

Study Purpose & Need

NAIOP-Southern Nevada (“NAIOP”) commissioned RCG Economics (“RCG”) to prepare an analysis whose main purpose was to investigate the issue of land scarcity in the Las Vegas Valley (“the Valley”) and Apex. The focus of RCG’s scope of work was to evaluate whether potential future short- and long-term developable land constraints will negatively affect the region’s economic resilience. The Study Period used goes from 2018 through 2035.

Note: RCG did not consider the negative impacts on the Clark County economy associated with the COVID-19 pandemic. The Study was essentially completed prior the near shut-down of the Clark County economy in mid-March 2020.

Recommendations & Major Findings

- Nevada’s Congressional delegation should immediately and aggressively pursue changes to federal law included in the *Southern Nevada Economic Development and Conservation Act* to expand the Valley’s disposal boundary.
- Southern Nevada will face a land shortage, stunting economic development around 2030 if nothing is done to expand regional access to lands; sooner if the BLM fails to release lands as needed.
- There are roughly 19,100 gross acres of developable employment land in 198 parcels of 20+ acres remaining in Clark County.
- Approximately 9,100 of those acres are most optimal for development. Includes federally-owned parcels that have not yet been released under SNPLMA.
- The region is projected to require about 14,100 acres of developable employment land to meet the needs of the expected economic and job growth by 2035.
- Based on the estimated 9,100 acres noted above, there would be a deficit of 5,000 acres.
- Failing to ensure an adequate supply of employment land could lead to a reduction in yrly. gross regional product growth from 2.8 percent per year to 1.5 – 2.0 percent per year.

Three Forecast Scenarios Developed (2018 – 2035)

- Base-Case (No land constraints)
- 3% cost disadvantage (due to land constraints)
- 5% cost disadvantage (due to land constraints)

Economic Output Impact

Base-case: Average yrly. growth rate: 2.8%—equal to \$119.4 billion (“B”) over the Study Period (“SP”), reaching \$318.3B in 2035

3% cost disadvantage: Avg. yrly. Output growth rate: 1.9%—equal to \$43.6B of reduced Output in 2035, or 13.7% below the Base-case

5% cost disadvantage: Avg. yrly. Output growth rate: 1.3%—equal to \$69.5B of reduced Output in 2035, or 21.8% below the Base-case

Job Impact

Base-case: Avg. yrly. Job growth rate: 1.9%—equal to 504,000 additional jobs over the SP, reaching 1.8 million jobs in 2035

3% cost disadvantage: Avg. yrly. Job growth rate: 1.2%—equal to 204,800 fewer jobs in 2035, or 11.3% below the Base-case

5% cost disadvantage: Avg. yrly. job growth rate: 0.7%—equal to 329,100 fewer jobs in 2035, or 18.1% below the Base-case

Earnings (Wages and Business Income) Impact

Base-case: Avg. yrly. Earnings growth rate: 2.8%—equal to \$40.4B over the SP, reaching \$109.1B in 2035

3% cost disadvantage: Avg. yrly. Earnings growth rate: 2%—equal to \$12.2B of reduced Earnings in 2035, or 11.1% below the Base-case

5% cost disadvantage: Avg. yrly. Earning growth rate: 1.6%—equal to \$19.5B of reduced Earnings in 2035, or 17.9% below the Base-case

Gross Regional Product Impact

Base-case: Avg. yrly. GRP growth rate: 2.8%—equal to \$71.7B over the SP, reaching \$191.3B in 2035

3% cost disadvantage: Avg. yrly. GRP growth rate: 2%—equal to \$22.5B of reduced GRP in 2035, or 11.8% below the Base-case

5% cost disadvantage: Avg. yrly. GRP growth: rate: 1.5%—equal to \$36.1B of reduced GRP in 2035, or 18.9% below the Base-case

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