

**SOUTHERN NEVADA TOURISM INFRASTRUCTURE
COMMITTEE MEETING
January 28, 2016**

The meeting of the Southern Nevada Tourism Infrastructure Committee was called to order by Chairman Hill at 9:08 a.m. in the Blasco Event Wing located in the Foundations Building at the University of Nevada, Las Vegas.

1. ROLL CALL/CALL TO ORDER/ESTABLISH QUOROM

BOARD MEMBERS PRESENT

Mr. Steve Hill, Committee Chairman
Mr. Len Jessup, Committee Vice Chairman
Ms. Carolyn Goodman, Mayor of City of Las Vegas
Mr. Steve Sisolak, Chairman of the Clark County Commission
Ms. Kristin McMillan, President and CEO of the Las Vegas Metro Chamber of Commerce
Mr. Bill Noonan, Senior Vice President of Boyd Gaming
Mr. William Hornbuckle, President of MGM Resorts International
Mr. George Markantonis, President and COO of The Venetian and The Palazzo
Mr. Mike Sloan, Senior Vice President of Station Casinos
Mr. Tom Jenkin, Global President of Caesars Entertainment

BOARD MEMBERS ABSENT

Ms. Kim Sinatra, Executive Vice President of Wynn Resorts

ADVISORY COMMITTEE MEMBERS PRESENT

Ms. Elizabeth Fretwell, City Manager of the City of Las Vegas
Mr. Don Burnette, County Manager of Clark County
Ms. Tina Quigley, General Manager of Regional Transportation Commission of Southern Nevada
Ms. Rosemary Vassiliadis, Director of Clark County Department of Aviation
Mr. Rossi Ralenkotter, President and CEO of Las Vegas Convention and Visitors Authority
Mr. Guy Hobbs, Managing Director of Hobbs, Ong & Associates

2. PUBLIC COMMENT: 9:09 A.M.

Mr. Ed Uehling highlights an adjustment he believes should be made to the December meeting minutes.

Mr. James Loreto, a culinary member for over 15 years, states that Las Vegas's transportation system is not keeping pace with the demands of the growing tourist economy. Mr. Loreto stresses other cities, such as Orlando, are capitalizing on this and attempting to persuade conventions to relocate. Mr. Loreto states that updating the

transportation system is one of the best ways Las Vegas can remain the top convention destination.

There are no more public comments. Chairman Hill closes Agenda Item 2.

3. ACCEPTANCE OF MINUTES FROM DECEMBER 3, 2015: 9:11 A.M.

Chairman Hill opens Agenda Item 3 for any motion to accept the meeting minutes from December. A motion is made by Mr. Hornbuckle for the acceptance of the minutes. Ms. McMillan seconds the motion. The December meeting minutes pass unanimously.

Chairman Hill closes Agenda Item 3.

4. CHAIRMAN/COMMITTEE COMMENTS: 9:20 A.M.

Chairman Hill mentions “The Future of Mobility,” a booklet made available by Deloitte University Press. The booklet presents an outline of what the future of mobility could look like from the perspective of economic development. The concepts in this booklet, as well as the discussions at the meetings, will play an important role in the proposed solutions for transportation.

Chairman Hill asks those individuals looking at transportation solutions to start thinking about forming a more realistic and medium-term set of solutions, as well as work with the state’s new Center for Advanced Mobility.

Chairman Hill closes Agenda Item 4.

5. RESEARCH STAFF REPORT: 9:12 A.M.

Jeremy Aguero, Principal at Applied Analysis, provides the staff report. He introduces a briefing on the room tax, which summarizes how the tax is collected, how much revenue it generates, and how that revenue is distributed. Mr. Aguero then points out a summary of Las Vegas transportation statistics. Committee members were also presented with background information on each of the out-of-state transportation speakers.

Mr. Aguero then points out that the Las Vegas Convention and Visitors Authority (LVCVA) has provided a financial planning document for the Las Vegas Convention Center District. The document was sent to committee members prior to the meeting and will be discussed at February’s working session. The LVCVA also compiled a blended facility utilization calendar which shows the valley’s monthly and annual exhibit hall utilization projections for the next five years.

Lastly, Mr. Aguero highlights additional follow-up materials that have been posted to the sntic.org website, including documents on the Metropolitan Police Department funding

formula and an economic briefing looking at the major tax contributions for the tourism industry.

Mr. Hornbuckle points out that when Mandalay Bay Convention Center submitted its facility utilization, the company submitted figures for the past three years. Thus, Mr. Hornbuckle notes that in those years capacity had been exceeded and that in coming years the valley will fill additional capacity.

Chairman Hill closes Agenda Item 5.

6. PRESENTATIONS:

a. Southern Nevada Transportation: 9:27 A.M.

- Ms. Tina Quigley, Regional Transportation Commission of Southern Nevada**
- Mr. David Swallow, Regional Transportation Commission of Southern Nevada**

Ms. Tina Quigley, General Manager of the Regional Transportation Commission of Southern Nevada (RTC), points out that during the past five meetings for the Southern Nevada Tourism Infrastructure Committee, many recommendations for improvements have been linked back to transportation. The RTC has been working for the past three years to find solutions to the transportation needs over the next 30 years to stay competitive. Ms. Quigley highlights the Transportation Investment Business Plan (TIBP). This is the first time in the United States that this type of multi-jurisdictional, multi-agency and multi-modal endeavor has existed. Collectively, there are 65 recommendations in the TIBP that cost \$7 billion to \$12 billion. This cost does not include light rail since it has alternative options for funding. Ms. Quigley notes that Las Vegas is a destination that became a city, so the transportation plan must focus on the tourism aspect of the location.

Ms. Quigley would like to address a common question regarding how much rail would cost. Ms. Quigley states at-grade rail is \$75 million per mile, below-grade rail is \$750 million per mile and elevated rail is \$250 million per mile.

Ms. Quigley discusses the TIBP further, stating the 65 recommendations are broken into seven project suites. Each entity is responsible for its own piece of the transportation plan. Ms. Quigley welcomes Mr. David Swallow, the RTC's Senior Director of Engineering and Technology, to discuss the RTC's projects under the TIBP. Mr. Swallow highlights that the core area light rail would be under the RTC's purview and explains why the RTC decided to focus on light rail instead of other transportation options. RTC buses carry over 40,000 passengers per day between the Strip and downtown, representing nearly a quarter of total ridership and over a third of total system revenue. This is why the RTC believes there are alternative funding mechanisms for future transportation systems.

Mr. Swallow discusses the idea of forming the Resort Corridor Mobility Association, but is unsure who would lead the group. Another policy recommendation would be to establish a corridor wayfinding system, which would not just allow travelers to determine what modes of transportation would be beneficial to them, but also help travelers navigate around the resort corridor.

Mr. Sisolak notes his concern with building a light rail system in the resort corridor. Mr. Swallow informs Mr. Sisolak that his concerns would be considered in greater detail if the RTC were to go forward with a planning study.

Mr. Hornbuckle asks if there are tiered zones in the TIBP's recommendations that should be executed first. Ms. Quigley states that an alternatives analysis would need to be conducted to determine what the next steps would be.

Mr. Noonan asks that if we build a light rail system in the resort corridor, what effects would it have on the current bus system. Mr. Swallow notes that the RTC's overall bus network would be preserved. The RTC believes there is a balanced way to use the current revenue from Strip operations to enhance transportation within the corridor. Ms. Quigley alludes to a recent *LA Times* article regarding declines in ridership in southern California. Ms. Quigley states that she recently spoke with Phil Washington, the CEO of southern California's transit system, who informed her that they had recently cut their bus services to expand their rail system and work on repairs. Ms. Quigley states that public transit agencies do want to be careful in balancing bus services with rail services.

Chairman Hill asks what attributes of light rail would allow for the doubling of ridership capacity. Mr. Swallow states that the reliability that comes with having a dedicated pathway as well as the attractiveness of the technology would increase ridership.

Mr. Sloan mentions that the article Ms. Quigley referenced deserves consideration because it points out similar declines occurring in other cities. Ms. Quigley agrees that in some cities ridership is down; however, in many cities ridership has increased. Mr. Swallow clarifies that a rail-based system would be supported by the corridor in which it operates and would not carve away at the rest of the transit network to support it.

- **Mr. Don Burnette, Clark County**
- **Mr. Denis Cederburg, Clark County**

Mr. Don Burnette welcomes Mr. Denis Cederburg, Clark County Director of Public Works. Mr. Cederburg notes that his presentation will focus on projects that Clark County currently has some portion of funding through its capital improvement program. There are currently 26 projects that focus on transportation improvements within Clark County. The first project that Mr. Cederburg discusses is a grade-separated structure at over the Union Pacific Railroad at the Harmon-Valley View connection. The project is at 90 percent design and is expected to begin construction later this year.

Mr. Cederburg notes there are several proposed pedestrian bridges along Las Vegas Boulevard in the TIBP but focuses on the bridge at Bellagio-Paris. The suggested pedestrian bridge is an X-configuration to reduce pedestrian crossings at private property driveways.

Mr. Cederburg discusses the TIBP proposal of airport express routes. Clark County is proposing an elevated expressway that will reduce travel time to and from McCarran International Airport without reducing the current roadway traffic capacity. This project is estimated to cost \$200 million.

Mr. Burnette stresses that the projects Mr. Cederburg presented, with the exception of the airport expressway, are funded and will be executed within the next few years. Mr. Burnette notes that Clark County has the additional finances to move forward on the expressway.

Mr. Hornbuckle asks about the timing of the airport expressway. Mr. Cederburg believes Clark County can begin construction within two years, but the phasing of the project would have to be further researched. The duration of construction will be about two years. However, since these are key routes, Clark County will look at accelerated construction schedule.

Mr. Sloan asks if passengers driving at-grade will be impacted during the construction of the elevated expressway. Mr. Cederburg notes that the segmental construction will be least impactful to the current roadways.

Mayor Goodman asks if there has been any research into limiting traffic on Las Vegas Boulevard to only include public transportation and pedestrians. Mr. Burnette states that this topic deserves a public discussion before moving forward with any construction on Las Vegas Boulevard. Mr. Hornbuckle states the properties are not designed to solely accommodate traffic coming in through the back. The other resort property representatives agree.

- **Mr. Jorge Cervantes, City of Las Vegas**
- **Ms. Elizabeth Fretwell, City of Las Vegas**

Ms. Elizabeth Fretwell, City Manager for the City of Las Vegas, states the city council adopted a transportation mobility plan several years ago. Ms. Fretwell discusses Project Neon, which will add two interchanges that will improve downtown transportation.

Ms. Fretwell states the City of Las Vegas is working to effectively connect the Symphony Park area to the rest of downtown. The City of Las Vegas believes the best way to do this is through a series of pedestrian bridges. Ms. Fretwell notes that the City of Las Vegas has programmed the design funds for this and has active partnerships with the developers who own the private land associated with these bridges. The City of Las Vegas is also working towards a Symphony Park bridge that will assist in moving vehicular traffic around downtown.

The City of Las Vegas believes a downtown circulator can connect key destinations and employment centers. Ms. Fretwell also mentions that a circular bridge at Sahara Avenue and Las Vegas Boulevard would be effective in moving pedestrian traffic in that area.

Mr. Jessup believes that the growth at the University of Nevada, Las Vegas will outpace the campus's capacity, so he would like Ms. Fretwell to explain what will occur along Maryland Parkway that could impact the university. Ms. Fretwell explains the City of Las Vegas would like build a rail system that will connect the university's new medical district with downtown. This will allow for more housing opportunities and improved community connectivity for students.

Chairman Hill asks what projects the City of Las Vegas has capacity to move forward with. Ms. Fretwell notes that all the projects she has mentioned are currently underway. The higher-order-magnitude transit project is primarily in the planning phase and not funded.

Mr. Markantonis asks what the circulator pedestrian bridge would cost. Mr. Jorge Cervantes states it will cost \$30 million to \$40 million.

- Mr. Rudy Malfabon, Nevada Department of Transportation

Mr. Rudy Malfabon, Director of the Nevada Department of Transportation (NDOT), highlights that the state's highway fund is currently healthy and has the assurance of future funding with Congress recently passing a five-year transportation bill. Mr. Malfabon notes that Project Neon is underway. He adds that most of the 20-year construction will be in subsequent phases, but the current phase will be done by mid-2019.

Mr. Malfabon notes that Mead, Harmon and Hacienda Avenue will be the major roadways in NDOT's HOV masterplan. Another phase in the plan is a \$100 million project that will provide HOV lanes between Interstate 15 and the airport via Interstate 215.

- Mr. Curtis Myles, Las Vegas Monorail Corporation

Mr. Curtis Myles, President and CEO of the Las Vegas Monorail Corporation, notes that the Las Vegas Monorail is a private, not-for-profit company. Mr. Myles highlights that 90 percent of ridership flies to Las Vegas and 55 percent stay in a hotel connected to the monorail. Mr. Myles stresses that connecting the monorail to Mandalay Bay is the company's priority. Ridership studies for Mandalay Bay are currently underway and design will be completed later this year. Connecting to McCarran Airport is the second priority.

Mr. Sisolak asks Mr. Myles how much it would cost to extend the monorail to Mandalay Bay. Mr. Myles stresses that the company has not finished design, so the prices may change, but it will be between \$120 million and \$140 million for a mile-long addition. Mr. Myles then states it would be roughly \$12 million to \$14 million to connect to the Sands Expo.

Mr. Noonan asks how long Mr. Myles expects today's technology to be viable. Mr. Myles notes that the Las Vegas Monorail is continually updating vehicles, which are modern and designed to be 30-year vehicles.

- Mr. Andrew Mack, XpressWest

Mr. Andrew Mack, CEO at XpressWest, notes XpressWest's project is primarily focused on providing a rail-based mode of transportation between Las Vegas and southern California. Mr. Mack highlights the three phases of the planned project. The first phase will connect Las Vegas and Victorville. Since all travelers coming from southern California drive through Victorville, this will provide an intersection point. Mr. Mack notes the federal environmental impact statement has approved two station locations in Las Vegas for XpressWest. As part of the consideration for which station XpressWest chooses, multi-modal connectivity is a high priority. Mr. Mack states XpressWest trains will come into the station elevated.

- Mr. Guy Hobbs, Hobbs, Ong and Associates

- Mr. Peter Shellenberger, Public Financial Management, Inc.

Mr. Guy Hobbs, President and Managing Director of Hobbs, Ong and Associates, discusses the funding models for the TIBP. The total TIBP cost of \$7 billion to \$12 billion is projected over a 30-year period. Mr. Hobbs notes that timelines on these TIBP projects may change and alter the funding models. Mr. Hobbs stresses that a majority of the cost for the projects are for operations and maintenance. Sources, such as federal funds, could offset the total cost of those projects.

Mr. Sisolak comments on how the cost for these projects seem excessive and suggests looking into more practical projects.

Chairman Hill asks Ms. Quigley what she would like to ask the committee for in terms of the TIBP. Ms. Quigley states she would like to continue these leadership conversations to address both private- and public-sector priorities within the region and for each responsible party to move forward to execute those priorities. Ms. Quigley states the presentation was not given with the intent of asking the committee to prioritize the projects, but to show the committee that there is a collaborative effort going on. The RTC does have some legislative asks, but they are not for funding.

Mr. Hobbs states that one of the items that the RTC is asking for is the expansion of the P3, public-private partnership, legislation. Mr. Peter Shellenberger, Managing Director of Public Financial Management Inc., provides an overview of public-private partnerships. Mr. Hobbs states the second request is for Nevada to consider permissive legislation in the creation of a State Infrastructure Bank (SIB), which would lend money to agencies that are applying for funding.

Mr. Hobbs states there is a large funding gap that will be affected over time, such as projects being pushed back or eliminated. Then, projects are bound by what can be afforded. The P3 and SIB apply to uses more broad than transportation.

Chairman Hill states that the committee will need a more thorough explanation of what the RTC is requesting.

Chairman Hill closes Agenda Item 6a.

b. Out-of-State Transportation: 1:40 P.M.

Mr. Jeremy Aguero, Principal at Applied Analysis, is welcomed back to direct the out-of-state transportation panel.

- Mr. Roger Dow, U.S. Travel Association

Mr. Roger Dow, President and CEO of the U.S. Travel Association, states the United States economy was built on infrastructure. However, infrastructure is not keeping pace with the growing population. Mr. Dow notes that many travelers avoid trips due to long travel times, which is costing the economy billions of dollars. In a survey by the U.S. Travel Association, 87 percent said the infrastructure is in fair or poor shape, 74 percent said the quality and reliability of infrastructure is extremely important to growth, and 76 percent do not believe the United States is positioned to respond to growth.

Mayor Goodman asks for Mr. Dow's top three recommended funding strategies. Mr. Dow states there needs to be several sources of funding that can come together in a comprehensive model.

- Mr. Paul Jablonski, San Diego Metropolitan Transit System

Mr. Paul Jablonski, CEO of the San Diego Metropolitan Transit System, states that he has always felt the Las Vegas resort corridor is a prime location for rail. Mr. Jablonski points out that the Metropolitan Transit System (MTS) provides transit for about three-quarters of San Diego. The first line for MTS's trolley system was built in 1981 for \$7 million per mile; the system is currently 54.5 miles long. Mr. Jablonski states MTS has partnerships with neighboring schools, including San Diego State University. Mr. Jablonski believes rail is a good choice for transportation because it can accommodate more passengers, there is lower vehicle cost to achieve the same maximum passenger count, it has cheaper operating costs than buses and it brings multiple economic benefits. Mr. Jablonski states light rail should not cost Las Vegas more than \$9 million per year to operate.

Mr. Jablonski estimates that every dollar invested returns about \$4 to the community.

Mr. Noonan asks what typically happens to bus traffic with the addition of rail. Mr. Jablonski states that ridership goes up.

- Mr. Phil Brown, Greater Orlando Aviation Authority

Mr. Phil Brown, Executive Director for the Greater Orlando Aviation Authority, discusses the history of Orlando International Airport. Orlando had 62 million visitors in 2014, with 37.8 million air travelers. Mr. Brown states that 70 percent of the airport's revenue comes from non-airline related expenditures, such as rental cars and retail stores. Orlando International Airport can accommodate four modes of passenger rail, including inter-city rail, light rail, commuter rail and an automated people mover. Mr. Brown states that in regards to financing, Orlando International Airport uses all the funding available to it, such as government grants, capitalized farebox revenue and private investment.

Mr. Brown states that about 13 percent of airport passengers are international.

- Mr. Mike Allegra, Utah Transit Authority

Mr. Mike Allegra, retired President and CEO of the Utah Transit Authority, states ridership has increased every year for Utah Transit Authority's multi-modal system. There have been 20 referendums to ask the community if it is willing to pay for investments in public transportation, of which 80 percent have passed. Mr. Allegra states that in the last 14 years, Utah Transit Authority has built 140 miles of rail which was initiated with the 2002 Winter Olympics. The Utah Transit Authority has received more federal funding than any other transit system. Mr. Allegra states that every agency in the state of Utah has adopted the Transportation Plan, which is a \$70 billion, 30-year multi-modal plan. Mr. Allegra believes the two pillars of economic development are transportation infrastructure and education.

Chairman Hill asks Mr. Allegra if the referendums were for sales tax increments and what the results were. Mr. Allegra states that over the past 45 years, there have been 20 referendums, most of which passed overwhelmingly.

Mayor Goodman asks how much marketing is done in regards to the referendums. Mr. Allegra states the Utah Transit Authority is prohibited from running the referendums, and the marketing for the campaigns is done solely through private-sector investments.

- Mr. Steve Heminger, San Francisco Metropolitan Transportation Commission

Mr. Steve Heminger, Executive Director for the San Francisco Metropolitan Transportation Commission, discusses San Francisco's \$4.5 billion Transbay Terminal Project. The project will connect 11 public transit systems and will be done in two phases. Phase one of the project is a \$2.1 billion bus terminal that is currently under construction. This bus terminal will be a rail-ready facility that will be located underground. The San Francisco Metropolitan Transportation Commission is using tax increments from the land around the bus terminal to pay for a majority of the first phase. Mr. Heminger points out that the cost for the Transbay Terminal Project is high due to the operations and maintenance cost.

Ms. McMillan asks Mr. Heminger to explain the FTA New Starts funding source. Mr. Heminger states the second phase will be a New Start project because it has the rail focus. The New Starts program is mostly funded out of the general fund of the United States, however, it is a competitive program. Mr. Heminger states that a community like Las Vegas would do well in competing for this type of funding.

- Ms. Marla Lien, Denver Regional Transportation District

Ms. Marla Lien, General Counsel of the Regional Transportation District (RTD), states the RTD has a strong history of public-private partnership that has helped to develop the FasTracks Plan, which brought 122 miles of new light rail and commuter rail to Denver. Ms. Lien states Denver Union Station, a \$484 million project, is Denver's multi-modal hub for all of its modes of transportation. Land sales around that station are being used to fund the project. Ms. Lien highlights the Eagle P3 Project, which is a \$2.2 billion public-private partnership project to finance and develop portions of the FasTracks plan. About half of the project, \$1.03 billion, was federally funded. Ms. Lien states that similar to Utah, RTD cannot spend any public funds in campaigning.

Chairman Hill asks Ms. Lien to discuss the sales tax in Denver. Ms. Lien states the sales tax varies by community, but it is 3 percent for the state and 1 percent for the RTD, with most counties averaging 8 percent overall.

Chairman Hill closes Agenda Item 6b.

c. Revenue and Funding Overview: 4:10 P.M.

- Mr. Guy Hobbs, Hobbs, Ong & Associates

Mr. Hobbs provides the committee with a handout on various funding sources which are not specific to the meeting's topic, but more generic to fund any needed infrastructure. There are some taxes that produce small annual revenues, so they would have limited funding potential. More predictable revenue sources will provide a better credit option for financing. Mr. Hobbs notes there are always equity issues in terms of piecing together solutions. Higher credit-quality taxes that have been in place for a longer period of time, such as sales and room tax, can be pledged and bonded with a general obligation backing.

Chairman Hill closes Agenda Item 6c.

7. FEBRUARY MEETING PREVIEW: 4:16 P.M.

Mr. Jeremy Aguero states the Las Vegas Convention and Visitors Authority provided a detailed outline of the financial plan for the Las Vegas Convention Center District. Representatives from the University of Nevada, Las Vegas will submit a similar type of package relative to the proposed stadium at the February meeting for the March working session.

Chairman Hill closes Agenda Item 7.

8. COMMITTEE MEMBER COMMENTS: 4:08 P.M.

Mr. Sisolak provides follow-up documents from the Metropolitan Police Department that outline a funding plan for the Real Time Crime Center, uniform foot patrol officers and additional surveillance cameras.

Mr. Rossi Ralenkotter would like to clarify the blended facility utilization outlook. The Las Vegas Convention and Visitors Authority has blended the Las Vegas Convention Center, Sands Expo Center and Mandalay Bay Convention Center's monthly occupancy into an overall valley occupancy rate. The green line represents the average occupancy of the industry of about 56 percent. The red line positioned at 70 percent represents the industry's practical maximum occupancy, which is taking into account unsellable dates.

Chairman Hill closes Agenda item 8.

9. PUBLIC COMMENT: 4:18 P.M.

There are no public comments. Chairman Hill closes Agenda Item 9.

10. ADJOURNMENT:

CHAIRMAN HILL OPENS AGENDA ITEM 10 FOR POSSIBLE ACTION. MR. JESSUP MAKES THE MOTION TO ADJOURN THE COMMITTEE MEETING. MR. HORNBUCKLE SECONDS THE MOTION. THE MOTION PASSES UNANIMOUSLY.