

# Las Vegas: past, present and future

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## Abstract

**Purpose** – *The purpose of this paper is to better understand the dramatic transformation of Las Vegas from a local watering hole to a world renowned entertainment city, and to offer predictions of what this ever-changing city might become in the future.*

**Design/methodology/approach** – *A series of turning points in Las Vegas' history are presented in a chronological manner, highlighting how external forces have played a role in shaping the city into what it is today. These external forces are then used as the underlying reasoning for a series of scenarios, signposts informing predictions detailing what might happen to Las Vegas in the future.*

**Findings** – *The development of Las Vegas has been influenced by a wide range of external factors, from geology, government, organized crime, business visionaries, large corporations and the economy. The continued influence of these factors could lead to drastically divergent outcomes from the loss of the city to a new golden age.*

**Originality/value** – *This paper identifies turning points that have helped to shape the development of Las Vegas, and in doing so encourages researchers to consider future scenarios grounded in the underlying dynamics of the turning points.*

**Keywords** *Scenarios, History, Future studies, Las Vegas, Turning points*

**Paper type** *Research paper*

In his music video, “24K Magic,” Popstar Bruno Mars arrives in Las Vegas via private jet, stays in luxurious resorts, parties in nightclubs, gambles in opulence and even rides a jet ski across the Bellagio fountains, all while surrounded by beautiful women. In the music video Bruno Mars is living the dream that many imagine when they think of Las Vegas, or as it unofficially also known as, “Sin City” where “What happens in Vegas, stays in Vegas.” It is a dream of unbridled opulence and excess, an invitation to a never-ending party, a luxurious experience for those consumers with increased wealth (Yeoman and McMahon-Beattie, 2018). And experience it they do. With over 42m visitors a year, Las Vegas is one of the most popular destinations in the USA (LVCVA, 2018). It was not always this way though. The shining beacon of lights, towers and facades, the self-proclaimed entertainment capital of the world, was once merely a backwater layover on the way to bigger and better destinations.

Las Vegas's transformation from local watering hole to world renowned fame can be attributed to a series of turning points in its history, with influencers ranging from geology, government, organized crime, entertainers, the economy, business visionaries and large corporations. Tourism researchers have examined turning points, times of decisive change, to illustrate how history can help shape the future (Yeoman and McMahon-Beattie, 2017). These turning points help provide an understanding of the unpredictable growth of Las Vegas, one in which external forces have played a monumental role in the development of the city. Reflecting upon these turning points, the external forces and their likelihood of reoccurring are used as the underlying reasoning, signposts from the past (Robertson and Yeoman, 2014), to make predictions on potential future states (Amer *et al.*, 2013; Richard, 2017; Varum and Melo, 2010). Finally, concluding thoughts are presented on the transformation Las Vegas has undergone, and what it might become in the future.

## Turning points: past to present

Las Vegas, Nevada, or to locals, longtime visitors and the media just “Vegas,” is a city that has experienced tremendous growth, gained worldwide exposure, and has reinvented itself on

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numerous occasions, all in a relatively short amount of time. First permanently settled in the middle of the nineteenth century, and founded as a city in 1905, Las Vegas, which in Spanish means “the meadows,” began as a mere watering hole and resting stop for settlers “going west” to start new lives.

### *Water*

The geology of the Las Vegas Valley has played a crucial role in the development of the city. Over 10,000 years ago during the last ice age what we now call Southern Nevada looked quite different. Permanently snowcapped mountains fed rivers and streams depositing into lakes creating a lush green landscape. During this time Las Vegas’s first residents, indigenous peoples, were hunters and gatherers living off the plentiful land. Over several thousand years the glaciers receded and the water dried up leaving behind a parched desert. Still, one remnant of this time remained; the water trapped underground in an aquifer, which as a result of the unique geology of the Las Vegas Valley, rose to the ground forming hot springs (Wyman *et al.*, 1993). It would be these fresh water springs that would put give Las Vegas its name and put it on the map – a valley of meadows and springs in the middle of the Mojave Desert, a crucial resting stop for those travelers heading out West to California.

### *The Railroad*

While the springs put Las Vegas on the map, an oasis in the desert and a vital stop on the way to California, it did little to encourage permanent settlers. In the second half of the nineteenth century a series of explorers, land speculators and religious missions would attempt to populate the area, all achieving little success. By the turn of the century the population of the Las Vegas valley numbered in the tens (Schumacher, 2012). One man’s business venture would soon change everything though, a spark that would help ignite permanent settlement, population growth and the founding of a city.

That man was US Senator William Andrews Clark, and his business venture was the San Pedro, Los Angeles and Salt Lake Railroad, a railroad running from Salt Lake City to Los Angeles, via Las Vegas. With the arrival of the railroad, the lifeblood of the frontier, plots of land were auctioned off, thousands of settlers arrived, and a small city was established in 1905. In these early and relatively lawless times less reputable activities like gambling, drinking and prostitution were popular, even when banned by state law and the prohibition era of the 1920s. Despite the growth of the city though there was nothing particularly noteworthy about it, lacking housing, higher education, and infrastructure, with a newly arrived newspaperman in 1929 remarking “I thought this was the least likely to succeed of any [town] in the United States” (Land and Land, 1999, p. 47). Had the city remained on this path it might be known today merely as a railroad junction and supply depot rather than a capital of entertainment.

### *The Hoover Dam*

The construction of the Hoover Dam, at the behest of the national government during the Great Depression, changed everything. The mammoth construction effort to dam and control the Colorado River brought thousands of workers to the region and millions of dollars in federal government investment. Anticipating an increase in economic activity the Union Pacific Railroad (the now owner of the tracks sold by Senator Clark) and the local government made major capital investments in the city. Of the \$175m in federal spending on the Hoover Dam project, roughly \$70m of it was spent in Las Vegas. New Deal programs built new federal buildings, paved roads and sewers.

In 1931, the Nevada Legislature legalized “wide open” casino gambling (Faiss and Gemignani, 2011), encouraging the thousands of dam workers, now with money in their pockets, to seek out a means to spend it. These workers were soon joined in Las Vegas by hundreds of thousands of tourists who while visiting the construction site also explored the nearby city. Their primary destination was Fremont Street, also known by its nickname “Glitter Gulch” thanks to all its brightly lit neon signs. Located in downtown Las Vegas Fremont Street was the heart of gambling

in the valley, until it was surpassed by “The Strip” in nearby Paradise, NV just outside Las Vegas city limits beginning in the 1950s (Schumacher, 2012). Perhaps the most lasting impact the construction of the Hoover Dam had on Las Vegas though was a crucial stable source of water and electricity, without which the city would not have been able to safely support the massive growth in population that would occur over the second half of the twentieth century, and into the twenty-first (Nevada Humanities, 2004).

### *Organized crime*

The growth of Las Vegas as a tourist destination, particularly one where all manner of vices were plentiful, encouraged the spread of organized crime for which the city would become famous. In the early 1940s a slow shift began in the location of casino construction. With the downtown market centered around Fremont Street competitive and burdened by city taxes, alternate locations were explored. In 1940 the El Rancho Vegas, one of the city’s first resort-style hotels, opened South of the city on a section of the Los Angeles highway that would later become known as the Strip. It was followed in quick succession in 1942 by the Last Frontier, a sprawling property with a strong Western motif exemplified in its slogan “The Old West in Modern Splendor” (Schumacher, 2012, p. 68).

In 1945, Billy Wilkerson, who had a background in owning and operating newspapers, restaurants, nightclubs and hotels, in addition to compulsive gambling, purchased land south of the Last Frontier. Wilkerson’s goal was to build a luxury resort with first-class accommodations with the casino as the centerpiece. He named his resort the Flamingo, based on the bird’s beauty and elegance. During construction though Wilkerson ran into difficulties financing the ambitious project. It was at this point that Meyer Lansky, notorious New York crime boss, bought into the project. Lansky dispatched Benjamin “Bugsy” Siegel, who had prior dealings with downtown Las Vegas casinos and was overseeing interests in Los Angeles, to represent the crime boss on the project (Land and Land, 1999; Schumacher, 2012).

While Wilkerson was eventually pushed out of the project by Lansky and massive cost overruns driven by Siegel’s vision for the resort would ultimately lead to his demise, the Flamingo did open in 1946. While the Flamingo’s amenities were not groundbreaking, the resort contributed to Las Vegas by opening it to a new more sophisticated market, helping free it from its western heritage. The construction of the Flamingo also contributed to what would become a norm in Las Vegas, casinos funded by organized crime connections, via millions of dollars laundered through local front companies. With a beachhead established, many other illegal gamblers and organized crime figures from around the USA moved into Las Vegas in the 1940s and 1950s building bigger and better casinos and resorts, skimming the profits and maintaining order in the city to ensure a steady revenue stream (McCallister, 2012).

### *Howard Hughes*

For Las Vegas to grow beyond its mafia roots and become something truly special it required corporate investment, the type of large scale investment that values consistency and the rule of law to ensure a long-term return on investment. Much like the Hoover Dam brought jobs and men, Howard Hughes helped spark a sense of normalcy in Las Vegas. In 1966 Howard Hughes received a check in the amount of \$547m dollars for the sale of his shares in Trans World Airlines. A resident of California, Hughes sought to avoid heavy state taxes by moving to a more tax friendly state or country and reinvesting his highly liquid assets. Having decided against an international destination, Hughes sold his homes in California and moved to Las Vegas, taking up residence in the Desert Inn (Land and Land, 1999).

Originally merely a guest, when he overstayed his reservation, he instead decided to buy the hotel, which his representatives already had been negotiating to purchase. His spending spree did not end there though. Over the next few months Hughes would acquire several hotels and casinos, purchasing them from organized crime bosses who were eager to exit, whether due to old age, or fear of future governmental retribution for their actions. At the peak of his ownership Hughes controlled almost one-third of gaming revenue on the Strip. Hughes also purchased

ranches, airports, mining claims and parcels of land, becoming one of the most powerful individuals in Nevada (Rothman, 2002; Schumacher, 2012).

While it might not have been his direct intention, these purchases most likely played a role in reducing the influence of organized crime in Las Vegas. According to Burton Cohen who managed the Desert Inn, "When you buy the Sands, the Frontier, the Desert Inn and the Castaways, which were four hotels owned by the old guard, you gotta say you accelerated that departure" (Schumacher, 2012, p. 125). Even those who disagree with the extent to which Hughes influenced the departure of organized crime acknowledge that he did bring an image of legitimacy to the gambling industry.

Perhaps most significantly for the future of gambling in Nevada, this sense of legitimacy helped ensure the passage of the 1969 Nevada Corporate Gaming Act. The act removed the requirement that every shareholder of a company that owned a casino had to be licensed (i.e. have background checks). Previous attempts to pass the act had been stalled by the fear that organized crime would employ public companies as fronts to control the casinos. These fears were alleviated by Hughes involvement in the casino industry (Faiss and Gemignani, 2011; Wilen, 1999). Now for the first time large publicly traded companies could invest in Las Vegas casinos. Whether through planning or happenstance Hughes helped paved the way for a series of business visionaries and their publicly traded companies with drive and passion to turn what had been a series of small independent hotels into resorts the likes of which the world had never seen (McCallister, 2012).

### *Business visionaries and corporations*

With the limited land in downtown Las Vegas and a desire to dissociate themselves with the smaller more crowded casinos on Fremont Street the new pioneers of the casino industry built their empires south of downtown on what is now known as "The Strip." Conveniently located adjacent to the airport and running parallel to at the time under construction Interstate 15, with vast tracts of land, the Strip offered those with vision an opportunity to make their dreams come to life. While there had been casinos in the area since the early 1940s like the El Rancho and the Last Frontier, these were smaller establishments with only a handful of gambling tables. By the late 1960s gone were thoughts of single story motels with modest service and limited offerings. In their place would rise massive resorts, the lifeblood of a new revitalized Las Vegas.

These new resorts would be dreamed up and brought to life by a series of highly influential business visionaries who would collectively shape the development and growth of gambling in Las Vegas. One of the first, Jay Sarno, built Caesars Palace, a resort where guests could immerse themselves in the life of the Roman Empire. A pioneer in the industry, Sarno "wanted to create the feeling that everyone in the hotel was a Caesar" knowing that "if the majority of the people in the world could live like Caesar, they would live like Caesar" (Papa, 2009, p. 90). The fantasy, spectacle and immersive theming envisioned by Sarno at Caesars Palace would spur the development of new resorts across the Strip. Following in Sarno's footsteps a series of businessmen and their publically traded corporations would soon reshape the Strip, engaging in a decades long quest to build bigger and better resorts, completing transforming the Strip's appearance.

Kirk Kerkorian, the Second World War Pilot who had early success in trading aircraft parts, purchased the Flamingo and used it as a training ground, a jumping off point from which he went on to build The International, a 1,500-room hotel and casino, the largest in the world at the time. This resort contained a large showroom for entertainers and a variety of internationally themed restaurants, a staple of modern resorts on the Strip. From there Kerkorian would go on to acquire a controlling stake in MGM film studios, building the first and then the current MGM Grand hotel, both the largest in the USA at the time of their respective openings. These were heavily themed resorts, with a vast array of offerings and amenities including: thousands of rooms and gaming machines, bars, lounges, theaters, restaurants, a spa, pools, rivers, waterfalls and a wedding chapel (Rodzvilla, 2018).

Steve Wynn, fascinated by Las Vegas as a child, maintained a lifelong passion for the world of gambling and casinos. After inheriting his father's bingo parlor businesses in Maryland he took

over the Golden Nugget hotel and casino in downtown Las Vegas, reversing years of stagnation, and significantly improving its profitability. Wynn then turned his sights on Atlantic City, building an east coast Golden Nugget, more luxurious than the one before it, with vaulted ceilings, marble pillars and crystal chandeliers. It was this sense of luxury and elegance that Wynn would make his personal style, one which he would improve with each new hotel and casino. Wynn would go on to build the Mirage, the Bellagio, and more recently the Wynn and Encore, each time using lessons learned from the previous resort to deliver a greater sense of luxury and opulence (Land and Land, 1999).

Business visionaries like Kirk Kerkorian, Steve Wynn and others would become synonymous with the Strip and Las Vegas, transforming the city and its fortunes via their massive investments in mega-resorts, and their desire to continually innovate and offer an immersive spectacle of hospitality, amenities and entertainment to their guests.

### *Family tourism*

After nearly 20 years of growth in Strip resorts, including the International, MGM Grand, Harrah's, Bally's and various hotel tower expansions resulting in the addition of thousands of rooms, something interesting began to happen. Las Vegas began to focus more on the mass market. To increase the appeal of Las Vegas to gamblers with children, who at the time made up only 6 percent of the market, resorts began to cater more and more to families and children with theming and attractions (Dandurand, 1999). In 1989, the Mirage opened with Dolphin shows and an "active" Volcano. In 1993, the Excalibur, Luxor, and new MGM Grand all opened, representing over 10,000 new hotel rooms. In the same year Circus Circus's Grand Slam Canyon (now Adventuredome) and MGM Grand's MGM Grand Adventures theme park also opened. Now families could experience a boat ride on the Nile, or a dinner show with medieval knights, or any number of rides and attractions at MGM or Circus Circus's theme parks. Some expressed doubts though that this was a viable strategic direction to take Las Vegas. In 1993 Mirage Spokesman Alan Feldman declared "Las Vegas is an adult destination [...] it has been for the better part of 60 years and will be [...] for as long as any of us can see into the future" (Land and Land, 1999, p. 192).

What was the outcome of this brazen "if you build it, they will come" strategy? Unfortunately for Las Vegas and its major stakeholders: very little. The size of the family market, those gamblers visiting with children, increased only 2 percent over four years, rising from 6 percent in 1991 to 8 percent in 1994. Even worse was the realization that casino corporations were building mega-resorts catering to relatively less valuable guests. While the average overall gambling budget for visitors in 1994 was \$480, for those guests traveling with children it was only \$296, with the gambling budget for those without children 70 percent greater, at \$504. Outside of gambling, visitors without children outspent those with children in spend on food and beverage and entertainment, revenue centers for the hotels, while those without children outspent on shopping and sightseeing, typically outside of the purview of the resorts (Dandurand, 1999).

Steve Wynn summed up the situation nicely when he said "it's one thing [...] to be user-friendly to the whole family [...] It's quite a different thing to sit down and dedicate creative design energy to build for children" (Dandurand, 1999, p. 1). Over the next few years the Strip would return to its roots, doubling down on its core competency as a playground for adults removing themed areas of hotels and attractions, and building new resorts with a more refined sense of luxury.

### *Luxury redefined*

The turn of the twenty-first century saw Las Vegas and the Strip invest in what made it famous in the first place, a return to its more sinful roots. According to a Las Vegas Convention and Visitors Authority spokeswoman, "there's some appeal for families, but Las Vegas is a destination that's best suited for adults" (Lee, 2004, p. 1). This shift in marketing was perhaps most apparent in new TV spots with the tagline, "what happens here, stays here." Unlike in previous years though this time Las Vegas would reinvent itself as a luxury destination, an adult playground where those with wealth could trade up (Yeoman and McMahon-Beattie, 2018), living out their dreams and fantasies surrounded by extravagance.

With rising incomes and increased personal propensity, many guests became more demanding, seeking out quality innovation, premium choices and increasingly personalized customer service (Yeoman and McMahon-Beattie, 2014). As a result in the late 1990s the more family friendly theming was removed from both the Luxor and MGM Grand resorts (Lee, 2004). In 1998 the Bellagio opened its doors, a resort steeped in classical elegance inspired by the Lake Como town in Italy. Soon, the Venetian, Palazzo, Wynn, Encore, CityCenter and The Cosmopolitan would follow in its footsteps, all representative of the trend toward a higher degree of opulence and luxury in Las Vegas.

### *The Great Recession*

The economy has always played a role in the development of Las Vegas. Gambling and other forms of entertainment are highly dependent on a steady flow of discretionary income from the greater US populace and more recently international visitors. The Great Depression of the 1930s led to massive government works projects including the Hoover Dam, which ultimately helped put Las Vegas on the map. On the other hand, after the massive growth in resorts and population of the 1990s and early 2000's, the Great Recession of the late 2000s threatened to tear it all apart.

On the Strip several major construction projects were derailed. Boyd Gaming, who had demolished the Stardust Resort and Casino, put its \$5bn Echelon project that was to replace it on hold. The plot of land would remain empty for almost ten years as a result. The \$3bn 4,000 room Fontainebleau Las Vegas project, which had begun construction in 2007, was permanently put on hold, leaving an empty unfinished tower in its place. The almost \$4bn The Cosmopolitan of Las Vegas went bankrupt in 2008, having opened in the middle of the recession. Perhaps most devastating was the near failure of MGM Mirage's \$9bn CityCenter project, which according to Jim Murren, then and current CEO, was perilously close to shutting down until a last-minute refinancing deal was obtained. The damage was not limited the hospitality industry. Unemployment in Las Vegas peaked at 14 percent, in 2010 there were over 25 thousand Chapter 7 filings, and at one point over 70 percent of homeowners owed more on their mortgage than their property was worth (Hogan, 2016; Schumacher, 2012).

Despite the recession, Las Vegas is still open for business and has found a path forward to continued growth. Las Vegas' current growth is outpacing Nevada's, which is outpacing the national economy. Unemployment rates have been reduced to 5 percent, comparable to the national average. While gaming revenue has not returned to its pre-recession levels, the casinos have been actively seeking to diversify their revenue streams, bolstering their dining and entertainment offerings and seeking to boost their convention business. While there will always be another recession, the expectation is that the next will be milder than the last, and that Las Vegas will be in a better position to weather the storm based on its efforts to diversify its business (Schulz, 2018).

### *Diversification*

Amidst all the glitz and glamour of the luxurious resorts that were transforming the Strip was an ongoing trend, perhaps apparent to longtime visitors of Las Vegas, a shift in revenues away from gaming toward other lines of business. It was a trend that was accelerated by the Great Recession and its lasting impact on Las Vegas and its casinos. Times have changed and Las Vegas is no longer an island of legal gaming in a sea of governmental restrictions and bans. Now more than half of the USA is within a 90 min drive of a casino. With total casino win down 7 percent on the Strip since 2007 the percentage of income from gambling is at an all-time low of 34 percent (Schwartz, 2017). In this environment Las Vegas had to adapt to survive. Business as usual, where non-gaming divisions were loss leaders handing out copious amounts of complimentary rooms and buffets, would no longer suffice. Steve Wynn remarked on the situation bluntly "The pattern is this: Gaming is a passive activity. It has no value. One roulette table is exactly the same as every other damn roulette table [...] The driver in our business is the non-casino activity. The driver in our business is the experiential value of the enterprise" (Thomaselli, 2016, p. 1).

An understanding developed that for the city to survive, and remain successful, even though gaming was an important source of profits, it could not remain the only source of revenue. Resorts had to work hard to encourage guests to visit their adult playground with more opulent bars and lounges, bigger and better clubs with world renowned DJs, fine dining restaurants in collaboration with celebrity chefs, and more exciting and dazzling shows and entertainment experiences. Since 2007 more than 17,000 rooms have been added in Las Vegas, with over \$10bn reinvested into the industry, adding new restaurants, convention and meeting spaces, entertainment venues and world-class amenities (Heilman, 2013). If the current pattern continues it is even predicted that by 2020 rooms revenue will surpass that of gaming (Schwartz, 2017), with food and beverage and entertainment continuing to be valuable sources of revenue for the traditionally casino-oriented corporations that now control a majority of the Strip and the greater Las Vegas area.

### Scenarios: looking to the future

Over its relatively short history Las Vegas has been influenced by a variety of factors, from its geology, to government and private infrastructure projects, to the economy, and the efforts of business visionaries and their corporations to re-imagine the city. Can we use these signposts from the past to help inform the future? Can these external forces that precipitated such tumultuous change occur again in the future, acting as the underlying reasoning for potential future states? Below are a series of predictions, supported by an assessment of Las Vegas' past turning points, refined based on recent events.

#### *A bleak future: the water dries up*

It all began with water. In the middle of the Mojave Desert, the metropolis that is Las Vegas was born of and continues to survive to this day based on its access to a fresh water source. Over 2m residents rely on the Hoover Dam and its reservoir Lake Mead to provide for their water needs. The city lives and dies by this vital resource. The loss of this resource would be a major turning point in Las Vegas' future, severely reducing its population and its ability to sustain itself as a tourism destination. Recently 15 years of drought have decimated the reservoir, currently at 38 percent of capacity. While the drought has not been in Las Vegas proper (it still receives a few inches of rain annually), since 2000 the Colorado River has seen a consistent pattern of below-average snowmelt, resulting in less water replenishing the reservoir. In addition, the city of over 2m residents is expected to grow, potentially increasing its water needs. It is anticipated that by 2050 Las Vegas will have over 3.2m residents (Robison, 2015).

Still, there is room for optimism. Realizing the seriousness of the situation local government has taken drastic actions, ensuring that all indoor wastewater is returned to the reservoir, that front-yard grass is banned, and that low-flow faucets are mandated. Through these efforts even as the city grew from 1.6 to 2m residents, its water usage dropped 33 percent. Besides water conservation, another possible long-term water source is a 250 mile (400 km) pipeline proposed by the Southern Nevada Water Authority that would pump water from Northern Nevada to Las Vegas. Despite significant legal challenges it remains a possible future source of water (Rothberg, 2017). Ultimately though it might be climate change, and the severity of its effects that determine the long-term viability of the region, the reservoir and of Las Vegas (Robison, 2015).

#### *The current trajectory: increased diversification and expanded offerings*

Looking to the more recent turning points of refined luxury and diversification, Las Vegas could, at least most likely in the near term, remain on its current path. With a desire to appeal to younger generations and convention business and the necessity of diversifying away from gaming due to the expansion of legalized gambling across the USA, Las Vegas will continue to develop new entertainment experiences and convention spaces to accommodate a diverse set of guests with an even more immersive sense of luxury.

Entertainment in Las Vegas will be driven in the near term by a greater focus on residencies, new entertainment venues and the introduction of professional sports. The shift toward a greater reliance on residency shows to consistently market world renowned performers will continue. MGM

Resorts' Park Theater alone has recently signed Lady Gaga, Aerosmith and Britney Spears as headliners for upcoming residencies. On the north side of the Strip, the proposed "MSG Sphere Las Vegas," a joint venture between the Sands Corporation and the Madison Square Garden Company, is projected to open in 2020. The sphere is an arena that will entertain up to 18,500 Guests with innovations including an "infrasound haptic" system with bass in the floor, a "beamformed" sound system with thousands of tiny speakers and one of the world's largest LED displays (Davidson, 2018). Las Vegas will also become for the first time ever a true Sports city, with the recent additions of the Vegas Golden Knights (Hockey) and the Aces (Basketball), as well as the projected 2020 arrival of the Raiders (American Football) in a brand new 65 thousand capacity stadium across from the Mandalay Bay Resort and Casino.

Resorts on the Strip are also racing to capture a greater percentage of the lucrative convention business. To achieve this goal resorts have been expanding and building out new convention space, a trend that is anticipated to continue in the near-future. Aria recently completed a \$170m investment to double its capacity to 500K square feet. The MGM Grand is currently undergoing an expansion to add 250K square feet to its conference center. The Las Vegas Convention Center is undergoing an expansion that will add 600K of exhibition space. The list goes on and on. Across the Strip there are at least eight projects that combined will add more than 2.5m square feet of convention space by 2021, bringing the total convention space in Las Vegas to over 14m square feet (Prince, 2018).

### *A bump in the road: the next recession*

While a recession is never guaranteed and the timing is always variable, since the 1970s the USA has experienced a financial crash roughly every seven years. Most economists expect that the USA will reenter recession around 2020. If those predictions prove true the current phase of expansion would be one of the longest in history. When the next recession arrives discretionary spend will likely decrease, impacting spend on leisure, entertainment and tourism, all areas in which Las Vegas is heavily invested. In fact, tourism makes up roughly 30 percent of employment in Southern Nevada, 17 percentage points higher than the national average, with 12 of the top 20 employers tied to tourism (Meurer, 2016).

Still, there are indications that Las Vegas will be better prepared to weather the next recession when it inevitably arrives. In the aftermath of the recession the state of Nevada was dead last in producing jobs, 50th in the nation. Now Nevada is No. 1 in the union, creating jobs in education, healthcare and professional services, with over 50K more jobs in the state than pre-recession. After many years of stagnation, recently there have been major investments on the Strip including the Park MGM and Palms renovations, the Las Vegas Convention Center expansion, The Drew Las Vegas, Resorts World Las Vegas and the Raiders stadium. Most of these projects are anticipated to be completed before or by 2020, which at least allows for a revenue stream, even during a recession (Wargo, 2018).

### *The next Hoover Dam: solar power*

If the turning points of the past are an indicator of things to come, a signpost guiding us toward a possible future state, then it is possible that Las Vegas will undergo a massive change in the future as the site of a massive investment in infrastructure, transportation or real estate. Given the oversized role that the Hoover Dam played in Las Vegas' history, it is possible that another project to harness natural resources on a massive scale could occur. With the desire to generate electricity via renewable sources, the precipitous drop in the cost of solar panel construction, and Las Vegas's favorable location in the Mojave Desert with almost 300 sunny days per year, it is possible that massive solar panel arrays could be built, perhaps funded by an investment from the US Government, or by an international consortium. Solar projects have already been proposed to take advantage of specially designated federal lands north of Las Vegas (Seeman, 2018). Such projects would further propel the growth of Las Vegas, divesting itself of its reliance on electricity generation from the Hoover Dam.

One of the primary challenges with solar energy is storage, with an inability to use energy generated during the day at night. The Los Angeles Department of Water and Power has proposed an

innovative solution to turn the Hoover Dam into a giant battery. A downstream station powered by wind and solar energy would pump water to the top of the reservoir, a form of energy storage, as the water could then be sent through the dam's turbines to generate electricity when needed. The project would cost at least \$3bn and if approved would have a projected completion date of 2028, but would represent an affordable, efficient and sustainable form of power storage (Penn, 2018).

### *The railroad returns: high-speed transportation*

Given the impact that the railroad had in enabling safe efficient travel to Las Vegas, it is possible that a transportation project in the future could have the same effect. Las Vegas is one of the most remote destination cities in the USA, hundreds of miles in every direction from the next major city. Los Angeles, with a metropolitan population of over 13m and a major source of weekend visitation to Las Vegas sits over 250 miles (400 km) away to the Southwest. Still, Los Angeles accounts for 29 percent of the over 42m visitors to Las Vegas, and over 90 percent of them drive between the two cities (Akers, 2017). While a high-speed rail has been proposed and considered since 2009, and a regular speed train for decades, it has yet to receive the necessary funding to proceed.

This may change soon though. Government spending projects can be influenced by the tides of elections, and while a proposed Chinese joint venture fell apart, it is possible that either China or Japan, both major investors in high-speed rail technology could play a role. A high-speed rail linking Los Angeles and Las Vegas would reduce a 4 h drive to less than 2 h, more than likely resulting in a substantial boost in visitation from a key market (Akers, 2017). Alternatively, a more spectacular, although less likely possible future state would see a visionary such as Elon Musk building his much-hyped Hyperloop transportation system or something equivalent, perhaps as a proof of concept to showcase to buyers around the world.

### *The next Howard Hughes*

Finally given the role that wealthy investors such as Howard Hughes have had on Las Vegas in the past, it is entirely possible that a domestic or foreign billionaire (e.g. from California or China), seeking out lower taxes and less intrusive regulations will make Las Vegas his or her new home in the future. Such an influx of wealth from an individual committed to investing in the city would have a tremendous effect. With vast tracts of land vacant ready for development, a wealthy well-connected individual could, like Howard Hughes, build integrated communities like Summerlin, with an emphasis on maximizing livability for its residents. These communities though, much like Walt Disney's dream of EPCOT, could truly showcase the marvels of the twenty-first century with cutting edge technology and amenities. It is possible that given the low cost of living in Las Vegas, that these types of communities and housing investments could spur businesses to relocate to Las Vegas, bringing with them high paying jobs that help diversify and expand the local economy.

## **Conclusions**

Las Vegas has been an enduring presence in the USA and the World for the past 100 years. It holds special a place in our imaginations, an impossible city in the desert built by mobsters where A-list celebrities frequent, the elite party and the world renowned perform. A city that never sleeps, a 24/7 party of gambling, booze, music and entertainment. An ever adapting city, Las Vegas has reinvented itself time and again when necessary to survive and prosper. Or as Hal Rothman, former chair of the University of Las Vegas' history department put it, "Las Vegas isn't concerned with what we were yesterday, or what we are today [...] it's tomorrow that entices us" (Heilman, 2013, p. 1).

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