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Developers Poised in Arizona to Welcome the Spillover of Las Vegas's Boom

By STEVE FRIESS

KINGMAN, Ariz. — It seems fitting that the most prominent resident to emerge from this dusty desert outpost is Andy Devine, a Western actor who was best known for playing helpmates to the likes of [John Wayne](#) and Roy Rogers.

Fitting because Kingman, an area of just 40,000 people, is poised to become the freshest face in the Sun Belt's growth spurt. But even as Kingman rises, the question remains whether it will become a star in its own right or, like its famous son, is destined to be a sidekick to the region's flashier metropolises, particularly Las Vegas.

Two major developers based in Nevada — Rhodes Homes and the Mardian Group — have won approval to build communities in the Kingman area that, by 2040, could have a combined 80,000 new homes.

The mayor of Kingman, John Salem, predicts that would mean an additional 150,000 residents, a conservative estimate by other accounts.

Driving this development is not so much that the world has discovered Kingman, but that the Las Vegas region is starting to run out of land and water to sustain its growth.

A \$240 million, four-lane bridge across the Colorado River is due to replace the two-lane road that now crosses the Hoover Dam between [Arizona](#) and Nevada in 2010, making travel between the areas much easier.

When that happens, Mr. Salem predicted, it will be difficult to keep what he calls "the Kingman secret" quiet any longer.

"It's gorgeous here, we don't have any natural disasters, no forest fires, no [hurricanes](#), tornadoes or floods, good schools, lots of cheap land, the cost of living's down, we have proximity to the Colorado River, to Flagstaff, to Las Vegas, to Phoenix," said the mayor, who won election in May on a platform of being friendlier to developers.

"We're right in the middle of everything," he continued. "There's going to be quite a few more people looking to Kingman once the dam bypass goes through."

There is also, so it seems, "much more water than anyone really realized," said Chris Stevens, an executive for Rhodes Homes, whose Pravada development west of Kingman in an unincorporated area known as Golden Valley is expected to include 33,000 homes on about 5,000 acres.

Preliminary studies by hydrologists for the Mardian Group and for Rhodes Homes have convinced the Arizona Department of Water Resources that there is a 100-year water supply for the developments.

Leonard Mardian is particularly bullish on the idea that many of his residents will make what he says will be a one-hour drive to work in central Las Vegas from the Ranch at White Hills, the first of his three planned communities about 30 miles southeast of the Hoover Dam and 40 miles north of Kingman.

Mr. Mardian, the owner of 47,000 acres in northwest Arizona, is not concerned about fuel prices; he said he believed that people would soon switch to cars powered by alternative fuel anyway.

Mr. Mardian said he planned to sell homes at one-third the cost of those in southern Nevada.

Both Mr. Mardian and Mr. Stevens say their companies are undeterred by the weak housing market, even as Las Vegas and Phoenix suffer some of the nation's highest foreclosure rates and steepest home-value declines. Las Vegas in particular, they note, is on the cusp of yet another boom, with 50,000 hotel rooms expected to be added to the resort corridor by 2012.

"We can't say we're in a bad cycle right now so we should just stop what we're doing," said Mr. Stevens, whose company has about 500 \$2,000 deposits on the first wave of Pravada houses and has billboards advertising houses starting around \$140,000. "We can't do that. You have to just recognize that we're going to go through down cycles and up cycles."

The anticipated Vegas boom translates into an additional 113,500 new resort-related jobs alone, according to calculations by Bill Lerner, a Deutsche Bank gaming stock analyst.

"There's going to be another million people here in the next 10 years," Mr. Mardian predicted. "Where are they going to live?"

For Kingman residents, the changes to come are drastic and, in some quarters, unwelcome.

Once a cherished stop along U.S. 66, the city became a mere fueling point for many when Interstate 40 opened in the mid-1970s. The population began rising in the 1990s as residents like Earl Kemp, 77, fled densely populated cities for a rural lifestyle; the [Census Bureau](#) says it grew 35.8 percent since 2000.

Now Mr. Kemp, who moved from San Diego a decade ago and lives a mile from the edge of the planned Pravada project, is among those angered by the coming tsunami of development. "It's much too big," Mr. Kemp said. "I was attracted to this area for the peace and solitude, but peace and solitude no longer exists with 80,000 people living a mile from me."

Mr. Kemp and many of his neighbors also fear Pravada will use so much water from the local aquifer that they will have to dig their own wells deeper.

Sandy Fabritz-Whitney, deputy director of the Arizona Department of Water Resources, acknowledged that that could happen, but she said that "there's nothing in the state law that protects them" from that eventuality because Rhodes is not planning to dig any deeper than legally allowed.

Rhodes comes in for particularly harsh criticism by local activists because the company promised years ago when it began buying up land that it would "be respectful of the environment," said Denise Bensusan, a member of the Mohave County Land Subdivision Committee that is rewriting the residential subdivision regulations for the region. "They said they were going to use desert plants and all this, but the first thing they did was to put in huge palm trees that take so much water just to announce their arrival."

Ms. Bensusan is especially alarmed by the fact that the state gave Rhodes and Mardian their water approvals without waiting for the results of a study of the area's ground water supply that is now under way by the [United States Geological Survey](#).

But others shrug off such concerns. The developments mean construction jobs, increased property and sales tax revenues and the potential for big-box stores to open here so that local residents no longer have to drive 40 miles west to Bullhead City, Ariz., for, say, a Best Buy.

Mr. Salem said FedEx and Wal-Mart were building distribution centers in the Kingman area to take advantage of two major roads that cross here: Interstate 40, which stretches from California to North Carolina, and U.S. 93, which links Las Vegas to Phoenix.

And Westar, a developer based in California, announced in July that it planned to build a 37-acre, 380,000-square-foot shopping center and office complex three miles north of Pravada.

"There's still lots of open space," said Steve Wagner, a real estate agent who moved to Kingman from Southern California six years ago. "We're not yet condo on condo, neighbor on neighbor with five-foot easements. I mean, it's going to come, but it's not here today."

The mayor believes that with careful planning, Kingman can maintain its own character and become a destination unto itself.

"There's going to be growth here no matter what; it's just how we handle it," said Mr. Salem, 44, who moved here in 1992 from Phoenix, where he was raised.

"I don't think it's going to be anything on the scale of Phoenix or Las Vegas, and we don't want that," Mr. Salem said. "But Kingman has unlimited marketing potential for whatever different people want to do within the city. People will want to come here."

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