

MARYLAND PARKWAY TOD MARKET READINESS ANALYSIS

Report prepared for:



Clark County



Regional Transportation
Commission of Southern Nevada



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The Economics of Land Use

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PROJECT OVERVIEW

The Regional Transportation Commission of Southern Nevada (RTC), along with its partners the City of Las Vegas (CLV) and Clark County (CC), are preparing to make a substantial investment into the creation of an 8.7 mile long high-capacity transit line along the Maryland Parkway Corridor connecting the Las Vegas Medical District (LVMD), Downtown Las Vegas, Sunrise Hospital, Boulevard Mall, the University of Nevada – Las Vegas (UNLV), and McCarran International Airport.

To support the success and ridership of the transit line, the project partners want to identify and support opportunities for transit-oriented development (TOD) near transit stations. Economic & Planning Systems (EPS) is supporting MIG in the development of the TOD Plan for the Maryland Parkway Corridor.

This report provides a summary of the TOD Market Readiness Analysis, completed along the corridor to identify Focus Areas with the greatest potential to attract TOD. More in-depth market analysis will be completed for the highest priority Focus Areas to help efforts to attract TOD to the corridor.

MARKET READINESS APPROACH

The goal of the market readiness analysis is to identify Focus Areas that have (1) market demand for and (2) development conditions supportive of TOD.

The analysis used a two-tiered approach to score Focus Areas (encompassing the half-mile area around each transit station) based on criteria that correlate with **market momentum** and **development opportunity** for TOD. There are several factors or characteristics required for quality TOD to occur. Many of these can be measured using quantitative and/or spatial analysis. By identifying the presence of these TOD requirements, focus areas can be characterized in terms of the potential for TOD (or the level of public and private intervention needed to support it).

The TOD measures were grouped into two categories—Market Momentum and Development Opportunity—with a score calculated for each. Focus Areas were then ranked by the combined score. One point is given for each metric if a Focus Area meets the given criteria, with a total of 7 points in each category and 14 points in total.

INPUTS TO PRIORITY FOCUS AREAS SELECTION

The **market readiness** scores outlined in this Market Readiness Analysis are one of three major inputs into determining the highest priority Focus Areas for TOD. The second major input is the **TOD supportiveness score** developed in the Existing Conditions and Needs Assessment Report. The third major input is feedback gathered from the community and stakeholders during public engagement efforts. These three major inputs, along with staff expertise, local knowledge, and other considerations such as geographic distribution will ultimately be combined to determine which Focus Areas are the highest priority for TOD and where more detailed planning and design work will be done as part of this Plan.

The Priority Focus Area selection major inputs are:

- Market Readiness Report – Market Momentum and Development Opportunity scores
- Existing Conditions Report – TOD Supportiveness score
- Community and Stakeholder Input

TOD SUPPORTIVENESS AND COMMUNITY ENGAGEMENT

TOD Supportiveness

The TOD Supportiveness score is used to rank each Focus Area based on seven readiness indicators including mix of uses, zoning, (re)development opportunities, infrastructure conditions, multi-modal connectivity, vehicular accessibility, and traffic safety impacts. A Focus Area is considered more “TOD ready” if it currently has a strong mix of land uses, has a large amount of high-density or mixed-use zoning, has more development or redevelopment opportunities, has high quality infrastructure conditions, and has strong connectivity for bikes, pedestrians and cars. The TOD supportiveness scores are presented in the Existing Conditions and Needs Assessment.

Community and Stakeholder Input

The goal of community and stakeholder input as a part of the selection process for priority Focus Areas is to address community need throughout the study area. Community members and stakeholders will not only be able to provide a prioritized ranking of Focus Areas to become mixed-use hubs, but will also be able to provide valuable information about what they envision the community needs in different locations. These community needs may include better pedestrian and bike facilities, reduction of traffic congestion, more jobs, more shops and restaurants, more housing options, more affordable housing, increased safety, more shade trees, and/or more parks/open space.

FOCUS AREAS OVERALL SCORES

Total Score	TOD Supportiveness	Market Momentum	Development Opportunity
Clark County			
	5	2	4
	3	2	5
	6	2	3
	6	1	2
	7	2	3
	6	2	5
	7	3	6
	8	3	6
	9	3	3
	5	2	2
	4	1	2
	3	3	1
	3	2	2

Source: Economic & Planning Systems

* TOD Supportiveness scores are from the Existing Conditions and Needs Assessment Report

MARKET READINESS METHODOLOGY

This Market Readiness Analysis was conducted for the half-mile area around each proposed station (the “Focus Area”). Data was collected at either a point level (aggregated to a polygon) or at a polygon level aligning with the focus area boundaries. Where focus areas overlap, data are included for each relevant area (i.e. some data are double-counted). Data sources are noted on page 6.

As noted, two categories are used for analysis:

Market Momentum measures the strength of market trends and indicators of where market pressure is the greatest. Using metrics such as rent and vacancy levels, as well as population and employment growth, this metric evaluates which areas the market has already gravitated towards, indicating an existing level of support for new development.

Development Opportunity looks at locations where market trends could evolve in the future, based on the readiness of an area for TOD growth. Focusing on physical components, including average parcel size and level of vacant or underutilized acreage, this metric identifies areas with capacity and opportunity for new development.

DATA INPUTS

Market Momentum	Development Opportunity
Office Rents (2019, CoStar)	Average Parcel Size (assessor)
Retail Rents (2019, CoStar)	Acreage of Vacant Land (assessor)
Vacancy (office & retail) (2019, CoStar)	Acreage of “Underutilized” Land (assessor, EPS analysis)
Recent Development (office, retail, multifamily, hospitality) (built since 2010, CoStar)	Presence of Funding/Financing Opportunities (local and federal data)
Household Growth (2010–2019, ESRI)	Identified TOD Sites (Paceline Consulting analysis)
Employment Growth (2010–2017, US Census LEHD)	Number of major destinations/landmarks (Existing Conditions Report)
Presence of TOD–Supportive Demographics (2019, ESRI)	Population/Employment Density (2019, ESRI)

TOTAL MARKET READINESS SCORE

To determine a focus area's overall market readiness score, the Market Momentum and Development Opportunity scores are added, resulting in a score ranging from 0 to 14.

Among the 13 focus areas in Clark County, overall Market Readiness scores ranged from 3 to 9, with an average score of 6.

The four focus areas with the top overall scores are Flamingo Rd (9), University Ave (9), Karen Ave (7), and Katie Ave (7).



TOTAL SCORE

The highest scoring focus areas are Flamingo Road, University Avenue, Karen Ave, and Katie Ave. The highest scoring stations are those near UNLV. A focus area near UNLV is an attractive option for more in depth planning and economic analysis.

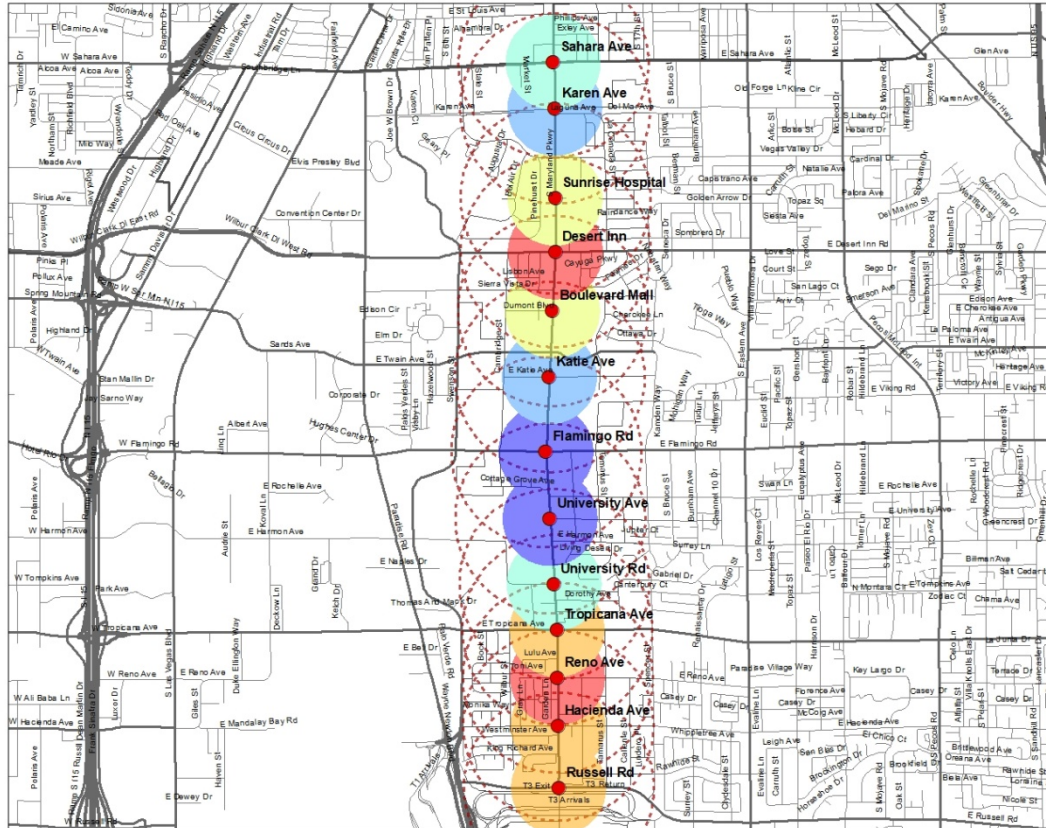
The other highest scoring area along the corridor are north of Sunrise Hospital. Focus on one of these station (Sahara Ave or Karen Ave) is another strong option.

Lastly, the Boulevard Mall Area is an attractive option to consider given the presence of large under-utilized parking fields, despite adjacent focus areas receiving average scores.

	Market Momentum	Development Opportunity	Total Score
Clark County			
Flamingo Rd	3	6	9
University Ave	3	6	9
Karen Ave	2	5	7
Katie Ave	2	5	7
Sahara Ave	2	4	6
University Rd	3	3	6
Sunrise Hospital	2	3	5
Boulevard Mall	2	3	5
Tropicana Ave	2	2	4
Hacienda Ave	3	1	4
Russell Rd	2	2	4
Desert Inn	1	2	3
Reno Ave	1	2	3

Source: Economic & Planning Systems

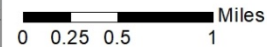
TOTAL SCORE MAP



Total Market Readiness Score

Legend

- Station
- Total Market Readiness Score
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- Focus Area
- Streets



MAJOR TAKEAWAYS

The market conditions along the Maryland Parkway corridor within Clark County do not vary greatly. Much of the corridor is lined with strip retail or large community or neighborhood oriented shopping centers. The focus areas proximate to destinations (UNLV, north of Sunrise Hospital, Boulevard Mall) generally scored the highest and/or present the greatest opportunity. However, this opportunity is dependent on the land owners' desire and ability to revitalize/redevelop with a greater intensity of uses.

The reuse and revitalization of older commercial centers into more walkable, transit oriented formats appears to be the primary focus and need along this portion of the transit line. This typically requires the introduction of other uses (often multifamily residential) to support feasible redevelopment. The Focus Areas that present the best opportunities for large redevelopment projects and are attractive for housing uses—due to their proximity to employment and destinations—likely will have the greatest opportunity to capture TOD.

MARKET MOMENTUM

The **market momentum** component looks at the strength of the real estate market in each focus area, comparing each area's market to the other focus areas along the corridor and the broader Las Vegas metro area.

The metrics assess growth trends and real estate values, and are used as indicators of whether the market will support a new project/new development within the focus area.

Each focus area is scored on seven metrics, with a score of 0 or 1 for each.

The focus area's total market momentum score, ranging from 0 to 7, provides an indication of the current strength of the market support for TOD.

The scores are used to assess the relative differences between focus areas and assist in identifying areas for more in-depth market analysis.

MARKET MOMENTUM METRICS AND SCORING

Market Momentum	Year(s)	Source	Criteria	Scoring Values		Scores
				0	1	
Office Rents	2019	CoStar	Average rent level	≤ \$20 per sq.ft.	> \$20 per sq. ft.	0 or 1
Retail Rents	2019	CoStar	Average rent compared to corridor median	≤ median rent	> median rent	0 or 1
Vacancy (Office/Retail)	2019	CoStar	Vacancy rate below 10%	< 10% vacancy	≥ 10% vacancy	0 or 1
Recent Development	2010-2020	CoStar	Permitted new development	No new development	Presence of new development	0 or 1
Household Growth	2010-2019	Census; ESRI	Annual average new households	Growth of < 10 households/year	Growth of ≥ 10 households/year	0 or 1
Employment Growth	2010-2017	LEHD	Annual average new jobs	No growth or decline in employment	Growth in employment	0 or 1
TOD Demographics			More than 2 criteria met	2 or fewer criteria met	More than 2 criteria met	0 or 1
<i>Non-Family Households</i>	<i>2019</i>	<i>ESRI</i>	<i>Greater than 50% of HHs</i>			
<i>Households without Children</i>	<i>2017</i>	<i>ACS; ESRI</i>	<i>Greater percentage than MSA</i>			
<i>Householders age 25-34</i>	<i>2019</i>	<i>ESRI</i>	<i>Greater percentage than MSA</i>			
<i>Householders age 55-64</i>	<i>2019</i>	<i>ESRI</i>	<i>Greater percentage than MSA</i>			
Possible Score						0 to 7

MARKET MOMENTUM SUMMARY

The market readiness scores for all stations in Clark County are generally low, as 3 out of 7 was the highest score.

Focus areas near Boulevard Mall and near UNLV scored the best.

The transit corridor within Clark County has a high presence of aging retail centers. The market indicators show these centers are stable but may be in need of reinvestment to avoid further decline. The introduction of TOD could help boost these centers.

Market Momentum	Avg. Office Rent	Office Rent Score	Avg. Retail Rent	Retail Rent Score	Commercial Vacancy %	Vacancy Score	Recent Dev. Projects	Recent Dev. Score	Household Growth	HH Growth Score	Employment Growth	Emp. Growth Score	TOD Demo.	TOD Demo. Score	Total Score
Clark County															
Flamingo Rd	\$15.28	0	\$27.46	1	13%	0	0	0	17	1	-90	0	3	1	3
University Ave	\$15.10	0	\$27.72	1	11%	0	3	1	-8	0	-168	0	3	1	3
University Rd	\$9.61	0	\$18.86	1	19%	0	4	1	2	0	-79	0	3	1	3
Hacienda Ave	\$9.60	0	\$10.53	0	21%	0	1	1	17	1	1	1	1	0	3
Sahara Ave	\$11.75	0	\$15.59	0	11%	0	5	1	16	1	-124	0	1	0	2
Karen Ave	\$15.16	0	\$15.49	0	13%	0	5	1	14	1	-113	0	2	0	2
Sunrise Hospital	\$20.17	1	\$16.91	0	14%	0	0	0	0	0	32	1	2	0	2
Boulevard Mall	\$20.47	1	\$12.01	0	11%	0	0	0	-3	0	-104	0	4	1	2
Katie Ave	\$16.44	0	\$17.62	0	13%	0	0	0	18	1	-168	0	4	1	2
Tropicana Ave	\$9.61	0	\$18.56	1	20%	0	4	1	5	0	-113	0	2	0	2
Russell Rd	\$12.00	0	-	0	0%	0	0	0	12	1	111	1	2	0	2
Desert Inn	\$19.69	0	\$13.08	0	17%	0	0	0	-16	0	-7	0	3	1	1
Reno Ave	\$9.61	0	\$17.75	0	22%	0	4	1	10	0	-118	0	1	0	1

DEVELOPMENT OPPORTUNITY

The **development opportunity** component looks at the physical and regulatory characteristics of parcels in each focus area.

This metric measures the “readiness” of the physical environment for mixed-use TOD. Accounting factors such as available land, development suitability, and supportive policy, the metric is used as an indicator of the physical feasibility of development in the focus area.

Each focus area is scored on seven metrics, with a score of 0 or 1 for each.

The focus area’s total development opportunity score, ranging from 0 to 7, provides an indication of the current development potential for TOD.

The scores are used to assess the relative differences between focus areas and assist in identifying areas for more in-depth market analysis.

DEVELOPMENT OPPORTUNITY METRICS AND SCORING

Development Opportunity	Year(s)	Source	Criteria	Scoring Values		Scores
				0	1	
Development Supportiveness	2019	Assessor	Average parcel size	< 1/3 ac	≥ 1/3 ac	0 or 1
Development Sites						
Vacant Land	2019	Assessor	Vacant acreage	≤ 20ac vacant	> 20 ac vacant	0 or 1
Underutilized Land	2019	Assessor	Acreage of parcels with building to land value ratio of less than 0.5	< 50 ac underutilized	> 50 ac underutilized	0 or 1
Funding/Financing Opportunities	2019	Federal Data	Station within value capture mechanism or federal investment program designation (opportunity zone)	No value capture mechanism present	Presence of value capture mechanism	0 or 1
Identified TOD Sites	n/a	Existing Conditions Report	Acreage identified by Paceline Consulting analysis	≤ 2.5 ac of identified land	> 2.5 ac of identified land	0 or 1
Major Destinations and Landmarks	n/a	Existing Conditions Report	Number of major destinations and landmarks	Lower half of distribution	Top half of distribution	0 or 1
Population/Employment Density	2019	ESRI	Residents and employees per acre	Fewer than 30 residents/employees per acre	30 residents/employees per acre or more	0 or 1
Possible Score						0 to 7

DEVELOPMENT OPPORTUNITY SUMMARY

The Flamingo Road and University Avenue focus areas had the highest development readiness scores, largely due to the presence of larger parcels, and vacant and under-utilized parcels. Similar to the market readiness scores, the focus areas near UNLV, Boulevard Mall, and north of Sunrise Hospital scored the highest.

The built environment in areas with older, auto-oriented retail uses are often more conducive to redevelopment due to the large parking fields, lower floor area ratios (smaller buildings and large lots), and large parcels or collections of parcels under single ownership.

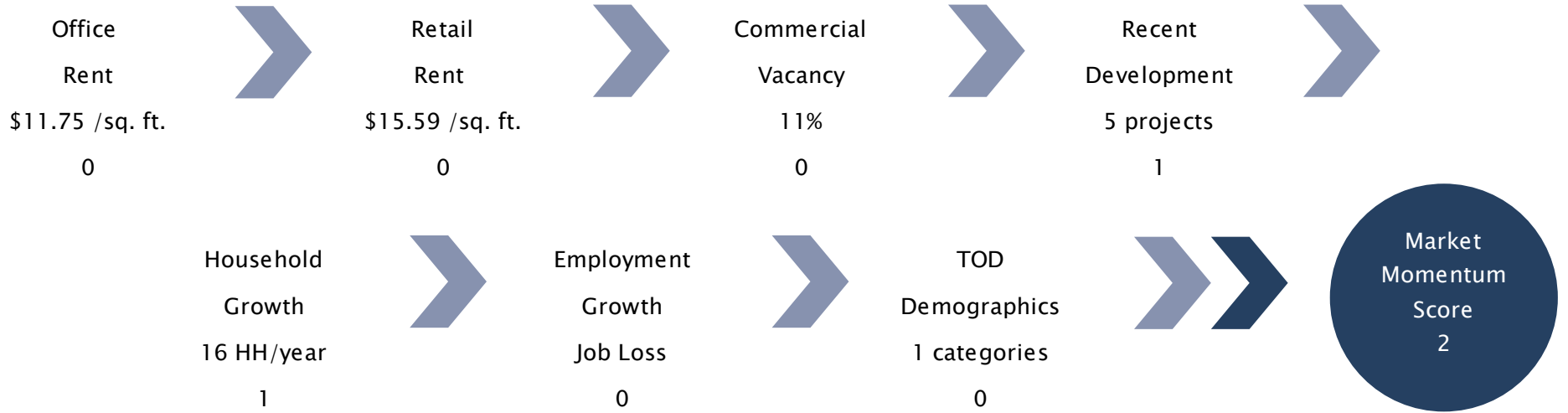
Development Opportunity	Avg. Parcel Size	Parcel Size	Parcel Score	Vacant Acreage	Vacant Acreage Score	Underutilized Acreage	Underutilized Acreage Score	Funding / Financing Tool Presence	Funding / Financing Score	Publicly Owned/Vacant Land Acreage	Publicly Owned/Vacant Land Score	Number of Major Destinations/Landmarks	Destinations Score	Population/ Employment Density	Density Score	Total Score
Clark County																
Flamingo Rd	0.57	1	43.58	1	55.26	1	55.26	Yes	1	7.25	1	3	0	41.08	1	6
University Ave	0.41	1	24.41	1	40.83	0	40.83	Yes	1	2.70	1	7	1	34.66	1	6
Karen Ave	0.43	1	15.31	0	77.06	1	77.06	Yes	1	12.26	1	5	1	20.19	0	5
Katie Ave	0.50	1	34.60	1	35.15	0	35.15	No	0	7.00	1	6	1	31.33	1	5
Sahara Ave	0.43	1	17.55	0	65.26	1	65.26	Yes	1	2.20	0	6	1	21.03	0	4
Sunrise Hospital	0.39	1	12.48	0	86.58	1	86.58	No	0	6.54	1	2	0	21.14	0	3
Boulevard Mall	0.45	1	5.30	0	37.81	0	37.81	Yes	1	6.57	1	3	0	26.48	0	3
University Rd	0.33	0	16.77	0	46.48	0	46.48	Yes	1	2.20	0	4	1	31.33	1	3
Desert Inn	0.42	1	10.70	0	31.03	0	31.03	No	0	17.34	1	3	0	24.85	0	2
Tropicana Ave	0.26	0	10.83	0	26.77	0	26.77	Yes	1	2.20	0	4	1	25.02	0	2
Reno Ave	0.24	0	13.48	0	27.40	0	27.40	Yes	1	4.42	1	2	0	27.60	0	2
Russell Rd	0.24	0	44.96	1	13.81	0	13.81	Yes	1	0.00	0	2	0	11.09	0	2
Hacienda Ave	0.24	0	7.66	0	22.29	0	22.29	Yes	1	0.00	0	0	0	21.41	0	1

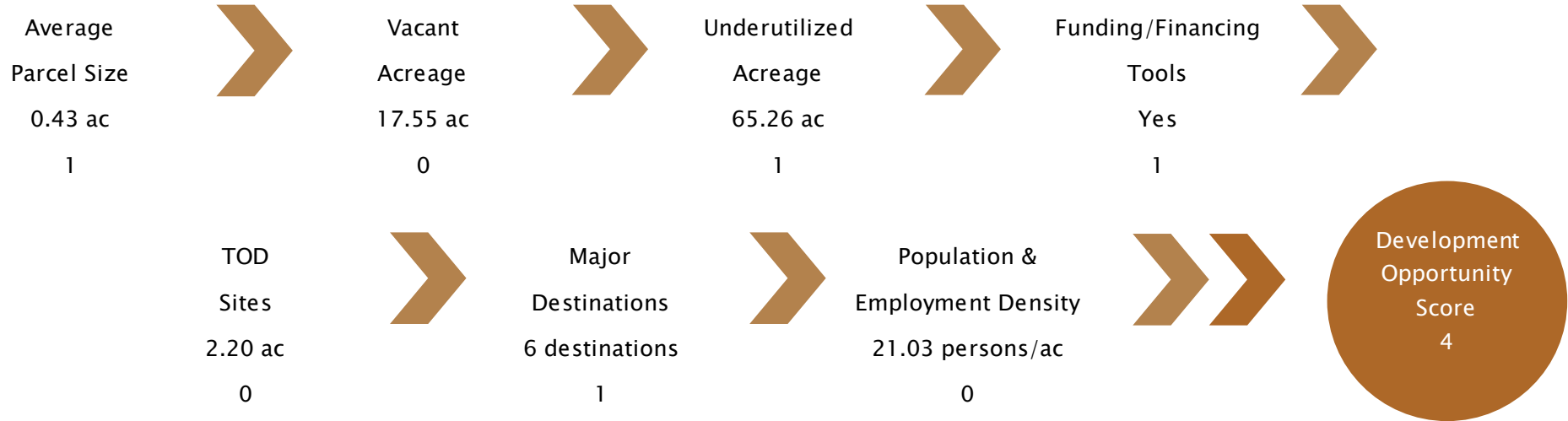
DEFINITIONS

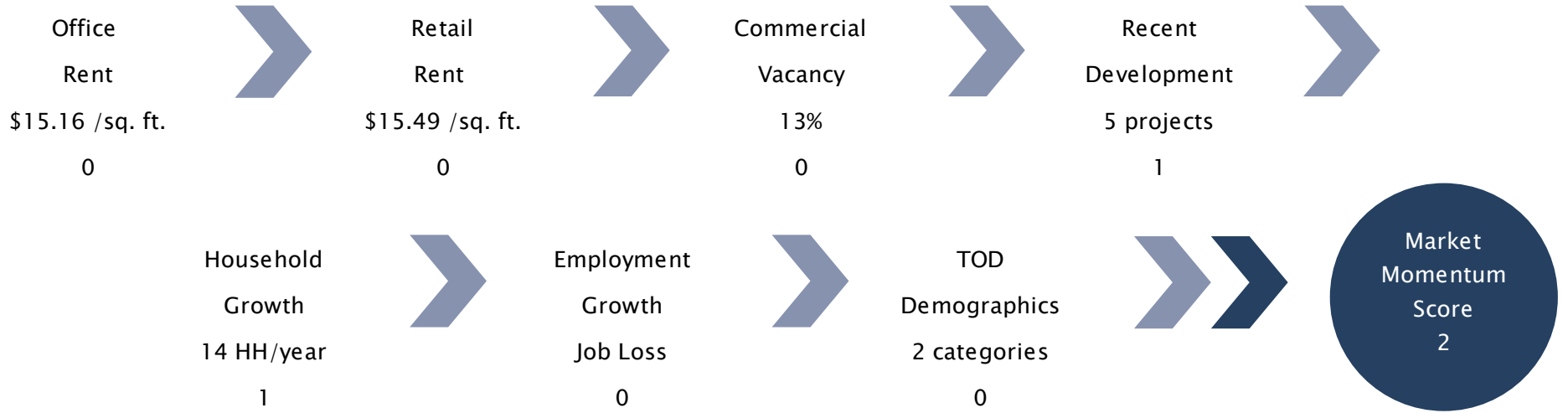
Terminology and concepts used through this analysis that may need definition for the reader include:

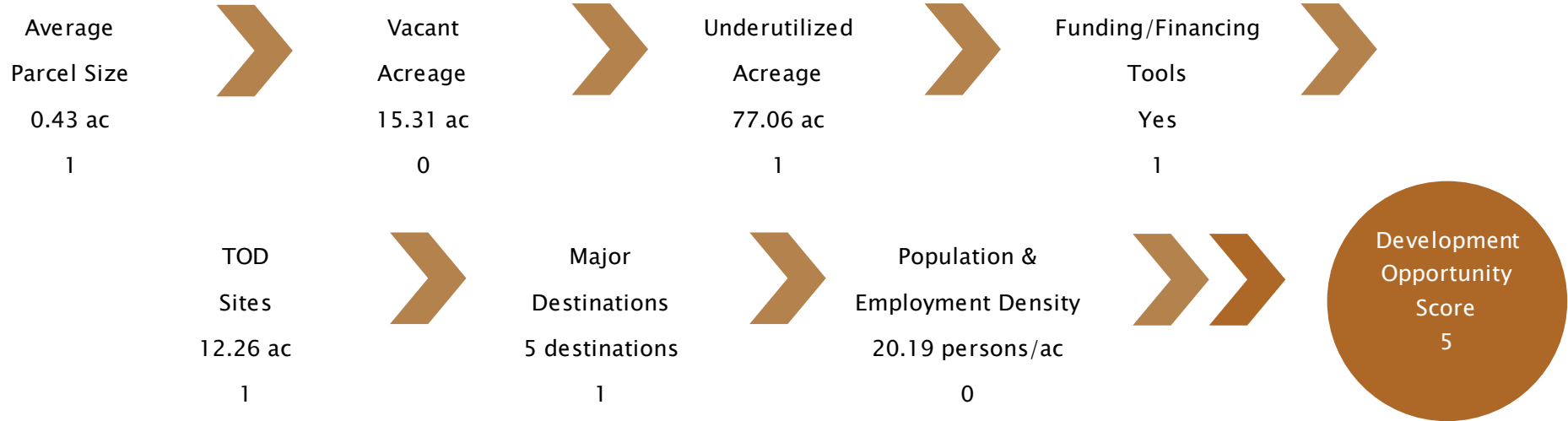
TOD:	Transit Oriented Development
Focus Area:	The term used to identify the ½ mile area around each proposed transit station
MSA:	Metropolitan Statistical Area (Las Vegas–Henderson–Paradise)
NNN Rent:	Retail rental rates referenced are based on their triple–net rent. The rental rate excludes the cost of taxes, insurance, and maintenance, which the tenant is responsible for in addition to rent.
Full Service Rent:	Commercial rental rates referenced are based on their full rental cost. The rental rate includes all costs including taxes, insurance, and maintenance, which is paid for and provided by the owner of the building.
Value Capture:	Term to describe public financing tools that can capture taxable value generated by new development for reinvestment into an area. (Example: Tax Increment Financing District)
Opportunity Zone:	A Federal designation of areas where investors (in businesses or real estate development) can obtain capital gains tax deference for investment made into an Opportunity Zone.

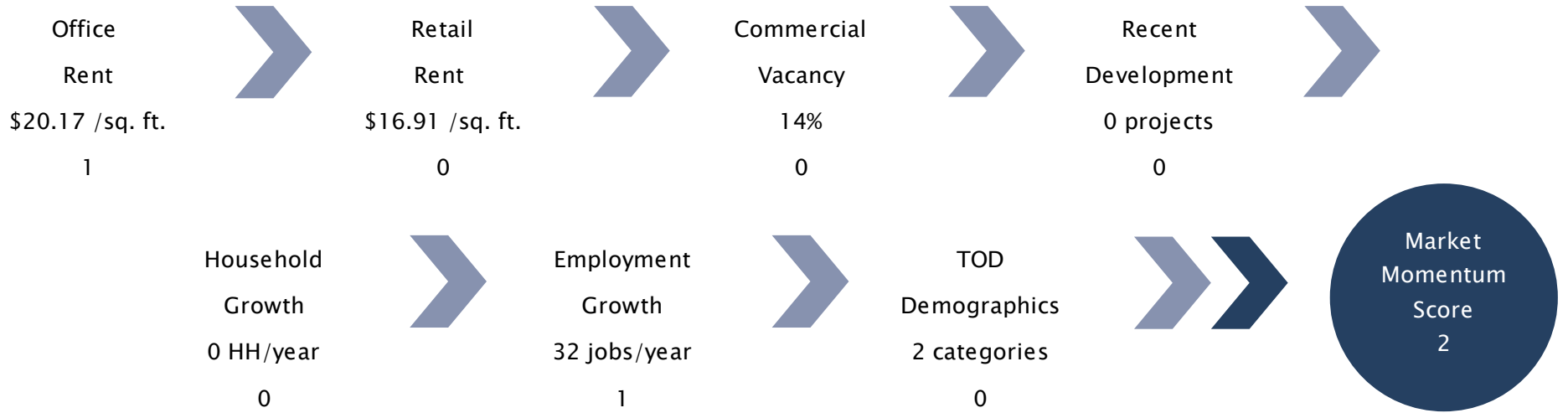
FOCUS AREAS SCORES

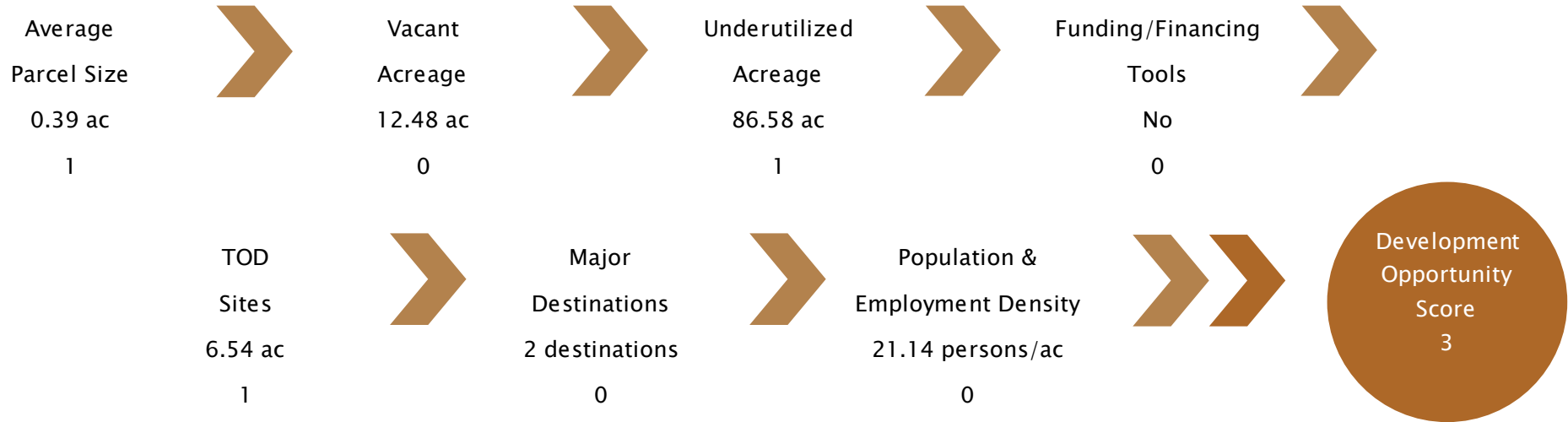


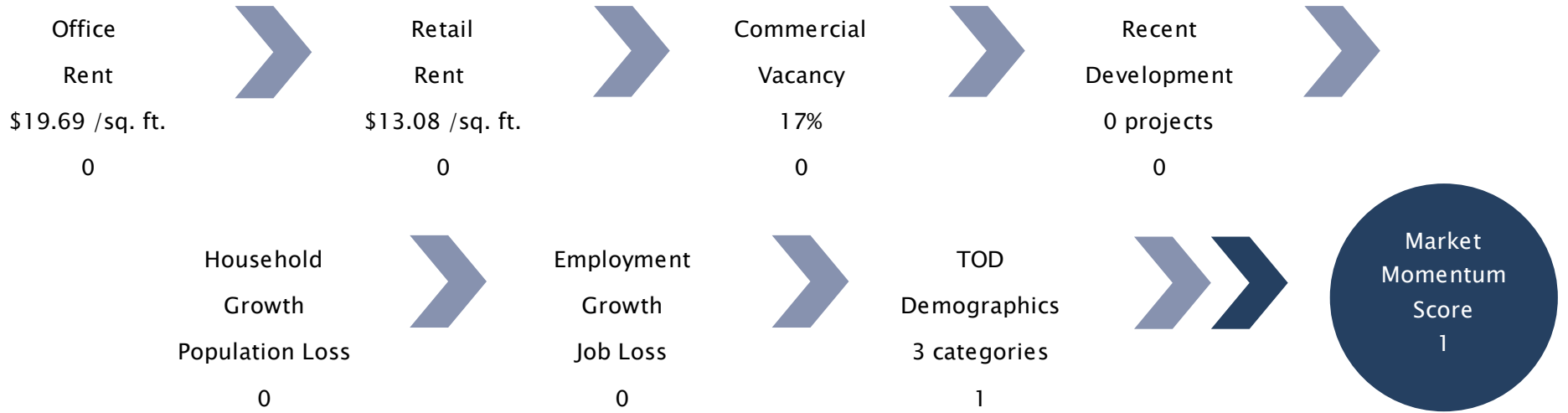


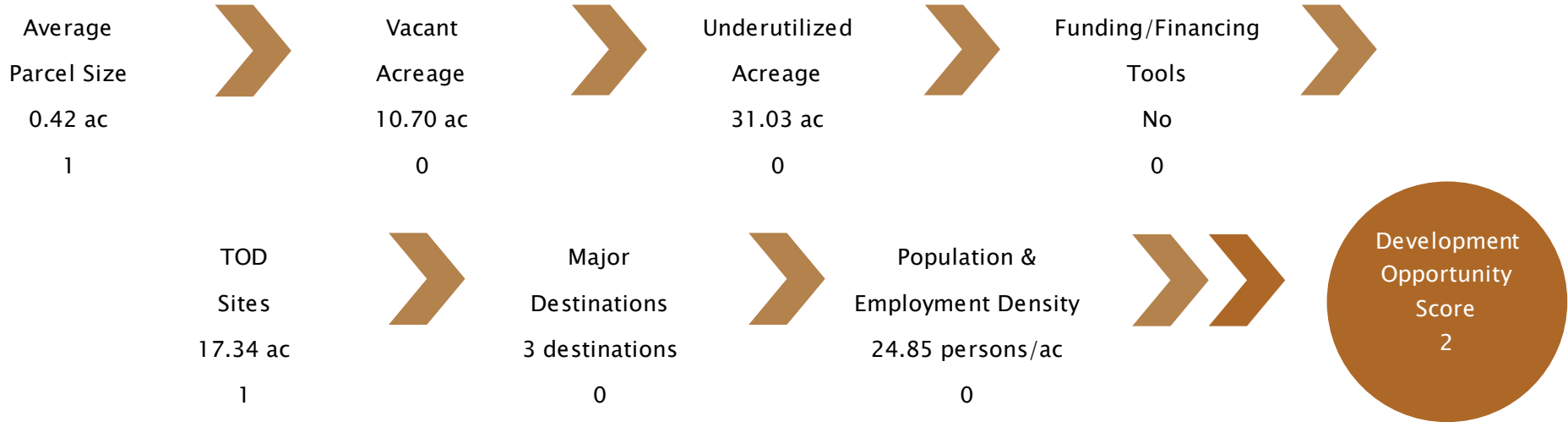


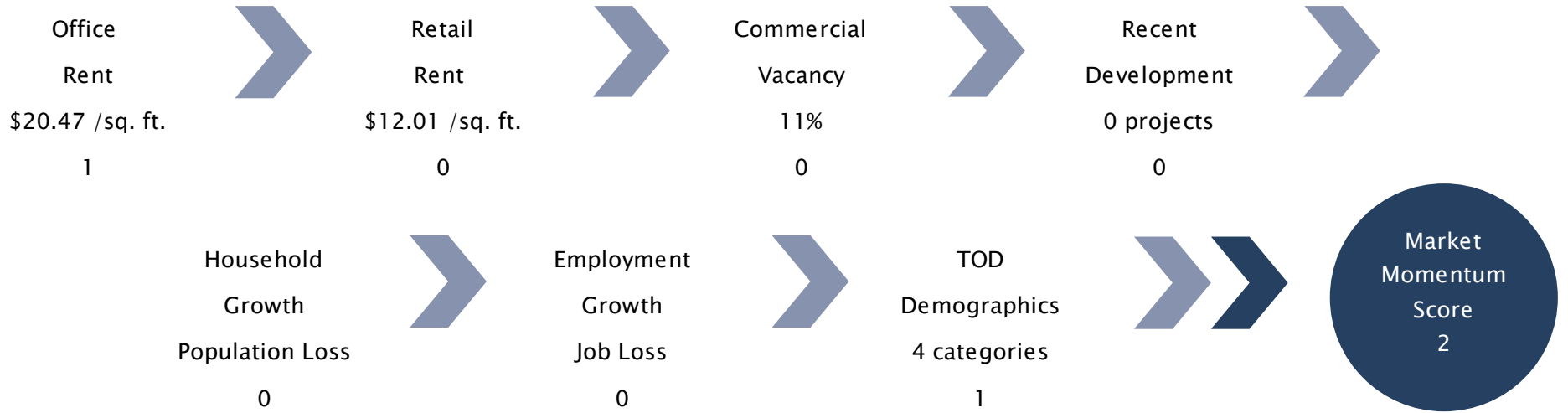












BOULEVARD MALL

DEVELOPMENT OPPORTUNITY

