

In Business Q and A

Todd Nigro, president of Nigro Development

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Interviewed by [Jennifer Shubinski / Staff Writer](#)

Nigro Development is a small company with big plans for the Las Vegas area.

The company has developed everything from shopping centers to affordable housing in downtown Las Vegas' redevelopment area. The company is now venturing into the hospitality industry with the development of hotels and a banquet center.

Established by Edward Nigro in 1979, the company is now run by his sons Todd and Michael Nigro.

"We're not one of the large real estate companies, so we're constantly looking at ways to compete, and doing flexible, aesthetically pleasing projects that we can develop within a reasonable time frame is really our goal," Todd Nigro said. "We're the speedboat that tries to cruise in between some of the battleships and not get run over."

In Business Las Vegas talked with Todd Nigro, president of Nigro Development and a member of the city of Las Vegas Planning Commission, about growth in the valley and within his company, and the challenges for the future.

Question: Nigro Development has a wide breadth of experience when it comes to development, from housing to hotels and retail centers. What projects are you currently working on?

Answer: We're developing a new Smith's-anchored shopping center on Tropicana (Road) and Hualapai (Way) at the entrance of the Siena in Summerlin, as well as a 27-acre site in North Las Vegas that we're working on for a grocery-anchored shopping center. Some of our newest endeavors are in the hospitality industry. We're opening up the first 300 units of 600 units of an extended-stay hotel on Russell Road and Boulder Highway on the east part of town. It's our first endeavor into the hospitality industry. We're really excited about it. It will open in December of this



Todd Nigro

Photo by Matthew Minard

year, the first 300 rooms, and we plan on opening the balance of the property in the later part of next year. That has kind of dovetailed into some other projects that we're working on, the Hampton Inn and Suites in Henderson and a couple of other properties we're looking at in the west and northwest part of town to continue in the hospitality business.

Aren't you doing a banquet center as well?

We have 4.5 acres on Las Vegas Boulevard, just south of McCarran Airport, and we've obtained our entitlements and our financing to do a 50,000-square-foot entertainment banquet facility. It's a fairly ambitious endeavor because it's a freestanding facility, not in conjunction with a hotel. Any other place besides Las Vegas Boulevard we'd probably be a little more concerned about how it's going to work. It's clearly a smaller venue than what's in the hotels anyway, so we really don't think we're going to be competing for the same type of business.

Do you have any more plans to build affordable housing? How did your last project in downtown Las Vegas turn out?

Well, the project ended up successful. It was five single-family residences in the downtown redevelopment area. We were taking residential property and then demolishing the multifamily units there that were pretty run down and building single-family homes. We ended up selling them all. It was a successful project for us, and it was a successful project for the city. It was more challenging of a process than we're used to because of the combination of the public and private effort that was required to get it done. We had to apply for certain grants to make the land affordable, because we were buying land at commercial property prices to build five homes. I think that (with) the nature of where downtown is going, it was the right development at the time, and it was a great way to be involved in downtown redevelopment. But I think what the mayor and the City Council are really pushing for right now are vertical types of residential development. We don't have any property downtown that we're developing right now.

Could you tell me a bit more about the Desert Canyon Business Park?

We have buildings for sale; we have one under contract now. We're breaking ground in the first quarter. Cardiology Consultants of Nevada, one of the largest cardiology firms in the city, is buying a 16,000-square-foot building from us, and we're delivering it to them turnkey. We have a 55,000-square-foot building that's going to be situated right up against the 215 right off of Russell Road that we're going to be building for lease, and we're going to breaking ground on it in the next few weeks. We have a variety of other smaller buildings that we're going to be doing for sale. The goal was to offer an upscale setting but be able to deliver a product to those that want to buy and to those that want to lease.

The Clark County Growth Management Task Force has been studying growth in our valley. What impact do you think growth has on our valley and what do you think the outcome of the task force will be?

Growth is a huge issue. I'm not an advocate of the way to solve the growth problem is to stop growth or put some sort of artificial restrictions on growth that serve to change the entire dynamic on which our city currently operates. Slowing down

growth in what you might call the suburbs doesn't necessarily increase growth in the inner core. What increases growth in the inner core is having the private sector and the public sector develop flexible ways in which to approve projects and move projects forward on land that the public and the private want to see developed. It serves to fill in the pockets of infrastructure and vacant land that you see throughout what you would consider our inner city. The task force has an extremely challenging position to make recommendations to the Board of County Commissioners on issues relative to growth. I think it's a great dialogue.

In the county, so-called down zoning of commercial and industrial land to residential has been common. Are you seeing that happen in the city of Las Vegas at all, and what are the implications of these types of zoning changes long term?

We actually don't see that much in the city because most of the industrial land has been in the city of North Las Vegas and the county. What we have seen in the city is a fair amount of commercial land being rezoned for residential purposes out in the northwest. It's a delicate discussion between the neighborhoods and the property owners and the city staff and the planning commission and the city council across the board. The argument against it is that when you take away this commercial land and then put it with residential, there's not going to be enough commercial to service the residential. The other side of that argument: Some of these properties that were zoned and master planned as commercial properties had not been developed over the last three to five years and probably don't suit themselves as well as one thought to commercial development. Those that say it's not a good thing are correct. What's going to happen is the price of commercial and price to deliver it to end-users is going to go up. I take it by an application-by-application perspective.

There have been numerous debates over density, such as where it should be allowed and whether it is the answer. What are your thoughts on density and its changing role in the valley?

I believe density will be an ongoing issue as our city continues to grow, and the integration of high density and low-density developments will be key. I believe higher density developments are here to stay. However, I also believe that low density (rural) neighborhoods should be protected with buffer zones and compatible zoning of adjacent properties. When higher density developments are approved adjacent to low density homes, they should be required to be creative with the open space and types of homes abutting the adjacent low-density property owner to minimize the impact.

How will the withholding thousands of acres of BLM land affect development in the Las Vegas Valley? What are the long-term consequences if that land is not deemed developable because of environmental factors?

There needs to be an environmental assessment of development when we're talking about going into untouched outlying areas. In Las Vegas right now, anytime property is taken out of the development pipeline it is just going to exacerbate the issue of having enough land to satisfy the number of people who want to live here and the number of businesses that want to relocate here. It needs to be assessed and it needs to be determined quickly whether it's going to be out or whether it's going to be in. We've never bought anything at one of the BLM auctions.

How have land prices affected your ability to do business in the Las Vegas Valley?

An interesting dynamic going on in Las Vegas now is that there are some fairly sophisticated individuals and investors who own property all over town, and it's getting difficult to sell property and find additional property to acquire if that's the business that they're in. So people that we had been doing business with before in the investor and landowner capacity have come to us in a limited scope and asked us if we'd like to jointly develop the property with them. Most of our recent projects, the ones we've started working on in the last 12 to 18 months, have been situations where the landowners have approached us to turnkey the development with them as their partner.

There has been a plethora of announcements regarding high-rise development, many that have come before the city of Las Vegas planning commission. What do you think the probability is that all these projects will actually get built?

If you looked at the ones that are approved and actually under construction, they're all in the Las Vegas Boulevard core, whether it be from the Mandalay Bay to downtown Las Vegas. Now you're seeing approvals and projects approved and announced that are really outside of that resort corridor. It's going to be interesting, there are some that are being proposed along the 215 Beltway that could end up being very successful, but they're definitely breaking new ground with regards to doing that kind of vertical development in an area when you look around and you still see a lot of desert. I think a lot of the so-called experts in the industry have even said that maybe 50 to 60 percent of them might get built. So I don't know, it could be 20 percent, it could be 80 percent. I think how deep the market is will dictate a lot of how these get developed.

Do you think there is a demand for high-rise living? Are you looking into building such a project in the Las Vegas Valley?

We don't have any plans at the moment to develop any mid-rise and high-rise condo projects anywhere in the valley. We've talked about it, and we've talked to some landowners who think their property would be well suited for it. It doesn't seem like a market to me where it's conducive to being a first timer, which we would be in that regard.

Downtown redevelopment also is a central issue for the city of Las Vegas. Do you think the city is on the right track in regards to redevelopment plans? What more needs to be done?

I believe the city is on the right track with regards to redevelopment, in particular, the city's pursuit of dense, high-rise, commercial and residential developments. More needs to be done in the area of transportation and traffic, as well as finding locations for compatible retail development, such as supermarkets, etc. The city is approving many new and exciting developments. Assuming that a significant number of developments get built, there will be impacts that have never been dealt with before downtown.

Many people received their property tax notices in the mail earlier this month. As an owner of land and commercial properties, will higher property values affect the development plans of your company?

Higher property taxes will affect development as it will make the occupancy cost for the end user higher. Property taxes in residential and commercial developments typically are passed on to the lessee/buyer and in an escalating cost environment, of which we are definitely in, it will put pressure on the affordability of newer developments. At some point, this and all of the other cost increases being absorbed in Las Vegas developments will serve to slow down the pace.