

BLUEPRINT FOR A NEW LAS VEGAS  
DIVERSIFYING THE ECONOMY KEY TO IMPROVING QUALITY OF LIFE

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Of the 50 largest employers in Nevada, 34 are casinos, one is a manufacturer of gambling devices, eleven are governments or their subsidiaries (school districts, police department, post office), three are hospitals, and one is a bank. Five casinos are larger than state government. Of the largest 18 private companies in the state, all 18 are casinos. Of the 50 largest employers in Clark County, 34 are casinos. Of the remaining 16, eleven are governments or their subsidiaries. The other five are the telephone company, a hospital, a bank, a convention service, and a linen supplier, the last two serving the casinos almost exclusively.

There are at least four reasons why Las Vegas should diversify its economy.

First, our quality of life would benefit from a more diverse populace who would demand more diverse services and activities. The tourists and those who make the most from them don't care that our increasingly jammed thoroughfares are ribbons of bars, taverns, and "convenience stores," each nothing more than an excuse for a limited gaming license and more numb-dumb machines. Some of the rest of us do. The problem feeds on itself. It's getting increasingly difficult to recruit quality people to teach in our schools, run for government, and even coach our basketball teams, without fearing that they'll conclude, as did Rick Pitino, that "it's just not a good fit" for them here.

Second, Goldfield, Tonopah, Rhyolite and Pioche. Boom towns at the end of the nineteenth century, their single-industry economies left them ghost towns in less than fifty years. It might be far-fetched to suggest that people might someday tire of plunking their money into machines programmed to give them back less than what they put in, but if casino gambling gets legalized in California, they may soon tire of driving all the way to Vegas to do it. Under the diluted heroin theory – California can sell all the diluted heroin it wants, but you'll still have to go to Vegas for the real thing – California gambling is an idle threat, but a community still shouldn't base its whole economy on hula hoops.

Third, Steve Wynn, J. Terrence Lanni, Kenny Guinn, and Sig Rogich. So much power is balled up in so few hands, that all levels and branches of government dangle at the end of a single string, and the concept of the public trust is arcane. Government in Nevada is held in trust for the casinos, not the people. The old mob is gone, but the new mob is still here. Before they came here, the old mob used to shake their neighborhoods down for "protection money." If the local capo got a piece of the action, you thrived, and if he approved of your "policies," you held public office. Today, if you cut Sig Rogich in on the deal, it goes through. If you get his blessing, you're the next governor. You don't change a culture overnight.

Fourth, when you put the first three together, you get a population sapped-out on poker machines whose children don't have quality schools or parks, grow up surrounded by drinking and gambling, hang out at the neighborhood quickie-mart casino because that's what's there, and end up working for a bunch of junior mafia types because that's all there is.

If you think the casinos bless us with all the money that rolls into them, consider that we can't get enough teachers for our schools because we pay them less than most everywhere else, and that we lead the nation in crime, suicide, smoking, teen pregnancy, and school drop-outs. We also have one of the lowest parks to population ratios in the country. While the national average is between 4 and 6 park acres per 1,000 people, the ratio in Clark County is 1.5 acres. The ratio in the City of Las Vegas is 1.3, while the poorer North Las Vegas has a ratio of 1.1 per thousand. The Clark County ratio of 1.5 acres of parks per thousand is skewed by Boulder City, which has a ratio of 4.75 acres. Boulder City is the only locality in southern Nevada that doesn't have gambling.

So what do we do? How do we diversify Las Vegas? Let me make four suggestions.

First, we stop assisting the casinos in tightening the noose around our necks on the ground that they drive our economy. We hear it all the time: "If it weren't for the casinos, we wouldn't be here." If it weren't for *us*, *they* wouldn't be here! It's the lack of diversity, not of casinos, that threatens this community.

Second, we raise the gaming tax. The maximum was raised slightly to 6.25% in 1987, less than half the take of most other gambling states, and has stayed there untouched for 14 years. In those 14 years Las Vegas casinos have expanded beyond recognition, while our roads, schools, parks, and air have deteriorated to a like degree. The casinos should pay for the growth they wreak on us. The maximum rates in Colorado, Connecticut, Illinois, Indiana, Louisiana, Michigan, Mississippi, Missouri, and New Jersey are 20%, 25%, 35%, 20%, 25%, 18%, 8%, 20%, and 8.25% respectively. The difference is that the casinos begged to invest their Las Vegas profits in these other states. Owning every level and branch of government in Nevada, they don't beg here, they boss.

Third, the room tax money that gets rolled back to the casinos in a wheelbarrow by the Las Vegas Convention and Visitors Authority for casino marketing we return to its original purpose – parks, recreation and cultural affairs. What goes presently to casino marketing should instead be spent on attracting other businesses. That can best be done, of course, by providing better schools and making Las Vegas a better fit for the best and brightest.

Fourth, we stop breaking and bending all the rules for every new casino project that is proposed. The gaming policy committee that was recently established to oversee expansion of the gaming enterprise districts by the cities and counties has showed initial promise, but it's a small start and effective only in limited areas and only when the neighbors organize and hire a lawyer.

The problem is that money begets money and power begets power. With all the money and all the power, the casinos will use it to keep the gaming tax low, retain their hold on the room tax

money, and grease through every new casino project without being required to pay for the consequent growth.

The one thing we can change that costs nothing and is under no one's control but our own, is our attitudes. I can't count the number of times people have said to me, "watch your back." There is a culture of fear in this community that has its roots in the old days. It amazes me how many lawyers, religious leaders, teachers, journalists, and other professionals (forget the politicians) who know what's going on, say and do nothing out of a fear of casino capos.

No one has ever built a casino out of a burning desire to improve the lot of humanity. We're not dealing with Mother Theresa here, but the people can have a lot of power if they will just come out from under all those rocks.