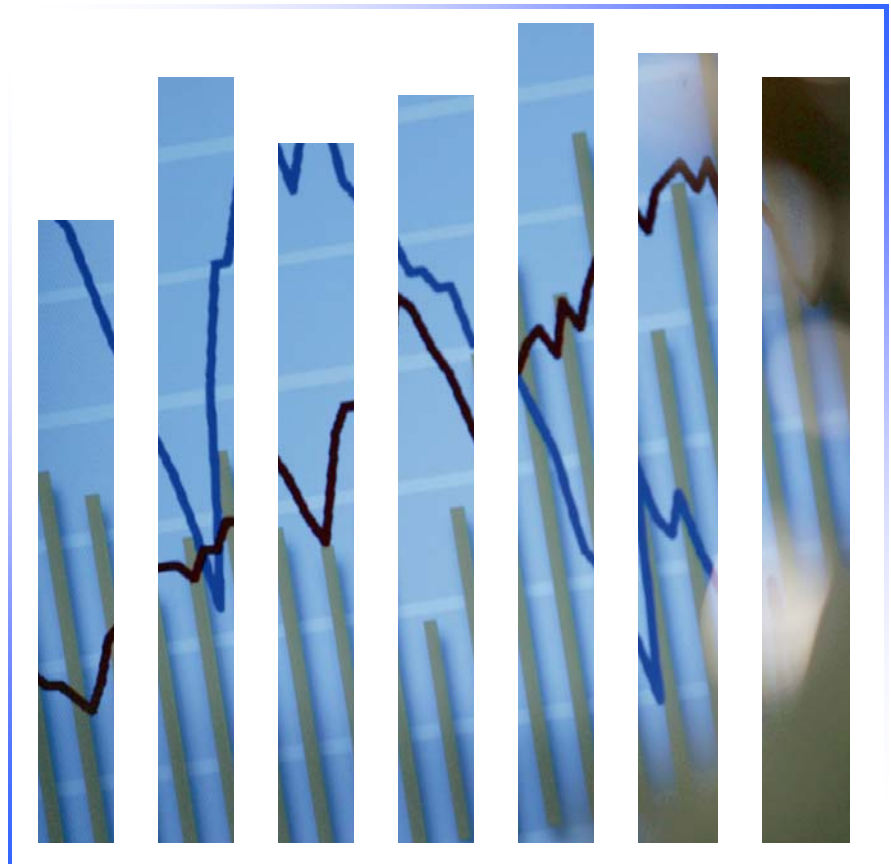


Economic Impact Assessment

I-215/Airport Connector Interchange Project

Prepared for Clark County, Nevada

August 2009



Introduction

Appplied Analysis has been asked by Clark County, Nevada (“Clark County”) to review and analyze the impacts of the proposed I-215/Airport Connector Interchange Project (“the Project”) on southern Nevada. This memorandum summarizes the salient findings of our review and analysis.

The Clark County Public Works Department anticipates the Project to meet short-term and long-term congestion relief, in addition to providing improved operational characteristics and traffic flow on I-215 between Las Vegas Boulevard and Windmill Lane.¹ The following bullet points recapitulate the scope of the Project:

- Widen I-215 from 6 to 8 lanes, from Las Vegas Boulevard to Windmill Lane;
- Add auxiliary lanes between ramps;
- Construct a directional ramp from the southbound Airport Connector to eastbound I-215;
- Improve the merge/weave conflicts within project limits;
 - Modify the ramps on eastbound I-215 to minimize weave conflicts between the Airport Connector on ramp and the Warm Springs off ramp;
 - Modify the northbound Airport Connector to minimize weave conflicts between traffic exiting at Sunset Road and airport traffic from westbound I-215;
 - Realign the Warm Springs on ramp to westbound I-215 to eliminate weave conflicts with the I-215 off ramp to the Airport Connector;
- Includes rubberized asphalt material for long-term pavement rehabilitation and noise reduction;
- Includes conduit for future Intelligent Transportation Systems (“ITS”) deployment; and
- Reestablish and improve sound walls to reduce traffic noise affecting neighborhoods.

Economic Competitiveness

This analysis considers both the immediate impacts of the Project’s construction as well as its longer-term implications for the broader economy. Included are considerations such as employment benefits; long-term efficiency in the movement of goods, access to services and mobility of the workforce; and the capacity to protect existing investment and attract new investments that might facilitate expansion, hiring or other growth in the private sector.

These issues are most directly addressed by outlining the importance of McCarran International Airport (“McCarran”) to southern Nevada’s economy. McCarran is the world’s 15th busiest airport based on passenger count, and the world’s 6th busiest airport based on aircraft movements. It ranks 6th in the United States in gross passenger volume, 2nd if only considering origin and destination airport travel

¹ Information on the Project was provided by Clark County. Applied Analysis did not evaluate the effectiveness of the proposed improvements and/or reasonableness of the estimated construction costs. Estimates and analyses contained herein are based on limited available information available at the time this report was drafted.

(i.e., omitting connection passenger counts). Perhaps most applicable to the immediate issue is that McCarran ranks 1st in the nation in terms of enplaned and deplaned passengers per 1,000 resident population, a clear reflection of the region's relative dependence on tourism and the important role of the airport in bringing in visitors from around the world. McCarran is the access hub for roughly 50 percent of the region's 35 million annual business and leisure travelers.

Although southern Nevada's economy has become increasingly diversified during the past 10 years, the region remains among the narrowest economies of its size in the United States. Southern Nevada's hotels and casino-hotels directly employ approximately 178,800 workers, or 19.3 percent of the total workforce. The broader tourism industry is estimated to directly support an additional 54,400 employees who work in venues within hotel casinos that may not be owned by the hotel or hotel-casino operator directly (e.g., restaurants and retail outlets), businesses designed to provide services principally to non-resident consumers (e.g., Las Vegas Strip retailers) and other enterprises facilitating the industry generally (e.g., air and ground transportation and meeting planning). Combined, direct tourism-related employment is estimated to total just over 233,000 workers, or 25.2 percent of the region's workforce.

Considering direct, indirect and induced impacts, activity originating from McCarran (in and out of the core tourism industry) supports a total of 168,900 employees within Clark County, or 7,259 employees for every one million passengers. Combined, the employees supported by activity at McCarran earn \$6.9 billion annually in wage and salary payments, commanding an average annual salary of \$40,600 per person.

Simply stated, the efficiency of McCarran International Airport and its surrounding transportation network is vitally important to health of the regional economy. The Project's ability to decrease traffic congestion, improve accessibility and minimize delays will help maintain and increase economic competitiveness by creating jobs, supporting wages and salary payments and stimulating economic activity.

Job Creation and Economic Stimulus

In total, the Project is estimated at \$164 million, which includes construction costs in addition to Clark County Public Works ("CCPW") and Nevada Department of Transportation ("NDOT") construction management costs.

The IMPLAN model, one of three generally accepted and widely used input-output economic modeling applications, was used to estimate the employment, income and output impacts of the Project. Direct, indirect and induced construction and development impacts for the Clark County region were specifically considered. Direct impacts are those sourced to the project itself. In total, the \$164 million in construction activity is anticipated to require 1,449 person-years of employment (i.e., one person employed full-time for one year) and generate \$80.5 million in wage salary payments to those working directly on the Project.

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Indirect and induced impacts are commonly referred to as the economic “ripple effect” or “secondary impacts.” These include the impacts on supplier industries (e.g., concrete suppliers) and those employed in supporting industries as a result of direct employee spending within the community (e.g., a grocery store clerk or family physician). When these impacts are included, the identified Project supports an estimated 2,208 person years of employment, generates \$109.8 million in wage and salary payments and stimulates approximately \$250.1 million in aggregate economic activity. Stated otherwise, for every \$1.00 spent on the Project \$1.53 in economic activity is generated throughout the Clark County local economy.

Economic Impact Summary
I-215/Airport Connector Interchange Project

	Direct Impact	Indirect Impacts	Induced Impacts	Total Project Impacts
Employment*	1,449	250	510	2,208
Wage and Salary Payments	\$ 80,465,490	\$ 10,884,120	\$ 18,481,786	\$ 109,831,396
Economic Output	\$ 164,000,000	\$ 29,090,471	\$ 57,017,502	\$ 250,107,973

*Expressed in person years of employment; one person employed full time for one year.