Why we are here

Challenges and emerging opportunities

A vision
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 precipitously—and for now has turned negative.

Metro Las Vegas will likely record a net loss of nearly 18,000 people this year.

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.

“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.

Source: Bureau of Economic Analysis, 1947 Q1-2009 Q1
Yet, this is problematic given Las Vegas’ hyper-dependency on consumption.

Share of metro private sector GDP from food, drinking, leisure, hospitality, construction, and real estate.

- Las Vegas-Paradise, NV: 53%
- Orlando-Kissimmee, FL: 46%
- San Diego-Carlsbad-San Marcos, CA: 38%
- Phoenix-Mesa-Scottsdale, AZ: 34%
- Salt Lake City, UT: 26%
- Denver-Aurora, CO: 25%
- Dallas-Fort Worth-Arlington, TX: 22%
- San Jose-Sunnyvale-Santa Clara, CA: 21%
- Houston-Sugar Land-Baytown, TX: 17%

Metro average (27%)

Source: Bureau of Economic Analysis
In fact, Las Vegas exports very few hard goods beyond consumption

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Value of Exports as a Share of GDP, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albuquerque, NM</td>
<td>6.8%</td>
</tr>
<tr>
<td>Denver-Aurora, CO</td>
<td>10.0%</td>
</tr>
<tr>
<td>Las Vegas-Paradise</td>
<td>2.8%</td>
</tr>
<tr>
<td>Phoenix-Mesa, AZ</td>
<td>1.1%</td>
</tr>
<tr>
<td>Salt Lake City, UT</td>
<td>6.1%</td>
</tr>
<tr>
<td>Tucson, AZ</td>
<td>2.5%</td>
</tr>
<tr>
<td>Metro Average</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

Source: International Trade Administration and the Bureau of Economic Analysis
All of which means:
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To help places assess their standing, we have developed a *Blueprint for American Prosperity*
The *Blueprint* is a deep-going prosperity analysis framework and federal policy agenda for metros.
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
Infrastructure matters…

…because high-quality transportation, transmission, and telecommunications networks are critical to moving goods, power, ideas, and workers quickly and efficiently
Innovation matters…

…because the ability to invent and exploit new products, processes, and business models is critical for boosting productivity and competing globally.
Human capital matters...

...because innovation and the demands of a more competitive economy require a workforce with education and skill levels that are continuously rising.
Sustainable, quality places matter...

...because the new economic order and desire for environmental sustainability re-values dense forms, distinctive neighborhoods, and vibrant downtowns.
Beyond that, improved regional governance matters...

...because wider-reaching, region-scaled networks are necessary to match the boundary-crossing, dynamic problems of the new reality
So how is Las Vegas doing?
Las 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.

Source: Federal Highway Administration
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

Source: Airports Council International
Challenges

- Infrastructure
- Innovation
- Sustainable, Quality Places
R&D is a critical driver of innovation & productivity, but Las Vegas conducts little of it.

Source: Analysis of 2005 Census data by Ned Hill
Patenting rates remain low

Utility patents by city per 100,000 people per year, 2000-2009

- San Jose CA: 475.4
- Albuquerque: 48.6
- Colorado Springs: 72.0
- Denver: 26.8
- Las Vegas: 28.8
- Phoenix: 34.9
- Salt Lake City: 151.4
- Tucson: 76.3

U.S. average (33.0)

Source: U.S. Trade & Patent Office
Partly as a result, Las Vegas remains fairly weak in critical green export activities.

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

Source: Gross Metropolitan Product data from Moody’s Economy.com
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

Source: U.S. Bureau of Reclamation
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.

Source: Elizabeth Kneebone (Brookings, 2009)
Radical new urban design is beginning to retrofit the autoscape
Huge strides are being made on other aspects of sustainability, such as water.

And the region has shifted faster, and farther, toward renewables than anywhere.
Partly as a result, Las Vegas’ carbon footprint remains below the national and regional average.

Source: “Shrinking the Carbon Footprint of Metropolitan America” (Brookings, 2008)
In short, Las Vegas faces the future with significant promise...if it uses its time well
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And now, a vision…

The time has come for America’s newest metropolitan colossus to leverage the new drivers of prosperity and claim full global city status.
For More Information

Robert Lang - (571) 296-1033, rlang@vt.edu

Mark Muro - (202) 797-6315, mmuro@brookings.edu

www.brookings.edu/metro/intermountain_west.aspx