

## Assembly

WAYS AND MEANS COMMITTEE AND GENERAL  
MEETING

Ways and Means Committee Chairman Norman D. Glaser called meeting to order in Ways and Means Committee Room at 3:10 P.M. January 25, 1967 for the purpose of hearing Dr. Louis K. Loewenstein of Arthur D. Little Inc., Contract Research Company, of 500 Sansome Street, San Francisco, discuss techniques for increasing potential for industrial development in Nevada. The meeting was attended by members of the Ways and Means Committee, various senators and assemblymen and any other interested persons. Dr. Loewenstein's presence had been requested by Assemblyman Bud Bishop, Chairman of the State Publicity and Economic Development Committee, and Assemblyman Frank Young, a member of the Committee. Mr. Bishop turned the meeting over to Mr. Bishop, who called on Mr. Young to introduce Dr. Loewenstein.

Dr. Loewenstein told of his company's function, essentially solution of problems in industrial development. He said the company was started in 1885. He mentioned working for Hawaii, the states of Washington, Mississippi, Missouri, Rhode Island, and cities, such as Jersey City. He said major work had been done for the State of California. He read from a booklet on economy of areas, saying they take a look at all factors involved - taxation - income - resources and liabilities, power available - response of local people. He said they had recommended a number of national development programs, picking a number of industries for an area which they felt should expand. He discussed the Southern Nevada Industrial Foundation, which he said never got off the ground. He said firms were looked at who would be likely to locate there, and they were screened as to power consumption, water consumption, could they use less water than other industries, who could comply with air pollution ordinances, freight rates, could they operate economically, distribution problems to see which could capitalize on the Freeport Law, etc. They thus arrived at the number of industries which would warrant closer analysis. From this list they would choose those who might relocate or expand, using information from their computer file. He said first long discussions were held with clients, then the proposals were tailored to fit the needs of the area. Another part of the program is to assess the liabilities and assets of the area. In the case of Honolulu, they actually are going out and assisting them to bring people there because of their distance. He said they could work with the Economic Development Organization here and set up a long range program and suggest people interested in working with such a department. Mr. Bishop asked what the cost would be. Dr. Loewenstein said this is based on what they do and the amount of time involved. He said they are spending \$100,000 in Hawaii and Jersey City was \$30,000.00 - for Clark County proposal was from \$40,000 to \$50,000. Mr. Young asked him to discuss one project, Jersey City. Dr. Loewenstein said Jersey City was very run-down, faced with deteriorating industrial plant, high taxes, poor political reputation and other problems. His company surveyed any industrial building of any consequence so the city would know what their physical plant was. He said they always make a survey such as this.

Dr. Loewenstein said officials of every industry in the city were interviewed, of which the major one in Jersey City is Colgate-Palolive. They were asked

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what they didn't like about the situation, if city was working with them, etc. Dr. Loewenstein said he felt there should be liaison between city government, Chamber of Commerce, industry, and the planning department. In Jersey City the planning board never talked to the chamber of commerce. He said a plan worked out by his company as to how to get money and set up an industrial development department had been approved by the city.

Senator Farr said in his city services can't be provided because of revenues. Discussion of warehousing, etc. He said 209 new businesses have moved to the community tax free - can't provide service because don't have revenues. Discussion of constitutional limit of \$5.00 on tax levies, can't raise taxes because of limitation.

Mr. Close said the area of Nevada is large compared to others and different areas have different problems. He wondered how a comprehensive report could be made. Dr. Loewenstein said states were divided into regions. Discussion of Illinois program. Dr. Loewenstein was asked how he felt about the results of his programs. He said the best way for people here to decide was to talk to different companies and write to some of their previous clients, invited us to write to the Central Illinois Service Company and ask about Arthur D. Little. Was asked if he had figures and answer was no.

On private studies, Dr. Loewenstein says he has even advised people to come to Reno from Vegas. He said they could set up with the Department of Economic Development discussions to uncover problems, or discuss them with the legislature, or help write necessary laws.

Senator Hug asked if it would increase or decrease taxes. Dr. Loewenstein said he didn't know, that industry always pays more than its share. Mr. Hilbrecht said the problem in Nevada is diversification - we know certain industries need Nevada and Nevada needs them.

Assemblyman Zelvin Lowman said we must budget for any sort of new program. He asked, do we have the background to tell them what we want or do they have the background to tell us what we want.

Dr. Loewenstein said they never do a job and then just leave it, results are never a surprise as they work closely with clients. He said the first thing they would do would be to spend some money and find out what problems are - maybe \$5,000 and spend maybe two months working on it, proceeding slowly. Mr. Lowman said, in other words would be spending set money in this year's budget.

Assemblyman Wood asked about the Alaska project. Dr. Loewenstein said \$55,000 was spent to study tourist industry, fish industry, wood and pulp industries. Study took two years. Discussion of Colorado. Mr. Lowman asked whether we have a problem or are we trying to develop one. Mr. Young (Frank) said he felt as a state dependent on a single industry, Nevada is living dangerously.

Roy Young mentioned his saying he had sent a company from San Francisco to Reno. Dr. Loewenstein said he had tried to but it fell through because of politics.

Meeting was adjourned at 4:00 P.M.