

# Nevada Business

Decision maker's magazine

## ECONOMIC DEVELOPMENT

« Tom  
Skancke

President and CEO,  
Las Vegas  
Regional Economic  
Development Council



The Office  
Environment  
Evolves

Healthcare

Cash Flow &  
Collections

\$4.95 | January 2013

[www.NevadaBusiness.com](http://www.NevadaBusiness.com)

# \$13 in '13!\*

Now it's time for Las Vegas businesses to celebrate.

Get Cox Business Internet Starter for only \$13  
or Select for \$13 more!

- Award-recognized with 24/7 local support
- FREE online backup powered by MOZY™
- FREE Cox Business Security Suite provided by McAfee®



"Highest Customer Satisfaction among Data Service Providers for Small/Midsize Businesses."

Speeds up to 100 Mbps are also available, call for details.

Call 702-939-1148 or visit us at [cox.com/business](http://cox.com/business)

**COX**  
Business®

\*Offer valid until 4/1/13 to Las Vegas, Cox-wired, serviceable locations who newly subscribe to Cox Business Internet™ Starter or Select service. Active customer accounts must be in good standing to qualify for this offer. \$13 offer includes Internet Starter (max. 5.0Mbps/1.0Mbps), or for an additional \$13 (\$26 monthly) receive Internet Select (max 10.0Mbps/2.0Mbps), 10 PC licenses for Security Suite and 10 GB of Online Backup storage services. Monthly service fee for Internet will be discounted \$56.99 for Internet Starter and discounted \$106.99 for Internet Select (excluding usage, taxes, fees and surcharges) for the first 6 months. After 6 months, standard pricing applies, currently \$69.99 per month for Internet Starter when bundled with VoiceManager phone service and currently \$119.99 per month for Internet Select when bundled with VoiceManager phone service. Minimum 3-year service agreement required. Cox cannot guarantee uninterrupted or error-free Internet service or the speed of your service. Actual speeds vary. Monthly service charges do not include usage, applicable taxes, surcharges or fees. Additional Online Backup and Security Suite licenses are available at an a la carte rate. An early termination fee as specified in customer's service agreement will apply if services are disconnected or downgraded prior to the end of the agreement's term. Additional costs for installation, construction, connection, relocation, inside wiring and equipment may apply. Discounts are not valid in combination with or in addition to other promotions, and cannot be applied to any other Cox account. Rates and bandwidth options vary and are subject to change. Services not available in all areas. Other restrictions apply. ©2013 CoxCom, LLC, d/b/a Cox Communications Las Vegas, Inc. All rights reserved. Cox Business received the highest numerical score among small/midsize business data service providers in the proprietary J.D. Power and Associates 2012 Major Provider Business Telecommunications Data Services Study™. Study based on 5,143 total responses measuring eight providers and measures opinions of small/midsize businesses (companies with two to 499 employees). Proprietary study results are based on experiences and perceptions of businesses surveyed in October 2011 and February 2012. Your experiences may vary. Visit [jdpower.com](http://jdpower.com).



WE  
BUILT  
OUR  
BUSINESS  
HERE,  
TOO.

You've put everything into your life here in Nevada. So have we. From the beginning, we've helped Nevadans start lives and livelihoods, and we're constantly committed to seeing our state grow. Why do business with us? Because you should know the people you do business with. Nevada State Bank. *Bring your banking home.*

NEVADA STATE BANK

THE DOOR TO YOUR FUTURE



53 years in Nevada. Over 50 branches statewide.  
600 ATMs across the West.

nsbank.com | 1.855.822.DOOR

Member  
FDIC

# We Are Blessed to Live in America Today

During the 2012 presidential campaign, both major parties competed to see who could paint the most negative picture of this country's economy, society and future. This gave them a chance to blame their political enemies for the sorry state of affairs and show how their candidate was the only one who could pull us back from the brink of disaster. After months and months of hearing how terrible things are in the United States, the election is finally over, the world didn't end on December 21 as predicted, and we can now face the future. I'd like to propose that we face it with hope, and with gratefulness for all the blessings we enjoy.

Let's put aside all the negativity and pessimism, and give thanks for all the things that are right about this country. Yes, the United States has many problems that should concern us – everything from the national debt crisis, to the shaky state of affairs in the Middle East, to social ills like poverty and crime. I'm not suggesting we ignore these issues. However, while we're working together to solve them, let's take some time to appreciate the good things we have. Here are just a few that come to mind:

First and foremost, we need to thank God every day for the U.S. Constitution, especially for the Bill of Rights, which guarantees freedom of the press, of religion, of assembly, and so many more freedoms that we take for granted, but that most people in the world can only imagine. We can protest government action without fear of being arrested, we can say or print what we think even it's against official policy, and we don't have to worry about being arrested for belonging to the "wrong" church or violating a religious edict.

In much of the world today, people struggle just to stay alive. They may not have access to decent water, medical or dental care, or a reliable source of electricity. About 50 percent of the world's population lives on less than \$2.50 a day, and 80 percent live on less than \$10 a day. Diseases like malaria and tuberculosis kill hundreds of thousands of people, in addition to those who die from malnutrition and untreated infections. No matter what happens with our welfare system or with Obamacare, Americans are still wealthier and healthier than most of our fellow humans.

Although we have soldiers and sailors stationed in war zones, here in the United States we live in peace. Unlike civilians in Syria, Israel, Afghanistan, and many places in Africa, we don't fear rockets falling from the sky to destroy our homes. Armed gangs don't come into our neighborhoods with machetes to kill our men, rape our women and burn down all the houses. Yet, this is "normal life" for citizens in many areas of the world.

Immigrants come from all over the world to live in the United States because we offer a chance for everyone, no matter how humble their circumstances, to rise to the top. In many countries, a class or caste system regulates the kind of education you'll receive, the people you may associate with, and the occupation you're allowed to pursue. More than 80 percent of American millionaires made their fortunes instead of inheriting them, and more than 50 percent on the Forbes 400 list got there through their own efforts. We may not all become millionaires, but we all have the opportunity to reach for the top.

As we begin the New Year, let's give thanks that we live in the greatest country on earth. Despite its problems and its flaws, I wouldn't want to live anywhere else. 🍀



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  
John P. Desmond · Victor Joeck  
Matthew J. Kreutzer · Howard Riehl

**Advertising / Sales**

Kendle Walters · kendle@nevadabusiness.com  
Joy Crossman · joy@nevadabusiness.com

**Subscriptions**

subscribers@nevadabusiness.com

**Northern Nevada Advisory Board**

Krys T. Bart · *Reno Tahoe Airport Authority*  
Tom Clark · *Holland & Hart, LLP*  
Lee Gibson · *Regional Transportation Commission*  
Valerie Glenn · *The Glenn Group*  
Rob Hooper · *Northern Nevada Development Authority*  
Rick Gray · *Fallon Convention and Tourism Authority*  
Patty Wade · *Wade Consulting*

**Corporate Office**

375 N. Stephanie St., Suite 2211 · Henderson, NV 89014  
P (702) 735-7003 · F (702) 733-5953  
Reno: P (775) 583-8113



**Web Site:** [www.nevadabusiness.com](http://www.nevadabusiness.com)  
**Mobile:** Download QR Reader and scan.



Nevada Business Journal, Nevada Business Magazine and Nevada Business are divisions of Business Link, LLC, 375 N. Stephanie St., Bldg. 23, Suite 2311, Henderson, NV 89014. It is listed in Standard Rates and Data, #20A-Business-Metro, State and Regional. **TopRank Nevada - Annual Statewide Book of Lists** is a publication of Nevada Business Magazine.

Advertisers should contact Sales at (702) 735-7003, or write to: Nevada Business Magazine, 375 N. Stephanie St., Bldg. 23, Suite 2311, Henderson, NV 89014. Demographic information available upon request. Month-to-month circulation may vary.

Nevada Business Magazine is published monthly. Subscription rate is \$44.00 per year. Special order single-copy price is \$7.50.

All contents ©2010 copyright, and reproduction of material appearing in Nevada Business Magazine and TopRank Nevada - Annual Statewide Book of Lists is prohibited unless so authorized by the publisher. Publisher reserves the right to refuse service to any agency, individual, business, company or organization.

**CHANGE OF ADDRESS: POSTMASTER:** Send address changes to Nevada Business Magazine, 375 N. Stephanie St., Bldg. 23, Suite 2311, Henderson, NV 89014. Subscribers please include previous address or mailing label. Allow six weeks.

**EDITORIAL SUBMISSIONS:** Address all submissions to the attention of Tarah Figueroa. Unsolicited manuscripts must be accompanied by a SASE. Nevada Business Magazine assumes no responsibility for unsolicited materials.

**DISCLAIMER:** Editorial views expressed in this magazine, as well as those appearing in area focus and industry focus supplements are not necessarily those of the publisher or its boards.

# Celebrating 28 Years of Award Winning Construction



Burke Construction Group Principals, Sitting – Kevin Burke President & CEO,  
Standing – Tony Dazio, Senior Vice President

**NAIOP 2012 GENERAL CONTRACTING**  
FIRM OF THE YEAR

 **BURKE** CONSTRUCTION GROUP, INC.  
GENERAL CONTRACTORS / BUILDERS

385 Pilot Road • Las Vegas • 702.367.1040 • [www.burkecgi.com](http://www.burkecgi.com)

Nevada State Contractor's Board  
License # 0022189 – AB Unlimited

Arizona Registrar of Contractors  
License # ROC257273-B/ # ROC257274-A

California State Contractors Board  
License # 932836 – AB

Utah State Contractors Board  
License # 7418995-5501 – B100/E100



C O V E R   S T O R Y

# Economic Development

Critical to Nevada



**Cover:**  
Tom Skancke  
President and CEO  
Las Vegas Regional Economic  
Development Council

**Story by:**  
Doresa Banning

**Photo by:**  
Chris Tucker

## DEPARTMENTS

- 4     **Commentary** • Lyle Brennan
- 22    **Around the State**
- 23    **Face to Face**  
John P. Desmond, Valerie J. Cooney, Joseph R. Ganley
- 26    **Free Market Watch** • Victor Joecks  
Why It's Morally Wrong to Expand Medicaid
- 27    **Power of Attorney** • Matthew J. Kreutzer  
The Unintended Franchise
- 36    **Commercial RE Report | Retail**
- 37    **Business Indicators**
- 38    **The Last Word**  
What is your hope for 2013?

## FEATURES

- 12    **The Office Environment Evolves** • Howard Riell  
Changing the Rules of the Workplace
- 17    **Industry Focus: Healthcare**
- 28    **Building Nevada: Cash Flow & Collections** • Jennifer Rachael Baumer  
Make Accounts Receivable Perform for Your Business
- 32    **ReD Report**  
Tracking Nevada's Deals

**CORRECTION:** In the November 2012 Special Report, Legal Opinions, Collins Hunsaker's name was misspelled. Collins is an associate attorney with Jeffrey Burr, Ltd.

It's like a GPS for doctors when you're on the road: [anthem.com/mobile](http://anthem.com/mobile)  
anthem.com





# READY TO WORK. WILLING TO WORK. ABLE TO WORK.

## SOLVE YOUR STAFFING CHALLENGES WITH US.

**Paul Gamble and his boss Janice.** Paul is a sailing instructor who met his wife on a blind date and took her sailing. Paul collects antique horse-drawn carriages and rescues dogs. He has a master's degree in counseling and social work and enjoys a fulfilling career helping people. Yes, Paul is an all-around great guy, but what you really need to know about Paul is that he is a vocational rehabilitation counselor for the Department of Employment, Training and Rehabilitation, and when businesses need qualified talent, Paul and his colleagues at Vocational Rehabilitation DETR can help.

They get to know the employer's needs and connect them with hardworking, well-trained employees, a service that is completely free of charge. Besides the benefit of passionate and reliable workers, employers may even qualify for tax incentives. Oh by the way, Paul has cerebral palsy, but you would never know it, because like our qualified and talented pool of candidates, he arrives to work on time, requires minimal workplace accommodations and works just as hard as his co-workers.



---

Employees like Paul are ready, willing and able to work. To learn how DETR can put their abilities to work for you, [call 702-486-5230](tel:702-486-5230) or [775-684-4040](tel:775-684-4040) or visit [willingandabletowork.com](http://willingandabletowork.com).

# ECONOMIC DEVELOPMENT

Critical to Nevada

By Doresa Banning



**W**hen it comes to Nevada's future, economic development is critical. Over the last 12 months, The Silver State has made strides on this front.

Among other accomplishments, the Governor's Office of Economic Development (GOED) hired a leader in November 2011. This spring Gov. Brian Sandoval released "Moving Nevada Forward: A Plan for Excellence in Economic Development 2012-2014." Under that plan, GOED designated 10 regional development agencies (RDA) in the state and through a request for proposal process, signed one-year contracts with and allotted funds (a total of \$3 million) to each.

"There has been a good deal of improvement over the past year or so, but all of us realize we still have a ways to go. I'm pleased but impatient," said GOED Executive Director Steve Hill.

## GOED's Mission

GOED was created during the 2011 Nevada Legislature session "to promote a robust, diversified and prosperous economy in Nevada, stimulate business expansion and retention, encourage entrepreneurial enterprise, attract new business and facilitate community development."

"What we have with GOED is an economic development link to state government to help the government be more business friendly and receptive to the needs of businesses," said Mike Kazmierski, president/CEO of the Economic Development Authority of Western Nevada.

In late 2011, the Brookings Institute submitted its "Economic Development Agenda for Nevada," which Hill describes as a "terrific foundation document" that remains current but is broadly focused. Gov. Sandoval's state plan, based in large part on that report, outlines these strategic initiatives for Nevada:

- Establish a cohesive economic development operating system
- Advance targeted sectors and opportunities in the regions
- Expand global engagement
- Catalyze innovation in core and emerging industries
- Increase opportunity through education and workforce development

“We think it’s important, and this is happening, that each of the regions looks at the general guidelines of the state plan but figures out how exactly that applies in their area and what their specific areas of focus are,” Hill said. “Then we’ll help them go to work in those areas.”

GOED itself remains focused on:

- Recruiting companies to Nevada
- Helping existing Nevada companies retain and grow
- Helping start-up Nevada companies
- Expanding Nevada’s international reach
- Helping drive in-state research and subsequent commercialization
- Helping increase and improve Nevada’s workforce

Nevada has been diversifying its economic sectors over the past decade and will keep doing so but not at the expense of the existing industries, Hill said.

“Our effort is partially focused on planting strong roots for new economic sectors to



**Steve Hill**  
Governor’s Office of  
Economic Development

grow,” he added. “In five, 10 and 20 years, you’ll see economic sectors in addition to gaming and mining really growing. There is reason to be optimistic there.”

GOED’s greatest impact to date, Hill said, has been uniting all the people and organizations involved in economic development and proceeding in a cohesive manner. Unlike in the past, goals, strategies and planning now are coordinated, and widespread communication is routine. Also, GOED developed a database for all outside business leads, which every RDA has access to.

“The way that (GOED) is working with the communities and being actively engaged in the state’s economy is critical to our future.

I think the partnerships will only become stronger and grow over time,” said Tom Skancke, president/CEO of the Las Vegas Regional Economic Development Council.

Due to these coordinated efforts and others, like GOED’s marketing and sales, leads are up 35 to 40 percent over last year, Hill said. The number of businesses relocating to and expanding in Nevada also has risen. Foreign investment interest and activity as well as exports have picked up, too.

“We have advanced some things pretty well during this year,” Hill said.

## Southern Nevada

### LVREDC

Out of GOED’s RFP process emerged the Las Vegas Regional Economic Development Council (LVREDC), formerly the Nevada Development Authority, and with it, a new board, leadership, vision, direction and partnerships with the state and other regional agencies, said Tom Skancke, the new presi-

**SECURE A SMOOTH COMMUTE AROUND TOWN**

Visit [rtcshv.com](http://rtcshv.com) on your mobile phone to view RTC vehicle arrival times on Ride Tracker.

RTC  
RTCSNV.COM

Facebook icon, Twitter icon

dent/CEO. This year, GOED apportioned \$1.3 million to this newly designated RDA.

Changes, however, aren't finished. The agency will rename and rebrand itself in the next 30 to 60 days and continue to add to its board of directors.

These are key to bolstering economic development in the Las Vegas area. That's because "the regional, national and global business environments need to discover the other side of Las Vegas," Skancke said. "We are more than Las Vegas Boulevard."

This RDA's primary purpose is to serve as an umbrella group to all of the economic development groups in Clark County and facilitate a common theme and goal—to become a global business destination.

"That will create the different perception, enhance our tourism and convention market and tandem that with a thriving new global business destination," Skancke said.

In addition to numerous conference and phone calls with its regional partners, the council holds monthly meetings to coordinate all their efforts and create and implement

strategies for collaborating on projects and clients. It also plans to work with the other, numerous business organizations and chambers of commerce in the area.

"Las Vegas has been a siloed community for many, many years," Skancke said. "There is a collaborative effort to break down the silo. This will be a regional development authority, and it will be regional on every measure."

Last year, the council helped 28 businesses relocate to the Las Vegas region and seven companies expand. Along with business expansion, attraction and retention, what had been the NDA's sole focus, the organization now also is addressing initiatives related to health care, education, infrastructure, culture, workforce development, international trade and more. One initiative, for example, is to capitalize on Las Vegas' medical and recreational offerings and expand medical tourism. Another is to get Interstate 11, the proposed highway between Las Vegas and Phoenix, planned, designed and funded.

The RDA also plans to partner with the Las Vegas Convention and Visitors Authority to attract mutually beneficial conferences and trade shows by selling the region as both a business destination and a conventions/meetings destination.

"That has never been done before," Skancke said.

### City of Henderson

With an economic development team of four, about a \$150,000 annual budget (no funds from GOED), the City of Henderson's economic development/redevelopment department takes a proactive, multi-faceted approach to economic development, or what Economic Development/Redevelopment Manager Bob Cooper likes to call it, economic diversification.

One area of focus is recruiting new businesses, in the form of relocations or expansions, in health care, education,

Continues on page 24 ▷



THEM



US

## ALL BUSINESS WHEN IT COMES TO LAW.

In litigation, success is not won by the number of lawyers or the amount of the bill. At the Courthouse, quality beats quantity every time. Our combination of focus, experience and effort consistently yields success in intellectual property, tort and business litigation. When you need lawyers for your business, hire the lawyers whose billable hours really count--Watson Rounds.

WATSON  
WR  
ROUNDS  
ATTORNEYS AT LAW  
WATSONROUNDS.COM

ATTORNEYS AT LAW · RENO · LAS VEGAS · SAN FRANCISCO

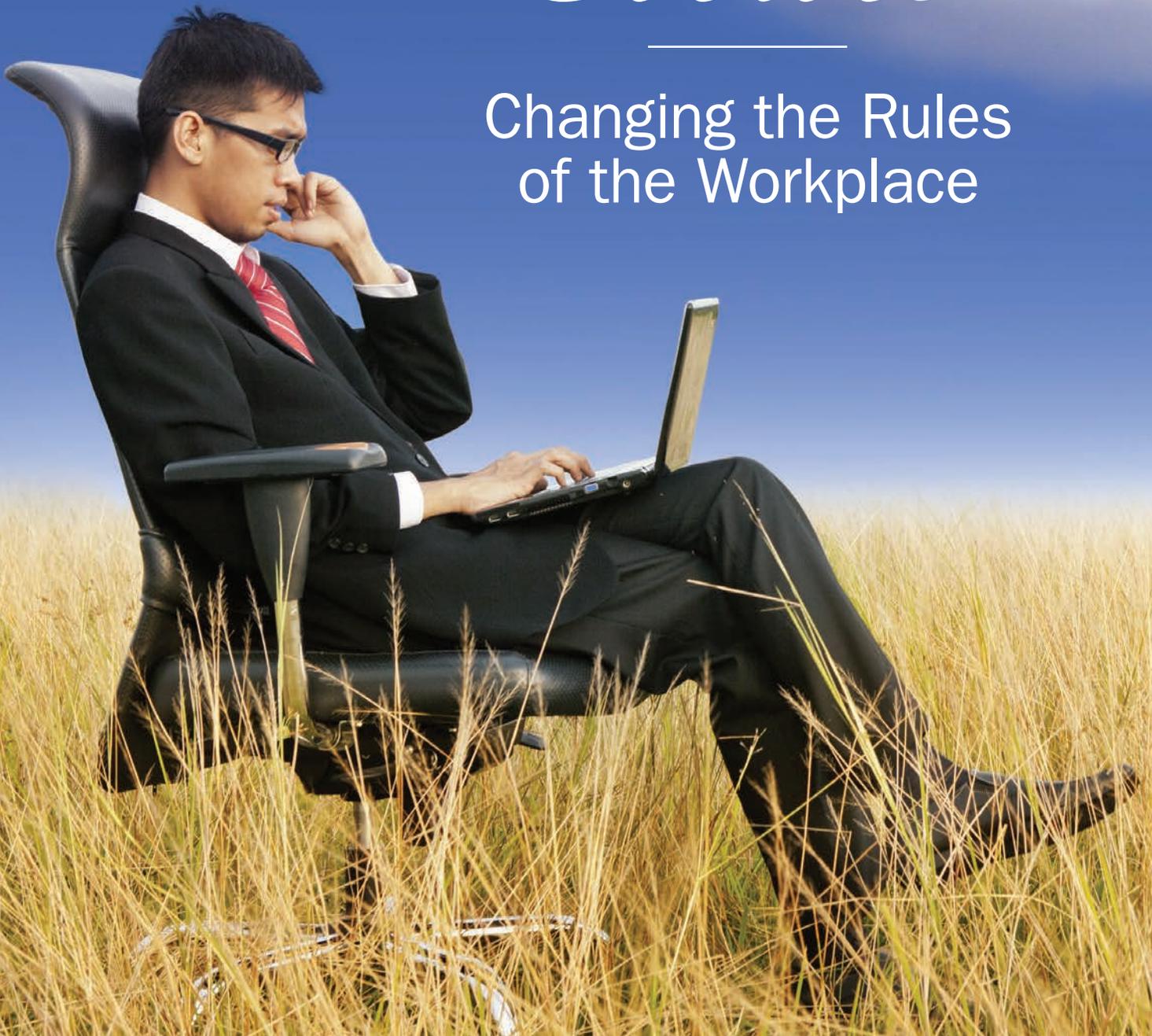
5371 Kietzke Lane, Reno, NV 89511 • [P] 775.324.4100 • [F] 775.333.8171

Feature Story

# THE OFFICE ENVIRONMENT *Evolves*

---

Changing the Rules  
of the Workplace





By Howard Riell

---

**G**iven the organic changes taking place in business, why would anyone suppose that office environments would stay the same? In fact, they aren't.

Office evolution -- cubicles and work stations that are smaller; more flexible spaces; more open common areas for collaboration and team work; a marked preference for natural light; greater use of green technology and building materials, and of under-floor space utilization -- is making employees, and hence their companies, smarter, more productive, more efficient and just plain better.

Rethinking the work space is the order of the day.

"Where it used to be, 'How many more work stations can I get in this space until I max it out?' now it's, 'The spaces are opening up a little bit,'" says Scott Machabee, president and owner of Machabee Office Environments in Las Vegas. "There are more collaborative spaces, more meeting spaces within an open office, versus, 'The work stations are over here and the conferences are over on this end behind a wall.' They are integrated within the space."

The changes, Machabee suggests, mirror the way more people are working today. "They're working on teams more. They're working together more." While there are certainly plenty of companies that have staffers doing their own focused work, "we're seeing more and more where panel heights are coming down, collaborative spaces are being put into office space."

A related trend, Machabee continues, is the footprint of the work stations getting smaller. "We went from everybody having these big CRT screens and a corner work surface that would accommodate that to all flat-panel monitors now, so you don't need these big, deep work surfaces anymore."

Machabee is convinced that the rise in collaboration has led to a concurrent increase in productivity. "People are more in touch with what they should be doing and what other people in the office are doing, and so they're working in teams better. Have they measured the productivity? It's a tough thing to measure."

Cubicle spaces are, again, getting smaller, Machabee has found. "Again, it's touching on that equipment, the computer equipment getting smaller, so workers don't need as much space to spread out."

Adoption by firms of this sort of philosophy has been "all over the ballpark, he notes. "There are some companies that are still traditional -- 'Hey, we're still going to have x-amount of private offices and x-amount of support staff and work stations and that's that.'" Those opting for the newer approach are providing "compressed work space where employees have got their own area in which to focus on their tasks, and then a 'we' space to get together and work together with teammates who are in their office.

### 'You Can Really Be Anywhere'

"First of all, what's happening is the younger people are working off laptops," notes Howard Perlman, President of Environmental Design Group LLC in Las Vegas. "They're not as tied to desks as we used to be. Back when we started we had our typewriters, and later on computers, and all the files. It all basically had to be in one place, and you had to be in that place."

Today, Perlman continues, "all that information is on your laptop and your phone, and you can really be anywhere. So a lot of the younger start-up companies have office spaces that are extremely informal. I mean, those guys could be just as productive in a

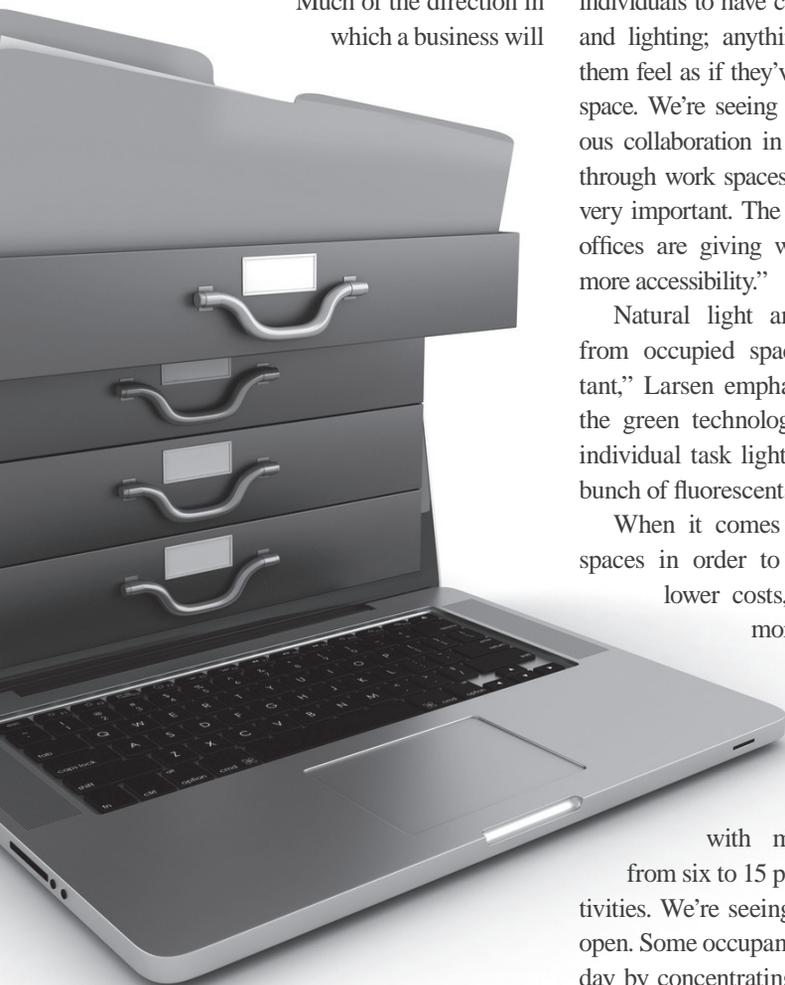
coffee shop, or in a lounge as they can sit behind a desk.”

There is, of course, still prestige in having a desk, and people still need offices, Perlman points out. People who are having sensitive conversations with other people either face to face or over the telephone need to be able to close the door and have privacy.

“But besides the privacy thing, the open-office deal seems to be the trend,” he says. “People just like that; it just feels great, and the more informal and funky it looks or feels, the better for employers to get employees. They march them to the office and say, ‘This is where you’ll be working.’ You show them this little cubicle and it’s not as sexy as taking them through something that’s kind of open and flowing and people working together in little group settings. You’ll attract better, sharper young people.”

For these and other reasons, Perlman concludes, “Employers like giving employees flexibility, and it’s the big thing today.”

Much of the direction in which a business will



opt to go with its office design“ depends on the type of business,” reasons Christopher W. Larsen, AIA, the principal of JMA Architecture Studios in Las Vegas. “Your attorneys are going to require a distinctive and different environment from, say, a call center; they’ll want to be a little bit less flashy, more substantial; less out there, more conservative.”

When it comes to call centers and others, he continues, “What we’re finding from evidence-based research into office environments is that they want to do anything that will effect productivity of the occupants, and make it more attractive to the individual, give them more control.” To accomplish this, decor “tends to be a little bit more open, maybe not so much corporately forced on people. They’re letting each individual customize his space. We’re seeing more of that.”

An important element is the use of more natural light and open spaces, Larsen says. “But one of the biggest trends is allowing individuals to have control over temperature and lighting; anything that sort of makes them feel as if they’ve got control over their space. We’re seeing that creating spontaneous collaboration in the work environment through work spaces and things like that is very important. The closed-off cubicles and offices are giving way to more openness, more accessibility.”

Natural light and views into nature from occupied spaces “are very important,” Larsen emphasizes. “It’s all part of the green technology.” So is using more individual task lighting... as opposed to a bunch of fluorescents overhead.”

When it comes to rethinking cubicle spaces in order to maximize space and lower costs, Larsen says he sees more shared work spaces “such as conference rooms that can be closed for private meetings and then opened out, maybe with movable walls; going from six to 15 people to share work activities. We’re seeing cubicles, again, more open. Some occupants may want to start the day by concentrating on answering letters,



**Chris Larsen**  
JMA Architecture Studios

communications, phone calls, which would be a more enclosed activity. But then they want to get out and collaborate and communicate. They’re opening these spaces, and people are moving back and forth between them. They want a little bit of privacy occasionally to be on the phone, that sort of thing.”

Larsen has also seen – and been impressed by -- the introduction of the raised-floor system in the cubicle work space. “It’s almost a double floor,” he explains. “It allows the sub-floor space below to move electrical and mechanical much more easily and accessibly.” It also renders changing the work space easier, he adds, “because you can more easily access the conduit underneath.”

Another feature -- and one that harks back to the growth of green technology -- is that such a system allows air movement to condition the space from underneath “right at your space,” says Larsen, “which again may give them more of that individual control.”

“As far as the design of the interior of the offices, we’re seeing it go towards smaller units for the people. What’s happened lately is that companies have downsized, so people are getting smaller work stations,” said Paul Higgs, Operations Manager/Business Development for Office Furniture USA in Las Vegas.

In addition, Higgs continues, the other major direction in office furniture is “a big trend toward what they call benching systems and open-plan desking systems, where everyone has his own space but it’s actually very, very open. It’s no longer the cubicle walls like you used to see.”

Open-plan desking, Higgs explains, involves individual stations that are put together “but they’re not really divided by hard walls or panels. And benching systems

are kind of one long system built on a common wall. Everyone has his own station, but they're all really connected; they're all built into one thing."

The idea behind these approaches is that people are collaborating more," Higgs says. Letting employees more easily congregate "makes it easier for people to work on the same projects together, and supposedly creates more of a team environment. Zappos uses that kind of an environment."

Higgs says he has also spied a "big" trend in people "finally going paperless and wireless; more paperless than anything else. I've been in business for 23 years, and in that time frame they've always been talking about getting away from people using as many files cabinets and things as they used to. But we're actually starting to see some of that happen."

### Green and Go

Machabee says he doesn't think that green initiatives have changed the workplace a lot. "It's changed, maybe, how it looks, though not necessarily productivity-wise. "Office furniture manufacturers are doing a lot with recycled and recyclable products. "For example, Steelcase's Think Chair is 99% recyclable."

Going green with office interiors can prove important for companies "especially if they're trying to attract younger workers," says Larsen. "They are certainly more aware of the environment, and more interested in making sure that they are using green. And yes, we're seeing the use of more green products in furniture, fabrics and the construction of work spaces and that sort of thing. They're trying to use recycled materials as much as possible, more renewable materials; using bamboo flooring, those types of finishes."



**Scott Machabee**  
Machabee Office Environments

There is less paper, Machabee believes. "We're still not paperless, but there seems to be less of it. More of it is on a server or in a cloud; it's really on the computer versus on somebody's desk."

The big benefit to companies, he explains, is decreased real estate costs. "They don't need as much floor space for the same number of people."

Ahead, says Machabee, "It's going to be interesting to see how mobile technology affects the work space. Do people have to come into an office anymore? If we get in a time machine and go five years down the road" the change may not be that great. "But if we go 10 or 15 years down the road, I don't know. I can't see out that far, but it certainly gives me pause for thought." 



© 2012 HUTCHISON & STEFFEN

READY, SET, WIN.

**HUTCHISON & STEFFEN**  
ATTORNEYS

LAS VEGAS      RENO      SALT LAKE CITY      PHOENIX

PECCOLE PROFESSIONAL PARK  
10080 WEST ALTA DRIVE, SUITE 200 • LAS VEGAS, NEVADA 89145

702-385-2500 • HUTCHLEGAL.COM



## City National Bank – all 401(k) plans are not alike.

Your healthcare practice needs a retirement plan that meets your complex trustee and recordkeeping requirements – and allows healthcare professionals to maximize contributions. City National can customize services to your situation, including:

- Investment in non-publicly traded assets, such as hedge funds and limited partnerships\*
- Online monitoring
- Professional asset management
- Fully integrated Individually Directed Accounts

**Experience the City National Difference.<sup>SM</sup>**

Contact Lee Pullan, Private Client Services at (702) 952-4448.

\*Must meet underlying plan and financial requirements.

**CITY NATIONAL BANK**  
The way up.<sup>®</sup> 

City National Healthcare Banking Services

Member FDIC

Non-deposit Investment Products:    ■ are not FDIC insured    ■ are not Bank guaranteed    ■ may lose value

Past performance is not an indication of future results.

©2013 City National Bank

## INDUSTRY FOCUS

# Healthcare



Left To Right

**Dr. Brian Lawenda**, 21st Century Oncology • **Dr. Benjamin Rodriguez**, Nevada State Board of Medical Examiners  
**William Moore**, Desert Radiologists • **Larry Charlton**, City National Bank • **Doug Geinzer**, Southern Nevada Medical Industry Coalition  
**Dr. Linda Johnson**, Southwest Medical Associates • **Mike Murphy**, Anthem Blue Cross Blue Shield  
**Dr. Brian Murphy**, Nathan Adelson Hospice • **Mike Gorman**, MedicWest/American Medical Response

Series Sponsored by  
**CITY NATIONAL BANK**  
The way up.®

**Nevada Business**  
the decision maker's magazine



**T**he healthcare industry continues to experience unprecedented change. With various requirements of the Affordable Healthcare Act coming online, the next few years will be a game-changer for the industry. Recently, executives representing healthcare in Nevada met at the Las Vegas offices of City National Bank to discuss these changes and the future of healthcare in the Silver State.

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 Affordable Healthcare Act a good or bad thing?

**Mike Murphy:** It's hard to boil it down, is it a good thing or a bad thing? There are going to be struggles, unanticipated struggles, that I think folks are going to see come out of this. It's good because it's opened up a new dialogue that hasn't happened before, things that I think the industry has been afraid to talk about are certainly more open over the last 18 to 24 months than they ever have been.

There still is a whole lot of hesitation and, unfortunately, for something that is going to be in affect 13 months down the road, there's still a lot of uncertainty. So, if you say is it a good thing or a bad thing, I think it depends on the person, it depends on the readiness. What I would say is, it's going to change things: the discussions, how we deliver medicine and how we pay for medicine. I don't know that you can answer it blankly, is it a good thing or a bad thing.

## Will sole-practitioners be a thing of the past?

**Dr. Ben Rodriguez:** The private practitioner is going to be in an overwhelmingly difficult maze to which they are going to have to negotiate. It means increased costs. For your boots on the ground, small business, small practitioner, it's overwhelmingly daunting. A lot of small businesses and small practices are consolidating or they're being absorbed by hospitals. Giving up and going into Southwest Medical or some of the bigger organizations. They'll still be out there, but much fewer. That's been the trend over the last few years.

**Dr. Brian Murphy:** We hear everyday that there is another small group or single provider that has joined you all [at Southwest]

or HCP (Healthcare Partners), it's happening.

**Dr. Linda Johnson:** The reality is, the resources that are needed to be compliant and be able to do what you have to do; it's almost impossible with the overhead of a small office. In some form or another, they'll actually join a group or be a part of a hospital or ACO (accountable care organizations) system that has some kind of infrastructure to help deal with all those different requirements; it's almost impossible as a small group to be able to do that.

**Dr. Brian Lawenda:** The administrative burden will become enormous for a sole practitioners office. To keep up with the changes that are going to be required will be very expensive, so only larger organizations like Southwest and companies that are national companies like ours are going to be able to pay for these incredible administrative costs to stay up to date with the latest changes and technology.

## Has it been challenging to update to electronic medical records?

**Johnson:** I feel fortunate; I think we're ahead of the curve because we've had in place a very robust electronic medical record (EMR) for almost 15 years now. The pain that everyone else is going through trying to get up and running with EMR's and meaningful use is already behind us. What we're going to have to deal with more now, is how we use that electronic network smartly so that we can manage a population, be efficient and have the outcomes that are the ways we will be paid on in the future. It's not going to be widgets we're going to be paid on in the future, it's being paid on the outcomes, which is not necessarily a bad thing. You have to have technology that can support, and you have to have data that shows you're getting reimbursed correctly and that's hard if you don't have the technology or the infrastructure in place. I'm confident that we're poised well to start tackling it. Is it going to be easy? I don't think so, but I'm confident that we have a lot of the resources in place to get started.

**Rodríguez:** For a small business, for one to three practitioners in the office, when you have a \$50 to \$60 thousand EMR system and another \$10 to \$15 thousand maintenance on top of that, it's prohibitive.

**Doug Geinzer:** Once the EMR systems are all tied into this grandiose system, we will see tremendous benefit; just because of the portability of the data and the need to be able to deliver medicine. It will be that much easier.

**Lawenda:** We have a national EMR for 21st Century Oncology, so we're able to collect data from all over the country and collect information on treatments and outcomes and we're able to give that to the insurance companies.

## What can business owners expect in regards to medical insurance?

**Mike Murphy:** The small employer will see significant changes in the way that healthcare premiums are rated. We issued an analysis 18 or 19 months ago that anticipated some of the changes. The reality is, no longer will anyone be rated on any sort of health conditions, so as you bring everyone to the middle, if you will. Think about compression. What happens in compression is, the top comes down, and the bottom comes up. Folks can expect, for the most part, 90 percent are going to see a change as an outcome of the Affordable Care Act. Some will see advantages and some will see disadvantages, but there will be a fairly significant change. Nevada is one of the states that have one of the higher differentials in risk analysis, which means they'll have a higher impact of what happens with the Affordable Care Act coming forward. I think businesses can expect to see changes. To navigate through the changes, there are added benefits that come in. There are additional costs through the exchange and fees that are placed on insurers that pay for the Affordable Care Act. We will see a lift, as Dr. Johnson described, you have a new system, and a new payment mechanism, there are going to be added costs that are going to be on the system.



**Brian Murphy:** It might be time for an interesting experimentation for businesses. Making decisions of, do you pay the fee instead of offering health insurance for a change, or do you do what so many businesses are doing now, and want more from your employees.

Saying, "We'll pay for your insurance, if you do x, y, and z." I think that's going to expand over time as well. If you're healthier, if you're not doing bad behaviors, you're going to pay less. I think there will be more bargaining with employees.

## How has technology changed healthcare?

**Mike Murphy:** I think technology has changed a lot. Employers are getting much more willing to ask more of their employees in health. Technology has enabled a lot of that. As you start to employ technology around transferring daily or weekly weight records. With Caremore, we have scales that transfer patient's weights, if we notice excessive weight gains, we reach out to the patients to make sure we aren't treating it in the emergency room; that we're able to tackle it before it gets out of hand. Examples like that and blood glucose monitoring that are able to be done through an

# BUSINESS CONNECTION PACKAGE

Connect to the entire Nevada Business Community.

Press Releases | Business Directory | Calendar

Sign Up Today! [www.nevadabusiness.com/bcp](http://www.nevadabusiness.com/bcp)

Visit Us On...



**Nevada Business**  
the decision maker's magazine

iPhone or an iPad are neat and fun when they first come out. But, once you put it into practice, it has the ability to change the way that we can help to improve health. Technology from that standpoint has come a long way. Behind the scenes, from an operational standpoint, electronic medical records and reducing adverse outcomes because of mistakes, all across the board, technology has the opportunity to advance.

**Mike Gorman:** From the pre-hospital environment, being able to monitor patients before they call 911 is something we've never had the ability to do until recently. We have electronic patient care recording, where we know real time what's going on with the patient. Before, it was a mystery when the patient got into the emergency room what exactly was wrong with them. Now we can talk from the scene and transmit. There's amazing advancements to the care we provide now.

**William Moore:** We were early adapters of the PACS (picture archiving and communication system) technology, which is the picture archive where all the images are stored. We moved to digital radiology in the 90s, long before any other radiology practice did that. In addition to adding the PACS technology, we transitioned to McKesson, [an EMR system,] which provided a very stable and solid PACS platform. Voice recognition has come a long way from where it was even a few years ago. We recently adopted voice recognition which has helped eliminate the expense of transcription costs for hospital partners and other practices that we did studies for. With voice recognition technology, instead of viewing an image, completing a report and then transcribing a report, which used to take hours, in today's world, everything is a final report. For the ER reports, we're turning those around to UMC's Trauma Center in minutes, usually 6-12 minutes from the time we receive the image.

## How has the economy affected healthcare?

**Johnson:** The economy has caused, not so much a decrease in patients, but a difference in the mix. Being a managed care organization on capitation, with the deep dive of the economy, we lost 40,000 capitated lives, but at the same time we saw an increase in Medicaid. As those patients became unemployed and off of their employee benefits, they went onto Medicaid. Our overall volume of patients didn't change, but the mix changed. In our heyday, as being as pure managed care

"You've seen the uninsured rate go up, and you've seen the decline and shrinkage in the size of business closing the doors. We've seen a decline over the past couple years but we're starting to see that stabilize."

- Mike Murphy

as we could be, 95 percent of our patients were on some kind of managed care product, we're up to 20 percent fee for service now. There's been a shift on what patients have available to them and how they're able to pay.

**Mike Murphy:** You've seen the uninsured rate go up, and you've seen the decline and shrinkage in the size of business closing the doors. We've seen a decline over the past couple years but we're starting to see that stabilize. We're not seeing as much decline in the size of businesses, but we hope that at some point that starts to turn around. As we've seen across the country, it affects people's behavior and how they seek care and how they pay for care. It's not so much after they lose their job, it's the fear of the unknown of what's coming down the road. It affects everybody whether their in a different financial state or not.

**Gorman:** For pre-hospital care, we're affected in a couple different ways. When people lose their jobs and their under-insured or uninsured, they're not going to see their doctor anymore and their health will degrade to the point where someone does call 911. Or, people are using the 911 system instead of going to see their primary care physician. We're at the point now where an ambulance will run on every patient regardless of their ability to pay. Right now, 30 percent of our calls are persons who want to go to the hospital. They just want someone to check on them. Of that, 70 percent do go to the hospital, 34 percent are uninsured; it's a difficult mix. We're not sure how [the Affordable Healthcare Act] will affect our business, we've been trying to dive through it and we don't know if that 34 percent that are uninsured are now going to make a larger percentage of those on Medicaid or not. We're hoping for the best.

## What staffing challenges is healthcare facing?

**Johnson:** We've partnered with another company, Insuperus, a nurse practitioner based company that we're using for our chronically ill based patients that aren't able to get into the hospital. They've had a very difficult time getting nurse practitioners. They're based in 38 states around the country, but in Arizona, nurse practitioners are able to practice without having precepting physicians, so they're able to practice more independently, whereas you come to Nevada where they have to be with a precepting physician and those precepting physicians can only have three nurse practitioners. It makes it difficult for their model to be able to get up and staffed. The restriction on how that's set up in Nevada definitely has an impact. There's legislature being discussed to address that during the next session. It will impact wellness programs and potential employer benefit programs. We just don't have the right climate

to be able to bring in the mid-levels to be able to deal with the volume of patients that are going to come up if we are on the exchange of the Medicaid expansion.

**Brian Murphy:** We will have to look at legislative changes. As we begin to do more with palliative care, we ran into that issue with the nurse practitioners as well. I think it'll be fascinating to see where we go as a state.

**Geinzer:** The nursing shortage has stabilized a little bit, but it's a false indicator. The economy has changed so much that the nurse that was once working one full-time job, is now working two. The nurse that was hoping to retire is now hanging on because their significant other is no longer working and the nurse that was working part-time is now working full-time. They're staying in their workplace longer. It's creating a bubble. When the economy improves, the bubble is going to burst quite a bit. Now we have this larger uninsured population that will also be entering the stream and the mix. We have some challenges ahead. Fortunately, Southern Nevada Medical Industry Coalition designed the Healthcare 2020 program, a tran-



sition to practice program. We're taking new graduate nurses and giving them the clinical skills to enter the workplace. Four years ago, the new graduate nurses were not finding work in Nevada. We had the second to worst nurse to population ratio in the country, yet we were becoming an exporter of nurses.

Now, we're keeping our nurses in town and we're building a natural pipeline to take our educational infrastructure to make sure we're growing our own.

**Gorman:** We have a good problem where we're constantly hiring. The 911 volume continues to grow, we need more people. We have our own accredited school, we're trying to facilitate bringing people in and working them through the EMT level all the way up to paramedic, but it's still a challenge.

**Johnson:** Where we're having the biggest challenge is hospital medicine. With primary care, we're doing okay. One of our challenges is California. That's a state that is dramatically increasing the reimbursement and the compensation for primary care physicians. If we don't match that, we'll lose primary care physicians in this state over to California. We used to do market adjustments for our doctor's every two to three years, now we're having to do them annually, just to keep up with the offers they're getting from other places. Recruitment is an issue, but retention is just as, if not more, important. We don't want to lose the ones we have. 🌟

ROSEMAN UNIVERSITY OF HEALTH SCIENCES



# We Aspire

Transforming Education. Advancing Care. Touching Lives.

## COLLEGE OF DENTAL MEDICINE

Advanced Education in Orthodontics and Dentofacial Orthopedics/MBA Residency (Nevada)  
Doctor of Dental Medicine (Utah)

## COLLEGE OF PHARMACY

Doctor of Pharmacy  
Professional Continuing Education

## COLLEGE OF NURSING

Bachelor of Science in Nursing  
Accelerated Bachelor of Science in Nursing (Nevada)

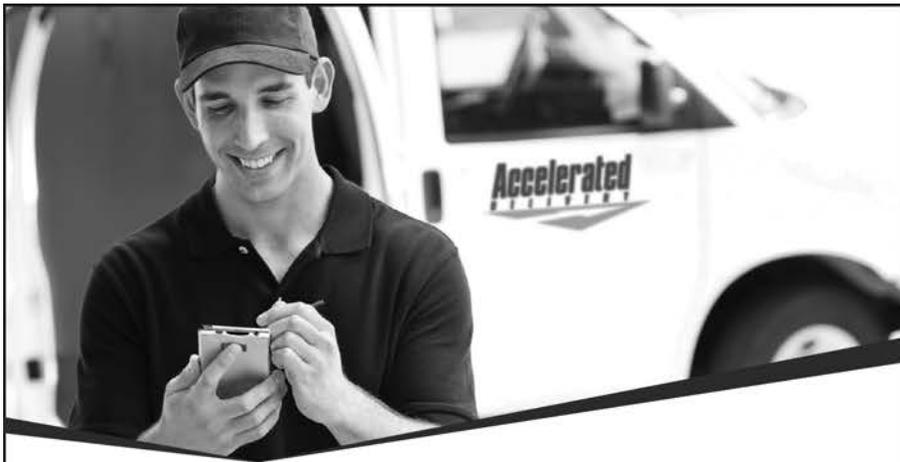
## MASTER OF BUSINESS ADMINISTRATION

[roseman.edu](http://roseman.edu)



NEVADA-11 Sunset Way, Henderson, NV 89014 • 702-990-4433  
UTAH-10920 S. River Front Pkwy, South Jordan, UT 84095 • 801-302-2600

Regionally accredited by the Northwest Commission on Colleges and Universities.



# EXCEEDING

## Expectations, Delivering Results

### Get your first delivery FREE!\*

Free delivery when you open a new account or make a referral. Open a new account to receive one free local, weekday, small package delivery. Referring another business is even better - you and your referral will receive free deliveries!

**acceleratedlv.com**

5045 S. Rogers Street, #10 | Las Vegas, NV 89118

P 702.966.5700 | F 702.966.5714



## Around the State

### Home Prices Rising in Las Vegas

According to recent statistics from the Greater Las Vegas Association of Realtors (GLVAR), Southern Nevada home prices increased again in November. The median price of single-family homes sold was \$146,000, up 4.3 percent from the \$140,000 in October and up 16.8 percent from the same period last year. Alternatively, in November, home sales went down to 3,293 from 3,651 sold in October and 3,883 sold in November of 2011. 🌿

### Clark County School Rankings Improve

The Clark County School District (CCSD) has released updates to the School Performance Framework (SPF) rankings. This is the second rankings report released by the school district and is designed to track achievements in classrooms. The SPF uses data from the Nevada Growth Model that tracks individual student academic growth from year-to-year. The report shows that 91 of CCSD's 357 schools have now achieved a five-star ranking. That number is double from the first year's report. 🌿

### Nevada Doctor of Nursing Practice Degree Achieves Accreditation

The University of Nevada, Reno and the University of Nevada, Las Vegas joined forces to offer a collaborative Doctor of Nursing Practice (DNP) degree to meet the growing need for nursing professionals. The program was started in 2010 and has now received accreditation from the Commission on Collegiate Nursing Education (CCNE). The accreditation is retroactive to March meaning the program's first 20 graduates, who received their degrees this past May, have now graduated from a CCNE-accredited program. 🌿

# QA



## John P. Desmond

Shareholder  
Gordon Silver

Reno

**What do you like most and least about your industry?**

My favorite part of our industry is being creative in trying to help solve problems for businesses that find themselves in a dispute. Litigation is very stressful and time consuming for businesses and getting problems resolved quickly is almost always in everyone's best interest. My least favorite thing about our industry is that we are unable to meet the critical needs of many people who cannot afford legal services.

**Where is the greatest demand for legal services?**

Intellectual property and health care.

**What is the most overlooked legal issue for businesses?**

Many businesses do not consult a lawyer until they are faced with a lawsuit. Many problems could be avoided if businesses consulted with an attorney and sought advice before the dispute turns into a lawsuit.

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

Be dogged, determined and persistent and do not forget that integrity is paramount.



## Valerie J. Cooney

Executive Director  
Volunteer Attorneys  
for Rural Nevadans

Carson City

**How did you first get into your profession?**

My father was an attorney in a small town in Northern California. I did not consider a career in law as I was growing up, but I knew I liked helping others. I spent several years after college working in various casinos in Lake Tahoe. In 1980, I felt the need to do something meaningful, so I decided on a legal career.

**Where is the greatest demand for legal services?**

There is a dire need for legal services in Rural Nevada. Many regions are isolated, services are limited and only a handful of attorneys are available to offer pro bono assistance. Delivering legal services over long distances in an effective and efficient manner is much more challenging than providing legal services in more populated areas.

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

Be patient, do good work in service to others, and the financial and personal rewards will follow.



## Joseph R. Ganley

Senior Partner  
Hutchison & Steffen

Las Vegas

**Where is the greatest demand for legal services?**

Trust and estate litigation. Because of aging Baby Boomers and changes in tax laws, vast amounts of wealth are being transferred through these legal vehicles, and with those transfers come disputes. This area of practice is quickly becoming our busiest. We have a full team of lawyers who work on these types of cases every day all day.

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

Two primary pieces: (1) limit how much you spend in overhead and personal expenses until you get well established; in short, be frugal; and (2) establish clear parameters with clients concerning the scope of representation and the estimated costs; this is best achieved with a written retainer agreement and retainer. At the outset of each representation make sure the retainer agreement is reviewed and signed by the client and that a retainer is obtained. And then, a third piece of advice, however trite it may sound, is to work harder than you ever have to make your business a success.

◀ Continued from page 11

manufacturing, biotechnology and the services sector. At any given time, the department has about 60 companies it's working with, and 12 to 15 per year on average decide to do business in Henderson. Newly committed companies include Brock Racing Enterprises, a designer and developer of race car parts and accessories; Creative Tent International, a tent developer and manufacturer; Burke Williams, a day spa; and Bluepoint Solutions,



**Bob Cooper**  
City of Henderson

a financial technology software company. Two universities are expanding in Henderson—Roseman University of Health Sciences and Touro University.

Cooper and his team also help local, existing businesses grow. With the mayor and city council members, they regularly visit different businesses and inquire as to their needs. They introduce those companies to resources and help in whatever ways possible.

The city department helps start-up companies and people considering launching a business. For example, its Business Resource Center, or incubator, provides business development expertise. Other offerings, among many, include Business Workshops, a series designed to benefit business owners and operators, and "Tools for Business Success," an online portal with tools for starting or running a business.

Promotion and sales of city land (it owns about 1,000 acres) is another component of Henderson's economic development efforts. One recent sale of 150 acres near the Henderson Executive Airport will be developed into a business park. Another, of about the same size, will be developed into Union Village, a \$1.5 billion, mixed-use health village encompassing three hospitals and numerous other entities. The city department also encourages and assists with redevelopment in older parts of town.

The international component to the city's efforts involves assisting foreign companies wanting to do business in the U.S. and helping local companies wanting to sell their products and services outside of the U.S.

"We create strategies, programs and tactics by which to accomplish goals for each of those," Cooper said. "The city council looks to us to perform those activities. We produce results regarding each."

The office's successes, Cooper said, are due to his having a great team along with the solid partnerships his department has with Henderson Mayor Hafen, the city council and the private sector, including the Henderson Chamber of Commerce.

"We're all on the same page," he added. "The external businesses that are examining us can pick up on that really quickly."

## Northern Nevada

EDAWN

Unlike in recent pre-recession years when the Economic Development Authority of Western Nevada (EDAWN), the RDA for

*Flavor of the Month...*

**MARCH 2013**

Cover Story | Power Poll

Feature | Litigation

Industry Roundtable | Investment Firms

Building Nevada | Residential

Special Report | Technology

**Nevada Business**  
the decision maker's magazine

[www.nevadabusiness.com](http://www.nevadabusiness.com)



**Mike Kazmierski**  
EDAWN

Washoe and Storey counties, aimed to attract high-paying jobs, today its primary focus is creating stable jobs, President/CEO Mike Kazmierski said. EDAWN aims to generate 7,500 North Nevada jobs by 2014, its percentage of the 50,000 new jobs Gov. Sandoval, challenged the state to create in two years' time.

To do so, the RDA has a \$1.5 million annual operating budget, \$675,000 of which came from GOED. The organization, via direct mail and in-person visits, is actively courting out-of-state companies in primarily these sectors but others, too: manufacturing (40 percent of business prospects are in this area), logistics/distribution (30 percent) and back office/business support/data centers (5 to 10 percent).

Along with attracting new companies, EDAWN has a retention team that visits, supports and aids existing Northern Nevada businesses grow. The RDA's entrepreneurial development team helps Nevada startup companies make connections and launch and is also charged with attracting external entrepreneurs to Nevada.

"Since we've launched that, we're now working with two entrepreneurs looking to move here, one with 100 employees, the other with 450 and looking to expand," Kazmierski said.

EDAWN makes some international efforts, primarily in concert with the Reno-Tahoe International Airport, which is working to develop connections in China.

Kazmierski said EDAWN is on track to exceed its 7,500-jobs target. Recent successes include bringing in these companies: Pestmaster Services Inc., a provider of pest control services; One Contact Inc. (Reno), a business process outsourcing company; Freund Container & Supply (Sparks), supplier of packaging and supplies; International City Mortgage (Reno), a home loan lender and NJVC (Reno), an information technology solutions provider.

The organization also has boosted by nearly 80 percent the number of visits made by outside companies to Northern Nevada, Kazmierski said. Typically, 80 percent of those visiting companies ultimately decide to do business in the area.

"If that closure rate continues to be close to what we had over the last year or so, we certainly see a lot more announcements in the pipeline," he added.

## NNDA

The primary goal of the Northern Nevada Development Authority (NNDA), the RDA that encompasses Carson City, Churchill, Douglas and Lyon counties, is "to create the ultimate environment for business success," said Executive Director Rob Hooper.

Along with a small staff, NNDA's resources include 280 community volunteers who are members and active participants of 13 committees covering such industries as health care, education, commercial real estate, residential real estate and workforce education. The RDA's operating budget for this fiscal year is about \$800,000, \$250,000 of that from GOED.

The agency's efforts primarily center on three aspects and all that those involve. They are business support, expansion and retention, and company attraction. Each, however, is multi-pronged and includes everything from helping businesses get access to capital to working with educational agencies and other partners to strengthen the workforce.

The primary sectors NNDA is working to develop are health care and tourism, science and technology, and agriculture, among others.

NNDA has relocated 34 companies to its region in the last two years, Hooper said, resulting in 2,033 jobs and \$457.6 million in economic impact. Those include Carboline Co. (Dayton), a supplier of coatings, linings and fireproofing products; New Millennium Building Systems (Fallon), a commercial steel construction firm; AnC Precision Machining Inc. (Gardnerville), a tooling parts supplier; and Injectimed (Minden), a medical device manufacturer. The seven expansions NNDA facilitated during that same period created 411 new jobs.



**Rob Hooper**  
North Nevada  
Development Authority

Other recent accomplishments include the Right Skills Now program, offered through Western Nevada College. The program is now graduating students into manufacturing jobs. Plans are underway to open a tech center and accelerator in downtown Carson City creating an incubator for new technology businesses. The NNDA's agricultural committee completed a study on the agricultural industry in Nevada, which Gov. Sandoval will release this month.

NNDA's success is a result of the community coming together, Hooper said.

"We function like it's a barn raising," he added. "We all come together, work together for the common good and know that everybody's ship is going to rise with it."

## All Hands on Deck

Given Nevada's current economy and double-digit unemployment rate, Hill said, economic development and driving forward the state's economy will remain vital, more essential than during the past 20 years.

That will require continuing to follow Gov. Sandoval's lead and working together instead of against one another, Hooper said.

"Now is the time for all hands on deck," he added. "Our advantages in this state are we're nimble, rich with natural resources and have great people with great attitudes." 

## In Brief

According to health rankings from the United Health Foundation's 2012 report, Nevada ranks 38th in the nation for overall health. This is up four spots from the 2011 rankings. Nevada's obesity rate was notably lower than that of other states.

# Why It's Morally Wrong to Expand Medicaid

## Government should protect property, not redistribute it

**W**hy is stealing wrong? Is it wrong because it's illegal? Or is stealing wrong because individuals have a God-given or natural right to their own property?

To some people, that's like asking, "Which came first: the chicken or the egg?" — in other words, they think the answer is unknowable.

But there's an essential difference here: Unlike the chicken-and-egg question, we know that our God-given/natural rights precede government — both logically and historically.

As our country's Declaration of Independence so eloquently states, we are all endowed "with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness" — and "happiness," to the Founders, steeped as they were in John Locke, included property rights.

Thus, whether you think our rights come from God or from nature, those rights exist prior to and independently of human institutions. Of course, just because you have rights, that doesn't mean a stronger person or group can't violate them.

That is why individuals formed governments. The Declaration continues: "That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed."

Paradoxically, in order to protect individuals' rights, government had to be given powers — such as taxation and the legal use of force — that are far beyond those appropriate for any individual. And then, to prevent the tyranny that almost inevitably accompanies such power, the Founders placed checks and balances in government, dividing it into three branches, separating its powers and clearly setting limits on government's authority.

It is in this context that Gov. Brian Sandoval's recent decision to expand Medicaid

to able-bodied, childless adults with incomes above the poverty line should be considered.

Numerous negative practical consequences could be cited to justify opposing this move — including the cost of the program and the doctor shortages that even Gov. Sandoval has admitted this will create — but the moral case against this decision deserves special attention.

Stripped away of all the rhetoric and emotion, Gov. Sandoval is endorsing the confiscation of money from both state and federal taxpayers and its redistribution to others — healthy adults in this case — in the form of Medicaid subsidies.

Is not the abuse of government power clear here? The government that our Founding Fathers established to protect the property rights of individuals is now the very entity taking the property of some to give it to others.

Supporters of the Medicaid expansion have argued that this is OK, because the Medicaid expansion will provide short-term benefits for some individuals.

This is an assertion that the ends justify the means. Do they? Consider this question in a different scenario.

Imagine your child's teacher left a \$20 bill on her desk. Would you tell your son or daughter to take it if he or she can think of some "poor person" to give it to?

Of course not. It's wrong.

What if your child planned to give the \$20 to a church or charitable organization? Would you tell your child to take the cash?

I hope not. It's still wrong, even if you think a charitable contribution is a better use of the money. It's not your decision to make.

The same thing applies to Medicaid. A well-intentioned use of someone else's money is morally wrong, because it's someone else's money.

And this applies even if that someone is really rich. A rich person doesn't lose property rights by acquiring more property.

So does this mean that believers in limited, accountable government don't care about the less fortunate? Not at all. Multiple studies — including one by Syracuse University professor Arthur Brooks — reveal that conservatives are far more generous than liberals when it comes to giving away their own money.

What fiscal conservatives also recognize is that providing "free" Medicaid has unintended consequences — including incentivizing to stay poor. If the Medicaid expansion is passed, a single adult earning \$15,415 a year or less could receive a Medicaid policy worth, according to Cato Institute Scholar Michael Tanner, over \$6,000. That means for someone earning \$15,000 a year, a \$1,000-a-year pay increase would "cost" him \$6,000 a year in government benefits.

But that discussion should be secondary to the important principle at stake.

The preamble to the U.S. Constitution — consistent with the Declaration of Independence — states that we establish government to "secure the blessings of liberty."

When government, however, reallocates wealth — taking from those who have earned it and dispensing it to those who have not (but whom politicians favor) — it annuls one of liberty's key blessings and, thereby, its own justification for existing.

Taking property to which you have no moral claim — even when draped by politicians and special interests in the rhetoric of "doing good" — is wrong. This is what the Medicaid expansion will do.

That's why it's morally wrong to expand Medicaid. 

---

*Victor Joecks is the communications director at the Nevada Policy Research Institute. For more visit <http://npri.org>.*

# The Unintended Franchise

## If It **Quacks** Like A **Duck** . . .

**A**re you operating a franchise system without realizing it? If you are licensing to others the right to use your trademark for a fee, the answer could be yes. Under both federal and some state laws, a business relationship may be a franchise -- even if neither of the parties intended to create one.

At the federal level, the Federal Trade Commission ("FTC") is the body that regulates franchising nationwide. It does so under a law known as the "Franchise Rule," which creates a structure of regulations that governs franchises in the United States. Under the Franchise Rule, any person or corporation that sells franchises is obligated to provide its prospective franchisees with a disclosure document, known as the Franchise Disclosure Document ("FDD"). The FDD must contain disclosures pertaining to the company, its officers, the expected initial investment, fees, and other aspects of the franchise relationship.

State laws can also apply to franchises. Some of these laws require a company that wishes to sell franchises within the state to obtain approval to do so beforehand by following a registration process. Other laws will provide licensees with special benefits and protections that restrict when, and how, a licensor that sells franchises can terminate or refuse to renew a licensee, or limit his or her right to sell the business to a third party.

Both federal and state laws should concern any business that falls under the legal definition of a "franchise."

### Does It Quack?

Determining whether a franchise exists recalls the tongue-in-cheek test for determining the identity of water fowl: if it looks like a duck, walks like a duck, and quacks like a duck, it's a duck. It is much the same for franchises. Typically, the term "fran-

chise" refers to a continuing commercial relationship that has each of the following three elements:

- **Trademark License.** The business involves the distribution of goods or services associated with the licensor's trademark or trade name;
- **Payment of a Fee.** The licensor requires payment by the licensee for the right to operate the licensee's business; and
- **Control or Assistance.** The licensor exercises significant control over, or provides significant assistance in, the licensee's method of operation.

Some state law definitions differ, but most use the same basic framework presented above. Like the duck identification test, if all three of those elements are present in a business relationship, it will be considered a franchise regardless of the name the parties give it.

That said, determining whether a business arrangement is actually a franchise is not always easy. Many courts have struggled with the question of whether or not a business meets the franchise definition, and the results are not always consistent between states.

### Duck Season:

#### Penalties for Breaking the Law

For the licensor of an unintended franchise, both federal and state laws can present serious problems. The FTC is empowered by Congress to enforce violations of the Franchise Rule, and can issue monetary fines, issue injunctions, and freeze assets of those who violate the law.

In some ways, state franchise laws are more significant. This is both because state

laws provide a set of rigorous enforcement tools for state regulators (which can include substantial monetary, and even criminal, penalties), and because they almost always permit an aggrieved licensee to sue its licensor for breaking the law (which is not the case under the Franchise Rule). Under state franchise laws, a "licensee" can often seek an award of damages that may include all of the money the licensee lost in the failed venture.

Because the costs for violating franchise laws can be so substantial and, in some circumstances, result in the destruction of the licensor's business, it is important for business owners to be aware of and comply with these laws.

### Tips for Business Owners

A business arrangement can be a franchise regardless of the parties' intentions. If the relationship meets all of the key definitional elements, no amount of disclaimers or waivers can avoid the applicability of the Franchise Rule. As a result, business arrangements that at first glance may not appear to be franchises -- like partnerships, joint ventures, leases, and distributorships -- have in certain circumstances been found to meet the franchise definition.

In some cases, the Franchise Rule can be avoided from the outset if the parties carefully structure their relationship so that at least one of the elements does not apply. However, when a franchise relationship is already in existence, it is important to identify that status so that remedial measures can be taken. The consequences for doing nothing can be devastating to a business. As a result, it is a good idea for business owners to consult an attorney with experience in franchising to be certain that they are not unknowingly breaking the law. 🌿

*Matthew J. Kreutzer is a partner with Armstrong Teasdale, and serves as Chair of the firm's Franchise, Distribution and Antitrust practice group.*

Building Nevada



# CASH FLOW & COLLECTIONS

By Jennifer Rachel Baumer

## Making Accounts Receivable Perform for Your Business

**N**obody likes to talk about money. Most of us were raised to feel it's uncouth. For polite society, that's not such a bad guideline. But for businesses trying to maintain the bottom line, talking about money is a necessity – as is asking for it from clients and making certain it gets paid.

In the wake of the economic downturn, collections agencies are seeing fewer accounts turned over from businesses simply because so many businesses no longer exist and those that do aren't making the same amount of sales and therefore don't have the same amount of accounts to collect. Companies still operating may have dropped their prices in order to remain in business, so the accounts being collected are smaller. Plus when there's a dearth of discretionary income, customers purchase fewer non-essential goods and services.

There's also the fact that many business owners now understand the need to qualify

accounts before making a sale on terms (and sometimes decide on a cash transaction instead).

"Business owners need to understand that money is always a matter of time," said William Thomas, owner, Intelligent Business Solutions dba Collection Bureau of Nevada. It matters whether payments are collected in 30 or 90 days. The longer it takes to collect the funds, the less likely it is the debt will be collected. If the debt is sold, the longer it takes to collect the funds, the fewer cents on the dollar collected.

"I think [business owners] are also finally starting to realize that, for most companies, especially small businesses, which is primarily what we deal with, the number one asset in the company is their receivables," said Thomas. More than staff, more than owning the building the business is located in, and maybe more than having invested in equipment, receivables are the greatest asset a company has.

That's worth protecting.

### Protecting the Bottom Line

Business are turning to professional help in today's economy to collect debts, often even in cases where the debtor has to have the service but lacks the ability to pay.

"Collections are a significant issue for a variety of reasons, one being that there are so many people who are not getting full-time hours or who are still not back to work, but still need to access services," said Dee Barbash, president, Collection Service of Nevada. "These people are falling behind and have less ability to pay." That includes business owners in traditionally more secure businesses, like two pediatricians who filed bankruptcy in the last year. An emergency room physician may not see less business, but may very well see fewer payments.

Collections agents are also seeing clients who have the ability to pay but not the desire. Forcing payment through litigation is more common than it once was, according to Barbash.

In today's business world, businesses owing other businesses may not pay invoices as quickly as they did before because they're afraid to let go of their accounts payable monies. And business owners who are having a hard time paying their payables may be uncomfortable contacting the businesses they owe to say so.

A collection agency can provide a buffer between business and customer or doctor and patient, according to Barbash,

which can make the situation a little less uncomfortable for everyone involved. Collection agency professionals can also train employees in the art of collecting accounts receivable.

## Cash Flow Vs. Collections

Invoicing is a common business practice, but if a product or service is sold and the business selling it isn't paid instantly, that business is extending credit. It's that simple, and it doesn't matter if terms are net 10 or net 90, it's still extending credit.

Thomas suggests first using a credit application created specifically for the business. "A credit application states who it is you're dealing with, if it's an entity, how it's structured – is it a corporation or an LLC? Is it a sole proprietorship?" Second, know how long that business has been in business, and third, know how well it's doing.

Before extending any kind of credit, business owners need to know if the other business can actually handle the amount. If a company can't pay \$5000 up front for a product or service, it doesn't make sense to extend them credit in the form of a net 30 invoice and expect they'll be able to pay it within a month.

And when terms are net 30 for payment, then someone from the company that's owed the money needs to be on the phone on day 31 to find out where the funds are. Failing to follow up on net 30 until 45, 60 or 90 days have gone by sends the message that terms are really much longer than stated – and many business owners are willing to push it as far as they can before paying, Thomas said. "It gives them extra time to pay, and it hurts your cash flow. Start looking at time value of money. Businesses that don't are losing out on quite a bit."

## When to Take Action

It's critical to look at slow paying accounts between 90 and 120 days and take steps. A collections agency can send a pre-collection letter to slow paying accounts,

according to Barbash. The letter, which is probably charged on a per-account basis, warns the debtor that action is going to be taken, but there's still time to work with the original lender before the account is turned over to collections.

Once it's determined that a debtor isn't going to pay, hiring a collections agency can both provide the distance between business and customer, and make the determination whether or not collections or legal action is appropriate.

Collection agencies operate by and large on their own money, which is to say they operate on contingency. So every decision to try and collect is weighed against the percentage chance that the debt can be collected. An 80 percent chance of collecting gets a yes; a 50 percent chance means the collection agency staff will weigh pros and cons of trying to collect.

One plus, said Thomas, is "We have no emotional attachments to what is going on, so we can look at it for yes, it can be collected, or no, you're just going to be throwing good money after bad, we're not going to do it because it's not a good investment."

## By the Books

Collections agencies are licensed and overseen by the Nevada Financial Institutions Division (FID) of the Department of Business & Industry and governed by statute. There are 362 agencies located in Las Vegas alone, and over 300 foreign collections agencies (from out of state) working within the state to collect.

Three types of agencies exist, according to Carla Kolebuck, deputy commissioner, FID – those that purchase debts to collect, third-party collection agencies that collect on behalf of a creditor, and the first-party agency that requests payment be made directly to the original creditor.

In order to use a collections agency to collect on a debt, the business collecting must be able to certify they do indeed have a debt to collect and that it hasn't been paid in a timely manner. Those kinds of releases will likely be contained in the agreement between the collecting

## Pay the Piper

### The State's Collection

It's not just businesses that face using collection agencies to get paid. The State of Nevada works with five outside collection agencies as well as a variety of tools to collect on debts.

Controller Kim Wallin is working to centralize the state's collection efforts. When an individual or business owes Nevada, they're offered three options:

- Pay in full
- Set up for an installment plan
- Get sent to collections

Since the third option can add another 11, 15 or 18 percent to the bill, most opt for one of the first two solutions.

Other tools either available or soon to be rolled out in the state's collections efforts include:

- The ability to do a treasury debt offset and seize money owed by the federal government to a vendor or contractor who owes Nevada
- The ability to collect any over-payments made by state unemployment through income tax refunds
- Financial data matching with banks doing business in Nevada to find accounts of debtors
- The ability to hold car registration and driver's license renewal

Funds collected generally go back to the state agency that was owed the debt.

"I think the most important thing that people need to do in business is don't let the debt get behind, because the more months that go by, your chances of collecting are going to go down tremendously," said Wallin.

business and the collections agency, according to George Burns, commissioner, FID. Nevada statute incorporates compliance with the federal Fair Debt Collections Practices Act which stipulates what constitutes harassment in pursuit of collecting a debt.

When looking at how businesses can utilize collections agencies in order to facilitate their businesses, Burns said, “Most businesses have found it’s far more efficient and effective once they have debts reach whatever point they believe is important, be that 30, 60, 90 days, it depends on how aggressive the business wants to be in collecting their accounts receivable – that they just hand them off to a collections agency because it’s relatively time- and resource-intensive to collect on past due accounts.”

### Cash Flow, Not Collections

Collection Service of Nevada provides free consulting to clients to help them avoid going down the collections path in the first place. Past that, business owners need to make certain the agreements established with clients are in order, properly signed and obligating those involved to pay their debts. Also spelled out in the agreement is the six-year statute of limitations on collecting debts. Otherwise in Nevada businesses only have four years to collect.

Business owners also need to make certain they have got the correct demographic information, according to Barbash – that the John Smith they’re trying to collect from is the John Smith who owes their company money. “So there’s a lot of information gathering, and crossing of T’s and dotting of I’s that will ultimately pay off in much higher collections,” Barbash said.

While debts can only be collected according to the original agreement, the original agreement can state that if the account goes to collections there may be a charge assessed. “Not too many businesses think about putting that into their agreements when they carry accounts



**William Thomas**  
Intelligent Business  
Solutions dba Collection  
Bureau of Nevada

receivable,” said Burns. “But the larger, more sophisticated companies do.” It may be standard for medical, municipal and utilities providers.

Many collections agencies offer seminars. Collection Service of Nevada seminars teach clients anything from “how to set up an accounts receivable policy to what the laws are, both federal and state level, governing first party creditors,” said Barbash. They teach collection techniques for employees and how to work with a collection agency. Typically seminars are divided by industry, since the needs of industries vary widely.

Thomas hasn’t offered seminars in a couple years, but is thinking of starting again. “People get comfortable with what they’re doing because it’s working right now – ‘I don’t need any more training.’” Thomas disagrees. “Things are always changing. You can learn new techniques. If someone goes into training or a seminar and pulls away one thing that allows them to go back to their company and apply what they’ve learned to the benefit of that company, it was absolutely worth it.”

### SAY WHAT?

The majority of Americans don’t think it’s the government’s responsibility to provide healthcare coverage. According to a new Gallup survey, 54 percent of respondents said that the government had no obligation to guarantee healthcare coverage. Alternatively, 44 percent do believe the government has that obligation.

We can grow your business faster than this clip art baby.

Call today for a free consultation.

702  
583  
6642



web design / social media / inbound marketing  
Storch Media | www.storchmedia.com



# DealTracker

PROJECTS | SALES | LEASES | LOANS

## PROJECTS

### Henderson, 89014 Retail

**R&O Construction** has begun construction on the Cowabunga Bay Water Park. Planning to open in June 2013, the water park will cover nearly 23 acres of land. The park will be located at Galleria Drive and Sunset next to the Galleria Mall.

### Las Vegas, 89148 Retail

**Wright Engineers** is providing structural, mechanical, and plumbing engineering services to the newly announced Wet 'n' Wild water park. The water park will cost \$50 million to construct and will occupy 41 acres of land. The park is slated to open Memorial Day 2013. **SPB Partners** will serve as developer and owner. **Greey Pickett** will be the project's master planner. The water park is located at 7055 S. Fort Apache Road.

### Las Vegas, 89119 Industrial

**Penta Building Group** is the general contractor for the United Brotherhood of Carpenters International Training Center building. Upon completion, the 222,000 SF center will be two-stories with more than 50 tilt-up steel and concrete panels. The new center will include class and meeting rooms, an expanded dining facility, a two-story shop area with a retractable roof, two overhead

gantry cranes, and a large training facility for carpenter tradesman. The project is expected to be complete by September 2013.

### Sparks, 89434 Industrial

**Dynarex**, a leading manufacturer of disposable medical products, has announced the opening of a 75,000 SF distribution center in the Tahoe Reno Industrial Center. The warehouse is located at 725 Waltham Way.



Dynarex Warehouse

### Las Vegas, 89109 Hotel

**PENTA Building Group** has been chosen as general contractor for the Bellagio 29th-floor Spa Tower remodel project. The renovation is planned to include the remodel of corridors, guest rooms and suites; including painting, wall coverings, carpet and installation of new light fixtures. Penta recently completed the remodeling of floors 23-26, which are now all occupied by guests. The property is located at 3600 S. Las Vegas Boulevard.

## SALES

### Las Vegas, 89117 Office

**Onnuri Mission** purchased 3,600 SF from **Messner Family Trust** for \$410,000 or \$114 PSF. The seller was represented by **Charles Moore** and **Marlene Fujita Winkel, CCIM** of **CB Richard Ellis**. The property is located 8929 W. Sahara Avenue. APN # 163-08-120-030

### Las Vegas, 89118 Office

**Tuffrock LLC** purchased 9,850 SF from **NAD LLC** for \$1.55 million or \$157 PSF. The buyer was represented by **Bridget Richards** and **Jason Lesley** of **New Growth Commercial Real Estate** and the seller was represented by **Dana Souter** of **Fortis Commercial**. The property is located at 3903 W. Martin Avenue. APN # 177-06-602-035

### Las Vegas, 89120 Office

**Main Street-Santa Ana, LLC** purchased 48,415 SF in the Russell Gateway office park from **Russell-Gateway, LLC** for \$1,850,000 or \$38 PSF. The seller was represented by **Charles Moore** and **Marlene Fujita Winkel, CCIM** of **CB Richard Ellis**. The property is located at 4020-4080 E. Russell Road. APN # 161-30-816-001

### Las Vegas, 89120 Office

**Margaret Lanspa** purchased 5,210 SF from **3834 Silvestri, LLC** for \$350,000 or \$67 PSF. The buyer was represented by **Tilman Otto** of **048 Realty** and the seller was represented by **Jennifer Levine** of **NAI Las Vegas**. The property is located at 3834 Silvestri Lane.  
APN # 161-31-710-020

### Las Vegas, 89147 Office

**Leposavic Family Trust** purchased 10,544 SF from **4005 & 4035 El Capitan Way, LLC** for \$1,270,000 or \$120 PSF. The buyer was represented by **Jeff Berg** and **Mica Berg** of **Sun Commercial Real Estate, Inc** and the seller was represented by **Cathy Jones** and **Paul Miachika** of **Sun Commercial Real Estate, Inc**. The property is located at 4005 and 4035 El Capitan Way.  
APN # 163-17-415-006

### Las Vegas, 89108 Retail

**Costantino Noval** purchased 9,770 SF from **3600 West Vegas Drive LLC** for \$435,000 or \$45 PSF. The seller was represented by **Cathy Jones** and **Paul Miachika** of **Sun Commercial Real Estate, Inc**. The property is located at 3600 W. Vegas Drive.  
APN # 139-20-410-003

### Las Vegas, 89183 Retail

**750 E. Pyle Avenue, LLC** purchased 11,288 SF from **One Nevada Credit Union** for \$851,000 or \$75 PSF. The buyer was represented by **Arik Raiter** of **First United Management** and the seller was represented by **Jeff Berg** and **Mica Berg** of **Sun Commercial Real Estate, Inc**. The property is located at 750 E. Pyle Avenue.  
APN # 177-27-202-003

### North Las Vegas, 89032 Industrial

**AVA Property Investments LLC** purchased 15,274 SF from **12396 World Trade Center #114** for \$850,000 or \$56 PSF. The buyer was represented by **Levi Parker** of **Las Vegas Investments & Realty** and the seller

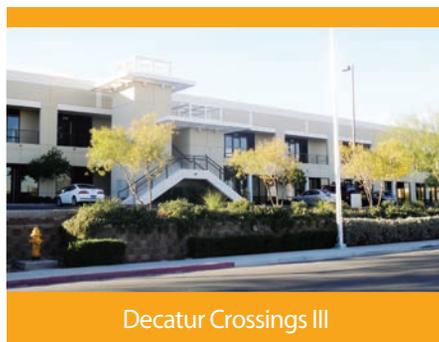
was represented by **Chris Beets** of **Gatski Commercial**. The property is located at 2640 W. Brooks Avenue.  
APN # 139-17-510-010

### Las Vegas, 89148 Multi-Family

**Fivex Capital, LLC** purchased 163-units from **Warmington Esplanade Associates, LP** for \$18,312,500 or \$112,347 per unit. The seller and the buyer were both represented by **Patrick Sauter** of **NAI Sauter Companies**. The property is located at 8777 W. Maule Avenue.  
APN # 176-05-710-000 et all.

### Las Vegas, 89118 Mixed-Use

**Ready Mix Opportunity Group LLC** purchased 112,304 SF in the **Decatur Crossings III** from **Next Gen Fund 5, LLC** for \$7 million or \$62 PSF. The buyer was represented by **Kevin Higgins** and **Garett Toft** of **Voit Real Estate Services Las Vegas**. The property is located at 4675 and 4775 West Teco Avenue.  
APN # 162-31-401-036



Decatur Crossings III

## LEASES

### Henderson, 89052 Office

**Women's Specialty Care** leased 5,172 SF in the **Seven Hills Medical Center** from **B&R Receivership** for \$500,437 on a 65-month lease. The tenant was represented by **Mike Pristow** of **Keller Williams** and the landlord was represented by **Rob Lujan** and **Jason Simon** of **Gatski Commercial**. The property is located at 880 Seven Hills Drive, Suite 140. Reported monthly rent is \$1.49 PSF.

### Las Vegas, 89149 Office

**Westfield Eye Center** leased 5,530 SF in the **Centennial Hills Medical Plaza** from **Centennial Medical Properties, LLC** for \$1,154,660 on a 126-month lease. The tenant was represented by **Nick Barber** and **Jeremy Foley** of **Gatski Commercial** and the landlord was represented by **Ensemble Real Estate Solutions**. The property is located at 6850 N. Durango Drive, # 404. Reported monthly rent is \$1.66 PSF.

### Las Vegas, 89102 Retail

**Urgent Care Extra** leased 5,200 SF in the **Westland Fair** from **Weingarten Nostat, Inc** for \$1,430,676 on a 10-year lease. The tenant was represent by **Eric Berggren** of **Newmark, Grubb, Knight, Frank** and the landlord was represented by **Carina Roper** of **Weingarten Realty**. The property is located at 4575 W. Charleston Boulevard. Reported monthly rent is \$2.30 PSF.

### Henderson, 89074 Industrial

**Henderson Restaurant Supply** leased 5,000 SF in the **Ampac Business Park** from **Roberts Ranch Venture LP** for \$24,000 on a one-year lease. The landlord was represented by **Dan Doherty** and **Chris Lane** of **Colliers International**. The property is located at 1201 American Pacific Drive, Suite B. Reported monthly rent is \$0.40 PSF.

### Las Vegas, 89102 Industrial

**US Mechanic & Towing, LLC** leased 8,525 SF from **Sam & Regina Tashjian Trust** for \$212,102 on a three-year lease. The tenant was represented by **Jarrod Katz, CCIM** and **Jennifer Levine** of **NAI Las Vegas** and the landlord was represented by **Dana Berggren** of **Commerce Real Estate Solutions**. The property is located at 3601 Meade Avenue. Reported monthly rent is \$0.69 PSF.

### Las Vegas, 89103 Industrial

**AA Granite LLC** leased 7,120 SF from **Doug and Rich Launchbaugh** for \$150,240 on a 64-month lease. The tenant was represented by **Eric Molfetta** of **Colliers International** and the landlord was represented by

# CALL KENDLE

## Your Marketing Resource

Kendle Walters, an account manager with *Nevada Business Magazine*, can help you navigate branding, marketing and image-building for your company. With a Masters in Media Studies, Kendle has over 10 years of marketing experience and is more than qualified to assist in taking your business to the next level.

**Contact Kendle**  
702.267.6328 or  
kendle@nevadabusiness.com

**Nevada Business**  
the decision maker's magazine



**Brian Riffel of Colliers International.** The property is located at 4214 Bertsons, Suite 3. Reported monthly rent is \$0.33 PSF.

### Las Vegas, 89118 Industrial

**Red Rock Financial Services** leased 13,808 SF in the Decatur Crossing III from **Ready Mix Opportunity Group** for \$836,322 on a 66-month lease. The tenant was represented by **Greg Pancirov** and **Mike DeLew** of **Colliers International** and the landlord was represented by **Jason Simon** of **Gatski Commercial Real Estate**. The property is located at 4775 W. Teco Road, Suites 135-150. Reported monthly rent is \$0.92 PSF.

### Las Vegas, 89118 Industrial

**UD Factory** leased 5,465 SF in the Hacienda Crossing from **LAG B'OMER Realty ADA** for \$101,364 on a 39-month lease. The tenant was represented by **Jennifer Levine** of **NAI Las Vegas** and the landlord was represented by **Laura Hart** of **Commerce Real Estate Solutions**. The property is located at 5275 Arville Street, Suite 316. Reported monthly rent is \$0.48 PSF.

### Las Vegas, 89120 Industrial

**Empire Today** leased 13,378 SF from **KTR Capital Partners** for \$431,545 on a 65-month lease. The tenant was represented by **Jennifer Levine** of **NAI Las Vegas** and the landlord was represented by **Spencer Pinter** of **Colliers International**. The property is located at 6295 Pearl Street, #1300-1400. Reported monthly rent is \$0.50 PSF.

## LOANS

### Sparks, 89431 Office

**Nevada State Development Corp.** has funded a loan for Washoe Building Supply. The transaction had a 4.37 percent fixed interested rate for 20 years. The transaction was for the refinancing of 10,210 SF of combined office and warehouse space located at 1479 Hymer Avenue.



Full color copier starting at **\$99** a month  
Color for the Cost of Black and White



**xerox**  
ColorQube 8700

Offer expires:  
1-31-13

Call **702.260.6650**  
for a FREE demo in your office  
**www.tangerinelv.com**

The fine art nature photography of Chuck Couture.

# CHUCK COUTURE

## PHOTOGRAPHY

---



Images can be viewed at  
Table 34 Restaurant

600 East Warm Springs Road | Las Vegas, NV 89119

**702-321-6827**

[www.chuckcouture.com](http://www.chuckcouture.com)



# Retail Summary

Third Quarter 2012

## Las Vegas

While the vacancy rate in the Las Vegas retail sector remains elevated, it posted both consecutive-quarterly and annual declines during the third quarter of 2012. The market reported a vacancy rate of 10.2 percent during the third quarter, down 0.3 percentage points when compared to the prior quarter (Q2 2012). Compared to a year ago (Q3 2011), the vacancy rate witnessed an even greater 0.7-percentage-point decline.

During the third quarter, net absorption was positive 179,300 square feet, bringing the year-to-date total absorption to a positive 374,200 square feet.

Average pricing declined during the quarter, yet the pace of contraction appears to be slowing. Average asking rates were \$1.44 per square foot per month, down 2.0 percent from last quarter. Compared to a year ago rates are down 5.3 percent.

Retail construction remains slow with only one project actively under construction in the valley. Approximately 4.3 million square feet remains planned.

The performance of the retail real estate market appears to be lagging broader improvements in the overall economy, particularly consumer spending. Taxable retail sales, an indicator of consumer spending, suggests that pocketbooks have opened up again as sales have expanded by 7.1 percent during the past 12 months compared to the prior year. Retailers in traditional outlets such as restaurants and general merchandise stores have been experiencing slightly more modest gains than the market as a whole.

## Reno-Sparks

The Reno/Sparks economic climate showed slight signs of improvement during the 3rd quarter of 2012. During the quarter, the vacancy rate decreased, and the area had a net absorption of 55,527 square feet. With this positive net absorption, the market is moving slowly in the right direction again. It is possible that the vacancy rates may have reached its peak in the 2nd quarter and hopefully will remain in a steady, albeit slow decline in the coming quarters.

The net absorption during the quarter can be attributed to two medium size tenants and multiple smaller leases. During the quarter, there were 27 businesses moving into shopping centers consisting of 100,755 square feet while during the same period, 26 businesses moved out consisting of 49,433 square feet. This continues a trend seen in two of the last three quarters with the number of new businesses moving in being larger than those moving out.

The line shop vacancy rate has decreased slightly from the record high of 23.26 percent last quarter to 22.43 percent this quarter. The anchor vacancy rate is holding steady at a record high of 15.83 percent, with the overall vacancy rate at 18.50 percent. This is slightly off the record high last quarter. The continuation of these high vacancy rates are causing financial pressures for some landlords even leading to receivership and foreclosure in some circumstances. However, on the flip side, it is creating opportunities for new businesses as landlords aggressively compete for the few tenants looking for space.

3rd Quarter 2012

## RETAIL

TOTAL MARKET	LAS VEGAS	RENO
Total Square feet	51,722,483	13,371,065
Vacant Square Feet	5,297,107	2,471,963
Percent Vacant	10.2%	18.50%
New Construction	11,000	241,745
Net Absorption	179,308	55,527
Average Lease sf/mo (nnn)	\$1.44	\$1.51
Under Construction	300,000	37,337
Planned	4,273,466	0
<b>POWER CENTERS</b>		
Total Square Feet	18,328,488	2,754,704
Vacant Square Feet	1,258,162	446,207
Percent Vacant	6.9%	16.20%
New Construction	0	0
Net Absorption	36,645	-8,332
Average Lease SF/MO (NNN)	\$1.53	\$1.66
Under Construction	0	0
Planned	2,433,668	0
<b>COMMUNITY CENTERS</b>		
Total Square Feet	13,270,432	5,503,238
Vacant Square Feet	1,501,029	1,093,334
Percent Vacant	11.3%	20.5%
New Construction	0	160,891
Net Absorption	48,046	26,485
Average Lease SF/MO (NNN)	\$1.43	\$1.67
Under Construction	300,000	0
Planned	1,177,503	0
<b>NEIGHBORHOOD CENTERS</b>		
Total Square Feet	20,123,563	5,113,123
Vacant Square Feet	2,537,916	932,422
Percent Vacant	12.6%	18.5%
New Construction	11,000	80,854
Net Absorption	94,617	35,454
Average Lease SF/MO (NNN)	\$1.41	\$1.49
Under Construction	0	0
Planned	662,295	0

### Next Month: INDUSTRIAL

#### ABBREVIATION KEY

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

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

The U.S. economy is showing signs of moderate improvement. Revised estimates of U.S. real GDP for third quarter 2012 show an annualized growth rate of 2.7 percent, up from the previous estimate of 2.0 percent. Most of the improvement can be attributed to a higher rate of inventory accumulation than previously estimated. U.S. nonfarm employment continues to rise, gaining 146,000 jobs from October to November. The unemployment rate declined from 7.9 to 7.7 percent in the same period. Consumer sentiment and consumer confidence increased significantly in October.

The Nevada economy showed mostly positive signs for October. Seasonally adjusted, statewide employment increased by 2,200 jobs (0.2 percent) from September to October. The Nevada unemployment rate decreased from 11.8 percent to 11.5 percent. Visitor volume was 2.5 percent higher in October than a year earlier. Gaming revenue was 1.9 percent higher year-over-year. Taxable sales continue to show strong growth, up 4.2 percent from last year.

For Clark County, seasonally adjusted employment increased from September to October by 600 jobs. The Las Vegas unemployment rate declined slightly, from 11.7 percent in September to 11.3 percent in October. Total passengers at McCarran Airport are down 1.5 percent from a year earlier. Compared to a year ago, October visitor volume was up by 2.3 percent. Gaming revenue was 2.8 percent higher in October than a year earlier. Clark County's taxable sales for September were 4.9 percent above those from a year earlier. Residential construction permits decreased slightly from September to October. Commercial construction permits remained at a low level.

The most recent data for Washoe County mirror those at the state level. Seasonally adjusted, Reno-Sparks' employment increased by 800 jobs (0.4 percent) from September to October. The seasonally adjusted Reno-Sparks unemployment rate declined slightly, from 11.6 percent in September to 11.3 in October. Compared to a year earlier, October visitor volume was up by 4.9 percent. Gaming revenues for October were 7.1 percent below the same period a year earlier. Residential construction permits decreased in October, while commercial construction permits remained low.

The U.S. economy had slightly stronger growth in third quarter 2012, but is still below its average growth for the prior half century. Consumer spending, auto sales, and housing are showing continued improvement. Weak growth at the national level is affecting Nevada in the form of slowing growth in tourism. Despite the slowing in tourism, taxable sales continue to make large gains. Nevada's employment is also showing relatively stable year-over-year gains.

Ryan T. Kennelly

UNLV Center for Business and Economic Research

	DATE	UNITS	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT	YEAR AGO	
<b>Nevada</b>								
Employment	2012M10	000s, SA	1,136.1	1,133.9	1,130.8	0.2%	0.5%	Up Over Year Ago
Unemployment Rate*	2012M10	%, SA	11.5	11.8	13.4	-0.3%	-1.9%	Reduced Slightly
Taxable Sales	2012M09	\$billion	3,734	3,669	3,583	1.8%	4.2%	Up Over Year Ago
Gaming Revenue	2012M10	\$million	978.81	892.75	960.69	9.6%	1.9%	Up Over Year Ago
Passengers	2012M10	million persons	4,016	3,770	4,103	6.5%	-2.1%	Down from Year Ago
Gasoline Sales	2012M09	million gallons	88.33	96.03	90.61	-8.0%	-2.5%	Down from Year Ago
Visitor Volume	2012M10	million persons	4,348	4,212	4,240	3.2%	2.5%	Up Over Year Ago
<b>Clark County</b>								
Employment	2012M10	000s, SA	816.2	815.6	812.5	0.1%	0.5%	Up Over Year Ago
Unemployment Rate*	2012M10	%, Smoothed SA	11.3	11.7	13.6	-0.4%	-2.3%	Reduced Slightly
Taxable Sales	2012M09	\$billion	2,694	2,600	2,568	3.6%	4.9%	Up Over Year Ago
Gaming Revenue	2012M10	\$million	859.88	760.55	836.51	13.1%	2.8%	Up Over Year Ago
Residential Permits	2012M10	units permitted	595	615	220	-3.3%	170.5%	Up Over Year Ago
Commercial Permits	2012M10	permits	14	2	18	600.0%	-22.2%	Low and Volatile
Passengers	2012M10	million persons	3,687	3,430	3,745	7.5%	-1.5%	Down from Year Ago
Gasoline Sales	2012M09	million gallons	59.50	64.12	61.00	-7.2%	-2.5%	Down from Year Ago
Visitor Volume	2012M10	million persons	3,777	3,582	3,691	5.4%	2.3%	Up Over Year Ago
<b>Washoe County</b>								
Employment **	2012M10	000s, SA	189.8	189.0	188.9	0.4%	0.5%	Up Over Year Ago
Unemployment Rate*	2012M10	%, Smoothed SA	11.3	11.6	13.2	-0.3%	-1.9%	Reduced Slightly
Taxable Sales	2012M09	\$billion	0,489	0,518	0,448	-5.6%	9.1%	Up Over Year Ago
Gaming Revenue	2012M10	\$million	59.02	68.84	63.52	-14.3%	-7.1%	Down Over Year Ago
Residential Permits	2012M10	units permitted	60	84	34	-28.6%	76.5%	Up Over Year Ago
Commercial Permits	2012M10	permits	20	17	6	17.6%	233.3%	Low and Volatile
Passengers	2012M10	million persons	0,277	0,290	0,285	-4.6%	-3.0%	Down from Year Ago
Gasoline Sales	2012M09	million gallons	13.80	15.27	14.17	-9.7%	-2.6%	Down from Year Ago
Visitor Volume	2012M10	million persons	0,364	0,430	0,347	-15.3%	4.9%	Up Over Year Ago
<b>United States</b>								
Employment	2012M11	million, SA	133,852	133,706	131,963	0.1%	1.4%	Slow Growth
Unemployment Rate	2012M11	%, SA	7.7	7.9	8.7	-0.2%	-1.0%	Reduced Slightly
Consumer Price Index	2012M10	82-84=100, SA	231.8	231.4	226.8	0.1%	2.2%	Up Moderately
Core CPI	2012M11	82-84=100, SA	231.0	230.6	226.5	0.2%	2.0%	Up Moderately
Employment Cost Index	2012Q3	89.06=100, SA	116.3	115.8	114.2	0.4%	1.8%	Up Moderately
Productivity Index	2012Q3	2005=100, SA	111.7	111.0	109.9	0.6%	1.6%	Up Moderately
Retail Sales Growth	2012M10	\$billion, SA	411.6	412.9	396.4	-0.3%	3.8%	Up Over Year Ago
Auto and Truck Sales	2012M10	million, SA	14.23	14.88	13.29	-4.4%	7.1%	Up Over Year Ago
Housing Starts	2012M10	million, SA	0.894	0.863	0.630	3.6%	41.9%	Up Strongly
Real GDP Growth***	2012Q3	2005\$billion, SA	13,638.1	13,548.5	13,306.9	2.7%	2.5%	Up Weakly
U.S. Dollar	2012M11	97.01=100	99.667	98.962	99.519	0.7%	0.1%	Flat Year-Over-Year
Trade Balance	2012M10	\$billion, SA	-42,240	-40,277	-45,703	4.9%	-7.6%	Year-Over-Year Deficit
S and P 500	2012M11	monthly close	1,416.18	1,412.16	1,246.96	0.3%	13.6%	Decrease
Real Short-term Rates*	2012M10	%, NSA	-3.00	-3.19	-3.19	0.2%	0.2%	Up Strongly
Treasury Yield Spread	2012M11	%, NSA	1.56	1.65	2.00	-0.09%	-0.44%	Less Negative Recently

\*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 is your hope for 2013?

“My hope for 2013 is that we find a way to reduce the stigma of HIV/AIDS across the nation so that we may better combat this terrible disease.”



**Lea Carrasco-Zanini** · Executive Director, Golden Rainbow



**Brian Burton** · President and CEO, Three Square Food Bank

“Through our work at Three Square, we want to not only decrease the number of food-secure individuals in Southern Nevada, but also increase awareness through research, advocacy and programming of food insecurity and what it means in our community.”

“My hope is our company continues to grow and receives a television network deal to further our brand and athlete exposure. I also want to continue giving back to the community through our charitable campaigns to help those less fortunate.”



**Barry Meyer** · President, Tuff-N-Uff Productions, Inc.



**Patty Kelley** · 2013 President, Nevada Association of Realtors

“One of my hopes for 2013 is that Nevada’s economy and housing market continue to improve. As Realtors, we know that the local housing market must heal before our economy can truly recover from the Great Recession that hit us so hard.”

“Being a small business owner in Las Vegas since 2000 has been an adventure. My hope for 2013 is that the economy will pick up and that a renewed sense of hope will rise - more jobs, better education and unity in our community.”



**Lexy Capp** · Owner and Founder, Nannies & Housekeepers U.S.A



**Gene Galloway** · President and CEO, Plaza Bank

“The economic recovery in Southern Nevada began in 2012, we hope that this recovery will continue into 2013. Many of our customers are more positive about the upcoming year, than at this point last year.”



# FIRST SECURITY BANK

WE DO BANKING THE OLD-FASHIONED WAY...  
WE EARN YOUR BUSINESS THROUGH SERVICE!

**FIRST SECURITY BANK'S** relentless focus on building enduring banking relationships means premier personal service previously reserved for a select few by the big banks.

**FIRST SECURITY BANK** is a Las Vegas community bank directed and devoted to Nevada business needs. Our officers are available to you when you need us. We provide quick local decisions to meet your needs... we listen and deliver... only as a neighbor and friend would.

**FIRST SECURITY BANK** will exceed your expectations and elevate your success, with reliable and complete banking financial services.





University of Phoenix®

# Committed to your success

## 4 Las Vegas locations

For more than 30 years, University of Phoenix has been committed to helping professionals like you earn a degree. We understand you need a class schedule that fits your busy life. University of Phoenix offers online and on-campus programs at more than 100 campuses and learning centers around the country, including four in the Las Vegas area, offering you an education on your terms.

**Jeanine Sandford**  
*Academic Advisor*

© 2013 University of Phoenix, Inc. All rights reserved.

Henderson Learning Center | Las Vegas Campus  
Northwest Learning Center | Southwest Learning Center

[phoenix.edu/nevada](http://phoenix.edu/nevada)