

# SOUTHERN NEVADA REGIONAL INDUSTRIAL STUDY

**PREPARED FOR:**

NEVADA GOVERNOR'S OFFICE OF  
ECONOMIC DEVELOPMENT

**PREPARED BY:**

BROOKINGS MOUNTAIN WEST

CENTER FOR BUSINESS  
AND ECONOMIC RESEARCH

TRANSPORTATION RESEARCH CENTER



## EXECUTIVE SUMMARY

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## Executive Summary

In 2011, as the effects of the Great Recession lingered in the Silver State, particularly in Southern Nevada, the State of Nevada responded by reforming its approach to economic development. These changes included the creation of a new governance and administrative structure led by the Nevada Governor's Office of Economic Development (GOED), the establishment of regional development authorities, and direct state investments to attract out-of-state businesses and support job growth in regionally targeted industries.

Since these reforms were implemented, Southern Nevada's economy has seen growth in several target industries including Tourism, Gaming, and Entertainment, Health and Medical Services, Business Information Technology Ecosystems, and Logistics and Operations.

Despite these gains, Southern Nevada's economy remains much less diversified compared to other Mountain West metros. Moreover, much of the job growth that has occurred during the prior decade has been concentrated in low-skill and low-productivity occupations that offer limited opportunities for upward or lateral mobility. As the COVID-19 recession again demonstrated, the lack of a diverse and resilient economy leaves the region and by extension the State of Nevada vulnerable to macroeconomic downturns.

Recognizing the ongoing need to diversify the Southern Nevada economy, in 2023 GOED commissioned Brookings Mountain West, the UNLV Center for Business and Economic Research, and the UNLV Transportation Research Center to evaluate how Southern Nevada can leverage its geography and connectivity to neighboring states and metros at the megapolitan level to pursue industrial opportunities in the face of shifting global supply chains, diminishing developable land, the need for efficient management of the regional water supply, and the availability of unprecedented federal resources to support clean energy development, manufacturing, electrification of transportation systems, and supply-chain resiliency.

The study builds on previous economic development reports, analyzes a wide range of economic data from Las Vegas and adjacent metros, and incorporates insights gleaned from background interviews with representatives from state and local governments, utilities, transportation agencies, and economic development organizations to identify industrial opportunities the region should pursue, infrastructure investments that are needed to support these opportunities, and policy and governance interventions to facilitate and fund regional industrial-based economic diversification.

The study finds that:

- Although Southern Nevada had limited governance fragmentation, economic development is siloed across jurisdictions, and unlike neighboring metros, the region lacks a governance structure, such as a council of governments, to facilitate the planning and coordination needed to realize regional economic and infrastructure priorities.
- Relative to adjacent metropolitan regions, gaps in job creation, labor productivity, and wages have persisted due to Southern Nevada's continued overconcentration of employment in low-wage and low-productivity occupations.
- The region has a substantially lower share of manufacturing employment compared to other metros in the Southwest Triangle Megapolitan Cluster and the Mountain Megapolitan Cluster. Additionally, the manufacturing jobs that are in Southern Nevada pay lower wages.
- The lack of a robust regional manufacturing sector limits economic diversification and resilience, constrains transportation infrastructure and undercuts the region's ability to compete for federal resources available through the CHIPS and Science Act, the Inflation Reduction Act, and the Infrastructure Investment and Jobs Act.
- As a highly consummative market, Southern Nevada is overly dependent on I-15 for the movement of goods by semi-truck and because much of the freight traffic that enters the region passes through to serve out-of-state markets, Southern Nevada absorbs the costs (e.g., pollution, traffic, and road deterioration) but receives little benefit from these exchanges.
- Compared to proximate metros, Southern Nevada has a dearth of research facilities, generates significantly fewer advanced degrees, and secures substantially less research and development funding to support the regional economy.
- While scaled industrialization is challenged by limited developable land and the need for efficient water use, there are opportunities to locate industrial activity in the South County (i.e., Primm, Jean, Sloan, and the Eldorado Valley) and North County (i.e., Apex and UNLV North) areas of Clark County.

The study's recommendations provide a framework to develop, fund, and govern regional industrial development that include:

- Concentrating warehousing and logistics activity in the South County area to complement the development of the Southern Nevada Supplemental Airport, leverage the area's proximity to the Southern California ports and I-15, and capture the increasing flow of goods originating from Mexico and Latin America via I-15.
- Focusing manufacturing and research and development in the North County area to utilize the Apex Industrial Park for large-scale industrial initiatives and to develop the UNLV North Campus through public and private partnerships to strengthen the region's research capacity and create centers of excellence supporting targeted industries.
- Pursuing industries that align with federal funding streams and that can grow the regional export economy including supply chains supporting electric batteries and clean energy and capturing the flow of commodities related to mining, critical minerals, and metals that can be processed and redistributed in Clark County and beyond.
- Fortifying the regional rail and highway transportation infrastructure to improve the outbound, inbound, through, and intraregional movement of freight.
- Implementing governance reforms to coordinate regional industrial development including establishing a council of governments, integrating a regional planning body into the existing metropolitan planning organization, and creating an inland port authority to develop and administer large-scale industrial infrastructure projects.
- Fortifying local and state funding streams dedicated to industrial development including tax-increment financing, industrial park grants, and targeted tax abatements, as well as strengthening grant administration capacity to better position the region to compete for federal resources.
- Coordinating at the local, state, and federal levels to implement a unified, regional economic vision.

Post-COVID 19, Southern Nevada is at a crossroads. Continued population growth in the face of diminishing land available for development and the need for increased water efficiency is placing additional stress on the region's narrow economic base that is struggling to generate the high-paying jobs and revenue needed to support a robust and resilient metro.

As this study highlights, geographically, Southern Nevada is well positioned to integrate its economic development efforts with those of its better-performing and more economically diverse neighbors in a manner that provides greater value than the region currently receives from these exchanges. The resetting of national manufacturing and energy priorities, the availability of large tranches of federal funding, and shifts in global supply chains offer industrial opportunities that align with Southern Nevada's megapolitan geographic advantage.

To date, however, economic development in Southern Nevada has been driven by local governments pursuing their own priorities, often in competition with each other. Alone, none of these entities have the resources to compete with the regionally coordinated economic development regimes that exist in Southern California, Utah's Wasatch Range, and Arizona's Sun Corridor.

Regional efforts such as the creation of the Southern Nevada Water Authority, the continuing support for Southern Nevada Strong, and the cooperation that was a hallmark of the region's response to COVID-19 offer a pathway for a regional approach to industrial development that will better position Southern Nevada to compete against neighboring metros for the investments and opportunities that are needed to create a more diverse and resilient regional economy.

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## UNLV | BROOKINGS MOUNTAIN WEST

Brookings Mountain West is a partnership between UNLV and the Washington, D.C.-based Brookings Institution. The purpose of Brookings Mountain West is to bring the Brookings tradition of high-quality, independent, and impactful research to the issues facing the dynamic and fast-growing Intermountain West region. Building upon work at Brookings and UNLV, our community engagement and research initiatives focus on helping metropolitan areas like Las Vegas grow in robust, inclusive, and sustainable ways. Brookings Mountain West provides a platform to bring ideas and expertise together to enhance public policy discussions at the local, state, and regional level.

## UNLV | LEE BUSINESS SCHOOL CENTER FOR BUSINESS AND ECONOMIC RESEARCH

For 48 years, UNLV's Center for Business and Economic Research has been Nevada's premier applied research entity that provides economic and business research to leaders in public, private, and nonprofit sectors across Nevada. CBER conducts applied research that can be used for strategic business decisions, policy analysis, and economic forecasting. Its goal is to help Nevada's businesses, community leaders, and policy makers make informed decisions through data-driven research and analysis. The Center also contributes to public understanding and discussion of economic and business issues in Nevada, the metropolitan Las Vegas area, and the Mountain West region. CBER often publishes reports and forecasts for sectors such as tourism, gaming, and regional economics.

## UNLV | TRANSPORTATION RESEARCH CENTER

The Transportation Research Center (TRC) endeavors to promote and facilitate transportation related research, education, and outreach activities at the University of Nevada, Las Vegas (UNLV) to address current, emerging, and long-term needs and challenges for a vibrant transportation system. TRC strives to develop innovative solutions that enhance safety, improve accessibility and mobility for passenger and freight transportation systems. TRC serves as a focal point at UNLV to facilitate multi-disciplinary initiatives by bringing together assets and resources from across UNLV, and developing partnerships with public and private sector entities and not-for-profit organizations. This included leveraging the expertise and experience at various organized research units and centers and academic program across UNLV. The collective expertise and initiatives facilitated by TRC include topics across the transportation system life cycle (policy, planning, design, construction, operations, maintenance, rehabilitation, and management) and across various transportation modes.

