

Nevada Business

maker's magazine



How We Stack Up

Ranking Nevada



Executive Education

Telecom

Nevada's Downtowns



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By Kay Foley

The Nevada economy is showing more positive signs in 2013 than it did last year, especially in critical indicators like unemployment and housing. While many Nevadans still fear that the light at the end of the tunnel may be an oncoming train, there are hopeful signs that travel and tourism are gradually rebounding, more Nevadans are finding work, and fewer homes are being foreclosed. Although economic indicators seem to be moving up, Nevada is still plagued with ongoing social problems like the quality of education systems. These lead to concerns about the quality of life in the Silver State, which negatively impacts Nevada's ability to attract new business – a vital part of the long-awaited economic recovery.

Cost of Doing Business

Nevada compares well with competing markets when it comes to costs for commercial real estate, wages, workers comp insurance, utilities and other business basics. Because of overbuilding during the commercial real estate boom, plenty of inventory is avail-

able at reasonable prices, and the relatively high unemployment rate makes it easy to staff a company. Since Nevada does not have corporate income tax, franchise tax, unitary tax or inventory tax, business tax rates make it especially competitive.

Commercial Real Estate Lease Rates

Industrial	
Reno	\$0.30
Sacramento	\$0.35
Inland Empire, CA	\$0.37
Phoenix	\$0.44
Las Vegas	\$0.51
Greater Los Angeles	\$0.56
Orange County	\$0.58
Office*	
Reno	\$1.49
Phoenix	\$1.69
Inland Empire, CA	\$1.73
Sacramento	\$1.74
Las Vegas	\$1.87
Orange County	\$1.88
Greater Los Angeles	\$2.33
Retail**	
Phoenix	\$1.18
Reno	\$1.22
Sacramento	\$1.32
Inland Empire, CA	\$1.34
Las Vegas	\$1.49
Orange County	\$1.84
Greater Los Angeles	\$1.94

Source: Vot Real Estate Services. Q1-2013
 *Full Service Gross
 **Triple Net

Total Annual Operating Costs - I.T. Centers Western U.S.

(Ranked from least expensive)	Location	Annual Costs
1	San Antonio, TX	\$24,687,386
2	Louisville, KY	\$24,697,533
3	Des Moines, IA	\$25,498,612
4	Las Vegas, NV	\$25,677,134
5	Dallas/Ft. Worth, TX	\$26,406,728
6	Portland, OR	\$27,294,358
7	Denver/Boulder, CO	\$27,548,051
8	Cleveland, OH	\$28,117,530
9	Minneapolis/St. Paul, MN	\$29,909,488
10	Chicago, IL	\$30,410,627

Source: The Boyd Co., Inc., Princeton, NJ. Costs based on a 200-worker information technology center occupying 100,000 sq. ft.

Total Annual Operating Costs - Customer Service Center

(Ranked from least expensive)	Location	Annual Costs
1	Tampa/St. Petersburg, FL	\$24,584,775
2	Richmond, VA	\$25,337,444
3	Las Vegas, NV	\$25,477,243
4	Charlotte, NC	\$26,196,917
5	Houston, TX	\$26,883,510
6	Denver/Boulder, CO	\$27,299,267
7	Portland, OR	\$27,427,323
8	Seattle, WA	\$28,863,207
9	Boston, MA	\$30,273,288
10	San Francisco, CA	\$32,458,207

Source: The Boyd Co., Inc., Princeton, NJ. Costs based on a 500-worker customer service center occupying 45,000 sq. ft. of office space

Total Annual Operating Costs: Distribution Warehouse

(Ranked from least expensive)	Location	Annual Costs
1	Quincy, WA	\$14,057,361
2	Salt Lake City, UT	\$15,101,567
3	Reno/Sparks, NV	\$16,163,359
4	North Las Vegas, NV	\$17,235,457
5	Phoenix, AZ	\$18,247,971
6	Stockton, CA	\$18,509,895
7	San Bernardino, CA	\$18,941,655
8	Seattle, WA	\$18,973,520
9	Oakland, CA	\$20,605,607
10	Los Angeles, CA	\$20,737,988

Source: The Boyd Co., Inc., Princeton, NJ. Costs based on a 175-worker distribution center occupying 500,000 sq. ft. and serving the 11 western states.

