

Douglas County's economic recovery in place; infrastructure, employment challenges remain

By Anne Knowles

MINDEN – Douglas County is back on track, but it's unlikely the county will return to the earlier high growth that once fueled its budget.

In 2013, 947 homes were sold, the most sales since 2005, at an average price of just less than \$300,000, the highest since 2008. Assessed values, which dropped 29 percent from 2009 to 2014, are expected to increase 4 percent in 2015. And 108 residential building permits were issued last year, the most since 2007, although well below the 537 permits issued in 2005.

"Building permits are a good leading economic indicator," Steve Mokrohisky, county manager, said at the second annual Financial State of the County on March 10 at Carson Valley Inn. "That pales in comparison to the 500 plus permits we had in the 2004, 2005, 2006, but we probably won't get back to those levels ever."

Taxable sales are also up. In 2013, they approached \$600 million, the highest since 2008, and are already ahead of \$300 million at the halfway point in fiscal year 2014. But Mokrohisky warned that taxable sales fund little in the county, which depends on Nevada's consolidated tax for more than a quarter of its budget.

And unemployment in Douglas County, he said, remains stubbornly high at 9.6 percent in December 2013, although

that's the lowest rate in five years.

Among the highlights for the county is a recent bond upgrade to AA from Standard & Poor's, the first upgrade in 10 years and the highest rating in the county's history.

Mokrohisky, who is leaving April 11 to take a new job in Lane County, Ore., said the county faces several challenges, including deteriorating infrastructure such as roads and water systems. On March 20, the Douglas County Board of Commissioners is having its meeting in Stateline to discuss consolidation of aging water systems at Lake Tahoe.

Another goal is to revitalize the downtowns of Gardnerville, Minden and the South Shore using Genoa as a model, said Mokrohisky.

And the county must balance the need to control expenses with maintaining "our greatest asset," a vibrant workforce, he said. During the downturn of the last half decade, the county has reduced its personnel costs by \$1 million, eliminating 65 full-time equivalents and negotiating contracts with employees that have stabilized costs. That's helped bring expenses below revenues. From 2002-09, county revenues grew 5.7 percent while expenses climbed 7.5 percent. From 2010 to 2013, revenue growth dropped to 1.8 percent while expenses were kept to 0.4 percent growth. The projected annual average growth for the next five years is 2.3 percent for revenues and expenses.

At the meeting, the county also launched an annual award for local businesses called the Spotlight Award. Seven businesses were honored in categories such as retail, manufacturing and hospitality. The businesses were American AVK, a maker of water hydrants and valves in Minden; Carson Valley Inn, the Minden casino/hotel/motor lodge/RV park; Edgewood Companies, owner of 500 Lake Tahoe acres and operator of Edgewood Tahoe Golf Course; Fresh Ideas, a Gardnerville gift shop; R0 Anderson, an engineering firm; Red Hut Café, the 55-year-old

restaurant operator with locations in Lake Tahoe, Carson City and Reno; and Soaring NV, a gliding school which took home the entrepreneur award for its owner, Laurie Harden.