NEVADA STATE BANK PRESENTS

A Positive Outlook

Cones of Progress

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APPLIED ANALYSIS

It seems like I can't drive anywhere these days without seeing construction cones. Like anyone else trying to get home, to work or to the store amid the sea of orange on southern Nevada's roads, I share the frustration with stop-and-go traffic, closed lanes, detours and delays. It can be easy to miss the positives of construction when you're on the fourth light cycle waiting to get through an intersection, but the wave of ongoing road building is a welcome sign that our economy is not only back, but also preparing for the future.

Infrastructure is one of the most important elements of a successful economy. A comprehensive and well-maintained road and highway network is critical to the safe and efficient flow of commerce, whether it's moving workers to job sites, consumers to stores, or goods and materials to retail and commercial centers. It also enhances quality of life by reducing the amount of time we're stuck in our cars each day. That congestion costs our community more than a billion dollars in lost time and wasted fuel.

Southern Nevada's road building boom has been made possible in part by the rebound in the overall economy, but the biggest factor has been the implementation of fuel revenue indexing. Since 2014, indexing has raised the local gasoline tax based on annual inflation. That 3-cents-per-gallon increase each year has generated hundreds of millions of dollars that the Regional Transportation Commission of Southern Nevada is using to fund literally hundreds of needed road projects, including $79.7 million for Interstate 11-related construction, $29.5 million to upgrade the McCarran International Airport connector, $43.2 million to bring the northern stretch of the 215 Beltway up to freeway standards, and dozens of other projects from traffic light installations to pedestrian safety improvements.

When the Clark County Commission approved fuel revenue indexing in 2013, RTC officials estimated the program would support about 200 projects costing between $700 million and $800 million. Thanks to rising gas consumption and lower construction costs, the program has already provided $695 million in funding for more than 220 projects across the region. I should note that without fuel tax indexing, the RTC would have had just $22.4 million available each year for new projects. At the cost of an extra dime per gallon of gas, the indexing program had greatly improved our transportation infrastructure quality and capacity while creating about 9,000 construction jobs.

The initial three-year fuel revenue indexing program is set to expire at the end of this year, but in November Clark County voters will need to decide whether to extend the program for another 10 years. The extension would provide an estimated $3 billion for a sizable backlog of transportation infrastructure. While it might be difficult to imagine another decade of road construction seasons, the investment will help southern Nevada's transportation network keep pace with the community's expected population and economic growth.

Fuel revenue indexing was originally conceived as equal parts infrastructure investment and economic stimulus. It has worked better than intended on both fronts. Perhaps most importantly these investments will help us avoid some of the pitfalls of communities that have failed to proactively address transportation (looking at you Los Angeles, Honolulu and Miami).

It might be difficult to show any affection toward the orange construction cones that have become a semi-permanent part of our lives. But the next time you find yourself in a detour or navigating a lane shift through a construction zone, remember what those orange cones symbolize and how they will eventually make our community better. Maybe, instead of cursing them, you just might want to take a moment and consider where we would be without them.