

Valley problems require vision

By [Brian Wargo / Staff Writer](#)

August 31 - September 6

Las Vegas needs a common vision to overcome problems with expensive housing, an undereducated workforce and a congested transportation system if it wants to diversify its economy.

That's a theme that resonated last week with business leaders, elected officials and academics who participated in a two-day roundtable discussion on how to better diversify Las Vegas' economy beyond gaming.

Sponsored by the Lied Institute for Real Estate Studies, the roundtable will issue a white paper this fall outlining its strategy.

"One of the key issues is that we need a common vision of the community and (to) work together to overcome our obstacles," said Debra March, the Lied Institute's executive director. "Each city has a vision but not a common vision."

Those obstacles, March said, include the need:

- To provide workforce housing, since only 14 percent of the homes in Clark County are affordable for families earning the median income.
- For an educated workforce and improving the education system.
- To improve the transportation system.

"We can't grow as an economy if we don't have housing for workers. We are not attractive if we can't move goods and services around. We are not going to be able to diversify if we don't have an educated workforce," March said.

Several participants on the panel echoed a similar theme on what will happen to Las Vegas if another Sept. 11-type terrorist attack occurs or the country has a recession that keeps visitors from Las Vegas.

"I think there are a number of concerns of what happens to your community if you put all your eggs in one basket," said Rick Myers, president of the Thomas & Mack Development Group and roundtable moderator. "Cities like Pittsburgh had their eggs in the steel business."

"The problem with a one-horse town is that when you have one industry that is going strong, any kind of hiccup and you fall pretty fast," said Alan Schlottmann, an UNLV economics professor.

The Las Vegas has been diversifying this decade based on jobs created. In 2000, 34.9 percent of the jobs were in leisure and hospitality, according to the Department of Employment, Training and Rehabilitation. In 2006, that number had fallen to 29.6 percent. Professional, business, financial and information-related jobs comprise 19.2 percent of the jobs, followed by trade, transportation and utilities at 17 percent.

Somer Hollingsworth, president of the Nevada Development Authority, said it's good to have discussions but added he's not had any companies tell him they've rejected Las Vegas because of its cost of housing or education of its workforce. Housing prices may be high compared to those in the Midwest and Southeast, but companies that want to serve California are eyeing Nevada because it's cheaper than its neighbor, he said.

The economy is becoming more diversified every year (17 manufacturers were added last year) and that's important for its strength and for not placing the entire burden on the gaming industry, he said. The pro-business attitude of the Nevada Legislature has contributed to that, said Hollingsworth, who added the goal is not simply to attract companies to Nevada but ones that offer high-paying wages.

"I met with a company last week, and they love what goes on here as far as schools and housing," Hollingsworth said. "They never knew the other side of Las Vegas."

People criticize schools and the workforce but what are they comparing it to? he asked.

"We are not without our problems but every city in every state has problems," Hollingsworth said.

Some roundtable participants said the NDA isn't hearing from companies who've rejected Las Vegas because of the reasons they've cited. They've done their homework and know about the school system and cost of housing.

Last year, the Lied Institute hosted a roundtable on office and industrial development that painted a pessimistic picture of Las Vegas' ability to recruit companies and diversify its economy beyond gaming. That report said the marketing of sin that helps draw tourists is an impediment to luring corporate headquarters. It also cited soaring land costs, higher rents than other Western markets, a poorly educated workforce, weak school system and lack of cultural amenities in making corporate recruitment a challenge.

The latest roundtable is timely, said [John Restrepo](#), an economic consultant who participated in the discussion. Las Vegas faces challenges in competing with other Southwest cities. He said Las Vegas can emulate a city like San Jose, where business leaders sat down with elected officials for a strategy to develop a vision of what they wanted the community to be.

"We need to determine at this point what we want to do when we grow up as a community," [Restrepo](#) said. "We are no longer a mid-size town. The question is do we want to be taken seriously, and if we do we have to look honestly at ourselves and what do we have to offer."

A shared vision is important because it serves as a road map to reach a destination, March said. The public and private sector need to come together to address the problems, she said.

"One of the major questions we have to ask is 'Who leads the charge?'" said Tony Dazzio, president of the Las Vegas chapter of the National Association of Office and Industrial Properties. "Is it the university, economic development professionals, the gaming community or commercial developers?"

A study prepared by the Theodore Roosevelt Institute for the Southern Nevada Regional Planning Coalition that Southern Nevada has an opportunity to diversify its economy by targeting manufacturers, regional offices and clusters of high-tech industries.

The industries that should be targeted deal with health care, senior services, homeland security, research and development, education and training, information and community technology, life sciences (which include pharmaceuticals, medical devices, instrumentation, diagnostics and biotechnology) and sustainable technologies, which include solar power and alternative energy technologies.

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