

HDA

Humboldt Development Authority

winnemucca, nevada

MISSION

To provide recommendations concerning economic development and improvement to the governing bodies of the City of Winnemucca and Humboldt County, and to assist in the attraction, retention, expansion, and growth of business that is compatible with the interests and concerns of the residents of the City and County

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Economic Update February 2022 Humboldt County City of Winnemucca

With the rapid pace of assorted economic news and local development, this economic update is being released in order to share information that may be helpful in preparing for our robust future. We have solid, steady growth planned for many years in the future. The entire region will benefit, as long as we are able to solve the critical housing shortage.

Employment: 5-year new jobs based on 10 major employers

We survey our major employees annually for 5-year new job projections. Each new job will roughly translate into an additional .59 jobs in the community (retail, educational, services, etc.). The last survey completed October, 2021 showed the following:

	2021 New Jobs Created <i>(some are yet to be filled)</i>	2022 New Jobs Created	2023 New Jobs Created	2024 New Jobs Created	2025/26 New Jobs Created	5 Year Totals
Employees	196	124	165	61	452	998
Contract workers	15	142	70	0	0	227
UNR Direct & Induced 1.59 multiplier	335	423	374	97	719	1,948

These numbers are not exact, and can easily vary, particularly regarding the timeframes.

This table does not contain new positions created as a result of attrition, retirement, leaving for other opportunities, etc. Although those numbers are very hard to quantify, it might be noted that a person retiring or changing jobs most likely stays in Winnemucca, keeping their current housing. New workers coming in to fill those vacant positions are often from out of the area, putting them in competition for any available housing. Nearly every employer can tell the story of offering a job, having the prospective employee search for housing, then declining the offer because they could not find a place. One person, in a decline message, said *"I did not realize quite how barren the rental market is in Humboldt County"*, further explaining *"Unfortunately, for this reason I am never going to be able to commit to a job where I am not going to be able to find housing so there is no sense in continuing with the interview process"*. We hear similar stories from all our employers.

The obvious solution to the workforce shortage is to fix the housing shortage.

This is an urban as well as a rural issue. There is no end of reasons for the housing shortage. But in a rural area, the answers are a bit easier when an entire community recognizes and works together to solve it.

Construction Employment: 5-year forecast based on 4 major employers

	2022	2023	2024	2025	
Construction Workers	885	1,145	1,360	735	4,175

The numbers above continually shift as supplies and projects face delays. However, we feel they are a pretty good guide. It should be noted that 3 major employers will continue expansions past 2025. The numbers should be similar to 2025 but we chose not to speculate.

Unemployment Rates:

Other than two large Covid-induced spikes (9.3% April 2020 & 4.5% June 2021), the Humboldt County unemployment rate has been fairly consistent in the 2.5% to 3.7% range. It currently sits at **2.5%**, well below the 4% or 5% mark that is considered full employment. The end of the State and Federal pandemic supplements in September and October had little effect on unemployment claims. There were two other spikes in claims though, and both could be related to the Hycroft Mine lay-offs. However, the spikes lasted only a few weeks, indicating that the workers were quickly absorbed by other mines in the region.

Room Tax

Although the pandemic shut down major events for the most part of 2020 into 2021, room occupancy and revenues actually increased. At the end of FY 2020/21, Room Nights increased approximately 18% over the previous year, and Room Tax Revenue increased approximately 20%, indicating a rise in rooms cost also.

Regional Planning:

Although Humboldt County has a good supply of residential lots and residential developments available for development, there is also growing activity among property owners who recognize the need and opportunity to divide larger parcels for possible future development. Most of the parcel maps below were for 2-4 lots.

	Residential Parcel Maps Recorded	# of residential-scale lots created	
2019	18	43	A large number of these splits were for remote desert land that will need access road construction before any development.
2020	11	41	This included 17 single family lots in the Western Village Subdivision
2021	15	32	This included 4 parcels in the New Western Village development for duplex homes

Building Permits

Going back to 2010, single family dwelling permits in Humboldt County averaged about 8 per year. Several years ago, the City and County, along with the Economic Development office, recognized the housing shortage would only get larger as new developments and employees come to the area. A comprehensive approach was launched that included Building and Regional Planning staff. This effort helped nurture and encourage housing development. In 2020, 6 single family dwelling permits were issued, increasing to 22 in 2021. 2022 will probably come in around 50 single family units, and continue to increase yearly. More detail follows under "Housing".

The last new apartment complex was permitted in 2015. We hope to have several pull permits in 2022. Multifamily housing, including apartments and townhomes, is absolutely essential to serving the influx of incoming employees. Three projects are in the planning stages, and could add up to 300 units in the next few years. While they all have a very good chance of breaking ground, they can't be relied upon yet. Financing remains

a hurdle, as referred to in the “Demographics” section above. Meanwhile, several local builders are contributing to the rental market by planning duplexes and smaller apartment units. Every unit counts!

Single Family Housing

Both site-built and factory-built housing developments have been gaining momentum, in spite of supply-chain and workforce issues. **The UNR “Housing Needs Assessment – Humboldt County” (<https://hdanv.org>)** identified 6 active developments with 8 more in the approved/planning stage. One 16-home development sold out in 2021 and 3 in the approved/planning stage moved to active development. Collectively, the numbers are still low and inadequate for demand.

Multifamily Housing

Regional Planning approved one small apartment development in 2021. It is still in the planning stages and a permit has not been pulled. There are several larger developments (apartments and townhomes) that are trying to secure financing. This is a challenge in a rural area because multifamily needs institutional funding which relies on statistics generally provided by the US Census or large firms that rely on broad-stroke assumptions rather than on-the-ground real data. There is just too much at stake to be passive in this lapse, so the Humboldt Development Authority funded the UNR study referenced above, and retained the author, Brian Bonnenfant, as a consultant to interface with prospective multifamily builders and funding sources. This approach has been successful in bringing 3 developments that we hope will announce groundbreaking soon.

Short Term Housing

This includes motels, hotels, extended stay units, RV parks, manufactured home communities, mobile home parks, apartments and individual single-family dwellings for rent. All of these are enjoying high occupancy rates. Apartments and individual homes are in such demand that prospective renters are bidding well above the asking monthly rental amount.

A quick glance at the projected **Construction and Permanent Employment** numbers above foretells a looming crisis if the multi-family projects do not get launched. Even if they are able to break ground, much more is needed.

Home Sales

In **2020** there were 430 sales in Humboldt County with a median value of \$245,500. There were 403 home sales in Humboldt County in **2021**, with an average size of 1,600sf with a median sales value of \$293,000. The lower number of sales in 2021 reflects a very tight market when as few as 9 homes would be on the market and most homes sold well over listing price after being on the market only a few days. New home construction has helped, but the market is still deeply under-built. Of the 43 homes currently on the market, 10 of them are new construction.

This contrasts with 351 sales in **2018** with a median value around \$184,500 and homes were on the market for several months rather than several days.

Major Projects

Much has been written about the large new projects breaking ground and coming on line in the next few years.

- Lithium Nevada – Mine, processing, manufacturing, and transloading facilities
<https://www.lithiumamericas.com/usa/thacker-pass/>
- West Coast Salmon Nevada – Land based north Atlantic Salmon farm. Grow, process, & ship facility
<https://www.linkedin.com/company/west-coast-salmon-as/>
- Hot Pot, Iron Point – Solar farms totaling 600mw with similar sized storage. A third project is planned to follow these, but a timeframe has yet to be announced.
<https://www.yahoo.com/now/primergy-solar-iron-point-hot-140500183.html>
- All area mines are expanding and adding employees
- An exciting 280-acre recreational destination RV resort is in the final planning stages, with groundbreaking anticipated late this summer.

*For further information, please contact Jan Morrison, Economic Development Officer:
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