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Why Vote Against Obama?

Eight Compelling Reasons

Barack Obama was elected in 2008 with a message of hope and change. Unfortunately, the change we got was for the worse. There is little hope left that the country can pull itself out of the recession anytime soon, and we're left hoping that the Middle East won't erupt into flames that will consume us all. There are hundreds of reasons to vote for a change of administration in November, but I've tried to condense them into eight main areas of concern:

- 1. The economy** should be reason number one on everyone's list. Obama insists we need more "stimulus" despite the fact that we've already spent more than \$800 billion, with nothing to show for it but waste and failure. The National Debt is now a staggering \$15 trillion, and growing every day. Meanwhile, more than 42 million Americans are living in poverty, nearly one in seven Americans are on food stamps, and unemployment is more than 8%.
- 2. Business.** Consider these two Obama quotes: "If you've got a business, you didn't build that. Somebody else made that happen." And this one: "The private sector is doing fine." It's no wonder that more than 400,000 small businesses are closing every year. And the Obama administration has enacted more than 4,200 new anti-business regulations, with an estimated cost of \$84 billion.
- 3. Foreign relations.** Obama's attitude toward Israel, our most important ally in the Middle East, is shameful. The recent assassinations in Libya are just the latest indication that the Obama administration is in over its head. With the Middle East in a state of permanent crisis, we need someone who's not afraid to stand up for our principles and stare down terrorists.
- 4. Healthcare.** Obama stripped \$700 billion out of the Medicare program to set up the "Affordable Care Act" (Obamacare). This will bankrupt Medicare, raise premiums for everyone, and change U.S. healthcare from a consumer-driven system to one which involves the government in every healthcare decision.
- 5. Disregard for the Constitution.** Obama seems unwilling or unable to work with Congress, so he just goes around it. He made "recess appointments" when Congress was not actually in recess, and he granted Attorney General Eric Holder "executive privilege" to hide the truth about "Fast and Furious" from Congressional investigators. After Congress voted down the DREAM Act, Obama ordered the Department of Homeland Security to enforce it anyway, implementing the act by fiat.
- 6. Immigration.** Illegal aliens are crippling the economies of many states by overwhelming public services like healthcare, welfare, and education. Yet the Obama Administration opposed Arizona's efforts to enforce federal immigration laws.
- 7. Social agenda.** Obama and the Progressives have defined the killing of an unborn human being as a "woman's right to choose." Under Obamacare, Catholic hospitals may be required to pay for contraceptives and abortifacients for their employees, despite their moral objections to abortion.
- 8. Divide and Conquer.** When Obama was elected, people hoped that having an African-American president would help heal the divide between races and cultures. Instead, he has pitted groups against each other rather than encouraging them to work together. He supported the Occupy Wall Street protesters and constantly fans the flames of hatred and suspicion against successful people ("the 1%").

Americans have a clear choice on November 6. If you want a government of entitlements, redistribution of wealth, overspending and weak foreign policy, vote for Barack Obama and the Democrats. If you believe in personal responsibility, free markets, fiscal responsibility and a strong national defense, vote against them. The choice is ours, and we and our children will have to live with it for years to come.



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
Doresa Banning · Jennifer Rachel Baumer
Andy Matthews · Mike Montandon · Howard Riell

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

Subscriptions
subscribers@nevadabusiness.com

Northern Nevada Advisory Board
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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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Howard Riell

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Utilities

UPDATE

Building the Infrastructure

By Howard Riell

Utilities across Nevada are moving forward with projects large and small, and hoping like everyone else that a real and sustained economic comeback is just around the corner.

From one end of the state to the other, initiatives are being undertaken, plans drawn up, projects carried out and the future prepared for by utility companies and others who know that growth can't happen without the infrastructure to support it.

Craig McDonnell, Manager of Policy Analysis for the Nevada Public Utilities Commission of Nevada (PUC) in Carson City, says there are any number of small projects going on at any time, including things like minor transmission or distribution upgrades undertaken to maintain reliability and safety on the system. "They're small, but in some ways they're just as immediate as the larger projects."

There are, at present, a couple of renewable energy projects that PUC considers to be major. One is the Crescent Dunes Solar Energy Project, a 110 MW plant located near Tonopah that will eventually power up to 75,000 homes during peak electricity periods. It has reportedly employed more than 600 workers on site with a total of more than 4,300 direct, indirect and induced jobs created during the 30-month construction period. When completed in late 2013, it will have cost more than \$10 million per year in salaries and operating costs.

"It's a very novel project," says McDonnell, "a solar thermal power plant that uses advanced molten salt power technology and stores this. It's a pretty high-tech thing, and a pretty unique project. There may be one or two projects around the country that are similar to this." It will help NV Energy meet its renewable portfolio standard.

Another renewable energy project, the Spring Valley Wind Project in White Pine County, just came on line in August.



Gary Smith
NV Energy

McDonnell calls it "a good source of rural economic development. It helps NV Energy meet its renewable portfolio standard. It's one of the few large-scale wind-generating projects in the state right now."

Blanketing Nevada Smartly

NV Energy's NVEnergize program has distributed smart meters across the state. "The main benefit is that it's going to help our customers take ownership of their energy use," explains Gary Smith, Director of Customer Energy Solutions.

Smart meters are digital devices that collect energy-use data and, unlike tradi-

tional meters, transmit and receive data, too. Electric energy use are recorded every 15 minutes to provide an accurate view of daily energy patterns. The project is said to improve billing processes, system reliability and enhance other company and customer equipment. An important aspect of the project is two-way communication between the customer and NV Energy. Approximately 1.4 million meters will be installed across Nevada by year-end 2012. A U.S. Department of Energy grant provides nearly half of the approximate \$303 million cost. It is anticipated that NV Energy's share of the cost will come from future operational cost savings. NV Energy expects to save as much as \$25 million annually to help cover the remaining portion and help hold down costs for customers.

"Today, a customer receives a bill at the end of the month," says Smith. "He has no idea how much usage he has, no idea what the bill amount is going to be. With the new tools and technology we're bringing forward, they can stay up to date on a daily basis, if they like, as far as what their bills is, and have useful tools to better manage and understand their energy as they go forward."

The project, which was brought to the PUC in 2010, should realize a gross benefit of \$35 million, and a net benefit of \$24 million, per year, Smith says. "It's quite a bit of savings coming back, although those savings will take time to be realized. We're just finishing the capital spend on the project, getting the work done, if you will."

The project is on target to complete deployment, with more than a million installed at this point. By year's end the entire state will be blanketed, making Nevada the first in the nation to reach completion. For the year to come, Nevada Energy will focus on educating Nevadans.

"The major initiative for the past couple of years has been getting the infrastructure complete, whether it's the back-office systems or the metering that people see on their homes and businesses," Smith reflects. "In 2013 it's time to turn a corner

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and really help our customers with education about how to use the tools for their home or business.”

NV Energy’s One Nevada Line (ON Line) is a 500 kV transmission line with an in-service date of 2013 that will provide greater system reliability by linking the northern and southern systems for the first time. The project will significantly increase the ability to obtain energy independence for Nevada by enabling NV Energy to share renewable resources.

NV Energy has also launched the Reno California/Arlington Line Conversion project to improve the efficiency and reliability of its electric lines and facilities in some of the oldest neighborhoods in Reno. Into the fall months, workers will be performing maintenance, replacing wires and insulators and/or replacing power poles as needed. In late August of this year, NV Energy employees and authorized contractors began working in the project area, assessing the area and planning the work. Last month, workers began pruning trees that are growing into the utility right-of-way or have grown into the power lines. In addition, they began testing power poles in various neighborhoods to ensure support and stability for the conversion of electric facilities when they are installed. When the preparation work is complete, the utility will convert existing wires on the poles, and may need to replace some poles.

Fill ‘Er Up

The only major project that the Southern Nevada Water Authority (SNWA) has going on now is the Lake Mead Intake No. 3 Program. Its goal is to protect the existing water system capacity against potential inoperability of Intakes Nos. 1 and 2, and allow SNWA to draw better quality water from the deeper elevation and location in Lake Mead. It is scheduled to be completed in a couple of years.

SNWA has deferred other planned capital projects due to the loss of revenue from its connection charges, which was a basic funding source. Since 2006, con-

nection charges for new customers –used to pay for the majority of capital projects – have plummeted.

An odd note: The Arizona-based Center for Biological Diversity, an Arizona-based environmental group, has filed a lawsuit against the U.S. Fish and Wildlife Service to protect several species of snails smaller than peas that apparently thrive in the path of SNWA’s proposed groundwater project in Eastern Nevada.

Focus on Pipes

“I think our industry is facing ever-increasing regulation stemming from some of the high-profile incidents that have occurred in the country,” notes Jeff Shaw, President and CEO of Southwest Gas. The prime example he cites is “the San Bruno incident that occurred a few

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See You Next Year in Nevada!

By Jennifer Rachel Baumer

Corporate Meetings and Conventions

In 2011, almost 40 million people visited Las Vegas. Of those visitors, nearly 5 million were attending conventions and corporate meetings. In 2011 alone there were 19,029 conventions held in Southern Nevada, according to the Las Vegas Convention and Visitors Authority (LVCVA). In total, Southern Nevada offers about 2.6 million-square-feet in convention and meeting space, and corporate meetings and conventions are up 16.2 percent.

Northern Nevada's a much smaller market, but for a metro area of about 400,000 people, Reno-Sparks still offers a range of convention and meeting spaces, from the 500,000-square-foot Convention Center to the Reno Ballroom and several different venues in between.



Corporate meetings, which can encompass business and sales meetings and corporate events to celebrate a product launch or the highest producing team members, are part and parcel of the corporate meetings, association and professional conferences and conventions business that can make up anywhere from 55 to 65 percent of the income for hotels in metro areas across the country. For a state like Nevada with an economy that's heavily reliant on the hospitality and tourism industries and still adjusting to losing its lock as a gaming destination, the conventions and corporate meetings business can be major to the local economies.

For one thing, corporate meetings and association events like conventions fill hotel rooms on week nights. Filling rooms on week-ends isn't a challenge – filling them on Tuesday, Wednesday and Thursday nights is. Plus it's easier to fill the rooms in blocks than individually. If a convention comes in and books 500 out of 800 rooms, the hotel is well on its way to filling up for that part of the week.



Chris Baum
Reno Sparks Convention
and Visitors Authority

“The rule of thumb for most destinations is about half your business comes from meetings and conventions,” said Chris Baum, president and CEO, Reno-Sparks Convention and Visitors Authority (RSCVA). “So, for a destination like ours the gaming industry is very different than it was ten years ago. For a lot of businesses that have spread out further as the pie has gotten bigger for gaming customers, that gap is being filled by these conventions. It's extremely important to not only our current but future success as a destination.”

If It's Built...

For those visitors and corporate event planners who have discovered Northern Nevada, the region stands out as a destination. So getting the word out that the Reno-Sparks-Tahoe area exists independent from Southern Nevada is important. It's a very different product in the North and the challenge isn't the product, but the perception of the product.

Because the product is there. “We have incredible facilities for a resort town our size, and we really have incredible value,” said Baum. In Northern Nevada, Reno offers the Reno-Sparks Convention Center boasting 500,000-square-foot – big enough for just about everything except the Safari Club International, which will hold its annual convention in Reno in 2013 and 2015 but after that is planning to move to bigger pastures.

But most metro areas across the country feature some kind of convention center



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Interior of the Red Rock's Corporate Space

for professional meetings and conventions. What sets Nevada apart is the resort destination aspect that means we've got different sorts of meeting and convention space. For almost any business looking to hold a corporate meeting or some other annual event in Reno, Nevada has space.

In Northern Nevada, there are nine hotels of 800 to 2,000 rooms. But more than being able to house the event attendees, the hotels also offer convention and meeting spaces. Grand Sierra Resort has some 200,000-square-foot of convention space on its property.

"People who might use a convention center in other destinations have the options of using individual properties and onsite hotel space for their conventions when they come to Reno," said Baum, pointing out one of the reasons the Convention Center may not see as much action as might be expected.

...They Will Come

Despite the boon corporate meetings and association events can be to the state's financial situation, until recently Northern Nevada has been something of a bit player when it comes to national events. It's been easy to be overlooked when so much of the rest of the country knows Nevada as Las Vegas and some open space.

That's starting to change.

In Northern Nevada, word of mouth helps reach meeting planners. As the state works to create awareness in other parts of the country as being a great destination for meetings, groups that have already discovered Nevada spread the word. The National Guard Association of the United States General Conference was held in Reno in September. "They filled the Convention Center and used local hotels and had a fan-

tastic time," said Baum. "They said we executed beautifully. We just want that times 50 to keep those kinds of groups coming here and word of mouth from past experiences from these groups gets new businesses coming here as we go forward. The more conventions you do, the more people hear about it and the more people want to bring their meeting or convention to your destination."

In Southern Nevada, where meetings and conventions business has already increased 16.2 percent year to date, it's probably because of a little bit of everything – location, perception of the destination, accessibility – and it's Las Vegas. With the economy slowly recovering, hard hit industries like automotive, financial and insurance are starting to hold national annual meetings again, where during the downturn several opted for smaller regional events.

Planners Planning

When choosing a hotel for a corporate meeting or association event, planners have all kinds of different criteria and needs. “It’s like asking what makes a good pair of shoes?” Baum said. It’s all individual choices.

Some planners are looking for the lowest prices, but if the purpose of the corporate meeting is to reward top performers within the business, cheap isn’t the way to go. In that case, they’re probably looking for somewhere everyone is made to feel special in order to motivate top performers to perform even better in the next year. However, corporate meetings held for the purpose of functional discussions may take a bare bones approach because the budget doesn’t really have the room for the meeting to begin with.

And there’s everything in between. Trade and professional organizations want meetings to be held somewhere with good value where members will be encouraged to attend, but because they’re not required to attend, unlike employees required to attend corporate meetings, value and being affordable are both significantly more important.

When setting up corporate meetings and events, virtually everything is negotiable, said Baum. “It depends on a complex combination of the amount of revenue the group is going to spend, and what’s important to them. Whether you give away function space for free, a deeper discount on food and beverage, or a better discount on rooms, different people ask for different things and different people look to different criteria as to what is a successful negotiation for them.”

“Most executives are looking for value and a unique experience, coupled with stellar product and a facility that will accommodate their requirements for the business environ-

ment,” said Veronica Kistner, vice president, sales, Green Valley Ranch and Red Rock Casino, Resort & Spa. Red Rock offers up to 100,000-square-feet of meeting space for groups from 15 to 1,500, and the planners for most groups are looking for a destination that’s easy for their attendees to navigate and that has great service and value. At the end of the day there’s not much difference between a small 10-person corporate board meeting

or a 500-member association convention – they want value for dollars spent and arrangements that fit their event, and money may not be the most important consideration.

“We can help them analyze the properties we have and understand the relationships we have with properties and help with special arrangements they may have and figure

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have gotten smart and say, “Who is going to give me the best deal? Do I get four percent for 20 years or are you going to give me 3.75 percent for five years? Where am I better off?”

Bob Martin: I look at the community banking model and I think of the challenges. In the old days you used to generate money by taking in deposits and lending it out. Lending is a challenge. The other part of it is, if you couldn’t lend it out, you could put it in the market and park it on the sidelines. It’s hard to make money in this environment. The bigger banks have a variety of fees and credit cards that are out there and they can survive. For the smaller banks, I think it becomes more of an issue.

Uffelman: Absent SBA loans for community banks, I’m not sure there would be any loans. SBA lending is the active lending class of loans here.

Has the definition of qualified borrowers changed in the last few years?

Kirk Clausen: No, it hasn’t changed. The profile of the borrowers has changed. You can look at it different ways. One of the most common ways of looking at this is, five years ago, you would have a developer or small business owner with some real estate. They would walk into a bank and, maybe they didn’t have the strongest FICO scores, but they had something of value they put in front of you. If you were an asset based lender or believed in collateral, you might lend against that. It might have been real estate and that real estate might have been a million dollars an acre, pick a number. Today it’s just not there and it impacts their personal financial statement and their company’s financial statement. Practically overnight you saw values drop in real estate and

The banking industry plays a vital role in the success or failure of companies and individuals that rely on banks for their financial needs.

Over the last few years, the industry has experienced a myriad of challenges including government regulations, foreclosures, finding qualified borrowers, low interest rates and image issues.

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 relevant to their industries. Following is a condensed version of the roundtable discussion.

Is the banking industry in better shape than it was this time last year?

Alfred Alvarez: I think we are. Obviously the great recession has been pretty difficult for everyone, but we see light at the end of the tunnel. The commercial borrowers that we’re seeing are taking advantage of rates that are really pretty good right now. And, of

course, with low rates come all kinds of sophisticated products that we’re offering our clients. We’re beginning to see more activity. Our pipelines are beginning to do better.

Reed Radosevich: Low interest rates certainly had a negative impact on most of the banks by compressing the interest from the banks and people who have to survive on a fixed income. That aspect has surely not helped us.

Will we see more community banks struggling and possibly closing this year?

Bill Uffelman: There is potential. There is also the potential for the sale of those that don’t go under. The overall climate when talking to all of the banks, some of the smaller ones, it’s really not getting worse for them. The trouble is, if it’s getting better, it’s only in the tiniest of increments. With the aggressiveness on low interest rates, if there is a qualified borrower out here in Las Vegas, there are about 10 bankers lined up ready to cut a deal. They

other assets. Think about the impact to their balance sheet and how that corresponds to a bank in terms of being able or willing to lend. That's what has changed. For most of us sitting around the table, the same lending standards are in place. In my company, we have not changed that much. There are just fewer qualified borrowers out there. A lot of us have taken it upon ourselves to try and strengthen borrowers, to work with them. It's much more a part of my team's activities to help customers repair their FICO scores so they can borrow six months or a year down the road. Five years ago, we did a little of that but not nearly as much as we're doing today.

John Wilcox: One of the things we're doing today is focusing on things people can borrow from us six to 12 months from now because they don't have equity in their real estate. They don't have a secondary source of payment. We're spending a lot of time working with them to try to develop a strategy where they can be credit-worthy.

Wilcox: All of us around the table are looking for that good borrower. We're doing it as aggressively as we possibly can. We're adding people on the street to go out and find loan opportunities for us. It still gets back to it being difficult to find a borrower that can qualify based upon what has happened to him in the market.

Uffelman: There are qualified small businesses out there right now that are still sitting and saying, "What does the future hold? What is my environment going to look like six months from now?" There's uncertainty that exists out there.

Clausen: It's a bottom line game. There is a whole list of things that can go on between revenue and all the expenses and taxes and everything else. What that results in is bottom line, it's what gets talked about in the banking circles as uncertainty. It's the uncertainty on the part of the small, medium size business today that is a real wedge issue.



What **role** does the **banking** industry have in the **economic** recovery?

Uffelman: Banks and lending fund the dreams of these small and medium sized businesses. They are not stocks. You can only harass your relatives so long to put money into your enterprise. After that, you've got to figure out a business plan and how to fund that.

Martin: From an investment standpoint, the role bankers play is as a counselor. I think there has been some trust lost because, unfortunately, the conversations bankers have with their clients for the last couple of years have not been viable conversations. They lose trust. Now, as John [Wilcox] alluded to, working with the client six months before he's really ready to borrow to help them, then you become

Radosevich: The borrower needs to realize that banks are only making one or two percent spread on loans. That means we have to get repaid at least 98 or 99 percent of the time, just to break even.

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that trusted advisor and you regain some of that trust. As a counselor, that's what we do with most of our clients.

Wilcox: We've got to be investing our time in sitting down with clients and helping them realize what they need to do differently so they can make themselves credit-worthy. If we do our jobs, we become their partner, investing our time, products and services, then make them a loan for their business. They are going to become more productive and so will we. It's good for the community. But, we have got to be investing a lot more time than we have in the last several years, sitting down talking to people about what is in the future. Banks [should] align with the clients and stick with them and advise them and help them get through this bump in the road. It's a very large bump.

Uffelman: Is there damage? Yes. Then look at the customer and what

is going on there. There is a perception of when banks take a hit. Well, are we talking about one or two, or we are talking about all 7,000 banks in the United States? The reality is, people hear "banks" and we all get painted with that brush that we're not lending, we're not doing something. Nobody goes behind the details when a businessman says, "I can't get a loan." You want to sit down and ask, "What is it you're trying to borrow? What are you trying to fund?" We offered a set-up in Senator Reid's office in Reno where they were talking about getting calls from constituents who can't get a loan. Stan [Wilmoth] was with me, from Heritage Bank and Stan said, "You read back the application, send me the application. I'll either make them the loan or tell you exactly why that person didn't get the loan." Here we are, over a year later and we haven't got-

ten a single piece of paper. People that aren't getting loans know why they aren't getting loans.

Is the industry over regulated?

Radosevich: Certainly, some regulation is needed to protect the consumer, but regulations need to be well thought out to ensure it accomplishes what it sets out to rather than just being ran through the system for the sake of getting it done, getting it on the table.

Arvind Menon: That is what separates big banks and small banks. We don't have the manpower or resources to be able to do all the compliance issues you're talking about here. We already have a full-time compliance office and we're looking at maybe adding a second one. At the last separation, we were half a billion dollar bank and we didn't have a full time compliance department. So things have changed to that extent when overhead expenses go up. Not only that, today you can be put on a Cease and Desist Order. If you have a compliance issue, they can close you down. They literally shut you down for a compliance issue. In the old days, I'm talking 10, 15 years ago, it was important but not that significant, not life and death, now it is.

Clausen: It's hard to argue with its disproportion on small banks, no question about that. But, all of us know that there is never going to be a day that is regulatory free. It's not going to happen because there does need to be some level of government out there regulating. In spite of what happens out there or what has yet to be determined, I think it's still about how you start with your customer every day.

Menon: There are good regulations and bad. Lately there have been bad regulations just for the sake of things. Congress seems to want to do things and decided this is the best way to protect the consumer.



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George Burns: For state chartered banks, it's relatively benign I would say. There are some items that had to be addressed through this crisis that we had on the books and were archaic. We got that changed in the last legislature. We're here to enforce federal as well as our state's regulations. That's why all of our examinations are done jointly with our federal counterparts and our state institutions.

Do you think regulations will drive out all the community banks?

Menon: I'm not sure that will happen but, I feel a lot of them are threatened on top of the economic environment where your returns on investments is very low. You add this kind of burden to it and people throw their hands up and say, "I'm done." They look at merging or selling out. Now, will it go from 7,000 [community banks] to five in the country? I don't think that will ever happen. There is a place for community banks.

Burns: Regulation is the biggest struggle we have in achieving a balance between reacting to what caused the crisis and what we need to do going forward in order to prevent this from occurring again. There have been some things that are being done differently this time around. We're trying to establish minimum thresholds with who has to comply with all of these regulations coming out. Unfortunately, as some of the community bankers will point out, it still has a trickle-down effect for them in that it still affects them. It really is a struggle for both regulators and banks to find that balance going forward in order to try to learn from history. There is a great expectation for what we're going to do moving forward.

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What is the status of foreclosures?

Clausen: There are homes in process, going down the path of foreclosure. The various levels of government, federal, state, local and everybody is well-intentioned. I believe that. If I believed otherwise, it would be a very sad day, but you have new legislation,

new ordinances being created that aren't always in sync with local, with federal or state. And you're not always in sync with contract law or the Uniform Commercial Code for that matter. I want to go on record and say there is no such thing as a shadow inventory. What's getting referred to as some kind of inventory out there is simply the fact that it's taking longer to move than it used to. That is all that's going on.

Uffelman: Look at the numbers since October of last year. Basically the financial institutions have not filled notice of defaults (NOD). The NOD is the trigger to begin the real process of foreclosure in the State of Nevada. Then the borrower is entitled to request mediation. The mediation process takes time and may or may not have a satisfactory conclusion. The question is what is satisfactory? If the person stays and gets a modification you know what happens. Experience has shown us over the last several years that half of those re-default over a period of time or they don't meet the federal standards. Resolving residential foreclosure is what is going to move things ahead.

Radosevich: I venture to say that the prolonged foreclosure process is probably hindering the real estate recovery locally.

Is the banking industry getting healthier?

Wilcox: There is no question we're seeing improvement. I always have to catch myself when I say improvement. People want to see the graph go straight up. Our loan volume is up. Our demand is up. We're looking at a whole lot more businesses this year in terms of lending than we did last year. We're getting calls about investors wanting to come in and buy multiple properties. That is positive. It's better but it's going to be a very slow climb out of this hole that we've been in, and we'd all like for it to be quicker than that, but the reality, it's going to take a while.

Greg Gilbert: The banks and the current state of our financial institutions in Nevada and elsewhere are suffering from the same types of things that businesses are suffering from all over the country. The reality of the Nevada population is that when we have revenue being driven through our state, everybody is going to be happier, the small person, the business owner, the resort community. No matter how that is being driven, people feel more comfortable about lending, borrowing when there's a foundation of business and activity that is consistent. 🌱



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Mike Montandon

Managing Director
Voit Real Estate Services
Las Vegas

Number of Employees: 15
Years in Nevada: 20
Years with Company: 2

QA

How did you first get into your profession?

I grew up in the commercial real estate industry. All my life, my father worked as a commercial real estate appraiser in Phoenix, where I was born and raised. From a young age, I was always drawn to the industry, and my first job was in my father's company when I was 16 years old. It was there that I grew to love commercial real estate and knew it was the right career path for me.

What do you wish you would have learned at the beginning of your career?

We review many legal documents in our profession. If I had known this early on, I would have gone to law school. The ability to have that extra knowledge and background would be an enormous asset. And who knows - perhaps I will go back and get my law degree. It's never too late!

What business advice would you give someone just starting in your industry?

Many young professionals get into this business with a "get rich quick" attitude. Although we appreciate the ambition, this cannot be further from the reality of our business. You have to work hard and pay your dues. In addition, it is essential to have a passion for the industry, and to be patient.

What is the biggest challenge your industry is facing?

Since the economic downturn, financial institutions now own many properties. Our challenge as brokers is to adapt to these institutions' business models, which differ greatly from traditional property investors. Traditional property owners are typically more open to making improvements on a property in order to increase its profitability over time. Financial institutions, however, need specialized, strategic counsel in order to quickly turn around the properties they own, and ensure that each asset is profitable for all parties involved.

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

I would be a fighter pilot. I had the opportunity to fly an F-16 at Nellis Air Force Base here in Nevada - it's a pure adrenaline rush. The experience was absolutely incredible. I have so much respect and admiration for the level of skill and bravery demonstrated by the men and women who serve our country in this profession.



NORTHERN NEVADA

Hard Work Pays Off

By Howard Riell

Northern Nevada has earned its developing economic comeback the old-fashioned way: building on its strengths, looking to the future and taking common sense steps to coax and reward entrepreneurialism and innovation. It's paying off.

"There's a lot going on," says Rob Hooper, Executive Director of Northern Nevada Development Authority (NNDA), the Economic Development Authority for the Sierra Region of Nevada (Carson City, Churchill County, Douglas County and Lyon County, and the southern half of Storey County) in Carson City. "I think that the biggest thing happening in business, from an economic

development perspective, is that Northern Nevada has become highly functional in many different areas of economic development."

Indeed, business development – "which is the thing that everybody gets real excited about," Hooper says is "working extremely well. The partnership between the Economic Development Authority of Western Nevada (EDAWN) and NNDA is fully engaged. It really warms my heart to see these prospects coming into the system and being passed back and forth, based on where the client is best served."

In the last year, Hooper recounts, 33 new companies have moved into his region, cre-

ating 2,500 new jobs. "When you run your economic impact analysis on that, it's attracted 3,600 new residents, sold 1,400 new homes, added 700 students to our educational system, and created \$180 million in economic impact." It has also increased the revenues in the insurance and finance areas by \$7.5 million and led to the sale of an estimated \$4.7 million in new vehicles.

The businesses are diverse, everything from internet fulfillment to manufacturing, metal shops, wood shops, and laboratories. "They're not real big when they get here," says Hooper, "and then they grow." One company, for instance, that makes small power transformers for circuit boards that

moved into Douglas County two years ago with eight to 10 employees now has about 70. “That’s how we’re seeing growth happen right now. I like to say the Sierra region is where great ideas become a reality, and where business is successful.”

“I would say our activity has continued to get better,” notes Mike Kazmierski, President & CEO of EDawn. “I wouldn’t go quite as far as to say things are great, because we still have 25,000 people unemployed. But from a pipeline perspective, and an activity level perspective, we are seeing things popping.”

Some of the popping came in July, when IT company NJVC announced the opening of a new 20,000-square-foot data center in Reno. The facility will permit the company to provide commercial and government customers across the nation with secure, cost-effective and cloud-based data center solutions. NJVC executives chose Reno for its data center, according to a release, primarily because it lies on the western edge of the safe zone, according to the U.S. Department of Homeland Security, making it one of the most stable data center environments in the continental United States. Other factors, such as the region’s connection to the national fiber overlay, ensure very low latencies for data throughput. The low costs of building space, power cooling and low overhead also were contributing factors.

Also popping: another Urban Outfitters grand opening was announced in early September, and according to Kazmierski “we’re cueing up for three or four additional announcements for the next weeks, for 50 to 200 jobs each. On top of that, we have three joint announcements that we’re going to do with NNDA.” Thus, the early autumn could see as many as six additional announcements, which is good. “We usually have somewhere between 15 and 20 company-assisted announcements in a year. We had about 16 last year, and I think we’ll be well ahead of that this year.”

The number of new jobs announced is also the highest in the last decade, Kazmierski adds. “Our number for this past year, nearly 1,600, almost doubled our five-year average.”

Relocate or Expand

The Reno Tahoe area “is very popular with businesses looking to relocate or expand operations,” says Sharon Zadra, Council Member, Ward 2, City of Reno. “We offer a wonderful quality of life, world-class outdoor recreation, excellent educational institutions including a university and an international airport. Our community colleges and technical schools are also quick to respond to the training and educational needs of companies needing specific training for future employees. Companies consider these benefits as well as low property taxes and no corporate, inventory, personal income or franchise tax when considering Reno as a location for their business.”

Among the most recent arrivals have been:

One Contact, a new business process outsourcing company that is estimated to create as many as 200 jobs within the next five years, and 150 of them within six months

NJVC, which is opening a new 20,000-square-foot data center providing secure data center services to commercial and government customers

CustomInk, set to open a 25,000-square-foot facility for its Design On-Line customer t-shirt business. Anywhere from 75 to 100 new jobs are expected to be created.

Beyond that, Apple plans to ready its much ballyhooed new technology park near Reno to support its on-line stores and iCloud service, a project reported to cost \$1 billion over the next decade. The facility is said to be just one piece of development plans that will also see the company erect a purchasing center in the city’s downtown area.

“We hope to build Apple’s next data center in Reno to support Apple’s iTunes Store, App Store and incredibly popular iCloud services,” Apple said in a prepared statement in June. “If approved, this project would expand our presence in Nevada and create hundreds of construction jobs over the next year, plus permanent jobs at the data

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Entrepreneurs Save the Day

More than three quarters of Reno-Tahoe area entrepreneurs experienced an increase in revenue in the past six months, according to a recent survey conducted by The Entrepreneurs' Organization, a global network of more than 8,700 business owners in 38 countries. Reno Tahoe leads against global entrepreneurs, with 75% of Reno Tahoe stating their business had increased revenue in past six months, 17% have stayed the same and 8% have seen a decrease in revenue. This compares to global results of 68% seeing an increase, 20% staying the same and 12% having decreases.

The survey also found that 58% of entrepreneurs in Reno Tahoe reported having increased their number of full-time employees in the past six months and 50% predict they will continue increasing their full-time employees in the coming six months. 58% of Reno Tahoe entrepreneurs reported having increased their number of part-time or contract employees during the past six months and the same percentage (58%) predict they will increase the number of part-time or contract employees during the next six months.

"This is great news for our region," said CEO of Talent Framework and EO Reno Tahoe President, Steve Conine. "We're seeing some very encouraging signs from Reno Tahoe's entrepreneurs, which is needed in our region. A high tide will float all boats. We need local entrepreneurs to start to raise the waters."

center which will add to our existing total of nearly 400 employees in the state."

"Specific build/open information is not available at this time," Zadra says.

According to Zadra, community leaders and stakeholders have collaborated to create a three-year economic development strategy. "The plan includes reaching out to target industries including geothermal technologies, distribution/logistics, manufacturing and data/call centers." It also focuses on working with area businesses to retain and expand local jobs.

Growth Spurt

What explains the growth?

"I think it's a lot of things," says Kazmierski. "What we have is an attractive product here. The state, as a whole, has taken economic development seriously, which has certainly helped. We have other states that are not as friendly to business as we are, and we are aggressively marketing to those states in a way that will allow us to be compared to what's happening to them wherever they are."

Obviously, California ranks first on that list. Kazmierski is finding a lot of interest from business people there, "and that interest turns into prospects. If we can get those prospects to visit and make a decision, the vast majority of the time – probably more than 70% of the time – they're going to decide to relocate or expand in Northern Nevada." He calls this "a pretty exciting outlook when you consider we still have a ridiculous number of unemployed who need jobs now, and an economy that's still, at the national level,

kind of stagnant. Our local economy is moving in the right direction."

What all of this means is good cause for optimism as we head towards 2013, he explains. "When we see our prospect numbers pick up – let's say we get 10 new prospects in a month, which is a good number – we will normally not see results from those initial inquiries for six to 10 months. So as we see this activity pick



up now we're really talking about likely announcements in 2013."

The sectors in which EDAWN is seeing the most activity are logistics and distribution, and for good reason. As Kazmierski points out, "Northern Nevada is in the heart of the West. We can get anywhere in the West in basically one day of car travel. That locational advantage is continuing to get us interest and activity."

There also appears to be much more interest and activity in manufacturing, especially smaller manufacturers wrestling with regulations and harassment they may be getting in other places.

"When you're smaller you don't have a huge staff, and a bank of lawyers who can help you fight every goofy new regulation," says Kazmierski, "so you just get tired of it at some point. What they're finding is that this is a very business-friendly area. The entire state is pro business, and a great place for manufacturing."

Ramping Up

Workforce education will continue to be a major component of Northern Nevada's economic progress. "Four years ago we had very little going on," Hooper recalls. "Now we have all kinds of cool things going on."

Cool thing number one: Mike Raponi, the director of the Career and Technical Education (CTE) program for the state's Department of Education, has upgraded programming "beyond belief," Hooper says. "They have the 21 skill standards that they are implementing into their programs along with the general education for K to 12. They're looking to career readiness and college readiness as the same thing. They have brought in the West Virginia program with all of its bells and whistles to the state. They're really doing some great stuff."

In White Pine, medical coding has been added to the CTE offerings. Health science has been added in Pahrump, and Western Nevada College has added equipment used in training manufacturing employees.

"In short, we have 11 different workforce education programs that are all cooperating with

each other and doing great stuff," says Hooper, "including the ones that DETR (The Department of Employment, Training & Rehabilitation) is doing with their Right Skills Now program." The program lets individuals looking for jobs in manufacturing earn college credits and professional certifications in 16 weeks.

Major projects currently ramping up include the Walker River Beef project, a 300,000-square-foot meat processing plant – cattle, pigs, sheep, goats -- located close to Yerington that could eventually employ 700. The \$100-million facility is projected to kick off processing operations by the middle of next year, and reach full capacity by 2015.

A new incubator in downtown Carson City from the Hop & Mae Adams Foundation is generating some good buzz, as well. Four out-of-state small technology firms are already preparing to move in. It is hoped that the center will draw innovative and technology-based industries and younger urban workers. The foundation will work in partnership with Carson City Careers and

NNDA to identify and promote new business and business-expansion opportunities in the city's downtown area.

Mining is similarly ramping up, Hooper says. In July, Nevada Copper Corp. announced it has submitted mine development and operating permit applications to the State of Nevada for its 100% owned Pumpkin Hollow Property located near Yerington. That project could eventually mean 800 new jobs. In addition, Comstock Mining Inc. in Storey County is reopening the historic Comstock Lode near Virginia City and Gold Hill.

"That is going to hire a lot of people," says Hooper, and generate approximately 20,000 gold equivalent ounces per annum. "We'll see the mining economy spreading into our region in a bigger way." Once it hits its stride, the operation could achieve yearly run rates in the neighborhood of a million tons of processed ore.

Northern Nevada itself certainly appears to be hitting its own stride, as well. 🌱

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◀ Continued from page 11

years ago, where there was an explosion on a transmission line from PG&E, and subsequent fire (and) some fatalities. There were some previous incidents that occurred in Allentown, Pennsylvania, so there has been a heightened focus on pipeline safety throughout the country.”

Southwest Gas, Shaw adds, has been “very, very fortunate to be involved with the American Gas Association in many areas of pipeline safety, including the pipe itself, installation practices, training programs and everything dealing with pipeline safety. We have had, I believe, a leading role in the industry.”

Southwest Gas has always had a rigorous pipe assessment processes in place, in which representatives inspect various types of pipe to evaluate how they are performing. “In the industry you have leaks,” he concedes, “but not every leak is a problem. There are some that are in remote areas that aren’t as concerning as those that might be in more crowded areas.” Municipalities “are always in the process of replacing so that you can avoid any type of safety incident.”

Southwest Gas asked for an increase in annual revenue of \$1.2 million in Southern Nevada, which would translate into a rise of 0.24%, on the average monthly winter bill. In May, Southwest Gas began seeking a 6.2% rate hike to cover rising operating costs such as wages, benefits

“I think our industry is facing ever-increasing regulation stemming from some of the high-profile incidents that have occurred in the country.”

- Jeff Shaw

and inflation. The utility has also asked for a monthly surcharge to pay for pipeline replacement.

Shaw has identified in the industry what he calls “a real focus – and from the federal government as well, through new legislation – on making sure all vintage of pipe is examined, similar to the way we’ve been doing it.” In some areas of the country, he points out -- for instance, the East -- there are many companies that have used cast-iron pipe “which is known to leak and have some problems. A lot of companies are undergoing aggressive pipe-replacement projects and having regulatory support to do that.”

For 2013, Shaw and his colleagues are hoping to see growth return in their service area, which in addition to Las

Vegas includes the Tucson and Phoenix markets. “So far, we haven’t seen anything dramatic, but there are stirrings of some activity.” Developers have told him that they are becoming involved in more projects “albeit not to the level we once knew here, but certainly directionally positive. So we hope that as we turn the corner into 2013 we see some momentum return in the housing industry -- although I will tell you that if it starts returning

to levels we saw in ’05, ’06 and ’07 that would worry me. But if you start to see something a little more routine, maybe in the 2% to 3% growth rate, I think that’s sustainable. That would produce jobs (and) get the construction industry going again, which would be great for the community.”

It would, indeed, be great for the community -- and for the utilities that service it. 



According to data compiled by Sentier Research, the median household income has dropped 5.7 percent since the economic recovery technically began in June of 2009. Since President Obama took office in January 2009, the median income has fallen by a total of 8.2 percent.





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out dates and time frames throughout the year that may be more beneficial to [the organization],” said Amy Riley, senior director, convention sales, RSCVA. “Different corporations have different needs, fiscal years and corporate years, and we can help guide them to dates that may be more appealing or help if they’re looking for a little niche property rather than a resort represented by a national sales team.”

There are many draws to lure organizations and businesses to Nevada for their events. Both ends of the state boast 300 sunny



Drew Varga
M Resort & Casino

days a year and outdoor activities. The state is easily accessible, Northern Nevada by trains, planes or automobiles, and Las Vegas’s airport is conveniently located to the Strip. There’s the enormous number of guest rooms in the metro areas, and convention and meeting space

that’s anything from intimate boutique spaces to mega-resorts.

The M Resort encompasses the intimate and the large in the same off-Strip property. Offering 80,000-square-feet of space and more convention space than guest rooms, the unique 95-acre resort encompasses 110,000-square-feet of pool area that can be transformed into a stage, appealing to the entertainment aspect of corporate meetings, according to Drew Varga, vice president, sales.

The M Resort is located off-Strip for meeting planners who’d like a self-contained venue that’s not located right in the heart of Las Vegas action, but apparently the Vegas nightlife doesn’t distract meeting goers and conventioners – on average, when groups rotate their events to Las Vegas as their destination, they see 15 percent better attendance. Trade shows in Vegas find more people spending more time on the trade show floor – 11.5 hours in Vegas versus 5.9 to 9.5 hours in other cities, according to RSCVA research.

For destinations, reaping the benefits of corporate and association visitors is all about custom tailoring the needs of the organization to the event and destination. “You make sure you deliver a package you believe is the best value for the organization for their priorities and for that meeting,” said Baum. “You run the gamut of what people are willing to pay and what their expectations are and what they hope to accomplish. If you don’t know that it’s hard to put together the best deal to make sure you get the business.”

Economic Impact

Corporate meetings and association events can be vital to an area’s economy. In Southern Nevada it’s a \$6.3 billion dollar non-gaming economic impact on an annual basis and supports 58,000 jobs. The ripple effect means that overall meetings and conventions support some 380,000 jobs, touching everything from hotels to retail to airlines and any kind of transportation coming into Nevada. Just as corporate meetings means hotel rooms will be filled midweek and some 55 to 65 percent of hotel business is convention business, there’s also the 13 percent occupancy tax, a percentage of which goes to the city’s tax base.



Top Reasons to Meet in Nevada

- Great value for great prices.
- Las Vegas offers more than 150,000 rooms.
- Reno offers more than 20,000.
- The 2.2 million-square-foot Las Vegas Convention Center and the 500,000-square-foot Reno-Sparks Convention Center.
- McCarran Airport is located one mile from Las Vegas Boulevard and less than 5 miles from the Las Vegas Convention Center.
- Reno is an easy drive-to destination for the western states, with Reno-Tahoe International Airport is close to downtown Reno and the resort casinos.
- Both metro areas offer world class dining experiences and 300 sunny days a year, outdoor entertainment and recreation.
- Convention and Visitors authorities that can work with any size corporate meeting, trade show or association event.

Convention authority staff on both ends of the state are reaching out to trade shows, corporate meetings and association events. RSCVA staff are attending exhibition trade shows for travel and event planners. They're bringing planners to Northern Nevada to get a feel for the destination, and they're advertising in trade publications throughout the industry.

LVCVA's 100 day challenge started in September and ends mid-December; during the challenge, the organization will bring in visitors and host client events and invite partners to attend everything from baseball games to structured receptions, all to promote the region as a great place to host a corporate meeting.

RSCVA formed a strategic partnership with the American Society of Association Executives, the largest group of executives who plan meetings and conventions, and went from being a minor player to the highest tier of partnership. An aggressive campaign of advertising in industry publications and trade magazines for the convention industry is underway.

"We have lots of big hotels here so for meeting planners it comes down to personal choice," said Baum. "We have hotels in town that have loyal followings and hotels that offer enough variation on a theme that if somebody says they're looking for a specific property like this but not this, we probably have a couple options that meet their criteria."

The Southern end of the state, known for its nightlife and glamor, offers the draw of increased event attendance, great value and great accessibility. "It's sexy," said Kistner. "And it has great entertainment value." 🌟

In Brief

Over 800 teachers have left the Clark County Education Association (CCEA) since February of this year. The CCEA is the union representing teachers in Clark County. Currently less than 62 percent of teachers in Clark County are members of the CCEA.

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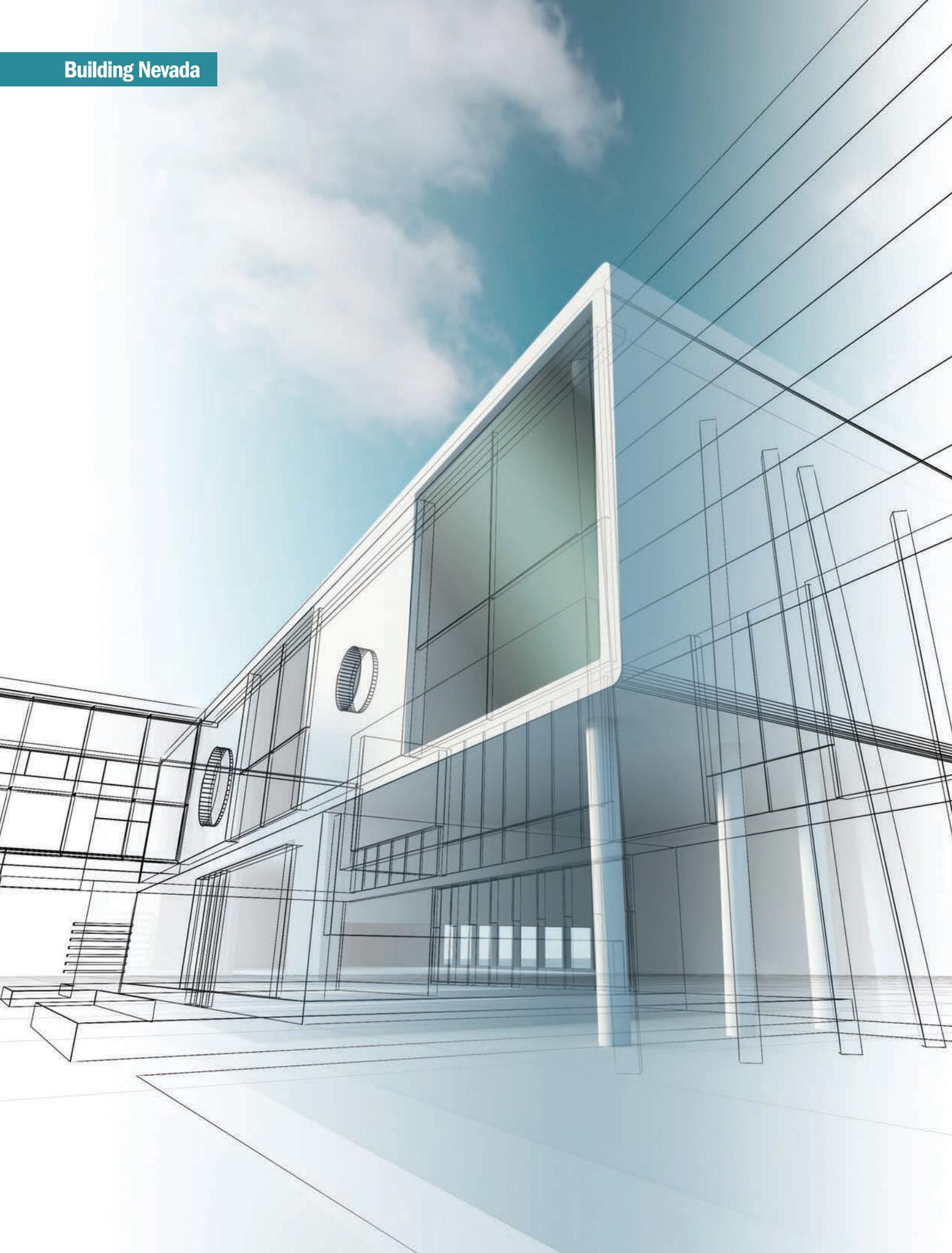
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THE SURVIVORS

By Doresa Banning



Builders and Developers in Nevada

The economic downturn in 2007 left both residential and commercial developers and builders in the Silver State scrambling for work. Many were forced to downsize their staffs, and some even closed their doors.

“Since 2008, the development business has been a fraction of what it was,” said Doug Kiersey, president of Dermody Properties, a Reno-based industrial developer.

Five years later, how are the survivors faring?

Residential Lull Reaction

Although Nevada’s housing market has picked up this year in terms of sales, little is being built and inventory remains depressed, according to the Reno-Sparks Realtors Association and the Greater Las Vegas Realtors Association’s market reports for August.



Eric Cohen
The Calida Group

That, however, isn’t stopping The Calida Group, a Las Vegas-based multi-family real estate development, construction and investment firm that plans to build 1,200 new, luxury apartments this year at six different locations in Henderson and Las Vegas. The first, Elysian Parc, 164 units in Henderson, is slated to open in October.

“A lot of people just want to rent today; they can’t buy,” said Eric Cohen, the co-founder and managing director. “We’re trying to bring the luxury boutique hotel concept to the market and build our Elysian brand.”

Cohen and two partners started The Calida Group in 2007 with the vision of

building high-end, luxury apartments and townhomes for rent. Soon after, the residential real estate market crashed and financing evaporated, causing the group to revise its business plan. Switching gears, they instead began purchasing distressed and partly built condo projects, finishing their construction and converting them into apartment deals.

“What we thought was a bad time turned out to be the best times,” Cohen said. “While everyone had troubled assets and legacy loans, we got to focus on distressed condo products that became available.”

Over the next five years, The Calida Group plans to build a 4,000- to 5,000-unit portfolio in the best locations in Southern Nevada and expand into both Northern California and Phoenix, where it’s currently investigating opportunities.

“Our goal is to be a semi-national developer, in five or six markets, by the end of the cycle,” Cohen said.



Jeff Ehret
The PENTA Building Group

Snail's Pace

Today, commercial development in both Northern and Southern Nevada is "dismal," said Jeff Ehret, president and co-founder of The PENTA Building Group, a commercial and institutional building contractor with headquarters in Las Vegas. However, some new product is being built in both Reno and Las Vegas, according to Colliers International's Second Quarter 2012 Market Overviews for both cities. With respect to industrial space, minimal to no spec but some build-to-suit construction is taking place.

"The demand by tenants for space has been increasing at a snail's pace," said Jordan Schnitzer, president and CEO of Harsch Investment Properties, a commercial landlord with a Las Vegas office, among others.

Lower vacancy rates (absorption of existing space), higher rents and a strong, consistent uptick in new housing starts are needed to facilitate and support new development.

Vacancy rates at the end of July in Las Vegas were 10.5 percent for retail, 14.8 percent for office and 9.7 percent for industrial space; in Reno, they were 15.6 percent for office and 14.4 percent for industrial, per Colliers' data.

"So much of the work is going to be a zero-sum game for a while, not adding square footage but working on existing square footage," Ehret said.

The exceptions to the commercial real estate market doldrums are ten-

ant improvements and renovations, a healthier segment.

In addition, with little work available for developers and builders, statewide competition hasn't dropped off but, rather, remains fierce, Ehret said.

The Reno-based general contractor and design-build firm, United Construction, has had a 2012 workload consistent with that of 2011, said Craig Willcutt, the president and CEO.

It recently completed building a 450,000-square-foot Internet fulfillment center in Stead for the retailer Urban Outfitters along with a design-



Craig Willcutt
United Construction

It's also working more intensely on building relationships with existing customers and other service providers in the industry. As a result of the connections the company made on the NOW Foods job, it landed a 900,000-square-foot distribution project in California's Central Valley.

United Construction is putting more emphasis on repeat business, too, and looking further ahead than ever, like one to two years out. They're in discussions now with customers who may want to move in the future.

"Instead of being reactive, we want to be a little bit proactive in knowing what's potentially coming up," Willcutt said.

In another effort to secure new clients, United Construction is investing more time and money in economic development, spending time and talking with out-of-state companies considering Northern Nevada for relocation or expansion.

What's next for United is a number of smaller construction projects in Reno, starting the design phase of three others as well as some possible expansions in Southern Nevada.

"During the next five years, I expect our Las Vegas region to continue to grow. We have land to build on and acquisitions to accomplish."

- Jordan Schnitzer

build distribution center in Sparks for NOW Foods, a health food and nutritional supplements manufacturer and distributor. It also constructed the Women's Hall of Fame Museum in Reno's National Bowling Stadium.

The recession spurred United's management to expand into markets outside of Nevada. Licensed in 13 Western U.S. states today, it's pursuing projects in the Midwest, Southeast and East Coast regions.



Jordan Schnitzer
Harsch Investment Properties

Following the Market

This Las Vegas-based Penta Building Group's revenues and backlog will be greater this year than last, and the company has been hiring employees steadily for the past year and a half, Ehret said.

About two years ago, the company bottomed and its leaders changed direction. Whereas hospitality-related construction had been its largest segment since opening in 2000, they diversified in terms of geographic location and project type. They selected the additional project types they wanted to focus on and found geographic areas offering opportunities in those areas.

For instance, they pursued education projects in Los Angeles, where they're doing work for the University of Southern California, the University of California, Los Angeles and the Los Angeles Unified School District. They have hospitality projects underway for the Ak-Chin community in Arizona and the Choctaw and Comanche tribes in Oklahoma.

"The goal was to get away from too many eggs in the Las Vegas hospitality basket," Ehret said. "If we had done nothing, we'd be basically scraping along the bottom."

As a result of its branching out, PENTA, in addition to Las Vegas, has offices in Reno, Los Angeles, Palm Desert, Scottsdale and Tulsa, and each is focused on a different kind of work such as education, health care and public works. About 60 percent of PENTA's work is in Nevada.

The change in tack has been challenging, Ehret said.

"We found it takes a couple years and you have to commit the resources, both in dollars, time and people. It's not an immediate payoff for sure, so you have to stick with it," he added.

Currently, PENTA's ground-up projects include a 20-story tower in Las Vegas for a long-time timeshare resort client and a readiness center for the Army National Guard on the north end of Las Vegas. Renovation projects include the old Las Vegas City Hall building for Zappos and a surgical observation unit at the Siena campus of St. Rose Dominican Hospitals.

"This is a mix of work we would not have had four to five years ago," Ehret



Doug Kiersey
Dermody Properties

said. "We're happy where we are now."

The company, Ehret said, plans to continue strengthening its core competencies and markets and grow steadily.

Client Driven

To weather the economic downturn, Dermody Properties has primarily been doing build-to-suit projects and joint ventures, Kiersey said. As always, its clients are scattered throughout the country, and as such, Dermody has offices not only in Reno but also in Phila-

delphia, Chicago and Portland. About 25 percent of its work is in Nevada.

Other than some staff reduction a few years ago, Dermody's management hasn't shifted its operations or focus. For example, they'll go and do jobs where a client wants. Today, the firm's quantity of work is greater than last year's.

"Our build-to-suit pipeline is more robust than it's ever been," Kiersey said.

Recently, Dermody completed the Urban Outfitters distribution center project (with United Construction) and a 257,000-square-foot building in Chicago. In addition, it just landed a build-to-suit project in South New Jersey for an organic produce business.

Harsch Investment Properties owns and manages 8 million square feet of industrial, office and retail space across 27 properties in Henderson, North Las Vegas and Las Vegas. This year alone,



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it has completed 400 new lease transactions (about 2 million square feet), Schnitzer said.

Over the previous four years, Harsch has spent almost \$25 million on building out its remaining developed space and remodeled more than 800 of its tenant spaces. Also, Schnitzer hired a few key executives, including Jim Tainter,

senior vice president/regional manager in Las Vegas.

“Luckily we are a very diversified company and never over-leveraged our projects,” Schnitzer said.

Currently, the company is continuing to lease its 379,000-square-foot Stephanie Street Power Center in Henderson and assisting various tenants with expansion.

“During the next five years, I expect our Las Vegas region to continue to grow,” Schnitzer said. “We have land to build on and acquisitions to accomplish.”

Slow Growth Predicted

Commercial leasing needs two to three more years to heal, Schnitzer said, “to allow demand to increase to fill up our projects and have rents improve.” Then rapid growth will occur.

For the ground-up and spec commercial market to move in a significant way, changes in supply-demand fundamentals need to occur. Until that happens, new development of office, retail and industrial space likely will remain minimal but grow slowly. In other words, for the next few years, Nevada likely won’t see new, large resort-casinos being built on the Strip or any major public works being undertaken. Tenant improvements and renovations, on the other hand, should continue to be stronger.

“We won’t recapture the glory days of 2004 to 2007,” Ehret said. “Clearly, I think Nevada will bounce back. I’m confident of that.”



SAY WHAT?

According to U.S. Census data analyzed by the National Partnership for Women & Families, there is a gap in wages between women and men in every district in Nevada. The median yearly pay for women in Nevada is \$6,319 less than the median yearly pay for men. This works out to 85 cents to every dollar.

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- ||| Quail Air Center



Second Annual Broadband Summit to Connect Nevada Communities

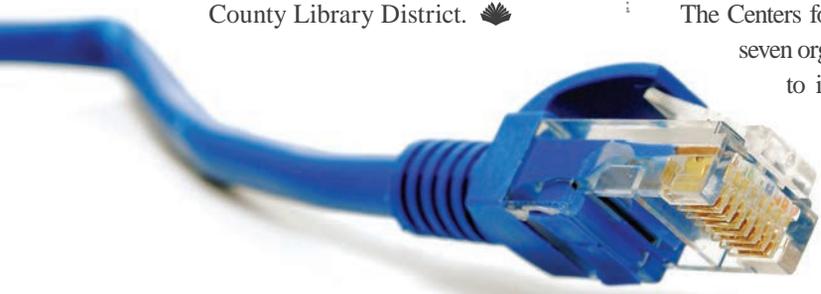
Co-hosted by Connect Nevada and the governor's Nevada Broadband Task Force, the second annual Broadband Summit, Connecting Communities, is expected to address Nevada job creation and local economic development through the access, adoption and use of broadband services. The event is being held towards the end of this month and is sponsored by the Las Vegas-Clark County Library District. 🌿

Nevada Home Prices Up From Last Year

The Greater Las Vegas Association of Realtors (GLVAR) released statistics that show that home prices in Southern Nevada are up 15 percent from this time last year. In August, the number of local homes sold was 3,747, this compares to 3,572 in July and the near-record low of 4,693 sales in August of last year. Additionally, GLVAR reports a push for homeowners in trouble to short-sell their homes before the end of the year when the Mortgage Forgiveness Debt Relief Act is set to expire. 🌿

HealthInsight of Nevada Partners with CMS to Reduce Hospitalizations

The Centers for Medicare and Medicaid Services (CMS) has partnered with seven organizations around the nation, including HealthInsight of Nevada to implement the Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents. The initiative tests models to improve quality of care and enhance on-site services to nursing facility residents. HealthInsight is the only organization in Nevada participating in the initiative. 🌿



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\$1.3 billion for 288 jobs: The failure of government-subsidized renewable energy

Another reason why **government shouldn't pick winners and losers** in the economy

In August, U.S. Senate Majority Leader Harry Reid hosted his fifth annual National Clean Energy Summit in Las Vegas. Delivering the keynote address, former president Bill Clinton claimed that if every state had a renewable-energy standard it would “put a lot of people back to work.”

Sen. Reid and his conference speakers, including California Gov. Jerry Brown in 2011, regularly claim that renewable energy will power job growth. The theme of Sen. Reid's summit in 2010 was “Investing in American Jobs.” Gov. Brown has released a “Clean Energy Jobs Plan” and has even claimed that “Investments in clean energy produce two to three times as many jobs per dollar as gas, oil or coal.”

Despite the lofty promises, these “green jobs” are few and far between, even after massive federal subsidies.

Since 2009, the federal government has funneled more than \$1.3 billion into geothermal, solar and wind projects in Nevada.

However, these projects have led — or are projected to lead — to just 288 permanent, full-time jobs.

That's an initial cost of over \$4.6 million per job.

The Silver State North solar plant located near Primm, for example, is to receive \$50 million in tax credits from the stimulus — but has only two full-time employees.

The Crescent Dunes Solar Project in Tonopah received a \$737 million stimulus loan, but once construction is complete, it will only employ 40 to 50 people.

The Copper Mountain solar plant in Boulder City employs only five people, but took in \$40 million in federal handouts. President Obama even visited this plant in March to tout it as an example of a good government “investment.”

And — although each permanent job required more than \$10 million from federal taxpayers — these are the success stories.

As the country saw with Solyndra, many green-energy companies, even after massive government subsidies, end up in bankruptcy.

For instance, auditors say Nevada Geothermal Power, which has received \$145 million in federal subsidies, is on the verge of failure. The latest company audit questions the “company's ability to continue as a going concern.” The company's survival, wrote auditors, will depend “on its available cash and its ability to continue to raise funds....”

Worse, these federal “investments” are actually increasing electricity prices in Nevada and making the state less attractive to job creators.

Nevada already has the highest residential rates in the Intermountain West. That's because state-mandated renewable energy costs up to four times as much as fossil fuels like coal and natural gas.

Currently, NV Energy, the state's utility monopoly, pays 3 to 5 cents per kilowatt-hour for natural gas and coal-fueled power, 8 to 10 cents per kWh for geothermal energy

and for wind energy, and 11 to 13 cents per kWh for solar photovoltaic energy. Wind and solar photovoltaic energy also require backup power for “intermittency issues.”

Sen. Reid's thumb-on-the-scale tactics for green energy aren't merely for subsidies. He also used his influence as Senate majority leader to delay and ultimately kill a state-of-the-art coal power plant planned for rural Nevada in 2009. Besides providing cheap, reliable energy, the privately financed plant would have created 200 permanent, full-time jobs.

In Nevada, more than \$1.3 billion in federal grants and loans to “clean energy” power projects have led to fewer than 300 permanent jobs and energy costs up to four times more expensive than traditional energy sources like natural gas and coal.

And if this is the result in Nevada, which Sen. Reid likes to tout as the “Saudi Arabia of renewable energy,” imagine the performance of green-energy subsidies in California and the rest of the country.

Rather than “Investing in American Jobs,” perhaps a more candid slogan for Sen. Reid and Gov. Brown — and the entire push for federal and state handouts for renewable energy — would be “Investing in Higher Electricity Prices and Fewer Jobs.”

The government's green-energy favoritism isn't a path to economic development. It's just another step down the road to serfdom. 

Andy Matthews is president at the Nevada Policy Research Institute. For more visit <http://npri.org>.

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Turner Air Crossing office park

Reno, 89052 Office
Turner Real Estate Investments (TREI) has announced plans to renovate the newly purchased Turner Air Crossing. TREI will make improvements by adding a new parking lot, a new façade and upgrading the existing landscape. TREI purchased the 107,368 SF office park for \$3,570,000 or \$33 PSF. The property is located at 4690 Longley Lane.

SALES

Las Vegas, 89134 Office
T Danny Tai Revocable Trust purchased 3,923 SF from **Verlaine, LLC** for \$620,000 or \$158 PSF. The buyer and seller were both represented by **Jarrod Katz, CCIM** and **Jennifer Levine** of

NAI Las Vegas. The property is located at 1795 Village Center Circle. APN # 138-19-721-019

Las Vegas, 89147 Office
Propatient LLC purchased 7,375 SF from **City National Bank** for \$825,000 or \$112 PSF. The buyer was represented by **Scott Kendrick** of **Commerce CRG** and the seller was represented by **Cathy Jones** of **Sun Commercial Real Estate.** The property is located at 8970 West Tropicana Road. APN #163-20-818-003

Reno, 89502 Office
955 S. Virginia LLC purchased 12,454 SF from **SA Challenger Inc** for \$375,000 or \$30 PSF. The property is located at 955 S. Virginia Street. APN # 011-332-12

Reno, 89502 Office
Sierra Stations Properties, LLC purchased 1,800 SF from **JT Wallenbrock & Associates** for \$260,000 or \$1.44 PSF. The

property is located 169 Cadillac Place. APN # 019-303-61

Reno, 89502 Office
Chhina Properties LLC, Ryland Series purchased 8,168 SF from **Albert and Carolyn Etcheverry** for \$450,000 or \$55 PSF. The property is located at 701 Ryland Street. APN # 012-142-22

Reno, 89509 Office
CFCP LLC purchased 1,755 SF from **White Family Trust** for \$380,000 or \$217 PSF. The property is located at 3185 Lakeside Drive. APN # 019-303-61

Reno, 89521 Office
Willmes Family Trust, Robert V II purchased 4,964 SF from **Heritage Bank of Nevada** for \$496,400 or \$100 PSF. The property is located at 500 Damon-te Ranch Parkway. APN # 140-173-13

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Reno, 89503

Retail

Jabeeg Building Services, Inc purchased 3,255 SF from **Games Rentals LLC** for \$195,000 or \$60 PSF. The property is located at 225 Keystone Ave. APN # 010-045-01

Las Vegas, 89115

Industrial

Paul Avganium purchased 12,600 SF from **FH Properties, LLC** for \$512,445 or \$41 PSF. The buyer was represented by **Shawn Barashy** of **Lee and Associates** and the seller was represented by **The Equity Group**. The property is located at 4366 and 4376 E. Alexander. APN # 140-05-416-067 and 140-05-416-068

Reno, 89512

Multi-Family

Denair-View LLC purchased 56,118 SF from **Park View at Reno** for \$35 million or \$624 PSF. The property is located at 1195 Selmi Drive. APN # 004-081-60 et al.

LEASES

Las Vegas, 89052

Retail

Joseph Brent Arave dba Extreme Mattress leased 3,039 SF in the Southfork Pointe Shopping Center from **PWREO Eastern & St. Rose, LLC** for \$286,881 on a 66-month lease. The tenant was represented by **Chris Connell** of **Colliers International**. The property is located at 9975 S. Eastern Avenue, Suite 120. Reported monthly rent is \$1.43 PSF.

Las Vegas, 89115

Retail

Ombudsman Educational Services, Ltd leased 4,100 SF in the Ombudsman Educational Services Center from **1995 N. Nellis, LLC** for \$129,068 on a three-year lease. The tenant was represented by **Scot Marker** of **Colliers International** and the landlord was represented by **Eric Berggren** of **NewMark Grubb Knight Frank**. The property is located at 1995 N. Nellis Boulevard. Reported monthly rent is \$0.87 PSF.

Las Vegas, 89122

Retail

John R. Miaetta – JM NV Corp. dba JM Motors leased 6,500 SF from **Burton-Bowles, LLC** for \$335,420 on a five-year lease. The tenant was represented by **Chris Connell** of **Colliers International** and the landlord was represented by **Chris LoBello** of **Colliers International**. The property is located at 6070 Boulder Highway. Reported monthly rent is \$0.86 PSF.

Las Vegas, 89139

Retail

R&R Medical Group leased 3,100 SF in the Diamond Crossing Retail Center from **Blue Diamond Crossing, LLC** for \$912,330 on a 120-month lease. The tenant was represented by **Chris Connell** of **Colliers International** and the landlord was represented by **Josh Thomas** of **Juliet Realty Group**. The property is located at 3962 Blue Diamond Road, Suite 103. Reported monthly rent is \$2.45 PSF

Las Vegas, 89169

Retail

Firefly Partners, LLC leased 5,130 SF in the Citibank Plaza from **Glenborough Paradise RD, LLC** for \$1,700,166 on a 10-year lease. The tenant was represented by **Jarrad Katz, CCIM** of **NAI Las Vegas**. The property is located at 3900 Paradise Road, Suites AA and AB. Reported monthly rent is \$2.77 PSF.

Las Vegas, 89113

Industrial

MK Fluidic Systems, LLC leased 9,145 SF in the Arroyo South Business Center (Phase 1) from **EJM Arroyo South I Property, LLC** for \$410,940 on a 63-month lease. The tenant was represented by **Chase Kloehan** of **Insight Realty Associates** and the landlord was represented by **Spencer Pinter** of **Colliers International**. The property is located at 7060 W. Warm Springs Road, Suite 180 and 190. Reported monthly rent is \$0.71 PSF.

Las Vegas, 89118

Industrial

FTR Systems leased 6,867 SF in the Saddleback Park West from **Post, L.P.** for \$62,215 on a two-year lease. The tenant was represented by **Jenny T.L. Chuang** of **Rossum Realty**

and the landlord was represented by **Dan Doherty, SIOR** and **Chris Lane** of **Colliers International**. The property is located at 6402 Montessori Street. Reported monthly rent is \$0.38 PSF.

Las Vegas, 89120

Industrial

Las Vegas Digital Dental leased 5,500 SF in the Arrowhead Commerce Center, Building 11, for \$182,934 on a 39-month lease. The landlord was represented by **Dan Doherty, SIOR** and **Chris Lane** of **Colliers International**. The property is located at 6175 S. Pearl Street, Suite 400. Reported monthly rent is \$0.85 PSF.

Las Vegas, 89120

Industrial

Savii Marketing, Inc leased 10,208 SF in the Arrowhead Commerce Center, Building 13, from **KTR LV 1, LLC** for \$340,773 on a 63-month lease. The tenant was represented by **Bridget Richards** of **New Growth Commercial** and the landlord was represented by **Spencer Pinter** and **Dan Doherty, SIOR** of **Colliers International**. The property is located at 3655 E. Patrick Lane, Suites 400 & 500. Reported monthly rent is \$0.52 PSF.

LOANS

Sparks, 89431

Office

Nevada State Development Corp. has funded a loan for **Carter-Hargrove, Inc.** The transaction had a 4.45 percent fixed interest rate for 20 years. The loan was for the purchase of a 1,380 SF office/retail building located at 924 Pyramid Way.

Carson City, 89701

Retail

Nevada State Development has funded a loan for **Carson City Self Storage**. The transaction had a 4.48 percent fixed interest rate for 20 years. The transaction was for the refinance of 71,940 SF of combined indoor and outdoor storage space located at 5861 S. Carson Street.

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Retail Summary

Second Quarter 2012

Las Vegas

Vacancies within the retail sector have remained in a relatively tight range during the past three years, suggesting increased stability has emerged within the sector. During the second quarter of 2012, the vacancy rate increased a modest 0.1-percentage point over both the prior quarter (Q1 2012) and prior year (Q2 2011) to 10.5 percent. With no new inventory entering the market during the second quarter, the sector reported 8,100 square feet of negative net absorption. Net absorption remained positive with 199,000 square feet of net move-ins during the first half of the year.

Consistent with level occupancies, market average pricing has remained within a relatively narrow range in recent quarters. Valley-wide average asking rates during the second quarter were \$1.47 per square foot per month. Compared to the prior quarter, asking rates are up 1.4 percent, but they remain 2.4-percent below the year ago rate of \$1.51 per square foot.

Three anchored retail projects, totaling 311,000 square feet, are currently under construction in the Las Vegas valley. Another 4.1 million square feet remains planned, consisting mainly of stalled projects or additional phases to already existing centers.

An improved consumer spending profile and positive population growth bodes well for retailers generally. With \$30 billion in taxable sales during the past 12 months, spending remains up 6.5 percent from the prior year, but 16.5 percent off peak levels recorded in early 2007. Sustainable growth in consumer spending going forward will be required before the retail sector begins to experience any material signals of recovery.

Reno-Sparks

The Reno/Sparks economic climate is showing continued signs of weakness as vacancy rates established new record highs. During the second quarter, the vacancy rates increased, and the area had a negative net absorption of -32,405 square feet. This is the first time in four consecutive quarters there was negative net absorption. Unfortunately, with this slip into negative territory, the market is moving in the wrong direction again. However, vacancy rates are reaching the peak and are expected to remain steady before beginning the slow and hopefully steady decline in the coming quarters.

The net absorption during the quarter can be attributed to multiple smaller leases. During the quarter, there were 24 businesses moving into shopping centers consisting of 41,686 square feet while during the same period, 31 businesses moved out consisting of 74,722 square feet. This continues a trend seen in three of the last four previous quarters with the number of new businesses moving out being larger than those moving in.

The line shop vacancy rate has established a new record at 23.26%. The anchor vacancy rate is holding steady at a record high of 15.83%, with the overall vacancy rate at a new record of 18.84%. While the continuation of these high vacancy rates are causing financial pressures for some landlords even leading to receivership and foreclosure in some circumstances, it is creating opportunities for new businesses as landlords aggressively compete for the few tenants looking for space.

2nd Quarter 2012

RETAIL

TOTAL MARKET	LAS VEGAS	RENO
Total Square feet	51,574,761	13,346,528
Vacant Square Feet	5,394,430	2,514,433
Percent Vacant	10.5%	18.84%
New Construction	0	-
Net Absorption	(8,087)	(32,405)
Average Lease sf/mo (nnn)	\$1.47	\$1.60
Under Construction	311,000	0
Planned	4,126,466	37,337
POWER CENTERS		
Total Square Feet	18,328,488	2,754,704
Vacant Square Feet	1,294,807	437,875
Percent Vacant	7.1%	15.90%
New Construction	0	124,076
Net Absorption	(8,382)	-1,641
Average Lease SF/MO (NNN)	\$1.64	\$1.65
Under Construction	0	0
Planned	2,433,668	37,337
COMMUNITY CENTERS		
Total Square Feet	13,270,432	5,333,652
Vacant Square Feet	1,545,143	1,118,551
Percent Vacant	11.6%	21.0%
New Construction	0	160,891
Net Absorption	(17,069)	(32,537)
Average Lease SF/MO (NNN)	\$1.43	\$1.67
Under Construction	300,000	0
Planned	1,230,503	0
NEIGHBORHOOD CENTERS		
Total Square Feet	19,975,841	5,016,427
Vacant Square Feet	2,554,480	956,607
Percent Vacant	12.8%	19.1%
New Construction	0	0
Net Absorption	17,364	-9,012
Average Lease SF/MO (NNN)	\$1.41	\$1.49
Under Construction	11,000	1.47
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 continues to experience slowing growth. Revised data for U.S. real GDP show an annualized growth rate of 1.7 percent for second quarter, somewhat lower than the 2.0 percent rate set in first quarter 2012.

Consumer spending drove most of the gains, but it was lower than in first quarter. Business fixed investment and residential investment also made smaller contributions than in previous quarters. Government spending and net exports made negative contributions. U.S. nonfarm employment only rose by 96,000 jobs in August after fairly robust growth in July. The unemployment rate fell slightly from 8.3 percent in July to 8.1 percent in August. Sales of new homes dropped in July, while housing prices increased. Both consumer sentiment and consumer confidence slipped in July. Business surveys and anecdotal reports show businesses delaying investment until after the election.

The Nevada economy showed mostly positive signs for July. Seasonally adjusted, statewide employment increased by 2,100 jobs (0.2 percent) from June to July. The Nevada unemployment rate increased slightly to 12.0 percent. Visitor volume was 1.9 percent higher in July than in June. Gaming revenue was 17.0 percent higher in July than a year earlier, mostly a result of increased baccarat and other table play. In addition, taxable sales were 15.5 percent higher in June than a year earlier.

Clark County's economy also saw mostly positive signals. Seasonally adjusted, the region's employment increased from June to July by 1,900 jobs. Nonetheless, the seasonally adjusted Las Vegas unemployment rate ticked up from 12.0 percent in June to 12.1 percent in July. Compared to a year ago, July visitor volume was down by 1.2 percent. Gaming revenue was 21.2 percent higher in July than a year earlier, mostly a result of increased baccarat and other table play. Similar to the state's experience, Clark County's taxable sales for June were 18.5 percent above those for a year earlier. Residential construction permits dropped in July after a good showing in June. Commercial construction permits remained volatile at a low level.

Washoe County showed less favorable signals. Seasonally adjusted, Reno-Sparks employment decreased by 1,200 jobs (0.6 percent) from June to July. The seasonally adjusted Reno-Sparks unemployment rate rose, from 11.5 percent in June to 11.7 in July. Compared to a year earlier, July visitor volume was up by 1.9 percent. Gaming revenues for July were down by 8.2 percent over the same period. Residential construction permits increased in July, while commercial construction permits remained at a low level.

Ryan T. Kennelly
UNLV Center for Business and Economic Research

	DATE	UNITS	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT	YEAR AGO	
Nevada								
Employment	2012M07	000s, SA	1,134.7	1,132.6	1,124.4	0.2%	0.9%	Up Over Year Ago
Unemployment Rate*	2012M07	%, SA	12.0	11.6	13.8	0.4%	-1.8%	Increased Recently
Taxable Sales	2012M06	\$billion	3.916	3.711	3.392	5.5%	15.5%	Up Over Year Ago
Gaming Revenue	2012M07	\$million	1,005.88	832.52	860.09	20.8%	17.0%	Recent Gain
Passengers	2012M07	million persons	4.071	3.966	4.118	2.6%	-1.1%	Down from Year Ago
Gasoline Sales	2012M06	million gallons	93.32	93.12	95.73	0.2%	-2.5%	Down from Year Ago
Visitor Volume	2012M07	million persons	4.372	4.289	4.411	1.9%	-0.9%	Down from Year Ago
Clark County								
Employment	2012M07	000s, SA	816.4	814.5	807.7	0.2%	1.1%	Up Over Year Ago
Unemployment Rate*	2012M07	%, Smoothed SA	12.1	12.0	14.0	0.1%	-1.9%	Increased Recently
Taxable Sales	2012M06	\$billion	2.855	2.714	2.410	5.2%	18.5%	Up Over Year Ago
Gaming Revenue	2012M07	\$million	866.98	707.31	715.53	22.6%	21.2%	Recent Gain
Residential Permits	2012M07	units permitted	568	996	293	-43.0%	93.9%	Up Over Year Ago
Commercial Permits	2012M07	permits	22	14	19	57.1%	15.8%	Low and Volatile
Passengers	2012M07	million persons	3.671	3.589	3.692	2.3%	-0.6%	Down from Year Ago
Gasoline Sales	2012M06	million gallons	63.27	63.59	64.62	-0.5%	-2.1%	Down from Year Ago
Visitor Volume	2012M07	million persons	3.731	3.663	3.777	1.9%	-1.2%	Down from Year Ago
Washoe County								
Employment **	2012M07	000s, SA	187.8	189.0	189.2	-0.6%	-0.7%	Recent Decline
Unemployment Rate*	2012M07	%, Smoothed SA	11.7	11.5	13.3	0.2%	-1.6%	Increased Recently
Taxable Sales	2012M06	\$billion	0.497	0.464	0.464	7.1%	7.2%	Up Over Year Ago
Gaming Revenue	2012M07	\$million	64.90	66.78	70.70	-2.8%	-8.2%	Down from Year Ago
Residential Permits	2012M07	units permitted	100	76	51	31.6%	96.1%	Up Over Year Ago
Commercial Permits	2012M07	permits	6	6	27	0.0%	-77.8%	Down from Year Ago
Passengers	2012M07	million persons	0.347	0.325	0.365	6.7%	-4.9%	Recent Gain
Gasoline Sales	2012M06	million gallons	14.00	14.18	15.05	-1.2%	-7.0%	Down Over Year Ago
Visitor Volume	2012M07	million persons	0.433	0.421	0.424	2.7%	1.9%	Recent Gain
United States								
Employment	2012M08	million, SA	133.300	133.204	131.492	0.1%	1.4%	Slow Growth
Unemployment Rate	2012M08	%, SA	8.1	8.3	9.1	-0.2%	-1.0%	Reduced Slightly
Consumer Price Index	2012M07	82-84=100, SA	228.7	228.6	225.5	0.0%	1.4%	Up Over Year Ago
Core CPI	2012M07	82-84=100, SA	230.1	229.9	225.4	0.1%	2.1%	Up Moderately
Employment Cost Index	2012Q2	89.06=100, SA	115.8	115.3	113.8	0.4%	1.8%	Up Moderately
Productivity Index	2012Q2	2005=100, SA	111.2	110.5	109.8	0.6%	1.3%	Up Moderately
Retail Sales Growth	2012M07	\$billion, SA	403.9	400.7	387.9	0.8%	4.1%	Up Strongly
Auto and Truck Sales	2012M07	million, SA	14.04	14.33	13.37	-2.0%	5.0%	Down Recently
Housing Starts	2012M07	million, SA	0.746	0.754	0.614	-1.1%	21.5%	Up Over Year Ago
Real GDP Growth***	2012Q2	2005\$billion, SA	13,564.5	13,506.4	13,264.7	1.7%	2.3%	Up Weakly
U.S. Dollar	2012M08	97.01=100	100.776	101.676	95.152	-0.9%	5.9%	Up Over Year Ago
Trade Balance	2012M07	\$billion, SA	-42.002	-41.899	-45.58	0.2%	-7.8%	Year-Over-Year Deficit
S and P 500	2012M08	monthly close	1,406.58	1379.32	1218.89	2.0%	15.4%	Decrease
Real Short-term Rates*	2012M06	%, NSA	-2.90	-3.01	-3.36	0.1%	0.5%	Up Moderately
Treasury Yield Spread	2012M08	%, NSA	1.58	1.43	2.28	0.2%	-0.7%	Less Negative

*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 System.

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

What was your very first job?

“My first job was traveling around the intermountain west refinishing gym floors at high schools, junior high schools and churches. I probably lost a few brain cells breathing the toxic fumes but it gave me the desire to get my college degree as fast as possible. Hopefully the education made up for the lost brain cells.”



Richard Bird · Regional Manager, Marcus & Millichap



Mary Arnold-Ronish · President & CEO, Tattoo Vanish, Inc.

“I was 14 years old and in charge of ironing the nuns’ robes at my catholic church making \$0.50 per hour. After three weeks of coming home crying every day, I quit. To this day I refuse to iron anything.”

“My very first job was a caddy at a Seattle-area Country Club and I showed up day one wearing jeans and was sent home!”



Cale Ramaker · Morning News Anchor, 8 News NOW



Cass Palmer · CEO, United Way of Southern Nevada

“While living on Nellis Air Force Base at the age of ten, I was hired by the *Las Vegas Review Journal* to deliver newspapers for base housing using my homemade wooden go-cart. I learned a lot about life with getting up at the crack of dawn to insure my buddies received their Sunday comics on time. It was a very rewarding endeavor that I will always remember.”

“My very first job was at a small town ice cream shop/newsstand. At 14, I learned the responsibilities of getting up early for work when most teenagers sleep in. It especially taught me strong customer service skills and dependability.”



Suzanne Domoracki · Program Director, Nevada Drug Card



Stephen James · General Manager, Park Place Infiniti

“My first job was fry cook at a fast food restaurant. I learned the importance of a strong work ethic and teamwork, as well as implementing and following great processes...values that I bring to my current job at Park Place Infiniti.”





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Jeanine Sandford
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