Economic Development Planning, Summary 30

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Title: I-11 and Intermountain West Corridor Study: Corridor Justification Report

Year: 2013

Source: CH2MHILL and AECOM in association with HDR, Inc., ESI Corporation, and Partners for Strategic Action, Inc.

Prepared for: Arizona Department of Transportation and Nevada Department of Transportation

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Website: i11study.com

Summary: The interstate network linking Phoenix and Las Vegas is poor, the weakest of any U.S. megapolitan cluster. Construction of a high-speed transportation corridor (Interstate I-11) between Phoenix and Las Vegas is vital in view of their growing populations, opportunities in global trade and an aging and underdeveloped transportation infrastructure.

The potential exists to extend I-11 north from Las Vegas to Canada, and south from Phoenix to Mexico, creating an Intermountain West Corridor and further boosting economic growth. A corridor stretching north and south through the Intermountain West would promote freight linkages among cities, future inland ports and commercial centers, deep-water ports in California and Mexico, and intersect interstate highways and railroads.

Significantly, I-11 would further integrate the economies of the Southwest Triangle megaregion (Southern California, Sun Corridor, and the Greater Mohave Region centered around Las Vegas). The study examines four future scenarios to assess the potential impact of future economic growth on the Phoenix-Las Vegas region, including continued growth in Asia Pacific trade, expansion of trade with Mexico...
(nearshoring), and the full realization of economic development plans by Arizona and Nevada.

Building I-11 would position Phoenix and Las Vegas as major logistics centers in the Southwest, similar to the roles that Atlanta and Dallas-Fort Worth perform in their regions. The proposed interstate would enable Arizona and Nevada to better compete in the global economy, and facilitate trade and tourism travel between Arizona and Nevada.

**Sectors:** Infrastructure, including interstate highways, inland ports, airports, railroads, telecommunications, and deep-water ports.

**Geographic impact:** Arizona, Nevada, Intermountain West, Canada, and Mexico.

**Key actors:** Arizona Department of Transportation, Nevada Department of Transportation, Federal Highway Administration, Arizona Commerce Authority, Maricopa Association of Governments, Federal Railroad Administration, Regional Transportation Commission of Southern Nevada (Las Vegas), Pima Association of Governments (Tucson), Regional Transportation Commission of Washoe County (Reno), Arizona Legislature and governor, Nevada Legislature and governor, Inter-Tribal Council of Arizona, Inter-Tribal Council of Nevada, business communities in Arizona and Nevada, state Departments of Transportation for California, Idaho, Oregon, and Washington, Environmental Protection Agency and U.S. Departments of Defense, Agriculture, Interior, and Commerce, and Metropolitan Planning Organizations and Councils of Government within the corridor’s influence area.

**Major challenges:** Congress has designated the US 93 Corridor between Phoenix and Las Vegas as the future I-11. However, no funding exists for construction of a future I-11 and the idea remains fairly conceptual. Estimates of the cost of the entire multistate corridor are as high as $30 billion to $40 billion, with the federal government and state programs providing funding. However, there has been speculation about tolls.

Construction could take decades based on other projects in the West and the level of potential environmental impacts. Stakeholders will have to build political support in Arizona, Nevada and well beyond to secure federal funding, and/or identify other sources of funding, including possibly tolls.

The best route(s) to build I-11 also need to be identified as part of a complex process that will also require numerous studies on design, alignment, the environment, land use and safety.

**Progress to date:** The Arizona Department of Transportation and Nevada Department of Transportation are in the midst of a two-year long study exploring whether construction of I-11 as part of an Intermountain West Corridor would be a wise investment.
The project is entering its second phase following the release of a draft report in July, 2013 that supports construction of an interstate between Phoenix and Las Vegas for reasons of economic development, adding north-south capacity and improving connections to other regions. The second report will identify and evaluate alternatives, and recommend a preferred corridor(s) for further consideration. Future analyses will also delve into environmental issues, the potential economic impact of the corridor and the economic value of the project to government agencies.

**Major implications:** I-11 and the Intermountain West Corridor have the potential to facilitate and shape trade patterns and related economic development in the western United States. They could greatly improve commerce, tourism, and international trade opportunities across the West.

Ultimately, the network is envisioned as a major multimodal corridor stretching from Mexico to Canada, with the key link speeding the movement of goods and people between Phoenix and Las Vegas. From a global standpoint, I-11 and the Corridor would strengthen the Southwest Triangle’s linkages to the world’s fastest emerging economies in both Asia and Latin America.

**Opportunities for alignment:** With Arizona and Nevada transportation officials working together, the way is open for business and community leaders, private freight operators, councils of government, chambers of commerce, and local, state and federal lawmakers, among others, from both states to marshal their talents to build support for construction of I-11 and the Intermountain West Corridor.

As the project proceeds, it could involve the state Departments of Transportation for California, Idaho, Oregon, and Washington, and various planning organizations in the corridor. If the highway reaches Canada and Mexico, partners could include Transport Canada and the British Columbia Ministry of Transportation, and in Mexico the state of Sonora Department of Infrastructure and Urban Development, and Secretariat of Communications and Transportation.

**Background:** The concept of a high-capacity interstate connecting the metropolitan areas of Phoenix and Las Vegas, with connections further north and south, has been around for decades. The first part of a two-phase study lays the groundwork for constructing a four-lane interstate between Phoenix and Las Vegas.

Beyond the Phoenix-Las Vegas link, it’s envisioned that a Southern Arizona segment would run from Mexico to Casa Grande, which in turn would run through greater Phoenix to Wickenburg and then link to Las Vegas. The Northern Nevada segment would connect Las Vegas to Canada, with possible routes to be studied down the road. The next phase of the study will look at the best potential routes to build a highway between Phoenix and Las Vegas.
Among the key reasons for planning to build I-11 between Phoenix and Las Vegas and proceeding with the next phase:

- Transportation is a key part of economic development.
- The surface transportation system between Phoenix and Las Vegas is inadequate, hampering the movement of goods and people.
- The economies of the Southwest Triangle (Southern California, Sun Corridor, and Las Vegas) would be brought closer together.
- The growing role of Mexico in manufacturing and trade with North America will potentially boost economic growth and increase the shipment of goods to and through Arizona.
- Economic development initiatives launched by Arizona and Nevada, including a focus on aerospace, life sciences and high-value manufactured goods, will require high-quality highways to move raw materials, finished products, and workers.
- Over the planning horizon of the study, growing traffic will result in unacceptable levels of congestion on highways in Arizona and Nevada, posing a threat to economic competitiveness.
- Congress has already recognized the importance of the I-11 and Intermountain West Corridor through its designation of I-11 as a future interstate between Phoenix and Las Vegas, and previous designation of CANAMEX as a high-priority corridor.

Southwest Triangle Megaregion

The Southwest Triangle is home to nearly 30 million people and consists of three main centers: Southern California, with more than 20 million residents from San Diego to Santa Barbara; the Sun Corridor, home to nearly 6 million mostly in the Phoenix and Tucson metropolitan areas; and the Greater Mohave Region around Las Vegas.

Each of the regions has major international airports. The area has two of the nation’s 10 busiest air corridors: Los Angeles-Las Vegas and Los Angeles-Phoenix. Ground-based transportation includes several major interstates, but the system represents the weakest connectivity of any megaregion, notably between Phoenix and Las Vegas. There is no passenger rail capacity, though Las Vegas and Southern California are studying a proposed high-speed rail system to connect their regions. Logistics, healthcare, entertainment, tourism, and technology are among the Southwest Triangle’s interdependent economic sectors.

The region is on a path to become the American region with the strongest connections to the fast emerging economies of Asia and Latin America. The ports in Los Angeles and Long Beach handle huge amounts of international trade, with the majority of these goods being moved on California’s congested freeways for distribution across the U.S. I-11 and the Intermountain West Corridor would
provide an ideal trade corridor, particularly for Mexico, linking to the Los Angeles and Long Beach ports. Right now, the lack of connections and transportation infrastructure in the Triangle makes Texas border points more attractive to Mexico in shipping freight.

**Moving goods and people**

With no direct interstate between Phoenix and Las Vegas, several non-interstate highways are used to move goods and people between the two cities. US 93 is the primary route for travel between the cities. The segment of US 93 between Wickenburg and Las Vegas has been designated by Congress as a future interstate, or I-11. Arizona and Nevada have worked together to transform US 93 into a higher-capacity roadway, constructing the Hoover Dam Bypass and making improvements on both sides of the bridge.

Trucks transport about 75 percent of freight by value in Arizona and Nevada. Over the next 25 years, exports to Mexico are expected to be the fastest-growing freight sector in both states. Congestion is expected to increase in the future, particularly in and around Phoenix, Wickenburg, Kingman, Boulder City, and Las Vegas. Developing a new north-south corridor through Nevada and Arizona could help relieve freight congestion on California’s I-5, one of only two north-south interstate routes west of Texas.

**Possible future economic scenarios**

Between now and 2040, the Intermountain West will experience significant sustained economic growth and travel demand, based on four possible economic scenarios. Each of the scenarios envisions continued economic growth, with the Phoenix-Las Vegas areas adding up to 500,000 people and 240,000 employees over the next 25 years.

The Baseline Scenario serves as the background against which the other three scenarios can be compared. Under the Baseline Scenario, 28 percent of the transportation corridors analyzed show unacceptable congestion in 2040. Phoenix and Las Vegas will continue to be congested, despite programmed improvements, and many rural segments will begin to experience congestion. Total economic output in Arizona and Nevada is estimated at $911 billion in 2040.

Under the growth in Asia Pacific trade scenario, West Coast ports reach capacity by about 2020, requiring additional capacity. It’s assumed that Mexican ports will add capacity, shipping some of their goods through Arizona and north via the Intermountain West corridor. The current trend of trade with Mexico would continue. The shipment of goods within the region is estimated to increase by up to 20 percent. By 2040, the total economic output in Arizona and Nevada is projected to increase by $13 billion to $26 billion for a total of $924 billion to $937 billion (1.4 percent to 2.8 percent). About 34 percent of transportation corridors are expected to be unacceptably congested, up 6 percent from the baseline. Construction of the I-
11 corridor would alleviate this, although the relief would depend on the route’s specific configuration.

The scenario that envisions trade with Mexico expanding assumes that Asia Pacific manufacturing will flatten with a significant growth in manufacturing in Mexico as a result of nearshoring, or the moving of manufacturing from Asia to Mexico. Total economic output in Arizona and Nevada would increase about $17 billion to $42 billion for a total of $928 billion or $953 billion annually (1.8 percent to 4.3 percent). Up to 43 percent of transportation corridors would have unacceptable congestion, an increase of 15 percent from the Baseline scenario. Construction of the I-11 and Intermountain West Corridor would alleviate this, although the specific relief would depend on the route’s alignment.

The fourth scenario assumes that Arizona and Nevada are able to realize their major economic development goals, which are based on increasing trade with Mexico and Canada, and developing industry-based clusters. For Arizona, gains are expected in transportation and logistics, manufacturing, healthcare, and professional services.

For Nevada, gains are expected in mining, transportation and logistics, and manufacturing. Many of the industry clusters depend on a robust transportation system. The economic effects of this scenario are more modest, with the total economic output estimated to increase $8 billion to $16 billion for a total of $919 billion to $927 billion. About 34 percent of transportation corridors would be unacceptably congested, a condition alleviated by construction of I-11 and the Intermountain West Corridor.

**Next steps**
The second half of the study will ultimately recommend a preferred corridor(s) for consideration. It will include further analysis to validate the scenarios, drafting of a business case to better understand the potential economic impact on Arizona and Nevada, and creation of an implementation plan will delineate what’s needed to develop the corridor.