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The Other O: Comparing Las Vegas to a Successful Mid-Sized, Midwestern Metropolitan Area

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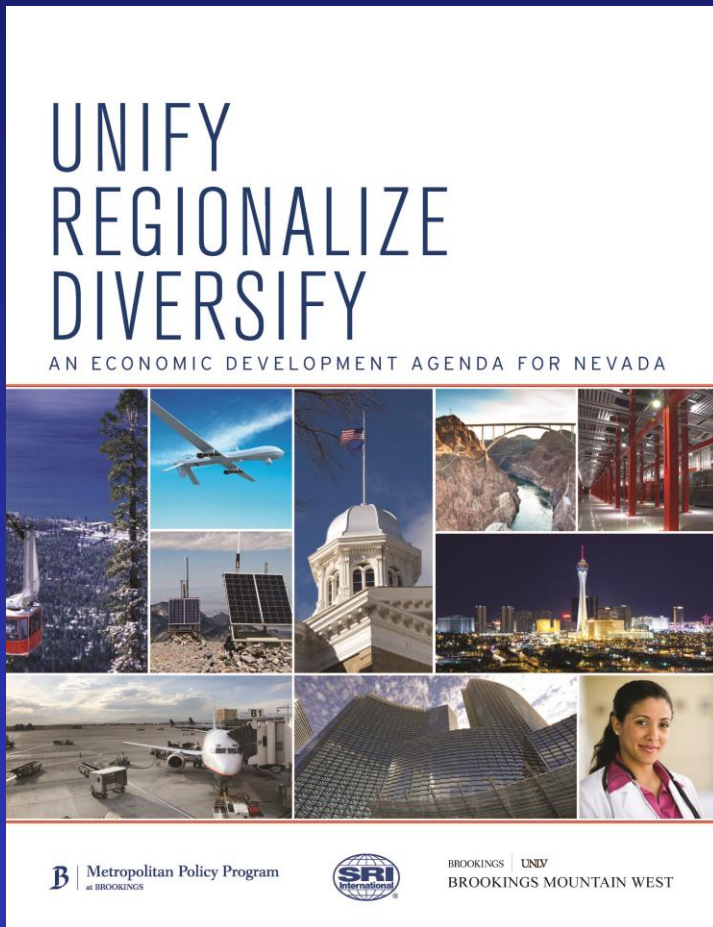
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The Other O: Comparing Las Vegas to a Successful Mid-Sized, Midwestern Metropolitan Area

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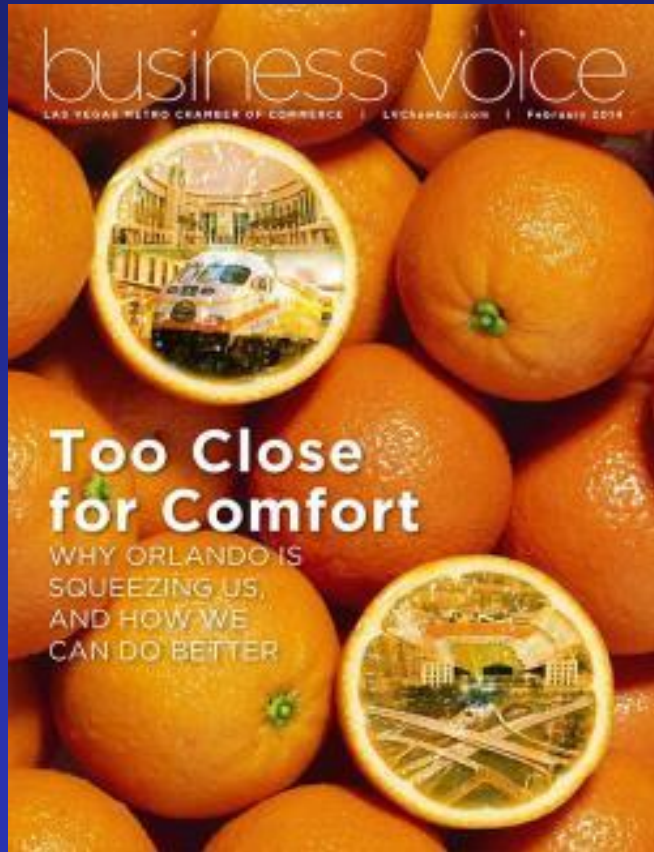
Brookings Economic Development Plan



Three Years Ago, The State Of Nevada Used a Brookings Mountain West Study to Rethink and Repurpose its Economic Development Priorities and Governance

A Clear Priority in the Report was to Diversify the State's Economy—Today I Report on How Las Vegas is Doing.

Orlando vs Las Vegas: Preview 2014



At Preview Las Vegas 2014, I compared Our Region to Orlando

Today, I Will Compare Las Vegas to Another Region That is a Less Obvious Match, But Offers Key Lessons for Southern Nevada

First: Las Vegas 5 Key Infrastructures Update

Infrastructure	Progress in 2014
Interstate 11	Nevada's Share of I-11 is Fully Funded and the Project is Set to Begin Construction
Light Rail	Under Study by Key Stakeholders, Check Back Next Year
Large-Scale Stadium	Project is On Hold, May be Reconsidered in the 2017 Nevada Legislature
UNLV Med School	Approved by Board of Regents, State Funding Request in the 2015 Nevada Legislature
UNLV Research Tier 1	Planning Efforts Underway at UNLV, State Funding Awaits 2015 Nevada Legislature

Progress on Many Fronts, But Need to Stay Vigilant, Especially on the UNLV Med School Funding

The Other O Metro is Omaha! Yes Omaha!!



**Most Importantly,
Omaha's Civic and
Business Leaders Act
Decisively and Quickly
to Build Their Region**

**Much Smaller—Less
Than ½ the Size of Las
Vegas—Yet it Maintains
Assets that Las Vegas
Lacks and Needs**



The Basics: Las Vegas vs Omaha

Population/Economy	Las Vegas	Omaha
Metro Population Estimate (2013)	2,027,868	895,151
Metro Population Rank (2013)	31	60
Unemployment Rate for November (2014)	7.1%	3.0%
Gross Regional Product (2014)	\$93.9 Billion	\$51.2 Billion
GRP Change Since Great Recession	Still Below 2007 Output (-10.9%)	Well Ahead of 2007 Output (+11.8%)
Economic Development	Hyper-Specialization in Tourism	Diverse, Broadly-Based

Fun Facts: Las Vegas vs Omaha

Fact	Las Vegas	Omaha
The Region is Best Known For...	Gaming	Steaks
Average January Temp. High/Low	58F/39F	33F/14F
Nearest Top Ten Metro Neighbor	269 Miles to Los Angeles	471 Miles to Chicago
Airport Passenger Traffic in 2013	40.6 Million	4.0 Million
Airport Median Elevation	2, 181 Feet	984 Feet
Emporis World Skyline Ranking	55 th	Unranked

Location Quotients: Las Vegas vs Omaha

Industry Name	Las Vegas LQ 2 nd Q 2014	Omaha LQ 2 nd Q 2014
Construction	1.17	1.08
Education	0.53	0.90
Finance & Insurance	0.66	1.81
Health Services	0.64	1.04
Information	0.56	1.17
Leisure and Hospitality	3.01	0.91
Manufacturing	0.28	0.78
Professional and Business Services	1.00	1.09
Trade, Transportation and Utilities	1.00	1.07

From the Bureau of Labor Statistics: “If an LQ is equal to 1, then the industry has the same share of its area employment as it does in the reference area. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case in the reference area. For example (assuming the U.S. as the reference area), Las Vegas will have an LQ greater than 1 in the Leisure and Hospitality industry because this industry makes up a larger share of the Las Vegas employment total than it does for the country as a whole.”

Behind the Location Quotient Numbers



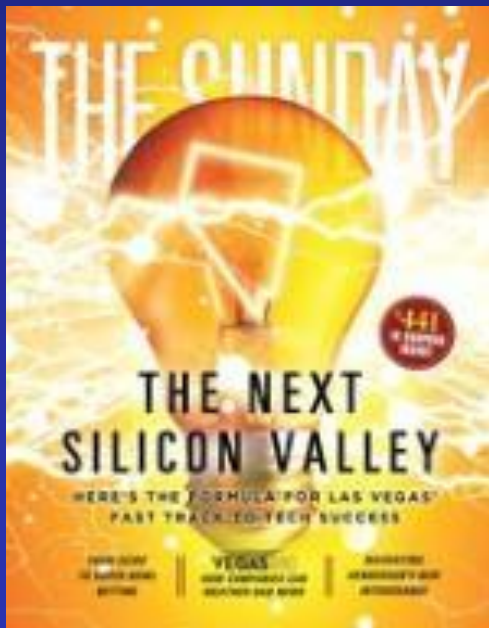
Omaha's LQ Numbers Outstrip Las Vegas in All Industry Areas Except Tourism and Construction

Las Vegas Posts Solid LQ Numbers in Trade and Business Services; Both Sectors Have Helped in the Job Recovery



The Las Vegas 0.53 LQ in Education is a Very Low Employment Share for a Big Metro and Reflects an Under Investment in K-16 by State

Behind the LQ Numbers: Health and Tech



The Las Vegas 0.64 LQ in Health is Last Among the Top 100 U.S. Metros—A Shortage of \$6 Billion Per Year in GRP; While Omaha's 1.04 Health LQ Means the Region Exports Health Services

Despite the Buzz, Las Vegas is Not on Track to be the Next Silicon Valley—In Fact, Based on the Low LQ Numbers in Information and Manufacturing We are Not Omaha

Now, Omaha's 5 Key Infrastructures

Infrastructure	Status in 2015
Highways	A Full Interstate Beltway and Complete Connections to all Proximate Metros
Light Rail	Under Study and Connected to an Urban Village Regional Plan that Links Mixed-Use Projects
Stadium	TD Ameritrade Park Built for the Men's College World Series from the Revenue it Generates
Medical Schools	Two Med Schools: The University of Nebraska (public) & Creighton (Private)
Research University	U of NE Omaha: Tech Focused with an Emphasis on Applied Research

**In a Region Less than Half the Size of Las Vegas,
Omaha Built More Key Infrastructure Assets**

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The map displays the Las Vegas metropolitan area and surrounding regions. Key features include:

- Carson City:** Located in the top left, with an inset map showing its proximity to Las Vegas.
- Colton:** Located in the top center, near the Carson City area.
- Las Vegas:** The central urban area, including North Las Vegas, Sunrise Manor, Westchester, Paradise, Whitney, and Henderson.
- Spring Valley:** Located to the west of Las Vegas.
- Las Vegas:** A smaller area labeled on the right side of the map.
- Geographical Features:** Lake Mead National Recreation Area is shown to the east of Henderson. The Colorado River is visible on the far right.
- Highways:** Major roads like I-15, I-215, and SR-163 are clearly marked.
- Scale and Orientation:** A scale bar at the bottom indicates distances in miles (0 to 8). A compass rose in the bottom left corner shows North.

Omaha vs Las Vegas: Light Rail



Omaha Wants Light Rail to Link a String of Mixed-Use Urban Villages

Las Vegas Wants Light Rail to Link Key Tourist Zones and Downtown



Omaha vs Las Vegas: Stadiums



Omaha Has the New TD Ameritrade Park Near its Downtown and Convention Center

Las Vegas Has Obsolete Sam Boyd Stadium at the Edge of Town



Omaha vs Las Vegas: Allopathic Med Schools



**University of Nebraska
Med School Undertakes
a Massive Expansion**

**There is Nothing to
Compare Because We
Don't Have an MD-
Granting Med School Yet**



Omaha vs Las Vegas: Research Universities



UNO's Peter Kiewit Institute Houses Info Tech and Engineering—Foundation and Corporate Donors are Building Tech Capacity

The UNLV Science and Engineering Building—The Best the University has in Lab Space



Why is Las Vegas Lacking in Technology?

A paucity of innovation activities contributes to this lack of diversity

The state's lack of sector diversity is not unrelated to the shortcomings of its current innovation system. Nevada lags other states and the nation on every indicator of innovation and R&D activity included in this study. The state's lagging innovation activity is intertwined with the dominance and the nature of its core industries, which do not typically attain competitive advantage through R&D investments. Knowledge- and technology-based industries, for their part, have not always received the support, attention, and critical inputs they need to flourish—despite higher growth projections, higher average wages, and the sector's potential to diversify and strengthen the state's economy. As a result, Nevada's innovation capacity remains underdeveloped.

Table 2. Innovation Analysis Summary

Innovation Metric	Las Vegas	Reno	Rural Nevada	Nevada	United States
Earned Doctorates (2006-2009) (Per Capita – per 10,000 people)	283 (1.50)	377 (6.63)	0	660 (2.52)	192,072 (6.35)
Science and Engineering Research Space (2009) (Per Capita)	273,441 ft ² (0.14 ft ²)	841,804 ft ² (1.46 ft ²)	0 ft ²	1,115,245 ft ² (0.42 ft ²)	213,787,532 ft ² (0.70 ft ²)
Federal R&D Funding (2007) (Per Capita)	N/A	N/A	N/A	\$298.9 mil (\$114.92)	\$111,428.4 mil (\$369.91)
University R&D Spending (\$000s) (2009) (Per Capita)	\$39,148 (\$0.02)	\$142,868 (\$0.25)	\$0	\$182,016 (\$0.07)	\$54,935,457 (\$0.18)
NSF Awards (2006-2010) (Per Capita – per 10,000 people)	69 (0.36)	176 (3.08)	0	245 (0.93)	60,628 (2.00)
SBIR/STTR Awards (2006-2010) (Per Capita – per 10,000 people)	14 (0.07)	46 (0.81)	1 (0.06)	61 (0.23)	25,570 (0.84)
Scientific Publications (2009-2010) (Per Capita – per 10,000 people)	1,172 (6.02)	1,372 (23.74)	20 (1.18)	2,529* (9.39)	566,468 (18.41)

* Because publications may be associated with more than one address, the total number of publications for Nevada is slightly lower than the sum of its geographic areas.

From Brookings (2011) State Report

Lets Get Real on Our Tech Sector Goals



Las Vegas Has a Dramatic Lack of Public R&D Space for a Region its Size—Less Than Omaha, Big Time!



According to Brookings, Las Vegas is Ranked 97 out of 100 in Share of Advanced Tech Workers; Omaha is Ranked 76

Omaha vs Las Vegas: Econ Dev Governance



The Greater Omaha Chamber of Commerce Performs Role as Both a Chamber and a Regional Economic Development Authority

Las Vegas Divides These Functions Between the LV Metro Chamber and the LVGEA (Our Regional Development Authority)

Omaha vs Las Vegas: Higher Ed Governance



An Omaha Board Runs its Community Colleges—Not the State; In North Las Vegas, Mayor Lee Can't Get the CSN Name Change



Omaha Business and Civic Leaders Drive Curriculum and Investments in Their Local Branch of the University of Nebraska

Omaha vs Las Vegas: Final Observations



Omaha Acts; Las Vegas Talks

Omaha Does Not Wait for the State to Act

Omaha is Self Governing; The State Manages Much More in Las Vegas

Omaha Philanthropy Builds Institutions, Las Vegas Philanthropy Fills Gaps in State Aid



Omaha vs Las Vegas: Final Observations



Diversification Within the Tourist Industry in Las Vegas Masks a Lack of Diversification in Other Industrial Sectors



Omaha Does Not Chase Business; It's Big Picture Economic Development Strategy Uses Long-Term Investment in Training and Infrastructure to Diversify the Economy

To Conclude



Let's Not All Stampede Off to Omaha; Rather Let's Learn From Omaha and Improve Las Vegas



Las Vegas Should Emulate Omaha—Think Long Term, Act Decisively, Don't Wait for the State or Federal Government to Invest

Omaha is Sioux for: “We Have Our Act Together!”

**Thank
You**