

Developer: Social issues can't be ignored as development, construction in Reno heat up

Ray Hagar

Nevada Newsmakers

Reno developer Par Tolles said investment in urban development is healthy again in Northern and Southern Nevada after taking a crippling blow from the recession.

Yet the growth and development is leading to serious social problems in Reno that must be solved, Tolles said last week on Nevada Newsmakers.

"It's great to see Nevada, both South and North, (can say) we're back," said Tolles, president of Tolles Development Company.

Focusing in Reno, Tolles added: "From a development standpoint, I think we all have PTSD for eight years and we're all now feeling more confident and people are starting to invest again. I was so pleased in raising money for the last two purchases we made. We

[REDACTED]
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Par Tolles

Reno developer

bought about \$50 million dollars of real estate in the last six months both in downtown and Midtown. Investors want to be in Reno."

Two social issues stand out as Reno's development and construction economies heat up.

First, some Reno development is pushing poorer people out of their homes and developers must help find the displaced new places to live, Tolles said.

Second, there much talk about Reno's lack of affordable housing. That,

however, can be linked to the numerous yet low-wage jobs that have been created in the area since the recession of in 2007-2008, Tolles said.

"I get a little frustrated with the perception of the development community that affordability is our problem," Tolles said. "If you look back to where we were in 2006, our apartment pricing and our residential pricing is now back to where it was 10 years ago. And now they are saying it is unaffordable.

"More than anything, we have a wage problem more than an affordability problem," he said.

"If you talk to EDAWN, (Economic Development Agency of Western Nevada), they are doing a better job now of trying to attract higher paying jobs," Tolles said. "But if you continue to bring in a sea of people that are making low

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wages, then we are going to build a sea of apartments to try and accommodate these people."

Developers and city planner need a "holistic" approach to the local economy.

"OK, we did a great job in the last 10 years in solving our unemployment problem," Tolles said. "We've talked at length about the Tesla effect so I won't repeat it. But we have created a lot of manufacturing jobs, now we've gone to skill manufacturing, now we really need to focus more on engineering, higher paying jobs that can balance out the large population of low-paying jobs we have created."

Tolles' business is heavily involved in development of Reno's Midtown area, which roughly stretches from downtown Reno south to the old Park Lane Mall area at Plumb Lane. He is concerned about people who are displaced because of new development.

"We as developers, particularly in the Midtown area, we look at taking

down motels that are really blighted properties," he said. "But there is a working poor that we have to be mindful of and be compassionate and careful about their displacement."

Tolles said he has yet to come up with the perfect answer to the problem. He recently spoke the director of the Northern Nevada HOPES health clinic about it.

"We had a conversation on how we can -- the development community -- partner with HOPES and other organizations that are helping the working poor," Tolles said. "There is not a perfect answer to it, but we need to be thinking about it. We need to help people find places to live if we are going to redevelop certain areas. And you will find the developers in my community feel the same way."

In a first-step to help ease downtown social problems, Tolles is supporting a private-public partnership between the City of Reno and downtown Reno property owners to create a business improvement district. Taxes from the district

would fund an organization that would help police deal with downtown issues, including those of the homeless.

The plan calls for a non-profit to "hire 13 to 15 ambassadors and case workers to be present downtown," Tolles said.

"It allows the police to do police work and they (ambassadors) will now start to work and interact more heavily with the social problems of downtown."

Similar programs have had success in Sacramento, Spokane and Boise, Tolles said.

"It is the most important and impactful thing that we will do downtown in the last 10 years and going forward," he said.

The project carries an overall price tag of \$1.9 million and would provide funds for the ambassadors, more police and improve maintenance of the downtown area, according to the Reno Gazette-Journal.

The Reno City Council, however, has yet to approve the plan.

"We have 1991 funding levels for our police,"

Tolles said. "They deserve not to have to be off the street for two hours when they take care of an inebriate."

Tolles said he was impressed with how effective Sacramento's "ambassadors are.

"These ambassadors, its amazing. When I saw them work in Sacramento, they know how many homeless are downtown. They know their names. They keep data collections in terms of who their relatives are. They can call those people to help them before they have to involve the police."

Reno's downtown homeless problem appears more glaring since tourists can stay inside hotels and use indoor walk-ways to go between the three properties of the Eldorado, Silver Legacy and Circus Circus, Tolles said.

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