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**Paola M. Armeni**  
Government Investigations  
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**Margaret W. Lambrose**  
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# North Las Vegas

## Refuses to Bow to Union Pressure

The North Las Vegas City Council made a courageous move on June 1 by standing up to the powerful public employee unions and giving the city manager the authority to discard portions of collective bargaining agreements in order to prevent devastating layoffs.

The firefighters and police unions had negotiated generous contracts with the city when property taxes were high and rising. Now that the housing market has collapsed and property tax revenues are lower, North Las Vegas is facing a \$33 million budget deficit for the fiscal year beginning July 1. The city said the only way it could submit a balanced budget as required by law was to lay off 217 employees, including 57 firefighters.

The city didn't have many options. Nevada law doesn't allow a city to declare bankruptcy. Allowing the state to take over its finances, besides being a nightmare for its future economic development, would pretty much guarantee tax increases for already strapped North Las Vegas property owners and businesses.

City Manager Tim Hacker proposed an unconventional alternative based on Nevada Revised Statute 288.150, which says: "[A] local government employer is entitled to take whatever actions may be necessary to carry out its responsibilities in situations of emergency such as a riot, military action, natural disaster or civil disorder. Those actions may include the suspension of any collective bargaining agreement for the duration of the emergency."

The city manager made a good case that North Las Vegas was facing an emergency that would place its citizens in danger, because laying off so many firefighters and police officers would threaten the city's ability to provide life-saving services. Even Jeff Hurley, president of the local firefighters union, was quoted as saying, "We're at a point where we can no longer provide adequate service to our citizens."

It seems like in that case, the union would be willing to accept the city's offer, which extends the firefighters' salary freeze for another two years and discontinues a program allowing union members to sell back their unused days off. The city also asked for the option to furlough firefighters if necessary.

Are North Las Vegas firefighters insisting on cost-of-living increases because they're underpaid compared to firefighters in other cities? Far from it. In fact, firefighters in North Las Vegas are not only paid more than average workers in their city, but they earn much more than firefighters elsewhere. Nevada Policy Research Institute (NPRI) conducted a study in August 2011 showing that Nevada firefighters are the highest-paid in the nation. Earnings for a full-time firefighter in North Las Vegas averaged \$111,822 in 2010. Add in a benefits package totaling more than \$52,000, and you arrive at total compensation of more than \$164,000. I think most workers in North Las Vegas wouldn't mind having their wages frozen at that number for a couple of years. And, according to NPRI, "These large retirement contributions allow a firefighter who joins at age 20 to retire by age 45 while drawing retirement benefits equal to 90 percent of his pay for the rest of his life."

We all pay for the over-the-top compensation that union firefighters receive due to their sweetheart contracts. Apparently, their union bosses don't care that other public employees may have to be laid off, or that public safety will suffer, as long as their members get what they want.

Of course, the unions will take this issue to court, and chances are they will win. But it's encouraging that at least for one short period of time, one small group of people stood up to the unions. Good work, Tim Hacker and North Las Vegas!



Lyle E. Brennan  
Publisher

**COMMENTS**  
lyle@nevadabusiness.com

**Publisher**  
Lyle E. Brennan · lyle@nevadabusiness.com

**Publisher / CEO**  
Connie Brennan · connie@nevadabusiness.com

**Managing Editor**  
Tarah Figueroa · tarah@nevadabusiness.com

**Editorial Assistant**  
Caitlin Smith · caitlin@nevadabusiness.com

**Art Director**  
Chris Tucker · ctucker@nevadabusiness.com

**Circulation Manager**  
Courtney Venable · courtney@nevadabusiness.com

**Assistant to the Publisher**  
Renee Bennett · renee@nevadabusiness.com

**Research / Ranking Nevada**  
info@nevadabusiness.com

**Web Editor / Online Marketing**  
Ben Rowley · ben@nevadabusiness.com

**Contributing Writers**  
Chris Abts · Jennifer Rachel Baumer  
Geoffrey Lawrence · Evangelin "Evie" Lee  
Howard Riell · Jessica Santana

**Advertising / Sales**  
Kendle Walters · kendle@nevadabusiness.com  
Joy Crossman · joy@nevadabusiness.com

**Subscriptions**  
subscribers@nevadabusiness.com

**Reprints**  
For more info call (800) 259-0470

**Northern Nevada Advisory Board**  
Krys T. Bart · *Reno Tahoe Airport Authority*  
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**Corporate Office**  
375 N. Stephanie St., Suite 2211 · Henderson, NV 89014  
P (702) 735-7003 · F (702) 733-5953  
Reno: P (775) 583-8113



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## Learn Something New

Executive Education in Nevada



**On Cover:**  
Kathy Gamboa,  
University of Phoenix

**Story by:**  
Jennifer Rachel Baumer

**Photo by:**  
Chris Tucker

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## CCIM



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# LEARN SOMETHING NEW

By Jennifer Rachel Baumer

## Executive Education in Nevada

One of the goals in Nevada as the economy is rebuilt is to create and foster a culture of education in the state. A vibrant economy requires a skilled, trained, well educated workforce which acts as a draw for entrepreneurs, businesses that look to relocate from other states and those that want to expand within Nevada's borders.

Like all facets of education, post-secondary institutions, both public and private, had to adjust during the recent recession. State funding to schools was decreased, financial aid for students became uncertain and students considering heading to private institutions had to stop and consider cost.

However, the change in recent years has been a return to school by people already out in the business world, working. Higher education

is being seen as one way for Nevada's workforce to get back on its feet and for the economy to recover. Individuals throughout the state are returning to school in higher numbers than they were pre-recession.

"We've got a very robust higher education team throughout the state between profit and nonprofit public schools for higher education that have identified and understand the importance of continuing education," said Kathy Gamboa, territory vice president--West/Central Region, University of Phoenix.

University of Phoenix has a full range of MBA programs for students either at one of their Nevada campuses or as an online course. The school also offers several certificate programs available online.

The trend in executive education has been an increase in students, according to Dr. Okeleke Nzeogwu, MBA program director,

Roseman University of Health Sciences. Within the realm of executive education, most students who are returning are seeking customized, targeted education.

Roseman offers MBA programs for healthcare professionals, nurses, pharmacists and people already working in the healthcare field who are looking to become the next wave of managers to lead their organizations. "We're seeing growth from employees who are looking at the future, and growth from organizations that want to have employees receive additional education so they're prepared for the future," said Dr. Nzeogwu.

"More people who did not have a graduate degree are looking to obtain a graduate degree," said Kathy Cunningham, associate regional dean, Nevada, National University. "People are trying to position themselves either for the next promotion or for an alternate career if they need to make that change."

Whether it's a degree or a certificate program, executive or continuing education, the bad economy is sending students back to school to learn something



**Nzeogwu Okeleke**  
Roseman University  
of Health Sciences

new. UNR's extended studies programs offer executive education through professional development courses. "Basically, what we're trying to do is extend that knowledge the student has achieved upon completion of their degree that may be required in their work setting. As they initially head into that setting, maybe not ever having an experience in that role of working, they need additional education in order to be able to thrive and survive in the setting they choose to work in," said Fred Holmon, vice provost, Extended Studies, College of Business, UNR.

"The programs we offer allow students to become, not necessarily experts, but to earn the education they need to move into a brand new field," said Emmanuel Sarris,

director of continuing education, UNLV. The programs UNLV's continuing education offers are non-degree certificate programs from a non-credit, non-profit, community-focused branch of the university.

Nevada State College is a four year degree-granting institution in Henderson which is just starting to look into accelerated courses, five to eight weeks long, and also making a move to include online programming and executive education. In the wake of the recession, the school has seen increased enrollment which seems to stem from two reasons: students who need new skills, new training and possibly new employment; and students who've discovered the job they worked at before the recession no longer exists.

Accelerated learning may be the way education is headed. Certificate programs, which may be accredited through a college associated with the program, work closely with organizations and societies for the industry that needs the training. For example, a human resources certificate program would seek approval through a process with the Human Re-

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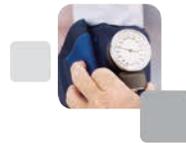
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sources Certification Institute; once approved, the certificate would be recognized by human resources organizations.

"I believe the certificate area will be one of the fastest growing areas in education," said Fred Holman, vice provost, Extended Studies, UNR. "There's a growing audience interested in that, particularly young adult learners, because it may be the most expedient way, certainly more expedient than getting another degree." This doesn't mean everybody will do it, but it's worth looking into for individuals looking to gain more education.

For adult learners who already have a degree and work experience, the certificate is a good option for that additional education, rather than pursuing another degree. "For some people, the certificate serves that role," said Holman. He reiterated that, "it gets that learning to them quicker and if they already have an MBA or something like that, and they don't perceive pursuing a higher degree or a master's degree of some form, the certificate works for them."



**Fred Holman**  
College of Business, UNR

## Back to School

Executive education refers to post-graduate level programs, mostly in business, including both degree programs and certificate programs in specific industries. Programs are offered through state colleges and private higher education institutions and can range from six week certificate courses to two year degrees, most earned by individuals who are already in the workforce.

What that means is workers are going back to school to learn how to do what they do better, or to learn how to do something new if what they used to do doesn't quite exist in the post-recession world. It means

new leadership, management and organization skills coming into the workforce and, in some cases, workers are obtaining advanced degrees. Statistically, Nevada has fewer graduates with bachelor's and master's degrees than the rest of the country. However, now that education is being recognized as a necessary component in the business world, that fact may change.

Executive education doesn't necessarily refer only to those people who run corporations and front businesses. It's anyone and everyone who has graduated with a degree and is learning past that degree, and those people in the workforce going back for more education.

When asked if UNLV's continuing education arm is seeing students who are unemployed, underemployed or looking to move up, Sarris says it's all of the above. "Our students are actually everyone and anyone. A lot of them are looking to get into a different career, a lot are looking to move up in their career and some are just trying to add some new skills or do something different. So, when we

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market our programs, we don't necessarily market to a specific age group or generational group or genre of people, we market to everybody, because anybody would want to take any of our programs at any time."

### What's Your Major?

So just what are people looking for when they head back into postgraduate classes or into a certificate program that might take them into a whole new career world?

A little bit of everything. MBA programs are very popular, whether they're online or on-campus. UNLV's continuing education programs include one of the biggest paralegal programs in the country as well as a human resources program. UNR's Extended Studies program finds project management is a popular offering; leadership certification programs are also doing very well. Some of the new programs starting up at various schools and gathering steam include management, leadership and medical assistant programs.



**Emmanuel Sarris**  
Continuing Education, UNLV

Returning students often opt for advanced degrees that build on their previous education or employment. "If they have an undergraduate degree in business, they'll head into an MBA program, but people are also transitioning into areas where the jobs are better," said Cunningham. "There are a lot of people looking to move into the medical field because that's still a very open field job-wise."

Medical training in the form of nursing education and biology programs is growing in popularity as Nevada continues to align itself with healthcare as it relates to workforce development, according to Spencer Stewart, associate vice president college relations, Nevada State College.

University of Phoenix has seen an increase in the master's of criminal justice administration program and security programs that focus on cyber-terrorism.

Some employees are heading back to school because their companies are gaining a social media presence and the employees have no background or experience in it. They attend workshops and seminars to understand how to write for social media and get a foundation in it.

### Cyber Studies

Social media isn't the only thing online – education is moving that way, too.

There are a lot of people interested in the project management certificate program at UNR's Extended Studies, said Holman, and there's a lot of interest in the online executive MBA program. The fact that students are interested in and pursuing a program that's completely online indicates they don't have a

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# LOGISTICS OF ECONOMIC RECOVERY

By Jessica Santina

## The Distribution Industry in Nevada

**T**hat big-box warehouse down the street may not be the prettiest feature of the Nevada landscape surrounding you, but next time you're driving past it, consider this: It, and other facilities like it, might just save the state's struggling economy. Nevada is poised to become a major distribution center in the West.

According to a 2011 study commissioned by the State of Nevada, this isn't an exaggeration.

The study, conducted by an independent third party, SRI International, working with the Brookings Institute and Brookings Mountain West, identified the key industries that Nevada should focus on as part of its economic diversification efforts—those that will be key to recession recovery and prolonged economic growth. The findings are documented in a November 2011 report entitled *Nevada Industry and Competitive Analysis: Identification of Industry Opportunities*.

The report calls the logistics and operations industry cluster (which includes logistics, warehousing, distribution, transportation

and wholesale trade) “a natural target industry for Nevada,” and one which “has strong potential for job creation over both the short- and long-terms.” Additionally, it identifies an opportunity for Nevada to “serve as a West Coast hub of operations” for warehousing and distribution; advanced logistics; air cargo; integrated manufacturing-distribution, assembly manufacturing and food-processing operations; and freight transportation (ground and rail).

According to the report, key to the state's success is its locational and geographic advantages, strong existing infrastructure and cost and regulatory advantages.

### Location, Location, Location

Some people working in distribution around the state believe Nevada is already a distribution hub—at least on the West Coast. In 2010 (as reflected in the report), there were 6,848 establishments in Nevada that were considered part of the logistics, distribution and transportation industry cluster, which included the likes of CDW,



**Doug Kiersey**  
Dermody Properties

Barnes & Noble, Toys ‘R Us, Bed, Bath, & Beyond, Levi Strauss, Amazon.com, Sysco and others.

“I do see Nevada as a national hub for distribution, and it’s a pretty compelling story, especially in Northern Nevada,” said Doug Kiersey, president of Dermody Properties, a private industrial developer based in Reno with regional offices in Philadelphia, Chicago and Portland. Dermody provides development, operations and finance expertise to its customers.

“Within one day’s truck drive, a company can reach most of its consumers on the West Coast,” Kiersey explained. “[Reno is] equidistant from Seattle and Los Angeles. We have excellent rail service and, via I-80, an east-west transportation route. When a national company looks at laying out its supply chain, they want a place that enables them to reach the most customers for outbound freight. We’re in the perfect spot on the West Coast to attract large distribution users.”

Doug Roberts, partner in Panattoni Development, believes similarly on this point, especially with regard to Northern Nevada. Panattoni, a commercial real estate developer headquartered in Las Vegas and specializing in industrial spaces, has offices throughout the United States, Canada and Europe.

“I think that of all the commercial sectors we deal with, industrial is one of the healthiest—particularly big-box distribution,” said Roberts, explaining that he sees Nevada’s emerging role as a distribution hub as attributable to three main factors: “Reno is centrally located for 11 Western states—that’s number one. Second, the business climate here is attractive for companies. And third, we’ve almost always had space available.”

Reno’s location indeed provides a distinct advantage that Las Vegas does not,

Roberts adds. Though Las Vegas has been fairly successful at growing its gaming and hospitality-related distribution business (e.g. convention and exhibition companies, beer and liquor distributors, food suppliers, etc.) due to its inherent strengths, high rents near The Strip and a lack of large, available spaces have stemmed growth in the sector.

“If you look at the distribution patterns of a company, most product comes through LA and the Long Beach Port and

moves up to Chicago, in sort of a Nike swoop,” Roberts said. “Mostly this travels by rail and truck. Then from Chicago it goes to other markets. But Reno and Las Vegas somewhat miss that swoop; we’re not within that belt.” Phoenix, however, is the sixth-largest city in the U.S. and is located within that “swoop,” he added, which is why Las Vegas has lost a good percentage of its potential distribution business to Phoenix.

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*Getting Back to Business*

## Infrastructure

That may not be the case much longer if two long-anticipated, major infrastructure projects affecting Southern Nevada come to fruition.

The first of these is Interstate 11, a segment of the CanaMex project intended to provide a direct route between Canada and Mexico. The I-11 would connect Las Vegas and Phoenix, the two largest metro areas in the country that are not connected by an interstate highway, pointed out John Restrepo, principal, RCG Economics, a regional economics consulting firm specializing in economic forecasting, particularly in the area of real estate.

I-11 would tap into the “swoop” Roberts referred to, but it’s certainly not in the immediate offing. “I think I-11 is definitely going to happen; there’s a lot of cooperation taking place between Nevada and Arizona about it, and there’s a plan to do a corridor analysis. Money is also being allocated to the planning,” Restrepo said. “It’s moving forward, but it will take time, they need to do a lot of environmental impact work, they have to acquire the land—we’re talking at least seven to 10 years out, unless it’s put on some sort of accelerated program.”

There’s also considerable talk of making Las Vegas an inland port; RCG Economics has been hired by the Governor’s Office of Economic Development to do a feasibility study on the project, which would involve about 1,000-plus acres of land and a large-scale, multimodal industrial distribution center with rail and road coming and going.

As Restrepo explained it, coastal ports often wrestle with congestion; an inland port is usually associated with a coastal port in order to relieve its congestion, which Las Vegas could perhaps do for Long Beach.

But even without these projects currently on the books, Nevada’s infrastructure is quite good. Nevada Industry and Competitive Analysis indicates that the state’s existing north-south and east-west routes and



**Doug Roberts**  
Panattoni Development

strong rail connections (Union Pacific and Southern Pacific); excellent cargo facilities through both the Reno-Tahoe International Airport and McCarran International Airport; and existing technology infrastructure (fiber optics, etc.) all make Nevada very appealing to companies seeking a distribution location.

Kiersey added that availability of land is also what drives customers away from larger markets—for instance, Seattle and Portland, each of which struggles with a serious lack of available space for distribution, as well as zoning and urban growth constraints.

This may be why the Tahoe-Reno Industrial Center (TRIC), the largest industrial park of its kind in the U.S., is chief among the state’s attributes. TRIC is comprised of 104,000 acres, or 166 square miles of property, of which 30,000 acres are zoned and pre-approved for all industrial uses, with all utilities and infrastructure completed. Additionally, there are several miles of railroad track and two I-80 interchanges serving the park. It’s 100 percent ready for use upon move-in, explained Lance Gilman, member and principal for TRIC.

“It’s the most unique industrial park in the country, and probably the best-kept secret in Nevada,” said Gilman, pointing out that 130 companies currently do busi-



**John Restrepo**  
RCG Economics

ness on 12 million square feet of TRIC, all with a tremendous diversity of uses, both in manufacturing and distribution. “You’ll find U.S. ordinance manufacturing of 50-caliber machine guns, diapers and baby accessories, and Dura-flex fiberglass diving boards for schools and the Olympics.”

Gilman said that 2011 was “an incredibly successful absorption year,” and he credited the growing success of TRIC to its location and to its size, infrastructure and expedited permitting process, all of which make it possible for companies—including Toys ‘R Us, Zulily, the Red Cross, Petsmart and a Walmart distribution center—to do business almost from the moment they first roll onto the property.

“I’ve worked aggressively with Storey County to develop one of the most user-friendly permitting plans in the U.S.,” said Gilman, explaining that the county’s pro-growth attitude has it delivering building permits in 30 days or less.

## Business Environment

Having some big-name companies located here, Doug Roberts pointed out, is a major factor in attracting other companies. “I think that sometimes there’s a negative perception of distribution and warehousing jobs as being low-paying and bad for workers. But when I travel the country, the company names we have here are a huge plus. Even just having a distribution center here means the world for a corporate real estate developer. We need to keep it a viable business community and make sure it’s a place where people want to do business, and where their brethren already are.”

The state’s business-friendly tax structure has long been hailed as a boon to economic growth. Our tremendous tax advantages include no corporate tax, unitary tax or inventory tax—essentially, shipping to and from the state costs companies no tax dollars.

But taxes may not be everything.

Restrepo is encouraged by growth in the distribution sector. He sees potential

for Nevada to become a hub for distribution—but he doesn't believe we're quite there yet.

“What drives the industry, which is mostly comprised of large-scale industrial parks, is a variety of things,” said Restrepo. “It depends on a big manufacturing base, its multi-modal transportation capacities (for freeways, railroads, etc.), the quality of its labor, the price of fuel, questions of proximity to major population centers and, a big challenge in Nevada, though less in the north, is the amount of large pieces of flat land that are served by rail and highways. So there's the issue of accessibility, the underlying extent of its transportation infrastructure system (and airports, to a lesser extent) and land availability.”

What's not so important, Restrepo added, is tax structure. “It's a component, and we have an advantageous structure, but it's not the be-all, end-all.” He explained that what really drives a company to locate in a large-scale distribution center is logistics. “In my opinion, it's not that Nevada is undiscovered country. There are other issues: labor costs, fuel costs, rail infrastructure and interstate infrastructure.”

That's why the Cincinnati, Ohio area is one of the nation's biggest distribution centers, Restrepo explained. Its crisscrossing railways and highways and the quality of its labor are appealing—despite its higher taxes.

Gilman agrees that in some respects Nevada is behind the curve. “Phoenix is on fire for relocating companies there,” he said. “One issue is the aggressiveness of the state. Utah has done a masterful job of securing companies that are moving west; it's a function of their economic development success. They're light years ahead of Nevada, because they've invested more capital and focus on development in that area. We're doing that now, but we're playing catch-up.” He said that although Phoenix's high summer temperatures are somewhat of a disadvantage, it has simply out-positioned Nevada with good marketing.

But with Nevada's increasing interest in economic diversification, much of which will derive from the findings of the Nevada Industry and Competitive Analysis study, greater continued efforts to market Nevada as a distribution hub are expected.

Gilman projects that the cost of gas (and the ability to distribute overnight to 11 Western states from the Reno area) will be a huge driver of growth, as will e-com-

merce, which enhances a company's need to deliver rapidly to remain competitive.

Restrepo sees a promising future for Nevada as a reverse logistics hub—in other words, a prime location for companies that accept returned goods from consumers.

“The importance of distribution may fly below the radar for most Nevada residents,” said Kiersey. “But there are a lot of jobs in logistics here, and it's a big driver of Nevada's growth.”

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## INDUSTRY FOCUS

# Non-Profit



Left To Right

**Caleen Norrod Johnson**, Make-A-Wish Foundation of Southern Nevada • **Steve Chartrand**, Goodwill of Southern Nevada  
**Sherri McKenzie**, Nevada Gives • **Patricia Falvey**, Catholic Charities • **Sherri Rice**, Access to Healthcare Network  
**Bryan Wright**, Holland & Hart • **Kathleen Miller**, Living Grace Homes • **Courtney Orrock**, Sunrise Children's Foundation  
**Angela Quinn**, Building Hope Nevada • **Rino Armeni**, Las Vegas Business Academy • **Barbara E. Buckley**, Legal Aid  
**Ed Guthrie**, Opportunity Village • **Carole Fisher**, Nathan Adelson Hospice • **Fred Schultz**, Foundation for Positively Kids  
**Karen Barsell**, United Way of Northern Nevada and the Sierra • **Juliana Pisani**, American Cancer Society

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**N**evada's economy has taken a hit in the past several years and Nevada's non-profits have felt the brunt of that hit. Nevertheless, many non-profits in the Silver State have managed to hang-on and refocus their efforts in the communities. Executives representing several non-profits throughout the state recently met at the Las Vegas office of Holland & Hart to discuss the challenges non-profits face in a down economy.

Connie Brennan, publisher of *Nevada Business Magazine*, served as moderator for the event. These monthly meetings are designed to bring leaders together to discuss issues pertinent to their industries. Following is a condensed version of the roundtable discussion.

## Do non-profits in this state collaborate with each other?

**Fred Schultz:** We do. We serve a similar population. If we have a child that's diagnosed with a terminal illness, we're not licensed as a hospice. So, we work in conjunction with Carole [Nathan Adelson Hospice].

**Steve Chartrand:** I've been in this community 16 years. When I first got here

and reached out to my colleagues, Goodwill was not doing very well then. It was not very well received in the first couple years. I think there's a trend changing that. I know that I'm personally being very active in reaching out to my colleagues. It's really us getting to know each other, building relationships and then seeing how we can work together. When you do that, you'll be amazed what synergies and what things you can find are there. It's a way to, number one, reinvent ourselves, which you need to do in this changing economy, and, number two, maximize the resources we have. That's probably the biggest challenge we all have, limited resources.

**Barbara E. Buckley:** One interesting thing we've done recently is start information open houses. We supply the coffee and croissants and it's open to any non-profit in the community. On any given day, we'll have one or two people from every different non-profit. The value is, while I may know what most of [the other non-profits] do, the frontline staff don't. I think we need to do more in our own organization to promote that collaboration.

**Karen Barsell:** In Northern Nevada, if we're really going to attack an issue, we have to partner together. There is not a single organization in Northern Nevada on its own that can tackle an important issue

we're facing. Partnering is the result of the economy or other things that we couldn't afford to duplicate or triplicate. Partnering became not just a buzzword but an actual experience we have in every single way. When you sit at a table and decide we're going to go after a federal grant together, you have to unzip and get pretty transparent with each other. If I have a very good outreach program and you have a really good marketing program and you have a really good handle on finances, we always bring our best aspects to that and then start to partner together.

**Courtney Orrock:** Everyone wants letters from community partners. It's become such a huge thing and it's great that we all want to do that. But, really our donors are demanding that we have those collaborations.

**Juliana Pisani:** In regards to partnership, the American Cancer Society is the oldest one in this room. It will be a hundred years old next year. There are 225 cancer organizations still battling this awful and dreadful disease. We got together with the Heart and Lung, and we passed the Nevada Clean Indoor Air Act, which was phenomenal. It couldn't have been done without the collaboration. We know that Nevada is extremely casino and hospitality orientated. We were up against some pretty big dogs in the legislature when it came to this legislation but, it's very, very important.

**Ed Guthrie:** Yes, you want to have collaboration, but it's got to be meaningful collaboration. There's got to be some way that you can work together to really do something. Collaboration for the sake of collaboration, it's nice but the most precious resource we have is time. Our staff's time or our donor's time, whichever it is.

## What questions do businesses typically ask when considering a donation?

**Angela Quinn:** If you're starting new, why are you new? Why aren't you working with somebody else? For Barbara Buckley, her

reputation allows her to speak on behalf of the legal community. But my reputation doesn't allow me to speak on behalf of [another organization] because I don't have the experience. I think they want to know that you'll be around five, ten years from now.

**Rino Armeni:** It's important for them to know how I'm going to train the students [at the business academy]. We made several presentations with the help of different chairmen from different companies where we have expressed to the audience that one of the things we are going to work on is the character of the individuals besides the study. At the end of the day, when they graduate, we want men or women with character. That's what [businesses] enjoy hearing.

## Do you compete with other non-profits for funding?

**Guthrie:** Yes and I don't know that competition is a bad thing. We collaborate. But, monopolies always have crummy service. It doesn't matter whether it's a private monopoly, a non-profit monopoly or government monopoly. Eventually the service deteriorates just because it's a monopoly. You have to have something to offset the service deterioration so a little bit of competition is not a bad thing. I think the service improves for everybody, donors as well as the service recipients.

**Buckley:** It is irritating though, when you see a non-profit wasting resources. For those of us who are running lean, mean, efficient shops and turning people away because we don't have enough resources, to see a poorly run, apathetic operation and looking at the money they receive, it's very frustrating.

**Quinn:** How much of that is board driven and how much of that is leadership driven?

**Guthrie:** I think it's leadership driven. I am empowered to run our organization. The board wants to see that we are doing great work, I think that's leadership.



**Quinn:** Isn't it ultimately, if you have a bad leader and the board of directors is not paying attention and that leader is allowed to continue? I don't disagree with you. Yet, I feel powerless doing anything about watching resources that I know another really good organization can do a good job with and open up the window and say adios. If there's an assumption that we are all good people and do the right thing, I'm fine with that. I think the bigger issue is we've got boards of directors and we allow them to be bad boards.

## How have you been impacted by the economy?

**Armeni:** These are tough times for everybody. My experience has been that, when I approach people, I don't get the same amount of money I used to get, but I still get the money. I believe it's because a lot of people donate through their company. If their company is not in the position to donate, some of them have to do it from their own pocket and they don't feel comfortable giving you \$10, they might just give you a dollar. That's where I see the challenge right now.

**Carole Fisher:** One of the toughest things

is, we're still a business. It's balancing that mission with the best business practice. In my organization it's a challenge.

**Patricia Falvey:** What we've seen at Catholic Charities, is our client base rise and people who used to be our donors are some of our clients. Our caseworkers are looking at themselves across the counter. They are that close to being homeless or foreclosing. The economy has really hit us hard. We get grants and what have you, but the grant money hasn't increased at all and the number of clients we serve has.

**Schultz:** You have to think what program you're getting into to generate revenue for you. We have a state contract that generates revenue. We have a county program that generates revenue. But, that's not a grant sitting in your office when you're looking at your financials.

**Sherri Rice:** We have a whole new group of people coming in Access to Healthcare Network. We're adding 1,000 new people a month, on top of the 14,000 people we already have. We formed a patient care fund, which takes grants, funds and private donations. That helps our members when they get stuck. Anybody who gets money from the fund also gets a card that says where it came from, who the donor is and their address. I can't tell you how many times our members sent a thank-you note to that donor. We hear it all the time. It may be that they only got \$40 because we paid half of the primary care visit but they write a note. They then can put a name and a face to something they couldn't do any other way. Then that \$40 made all the difference in the world to that person on their healthcare. That's been very successful to us.

## Is Nevada generous when it comes to non-profits?

**Guthrie:** I would say that the people of Nevada definitely are. At least 25 percent of our revenue - \$4 or \$5 million or more a year - comes from individual

donors. That doesn't include capital campaigns to build buildings and stuff like that. When we run the Magical Forest, 75 volunteers a night show up every night for 40 nights in a row for us. I've never seen anything like that anywhere else in the country.

**Sherri McKenzie:** At the same time, we are always at the end of the list of states that give back. How do we report better so we're not perceived as not giving back?

**Kathleen Miller:** A lot of that has to do with our transiency. I've read studies that when you move to Nevada, it takes seven years to get connected and involved. I know it kind of bottomed out with the recession but Las Vegas has always been a transient community. I've been here 15 years now; many of you have been here for much longer than that. It still takes a while for people, once they move here and get a job and get involved with their church, to start getting connected. I know people who continue to give to organizations back home for many years.



**Quinn:** I don't think we offer opportunity for investment. We have one CDFI (community development financial institution) active in Southern Nevada. We'll do our new-market community development financing institution every year through the

federal government. There's a hundred million dollars just to go to CDFIs. We have one here in Southern Nevada and then we've got a couple of rural. We don't have any leveraged funds. There's no way for us to do the type of capital investment or Social Security investment that California does. I don't know whether that's due to the age of the community or sophistication of the community. We miss so many opportunities just because we've got no place for these folks to invest. It goes back to the collaboration. Unless we realize that, to bring a \$200 million philanthropy fund in here, we're going to have to put on our big-girl panties and act a different way. That's what is most troubling for me because I see big projects not getting done.

**Caleen Norrod Johnson:** Another big thing is folks here in this community are not as sophisticated as in other markets about stewardship. As organizations, we're not as good at making sure that the donor feels loved and respected and valued for more than just their money or just their name on your letterhead or just the few volunteer hours that they're able to give you. They're valued for their ideas and what they can bring to the table in other ways. I think, until we as a community get smarter and better at making sure we provide a stewardship to our donors on a more sophisticated level than we've been doing, we're always going to be a little bit behind the curve as far as making sure we're keeping the donors we have and we're attracting new donors to the table. 🌿



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## SAY WHAT?

According to a Robert Half Professional Employment Report, 77 percent of Nevada employers are reporting difficulties filling open positions, up 36 percent from this time last year. May of this year marks the ninth consecutive month the unemployment rate in Nevada has dropped.



# Chris Abts

President & Founder  
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**Years in Nevada:** 18  
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## QA

### **If you could be another person for a day, who would you be? Why?**

If I could, I would be Thomas Jefferson for a day. It would be incredible to be a part of the Founding Fathers and to have direct impact on the founding of the United States of America. I'd love to take part in writing the Declaration of Independence and sharing my visions to form our country.

### **What is the biggest challenge your industry is facing?**

The biggest challenge facing our industry today is combating the false message about retirement from Wall Street and the number of baby boomers entering retirement. As more and more people enter retirement, the resources including Social Security and assistance to make retirement decisions are becoming more and more limited. The latest reports show that as of this year, baby boomers will be retiring at a rate of 10,000 people a day, and Social Security is estimated to become bankrupt by the year 2022. With these staggering statistics, I do not think our industry is ready for the number of retirees we will see in the next few years.

### **What is the best perk of your career?**

I enjoy being able to teach people the questions to ask and the problems to solve in order to create the retirement they have always wanted. With every client, I am able to take a straightforward approach to assess the impact of their major financial decisions. I help develop a sequential income plan so clients never outlive their money and that their income keeps up with inflation to keep them protected when "unknown" expenses arise later. The results ensure that all components their financial affairs work in collaboration and produce the best possible outcome.

### **What was the toughest lesson you've learned in your career?**

One of the toughest lessons I have learned in my career is the importance of a family and work balance. It is important to me to be able to balance my professional career and my time with my family. I've found that a healthy balance of work and the time I spend with my wife, Julia, and our three children makes for a healthy and complete lifestyle both in and out of the office.

## Around the State

### Nevada Healthcare Providers Receive Incentive Dollars for Electronic Health Records

Under the Medicare and Medicaid Electronic Health Record (EHR) Incentive Programs, administrated by the Centers for Medicare and Medicaid Services (CMS) and the Office of the National Coordinator for Health Information Technology (ONC), 369 providers in Nevada have received \$15,316,668 in payments. The incentives are given to eligible health-care providers as they adopt, implement, upgrade or meaningfully use certified EHR technology to improve care. 🌿



### Survey Reveals Pro Business Sentiment: Low Taxes Critical to Business Development

Applied Analysis, commissioned by the Nevada Development Authority (NDA) has completed a study that involved surveying approximately 400 business owners, operators and managers regarding issues important to the local community with a strong focus on business development. According to the survey, respondents felt that the most important thing to attract new businesses to Southern Nevada was to keep taxes low. The second most important was promoting the state's pro-business environment. 🌿

### U.S. Department of Commerce Invests in Nevada's Renewable Energy Cluster

The Nevada Institute for Renewable Energy Commercialization (NIREC) has received a \$250,000 grant from the U.S. Department of Commerce's Economic Development Administration to develop an online information network. The network will provide resources to Nevadans working to commercialize clean energy technologies. 🌿

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# Opportunities Abound in Government Contracting for Women-Owned Small Businesses

**T**he federal government is the world's biggest customer of goods and services with purchases totaling more than \$425 billion per year from construction and technical services to office furniture and grounds maintenance services. This allows for many revenue opportunities for small businesses, especially women-owned, disadvantaged, service-disabled veteran owned, and businesses located in areas identified as historically underutilized business zones. Federal agencies are required by law to set contracting goals with at least 23 percent of federal spending going to small businesses. The government has a goal of awarding at least five percent of federal contracting dollars to women-owned small businesses (WOSBs).

Last year, the U.S. Small Business Administration expanded federal contracting opportunities for WOSBs and economically disadvantaged WOSBs (EDWOSBs) with a new contracting set-aside in 83 industries. These industries have been identified as ones where WOSBs are underrepresented or substantially underrepresented in federal procurement.

To be an eligible WOSB, a company must be a small business that is at least 51 percent unconditionally and directly owned and controlled by one or more women who are U.S. citizens. A company must be at least 51 percent owned by one or more women who are economically disadvantaged to be eligible as an EDWOSB. The SBA sets the guidelines to demonstrate "economic disadvantage." To qualify for the program, the long-term decision making, day-to-day management and administration of the business operations must be conducted by one or more economically disadvantaged women.

When a small business meets the eligibility requirements of the WOSB program, the business must self-certify or get certified by a SBA-approved third party certifier. Self-certification is conducted by submitting information online to the federal databases called the Central Contractor Registration (CCR) and the Online Representations and Certifications Application (ORCA). By the end of July 2012, both systems will be migrated into the government's new System for Award Management.

The new WOSB program aims to have a significant impact on increasing contract awards to women-owned businesses in industries where women are underrepresented. If a procurement falls under one of 83 particular industry classifications where women-owned businesses are underrepresented, contracting officers can restrict competition to WOSBs or ED-

WOSBs if the contracting officer has a reasonable expectation that two or more WOSBs or EDWOSBs will submit offers for the contract.

Federal contractors will be competing more fiercely for contracts and face increasing scrutiny from regulators seeking to eliminate fraud, waste, and abuse. Businesses should be aware that they are subject to eligibility examinations and protests regarding their certification. The SBA can conduct an eligibility examination to verify the accuracy of any representation made in connection with a WOSB or EDWOSB contract at any time after certifying their status. Likewise, the SBA can conduct a site visit at any time without prior notification. Further, an eligibility examination can be conducted after five days notice where the SBA will request copies of proposals or bids submitted in response to a solicitation, copies of financial statements and the three most recent personal income tax returns for women claiming an economic disadvantage.

A WOSB or EDWOSB status can also be challenged in a written protest by an "interested party" such as an unsuccessful contract offeror, the contracting officer, or the SBA. A protest must set forth specific and credible evidence showing that the concern may not be owned and controlled by one or more women who are U.S. citizens. A separate protest can be filed on a concern's small size status for the failure to meet the government's small business size standards.

Potentially severe penalties and risks are involved in government contracting. The SBA has issued proposed rules implementing the business integrity requirements of the Small Business Jobs Act of 2010. If a business sought and received an award upon willful, affirmative, and intentional certification of its size or status and misrepresented its size or status, there is an irrefutable presumption of loss to the United States based on the total amount of the contract expended. A contractor's liability for this loss is in addition to the monetary penalties under the False Claims Act and related criminal penalties.

Procurement opportunities are available on the federally administered website [www.Fedbizopps.gov](http://www.Fedbizopps.gov). Information on the WOSB program and other government set-aside programs for veteran-owned businesses, disadvantaged SBA 8(a) Program businesses, and HUBZone businesses are available at [www.sba.gov](http://www.sba.gov). 

*Evangelin "Evie" Lee is an associate attorney at Lipson, Neilson, Cole, Seltzer, Garin, P.C.*

◀ Continued from page 11

lot of extra time, Holman said, and they probably don't have the luxury of going on campus on a regular basis.

Online education and certificate programs allow employees to go back for additional education and training on their own terms and their own time while the employer still retains their services. Another advantage of certificate programs is the accelerated learning allows employees to put what they've learned to work immediately.

In August 2011, the University of Nevada Reno, College of Business launched an online Executive MBA program. Within less than a year the program has grown from the initial 14 students to 25, and been ranked fourth in the country by *Bloomberg Businessweek*, according to Kambiz Raffiee, associate dean and director of online executive MBA programs, UNR. The program offers quality integrated education at the graduate level in business management, and focuses on managerial skills in problem identification



**Kambiz Raffiee**  
MBA Programs, UNR

and analysis, leadership, management and adaptive thinking skills. The Executive MBA program is very attractive to people already working in positions and wanting to upgrade their skills and move up.

In addition to online education, hybrid education is growing in popularity as people remain time-crunched. Nearly 40 percent of Nevada State College full-time equivalent students are enrolled in online or hybrid classes, according to Stewart.

"The school embraced online instruction and now is looking at new ways of delivering instruction, so we've been working on this for a while in the general education track and now are figuring out how we perhaps can apply that in the executive track," said Stewart.

Hybrid classes allow students to study both online and on-campus. The flexibility of such programs often makes it easier for students to learn. Students taking online courses perform marginally better than those in on-campus programs. Those given the choice of a hybrid program have the advantage of additional learning time and instructional elements.

Findings at Nevada State College correlate with the U.S. Department of Education findings. "One of the things we have found, and this aligns itself with national literature, is that a hybrid arrangement seems to be the most successful when it comes to student success within that program, what students retain from that course and also on the cost side," said Stewart. By assessing the programs, it appears the hybrid classes allow students to succeed at the same time the college keeps its costs down and utilizes campus space well.

## Business and Education

"I really feel the role of education has evolved dramatically because of the different demands we have in the workforce and all the different technological advancements we've seen in the past 10 years," said Gamboa. "The role education plays in business has changed, and more importantly, employers are looking for people who can come out of a program and be able to immediately provide a contribution to the workplace; employers are looking for timely, applicable intangibles."

Or, as Dr. Nzeogwu said, "Everybody knows things are going to change and going to change in drastic ways, so they're training to prepare their employees for the change."

Businesses benefit when employees go back to school for additional education. Business management programs with emphasis on leadership are becoming increasingly popular. In this semi-post-recession world, Holman said he's seeing companies that went through downsizing where the employees who remain now need different skill sets to take on responsibilities that became theirs when their fellow employees left. They're outside their comfort zones and outside their initial job descriptions.

"The beauty of professional development programs is we can bring in folks whose



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needs are alike into the setting of a seminar or workshop,” said Holman. “These people may be from different companies but a seminar allows them to be in a setting with other people going through the same things in other companies. They can share ideas that may be useful in their own settings.”

Some businesses are willing, and able, to chip in and help their employees learn those timely, applicable intangibles and the leadership and management skills they need. Students who can remain with an employer while earning a post-graduate degree or executive education certificate become even more valuable assets to the company for which they work.

“Employers certainly understand that an educated workforce is a benefit for them organizationally and that they’ll benefit from the enhanced skills and critical thinking abilities the student develops,” said Gamboa.

Businesses may not always be able to support employees returning for more education or offer tuition reimbursement, but they may offer a partial reimbursement

or time off to attend school and work on projects. Kathy Cunningham said National University is seeing incentives for military personnel returning home to make education possible for them.

That doesn’t mean every potential employee who would like to gain some extra skills or learn a new career will be able to. “People want to come back and take classes and get into a new career, but often they’re struggling to pay for it, and sometimes the financial burden the program may put on the student is too much, even though they’re not expensive courses,” said Sarris. The continuing education programs are priced competitively, and there are some financial aid options, but that doesn’t mean everyone can afford it.

### Educating the Workforce

In Nevada, educational institutions routinely work with businesses to meet workforce needs, design curriculums and offer training to employees. The non-credit, non-

profit arm of continuing education at UNLV creates certificate programs and corporate training for local companies. “If they have employees who need skills, we can create classes for that employer, and if there’s a pool of people looking for jobs, we’ll look at the numbers and job opening trends and try to build our programs around that, too,” said Sarris. “We’re here for the community.”

“I’m very passionate about the fact that we have such tremendous business partners in the community that are supporting education no matter where an employee chooses to go or what program they’re in,” said Gamboa. “The recognition of the value of creating that culture of education within our state is so important right now and truly is going to be the game changer for us in helping us move free of the challenging economic times we’ve had. Definitely we’ve got employers that understand that the workers that have the skills and the training help us be more competitive as Nevada continues to grow its economy and provide more employment opportunities for its residents.”

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## Unions' Tax Initiative

### Would Devastate Small, Struggling Businesses

**I**n a long-anticipated move, the hard-left union bosses of the Nevada AFL-CIO and the state teachers union marked D-Day this year by launching another assault against Silver State businesses.

A ballot initiative filed by the unions would ask lawmakers to hammer businesses with a new margins tax and then earmark the money to directly benefit the unions.

The margins tax — basically a modified gross receipts tax — would be assessed on all companies with more than \$1 million in revenue and would take two percent of that revenue after a complex array of deductions.

A serious danger the tax poses to business owners, the workers they employ and the families those jobs support is that it will kill some businesses that are already struggling.

That's because the tax is based on revenues, not profits. Businesses not making a profit in today's shrinking economy, or even firms currently operating at a financial loss, would likely face sizable new tax liabilities under the unions' proposal.

This scheme would accelerate firm closures and put even more Nevadans out of work.

The margins tax the unions desire would allow firms to deduct from their taxable base one of three options: (1) 30 percent of total revenue; (2) compensation to employees; or (3) cost of goods sold. The first two options are relatively straightforward. The third — "cost of goods sold" — includes a very complex legal definition based, in part, on filings with the federal Internal Revenue Service.

To declare an exemption under this option, firms will be required to separately account for the expenses of raw materials, investment in factories or heavy machinery, depreciation, handling, storage, licensing, franchising, insurance, spoilage, deterioration, and several other categories.

For firms whose production network operates across state lines, the accounting would be even more burdensome. That's because these firms will have to apportion these expenses to the State of Nevada based on the percentage of sales or production that takes place within the state's boundaries. In Texas — the only state that operates a margins tax — tremendous confusion surrounds the definition of "cost of goods" sold, Small businesses, which do not have the in-house accounting expertise necessary to navigate the tax, complain that they face disproportionate compliance costs due to the tax's complexity. Nevada's small manufacturers and mom-and-pop retailers — the businesses most likely to seek a "cost of goods sold" deduction — will be making these same complaints if union bosses get their way.

Even more troubling is that the Nevada tax department — which would grow into a state version of the IRS — would be required to post these highly detailed tax filings publicly on its website, according to language in the unions' initiative. This invasion of privacy is especially alarming for sole proprietors and other non-publicly traded companies.

Union apologists say that small or struggling businesses needn't worry about the union scheme, because the tax would only be assessed against firms with annual gross revenues over \$1 million.

Apparently these advocates of tax hikes don't understand the difference between revenue and profit. Indeed, one of them defended the two-percent margins tax proposal by comparing it to California's eight-percent corporate income tax rate — clear evidence that the unions' apologists don't grasp how the tax would work. Thousands of mom-and-pop restaurants, retailers, gas stations and others top \$1 million in annual revenues but realize only modest profits — or none at all. Likewise, many large corporations that in recent years have operated in the red easily exceed revenue of \$1 million.

The true impact of the \$1 million-and-under exemption will be to impose an extremely high marginal tax rate on very small businesses that begin to approach that threshold.

A firm moving from \$995,000 in revenue to \$1,000,000, for example, could face as much as a \$14,000 tax liability for selling an additional \$5,000 worth of its product. Indeed, firms approaching this threshold toward the end of the tax year may be forced to suspend operations until the new tax year begins.

These are just a few of the problems with this latest union attack on private industry.

Any way you slice it, the margins tax would be a disaster for the Silver State. 🌿

*Geoffrey Lawrence is deputy policy director at the Nevada Policy Research Institute. For more information visit <http://npri.org>.*

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# GOVERNMENT CONTRACTORS

By Howard Riell

## Working Within the System

**G**overnment contractors provide a lot to the state of Nevada -- and it isn't always easy.

Vying for contracts at any time, but especially in an ailing economy, can be competition at its most cutthroat, and partnering with the largest bureaucracy in the history of the human race is a complex undertaking.

Fortunately for Nevada, companies persevere, bringing with them revenue, jobs, much-needed expertise and an overall boost to the local and regional economies.

How much can large government contractors contribute to the community? The Economic Impact Analysis for Nellis Air Force Base in North Las Vegas, Creech Air Force Base near Indian Springs and the Nevada Test and Training Range (NTTR) in the Southern Nevada desert, for example, shed light on just how much of a plus these sites are for the Nevada economy. According to Air Force Colonel and installation commander Steven D. Garland, the numbers for fiscal year 2011 show the following:

- A combined operations and maintenance outlays of more than \$513 million.
- There were approximately 10,809 military and 4,279 civilians employed between the two bases and the NTTR with a combined payroll of more than \$1.15 billion.
- On any given day, about 967 temporary-duty personnel conducted business at Nellis, Creech, or the NTTR.

- There were an estimated 6,521 indirect jobs created with an estimated annual dollar value of \$265.7 million.
- At the same time, the Las Vegas metropolitan area counted a total of 27,845 military retirees among its residents. The combined retirement payroll of 13,972 Air Force, 5,368 Army, 6,538 Navy, 1,584 Marines and 383 Coast Guard retirees amounted to a yearly salary of \$646.9 million.
- The total economic impact of Nellis, Creech, & NTTR operations in Fiscal Year 2011 totaled more than \$5 billion.

### Strings Attached

Contracting for the government comes with many strings. It was reported in early June, for example, that companies with federal government contracts or subcontracts may soon risk losing their contracts if they do not meet quotas to hire more disabled workers. The US Department of Labor is said to be considering changes to Section 503 of the Rehabilitation Act of 1973. The changes would require private employers with federal government contracts and subcontracts to set a hiring goal that 7 percent of their employees are qualified workers with disabilities. According to the Office of Federal Contract Compliance Programs (OFCCP), the proposed rule changes would also specify actions that contractors must take when re-

cruiting, training, keeping records and implementing affirmative action policies, as well as guidance on how to comply with the law.

In addition, government contracts often end up becoming centers of suspicion and finger pointing. Case in point: according to *Federal Times*, Pentagon audits of its contractor costs have “slowed to a trickle in recent years, prompting critics to charge that billions of dollars in questionable costs are likely being paid but not flagged by auditors.” The number of audits conducted by the Defense Contract Audit Agency (DCAA) last year, 7,390, was less than a third of the 26,623 audits that were performed six years ago – despite the fact that the agency has ramped up hiring in the same period by about 20 percent. Because of the slowdown, the publication reports, there is a whopping \$573 billion backlog of contracts – going back as far as six years - that have already been paid but have yet to be audited. The publication added that, “critics fear the agency will never catch up on that backlog because, by law, paid contracts more than six years old cannot be reviewed.”

The National Association of Government Contractors reported that “legislative efforts to promote higher small business goals when awarding federal contracts are gaining support among lawmakers.” On May 22, Senators Ben Cardin of Maryland and Mary Landrieu of Louisiana, chairwoman of the Small Business and Entrepreneurship Committee introduced

the Small Business Goaling Act (S. 3213). The bill, if enacted, would raise the annual prime contracting goal by 2 percentage points, from 23 percent of contract dollars spent with small businesses to 25 percent.

## Managing and Operating

“We are a managing and operating contractor to the U.S. Department of Energy, Nevada site office,” says Dante Pistone, Manager of Public Affairs for National Security Technologies LLC, a contractor at the Nevada National Security Site (NNSS), formerly the Nevada National Test Site. “We do more than just the security for the site. We manage the entire site, everything from homeland security to a lot of anti-terrorism training, testing and evaluation.”

The area of the NNSS, at 1,360 square miles, is larger than the state of Rhode Island. The site is surrounded by federally owned land and access to the site is, naturally, controlled.

National Security Technologies was formed in 2006 as a joint venture between Northrop Grumman Corporation, and three other corporate partners: AECOM, CH2M Hill, and Babcock & Wilcox. The company employs some of the most highly trained science, technology and engineering professionals in the country, working at sites in North Las Vegas, Nellis Air Force Base, Andrews Air Force Base in Maryland, Los Alamos and Albuquerque, New Mexico and Livermore and Santa Barbara in California.

The Nuclear Test Site, as the name implies, was historically used for nuclear testing, but that came to a halt in 1992 with the end



**Dante Pistone**  
National Security  
Technologies LLC

of underground nuclear testing. “We still do some experiments out there,” Pistone points out, “because one of our jobs is to certify that the nuclear weapons stockpile is still viable. We are only one of the sites that does that, and we work with the National Laboratories.” The site provides an extension of the national laboratories’ experimental capabilities in support of the Stockpile Stewardship Program. The Site also has become the nation’s leader in Homeland Security with respect to nuclear/radiological testing, training and emergency response. In addition to ongoing environmental cleanup of historic nuclear research and testing areas on the NNSS, non-defense research, development and training activities are conducted in cooperation with universities, industries, and other federal agencies.

Contracting with the United States federal government – the largest bureaucracy in the world -- is a unique experience. According to Pistone, however, business as usual is the rule of thumb. “There are some hoops we have to jump through, but they’re pretty much there for a reason. We build that into our business plan and go forward. We’re a private business just like any other private business, so we’re in business to make a profit. What we do is apply business efficiencies and economies where we can to streamline the operations at the site. We’ve done so pretty effectively since 2006.”

NSTeC won the contract with a successful bid in 2005. In fact, the company itself was formed specifically to bid on this contract. There have been several annual renewals since then as well as a new, open bid scheduled for 2014.

One of the primary things that government contractors bring is jobs. “We receive government funding for our contract, and all of our employees are local,” explains Pistone. “That money comes in from Washington, DC, and is spent locally, so we contribute significantly to the economy. Depending on what’s happening on site at any given time we have 2,500 employees. The payroll and the contracting is significant for small and medium-sized businesses in Nevada. We have a pretty substantial impact.”

The Hawthorne Army Depot (HWAD) lies in the western-central region of the state, about 140 miles southeast of Reno, on the southern shore of Walker Lake. It sits on 150,000 acres of semiarid land surrounding the Hawthorne community in Mineral County. It is a government-owned, contractor-operated military industrial installation. The resident contractor is Day and Zimmerman/Hawthorne Corporation. Together, there are approximately 700 government and contracted personnel.

The main mission of the Hawthorne Army Depot is supply depot operations (SDO), says Stephen D. Abney, Chief of Public Affairs for the Joint Munitions Command. “That is, an ongoing requirement to store, receive and ship assets stored at the depot. HWAD’s secondary mission is ammunition demilitarization efforts.” The site was selected in the 1930s because of its location -- relatively near the Pacific coast, but on the other side of the Sierra range, and thus out of range of attacks from the sea.

The work at HWAD is federal. HWAD is part of the Joint Munitions Command, the Army organization charged with storage, distribution and demilitarization of conventional (not nuclear or chemical) munitions for the Defense Department. The operating contractor of HWAD won the operations and maintenance property management contract on a competitive basis.

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## Requirements

“Government projects always take longer to get processed and actually get to bid as compared to private projects,” notes Patty Wade, founder, owner and President of Wade Development Company, Inc. and Wade Consulting Group, LLC in Reno and Las Vegas. “There is extensive review and permitting involved in all government projects that takes a lot of time and the accounting and reporting once under construction is extremely involved.

“The majority of government projects that I am familiar with are associated with development -- infrastructure and roadway,” adds Wade. “These projects are usually funded by federal surface transportation program and omnibus funds and administered by the state of Nevada and the local agencies.” Additional funding sources that were utilized on the Fernley (Exit 50) Interchange Project, she adds, included state gas tax, interstate maintenance discretionary funds, earmark funds, SAFETEA-LU NV056 and SAFETEA-LU NV060 (SAFETEA-LU stands for Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users).

Most of the recent projects, Wade points out, have been conducted in a collaborative arrangement with the federal, state and local agencies working together to coordinate efforts and funds “in order to accomplish projects in the most cost effective manner.”

All government projects also have a requirement to include a disadvantaged business enterprise in their team of contractors and adhere to prevailing wage provisions. While private projects constructed in public rights of way do follow the same standards, they tend to process much more expeditiously than government projects.

Wade believes that the state of Nevada, which receives funding for numerous projects each year, is “very competitive with other states for these funds. Contractors from other states frequently bid on government contracts in Nevada, but the majority of the projects that we have been involved in have all been constructed by Nevada contractors.”



**Patty Wade**  
Wade Development  
Company, Inc.

While development projects, especially infrastructure and roadway projects, are usually funded by federal and state sources, most are now conducted in a collaborative arrangement with several agencies working together to coordinate efforts and funds. These agencies, she says, “pool their resources and provide in-kind support to these projects in order to achieve the best project and the greatest cost-efficiency for the community and the region.”

The bidding process in Nevada is, understandably, similar to that found in other states. The majority of contractors working in the state of Nevada are familiar and prepared for the process. “While I believe that the bidding process is very competitive but fair,” Wade

points out, “the process takes a lot of time. The insurance requirements for government projects are extensive, and that, coupled with the disadvantaged business enterprise and prevailing wage requirements, limits some contractors from competing for these projects.”

Most of the contractors that come to Nevada to perform work on government projects, according to Wade, immediately embrace the communities within which they work. “They become community partners and supporters as soon as they arrive. These contracting companies are employing hundreds of local workers for these projects, which helps the employment base and jobs creation substantially—even if for only a finite 12-to-18 month period.”

These and other pluses that are inevitably tied in with construction projects subsequently support the local and regional economies. “Additionally,” says Wade, “these companies are usually very supportive of local community and charitable events, and donate substantial sponsorships for local clubs, sports, and school/university activities.”

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## PROJECTS



Affinity Gaming

### Las Vegas, 89135 Office

**American Family Company** has completed construction on a new headquarters for Affinity Gaming. **The Korte Company** served as general contractor for the 19,174 SF facility which was completed in eight weeks. The architect of record was **Ethos Three** and the project is located at south of Town Center Dr. off of the I215.

### Las Vegas, 89106 Retail

**The Korte Company** has been selected to complete the 54,000 SF tenant improvement project of the Discovery Children's Museum. The architect of record is **Lucchesi Galati Architects LLC**. The new facility will be in the newly-opened Symphony Park complex, a 61-acre redevelopment area adjacent to the Smith Center for the Performing Arts facility. The project is located at 833 Las Vegas Boulevard North.

### Reno, 89506 Industrial

**United Construction** has completed construction on an internet fulfillment center for Urban Outfitters. **Dermody Properties** served as developer of the 460,000 SF project. The center combines 450,000 SF of warehouse space and 10,000 SF of office space and will create over 100 jobs for the area. The internet fulfillment center, which is pursuing LEED silver certification, will begin operating in the third quarter of 2012 and is located at 12055 Moya Boulevard.

### North Las Vegas, 89032 Hotel

**Sun West General Contractors** has completed work on a 94-suite Sping-Hill Suites by Marriott. The franchise is owned by Craig Road Suites, LLC and managed by Sunway Hotel Group, Inc. The project cost an estimated \$6.6 million and **GM Rembowski Architect, Inc.** served as the architect of record for the project. The hotel is located at 2910 E. Craig Rd.

## SALES

### Henderson, 89015 Office

**Horizon 888, LLC** purchased 13,410 SF from the **FDIC** for \$850,000 or \$65 PSF. The seller was represented by **Daniel J. Tuntland** of **DJT Real Estate Company**. The property is located at 220 E. Horizon Ridge Dr. APN # 179-19-805-013

### Las Vegas, 89108 Office

**Patricia Iwamoto** and **Steven Yet Mun Yee** purchased 21,850 SF from **Centennial Bank** for \$1,250,000 or \$57 PSF. The buyer was represented by **Rebecca Wachter** of **Colliers International** and the seller was represented by **Paul Chaffee** of **C Squared Real Estate Service**. The property is located at 2690 N. Decatur Blvd. APN # 139-18-310-001

### Las Vegas, 89128 Office

**HJC Properties LLC** purchased 20,000 SF on 1.98 acres in the Las Vegas Technology Center from **Smoke Ranch Fire Mesa, LLC** for \$3,040,000 or \$152 PSF. The buyer was represented by **Tom** and **Lizz Stillely** of **Colliers International** and the seller was represented by **Randy Broadhead**, **SIOR** of **CB Richard Ellis**. The property is located at 7425 Peak Dr. APN # 138-15-310-024

### Las Vegas, 89148 Office

**Taylor International Corp** purchased 6,804 SF on 0.72 acres from **CML-NV SR, LLC** for \$612,360 or \$90 PSF. The buyer was represented by **Chris Clifford** of **The Equity Group** and the seller was represented by **Tom** and **Lizz Stillely** of **Colliers International**. The property is located at 8804 Spanish Ridge Ave. APN # 163-29-712-010

### Las Vegas, 89148 Office

**WGH Acquisitions, LLC** purchased 74,246 SF from **SA Group Properties** for \$3.1 million or \$42 PSF. The buyer

was represented by **Michael Early** of **Piedmont Financial, Inc.** and the seller was represented by **Cathy Jones** of **Sun Commercial Real Estate, Inc.** The property is located at 6140 and 6180 Brent Thurman Way. APN # 163-32-711-001

**Las Vegas, 89103**  
**Retail**

**Lester Quam Family 1997 Irrevocable Trust** purchased 8,200 SF from **James Bate Trust** for \$1.2 million or \$146 PSF. The seller was represented by **Jeff and Mica Berg** of **Colliers International**. The property is located at 4875 W. Flamingo Rd. APN # 162-19-101-001

**North Las Vegas, 89081**  
**Industrial**

**MCA Donovan Way, LLC** purchased 20,330 SF from **Second Step Management Company** for \$540,000 or \$27 PSF. The buyer was represented by **Dan Doherty, SIOR** and **Chris Lane** of **Colliers International**. The property is located at 4550 Donovan Way. APN # 139-01-611-011

**Las Vegas, 89115**  
**Industrial**

**Joe Glenn Boblett, Jr.** and **Maria Boblett** purchased 4,930 SF from **Alexander & Pecos, LLC** for \$246,500 or \$50 PSF. The buyer was represented by **Joe Schubeck** of **Majestic Properties**. Additionally, **Robert Grandin** purchased 5,958 SF from **Alexander & Pecos, LLC** for \$286,500 or \$48 PSF. The landlord was represented by **Soozi Jones Walker, CCIM, SIOR** and **Bobbi Miracle, CCIM** of **Commercial Executives** in both transactions. The properties are located at 4392 and 4309 E. Alexander. APN # 140-05-416-082 and 078, respectively.

**Las Vegas, 89118**  
**Industrial**

**Skybell LLC** purchased 9,105 SF from **Spirit Underground, LLC** for \$1.2 million or \$132 PSF. The buyer was represented by **Joon Shim** of **All Vegas Properties, LLC** and the seller was represented by **Danielle Steffen** of **Commerce Real Estate Solutions**. The property is located at 3525 W. Hacienda Ave. APN # 162-29-301-005

**Las Vegas, 89119**  
**Industrial**

**7120 Rafael Ridge, LLC** purchased 18,628 SF from **Gold Rings Holdings, LLC** for \$1,975,000 or \$106 PSF. The buyer was represented by **Amy Ogden** and **Danielle Steffen** of **Cushman & Wakefield** and the seller was represented by **Dan Doherty, SIOR** and **Chris Lane** of **Colliers International**. The property is located at 7120 Rafael Ridge Way. APN # 177-05-801-047

**Las Vegas, 89101**  
**Multi-Family**

**AOW REO, LLC** purchased a eight-unit apartment complex from **Ramba Living Revocable Trust of Las Vegas** for \$120,000 or \$15,000 per unit. The buyer was represented by **Patrick Sauter** of **NAI Sauter Companies**. The property is located at 413 N. 15th St. APN # 139-35-111-077

**Las Vegas, 89106**  
**Multi-Family**

**Rancho Verde Apartments, LLC** purchased a 264-units apartment complex from **LV-MLK, LLC** for \$4,725,000 or \$17,898 per unit. The seller was represented by **Patrick Sauter** of **NAI Sauter Companies**. The property is located at 98 S. Martin Luther King Blvd. APN # 139-28-402-001

**North Las Vegas, 89081**  
**Vacant Land**

**Trench Plate Rentals** purchased 4.8 acres from **Bays, LLC** for \$1.7 million or \$8 PSF. The seller was represented by **Brian Riffel** of **Colliers International**. The property is located at 2606 E. La Madre Way. APN # 124-36-301-007

**Las Vegas, 89123**  
**Vacant Land**

**Jannah, LLC** purchased 0.65 acres of land from **Clark County Credit Union** for \$230,000 or \$8 PSF. The buyer was represented by **Scott Beaudry** of **Universal Realty, Inc.** and the seller was represented by **Grant Traub** of **Colliers International**. The property is located on the southeast corner of Agate Ave. and Las Vegas Blvd., South. APN # 177-21-201-010

**LEASES**

**Las Vegas, 89102**  
**Office**

**MPR Corporation** leased 12,890 SF in the **Holsum Design Center** from **LaPour Grand Central, LLC** for \$845,208 on a five-year lease. The tenant was represented by **Chris Richardson** and **Jason Otter** of **The Equity Group** and the landlord was represented by **Rebecca Wachter** of **Colliers International**. The property is located at 241 W. Charleston, Suite 111. Reported monthly rent is \$1.09 PSF.

**Las Vegas, 89117**  
**Retail**

**Crossfit 702** leased 12,000 SF in the **Buffalo Square Shopping Center** from **Buffalo Square LLC** for \$496,800 on a 63-month lease. The tenant was represented by **Desiree Crisp** and **Bob Hawkins** of **Commerce Real Estate Solutions** and the landlord was represented by **Laramie Bracken** of **Gatski Commercial Real Estate**. The property is located at 7520-7550 W. Washington Ave. Reported monthly rent is \$0.35 PSF.

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**Las Vegas, 89129**

**Retail**

**Fringe Salon and Spa** leased 5,277 SF from **4005 & 4035 El Capitan Way, LLC** for \$319,997 on a 65-month lease. The landlord was represented by **Cathy Jones of Sun Commercial Real Estate, Inc.** The property is located at 4005 S. El Capitan Way. Reported monthly rent is \$0.93 PSF.

**Henderson, 89011**

**Industrial**

**Airborne Veterans Services, Inc.** leased 6,800 SF from **Synergy Properties, Inc.** for \$52,044 on a two-year lease. The landlord was represented by **Chris Connell of Colliers International.** The property is located at 779 Middlegate Rd. Reported monthly rent is \$0.32 PSF.

**Henderson, 89014**

**Industrial**

**Farwest Insulation Contractors** leased 24,079 SF from **Blevans Industrial Associates, LLC** for \$83,795 on a

one-year lease. The tenant was represented by **Pat Marsh, SIOR of Colliers International** and the landlord was represented by **Mike De Lew, SIOR** and **Greg Pancirov, SIOR** of Colliers International. The property is located at 880 Wigwam Pkwy., Suite 100. Reported monthly rent is \$0.29 PSF.

**Henderson, 89074**

**Industrial**

**Spreadshirt, Inc.** leased 36,000 SF from **Northwest Mutual Life Insurance Co.** for \$831,997 on a 65-month lease. The tenant was represented by **Dan Doherty, SIOR** and **Chris Lane of Colliers International** and the landlord was represented by **Garrett Toft of Voit Real Estate Services.** The property is located at 1100 Mary Crest Rd. Reported monthly rent is \$0.36 PSF.

**North Las Vegas, 89081**

**Industrial**

**MG Exhibition Design** leased 13,500 SF from **4606 LLC** for \$85,350 on a three-year lease. The tenant was

represented by **Bryan Houser of Al-bright Callister & Associates** and the landlord was represented by **Dean Willmore, CCIM of Commerce Real Estate Solutions.** The property is located at 4606 Andrews St. Reported monthly rent is \$0.17 PSF.

**Las Vegas, 89118**

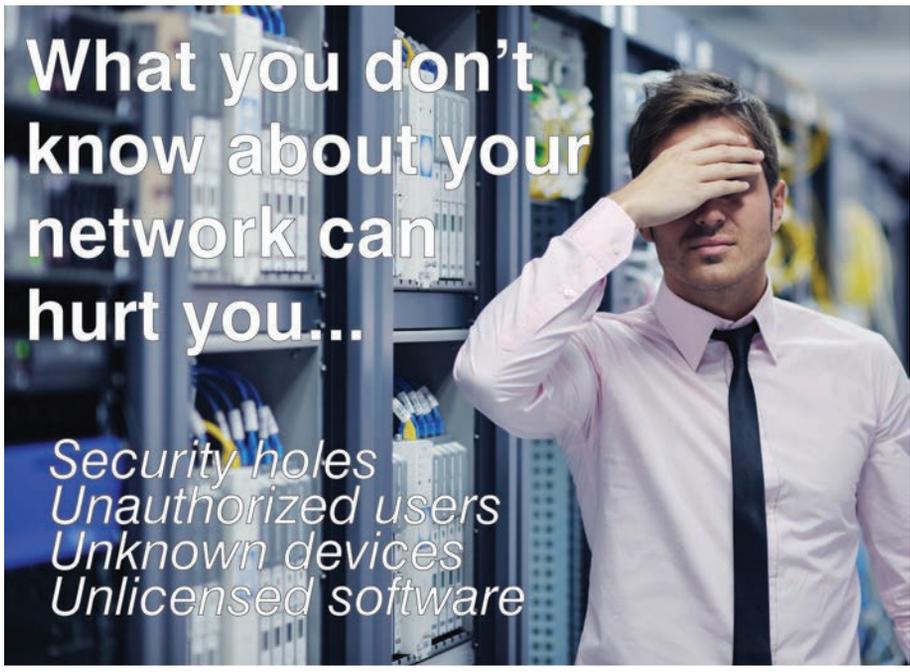
**Industrial**

**Eye-Fi** leased 12,393 SF in the Westech Business Center II from **Cable Investments-Diablo, LP** for \$128,988 on a two-year lease. The landlord was represented by **Mike De Lew, SIOR** and **Greg Pancirov, SIOR of Colliers International.** The property is located at 5075 W. Diablo Dr., Suite 208. Reported monthly rent is \$0.43 PSF.

**Las Vegas, 89120**

**Industrial**

**Maritz Holdings, Inc.** leased 27,981 SF in the Arrowhead Commerce Center from **KTR LV IV, LLC** for \$948,905 on a 66-month lease. The tenant was represented by **Rick Nelson of Winthrop Commercial** and the landlord was represented by **Spencer Pinter and Dan Doherty, SIOR of Colliers International.** The property is located at 3650 E. Post Rd., Suite I and J. Reported monthly rent is \$0.51 PSF.



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**LOANS**

**Reno, 89509**

**Office**

**Nevada State Development Corp.** has funded a loan for Steven J. Klearman & Associations. The transaction had a 4.66 percent fixed interest rate for 20 years. The transaction was a refinance of a 4,356 SF office building located at 437 W. Plumb Lane.

**Reno, 89511**

**Other**

**Nevada State Development Corp.** has funded a loan for Wolf Run Golf Course. The transaction had a 4.66 percent fixed rate of interest for 20 years. The loan was a refinance of an 18-hole golf course located at 1400 Wolf Run Rd.



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# Retail Summary

First Quarter 2012

## Las Vegas

The Las Vegas retail market reported a slight decline in vacancies for the second consecutive quarter. While new pre-leased inventory largely held the vacancy rate down at 10.5 percent, the market recorded 203,300 square feet of positive net absorption during the first quarter of 2012. The latest market performance reflects the 12th consecutive quarter in which the retail vacancy rate remained in the 10-percent range. While elevated compared to historical levels, the vacancy trend suggests stability is taking hold. Despite positive net absorption during three out of the past four quarters, average asking rents continued to decline after holding within a relatively tight range in the prior year. During the first quarter, rents fell to \$1.45 per square foot per month, or 5.5-percent below the \$1.53 reported during the same quarter of the prior year. Deeply discounted pricing remains, and the latest period suggests there may still be room for further corrections.

Two WinCo Foods stores were delivered to the market during the first quarter of 2012, winding down the last construction projects the market is likely to welcome this year. The only other material project underway is the second phase of Tivoli Village at Queensridge, but this 300,000-square-foot addition to the project is further down the road in terms of timing and is slated for completion in late-2013. Plans for 4.3 million square feet remain on the drawing board, consisting primarily of stalled projects and future phases of existing centers.

The retail sector situation remains delicate with a number of empty big boxes propping up the vacancy rate across the valley. The bright spot is that employment and income gains, while mild, are improving, which has translated into stronger-than-expected retail spending.

## Reno-Sparks

The Reno/Sparks economic climate is showing continued signs of weakness as vacancy rates established new record highs. This reverses a trend observed in earlier quarters showing signs of stabilization. Although the vacancy rates increased, the area had a positive net absorption during the first quarter of 51,191 square feet. This is the seventh consecutive quarter of positive net absorption. Although the net absorption number remains modest, it is moving in the right direction and staying positive.

The net absorption during the quarter can be attributed to multiple smaller leases and two larger leases. During the quarter, there were 30 businesses moving into shopping centers consisting of 313,653 square feet while during the same period, 43 businesses moved out consisting of 277,911 square feet. This continues a trend seen in two of the last three previous quarters with the number of new businesses moving out being larger than those moving in.

Two larger tenants leased space this quarter. The first was the relocation of Lowe's into the Legends project occupying 124,076 square feet, leaving their former location vacant. The second was the opening of the Wal-Mart in Lemmon Valley with 160,891 square feet in a newly constructed building. These two large tenants help explain how we had vacancy rates increase while at the same time having positive net absorption.

The line shop vacancy rate has established a new record at 22.70 percent. The anchor vacancy rate is also a new record at 15.83 percent, with the overall vacancy rate at a new record of 18.60 percent. While the continuation of these high vacancy rates are causing financial pressures for some landlords, it is creating opportunities for new businesses as landlords aggressively compete for the few tenants looking for space.

1st Quarter 2012

## RETAIL

TOTAL MARKET	LAS VEGAS	RENO
Total Square feet	51,654,427	13,349,409
Vacant Square Feet	5,423,848	2,483,478
Percent Vacant	10.5%	18.60%
New Construction	190,000	-
Net Absorption	203,347	51,191
Average Lease sf/mo (nnn)	\$1.45	\$1.60
Under Construction	300,000	0
Planned	4,326,466	37,337
<b>POWER CENTERS</b>		
Total Square Feet	18,408,154	2,754,704
Vacant Square Feet	1,347,379	434,834
Percent Vacant	7.3%	15.80%
New Construction	95,000	124,076
Net Absorption	68,465	116,383
Average Lease SF/MO (NNN)	\$1.65	\$1.65
Under Construction	0	0
Planned	2,433,668	37,337
<b>COMMUNITY CENTERS</b>		
Total Square Feet	13,270,432	5,335,283
Vacant Square Feet	1,536,274	1,104,143
Percent Vacant	11.6%	20.7%
New Construction	0	160,891
Net Absorption	43,619	(23,586)
Average Lease SF/MO (NNN)	\$1.41	\$1.67
Under Construction	300,000	0
Planned	1,430,503	0
<b>NEIGHBORHOOD CENTERS</b>		
Total Square Feet	19,975,841	5,017,677
Vacant Square Feet	2,540,195	944,501
Percent Vacant	12.7%	18.8%
New Construction	95,000	0
Net Absorption	91,263	-207,886
Average Lease SF/MO (NNN)	\$1.37	\$1.47
Under Construction	0	0
Planned	462,295	0

### Next Month: INDUSTRIAL

#### ABBREVIATION KEY

MGFS:	Modified Gross Full-Service
SF/MO:	Square Foot Per Month
NNN:	Net Net Net

Southern Nevada analysis and statistics compiled by Applied Analysis, Northern Nevada analysis and statistics compiled by NAI Alliance Reno

The U.S. economy is showing signs of slowing growth. Revised data show U.S. real GDP grew at an annualized rate of 1.9 percent during first quarter 2012, which represents a substantial slowing from the fourth-quarter rate of 3.0 percent. Business fixed investment, residential investment and inventories also made positive contributions. Government spending and net exports made negative contributions. U.S. nonfarm employment rose by only 69,000 jobs in May, marking the weakest gain since May 2011. Housing prices stabilized and sales of both new and existing homes rose in April. Consumer sentiment increased slightly in May, but consumer confidence slipped. The Kansas City Financial Stress Index rose to just about its long-run average in May, which suggests financial headwinds are not impeding economic growth.

The Nevada economy also shows some evidence of slowing. Seasonally adjusted, statewide employment decreased by 600 jobs (0.1 percent) from March to April. The Nevada unemployment rate decreased from 12.0 percent in March to 11.7 percent in April as the result of reduced labor force participation. Visitor volume was 1.2 percent lower in April than a year earlier. Nonetheless, gaming revenue was 6.2 percent higher in April than a year earlier. Taxable sales were 7.2 percent higher in March than a year earlier.

Clark County's economy also shows signs of slowing. The Las Vegas unemployment rate fell from 12.6 percent in March to 12.4 percent in April. Compared to a year earlier, visitor volume was down by 1.2 percent in April. Nonetheless, gaming revenue was 8.9 percent higher in April than a year earlier. Taxable sales for March were only 1.9 percent above those for a year earlier. Residential construction permits slipped in April after rising sharply in March. Commercial construction permits dropped to a very low level.

Washoe County also shows slowing economic growth. Seasonally adjusted, Reno-Sparks employment fell by 1,300 jobs (0.7 percent) from March to April. The Reno-Sparks unemployment rate fell from 11.7 percent in March to 11.5 in April. Compared to a year earlier, April visitor volume was down by 1.2 percent. Gaming revenues were down by 15.5 percent over the same period. Residential construction permits rose sharply in April, and commercial construction permits fell to extremely low levels.

The pace of national economic growth slipped during first quarter, and a number of signs—such as employment and the pace of spending—point to relatively weak economic growth in the second quarter.

**Professor Stephen P. A. Brown, PhD**  
UNLV Center for Business and Economic Research

	DATE	UNITS	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT	YEAR AGO	
<b>Nevada</b>								
Employment	2012M04	000s, SA	1,128.6	1,129.2	1,123.2	-0.1%	0.5%	Recent Decline
Unemployment Rate*	2012M04	%, SA	11.7	12.0	13.6	-0.3%	-1.9%	Reduced
Taxable Sales	2012M03	\$billion	3.910	3.223	3.649	21.3%	7.2%	Up Strongly
Gaming Revenue	2012M04	\$million	855.71	854.59	806.05	0.1%	6.2%	Up Over Year Ago
Passengers	2012M04	million persons	3.881	4.000	3.827	-3.0%	1.4%	Up Over Year Ago
Gasoline Sales	2012M03	million gallons	90.40	83.72	91.47	8.0%	-1.2%	Down from Year Ago
Visitor Volume	2012M04	million persons	4.160	4.377	4.212	-5.0%	-1.2%	Down from Year Ago
<b>Clark County</b>								
Employment	2012M04	000s, SA	809.5	810.1	807.7	-0.1%	0.2%	Recent Decline
Unemployment Rate*	2012M04	%, SA	12.4	12.6	14.1	-0.2%	-1.7%	Reduced
Taxable Sales	2012M03	\$billion	2.791	2.416	2.738	15.5%	1.9%	Up Over Year Ago
Gaming Revenue	2012M04	\$million	743.67	733.49	682.95	1.4%	8.9%	Up Over Year Ago
Residential Permits	2012M04	units permitted	612	841	375	-27.2%	63.2%	Up Over Year Ago
Commercial Permits	2012M04	permits	5	23	16	-78.3%	-68.8%	Volatile
Passengers	2012M04	million persons	3.554	3.655	3.462	-2.7%	2.7%	Up Over Year Ago
Gasoline Sales	2012M03	million gallons	62.72	57.89	63.14	8.4%	-0.7%	Down from Year Ago
Visitor Volume	2012M04	million persons	3.609	3.836	3.654	-5.9%	-1.2%	Down from Year Ago
<b>Washoe County</b>								
Employment **	2012M04	000s, SA	188.9	190.2	189.6	-0.7%	-0.4%	Declined
Unemployment Rate*	2012M04	%, SA	11.5	11.7	13.1	-0.2%	-1.6%	Reduced
Taxable Sales	2012M03	\$billion	0.466	0.398	0.452	17.1%	3.0%	Up Over Year Ago
Gaming Revenue	2012M04	\$million	54.20	61.43	64.11	-11.8%	-15.5%	Down from Year Ago
Residential Permits	2012M04	units permitted	82	42	38	95.2%	115.8%	Up Strongly
Commercial Permits	2012M04	permits	5	9	13	-44.4%	-61.5%	At Low Level
Passengers	2012M04	million persons	0.276	0.293	0.296	-5.8%	-6.6%	Down from Year Ago
Gasoline Sales	2012M03	million gallons	13.50	13.10	13.44	3.0%	0.5%	Up Over Year Ago
Visitor Volume	2012M04	million persons	0.353	0.333	0.357	6.1%	-1.2%	Down from Year Ago
<b>United States</b>								
Employment	2012M05	million, SA	133.009	132.940	131.227	0.1%	1.4%	Slow Growth
Unemployment Rate	2012M05	%, SA	8.2	8.1	9.0	0.1%	-0.8%	Ticked Up
Consumer Price Index	2012M04	82-84=100, SA	229.2	229.1	224.0	0.0%	2.3%	Up Moderately
Core CPI	2012M04	82-84=100, SA	229.0	228.4	223.8	0.2%	2.3%	Up Moderately
Employment Cost Index	2012Q1	89.06=100, SA	115.3	114.7	113.2	0.5%	1.9%	Up Moderately
Productivity Index	2012Q1	2005=100, SA	110.5	110.7	110.1	-0.2%	0.4%	Declined Recently
Retail Sales Growth	2012M05	\$billion, SA	404.6	405.3	384.2	-0.2%	5.3%	Down Recently
Auto and Truck Sales	2012M05	million, SA	13.73	14.37	11.69	-4.5%	17.4%	Down Recently
Housing Starts	2012M04	million, SA	0.717	0.699	0.552	2.6%	29.9%	Up Over Year Ago
Real GDP Growth***	2012Q1	2005\$billion, SA	13,491.0	13,429.0	13,227.9	1.9%	2.0%	Up Weakly
U.S. Dollar	2012M05	97.01=100	100.724	99.027	95.307	1.7%	5.7%	Some Strengthening
Trade Balance	2012M04	\$billion, SA	-50.062	-52.617	-43.556	-4.9%	14.9%	Recent Deficit Decrease
S and P 500	2012M05	monthly close	1,310.33	1,397.91	1,345.20	-6.3%	-2.6%	Down
Real Short-term Rates*	2012M04	%, NSA	-3.12	-3.82	-4.54	0.7%	1.4%	Less Negative
Treasury Yield Spread	2012M05	%, NSA	1.71	1.97	3.13	-0.3%	-1.4%	Narrowed

\*Change in percentage rate, \*\*Reflects the Reno-Sparks MSA which includes Washoe and Storey Counties, \*\*\*Recent growth is an annualized rate

Sources: Nevada Department of Taxation; Nevada Department of Employment, Training, and Rehabilitation; UNR Bureau of Business and Economic Research; UNLV Center for Business and Economic Research; McCarran International Airport; Reno/Tahoe International Airport; Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority; U.S. Department of Commerce; U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Federal Reserve Bank.

Note: NSA = Not Seasonally Adjusted, SA = Seasonally Adjusted

# What does the “American Dream” mean to you?

“To me, and to millions of Americans over the years, the American Dream often involves owning your own home. With our economy and housing market in Nevada showing signs of recovery, I look forward to seeing the home ownership rate in our state going back up in the coming years.”



**Blane Johnson** · President, Nevada Association of REALTORS.



**Jody Walker Belsick** · President, Walker Engineering

“The American Dream means to me that if you work hard you will succeed. America is a place where you have the opportunity to determine your own success unlike many other places in the world.”

“For me, the dream is to do work I love and leave something my kids can inherit or at the very least respect, all while taking time away from what I do to make sure I actually do some living.”



**Justin Woolard** · Founding Partner and Interactive Creative Director, 1010 Collective



**Michael D. Bosma, CPA** · Managing Shareholder, The Bosma Group, P.C.

“The American Dream to me means that... I have control of my own life. I can determine how much wealth I want, and how to spend or preserve it. The dream embodies the concept that we are the land of opportunity. It is up to us to seize it.”

“This country offers many opportunities and options available to improve your situation. If you take time to seek them out, are willing to work hard and not expect everything to be handed to you, the American Dream is truly achievable.”



**Patricia Taylor, CMCA** · President, Taylor Association Management, Vice President, Community Associations Institute



**Scott Stolberg** · President and CEO, A&A Midwest, North Las Vegas

“The American Dream is raising two children who work hard and get an education, and giving back to the community. To have achieved this by setting the right example is satisfying, along with helping make our community a better place.”



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*Academic Advisor*

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