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From: Slot Machines To: Gaming Management



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Focus Forward

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Integrity in Government

An Endangered Species

Merriam-Webster's defines integrity as "a firm adherence to a code of moral values (incorruptibility)." Words related to integrity are: character, decency, goodness, honesty, morality, righteousness, uprightness, and virtue. Opposites include evildoing, immorality, sin, villainy, and wickedness. Whether you are Liberal or Conservative, I would like to ask you if you feel our government representatives have integrity. Before you answer this question, let's reiterate the meaning of the word: character, decency, goodness, honesty, morality... stop! I don't know about you, but I don't see many of our representatives exercising these qualities.

I guess I'm trying to break this integrity thing down. Maybe a few more questions can get us there. What is honesty? Is honesty stealing?... of course not... or is it? Is stealing taking something from someone that you say you will pay them for, but then don't pay them?... of course not... or is it? I think you get the gist. So, again, I ask, do you feel our government representatives have integrity?

The recent debate about raising the debt ceiling showed that most Senators and Congressmen were willing to postpone any hard decisions till after the next election, without considering the harm they were doing in the long run. Earmarks are another sign of a lack of integrity. The current system seems to be, "I'll vote for your bridge-to-nowhere if you'll vote for mine." The result is a mountain of debt that our children and grandchildren will have to deal with. How about robbing the Social Security trust fund to pay for current expenditures? That sends the morality meter way beyond "lack of integrity" and straight to the "sin and villainy" end of the spectrum.

Speaking of sin, it seems like every week we see another example of politicians caught with their pants down (sometimes literally), and they seem to have no shame about their behavior, whether it's cheating on their spouse, accepting bribes or chasing after young interns.

"Campaign reform" has become an oxymoron, with special interest groups and political action committees using campaign donations to exercise more influence over law-making than ordinary citizens.

U.S. history is filled with examples of leaders with integrity, who did the right thing even though it was difficult: Harry Truman making the call to drop the A-bomb, Kennedy standing up to the Russians in the Cuban Missile Crisis, Reagan telling Gorbachev to tear down the Berlin Wall. Where are these leaders today? Our current president is willing to turn his back on one of our most faithful allies, Israel, in order to appease Muslim countries. He was photographed hugging Venezuelan dictator Hugo Chavez, and opened the White House to William Ayers, whose Weather Underground organization bombed federal buildings.

The root cause of the current lack of integrity may be that our nation has lost the moral compass provided by Judean-Christian principles. If there are no Ten Commandments, it seems that all morality is relative and it's easy to justify whatever you want to do. But even those who don't believe in God should at least follow rules of common decency, which apparently isn't all that common anymore.

What's the solution to this problem? As voters, let's pay attention to the integrity of a person running for office, not just his/her political credentials or endorsements. And let your elected representatives know that people do care about their integrity, by praising them for sticking to their guns, or reprimanding them for caving in to expediency.

And in our daily lives, we should all pledge not to engage in unethical behavior just because it has become the norm. We can raise the level of integrity in this country by starting with our own families and our own companies. 



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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.

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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.

COVER STORY

Berkley vs. Heller
Game On!

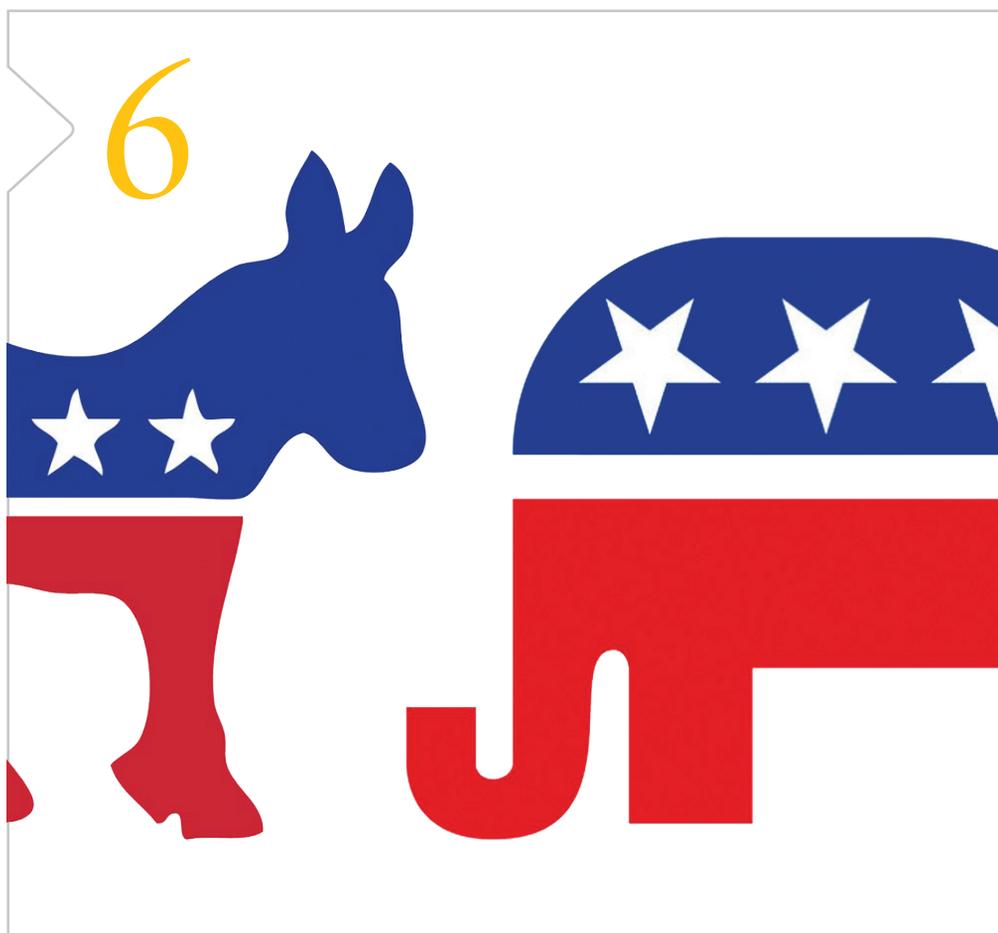


Illustration by: James Severson



SPECIAL REPORT

Nevada Industry
Excellence



DEPARTMENTS

- 4 Commentary • Lyle Brennan
- 37 Around The State
- 43 Face to Face • Rob Wigton
- 44 Inside Politics • Sallie Doebler & John Ramous
2011 Legislative Session in Review
- 45 Free Market Watch • Adam Stryker
The Dreaded “R” Word – Revenue
- 52 Commercial RE Report | Office
- 53 Business Indicators
- 54 The Last Word
What Nevada industry has the greatest potential to contribute to a turnaround?

FEATURES

- 10 Security at Work • Doreesa Banning
How to Protect all of Your Company’s Assets
- 15 Industry Focus: Mining
- 38 Building Nevada: A “Fixer Upper” • Howard Riehl
Navigating the New Residential Market
- 48 ReD Report
Tracking Nevada’s Deals

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Cover Story

Berkley vs. Heller



Game On!

The race for the seat vacated by Senator John Ensign, and currently held by Senator Dean Heller, promises to be among the most hotly contested races in Nevada history. Governor Sandoval appointed Heller to the Senate seat in May of this year, upon Ensign's resignation. That seat is up for grabs and will be decided by Nevada voters in the November 2012 election.

Heller, a member of the Republican party, was previously a Congressman representing Nevada's 2nd congressional district from 2007 to 2011. He also served as Secretary of State and as a member of the Nevada Assembly.

Berkley, a democrat, represents Nevada's 1st district in the U.S. House of Representatives, a seat she has held since 1999 and is in her seventh term as a member of the house. In addition, she served in the Nevada Assembly and is a former regent for the Nevada University System.

While both candidates are seasoned politicians with a long history of serving Nevada, their political views are vastly different. *Nevada Business Magazine* asked the candidates to share their views on ten topics that will greatly affect our state and nation. We've included their responses in the following pages.

Economic Revitalization

Shelley **Berkley**

People across Nevada are struggling with high unemployment and that is why my number one, two and three priorities are jobs, jobs and more jobs. I championed legislation to make Nevada a national leader in clean energy jobs, sought to close tax loopholes that encourage companies to ship jobs overseas and backed tax credits to help small businesses begin hiring once again.

vs.

Dean **Heller**

My number one priority is to turn our economy around. Businesses need stability to thrive and create jobs - that starts with keeping taxes low, controlling spending, and reining in burdensome government regulations. Congress must focus on long-term economic policies that provide businesses the certainty they need to create jobs.

Fiscal Responsibility

Shelley **Berkley**

We must put aside the political games and come up with a responsible plan to cut spending, balance our budget and get our economy back on track. We cannot allow Washington Republicans to get away with using this debate to destroy Medicare and Social Security.

VS.

Dean **Heller**

As our national debt grows, the dollar is weakened. Ultimately, Americans work more so we can buy less. Curbing out of control spending should be a top priority for Congress. I co-authored the balanced budget amendment, which would require the federal government to live within its means.

Foreclosures

Shelley **Berkley**

Homeowners in Nevada have been hit harder by the foreclosure crisis than anywhere else in the nation. That is why I have fought hard to help struggling Nevadans stay in their homes and to help communities suffering from foreclosures. I have worked directly with many Nevada families to help them seek mortgage relief and avoid foreclosures.

VS.

Dean **Heller**

Creating jobs will help resolve Nevada's foreclosure crisis. We need to re-establish a housing market that has long-term stability in which private capital is the primary source of mortgage financing. Financial regulatory reform in the future should stop taxpayer-funded bailouts, and make further reforms to Fannie Mae and Freddie Mac.

Energy Independence

Shelley **Berkley**

Nevada's vast wind, solar and geothermal energy potential has given us the opportunity to lead the nation in clean energy jobs. I championed a new 235-mile energy transmission line linking White Pine and Clark Counties and have fought to protect the Department of Energy's loan guarantee program, which is helping fund clean energy projects throughout the state.

VS.

Dean **Heller**

Our nation's dependency on foreign oil leaves America vulnerable to gas spikes resulting from regional turmoil. I support an all of the above energy strategy that meets our short- and long-term energy needs through conservation, encouraging renewable energy and developing our own natural resources. A robust energy strategy would help economic recovery.

Healthcare Reform

Shelley Berkley

The health insurance reform law wasn't perfect, but it reined in some of the worst abuses by insurance companies. We must improve the law while defending against efforts to strip Nevadans of benefits. I have also fought against attempts by Washington Republicans to destroy Medicare and I support reducing the program's costs by allowing drug reimportation, which will save seniors billions of dollars on medicine.

VS.

Dean Heller

Congress should repeal the President's health-care law and replace it with market-based reforms. The new healthcare law expands the federal government, raises taxes on small businesses and cuts benefits to seniors. Greater government expansion and higher taxes is not the reform our nation needs.

Immigration

Shelley Berkley

Hard-working legal immigrants have always played an important role in making our country what it is today. However, we must secure our borders to stop illegal immigration. We must also pass comprehensive immigration reform that gives undocumented workers already in the U.S, who learn English, have jobs, pay taxes and stay out of trouble the opportunity to earn legal status after going to the back of the line.

VS.

Dean Heller

Seasonal and guest workers are vital to many Nevada businesses. A workable entry/exit system for guest workers should be considered because it is critical to our nation's security and our economy. I support measures like E-Verify that give employers the tools necessary to determine the eligibility of prospective employees.

Taxes

Shelley Berkley

In order to help get our economy back on track, I have supported legislation to provide tax relief for Nevada's middle-income families and to secure tax breaks for small businesses to help them hire while fighting to end unfair loopholes that encourage U.S. companies to ship jobs overseas as well as give-aways to big oil companies with record profits.

VS.

Dean Heller

The current tax code is complex, costly, burdensome and creates unnecessary challenges for families and businesses alike. I support fundamental tax reform that promotes job growth, makes our nation more competitive and ensures long-term prosperity. The tax code needs to be fairer and simpler for all Americans.

Continues on page 42 ▷

SECURITY @ Work

How to protect all of your
company's assets

By Doresa Banning

Embezzlement. Identity fraud. Data loss. Copyright infringement. Hacking. Robbery. These are only a sampling of potential threats to a business—the list is long.

“There are so many different opportunities for crooks to take advantage. Everything has changed from what it was 20 years ago,” said Joe Martin, Jr., chief executive officer and co-owner of Reno-based Martin-Ross Security with Rich Ross and Jason Patterson.

Today, companies are charged with protecting their physical assets, data and intellectual property, which encompasses

nearly, if not, everything related to the enterprise. To accomplish that effectively, they must employ a host of relevant security measures, from intrusion alarms to hard drive erasers to confidentiality agreements.

Physical Assets

An important part of any business is protecting the company's physical assets—people, equipment and property—from internal and external threats, including theft, vandalism and natural disasters.

Security firms can help you identify threats to your specific business then formulate and implement custom solutions. Stanley Convergent Security Solutions, an electronic security systems provider with offices in Reno and Las Vegas, calls this a “Best Fit” approach that begins with three questions—How has your business changed? How has your facility changed? How has your product inventory changed?

“If you can think of [a threat], we can devise solutions surrounding it,” said Howard Wulforst, Stanley’s district general manager of Nevada and president of the Nevada Security Association, a non-profit trade association comprised of licensed companies in the security industry.

There are several ways to protect physical assets. Some of the primary efforts include:

Alarms

“Intrusion alarms typically are the most effective, easiest to install and the



John Perry,
Sting Alarm, Inc.

lowest-priced service,” said Jon Perry, senior vice-president and co-owner with Jonathan Fine of Henderson-based Sting Alarm Inc., a security solutions provider. He also is a Nevada Security Association Board member.

Systems range from basic to complex, and can include visible and covert cameras; fire, motion and seismic detectors; and even laser beam access control points.

Southern Nevada, Clark County and the surrounding areas have a non-response alarm policy, meaning police will respond only to verified alarms. Alarms are verified in one of two ways: by a security officer dispatched to the site or by a security company employee who sees or

hears, through remote video or audio in real time, an intruder at the site.

In Northern Nevada, police in Reno and Sparks respond to alarms when they can, but businesses are fined for false alarms. To avoid these fines, some companies hire and pay a monthly fee to a security firm that responds to all alarms and involves the police only when necessary.

Video Cameras, Surveillance

“Having video cameras inside and outside your business is a must,” Martin said. Not only are they a crime deterrent but also useful for identifying criminals. Clients can opt to review video footage in-house when needed or desired. Alternatively, a company can be hired to remotely surveil the business in real time during specified time frames.

“From our central station, we are able to monitor areas typically patrolled by a guard sitting there and notify the customer of anything that happens,” Perry said.



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Nowadays, digital video cameras are being tied into networks, and various security systems are being integrated. For example, cash registers can be linked to cameras to monitor all transactions. With certain applications, surveillance video can be viewed in real time on a smartphone.



Troy Olson,
Les Olsen Co.

Access Control Systems

Access control systems, which require a bar or access code, magnetic stripe or other card for entry, monitor the flow of traffic through a company. Additionally, individuals can be given access to certain areas and business owners can know who is in the building and where at any time.

IR Devices, GPS Tags

These devices can be clipped onto expensive merchandise, whether on site or while its being shipped. This allows whoever controls the device to know where the merchandise is at all times. If

the devices are tied into a network, alerts will be sent out when the items move or the tags get removed. In the case of lost mobile phones, certain applications like Locate My Droid can remotely track, and recover or wipe data from them, as long as they're turned on.

Awareness

Another way to know what's happening in the vicinity of a business is through AlertID.com. This service sends alerts when there are criminal and fire threats in a neighborhood.

Data

Another necessary asset that must be protected from interception, theft, corruption and loss at the hands of hackers, competitors, employees and Mother Nature is corporate, customer and employee data stored on desktop and laptop computers, mobile devices and other office machines.

"Any device, anything on your network—printer, scanner or anything else, has the potential to become a security risk," said Keith Adams, vice president of information technologies for Les Olson Co., which provides hardware and software sales and service related to document imaging, printing and storage.

"Everybody has skin in the game when it comes to data security, and every business should be aware of it. All types of data are at risk, and the consequences are sweeping," he added.

There are several expert-recommended ways to protect the data on computers and mobile devices:

Networks

Networking and controlling computers through a main server rather than having them stand alone allows a business to, in part, monitor and control passwords, lock out users after a certain number of failed log-on attempts and assign specific rights to employees based on their job duties. Employees should all have and be required to use passwords (strong ones containing symbols, and upper and lower case letters) and change them regularly, say, every six or nine months.

"You have very finite control over user access and accountability," said Mark Rouleau, managing partner of iTech Las Vegas, a network support company.

Firewalls

These devices or barriers prevent intrusions into a computer network. They protect a company's data from the outside—professional hackers who make a living by illegally obtaining, using and selling personal data (bank account and

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credit card information or Social Security numbers) or other sensitive information. Remember, telecommuting employees need firewalls, too.

Today's firewalls should have application awareness capability, meaning they can identify threats in sub-applications or prevent access to sub-applications altogether. For example, a firewall may prevent employees from watching YouTube videos through Facebook. Real-time firewall monitoring for security risks and threat remediation are a growing trend.

Closed Networks

Networks are at risk when employees are allowed to use personal devices (cell-phones, jump drives, laptops, PDAs, tablets) on them or plug their own wireless access points into jacks somewhere on the premises. Prohibit these practices altogether. Prevent customers from accessing the network as well. Ensure all data jacks on company properties are dead, and configure the network so it locks out any unidentifiable devices that appear on the network.

If employees are allowed to use mobile devices, provide them, and consider banning the downloading of applications onto them. Ensure all rules related to such are outlined clearly in employee manuals and employees know them.

Encryption

Encryption, or the coding of text that requires a key to decipher, is used to protect data in transit, for example that being transferred over the Internet, cellphones, Bluetooth devices, wireless microphones and others. Encryption is available for e-mail (more and more companies are using this) and, in some current Windows operating system versions, for files and folders. In the future, expect to see information being encrypted when it leaves the computer for an output device, where it will remain secure and useless if stolen.

Back-ups

To ensure the availability and integrity of data, properly back up the computer-stored information regularly.

"In the past, the industry standard was every night during business close," Rouleau said. "Today, we are practicing disaster recovery and performing backups in 15-minute increments, 24 hours a day."

Data and office equipment

A little known fact is that modern office equipment, such as a multi-functional product (MFP), fax, printer, copier or scanner,

transfers images to some type of internal digital storage (a hard drive or random-access memory) rather than to a drum (like in the past). This ensures original copies every time someone prints or makes a copy. This means that sensitive data is stored inside this equipment and easily

Continues on page 46 ▷



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Left To Right

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John Burrows, Cyanco • **Lou Schack**, Barrick • **Zack Spencer**, General Moly
Tim Lukas, Holland and Hart • **Tim Crowley**, Nevada Mining Association

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Jeff Thompson: Working with challenges in human resources, engineers, accountants, business people and helping to meet challenges with a good professional staff.

Tim Lukas: Not being the target of opportunity in these economic times, and working well with regulators. The world is changing and we can change with it. The mining industry produces everything we don't grow. It's a vital part of our state, and it will be in the future.

Zach Spencer: A big challenge is educating people about modern mining, our environmental stewardship, safety practices, and great jobs and benefits in the industry.

Bruce Hansen: The permitting process is arduous, detailed and takes significant time and resources. We've been in the National Environmental Policy Act (NEPA) Environmental Impact Statement (EIS) process through the Bureau of Land Management (BLM) for five years. Our next challenge is building the mine, maintaining costs and scheduling in an environment where construction workers and engineering firms are busy. There are good opportunities to employ people who are coming off unemployment in Nevada's construction industry. We'll hire about 450 people.

Tim Crowley: There's an influx of people in the state and we need to introduce ourselves to them. There is a disconnection between the mining industry and Nevadans. We're making efforts to be more transparent. The future is bright in the mining industry. We operate in remote areas because that's where the resources are. Vendors are in Reno and Las Vegas. Nearly every operator is growing now, and with that comes more development and the resources society wants. With the price of gold up, it affords us the opportunity to put valuable resources back into Nevada and do projects.

What projects do you have in the pipeline?

Hansen: The Mt. Hope project is located 22 miles north of Eureka in Eureka County. The capital expenditure will be about \$1.2 billion. It's a joint venture between General Moly and the large Korean steel company, POSCO. We control 80 percent and they control 20

Mining executives seeking to dispel myths about their industry and educate Nevada business leaders on the state of mining recently gathered

at the Reno offices of Holland and Hart for a roundtable discussion. These executives have numerous projects in the pipeline in Nevada. Many are still in the lengthy permitting process. Their projects will bring job opportunities to Nevadans.

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

What challenges face the mining industry?

Lou Schack: Getting our major projects planned. We're trying to sequence our projects so we have the resources to get through permitting and then executing it. We have many projects and not enough people to do them. We're pushing them through the pipeline as we can. We have 10 to 20 years of projects sitting in front of us.

John Burrows: When people hear the word, cyanide, they think negatively because of what they read in books or saw on TV. It's ignorance of the industry and how much mining contributes to the standard of living for every person in this country and around the world.



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Schack: The one we're most excited about is the Turquoise Ridge property, which is 50 miles north of Winnemucca in Humboldt County. It's a large underground mine. We're looking at a surface deposit there or what we hope becomes a deposit as we drill it. It has the potential to become the largest gold pit in Nevada. It will take five to 10 years of studying and permitting to get it started. The property has about 350 employees, but that could double if we pursue this project. If we don't, the current operations have a 20-year life span. Another one is in Elko County, which makes the local folks happy because most of the mining occurs in Eureka and Lander Counties. The Arturo project is not huge, but it's sustaining. It will create 100-plus jobs. We're in the early stages of permitting.

Burrows: Over the last three-year period, we have invested in our facilities at Winnemucca to double the capacity. We're entering the next phase of expanding capacity. We're evaluating how much we need and if equipment replacements or modifications are needed to start. Because our Nevada customers are multi-national corporations, we want to do business with them elsewhere. We're investing in a new plant in Houston, Texas. It's a backup supply for Nevada customers. Our corporate offices are here, so the project will still benefit Nevada.

Is there enough people going into the industry to support it?

Thompson: We get a lot of people whose parents are not in the industry, but they live in areas where the industry works. It's hard to bring students in. There are few schools in the U.S. that still have mining programs available. The industry pays well and it's sup-



portive. Engineers have no problems getting scholarships, full rides and support from the industry during summer internships. Some of our graduates are quickly moving up in

these companies because it needs qualified people. If you have skills and are well trained, you will get a lot of responsibility early.

Hansen: There was a downturn in the late 1980s. *Business Week* published a cover with the headline, "Mining is Dead!" A number of institutions across the country that provided mining engineering education shut its doors for that educational option. There's limited institutions like Mackay (School of Earth Sciences and Engineering at UNR) around the country that provide talent. There are challenges getting qualified professors and faculty. The industry is adapting in terms of re-education or enhancing education for other engineers. Other needs are in the highly skilled trades such as welders and electricians. They are well paid and valued. We have a small scholarship fund for Eureka High School students to help them get into these trades.

Schack: There is a healthy program at Great Basin College in Elko, which is funded par-

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tially by mining companies, that teaches the trades. At the big schools, mining isn't as visible as the sexier fields. We're recruiting civil engineers, electrical engineers - fields we didn't worry about before. Now they have the basic skills, we can teach them mining. I went to UNR. Mining wasn't on the radar as a career when I was there, unless you were going to be a geologist or something. That was when Mackay was still a healthy entity on campus. It's been worked into the bigger engineering school.

What is the economic impact of mining, and how big is the industry?

Crowley: It's a bit of an urban legend that mining is the second largest industry in Nevada. In 2009, we were the 16th largest economic sector, which is based on GDP. We're still a significant piece of the econ-



omy, however we're ranked. We're putting people to work when our economy is at its worst. We're growing, paying more taxes, and putting in more charitable dollars.

They're opening old mines such as Hollister and Hycroft. It seemed Coeur Rochester would close, but its silver mining and thriving. You will see mineral production in newer areas. There's potential for a huge growth of copper in Yerington. *The Elko Daily Free Press* published numbers showing the mining specific property tax we paid has doubled in the last two years. In 2009 we paid \$100 million in the net proceeds of minerals tax. In 2011 we're paying \$200 million in net proceeds in minerals tax. That doesn't account for sales tax contributions, which are going up. Modified business payroll taxes and the tax we pay on top of that are doing well. There's a bright story to be told.

Thompson: You can go to Las Vegas to talk to people whose companies are growing by being a supplier or vendor to mining companies.

Hansen: For every one job we create, there's another three jobs created somewhere else in terms of supporting mining, but also re-

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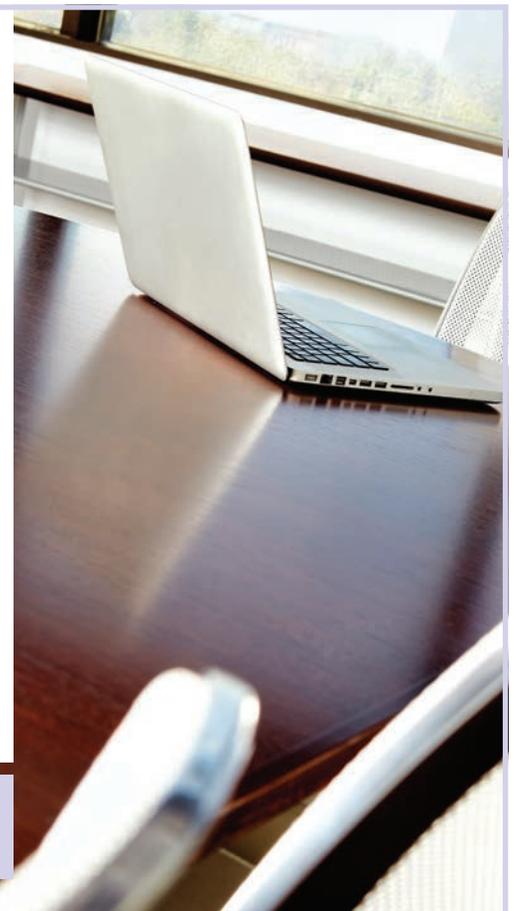
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tail- restaurants and bars that benefit from mining activity. Mining is crucial to rural parts of the state. It's not crucial to Reno and Las Vegas, but in the northern corridor from Winnemucca to Battle Mountain to Elko to Wendover it's the key economic driver. We provide high quality, high paying skilled jobs. The total compensation, including wages and benefits, for the average miner is close to \$80,000.

Burrows: It goes beyond the taxes paid or the jobs created. The people who are within the communities understand the support they get in other ways. It's support at the colleges for scholarships and endowments. It's support for the local athletic teams. Our companies are contributing in ways that aren't taxation. We have all become members of the communities we live and work. We support everything going on there.

Schack: Just about any positive thing that happens in these communities, we're involved.

Explain the reclamation process?

Schack: There's no denying mining has impacts. Before you start a new mining area, you scrape off the topsoil and stockpile it. You do the mining. While you're mining, you do concurrent reclamation because you end with a better result. The same people who make the disturbance are fixing it. They appreciate that you end with a better product. You save money because the people and equipment are on site. There's no need to wait until the end to bring in a contractor. When you are ready to close something, you will bring the topsoil back and apply a seed mix. That's worked out with various agencies so you're not introducing something nasty, and hopefully introducing healthy native plants. It's usually three to five years in Nevada to get it up to a standard where they will release your bonding. Then you can apply that money to another reclamation project. We can't start a new project without a closure plan. The days of walking away from a mining project are long gone.

Hansen: It's administered through the state with BLM input. It's a robust program. Somebody from the state mentioned there's a billion dollars in a state trust in order to close and reclaim every mine that's currently operating.

Crowley: We did some abandoned mine closures. If you look at historic mines, there are holes people created chasing some visible mineral. They're dangerous. The industry is paying to secure those through a mine claim fee that goes to the state. The state runs a program to identify, fence and close them. The mining association thought if we got involved with accelerating the process, we could close more. We did well with a pilot project 10 years ago. The BLM and the state have taken the bull by the horns and used the template we placed. Closure is now happening at a more rapid rate than it used to.

Thompson: At every mine site I've visited within the last five years, reclamation is not just a part of the business they do. It's like safety, which is upfront and a part of the corporate culture, and reclamation is too. They

are people who are proud of the work they do. They're enthusiastic and work hard to make the reclamation such that you couldn't tell a mine was there.

Burrows: The mining companies are competing for who's doing the best reclamation. Every year at the Nevada Mining Association convention, mines are nominated for their reclamation closure efforts. As we watch the presentations showing the work done, it's phenomenal. Whoever wins has bragging rights because they did the best job.

What efforts are being made to change public perception?

Crowley: It comes in tours, speakers bureaus, and pictures tell a thousand words. We need to do advertisements, print and potentially get on TV. None of it is as good as having urbanites come and see who we are. A group of Reno business people came to view the Newmont mine. It was amazing to hear their comments of, "Oh, my God, I had no idea."

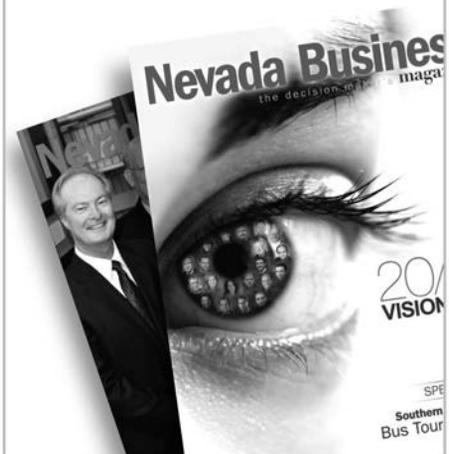
Burrows: You have the teacher education workshops. It helps teachers understand so they can explain it to their students. The Mackay School of Mines starts it in elementary school. Good efforts are being made, but people have to be receptive to the message. You have to overcome some preconceived notions.

Schack: It's tough in the urban areas. As big as we think we are, we're not that big. 🌵

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SAY WHAT?

According to a Rasmussen Report survey of 1,000 adults, 50 percent of Americans think the U.S. job market is worse now than it was a year ago. This is the highest negative finding since August of 2009.

Clark County Voter Registration Rises in Mid-2011

According to a report from Applied Analysis, new voter registrations in Clark County rose during the second quarter of 2011, an occurrence likely due to the lead up of municipal elections in June. Additionally, there has been a downward trend in Democrat registrations, which has come largely at the expense of rising interest to register as Non-Partisan. At the time of this report, active registered voters were divided in Clark County with 45.5 percent registered Democrat, 32.7 percent Republican and the remaining split between Non-Partisan and other parties. 🌿



Roseman University and St. Rose Hospitals Partner to Offer MBA

Roseman University of Health Sciences has partnered with St. Rose Dominican Hospitals to offer a Master of Business Administration (MBA) degree aimed at building entrepreneurial skills among healthcare professionals and others interested in pursuing a career in the business of healthcare. The curriculum is designed to help graduates make informed business and management decisions as they specifically relate to the field of healthcare. 🌿

Carson City Schools Save Money Through Green Efforts

The Carson City School District (CCSD) has used the Nevada State Office of Energy's (NSOE) Schools Program to install new LED and Super T-8 fluorescent lighting at three schools. This change will save the school district almost \$80,000 in energy costs annually. Additionally, as a separate project, CCSD has almost completed work on two megawatts of photovoltaic solar panels in various schools throughout the district. The panels are expected to save \$500,000 annually in energy costs with a return on investment in only 2.8 years. NSOE's \$9.5 million Schools Program was funded by the American Recovery and Reinvestment Act of 2009. 🌿

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By Howard Riell

Navigating the New Residential Market

Remember when buying a home was as simple as liking the neighborhood, peeking inside closets, flushing the toilets and filling out papers?

These days, Nevada’s residential real estate market is a maze to be navigated, with buyers and sellers alike having to juke and swivel around such things as turbulent national and state economies, a saturated mar-

**Sherrie
Cartinella**

President,
Reno-Sparks Association
of Realtors

ket, rampant unemployment, underwater properties, foreclosures, short sales, out-of-state investors, reluctant banks, government regulation and a small but stubborn demand for even more new houses.

All of which leaves us....

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“Pretty much in a hold position,” according to Monica Caruso, Director of Public Affairs for the Southern Nevada Home Builders Association in Las Vegas. “We’re still not really in recovery mode, and that is for a lot of reasons.”

Chief among them, she notes, are the “bleak” job situation and negative equity in so many homes, with 66% of the mortgages upside down in the marketplace. “And in other marketplaces,” she adds. “People who come from other states represent a big portion of our potential buyers, and they’re also stuck in their marketplaces.”

Making matters even worse, Caruso continues, is “the tremendous uncertainty that continues to exist in the economy nationwide, and of course the foreclosures that are on the market as well as the shadow foreclosure properties (those in some stage of foreclosure but have not yet reached the market). We’re not exactly sure how many there are; there are only speculative numbers on how many are out there. But until the marketplace largely gets through those foreclosed properties we will be in this sort of holding pattern, and not moving in a recovery direction.”

Caruso calls the pick-up in home sales over last year “not really significant,” and suggests that some of the numbers are slightly skewed. “For a while we were looking at the 2010 numbers, but we had that tax incentive, where people had to buy a new home by July 1st. So the 2010 numbers are kind of hard to compare with, so we’re really looking more at the 2009 numbers.”

“I think it’s getting better,” says Mike Young, a longtime local realtor based in the Lake Tahoe area and current President of the statewide Nevada Association of Realtors. “We’re seeing light increases in values at certain price points, and certain areas are doing better. It’s not characteristic north to south; each little community seems to have its own take on it. But it seems like things are trying to get better.”

A rise in home sales is tied to the number of short sales that are still out there. “I think the number of sales is increasing,” says Young, “but the values are still sort of dropping.”

“In the Reno/Sparks area we are actually holding our own,” reports Coldwell Banker Select Real Estate’s Sherrie Cartinella, President of the Reno-Sparks Association of Realtors (RSAR). “We’ve had near-record sales, and the fourth-best June in history. We’re seeing a little settling-in pricing after the boom, and of course leveling after the tax credit. But sales are strong.” Behind the brisk business, she adds, is pricing. “Homes are just so affordable right now -- not only for

investors, where things are starting to pencil, but also for first-time home buyers if they’ve got good credit.”

A recent association survey found that a combined household salary of \$20 an hour meant a couple could afford to buy a medium-priced home in the Reno/Sparks area. “That, I thought, was very impressive,” Cartinella admits.

Cartinella claims to have few over-priced homes in her company’s market area. “If

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anything I think they're under-priced because our prices are at the year 2000 level." In Reno and Sparks, she points out, homes are priced very competitively. "Even our equity sellers are very aware that they have to price the homes to compete with short sales and foreclosures."

The question of over-priced homes and the effect they may have on the overall market brings interesting reactions.

Caruso says she doubts that there is a danger of overpriced homes bringing another downturn. "I don't think we'll see overpriced homes." Indeed, she takes issue with the concept of overpriced or underpriced homes itself. "Coming from an economic background, I know that price is a factor of who's willing to pay what for what, and how much supply is on the market. I have to debate with people whether things are overpriced or underpriced. If people are paying a certain amount of money for a product and that is the amount of money it's selling, for then it's not overpriced."



Mike Young,
Nevada Association
of Realtors

"I'm not sure the overpriced homes could bring on another downturn," Young suggests. "I think there's a problem that if we can't move through these distressed homeowners – short sales, modify those loans, do whatever needs to be done – then it's just going to go on too long."

The whole process continues to depress the market, he points out. "Even though we seem like we've hit the bottom for values, there is still going to be that tugging down on the values. That could prolong (the downturn). Does that drive us to another downturn? Maybe. Hopefully we can get out of that."

'Pulling Us Down'

The number of pre-foreclosure filings in Las Vegas plummeted to 2,460 in July, a 48.3% drop from July 2010, according to the foreclosure data source LV Default. At the same time, the group added, the percentage of trustee auction sales continues to rise, with banks "picking and choosing" homes they want to sell and keep, said principal Tony Martin.

"In most areas, in Vegas and even up in the north, there seem to be fewer foreclosures actually happening," says Young. "There are still a lot of notices of default out there, and threats of foreclosures, but the short-sell process is sort of delaying that." The banks, he is finding, have been "a little hesitant because there are a couple of major lawsuits, things that the state is suing the banks over. For that reason they are being cautious about forcing the foreclosure, and are allowing more people to stay -- or at least try and get that short sell done."

Those lawsuits, Young explains, usually have something to do with how these loans were put together. "It's those 'pick a payment' loans, the toxic loans where you weren't really sure how much it was going to go up and so on. Those caused problems. So I think there is a lot of that." There was, he continues, some federal money that was coming in "that wasn't being used because the parameters didn't fit Nevada (because they) were upside down on their values, that kind of thing. Hopefully they get resolved."

The banks are typically slow to react in these types of situations, he adds. "I mean, we've been doing short sales here for three years now, and yet there is no standardized way to do a short sale. Every bank's got its own business model for how to do it. Processing times go crazy; it's just unbelievable."

During the most recent legislative session, state legislators passed a law forcing banks to give customers a response within 90 days, says Young. "Well, let's see how that works. Hopefully that's great. But now it's taking four months, maybe longer, even if you've got a cash buyer. That is what's going to continue to pull us down if we can't get through that stuff."

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Indeed, banks may have more headaches of their own in the coming months. The New York-based Invictus Consulting Group LLC, a research house, recently reported findings indicating that ongoing financial stress brought on by the recession may well lead to more Nevada bank failures or mergers. Six of the 31 Nevada banks that the group looked at, or 19.4%, could become undercapitalized based on the loans currently on their spreadsheets.

New Homes, Renewed Hopes

Cartinella says that she and her colleagues remain “really optimistic about a recovery,” and that “now is the time to take advantage of those interest rates, and again look at the affordability.” The notices of default were down in March, April and May in her area, Cartinella points out, then picked up a bit in June. The notices of sale have followed that same trend.

Five years down the road, says Cartinella, the picture should become brighter. “I attended a builders association meeting recently, and our state demographer was talking about how we should see a 2% to 3% job and population growth in Nevada by 2016, which will obviously have a positive impact on the housing market.”

So what does the future hold for the residential real estate market?

The picture for 2012 remains largely unchanged, according to many. “We’re probably still going to be seeing these types of numbers,” Caruso suggests, “these sort of slow, small numbers. We’re stuck, and that again is largely a factor of the jobs picture, which is not really predicted to improve.” The uncertainty of the economy remains almost a global situation, she adds, and the process of working through the inventory of foreclosed properties will be ongoing. “That is not just a problem that seems to have an end in sight in the near term.”

“The numbers still are way down,” Young concludes. “From the building side, I know that of the 850 vacant lots that are on the market for sale in the Reno



Monica Caruso,
Southern Nevada Home
Builders Association

area, 750 are bank owned. All those kinds of things are holding this thing down, and the banks have got us by the cojones. They have to participate; they’ve got to come around. The banks overall need to come along with us, including the big banks.”

It would, he adds, be “great if we could turn this around. I think the reality is that we’re talking big numbers of these properties that still are going through the short sale deal, or that need to be sold, and have distressed homeowners. The numbers are really large that are sitting there. So that’s going to continue to hold us down.”

Young admits he doesn’t know whether

Nevadans are looking at a one year, two or even three. “There are a lot of people predicting all sorts of things. I think we’re still in this for a good couple of years, I’m guessing.”

That said, he is quick to add, there has also been a lot of activity. “On the positive side people are realizing that there are some great values to be had in many markets. Vegas? You can get a killer house out there, and people are buying with cash.”

Over the course of his more than three decades in the business, Young notes, “we’ve had our peaks and valleys. We never thought we’d get out of some holes, and yet we still do. How long does it take to happen? I think it’s a ways out there. This was one of the bigger hits that affected a lot of homeowners who went through foreclosures and short sales; it’s sort of taken them out of the market for a few years. Having them come back into the market is going to be a while.”

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◀ Continued from page 9

Unemployment

Shelley Berkley

To help Nevadans who are struggling to find work, I have fought to extend unemployment benefits while making job creation my top priority. I have championed legislation to make Nevada a national leader in clean energy jobs, fighting to close tax loopholes that encourage companies to ship jobs overseas, and supporting tax credits for small businesses.

VS.

Dean Heller

People across the state are hurting, losing their homes, unable to pay bills and struggling to provide for their children. Private sector job creation is my top priority, but I do not believe it has received the attention it deserves in Congress. There are ways to pay for an extension of unemployment benefits and help the unemployed, without contributing to the deficit.

Education

Shelley Berkley

I understand that in this tough economy, many workers need additional training in order to find jobs. That is why I have fought to ensure Nevada schools and apprenticeship programs have the resources they need to deliver the best education to our children, college students and workers. I have also worked to lower the interest rates on student loans and have backed efforts to increase Pell Grants.

VS.

Dean Heller

Ensuring our children are prepared to compete in the 21st century is not only critical for their future, but also for the future of our country. For this reason I support teachers and students and believe education policies should be determined by local and state officials -- not Washington bureaucrats.

Term Limits

Shelley Berkley

I support Article I of the U.S. Constitution, which provides voters with the power to choose new leadership in the U.S. House of Representatives every two years and in the U.S. Senate every six years.

VS.

Dean Heller

I would not be opposed to a term limit proposal that was fairly applied to all federal legislators. Congress should have an open and fair discussion concerning this idea.

QA



Rob Wigton

CEO
Nevada Association of
REALTORS® (NVAR)
Reno, Nevada

Number of Employees: 9
Years in Nevada: 17
Years with Company: 2

How did you first get into your profession?

I entered the real estate profession in 1994, after years as a radio and television news reporter and anchor. We moved to the Carson Valley area to raise our children, and I became a successful Realtor, then a co-owner of a leading firm in the area. Two years ago, I transitioned into the position of CEO of the Nevada Association of REALTORS®.

What do you like most and least about your industry?

If you asked anyone in this profession, they'd tell you that it offers unlimited potential for personal and financial reward. Realtors help people with huge life-changing decisions. My position as CEO allows me to work with the nearly 14,000 Realtors in the state as they go about their business. What I like least is this down market we've experienced for the past four years and the drastic impact it has had on my members.

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

Real estate is a demanding and rewarding field. The best Realtors are those who listen and respond to their clients' needs. It's also absolutely imperative to always be prospecting and staying in front of industry trends.

If you had to choose another profession, what would it be? Why?

I would love to be a screen writer. I love movies, love to write and have a million creative thoughts moving through my mind at any time. It would be fun to explore that vision.

What is a little known fact about yourself?

I'm a musician. I've played drums professionally for all sorts of bands: jazz, rock, you name it.

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

When you get beaten up by life or circumstance, you need to jump back on your feet, brush yourself off and put a determined look on your face while marching forward. Never give up. Never.

What would you want your legacy to future generations to be?

I've always told my sons I want to be remembered as a person who treated everyone with respect, and tried to do the right thing at all times. That's a good enough legacy for me.

2011 Legislative Session in Review

How Nevada's **Commercial Real Estate Industry** Fared This Year



Each year, lobbyists flock to Carson City to push or fight legislation that stands to impact their clients' businesses. Representatives from every sector across the state work tirelessly to ensure their voice is heard. Always present but often behind the scenes are the advocates for Nevada's commercial real estate industry - the hardest hit sector in the great recession. This year a number of familiar faces from the state's top commercial real estate organizations visited Carson City. While the overall agendas may have paralleled years past, the approach in 2011 was strikingly effective. Commercial real estate groups from the North and South ends of the state banded together to tackle the issues at hand and determine the best legislative outcome for developers, contractors, brokers and property managers alike.

Throughout the session, representatives from NAIOP Southern Nevada, NAIOP Northern Nevada, The Associated General Contractors of America (AGC), Building Owners and Managers Association (BOMA), Institute of Real Estate Management (IREM) and Commercial Alliance worked together as a coalition to back the bills that would enhance economic development in Nevada and support pro-business initiatives. Other areas of interest included transportation and taxation - both important factors in attracting new business to Nevada. The alliance among the commercial real estate groups formed at the start of the session and progressed with weekly conference calls and periodic meetings with key legislative leaders from the groups. The open communication allowed each organization to have a voice in the overall position of the industry and the issues at hand, particularly in relation to proposed legislation that would directly affect their specific scope in the industry.

Through this enhanced synergistic approach and camaraderie, commercial real estate groups and professionals proved that there was strength in numbers throughout the 2011 session. No detrimental bills were signed and several key bills were passed. NAIOP Southern Nevada was proud to be part of an effort that created a united front focused on issues that would impact the recovery of our state. Here is an overview of the approved legislation that stands to make a positive impact on Nevada's commercial real estate sector:

Assembly Bill 182 was a product of the interim study on logistics and authorizes the creation of inland ports. Commercial real estate leaders were proponents of this legislation in hopes that inland ports will attract logistics operations to the state.

Assembly Bill 449 revises provisions relating to economic development. This omnibus bill to restructure the state's economic development efforts was supported by the Governor, Lieutenant Governor and the entire legislative leadership in both parties. Commercial real estate organizations have made economic development a top priority and this bill was at the center of this policy discussion during the 2011 session.

Assembly Concurrent Resolution 4 is also a product of the interim logistics study. This resolution expresses support of economic development in Nevada in the sectors of logistics, supply chain management and renewable energy technology.

Assembly Joint Resolution 6 requests that the United States Congress and the Federal Highway Administration designate a portion of U.S. Route 93 as an interstate highway. Commercial real estate experts testified in support of the resolution that will support the development of the interstate highway between Las Vegas and Phoenix.

Senate Bill 75 establishes a program to provide private equity funding to businesses engaged in certain industries, including but not limited to healthcare and life sciences, cyber security, homeland security and defense, alternative energy, advanced materials and manufacturing and information technology. This bill authorizes the State Treasurer to invest a maximum of \$50 million from the State Permanent School Fund to provide private equity funding to businesses in these industries that are located in Nevada or seeking to locate within the state.

Senate Bill 506 requires the Regional Transportation Commission of Southern Nevada to establish a demonstration project for a toll road in connection with the Boulder City Bypass Project. This bill will create the innovative opportunity to fund a critical part of an interstate project that connects Las Vegas to Phoenix and strategically position Southern Nevada to be a major distribution center in the West. 

Sallie Doebler, NAIOP Southern Nevada President, Jaynes Corporation; and John Ramous, NAIOP Southern Nevada Government Affairs Committee Chair, Harsch Investment Properties

The Dreaded “R” Word – REVENUES



There is no doubt that Nevada has been one of the hardest hit economies not only in the United States, but even the world. Our double-digit unemployment rate is the highest in the nation month after month – exceeding even Greece’s unemployment. Our housing market is second only to Detroit’s, with more than 70 percent of Las Vegas area mortgages under water and no signs of improvement any time soon.

The Silver State, which was once a shining beacon of entrepreneurship, growth, development and the American dream, has quickly become the epicenter of despair.

Yet, rather than focusing on “jobs” – which should be the number one issue in the minds of every Nevada politician, unemployed steel worker, Fortune 500 CEO or first grade school teacher – all that those in the business of partisan politics talk about is “revenue.”

During the 2011 legislative session, liberal groups, students and teachers alike all clamored for more “revenue” for education and social services. Even now, the AFL-CIO, Nevada State Teachers Unions, gaming and other corporations are insisting on creating more “revenue.” Both sides continue to debate both its definition and its political ramifications, but we all know what it really means.

“Revenue” means taxes, plain and simple. Taxes on services, taxes on profits, taxes on gross receipts – taxes on you, me, and the man behind the tree. They throw it all at the wall to see what sticks. In the 2011 legislative session, nothing stuck. The Democratic majority continuously ignored public statements by the steadfast Republican members of the executive and legislative branches that any and all tax increases would be dead on arrival. Thus, we were at a stalemate before the session ever began. If not for a late session Supreme Court ruling, we might still be at that impasse in Carson City. But, the number one issue of jobs was ignored.

We can all agree that our local, state and federal governments rely on revenue to provide the essential services that our citizens rely on. So, it’s legitimate for government to debate how it can increase revenue. But, when politicians go about it single-mindedly through hiked-up taxes, we lose jobs. And, when people are unemployed, they pay less in taxes. That approach ends up decreasing revenue ... and decreasing jobs.

With a smarter approach, we can increase revenue and jobs by promoting business development and growth. We can increase

revenue and jobs by limiting red tape and regulatory barriers to entry. We can increase revenue and jobs by allowing Americans to invest in their American dream, and by giving the small businesswoman confidence that the State of Nevada supports her pursuit of happiness.

Of course, that same entrepreneur needs to know that Washington’s got her back, too. And, the misplaced focus on revenue at the expense of jobs is even more apparent in Washington, D.C., where during the recent debt debate, both sides of the aisle insisted on raising the debt limit in an effort to increase “available revenue.” The problem with the deal that was ultimately struck is threefold.

First, \$14 trillion dollars doesn’t exist. Nowhere in the world does \$14 trillion dollars exist. How can we even begin to reduce this imaginary deficit number until it is a realistic, manageable amount that can begin to be paid down.

Second, the “super committee” established to come up with at least \$1.2 trillion in deficit reduction has ultimate decision-making autonomy. They have carte blanche to raise taxes, cut taxes, cut spending or even raise spending. But, we elect our officials to lead – not to punt the decision to 12 members of their club.

Third, there is no promise of passing a balanced budget amendment – a budgetary tool that helps 49 out of 50 states stay out of this type of debt debacle. A government cannot spend what it does not have, period. The problem with this deal is it was a compromise, not a solution.

Carson City has the opportunity to show the folks in Washington how to dig out of a deep economic hole the right way. The elected officials that we send to Carson City need to work together to create more jobs and revenue through solutions-based dialogue, not back-slapping compromises.

Americans – here in Nevada and everywhere else – need to be able to trust that our elected officials will take a serious bite out of the unconscionable \$14-trillion national debt and will actually work towards a balanced national budget. Nevadans need to stand up to both big business and special interest groups who spend a lot of resources so they can tell us how much and who to pay in taxes. When those things happen, revenues will increase because that’s when Nevadans will invest in the economy. And that is the day we’ll have more REVENUE, more JOBS, and MORE PROSPERITY. 🌻

By Adam Stryker, Americans For Prosperity

◀ Continued from page 13

accessible from hard drives. Additionally, if this equipment is tied into a network, it's at risk of attack if unprotected. There are measures to secure data transmitted through or stored in office equipment:

Location

Situate equipment in non-public places, where people walking by can't see and access them (this is a Health Insurance Portability and Accountability Act—HIPAA—requirement).

“The hard drive is the insidious threat, but the obvious threat is the information that's output on the machine and left there waiting for a person to pick up,” Adams said.

Networks

Limit or avoid stand-alone office machines and, instead, incorporate them into the network to employ rules-based printing. With it a business can internally control, through software, which device information gets sent to for output based on factors like its origination, location and job type.

Access Control

Some machines can be locked down when not in use. Unlocking them requires a user to enter a PIN code or swipe some type of access card at the machine. This creates a record of who used the device and when.

Job Holding

Prevent documents from sitting in an output tray for lengths of time by having jobs held inside the office machine until a user enters a PIN code to release them. Most newer devices have this print and hold function. At release, you then have the options to print and retain or print and delete.

Hard Drive, Data Destruction

At the press of a button, some office machines, like Sharp and HP's, will erase all data off their internal hard drives and overwrite them with 0s and 1s. Always do this before moving, selling or trading in any machines. If a machine lacks this function, request the hard drive from the office equipment supplier and have it shredded or ask the supplier to erase and overwrite the hard drive.

Other machines have options for a data security kit. This allows the user to erase and overwrite data in real time (once a copy, fax, scan or print job is completed) or at scheduled times, like when the machine gets turned off at work day's end.

Intellectual Property

“Every business has some form of intellectual property,” said Mark Tratos, intellectual property attorney, law instructor and managing shareholder of Greenberg Traurig's Las Vegas office. But what is it exactly? Intellectual property encompasses ideas, concepts and other creations of the mind—all intangible—which can be turned into something tangible—a brand, logo, software, book and more.

“Probably the best quality the United States has possessed is encouraging businesses to be creative,” Tratos added. “Peculiarly, at the same time we do that, we don't seem to make sure businesses know what they have to do to protect themselves in that rich environment of creativity.”

The most common threat to intellectual property is infringement, someone taking and using it without compensating the owner, passing it off as their own or creating knockoffs from it. These can result in dilution, a diminishment of the value of the distinct brand (think counterfeit medications), along with confusion of the public as to who is producing the goods and services, and what the quality will be.

“When it comes to unfair competition in all of the brand areas, who we're really trying to protect is the public and its ability to predict the quality of the goods and services it's buying,” Tratos said.

The five types of intellectual property, along with ways to protect them, are:

Rights of Publicity

The newest form of intellectual property, closely linked to rights of privacy, every individual has the right to control commercial use of their name, likeness, photographs and anything else that identifies their person or persona. These rights, which exist in most (including Nevada), but not all, states, can be transferred to others like heirs, and extend beyond death.

To legally protect these rights, apply to have them registered—the application is available on the Secretary of State's Web site.

If a company wants to freely use an individual's image or voice in an ad or promotion, obtain rights of publicity releases from them.

“It's another level that employers now have to think about,” Tratos said.

Patents

This type of intellectual property is a set of exclusive rights the federal government grants to an inventor to make, use and sell their invention for a limited period of time.



To obtain a patent, apply with the U.S. Patent and Trademark Office (USPTO) within 12 months of its initial use or disclosure to the public.

Copyrights

This form of intellectual property includes “original works of authorship,” including literary, dramatic, musical, artistic and certain other intellectual works, both published and unpublished. Copyright, represented by the symbol ©, automatically kicks in the moment you create an original work, preventing others from infringement. This means, if you have an outside contractor develop graphic artwork for a brand, for example, per copyright rules, they, as the creator, automatically would own the work. In order to own it, have them sign up front a work-made-for-hire agreement, in which they agree to create the work but allow the person hiring them to own the rights.

To be able to enforce copyright, register specific works with the U.S. Copyright Office within five years of creating and publishing that work.

Trademarks

Trademarks protect brands — the words, names, symbols, sounds or colors that distinguish a company’s goods and services from others’. They fall into three categories: trademarks, service marks and trade dress. Trademarks, designated by ™ if not registered, apply to goods. Service marks, which may bear an SM, apply to businesses that sell one or more services as opposed to goods. Trade dress refers to the physical look related to a company’s brand, like building exteriors.

The minute a company opens, it begins to develop common law trademark rights in the area in which it’s doing business, simply by virtue of the goods and services being sold to the public. No registration is required to have enforceable rights. However, protections can be expanded by filing for a state trademark or service mark or for a national trademark or service mark (represented by the symbol ®), through the USPTO. Unlike patents, trademarks can

be renewed indefinitely as long as they’re being used in commerce.

Trade Secrets

Like the recipe for Coca-Cola, these are formulas, processes, procedures, industry knowledge, customer lists and other information that a company keeps secret from competitors to gain an advantage.

Because trade secrets cannot be registered, a business must ensure they remain confidential via other means. If these secrets must be disclosed to another party, ensure they sign a confidentiality or non-circumvention agreement first.

Steps to Security

It doesn’t matter if it’s a start-up or established business, it’s always important to lend thought to intellectual property. Determining what a business can own and what can be protected is the first step to securing intellectual property. Note that under Nevada law, the employer owns any works employees create relating to their jobs. Even

so, it wouldn’t hurt to clearly delineate this in an employee manual. Determine whether or not each work requires separate registration. Then, if desired, take the appropriate steps to protect those works. Specify someone in the organization to track the protections, their durations, fees and other pertinent information and how.

The Human Factor

Security mechanisms themselves tend to be fairly reliable. Problems primarily occur when and where people are involved. They fail to set alarms. They hold secure-entry doors open for strangers. They give their computer password to co-workers. They forget to remove originals from the copy machine glass. They overlook paying the renewal fees for their patent.

“Put in place security and policies, train your people and retrain them regularly,” Adams said. 

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PROJECTS

Las Vegas Industrial

SAK Construction was awarded a \$3.06 million wastewater infrastructure renovation contract by the City of Las Vegas. The contract is for the Sewer Rehabilitation Group D project. SAK will renovate 13,309 linear feet of existing sanitary sewer in the northwest part of the city.

Reno, 89512 Industrial

Stewart's Marine Service, a boat storage and service business is expanding their business to Reno in an 18,000 SF facility. The property is located at 800 Stillwell Rd. **Dan Oster**, and **J. Michael Hoeck, SIOR** of **NAI Alliance** represented the client in the transaction.

Sparks, 89431 Government

The American Red Cross is set to begin moving disaster relief supplies into its new 130,000 square foot facility in the Tahoe-Reno Industrial Center. The operation is located in a building owned by Prologis.

SALES

Las Vegas, 89119 Office

Ameriprise Financial purchased 100,000 SF from **MIG Real Estate** for \$14,500,000 or \$145 PSF. The buyer was represented by **Charles Snyder** and **Randy Broadhead, SIOR** and the seller was represented by **Darren Lemmon**, all from **CB Richard Ellis**. The property is located at 280 Pilot Road. APN # 177-04-510-046



MIG: Sunset Pilot Plaza

Henderson, 89147 Industrial

Las Vegas Christian Church purchased 11,520 SF from **US Bank National Association** for \$850,000 or \$74 PSF. The buyer was represented by **Dan Doherty, SIOR** and **Chris Lane** of **Colliers International** and the seller was represented by **Wil Chaffee** and **David Baird** of **Sperry Van Ness**. The property is located at 8978 W. Nevso Dr. APN # 163-20-517-003

Las Vegas, 89119 Multi-family

Las Vegas Alvarado Apartments, LLC purchased a 305-unit property from **Blue Valley Apartments, Inc.** for \$7,300,000 or \$23,934 per unit. **Patrick Sauter** of **NAI Sauter Companies** was the broker for this transaction. The property is located at 5088 S. APN # 162-27-511-013

Las Vegas, 89139 Vacant Land

Rainbow Village II, LLC purchased 44,319 SF from **Lucky Stores, LLC** for \$825,000 or \$19 PSF. The buyer was rep-

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resented by **David A. Grant** of **Colliers International**. The property is located on the Southeast corner of Rainbow and Warm Springs.
 APN# 176-11-115-002

LEASES

Henderson, 89002

Retail

Las Vegas Fitness Equipment Rentals LLC leased 4,000 SF from **61, 72, 76, & 81 West Horizon Ridge Pkwy Holdings LLC** for \$589,400 on a 124-month lease. The tenant was represented by **Rachel Hughel** of **Lenders Clearing House LV** and the landlord was represented by **Liz Clare, CCIM** and **Jacqueline Young** of **Commerce Real Estate Solutions/Cushman & Wakefield**. The property is located at 72 W. Horizon Ridge. Reported monthly rent is \$1.00 PSF.

Las Vegas, 89110

Retail

Jadde Sporting Goods Inc leased 3,540 SF from **Las Virgenes LLC** for \$220,471 on a 61-month lease. The landlord was represented by **Dan Hubbard** and **Todd Manning** of **Commerce Real Estate Solutions/Cushman & Wakefield**. The property is located at 300,330,360 N. Sandhill Blvd. Reported monthly rent is \$0.85 PSF.

North Las Vegas, 89081

Industrial

Superior Linens LLC leased 51,950 SF from **Prologis NA3 LLC** for \$1,770,144 on a 125-month lease. The tenant was represented by **Leo Biedermann** of **Commerce Real Estate Solutions/Cushman & Wakefield** and the landlord was represented by **Suzette La Grange** of **Colliers**. The property is located at 4425-4501 Mitchell St. #A. Reported monthly rent is \$0.23 PSF.

Las Vegas, 89113

Industrial

Pepperidge Farm, Inc leased 8,587 SF from **EJM Arroyo South I Property, LLC** for \$170,150 on a five-year lease. The tenant was represented by **Cresa Partners** and **Spencer Pinter** of **Colliers International** represented the

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- Jeff P. Manning, Principal

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landlord. The property is located at 7020 W. Warm Springs Road. Reported monthly rent is \$0.33 PSF.

Las Vegas, 89115 Industrial

Colliers International leased 19,125 SF from NLV Sagebrush for \$459,000 on a 62-month lease. The tenant was represented by **Susan Borst, CCIM** of **Commerce Real Estate Solutions/ Cushman & Wakefield** and the landlord was represented by **Chris Lane** and **Dan Doherty** of **Colliers International**. The property is located at 4464-4480 Calimesa St. Reported monthly rent is \$0.38 PSF.

Las Vegas, 89118 Industrial

Carrier Corporation leased 5,004 SF from **SN Investment Properties LLC** for \$123,948 on a 52-month lease. The tenant was represented by **Susan Borst, CCIM** of **Commerce Real Estate Solutions/ Cushman & Wakefield**. The property is located at 4444 W. Rüssel Road #E. Reported monthly rent is \$0.55 PSF.

Las Vegas, 89118 Industrial

The Core Group LV, Inc leased 7,649 SF from **Post, LP** for \$211,325 on a 65-month lease. The tenant was represented by **Joe Scott** of **RE/Max Central** and the landlord was represented by **Patti Dillon** and **Dan Doherty** of **Colliers International**. The property is located at 6362 Montessori St. Reported monthly rent is \$0.43 PSF.

Las Vegas, 89118 Industrial

Gabel Distributors, Inc leased 5,562 SF from **Post, LP** for \$77, 856 on a three-year lease. The tenant was represented by **Bob Barnhardt** of **Luxurious Real Estate** and the landlord was represented by **Patti Dillon** and **Dan Doherty** of **Colliers International**. The property is located at 6398 Montessori St. Reported monthly rent is \$0.39 PSF.

Las Vegas, 89119 Industrial

G & S Expedited Freight Ltd. leased 5,860 SF from **EJM Mesa Vista Property, LLC** for \$102,156 on a three-year lease.

The tenant was represented by **Shalonda Hughes** of **CB Richard Ellis** and the landlord was represented by **Spencer Printer** of **Colliers International**. The property is located at 3950 Diablo Dr. Reported monthly rent is \$0.48 PSF.

Las Vegas, 89120 Industrial

Direct Advantage Value Enterprise, Inc leased 12,414 SF from **ProLogis, NA3, LLC** for \$300,174 on a 65-month lease. The tenant was represented by **Suzette LaGrange** and **Patti Dillon** of **Colliers International**. The property is located at 3245 E. Patrick Lane, Suite G. Reported monthly rent is \$0.37 PSF.

Las Vegas, 89128 Industrial

Collision Supply of Nevada LLC leased 5,374 SF from **Koll/Per Brookhollow LLC** for \$183,790.80 on a 65-month lease. The tenant was represented by **Scott Stewart** of **Clark County Management Corp** and the landlord was represented by **Desiree Crisp** and **Bob Hawkins** of **Commerce Real Estate Solutions/Cushman & Wakefield**. The property is located at 7340 Smoke Ranch Road. Reported monthly rent is \$0.55 PSF.

Las Vegas, 89199 Industrial

Paulmar LLC leased 12,192 SF from **C I P Hughes Center LLC** for \$379,171 on a five-year lease. The tenant was represented by **Bill Walsh** of **Commerce Real Estate Solutions/Cushman & Wakefield** and the landlord was represented by **Erik Larkin** of **Voit Commercial Real Estate**. The property is located at 1151 Grier Dr. Reported monthly rent is \$ 0.50 PSF.

In Brief

According to the Greater Las Vegas Association of Realtors, the total number of homes sold in July was 4,037, which is up from the 3,748 total sales of the same time last year. Southern Nevada home prices are still falling with the median price of a single-family home sold in July at \$122,000, down 9.6 percent from the \$135,000 of one year ago.

Coming in
October

Feature: Transportation
Feature: Globalization
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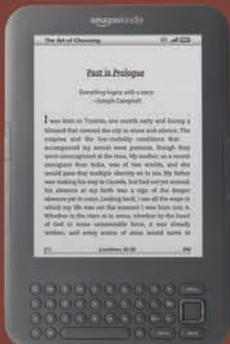
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Office Summary

Second Quarter 2011

Las Vegas

Demand for office space in the Las Vegas valley remains relatively weak as new product entered the market. Inventory rose during the quarter to 50.4 million square feet as two new projects were completed. Office space totaling 145,000 square feet as part of the first phase of Tivoli Village and nearly 8,200 square feet of space on Henderson's historic Water Street completed construction during the second quarter.

Looking ahead, seven projects totaling more than 1.1 million square feet remain under construction, of which 910,000 square feet (79.8 percent) are non-speculative government offices, including new city halls for Las Vegas (310,000 square feet), North Las Vegas (210,400 square feet), and a 390,000-square-foot building for the Las Vegas Metropolitan Police Department. Of the 2.6 million square feet that remain in planning stages, nearly 800,000 square feet is from previously stalled or delayed projects, much of which will likely remain that way until fundamentals reverse course.

With a nearly 0.7-percentage-point increase during the quarter, the vacancy rate reached a new all-time high of 24.8 percent. On a year-over-year basis, the vacancy rate has increased 0.8 percentage points. The latest report indicates that more than five years of excess inventory now sits vacant, assuming normalized vacancies and historical demand trends. Pricing continues to be impacted as average asking rents across the valley fell to \$2.03 per square foot per month, down from \$2.05 in the preceding quarter (Q1 2011) and \$2.13 one year ago (Q2 2010). Declines in effective pricing, or contracted rates on completed transactions that account for concessions, are off more dramatically.

A large amount of excess inventory is expected to remain on the market with both landlords and lenders continuing to feel the pressure of declining margins linked to falling rents and weak demand.

Reno-Sparks

Overall, the office market saw 39,421 SF of positive net absorption, which decreased the overall vacancy in Q1 from 18.23 percent to 17.71 percent in Q2. If this trend in positive net absorption continues, expect to see a 2 percent drop in vacancy this year. These positive signs in decreased vacancy rates were the result of the South Meadows and Downtown Submarkets, which had 30,391 SF and 17,127 SF respectively, of positive net absorption.

Even though the South Meadows Submarket experienced a very positive quarter, there is still a cautionary tale in the form of shadow vacancy-space available for sublease- within this submarket. The Downtown Submarket continues to benefit from low relative rental rates and companies relocating into Downtown from Class A, B, or even C properties previously in other submarkets.

Until the office market experiences several positive quarters in a row of declining vacancy, rental rates should stay relatively flat. Moreover, we could even see a slight decrease in rental rates within some submarkets. The South Meadows Submarket poses the most threat to decreased rental rates as thousands of square feet are set to hit the market in the coming months.

The arrival of space by years end, coupled with the continuous shadow inventory that seems to plague this submarket, rental rates should remain flat. Do not be surprised if a few buildings even lower the asking rental rate in the South Meadows Submarket. In that submarket, rental rates are \$1.30-\$1.65/sf/mo full service gross. In the Meadowood Submarket, rental rates remained flat in Q2, ranging from \$1.45-\$1.85/sf/mo on a full service gross lease. In the Central Reno Submarket, rates did not change, ranging from \$1.25-\$1.45/sf/mo full service gross. The Downtown Submarket remained flat in Q2, ranging from \$1.40-\$2.00/sf/mo full service gross. 🌟

OFFICE

2nd Quarter 2011

TOTAL MARKET	LAS VEGAS	RENO
Total Square feet	50,435,138	7,619,522
Vacant Square Feet	12,494,457	1,349,679
Percent Vacant	24.8%	17.71%
New Construction	153,155	0
Net Absorption	-199,202	39,421
Average Lease SF/MO (NNN)	\$2.03	\$1.45
Under Construction	1,140,161	0
Planned	2,640,191	0
CLASS A		
Total Square Feet	9,777,174	4,072,735
Vacant Square Feet	2,428,917	638,650
Percent Vacant	24.8%	15.68%
New Construction	145,000	0
Net Absorption	146,005	51,396
Average Lease SF/MO (NNN)	\$2.57	\$1.61
Under Construction	520,400	0
Planned	834,838	0
CLASS B		
Total Square Feet	32,588,954	2,200,940
Vacant Square Feet	8,421,467	430,709
Percent Vacant	25.8%	19.57%
New Construction	8,155	0
Net Absorption	(295,225)	26,274
Average Lease SF/MO (NNN)	\$1.97	\$1.38
Under Construction	619,761	0
Planned	1,805,353	0
CLASS C		
Total Square Feet	8,069,010	1,345,847
Vacant Square Feet	1,644,073	280,320
Percent Vacant	20.4%	20.83%
New Construction	0	0
Net Absorption	(49,982)	-38,249
Average Lease SF/MO (NNN)	\$1.54	\$1.20
Under Construction	0	0
Planned	0	0

Next Month: RETAIL

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

U.S. real GDP grew at an annualized rate of 1.3 percent during second quarter 2011, up from the revised first quarter estimate of 0.4 percent. U.S. non-farm employment increased by an anemic 117,000 jobs (seasonally adjusted) in July, which represents an improvement over the May and June figures of 25,000 and 18,000, respectively. Mostly as a result of declining labor-force participation, the U.S. unemployment rate fell to 9.1 percent in July. Sales of existing homes slipped for the third straight month in June, but sales of new homes held steady in June after falling in May. Highlighting a weak second quarter, real personal consumption spending slipped for the third straight month in June, while retail sales rose. The Kansas City Financial Stress Index edged upward in July but remained below its long-run average, suggesting that the financial headwinds to U.S. economic growth remain subdued. Nonetheless, small businesses report continued difficulty obtaining loans.

The Nevada economy continues to show mixed signs of growth. Visitor volume was up in June compared to a year earlier, and gaming revenues rose sharply as the result of much stronger baccarat play than was seen last June. Sports books and slot machine play also fared better. Taxable sales in May were up by 7.2 percent above a year earlier. From May to June, economic weakness drove a decline in Nevada employment of 2,900 jobs (0.3 percent), and new entrants to the labor force helped drive the unemployment rate from 12.1 percent up to 13.5 percent.

The pace of economic activity in Clark County remains uneven. Compared to a year earlier, visitor volume was up by 6.0 percent in June. Taxable sales for June were 5.6 percent above those for the same month a year earlier. Residential construction permits rose in June but remain at historically low levels. Commercial construction permits fell. The unemployment rate rose from 12.4 to 13.8 percent with new entrants to the job market.

Washoe County's economic conditions show some improvement. Compared to a year earlier, June visitor volume was up by 5.9 percent, but gaming was down by 1.7 percent. Residential and commercial construction permits fell in June and remain at historically low levels. Reno-Sparks employment fell by 400 jobs in May, and the unemployment rate rose to 13.0 percent as labor-force participation increased.

Although the national economy was particularly weak during the first half of 2011, Nevada's tourism, hospitality and gaming industries showed considerable improvement. That segment of the Nevada economy is likely to show continued gains as U.S. economic conditions improve in the second half of 2011. Nevada's real estate and construction sectors are showing signs of reaching bottom.

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

	DATE	UNITS	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT	YEAR AGO	
Nevada								
Employment	2011M6	000 employees	1,119.5	1,122.4	1,123.3	-0.3%	-0.3%	Economic Weakness
Unemployment Rate*	2011M6	%, NSA	13.5	12.1	14.9	1.4%	-1.4%	Seasonal Fluctuation
Taxable Sales	2011M5	\$billion	3.361	3.357	3.134	0.1%	7.2%	Up Over Year Ago
Gaming Revenue	2011M6	\$million	885.75	984.01	763.69	-10.0%	16.0%	Strong Baccarat Play
Passengers	2011M6	passengers	3.998	4.021	3.824	-0.6%	4.6%	Up Over Year Ago
Gasoline Sales	2011M5	million gallons	90.71	88.31	93.61	2.7%	-3.1%	Price Effects
Visitor Volume	2011M6	million visitors	4.207	4.221	4.031	-0.3%	4.4%	Up Over Year Ago
Clark County								
Employment	2011M6	000 employees	802.1	806.1	806.4	-0.5%	-0.5%	Economic Weakness
Unemployment Rate*	2011M6	%, NSA	13.8	12.4	15.3	1.4%	-1.5%	Seasonal Fluctuation
Taxable Sales	2011M5	\$billion	2.467	2.477	2.336	-0.4%	5.6%	Up Year Ago
Gaming Revenue	2011M6	\$million	767.72	853.49	640.08	-10.0%	19.9%	Strong Baccarat Play
Residential Permits	2011M6	units permitted	954	450	610	112.0%	56.4%	Up, Few Permits
Commercial Permits	2011M6	permits	18	29	24	-37.9%	-25.0%	Down
Passengers	2011M6	million persons	3.651	3.712	3.458	-1.7%	5.6%	Up Over Year Ago
Gasoline Sales	2011M5	million gallons	62.24	60.77	64.23	2.4%	-3.1%	Price Effects
Visitor Volume	2011M6	million visitors	3.600	3.646	3.396	-1.3%	6.0%	Up Over Year Ago
Washoe County								
Employment **	2011M6	000 employees	187.7	188.1	190.5	-0.2%	-1.5%	Economic Weakness
Unemployment Rate*	2011M6	%, NSA	13.0	11.8	14.1	1.2%	-1.1%	Seasonal Fluctuation
Taxable Sales	2011M5	\$billion	0.442	0.435	0.425	1.6%	4.0%	Up
Gaming Revenue	2011M6	\$million	62.26	65.76	63.36	-5.3%	-1.7%	Down
Residential Permits	2011M6	units permitted	41	44	113	-6.8%	-63.7%	Very Low and Sliding
Commercial Permits	2011M6	permits	5	10	13	-50.0%	-61.5%	Very Low and Sliding
Passengers	2011M6	million persons	0.343	0.304	0.361	12.8%	-5.1%	Mixed
Gasoline Sales	2011M5	million gallons	13.96	13.30	14.63	5.0%	-4.6%	Price Effects
Visitor Volume	2011M6	million visitors	0.407	0.374	0.385	8.9%	5.9%	Up
United States								
Employment	2011M7	million, SA	131.190	131.073	129.932	0.1%	1.0%	Weak Gain
Unemployment Rate	2011M7	%, SA	9.1	9.2	9.5	-0.1%	-0.4%	Labor Force Decline
Consumer Price Index	2011M6	82-84=100, NSA	224.3	224.8	216.9	-0.2%	3.4%	Little Recent Change
Core CPI	2011M6	82-84=100, NSA	225.0	224.4	221.3	0.3%	1.6%	Little Change
Employment Cost Index	2011Q2	89.06=100, SA	113.8	113.2	111.9	0.5%	1.7%	Up Slightly
Productivity Index	2011Q2	2005=100, SA	110.4	110.4	109.6	-0.0%	0.7%	Stalled
Retail Sales Growth	2011M6	\$billion, SA	387.789	387.255	358.864	0.1%	8.1%	Up Year Ago
Auto and Truck Sales	2011M6	million, SA	11.41	11.76	11.14	-3.0%	2.4%	Recent Decline
Housing Starts	2011M5	million, SA	0.629	0.549	0.539	14.6%	16.7%	Up
Real GDP Growth***	2011Q2	2000\$billion, SA	13,270.1	13,227.9	13,058.5	1.3%	1.6%	Still Weak
U.S. Dollar	2011M7	97.01=100	94.838	95.477	103.544	-0.7%	-8.4%	Slipping
Trade Balance	2011M6	\$billion, SA	-53.067	-50.831	-46.890	4.4%	13.2%	Widening
S and P 500	2011M7	monthly close	1,292.28	1,320.64	1,101.60	-2.1%	17.3%	Recent Declines
Real Short-term Rates*	2011M7	%, NSA	-3.36	-3.76	-2.54	0.4%	-1.2%	Still Negative
Treasury Yield Spread	2011M7	%, NSA	2.96	2.96	2.85	0.0%	3.9%	Unchanged

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

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

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

What Nevada industry has the greatest potential to contribute to a turnaround?

“No single industry has the greatest potential as each industry -- directly or indirectly-- is reliant on others. Unemployment is extremely high in this state. Once we are able to put people back to work, regardless of industry, our economy will start to grow and all industries will benefit.”



David Stone · President, Nevada Association Services, Inc.



Jacob Oberman · Director of Gaming Research and Analysis, CB Richard Ellis

“Gaming! The opening of Cosmopolitan, convention market strength and the emergence of amenities such as day clubs have been positive catalysts for the economy. The resulting rebound in casino employment over the last several months has offset losses in weaker sectors, and will ultimately lay the foundation for future Las Vegas job growth.”

“Gaming has always enabled the cultivation of technological innovation and creative design by rewarding talent and encouraging entrepreneurs. In the aftermath of the economic downturn, the gaming industry is again at the forefront – challenging the pessimism of the recession with creativity, reinvention and innovation.”



Jennifer Carleton · Shareholder, Brownstein Hyatt Farber Schreck, LLP



Mike Montandon · Managing Director, Voit Real Estate Services

“The answer is pretty simple: Tourism. While Las Vegas has other industries that can contribute, tourism still accounts for a third of all our jobs, so even a minor increase in tourism jobs will have the largest effect on jobs, which will in turn have a domino effect on other industries in the state.”

“The Nightlife Industry... it has continued to grow even through the recession and has now become to Las Vegas what the showrooms and headliners used to be. Visitors are now planning their Las Vegas trip around the happenings in Daylife/Nightlife entertainment.”



Gino LoPinto · President of Sales & Marketing, VIVID Vodka

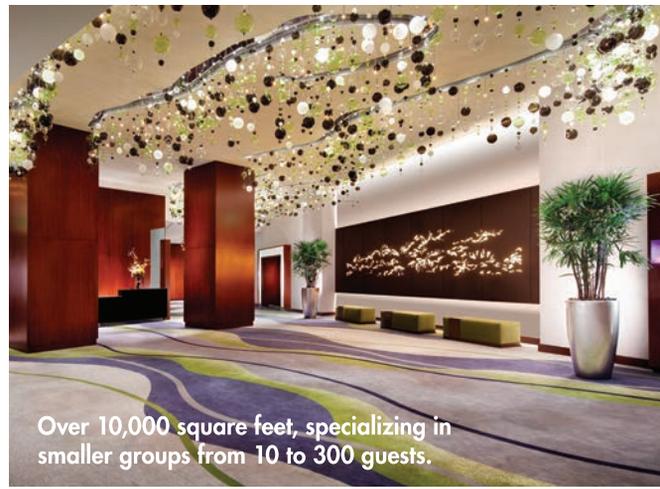


Greg Hawthorne · Owner, Hawthorne Plumbing, Heating & Cooling

“I believe more manufacturing companies in Nevada would help to gain some momentum in our state’s economy. By diversifying and creating new supply chains within our communities, we open new jobs and opportunities for locals, as well as balance our risks.”



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