

## NEVADAN AT WORK: TODD NIGRO; President, Nigro Development

### Brothers develop taste for the upscale

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Todd Nigro stands in front of Siena Suites, an extended-stay hotel being built at Boulder Highway and Russell Road.

Photo by [Gary Thompson](#).

It was an awkward situation for Todd Nigro when he and his brother, Michael, recently met with attorneys to discuss estate planning for their development business.

The company is closely held, passed down to the brothers from their father, Ed Nigro, who established Nigro Associates in 1979.

The conversation turned to buy-sell clauses -- which brother would buy out the other if they should ever split up and how would the interest in the company be divested.

"Those can be very delicate conversations," Todd Nigro said. "Within 30 seconds of contemplating that, we didn't even include it. We're going to be partners for life. End of conversation."

The brothers have been partners since forming Nigro Development, Nigro Construction and Nigro Management in 2000, covering all aspects of the development business from planning and design to leasing and management.

Having previously worked as a financial analyst for Salomon Bros. in Los Angeles, Todd Nigro was more interested in the financial aspects of the business. His brother takes care of the construction side.

The company has designed and built more than 1,600 single-family homes in the valley and has developed more than 2 million square feet of retail and commercial projects.

Current projects include Siena Suites, a 600-room extended-stay hotel under construction at Boulder Highway and Russell Road; Desert Canyon Business Park, a 15-acre mixed-use center at Interstate 215 and Russell Road; and Excelsior Grand, a 50,000-square-foot banquet and entertainment center on the Strip.

Nigro Development recently finished Rhodes Ranch Town Center, a 140,000-square-foot shopping center anchored by Vons at Durango Drive and Warm Springs Road.

**Question:** Your dad made his mark as a progressive residential developer. What's the primary focus of your company today?

**Answer:** We're really focusing on upscale, specialty-type of commercial projects. For instance, the master-planned business park on Russell Road at I-215, Desert Canyon. It's a premium, upscale professional medical business park. That's an excellent location and we're capitalizing on that by doing an upscale project. Rhodes Ranch Town Center is an upscale shopping center. Again, you get back to Siena Suites. At the end of the day, it's going to cost \$40 million. As far as anything in this corridor (Boulder Highway), this is upscale.

**Question:** Where do you see development trends going in Las Vegas?

**Answer:** I think projects are becoming more upscale and dense. I'm sure it's not the first time you've heard this, but the price of land is going to be one of our biggest challenges. It takes a wide range of development to service users out there. There's still a lot of developable land in Las Vegas. Look around the beltway.

**Question:** Land has been an issue for awhile and now we're hearing a lot about the cost of building materials. Are you feeling that crunch, too?

**Answer:** We're seeing costs in our commercial developments going up 20 percent to 30 percent for line items like framing, concrete, steel for the interiors. Water and sewer connections are all going up dramatically. Business owners and home buyers are a lot alike. They're only going to pay so much for their space.

**Question:** So, you're saying Las Vegas may be in danger of getting too expensive to build?

**Answer:** The challenge is you have this resort corridor going nonstop. As hard as it is to do commercial development, you'd think you'd see some leveling off, but because of the resort corridor, it keeps putting pressure on the commercial and residential sector to deliver more product. The challenge before us is when there will be a correction and how far-reaching it will be.

**Question:** You worked as chief financial officer for Nigro Associates, the company founded by your dad in 1979. What did you learn from him?

**Answer:** I think everything, put simply. He taught us the fundamentals of real estate development and we learned mostly by being at his side and working in various elements of development and construction and finance. How often does anyone get the opportunity to shadow someone with the experience of my dad? We worked long hours and put a great deal of effort into growing the business and developing quality projects. What he taught us beyond business knowledge is to have integrity and be straightforward in the way we handle business deals. My dad originally came here for the casino business. Reputationally, at the time, the casino business had its challenges. So reputation was really important to my dad, and he really emphasized that with us daily. It's a very high standard to operate in.

**Question:** You're among the new breed of young developers in Las Vegas, guys like Jeff LaPour and Jim Stuart. How do you build your reputation and gain the respect of the more experienced developers?

**Answer:** There are as many young developers in town right now as older developers, in the 35- to 45-year-old range. I think I treat each individual the same, no matter what their age. I enjoy doing business with people older than I am. I think it's fascinating to hear their perspective and so much of this business is based on experience. There are a lot of developers in town who've never been through a cycle. When California had its worst recession in the early '90s, it affected Las Vegas. That's the experience more experienced developers have seen.

My brother and I are relatively small in the scheme of things. We probably don't know more than we know. We approach things in more of a humble way. We look at our past projects and bring in all that experience. It's like building blocks for us to take on the next project. What is maturity? It's really just experience. Successful builders take that experience and use it to their advantage.

**Question:** You left Las Vegas for the big city, attending University of Southern California and working for Salomon Bros. in Los Angeles. What brought you back?

**Answer:** Salomon at the time was one of the top three premier investment banking firms in the world. My dad said, "How would you like to work harder for less money?" He made the same offer to my brother and we took it. He said, "It'll all be yours some day." Not only did we want to work for our dad, we wanted to work with each other. We came back for the same reasons, the opportunity to work with our father and each other. It's rare for families to do something they love and then to do it together.

**Question:** How do you share responsibilities?

**Answer:** It's an extremely complementary relationship. We can do twice as much because we don't do the same thing. There's a level of trust as brothers. We don't duplicate responsibilities.