

# [***How This Developer Is Tackling The Water Crisis With Howard Buffett s Help***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:67WJ-6HC1-DXVP-5190-00000-00&context=1516831)

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**Highlight:** Several years ago, I stood near a trailer park in downtown Las Vegas, listening to Zappos founder Tony Hsieh explain why the city didn t really have a water problem.

**Body**

**In this week s CxO newsletter, we look at the UN Water Conference, how beverage companies dealt with Monterrey s historic drought and more. To get this to your inbox, .**

https://www.forbes.com/video/6316279390112/

Several years ago, I stood near a trailer park in downtown Las Vegas, listening to Zappos founder**Tony Hsieh**explain why the city didn t really have a water problem. He had famously pledged to invest $350 million to revitalize the downtown core, having moved Zappos headquarters there, and was essentially hosting the conference I was speaking at. When I mentioned that I d worked part time at the UN Environment Programme while attending the University of Nairobi, Hsieh took that to be a criticism of the sustainability of his Downtown Project and began talking about flooding, ***politics***, and the gift that is Lake Mead.

To be fair, water was arguably the least of the challenges facing Hsieh s efforts to create a hip startup utopia in a depressed district six miles north of the Las Vegas Strip. But I ve thought about that conversation a few times as I ve read aboutthe lake s dropping water levels. (Hsieh died in a house fire in November of 2020. In addition tothis insightful article that**Angel Au-Yeung** and**David Jeans** wrote for**Forbes**after his death, check out their book**,**which goes on sale later this month.)

Hsieh was hardly alone in optimistically discounting the impact of climate change. For years, more people havemoved into U.S. metropolitan areasexperiencing extreme drought than moved away.

But there are signals that this pattern may be starting to change.**The Wall Street Journal** yesterday cited datafrom mortgage analytics firm Black Knight that found a geographic split in U.S. housing prices in January, with prices in the western half of the country falling as they continued to rise in the east. While climate wasn t cited as a factor in this split, the megadrought, wildfires and searing temperatures in the southwest can t have helped. (California s record snow probablydoesn t solve its water problems.)

**A Tale Of Two Entrepreneurs**

Back in Nevada,**Randy C. Norton**is dealing with the challenges and opportunities of addressing climate change in a way that Hsieh did not. As the founder and chairman ofMultiGreenProperties, a real estate company andcertified B Corpin Henderson, Nevada, the asset manager is developing attainable, sustainable and technology-enabled multifamily housing in climate-stressed areas.

The reason, he says, is simple: The Southwestern United States is where most of the growth is happening today from TSMC s $40 billion chip plant in Arizona to Samsung s potential $191 billion investment in Texas. That s also where you already find the greatest imbalance in supply and demand for workforce rental housing that s affordable to people whose incomes hover around the median in those regions.

The result will be intense demand for development in cities like Las Vegas, Phoenix and Albuquerque, which are experiencing profound impacts from climate change. MultiGreen s hometown water company filed for bankruptcy protectionlast year after Lake Mead dropped to failure elevation in July. As Norton wrote in an email to me last night: Here in the desert, water will become more expensive than power (electric or gas).

Norton wants MultiGreen to be at the forefront in developing affordable rental properties that happen to be cutting edge when it comes to meeting sustainability metrics. That means literally building from the ground up. One example: a public-private partnership with the City of Henderson on a $10.1 million infrastructure project that is needed to make a 336-unit multifamily project viable.

He s able to meet the high upfront capital costs because MultiGreen is cofounded byGreen Mesa Capital, a single family office, and i(x) Net Zero, a permanently capitalized holding company cofounded by**Trevor Neilson**,**Pär A. Lindström**, and**Howard W. Buffett**with global family offices as shareholders.

You can t tackle one challenge at the expense of another, says Buffett, who praises MultiGreen s model as one that offers a high impact rate of return. He says his investors want to address issues like climate change and housing in a holistic way. And family offices tend to have what many in the industry would call patient capital. (For more on what goes into Buffett s impact rate of return ,here s a conversation from Norton s MultiGreen podcast.)

Check out our interview above.

**A Historic Drought And UN Conference**

Many companies are not just waking up to the climate threat but taking real action to address it. The United Nations held its first water conference in 46 years last week, closing with almost 700 commitments to protect what it called humanity s most precious global common good.

Few face as tricky a path in navigating water challenges as beverage companies. I was fascinated to hear about howHeinekenand theFEMSA Foundationworked with theInter-American Development Bankand local groups during the historic drought in Monterrey, Mexico. (FEMSAis based in Monterrey, as isCoca-Cola FEMSA, the world s largest Coke bottler.)

They hosted an afternoon discussion last week that I moderated.**Governor Samuel García Sepúlveda**talked about the hard choices he had to make in addressing the crisis that crippled his northeastern border state of Nuevo Leon, as did**Miguel Treviño,**Mayor of San Pedro Garza García. Other participants included**Janet Tinsley**of Water.org,**Sergio I. Campos**of the Inter-American Development Bank,**Stewart Sarkozy-Banoczy**of the Resilient Cities Network, C40 s**Pedro Ribeiro**,**Patricia Abreu**of the Santo Domingo Water Fund,**Felipe Ezquerra** from IDB Invest, **Isaac Martínez**of RRG Solutions Mexico, World Resources Institute researcher**Suzanne Ozment**,**Ileana López Pérez**, of the US-Mexico Business Association and more. Heineken s**Monica Bichara** and **Rafael Ramos**of Coca-Cola FEMSA also talked about how their companies took steps to cope and connect with the community.

Beverage companies have long prioritized sustainability because they are often the first and most obvious targets when water is in short supply. The conversation was similar, but also different in important ways, from what I recall soda companies doing in India s water-stressed state Kerala years ago. Much has been learned.

Replacing the water they use has become the cost of doing business.**Lorena Guillé-Laris**, Executive Director of the FEMSA Foundation, talked about transparency and partnerships being key.

The strategy is perhaps best summed up byFarmer Lee Jones of The Chefs Garden: Nobody gains from practices that can t be sustained, whether it s stripping the land of nutrients or presuming a vulnerable water supply will somehow last forever.

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