



reviewjournal.com

 PRINT THIS

 Click to Print

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Tuesday, August 03, 2004  
Copyright © Las Vegas Review-Journal

## Stretching the boundaries

### Land hunt expands beyond the Las Vegas Valley

By [DAVE BERNS](#)  
[REVIEW-JOURNAL](#)

Jim Widner recently timed a pair of rush-hour commutes to downtown Las Vegas. One took 52 minutes from the northwest corner of the valley. The other, 45 minutes from Logandale.

As the president of KB Home Nevada, Widner seeks new places to build houses, and in today's economy, rural Logandale makes sense. Land is relatively inexpensive. The community's not far from Interstate 15.

With escalating housing prices knocking potential home buyers from the market, Logandale offers an attractive alternative, especially with that drive time.

"We're looking at every one of the outlying areas. There is a market for people looking for a desirable place to live in a different environment to raise a family," Widner says.

At first, the thought is hard to process: Southern California-style commutes becoming an accepted way of life in Southern Nevada. But the day might come in less than a decade when a Las Vegas developer builds tract homes in Logandale or when Station Casinos opens its newest neighborhood complex in Pahrump.

Strip malls, grocery stores and schools could dot growth corridors from Primm to Mesquite. Suburban pockets could shoot north along U.S. Highway 95 toward the Amargosa Valley.

When KB Home's Widner studies the valley's rocketing housing prices, he looks to the edges, sees cheaper land for his newest subdivisions, and doesn't ask why; he asks, why not?

Outward bound

Low interest rates, creative home financing, out-of-state investment dollars and a perceived lack of developable land have pushed valley home prices higher, leaving many to eye the map as Southern

Nevada's population blows past 2 million people on its march to 3 million.

"When I moved to Las Vegas the outskirts of town was UNLV. I have no reason to think, particularly with some of the leadership in the community, we can't continue to develop this into a larger metropolitan area," says Station Casinos Chief Financial Officer Glenn Christenson.

Outspoken environmentalists see it differently. They question the wisdom of stretching those boundaries. To them, the hypergrowth of the Las Vegas Valley reflects much that is wrong with urban sprawl: miles traveled alone in cars, less time with families, a disconnect from neighbors, declining levels of community participation, added light and air pollution, greater dependence on foreign oil.

"The more spread out our urban areas become, the more our quality of life suffers," says Daniel Patterson, desert ecologist for the Tucson, Ariz.-based Center for Biological Diversity.

And then there is water. Southern Nevada Water Authority General Manager Pat Mulroy argues that a lack of water will never limit the region's growth. It might eventually cost more, she says, but it will not run out so long as Nevadans seek new sources.

Yet some scientists think that what we are calling a drought, the region's worst in the past 500 years, is actually the norm. They argue that the precipitation levels of the past century were the anomaly. To advocates of this school of thought, the seven-state deal signed in the 1920s divvying up Colorado River water was based on false assumptions.

"These water managers have got to start taking a look at the water available to them," Patterson says. "I don't care what it says on paper. If the river doesn't have it, you're not getting it."

Six months from now developers are scheduled to bid on a 2,000-acre parcel of federal land at the turnoff to Mount Charleston's Kyle Canyon, rejecting talk of a dry future. The land could go for more than half a billion dollars, if the most recent Bureau of Land Management auction offers a yardstick.

The red line

Politicians and home builders speak of building an environmentally sensitive community at the site. It would have limited turf, well-insulated homes, but there's also talk of strip malls, gas stations and a neighborhood casino.

Merv Boyd marvels at the thought. A year ago he moved from Yuma, Ariz., to oversee the BLM's land auction process in Southern Nevada. As he turns his government vehicle onto the road leading to Kyle Canyon, yucca and creosote bush dot the landscape. The Spring Mountains rise ahead.

For decades this drive has provided solace for Southern Nevadans seeking an escape. Just 10 years ago the trek from the urban core seemed longer. Now suburban homes rise near this turnoff.

"I have mixed emotions," the soft-spoken Boyd says, as he looks toward the entrance to Kyle Canyon. "I like the open spaces, but I realize people want to live here. It was more or less inevitable the land was going to be sold and developed."

The federal government owns about 87 percent of Nevada. Most of that land is controlled by the BLM, which possesses nearly 3 million of Clark County's 5 million acres, a throwback to a time when no right-minded investor, short of a miner or railroad man, was willing to buy land in a desert

wasteland.

The federal agency's 6-year-old auction process was adopted by Congress after a heavy push from Nevada Sens. Harry Reid, a Democrat, and John Ensign, a Republican. The two men argued that the federal government needs to free much of its Nevada holdings for development to accommodate the 4,000 to 6,000 people who move here monthly.

The 1998 legislation set the BLM's so-called disposal boundary for the Las Vegas Valley, which was expanded four years later and encompasses 50,000 acres of undeveloped land that is slated for eventual sale.

Marked by a red line on BLM maps, the boundary stretches from Kyle Canyon in the northwest, east toward American Nevada Corp.'s Aliante master-planned community and Nellis Air Force Base, and south around Sloan Canyon before swinging west to Red Rock Canyon.

An additional 82,000 acres of private land lie within the boundary, for a total of 132,000 developable acres, according to Clark County officials.

Meantime, 4,000 to 6,000 acres of raw land are developed annually throughout Southern Nevada.

A simple process

BLM critics say more land would be available for construction if the agency would just open the spigot; then, the law of supply and demand would ease the recent explosion in land and housing prices.

For proof they look to Phoenix, another booming city, which in the mid-1990s had higher median home prices than the Las Vegas Valley. Not today. The median price of a new Phoenix-area home was \$182,000 in June. Here it was \$241,750.

One key difference between the two markets: the availability of private land. Southern Arizona has lots of it. Southern Nevada does not.

The average acre of land in the Las Vegas Valley costs about \$290,000. In the Phoenix area that figure ranges from \$30,000 to \$50,000, or what it cost here a decade ago.

BLM officials say they are not the problem; they simply auction off sites that city and county officials request for sale, often at the urging of big developers or individuals seeking small parcels.

"It's a very simple process from our perspective," says Bob Abbey, the BLM's Nevada state director. "The Bureau of Land Management is not in the urban planning business. We are very dependent on state and local governments."

North Las Vegas Economic Development Director Mike Majewski agrees. Auction off too much land, he says, especially acreage sitting far from roads, sewers and water lines, and local governments could face mammoth costs, and that could mean higher taxes for city residents.

"I don't know if the city could provide the infrastructure to build it out," Majewski says of the fallout from a massive BLM land dump.

## Quality of life

Along with other policy-makers, Majewski is pushing North Las Vegas' version of planned growth at their city's northern boundary, where American Nevada Corp.'s emerging Aliante master-planned community sits on 1,906 acres of former BLM land. An adjacent 2,300-acre parcel is scheduled for auction in January.

Majewski and his staff routinely meet with local developers. They discuss the prospects for individual parcels, often recommending that the BLM auction them off, a request rarely denied by the federal agency. Homes planned for the land would be among the valley's most expensive.

"We were not sure how the market would accept North Las Vegas as a full-service, master-planned community," Majewski recalls.

Long-known as a city of low- to middle-income residents, North Las Vegas has dramatically changed its image in the past 15 years. Its population is expected to reach 195,000 people by the end of next year, a four-fold increase from 1990.

The city's 3-year-old science and technology corridor along West Cheyenne Boulevard is home to 3,000 employees who work for several businesses, including Sunterra, a credit analysis company; CPI, the maker of plastic gift cards; and Spacecraft Components, an aerospace contractor. City officials hope to see 10,000 people working there within the next 10 years. The University of Nevada, Las Vegas has announced plans to build a nearby satellite campus. All would sit on former BLM land.

In a region where hypergrowth is a way of life and limited growth is grudgingly discussed, North Las Vegas officials argue that continued development is needed to boost the city's livability. But that comes with a caveat.

"It's not just about the land. Land is land," Majewski says. "It gets back to the quality of life. If you don't have the resources to develop the land what good does it do for the community?"

## Political juice

Nevada's senior senator is arguably the key player in the push to open development of federal holdings throughout Southern Nevada. Reid recently proposed with the rest of Nevada's congressional delegation that the federal government privatize more than 80,000 acres of BLM land in Lincoln County, about 100 miles north of Las Vegas. The measure is working its way through the congressional process.

For decades, Nevadans have complained that Silver Staters, not federal bureaucrats, should have control of the state's public lands. The BLM's twice yearly land auctions, where 2,000 to 4,000 acres are sold, are a product of that anger.

Reid plays such a major role in the process that BLM spokeswoman Jo Simpson recently said she must first contact the senator's staff before a BLM employee could escort a Review-Journal reporter to land listed in the proposed Lincoln County lands bill. Simpson later said the agency had no one available for such a visit.

To critics of the BLM auction process, the federal agency all-too-often defers to the desires of Reid,

Ensign and Southern Nevada developers.

"The congressional delegation is finding every way and every excuse they can for opening up more land, but there's not any consideration for what's going to happen down the line with water and development impacts," says Janine Blaeloch, founder and director of the Washington state-based Western Land Exchange Project. "It's like, let's privatize and worry about it later."

Yet Reid, the Senate's second-ranking Democrat, is convinced that skyrocketing land costs in the Las Vegas Valley are pushing people to seek less-expensive housing in Pahrump, Moapa, the Virgin Valley and his hometown of Searchlight, and he expects the trend to continue.

"Of course it will," he says without hesitation. But he also thinks there's enough BLM land available for several years before the disposal boundary requires additional expansion.

Heading south

Meanwhile, Phoenix-area land analyst R.L. Brown fields calls from Las Vegas builders seeking to escape to the Southern Arizona housing market.

"What they've stated to me is they can't afford to pay the new price of land in Las Vegas, and they see it going nowhere but up because of the BLM's policies, and they see themselves squeezed out of the marketplace in Vegas," says Brown, declining to identify the half-dozen builders he has heard from in recent months.

The Southern Nevada Home Builders Association estimates that 77 home builders have left the market since 1996. Most were small builders that couldn't compete with their giant counterparts, who have the deep pockets needed to buy the land to build homes that typically generate profit margins of 6 percent to 8 percent.

Richard and Sally Preising know the story all too well. Their Hearthstone Homes built 50 to 100 houses annually, primarily on the east side, but market conditions killed their business.

"It's been very tough for the smaller companies to compete with the big companies for land. We just can't compete on that level," Richard Preising says.

In January the couple sold 50 acres of undeveloped land they held around the valley. The buyer was Richmond American Homes, the region's second-largest home builder a year ago. The price tag was about \$300,000 an acre, or about \$15 million.

The Preisings are planning to move their business to Phoenix to tap into the cheaper land market. "I could retire permanently if I want," Richard Preising says via a cell phone, moments before leaving a Key West dock for a scuba diving trip.

What's it worth?

Sandy Valley is a place to which the region's population could spread, providing fresh opportunities for the Preisings and others. The area is an hour-long drive from Las Vegas, 15 miles down Interstate 15 to Jean, then two twisting lanes to this community of 2,228 people.

The community has one of the region's smaller BLM disposal zones. A total of 3,953 acres have been

identified for sale, all of which are developable. Other disposal boundaries are set for Goodsprings, 915 acres; Indian Springs, 2,000 acres; Jean, 2,525 acres; Laughlin, 4,720 acres; Mesquite, 5,700 acres; Moapa Valley, 39,592 acres; Nelson, 820 acres; Primm, 1,181 acres; Searchlight, 2,022 acres; and Nye County's Amargosa Valley, 28,257 acres, and Pahrump, 9,300 acres.

Developers and mom-and-pop investors have been slow to move on the land. Some are intimidated by the process. Others are waiting for subdivisions and strip malls to reach farther out.

Next summer, an estimated 2,000 acres of land are scheduled to be auctioned in Laughlin. Developers and owners of small ranches have begun contacting the federal agency about the availability of land throughout the Moapa Valley, which includes Logandale and Overton.

"I think there'll be a tremendous amount of interest ... just because the land is available, and it's likely to be considerably less expensive than land in the (Las Vegas) valley," says Judy Fry, a BLM realty specialist.

The expansion to new markets is not expected to cut into valley home prices. Instead, it could create options for home buyers seeking affordable housing on bigger lots, an increasingly hard-to-find mix that has dried-up with the recent pricing boom. Studies show home builders will have to charge at least a third less than they do in the Las Vegas Valley to lure buyers to the edges, but no one is certain what it will take.

"It's a matter of how much is it worth to you to get that home? I just don't know. No one really knows. At least no one I've spoken to," says Astoria Homes President Tom McCormick.

### Country living

Attorney Al Marquis is prepared for an onslaught of cost-conscious newcomers. He has spent most of his weekends since the late 1990s in Sandy Valley, and on a recent Saturday morning he sits around talking with his electrician and fix-it man Larry Alvey. First, they discuss water. It's just as golden as in the Las Vegas Valley, but its scarcity is more apparent here, with dry lake beds dotting the landscape.

Marquis and Alvey are devising a plan to pump water from a spring-fed lake to another piece of his land.

"It's there, and we want to get it here," Marquis says, swinging his hands from side to side. Alvey nods in agreement. "Otherwise," Marquis continues, "we gotta dig a ditch from here to there."

The birds chirp in the background as they flutter among mesquite trees and a bird feeder. A hand-painted sign, "Don't Mess with Texas," hangs nearby. The smell of horse manure, the product of Marquis' 14 horses, fills the air. The scent becomes more noticeable as the thermometer pushes toward 100 degrees.

"This is part of country living," says Marquis, who purchased his 440 acres in 1995. He and his wife, Joanie, spend the week at their Las Vegas home, but weekends, they're here at Kingston Ranch.

Don and Susan Conkey unexpectedly drop by. They both work with computers, Don for Nevada Power, Susan for MGM Mirage. They live in a small master-planned subdivision along the Las Vegas Beltway at Flamingo Road. They're tired of the traffic, the noise from the ever-more-crowded

Beltway, and they resent their homeowners association, one that has hassled them about their recently redesigned front yard, which is filled with drought-resistant plants and shrubs.

"It was like a shot over the bow. Maybe it's time to move," Susan says. "I don't want to be held hostage to people like that."

The Conkeys have generated a great deal of equity in the 2,600-square-foot home they bought six years ago for \$300,000 and now they're looking elsewhere. "We're just different. Maybe we should go someplace else," Don laments.

The couple had heard that Marquis is subdividing his 440-acre spread. He's already sold five parcels, and the Conkeys are interested in buying one of five remaining 40-acre parcels at a price of \$11,000 an acre, or about 4 percent of what the average acre costs in Las Vegas. "If we bought five, 10, 40 acres in the right spot we could commute for a while and then you could just about retire," Don says.

Marquis and Alvey think more people will be coming over Mount Potosi, seeking cheaper land and a quieter lifestyle. They speak of the Ivanpah Airport, which the county hopes to have operating by the end of the next decade.

The facility would relieve much of the load on McCarran International Airport and would provide landing space to flights from overseas and the eastern United States. That probably would lead to the construction of nearby hotels, restaurants, shops and homes, all reaching toward Sandy Valley.

"In two-and-half years, you'll be amazed. In 10 years, you'll hardly recognize it," Marquis says.

**Find this article at:**

[http://www.reviewjournal.com/lvrj\\_home/2004/Aug-03-Tue-2004/news/24177195.html](http://www.reviewjournal.com/lvrj_home/2004/Aug-03-Tue-2004/news/24177195.html)



[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Check the box to include the list of links referenced in the article.

