The next chapter: Las Vegas becomes a global city

Robert Lang

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Every summer, Brian Greenspun turns over his Where I Stand column to guest writers for several weeks. Today’s guest is Robert Lang, director of Brookings Mountain West at UNLV.

As Las Vegas and Southern Nevada continue to emerge from the Great Recession, our regional leaders are engaging in a concerted effort to acquire the basic urban infrastructure needs essential for our growth. The opportunity is here to promote economic diversification while gauging infrastructure assets and deficits. On the plus side, Las Vegas possesses a high-capacity and globally connected airport and a world-class performing arts center, and a major downtown redevelopment effort is underway. Our region is, of course, home to the largest convention and hotel complex in the U.S.

Most importantly, Southern Nevada has a habit of getting things done on its own. For example, with virtually no help from our state and federal governments, we constructed the $1.7 billion 215 Beltway.

So what is Southern Nevada missing? Here is a preliminary list of four assets we can and should secure (or at least begin constructing) by the end of this decade. Funding for these projects assumes a mixture of public-private partnerships, tax increment financing and local bond money. Limited federal resources are also available in the form of grants, tax credits and direct investment. Our state government can also provide partial funding, especially if the Southern Nevada delegation to the Legislature is able to rally around the projects and direct a fair share of state spending to our region.

• Build Interstate 11 from Las Vegas to Phoenix. Phoenix and Las Vegas remain the two largest metropolitan areas in the U.S. within 300 miles of one another not directly linked by an interstate highway. I-11 would help Las Vegas connect to a large and growing tourist market — the Arizona “Sun Corridor” from Phoenix to Tucson (with 9 million more residents projected by 2040). I-11 can help Las Vegas diversify its economy by improving the region’s position as a logistics center. The good news is that Arizona is building the vast share of this highway. Las Vegas needs only find the resources to connect the 515 freeway to the bridge over the Colorado River. The plan to index the fuel tax to inflation would pay for this improvement and help fund the completion of the 215 beltway.
• Establish an allopathic medical school in Las Vegas. Las Vegas is by far the largest U.S. metro area without an allopathic (as opposed to osteopathic) medical school. In fact, no other U.S. region with more than 1 million residents lacks a medical school. The 2011 Brookings-SRI Nevada economic development study showed that Las Vegas provides less than two-thirds of the medical services that are predicted for a region its size. Brookings Mountain West published a study that shows Las Vegas has the smallest medical services economy of any top 100 U.S. metro area.

Nearly 6 percent of regional output is lost by purchasing medical services from nearby states or by forgoing treatment. To put that number in perspective, consider that the construction industry now accounts for about 5 percent of the regional economy. The first step in diversifying Southern Nevada’s economy is simply getting its medicine to scale — which would add over 40,000 direct jobs and fill millions of square feet in commercial real estate.

How would a medical school help? A key conclusion from the Brookings-SRI study is that a medical school would anchor medicine in Las Vegas and build more confidence in all medical and health services. Also, an allopathic medical school would help the region secure a modest biotech sector, draw in more federal research grant money, advance graduate medical education and train more physicians. The Lincy Institute at UNLV commissioned a study to be released later this fall that examines the feasibility and return-on-investment for a Las Vegas-based allopathic medical school. The results of the study may surprise those who see an insurmountable challenge to building such a facility. Cities such as El Paso, Texas, and Roanoke, Va., recently built new medical schools. If Roanoke, a region with roughly a ninth of the residents of Las Vegas, can establish a medical school, Southern Nevada can, as well.

• Construct an event center. Las Vegas has the best tourist infrastructure in the U.S. but lacks one key facility — a large-scale event center. In fact, Las Vegas is the largest U.S. metro area without an event space exceeding 40,000 seats. The 2011 Brookings-SRI report indicated that Las Vegas can grow its tourist economy, with the single best prospect being large, events-driven tourism. This niche tourist sector suffered the least decline during the recent economic downturn and holds the prospect of doubling over the next decade. An event center would dovetail with the Las Vegas convention and trade show business by providing an essential venue for tie-in programs. In essence, the event center is a convention space with an athletic field. The event center should contain at least 50,000 seats and be located near the Strip. Financing could include a mixture of tax districts, private partnerships, naming rights and pass-through charges on tourists.

• Start a light rail system. Denver, Salt Lake City and Phoenix — the major peer regions to Las Vegas in the Mountain West — all have light rail systems that include an airport connection. Voters approved these systems, and all have expanded from their original track mileage. Most importantly, light rail has transformed urban development patterns in the West. Las Vegas would see the same benefits. The system would relieve growing congestion in the tourist core area. Light rail can redirect the region’s housing development from water-consuming single family homes to multifamily, mixed-use projects, and save thousands of acre-feet in water consumed per year, conserve land and reduce air pollution. Las Vegas needs to adapt to changing times and consumer habits. The Millennial Generation has shown a clear preference for transit alternatives
and less reliance on automobiles. Other Mountain West metro areas use light rail to drive economic development with nonpartisan political and business partnerships.

So how would Las Vegas begin a light rail system? By following lessons learned in the Mountain West. This includes getting buy-in from voters, key industries and civic leaders. The Las Vegas Convention and Visitors Authority and leaders in Clark County, Las Vegas, Henderson and North Las Vegas need to be part of this effort. The Las Vegas Strip, UNLV and downtown Las Vegas will provide essential commuters. The financing of this system includes the usual mix of tax districts, bonding, fees and capital project grants from the federal government (including a redirect of some money intended for highways). Finally, our region could request a modification of the 1992 land act that sent money from sale of federal lands to open-space preservation projects throughout Nevada. What better purpose can this money go to than a rail system that saves open space, improves air quality and conserves water?

A region of more than 2 million people — one that has created an unique urban metropolis in the American West — is poised to embark on an amazing new chapter in its history.

I can’t wait to see what happens next.

Robert Lang is a professor at the Greenspun College of Urban Affairs and directs Brookings Mountain West and The Lincy Institute at UNLV.