

MARYLAND PARKWAY CORRIDOR



TRANSIT-ORIENTED DEVELOPMENT

University Road Focus Area Market Analysis

November 17, 2020



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TABLE OF CONTENTS

- Section 1: Station Area Overview 2**
 - » Population and Households 3
 - » Housing Conditions 4
 - » Employment..... 5
 - » Multifamily Residential Market 7
 - » Commercial Market..... 9

- Section 2: Demand Analysis 12**
 - » Residential 12
 - » Retail 13
 - » Office..... 15

- Section 3: Development Opportunities..... 16**
 - » Development Sites..... 16
 - » Development Feasibility 17

UNIVERSITY ROAD MARKET ANALYSIS

This report provides an analysis of the market demand for and feasibility of transit-oriented development (TOD) in the area around the proposed University Road transit station. This analysis is conducted with consideration to two market geographies:

FOCUS AREA

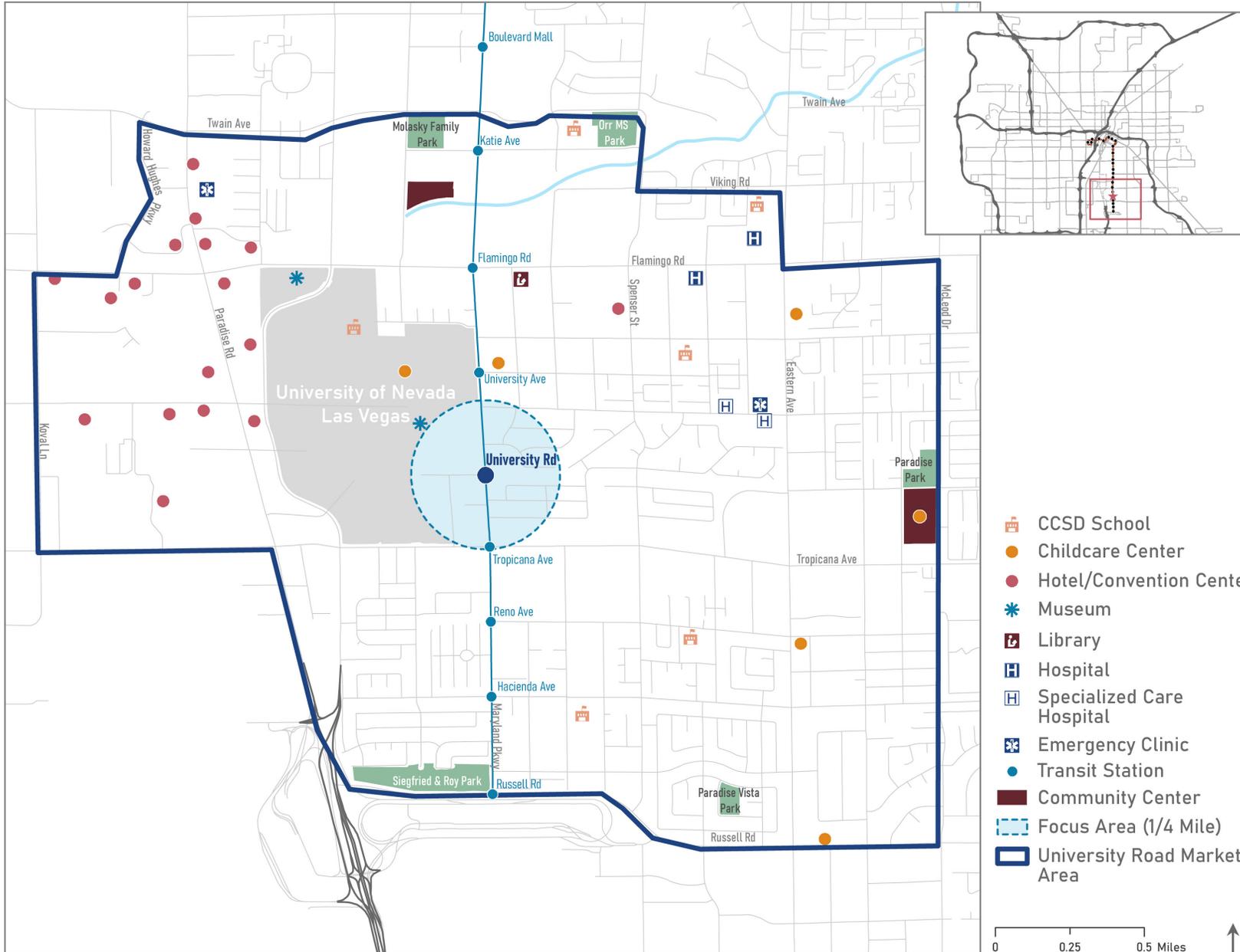
The Focus Area is a ¼ mile area surrounding the University Road station. This area currently has a mix of uses. On the west side of Maryland Parkway is the UNLV campus. There are commercial uses (primarily restaurants and services) along Maryland Parkway, with residential uses in the surrounding areas to the east.

MARKET AREA

The Market Area, shown in the map on the next page, is a much broader geography than the Focus Area. Bounded by the McCarran International Airport/Russell Road on the south, McLeod Drive on the east, Flamingo Road/Twain Avenue on the north, and Paradise Road/Koval Lane on the west, this Market Area encompasses nearly 6 square miles of area surrounding the University Road station. The Market Area is used to gauge the market strengths and weaknesses for various development types (residential, retail, office, hospitality) in the larger area with similar market conditions and attributes in order to characterize the existing market for potential TOD in the Focus Area.

STRENGTHS AND OPPORTUNITIES

The University Road Market Area includes UNLV, multiple healthcare institutions, as well as retail and hotel establishments. UNLV is the major driver of market demand for new development in the Market Area. While the proximity to Las Vegas Boulevard South generates demand for tourism related uses on the western side of the Market Area, this section of the Maryland Parkway Corridor is largely oriented to residents in the area and UNLV activity.



Major Destinations

- University of Nevada Las Vegas (UNLV)
- University Gardens Shopping Center
- College Town Plaza
- Desert Springs Hospital

- CCSD School
- Childcare Center
- Hotel/Convention Center
- Museum
- Library
- Hospital
- Specialized Care Hospital
- Emergency Clinic
- Transit Station
- Community Center
- Focus Area (1/4 Mile)
- University Road Market Area



SECTION 1: STATION AREA OVERVIEW

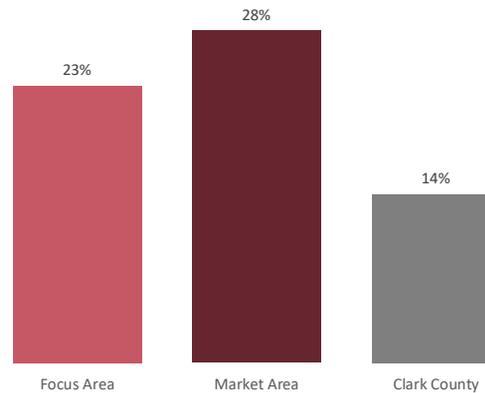
POPULATION AND HOUSEHOLDS

The University Road Market Area (illustrated in the map on page 2) is home to approximately 50,500 residents; the area has grown by just over 2,100 residents since 2010. This growth represents less than 1% of Clark County's population growth over this time, and the Market Area growth rate of 0.5% per year has been much slower than the County's 1.6% annual population growth. The Focus Area (1/4 mile around the station) has a population of 1,400, accounting for only 2.8% of the residents within the Market Area.

There is a greater proportion of households (HH) without autos in the Market Area (28%) and the Focus Area (23%) compared to the County as a whole (14%). This is indicative of higher transit ridership and likely higher demand for TOD as well.

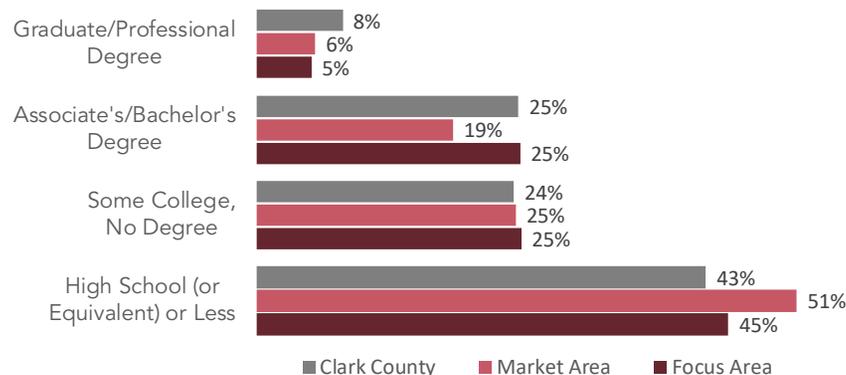
Market Area residents have a lower level of educational attainment than the County average. A smaller percentage of the population in the Market Area (24%) has completed a post secondary education (Associate Degree or higher), when compared to the overall County (33%). Additionally, residents in the Market Area have lower incomes than the County as a whole, with a median household income of \$34,000 compared to \$58,800 countywide.

Households with No Vehicle, 2019



Source: ESRI Business Analyst

Education (Population Age 25+), 2019



Source: ESRI Business Analyst

The population in the University Road Market Area is stable, and has strong transit ridership characteristics. The demographic composition of the Market Area indicates a resident base that is more transit reliant, which is supportive of transit. However, the lower incomes indicate that residents in the Market Area are less likely to be able to afford new housing products.

DEMOGRAPHIC SNAPSHOT

Market Area

2019 Demographics

Population: 50,500
Households: 21,300
Average HH Size: 2.37

Population Growth

The Market Area grew by an average of 235 new residents per year from 2010 to 2019.

Income

Median household income of \$34,000 in the Market Area is 42% lower than Clark County (\$58,800)

Clark County

2019 Demographics

Population: 2,257,890
Households: 816,505
Average HH Size: 2.77

Population Growth

Clark County grew by an average of 34,070 new residents per year from 2010 to 2019.

Income

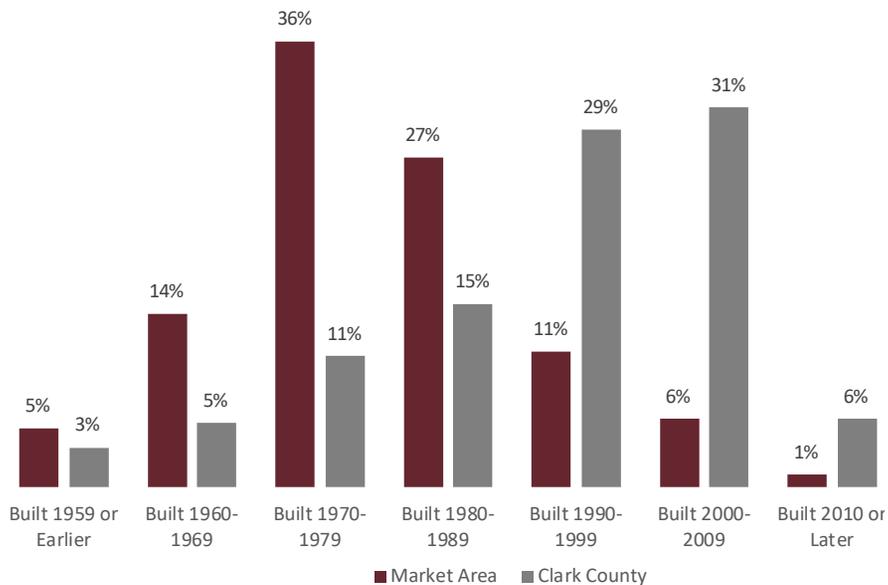
Median household income of \$58,800

HOUSING CONDITIONS

There are approximately 27,100 housing units in the Market Area, an increase from 26,000 housing units in 2010. Between 2010 and 2019 the Market Area captured only 1.0% of the housing growth in Clark County, which added nearly 106,700 new units over this time. Overall, 2.9% of the County's housing is located in the University Road Market Area.

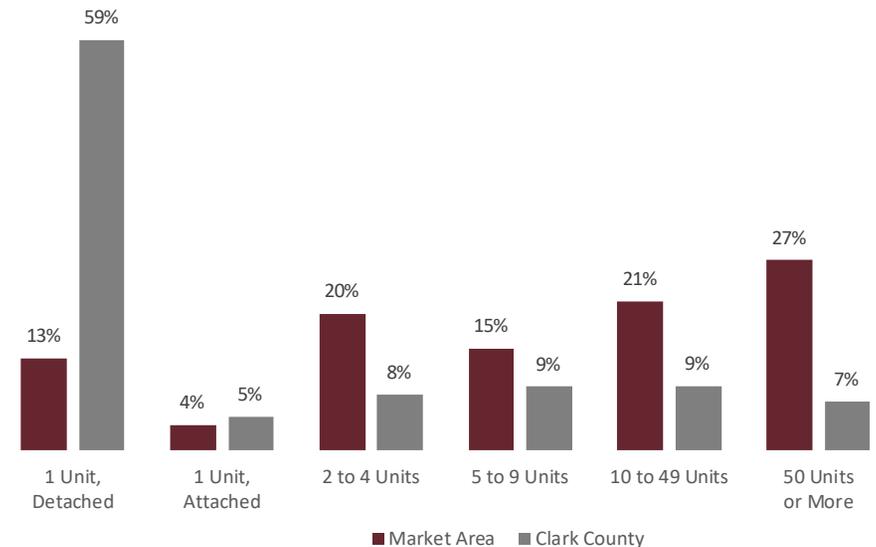
Housing composition in the Market Area differs in important ways from the County overall. A total of 59% of housing units in the County are single family detached homes compared to only 13% of homes in the Market Area. Almost half of homes in the Market Area (49%) are in buildings with 10 or more units, and 27% are in buildings with 50 or more units. This is a far greater percentage of large-scale multifamily housing than the County, where only 16% of housing units are in buildings with 10 or more units.

Housing Units by Year Built



Source: ESRI Business Analyst

Housing Units in Structure, 2019



Source: ESRI Business Analyst

Also, 83% of households in the Market Area rent their homes compared to 45% of households countywide.

The housing stock in the Market Area is older in comparison to the countywide inventory. While two-thirds of homes in the County have been built since 1990, only 18% of homes in the Market Area have been constructed in this time period. By contrast, most homes in the Market Area (63%) were built between 1970 and 1990.

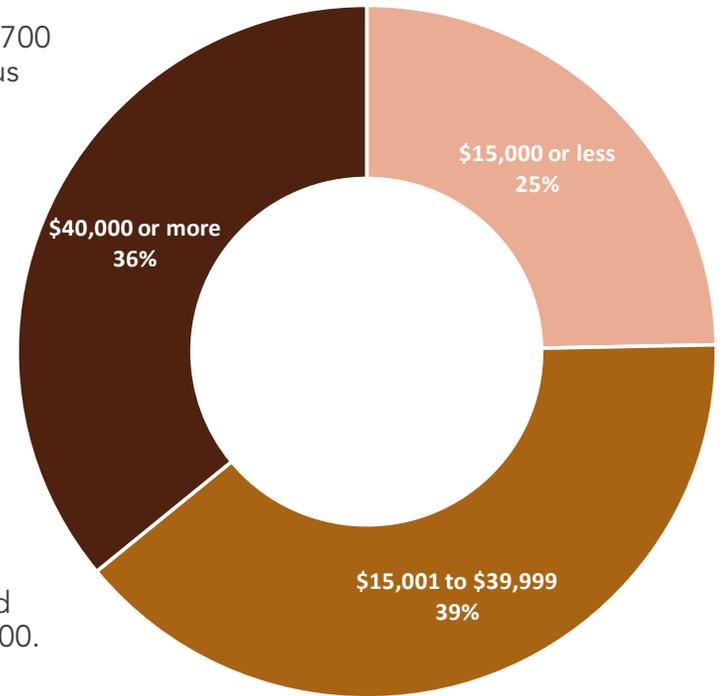
Housing unit mix varies within the Market Area as well. In the Focus Area (the ¼ mile area immediately surrounding the Maryland Parkway and University Road intersection) 62% of homes are in smaller structures (2-4 units). This may be an indicator of greater support for transit use in the Focus Area given the greater presence of middle density housing than in other Focus Areas along the corridor.

EMPLOYMENT

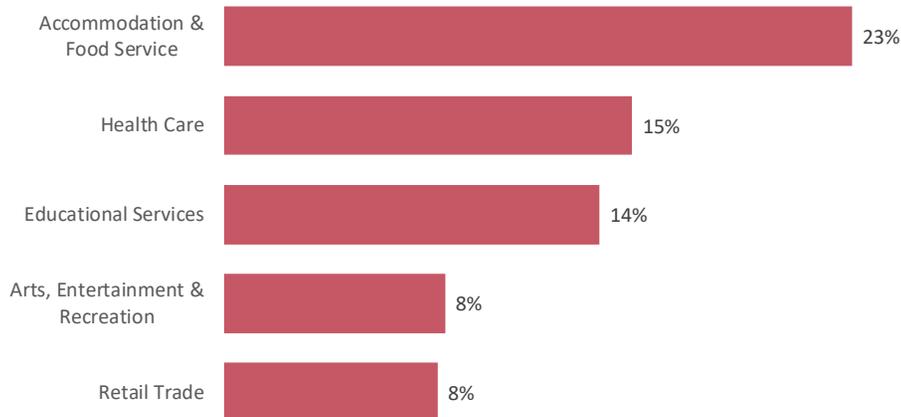
There are 36,700 jobs in the Market Area – 3.7% of the County’s 986,500 jobs. Fewer than 700 of the Market Area jobs are located in the Focus Area. Of the jobs within the Focus Area, nearly all are in service-oriented sectors (arts/entertainment/recreation and accommodation/food service), and reflective of the existing retail/commercial space in the area. Overall employment in the Market Area has declined slightly since 2010, compared to job growth of over 2% per year in the County as a whole.

Within the Market Area, major employment sectors (accommodation/food service, health care, and education) reflect the major employers present in the area. Accommodation & food service, with 8,500 jobs, is the largest employment sector in the area. Healthcare (5,600 jobs) and Education (5,100 jobs) are the next two largest, with UNLV’s 4,000 jobs comprising the majority of education employment in the area.

There are a wide distribution of wages in the Market Area as shown in the chart on the right; 25% of jobs pay \$15,000 or less per year, 39% pay between \$15,000 and \$40,000, and 36% pay \$40,000 per year or more. This wage range is slightly more skewed towards lower-paying jobs than the County overall, where 21% of jobs pay \$15,000 or less, 40% pay between \$15,000 and \$40,000, and 39% pay \$40,000 or more. The overall average wage in the County is \$50,400.



Market Area Top Employment Sectors, 2019



Source: ERSI Business Analyst

Market Area Jobs by Wage, 2017

Source: US Census LEHD

Within the Market Area there are jobs available to a variety of education levels; 12% of jobs require less than a high school education and 22% require a Bachelor's or advanced degree. There is a greater presence of jobs requiring a bachelor's degree than the presence of residents with a bachelor's degree. This distribution reflects that there are a number of people who work in the Market Area but live outside the area, especially those with higher educational attainment. This is an indication that the Focus Area is attracting workers with a diverse mix of educational attainment.

Workers in the Market Area live throughout Clark County. This is largely due to the presence of larger destination employers, including Desert Springs and Kindred Hospitals, as well as the University of Nevada, Las Vegas campus. UNLV attracts a wide diversity of employees, students, and visitors, and this regional orientation means that there is opportunity to attract campus supporting uses that are oriented to demographic groups less present in the Market Area currently. While nearly three quarters of employees commute 10 miles or less, 95% of those employed in the Market Area live outside its boundaries. Conversely, 92% of those who live within the Market Area work outside its boundaries.

EMPLOYMENT BY INDUSTRY SNAPSHOT

Market Area

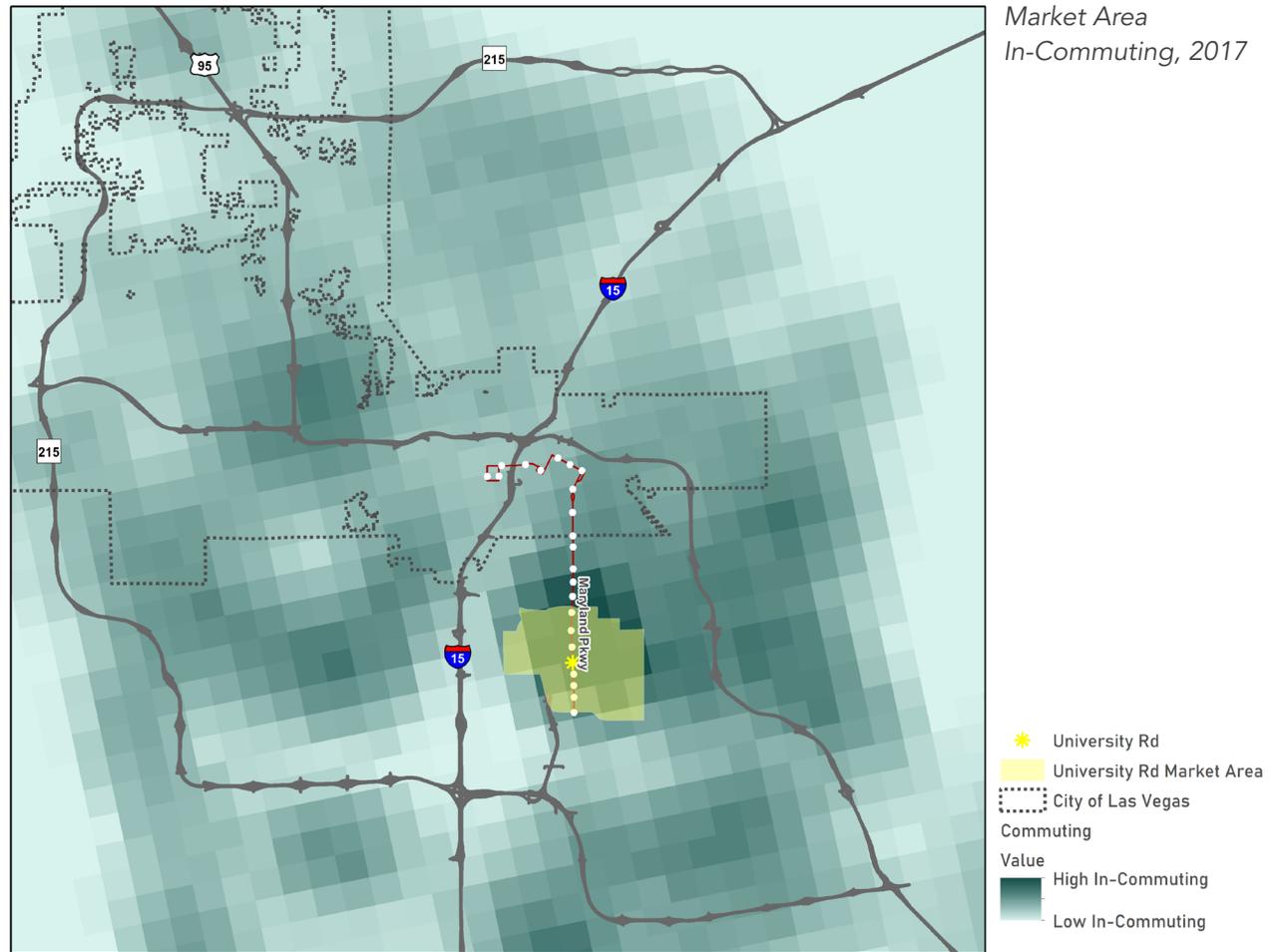
Major Employment Industries:

1. Accommodation and Food Service (23%)
2. Health Care (15%)
3. Education (14%)

Clark County

Major Employment Industries:

1. Accommodation and Food Service (17%)
2. Arts, Entertainment, and Recreation (14%)
3. Retail (12%)



Source: U.S. Census Longitudinal Employer-Household Dynamics (LEHD), 2017

MULTIFAMILY RESIDENTIAL MARKET

Multifamily units in the University Road Market Area account for approximately 7% of Clark County's total inventory. Market Area apartment average rental rates are on par with the County, averaging \$1.17 per square foot; however, rents for new units within the Market Area are higher than the County overall at \$2.69 compared to \$1.38 in the County. Vacancy rates are slightly lower in the Market Area at 6.8% compared to 7.2% in the County overall.

There have been four new apartment developments built in the Market Area since 2015, including two student apartment projects. Only one of these projects (169 units) was in the Focus Area. This project was the only new development to be built in the Focus Area since 2005.

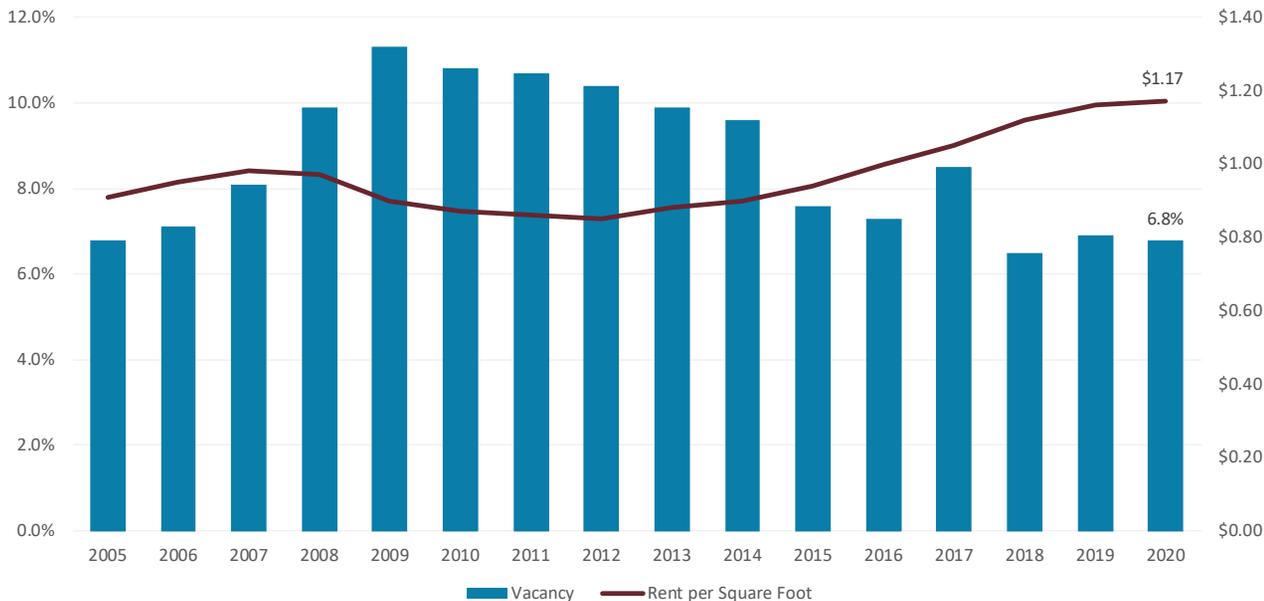
The residential market for new housing in the Market Area is relatively strong, with new units renting for an average of \$2.69 per square foot compared to \$1.17 overall. The Market Area maintains a 6.8% vacancy rate with new projects in lease up.

MULTIFAMILY SNAPSHOT

- 15,723 units
- 265 built since 2015 (1.7% growth)
- Average rent of \$1.17/sf for all units
- Average rent of \$2.69/sf for new units
- 6.8% vacancy

The Market Area has captured 1.5% of County growth since 2015

Multifamily Vacancy and Rent, 2005-2020

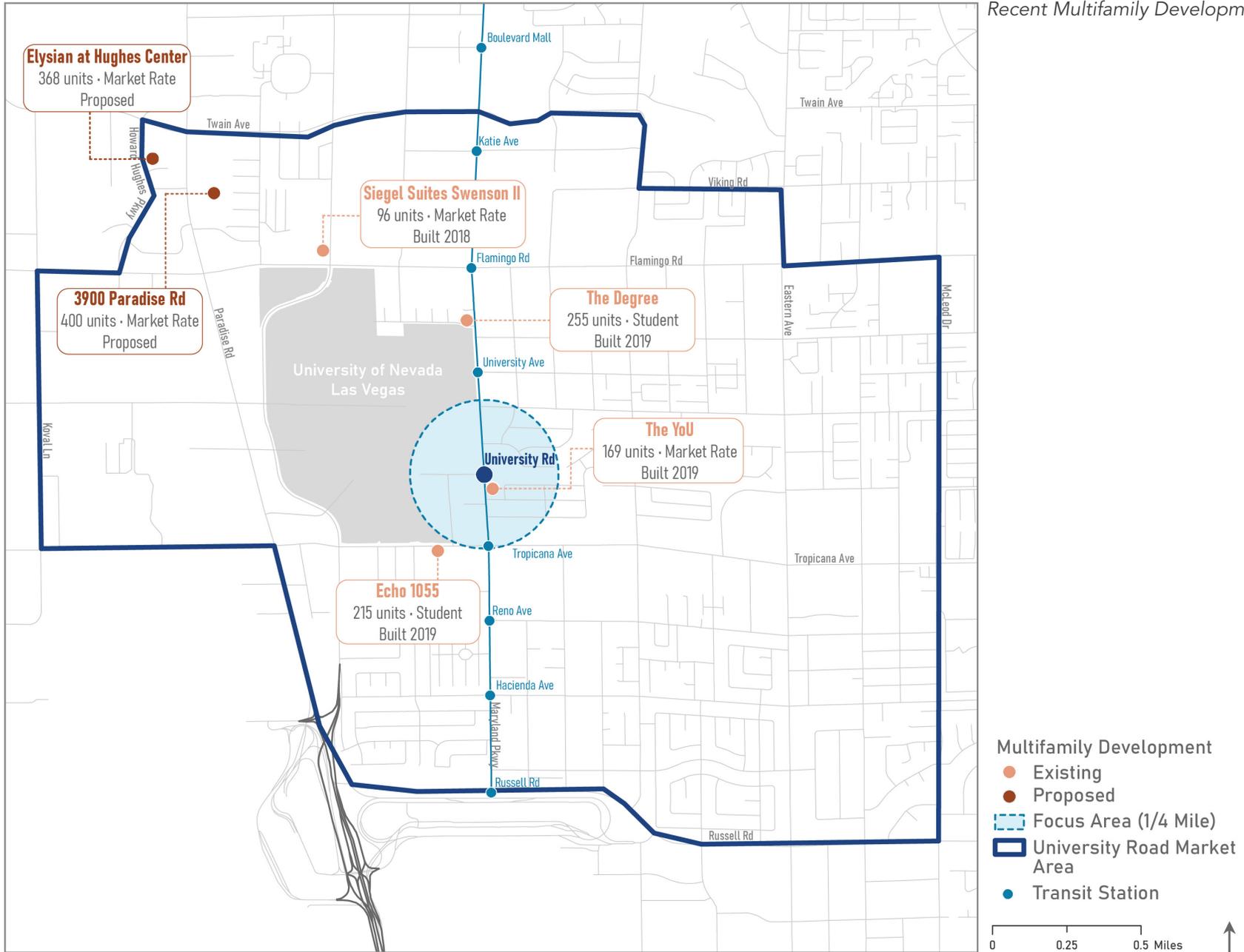


Source: CoStar

Market Opportunity

Students are the primary drivers of the residential market in this area. All of the new apartment development in the Market Area has been oriented to students, or towards lower income residents. Three of the recently constructed projects are student oriented, and the fourth (Siegel Suites Swenson II) provides economy units with month to month rental agreements. Additional student oriented units are also in the development pipeline (either under construction or proposed).

Recent Multifamily Development



COMMERCIAL MARKET

RETAIL

There are 3.48 million square feet of retail space in the Market Area, accounting for 3% of the County's 116.45 million total inventory. The Market Area has grown by 1.6% since 2015, adding 56,100 square feet of new space. Over this time the County's retail inventory grew by 4 million square feet or 3.6%. Of significance, 40% of the Market Area's new retail space (22,675 square feet) was built in the Focus Area at Maryland Parkway and Dorothy Avenue. The retail market in the Market Area is outperforming the County, with average rents almost 1.5 times higher (\$26.69 compared to \$18.78). Rents for new development in the Market Area are even stronger compared to new development countywide. The new development next to UNLV is attracting higher than average rental rates for smaller tenants oriented towards university students and visitors.

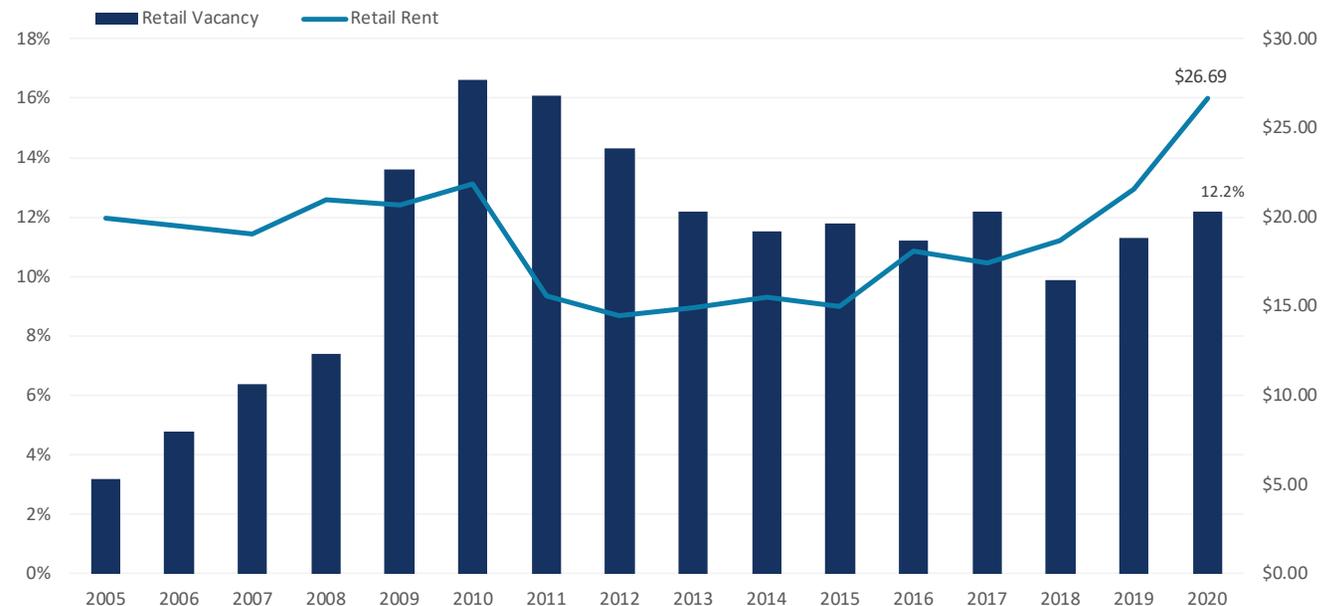
RETAIL SNAPSHOT

- 3.48 million SF
- 56,100 SF built since 2015 (1.6% growth)
- 40% of new space was built in the Focus Area
- Captured 1.3% of County growth

HOTEL

There are 25 hotels within the Market Area with a total of 7,300 rooms. Three quarters of area hotels were built prior to 2000, and there has not been any new hotel development since 2010. The most recent hotel development was the Four Points by Sheraton on Palos Verdes Street, built in 2009. Five hotels within the Market Area, (representing 972 rooms and 13% of the total inventory) have been renovated since 2010. The majority of the hotel inventory is located in the western half of the Market Area, closer to the Las Vegas Boulevard South strip.

Retail Vacancy and Rent, 2005-2020



Source: CoStar

OFFICE

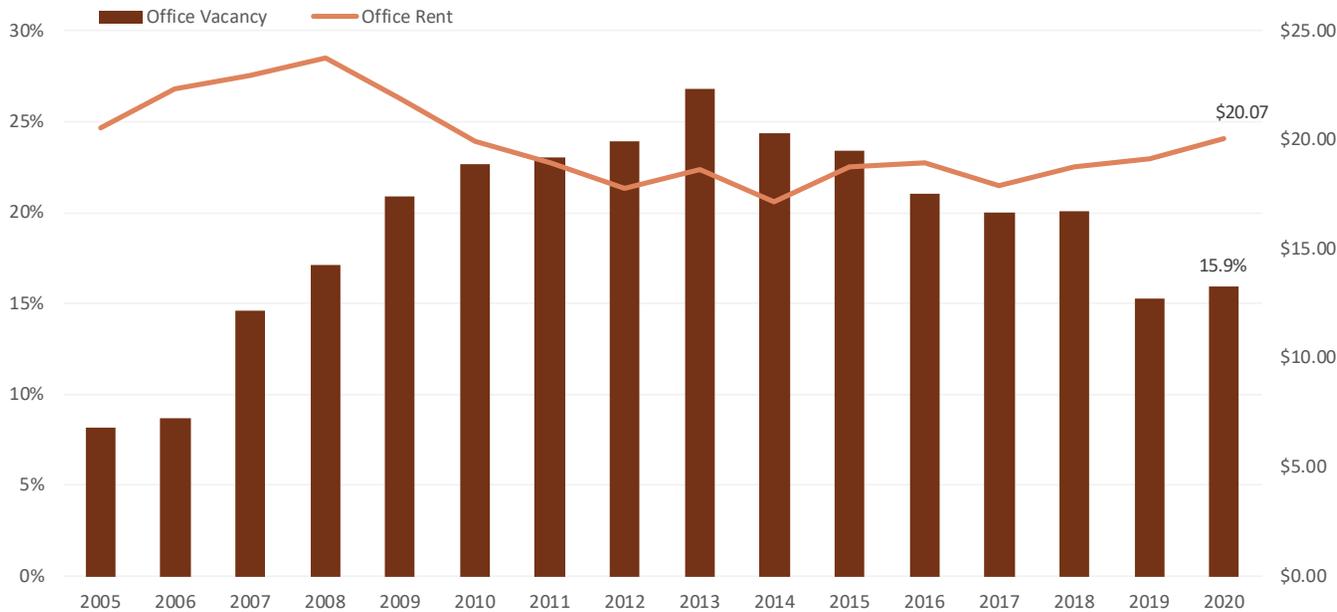
There are 3.56 million square feet of office space in the Market Area, accounting for 5.4% of the 66.36 million square feet of space in the County. The Market Area has added 1.7% to its office inventory since 2015, with 61,150 square feet of new development. This new office space (in the University Gateway project), is within the Focus Area and was the first new office development in the area in over 15 years. This space is primarily occupied by UNLV Administration.

While office rents in the Market Area have been increasing since 2012, at an average of \$20.07 per square foot in 2020 they have yet to recover to the 2008 peak of \$23.75. Despite the continued strengthening of rents, office vacancy in the Market Area remains high, at 16% in 2019 through Q1 of 2020. From 2009 through 2018 vacancy averaged over 20% every year. Vacancy rates across the County have been between 10% and 11% recently, and were highest in 2010 and 2011 at 18.3%.

OFFICE SNAPSHOT

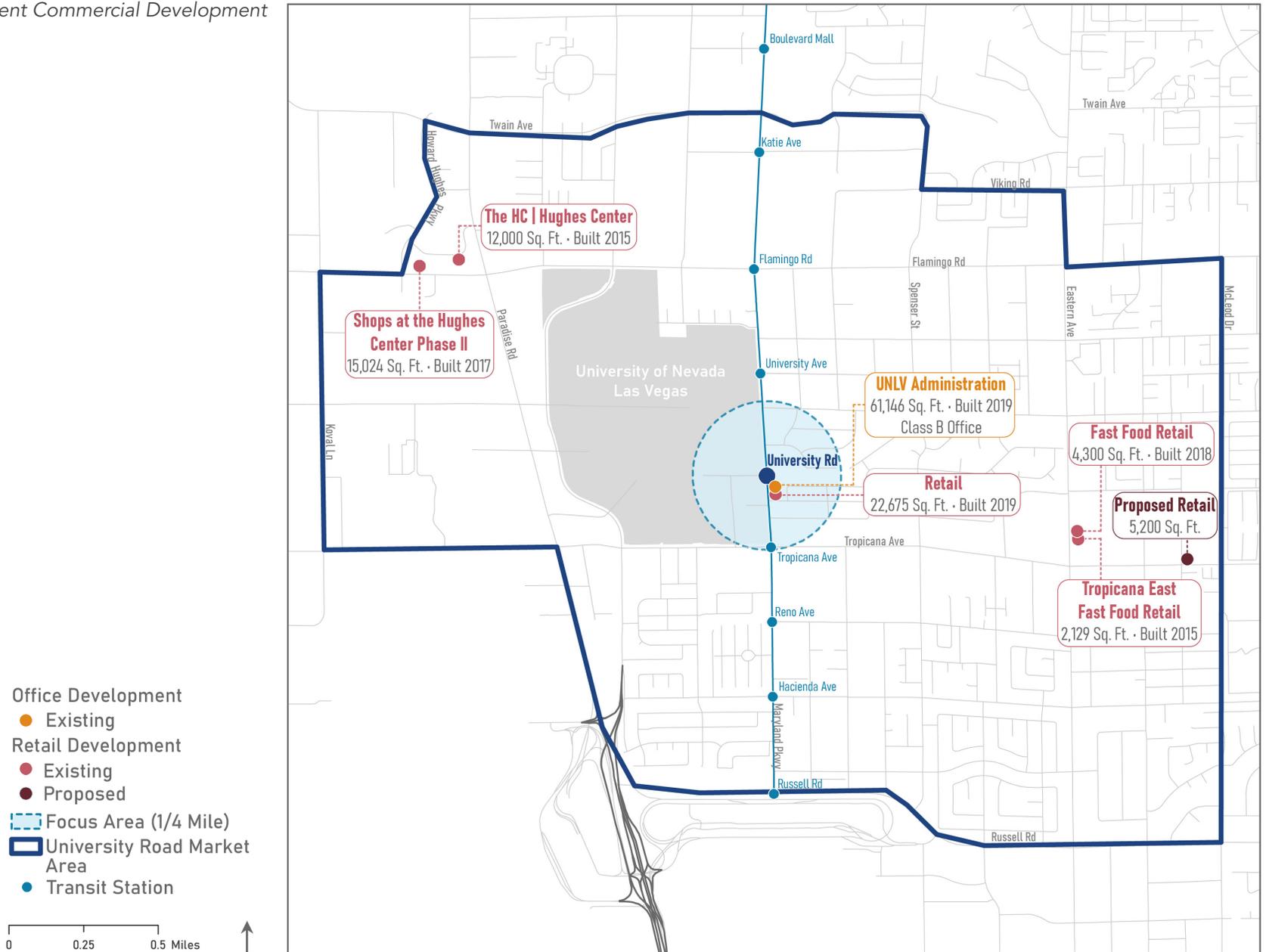
- 3.56 million SF
- 61,140 SF built since 2015 (1.7% growth)
- All in 1 new project, in Focus Area
- Captured 2.4% of County growth

Office Vacancy and Rent, 2005-2020



Source: CoStar

Recent Commercial Development



SECTION 2: DEMAND ANALYSIS

RESIDENTIAL

Trend

Capture rates of housing development in the Market Area were used to estimate the potential demand for housing based on capture of forecast countywide growth. Additionally, the development trends by type of housing (i.e. single family vs multifamily) were used to estimate the portion of new households likely to create demand for TOD housing products (e.g. townhomes, condos, apartments).

The University Road Market Area has captured approximately 1% of the County's overall growth since 2010. In recent years this capture has been slightly higher, with the Market Area capturing 2.5% of County growth since 2017. Accounting for two recent student housing projects in the area, the Market Area has captured close to 3% of County growth, indicating that including student housing demand in market potential can increase the development opportunity within the Market Area.

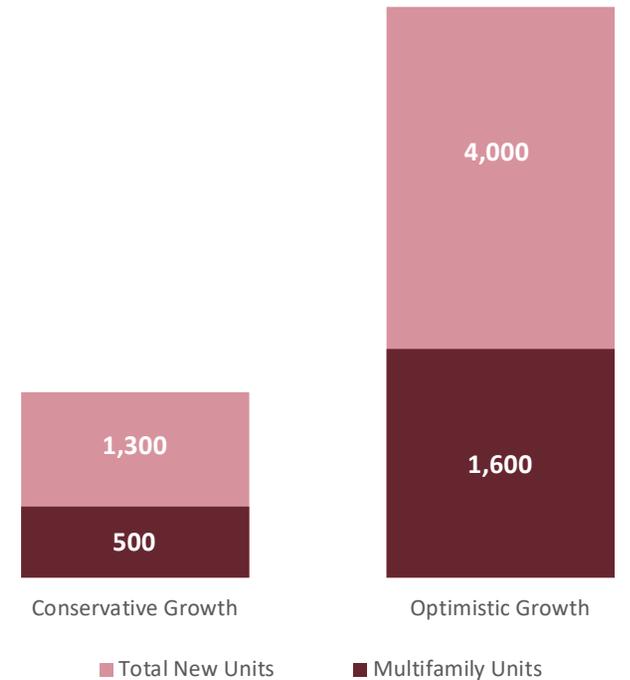
Demand Forecast

Clark County population growth forecasts (prepared by Center for Business and Economic Research) anticipate an additional 337,000 residents in the County between 2020 and 2030, an average of 33,700 per year (1.3% annual growth). This annual growth rate, applied to the County's housing stock, translates to approximately 135,770 new housing units over the next 10 years.

Accounting for the 4,090 units currently under construction in the County (including 368 in the Market Area), there is a net demand for 131,680 new units, or 13,168 new housing units per year. Applying recent trends, 40% of this growth can be expected in multifamily housing (including apartments and condos), or an additional 52,700 multifamily units by 2030.

Two trends were used to create growth scenarios for the Market Area: the overall 2010-2019 Market Area trend of 1% capture of County growth, and the more optimistic trend accounting for additional student development of 3% capture of County growth. Based on the projected countywide growth of 52,700 multifamily housing units by 2030 and applying these capture rates, the University Road Market Area could capture between 500 and 1,600 new multifamily housing units over this time period. This translates to average annual production of between 50 and 160 new multifamily units per year, or one large project every 1-2 years.

Market Area Residential Growth 2020-2030



Source: Economic & Planning Systems

RETAIL

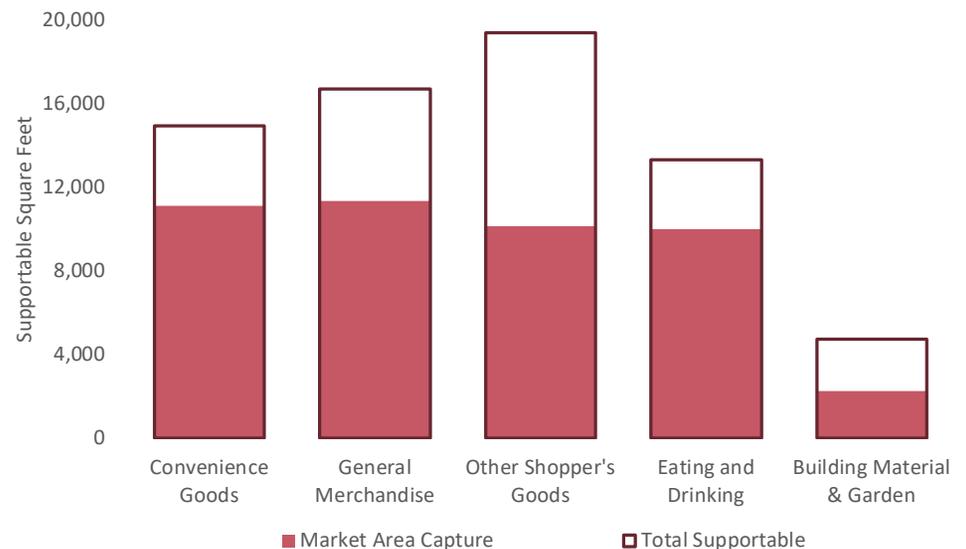
An estimate for future retail space demand in the Market Area was developed based on anticipated population growth and the related growth in retail spending. This analysis of retail development potential in the Market Area accounts for capture of demand from new residents, considering the spending patterns for local retail (i.e. inflow and outflow of resident dollars). Demand analysis is based on the population of the area, per capita income, and spending habits for consumers in Nevada as reported by the Census of Retail Trade and ESRI Retail Marketplace data. To estimate retail demand for the area, the total personal income (TPI) is calculated by multiplying the population by per capita income for the Market Area. TPI is used along with spending patterns for consumers in the state to estimate retail expenditure potential: the amount of money that the average resident spends on retail goods. After accounting for leakage (outflow of dollars to retailers outside of the Market Area), this spending potential is converted to the amount of retail square footage that can be supported by new residents living in the area based on sales per square foot by store category.

Utilizing the growth capture scenarios from the residential demand analysis, there is the potential for between 3,400 and 10,100 new residents in the Market Area by 2030. Retail expenditures of these residents will create demand for an additional 69,200 to 207,500 square feet of retail space over this time.

However, not all this demand is likely to be accommodated within the Market Area. Depending on the retail sector, there is potential for the Market Area to capture between 0 and 75% of resident spending. The highest capture rates are for convenience goods (e.g. grocery stores, pharmacies, liquor stores) and shoppers' goods (e.g. Target, Walmart, etc.), as well as restaurants, while spending in more specialized sectors such as building material and garden stores is more likely to occur elsewhere in the community. Accounting for the capture and leakage of spending across sectors, the growth scenarios for the Market Area project demand for between 45,000 and 135,000 square feet of retail space by 2030.

This new demand is summarized in the chart below. As shown, total demand from new Market Area residents will be strongest for General Merchandise and other Shopper's Goods stores. Within the Market Area, the opportunities for capture of new spending is approximately equal across Convenience Goods, General Merchandise, other Shopper's Goods, and Eating & Drinking, with support for between 10,000 (conservative growth) and 30,000 (optimistic growth) square feet of new space in each retail category. These retail sectors with the strongest potential are also the most likely to locate in a TOD area. While there will be limited new demand for Building Material and Garden stores, and there is an opportunity for some Market Area capture, TOD locations are more likely to attract local and community-oriented retailers.

*Market Area
Capture of New
Retail Sq. Ft. 2020-
2030 (Conservative
Growth Scenario)*



Source: Economic & Planning Systems

Market Area Capture of New Retail Sq. Ft. 2020-2030

Description	Retail Sales % of TPI (2019)	Capture Rate	Conservative Growth		Optimistic Growth	
			Expenditure Potential	Supportable Sq. Ft.	Expenditure Potential	Supportable Sq. Ft.
Convenience Goods						
Grocery Stores	5.6%	75%	\$2,824,042	7,060	\$8,472,125	21,180
Specialty Food Stores	0.2%	50%	\$81,995	205	\$245,984	615
Beer, Wine, & Liquor Stores	0.3%	75%	\$139,299	464	\$417,898	1,393
Health and Personal Care	2.7%	75%	\$1,355,789	3,389	\$4,067,368	10,168
Total Convenience Goods	8.8%		\$4,401,125	11,119	\$13,203,375	33,357
Shopper's Goods						
General Merchandise						
Department Stores (incl. discount department, superstores, & warehouse clubs)	5.3%	75%	\$2,668,883	8,896	\$8,006,649	26,689
Other General Merchandise Stores	2.5%	50%	\$851,935	2,434	\$2,555,806	7,302
Subtotal (General Merchandise)	7.8%		\$3,520,819	11,330	\$10,562,456	33,991
Other Shopper's Goods						
Clothing & Accessories	3.7%	50%	\$1,230,203	3,515	\$3,690,610	10,545
Furniture & Home Furnishings	1.2%	25%	\$208,799	835	\$626,397	2,506
Electronics & Appliances	1.1%	50%	\$380,401	761	\$1,141,203	2,282
Sporting Goods, Hobby, Book, & Music Stores	1.2%	50%	\$403,507	1,153	\$1,210,522	3,459
Miscellaneous Retail	1.9%	75%	\$973,886	3,896	\$2,921,657	11,687
Subtotal (Other Shopper's Goods)	9.2%					
Total Shopper's Goods	17.0%		\$6,717,615	21,490	\$20,152,845	64,469
Eating and Drinking	7.0%	75%	\$3,503,772	10,011	\$10,511,315	30,032
Building Material & Garden						
Building Material & Supplies Dealers	2.0%	50%	\$671,835	2,239	\$2,015,504	6,718
Lawn & Garden Equipment & Supply Stores	0.1%	0%	\$0	0	\$0	0
Total Building Material & Garden	2.1%		\$671,835	2,239	\$2,015,504	6,718
Total Retail Goods	34.9%		\$15,294,346	44,859	\$45,883,039	134,576

Source: ESRI; Economic & Planning Systems

OFFICE

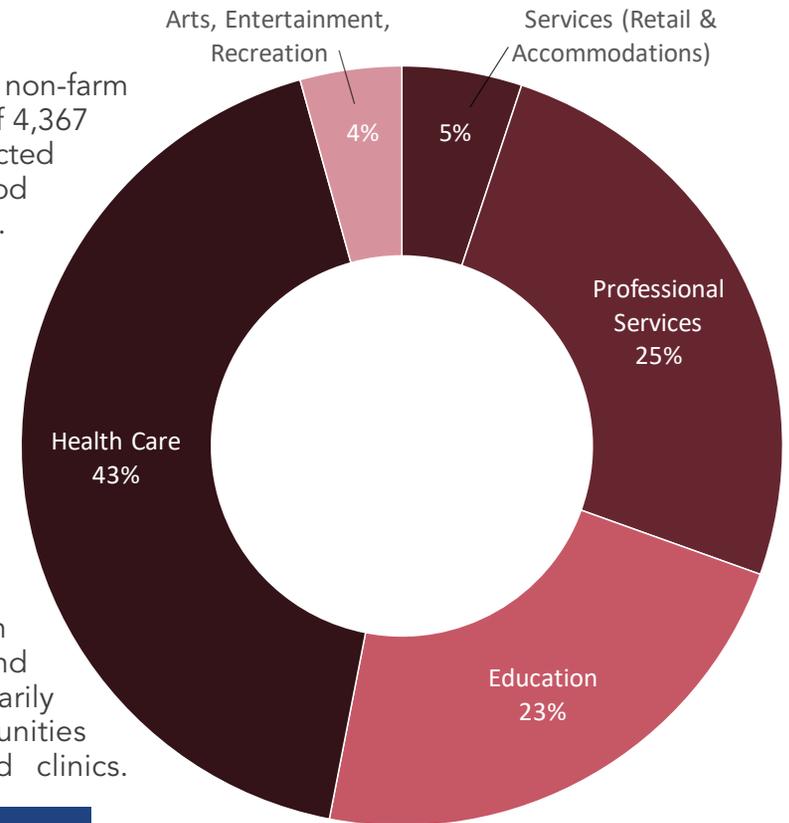
Employment Growth

Countywide employment growth forecasts outline an increase of 43,670 jobs (private non-farm employment) in Clark County between 2020 and 2030. This equates to an average of 4,367 new jobs per year, or 0.3% average annual growth. Over 70% of this growth is expected in just two industries – Health Care (36% of growth) and Accommodations and Food Services (35% of growth), while nine industries are expected to remain flat or decrease.

Based on the current capture of County employment, the University Road Market Area is expected to grow by 1,667 jobs over this time – 3.8% of County growth. Applying the countywide growth rates by industry, the majority of employment growth in the Market Area is expected to be in Health Care jobs, with Accommodations & Food Service and Education also comprising a significant portion of growth.

Office Demand

Demand for office development in the Market Area is based on employment growth in sectors that occupy office space. Accounting for the share of employees within each employment sector that utilize office space (e.g., 100% of employment in Finance and Insurance, versus 50% of employment in Health Care) over the next 10 years the Market Area is expected to see demand for an additional 300,000 square feet of office space. This demand is primarily generated by the healthcare industry, indicating that major development opportunities are likely to be associated with hospitals and related medical offices and clinics.



New Office Demand by Sector
Source: Economic & Planning Systems

Description	2020	2030	10-Year Job Growth	10-Year New Office Sq. Ft	Annual New Office Sq. Ft
University Road Market Area					
Production	2,961	2,884	-77	-5,601	-560
Services (Retail & Accommodations)	15,333	15,948	615	15,449	1,545
Professional Services	11,087	11,554	467	77,018	7,702
Education	6,840	7,297	456	68,455	6,846
Health Care	7,437	8,471	1,035	129,327	12,933
Arts, Entertainment, Recreation	<u>4,028</u>	<u>4,290</u>	<u>262</u>	13,080	<u>1,308</u>
Total	47,686	49,353	1,667	297,729	29,773

Market Area Office Demand 2020-2030

* Note: total may not add to sum of industries shown due to exclusion of industries that do not generate office demand
Source: Center for Business and Economic Research; Economic & Planning Systems

SECTION 3: DEVELOPMENT OPPORTUNITIES

DEVELOPMENT SITES

The analysis of development opportunities for TOD looks primarily within the ¼ mile radius University Road Focus Area, with a secondary analysis of the ¼ mile area beyond the Focus Area for supportive development potential.

The University Road Focus Area has a limited supply of vacant or easily developable parcels to attract TOD. Most of the potential development sites in the area will require either redevelopment or incorporation of existing uses.

PARCEL ANALYSIS

Within the Focus Area, development opportunity analysis was conducted at a parcel level. Using a multi-layered approach, parcels were identified that are:

- Over ½ acre in size (as parcels smaller than this likely cannot accommodate a development of scale)

And

- Currently vacant

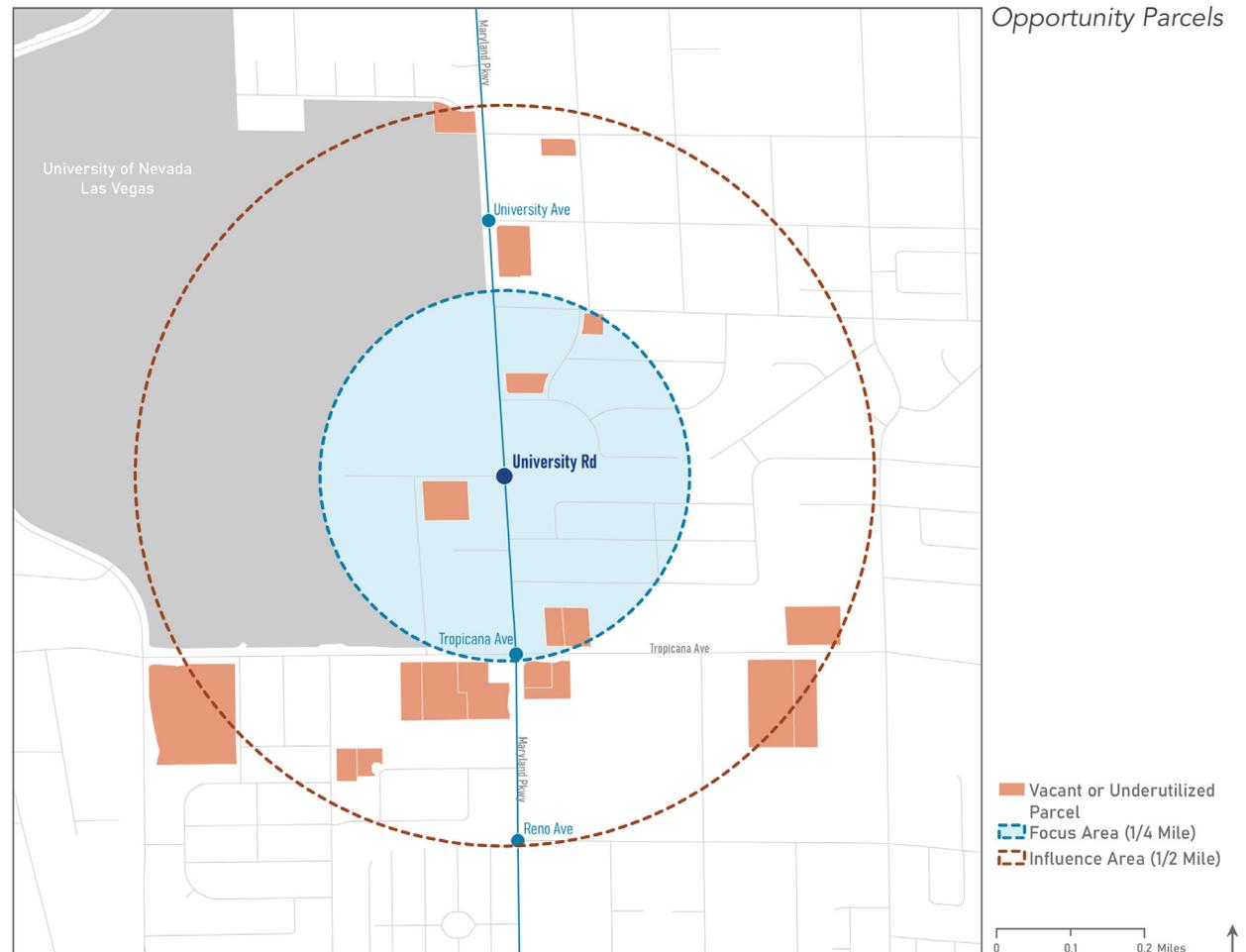
Or

- Existing development is low value (defined as a ratio of improvement value to land value of less than 0.5)

In total, 18 parcels totaling 127.6 acres met this criteria.

Notable potential TOD parcels include:

- 1135 University Road, identified as a candidate parcel for TOD within the Existing Conditions Report. This site is currently home to the UNLV Transit Center and associated parking lot, which could be an opportunity for a public private partnership to integrate the transit station with a TOD built on adjacent parking lots.
- 4590 S. Maryland Parkway, a nearly 1 acre site owned by UNLV on the east side of Maryland Parkway, just north of the University Road transit station location.



DEVELOPMENT FEASIBILITY

Two measures of development feasibility—land sale prices and rental rates—were applied to the Market Area and Focus Area to gauge the supportability of new development by type.

LAND SALES

For this analysis, land sales are defined as property sales that were completed for the purpose of development (or redevelopment) and include both parcels that are vacant and those that are already developed. The average sale price per square foot for land from property sales completed within the Market Area is compared to the average countywide. This comparison assesses the value of land in the Market Area by use type to estimate the strength of the market for new development. Land sales for each TOD land use category are included.

The average sale price for land sales in the University Road Market Area from 2017 through mid-2020 is \$19.87 per square foot, as shown in the table to the right. This average price is 12 percent higher than the countywide average of \$17.67 per square foot.

There were a limited number of sales in the Market Area over the past 3 years. With only 23 sales over this time, the Market Area accounted for 1.3 percent of countywide sales of this type. The performance of the Market Area relative to the County varies

by development type. Land sold for retail and hotel development generated higher than average sales prices, while other uses had below average sales prices. While the hotel sales show strong market strength, they are not as relevant for potential TOD. These sales were predominately located closer to the Las Vegas Strip than Maryland Parkway, indicating the demand for those uses is more related to tourism-related demand from Las Vegas Boulevard South than locally driven demand that would be reflected on Maryland Parkway. For retail, the proximity to UNLV and existing market presence of Maryland Parkway are drivers of retail land sales prices that are higher than the County average, despite limited growth of households in the Market Area (which would otherwise indicate limited demand for additional retail space).

RENTAL RATES

To gauge the feasibility of new development, the average rental rates (both overall and for new development) for retail space, office space, and apartments within the Focus Area are compared to the Market Area and countywide average. This measure gauges if rental rates achieved for new space in the Market Area and/or Focus Area are high enough to support new development.

Retail - The average rental rates within the University Road Market Area and Focus Area illustrate the desirability of retail space near the University Road station. The average rental rate for all retail spaces and for new retail spaces in the Focus Area and Market Area are higher than the Clark County average, as shown in the table on the following page.

University Road Market Area Land Sales, 2017-2020

Proposed Use	Clark County		University Road MA		% Diff.
	Price per SF	# of Sales	Price per SF	# of Sales	
Entertainment	\$28.98	24	\$12.43	2	-57%
Retail	\$21.28	649	\$32.86	6	54%
Mixed-Use	\$17.82	116	\$12.88	3	-28%
Hotel	\$16.12	24	\$33.51	2	108%
Unknown	\$15.32	780	\$17.56	6	15%
Multifamily	\$12.43	156	\$5.17	4	-58%
Average/Total	\$17.67	1,749	\$19.87	23	12%

Source: CoStar; Economic & Planning Systems

Office - There does not appear to be a significant demand for new office development in this area. The average rental rate for office space in the Market Area is \$20.07 per square foot (Gross/ Full Service)—roughly equivalent to the countywide average. For new development, however, the average rental rate for new office uses in the county is \$32.51 per square foot, which is significantly higher than office rental rates found in the Market Area. Existing office vacancy rates of 16% are also indicative of weak demand. There has not been significant new office development within the Market Area to use as a point of comparison. If there was demand for new office space in this area, it would be expected that the overall rental rates would be higher than the County (indicating a constrained supply).

Multifamily - For apartments, the average rental rates for new space in the Market Area and the Focus Area are higher than the county average. The Focus Area has higher than average apartment rental rates due to the recently developed student-oriented apartment units. Student units typically achieve higher than average rates due to

their rent structures (e.g. rented by the bedroom not unit). As a point of comparison, the average rental rate for all multifamily units in the Market Area is \$1.17 per square foot, which is the same as the county average. This is an indication of the older inventory of market rate apartments and a general lack of newer, market rate apartment projects in the Market Area.

FEASIBILITY FINDINGS

The following findings were developed based on the two feasibility measures:

- Retail uses appear to generate land values and lease rates that support new development. The size of the consumer base in the Focus Area between Market Area residents, UNLV students, and area workers continues to support retail uses serving their everyday retail needs. Retail uses, especially food oriented businesses, could serve as an attraction, anchor, and a catalyzing component of TOD within the Focus Area.
- Speculative office uses do not appear to be feasible based on the lack of new

development and average rental rates in the Market Area that are well below the cost of new construction.

- Multifamily development in the Focus Area is providing strong rental rates and it appears that these uses could support new development if student oriented. It is more difficult to assess the feasibility of traditional, non-student oriented apartments due to the lack of recent market rate apartment development in the Market Area. There are, however, two proposed projects in the northwest portion of the Market Area that when completed may provide support and momentum for market rate development along Maryland Parkway.
- Hotel land sales in the Market Area indicate they can support new development, however, it is unclear if a hotel use on Maryland Parkway is supportable given the distance to the Las Vegas Strip. A hotel use that is oriented to UNLV visitors and activity may be in demand but may not be able to overcome competition from more casino and entertainment oriented hotel options that can also serve UNLV activity.

Use	Rent per Sq. Ft. Factor	Time-Period	Clark County		Uni. Rd. Market Area		Uni. Rd. Focus Area	
			New	All	New	All	New	All
Retail	per sf (NNN)	Annual	\$35.16	\$18.78	\$58.54	\$26.69	\$45.00	\$28.83
Office	per sf (Gross)	Annual	\$32.51	\$20.74	---	\$20.07	-	-
Apartment	per sf	Monthly	\$1.38	\$1.17	\$2.69	\$1.17	\$2.69	\$2.28

Focus Area and Market Area Average Rental Rates Comparison

Source: CoStar; Economic & Planning Systems

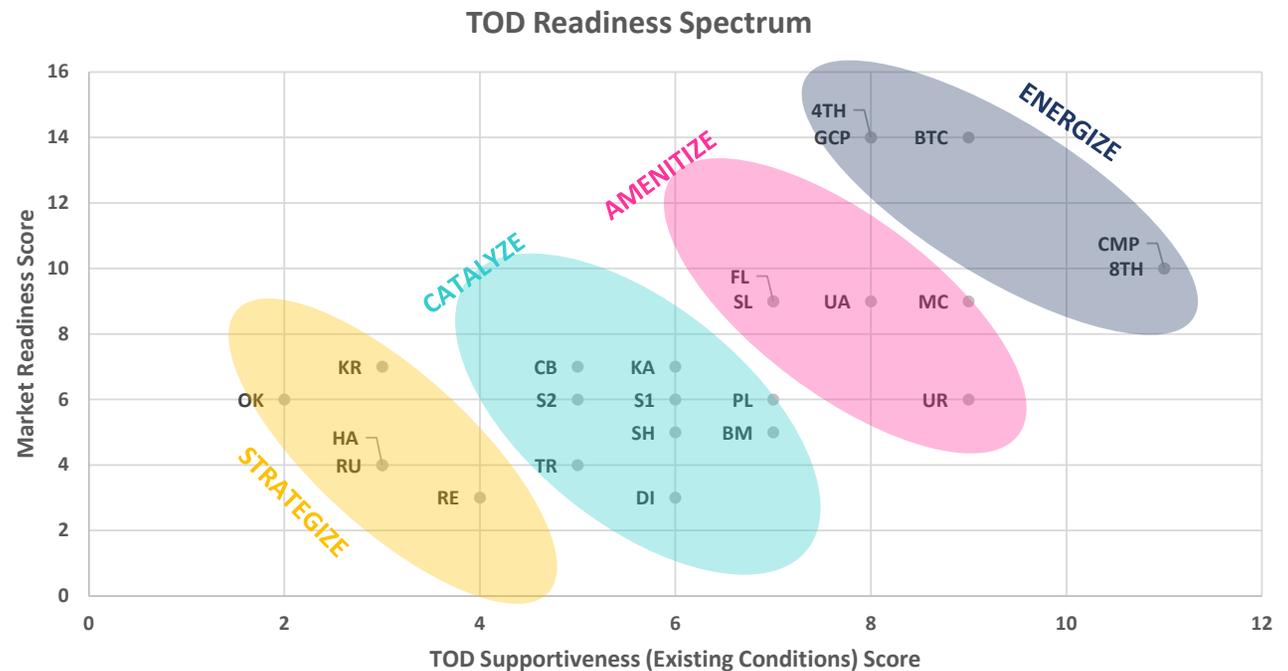
TOD MATURITY

A TOD Readiness Spectrum was created to categorize Focus Areas along the corridor in terms of their readiness to attract and support TOD. Focus Areas have been organized into four categories (Energize, Amenitize, Catalyze, and Strategize) based on their market readiness and supportiveness of the built environment. Overarching strategies for supporting TOD were developed for each category.

The University Road Focus Area is within the Amenitize category as shown to the right. Focus Areas in this category are close to being TOD-Ready but need amenities, infrastructure, and/or connectivity improvements to enhance their ability to attract additional TOD. Strategies for this category include:

- Provide/improve amenities within the public realm
- Create multi-modal first and final mile connections to surrounding area
- Prioritize and complete necessary infrastructure investments
- Improve ground-floor experience
- Incentivize mixed income/affordable housing

The University Road Focus Area fits well within this category as the area is attracting higher density uses and has transit supportive land uses around it, however, it also has a largely auto-oriented built environment. Additional improvements to provide amenities that are attractive to developers and users of transit-oriented projects can help generate additional demand and increase the attractiveness for TOD in the Focus Area.



PRIORITY ACTION RECOMMENDATIONS

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Priority Actions

Continue to support the development of student-oriented housing in the Focus Area.

- Locating students on the Maryland Parkway Corridor will help to support ridership of the line.
- Additional student oriented housing at a transit stop and adjacent to the UNLV campus can help reduce pressures and impacts of students on the surrounding neighborhoods.
- Require, where possible, and incentivize new development to provide amenities or infrastructure that will increase the walkability of the area and provide connections or amenities that support transit ridership.

Encourage ground-floor retail and commercial uses within multifamily development in the Focus Area.

- The UNLV campus and Market Area residents will continue to drive demand for retail uses along Maryland Parkway, especially for convenience oriented retail and eating & drinking establishments.
- An anchored shopping center is likely not a possibility within the Focus Area; therefore, new retail uses should be encouraged within mixed-use buildings or as small scale infill projects.

Work with UNLV to identify opportunities to locate university uses within new office space in the Focus Area.

- New multi-tenant office development in the Focus Area is not likely feasible if developed for private users only.
- Work with UNLV to identify potential university users for office space that could be located in a new office building in the Focus Area. Potential opportunities include:
 - Research and development activities occurring on the campus, especially those involving interactions with non-student/non-university visitors.
 - Student support services and organizations.
- Identify any potential County or outside workforce development and support programs or offices that can be located or integrated into a new building.
- Encourage a public-private partnership approach to development in order to create additional office space within a new building that can be used/leased by private and non-profit entities.
- Explore the creation of start-up, business incubator, or co-working components within a potential office development.

VALUE CAPTURE RECOMMENDATIONS

A value capture toolkit has been developed for this effort and is provided in a separate document. Three potential value capture tools were identified that fit the conditions present and have the potential to be successful in the University Road Focus Area.

- **Joint development with UNLV** – UNLV owns the majority of the land within the Focus Area and has property that potentially could be used for TOD, including the RTC transit center that is located on land leased from UNLV. Using university land can help reduce land costs for a development that provides uses that are not currently feasible or need to be subsidized but provide a broader community purpose.
- **Naming Rights** – Given the connectivity of the Maryland Parkway Corridor to the main UNLV campus and the Medical School in the Medical District, there are natural opportunities to provide naming rights for individual stations or the whole transit line in exchange for contributions to fund improvements that support the transit line.
- **Special Assessment District** – The presence of a major land holder can make obtaining agreement on the use of a special assessment to fund transit related infrastructure (e.g. sidewalks, crossings, place-making) easier. A district that encompasses the Focus Area or a similar geography should be explored to identify what improvements have support from property owners and how these entities can collectively fund these improvements through this tool.

