EXECUTIVE SUMMARY: SOUTHERN NEVADA INDUSTRIAL LAND ANALYSIS INVENTORY & IMPLICATIONS FOR ECONOMIC GROWTH & ECONOMIC DEVELOPMENT ("THE STUDY")
MAY 2023

Study Purpose & Need
The Nevada Governor's Office of Economic Development ("GOED") commissioned RCG Economics ("RCG") to prepare an analysis whose main purpose was to investigate the issue of land scarcity in Clark County (or the "Las Vegas MSA"; "So. Nevada"). The focus of RCG's scope of work was to evaluate whether future short- and long-term developable land constraints that could negatively impact the region's economic resilience. The Study Period used goes from 2023 through 2030.

Recommendations & Major Findings

- Nevada's Congressional delegation should immediately and proactively continue pursuing changes to federal law included in the Southern Nevada Economic Development and Conservation Act to expand Southern Nevada's disposal boundary.
- So. Nevada will face a land shortage, stunting economic development and resilience, around 2030 if nothing is done to expand access to additional land; sooner if the BLM fails to release lands as needed.
- There are roughly 16,400 gross acres of developable employment land in 142 parcels of 20+ acres remaining in Clark County.
- Approximately 5,000 of those acres are most optimal (Tier 1 and 2, see full report) for development. Includes federally-owned parcels that have not yet been released under SNPLMA.
- To estimate future "employment land" demand, RCG developed three job forecasts: Low, Mid and High.
- Under the Mid demand (job growth) scenario, the region is projected to require about 5,500 acres of developable land to meet the needs of expected economic and job growth by 2030. This does not include the land needed by So. Nevada's Accommodation and Food Services industry.
- The Low demand scenario will require about 3,100 acres and a High demand scenario, will need 8,000 acres.
- Based on the estimated 5,000 acres noted above, there is a forecasted deficit of approximately 500 acres. Under the Low demand scenario, there is a surplus of 1,900 acres. But with the High demand scenario, there is a projected deficit of 3,000 acres.

Three Forecast Scenarios Used (2023– 2030)

- 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: 4.6% ,growing from $227 billion ("B") in 2021 to $340B in 2030

3% cost disadvantage: Economic activity reduction over Study Period: $19B

5% cost disadvantage: Economic activity reduction over Study Period: $31B

Job Impact
Base-Case: Avg. yrly. growth rate: 2.2% or 36,000 jobs per year (2023-2030) reaching 1.78 million jobs in 2030

3% cost disadvantage: Economic activity reduction over Study Period: 82,000 jobs

5% cost disadvantage: Economic activity reduction over Study Period: 137,000 jobs

Earnings (Wages and Business Income) Impact
Base-Case: Avg. yrly. growth rate: 3.3% or $2.9B per year (2023-2030), reaching $100.2B in 2030

3% cost disadvantage: Economic activity reduction over Study Period: $5.3B

5% cost disadvantage: Economic activity reduction over Study Period: $8.8B

Gross Regional Product Impact
Base-Case: Avg. yrly. growth rate: 3.3% or $4.8B per year (2023-2030), reaching $164.7B in 2030

3% cost disadvantage: Economic activity reduction over Study Period = $9.3B

5% scenario disadvantage: Economic activity reduction over Study Period = $15.5B

Conclusion: Failing to ensure an adequate supply of employment land could reduce the size of the MSA's economy 2030 from the projected $164.7B in the Base-Case to $155.4B (3%-cost disadvantage) and to $149.2B (5%-cost disadvantage). This equates to an annual drop in regional economic growth from 2.8% in base case to 1.5-2% based on the other two scenarios.

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