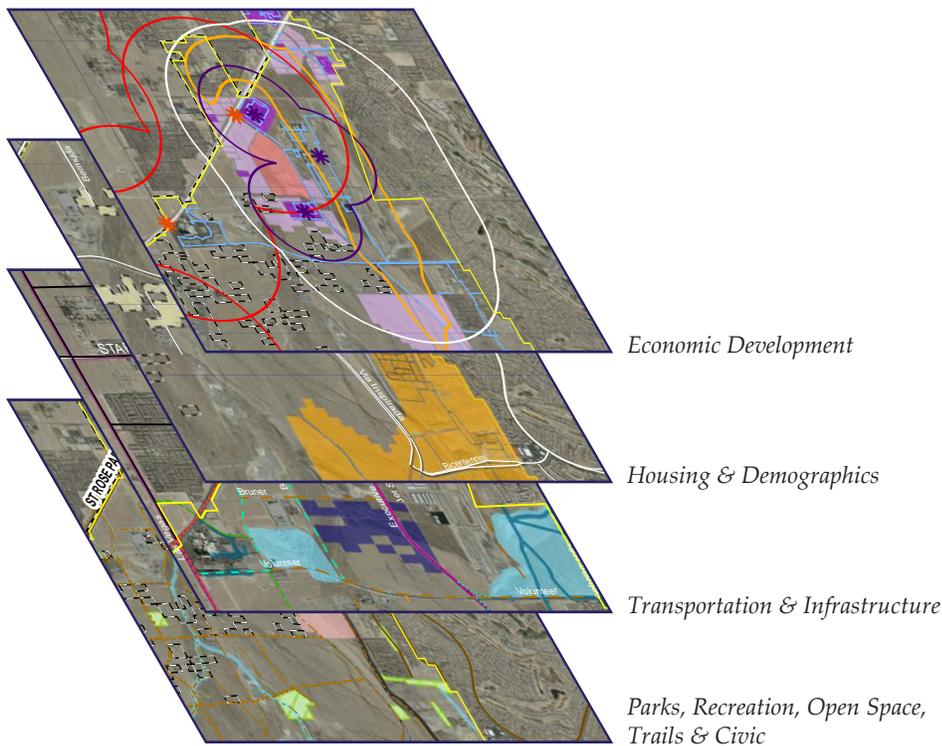




CHAPTER 2:
The Foundation for West Henderson

INTRODUCTION

Using the best available data from the City, Clark County, Bureau of Land Management (BLM), Southern Nevada Strong (SNS), and other sources, the team researched and synthesized information for each planning topic into a series of “existing conditions snapshots.” These snapshots provided not only an overview of baseline conditions, but also defined how those conditions influenced the development of policies, land uses, and opportunities for the land use plan.



SNS is a regional planning project intended to build a foundation for long-term economic success and livability by better integrating transportation, housing options, and job opportunities throughout Southern Nevada. This project included extensive levels of public outreach; findings and comments were used as a basis for some of the highlights and feedback in this section. This plan strives to align with the vision and goals of SNS. The public surveys determined Southern Nevadans support a region characterized by:

- a diversified economy with a wide range of job opportunities;
- high-quality educational systems for youth and the workforce;
- a multimodal, well-connected transit system;
- housing options for all preferences and budgets;
- strong social service networks and high-quality health care; and
- communities that are safe, desirable, and engaged.

ECONOMIC DEVELOPMENT - INDUSTRIAL

A community land use plan that is programmed in a deliberate manner, with an understanding of market, financial, and physical realities, can help foster a healthy balance of land uses and minimize uncertainty for its officials, staff, residents, and other interests. Shifts in real estate markets nationally and locally following adoption of that plan caused many property owners to reconsider existing entitlements for other uses with near-term potential for growth and available capital for development. This practice has been particularly prevalent within the study area, elevating the concern that the City could be left with an insufficient supply of land for employment uses, including industrial and office product types. Some sources on best practices in planning suggest that a minimum of 15% of a community's land inventory should be preserved for employment purposes. SNS promotes a balance of uses as one way to increase better paying job opportunities and the community's economic competitiveness within the region. Whereas flexibility is imperative in any land use plan, public officials must evaluate all land use requests in the context of not only the individual property owners' interests, but the impact of these requests on the community.

What We Heard

- It is imperative that the City identify appropriate locations for employment and specifically industrial product development, particularly if existing industrial parcels located around the Henderson Airport are re-zoned for residential neighborhood development.
- West Henderson has several advantages as a place to foster job creation including proximity to the Henderson Executive and McCarran International Airports, as well as planned interchange improvements at Starr and Sloan Roads.
- Properties within the Study Area are challenged by a lack of infrastructure (including water storage facilities), placing them at a competitive disadvantage to similarly zoned parcels in other locations and other communities.



Highlights

- “Balance of land uses” is a stated community objective and appears as the first of several planning themes in the currently-adopted Comprehensive Plan. Overall balance can only be achieved by considering short term needs and the ultimate build out of the West Henderson Area.
- The Southern Nevada industrial market is considered healthy and growing by industry professionals. Among the fastest growing products are warehouse/distribution facilities, and primarily along the I-215 corridor in the Southwest Submarket. Recent completions of build-to-suit projects within the corridor have seriously reduced the supply of M-1 industrial zoned land.
- Based on anticipated growth within key industry sectors in the Las Vegas market, and Henderson’s and West Henderson’s potential for capturing a fair share of that growth, the Study Area could absorb approximately 4.1 million square feet of industrial space in the next 20 years, or approximately half of the vacant acres zoned for industrial use.
- A jobs-housing ratio is recognized as an acceptable measure of “equilibrium” or, at least, economic stability. Whereas the national target is 1.7:1, both the Study Area and City are and will be far below a desired level of stability. Based on Regional Transportation Commission of Southern Nevada projections the West Henderson Study Area jobs-housing ratio was 1.7:1 in 2010, but is projected to drop to between 0.5:1 and 0.7:1 over the next two decades. Conversely, the 2010 City of Henderson jobs-housing ratio of 0.6:1 is expected to remain constant for the foreseeable future.
- Although the planned industrial land has a long absorption time, any further reduction in land for employment uses, or replacement of this land for residential uses, will drive this figure lower and potentially increase fiscal instability.
- Areas in close proximity to the Henderson Executive Airport meet the locational requirements for a business park including proximity to major roads, interchanges, airport, and other associated businesses, as well as helping ensure the long term viability of the airport. As they are likely to be among the earliest to be absorbed they present the greatest opportunity to improve the City’s economic base and jobs/housing balance.
- Southern areas such as the South Limited Transition Area, also known as, Commerce Center meet less of the locational attributes of a business park and compete against other competing business parks located along I-15.
- The industrial and distribution sector will lead the way for both investment and development prospects in 2014. It should remain strong through subsequent years due to collaborative strategies by retailers and manufacturers to shorten the supply chain, as well as growth in the medical and technology fields.
- Over-allocated commercial lands can act as surrogate industrial lands, resulting in additional and even greater supply of industrial lands and should be reallocated into defined commercial centers.
- The early transfer of lands from BLM to private sector for industrial uses can have a negative affect on the absorption of existing parcels.

Locational Considerations for Industrial Uses:

- Drive time from interstate
- Drive time/ access from major US highway
- Rail access
- Surrounding land use
- Already zoned industrial
- Price per acre
- Utility connections
- Within city limits
- Other surrounding employers/ businesses
- Proximity to airports
- Flat land

Industrial Supply

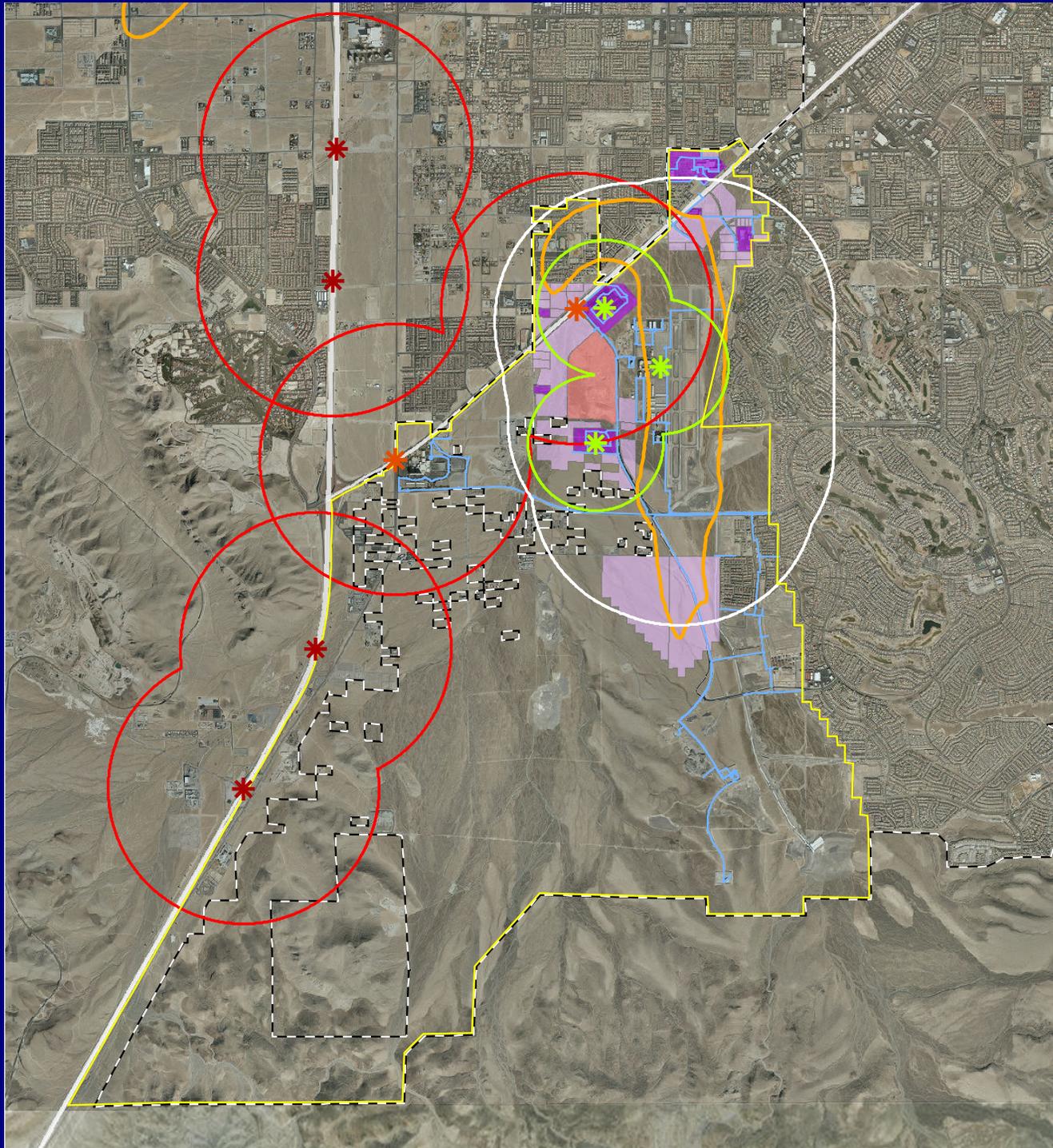
West Henderson industrial space will primarily compete with other products in the larger Henderson submarket. This submarket currently has over 13.1 million square feet of industrial space, of which 9.4% was vacant as of the third quarter in 2013. At this rate, the Henderson market is considered close to stabilization and outperforming the metro market as a whole, which had a vacancy rate of 14.2% during this same period. Monthly rental rates in Henderson (\$0.51 per square foot) are also higher than the metro market rate of \$0.49 per square foot. Taken together, these conditions suggest the market could be ready for new development.

Warehouse/distribution space comprises approximately 61% of all industrial space in the Henderson submarket. This type of space is currently showing a vacancy rate of 6.5%. Comparatively, the metro market's vacancy rate is 12.8%. Light industrial/incubator space comprises approximately 29% of the Henderson submarket's total industrial inventory, and is currently showing a vacancy rate of 11.6%. The metro market's vacancy rate for light industrial and incubator space is 13.8%.

Flex space comprises approximately 10% of total industrial space in the submarket and is currently showing a vacancy rate of 20.6% compared to the metro market's vacancy rate of 27.7%. Overall monthly rental rates in Henderson (\$0.85 per square foot) in this category are considerably higher than the metro market rate of \$0.78 per square foot. The table below presents a summary of industrial indicators for the Las Vegas metro market and Henderson submarket.

Lands in proximity to the airport and St. Rose Parkway are in the greatest position to capture this demand because they meet the locational requirements for industrial/business park type lands due to the proximity to major roads, interchanges, airport, and other associated businesses, as well as helping ensure the long term viability of the airport.

INDUSTRIAL MARKET CHARACTERISTICS, WEST HENDERSON TRADE AREA		
INDUSTRIAL INDICATOR	HENDERSON	LAS VEGAS METRO
Total Space (SF)	13,142,251	109,306,668
Warehouse/Light Distribution	7,984,827	63,576,156
Light Industrial/Incubator	3,830,143	39,499,617
Flex	132,781	6,230,895
Vacancy Rate	9.4%	14.2%
Warehouse/Light Distribution	6.5%	13.8%
Light Industrial/Incubator	11.6%	12.8%
Flex	20.6%	27.7%
Net Absorption (SF)	1,298	692,482
Warehouse/Light Distribution	26,924	553,746
Light Industrial/Incubator	(4,824)	248,226
Flex	(20,802)	(109,490)
Average Monthly Asking Rental Rate	\$0.51	\$0.49
Warehouse/Light Distribution	\$0.38	\$0.40
Light Industrial/Incubator	\$0.43	\$0.48
Flex	\$0.85	\$0.78



- Undeveloped Industrial Parcels
- Developed Industrial Parcels
- Undeveloped Regional Mixed Use Parcels

- Key Employers
- Key Intersections
- Planned Interchange
- Water Main >16in

Buffers

- Key Employers
- Airport
- Interchange
- Airport Noise



LOGAN SIMPSON DESIGN INC.
Date: 6/27/2014

Industrial Demand

Demand for new industrial space is derived from two primary sources - the expansion of existing businesses and relocation of new ones into the market. Employment projections by industry classification for the Las Vegas-Paradise MSA were used to estimate demand over the next 20 years. Based on published sources, the market is expected to realize sustained growth across all employment sectors of 1.1%, annually, resulting in demand for approximately 67,890 new industrial employees over the next 20 years. While it is understood that different industry categories have different space needs, for the purpose of this analysis, a weighted average estimate of 400 square feet per employee was assumed, resulting in demand for over 27 million square feet of new industrial space over the next two decades. At a relatively modest capture rate of 15%, the West Henderson Study Area could absorb approximately 4.1 million square feet of industrial space by 2034. At a relatively low building-to-land ratio of 15% to 20%, this level of demand would require approximately 500 to 600 acres.

INDUSTRIAL DEMAND, WEST HENDERSON STUDY AREA										
INDUSTRY CATEGORY	2014 EMPLOYEES	GROWTH RATE (2014-2034)	2034 EMPLOYEES	NEW EMPLOYEES	% INDUSTRIAL SPACE	NET NEW EMPLOYEES	SF PER EMPLOYEE	20-YEAR INDUSTRIAL DEMAND	WEST HENDERSON CAPTURE RATE	WEST HENDERSON CAPTURE (SF)
Mining & Construction	50,691	2.8%	88,063	37,372	50%	18,686	400	7,474,399	15%	1,121,160
Manufacturing	20,486	1.1%	25,496	5,010	30%	1,503	400	601,258	15%	90,189
Trade, Transportation, & Utilities	153,023	1.0%	186,717	33,694	70%	23,586	400	9,434,330	15%	1,415,149
Information	9,301	0.6%	10,484	1,182	20%	236	400	94,571	15%	14,186
Financial Activities	40,561	0.4%	43,932	3,371	10%	337	400	134,848	15%	20,227
Professional & Business Services	104,719	1.2%	132,934	28,215	30%	8,464	400	3,385,792	15%	507,869
Education & Health Services	122,636	1.2%	155,678	33,042	20%	6,608	400	2,643,391	15%	396,509
Leisure & Hospitality	265,326	1.1%	330,220	64,894	10%	6,489	400	2,595,749	15%	389,362
Other Services	24,079	0.7%	27,684	3,605	10%	360	400	144,197	15%	21,630
Government	46,877	0.2%	48,788	1,911	30%	573	400	229,335	15%	34,400
Self-Employed	41,126	0.6%	46,353	5,227	20%	1,045	400	418,145	15%	62,722
Totals	878,825	1.1%	1,096,349	217,523	31%	67,887	400	27,156,015	15%	4,073,402

Available Land

Currently, the West Henderson Study Area includes approximately 991.3 acres of industrially-zoned land. 128.6 acres (13%) are already developed, and 862.7 acres (87%) are vacant. The table below summarizes developed and vacant zoned land by industrial category.

As shown, 68% of the vacant industrial property in the study area is zoned for industrial park uses, with the remaining 32% zoned for limited and general industrial. There is also a modest amount of additional capacity within currently developed sites.

INDUSTRIAL PROPERTY, WEST HENDERSON STUDY AREA				
ZONING CATEGORY	DEVELOPED		VACANT	
	ACRES	%	ACRES	%
Limited Industrial (LI)	11.4	9%	37.0	4%
General Industrial (IG)	53.1	41%	235.0	27%
Industrial Park (IP)	64.1	50%	590.8	68%
Total	128.6	100%	862.7	100%

Jobs/Housing Balance

In the current Comprehensive Plan several planning themes are defined, but are centered on the community’s desire for balance. One measure of whether a community is achieving equilibrium, or at least economic stability, is their jobs/housing balance as measured in the form of a ratio of actual jobs to existing housing units.

Recommended target ranges for larger geographies is 1.7/1. Based on jobs and housing unit figures published by the Regional Transportation Commission (RTC), the jobs/housing ratio in the study area was 1.743/1 in 2010, but according to their projections is expected to drop over the next 20 years to between 0.520/1 and 0.693/1.

Conversely, the overall City of Henderson jobs/housing ratio in 2010 was 0.648:1, and is expected to remain at or near this level for the foreseeable future. Using the national target of 1.7/1 for comparison, neither the study area nor City is maintaining a “healthy” or sustained ratio of jobs to housing. Figures like those being experienced in the Henderson market are fairly indicative of a bedroom community within a larger metropolitan area. In other words, Henderson could be considered jobs poor with a significant number of its residents commuting outside the community (and study area) to work.

JOBS HOUSING BALANCE, WEST HENDERSON STUDY AREA					
YEAR	EMPLOYMENT	OCCUPIED DWELLING UNITS	JOBS-OCCUPIED HOUSING RATIO	TOTAL DWELLING UNITS	JOBS-HOUSING RATIO
Henderson					
2010	74,369	103,802	0.716	114,805	0.648
2015	83,981	11,786	0.751	123,635	0.679
2020	89,911	123,511	0.728	136,603	0.658
2025	97,786	137,865	0.708	144,929	0.675
2030	104,786	145,404	0.721	160,817	0.652
2035	112,218	150,372	0.746	166,311	0.675
West Henderson					
2010	3,211	1,617	1.986	1,842	1.743
2015	5,496	8,385	0.655	9,550	0.575
2020	7,543	12,725	0.593	14,494	0.520
2025	11,028	14,049	0.785	16,002	0.689
2030	15,448	19,578	0.789	22,299	0.693
2035	19,526	24,833	0.786	28,285	0.690

ECONOMIC DEVELOPMENT - COMMERCIAL

When communities suffer from market shifts and the tightening of lending practices, conditions can be exacerbated by land use decisions that may translate into diminished funding for service programs, reduced staffing levels, deferred maintenance in public spaces and infrastructure, and ultimately quality-of-life. A solid development program and, when necessary, public intervention in the form of incentives, policies, and regulations, and sometimes all three, can effectively speed up the recovery, and more importantly offer more certainty for public officials and residents. West Henderson was identified in the last plan update as a location for business and industry, however, following adoption, shifts in real estate markets nationally and locally caused many property owners to reconsider existing entitlements for other uses with near-term potential for growth and available capital for development. This practice has been particularly prevalent within the study area, elevating the concern that the City could be left with an insufficient supply of land for employment uses including industrial and office product types.

Some sources on planning best practices suggest that a minimum of 15% of a community's land inventory should be preserved for employment purposes. Southern Nevada Strong promotes a balance of uses as one way to increase better paying job opportunities and the community's economic competitiveness in the region. In addition to preserving land for employment, a community must also accommodate revenue-generating retail uses, not only to serve residents' shopping and service needs, but to provide spending opportunities for visitors. A healthy retail base tied to household and tourism growth will provide another key element of a community's economic development infrastructure.

A strategic and informed land use plan that addresses key components of the community and their relationship to each other in light of external market forces and industry trends is a necessary resource for Henderson officials. The challenge, going forward will be how to manage change while pursuing intended outcomes. Whereas flexibility is imperative in any land use plan, public officials must evaluate all land use requests in the context of not only the individual property owners' interests, but the impact of these requests (near- and long-term) on the larger community.

What We Heard

- It is imperative that the City identify appropriate locations for employment and specifically industrial product development, particularly if existing industrial parcels located around the Airport are re-zoned to accommodate residential neighborhood development. The City is also an established Class B office submarket and should be preparing areas to accommodate this type of land use, as well as Class A office.
- West Henderson has several advantages as a place to foster job creation including proximity to both the Henderson Executive and McCarran International Airports, as well as planned interchange improvements at Starr and Sloan Roads.
- Properties within the study area are challenged by a lack of infrastructure, including water storage facilities, placing them at a competitive disadvantage to similarly-zoned parcels in other locations and communities.
- Maintain a balance of land uses through established policies so that demand does not disproportionately exceed supply, and values are maintained even during typical market downturns.

Highlights

- The Southern Nevada commercial market is slowly recovering from the recent real estate downturn and is generating cautious optimism from industry professionals. Among the products that appear to have shorter-term potential are: suburban anchored shopping centers; smaller-scale specialty retail; build-to-suit office; and speculative Class A and B office. New retail construction is occurring in the Henderson and Northwest submarkets, while new office construction is primarily located in the Downtown and Northwest submarkets.
- Retail and office development is considered to be a less desirable investment than industrial in 2014, as changes in under-writing criteria following the recession have made it difficult to finance speculative projects by individuals and single entities.
- Of the total 1,092.0 acres of commercially zoned land within the study area, 184.6 acres is already developed. Among the approximate 907 vacant acres, 50% is zoned for neighborhood commercial uses, 1% is zoned for community commercial uses, and the remaining 49% is zoned for tourist commercial uses.
- Based on anticipated household growth in the Las Vegas market, and Henderson's and West Henderson's potential for capturing a fair share of that growth, the study area could absorb approximately 1.8 million square feet of retail space by 2034.
- Based on employment growth across industry categories in the Las Vegas market, and Henderson's and West Henderson's potential for capturing a fair share of that growth, the study area could absorb approximately 1.7 million square feet of office space by 2034.
- The study area, could support approximately 3.5 million square feet of commercial space over the next 20 years. At a relatively low building-to-land ratio of 20 to 30%, this level of demand would require between 250 and 400 acres. Zoned, undeveloped land for neighborhood and community commercial totals 460 acres and there is no zoned, undeveloped land for office commercial. While neighborhood and community commercial zoning categories are more retail-oriented, they could still accommodate significant office development. The level of potential office demand, however, would require a substantial increase in land zoned specifically for office commercial. This would allow for the development of office parks and mixed use centers with office as the focal point.
- There appears to be an ample supply of land zoned for tourist commercial uses (447 acres). Because these uses tend to be driven by the tourism market, and could accommodate large-scale developments that have multiple real estate products, it is reasonable to preserve key locations along major transportation corridors for these opportunities.
- Office users will demand less space per worker as they reconfigure for more collaboration space and less individual space. Retailers will look for urban formats able to serve city dwellers more efficiently. Commercial space will be designed and located where it can meet the needs of online retailers seeking ever faster delivery times. Multifamily units will be adapted to provide less space per unit, but larger common areas.
- The retail and office sectors will continue to show slow improvement for both investment and development prospects in 2014. Going forward, retail development will be dependent on residential and tourism growth, while office development will mirror job growth in the service industries.

Retail Supply

Las Vegas Metro Market

- The Las Vegas retail market, after showing slight signs of improvement in 2013, continues to lag behind other real estate sectors. Vacancy rates increased slightly from 1st Quarter 2013, rents declined and net absorption was negative.
- Metro area-wide, retail vacancy rates increased to 9.5% from 2013's 9.3%. Although a negative trend, this rate is relatively close to what is considered a healthy retail vacancy rate.
- The Southern Nevada retail market, as defined by Colliers International, only expanded by 8,000 square feet from 1st quarter 2013 to 1st quarter 2014. There is approximately 702,880 square feet of retail product currently under construction or planned, so there still appears to be demand for niche markets or more modern retail products.
- Of the retail space currently in the pipeline, approximately 1/3 will be constructed in Henderson, with the other 2/3 being constructed in the Northwest submarket.
- Based on current and forecasted absorption rates, assuming an 8% vacancy rate equals equilibrium, the Southern Nevada retail market is considered to have a 2- to 3-year supply of available product.

Henderson Submarket

- West Henderson retail space will primarily compete with other products in the larger Henderson submarket. This submarket currently has nearly 8.7 million square feet of retail space, of which 9.2% was vacant as of 1st Quarter 2014. At this rate, the Henderson market is considered close to stabilization and is slightly outperforming the metro market as a whole, which had a vacancy rate of 9.5% during this same period. Monthly rental rates in Henderson (\$1.40 per square foot) are also higher than the metro market rate of \$1.32 per square foot.
- Power center space comprises approximately 33% of all retail space in the Henderson submarket. This type of space is currently showing a vacancy rate of 8.4%. Comparatively, the metro market's vacancy rate is 7.5%. Within this category, overall monthly rental rates in Henderson (\$1.60 per square foot) are higher than the metro market rate of \$1.41 per square foot.
- Community center space comprises approximately 33% of all retail space in the Henderson submarket. This type of space is currently showing a vacancy rate of 8.8%. Comparatively, the metro market's vacancy rate is 10.4%. Within this category, overall monthly rental rates in Henderson (\$1.25 per square foot) are similar to the metro market rate of \$1.27 per square foot.
- Neighborhood center space comprises approximately 34% of all retail space in the Henderson submarket. This type of space is currently showing a vacancy rate of 10.5%. Comparatively, the metro market's vacancy rate is 9.7%. Within this category, overall monthly rental rates in Henderson (\$1.35 per square foot) are similar to the metro market rate of \$1.34 per square foot.

The table below presents a summary of retail indicators for the Las Vegas Metro market and Henderson Submarket.

RETAIL MARKET CHARACTERISTICS, WEST HENDERSON TRADE AREA		
RETAIL INDICATOR	HENDERSON SUBMARKET	LAS VEGAS METRO MARKET
Total Space (SF)	8,660,185	44,486,788
Power Center	2,896,215	10,169,667
Community Center	2,864,154	18,828,525
Neighborhood Center	2,899,816	15,488,596
Vacancy Rate	9.2%	9.5%
Power Center	8.4%	7.5%
Community Center	8.8%	10.4%
Neighborhood Center	10.5%	9.7%
Net Absorption (SF)	(17,798)	(118,591)
Power Center	(2,590)	(62,411)
Community Center	(346)	(5,146)
Neighborhood Center	(14,862)	(51,034)
Average Monthly Asking Rental Rate (Price/SF)	\$1.40	\$1.32
Power Center	\$1.60	\$1.41
Community Center	\$1.25	\$1.27
Neighborhood Center	\$1.35	\$1.34

Source: Colliers International and Ricker\Cunningham

Retail Demand

Future demand for retail space is determined by the potential level of retail expenditures in a given trade area from two sources: those dollars spent by trade area residents outside the trade area, or leakage; and those generated by new household growth. These demand estimates are prepared for the City of Henderson. For each major retail category, current household retail expenditures (demand) are compared to current retail sales (supply) in the trade area to determine if there is a retail surplus (supply exceeds demand) or leakage (demand exceeds supply). The table below shows that leakage exists in six retail categories: furniture and home furnishings; electronics and appliances; building materials and garden equipment; food and beverage (grocery); health and personal care; and miscellaneous retail stores. The remaining categories currently have retail surpluses, i.e., supply exceeds demand. Projected demand from new household formation over the next twenty years is determined by multiplying growth in households with that portion of household income typically spent on general retail and service purchases.

The table below shows that an additional \$1.0 billion in retail spending is anticipated from new household growth over the next 20 years. Applying a market capture rate of 40%, the study area could absorb approximately 1.8 million square feet of new retail space over the next 20 years. At a relatively low building-to-land ratio of 20% to 25%, this level of demand would require approximately 150 to 200 acres.

RETAIL DEMAND FROM NEW HOUSEHOLDS, WEST HENDERSON TRADE AREA			
RETAIL CATEGORY	ESTIMATED 2014 HOUSEHOLD RETAIL DEMAND	ESTIMATED 2014 RETAIL SALES (SUPPLY)	ANNUAL HOUSEHOLD GROWTH RATE (2014 - 2034)
Furniture & Home Furnishings	\$97,167,010	\$76,787,241	1.50%
Electronics & Appliance	\$90,639,740	\$78,674,364	1.50%
Building Materials, Garden Equipment	\$489,684,557	\$207,890,715	1.50%
Food & Beverage (Grocery)	\$604,119,363	\$526,411,979	1.50%
Health & Personal Care	\$241,985,085	\$228,707,406	1.50%
Clothing & Accessories	\$214,208,013	\$664,083,295	1.50%
Sporting Goods, Hobby, Book, Music	\$94,788,658	\$103,044,116	1.50%
General Merchandise	\$552,749,803	\$635,675,480	1.50%
Miscellaneous Stores	\$123,500,889	\$102,305,204	1.50%
Food Service & Drinking Places	\$465,007,107	\$933,783,499	1.50%
Total	\$2,973,850,225	\$3,557,363,299	

Source: U.S. Census Bureau; Claritas, Inc.; Urban Land Institute; and Ricker | Cunningham

NET NEW HOUSEHOLD RETAIL DEMAND	NEW RETAIL SPACE NEEDED FOR HOUSEHOLD GROWTH	TOTAL 20-YEAR NEW TRADE AREA RETAIL DEMAND (SF)	WEST HENDERSON ATTAINABLE CAPTURE RATE	WEST HENDERSON ATTAINABLE CAPTURE (SF)
\$33,702,864	134,811	216,331	40%	86,532
\$31,438,848	114,323	157,834	40%	63,133
\$169,849,540	485,284	1,290,410	40%	516,164
\$209,541,826	558,778	765,998	40%	306,399
\$83,933,738	223,823	259,230	40%	103,692
\$74,299,122	330,218	330,218	40%	132,087
\$32,877,921	146,124	146,124	40%	58,450
\$191,724,037	639,080	639,080	40%	255,632
\$42,836,902	171,348	256,130	40%	102,452
\$161,290,043	460,829	460,829	40%	184,331
\$1,031,494,839	3,264,619	4,522,184	40%	1,808,873

RETAIL SURPLUS LEAKAGE, WEST HENDERSON TRADE AREA					
RETAIL CATEGORY	ESTIMATED 2014 HOUSEHOLD RETAIL DEMAND	ESTIMATED 2014 RETAIL SALES (SUPPLY)	ESTIMATED 2014 RETAIL VOID (LEAKAGE)	ESTIMATED RETAIL SALES/SF	NEW RETAIL SPACE NEEDED TO RECAPTURE VOID/ LEAKAGE
Furniture & Home Furnishings	\$97,167,010	\$76,787,241	\$20,379,769	\$250	81,519
Electronics & Appliance	\$90,639,740	\$78,674,364	\$11,965,376	\$275	43,510
Building Materials, Garden Equipment	\$489,684,557	\$207,890,715	\$281,793,842	\$350	805,125
Food & Beverage (Grocery)	\$604,119,363	\$526,411,979	\$77,707,384	\$375	207,220
Health & Personal Care	\$241,985,085	\$228,707,406	\$13,277,679	\$375	35,407
Clothing & Accessories	\$214,208,013	\$664,083,295	\$0	\$225	0
Sporting Goods, Hobby, Book, Music	\$94,788,658	\$103,044,116	\$0	\$225	0
General Merchandise	\$552,749,803	\$635,675,480	\$0	\$300	0
Miscellaneous Stores	\$123,500,889	\$102,305,204	\$21,195,685	\$250	84,783
Food Service & Drinking Places	\$465,007,107	\$933,783,499	\$0	\$350	0
Total	\$2,973,850,225	\$3,557,363,299	\$426,319,735		1,257,564

Source: U.S. Census Bureau; Claritas, Inc.; Urban Land Institute; and Ricker\Cunningham

The level of leakage estimated in current retail categories is approximately \$426.3 million in retail spending, which could support an additional 1.3 million square feet of space. This indicates a substantial void in the current market for several retail store types.

Office Supply

Las Vegas Metro Market

- The Las Vegas office market recovery is beginning to gain some momentum, with slight improvements in vacancy, rental and absorption rates, and modest increases in construction activity.
- Metro area-wide, office vacancy rates dropped to 21.0% from 2013's 21.9%. The current vacancy rate is the lowest since the first quarter of 2009. Although a favorable trend, this rate is still twice what is considered a healthy office vacancy rate.
- The Southern Nevada office market, as defined by Colliers International, expanded by 723,554 square feet from 1st quarter 2013 to 1st quarter 2014. In addition, there is approximately 832,000 square feet of office product currently under construction or planned. Despite a market-wide 20% vacancy rate, there still appears to be demand for niche markets or more modern office products.
- Of the office space currently in the pipeline, approximately 18% is build-to-suit and 82% is speculative. Class A space comprises 83% of pipeline office space, with the Northwest submarket capturing the largest share (37%) of new space. Downtown is anticipated to capture 25% of new space.
- Based on current and forecasted absorption rates, assuming a 10% to 12% vacancy rate equals equilibrium, the Southern Nevada office market is considered to have a 4- to 5-year supply of available product.

Henderson Submarket

- West Henderson office space will primarily compete with other products in the larger Henderson submarket. This submarket currently has over 5.2 million square feet of office space, of which 20.9% was vacant as of 1st Quarter 2014. At this rate, the Henderson submarket is performing similarly to the metro market as a whole, which has a vacancy rate of 21.0% during this same period. Monthly rental rates in Henderson (\$2.03 per square foot) are higher than the metro market rate of \$1.88 per square foot. Taken together, these conditions suggest the Henderson submarket is not yet ready for significant new development.
- Class A space comprises approximately 13% of all office space in the Henderson submarket. This type of space is currently showing a vacancy rate of 47.0%. Comparatively, the metro market's vacancy rate is 29.2%. Within this category, overall monthly rental rates in Henderson (\$2.48 per square foot) are similar to the metro market rate of \$2.49 per square foot.
- Class B space comprises approximately 45% of all office space in the Henderson submarket. This type of space is currently showing a vacancy rate of 12.4%. Comparatively, the metro market's vacancy rate is 18.7%. Within this category, overall monthly rental rates in Henderson (\$2.11 per square foot) are higher than the metro market rate of \$1.91 per square foot. Given these indicators, this type of space may represent a more immediate opportunity for new development in Henderson.
- Class C space comprises approximately 42% of all office space in the Henderson submarket. This type of space is currently showing a vacancy rate of 22.3%. Comparatively, the metro market's vacancy rate is 20.4%. Within this category, overall monthly rental rates in Henderson (\$1.70 per square foot) are similar to the metro market rate of \$1.57 per square foot.

Office Demand

Demand for new office space is derived from two primary sources - the expansion of existing businesses and relocation of new ones into the market. Employment projections by industry classification for the Las Vegas-Paradise MSA were used to estimate demand over the next 20 years. Based on published sources, the market is expected to realize sustained growth across all employment sectors at an average of 1.1% annually, resulting in demand for approximately 55,535 new office employees over the next 20 years. While it is understood that different industry categories have different space needs, for the purpose of this analysis a weighted average estimate of 200 square feet per employee was assumed, resulting in demand for over 11 million square feet of new office space over the next two decades. At a relatively modest capture rate of 15%, the study area could absorb approximately 1.7 million square feet of office space by 2034. At a relatively low building-to-land ratio of 25% to 30%, this level of demand would require approximately 130 to 160 acres.

OFFICE DEMAND, WEST HENDERSON TRADE AREA				
INDUSTRY CATEGORY	ESTIMATED 2014 EMPLOYEES	ESTIMATED GROWTH RATE (2014 - 2034)	ESTIMATED 2034 EMPLOYEES	ESTIMATED NEW EMPLOYEES
Mining & Construction	50,691	2.8%	88,063	37,372
Manufacturing	20,486	1.1%	25,496	5,010
Trade, Transportation & Utilities	153,023	1.0%	186,717	33,694
Information	9,301	0.6%	10,484	1,182
Financial Activities	40,561	0.4%	43,932	3,371
Professional & Business Services	104,719	1.2%	132,934	28,215
Education & Health Services	122,636	1.2%	155,678	33,042
Leisure & Hospitality	265,326	1.1%	330,220	64,894
Other Services	24,079	0.7%	27,684	3,605
Government	46,877	0.2%	48,788	1,911
Self-Employed	41,126	0.6%	46,353	5,227
Total	878,825	1.1%	1,096,349	217,524

Source: Nevada Department of Employment, Training and Rehabilitation and Ricker|Cunningham

ESTIMATED % IN OFFICE SPACE	ESTIMATED NET NEW OFFICE EMPLOYEES	SF PER OFFICE EMPLOYEE	ESTIMATED 20-YEAR OFFICE DEMAND	WEST HENDERSON OFFICE CAPTURE RATE	WEST HENDERSON OFFICE CAPTURE (SF)
20%	7,474	200	1,494,880	15%	224,232
5%	251	200	50,105	15%	7,516
10%	3,369	200	673,881	15%	101,082
80%	946	200	189,143	15%	28,371
90%	3,034	200	606,815	15%	91,022
80%	22,572	200	4,514,389	15%	677,158
20%	6,608	200	1,321,695	15%	198,254
10%	6,489	200	1,297,874	15%	194,681
30%	1,081	200	216,295	15%	32,444
30%	573	200	114,668	15%	17,200
60%	3,136	200	627,217	15%	94,083
26%	55,535	200	11,106,962	15%	1,666,044

This table presents a summary of office indicators for the Las Vegas metro market and Henderson submarket.

OFFICE MARKET CHARACTERISTICS, WEST HENDERSON TRADE AREA		
OFFICE INDICATOR	HENDERSON SUBMARKET	LAS VEGAS METRO MARKET
Total Space (SF)	5,252,148	41,499,321
Class A	657,202	5,953,334
Class B	2,370,917	16,743,963
Class C	2,224,029	18,802,024
Vacancy Rate	20.9%	21.0%
Class A	47.0%	29.2%
Class B	12.4%	18.7%
Class C	22.3%	20.4%
Net Absorption (SF)	25,318	127,494
Class A	(12,091)	(18,450)
Class B	11,956	(1,145)
Class C	25,453	147,089
Average Monthly Asking Rental Rate (Price/SF)	\$2.03	\$1.88
Class A	\$2.48	\$2.49
Class B	\$2.11	\$1.91
Class C	\$1.70	\$1.57

Source: Colliers International and Ricker|Cunningham

Available Land

Currently, the study area includes approximately 954.3 acres of commercially-zoned land. 128.6 acres, or 13% are already developed and 825.7 acres, or 87%, are vacant. As shown, 50% of the vacant commercial property in the study area is zoned for neighborhood commercial uses, 1% is zoned for community commercial uses, and the remaining 49% is zoned for tourist commercial.

COMMERCIAL PROPERTY, WEST HENDERSON STUDY AREA				
ZONING CATEGORY	DEVELOPED		VACANT	
	ACRES	%	ACRES	%
Neighborhood Commercial (NC)	0.6	0%	450.6	50%
Community Commercial (CC)	31.7	17%	9.5	1%
Tourist Commercial (TC)	146.2	79%	447.4	49%
Office Commercial (CO)	6.1	3%	0.0	0%
Total	184.6	100%	907.4	100%

Source: City of Henderson; Logan Simpson Design; and Ricker|Cunningham

HOUSING & DEMOGRAPHICS

Land use decisions, particularly those that will effectively alter the intent of previously adopted plans, and to the extent possible, should be considered in the context of stated goals and objectives. In the existing Comprehensive Plan, last updated in 2006, planning themes speak to the community's desire for balance, and "include a diverse mix of housing types and neighborhood choices to support the needs of all residents."

What We Heard

- Address pressure to convert non-residential land to residential, as well as incorporate additional residential and recreation products into previously approved projects.
- Connect residential enclaves through vehicular and non-vehicular means in an effort to promote greater efficiencies in service delivery.
- Ensure that West Henderson offers a range of housing product types in order to afford existing residents the opportunity to age in place, and future residents choices that meet a range of lifestyle choices.
- Promote live-work opportunities and redeveloped and urbanized centers as one component of a larger economic development strategy intended to enhance the environment for small businesses and business start-ups.
- Establish design and development standards that emphasize quality, yet allow for creativity and variety in product types and price points.
- Maintain a balance of land uses through established policies so that demand does not disproportionately exceed supply, and values are maintained even during typical market downturns.
- Monitor and improve all areas of the city's economic development "infrastructure" such as competitive wages, recreational amenities, and place-making elements; as well as a diversity of housing options at multiple income levels.



Highlights

- According to the Greater Las Vegas Association of Realtors, in 2013, there were 39,288 single-family units listed for sale in the Las Vegas metro area, of which 32,756, or 83%, were sold. During this same period, 9,405 condominium/townhome units were listed for sale, of which 7,365, or 78%, were sold. These figures suggest a relatively stable relationship between supply and demand. Average prices for single-family home and condominium/townhome sales were \$214,156 and \$130,056, respectively.
- By comparison, there were 5,945 single-family units sold in Henderson in 2013, with an average price of \$267,175 - 25% higher than the metro area. During this same period, 705 condominium/townhome units sold in Henderson, with an average price of \$140,035 - 8% higher than the metro area.
- It appears that while the greatest demand (33%) is for product priced below \$200,000, only 7.2% of new units were priced for this market. Units priced between \$200,000 and \$250,000 represented 48.5% of inventory despite the fact that this product only represented 21.0% of demand.
- Given the existing supply of residential product in the City of Henderson, future residential should serve multiple goals including meeting new types of housing demand, supporting the local work force and reinforcing existing and future commercial centers.
- Generation Y desires a predominantly more urban and less suburban lifestyle; prefers multiple forms of mobility to driving-only; and are less likely to buy their own homes (69% will prefer to rent). Other new ways to think about housing development include active living where housing connects to local amenities and services.
- Existing plans for housing throughout West Henderson should be reevaluated to meet the needs of the current market and future trends, especially regarding density and housing type.

Industry Trends

- Multifamily units will be adapted to provide less space per unit, but larger common areas.
- The growth of generation Y and its impact on real estate is characterized by this generation being more urban and less suburban; preferring multiple forms of mobility to driving-only; and being less likely to buy their own homes (69% will prefer to rent). When asked about the importance of specific community features, gen-Yers ranked the following characteristics highly: a short distance to work and school, walk- ability, proximity to shopping and entertainment, and convenience of public transportation.
- Moderate- and high-income apartment development prospects will remain among the strongest of all sectors in 2014, largely driven by the gen-Y and Baby Boomer segments that will demand units located in fully integrated mixed-use environments.
- Housing prospects for almost all residential property types will increase modestly with the strongest jumps in single-family moderate- and high-income housing. Most attractive housing prospects, for both developers and consumers will be those located in infill and in-town locations, followed by senior housing options.

Economic and Demographic Indicators

Economic and demographic characteristics in the market are indicators of overall trends and economic health which may affect private and public sector development. The following highlights trends which will most directly affect housing development within the City and study area over near- and mid-term.

According to Zillow Real Estate, West Henderson had a population of 6,022 during the first few months of 2014. Among its residents, 12.9% are younger than 20 years, 8.6% are in their 20s, 15.5% in their 30s, 22.5% are between 40 and 60 years, 19.5% are in their 60s and 11.1% are over 70 years.

Among householders in West Henderson, 75.4% are married, 8.3% are single, 9.7% are divorced, and 6.9% widowed. This compares to the City as a whole where 59.9% are married, 23.0% are single, 13.2% divorced, and 4.5% widowed. When considering the unit breakdown, in the study area which is 64.8% single-family and 35.2% condominiums, it becomes apparent that a sizable portion of married residents potentially live in a product other than a traditional single-family detached unit.

Compared to the West Henderson submarket, Henderson's housing inventory has a greater percentage of single-family units at 80.6%, with 16.7% condominiums and 2.7% classified as other. Given relationship statistics in the City, either a sizable number of individuals are living in a traditional single-family home by themselves or with other unrelated individuals. This further suggests that there may be deficits in the City's inventory of product types for individuals who may be seeking something outside of these classifications.

An additional striking aspect of households in West Henderson is the number of households with children. Zillow Real Estate reports that 21.3% of homes in the area have children, resulting in an average household size of 2.2. Comparatively, Henderson has an average household size of 2.6, which is the same as the national average. Again, considering that 75.4% of area residents are married, this indicates there are couples without children. This statistic may be partially explained by a median age in the area of 46 years, as compared to 36 in the City and nation.

Among the housing products in West Henderson, 92% are owner-occupied, while 8% are rentals. Despite the higher number of condominium units, the median home size is larger in West Henderson than the City at-large, at 1,995 square feet and 1,771 square feet, respectively. The average year built of homes in West Henderson is 2008, compared to 1997 in Henderson. This appears realistic since more than 96% of all units in West Henderson were completed after 2000.

Psychographic Profile

Psychographics is a term which describes peoples' psychology, as distinct from physical characteristics. Psychographic analyses identify personality characteristics and attitudes that affect a person's lifestyle and purchasing behavior. Commercial retail developers, in particular, are interested in understanding a community's psychographic profile, as this is an indication of its resident's propensity to spend across select retail categories. The top seven household psychographic segments within the City of Henderson are presented in the table below. Of particular interest is the number of households that would pursue an alternative to a single-family detached unit priced for the entry market if one to be available. Among them New Empty Nesters, Gray Power, Young Influentials, Second City Elite and Brite Lites, Li'l City, which collectively represent nearly one-third of total households.

PSYCHOGRAPHIC PROFILE				
PROFILE GROUP	DESCRIPTION	DEMOGRAPHICS	% OF CITY	HOUSEHOLDS
New Empty Nests	With grown up children; new empty nesters; upper-middle income older Americans who pursue active- and activists-lifestyles; most over 65 years old, but show no interest in a rest-home retirement	Upper-Mid, Age 65+, White, Asian, Mix	7.76%	8,013
Kids & Cul-de-Sacs	Large families in recently built subdivisions; high rate of Hispanic and Asian-Americans; large outlay for child-centered products and services	Upper-Mid, Age 25-44, White, Black, Asian, Hispanic, Mix	3.54%	3,658
Home Sweet Home	Upper middle-class married couples living in mid-sized homes without children; mostly under 55 years; comfortable lifestyles	White	8.45%	8,715
Gray Power	Older, healthier Americans, middle-class, home-owning suburbanites who are aging in place rather than moving to retirement communities	Midscale, Age 65+	3.12%	3,216
Suburban Sprawl	Midscale, singles and couples living in the heart of suburbia; Baby Boomers with decent jobs, own older homes and condos	Midscale, Age 45-64, White, Asian, Hispanic, Mix	3.32%	3,428
Young Influentials	Yuppies; younger, middle-class singles and couples; preoccupied with balancing work and leisure pursuits; live in apartment complexes	Midscale, Age <55, White Collar, Mix	7.19%	7,415
Second City Elite	Prosperous professionals living in satellite cities; own home; half have college degree; prefer cultural activities for entertainment	Upscale, Age 45-64, White, Black, Mix	4.62%	4,768
Brite Lites, Li'l City	Chic sophisticates live in major metro areas; well-off, middle-aged couples; double income, no kids; college-educated and well-paying professional jobs; swank homes	Upscale, Age <55, White, Asian, Mix	6.94%	7,157
Middleburg Managers	Middle-class with solid white-collar jobs or comfortable retirements; own older home	Upper-Mid, Age 45-64, White, Black, Mix	6.28%	6,480
White Picket Fences	Midpoint on the socioeconomic ladder; modest homes and ethnic diversity including largely Hispanics and African Americans	Upper-Mid, Age 25-44, White, Black, Asian, Hispanic, Mix	2.97%	3,062
Sunset City Blues	Live in older neighborhoods; lower-middle-class singles and couples who have retired or are getting close; empty nesters with modest homes	Lower-Mid, Age 55+, White, Black, Mix	3.47%	3,585

Source: Claritas, Inc. and Ricker|Cunningham.

Residential Supply

While multifamily building permits remained comparatively steady since 2008, the first official year of the Great Recession, single-family building permits fell off consistently, with a modest increase realized in 2012.

Among existing single-family units sold in the Las Vegas metro area in the first few months of 2014, 16.3% were in Henderson, a 13.5% drop over last year. Among those units, the average sale price was \$313,350, a 22.0% increase over 2013, and 139.3% of the metro area average price. Condo and townhome sales among existing units in Henderson during this same period represented 16.3% of the metro area market, similar to last year’s ratio. The average sale price of attached units in Henderson was \$140,035, a 16.5% increase over the 2013 figure, and 96.4% of the metro area average price.

Despite relatively low sales rates among existing units in the Henderson market, new unit sales among both single-family and condo and townhome units during 2013 totaled 1,080 and 136, respectively. The average sale price among new single-family units was \$295,296, 94.2% of the average price of existing home sales. The average price among condo and townhome units during this same period in Henderson was \$195,537, 139.6% of the average price of existing attached sales.

According to the Greater Las Vegas Association of Realtors, in 2013, there were 13,624 single-family units listed for sale, of which 14.7% sold, and 3,561 condo/townhome units were listed for sale, of which 14.3% sold. These figures suggest a 6.8-year supply of existing single-family units and a 7-year supply of condo/ townhome units.

Given the sales rate among new versus existing units in the Henderson market among both product types, but particularly single-family detached units given the marginally lower average sale price coupled with the increasing number of building permits; there exists the potential for a sustained and significant level of existing available units. With competition from new product, existing homes will likely depreciate at a disproportionately high rate.

Residential Demand

Demand for new residential units is primarily a factor of the growth in income-qualified households within a trade area. Projected 20-year demand of West Henderson household growth is estimated at approximately 6,200 detached single-family units, 4,100 single-family attached units and 6,600 rental units.

It appears that while the greatest demand or 33% is for product priced below \$200,000, only 7.2% of new units were priced for this market. Units priced between \$200,000 and \$250,000 represented 48.5% of inventory despite the fact that this product only represented 21.0% of demand.

HOUSING INVENTORY, EXISTING		
HOUSING INDICATOR	SINGLE-FAMILY	CONDO/ TOWNHOME
Las Vegas Metro Area		
Total Units Listed	39,288	9,405
Average List Price	\$254,648	\$154,471
Total Units Sold	32,756	7,365
Average Sale Price	\$214,156	\$130,056
Henderson		
Total Units Sold	5,945	705
Average Sale Price	\$267,175	\$140,035

Source: Greater Las Vegas Association of Realtors & Ricker|Cunningham.

NEW HOME SALES, 2013			
HOUSING INDICATOR	SINGLE-FAMILY	CONDO/ TOWNHOME	TOTAL
Las Vegas Metro Area			
Total Homes Sold	6,412	442	6,854
Average Sale Price	\$286,406	\$406,824	\$294,171
Henderson			
Total Homes Sold	1,080	136	1,216
Average Sale Price	\$295,296	\$195,537	\$284,139

Source: Hanley Wood and Ricker | Cunningham.

HENDERSON HOME SALES, 2013				
HOUSING INDICATOR	SINGLE-FAMILY	CONDO/ TOWNHOME	TOTAL	% OF TOTAL
Home Sales By Price Range				
Less than \$200,000	69	18	87	7.2%
\$200,000 to \$250,000	473	117	590	48.5%
\$250,000 to \$300,000	116	0	116	9.5%
\$300,000 to \$350,000	55	0	55	4.5%
\$350,000 to \$400,000	221	1	222	18.3%
\$400,000 to \$450,000	42	0	42	3.5%
\$450,000 and over	104	0	104	8.6%
Total	1,080	136	1,216	100.0%

Source: Hanley Wood and Ricker | Cunningham.

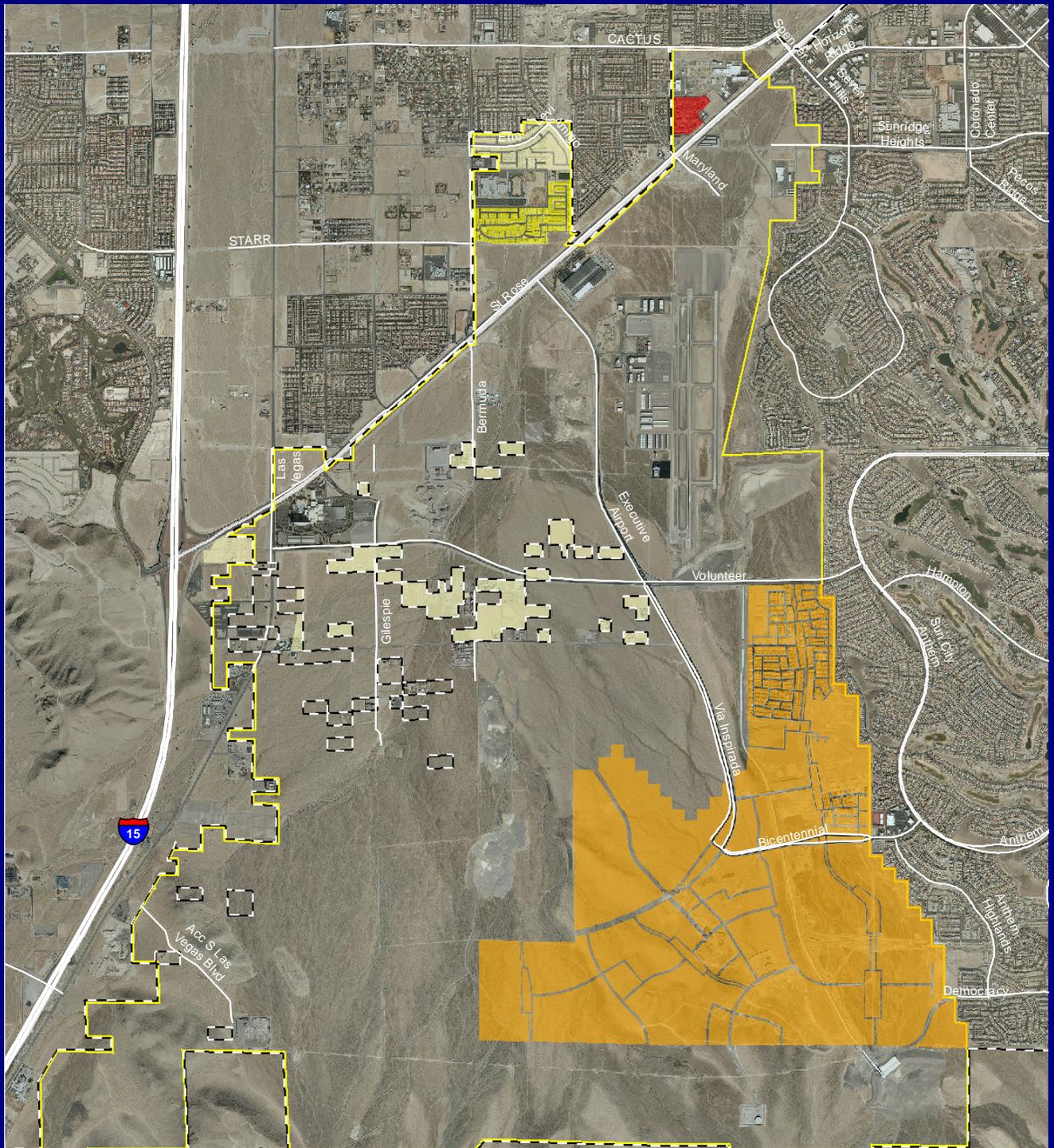
RESIDENTIAL BUILDING PERMITS, CITY OF HENDERSON							
UNIT TYPE	2008	2009	2010	2011	2012	2013	6-YR. AVG.
Single-Family	1,063	491	700	752	1,117	1,274	687
Duplex/Triplex	18	37	0	0	28	12	14
Multifamily	397	749	68	368	432	382	336
Total	1,478	1,277	768	1,120	1,577	1,668	1,037

Source: U.S. Census Bureau and Ricker | Cunningham.

Available Land

Currently, the West Henderson Study Area includes approximately 1,900 acres of residentially-zoned land, of which approximately 170 acres is already developed, leaving 1,730 acres vacant. The map on the following page shows currently zoned land by residential or related category. As shown, 53% of the residentially developed property in the study area is zoned Planned Development, and 98% of the residentially zoned vacant property. An obvious benefit of this zoning classification is the flexibility it affords developers so that they can capitalize on market opportunities and changing conditions. Its limitations are in the lack of predictability offered the City in terms of long-range planning and service impacts.

RESIDENTIAL PROPERTY, WEST HENDERSON STUDY AREA				
ZONING CATEGORY	DEVELOPED		VACANT	
	ACRES	%	ACRES	%
Low Density Residential	29.0	17%	15.0	1%
Medium Density Residential	33.2	19%	13.7	1%
High Density Residential	18.2	11%	0.0	0%
Planned Community	90.2	53%	1,668.8	98%
Total	170.6	100%	1,697.5	100%



- High Density Residential
- Medium Density Residential
- Low Density Residential
- Planned Community
- Study Area



LOGAN SIMPSON DESIGN INC.
Date: 6/30/2014

SINGLE-FAMILY

ANNUAL HOUSEHOLD INCOME RANGE	APPROX. HOME PRICE RANGE	TRADE AREA FOR-SALE DEMAND (INCOME \$15K+)	ESTIMATED % SINGLE-FAMILY	DEMAND	WEST HENDERSON CAPTURE RATE	WEST HENDERSON CAPTURE (UNITS)
Single-Family Attached						
\$15-25K	\$75 to \$100K	441	35%	154	55%	85
\$25-35K	\$100 to \$150K	662	35%	232	55%	127
\$35-50K	\$150 to \$200K	1,545	35%	541	55%	297
\$50-75K	\$200 to \$250K	5,793	35%	2,028	55%	1,115
\$75-100K	\$250 to \$350K	4,635	35%	1,622	55%	892
\$100-150K	\$350 to \$500K	4,635	35%	1,622	55%	892
\$150K and up	\$500K and up	3,384	35%	1,184	55%	651
Attached Totals		21,096	35%	7,383	55%	4,061

Single-Family Detached						
\$15-25K	\$75 to \$100K	441	65%	287	45%	129
\$25-35K	\$100 to \$150K	662	65%	430	45%	194
\$35-50K	\$150 to \$200K	1,545	65%	1,004	45%	452
\$50-75K	\$200 to \$250K	5,793	65%	3,766	45%	1,695
\$75-100K	\$250 to \$350K	4,635	65%	3,013	45%	1,356
\$100-150K	\$350 to \$500K	4,635	65%	3,013	45%	1,356
\$150K and up	\$500K and up	3,384	65%	2,200	45%	990
Detached Totals		21,096	65%	13,712	45%	6,170

Note: Assumes condo/ townhome development stabilizes at 35% of all ownership demand
 Source: U.S. Census; Claritas, Inc.; and Ricker|Cunningham.

RENTAL APARTMENTS

ANNUAL HOUSEHOLD INCOME RANGE	APPROXIMATE RENT RANGE	TRADE AREA RENTAL DEMAND (INCOMES \$15K+)	WEST HENDERSON CAPTURE RATE	WEST HENDERSON CAPTURE (UNITS)
\$15-25K	\$375 - \$625	2,501	55%	1,376
\$25-35K	\$625 - \$875	2,648	55%	1,457
\$35-50K	\$875 - \$1,000	3,605	55%	1,983
\$50-75K	\$1,000+	1,931	55%	1,062
\$75-100K	\$1,000+	515	55%	283
\$100-150K	\$1,000+	515	55%	283
\$150K and up	\$1,000+	294	55%	162
Totals		12,010	55%	6,605

Source: U.S. Census; Claritas, Inc.; and Ricker|Cunningham.

TRANSPORTATION & INFRASTRUCTURE

An efficient and sustainable transportation and infrastructure network is key to a successful community. Currently, West Henderson is mostly undeveloped. A few roads cut through the northern part of the subarea, namely Volunteer Boulevard and Executive Airport Drive. However, West Henderson is situated opportunistically, with I-15 running along the western edge and St. Rose Parkway to the north. With nearly a clean slate, outlining a transportation and infrastructure plan that includes all modes of transportation and integrates land use will create an enriched economic environment and community.

“Strengthen the connectivity and accommodate and balance the needs of all modes.”



Residential land use development in the Las Vegas Metro area has grown extensively over the last decade. The main form of development has been in the form of master planned communities. These residential developments separate retail from housing by gates and often include wide streets, which discourage walkability and bikeability. The West Henderson Land Use Plan Update will strive to identify opportunities to improve the vibrancy of key corridors and the integration of transportation and land use.

What We Heard

- Address lack of infrastructure and appropriate level of water storage.
- Capitalize on the future interchanges at Starr and Sloan Roads.
- Provide a transportation corridor/ connection to the south.
- Focus on a layered and fine grained transportation system, address master plans' lack of connectivity, and limit use of circuitous routes.
- Comprehensively plan for infrastructure, stormwater facilities, utilities, and communications.
- Adjust typical roadway standards to include conduit banks, utilize complete streets standards, and address interim construction requirements.
- Address Via Inspirada's future transit connections to Inspirada Town Center.
- Provide transit connections to Cadence, the M Resort, and Lake Las Vegas.
- Plan areas for maintenance facilities, municipal services, schools.
- Create new funding models to construct infrastructure and emergency/ police services.
- Minimize water usage and direct drainage to existing washes.
- Plan for trail connectivity including an east-west connector using topography and washes as an advantage.
- Incorporate complete streets.
- Address efficient and safe transportation at school sites.
- Create interim requirements for streets and trails.



Highlights

- The 2011 Master Streets and Highways Plan lays out a basic plan for major roads through West Henderson.
- A layered and fine grained network with connections to neighboring communities is essential. West Henderson has the opportunity to exceed the 58.5 intersections per square mile of neighboring master-planned communities, and achieve a best practice recommendation of 100 intersections per square mile.
- Bicycle and pedestrian facilities should be incorporated as a way to commute as well as for recreation. At a current city service level of 0.4 miles/ 1000 residents, West Henderson has the opportunity to provide an additional 23 miles of recreational trails.
- Quality public transit should be available to all residents and employees of West Henderson and connected to the established RTC system, especially BRT.
- Schools, parks, police and fire services, water and wastewater lines should be included in the transportation and infrastructure plan.

Overview

Transportation planning and design efforts that currently exist include a West Henderson Transportation Study completed by the Regional Transportation Commission (RTC), a Master Bike and Trails Plan, Master Streets and Highways Map, and a Trail and Watershed Mapping Project. The City's Department of Utility Services is also working to complete an updated Backbone Infrastructure Master Plan at this time.

In coordination with RTC, the West Henderson Transportation Study was updated in February 2011. The plan identifies four challenges that future transportation development will face. High volumes of regional traffic pass through West Henderson as a gateway to the Las Vegas Metro area.

Certain constraints such as freeways, existing development, and topography present barriers to transportation connectivity. Roads and facilities should be developed with a multimodal focus and integrate with existing transit, pedestrian, and bicycle infrastructure. Finally, the Transportation Study provides three alternatives to solving the challenges.

Challenges identified by the West Henderson Transportation Study are:

Issue 1: Balancing Regional and Local Mobility Needs

Issue 2: Minimizing Barriers and Improving Network Connectivity

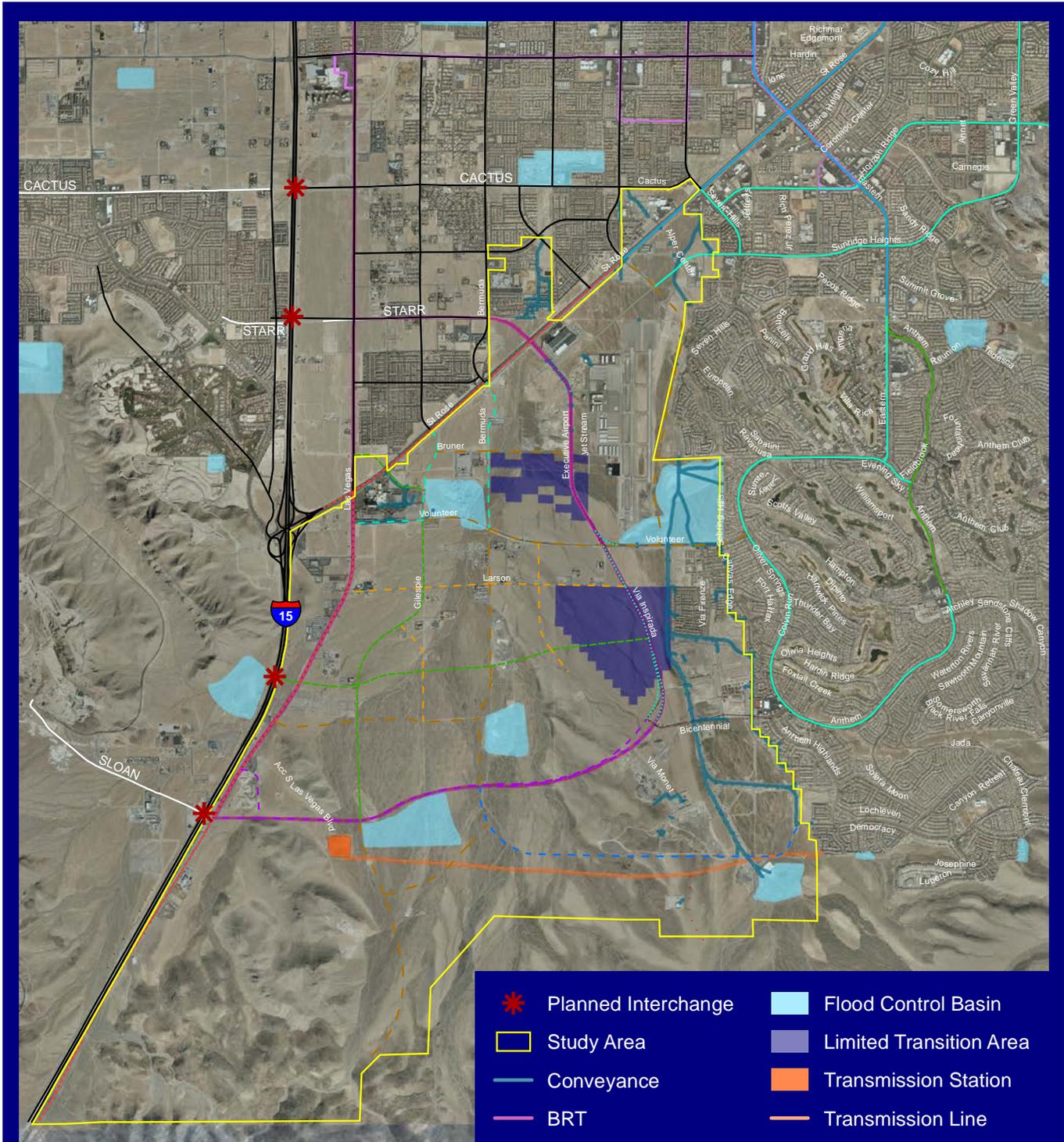
Issue 3: Balancing Mobility Needs, Mobility Options, and Strong Connectivity

Issue 4: Enabling Livable Communities

The solutions to these issues are to strengthen the grid network, provide facilities to augment primary travel corridors, accommodate and balance the needs of all modes, and incorporate context-sensitive design.

The Master Streets and Highways Plan was completed in 2011. Future transportation and infrastructure development should integrate with this plan. While this plan outlines the beginnings of a connected, grid network, the future roadway system could be further refined to increase connectivity.

In February 2014, the Henderson City Council adopted an updated Bicycle and Trail Master Plan. There are a few existing shared-use paths, all on the outskirts of the study area. However, the Master Plan has planned for an extensive bicycle and trail network in the future.



Transportation and Infrastructure

- | | | | |
|---|--|-----------------------------------|-----------------------------------|
| — 260' Street Section | 166' Street w/ Transit (SW Henderson) | - - - 150' Street (SW Henderson) | — 100' Street Primary Arterial |
| - - - 194' Street (SW Henderson) | 166' Street w/ Transit - Ex Air (SW Henderson) | - - - 136' Street (SW Henderson) | — 80' Street (Secondary Arterial) |
| - - - 178' Street w/ Transit (SW Henderson) | 154' Major Arterial (SW Henderson) | — 120' Street (Controlled Access) | — County Streets |
| - - - 166' Street No Transit (SW Henderson) | 154' Street (SW Henderson) | — 120' Street (w/ Bike Lane) | |
| | | - - - 110' Minor Arterial | |

- | | |
|-----------------------|---------------------------|
| ★ Planned Interchange | ■ Flood Control Basin |
| □ Study Area | ■ Limited Transition Area |
| — Conveyance | ■ Transmission Station |
| — BRT | — Transmission Line |
| — Bus Route | |

0 0.5 1 Miles

LOGAN SIMPSON DESIGN INC.
 Date: 5/7/2014

Henderson has a history of providing walkable neighborhoods. Through the Federal Highway Administration's Safe Routes to Schools Program, the City has been awarded funding to construct safety improvements and create programs to help kids walk and bike to school. Twenty-five schools in Henderson have Safe Routes to School programs. Schools built in West Henderson should provide safe walking and bicycling routes connecting residential neighborhoods.

Infrastructure Overview

Current infrastructure in West Henderson includes flood control basins, channelized drainages, a regional power transmission line and sub station.

Within West Henderson there are two currently constructed flood control basins. One is located just southeast of the Henderson Executive Airport; the other at the extreme southeast corner of the study area. A proposed detention basin south of St. Rose Parkway is presently under design and is planned for construction in three years. Two other additional detention basins in southern West Henderson are proposed, although no construction date has been set.

Flood infrastructure planning throughout the region is coordinated by the Clark County Regional Flood Control District. The District is responsible for developing a master plan, regulating land use in flood hazard areas, and funding and coordinating the construction of flood control facilities. In 2013, they completed a Master Plan Update for the Las Vegas Valley, which includes West Henderson.

The Backbone Infrastructure Plan is currently being updated by the City of Henderson.



PARKS, RECREATION, TRAILS & OPEN SPACE

Henderson’s parks, recreation facilities, open space, and trails are essential quality of life amenities for its residents. The City Parks and Recreation Master Plan sets a precedent for parks and recreation across the City. Given the limited development to date in West Henderson, parks, trails, and recreational amenities are not a prominent part of the landscape. Overall, however, the City has an award-winning parks and recreation program and new parks and recreation facilities will be developed in West Henderson as development occurs and in accordance with adopted standards.

West Henderson provides an opportunity to develop an integrated parks and open space system, one that meets community needs for parks, trails, and recreation facilities while also providing ecological benefits. Protected open space and parks provide habitat for wildlife; stormwater collection and filtration; and protection of sensitive terrain, such as steep slopes. According to recent studies completed by The Trust for Public Lands, parks, open space, and trails benefit the health of the residents and the local economy. People and employers are attracted to locations that offer proximity and access to parks and open space.

“The City’s goal is to provide access to a park within a half mile of all residential units.”

What We Heard

- Utilize and build on the 2005 Open Space and Trails Plan and the Desert Edge Study goals and recommendations, and integrate and buffer the Sloan Canyon National Conservation Area (SCNCA).
- Plan for recreation facilities, and unique and different types of parks. Incorporate park and trail amenities within a 1/2-mile distance from every resident.
- Plan for trail connectivity including an east-west connector, and use topography and washes as an advantage.
- Leverage future funds made available through Southern Nevada Public Land Management Act (SNPLMA).
- Keep washes naturalized.
- Address challenges with topography.
- Utilize the endowment created for a visitor center at SCNCA.
- Satisfy the 5.5 acres/1,000 residents standard



Highlights

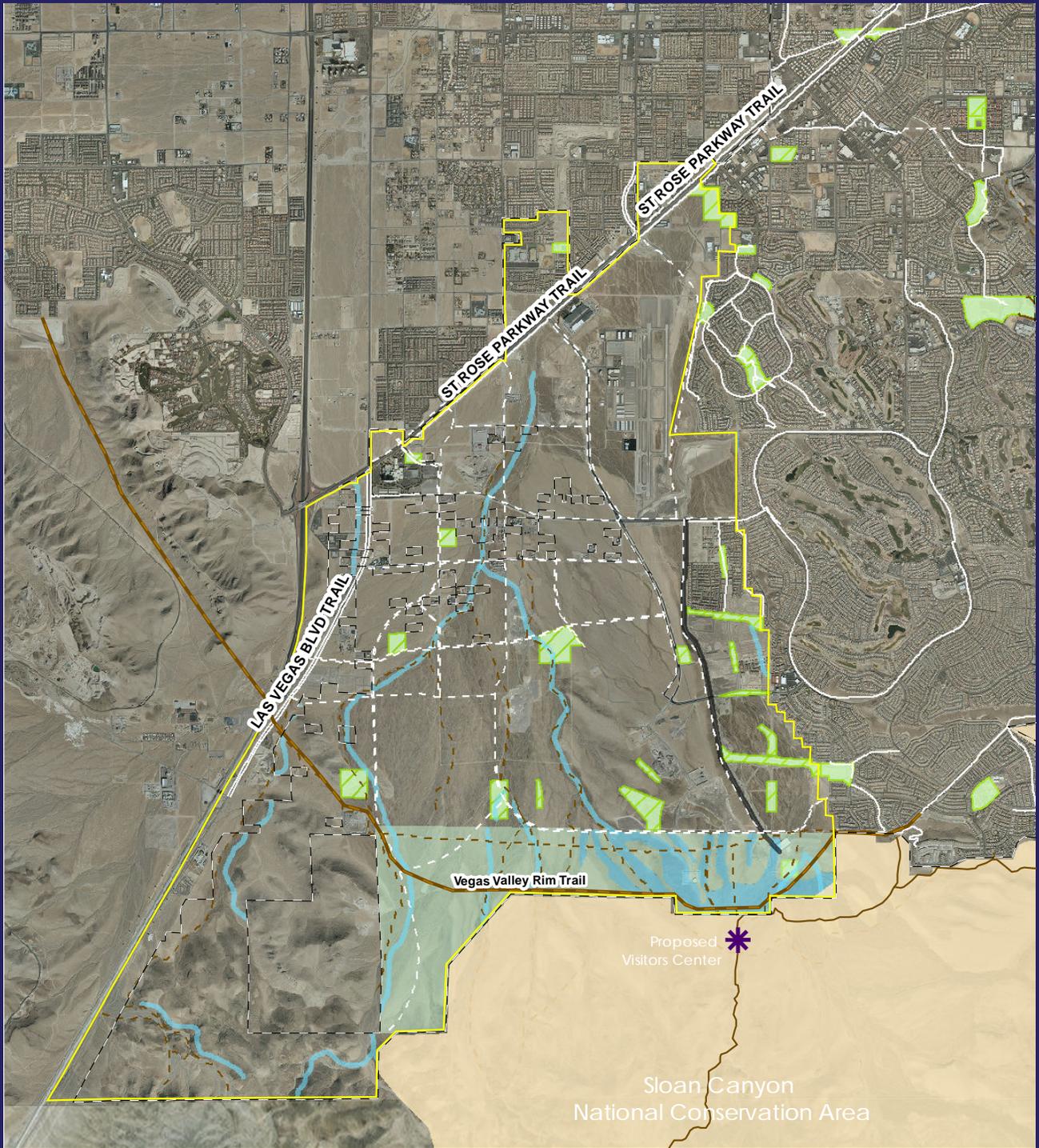
Recommendations from previously completed studies in the City of Henderson that are related to parks and recreation should be the primary factor in the location and amount of developed parks, recreation, open space, and trail amenities in West Henderson; including the 2005 Open Space and Trails Plan, the 2009 Parks and Recreation Master Plan and the Desert Edge Study.

Two parks located in the Inspirada Community, Capriola and Potenza, are currently under construction and will open in Fall 2014. West Henderson provides a unique opportunity to develop an integrated parks, trails, and open space system that builds upon the subarea's proximity to Sloan Canyon National Conservation Area (SCNCA) system of natural washes, and planned regional trails such as the Vegas Valley Rim Trail.

- The desert edge adjacent to Sloan Canyon should be protected and the opportunities created by visitation to a future visitor center should be recognized.
- Trails should connect neighborhoods to employment centers and tie in with regionally planned trails, including the St. Rose Parkway and Vegas Valley Rim Trail.
- The City of Henderson Parks and Recreation Plan establishes park standards that should be followed in West Henderson. West Henderson can work to meet and exceed this goal.
- The Inspirada Master Planned Community will add 75 acres of park and recreation facilities to West Henderson at build out.
- As of the 2008 inventory, Henderson had 2.78 acres of parks per 1,000 people. The City has set a standard of 5.5 acres per 1,000 residents in the current Parks and Recreation Plan.

PARK LAND STANDARDS		
FACILITY/AMENITY	UNITS	POP.
Neighborhood Park	1.75 acres	1,000
Community Park	2.75 acres	1,000
Natural Resources (Greenways)	1 acre	1,000
Trails (All Surface Miles)	.37 miles	1,000
Recreation Center	1.5 square feet	Person
Aquatic Center	.25 square feet	Person
Dog Park	1 site	30,000
Skate Park	1 site	40,000





Current and Proposed Park, Recreation and Trail Amenities

Trail Type and Status

- PAVED, EXISTING
- - - PAVED, FUTURE*
- SOFT SURFACE, EXISTING
- - - SOFT SURFACE, FUTURE*

- Proposed Rim Trail
- Channelized Drainage
- Conserved Washes

*Trails outside of City of Henderson subject to change.

- Desert Edge Transition
- Existing Park
- Proposed Park

- Study Area
- City Limits



LOGAN SIMPSON DESIGN INC.
Date: 6/20/2014

Overview

Although parks, trails, and recreation amenities are not a prominent part of the current landscape in West Henderson, the City has a well-developed parks and recreation program. The City of Henderson completed a Parks and Recreation Master Plan in April 2009. A survey completed for the plan identified a park visitation rate of 81% across the City, which is higher than the national average of 72%.

One neighborhood park, Solista Park, exists along Via Firenze Road at Volunteer Boulevard. The five-acre Solista park has a playground, picnic area with BBQ areas, and open lawn. Within the Inspirada Master Planned Community, which is proposed in the east part of West Henderson, 7 other parks are proposed for development. Ranging from 5 to 20 acres, a total of over 75 acres of parkland are planned.

Approximately eight miles of existing shared-use or sidewalk trails run through the subarea, namely the St. Rose Parkway Trail. The currently-adopted future land use plan includes approximately 130 acres for future parks and recreation facilities.

Park standards, as defined in the Parks and Recreation Master Plan, show a need for more facilities throughout the City based on current and future population projections. As of the 2008 inventory, Henderson had 2.78 acres of parks per 1,000 people. The City has set a standard of 5.5 acres per 1,000 residents which includes community and neighborhood parks, as well as greenways. Additional development in West Henderson should meet or exceed these standards. The City has a goal of providing access to a park within a half mile of all residential units.



Desert Edge and Neighboring Opportunities

The BLM administers the majority of land to the south and west of West Henderson. Bordering the southern edge of West Henderson is the SCNCA. Spanning 48,000 acres, the SCNCA offers distinctive geologic features, cultural resources and volcanic rock peaks. The area is known for historic petroglyphs. Hiking trails can be found throughout the SCNCA with equestrian and biking uses allowed on some trails. The North McCullough Wilderness sits within the SCNCA. All motorized recreation, as well as mountain biking, is prohibited in the Wilderness area.

Building on the momentum of the Open Space and Trails Plan, the City of Henderson created conservation development strategies for 700 acres of land identified for auction by the BLM with the goal of an interconnected system of protected desert environments with parks, off-street trails, and open spaces to enhance the City's unique image and sense of place. The study area supports undisturbed special status animal and plant species, natural washes, and panoramic vistas of the City. Most importantly, the 700-acre parcel is immediately adjacent to the Sloan Canyon Rock Art Site and the future SCNCA Visitor Center on the southern edge of the West Henderson Study Area.

In addition to the recreational opportunities within the project area, West Henderson is ideally situated to be a part of the Vegas Valley Rim Trail, a planned 100+ mile trail encircling the Las Vegas Valley. The trail will connect the SCNCA, Red Rock Canyon National Conservation Area, Desert National Wildlife Refuge, Nellis Dunes Recreation Area, and Lake Mead National Recreation Area and will border the southern edge of the City of Henderson.