



The Nevada Policy Research Institute

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NPRI analyst: New Las Vegas city hall wasteful, shows problems with government-led economic development

LAS VEGAS — Responding to today’s opening of the new City of Las Vegas city hall, which will cost City of Las Vegas taxpayers around \$185 million, Geoffrey Lawrence, deputy policy director at the Nevada Policy Research Institute, released the following comments:

Even in the midst of a down economy, wasteful government spending continues to run amok. Between last week’s opening of the taxpayer-subsidized Mob Museum and today’s opening of the new Las Vegas city hall, taxpayers have two vivid reminders that there is plenty of excess within government.

Taxpayer-subsidized economic development efforts are always short-sighted because they skew markets away from optimal, natural development toward unsustainable special-interest subsidies. The city hall project, which was sold as an economic development project that would catalyze future downtown investment, however, goes a step beyond even the state-directed economic development efforts being considered by Governor Brian Sandoval and his advisors. Their ideas would arbitrarily pick winners and losers from among private industry. With the construction of a \$185 million shrine to government in the midst of recession, city officials in Las Vegas have chosen themselves as the winners and private taxpayers as the losers!

The Las Vegas city hall is a lose-lose for taxpayers. First, they must pay for its construction, with [annual payments that grow to \\$13.4 million by Fiscal Year 2017](#), plus over \$40 million in interest costs. According to [city documents](#), Las Vegas’ general fund will “likely” pay the majority of the annual payment.

Second, even should the new city hall successfully lure businesses downtown — something highly unlikely [given the track record of the Las Vegas Redevelopment Agency](#) — taxpayers would still be on the hook, because increased taxes collected in the redevelopment district will mainly go to the redevelopment agency, not to fund legitimate

city services. Also, redevelopment agencies breed corruption and [backroom deals](#) to dole out public money.

Finally, an important principle is at stake here: Who serves whom? In the private sector, businessmen and women must meet customers' needs to gain their business. In government, politicians take taxpayers' money — by force, ultimately — to use it for their own pet projects regardless of what consumers prefer or say. This was highlighted last week, when former-mayor Oscar Goodman called critics of the taxpayer-subsidized Mob Museum “monkeys” and “morons.”

Who do you want running the economy?

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