

Elko leaders make pitch for investments to deal with growth

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Here's a clear indication of Elko's housing shortage: Miners aged 55 and over, unable to find space anywhere else, are renting rooms at the Highland Estates Retirement Apartments.

And their city needs more than housing, Elko leaders told the development community in Reno last week.

The rapid growth of Elko County creates pressing needs for more retail and commercial development as well as supporting infrastructure, representatives of the city's business and economic leadership told about 200 people at a meeting in Reno last week.

Listening were developers, bankers, architects and others who typically grease the wheels of new development.

Unprecedented gold prices — \$1,540 per ounce at the end of May — spurred the mining industry, and Elko County's workforce grew by nearly 20 percent, or 3,500 jobs, from 2000 through 2010, says Pam Borda, director of the Elko County Economic Diversification Authority.

The city has not kept pace with development, leaving severe shortages — and opportunities — in residential, retail and industrial development. The lack of housing is perhaps Elko's most pressing issue, and it has begun to hamper efforts to recruit new workers, says Dana Pray, North America recruiting manager for Barrick Gold Corp.

The region's massive mines plan on hiring 1,500 new workers in 2012, adds Tim Crowley, head of the Nevada Mining Association — but finding homes for those new employees is a harder task than finding geologists, chemists and other well-trained professionals willing to relocate to Elko.

Borda says the situation has become critical, and that developers needn't fear the historic boom-and-bust cycles that have devastated other mining communities.

"Our hotels, motels and RV parks are full. We need to have some apartments and single-family housing," she says. "We are a land of opportunities, and we have avoided the recession."

Elko's unemployment stood at a state-low 6.3 percent in April, the Department of Employment, Training and Rehabilitation says. The Reno-Sparks area was 11.4 percent, while the statewide unemployment rate was 11.7 percent. Dozens of new companies — Caterpillar, Kenworth, to name a few — have relocated or expanded their Elko operations in the past few years.



To ease the housing crunch, the city needs to add an estimated 600 to 800 multi-family units and 150 to 200 single-family homes, and that would only meet existing demand in Elko, Borda says. Because of the many mine-site expansions in the works in Elko and surrounding counties, Elko's population is expected to double in the next 10 to 12 years, adds City Planner Greg Evangelatos.

Residents have gotten creative to find ways to put roofs over their heads. Some older miners who meet eligibility requirements are resting their hats at apartments in the city's largest retirement community.

Connie Campbell, marketing director for Highland Estates, says she gets four to five inquiries per month from people in the mining industry seeking housing.

"It is like renting an apartment anywhere else, and it is month-to-month rentals," Campbell says. "Some of the people who come here have homes in other communities and plan to go back to where they are from, and for the time this is a really good option."

Others workers in the mining industry are capitalizing on corporate-owned housing.

Barrick Gold rents any property that comes available in Elko, says Pray. Barrick also funded development of the 192-unit Rabbit Brush Run apartment complex off Mountain City Highway to provide homes for its burgeoning work force. The state's largest gold mining company has workers occupying 72 completed units, while another 60 units are expected to come online this summer.

"It's not what we wanted to do, but we were forced to do it," Pray says. "We have 120 units coming online, and a waiting list of 175."

New single-family housing also needs to be tailored to fit the region's demographic, notes Evangelatos. Developers can't build small homes with garages to house a Subaru or Prius, he says. The average age in Elko County is 30 to 35, and the average mining salary is at \$83,000. Jim Winer, owner/broker of Coldwell Banker Algerio-Q-Team Realty, says those young miners with ample funds like to play when they aren't working and prefer toys such as snowmobiles and ATVs.

The Elko Regional Economic Opportunities Summit in Reno last week was designed to help Elko County overcome pre-determined notions of boom-and-bust that have largely curtailed new development in the region.

Instead of trying lure a few potential investors, financiers or developers to remote northeastern Nevada for site tours, community leaders took to the road to tell the city's story to a larger gathering. A similar event is planned for Las Vegas later this fall.

Developers and financiers have been hesitant to throw their weight into Elko County, officials say, because of the negative economic effects of historic downturns in other mining towns across the United States.



Mining companies have long-term development plans to counter a sharp drop in the price of gold, and there is no ceiling or floor on the precious yellow metal, Crowley says. Mining companies typically stockpile rich ore reserves while prices remain high and pursue lower-grade ore bodies. If the price does fall, he says, those companies have plans to adjust their operations in order to survive and keep the majority of their workforce intact.

Another key to spurring development in the region: adding direct air service from Reno. Investors and developers usually want to see and explore potential investment and development properties first-hand, one developer noted, but they don't want to undertake a four-hour drive from Reno.