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Metropolitan Las Vegas: Challenges and Opportunities

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Metropolitan *Las Vegas*

Challenges and Opportunities

Nevada Vision Stakeholder Group

Mark Muro

February 11, 2010



Why Brookings Mountain West cares

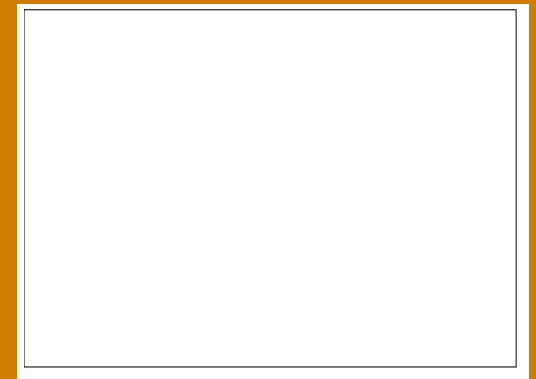
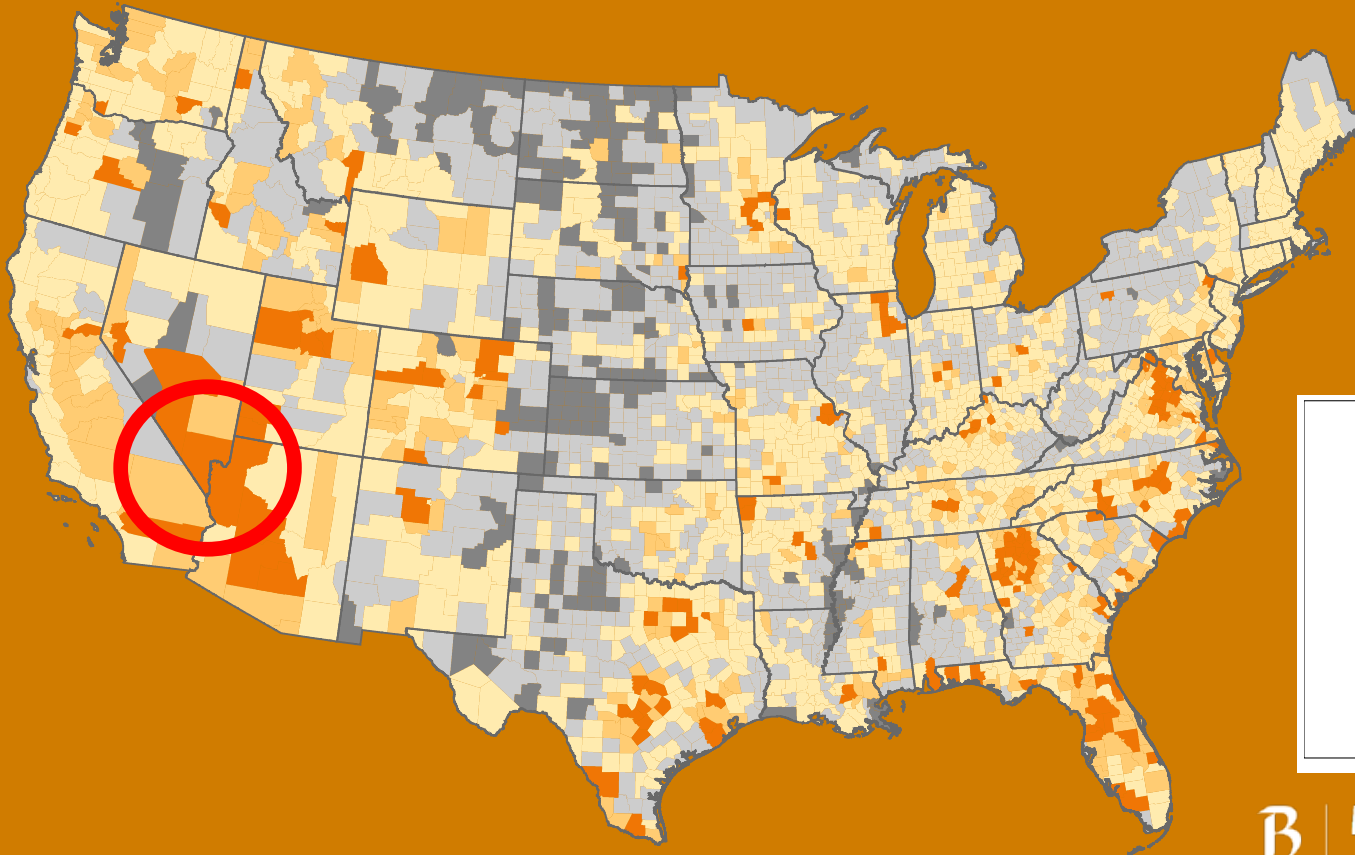
Challenges and emerging opportunities





One reason is growth

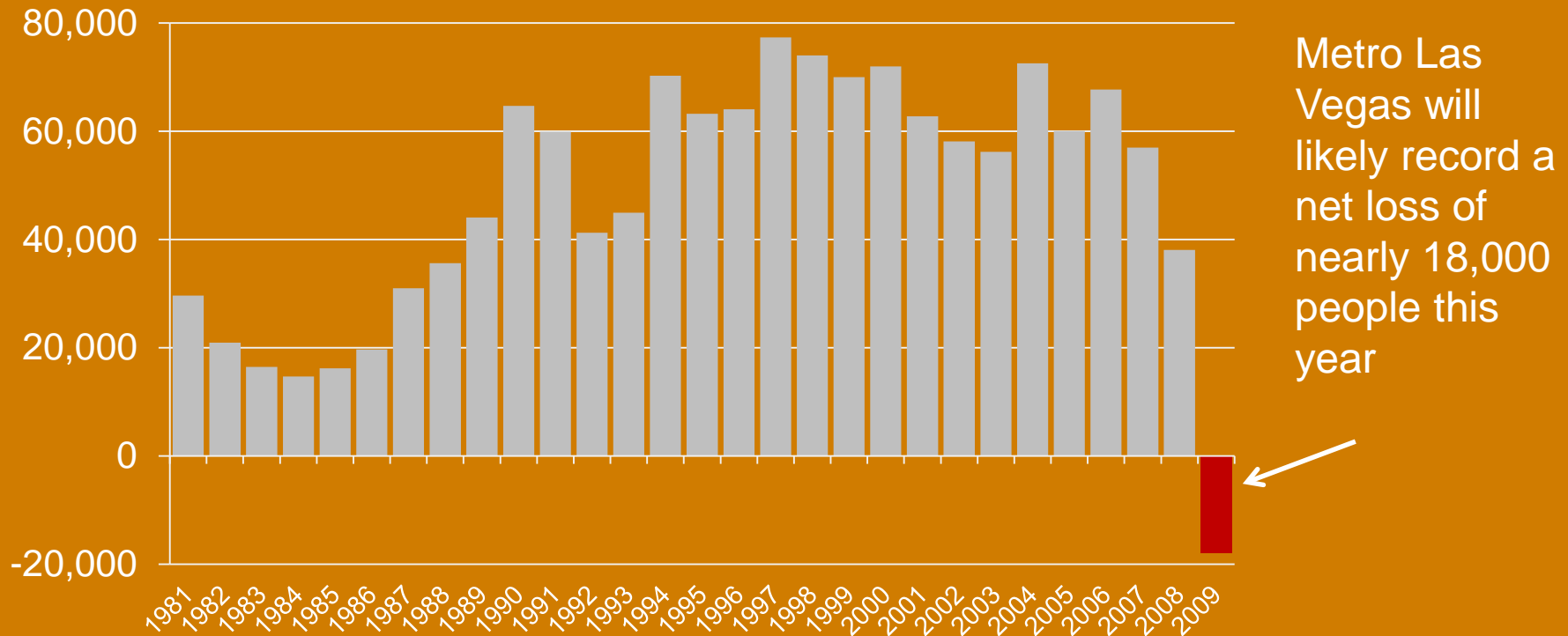
Metro Las Vegas grew by 17 percent between 2000 and 2007 (or 2.5 percent a year!)





One reason is growth

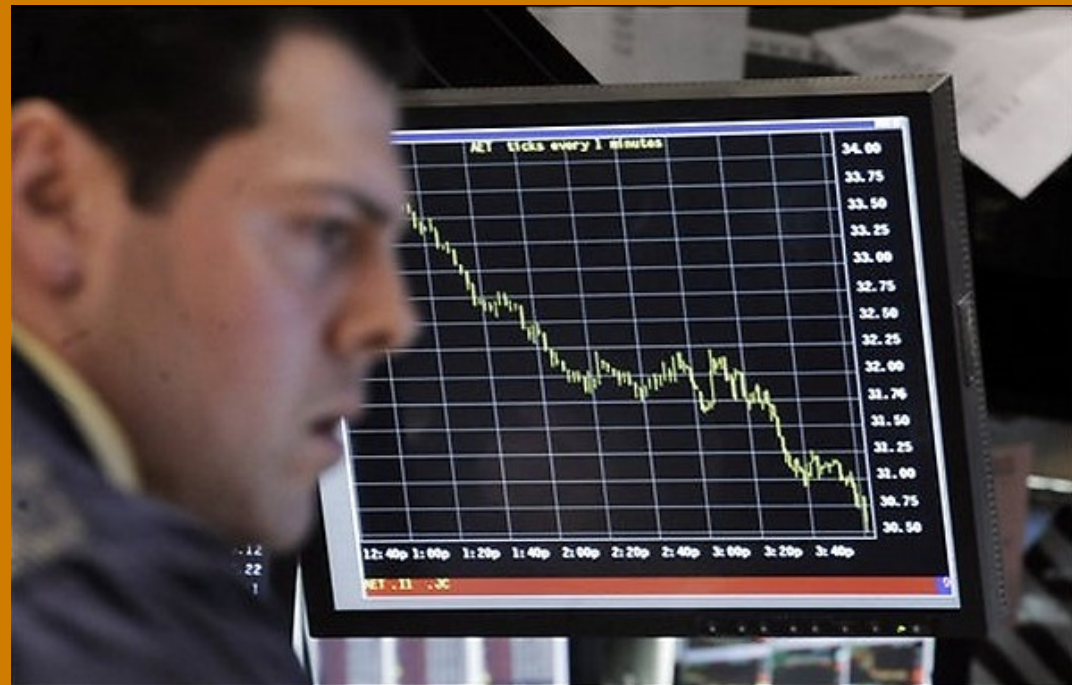
Since then, however, growth has slowed to precipitously—and for now has turned negative



Another is the invention here in the Mountain region of new urban forms



And we're here because you're at ground zero of the world economic crisis



In this regard, there is growing consensus the nation's economies need to reposition



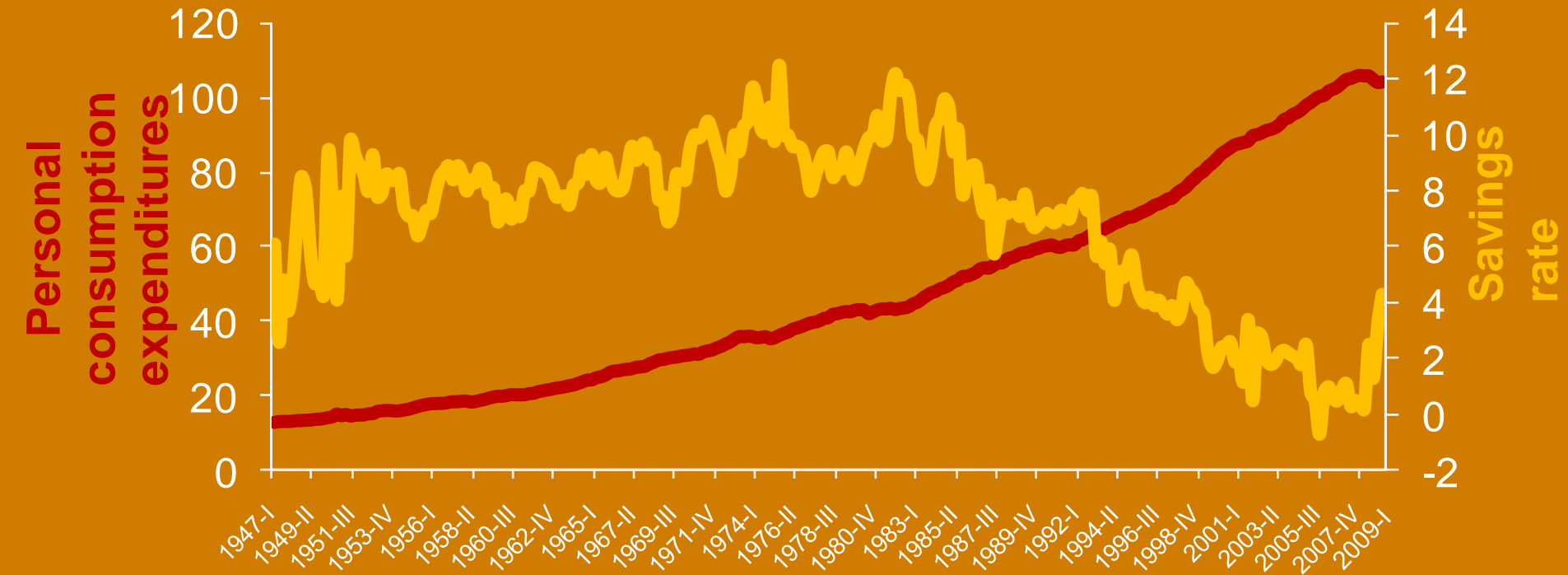
Getty Images

“The rebuilt American economy must be more export-oriented and less consumption-oriented”

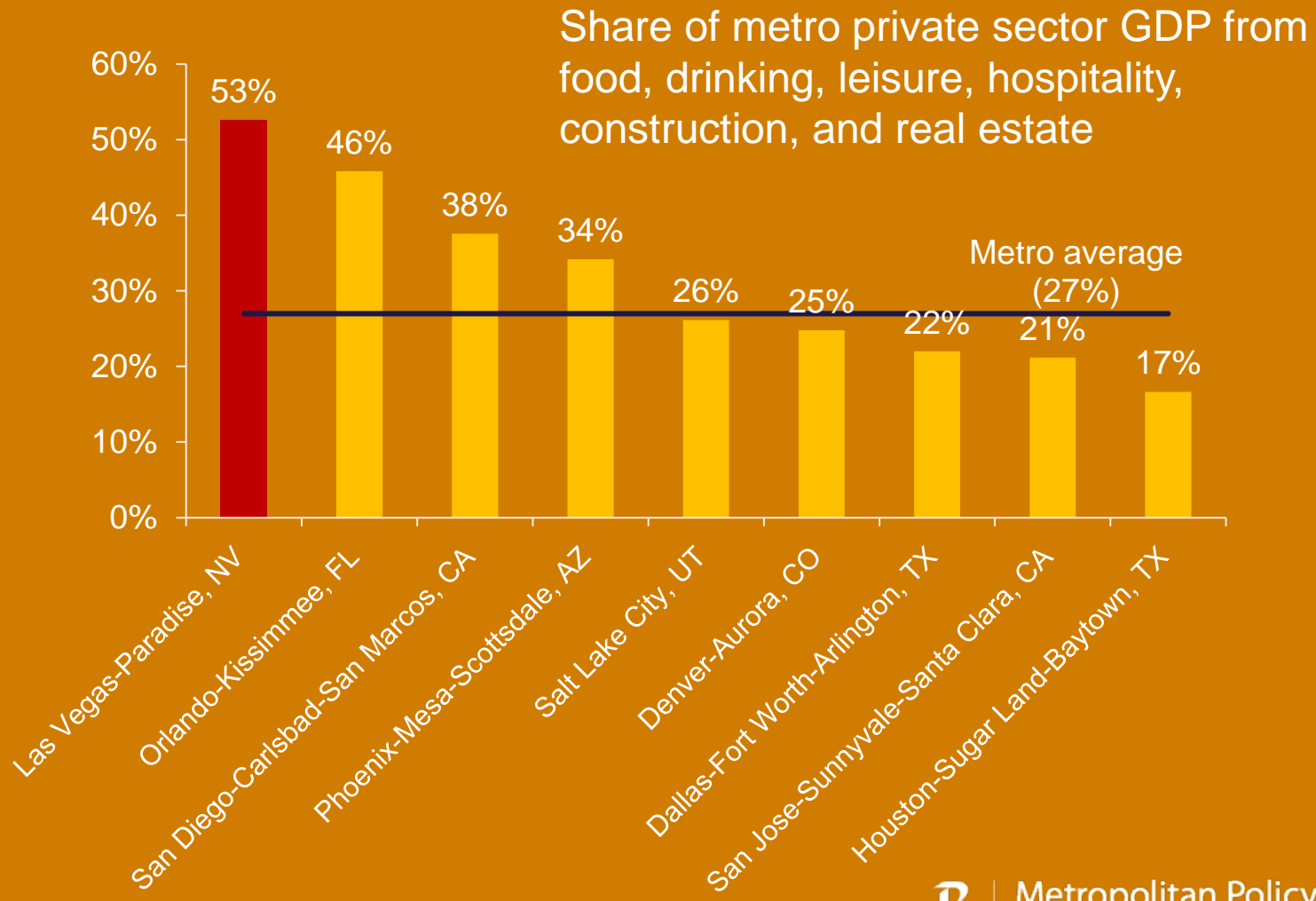
-Lawrence Summers,
Director, National Economic
Council



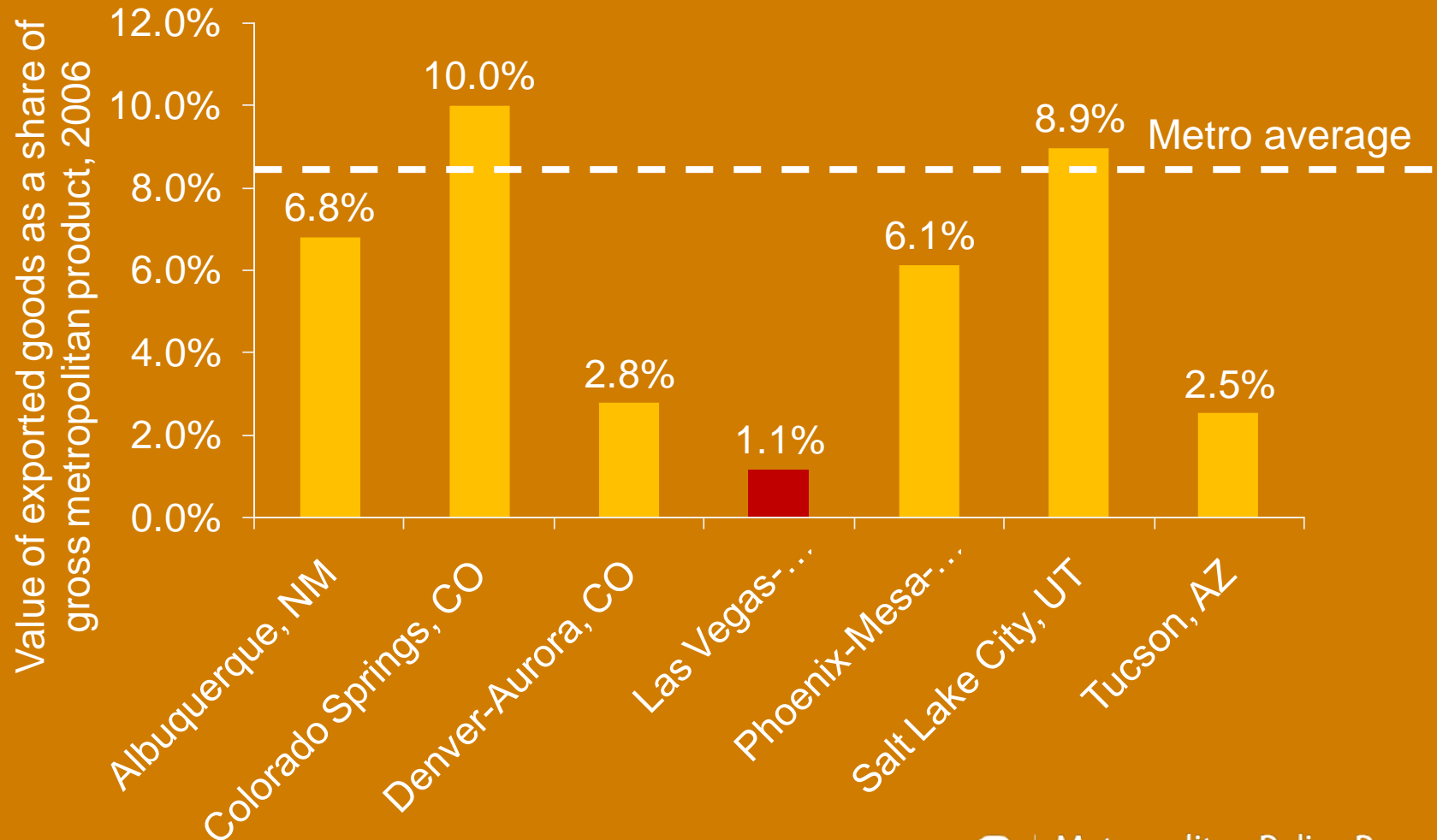
And indeed, consumption is down nationally and the savings rate is rising



And yet, this is problematic given Vegas' – and so Nevada's – hyper-dependency on consumption



In fact, Las Vegas exports very few hard goods beyond consumption



All of which means:

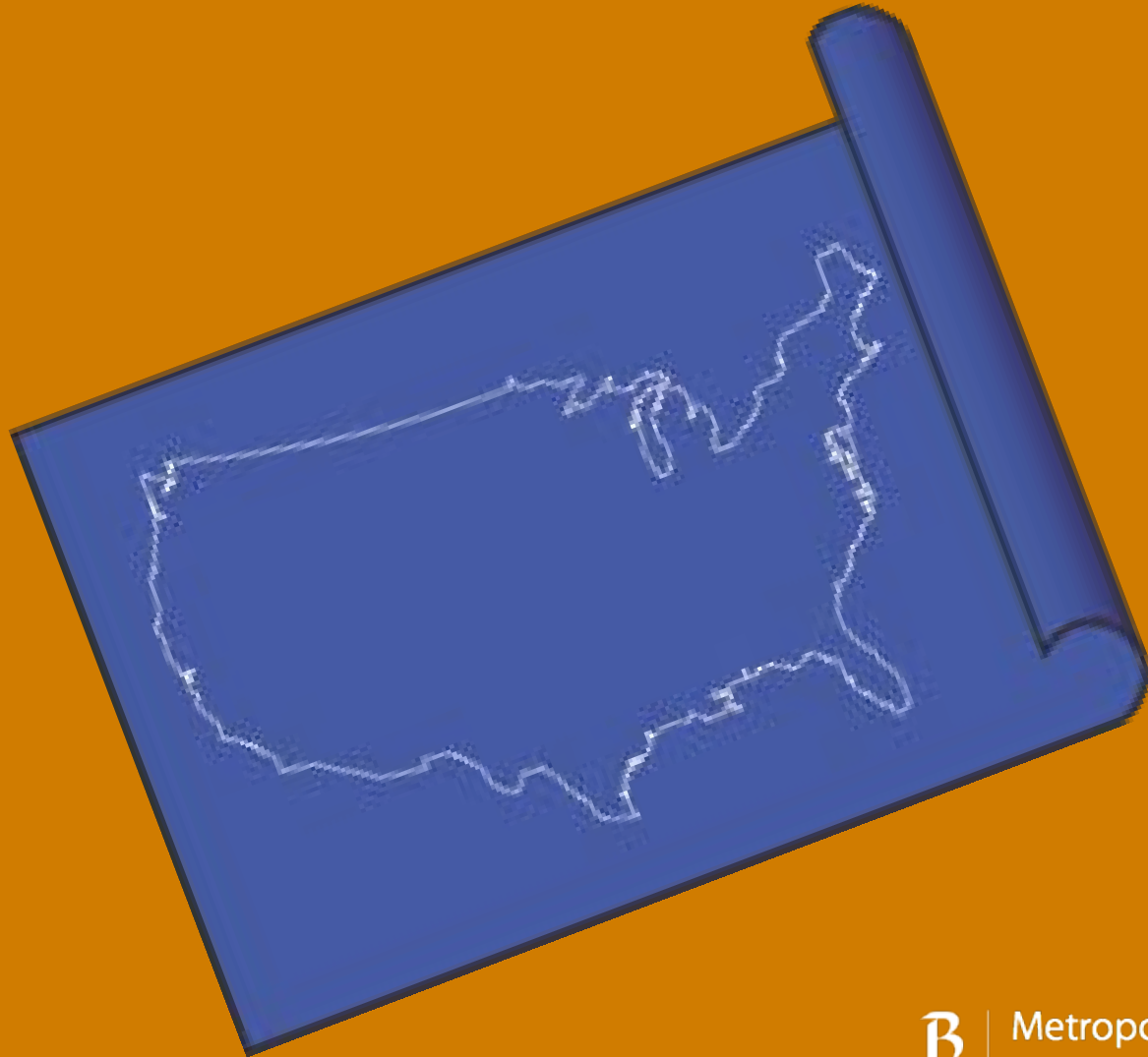


Why Brookings Mountain West cares

Challenges and emerging opportunities



To help places assess their standing, we have developed a *Blueprint for American Prosperity*



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The *Blueprint* is a deep-going prosperity analysis framework and federal policy agenda for metros



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According to the *Blueprint*, true prosperity depends on achieving three types of growth

Productive growth

that boosts innovation and productivity and so generates quality jobs and rising incomes



Inclusive growth

that fosters a strong middle class by addressing the training and education needs of an increasingly diverse population



Sustainable growth

that promotes sensible urban form, reduces resource consumption and emissions, and protects the environment



To achieve these goals, the nation must leverage four key assets and improve regional governance

Infrastructure

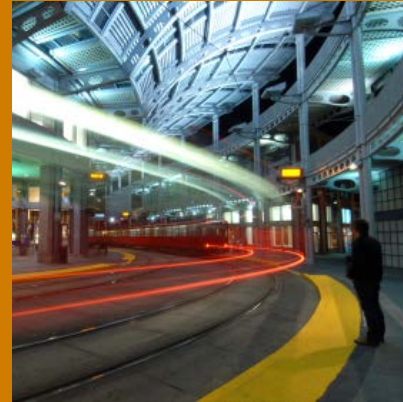
Innovation

Human Capital

**Sustainable, Quality
Places**

+

**Improved governance
networks**



So how is Las Vegas doing?



Vegas faces serious challenges...but it also has momentum

Infrastructure

Innovation

Sustainable, Quality Places



Like the other Mountain metros, greater Las Vegas is underserved by interstates

Las Vegas and Phoenix are the largest two adjacent metros not served by an interstate highway



I-15—linking Las Vegas and LA—offers only two lanes each direction in some places



Greater Las Vegas and the rest of the megas are also undersupplied with intercity rail

The lack of rail service between Las Vegas and cities such as Los Angeles and Phoenix results in long travel times on strained highways



And yet, “Mountain Megas” has helped reenergize discussions of I-11



A high speed rail link with southern California is now in the mix



And McCarran International Airport remains a world class asset



The hub ranked as America's 6th busiest airport in 2008, just behind fifth-place Denver and ahead of 10th-place Phoenix

Challenges

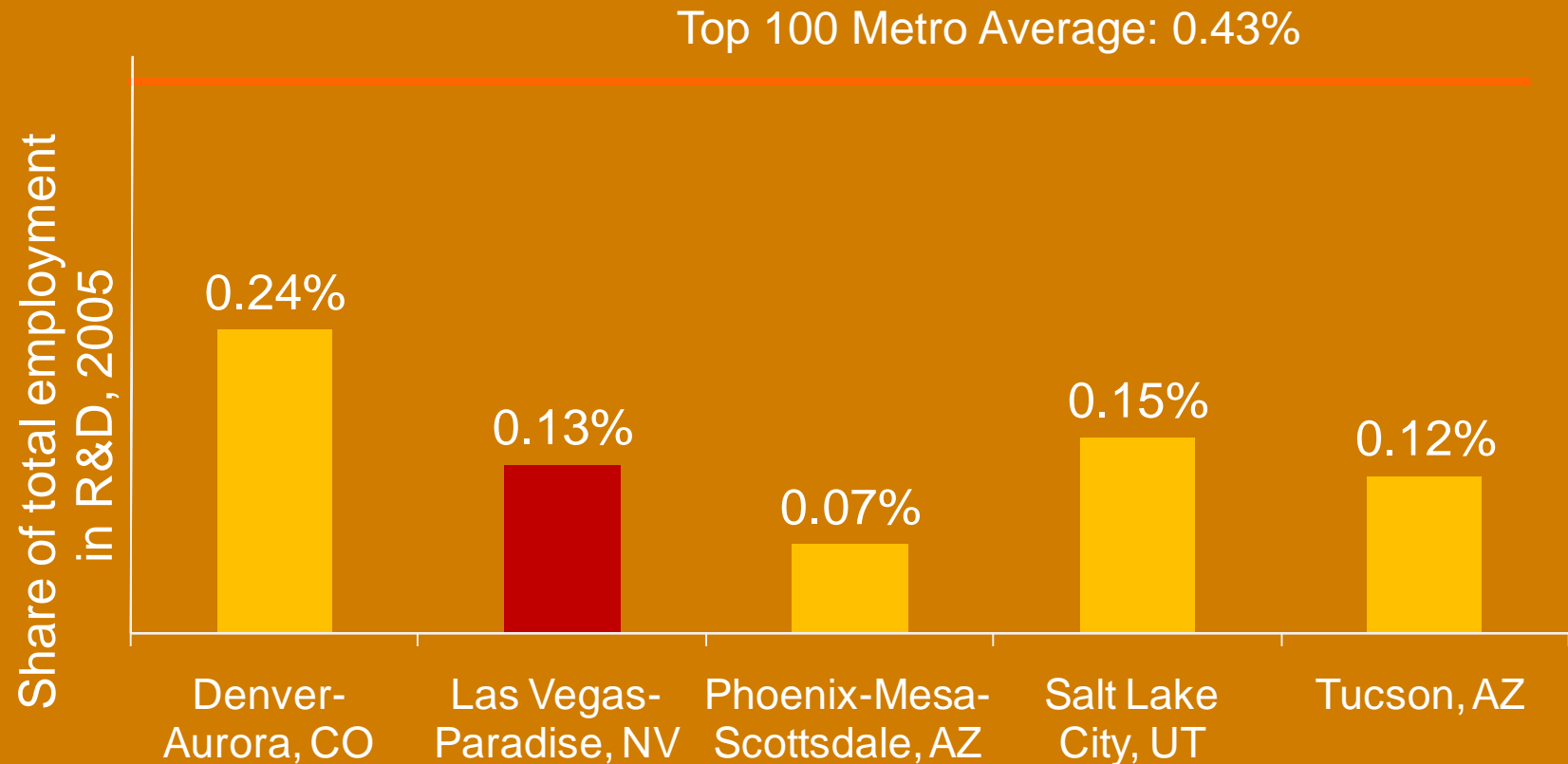
Infrastructure

Innovation

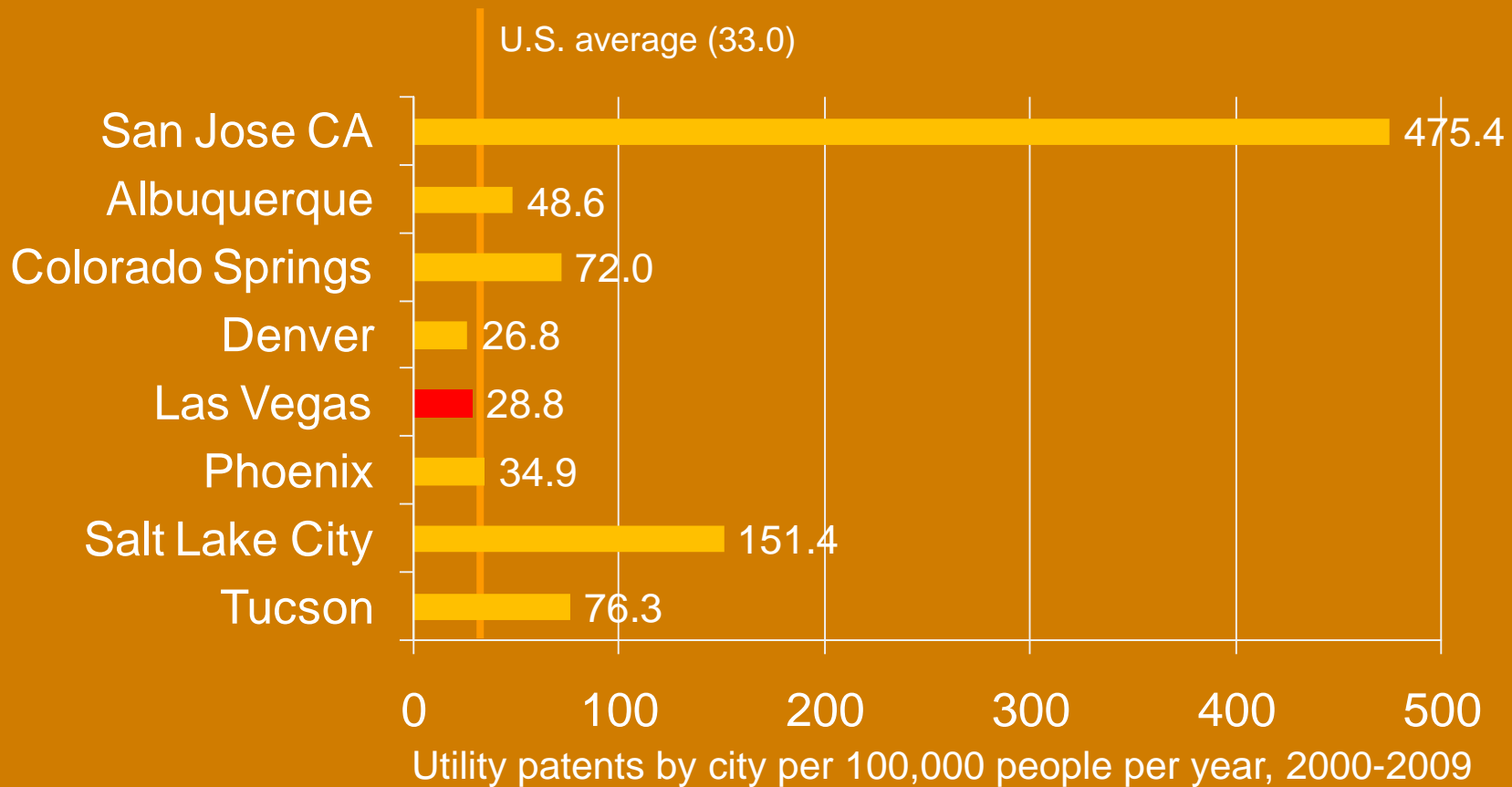
Sustainable, Quality Places



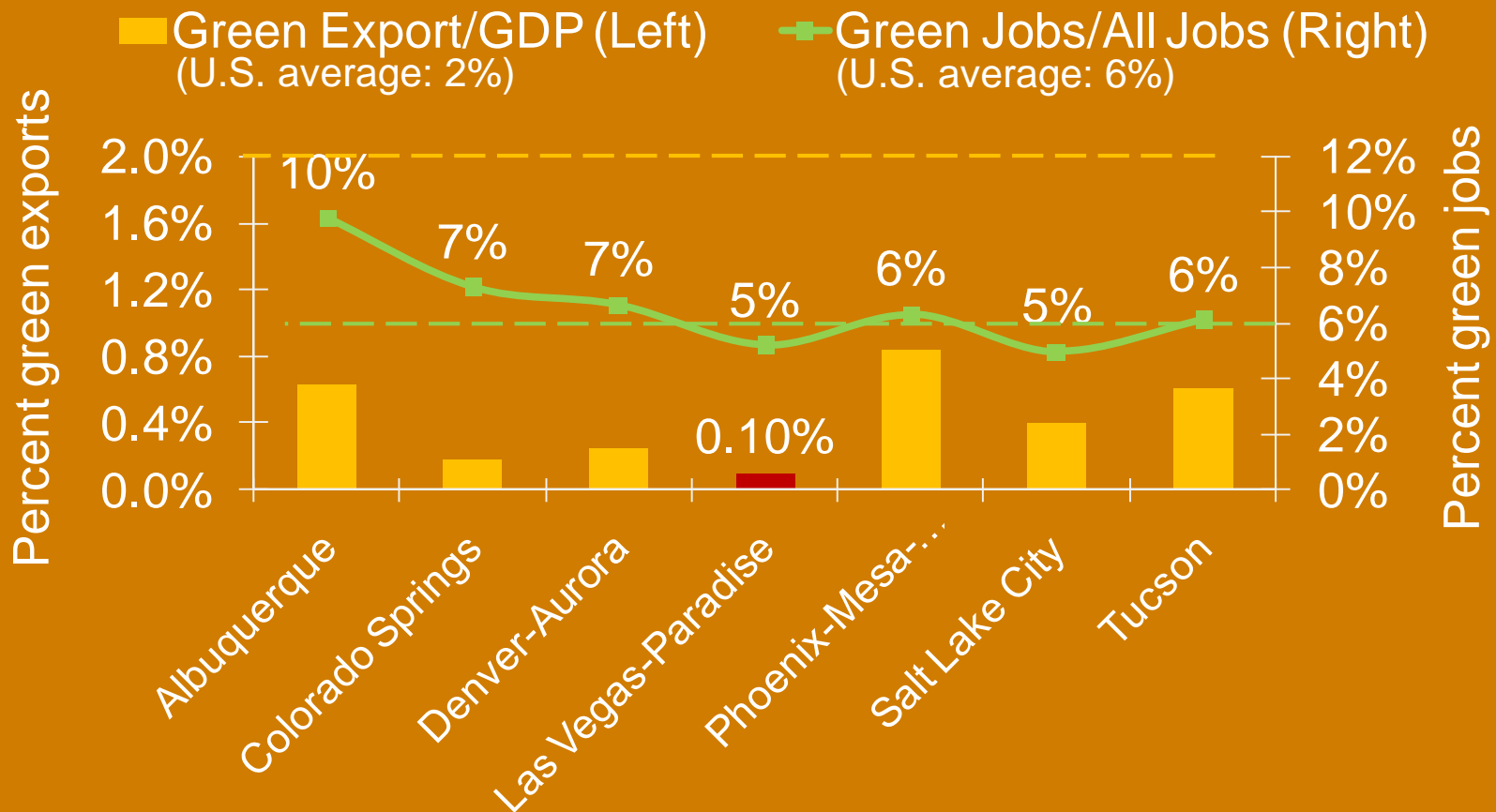
R&D is a critical driver of innovation and productivity but Vegas conducts little of it



Patenting rates remain low



Partly as a result Las Vegas remains pretty weak in critical green export activities

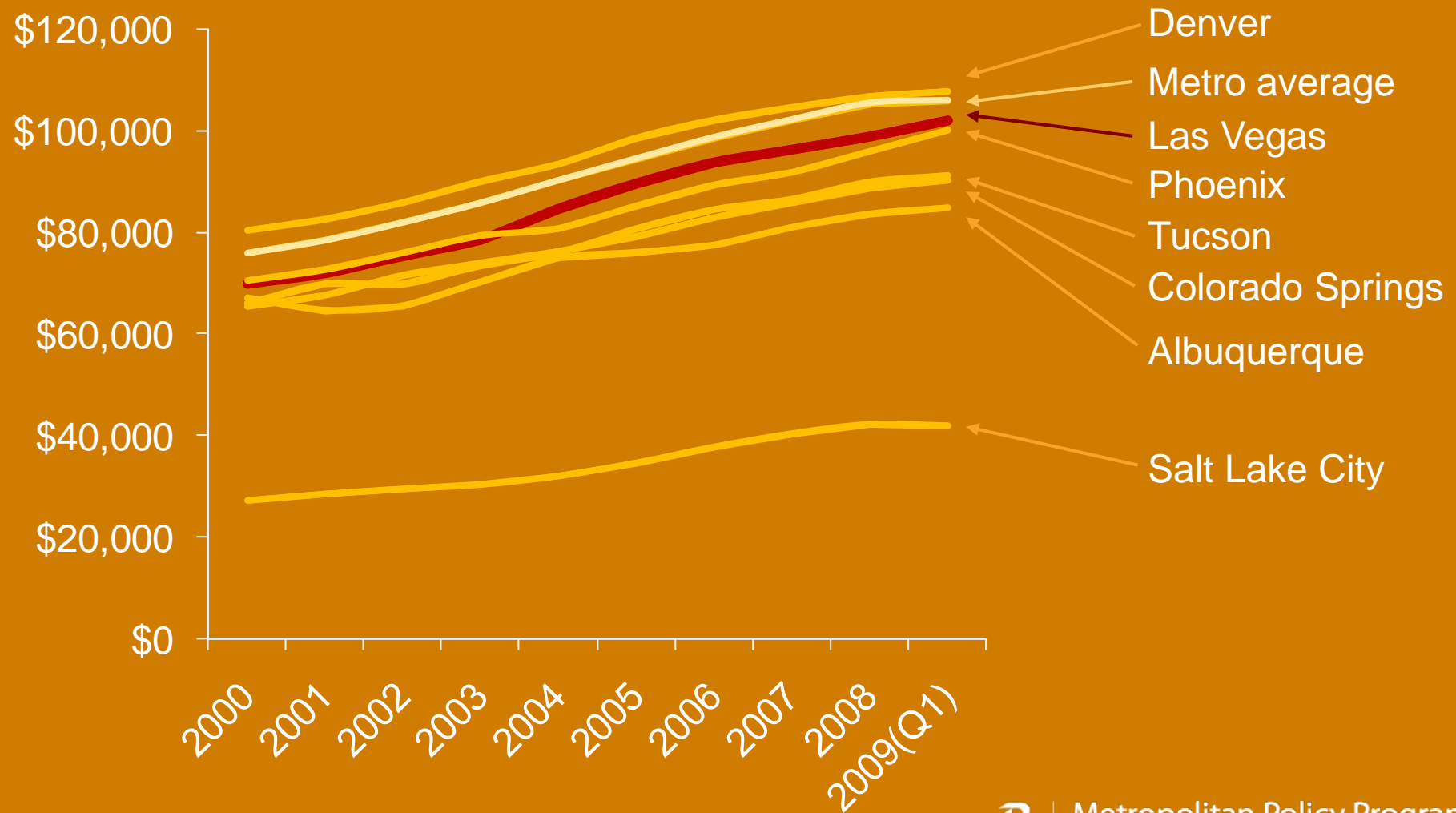


Source: Brookings analysis of 2006 data from County Business Patterns and U.S. Census Foreign Trade Office. "Green" data are from the Michigan Department of Energy, Labor, and Economic Growth



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And yet, Las Vegas' productivity continues to outstrip most regional competitors



The convening-hospitality-gaming sector remains a world-class source of export income and innovation



And natural assets, focus, and convening power are building new sectors



Challenges

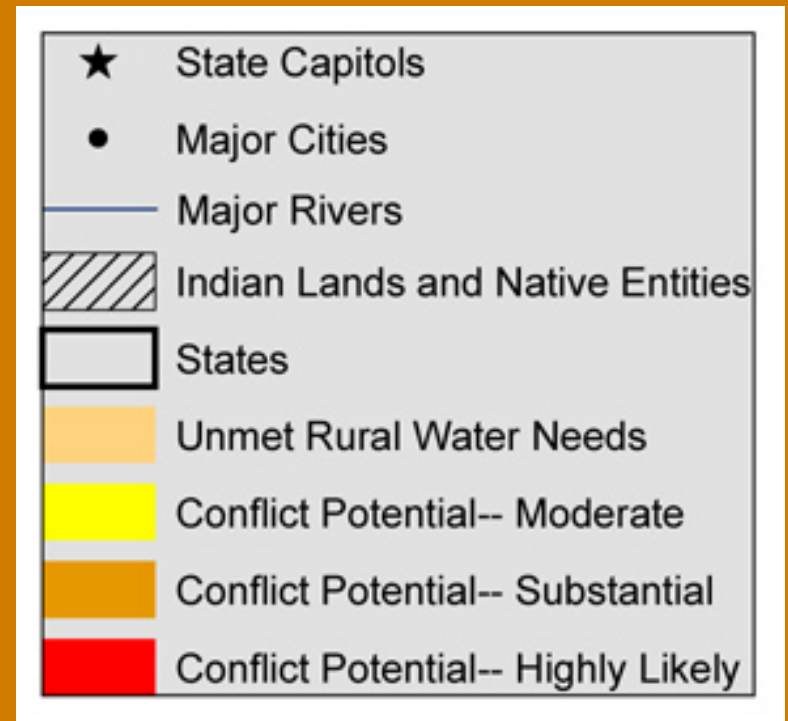
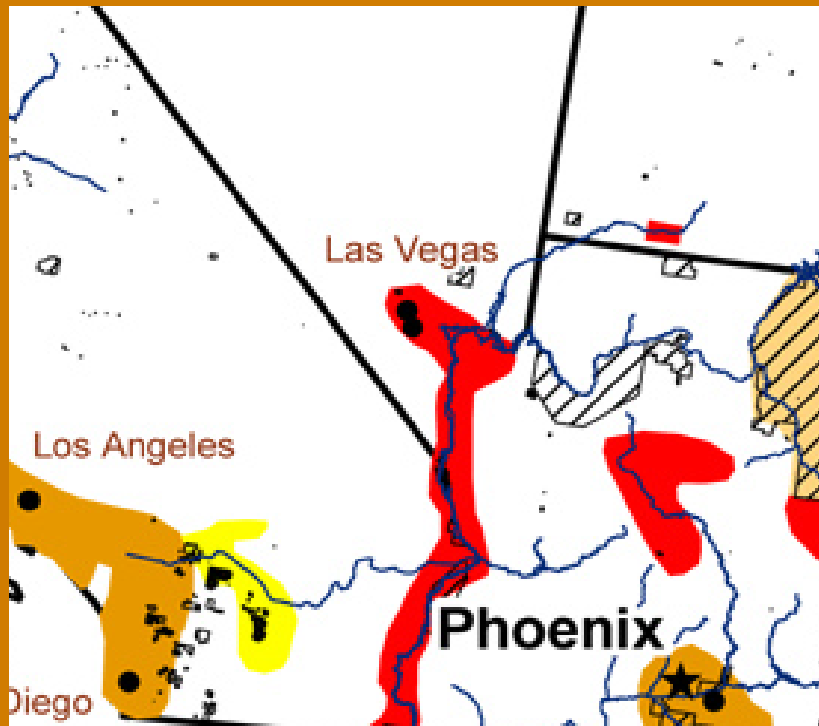
Infrastructure

Innovation

Sustainable, Quality Places



Climate change has heightened water supply questions



And while natural growth constraints have fueled relatively dense development, policy choices have left the region auto-dependent and poorly linked



And yet, a strong, dense job core represents an important starting point



Ninety percent of Las Vegas area jobs are located within 10 miles of the city center



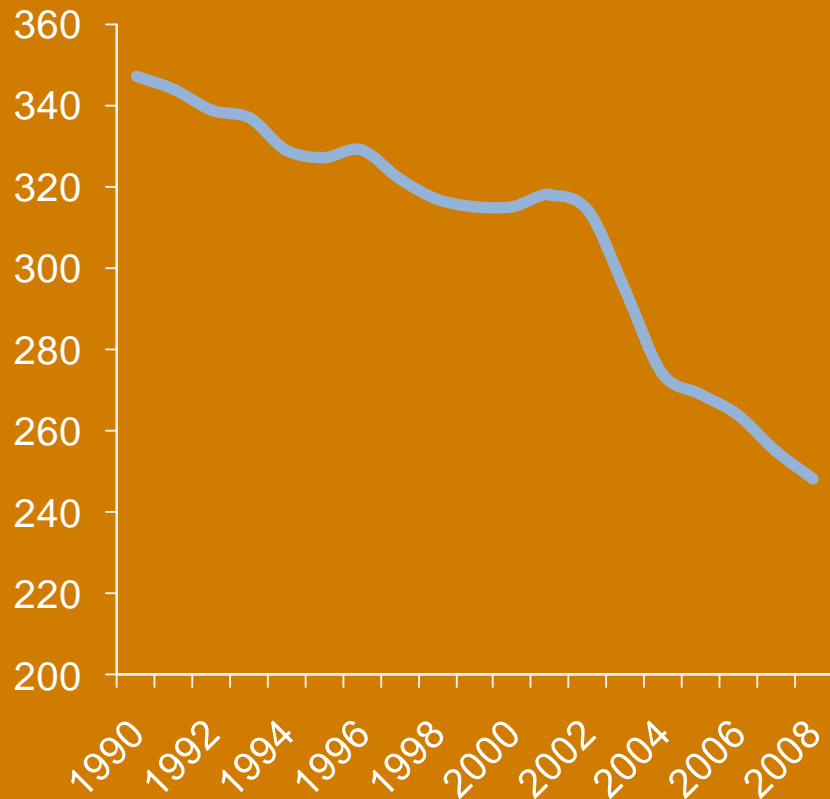


Radical new urban design is beginning to retrofit the autoscape

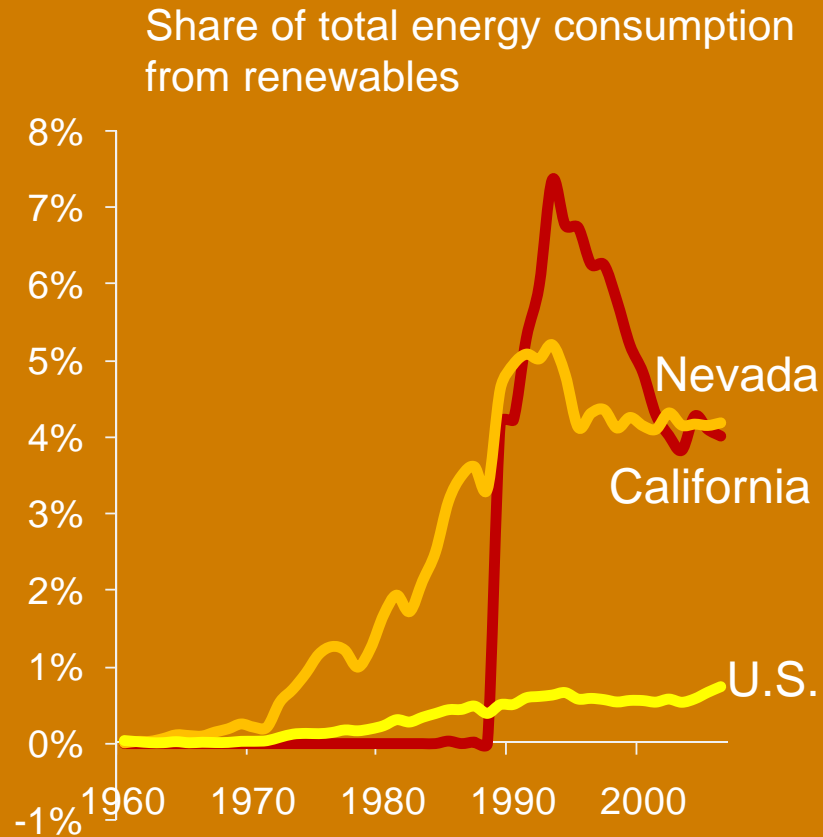


Huge strides are being made on other aspects of sustainability, such as water

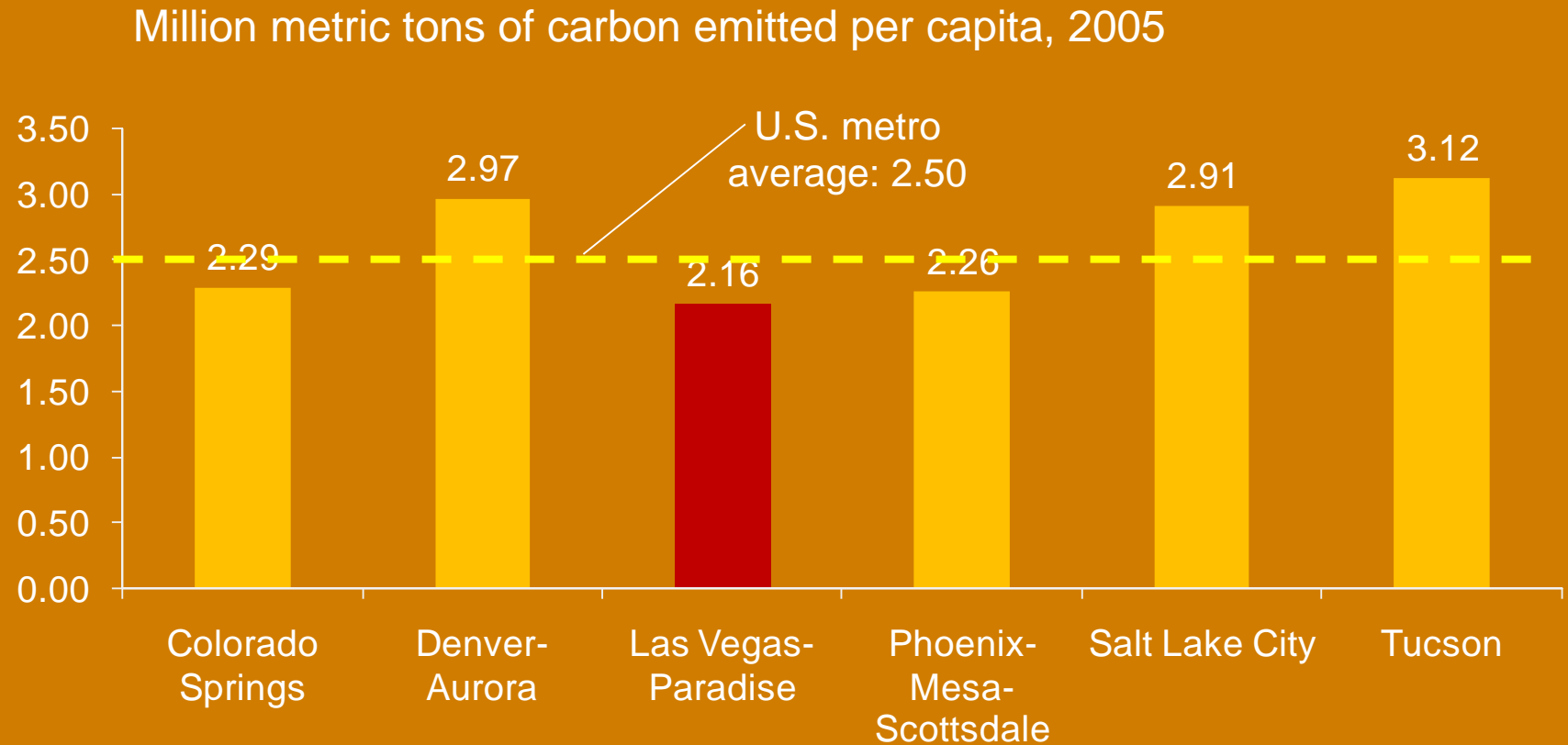
Southern Nevada Water Authority per capita gallons of water use per day



And the region has shifted faster, and farther, toward renewables than anywhere



Partly as a result, Las Vegas's carbon footprint remains below the national and regional average



In short, Las Vegas faces the future with significant promise...if it uses its time well



For More Information

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