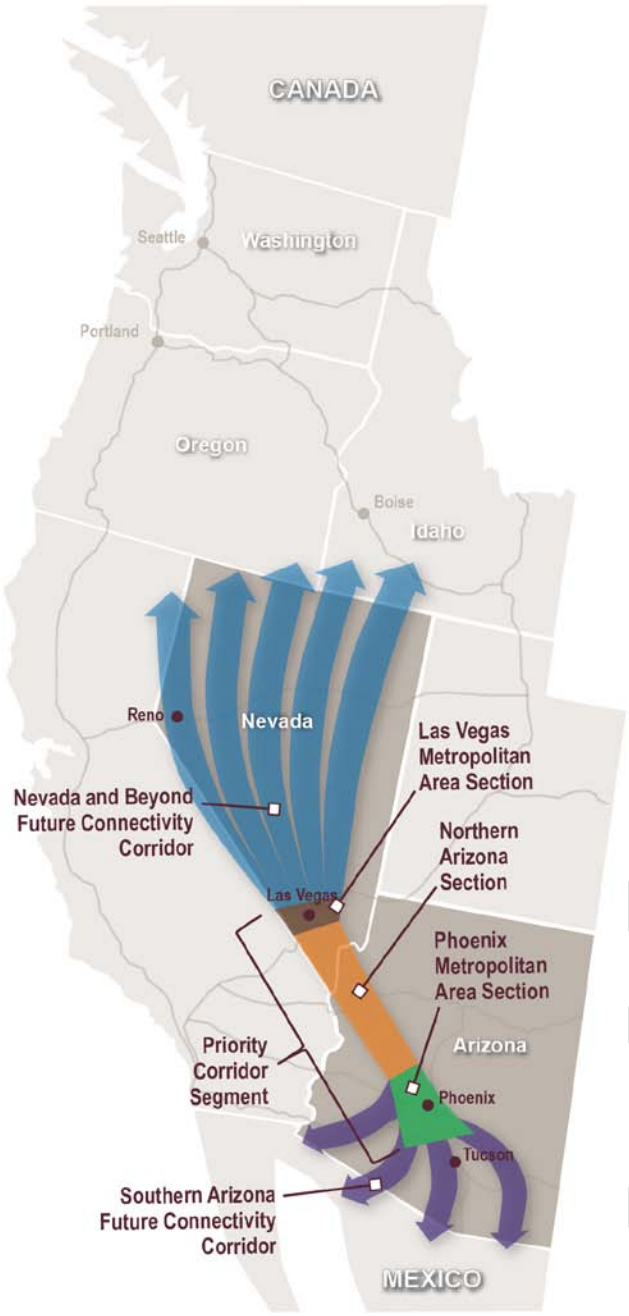


The Study Area

The study area includes the entire states of Arizona and Nevada, although more detailed planning will occur in concentrated study segments. The principal project goal is to identify and establish feasible corridor(s) and transportation connections for the portion of the study corridor between Phoenix and Las Vegas, with options for extensions to the north and south. Because of its length and varying characteristics, this Corridor segment is divided into three sections. Two additional segments beyond the Phoenix and Las Vegas metropolitan areas will allow higher-level visioning for potential extensions (Figure 1-1). A general study vicinity map is presented in Figure 1-2 that illustrates the MAP-21 I-11 designation, Interstate highway corridors, Class I railroad facilities, county boundaries, and major corridor cities.

The I-11 Corridor divisions are as follows:

- Southern Arizona Future Connectivity Segment: Mexico to Casa Grande
- Priority Corridor Section 1: Phoenix Metropolitan Area (Casa Grande to Wickenburg)
- Priority Corridor Section 2: Northern Arizona/Southern Nevada (Wickenburg to the Las Vegas Metropolitan Area)
- Priority Corridor Section 3: Las Vegas Metropolitan Area
- Northern Nevada Future Connectivity Segment: Beyond the Las Vegas Metropolitan Area
- The study includes two levels of analysis over a 24-month schedule:
- Detailed planning for the high-priority I-11 segment between (and including) Phoenix and Las Vegas
- A high-level visioning approach to possible future connectivity segments from Las Vegas to Canada and from Phoenix to Mexico

Initial Findings

This report will show that further study of the I-11 and Intermountain West Corridor is indeed justified and that the Corridor is needed for the following key reasons:

- Transportation is a key enabler of economic development.
- There is currently a lack of sufficient north-south capacity for existing goods movement or any increase in economic activity in Arizona and Nevada.

Figure 1-2. General Study Vicinity Map

- The effective integration of the economies of the Southwest Triangle megaregion (Southern California, Sun Corridor, and Las Vegas) will require continuing investment in transportation capacity over the planning horizon of the study. This megaregion, and particularly the cities of Phoenix and Las Vegas, are poorly served by surface transportation when compared to other U.S. cities of comparable size and proximity, and the area lacks sufficient connectivity to the rest of the Intermountain West.
- Current developments in the structure of the North American economy and the role of Mexico in North American manufacturing and trade have the potential to add substantial economic growth and transportation demand to north-south transportation corridors in the region, further exacerbating the congestion described above.
- Economic development initiatives underway by the states of Arizona and Nevada, which are focused on selected cluster targets in aerospace, life sciences, and other high-value manufactured goods, rely on high-quality transportation corridors for mobility of raw materials, finished products, and workers. The success of state economic development initiatives will depend on continuing transportation investment to maintain competitiveness.

Current global and regional trends are creating demands for new north-south transportation links.

- Over the planning horizon of the study, ongoing and established growth trends will result in a significant increase in the portion of the states' highways reaching unacceptable levels of congestion, posing a significant threat to economic competitiveness.
- The significance of the I-11 and Intermountain West Corridor has already been recognized by Congress through its designation of I-11 as a future Interstate between Phoenix and Las Vegas, and previous congressional action in 1995 designating CANAMEX as a High Priority Corridor. Other High Priority Corridors in the Intermountain West relevant to this study are US 395 from Reno to Canada, US 95/I-580 from Reno to Las Vegas, and US 95 from the Idaho/Oregon state border to Canada.

Taken together, the current state of surface transportation in the region supports the need for sustained investment in incremental capacity, with a particular emphasis on north-south corridors, over the time frame of this study. The second part of the current assignment will address the quantification of transportation demand shortfalls in the Corridor, suggest the appropriate range of modes to address this shortfall, and confirm the role that the I-11 and Intermountain West Corridor may be able to play in addressing in this shortfall.

Megapolitans are key areas of integration with world trade and are characterized by interlocking economic systems, shared natural resources and ecosystems, and common transportation systems.

Growing Opportunities in the Region

Current global and regional trends are creating demands for new transportation links. It is now more cost-effective to manufacture and import goods from Mexico than it is from Asia Pacific, increasing the need for high-capacity, north-south transportation infrastructure. The transportation network in the Intermountain West was developed decades ago to serve the

economic, population, and mobility needs at that time—east-west movement of people and goods between Southern California and the rest of the country. The need is now shifting to north-south demand.

Efficient mobility is a major competitive advantage in the global playing field.

Investment in regional transportation infrastructure has not kept pace with population growth and changing economic trends. The population of the Intermountain West states (Arizona, Idaho, Montana, Nevada, Oregon, Utah, and Washington) is currently 25 million. Between 2000 and 2010, the rate of growth for the Intermountain West states was 19.6 percent—double that of the U.S. as a whole, which grew at a rate of 9.8 percent. Population and economic growth in Arizona and Nevada are expected to continue to outpace the U.S. average.

Linked metropolitan areas create megapolitans. Linked megapolitans create megaregions which foster economic cooperation and security.

Without strategic improvements in transportation infrastructure, the region will lose the opportunity to capitalize on enhanced economic growth related to important trends in regional and national trade. For instance, manufacturing growth in Arizona and Nevada exceeded the U.S. average, indicating a strengthening economic sector that is strongly linked with transportation demand. State economic development departments are focused on diversifying the Arizona and Nevada economies to target industry clusters that rely heavily on interconnected and efficient transportation systems to both transport goods and facilitate business attraction/retention.

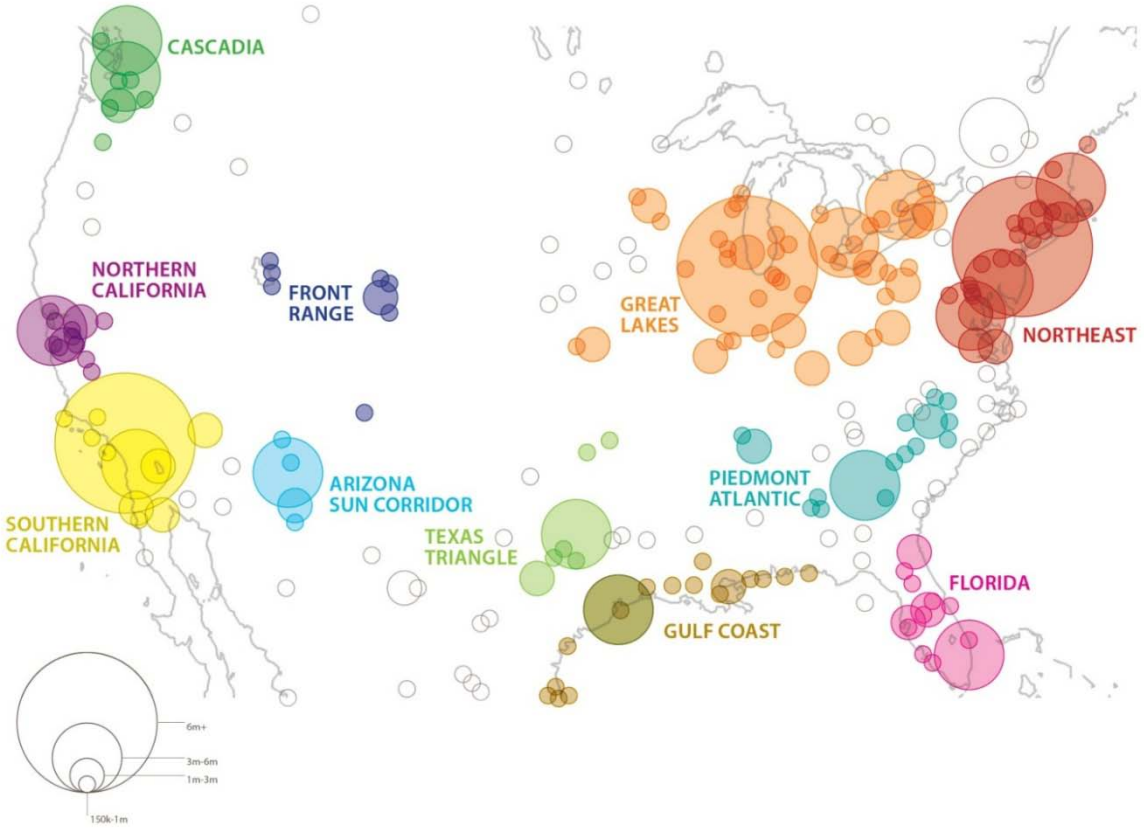
Economic Opportunities Created by Connected Megaregions

The Brookings Institution, Regional Plan Association, and others have developed and furthered the concept of "megapolitans" as the key U.S. areas of integration with world trade (Regional Plan Association 2005) (Figure 1-3).

A megapolitan, of which 11 have been designated in the U.S., can be defined as a conglomeration of two or more intertwined metropolitan areas with a combined population of 5 million or more. A megapolitan is characterized by interlocking economic systems, shared natural resources and ecosystems, and common transportation systems. The U.S. megapolitan areas contain most of the nation's major ports and international airports, and their assets give them a large presence in world trade (Nelson and Lang 2011).

Efficient mobility is a major competitive advantage in the global playing field, where time savings create value. Our competitors in Asia and Europe are creating Global Integration Zones by linking specialized economic functions across vast geographic areas and national boundaries with high-speed rail and dedicated goods movement systems. The increased mobility of workers, business travelers, and goods between the cities of these megapolitans enables greater collaboration, flexibility, and innovation.

Figure 1-3. Megapolitan Areas in the Continental United States and Southern Canada



Source: Regional Plan Association 2005

The Southwest Triangle Megaregion and the Intermountain West have an opportunity to mirror the successes of the Texas Triangle and the NASCO Corridor.

In many respects, the Southwest Triangle is larger than the Texas Triangle—in both area and population—yet it lacks an Interstate highway system and rail connecting all three legs.

Improving and maintaining megapolitan infrastructure is an important national priority, especially for the Southwest, which seeks more trade and exports as a way to diversify its economy from consumption and real estate toward technology, innovation, and high-value manufacturing. The megapolitan capacity for trade is a key element in this economic transition. Failure to establish adequate infrastructure to move people and goods around the country and the region would significantly constrain future economic growth.

The old notion of urban rivalry among proximate cities and metropolitan areas is giving way to a new concept that such regions share significant business linkages and are now part of a larger economic system. Linking the economies of several large megapolitan areas into larger megaregions (also referred to as megapolitan clusters) seems like a huge undertaking; however, one need not look far for successful examples: the Texas Triangle megaregion and the larger North America's SuperCorridor Coalition (NASCO) corridor.

Fifty years ago, Dallas and Fort Worth were considered competitors. They now form the key anchors in the Dallas-Fort Worth Metroplex. On a larger scale, a similar convergence has occurred among the metropolitan areas of Dallas-Fort Worth-Houston-San Antonio-Austin in the so-called Texas Triangle. This megaregion specializes in sectors such as energy, technology, and

Figure 1-4. Evolution of Dallas-Fort Worth Metroplex – Texas Triangle – NASCO Corridor

Source: NASCO 2012

trade/logistics, where shared producer services among the major metropolitan areas generate a critical mass and competitive advantage that lifts the combined regions to the top of the global hierarchy in these sectors.

The Texas Triangle megaregion has merged with other cities in the Great Plains to form NASCO (Figure 1-4). The mission of NASCO is to increase development along a north-south trade corridor through promotion of a sustainable, secure, and efficient trade and transportation system. The corridor runs from Pacific ports in Mexico, through Texas and the U.S. Great Plains, through Winnipeg, Manitoba, and points farther north in Canada. It includes various highways and rail lines; inland ports such as Alliance, Texas, and SmartPort in Kansas City; and deep-water ports such as Lazaro Cardenas and Manzanillo in Mexico. This multimodal transportation network connects 71 million people and supports the movement of approximately $1 trillion in annual commerce between the three nations.

Southwest Triangle Megaregion

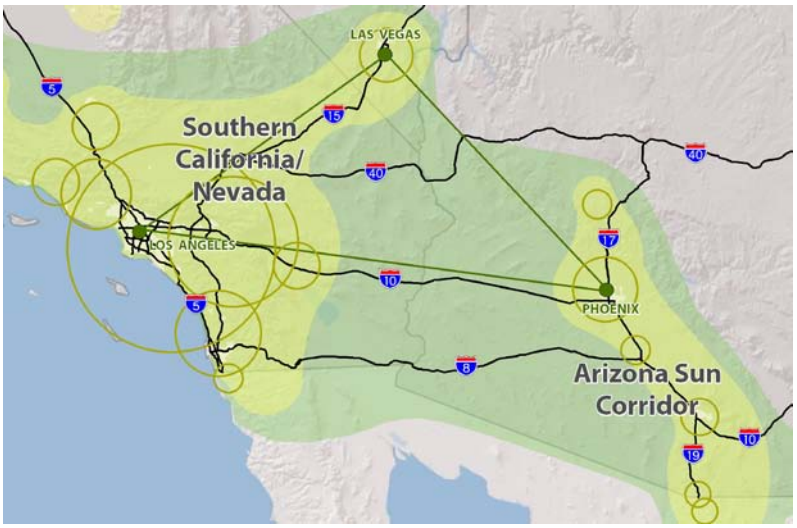
The emerging Southwest Triangle, with a population approaching 30 million (Figure 1-5), consists of three main centers of growth:

- Southern California, which includes more than 20 million residents from San Diego to Santa Barbara
- The Sun Corridor, which is the combined Phoenix and Tucson metropolitan areas and home to nearly 6 million people
- The Greater Mojave Region centered around Las Vegas

This megaregion is linked by transportation, economy, and environment. Major international airports anchor each of the three subregions. Ground-based transportation includes several major Interstates but no passenger rail capacity. A proposed high-speed rail link that would connect Southern California to Las Vegas is under study. Various other infrastructure improvements (such as aviation, highway, and freight rail) are underway throughout the megaregion.

The major regions in this Southwest Triangle share numerous economic interdependencies in sectors such as logistics, healthcare, entertainment, tourism, and technology. Surrounded by deserts, Las Vegas and the Sun Corridor are actively engaged in research and development, equipment

Figure 1-5. The Southwest Triangle: Expanding Megapolitans



manufacturing, and green energy production (wind and solar, as well as geothermal energy production).

The Southwest Triangle is on a trajectory to be the strongest American region that maintains linkages to the world's fastest emerging economies in both Asia and Latin America. For the last half century, Southern California has built America's most significant connections to Asia, displacing San Francisco as the nation's leading region for this trade. Southern California is now hyperlinked to Asia, and Las Vegas and the Sun Corridor are actively engaged in establishing new trade with Latin America.

The Southwest Triangle is on a trajectory to be the strongest American region that maintains linkages to the world's fastest emerging economies in both Asia and Latin America.

The key issue now is to determine what infrastructure improvements would facilitate greater economic integration of this megaregion. This area already has one of the most densely linked air systems of any region in the country, with 2 of the 10 ten busiest air corridors, including Los Angeles-Las Vegas and Los Angeles-Phoenix (Brookings Institution 2009a).

This region also has the weakest ground-based transportation connectivity of any U.S. megaregion. The Southwest Triangle, especially Phoenix and Las Vegas, has an underdeveloped Interstate network that does not meet current demand—which is expected to double between these cities by 2040.

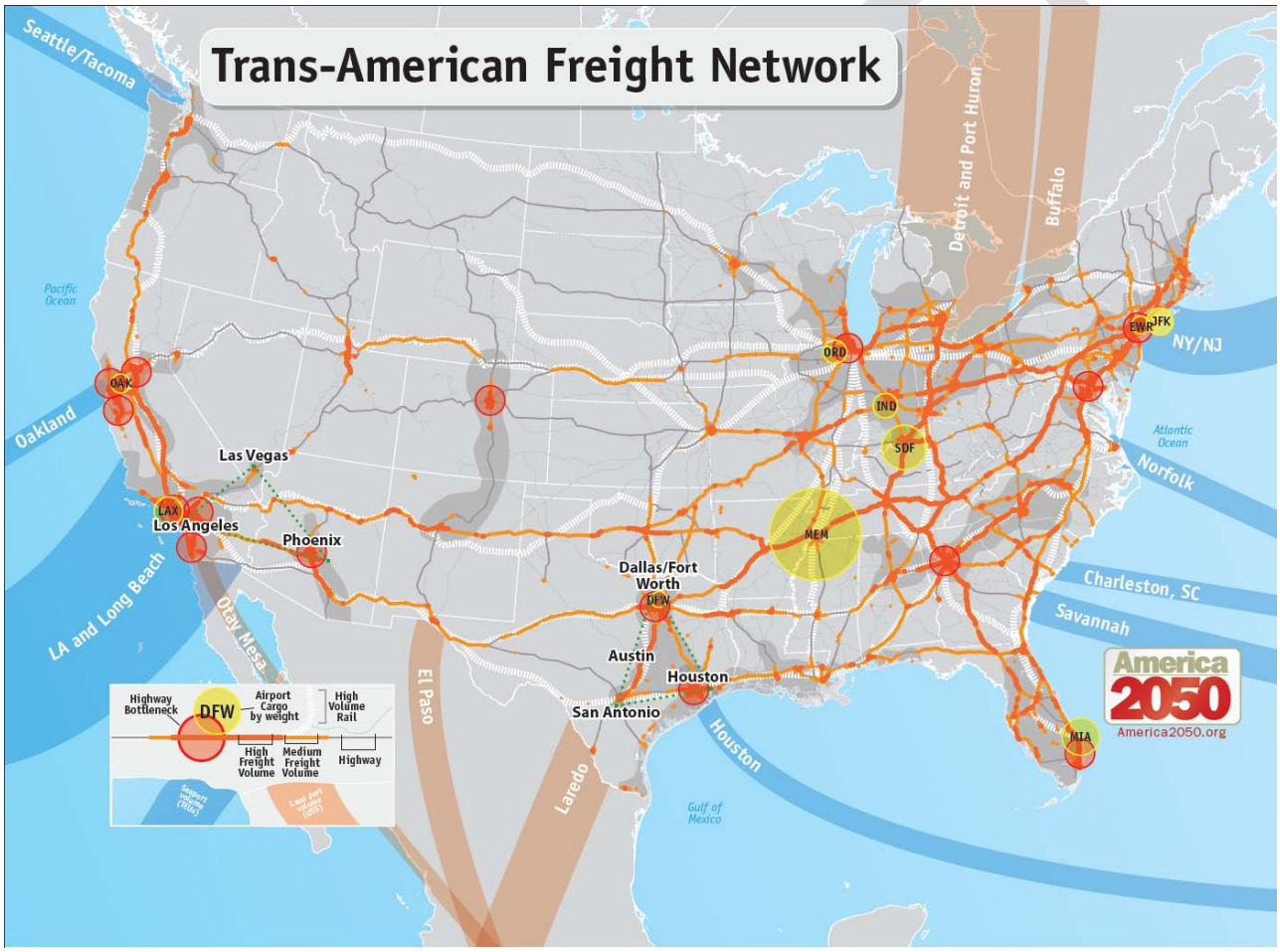
This region has the weakest ground-based transportation connectivity of any U.S. megapolitan cluster, especially between Phoenix and Las Vegas.

This is the only megaregion where there is a gap in the Interstate system between megapolitan anchors. The Texas Triangle megaregion maintains full Interstate connections between its major metropolitan areas, with I-10, I-35, and I-45 framing out the triangle. By contrast, the Southwest Triangle is missing a key Interstate (the proposed I-11) between Las Vegas and Phoenix.

In addition, the lane miles between the key megapolitans is also limited compared to peer megaregions. Consider that the Piedmont region in the East extends from Raleigh, North Carolina, to Atlanta, Georgia, with large stretches of I-85 that exceed four lanes lining these metropolitan areas. By contrast, most of I-10 linking the Sun Corridor to Southern California and I-15 linking Las Vegas to Southern California are mostly four-lane standard Interstate-gauge roads. With no direct rail service between the two metropolitan areas, and only minimal intercity bus service, the region has not kept pace with evolving needs.

Figure 1-6 shows key freight corridors, major transportation and rail connections, key bottlenecks in metropolitan areas, and the nation's global gateways. This map is useful for comparing the infrastructure and connections between the major megaregions for both the Texas Triangle and Southwest Triangle (outlined in green).

Figure 1-6. North American Freight Network



Source: America2050.org

The Texas Triangle is well connected with freight rail corridors (owned by BNSF Railway and the Union Pacific Railroad [UPRR]) between each of the four major cities and three Interstate highways delineating the triangle (I-35, I-45, and I-10). The three legs of this triangle carry medium to high freight volumes

on both the Interstate highway and rail networks. As shown on the map, these connections attract more international trade through flows from Houston and Laredo.

I-11 and the Intermountain West Corridor completes the Southwest Triangle—providing an ideal trade corridor with Mexico (bypassing the congested corridors of Southern California) and linking it to the largest international trade ports in the country: Los Angeles and Long Beach.

The Southwest Triangle, with a population larger than that of the Texas Triangle (Table 1-1), has significant international connections. The international trade through Los Angeles and Long Beach is the largest in the country, and the majority of goods are handled on the congested California freeways, including I-5 for goods traveling north-south. Most of these goods are moving north or east for distribution throughout the U.S.—traveling throughout the Southwest Triangle and on to other points. Shifting trade trends from Asia to Latin America increase the demand for north-south travel corridors.

Table 1-1. Southwest Triangle Population

	Texas Triangle (Austin, Dallas, Houston, San Antonio MSAs*)	Southwest Triangle (13 Counties)
Population (2010)	16,205,427	28,715,328
Population (2040)	32,397,713	37,138,853

Sources: Arizona Department of Administration, Office of Employment and Population Statistics 2012a, Texas State Data Center 2012

**An MSA (Metropolitan Statistical Area) is used by the U.S. Census Bureau as a statistical measure, defined as a geographical region with a relatively high population density and close economic ties throughout the area. Such regions are generally an agglomeration of nearby cities and towns (sometimes the political units within a metropolitan area).*

The lack of connections and transportation infrastructure in the Southwest Triangle makes freight flows from and to Mexico more attractive through Texas border crossings than through Arizona border crossings such as Nogales. Figure 1-6 highlights the lack of both rail and Interstate highway connections between the major cities in the Southwest Triangle.

The I-11 and Intermountain West Corridor will allow Phoenix and Las Vegas to emerge as major logistics centers in the Southwest and facilitate trade and tourist travel between Arizona and Nevada, which would enable this region to better compete in the global economy.

Providing an alternate north-south connection in the western U.S. is crucial to ensure timely, efficient, and competitive trade. The Corridor provides an opportunity to fill this transportation gap in terms of efficient high-speed, domestic north-south travel. It also provides potential expeditious linkages between existing and future foreign ports and critical east-west, high-speed transportation corridors in the U.S., the junctions of which can provide significant regional economic development opportunities. The Corridor has the potential to become one of the first north-south, high-capacity routes through the Intermountain West that could greatly improve commerce, tourism, and international trade opportunities across the West.

The proposal for the I-11 Corridor to link Phoenix and Las Vegas via a direct, high-capacity, limited-access highway and/or rail facility would fix a major, longstanding deficit in the region's passenger and freight transportation network, allowing Phoenix and Las Vegas to emerge as major logistics centers in the Southwest, much like Atlanta and Dallas-Fort Worth in the

South-Southeast. Additionally, this route could facilitate trade and tourist travel between Arizona and Nevada and would enable this region to better compete in the global economy.

Figure 1-7. I-11 Corridor as Identified in MAP-21 Legislation

Numerous projects, studies, and initiatives over the past two decades have led to the development of the Corridor.

How the I-11 and Intermountain West Corridor Has Evolved Over the Past Two Decades

Corridor concepts for a transportation facility through the Intermountain West have been suggested and studied at various levels of detail over the past several decades. The first major study began with the 1991 Intermodal Surface Transportation Efficiency Act legislation where the Federal Highway Administration (FHWA) designated a series of High Priority Corridors for federal funding, to the more recently enacted federal transportation legislation, MAP-21, which designates I-11 as a future Interstate between the Phoenix and Las Vegas metropolitan areas (Figure 1-7).

Initiation of an approach for comprehensive corridor implementation was more recently advanced by the Maricopa Association of Governments (MAG), the Phoenix area metropolitan planning organization. Beginning in 2006, MAG undertook two regional transportation framework studies for two of three major growth areas anticipated through 2050 and beyond—*I-10/Hassayampa Valley Transportation Framework Study* (MAG 2007) and *I-8 and I-10/Hidden Valley Transportation Framework Study* (MAG 2009a)—that proposed a westerly bypass around the Phoenix metropolitan area, tentatively named the Hassayampa Freeway, with the intention to connect farther north and south.

The concept for this proposed transportation facility was reinforced within a statewide context, expanded, and solidified in *bqAZ Statewide Transportation Planning Framework Program* (ADOT 2010a), a 40-year vision for multimodal transportation in Arizona, coordinated with all neighboring state departments of transportation. Generally using the existing US 93 corridor northwest from Wickenburg, bqAZ extended the Hassayampa Freeway corridor beyond the MAG framework study boundaries to the Arizona-Nevada state line, as well as southward to Mexico, noting this corridor as a "proposed Interstate."

As part of these framework studies, MAG and ADOT worked closely with several major public and private stakeholders (including a number of large-scale master planned community developers) throughout the

Hassayampa and Hidden Valleys. Realizing the benefit that the Hassayampa Freeway (and ultimately I-11) could provide to their developing communities, the private sector banded together with public sector entities, non-profit organizations, and other individuals to create the CAN-DO Coalition (Connecting Arizona and Nevada–Delivering Opportunities), a non-profit corporation. This coalition was developed to promote the bold vision of connecting the two major southwestern metropolitan regions of Phoenix and Las Vegas with an Interstate highway, in turn providing accessibility to commerce centers and seaports along the nation's Pacific coast and completing an international trade route from Canada to Mexico. Coalition leaders played a strong role in lobbying for the designation of this corridor as "Interstate 11" in MAP-21.

Figure 1-8. Mike O'Callaghan-Pat Tillman Memorial Bridge- A Crucial Link in Corridor Connectivity

Nevada has been an equal partner with Arizona since the early 1990s, planning for a regional corridor with improved access from Las Vegas south to Phoenix and a potential northern extension to Reno, seeking to create a better connected Intermountain West with greater economic opportunities. Four key projects forwarded this concept. The Boulder City Bypass fast-tracked design and construction of a corridor anticipated to serve as one segment of the greater I-11 Corridor, and has environmental clearance in place. The Hoover Dam Bypass and Mike O'Callaghan-Pat Tillman Memorial Bridge (Figure 1-8) completed a critical link in the I-11 Corridor. The *I-15 Corridor System Master Plan* and Connecting Nevada have prioritized this Corridor as high importance and have begun to draft conceptual alignment alternatives.

Appendix A, Past Planning Studies and Strategies, includes summaries of regional, statewide, and local projects and planning studies with implications or recommendations relevant to the I-11 and Intermountain West Corridor.

Report Purpose

The purpose of this report is to determine whether sufficient justification exists for a new high-speed transportation corridor, and if so, to establish and characterize the likely range of future transportation demand in the region that would give rise to the need for a new I-11 and Intermountain West Corridor.

The work program is presented in three phases. During the initial phases, a review and inventory of existing and future conditions was conducted to provide a foundation for further study, and the economic context for the Corridor was established.

A unique element of this study is the development of a Corridor Business Case to help determine the potential value of the project.

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A unique element of this study is the development of a Corridor Business Case to help determine the potential value of the project. In addition, benefits and costs of the proposed Corridor to different parties and stakeholders (for example, private investors, freight carriers and shippers, state and local governments, and residents) will be estimated using various assumptions about funding scenarios and planning options (such as alignment and project

type). The Corridor Business Case will identify and describe projects and public policy initiatives impacting decisions, validate existing estimates of capital costs and other life cycle costs, and identify benefit and cost metrics based on a set of core objectives.

During the next study phase, Corridor Concept Development, the data analysis presented in this Corridor Justification Report will be used to develop and evaluate alternatives for the separate Corridor segments and sections. This high-level evaluation will narrow the connectivity area options. A detailed feasibility assessment of the priority Corridor sections will then be conducted. The Corridor's final purpose and need will be developed, the Business Case finalized, and generalized implementation steps outlined.

A "corridor" implies the use of different modes of transportation. Depending on the purpose and need of each Corridor segment, different transportation modes or infrastructure facilities (for example, transfer of information technology) may be recommended for implementation, either in the same right-of-way envelope or on different alignments.

For the future connectivity segments north of Las Vegas and south of Phoenix, a series of possible corridors will be identified, evaluated, and prioritized, with potentially different trigger points that could allow the choice of one corridor or mode over another, dependent on external factors that might be unknown or undetermined at the conclusion of this study.

This report also outlines the characteristics affecting the Corridor—such as population, employment, economic diversity, and freight movement—that will be needed in the next phase to evaluate the location and type of enhanced transportation facility. In addition to using accepted projections about the future, alternative scenarios are presented. These scenarios describe probable trends that could affect the region in the future and that may influence the need for the I-11 Corridor.

Report Organization

The following sections of the Corridor Justification Report provide summary-level data of attributes impacting the purpose and need for justifying the Corridor and describe issues and opportunities related to its planning:

- Chapter 2: Population and Economic Development Trends
- Chapter 3: Existing and Future Transport Characteristics
- Chapter 4: Preliminary Business Case Foundation
- Chapter 5: Stakeholder and Community Input
- Chapter 6: Next Steps

A wealth of information was gathered during the inventory and data collection phase of this project. Detailed technical information, data, and maps are included as comprehensive appendices to this report. The following appendices include the supporting data and analysis that contributed to the findings presented in this report:

- Appendix A: Past Planning Studies and Strategies
- Appendix B: Economic Development and Demographic Trends
- Appendix C: Existing and Future Transport Characteristics

2. Population and Economic Development Trends

Summary of Key Findings

- Population and economic growth in Arizona and Nevada will continue to outpace not only the U.S. average but also the capacity of the regional transportation network.
- Manufacturing growth in both states exceeded the U.S. average, indicating a strengthening economic sector that is strongly linked with transportation demand.
- State economic development departments are focused on diversifying the Arizona and Nevada economies to target industry clusters that rely heavily on interconnected and efficient transportation.

Population Trends

The Interstate highway system opened up new routes to the west, creating an enormous surge in population in both Arizona and Nevada.

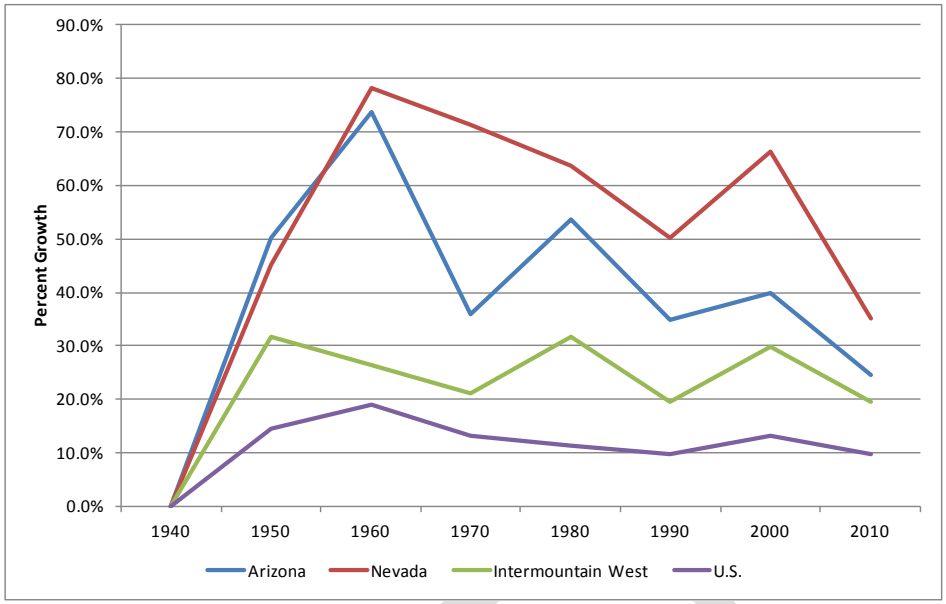
The population growth of the Intermountain West states—particularly Arizona and Nevada—is outpacing growth of the U.S. and the capacity of the regional transportation network. In addition, regional economic development trends are creating demands for new transportation links.

This section provides an overview of current and forecasted demographic and economic conditions in Arizona and Nevada and examines population growth and projections in the Intermountain West. More detailed information about the topics discussed in this section is in Appendix B, Economic Development and Demographic Trends.

The Intermountain West states have also surpassed growth rates of the U.S. by growing more than two and one-half times as fast.

The Interstate Highway System, authorized by the Federal Aid Highway Act of 1956, opened up new routes to the West, which fostered the migration of people and commerce. The original intent of the Interstate Highway System was to improve the mobility of military troops to and from airports, seaports, rail terminals, and other military installations. Coincident to this goal was an enormous surge in population in both Arizona and Nevada (Figure 2-1). In the 10 years between 1950 and 1960, the population grew by 74 percent in Arizona and 78 percent in Nevada, compared to the U.S. as a whole which grew by 19 percent during the same period. The Intermountain West states have also surpassed U.S. rates by growing more than two and one-half times as fast.

Figure 2-1. Historical Population Growth (1940-2010) for Arizona, Nevada, Intermountain West, and United States



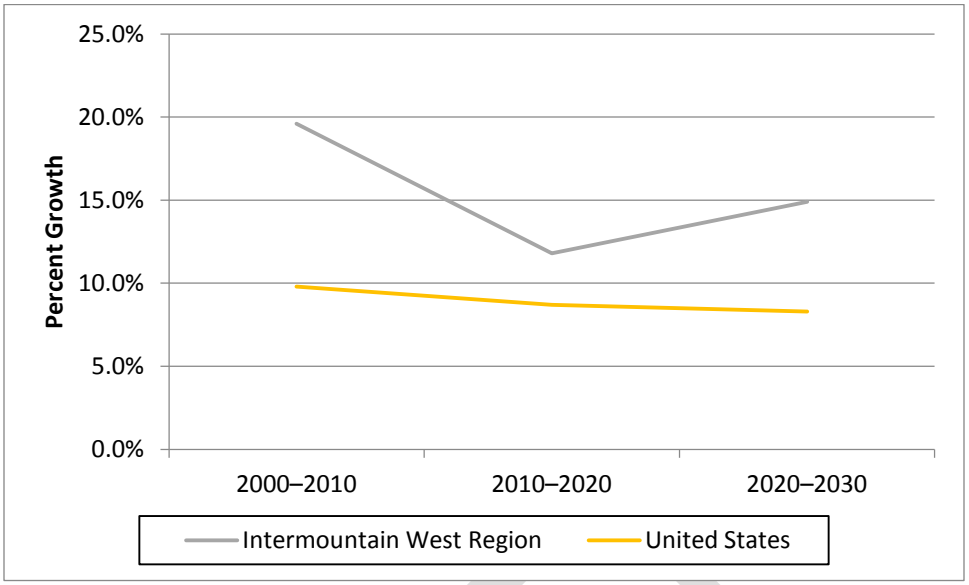
Source: U.S. Census Bureau 2002

Between 2000 and 2010, the rate of growth for the Intermountain West states was 19.6 percent—double that of the U.S. as a whole, which grew at a rate of 9.8 percent. According to the U.S. Census, between 2010 and 2030, the Intermountain West is projected to grow by 28.5 percent, to 32.1 million people, which exceeds the forecasted U.S. growth rate of 17.7 percent over the same period. Over the next two decades (2010-2030), the projected growth in the Intermountain West is expected to slow, but will still exceed that of the U.S. (Figures 2-2 and 2-3). Of the Intermountain West states, the highest projected growth rate during this same period (2010 to 2030) is expected in Arizona.

Considering the explosive growth over the last seven decades and the projected future growth, development of the I-11 and Intermountain West Corridor could greatly improve commerce, tourism, and international trade opportunities across the West.

The population growth rate of the Intermountain West exceeds that of the U.S., even though the rate is declining slightly.

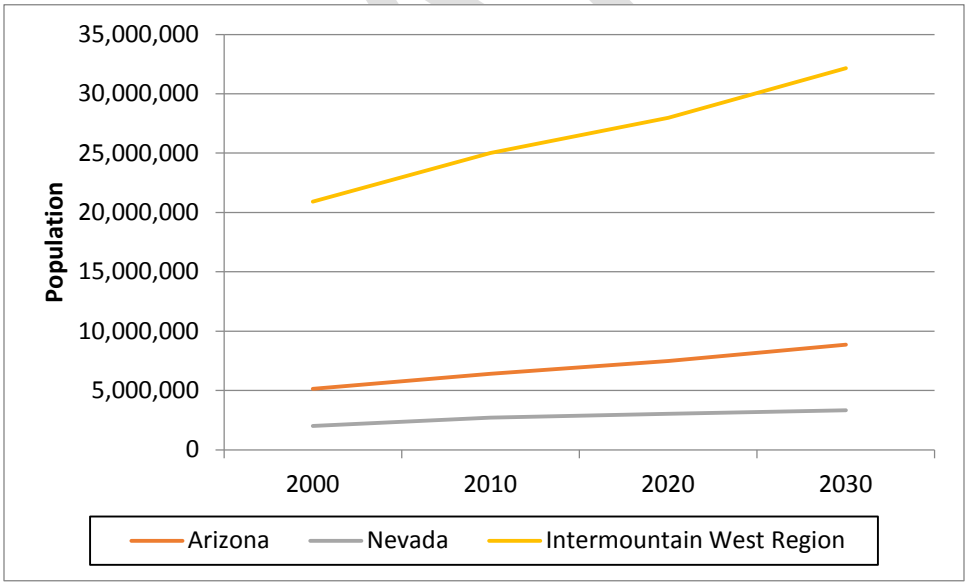
Figure 2-2. Population Growth Rate of the Intermountain West Exceeds That of the United States



Sources: Arizona Department of Administration 2012b, Nevada State Demographer's Office 2012, U.S. Census Bureau 2011

The population of Arizona, Nevada, and the Intermountain West is expected to grow significantly.

Figure 2-3. Population Growth and Projections (2000–2030) for Arizona, Nevada, and the Intermountain West



Sources: Arizona Department of Administration 2012b, Nevada State Demographer's Office 2012, U.S. Census Bureau 2011

Economic Development Trends

The economies of Arizona and Nevada are expected to continue to outpace the U.S. average.

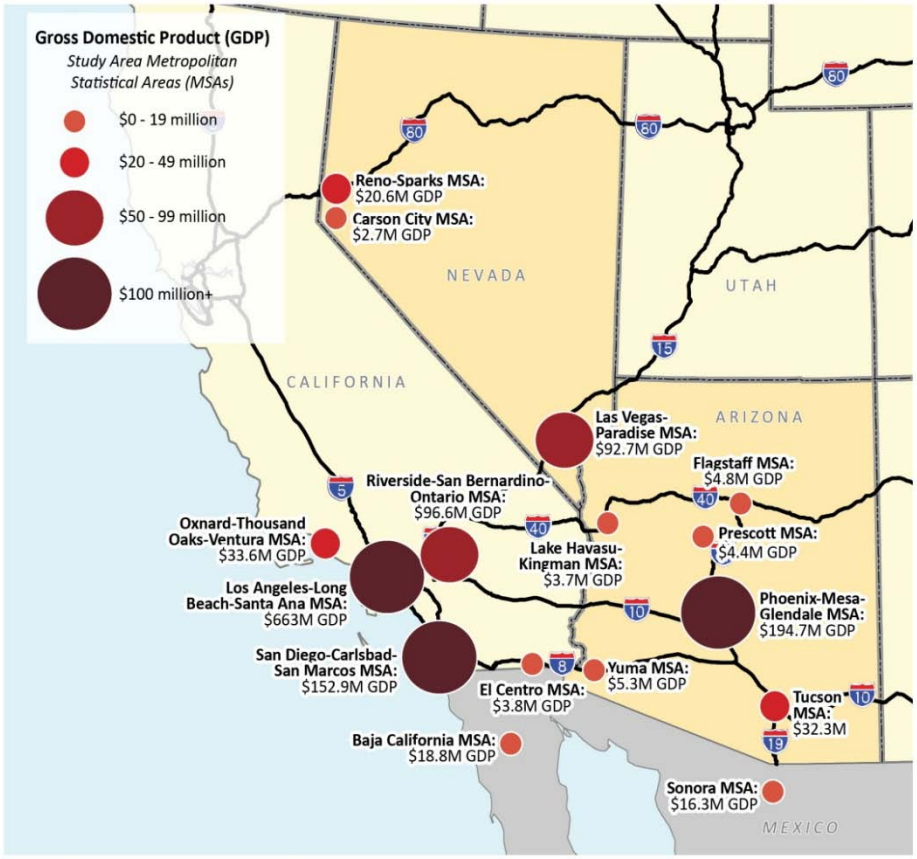
The analysis of current economic development trends suggests likely continued growth in transportation demand. Economic growth is strongly and positively correlated with overall transportation demand, both for freight and personal vehicles. This review of development trends in Arizona and Nevada indicates that the economies of both states are expected to continue to outpace the U.S. average, but that the rate of growth will not be as robust as during the 1990s and early 2000s; however, several transportation-intensive sectors are demonstrating above-average growth. Both states have development plans focused on transportation-intensive sectors.

Gross Domestic Product by State

Gross domestic product (GDP) is a principal indicator of the health of an economy or industry. GDP measures the value of final goods and services produced during a given period. According to the U.S. Bureau of Economic Analysis, the GDP for Arizona is $258.4 million and for Nevada is $130.3 million. Figure 2-4 shows the GDP by metropolitan statistical area within the two states. The Phoenix and Las Vegas metropolitan statistical areas are the largest contributors to the economy, followed by Tucson and Reno.

The Phoenix and Las Vegas Metropolitan Statistical Areas are the largest contributors to the economy within the states of Arizona and Nevada, and yet no Interstate connection exists between them.

Figure 2-4. Arizona and Nevada Gross Domestic Product (2011)



Source: U.S. Bureau of Economic Analysis 2012

The majority of the sectors within Arizona and Nevada experienced growth in GDP from 2010 to 2011, including manufacturing, wholesale trade, and transportation and warehousing. Both states had negative GDP growth in the areas of agriculture and forestry; utilities; and real estate, rental, and leasing. Mining showed the highest GDP percentage growth for both states; Nevada's GDP grew by 26.8 percent, and Arizona's GDP grew by 13.3 percent. Construction GDP in Arizona saw a very modest 0.9 percent increase, while Nevada experienced a 16.8 percent decrease. This side effect of the housing bust hurt both the Phoenix and Las Vegas metropolitan areas, but Phoenix is recovering more quickly. These markets are just beginning to rebound after 5 years of depressed home prices; as a result, homebuilding, rental, and real estate activity is increasing. More detailed information is in Appendix B.

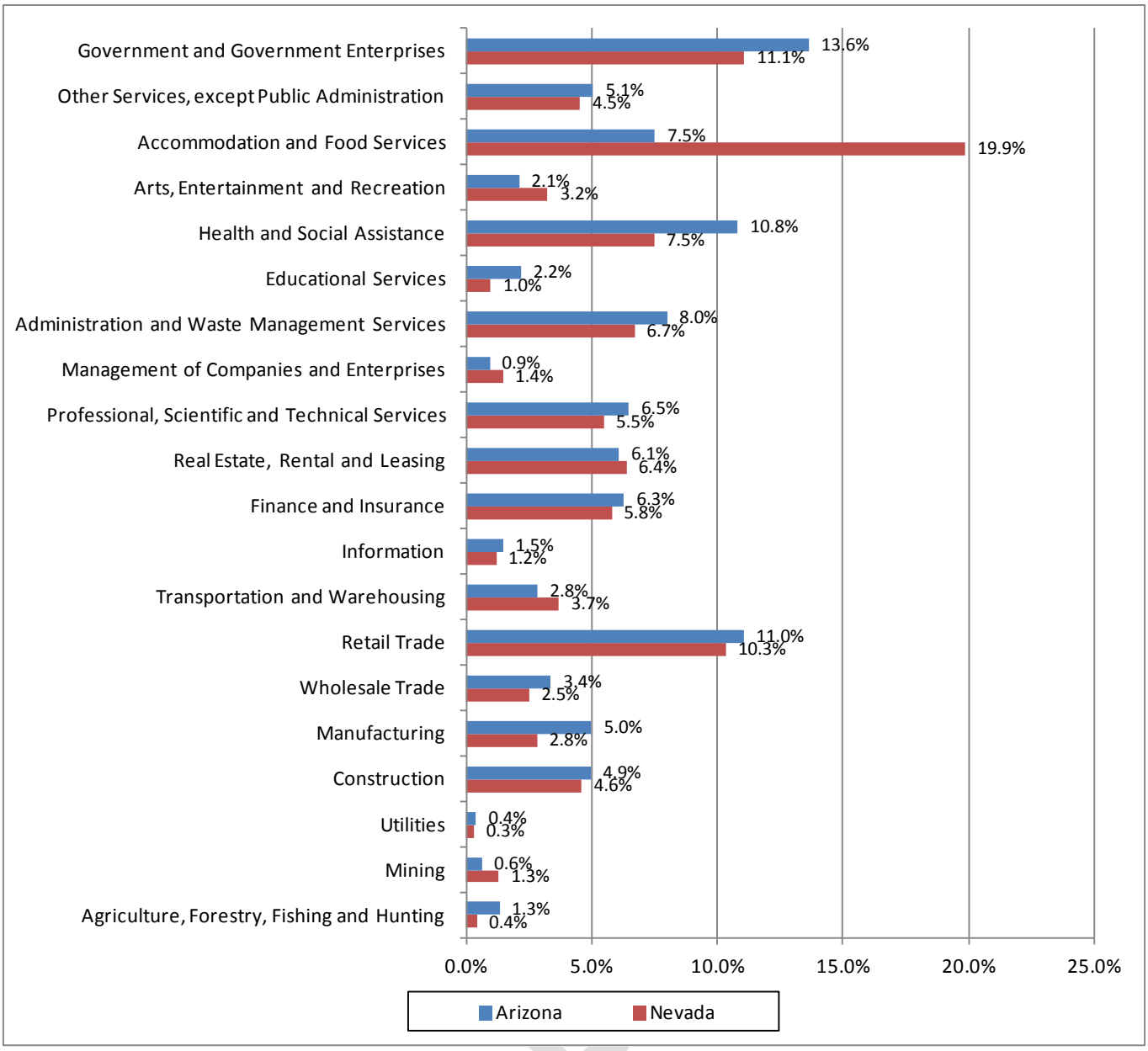
Employment by Industry

Fifty-one percent of employees in Nevada and 43 percent of employees in Arizona work in industries that depend on a reliable regional transportation network for transporting goods and tourists.

The total concentration of jobs by industry reflects the economic diversity within a market. Figure 2-5 shows the 2011 employment in both Arizona and Nevada by industry. Fifty-one percent of employees in Nevada and 43 percent of employees in Arizona work in industries that depend on a reliable regional transportation network for transporting goods and tourists. While manufacturing jobs represent only 5.0 percent of all jobs in Arizona and 2.8 percent of all jobs in Nevada, the growth of manufacturing in both states exceeded the U.S. GDP of 1.5 percent, with Arizona at 8.9 percent and Nevada at 3.7 percent, indicating growing manufacturing sectors in both states.

When examining employment projections by industry, Arizona is expected to see gains in transportation and logistics, manufacturing, healthcare, and professional services. Likewise, Nevada is projecting job growth in mining, transportation and logistics, and manufacturing—most of which rely on an efficient regional transportation network.

Figure 2-5. Arizona and Nevada Employment, 2011



Sources: Arizona Department of Administration 2012b, Nevada Department of Employment 2012

A focus on economic development recognizes the importance of creating high-wage jobs, leveraging statewide assets, and improving the foundations that support economic development.

Industry Clusters/Targets

Over the last 2 years, Arizona and Nevada have renewed their focus on economic development, and both states recognize the importance of creating high-wage jobs, leveraging existing statewide assets, and improving the foundations that support economic development, such as the construction of I-11 and an Intermountain West Corridor. This Corridor would link the metropolitan areas of Phoenix and Las Vegas and ultimately provide connectivity to the international markets of Mexico and Canada.

In support of this renewed emphasis, both states have undergone significant changes in their statewide economic development service delivery systems. Arizona created the Arizona Commerce Authority as the designated statewide economic development entity responsible for business recruitment and international trade. The Nevada Legislature introduced an economic development bill that was signed into law by the Governor, creating a Cabinet-level economic development position.

To compete nationally and globally, each state has developed an economic development plan focused on building its economy and targeting specific industry clusters. Table 2-1 summarizes the industry targets and clusters that are the subject of each state's economic development goals. Arizona and Nevada have similar industry targets relative to their business recruitment and retention programs. In some cases, these targets represent an existing concentration or industry cluster within the state. In other cases, the industry target is the subject of a concerted effort to grow the economic activity, such as renewable energy.

Both Arizona and Nevada recognize that to be successful in their economic development endeavors, many simultaneous strategies—including developing the transportation systems that these industry clusters require—must be implemented.

Table 2-1. Arizona and Nevada Industry Targets and Clusters

Industry Targets	Arizona	Nevada	Requires Regional Transportation Network
Advanced Manufacturing	•		•
Aerospace, Aviation, Defense	•	•	•
Optics	•		•
Biotechnology	•		•
Healthcare	•	•	
Information and Computer Technology	•	•	
Life Sciences	•		•
Mining, Materials, and Manufacturing		•	•
Renewable Energy	•	•	•
Science and Technology	•		•
Tourism, Gaming, and Entertainment		•	•
Transportation and Logistics	•	•	•

Sources: Arizona Commerce Authority 2013, Brookings Institution 2011, Greater Phoenix Economic Council 2013, Tucson Regional Economic Opportunities 2006

To enhance the region's competitiveness, a robust transportation system is needed to facilitate the growth of business and its attraction to the area and to offer a means to connect to other markets. Industry targets such as aerospace, aviation, and defense; advanced manufacturing; mining, materials, and manufacturing; transportation and logistics; and tourism, gaming, and entertainment are critically dependent upon their supply chain and the regional movement of people and finished goods. Both states recognize that to be successful in their economic development endeavors, many simultaneous strategies–including developing the transportation systems that these industry clusters require–must be implemented. The next phase of this

study will provide greater insight into the specific components of this investment (such as modality, alignments, scale, priorities, and timing). However, at a minimum, this investment will need to include system-wide investments with emphasis on urbanized areas, focused investments in infrastructure to support the efficient movement of truck freight and enhanced north-south system capacity to address anticipated growth in demand.

Major Economic Activity Centers

Connecting the major economic activity centers with a reliable regional transportation network will strengthen each individually and make the region as a whole more competitive.

Connecting the major economic activity centers with a reliable regional transportation network will strengthen each individually and make the region as a whole more competitive. When examining the geographic concentration of population and employment in the two states, it is apparent that the two major metropolitan areas of Phoenix and Las Vegas contain the majority of all economic activity. However, in addition to these two economic hubs are submarkets that contribute to the economy in a number of ways; these submarkets have a concentration of military installations, locations near land ports of entry (LPOEs), proximity to transportation and railroad facilities, and robust tourism and recreational resources.

The two largest counties in Arizona and Nevada–Maricopa and Clark (Table 2-2)–have the two largest metropolitan areas, Phoenix and Las Vegas, in both states. Santa Cruz County in Arizona, with a population of 47,420, shares the border with Mexico. However, Arizona's sister state of Sonora, Mexico, has a population of nearly 2.7 million, making this region a significant binational economic activity center.

Table 2-2. County Population and Employment for Arizona and Nevada, 2010 and 2011

County	Population (2010)	Employment (2011)
Arizona		
Maricopa	3,817,117	1,730,915
Pima	980,263	406,591
Pinal	375,770	120,439
Yavapai	211,033	79,773
Mohave	200,186	69,033
Yuma	195,751	65,587
Coconino	134,421	64,200
Cochise	131,346	44,460
Navajo	107,449	32,108
Apache	71,518	19,975
Gila	53,597	18,480
Santa Cruz	47,420	16,492
Graham	37,220	12,280
La Paz	20,489	6,275

Table 2-2. County Population and Employment for Arizona and Nevada, 2010 and 2011

County	Population (2010)	Employment (2011)
Greenlee	8,437	3,490
Nevada		
Clark	1,951,269	869,376
Washoe	421,407	200,977
Carson City	55,274	25,013
Elko	48,818	24,479
Douglas	46,997	20,425
Lyon	51,980	19,193
Nye	43,946	13,638
Churchill	24,877	10,288
Humboldt	16,528	7,479
White Pine	10,030	4,122
Lander	5,775	2,438
Pershing	6,753	2,082
Mineral	4,772	1,968
Storey	4,010	1,961
Lincoln	5,345	1,834
Eureka	1,987	859
Esmeralda	783	383

Source: U.S. Census Bureau 2010a

A preliminary overview of population and economic development trends of the region suggests that continuing investment in the transportation system will be required over the time frame of this study to address growth in population and economic activity. This investment will be defined more fully in the next study phase, but it is anticipated to include:

- System-wide investment, with emphasis on the urbanized areas, to address observed system congestion, which can only increase over time given the historical trends and economic development aspirations of both states
- Focused investments in infrastructure to support the efficient movement of truck freight within and between major urban centers, in light of the states' economic development emphasis on high-value manufactured goods which are likely to move by truck
- Enhanced north-south system capacity to address anticipated growth in demand for north-south goods movement associated with increasing trade with Mexico

3. Existing and Future Transport Characteristics

Summary of Key Findings

Moving People

- Population growth has outpaced transportation infrastructure. Failure to establish adequate infrastructure to move people and goods could significantly constrain future economic growth for Arizona and Nevada. Additional capacity will also be needed on some non-Interstate highways serving north-south travel to accommodate future growth.
- Congestion on US 93 is expected to increase in the future, with hot spots in and around Phoenix, Wickenburg, Kingman, Boulder City, and Las Vegas.
- Some of the more than 2.5 million air passengers who travel between Arizona and Nevada might elect to drive or take a train if those options were available, safe, and affordable.
- Demand for passenger rail is expected to grow as highway and aviation systems reach their capacities. The corridor between Phoenix and Las Vegas is within the 100- to 600-mile range in which high-speed rail is competitive with other transportation modes such as highway and air travel.

Moving Goods

- The reliability of freight movement will play a major role in deciding how goods are moved from international manufacturers to markets throughout North America.
- Trucks transport about 75 percent of freight by value in Arizona and Nevada. Both states import more goods from California than from any other state.

Failure to establish adequate infrastructure to move people and goods throughout the Southwest Triangle as part of national and global supply chains could significantly constrain future economic growth in Arizona and Nevada.

Transportation networks provide vital connections that join urban areas; however, the Intermountain West has an underdeveloped network. Improving and expanding existing infrastructure is an important priority for the Intermountain West as it seeks to expand global trade and support a growing population. Failure to establish adequate infrastructure to move people and goods throughout the Southwest Triangle as part of national and global supply chains could significantly constrain future economic growth.

The section is organized into two major topics, Moving People and Moving Goods, and provides an overview of the existing and future transport characteristics of the corridor in both Arizona and Nevada; detailed information is in Appendix C, Existing and Future Transport Characteristics.

Moving People

The population of the Intermountain West is currently 25 million, and the area includes some of the nation's most densely populated and fastest growing counties. The rate of growth for the Intermountain West was double that of

The rate of growth for the Intermountain West was double that of the U.S. as a whole over the last 10 years.

the U.S. as a whole over the last 10 years. Arizona and Nevada were the nation's fastest growing states in 2009. It is anticipated that over the next 20 years, Arizona will grow by 38 percent and Nevada by 24 percent, to a combined population of more than 12 million (Appendix C). By 2050, populations in the Phoenix and Las Vegas regions are expected to almost double. This section describes opportunities and challenges of moving people between these major population centers via car, airplane, and rail/transit.

By 2050, populations in Phoenix and Las Vegas are expected to nearly double.

Highways

Arizona and Nevada are served by seven Interstate highways with primary travel being east-west movements (Figure 3-1). I-8, I-10, I-40, and I-80 all serve east-west travel. I-10, I-40, and I-80 are transcontinental routes stretching from California to the Atlantic coast. As shown in Figure 3-1, a lack of Interstates serves north-south travel in these two states. I-15 serves travel across 124 miles through southern Nevada. I-17 connects I-10 and I-40 in Arizona between Phoenix and Flagstaff, and I-19 connects Nogales, Arizona, on the Mexican border to I-10 in Tucson.

MAP-21 legislation recently named US 93 between Wickenburg and Las Vegas an "NHS High Priority Corridor designated as a future Interstate," otherwise known as I-11.

Several routes in these two states are considered National Highway System (NHS) routes designated by FHWA as roadways important to the nation's economy, defense, and mobility. For the non-Interstate highways, these corridors tend to be highways that provide access to a major port, airport, public transportation facility, or other intermodal transportation facility (FHWA 2012). FHWA High Priority Corridors—including the CANAMEX Corridor—are also located in Arizona and Nevada. As identified by the North American Free Trade Agreement (NAFTA), these include:

- I-19 from Nogales to Tucson (Arizona)
- I-10 from Tucson to Phoenix (Arizona)
- US 93 from Wickenburg to Las Vegas (Arizona/Nevada)
- I-15 from Las Vegas to the Canadian border (Nevada and beyond)

With the lack of north-south Interstate highways and no direct connection between Phoenix and Las Vegas, several non-Interstate highways are used to move both goods and people between Arizona and Nevada. US 93 is the primary route for travel between Arizona and Nevada connecting the Phoenix and Tucson metropolitan areas with the Las Vegas metropolitan area. The segment of US 93 between Wickenburg and Las Vegas has recently been named an "NHS High Priority Corridor designated as a future Interstate," otherwise known as I-11, through the MAP-21 legislation (FHWA 2012).

With the lack of north-south Interstate highways and no direct connection between Phoenix and Las Vegas, several non-Interstate highways are used to move both goods and people between Arizona and Nevada.

Figure 3-1. Arizona and Nevada Interstates

Other major north-south highways linking Arizona and Nevada are US 95, State Route (SR) 62, and US 395. While US 95 is mostly an alternate route for travel between Arizona and Nevada, it is a significant route for north-south travel in Nevada and is the primary route between Las Vegas and Reno. SR 62 is a popular route for truck traffic connecting to US 95 in California from SR 95 in Arizona. US 395 begins in California at I-15 and runs along the east side of the Sierra Nevada through California, Nevada, Oregon, and Washington, ending at the US/Canadian Border.

It is the long-term vision of ADOT and NDOT to transform US 93 into a higher-capacity roadway. NDOT and ADOT worked together to construct the Hoover Dam Bypass and conduct US 93 corridor improvements on both sides of the bridge. The Mike O'Callaghan-Pat Tillman Memorial Bridge opened to traffic in late 2010. ADOT has dedicated nearly half a billion dollars to

widening and improving US 93 from Wickenburg to Hoover Dam over the last several years and is in the process of converting the existing corridor into a four-lane divided highway through the entire 200-mile stretch. Only five highway improvement projects remain, leaving approximately 45 miles of highway to be widened to at least four lanes. NDOT fast-tracked the design and construction of a project to widen US 93 to two lanes in each direction, including some operational and safety improvements between the bridge and Boulder City. South of Boulder City, US 95 was widened to four lanes from the US 93 interchange south to the California state line.

The West in general and the Southwest megaregion in particular is underserved by north-south Interstate capacity. I-5 and I-15 originate in Southern California (in the San Diego metropolitan area) but then separate for more than 500 miles throughout much of the West. I-11 would fill in a critical gap in that it would provide a direct Interstate link between the two largest regions in the interior Southwest—Phoenix and Las Vegas—and provide a backup capacity to the I-5 Pacific route within the interior West. By contrast, I-85 and I-81 in the East serve as a critical redundancy to the I-95 coastal Interstate. This capacity has enabled a logistics, supply chain, manufacturing capacity to emerge along these routes that includes a wide array of products including auto parts, furniture, and technology. These roads are also critical to logistics and trade flows in the East and allow a more efficient use of I-95 for passenger travel. Adding a similar capacity to the West via I-11 would create similar supply chain and trade links between the interior West and Mexico. It also would help relieve the heavy burden of both logistics and passenger travel along I-5 in California. Finally, the I-5 route is vulnerable to both earthquakes and flooding (especially in Sacramento). A back-up interior I-11 could be used as insurance against a major disruption in commerce if I-5 were lost for an extended period due to a natural disaster.

Congestion

Five locations in Arizona and Nevada appear in FHWA's annual report on congestion at freight-significant highway locations.

Congestion has impacts on both commuters and truckers, affecting businesses, suppliers, manufacturers, and the overall economy. If congestion affects truck productivity and delivery times, costs are passed on to consumers in the form of higher prices, affecting areas far from the region where the congestion occurs. Congestion can result in unreliable trip times and missed deliveries, both of which cause major business implications. If the infrastructure supporting freight traffic is reliable, manufacturing and retail firms can carry less inventory because they can rely on goods being delivered on time. Severe congestion also has the potential to impact shipping patterns whereby freight flows are diverted to less congested routes.

Five locations in Arizona and Nevada appear in FHWA's annual report on congestion at freight-significant highway locations. The majority of locations currently monitored are urban Interstate interchanges, and they are ranked

according to the impact of congestion on freight (American Transportation Research Institute 2011):

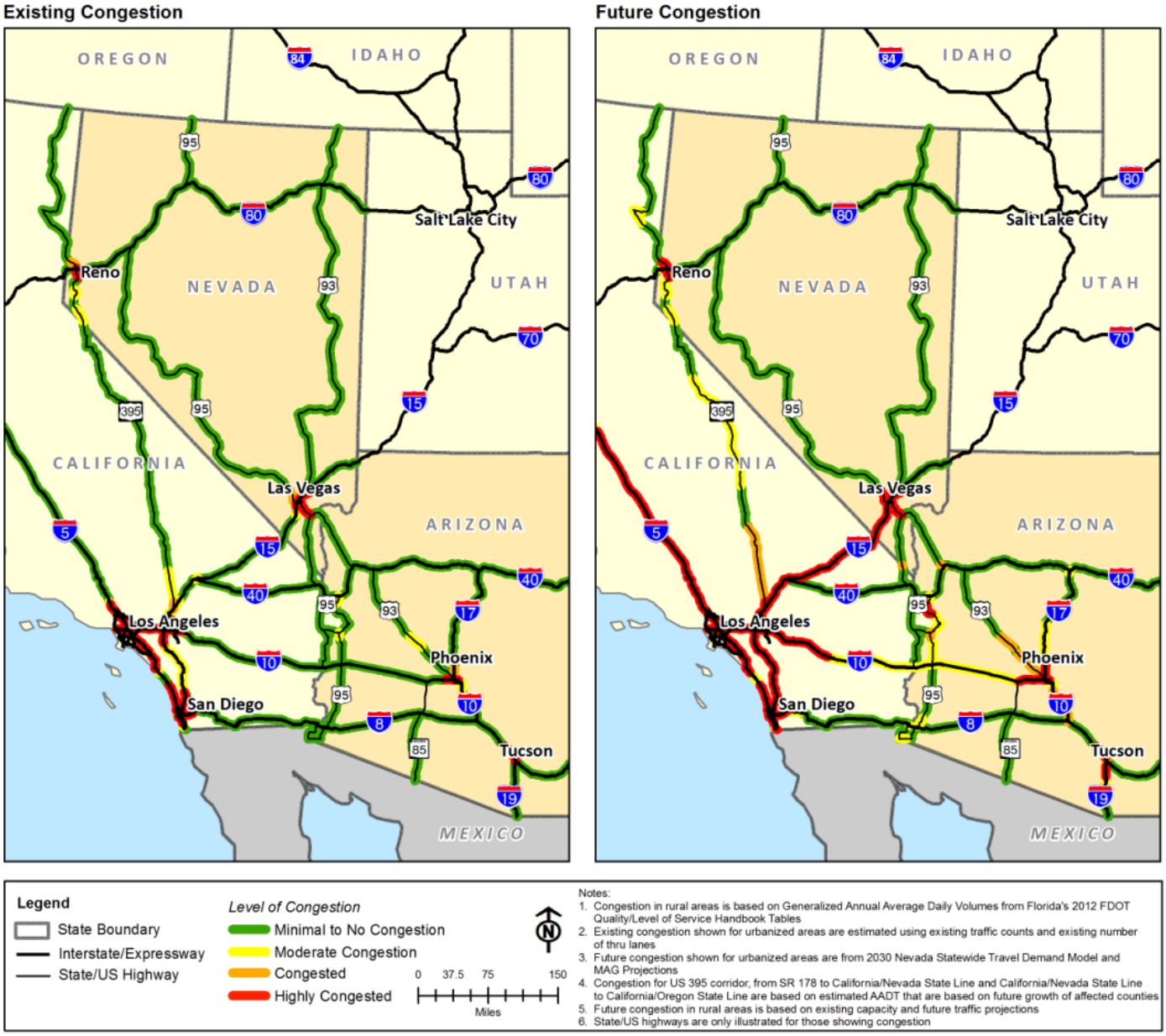
- I-15 at I-515 in Las Vegas
- I-10 at I-19 in Tucson
- I-10 at SR 51/SR 202 in Phoenix
- I-17 at I-40 in Flagstaff
- I-80 at US 395 in Reno

Currently, there is congestion through the urban areas (Tucson, Phoenix, Las Vegas, and Reno), and the segment of US 93 near Wickenburg is approaching capacity. Figure 3-2 shows the existing and future (2040) congestion on the major highways in Arizona and Nevada.

Increasing congestion on California's roads could shift greater amounts of trade into the Intermountain West.

Future 2040 forecasts show that in the Las Vegas area, new capacity may be needed to accommodate growth because US 93 and US 95 will continue to be congested. In Phoenix, all major highways will be congested, and portions of US 93 and US 95/SR 95 in Arizona will need additional capacity. The majority of US 395 in California is projected to be approaching capacity with continued congestion through Reno in northern Nevada. As traffic congestion continues to increase on California highways, long-distance passenger vehicle and commercial truck trips greater than 50 miles may shift to parallel routes east of the Sierra Nevada such as US 395, US 95, or an I-11 and Intermountain West Corridor. Nearly all of the major freeways in Southern California are projected to be congested in 2040.

Figure 3-2. Arizona and Nevada Existing and Future Congestion



Safety

In addition to the damage done to lives and property, traffic incidents contribute to significant delays for passenger and freight travel and costs to the public. Not only are the lives of those involved in crashes affected, so too are the lives of relatives and emergency responders. The comprehensive costs of crashes are estimated to be $4,008,885 for a fatality and $216,059 for a debilitating injury (FHWA 2005). Information about fatality rates and crash types can be used to analyze roadway conditions and driver performance.

Each state's *Five Percent Report*, a report submitted annually to FHWA describing the top 5 percent of locations with the most severe safety needs, was reviewed to determine whether any segments on the major north-south highways in Arizona and Nevada were identified as top crash locations. In Nevada, these locations include segments of US 95 in Clark County surrounding the Las Vegas metropolitan area and a few segments along US 93 in Clark, White Pine, and Elko Counties. In Arizona, the locations with severe safety needs include segments of I-40 near Kingman and I-10 in Phoenix.

The Interstate Highway System is the nation's safest road system, with a fatality rate of 0.8, compared with 1.46 for all roads in 2004.

A primary reason for building the Interstate Highway System was to improve the safety of the drivers, passengers, and pedestrians. Over the past 50 years, the system has made highway travel safer and more efficient. Safety is measured by the fatalities per 100 million vehicle miles traveled, a measure used so that data can be compared as traffic volumes change. The Interstate Highway System is the nation's safest road system, with a fatality rate of 0.8, compared with 1.46 for all roads in 2004.

When the Interstate Construction Program began in 1956, the national fatality rate was 6.05. Safety improvements have resulted from many factors such as the shifting of traffic onto safer Interstate highways and technological advances such as wider shoulders; slide-resistant pavements; better guardrail, signs, and markings; clearer sight distances; and breakaway sign posts and utility poles.

The Highway Safety Improvement Program is a core federal-aid program, and each state is required by the FHWA to have a Strategic Highway Safety Plan that is regularly updated and evaluated. MAP-21 provides an Interim Guidance document that clarifies the Strategic Highway Safety Plan requirements, including performance measures to be addressed. Safety-related measures include injuries and fatalities occurring in motor vehicle crashes. Most states are also implementing the recently published *Highway Safety Manual*, which will standardize how roadway safety related projects are evaluated.

Aviation

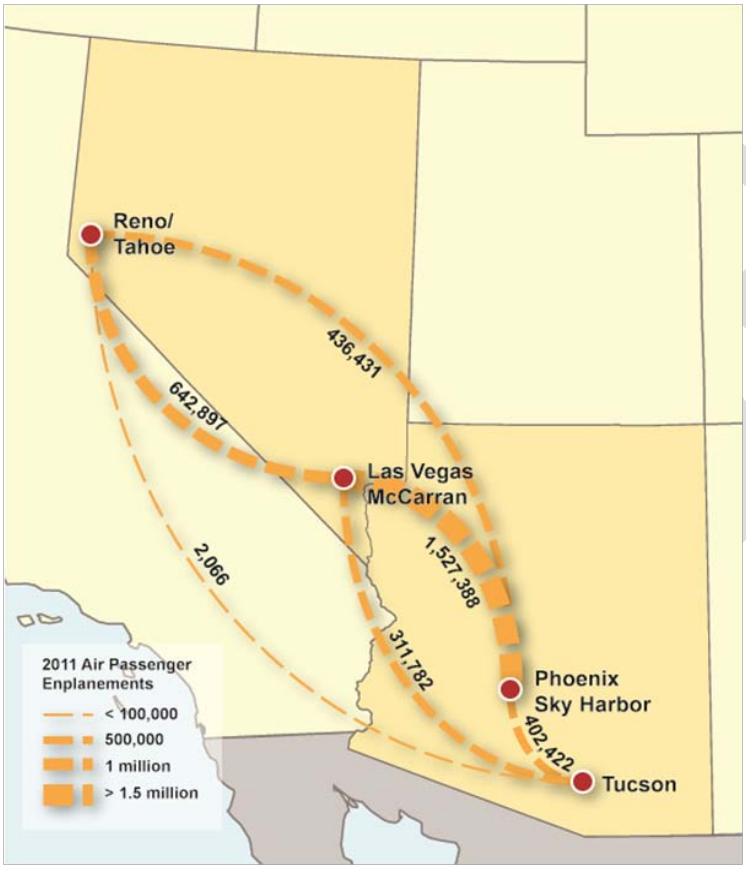
Because it is currently the most efficient option for trips of 500 miles or more, aviation is vital to the nation's transportation system. However, half of the flights in the U.S. are routes of fewer than 500 miles. According to the Brookings Institution, 3 of the 10 busiest air travel corridors are fewer than

Many of the more than 2.5 million air passengers that traveled between Arizona and Nevada in 2011 might have used alternative modes of transportation if reliable and safe options existed.

500 miles apart: between Los Angeles and San Francisco (347 miles), Los Angeles and Las Vegas (229 miles), and Los Angeles and Phoenix (358 miles). The lack of investment in alternative modes of transportation makes air travel the mode of choice for several short-haul air travel corridors (flights less than 500 miles). Continued growth in these short-haul routes presents logistical and economic challenges at airports as well as significant environmental impacts (Brookings Institution 2009b).

Arizona and Nevada have 2 of the top 10 busiest airports in North America (Las Vegas McCarran International Airport at 8th and Phoenix Sky Harbor International Airport at 9th) and the top 25 busiest airports in the world (Federal Aviation Administration 2012b, Airports Council International 2012a). Travel through these two airports accounts for more than 5 percent of the passengers traveling through U.S. airports. In 2011, Arizona had 2,373,000 flights into and out of its airports and Nevada had 860,000 flights (Federal Aviation Administration n.d.). In 2011, Las Vegas McCarran and Phoenix Sky Harbor had 19.9 million and 19.8 million enplanements, respectively. Between 2010 and 2011, these two airports saw 4.61 percent and 4.46 percent increases in enplanements for Las Vegas McCarran and Phoenix Sky Harbor (Federal Aviation Administration 2012b).

Figure 3-3. 2011 Air Passenger Enplanements between Major Airports in Arizona and Nevada



Source: Bureau of Transportation Statistics 2012b

More than 2.5 million air passengers traveled between Arizona and Nevada in 2011. The Phoenix to Las Vegas air corridor (256 miles) is ranked in the nation's top 100 most traveled air corridors (Brookings Institution 2009b). Las Vegas McCarran and Phoenix Sky Harbor are also among the top 10 destinations from the four major metropolitan areas in Arizona and Nevada: Tucson, Phoenix, Las Vegas, and Reno. Figure 3-3 shows the total number of passengers that traveled between these airports in 2011.

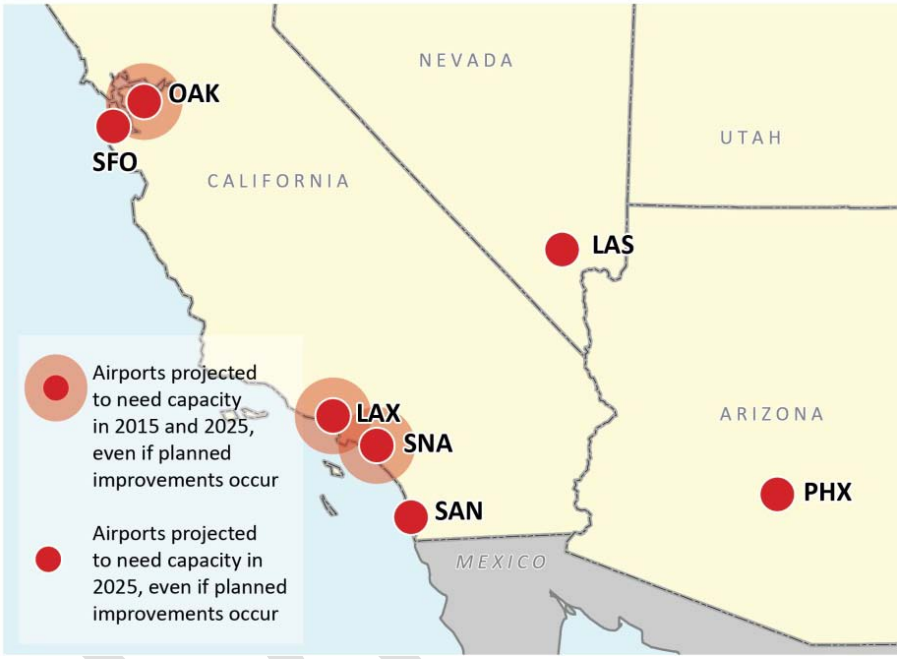
The 2012 Federal Aviation Administration Aerospace Forecast shows commercial air passenger and air cargo activity increasing over the next 20 years. Air passenger system enplanements are projected to increase an average of more than 2 percent domestically and 4 percent internationally per year. In Arizona and Nevada, this national aviation growth, coupled with the projected population and employment increases, will translate into new demand for commercial air travel and air cargo (Federal Aviation Administration 2012d).

Alternative modes of travel between Phoenix and Las Vegas, such as I-11, will help relieve the demand for airport capacity, expected to peak by 2025 at both Phoenix Sky Harbor and Las Vegas McCarran airports, triggering the need for additional capacity—even with planned airport improvements.

Airports in Arizona and Nevada are already planning for additional capacity, both in airside and landside facilities.

Planned airport improvements will help accommodate the rapid growth in the number of enplanements and flights. However, even with these improvements, both Phoenix Sky Harbor and Las Vegas McCarran will need additional capacity in 2025 (Figure 3-4). Without the planned improvements, Las Vegas McCarran and Tucson International will need additional capacity in 2015. Secondary airports, such as Phoenix-Mesa Gateway in the Sun Corridor and the proposed Southern Nevada Supplemental Airport (also known as Ivanpah Airport) in greater Las Vegas, may provide some relief.

Figure 3-4. Airports Needing Capacity in 2015 and 2025, Even If Planned Improvements Occur



Source: Government Accountability Office 2009

Similar to highways, intercity and interstate passenger rail is restricted to east-west travel in Arizona and Nevada; therefore, public transportation between Arizona and Nevada is served exclusively by buses.

Passenger Rail and Transit

New passenger rail routes are currently under study to improve north-south passenger rail connectivity between Arizona, Nevada, and California. Similar to highways, intercity and Interstate passenger rail is restricted to east-west travel in Arizona and Nevada. These rail routes started with the development of transcontinental railroads that linked the railway network in the East with the rapidly growing West. Intercity and Interstate public transportation between Arizona and Nevada is currently served exclusively by buses.

With 21,000 route miles, Amtrak provides intercity passenger rail service in the U.S. Three Amtrak routes serve Arizona and Nevada:

- California Zephyr (Chicago-Denver-Glenwood Springs-Emeryville), including Reno, Sparks, Winnemucca, and Elko

- Southwest Chief (Chicago-Albuquerque-Los Angeles), including Kingman, Williams Junction, Flagstaff, and Winslow
- Texas Eagle/Sunset Limited (Chicago-St. Louis-Dallas-San Antonio-Los Angeles)/(New Orleans-San Antonio-Los Angeles), including Benson, Tucson, Maricopa, and Yuma

Demand for passenger rail is expected to grow as highway and aviation systems reach their capacities. The corridor between Phoenix and Las Vegas is within the 100- to 600-mile range in which high-speed rail is competitive with other transportation modes such as highway and air travel.

Passenger rail service in Arizona is limited to Amtrak and tourist railway services. Amtrak has two routes that travel on freight mainlines through Arizona. Amtrak uses the BNSF Transcon mainline in northern Arizona and the UPRR Sunset Limited Route in southern Arizona. Amtrak has one route, the California Zephyr, which travels on freight mainlines across northern Nevada. This Amtrak route operates with one trip daily in both directions between Chicago, Illinois, and Emeryville, California, on 427 miles of UPRR-owned track in Nevada. Since passenger service on the South Central Route (UPRR) was discontinued in 1997, southern Nevada has had no passenger rail service. Nevada lacks north-south through rail; thus, Las Vegas is not connected to Reno to the north or to Phoenix to the southeast via passenger rail.

Demand for passenger rail is expected to grow as highway and aviation systems reach their capacities. Because passenger and freight rail share tracks, the current passenger rail system is faced with the challenge of limited track capacity. Passenger rail performance is impacted by congestion on shared-use corridors, reducing the efficiency and reliability of passenger rail. One solution to this challenge is the potential for new high-speed rail corridors on dedicated track. Metropolitan areas with busy air markets and congested highways are prime candidates for high-speed rail. The corridor between Phoenix and Las Vegas is within the 100- to 600-mile range in which high-speed rail is competitive with other transportation modes such as highway and air travel.

The State Rail Plans for both Arizona and Nevada identify a high-speed rail corridor linking Phoenix and Las Vegas.

The State Rail Plans for both Arizona and Nevada assess the statewide rail needs and identify opportunity rail corridors for investment. Both states identify a high-speed rail corridor linking Phoenix and Las Vegas.

In 2008, Congress created the High-Speed Intercity Passenger Rail Program (Figure 3-5) to make strategic investments in advancing regional networks of passenger rail corridors and to improve connectivity. While capital funding for the Southwest region has primarily been concentrated in California, the Federal Railroad Administration has also supported the development of a “pipeline” of future projects through investments in state and corridor planning and environmental studies.

As part of this effort, the Federal Railroad Administration is also leading a multi-state rail planning study focused primarily on connectivity between Arizona, California, Nevada, and Utah. This study, one of the first of its kind in the U.S., will result in a better understanding of the market need for passenger rail within the region’s multimodal transportation network.

Figure 3-5. High-Speed Intercity Passenger Rail Program

Federal Railroad Administration planning studies are underway for potential high-speed rail routes between Arizona, Nevada, and California (Los Angeles) as part of a program to identify strategic investments needed to create an efficient network of passenger rail corridors and to improve connectivity. However, there is not a specific corridor study looking at connecting California to Arizona or Arizona to Nevada.

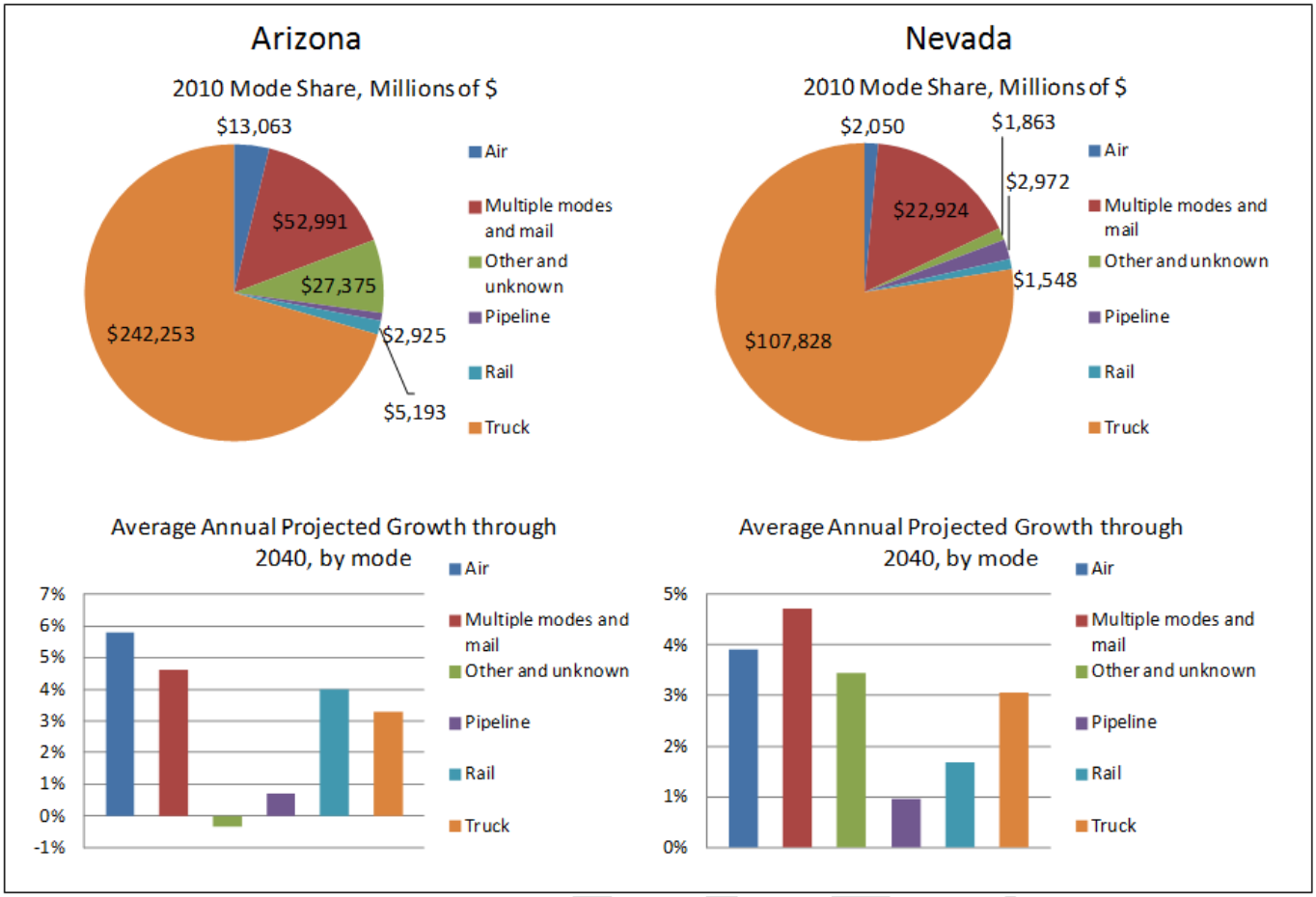
Moving Goods

Businesses in Arizona and Nevada could use an I-11 and Intermountain West Corridor to attract investments and increase activity. This activity will ripple through the economies of the two states, creating jobs and boosting economic growth.

Businesses in Arizona and Nevada could use an I-11 and Intermountain West Corridor to attract investment and boost activity to create value that will ripple through the two states' economies, creating jobs and boosting economic growth. Transportation infrastructure facilitates the transport of both goods and people. Freight flows passing through the region (those that neither originate in nor have a destination in Arizona or Nevada) can benefit from reduced congestion and enhanced safety but will likely have minimal lasting economic effects on the region.

To see how the I-11 and Intermountain West Corridor might influence how goods move throughout the region, it is useful to understand current and projected trends in freight flows. Figure 3-6 shows the freight share by mode in Arizona and Nevada and the projected annual growth rate of the various modes through 2040. Trucks transport about 75 percent of freight by value, with about 15 percent using multiple modes and the rest moving by rail and air. Multiple modes and air transport are projected to grow the most rapidly over the next 25 years.

Figure 3-6. Mode Share by Value and Average Annual Projected Growth

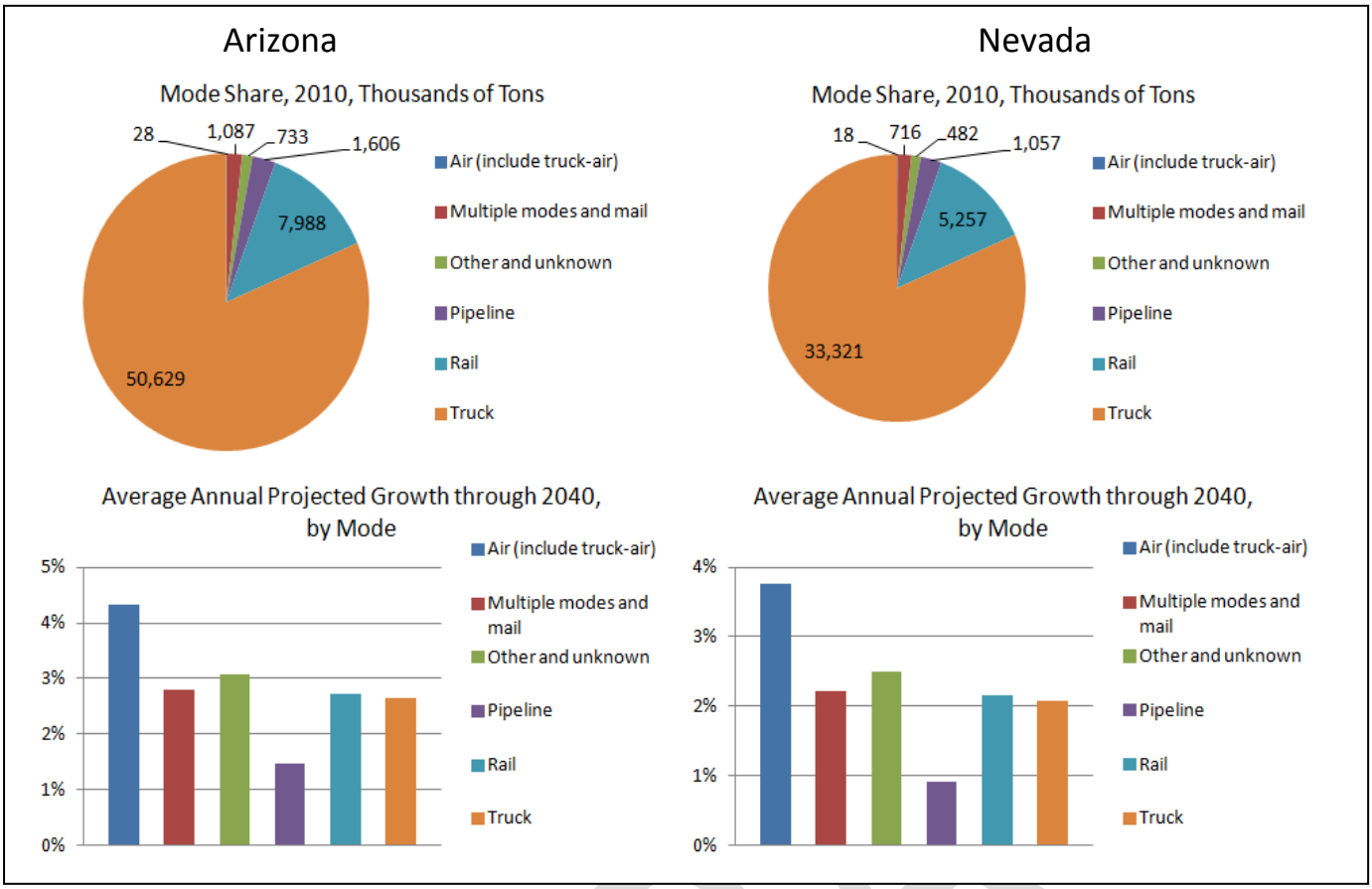


Source: FHWA 2013

Note: 2010 data inflated to 2012 by Consumer Price Index inflation factor provided by Bureau of Labor Statistics Consumer Price Index inflation calculator.

Figure 3-7 shows the freight share by mode in terms of volume. Both rail and truck transport a significantly larger share of goods as measured by volume, while the share of goods transported by pipeline, multiple modes and mail, and air modes decline. Less expensive, heavier, or more durable goods tend to travel by rail, while perishable, fragile, lighter, or more expensive goods are more likely to travel by air. Each of the six modes of transit are expected to grow in terms of the number of tons transported, with the volume of goods transported by air projected to grow the most rapidly in both Arizona and Nevada through 2040.

Figure 3-7. Mode Share by Volume and Average Annual Projected Growth



Source: FHWA 2013

Note: 2010 data inflated to 2012 by Consumer Price Index inflation factor provided by Bureau of Labor Statistics Consumer Price Index inflation calculator.

The multiple modes and mail category includes truck-rail, truck-water, and rail-water intermodal shipments that change modes at least once between origin and destination.

Keeping pace with intra-regional growth means continuing to invest for sustained competitiveness.

The following sections focus on the three main modes for transporting goods: highways, aviation, and freight rail. Also discussed are land and water ports of entry—the two major avenues by which international goods enter the region.

Highways

Strong flows exist between Arizona and southern Nevada; however, the dominant freight flows on Interstate highways in Arizona and Nevada follow the existing east-to-west infrastructure between California and the population centers in the Midwest and Atlantic Coast regions. These flows are reflected in both personal vehicles and commercial trucks.

The significant freight flows between Arizona and Nevada are expected to grow.

Freight traveling by truck is of primary interest because it represents about three-quarters of total freight by value. Table 3-1 shows 2010 commodity flows by value moving by truck between six western states and the rest of the U.S. Table 3-1 shows that most truck traffic occurs within state boundaries. California is the biggest individual trading partner state for both Arizona and Nevada. Reflecting the dominant east-to-west movement of commodities, north-to-south truck freight volumes between Arizona and Nevada and Idaho and Oregon are lower compared with Arizona's and Nevada's interaction with California.

Table 3-1. Freight Movement by Truck between Selected States, 2010

Mode	Origin/Destination	Arizona	California	Idaho	Nevada	Oregon	Washington	Rest of U.S.
Value ($millions in 2010 dollars)	Arizona	136,800	13,500	100	3,400	700	1,300	27,900
	California	25,200	1,101,500	2,200	18,200	10,600	17,400	286,400
	Idaho	200	1,500	26,700	200	1,500	2,500	9,200
	Nevada	1,500	9,300	400	41,900	1,100	2,400	8,700
	Oregon	1,000	14,500	2,400	600	78,000	21,400	17,800
	Washington	1,100	14,500	4,200	1,400	15,800	142,900	39,300
	Rest of U.S.	40,600	206,600	12,500	18,500	19,500	39,200	9,416,600

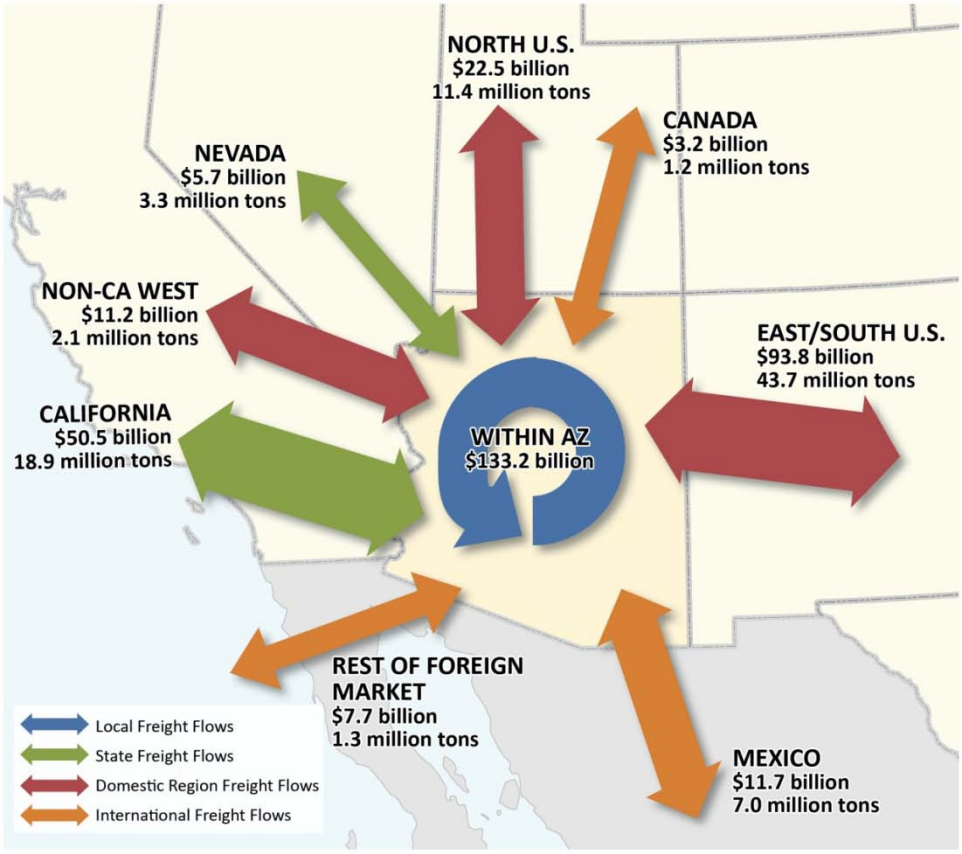
Source: FHWA 2013

Exports to Mexico are projected to be the fastest-growing freight sector over the next 25 years in both states and are expected to grow 5.2 percent annually in Nevada and 5 percent annually in Arizona.

Exports to Mexico are projected to be the fastest-growing freight sector over the next 25 years in both states.

Directional analysis of freight flows (Figures 3-8 and 3-9) illustrates how goods move to and from Arizona and Nevada. In this analysis, the rest of the states were grouped by geographical location relative to the study area. For example, a state located to the east of the study area was grouped as East. Any freight flow to/from that state would be counted as freight flow to/from the East. The freight flow between California and the study area was estimated separately from other western states because flows to/from California constitute a significant share of total freight flow to/from the region. Therefore, the West category includes only Washington and Oregon.

Figure 3-8. 2010 Arizona Inbound and Outbound Freight Volume by Direction, 2012 Dollars



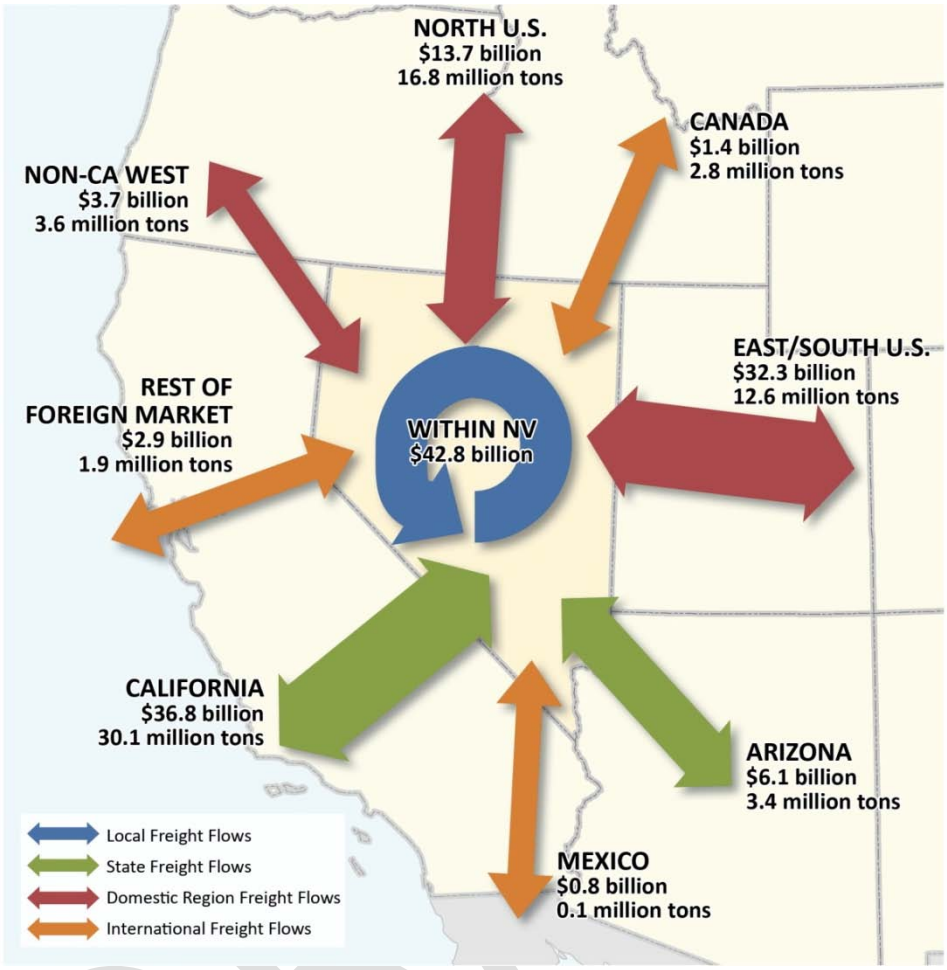
Source: FHWA 2013

Note: 2010 data inflated to 2012 by Consumer Price Index inflation factor provided by Bureau of Labor Statistics Consumer Price Index inflation calculator.

To sustain economic competitiveness, it is essential to maintain strong economic growth in the region.

Canada and Mexico are among Arizona's and Nevada's top five foreign trading partners. A future I-11 and Intermountain West Corridor would provide a new north-south trade corridor through Nevada and Arizona providing *essential freight linkages between the new and expanding ports in Mexico and Canada.*

Figure 3-9. 2010 Nevada Inbound and Outbound Freight Volume by Direction, 2012 Dollars



Source: FHWA 2013

Note: 2010 data inflated to 2012 by Consumer Price Index inflation factor provided by Bureau of Labor Statistics Consumer Price Index inflation calculator.

Canada and Mexico are among Arizona's and Nevada's top five foreign trading partners. Barriers to trade, which may be tariff-based or nontariff-based (that is, geographical distance or language), impede international trade flows. However, NAFTA and proximity—particularly between Mexico and Arizona—encourage these flows of goods.

Mexico is Arizona's largest foreign trading partner in both import and export terms. About 35 percent of Arizona's total imports come from Mexico, while an almost equal proportion (36 percent) is exported to Mexico. With the exception of 2008 and 2009, Arizona's trade volume has steadily increased, and trade with Mexico today is nearly in equilibrium, with $5.7 million in exports and $6.1 million in imports.

Aviation

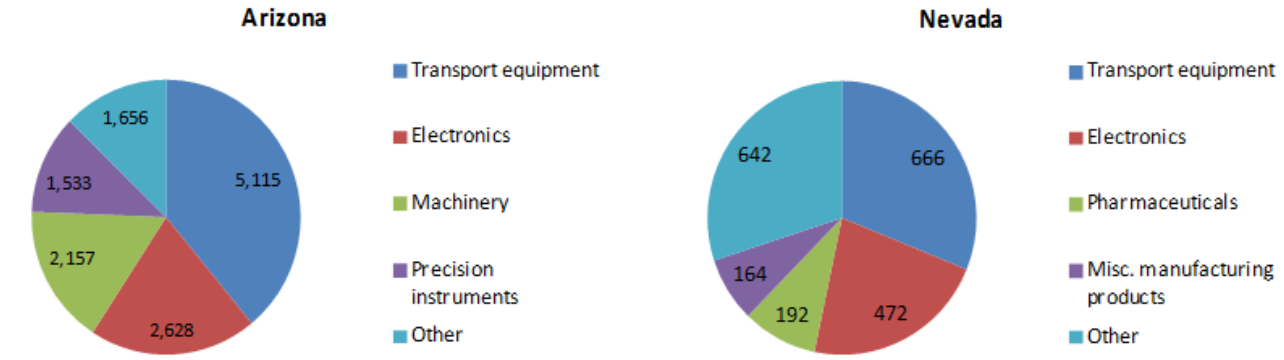
Both Arizona and Nevada have airports with cargo facilities that are considered inland ports of entry.

The equivalent of about 36,800 truckloads of air cargo landed at Arizona airports, and about 18,900 truckloads landed at Nevada airports in 2011.

The Intermountain West states transported a total of 5.7 million tons of air cargo in 2011, for a total value of nearly $394 billion (FHWA 2013). Most air cargo has a high value and is transferred to trucks for quick delivery to its final destination, with a direct impact to the highway network. Both Arizona and Nevada have airports with cargo facilities that are considered inland ports of entry. Complete customs services at both airports allow foreign goods to clear customs. These air cargo facilities have positioned both cities as major West Coast air-truck distribution centers.

Nearly 700,000 tons of air cargo landed at Arizona airports, while 360,000 tons of air cargo landed at Nevada airports in 2011 (Federal Aviation Administration 2012f); this is equivalent to about 36,800 truckloads and 18,900 truckloads, respectively.[1] As Figure 3-10 shows, sectors with fragile or expensive freight are most likely to use air transportation, both in Arizona and Nevada. Of note, air transport use is concentrated in just a few sectors of the economy.

Figure 3-10. Air Cargo by Sector, Millions of 2010 Dollars



Source: FHWA 2013

Projections of air freight demand in the Intermountain West region forecast nearly a threefold increase in air cargo tonnage by 2040 (Table 3-2).

[1] The standard load capacity for a truck trailer is 25 tons, and for a railcar 110 tons. Taking 75 percent as average load factor, the truck equivalent tonnage is 19 tons, and the railcar equivalent tonnage is 83 tons. Source: Texas Transportation Institute 2009.

Table 3-2. 2040 Total Tonnage of Air Cargo (Including Truck-Air Mode) by Origin and Destination (1000s Tons)

Origin/ Destination	Arizona	California	Idaho	Nevada	Oregon	Washington	Rest of U.S.	Total
Arizona	—	33.002	14.468	10.298	0.308	1.735	182.525	242.335
California	61.261	304.436	0.168	108.601	45.429	82.341	1,726.186	2,328.423
Idaho	0.462	0.330	0.008	0.006	0.267	0.096	6.075	7.244
Nevada	0.025	0.366	0.002	43.625	0.006	0.882	50.296	95.202
Oregon	1.902	2.488	0.100	0.028	—	0.008	27.079	31.604
Washington	44.836	29.031	0.255	2.050	0.137	0.053	127.796	204.157
Rest of U.S.	161.828	2,493.790	15.091	35.239	152.654	256.595	10,724.310	1,3839.507
Total	270.313	2,863.442	30.092	199.846	198.799	341.710	12,844.267	16,748.471

Source: FHWA 2013

Freight Rail

Transporting goods via rail between Phoenix and Las Vegas is currently not an available option.

Continuous north-south rail corridors are non-existent throughout the Intermountain West and are found only on the West Coast and in the Midwest and East.

In both Arizona and Nevada, cheaper, heavier goods transported in bulk are more likely to be transported by rail. As Figure 3-6 shows, rail-only transport is rare; about 1 percent of goods by value move through Arizona and Nevada solely by rail. Rail transport does carry a significantly larger share of total freight by volume, about 22 percent.

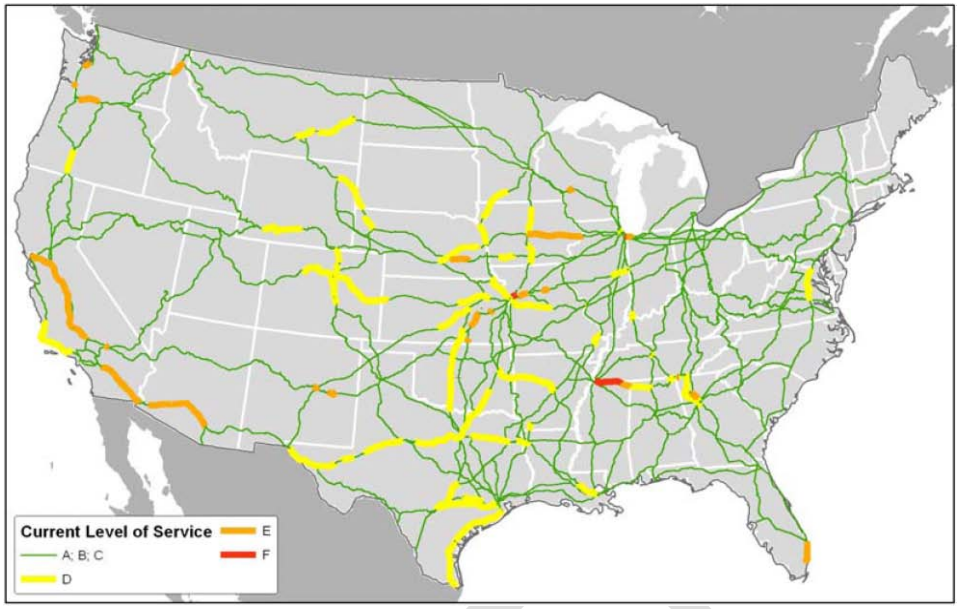
Multiple modes and mail includes rail-to-truck intermodal transport. Intermodal transport is popular at water ports such as the Port of Los Angeles/Port of Long Beach (POLA/POLB), where goods are moved inland by rail from port docks to reload facilities, bypassing urban traffic. These reload facilities sort goods and load them onto trucks for regional delivery. Multiple modes and mail have a mode share of about 15 percent of goods by value in both Arizona and Nevada. By 2040, intermodal transport is projected to have a 21.4 percent share in Arizona and a 24.4 percent share in Nevada. This increase in intermodal transport may increase the demand for reload facilities located in Arizona and Nevada. These statistics include only freight that has an origin or destination in Arizona or Nevada and do not account for freight that passes through the region. Through freight does not generally have a lasting economic effect.

The demand in the U.S. to move freight by rail is expected to exceed track capacity by 2035. Figure 3-11 shows the 2007 primary rail corridor volumes and track capacity, and Figure 3-12 shows the future (2035) primary rail corridor volumes and track capacity without improvements. Figure 3-12 shows that most of the rail corridors would be over capacity and congested without any planned improvements.

Without improvements, the U.S. rail system will not have enough capacity to haul the projected freight.

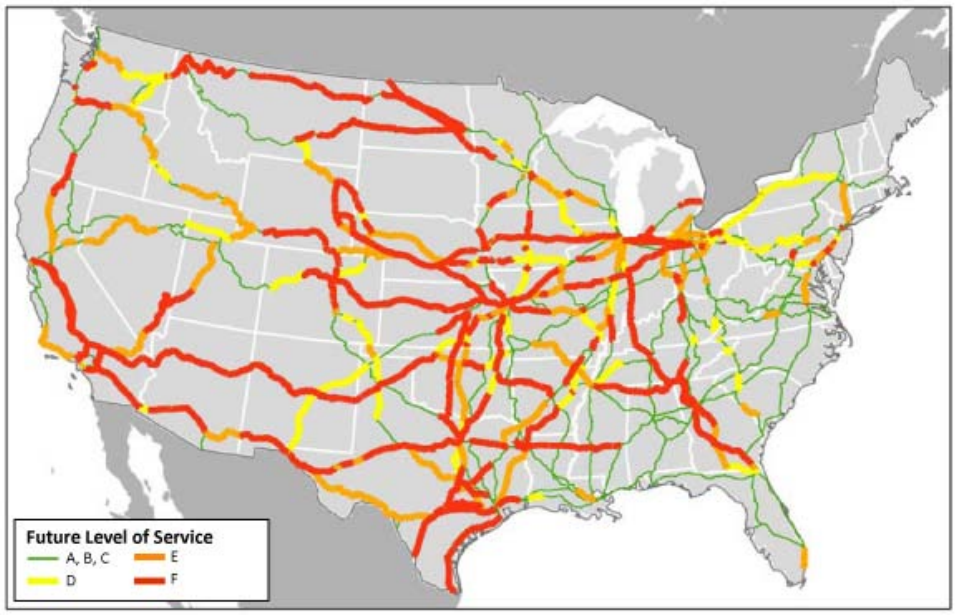
58 percent of Arizona's rail freight by value was motorized vehicles, nearly all of which originated in Mexico and stopped in Arizona before proceeding to auto manufacturing plants in the U.S.

Figure 3-11. Existing (2007) Corridor Volumes Compared to Current Capacity



Source: Cambridge Systematics, Inc. 2007

Figure 3-12. Future (2035) Corridor Volumes Compared to Current Capacity (Without Improvements)



Source: Cambridge Systematics, Inc. 2007

Arizona

Arizona has 1,683 miles of freight rail on more than 10 corridors (mainlines, branches, and short lines). About $2.9 billion worth of goods was moved to or from Arizona by rail in 2010. Of note, 58 percent of Arizona's rail freight by value was motorized vehicles, nearly all of which originated in Mexico and stopped in Arizona before proceeding to auto manufacturing plants in the U.S. In 2010, 68 percent of Arizona's rail freight by volume was coal. Coal freight destined for Arizona generally originates in Texas, Colorado, and Utah.

While many of the routes run east-to-west, mirroring the existing highway system (UPRR and BNSF transcontinental mainlines), UPRR operates a north-south branch route from Tucson to Nogales, the Nogales Branch, which connects to Ferrocarril Mexicano (Ferromex) in Mexico, heavily used for accessing numerous auto assembly plants and industries in Hermosillo, Mexico. BNSF runs a north-south branch line that connects the Transcon mainline route, running approximately parallel to I-40 in northern Arizona, to Phoenix, connecting to the Mobest Yard, Glendale Intermodal Facility, and other transloading facilities. Additional branch lines and short line railroad corridors serve other freight-related destinations, especially mining operations in the northern and eastern portions of the state. Both Class I major transcontinental rail lines are undergoing corridor improvements; double-tracking the UPRR Sunset Route through southern Arizona and triple-tracking portions of the BNSF Transcon in northern Arizona.

The Port of Tucson, an inland port rail facility that is also a foreign trade zone bonded warehouse district, serves NAFTA and CANAMEX Corridor markets.

The Port of Tucson, an inland port rail facility, is also a foreign trade zone bonded warehouse district that serves NAFTA and CANAMEX Corridor markets. UPRR is in the process of developing a classification yard at Red Rock (located between Phoenix and Tucson) that may be expanded to include intermodal facilities. ADOT and the Arizona Department of Commerce are studying the feasibility of inland port development in Yuma that would function as an interface between the UPRR Sunset Route and the potential railroad connecting the proposed Port at Punta Colonet, Mexico.

Nevada

Nevada has two freight intermodal facilities where trailer on flat car or container on flat car can be transferred between railcars and/or trucks.

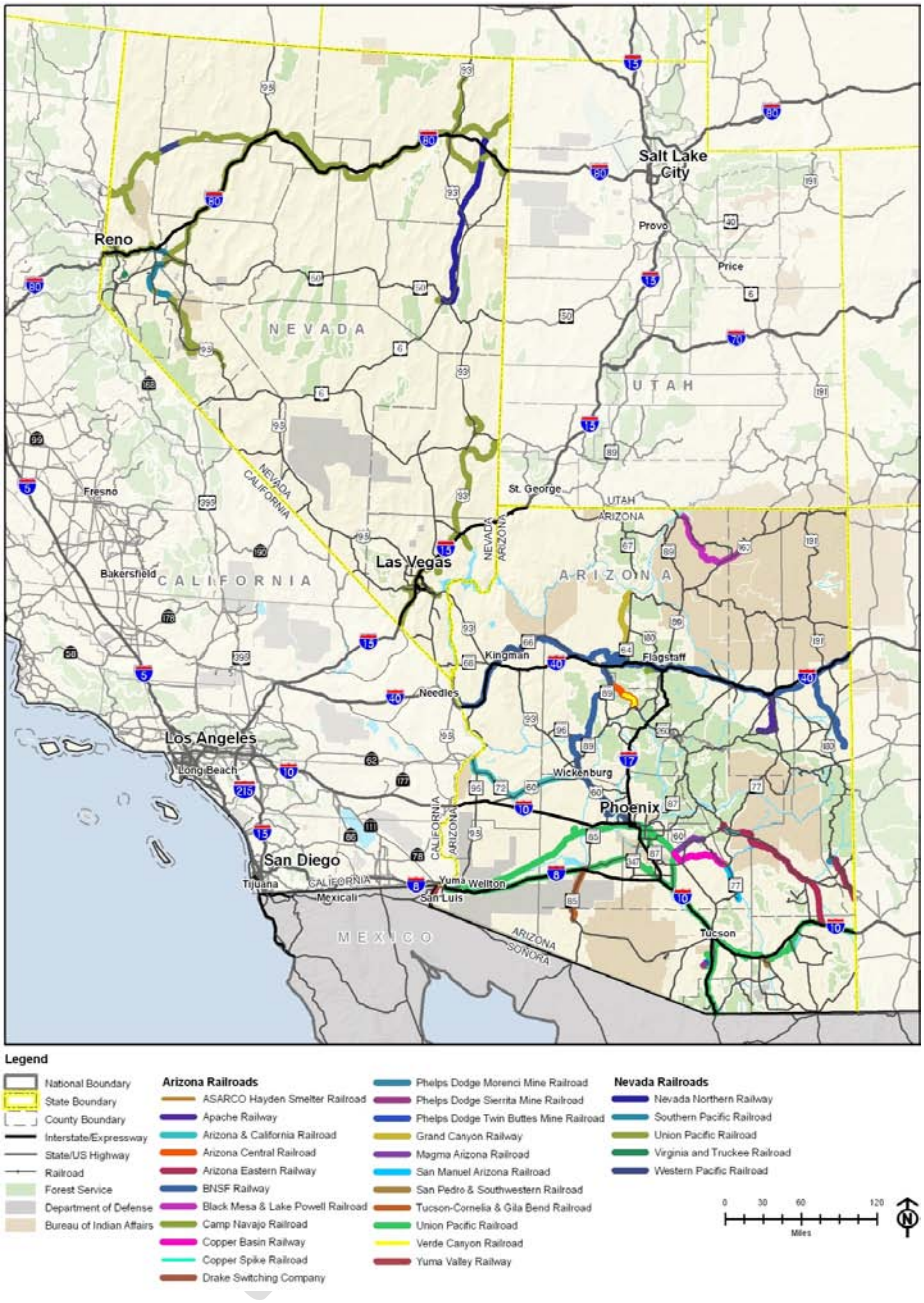
Nevada transported about $1.5 billion worth of goods by rail in 2010, with coal accounting for half of the freight by volume. Most rail freight is inbound with a destination in Nevada; however, Nevada does send a significant amount of metallic ores to Detroit. Nevada has two primary rail corridors, both of which run generally east-to-west across the state, one in the north and one in the south. UPRR owns and operates all 1,085 mainline route miles in the state. The Northern Corridor connects Reno to Salt Lake City and Denver to the east and Sacramento and San Francisco to the west. The Southern Corridor connects Los Angeles to Las Vegas to Salt Lake City, generally paralleling the I-15 route.

Nevada has two freight intermodal facilities where trailer on flat car or container on flat car can be transferred between railcars and/or trucks. The facilities include the UPRR Sparks Intermodal Facility in northern Nevada and the UPRR Las Vegas Intermodal Facility.

Rail Freight between Arizona and Nevada

Similar to the highway system in the region, the freight railroad network in Arizona and Nevada is dominated by east-west infrastructure (Figure 3-13). To transport goods via train between Phoenix and Las Vegas, goods must travel a circuitous route that uses short lines in Arizona and California. At this point, rail routing is possible between the two metropolitan areas but it is not attractive for most shippers.

Figure 3-13. Arizona and Nevada Rail Networks



LPOEs are a key aspect of freight movement through the Intermountain West Corridor, with about 75 percent of U.S.-Mexico bilateral trade by value crossing through land ports in 2011.

Ports

Land Ports of Entry

Southern Border Ports of Entry

LPOEs are a key aspect of freight movement through the Intermountain West Corridor, with about 75 percent of U.S.-Mexico bilateral trade by value crossing through land ports in 2011. The U.S. LPOEs are generally net importers of goods, and about 60 percent of goods by volume are destined for Texas, the Intermountain West, California, and the Pacific Northwest. Figure 3-14 shows the five largest LPOEs that handle U.S. and Mexico trade, by value.

Figure 3-14. Top Five Southern United States Land Ports of Entry, 2011

Source: Bureau of Transportation Statistics 2012c

The top three LPOEs constituted 65 percent of trade between the U.S. and Mexico that flows through land ports. Less than 10 percent of land freight between the U.S. and Mexico flowed through Arizona, and approximately 90 percent of goods that flowed through Arizona crossed at Nogales. As Figure 3-14 shows, the volume of freight transported through land ports in Texas and California currently dwarfs freight that is transported through Arizona land ports. However, depending on the destination, goods that enter through land ports in Texas, New Mexico, and California may be more efficiently transported via I-11. Approximately 12 percent of U.S. imports from Mexico by volume could potentially use I-11 as a more efficient route.[2]

Less than 10 percent of land freight between the U.S. and Mexico flowed through Arizona, and approximately 90 percent of goods that flowed through Arizona crossed at Nogales.

U.S. imports from Mexico could potentially use the I-11 and Intermountain West Corridor as a more efficient route.

Continued investments in LPOEs are key to mitigating congestion and encouraging the use of an I-11 and Intermountain West Corridor by making crossing times shorter and more predictable. The *Arizona-Sonora Border Master Plan* (ADOT 2013b) analyzed planned LPOEs and related multimodal transportation improvements along the Arizona-Sonora border in each state, working with stakeholders in both states to prioritize and coordinate implementation of projects to ensure consistency in infrastructure development and improve the efficiency and effectiveness of Arizona-Sonora transportation facilities. Modernization and expansion programs are planned at several LPOEs, as well as the addition of new rail lines, freight processing facilities, and improved roadway connections.

The function and capacity of Arizona's LPOEs are likely to affect the viability of I-11.

The San Diego Association of Governments in 2006 estimated that border congestion cost California $6 billion; as a result, a dedicated freight crossing at Otay Mesa is being developed to capture that economic activity. There is good reason to believe that congestion at Arizona's LPOEs also has a significant effect on the state's economy. California, Texas, New Mexico, and Arizona

[2] Approximately 2.8 million tons of the 24.4 million tons imported in 2011 through an LPOE had origin-destination pairs that suggest a potential usage of I-11. Bureau of Transportation Statistics 2012c.

each have scheduled LPOE improvements; however, approximately 95 percent of vehicular border crossings are personal vehicles, rather than freight vehicles, and demand for personal trips is more responsive to improvements in LPOEs.

Arizona Ports of Entry

The function and capacity of Arizona's LPOEs are likely to affect the viability of the I-11 Corridor. On its international border with Mexico, Arizona has six LPOEs that provide controlled entry into or departure from the U.S. for both people and goods. More than 40 percent of the fresh produce imported through all U.S.-to-Mexico LPOEs was processed through Arizona's LPOEs in 2008 (ADOT 2012b). Some Arizona LPOEs have multiple crossings. Most border crossings from Mexico into Arizona occur through three LPOEs: Nogales, San Luis, and Douglas. As Arizona's only rail crossing into Mexico, all rail freight shipments move through the Nogales DeConcini LPOE.

By 2040, imports from Mexico through Arizona border crossings are expected to more than double to more than 13.4 million tons. Exports are expected to more than quadruple to 18.6 million tons.

Approximately half of the bilateral trade flows by value and volume through Arizona LPOEs were multimodal, about one-third were by truck only, and about one-sixth were by rail only. Multimodal flows refer to freight shipments that changed transport mode between origin and destination; they include truck-rail, water-rail, and water-truck flows (FHWA 2012).

By 2040, imports from Mexico through Arizona border crossings are expected to more than double to more than 13.4 million tons. Exports are expected to more than quadruple to 18.6 million tons, for a total value of $66.2 billion. The primary destinations and origins for imports and exports entering through Arizona LPOEs in 2040 are projected to be Arizona, California, Michigan, and Texas. Eighty-eight percent of the value of both imports and exports is projected to cross the border by truck, with 12 percent by rail (FHWA 2012).

Water Ports of Entry

The U.S. is the top importer of containerized cargo, much of which enters on the West Coast, where it is then shipped to destinations across the country through Arizona and Nevada.

The U.S. is the top importer of containerized cargo, much of which enters the country on the West Coast and is shipped to destinations across the country. This section discusses the water ports that are significant to the I-11 Corridor study area (see Figure 3-15).

Ports of Los Angeles and Long Beach

Because POLA/POLB in Southern California are the primary gateways of manufactured goods from the Asian markets, and are typically the most cost-effective way to deliver goods to North American markets, their function and capacity have a significant impact on the direction and volume of freight flows in the study area. These ports are the busiest in the U.S.; combined, they are the 7th busiest in the world for containerized cargo (World Shipping Council 2011). Most goods entering POLA/POLB today are destined for the Midwest and Texas (FHWA 2012).

Figure 3-15. Major West Coast Water Ports of Entry

Increasing congestion on California's road and rail systems could have the effect of shifting greater amounts of trade into the Intermountain West. About 41 percent of imported goods leave Los Angeles by truck, while another 14 percent use multiple modes (generally, short-haul rail movements to locations where railcars are offloaded into trucks). These percentages are projected to increase to 56 percent and 21 percent, respectively, by 2040 (FHWA 2012).

While both POLA/POLB experienced a decline in volumes as a result of the economic downturn in 2008 and 2009, both are expected to reach capacity in the coming years. In fact, POLB reduced capacity as a cost-saving measure in 2009 following the global economic slowdown and domestic recession, which will cause them to reach capacity sooner than expected unless improvements are implemented. Based on the business plan at POLA/POLB, container volumes through these ports are projected to nearly triple from 14 million 20-foot equivalent units (TEUs) in 2011 to approximately 43 million TEUs by 2035 (Southern California Association of Governments 2012). TEU is a standard unit of measurement for containerized cargo that describes the volumetric capacity of a 20-foot-long cargo container. The current combined existing capacity is approximately 28.5 million TEUs, and POLA/POLB are expected to exceed this by 2027 (Southern California National Freight Gateway Collaboration 2011). These projections are supported by the fact that many Pacific Rim countries have relatively booming growth and have oriented their economies toward exports. Other factors that will influence when these ports reach capacity include the pace of global economic growth, the relative strength of U.S. manufacturing, and the impact of the Panama Canal improvements on shifting waterborne freight to Atlantic ports. To avoid major congestion issues, both ports will need to expand their capacity; otherwise, freight traffic will have to re-route to alternative destinations.

Other U.S. West Coast Ports

The ports of Seattle, Tacoma, and Oakland could potentially use an I-11 and Intermountain West Corridor. These three ports handled a combined total of approximately 6 million TEUs in 2010, representing 61 percent of their total capacity. Economists at IHS Global Insight predict that Oakland will handle 3.4 million TEUs in 2020 and 5.1 million TEUs in 2030. Currently, the Port of Oakland can accommodate only 3.3 million TEUs. Unless it expands its

acreage, the Port of Oakland could experience a capacity shortfall well before 2020.

Gulf of Mexico Ports

Freight flows diverted through the Panama Canal to Gulf of Mexico ports are not expected to have a significant economic impact on Arizona and Nevada. The majority of those goods, which currently pass through Arizona and Nevada via rail, will continue to bypass these states, only via the Canal. As the Panama Canal is adding a new, deeper-access channel that will allow for expansion of its capacity, freight flows from Asia that would have previously landed at the increasingly congested POLA/POLB may be diverted through the Canal and to ports in Louisiana, Alabama, and Texas. As a result of the improvements, scheduled for 2015 completion, cargo volume through the Panama Canal is expected to double from 2005 levels by 2025. Container volumes in the Gulf Coast will rise to 3.6 million TEUs in 2020 from 2.3 million TEUs in 2006.

Northwestern ports could potentially use the I-11 and Intermountain West Corridor to transport goods south, bypassing the congested I-5 Corridor.

Western Canada Ports

The Canadian ports of Vancouver and Prince Rupert are a viable alternative to the congested POLA/POLB complex. In 2011, Vancouver transported 2.5 million TEUs and Prince Rupert handled 410,000 TEUs. Those volumes made them the 5th and 26th largest ports in North America, respectively.

The metro port of Vancouver is essentially located at the north end of the I-5 Corridor and has committed to improvements to meet the growing demand for capacity expected over the next 25 years. Prince Rupert has a geographically advantageous location; due to its high latitude, it is 3 days closer to China than POLA/POLB. It is located in an area with little congestion, and goods that land in Prince Rupert can be transported to Chicago via road or rail within 4 days.

Mexican Ports

New and expanded Mexican ports have the potential to serve as reliever ports for the congested POLA/POLB, and could increase I-11 and Intermountain West Corridor demand, particularly if rail freight were offloaded to trucks.

The growth and use of the Port of Guaymas and the growth in demand at other Mexican ports is strongly related to potential capacity increases at POLA/POLB. With existing available capacity at POLA/POLB, it is anticipated that ships will continue to carry to these ports until volumes reach or surpass the 2007 levels. At that time, the Mexican ports are expected to gain in traffic as reliever or alternative ports for foreign goods to enter North American markets. They will also have an advantage because expansions at POLA/POLB are continually constrained by adjacent urban development, labor unrest, and environmental regulations.

The Port of Guaymas is located on the Gulf of California in the state of Sonora, approximately 250 miles from the nearest border crossing point in Nogales. This deep-water seaport is part of the CANAMEX Corridor. In 2006 the Port of Guaymas processed more than 3.3 million tons of cargo. Most freight from Guaymas enters the U.S. by rail through Nogales, and the goods are targeted for markets in the southeastern U.S. (CH2M HILL and Wilbur Smith Associates

Inc. 2011). The Port of Guaymas has the potential to serve as a reliever port for the congested POLA/POLB due to its geographical proximity to the U.S. over the larger Pacific ports of Manzanillo and Lazaro Cardenas. Moreover, unlike Ensenada, Guaymas is also connected to the Ferromex Rail System and could increase I-11 and the Intermountain West Corridor demand, particularly if rail freight were offloaded to trucks. This is anticipated to occur only if growth in Pacific trade continues, accompanied by continuing congestion in the POLA/POLB complex, which is not relieved by other mechanisms (such as construction of other West Coast ports or diversion of freight via Panama Canal).

The Mexican government had proposed to build a large container port at Punta Colonet in Baja California, 150 miles south of San Diego. The project was envisioned to have capacity to handle between 4 and 7 million TEUs per year, with potential for a new rail line and possibly a new border crossing location. However, until the port is actually designed and financing is secured, its capacity is highly speculative. The project was delayed numerous times over the past several years. At the end of 2012, Mexico's Ministry of Communications and Transportation cancelled construction of this deep-water seaport and its rail line connecting with the U.S. border. The project is not considered feasible at this time due to the recent economic downturn and U.S. West Coast ports reducing their levels of saturation and congestion.

The current study does not explicitly address the potential future construction of the port at Punta Colonet, although this possibility cannot be ruled out over the time frame of this study, which would further reinforce north-south trade-related travel demand in the I-11 and Intermountain West Corridor. As such, it is assumed that this project is offline for the purposes of this analysis. However, if this port were built in the future, it could increase demand for an I-11 and Intermountain West Corridor.

4. Preliminary Business Case Foundation

Summary of Key Findings

- The Intermountain West, under several alternative future scenarios considered, will experience significant sustained growth in the regional economy and will be accompanied by corresponding growth in travel demand.
- I-11 and the Intermountain West Corridor will be needed to accommodate this increased demand, thereby preventing possible gridlock that could thwart the projected economic growth.
- By strategically enhancing transportation infrastructure, the region may also have the opportunity to enjoy incremental and significantly enhanced economic growth related to important trends in regional and national trade.
- The increasing importance of Mexico as a trading partner, and the emergence of nearshoring as an important and strongly growing structural feature of U.S. commerce, is a significant trend.
- The reliability of freight movement will play a major role in deciding how goods are moved from international manufacturers to markets throughout the Intermountain West.

Introduction

The I-11 and Intermountain West Corridor has the potential to play a transformative role for both the Intermountain West and the nation in facilitating and shaping trade patterns and related economic growth in the Southwest.

To help understand the nature and scale of the economic returns to a potential I-11 and Intermountain West Corridor investment, this section describes the relationship between goods movement, economic activity, and transportation infrastructure for the Corridor. While continued infrastructure investment in response to economic growth is essential for continued competitiveness, it is also a key enabler to help ensure the region's continued economic success as it participates strongly in the nation's emerging economy. Specifically, three important trends currently shaping the regional economy are considered, and three separate scenarios are constructed to model the effects of each in terms of travel demand, GDP, population, and employment in the region. The results provide some indication of the scale of economic activity and of travel demand that each scenario may produce.

In addition to playing an important regional role in linking Phoenix and Las Vegas, the US 93 Corridor has the potential, as the future I-11 route, to play a transformative role for both the Intermountain West and the nation in facilitating and shaping trade patterns and related economic growth in the Southwest. At the same time, for Nevada, and Las Vegas in particular, it is anticipated to facilitate continued trade, local work force and goods mobility, and continued expansion of tourism visits. Similarly, for Arizona, and Phoenix

in particular, it is anticipated to facilitate continued trade, particularly with Mexico, the development of manufacturing operations integrated with corresponding Mexican establishments, and local work force and goods mobility.

During the past several decades, international trade, particularly U.S. trade with Asia, has been a key driver of economic activity in the Southwest, particularly in California, where trade is centered on the POLA/POLB complex. Under the right conditions, current developments in trade movements to and from the Southwest are anticipated to match or potentially outpace the general level of economic growth in those states.

The Business Case is intended to address a key fundamental question: Is the I-11 and Intermountain West Corridor worthy of future investment? To reflect the full range of possible future outcomes, four possible economic scenarios are examined.

The Business Case is intended to address a key fundamental question: Is the Corridor worthy of future investment? The supporting analysis necessary to address this question is being performed in a two-step process. The first step is the Preliminary Business Case Foundation that is prepared in this early phase of the study without the benefit of a detailed corridor context or definition such as modes to be considered, corridor alignment, estimated costs, and operational benefits. It aims to provide a high-level qualitative evaluation and a preliminary analysis of the potential economic impacts that the Corridor might have in the region.

To reflect the full range of possible future outcomes, four possible economic scenarios are examined; these scenarios have the potential to be reflected in the region, together or in combination, when the Corridor is completed. Reflecting important economic trends currently at work in the Southwest, these economic scenarios were selected by the Core Agency Partners during a two-day workshop held December 12-13, 2012, and have a strong likelihood of being realized, in whole or in part, together or individually, in the years ahead. This section documents the results of the initial analysis and provides some early observations regarding the role of transportation infrastructure and of the viability of the Corridor in each of these economic scenarios.

The next step, a Final Business Case, will be completed at the end of this study. The Final Business Case will provide additional analyses refinements and offer further understanding of the potential economic impacts that the Corridor could have in Arizona and Nevada. To understand potential future economic impacts, it is helpful to first look at historic impacts that transportation infrastructure have had on economic development and to recognize the future economic conditions that might exist in the region.

Possible Future Economic Scenarios

To apply these principles to assess the potential effects of current observable trends in international and domestic trade on the Intermountain West, three alternative scenarios were developed; each was selected to reflect an important dimension of the potential economic future for the Intermountain West. These scenarios are based on important current trends that, should they continue, will alter the needs for transportation, levels of trade, and overall development in the region. These scenarios were unconstrained; that is, the analysis assumed a strong supply of high-quality transportation and other key enabling factors.

Each scenario was defined by comparison to a Baseline Scenario, which assumes that trade and freight flows, both international and domestic, grow as forecasted by the United States Department of Transportation. While the Baseline Scenario does take into account some future planned infrastructure projects such as the Panama Canal improvements already underway, it does not include this Corridor. Therefore, because the Corridor has the potential to structurally alter how goods move throughout the region, the analysis may understate the total volume of goods that would be expected to use the Corridor. Specific freight transport flows were estimated for each scenario (Table 4-1) to permit the quantification of the potential economic impacts of each scenario. This information is graphically presented in Figure 4-1.

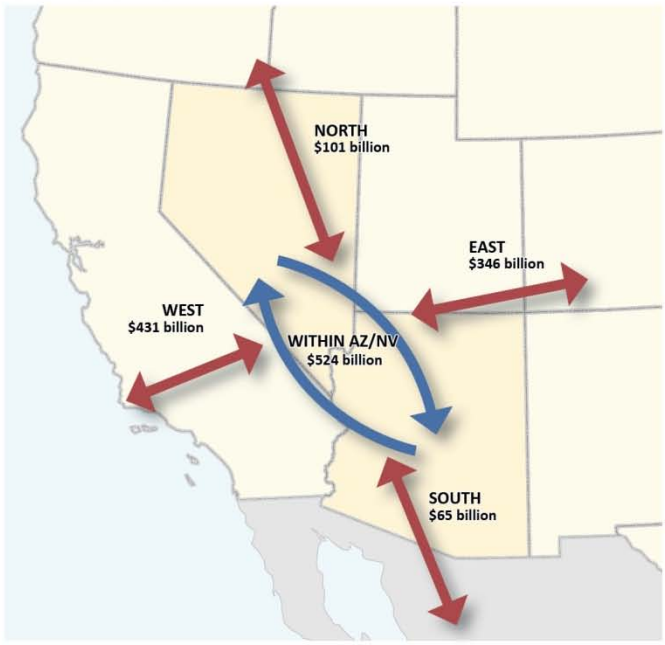
The freight flows described in Table 4-1 were estimated directly as primary inputs to the scenario analysis, using the professional judgment of the study team on the likely range of potential system response in the observed trade flows for each scenario. In this regard, the scenario freight flows are not the maximum conceivable, but are large enough to illustrate the nature and scale of the associated effects.

Table 4-1. Freight Flow Assumptions Relative to the Baseline, by Scenario

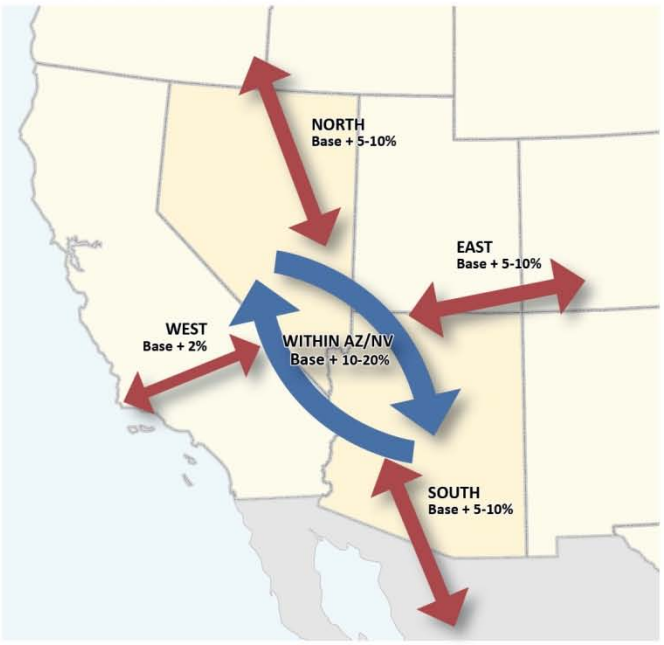
Scenario	South In	South Out	West In	West Out	North In	North Out	East In	East Out	Within
Baseline Condition	FHWA Freight Analysis Framework 3 (FAF3) 2040 forecast								
Growth in Asia Pacific Trade	Base + 5 - 10%	Base	Base	Base + 2%	Base	Base + 5-10%	Base + 5 - 10%	Base + 5 - 10%	Base + 10 - 20%
Nearshoring	Base +20 - 30%	Base + 20 - 30%	Base	Base + 5 - 12%	Base	Base + 5-12%	Base	Base + 5 - 12%	Base + 15 - 35%
State Economic Development Plans	Base + 3 - 6%	Base + 3 - 6%	Base + 3 - 6%	Base + 3 - 6%	Base + 3 - 6%	Base + 3 - 6%	Base + 3 - 6%	Base + 3 - 6%	Base + 3 - 6%

Figure 4-1. Freight Flow Assumptions Relative to the Baseline, by Scenario

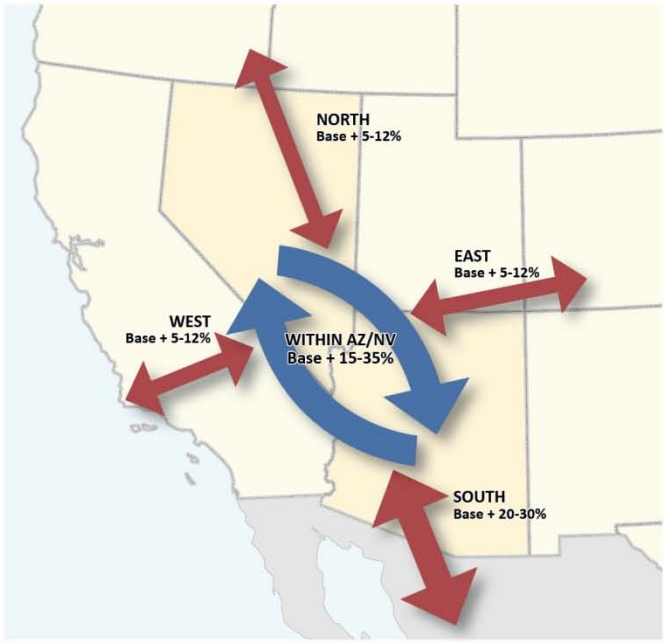
Baseline Scenario



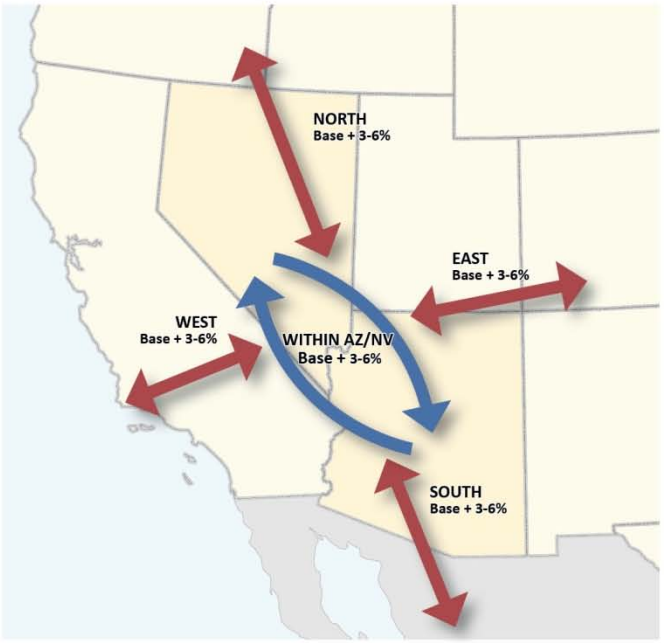
Growth in Asia Pacific Trade



Trade with Mexico Expands



State Economic Development Plans



Source: FHWA FAF3 data, inflated to 2012 value by Consumer Price Index inflation factor provided by the Bureau of Labor Statistics Consumer Price Index inflation calculator.

To assess the impact of each scenario on regional highway congestion, truck traffic volumes for each were compared to the forecast values for the Baseline Scenario. For each route considered, the baseline traffic volumes were determined by:

- Adding the change in average annual daily traffic for the scenario using the scenario population growth rate
- Computing the scenario truck volume increment by using the scenario percentage increase of truck origins or destinations in the study area
- Adding the scenario truck volume increment to the baseline value on each segment evaluated

The urbanized areas of Phoenix and Las Vegas will continue to be congested. Many rural segments that are operating smoothly today begin to experience congestion by 2040.

This analysis provided an estimated average annual daily traffic count for each scenario for each roadway segment analyzed. Then, level of service (LOS) (a qualitative assessment of a road's operating conditions) thresholds for rural routes were used to determine the resultant LOS. The percentage of these segments demonstrating congestion (LOS D to F) was then determined and is described in the following sections for each alternative scenario.

The discussion below provides a brief overview of the Baseline Scenario and the three alternative future scenarios, together with the corresponding modeled economic outcomes and potential traffic congestion implications.

A "no-growth" scenario was not developed or analyzed because it does not reflect long-term experience in the region and would not generate travel demand in the I-11 Corridor.

Baseline Scenario

The Baseline Scenario indicates an increase in overall growth in transportation demand, both for direct travel consumption and to service the industries that provide goods and services to the growing population.

The Baseline Scenario serves as the background against which the results of the other scenarios are compared. Generally, this scenario reflects a continuation of recent background growth in the region and of current trends, without major structural changes. It is presented as the highly probable economic future of the region, in the absence of significant changes from the recent past.

Description

The Baseline Scenario assumes that transport and trade continue as currently forecast; this assumption includes existing international trade forecasts, continuation of the existing trends in balance of trade, continuation of the distribution of trade between major trading partners, and continuation of the existing trade route distribution.

The Baseline Scenario also considers some transportation improvements currently underway, including the Panama Canal improvements, which will result in some shifting of transport routing. When additional Panama Canal capacity becomes available, certain goods movements that currently arrive in West Coast ports and move east primarily by rail will sail to the East via the

Panama Canal. This redirecting of goods through the Canal may result in a small reduction in trucks using east-west Interstates, but is not anticipated to have adverse economic impacts in Arizona and Nevada.

Projections

The Baseline Scenario has associated 2040 projections for Arizona and Nevada employment, labor income, value added, and population. Value added is a proxy for GDP. These projections are shown in Table 4-2. The focus is on employment, labor income, value added, and population because growth in these metrics is strongly indicative of overall growth in transportation demand, both for direct travel consumption and to service the industries that provide goods and services to the growing population.

Table 4-2. Study Area Economic Metrics, 2011 Levels and 2040 Baseline Projections

	Arizona 2011	Arizona Baseline 2040	Nevada 2011	Nevada Baseline 2040
Employment	3,192,519	7,558,377	1,518,833	2,844,599
Labor Income	$157 billion	$351 billion	$75 billion	$135 billion
Value Added (State GDP)	$261 billion	$610 billion	$120 billion	$227 billion
Population	6,553,255	10,993,641	2,758,931	4,084,473

Sources: HDR, ESI Corp., and IMPLAN projections using FHWA FAF3 data, inflated to 2012 value by the Consumer Price Index inflation factor provided by the Bureau of Labor Statistics Consumer Price Index inflation calculator.

Figure 4-2. Baseline 2040 Cumulative Freight Projections for Nevada and Arizona, 2012 Dollars

Source: FHWA FAF3 data, inflated to 2012 value by Consumer Price Index inflation factor provided by the Bureau of Labor Statistics Consumer Price Index inflation calculator.

The cumulative baseline freight flows mapped in Figure 4-2 are the value in 2012 dollars of the two-way (inbound and outbound) flows by direction. Figure 4-2 shows that the predominance of east-west flows currently observed are projected to continue in the future.

As Figure 4-3 shows, the urbanized areas of Phoenix and Las Vegas are already experiencing moderate to severe congestion, and even with the programmed improvements, the facilities will continue to be congested. Many rural segments that are operating smoothly today begin to experience congestion (LOS D or worse) by 2040.

The total economic output in Arizona and Nevada of the Baseline Scenario is estimated at $911 billion. Under the Baseline Scenario, approximately 28 percent of the state transportation corridors analyzed showed unacceptable congestion in 2040.

Figure 4-3. Projected Congestion under the Baseline Scenario

Sources: ADOT 2012k, California Department of Finance 2012, Florida Department of Transportation 2012, MAG 2012b, NDOT 2012f

Growth in China is stabilizing at close to 8 percent, and other newly industrialized Pacific Rim countries such as the Philippines and Malaysia will also show strong growth averaging 5 percent. These Pacific Rim countries have traditionally relied heavily on exports to fuel growth.

The increased economic activity associated with the Growth in Asia Pacific Trade Scenario results in a greater number of vehicles throughout the region, exacerbating the already congested urban Interstates and some regional routes.

Growth in Asia Pacific Trade

This scenario is based on the continued growth of the trade flows with Asia that have characterized West Coast trade during recent decades. This scenario is predicated on the continued growth in U.S. imports of a wide array of low-cost consumer goods from China and other low-cost Asian sources. This scenario assumes that the current trends in manufacturing in the Asia Pacific region continue and that the U.S. continues to receive a growing volume of goods from Asia.

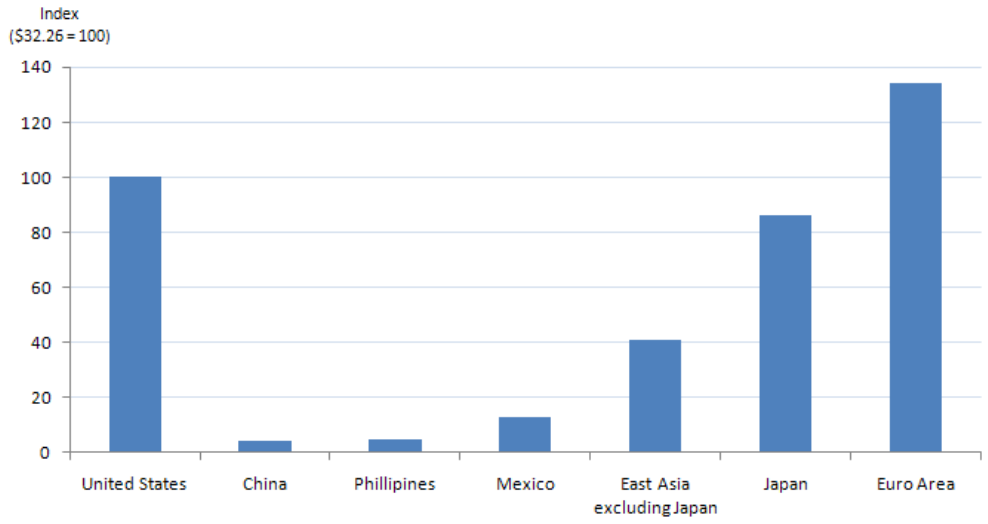
Description

Growth in China, despite its recent slowdown, is stabilizing at close to 8 percent. The International Monetary Fund (2012) projects this pace to be sustainable over the next 5 years. Other newly industrialized Pacific Rim countries, such as the Philippines and Malaysia, will also show strong growth averaging 5 percent. Even fully industrialized South Korea will likely outpace North America's growth. These Pacific Rim countries have traditionally relied heavily on exports to fuel growth, and corresponding growth in U.S. imports has been larger (up to 12 percent per year). The scenario uses a range of increase in freight flows that reflects a reasonable level of corresponding change in the Intermountain West region, based on professional judgment.

Figure 4-4 shows comparisons of labor costs in 2008. Labor costs in China and the Philippines are markedly less expensive than those in Mexico. Labor-intensive industries have tended to find it profitable to use this cheap Pacific Rim labor, either by outsourcing or offshoring (or continuing to outsource or offshore if these U.S. companies already have facilities in those locations).

The continued importance of Asia as a source of U.S. consumer goods is unlikely to diminish in the near term, although some moderation in growth

Figure 4-4. Hourly Compensation Costs of Manufacturing Employees in Selected Economies and Regions, 2008



Source: U.S. Bureau of Labor Statistics 2010

rates would not be unexpected. To date, container volumes through the POLA/POLB complex since the 2008 recession suggest that this growth has resumed already, and that congestion in West Coast ports may be seen again soon.

Under this scenario, West Coast ports would reach capacity by approximately 2020, requiring major additional capacity by that point. To accommodate the demand, Mexican ports are assumed to add port capacity and attract a share of traffic destined for the U.S. Some of the goods shipped to Mexican ports could be transported to the U.S. through LPOEs in Arizona and north via the Intermountain West Corridor. The current trend of trade with Mexico would continue, and the current use of U.S. facilities to carry Mexican goods and raw materials would also continue, which is consistent with the Baseline Scenario.

Projections

Goods movement in selected corridors into, out of, and within the study area is estimated to increase by up to 20 percent (Figure 4-5).

Figure 4-5. Pacific Rim 2040 Cumulative Freight Projections for Nevada and Arizona, 2012 Dollars, High-Impact Values

Sources: HDR projections and FHWA FAF3 data, inflated to 2012 value by Consumer Price Index inflation factor provided by the Bureau of Labor Statistics Consumer Price Index inflation calculator.

The increased economic activity associated with this scenario results in a greater number of vehicles throughout the region. The increase will exacerbate the already congested urban Interstates and some regional routes; on a number of rural routes, this increase results in an increase in congestion (Figure 4-6).

As anticipated, the modeled economic results (employment, labor income, output, and employment) show significant increases under this scenario, driven by the increased transportation activity within the I-11 and Intermountain West Corridor. This economic activity relates to the assumed continued expansion of inland ports and logistics/trans-shipment facilities in the study area. The total economic output in Arizona and Nevada of this scenario is estimated to increase by approximately $13 to $26 billion annually, or approximately 1.4 to 2.8 percent. Under this scenario, approximately 34 percent of the state transportation corridors analyzed indicated unacceptable congestion in 2040, an increase of 6 percent from the baseline. This 15 percent increase over the Baseline Scenario in the number of congested corridors would likely be noticeable to system users and would itself erode the economic competitiveness of the region. Construction of the I-11 and Intermountain West Corridor would alleviate this situation, although the specific level of system congestion relief would depend on the specific configurations and alignment of the Corridor, which will be analyzed more fully in the next study phase.

Trade with Mexico Expands (Nearshoring)

This scenario assumes that Asia Pacific manufacturing for the U.S. market flattens, and significant production growth occurs in Mexico (nearshoring).

Description

Nearshoring refers to the current trend of moving manufactured goods production, much of which was previously in Asia, to Mexico. Since the enactment of NAFTA, bilateral trade has grown exponentially and reached a record high of nearly $400 billion in 2010. Mexico's GDP growth of 5.4 percent in 2010 resulted in a $35 billion increase in Mexican purchases from the U.S. (New Policy Institute and Arizona State University North American Center for Cross-Border Studies 2012). This trend reflects the advantages of Mexico's proximity to the U.S. market, and its growing strength as the 14th largest economy in the world. In addition, China's labor cost advantage in relation to Mexico's is estimated to have shrunk to 14 percent (Thunderbird School of Global Management n.d.).

This trend reflects the advantages of Mexico's proximity to the U.S. market and its growing strength as the 14th largest economy in the world. In addition, China's labor cost advantage in relation to Mexico's is estimated to have shrunk to 14 percent.

Figure 4-6. Projected Congestion under the Growth in Asia Pacific Trade Scenario

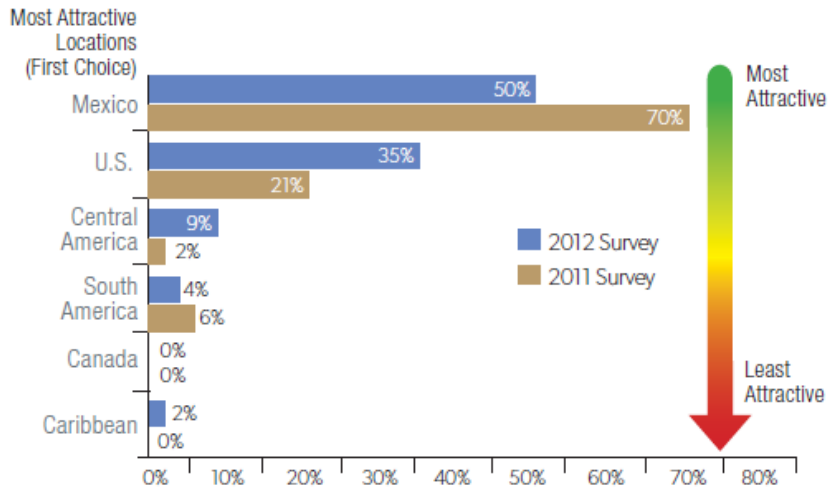
Sources: ADOT 2012k, California Department of Finance 2012, Florida Department of Transportation 2012, MAG 2012b, NDOT 2012f

The likelihood of this scenario materializing is supported by the strong growth of nearshoring in recent years. “After a decade of rapid globalization, economists say companies are seeing disadvantages of offshore production, including shipping costs, complicated logistics, and quality issues. Political unrest and theft of intellectual property pose additional risks” (*Wall Street Journal* 2010). Nearshoring is a natural response to this situation, one in which Arizona and Nevada have strong opportunities to play a role for the Southwest Triangle, as compared to California with its higher costs and congestion. This relatively recent, strongly growing trend has also demonstrated a strong tendency to create an economically integrated manufacturing/supply chain straddling the U.S./Mexico border. In the process, significant manufacturing employment is produced in both countries.

Figure 4-7 shows the results of a survey conducted on 116 manufacturing companies that sell to U.S. markets (Alix Partners 2012). Mexico was the most popular choice for nearshoring, where hourly compensation costs are nearly as low as China (Figure 4-4), and it is much closer to U.S. markets. Of note, the U.S. is catching up with Mexico in terms of favorability for nearshoring.

Nearshoring lowers transportation costs. Analysis from JP Morgan estimates that the cost to transport a container via truck from Mexico is $3,000, while the cost to ship a container from China is $5,000 (Schwartz 2012). Nearshoring also reduces exposure to commodity price uncertainty because nearshoring requires less fuel. Although oil prices, like nearly all goods, are predicted to rise over time, short-term oil prices are quite volatile.

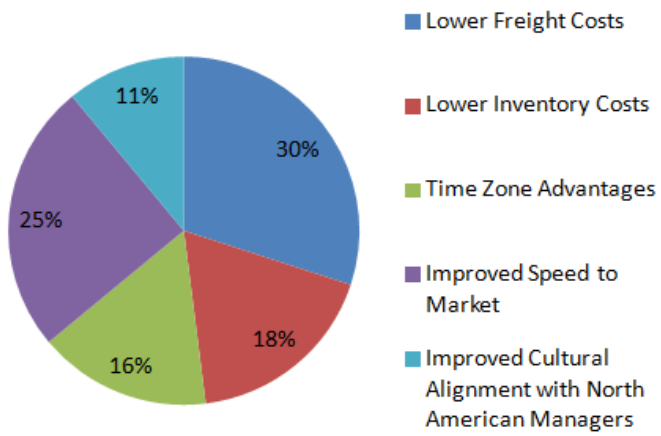
Figure 4-7. Mexico Attractive as Nearshoring Destination



Source: Alix Partners 2012

While lower transportation costs are a major argument for nearshoring, moving production closer to market provides additional benefits (Figure 4-8). It takes approximately 6 weeks to ship from China to U.S. consumers, while it takes only about 1 week from Mexico. Holding all else equal, U.S. retailers would prefer to receive inputs more quickly, and companies would choose not to have funds tied up in inventory for 5 extra weeks.

Figure 4-8. Top Reasons for Nearshoring, Survey of Producers

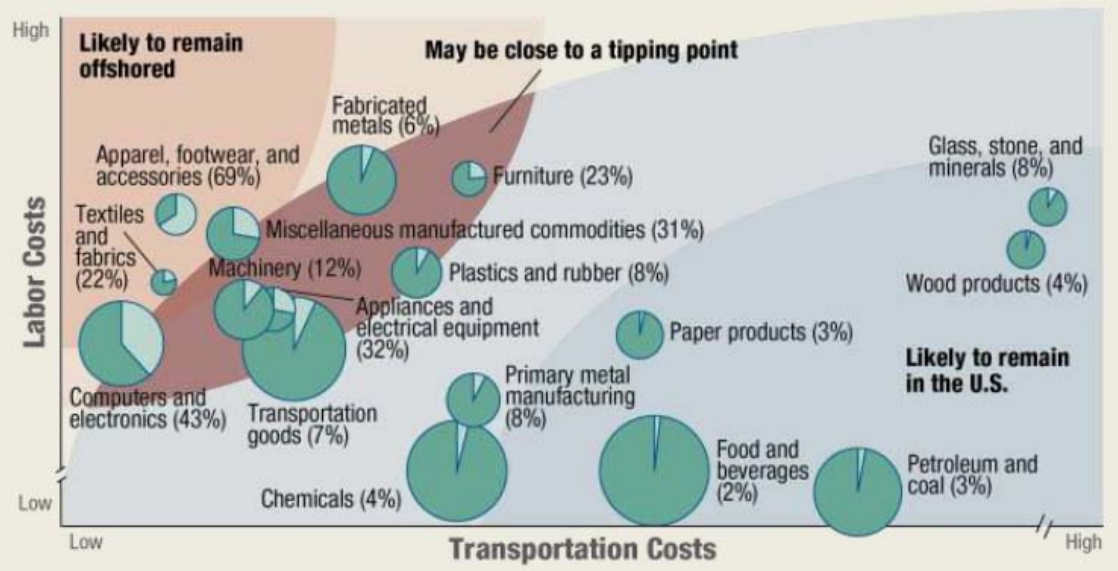


Source: Alix Partners 2012

Moreover, while labor costs are still lower in China and the Philippines relative to Mexico, wages are rising more quickly in the Asian markets. China has experienced real annual wage growth of close to 8 percent since 2000 (*The Economist* 2013). The Boston Consulting Group (2012) is forecasting that wages will equalize between China and Mexico by 2015. Thus, one of the major rationales for offshoring will likely become less relevant. One caveat: U.S. firms that already have invested in production facilities in China might find it cost prohibitive to nearshore until labor costs in China are significantly more expensive than nearshoring options.

Because inputs vary among industries, it is intuitive that some industries might be more likely than others to consider nearshoring. Figure 4-9 shows how different sectors might react. Unsurprisingly, goods that are lightweight (thus relatively cheap to transport) and labor-intensive, such as clothes and footwear, will likely remain overseas. Heavier goods, such as furniture or capital-intensive goods such as machinery, are leading candidates for nearshoring.

Figure 4-9. Nearshoring Likelihood Differs on Inputs



Source: Joint Planning and Advisory Council 2012

This scenario would add demand for north-to-south transportation facilities, including the I-11 and Intermountain West Corridor as a result of significant production growth occurring in Mexico.

Many firms have found it beneficial to have research and development occur within the production facility (PricewaterhouseCoopers 2012). At the same time, lax intellectual property laws are the norm in the Pacific Rim region. Some American firms are hesitant to conduct research and development in China because the intellectual property theft risk is so high and minimal recourse is available. From 2004 to 2009, three-quarters of foreign counterfeit goods seized in the U.S., by dollar value, originated in China (Senate Joint Economic Committee 2012). Large U.S. companies find it costly to prove intellectual property theft and to prevent future incidents, while small U.S. businesses often do not even attempt to bring charges. These fears can be partially mitigated by nearshoring.

Projections

The modeled economic output in Arizona and Nevada, and resulting congestion, are greatest with this scenario.

This scenario assumes that Asia Pacific manufacturing for the U.S. market flattens and significant production growth occurs in Mexico while other major features of the Baseline Scenario remain unchanged. This scenario would add demand for north-to-south transportation facilities, including this Corridor. Figure 4-10 shows the relative importance of southbound flows as additional goods flow into the study area. A range of changes in trade flows corresponding to this scenario has been estimated using professional judgment. Thus, the scenario includes goods movement in selected corridors into, out of, and within the study area increases by up to 30 percent over the Baseline Scenario, as industries such as logistics, processing, and finishing facilities are supported in Arizona and Nevada.

Figure 4-10. Nearshoring 2040 Cumulative Freight Projections for Nevada and Arizona, 2012 Dollars, High-Impact Values

Sources: HDR projections and FHWA FAF3 data, inflated to 2012 value by Consumer Price Index inflation factor provided by the Bureau of Labor Statistics Consumer Price Index inflation calculator.

Under this scenario, the total economic output in Arizona and Nevada is estimated to be in the range of $928 billion to $953 billion, an increase of approximately $17 to $42 billion annually, or approximately 1.8 to 4.3 percent. The modeled outputs for this scenario, all of which are significantly higher than for the Asia Pacific scenario, reflect the scale of the incremental goods movements postulated for this scenario. This scenario is unconstrained by transportation capacity and so will require incremental transportation investment to realize the gains indicated. Because of the scale of land transportation associated with this development, the assumed economic activity will not occur to the extent indicated if transportation congestion, including border congestion, is a limiting factor.

Not surprisingly, this scenario has the greatest effect on congestion, with even the low range of the alternative causing many segments of rural roadway to have unacceptable levels of congestion, and the high range of the alternative (Figure 4-11) resulting in highly congested (LOS F) segments of I-10 toward the California border and I-19 south to Mexico. Analysis suggests that for this scenario, up to 43 percent of the state transportation corridors analyzed indicated unacceptable congestion in 2040, an increase of 15 percent from the Baseline Scenario.

This increase in the number of congested corridors is a significant change that would be noticeable to system users and, without investment, would erode the economic competitiveness of the region. This congestion would also serve as a relative disincentive to attracting nearshoring operations to the Intermountain West Corridor, as they would naturally be attracted to more competitive regions benefiting from lower levels of highway congestion. Construction of the I-11 and Intermountain West Corridor would alleviate this, although the specific level of system congestion relief would depend on the specific configurations and alignment of the I-11 corridor, which will be analyzed more fully in the next study phase.

Figure 4-11. Projected Congestion under the Nearshoring Scenario

Sources: ADOT 2012k, California Department of Finance 2012, Florida Department of Transportation 2012, MAG 2012b, NDOT 2012f

State Economic Development Plans are Fully Realized

This scenario assumes that Arizona and Nevada are able to realize their major economic development goals, including growing their economies through an industry cluster-based strategy and increasing trade with Mexico and Canada.

Description

Arizona and Nevada have developed an industry cluster-based approach to foster economic sustainability by stimulating growth in key sectors.

During the economic downturn, both states suffered devastating job losses, particularly in the construction industry. With the recovery, each state has emphasized the importance of economic development. Each state has reorganized their statewide economic development agencies and created aggressive economic development strategy plans to diversify and enhance their economies, restore lost jobs, create new jobs, and improve the foundations that support and sustain economic vitality.

A cornerstone of these plans is the implementation of an industry cluster-based approach to foster economic sustainability by stimulating growth in key sectors. An industry cluster is a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field. Identification of these clusters included an analysis of industries, their growth trends, job quality, ability to be a trading sector, and finally an assessment of the state's ability to grow the cluster. The end result is a group of industry clusters that has the ability to generate economic growth both in the short and long term.

Tables 4-3 and 4-4 identify each state's industry clusters, the current employment within that cluster, the average wage, and the baseline predicted job growth. Some of the selected industries take advantage of local natural resources, with both states focusing on renewable energy and Nevada targeting mining.

Table 4-3. Arizona Industry Clusters

Industries	Advanced Manufacturing	Aerospace & Defense	Healthcare	Information & Computer Technology
Direct Employment 2011	101,279	162,507	276,681	63,700
Establishments	1,907	11,849	12,742	5,302
Average Wage	$63,014	$71,518	$53,385	$92,341
Average Annual Predicted Job Growth 2011-2016	-0.92%	2.63%	3.39%	3.01%

Industries	Life Sciences/ Biotechnology	Optics	Renewable Energy[a]	Transportation & Logistics
Direct Employment 2011	31,047	34,943	3,519	63,311
Establishments	2,408	3,626	164	3,191
Average Wage	$71,820	$73,807	n/a	$49,001
Average Annual Predicted Job Growth 2011-2016	3.44%	1.58%	n/a	0.56%

[a] Data for average wage and job growth were not available (n/a).

Sources: Battelle 2010, Economic Modeling Specialists Intl. 2013

Table 4-4. Nevada Industry Clusters

Industries	Aerospace & Defense	Arts, Entertainment, Recreation & Visitor Industries	Healthcare	Information Technology
Direct Employment 2011	15,655	357,638	86,710	52,597
Establishments	21	8,675	5,645	3,857
Average Wage	$78,764	$34,704	$67,969	$40,437
Average Annual Predicted Job Growth 2011-2016	0.43%	0.69%	2.36%	2.04%

Industries	Manufacturing	Mining & Materials	Renewable Energy[a]	Transportation & Logistics
Direct Employment 2011	23,429	23,914	1,701	85,653
Establishments	1,135	746	33	6,848
Average Wage	$69,152	$79,794	$45,671	$56,974
Average Annual Predicted Job Growth 2011-2016	2.04%	1.65%	16.82%	1.61%

[a] Energy data are from Brookings Institution and include the year 2010 with growth rate 2007 to 2010.
Source: SRI International 2011

Many of the industry clusters rely on a robust transportation infrastructure for the movement of goods and access to customers. Specifically, because most of the targeted industries are in high-value manufacturing, most of the goods would be likely to be transported by truck. Each state's initiative to boost strategic infrastructure investments is aimed at increasing competitiveness in global trade and promoting job creation and economic vitality. If these measures to raise competitiveness are successful, production could shift to Arizona and Nevada. Rather than nearshoring to Mexico, firms may consider reshoring (U.S. firms moving foreign facilities back to the U.S.) or onshoring (foreign firms moving their facilities to the region).

Results

In terms of the effect of the scenario on freight movements, the resulting shift of production to Arizona and Nevada may result in a shifting of balance of trade by state and a significant growth in export movements. This scenario would likely be accompanied by a less significant growth in import movements to support the growing manufacturing sector. The cumulative effects are shown in Figure 4-12.

The achievement of state economic development goals will be enhanced by increasing transportation infrastructure capacity. Both Arizona and Nevada have adopted economic development targets. For Arizona, gains are expected in transportation and logistics, manufacturing, healthcare, and professional services; for Nevada, gains are expected in mining, transportation and logistics, and manufacturing. The current level of focused energy and resources being applied by both Arizona and Nevada suggests that significant progress on these plans is likely to be realized over the period of this analysis.

Figure 4-12. State Economic Development Plans 2040 Cumulative Freight Projections for Nevada and Arizona, 2012 Dollars, High-Impact Values

Sources: HDR projections and FHWA FAF3 data, inflated to 2012 value by CPI inflation factor provided by the BLS CPI inflation calculator.

This scenario postulates substantial achievement of these goals, while other features of the Baseline Scenario remain largely unchanged. The analysis used to examine this scenario comprises uniformly distributed increases in transportation demand for goods movement into, out of, and within the Intermountain West region, which were estimated using professional judgment. The increased economic activity associated with this scenario results in a greater number of vehicles throughout the region. The increase will exacerbate the already congested urban Interstates and some of the regional routes, and on a number of rural routes, this increase results in unacceptable congestion (Figure 4-13).

Figure 4-13 Projected Congestion under the Scenario where State Economic Development Plans are Fully Realized

Sources: ADOT 2012k, California Department of Finance 2012, Florida Department of Transportation *2012, MAG 2012b, NDOT 2012f*

While the economic effects of this scenario are more modest than indicated for the preceding scenarios, they will increase the level of economic integration in the region, placing additional demands on the transportation network. It is also true that the extent to which these goals might be realized will be significantly influenced by the availability of high-quality, uncongested transportation facilities, both for movement of goods related to the investments and to facilitate commuter flows. Under this scenario, the total economic output in Arizona and Nevada is estimated to be in the range of $919 billion to $927 billion. Analysis suggests that for this scenario, 34 percent of the state transportation corridors analyzed indicated unacceptable congestion in 2040, an increase of 6 percent from the baseline. Construction of the I-11 and Intermountain West Corridor would alleviate this, although the specific level of system congestion relief would depend on the specific configurations and alignment of the I-11 corridor, which will be analyzed more fully in the next study phase.

Transportation Investment as an Enabling Factor in Economic Development

Major port activity has necessitated infrastructure investment, provided direct employment in port activity, and spawned large, robust logistics hubs in the surrounding regions.

Potential benefits to the regional economy associated with the three scenarios discussed above can be realized only if the region maintains its current relative competitiveness and is able to attract the level of activity described above. Transportation is a key and necessary enabler of economic development.

Achieving the right conditions to maximize the benefits to the study area from current trade developments includes addressing the key enabling factor of transportation capacity. This analysis examines the macro-level relationships linking trade, transportation, and economic activity to understand the role the Corridor might play in facilitating economic growth in the Intermountain West. To illustrate these relationships, this section includes a number of examples drawn from U.S. experience during the past three decades. These examples are related to the growth of Asia Pacific trade and its impacts on West Coast port cities, supporting transportation corridors, and the U.S. economy.

The Role of Trade in Growing the U.S. Economy

During the past 25 years, the increasing significance of import trade volumes from Asia has been a defining reality for POLA/POLB and the ports of Oakland and Seattle, as well as the cities in which they are located. These goods movements, largely composed of finished consumer products, have necessitated infrastructure investment, provided direct employment in port activity, and spawned large, robust logistics hubs in each of these locations. By far the largest of these hubs, the POLA/POLB complex has invested in numerous large-scale infrastructure projects to facilitate this trade.

This economic activity was attracted to these locations because of the access to tidewater provided by the ports, and, at least initially, the availability of convenient rail and highway transportation to convey cargoes to inland destinations.

POLB alone moves more than $140 billion worth of goods each year, supporting more than 316,000 Southern California jobs (POLB 2013). Taken together, the linkage between Asia Pacific trade and its derivative U.S. West Coast ports, logistics, and transportation activities has become a multibillion dollar industry responsible for hundreds of thousands of jobs. The benefits of this trade to the U.S. economy have been large and persistent over many years.

The Role of Transportation Corridors in Attracting Trade Flows

The availability of capacity on high-quality transportation facilities suitable for shippers' needs will attract new trade flows and related economic growth.

The I-11 and Intermountain West Corridor would play a key enabling role in attracting trade flows to the Intermountain West region, particularly for those scenarios (described above), with a strong link to international trade. With the continuing growth of the U.S. economy, the availability of capacity on high-quality transportation facilities suitable for shippers' needs will attract new trade flows and related economic growth. Transportation corridors and the supply chains through which goods move are generally structured to minimize transportation cost. To illustrate, Asia Pacific import trade flows typically enter the U.S. through West Coast ports, with the POLA/POLB complex being dominant among them. Much of the U.S. West Coast trade growth (beyond that related to the local market) has been focused on Chicago as a key intermediate destination where major inland U.S. rail interchanges are focused. Cost minimization has generally been achieved by minimizing shipping distance.

Deepening of the Port of Oakland resulted in a jump in demand in the Reno area for the development of logistics facilities—as a trans-shipment point east of the Sierra Nevada along I-80 with high-quality transportation links, low taxes, and inexpensive land.

Since the early 2000s, congestion in the POLA/POLB complex has emerged as a significant secondary determinant to cost and travel time. The result has been some adjustment to the logistics network, including the shifting of logistics functions east to so-called "inland ports" that are remote from the congestion of the POLA/POLB complex. This adjustment has in turn shifted economic activity further east in California and to points beyond, where the presence of high-quality transportation corridors makes this feasible.

A similar example of this phenomenon, with particular application to this study, relates to the boom in the logistics industry in the Reno area, which has been linked by the Brookings Institution to the deepening of the Port of Oakland. This investment, which enabled larger container vessels to dock at Oakland, took pressure off the POLA/POLB complex. Reno, as a trans-shipment point east of the Sierra Nevada along I-80 with high-quality transportation links, low taxes, and inexpensive land, thus experienced a jump in demand for the development of logistics facilities.

In summary, the assignment of trade flows to specific corridors within the continental U.S. continues to illustrate strong competition between facilities to lower cost, reduce congestion-related delays, and handle volume growth. In the face of strong demand growth, trade flows will be attracted to corridors with available low-cost, high-quality transportation capacity that serve the appropriate origins and destinations.

The Role of Transportation Corridors in Catalyzing Regional Economic Growth

All along the corridors linking West Coast ports to cargo destinations, economic activity has sprung up to support the needs of the supply chain. Initially within the ports themselves, then in inland ports, logistics and warehousing centers have been built to support the efficient movement, storage, and, in some cases, finishing of consumer goods.

Supported by toll roads and other private and public funding, strong investment was made in infrastructure to mitigate border-crossing delays and enhance capacity at LPOEs at the border between Texas and Mexico. As a result, Texas today enjoys trade flows to and from Mexico that are approximately 10 times greater than those between Arizona and Mexico.

Strong evidence indicates that domestic trade has similarly been attracted to these established trade corridors because of the critical mass of low-cost supply chain facilities located along uncongested transportation routes. When the necessary improvements in transcontinental rail and truck-freight corridors and support facilities are added, the investment, and associated economic activity, is large. However, it is also true that this activity has generally occurred incrementally along existing corridors.

The structuring of U.S. supply chains has occurred organically within the context of existing infrastructure patterns. The benefits of economic activity associated with Asia Pacific trade have accrued to those jurisdictions that offered existing transportation networks with available capacity and low operating costs.

A good example of this phenomenon can be seen at the LPOEs at the border between Texas and Mexico. Supported by toll roads and other private and public funding, strong investment was made in infrastructure to mitigate border-crossing delays and enhance capacity (Thunderbird School of Global Management n.d.). As a result, Texas today enjoys trade flows to and from Mexico that are approximately 10 times greater than those between Arizona and Mexico.

Key Findings

Each of the scenarios examined has the potential to make a major contribution to the economic well-being of the region's residents, bringing up to an additional half a million people and 240,000 employees to the region over the next 25 years. The specifics of the modeled increases in economic output, population, and employment are shown in Table 4-5.

Table 4-5. Key Modeled Results Corresponding to Each Scenario

Scenario	Economic Output ($ billions)	Population (high range)	Employment (high range)	Unacceptably Congested Highways (%)
Current Conditions (2011)	634	9,253,806	4,711,352	9
Projected Baseline Conditions (2040)	911	15,078,114	6,934,707	28
Growth in Asia Pacific Trade	924–937	15,398,688 (2.1%)	7,082,049 (2.1%)	34
Trade with Mexico Expands (Nearshoring)	928–953	15,599,549 (3.5%)	7,174,171 (3.5%)	Up to 43
State Economic Development Plans are Fully Realized	919–927	15,264,701 (1.2%)	7,020,407 (1.2%)	34

The region will, under the entire range of alternative future scenarios considered, experience significant sustained growth in the regional economy, accompanied by corresponding growth in travel demand.

A brief consideration of the range of current and anticipated trends in U.S. trade, together with the natural geographic advantages of the Intermountain West region, suggests that the region will, under the entire range of alternative future scenarios considered, experience significant sustained growth in the regional economy, accompanied by corresponding growth in travel demand. The level of highway congestion associated with some of these possible economic futures suggests that additional investment in transportation infrastructure is likely required to realize the full extent of these benefits. In fact, the levels of system congestion for the scenarios examined suggests that without additional system capacity such as the I-11 and Intermountain West Corridor, even the most conservative growth scenarios may not be realized due to the constraining factor of transportation congestion. By strategically enhancing regional transportation infrastructure, the region has the opportunity to enjoy full access to the significant incremental and economic growth related to important trends in regional and national trade.

By strategically enhancing regional transportation infrastructure, the region has the opportunity to enjoy full access to the significant incremental and economic growth related to important trends in regional and national trade.

The increasing importance of Mexico as a trading partner, the emergence of nearshoring as an important and strongly growing structural feature of U.S. commerce, and the continuation of the historic strong growth of the region all suggest that during the next few decades the Intermountain West region's demands on its transportation infrastructure will grow strongly. This trend will be reinforced as the various binational initiatives seeking to improve Arizona/Sonora border crossing efficiency and capacity advance their objectives (for example, Arizona-Mexico Commission, Transportation and Trade Corridor Alliance, *Arizona-Sonora Border Master Plan*, *Freight Transportation Framework Study*, *Arizona Multimodal Logistics Complex Analysis*, and the Joint Planning Advisory Council for the Arizona Sun Corridor). In particular, the high levels of congestion in Southern California suggest that a high-quality, north-south corridor in the Intermountain West such as I-11 has the potential to become the corridor of choice for trade-related traffic to and from Mexico, particularly should the nearshoring phenomenon continue to grow. When the current preference for supply chain reliability and resilience to support just-in-time delivery in integrated manufacturing and distribution

systems is factored in, the potential attractiveness of the I-11 corridor is further strengthened. Further analysis in the next project phase will further examine the implications of these insights.

The scenarios examined in this study are not mutually exclusive and were not analyzed with the goal of selecting a preferred outcome. Rather, they illustrate the types of influences on goods movement, transportation demand, economic activity, population, and employment to be expected in the region if certain key economic trends were enabled to play a strong role in the regional economic future. Accordingly, under strong economic leadership, the trends underlying each of the scenarios examined will contribute to the region's future economic prosperity. The extent to which any individual scenario is realized will depend on a host of factors, many of which are beyond the control of economic policy. However, the range of features includes the potential for significant to very large growth in the economy and in transportation demand. Planning for the system capacity increases required to enable this growth is prudent and timely.

Next Steps

The economic scenarios and analyses presented in this section outline the potential shape and magnitude of the trade and economic benefits that might be achieved in the I-11 and Intermountain West Corridor under a coordinated program to improve north-south mobility on selected surface transportation corridors (notionally by upgrading US 93). To focus on a defined, implementable program, in the next study phase significant work will be carried out to confirm and refine the insights developed through this preliminary work.

The next study phase will include further analysis to validate the scenarios presented while developing estimates for the range of associated transportation demand. Travel demand will then be assigned to the regional transportation corridors based on mode, origins and destinations, system capacity, and performance. This effort will permit a Corridor-specific understanding of transportation demand over time and the implications for congestion and capacity, while simultaneously providing a detailed understanding of Corridor operating characteristics, user benefits, travel time, and safety implications of potential investments. In parallel, program-level estimates of the capital costs of Corridor improvements will allow the development of a rudimentary understanding of the range of potential benefit and cost ratios for proposed programs of corridor investment.

With this improved understanding of transportation demand and the potential need to respond with system investment, it will be possible to consider the level of potential effects related to having a significantly higher-quality transportation facility in place. This will include the potential to capture more discretionary domestic and internationally originating traffic (in concert with

assumed binational progress on border crossing issues). This understanding will permit the development of a comprehensive Business Case for a demand-responsive program of Corridor investments to support the continued growth of the region's economy, while including explicit consideration of the potential for these same investments to induce significant increases in trade flows and associated economic activity in the region. The goal of this Business Case will be to support the establishment of a Corridor program investment strategy including the timing, scope, triggers, benefits, and costs for a notional investment program.

5. Stakeholder and Community Input

Summary of Key Findings

- The project's interactive Website has helped grow the project database of key stakeholders to nearly 2,300 individuals.
- To date, 10 formal stakeholder and public meetings have been held in various locations and via Webinar to encourage participation; these meetings have resulted in hundreds of pages of comments and ideas.
- Key themes derived from these outreach efforts are related to Corridor opportunities, safety and mobility, funding and financing, environmental impacts, land use and development, design, alignments, and constraints.

The I-11 and Intermountain West Corridor is expected to increase the movement of people, goods, and services through local communities and from state to state, connecting them to a broader region. The study therefore involves a discussion of multiple stakeholders and individuals to accurately reflect regional needs. The study team is using a variety of venues to communicate and solicit feedback from stakeholders and the public. Using traditional meeting methods, along with virtual technologies to bridge the challenging Corridor length, opportunities to learn about and discuss the project have been offered. At the project outset, the team launched an interactive Website to communicate information about the project and to provide a venue to solicit feedback. To date, more than 75 comments have been received electronically by the project team. This tool has been useful in growing the database of key stakeholders and interests; to date, the database includes the names of nearly 2,300 individuals.

Phoenix Public Meeting

Several focused meeting opportunities were arranged. To encourage participation, meetings were held in varied locations and often offered the opportunity to participate via Webinar. Table 5-1 lists the formal meetings held with stakeholders and the public.

In addition to these meetings, the study team held meetings with the Core Agency Partners, stakeholder groups, and other interests, and responded to several requests for presentations to entities, including the Inter-Tribal Council of Arizona and Inter-Tribal Council of Nevada, regional transportation commissions, councils of governments, and metropolitan planning organizations, municipalities, and organizations.

While the engagement efforts with stakeholders and the public have produced hundreds of pages of comments and ideas, the sections below summarize key themes derived from outreach efforts to date.

Table 5-1. Stakeholder and Public Meetings

Date	Meeting	Location(s)	Attendees
9/26/12	Stakeholder Partners Meeting	Surprise, Kingman, Las Vegas, Carson City, Webinar	205
10/18/12	Public Information Meeting	Henderson	51
10/23/12	Public Information Meeting	Phoenix	142
1/8/13	Utility/Energy Focus Group	Phoenix, Las Vegas, Carson City, Webinar	59
1/22/13	Economic Development Focus Group	Surprise, Las Vegas, Reno, Webinar	67
1/29/13	Freight Users Focus Group	Surprise, Las Vegas, Carson City, Webinar	40
2/5/13	Environment and Sustainability Focus Group	Surprise, Las Vegas, Carson City, Webinar	50
2/12/13	Land Use and Community Development Focus Group	Surprise, Las Vegas, Carson City, Webinar	55
2/19/13	Corridor Operations Focus Group	Surprise, Las Vegas, Carson City, Webinar	30
2/26/13	Alternative Delivery and Finance Focus Group	Surprise, Las Vegas, Carson City, Webinar	34

Corridor Opportunities

Carson City Focus Group

Feedback often cited the immense economic development opportunities the Corridor could facilitate for Arizona, Nevada, and the Intermountain West. Support for tourism activities, including connecting recreational assets, gaming, and entertainment venues could prove valuable to the states' economies. Many of the comments concentrated on how the Corridor could increase trade by supporting the existing economies of mining, energy (solar, nuclear, alternative, and renewable fuels), construction, agriculture, and military activities, as well as expansions to manufacturing, aerospace/high tech, and transportation logistics throughout the Southwest Triangle. As manufacturing and labor activities in the Pacific Rim, Central and South America, and Mexico evolve and nearshoring/onshoring opportunities grow, market access through the Intermountain West to Canada would be served by the Corridor, providing relief to already congested Southern California and Mexican ports.

Safety and Mobility

Concerns regarding the safety of existing routes US 93 and US 95 were often cited. Because the mix of passenger and freight activities may not always be adequately accommodated by current infrastructure, respondents indicated that an I-11 Corridor could provide a more efficient and reliable transportation linkage for this underserved region. Freight stakeholders encouraged careful planning and placement of truck stops and rest areas to support long-haul operations and hours-of-service regulations. While many comments focused on safety concerns of using the existing/future infrastructure, several individuals asked that the study consider security issues related to the movement of hazardous materials or the potential for increased threats related to immigration, border security, terrorist activities, and illegal drug trade.

Funding and Financing

Considerable feedback focused on concerns related to the availability or potential sources of Corridor funding. While tolling was the tool most frequently discussed—with some in favor and others against—appreciation for unique and alternative Corridor delivery options was acknowledged. While some dismissed the Corridor because of the potential capital cost alone, others underscored the importance of having an informed dialogue about the financial implications of designing, building, and maintaining a future I-11 and Intermountain West Corridor. A variety of funding, financing, and alternative delivery options were suggested.

Environmental Impacts

Consideration for environmental disturbances and impacts was emphasized. Research for, and subsequent protection of, wildlife habitat and migration corridors, waterways and wetlands, and cultural sites is critical, as is consideration of key species found within the study area (including the desert tortoise, bighorn sheep, and pronghorn antelope). While some comments noted that the environmental and climate impacts of the Corridor outweigh any possible benefit, and disapproval of the Corridor was noted, various strategies and mitigation tactics were recommended for potential use.

Land Use and Development

Emphasis was placed on the importance of connecting land use and transportation decisions to build the nation's first "smart" corridor. Working with local jurisdictions to identify a future I-11 and Intermountain West Corridor in land use plans is a good first step, but facilitating compatible uses adjacent to the Corridor is equally important to maximizing the benefits of the asset. Zoning, right-of-way designation, and establishing easements are tools communities can use for these purposes. Some parties, however, noted that

communities bypassed by the Corridor could experience negative impacts; others worried that it might promote urban sprawl. Focusing on using existing corridors to the maximum extent possible and connecting existing activity centers and employment hubs was offered as a sustainable planning strategy.

Corridor Design

There is considerable support for the study of a multifunctional Corridor that not only provides multimodal transportation opportunities but also houses assets that require similar rights-of-way. Considerations ranging from biking/cycling, pedestrian and equestrian movements, and transit alternatives were offered, but high-speed passenger and freight rail were the most frequently suggested modes to consider, along with traditional vehicle movements. Utility (including transmission lines and telecommunications) and energy (including liquid/natural gas, fiber/dark fiber, wind, and solar) options and other emerging/future opportunities were offered as potential candidates for shared or combined rights-of-way or easements. While using a coordinated corridor for the movement of people, goods, and utilities was supported, some questioned whether this type of "combination facility" would increase national security concerns. Any effort, however, would necessitate the consideration of separate requirements, size of footprint, asset compatibility, and cost. The Corridor could be the opportunity to build a smart or "green" corridor of the future, serving as a new model for the movement of goods and people by learning from the best practices of previous corridor development. In addition to support for a multimodal, multifunctional corridor, many specific features and amenities were suggested for consideration.

Corridor Alignments

Surprise Stakeholder Partners Meeting

While this phase did not study potential corridor alignments for a future I-11 and Intermountain West Corridor, the public and stakeholders still desired to propose "lines on a map." Their ideas for existing corridors, including US 93, were routinely recommended. Additionally, many commenters wanted assurance that a no build alternative would be considered, with several questioning whether the results of this study would indeed identify a need for a future I-11 (or *any* new roadway). Others questioned whether future evaluation of potential corridors was even warranted, and they were concerned that a preferred alignment was predetermined. For those who supported a future Corridor, connecting key activity centers, including inland ports, airports, and other logistical assets, was recommended. Connections beyond the Priority Corridor Segment (Phoenix to Las Vegas metropolitan areas) were also advised, with individuals stressing the importance of the Corridor being a true Intermountain West route, connecting Mexico and Canada. While destinations south of Phoenix often focused on the Sun Corridor, potential connection points to the north ranged from Vancouver,

Seattle, and Reno in the west, to locations such as Ely (Nevada) and Salt Lake City to the east.

Constraints

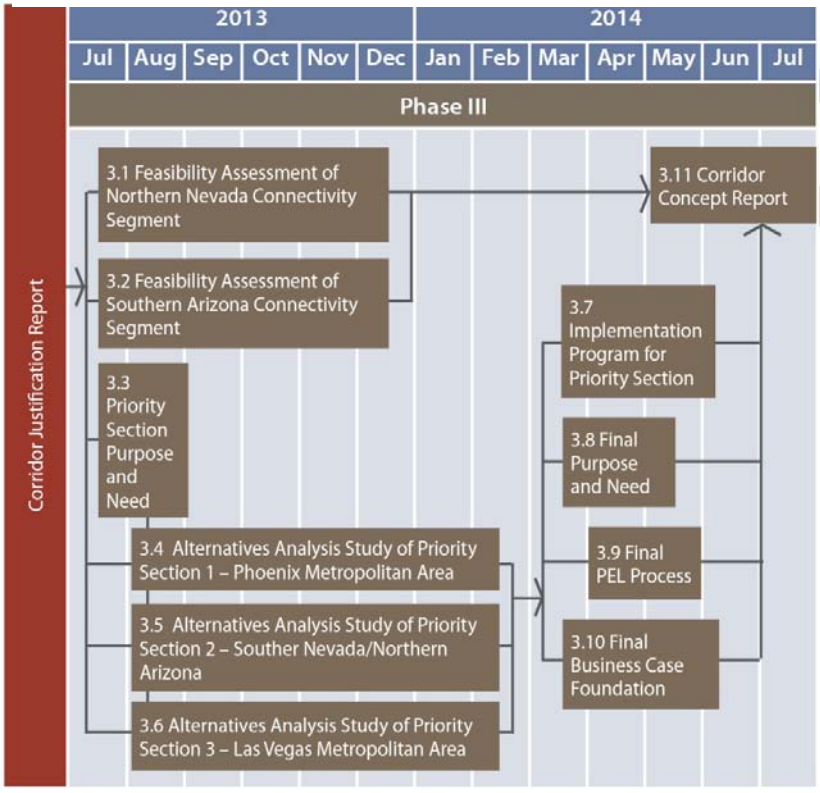
Several key constraints were noted, most notably funding challenges and environmental considerations. Many commenters emphasized the challenge of building consensus for a future Corridor and the need for long-term political will and the commitment necessary to implement a project of this magnitude. Other constraints cited include the locations of many decentralized population and employment centers throughout the study area, as well as the significant cost and complications of right-of-way acquisition.

6. Next Steps

This Corridor Justification Report summarizes the findings of the first half of the study and describes the characteristics affecting the corridor—such as existing and future population and employment, economic diversity, freight movement, and environmental conditions—that will be needed in the second half of the study to evaluate the location and type of an enhanced transportation facility.

The second half of the study (Figure 6-1) will be dedicated to preparing the Corridor Concept Report, which will identify and evaluate alternatives, and ultimately recommend a preferred corridor(s) for further consideration. Detailed alternative alignment and mode analyses will be conducted for the priority segment areas between and including the Phoenix and Las Vegas metropolitan areas. An implementation plan will delineate future actions needed to develop the Corridor and will assign timeframes and responsibilities for accomplishing those actions. A purpose and need statement will be prepared to fulfill important National Environmental Policy Act requirements needed for the next phase (environmental study) of the project development process.

Figure 6-1. Corridor Concept Report Timeline and Process



PEL = Planning and Environmental Linkages

A high-level feasibility assessment will be conducted for the future connectivity areas of southern Arizona and northern Nevada that will narrow alignment and mode options to only those that are feasible and meet the draft purpose and need. More detailed analyses will be required in subsequent studies to advance these segments through the National Environmental Policy Act process.

In addition to this Corridor Justification Report, at the conclusion of the study, two additional primary documents will be produced: the Corridor Concept Report, which will include a series of decisions and working papers presented during this phase, and the Final Business Case Foundation. The objective of the Business Case is to provide an understanding of the potential economic impact that corridor development would have on Arizona and Nevada. Applying the economic scenarios

identified in Chapter 4 of this report to the alignments developed during the Corridor Concept phase of the study, a high-level economic impact analysis and a benefit cost analysis will be conducted. The Business Case will promote the economic value of the project to government agencies, other stakeholders, taxpayers, and potentially interested private partners.

Before construction commences on any transportation project, a number of traditional steps must be taken. The process begins with planning and is followed by environmental analyses, design, and possibly right-of-way acquisitions. This study, the first step in that process, is implementing new guidelines for streamlining the National Environmental Policy Act requirements by advancing some of them into the planning process, referred to as Planning and Environmental Linkages.

An ongoing element of this corridor study, the Planning and Environmental Linkages process will help streamline the entire environmental review process, allowing this study to provide the foundation and minimize the need for re-evaluation as the project progresses into the environmental phase

ADOT and NDOT have both worked with FHWA to adapt the federal guidance into state-led processes, which include a series of checklists to be completed throughout a study's process. The Planning and Environmental Linkages procedures of the two states are very similar and will be carried forth throughout this study to identify important issues early, so that agencies, stakeholders, and the public can make informed and timely decisions.

7. Acronyms and Abbreviations

ADOT	Arizona Department of Transportation
bqAZ	Building a Quality Arizona
CANAMEX	Transportation corridor connecting Canada and Mexico through the United States
FAF3	[FHWA] Freight Analysis Framework
FHWA	Federal Highway Administration
GDP	gross domestic product
I	Interstate
LOS	level of service
LPOE	land port of entry
MAG	Maricopa Association of Governments
MAP-21	Moving Ahead for Progress in the 21st Century
NAFTA	North American Free Trade Agreement
NASCO	North America's SuperCorridor Coalition
n.d.	no date
NDOT	Nevada Department of Transportation
NHS	National Highway System
POLA	Port of Los Angeles
POLB	Port of Long Beach
SR	State Route
TEU	20-foot equivalent unit
UPRR	Union Pacific Railroad
U.S.	United States

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I-11 and Intermountain West Corridor Study

December 4, 2012

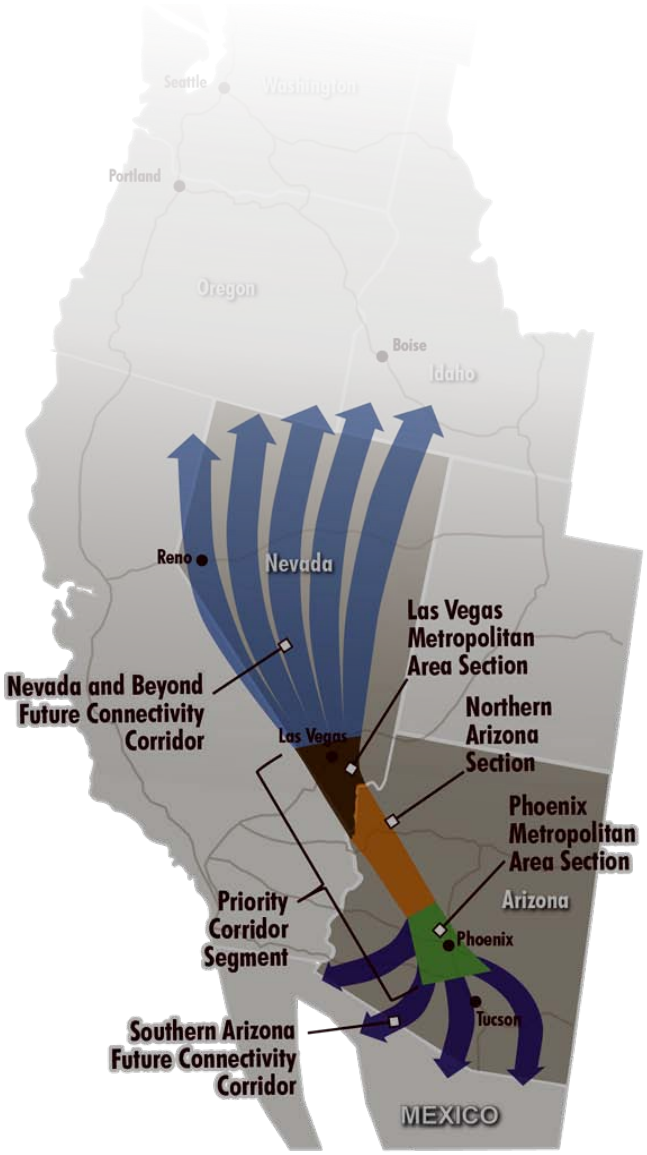
Frequently Asked Questions (FAQs)

Why is this study being conducted?

Congress recognized the importance of the US 93 Corridor between Phoenix and Las Vegas and designated it as future I-11 in the recent transportation authorization bill, Moving Ahead for Progress in the 21st Century Act (MAP-21). Previous planning studies have presumed that if extended north of Las Vegas and south of Phoenix, this Corridor has the potential to become a major multimodal north-south transcontinental corridor through the Intermountain West. The Corridor would connect major cities, existing and future trade hubs, existing and future domestic and international deep-water ports, intersecting Interstate highways, and railroads. This study is being conducted to evaluate the validity of these claims, establish a purpose and need for the Corridor, consider possible alignment(s) and multimodal alternatives, and develop implementation and funding strategies.

What is the study area?

For study purposes, the Corridor is divided into segments. The segment between the metropolitan areas of Las Vegas and Phoenix is considered high priority and will be studied in the most detail to examine preferred alignment(s) for I-11. From Las Vegas to Canada, and from Phoenix to Mexico, potential options for extension of the Corridor will be considered. This will include identifying potential connection points into Mexico. These Corridor segments have been identified in the map shown to the right.



Do you have a map of the proposed route?

No. It is very early in the study process and alternatives/alignments have not yet been developed. Several previous studies have identified potential alignments for the Corridor or a similar north-south Interstate route (e.g., Hassayampa Freeway and the CANAMEX Corridor). As part of this study, review of prior recommendations will occur, building upon them utilizing new information, to determine suitable alternative alignment options. Each feasible alignment, as well as the "no build" option, will be evaluated based on various criteria, including but not limited to: meeting passenger and freight travel needs, compatibility with local plans, community support, environmental impact, and cost. *Notwithstanding maps or proposals from other organizations that might suggest an alignment for I-11, no decision has been made on where the route will go.*

If extended north of Las Vegas, will the Corridor connect to Reno?

Once the need for the transportation facility is established, alignment alternatives will be explored between Phoenix and Las Vegas (the highest-priority segment). A range of Corridor routing options north of Las Vegas will be reviewed, which may include connecting to Reno, or other communities in Nevada.

If extended south of Phoenix, will the Corridor connect to Tucson?

Once the need for the transportation facility is established, alignment alternatives will be explored between Phoenix and Las Vegas (the highest-priority segment). A range of Corridor routing options south of Phoenix will be reviewed, which may include connecting to Tucson, or other communities in Arizona.

Will this be only a highway corridor?

Options for multiple modes of transportation will be explored such as highway, freight rail, passenger rail, transit, pipeline and energy/utility transmission. One or more of these options could be paired within the same right of way, or different transportation modes could travel parallel to one another using different alignments. Technology improvements that can enhance travel will also be considered (e.g., real-time/adaptive messaging signs, vehicle communication, etc.).

With US 93 improvements in place, do we really need a freeway between Phoenix and Las Vegas?

As part of this study, the team will investigate and assess the need for a new or improved facility with respect to various factors such as traffic congestion, freight movement, economic development and safety to determine whether the facility is needed, for what purpose, and with what benefit.

When will this Corridor be built?

This is the beginning of a two-year study to determine whether there is a need for a new or improved transportation facility between Phoenix and Las Vegas, with potential extensions north to Canada and south to Mexico. If a need exists, this study will determine viable location(s) for the facility. The study will serve as the foundation for subsequent, more detailed studies (such as environmental and engineering) that are required. No funding is currently available to construct the Corridor. Certain highway segments that could be part of I-11, however, such as the Boulder City Bypass in Nevada, are farther along in the development process and could be constructed sooner than other portions as funding becomes available.

Will I-11 be a toll road?

At this point, no funding is available to construct an Interstate facility in the Corridor. This study will first evaluate the need for the Corridor and then develop high-level cost estimates and options to pay for it. Should the Corridor proceed through implementation, a combination of funding sources and financing will be necessary to build the facility. Various funding sources and project implementation strategies will be investigated, including public-private partnerships, of which tolling is just one of many options.

Is I-11and Intermountain West Corridor the best project for spending our limited transportation dollars?

As the study progresses, better information will be available to answer this question. Within the first nine months of the project we will assess the need for the facility by conducting a thorough analysis to determine the potential facility's benefits and costs and determine if there is a business case for implementing the project. The results of this business analysis will be shared with our public and private partners to understand where this project fits in the statewide (Arizona and Nevada) and regional priorities for transportation system development.

How is this study being funded?

The I-11 & Intermountain West Corridor Study is being funded jointly by NDOT and ADOT through federal allocations and state resources.

Will this create a safer roadway between Phoenix and Las Vegas?

There has been a significant investment to improve the US 93 corridor between Wickenburg, Arizona and Henderson, Nevada. The route, however, still has a low level of access control; many intersecting roads and driveways provide direct access to US 93 thereby reducing safety and efficiency for traffic movement. Along with other multimodal options, this study will consider an access-controlled roadway, consisting ultimately of a freeway that has access only at fully-controlled traffic interchanges.

What will be done to limit the impacts on wildlife fragmentation and habitat as well as on wilderness lands?

A detailed environmental analysis will be part of subsequent studies for this Corridor. However, during this preliminary phase, several environmental agencies and organizations are part of the project's Stakeholder Partners group, helping to identify areas that are not conducive to new or improved transportation facilities, and advising on mitigation measures that can allow the development of new or improved facilities without fragmenting and therefore jeopardizing wildlife habitats. This sort of collaboration has been successful in previous efforts, including ADOT and the Arizona Game and Fish Department's recent work integrating wildlife crossings with US 93 corridor improvements.

Will this Corridor create urban sprawl?

One of the visions for this Corridor is that it will promote economic development by connecting communities. Throughout this study, the project team will collaborate with the communities along the Corridor to understand their growth plans and develop recommendations consistent with those plans.

Will public input be considered in the evaluation of a potential I-11 & Intermountain West Corridor?

Absolutely. Draft study reports will be posted on the study website (www.i11study.com) for public review and comments will be received and incorporated into final versions. Transportation is personal and every decision that will

be made regarding this Corridor affects someone to some degree. Neighborhoods, businesses and the traveling public will benefit or be adversely affected in some way. NDOT and ADOT strongly believe that residents and visitors to their states are their customers and should be given an opportunity to participate in planning and project development.

Stakeholders, residents, the traveling public, businesses and other interested parties are encouraged to communicate their needs, desires and visions for this Corridor so that NDOT and ADOT, in cooperation with its partners, can better meet the transportation needs. *A Citizen's Guide to the National Environmental Policy Act (NEPA)* is posted on the website and has been developed to help citizens and organizations who are concerned about the environmental effects of federal decision-making to effectively participate in federal agencies' environmental reviews under NEPA. Even though we have not yet begun the NEPA phase, this study embraces the NEPA process because we believe that the public, stakeholders and interested parties need to be involved in and should have the opportunity to influence the transportation planning, design and construction process.

Who will ultimately make the decision on where the Corridor would be located?

The I-11 & Intermountain West Corridor Study is a high priority for NDOT and ADOT, which have pooled their resources and are jointly managing this study; together, the agencies will ultimately be responsible for approving all study decisions. Corridor decisions regarding the preferred alignment(s) and components of the Corridor will be made in subsequent phases of the project and will follow the process established by NEPA. ADOT and NDOT will follow a transparent decision-making process that includes input from the public and Stakeholders Partners in conducting this Corridor study. All interested public agencies, non-profit organizations and private interest groups are invited to participate in a Stakeholder Partners group that will be asked to provide data and other input, and to share their opinions and ideas on decision points throughout the process.

How can I get involved?

Staying informed and submitting your comments are great ways to get involved with this project.

Stay Informed:

- Check out the website (www.i11study.com) for periodic updates
- Submit your email address for inclusion on the project distribution list (see "Get Involved" tab on website)
- Review documents as they become available (see "Project Documents" tab on website)
- Attend public meetings and agency presentations

Submit Comments:

- Using the comment form on the "Get Involved" tab on website
- By calling or mailing our project managers:

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MEMORANDUM

July 31, 2013

TO: **Department of Transportation Board of Directors**
FROM: **Rudy Malfabon, Director**
SUBJECT: **August 12, 2013 Transportation Board of Directors Meeting**
Item #11: **Old Business**

Summary:

This item is to provide follow up and ongoing information brought up at previous Board Meetings.

Analysis:

a. Report of Outside Counsel Costs on Open Matters - *Informational item only.*

Please see Attachment A.

b. Monthly Litigation Report - *Informational item only.*

Please see Attachment B.

c. Fatality Report dated July 17, 2013 - *Informational item only.*

Please see Attachment C.

List of Attachments:

a. Report of Outside Counsel Costs o*n Open Matters - Informational item only.*
b. Monthly Litigation Report - *Informational item only.*
c. Fatality Report dated July 17, 2013 - *Informational item only.*

Recommendation for Board Action:

Informational item only.

Prepared by:

Rudy Malfabon, Director

OPEN NDOT - OUTSIDE COUNSEL CONTRACTS AS OF JULY 17, 2013

Vendor	Case/Project Name	Contract Period	Contract and Amendment	Contract and Amendment Amount	Total Contract Authority	Contract Authority Remaining
Nossaman, LLP	Pioneer Program Legal and Financial Planning NDOT Agmt No. P282-09-002	9/23/09 - 7/1/13 Amendment #1 Amendment #2 Amendment #3 Amendment #4	9/23/2009 2/23/2010 10/6/2010 10/26/2010 8/31/2011	$ 125,000.00 $ 80,000.00 $ 30,000.00 $ 30,000.00 $ 365,000.00	$ 630,000.00	$ 189,025.42
Nossaman, LLP	Project Neon Legal and Financial Planning NDOT Agmt No. P014-13-015	3/11/13 - 3/11/15	3/11/2013	$ 1,400,000.00	$ 1,400,000.00	$ 1,268,270.37
Chapman Law Firm	*NDOT vs. Ad America* 8th JD - 4 Eminent Domain Cases Project Neon - Las Vegas NDOT Agmt No. P301-11-004	6/14/2011 - 8/31/13 Amendment #1 Amendment #2	6/14/2011 8/30/2012 7/8/2013	$ 406,675.00 Expansion of Scope $ 85,000.00	$ 491,675.00	$ 4,876.35
Snell & Wilmer, LLP	*Peek Construction vs. NDOT* 1st JD 120C 00030 1B Contract # 3407 (Wells Wildlife Crossing) NDOT Agmt No. P082-12-004	3/1/2012 - 6/30/14	3/1/2012	$ 150,000.00	$ 150,000.00	$ 21,032.23
Snell & Wilmer, LLP	*Peek Construction vs. NDOT* 1st JD 120C 00032 1B Contract # 3377 (Kingsbury Grade) NDOT Agmt No. P083-12-004	3/1/2012 - 3/30/2015 Amendment #1	3/1/2012 2/18/13	$150,000.00 $75,000.00 $225,000.00	$ 225,000.00	$ 6,058.46
Snell & Wilmer, LLP	*Construction Claims Williams Brother, Inc.* Contract # 3392 (Various in Las Vegas) NDOT Agmt No. P084-12-004	3/1/2012 - 6/30/14	3/1/2012	$ 30,000.00	$ 30,000.00	$ 26,822.50
Chapman Law Firm	*NDOT vs. Blue Diamond R.V. and Storage* 8th JD A610962 RE: Work Order 20359000 NDOT Agmt No. P155-12-004	4/24/2012 - 4/24/14 Amendment #1	4/24/2012 8/30/2012	$ 107,425.00 $ 88,250.00	$ 195,675.00	$14,948.76
Chapman Law Firm	*NDOT vs. Carrie Sanders* 8th JD - A-12-664693-C Project Neon - Las Vegas NDOT Agmt No. P192-12-004	6/12/12 - 6/12/14	6/12/2012	$ 541,800.00	$ 541,800.00	$ 489,639.03
Chapman Law Firm	*NDOT vs. Gendall* 8th JD - A-12-666487-C Project Neon - Las Vegas NDOT Agmt No. P325-12-004	6/12/12 - 6/12/14	6/12/2012	$ 541,800.00	$ 541,800.00	$ 509,197.43
Chapman Law Firm	*NDOT vs. Robarts 1981 Decedents Trust* 8th JD - 12-665880-C Project Neon - Las Vegas NDOT Agmt No. P452-12-004	10/23/12 - 10/12/14	10/23/2012	$ 475,725.00	$ 475,725.00	$ 443,610.49

OPEN NDOT - OUTSIDE COUNSEL CONTRACTS AS OF JULY 17, 2013

Vendor	Case/Project Name	Contract Period	Contract and Amendment	Contract and Amendment Amount	Total Contract Authority	Contract Authority Remaining
Chapman Law Firm	*NDOT vs. Catello Family Trust* 8th JD - A-12-671920-C Project Neon - Las Vegas NDOT Agmt No. P476-12-004	11/16/12 - 11/30/15	11/16/2012	$ 449,575.00	$ 449,575.00	$ 435,691.18
Chapman Law Firm	*NDOT vs. MLK-ALTA* 8th JD - A-12-658642-C Project Neon - Las Vegas NDOT Agmt No. P508-12-004	1/14/13 - 1/14/15	1/14/2013	$ 455,525.00	$ 455,525.00	$ 435,639.55
Chapman Law Firm	*NDOT vs. Highland Partnership 1980* 8th JD - Project Neon - Las Vegas NDOT Agmt No. P507-12-004	1/14/13 - 1/14/15	1/14/2013	$ 449,575.00	$ 449,575.00	$ 438,684.46
Chapman Law Firm	*NDOT vs. Highland 2000-I, LLC* 8th JD - A-12-671915-C Project Neon - Las Vegas NDOT Agmt No. P501-12-004	1/14/13 - 1/14/15	1/14/2013	$ 449,575.00	$ 449,575.00	$ 424,613.39
Laura FitzSimmons, Esq.	Condemnation Litigation Consultation NDOT Agmt No. P510-12-004	12/16/12 - 12/30/14	12/16/2012	$ 300,000.00	$ 300,000.00	$ 342.00
Lemons, Grundy, Eisenberg	*NDOT vs. Ad America (Appeal)* 8th JD - A-11-640157-C Project Neon - Las Vegas NDOT Agmt No. P037-13-004	1/22/13 - 1/22/15	1/22/2013	$205,250.00	$ 205,250.00	$ 162,542.74
Sylvester & Polednak, Ltd.	NDOT vs. Wykoff 8th JD - A-12-656578-C Warms Springs Project - Las Vegas NDOT Agmt No. P071-13-004	2/27/13 - 2/27/15	2/27/2013	$275,000.00	$ 275,000.00	$ 168,591.99
Sylvester & Polednak, Ltd.	NDOT vs. Railroad Pass 8th JD - A-12-665330-C Boulder City Bypass Project NDOT Agmt No. P072-13-004	2/27/13 - 2/27/15	2/27/2013	$ 275,000.00	$ 275,000.00	$ 246,282.34
Sylvester & Polednak, Ltd.	NDOT vs. K & L Dirt 8th JD - A-12-666050-C Boulder City Bypass Project NDOT Agmt No. P073-13-004	2/27/13 - 2/27/15	2/27/2013	$ 275,000.00	$ 275,000.00	$ 259,967.10
Sylvester & Polednak, Ltd.	NDOT vs. I-15 & Cactus Cactus Project - Las Vegas 8th JD - A-12-664403-C NDOT Agmt No. P074-13-004	2/27/13 - 2/27/15	2/27/2013	$ 200,000.00	$ 200,000.00	$ 196,090.00
Sylvester & Polednak, Ltd.	JYTYJK, LLC dba Wireless Toyz vs. NDOT 8th JD A-13-681291-C Project Neon - Las Vegas NDOT Agmt No. P127-13-004	4/19/13 - 2/28/13	4/19/2013	$ 175,000.00	$ 175,000.00	$ 169,395.20

Attachment a

OPEN NDOT - OUTSIDE COUNSEL CONTRACTS AS OF JULY 17, 2013

Vendor	Case/Project Name	Contract Period	Contract and Amendment	Contract and Amendment Amount	Total Contract Authority	Contract Authority Remaining
Watt, Tieder, Hoffar & Fitzgerald	Pacific Coast Steel vs. NDOT K3292 - I-580 2nd JD CV12-02093 NDOT Agmt No. P160-13-004	4/30/13 - 4/30/15	4/30/2013	$ 275,000.00	$ 275,000.00	$ 188,000.87
Sylvester & Polednak	Fitzhouse Enterprises (acquired title as Westcare) 8th JD - A-13-660564-C Project Neon - Las Vegas NDOT Agmt No. P201-13-004	5/31/13 - 5/31/15	5/31/2013	$ 290,000.00	$ 290,000.00	$ 252,014.38
Chapman Law Firm	54 B LLC vs. Clark County & NDOT 8th JD - A-12-674009 NDOT Agmt No. P217-13-004	6/6/13 - 11/30/15	6/6/2013	$ 250,000.00	$ 250,000.00	$ 245,419.13
* BH Consulting Agreement	*Management assistance, policy cecommendations, negotiation support and advice regarding NEXTEL and Re-channeling of NDOT's 800 Mhz frequencies.*	6/30/12 - 6/30/16	6/30/2012	$ 77,750.00	$ 77,750.00	$ 76,340.00

* Pass Through - Federally mandated 800 MHz rebanding project fully reimbursed by Sprint Nextel.

Monthly Litigation Report to the Nevada Department of Transportation - July 15, 2013				
Case Name	Nature of Case	Outside Counsel to Date		
		Fees	Costs	Total
Condemnations				
NDOT vs. 2.5 Acres @ Dean Martin, LLC	Eminent domain - I-15 Cactus			
NDOT vs. AD America, Inc. (Cactus - Direct)	Eminent domain - I-15 Cactus	$ 102,626.26	$ 25,038.74	$ 127,665.00
NDOT vs. Bawcon	Eminent domain - Elko			
NDOT vs. Catello Family Trust, Carmine V.	Eminent domain - Project Neon	$ 12,459.50	$ 1,424.32	$ 13,883.82
NDOT vs. Falcon Capital	Eminent domain - I-580			
NDOT vs. Fitzhouse/Westcare	Eminent domain - Project Neon	$ 10,725.00	$ 27,260.62	$ 37,985.62
NDOT vs. Gendall Trust	Eminent domain - Project Neon	$ 23,192.11	$ 2,052.81	$ 25,244.92
NDOT vs. Highland Partnership 1980, LLC	Eminent domain - Project Neon	$ 7,353.75	$ 3,536.79	$ 10,890.54
NDOT vs. Highland 2000-I, LLC	Eminent domain - Project Neon	$ 22,662.61	$ 2,299.00	$ 24,961.61
NDOT vs. I-15 and Cactus, LLC	Eminent domain - I-15 Cactus	$ 3,875.00	$ 35.00	$ 3,910.00
NDOT vs. Jenkins, Carrie, aka Carrie Sanders	Eminent domain - Project Neon	37,540.50	3,752.56	$ 41,293.06
NDOT vs. Jericho Heights, LLC	Eminent domain - Boulder City Bypass	$ 289,000.00	$ 10,658.58	$ 299,658.58
NDOT vs. K & L Dirt Company, LLC	Eminent domain - Boulder City Bypass	$ 13,900.00	$ 1,132.90	$ 15,032.90
NDOT vs. KP & TP, LLC, Roohani, Khusrow	Eminent domain - I-15 and Warm Springs			
NDOT vs. MLK-ALTA	Eminent domain - Project Neon	$ 17,900.00	$ 1,985.45	$ 19,885.45
NDOT vs. Railroad Pass Investment Group	Eminent domain - Boulder City Bypass	$ 25,750.00	$ 2,967.66	$ 28,717.66
NDOT vs. Union Pacific Railroad Co.	Eminent domain - Recnstr. of SR 317			
NDOT vs. Woodcock, Jack	Eminent domain - I-15 and Warm Springs			
NDOT vs. Wykoff Newberg Corporation	Eminent domain - I-15 and Warm Springs	$ 20,507.23	$ 85,900.78	$ 106,408.01

Monthly Litigation Report to the Nevada Department of Transportation - July 15, 2013				
Case Name	Nature of Case	Outside Counsel to Date		
		Fees	Costs	Total
Inverse Condemnations				
54 B LLC	Inverse condemnation	$ 4,470.50	$ 110.37	$ 4,580.87
AD America, Inc. vs. NDOT (Cactus)	Inverse condemnation - I-15 Cactus	$ 36,937.75	$ 24,898.22	$ 61,835.97
AD America, Inc. vs. NDOT (NEON)	Inverse condemnation - Project Neon	$ 253,185.75	$ 52,676.18	$ 305,861.93
AD America, Inc. vs. NDOT (SouthPoint)	Inverse condemnation - I-15 Cactus	$ 29,911.05	$ 4,231.96	$ 34,143.01
Blue Diamond RV & Storage vs. NDOT	Inverse condemnation - Blue Diamond Road	$ 163,992.27	$ 16,300.47	$ 180,292.74
JYTYJK, LLC dba Wireless Toyz vs. NDOT	Inverse condemnation - Project Neon	$ 4,850.00	$ 754.80	$ 5,604.80
MLK-ALTA vs. NDOT	Inverse condemnation - Project Neon	$ 17,900.00	$ 1,985.45	$ 19,885.45
Nassiri, Fred vs. NDOT	Inverse condemnation			
P8 Arden, LLC vs. NDOT	Inverse condemnation - Blue Diamond Road			
Robarts 1981 Decedents Trust vs. NDOT	Inverse Condemnation - Project Neon	$ 30,332.33	$ 1,782.18	$ 32,114.51
Rural Telephone vs. Dorsey Ln, NDOT	Public utility seeks permanent easement			
Torts				
Allstate Insur. vs. Las Vegas Paving;NDOT	Plaintiff alleges property damage and negligence			
Austin, Renee vs. State, NDOT	Plaintiff alleges negligence causing personal injury			
Chadwick, Estate of Lonnie Joe vs. NDOT	Estate alleges transfer of property without court order			
Daisy Investments, LLC vs. State	Plaintiff alleges property damage and negligence			
Discount Tire Company vs. NDOT; Fisher	Plaintiff alleges negligence			
Ewasko vs. State, NDOT	Plaintiff alleges negligence in design of truck ramp			
Harper, Kenneth J. vs. NDOT	Plaintiff alleges negligence/personal injury/wrongful death			
Marshall, Charles vs. State, NDOT	Plaintiff alleges personal injury			
NDOT vs. Tamietti	NDOT seeks injunct. relief to prevent closing access			
State Farm Fire and Casualty Co. vs. NDOT	Plaintiff alleges negligence in failure to maintain roadway			
Tefft vs. State, NDOT	Plaintiff's allege breached duty in construction of median			
Contract Disputes				
Peek Construction vs. State, NDOT	Plaintiff alleges delays on Contract 3377, SR 207	$ 204,064.50	$ 10,363.24	$ 214,427.74
Peek Construction vs. State, NDOT	Plaintiff alleges delays on Contract 3407, US-93	$ 123,113.00	$ 4,220.67	$ 127,333.67
Pacific Coast Steel vs. State, NDOT	Plaintiff alleges delays/incomplete design on I-580 Galena	$ 29,712.00	$ 2,574.45	$ 32,286.45
Personnel Matters				
Akinola, Ayodele vs. State, NDOT	Plaintiff alleges 14th Amendment violation - discrimination			
Cooper, Jennifer vs. State, NDOT	Plaintiff appeals trial verdict of alleged decrimination			
Lau, Stan vs. State, NDOT	Plaintiff is appealing termination			

Attachment c

7/17/2013

TO: PUBLIC SAFETY, DIRECTOR NDOT, HIGHWAY SAFETY COORDINATOR, NDOT TRAFFIC ENGINEERING, FHWA, LVMPD, RENO PD.

FROM: THE OFFICE OF TRAFFIC SAFETY, FATAL ANALYSIS REPORTING SYSTEM (FARS)

SUBJECT: FATAL CRASHES AND FATALITIES BY COUNTY, PERSON TYPE, DAY, MONTH, YEAR AND PERCENT CHANGE.

CURRENT			SAME DATE LAST YEAR			# CHANGE	
Yesterday	Crashes	Fatals	Yesterday	Crashes	Fatals	Crashes	Fatals
up to 7/15/13	1	1	7/15/2012	1	1	0	0
MONTH	11	15	MONTH	9	9	2	6
YEAR	127	143	YEAR	132	142	-5	1

CRASH AND FATAL COMPARISON BETWEEN 2012 AND 2013, AS OF CURRENT DATE.

COUNTY	2012 Crashes	2013 Crashes	% CHANGE	2012 Fatalites	2013 Fatalities	% Change	2012 Alcohol Crashes	2013 Alcohol Crashes	% Change	2012 Alcohol Fatalities	2013 Alcohol Fatalities	% Change
CARSON	0	**4**		0	**5**		0	2		0	3	
CHURCHILL	0	**1**		0	**1**		0	0		0	0	
CLARK	94	**96**	2.1%	104	**104**	0.0%	31	22	-29.0%	32	25	-21.9%
DOUGLAS	1	**2**	100.0%	1	**2**	100.0%	0	1		0	1	
ELKO	7	**1**	-85.7%	7	**2**	-71.4%	3	0	-100.0%	3	0	-100.0%
ESMERALDA	0	**0**		0	**0**		0	0		0	0	
EUREKA	1	**0**	-100.0%	1	**0**	-100.0%	0	0		0	0	
HUMBOLDT	2	**2**	0.0%	2	**3**	50.0%	1	0	-100.0%	1	0	-100.0%
LANDER	3	**0**	-100.0%	3	**0**	-100.0%	1	0	-100.0%	1	0	-100.0%
LINCOLN	1	**4**	300.0%	1	**4**	300.0%	1	2	100.0%	1	2	100.0%
LYON	1	**1**	0.0%	1	**3**	200.0%	1	0	-100.0%	1	0	-100.0%
MINERAL	2	**1**	-50.0%	2	**1**	-50.0%	0	0		0	0	
NYE	5	**5**	0.0%	5	**8**	60.0%	0	1		0	1	
PERSHING	1	**1**	0.0%	1	**1**	0.0%	0	0		0	0	
STOREY	0	**0**		0	**0**		0	0		0	0	
WASHOE	13	**9**	-30.8%	13	**9**	-30.8%	3	3	0.0%	3	3	0.0%
WHITE PINE	1	**0**	-100.0%	1	**0**	-100.0%	0	0		0	0	
YTD	132	**127**	-3.8%	142	**143**	0.7%	41	31	-100.0%	42	35	-16.7%
TOTAL 12	**236**	-----	-46.2%	**259**	-----	-44.8%	**60**		**-48.33%**	**66**	-----	**-46.97%**

2012 AND 2013 ALCOHOL CRASHES AND FATALITIES ARE BASED ON PRELIMINARY DATA.

COMPARISON OF FATALITIES BY PERSON TYPE BETWEEN 2012 AND 2013, AS OF CURRENT DATE.

COUNTY	2012 Vehicle Occupants	2013 Vehicle Occupants	% Change	2012 Peds	2013 Peds	% Change	2012 Motor-Cyclist	2013 Motor-Cyclist	% Change	2012 Bike	2013 Bike	% Change	2012 Other	2013 Other
CARSON	0	**3**		0	**2**		0	**0**		0	**0**		0	**0**
CHURCHILL	0	**0**		0	**0**		**0**	**1**		0	**0**		0	**0**
CLARK	60	**59**	-1.7%	25	**27**	8.0%	17	**14**	-17.6%	1	**3**	200.0%	1	**1**
DOUGLAS	0	**2**		1	**0**	-100.0%	0	**0**		0	**0**		0	**0**
ELKO	6	**2**	-66.7%	0	**0**		1	**0**	-100.0%	0	**0**		0	**0**
ESMERALDA	0	**0**		0	**0**		0	**0**		0	**0**		0	**0**
EUREKA	1	**0**	-100.0%	0	**0**		0	**0**		0	**0**		0	**0**
HUMBOLDT	2	**3**	50.0%	0	**0**		0	**0**		0	**0**		0	**0**
LANDER	3	**0**	-100.0%	0	**0**		0	**0**		0	**0**		0	**0**
LINCOLN	1	**3**	200.0%	0	**0**		0	**1**		0	**0**		0	**0**
LYON	0	**3**		0	**0**		1	**0**	-100.0%	0	**0**		0	**0**
MINERAL	2	**1**	-50.0%	0	**0**		0	**0**		0	**0**		0	**0**
NYE	3	**5**	66.7%	1	**1**	0.0%	0	**2**		1	**0**	-100.0%	0	**0**
PERSHING	1	**1**	0.0%	0	**0**		0	**0**		0	**0**		0	**0**
STOREY	0	**0**		0	**0**		0	**0**		0	**0**		0	**0**
WASHOE	6	**4**	-33.3%	5	**2**	-60.0%	1	**3**	200.0%	0	**0**		1	**0**
WHITE PINE	0	**0**		0	**0**		1	**0**	-100.0%	0	**0**		0	**0**
YTD	**85**	**86**	1.2%	**32**	**32**	0.0%	**21**	**21**	0.0%	**2**	**3**	50.0%	**2**	**1**
TOTAL 12	**156**		**-44.87%**	**58**		**-44.83%**	**38**		**-44.74%**	**3**		**0.00%**	**4**	

Total 2012 259