

AUGUST 2003

\$4.95

NEVADA BUSINESS . COM

# Nevada BUSINESS

JOURNAL

# BLACK THURSDAY

**Supreme Court's Judgment Day  
Threatens Nevada's Future**

## HEALTHCARE CHECKUP

THE FUTURE OF HEALTHCARE IN NEVADA

**ON THE REBOUND** Nevada's Malls Bouncing Back

INDUSTRY FOCUS

**BANKING** Bankers Face Challenges on Several Fronts

Special Supplement: City of Sparks



# ***POGGEMEYER DESIGN GROUP***



***Engineers  
Planners  
Surveyors  
Landscape Architects***

***Suite 101  
1200 Financial Boulevard  
Reno, Nevada 89502  
(775) 857-3330  
(775) 857-2089 fax  
pdg-re@pdg-lv.com***

***2601 North Tenaya Way  
Las Vegas, Nevada 89128  
(702) 255-8100  
(702) 255-8375 fax  
pdg-lv@pdg-lv.com***

***City of Las Vegas  
Downtown Entry Corridor***



# VESTIN FUND I IS PLEASED TO ANNOUNCE

that since its inception on  
September 1, 2000, Vestin Fund I  
members have received  
distributions in excess of  
40% of their investment.

Vestin Fund I  
is a fully subscribed  
\$100 million fund.



**VESTIN  
CAPITAL**

Member NASD/SIPC

2901 El Camino Ave.  
Las Vegas, NV 89102

Past performance is not necessarily indicative of future results. Investment in mortgage programs involves a number of significant risks. Please refer to the prospectus for discussion of risk factors. Percentage calculated by dividing total distributions by initial investment, assuming initial investment made on Sept 1, 2000 and all distributions reinvested and compounded.



*Joe Namath*

National Spokesperson



## Joe Consumer Goes to the Doctor

### A CAUTIONARY TALE



Joe is a middle-aged guy with no serious health problems, but lately he has been getting heartburn and an occasional upset stomach. His wife finally nags him into making an appointment to see the doctor. In the good old days, he could have just called the doctor and made an appointment. But in 2003, the first thing Joe has to do is check with his insurance company and see if his doctor is on their list and if they will pay for an office visit. His friendly family doctor has left the state because he couldn't afford to pay his malpractice insurance premiums. So Joe makes an appointment to see someone he has never met before. The doctor's office gives him the next available appointment, which is a month away. Joe wonders what would happen if he had a serious problem and asked to be seen right away. Maybe he'd only have to wait a week or two.

On the scheduled day, Joe arrives at 8:55 a.m. for his 9 a.m. appointment. He had asked for an early appointment, figuring the wait would be less. Foolish Joe! Since he is a new patient, he fills out 8 pages of information about his health history, his personal habits, the health of his children, siblings, parents, grandparents, neighbors, college roommates, etc. As 10 a.m. approaches, he asks the front desk

person when he will be seen. "I have to go to work right after this," he explains. She gives him a pitying look. "The doctor will see you soon," she answers. At 10:30, Joe is shown into an examination room and told to undress. Around 11:15, a Physician's Assistant arrives. Joe asks when the doctor will arrive. "Oh, you don't need to see him," the P.A. explains. "This is just routine." The examination takes around five minutes, and by this time Joe has forgotten all the questions his wife told him to ask. He is given two prescriptions and told to schedule some lab tests. When he gets to work, the Boss gives him the third degree about why he took off the entire morning for a five-minute checkup. Joe gets the feeling this will be added to his permanent record. His stomach now hurts more than ever.

He stops at the pharmacy on the way home from work to pick up his prescriptions. "That will be \$125.00," says the pharmacist. "What?" cries Joe. "I have insurance. That can't be right." The pharmacist shrugs. "These drugs are non-formulary. They're not on the insurance company's list, so they cost more." Joe pays the \$125.00 and makes a mental note to take his power bill out of the stack of bills he had scheduled to pay.

After Joe gets home, he takes the medicine that's supposed to make his stomach feel better. Not only does it not make him feel better, it makes him worse. He is miserable all night long, and calls the doctor in the morning, but of course he can't speak to the doctor. He has to leave a message on a machine. After Joe waits all day for a return call, someone phones from the doctor's office at 5 p.m. and advises him to take another prescription instead. Joe is not surprised that this prescription costs \$70.00.

The following week, Joe undergoes a series of tests that involve fasting, drinking foul-tasting fluids and having tubes put into body parts that he'd rather not think about. He misses a full day of work, which angers the Boss. His original stomach complaints are about the same, but the strange side-effects of the medications he's taking make him feel worse than ever. Paying the deductible for the lab tests causes him to take yet another bill out of the "Bills to Pay" pile, and losing a day's pay makes him take out another one.

After waiting several days to find out the results of his lab tests, Joe calls the doctor's office and leaves a message on their machine. (By now, he despairs of ever hearing from the doctor directly.) Another day goes by with no reply. He gets a letter from the lab requesting him to call the doctor's office for the results of his tests. He calls the office again and leaves a rude message on the machine. The next day, the Physician's Assistant calls and says the lab results were fine. However, the doctor wants to schedule another set of tests just to be sure. These tests will be even more invasive and expensive than the previous ones, and won't be covered by his insurance. Joe will have to ask his landlord if he can wait for the rent check until the next payday.

"If there's nothing seriously wrong, why do you think I'm having these problems?" Joe asks. "The doctor thinks it may be stress," says the P.A. "Have you been experiencing any stress lately?" Joe throws the phone against the wall and jumps up and down on it after it hits the floor. "Stress? Me? No, I'm fine, just fine! Ha! Ha! Ha!" He is still laughing when the men in white coats come to take him away. He hopes the asylum is on his insurance company's list.

COMMENTS? email: [lyle@nbj.com](mailto:lyle@nbj.com)



# Looking For Industrial Property?

## We Have Two Questions for You.

*North?*



**CENTRA CRAIG**  
DISTRIBUTION CENTER

### CENTRA CRAIG DISTRIBUTION CENTERS I & II

#### PROPERTY

- Distribution / Warehouse Buildings
- +/- 40.14 gross acres - total size
- 30 foot minimum clear height
- Parking ratio 1:1,400 square feet of building area
- Dock-high and grade level loading to each suite
- Build-to-suit and purchase opportunities
- Join tenants like RC Willey, Wal Mart, Whirlpool, Las Vegas Container, and Fritkin Jones

#### LOCATION

- Southeast corner of Craig Road and Flossmoor Street (1/4 Mile east of Lamb Boulevard, less than 1 1/2 mile east of I-15)
- Additional 2 acre retail site fronting Craig Road available for sale



*or South?*



**CENTRA** Park  
www.centrapark.com

### CENTRA PARK

#### PROPERTY

- Master planned business park
- Retail opportunities available
- For sale, lease & build to suit options
- Retail/ Showroom, Office, Warehouse/Manufacturing
- Flexible tenant sizes
- Above standard parking allocation
- Upscale business park environment

#### LOCATION

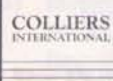
- Interstate 15 freeway exposure
- Close proximity to McCarran International Airport
- Direct access to I-15 via Russell Road Interchange & I-215 via Las Vegas Boulevard
- Immediate access to many "Strip" Resort Casinos and Destinations via Frank Sinatra Drive
- Premier distribution location

A Development by:



PANATTONI

For Leasing Information Call:



702.735.5700  
Dan Doherty, SIOR  
Brian Pankratz  
Jeff Graves







## Sierra Nevada College

5812 S. Pecos, Ste. B  
Las Vegas, NV 89120  
Tel: (702) 434-6599  
Fax: (702) 436-3838

Please call (702) 434-6599 on how you can  
be licensed to teach within 3 semesters.

## Poly Bags, Packaging, and Shipping Products

**Lowest prices in the industry!**



- Flat Poly Bags
- Tape
- Tools & Equipment
- Bubble
- Tags & Labels
- Vinyl Products
- Zipper Bags
- Can Liners
- Paper Bags
- Gloves
- Nylon Ties
- Staplers
- Rubbermaid®
- Shipping Boxes
- Packaging Peanuts
- CD/Disk Mailers
- Tote Bags
- Tape Dispensers

**RENO-SPARKS**  
**775-358-2300**

FREE test samples  
and FREE catalog!

**Outside Metro Area**  
**800-926-6100**

550 Lillard Drive  
Sparks, NV 89434

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

- ✓ Next-Day Delivery on  
orders placed by 5 p.m.
- ✓ Get 10% Off any item  
you've never bought before
- ✓ Ask for Free Freight on  
orders of \$250 or more
- ✓ Same-Day Delivery  
also available

*We deliver more...you spend less!*

**Associated  
Bag Company**

Packaging & Shipping Supplies

## Nevada BUSINESS JOURNAL

A division of BUSINESS LINK, LLC



### PUBLISHER

Lyle E. Brennan  
[lyle@nbj.com](mailto:lyle@nbj.com)



### PUBLISHER / CEO

Connie Brennan • [connie@nbj.com](mailto:connie@nbj.com)

### PRESIDENT

Mark Keays • [Mark@nbj.com](mailto:Mark@nbj.com)

### EDITOR

Kathleen Foley • [kathleen@nbj.com](mailto:kathleen@nbj.com)

### ART DIRECTOR

Joe Thomasula

### RESEARCH ASSOCIATES

Chris Thomasson • [info@nbj.com](mailto:info@nbj.com)

### ONLINE MARKETING DIRECTOR

Harry Benson • [info@nbj.com](mailto:info@nbj.com)

### INTERNET/WEB SITE DIRECTOR

Max Aceituno

### PUBLISHER'S ASSISTANT

DeAnna M. Price • [deanna@nbj.com](mailto:deanna@nbj.com)

### CONTRIBUTING EDITORS

Jennifer Rachel Baumer / Dana R. Bennett  
Scott Craigie / Michelle Danks / Thomas K. Dye  
Kathleen Foley / Jim Gibbons / Betty L. Johnson  
Melody L. Luetkehans / Kimberly Parker-Hansen  
Renee Roberts / R. Keith Schwer

### ADVERTISING / SALES

Vice President Sales: Lori Butcher • [lori@nbj.com](mailto:lori@nbj.com)  
Vice President Sales: Todd Manzi • [todd@nbj.com](mailto:todd@nbj.com)

### SALES ASSISTANT

Linda McKeon

### CORPORATE OFFICE

2127 Paradise Road • Las Vegas, NV 89104  
(702) 735-7003 • FAX (702) 733-5953  
[subscribers@nbj.com](mailto:subscribers@nbj.com)

### NORTHERN NEVADA ADVISORY BOARD

Chuck Alvey • EDAWN  
Tony Armstrong • Mayor of Sparks  
Tom Clark • Syndetic Partners  
Connie Fent • Community Representative  
Jim Shaw • Washoe County Commission  
Harry York • Reno-Sparks Chamber of Commerce

Web Site: [nbj.com](http://nbj.com) • [nevadabusiness.com](http://nevadabusiness.com)  
TopRank Nevada: [topranknevada.com](http://topranknevada.com)



Nevada Business Journal is a division of Business Link, LLC, 2127 Paradise Rd., Las Vegas, NV 89104. 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 Journal.

Advertisers should contact Sales at (702) 735-7003, or write to: Nevada Business Journal, 2127 Paradise Rd., Las Vegas, Nevada 89104. Demographic information available upon request. Month-to-month circulation may vary.

Nevada Business Journal is published monthly with one additional issue each year. Subscription rate is \$44.00 per year. Special order single-copy price is \$7.50. TopRank Nevada - Annual Statewide Book of Lists, a compilation of lists which have appeared in Nevada Business Journal over the past 12 months, is published on an annual basis.

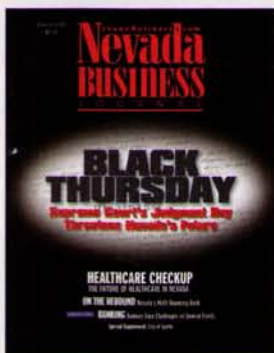
All contents ©2003 copyright, and reproduction of material appearing in Nevada Business Journal and TopRank Nevada - Annual Statewide Book of Lists is prohibited unless so authorized by the publisher.

CHANGE OF ADDRESS: POSTMASTER: Send address changes to Nevada Business Journal, 2127 Paradise Rd., Las Vegas, NV 89104-2569. Subscribers please include previous address or mailing label. Allow six weeks.

EDITORIAL SUBMISSIONS: Address all submissions to the attention of Kathleen Foley. Unsolicited manuscripts must be accompanied by a SASE. Nevada Business Journal 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.





On Black Thursday, July 10, 2003, the Nevada Supreme Court struck down a law that more than 70 percent of Nevada voters had approved – not once, but twice – in a statewide referendum.

## Features

### 20 BLACK THURSDAY

NEVADA BUSINESS JOURNAL EDITORIAL STAFF  
Supreme Court's Judgment Day  
Threatens Nevada's Future

### 25 **INDUSTRY FOCUS** Banking

KATHLEEN FOLEY  
Bankers Face Challenges on Several Fronts

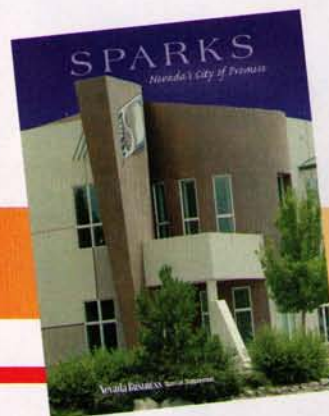
### 48 ON THE REBOUND

RENEE ROBERTS  
Nevada's Malls Bouncing Back



### 12 Healthcare Checkup

BETTY L. JOHNSON  
The Future of Healthcare In Nevada



## SUPPLEMENT SPARKS NEVADA

## Building Nevada



Commercial developers, North Las Vegas city officials and others have formed a partnership to promote the Cheyenne Technology Corridor.

Photo: David Cherkis

### 54 Cheyenne Tech Corridor Picks Up the Pace

Project Unites Private and Public Entities  
THOMAS K. DYE

### 59 Q&D Construction:

Building Northern Nevada  
JENNIFER RACHEL BAUMER

### 59 Commercial Real Estate Market Report

First Quarter 2003 – Industrial Market  
GRUBB & ELLIS NEVADA COMMERCIAL GROUP

### 60 Building Nevada News in Brief

- Two Reno Buildings Sold
- Thomas & Mack Sells Project
- Mesquite Purchases BLM Land
- Harsch Adds to Southern Nevada Portfolio
- Reno Library Completed



## Departments

### 4 Commentary

LYLE BRENNAN  
Joe Consumer Goes to the Doctor  
A Cautionary Tale

### 8 Business Up Front

- Leading Geeks
- Shopping for Information?
- America Gets a "D" in Financial Literacy

### 10 Face to Face

Howard Perlman, Perlman Architects Inc.  
Jody Marshall, Resource Associates

### 51 Compassionate Capitalism

MICHELLE DANKS  
Juvenile Diabetes Research Foundation  
*Dedicated to Finding a Cure*

### 61 Banking on It

Nevada State Bank  
Serving Nevada for 44 Years

### 64 Speaking for Nevada

CONGRESSMAN JIM GIBBONS  
Tax Relief Benefits Nevada's Businesses  
and Economy

### 66 Inside Politics

SCOTT CRAIGIE  
"Don't Tread on Me"  
Revolutionary Spirit Sparks  
Legislative Battles

### 67 Money Management

KIMBERLY PARKER-HANSEN  
Business Succession Plans  
Don't Leave Your Business Without One

### 68 State the Issues

MELODY L. LUETKEHANS/DANA R. BENNETT  
Issue: How does use of the Comprehensive Loss  
Underwriting Exchange (CLUE) affect  
homeowners and insurers?

### 69 Nevada Briefs

- Online Resource Center Wins Award
- Las Vegas Maintains Largest Tradeshow Share
- Reno City Council Approves Whitewater Park
- Rural Communities Receive Grants
- Nevada Sets Up Office in Hong Kong

### 70 Business Indicators

R. KEITH SCHWER

#### Correction:

In our June issue, we featured a Face-to-Face interview with Larry Monkarsh, owner of L M Construction Co. His name was misspelled. Our apologies to Mr. Monkarsh.



## Leading Geeks



In a new book called *Leading Geeks*, author Paul Glen reveals the three reasons why technology-oriented people (a.k.a. geeks) pose such a challenge for today's managers and why leading them is different from leading others. Glen offers the following suggestions for motivating geeks:

- Give them some sense of the larger significance of their work. Without a sense of meaning, motivation suffers.
- Be explicit about the role a new technology plays in a business. Otherwise, some will misunderstand the centrality of their work and others may develop delusions of grandeur.
- Define work as a project. Projects help turn work into a game with objectives that delineate both goals and success criteria.
- Encourage isolation from other segments of the staff. While geeks need free-flowing communication within their own workgroups, seclusion provides fertile soil for motivation, cohesion and concentration.
- Offer free food, but intermittently. "Never underestimate the power of free food. I can't offer any rational explanation, but for geeks, even those making sizeable incomes, free food offers major support to motivation development, far more than an equivalent amount of cash," said Glen.

## SHOPPING FOR INFORMATION?



According to the International Council of Shopping Centers:

- There are 46,336 shopping centers in the United States. The vast majority (95 percent) are strip centers.
- Each month in 2002, 202 million adults visited shopping centers in the U.S.
- In 2002, shopping centers accounted for \$1.23 trillion in sales, half of all non-automotive retail sales.
- Shopping centers employed over 10.7 million people in 2002.
- Shopping centers collected \$53.1 billion in state sales taxes in 2002.
- Despite the economic downturn, there were 613 more shopping centers operating in the United States in 2002 than there were in 2001.
- California has the most shopping centers (6,152) and Wyoming has the fewest (55).
- Forty million people a year visit the largest mall in the U.S. — the Mall of America.
- Consumers spend approximately 76.4 minutes per mall visit, spend an average of \$68.20 and go to 1.3 stores.

## America Gets a "D" in Financial Literacy



Americans aren't flunking financial literacy, but they're close. With a grade of 67, Americans get a "D" in their knowledge of important money matters, according to Bankrate.com's Financial Literacy benchmark study, released this spring. The national survey of 1,000 Americans revealed that, while most Americans know what to do, they aren't doing it.

- *Roughly half the American public is concerned about lack of savings.*
- *Fifty-five percent worry they do not have enough money put away for an emergency.*
- *About 33 percent of Americans are worried that: they will lose a job; their employer will decrease their benefits; their home will lose its value; they will not be able to pay their mortgage or rent.*
- *Older Americans tend to be smarter about money moves than younger Americans.*
- *Gender makes no difference: Women are no more or less financially literate than men.*
- *66 percent of Americans know that keeping an emergency fund is very important.*





Laurie Kendrick, Owner  
Wild Sage Cafe  
Health Plan of Nevada Client

**In 1982, You Had Some Pretty Good Ideas. So Did We.**



**You've** always had a strong entrepreneurial spirit. And, you've come a long way thanks to years of hard work and good ideas. Health Plan of Nevada is another one of those "good ideas."

So when the time comes to select a health plan for your business, choose Health Plan of Nevada – because good health takes a good plan.

S I N C E



1 9 8 2

**HEALTH PLAN OF NEVADA, INC.**

a subsidiary of Sierra Health Services, Inc.®

*Over 20 years strong and growing.*

21.NV.HPN.03.261

(702) 821-2200 • (800) 873-0004 • [www.healthplanofnevada.com](http://www.healthplanofnevada.com)





## Howard Perlman

PRINCIPAL/ PRESIDENT  
PERLMAN ARCHITECTS INC.  
HENDERSON



Architects, Inc. has faced over the years is finding enough architects, planners and interior designers to handle the workload. The University of Nevada Las Vegas produces very talented graduates, but not enough of them.

### How do you prefer to spend time off work?

Spending time anywhere with my 16-year-old son and 14-year-old daughter is the best – when they can work me into their schedules. In terms of recreation, I spend time fishing, skiing, snowboarding, playing golf, running, working out and traveling. I also spend an hour a day in the synagogue, and I am involved with several associations and boards.

### What would you like your legacy to be?

I would like to feel that I have left this world a better, more beautiful place in which to live, work and shop, and that I had a positive impact on the peoples' lives I have touched.

### Favorite business book

*Built to Last*, by James C. Collins and Jerry I. Porras. Also *Good to Great*, by James C. Collins.

### Best business advice

Hire the best people you can, and keep them happy. Happy, talented people are successful, and an office full of successful people is a successful business.

**Years in Nevada:** 10

**Years with Firm:** 25

### Type of business

A multi-faceted architecture firm that includes (among others) master planning, urban planning, commercial and residential projects, public works, hospitality and interiors.

### Biggest business challenge

The biggest business challenge Perlman

### What do you like best about your job?

I like firm building – finding talent and then organizing people into vibrant teams in which everyone contributes, everyone learns and everyone benefits, including our clients. I also enjoy mentoring our young talent.

## Jody Marshall

DIRECTOR OF RECRUITING  
RESOURCE ASSOCIATES  
LAS VEGAS



my children than it was for me, and if I am the example I believe I am, that trend will continue – financially, spiritually, mentally, physically and so on. I hope people look at me and are inspired because they see something in me that triggers a positive reaction. I want to be an example that with determination, creative problem-solving, good money management and God's grace, most things are attainable.

### Favorite business book

I read more business-related articles than books. I find interesting articles in *Black Enterprise*, online Biz journal and *Newsweek*, and just search for whatever topic is on my mind and learn as much as I can about it.

### Best business advice

Simple but practical and true: It's best to under-promise and over-deliver, do what you say you are going to do, don't make commitments that you can't keep. Treat people like you want to be treated.

**Years in Nevada:** Native

**Years with Firm:** 3

### Type of business

Executive Search Firm, Recruiting and Headhunting

### Biggest business challenge

Adjusting to an ever-changing market. It changes with the economy – at times demand is high and supply is low, then it switches around, or the demand moves to a different sector. Dealing with a "human product" can be a challenge.

### What do you like best about your job?

Filling a need, being able to succeed where others or other methods have not.

### How do you prefer to spend time off work?

Football is my passion – I have two coaching jobs. I also own a management/production company. Family is important, and I spend as much time raising my children and pleasing my wife as possible.

### What would you like your legacy to be?

That I am an example for others, particularly my family. I want life to be easier for



# Expert Healthcare Close To Home



## OUR SERVICES:

- |                            |                                 |
|----------------------------|---------------------------------|
| 24-hour Emergency Services | 24-hour Radiology Services      |
| Inpatient Surgery          | Community Outreach Programs     |
| Physical Therapy           | MRI and CAT Scan                |
| Outpatient Surgery         | Employee Wellness Programs      |
| Full Service Laboratory    | Nuclear Medicine                |
| Intensive Care Unit        | Nuclear Medicine Stress Testing |
| Cardio-pulmonary Therapy   | Mammography                     |
| Pediatric Services         | Diabetes Support Group          |
| Pulmonary Function Testing | Chemotherapy                    |
| Inpatient Pharmacy         | Nutrition Consultation          |
| Stress Treadmill Testing   | Ultrasound                      |
| Obstetrics and Gynecology  | Medical / Surgical Unit         |
| EKG and EEG Testing        | Sleep Disorders Program         |



2001 Errecart Blvd. • Elko, NV 89801 • (775) 738-5151  
[www.nnrhospital.com](http://www.nnrhospital.com)



notes that it is difficult to muster votes for a bill mandating ratios when there are not sufficient nurses to fill the positions that would be mandated by the legislation.

"Nursing in Nevada is in an unprecedented crisis. Nevada currently has the worst nurse-to-population ratio in the country, with 520 nurses per 100,000 in population," explained Black. "The national average is 782 nurses per 100,000."

How serious is the situation? It is literally life-and-death. A University of Pennsylvania study indicated that the risk of death after surgery increases by 7 percent for every patient added to a registered nurse's workload after the fourth patient.

### The Need for Education

"Nevada currently produces only 264 nurses per year, and our state need is 716 registered nurses per year, just to fill the vacancies created by growth and attrition," said Black. The situation is compounded by the fact that although 249 applicants were accepted to Nevada nursing programs in 2002, there were 504 qualified applicants, many of whom were turned away due to lack of space in the educational programs.

The hospital community is funding about 25 percent of nursing education in the state, or \$1.3 million a year in scholarships, instructors and books, according to Welch. Without the slots for students to utilize, however, scholarships are useless. "We have just had the Legislature agree to double the nursing program beginning this fall as part of its budget," said Welch. As of this writing, however, there was no legislative agreement on future taxes, and there were legislators who hope to re-open the budget. If the increases do take effect, they cannot solve the shortages of today. Education is a process that takes years, and not every nurse trained in Nevada will remain in Nevada.

### Doctors Wanted!

Larry Mathias, executive director of the Nevada State Medical Association, said physicians were frustrated by the level of assistance provided to them by the medical malpractice cap passed by the Legislature in the 2002 special session. "We didn't expect a rollback in premiums, but we had hoped for rates to flatten." The issue, according to Mathias, is lawsuits. Though he insists that the malpractice cap was an im-

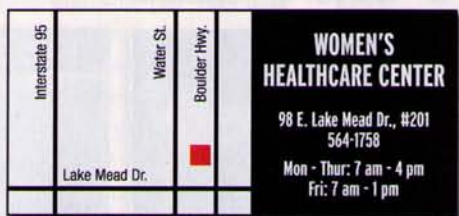
portant step, he believes there is still much to do. "The bill may be perfect for the trial lawyers, but it hasn't done enough for the physicians," stated Mathias.

The Nevada Trial Lawyers Association asserts that court remedy is very important to malpractice cases, as medical malpractice is the eighth largest killer in the United States. It also emphasized that 480 new physicians have joined Nevada's ranks this year, in spite of the malpractice situation.

Mathias responded by pointing out that it is not just the numbers of physicians that concern him, but the field each physician specializes in, and his or her experience level. Rod Davis from Saint Rose Dominican agreed. "In the last 18 months, we have lost numerous quality physicians due to the malpractice crisis. We have been unable to recruit additional quality physicians to take their place," stated Davis. "Because of the seriousness of our malpractice crisis in Nevada, I see this as the number one challenge facing health-care in the state."

Though the number of malpractice cases statewide to be awarded damages are not large, the amounts of those awards spread across an ever-decreasing number

## FREMONT MEDICAL CENTERS



WEST • Open 24 Hours  
871-5001 • 4880 S. Wynn Road

PECCOLE RANCH • Mon-Fri: 8 am - 8 pm • Sat: 8 am - 4 pm  
228-5477 • 9499 W. Charleston, #150

DOWNTOWN • Mon-Fri: 8 am - 6 pm • Sat: 8 am - 1 pm  
382-5200 • 520 E. Fremont Street

HENDERSON • Mon-Fri: 7 am - 10 pm • Sat: 8 am - 8 pm • Sun: 8 am - 6 pm  
566-5500 • 595 W. Lake Mead Drive

PEDIATRICS RAINBOW • Mon-Fri: 9 am - 5 pm  
256-1600 • 101 S. Rainbow, #29

PEDIATRICS EASTERN • NOW OPEN • Mon-Fri: 9 am - 5 pm  
948-4200 • 10001 S. Eastern Ave. #408

WOMEN'S HEALTHCARE • Mon-Fri: 8:30 am - 5 pm  
383-2919 • 1701 Bearden Drive #202

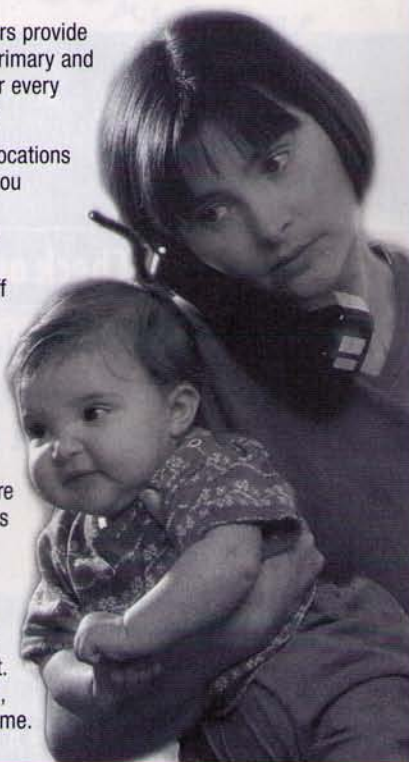
Fremont Medical Centers provide the highest quality of primary and urgent care services for every member of your family.

With eight convenient locations throughout the Valley, you will never experience significant delays while being attended by our caring professional staff of doctors and nurses.

#### Services include:

- Internal Medicine
- X-Ray
- Physical Therapy
- Wellness Exams
- Occupational Healthcare
- Quest Diagnostic Labs on site
- Pediatrics
- OB/GYN

Your health and that of your family is important. Appointments accepted, and walk-ins are welcome.





of insured physicians is having a catastrophic effect, according to Davis. "I believe any patient who is injured in any way ought to recover reasonable damages. But at the same time, we can't have a judicial system that is skewed so far in one direction that it starts limiting access to healthcare for our general population."

### ***Correcting the Errors***

A side issue of an increasingly litigious society is the chilling effect the fear of a lawsuit may have on the reporting of errors by medical personnel. According to a recent report by the U. S. Department of Health and Human Services, excessive litigation is "an important contributor to 'defensive medicine' – the costly use of medical treatments by a doctor for the purpose of avoiding litigation." The report added that 79 percent of physicians revealed that fear of litigation had caused them to order more tests than they would have, based only on professional judgment of what was medically needed.

The Institute of Medicine noted in a recent report, "To Err is Human," that reporting systems are vital to the safety of medical care. However, medical personnel

fear information from self-reporting systems will be used against them in lawsuits. The report admonished, "The focus must shift from blaming individuals for past errors to a focus on preventing future errors by designing safety into the system."

Hospital administrators and physicians believe the systems they have in place to track possible errors or medical concerns are working. "You cannot make everything a potential litigation," explained physician spokesman Mathias. "You want to encourage hard looks at where the system fails and where it succeeds, and you want to communicate that information across the industry."

### ***The Assurance of Insurance***

One look at any emergency room in Nevada brings to light the need for changes to our current method of insuring residents. According to a recent study by the Great Basin Primary Care Association, Nevada's percent of uninsured remains consistently higher than national averages. Nearly 350,000 people in Nevada remain without the means to access affordable, quality healthcare. The uninsured often rely upon government pro-

grams such as Medicaid and Medicare to pay their medical expenses. These programs, however, are reimbursing less for services that are costing more. Those costs must be spread across the paying population – the insured population.

The uninsured realize that the emergency rooms must treat them, so they flock in great numbers to be seen in an emergency room setting for ailments as common as the flu. Patients in need of acute care must wait as the other patients are triaged.

"The cost of healthcare is a big issue," said Dr. Robert London, vice president Health Care Management for Colorado and Nevada for Anthem Blue Cross and Blue Shield. "It is not just Nevada – it is the entire country. Cost trends are up 15 percent to 20 percent over the past four years. These costs include pharmacy, outpatient utilization, inpatient care and professional fees."

Insurers suggest their business is tough today, though some have been able to cover their losses in other areas, such as emergency rooms, with other medical facilities. Peter O'Neal, vice president, public and investor relations of Sierra Health Services Inc., noted

## **IT'S ABOUT PEOPLE.**



**Check out our web site at: [pentabldggroup.com](http://pentabldggroup.com)**

**At PENTA, we're building more demanding projects in every market sector, every day – because we focus completely on client needs. We are relentless in our commitment to the most important member of our firm – You.**

# **PENTA**



**The PENTA Building Group, Inc.**

7251 Amigo Street, Suite 220 ■ Las Vegas, Nevada 89119 ■ 702.614.1678 ■ Fax 702.614.3851

**HOSPITALITY - RETAIL - RESTAURANTS - COMMERCIAL - INDUSTRIAL**



Sierra's bottom line is enhanced by its operation of facilities such as Southwest Medical Associates, and these additional services allow the company to partner with the community.

### ***Adding To The Problem?***

Many doctors contend that some of the cost of healthcare can be attributed directly to insurance companies. Dr. Neil B. Straus, MD, insisted that the current state of healthcare in Nevada is a dream compared to what it was like when he entered practice in the state, due to medical and staffing advances. His retirement from practice, however, is due in large part to frustration that his ability to care for patients was being hampered by insurance companies, which seem to constantly second-guess his medical decisions. "I opened my office with a \$6 charge for an office visit," he said, explaining that new physicians cannot afford to open offices, due in part to the overhead increases from insurance companies demanding explanations of each test and treatment.

London replied that Anthem Blue Cross and Blue Shield is "trying to reduce that medical hassle. I believe we are moving away from 'too much managed and not enough care.' Let's facilitate physicians and have the doctor in charge of healthcare." For instance, London pointed out his company has begun a "Pay for Performance" program that will pay hospitals more if they improve using computerized-order entries, and other initiatives.

"The public perception is, 'Managed care is horrible, but my doctor is great,'" said London. To change that perception, the company is designing new products and hoping to educate consumers on how to keep themselves healthy in order to lower healthcare costs.

### ***Looking Ahead***

The healthcare landscape is a changing field. As medicine itself begins to evolve, most experts agree we will see changes in the way our medical needs are met. Physicians' assistants and nurse practitioners may become more prevalent. These specialized healthcare providers can do many of the routine tasks of a physician, allowing the doctor more time to deal directly with critical patient needs.

Technology will aid in lowering the error rate in medication, as well as in the

# Universally preferred



Nevada's leading employers prefer health plans that offer Nevada's leading hospitals — Universal Health Services, Inc. (UHS) hospitals, covering the state, covering your healthcare needs.

- Protect your employees' health with a complete array of acute and general hospital services in both northern and southern Nevada.
- Access convenient, expert, specialized care at Universal Health Services hospital emergency centers, Faster Care urgent care centers, diagnostic imaging and outpatient surgery centers.
- Experience the quality of employees committed to Service Excellence.

#### **In northern Nevada**



*Quality Healthcare Close To Home*

2375 E. Prater Way  
Sparks, NV 89434  
775-331-7000  
[www.nnmcc.com](http://www.nnmcc.com)

#### **In southern Nevada**



*A Member of The Valley Health System*

2075 E. Flamingo Road  
Las Vegas, NV 89119  
702-733-8800  
[www.desertspringshospital.net](http://www.desertspringshospital.net)

#### **The Valley Health System**



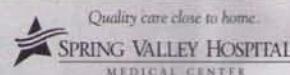
*A Member of The Valley Health System*

620 Shadow Lane  
Las Vegas, NV 89106  
702-388-4000  
[www.valleyhospital.net](http://www.valleyhospital.net)



*A Member of The Valley Health System*

657 Town Center Drive  
Las Vegas, NV 89144  
702-233-7000  
[www.summerlinhospital.org](http://www.summerlinhospital.org)



*Quality care close to home.*

5400 Rainbow Blvd.  
Las Vegas, NV 89118  
702-853-3000  
[www.springvalleyhospital.net](http://www.springvalleyhospital.net)

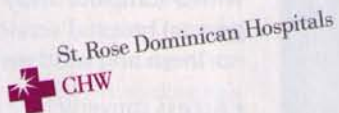
**Coming October 2003**

**For more information on Universal Health Services hospitals and to find out how to offer them as a preferred provider option, please call:**

**In northern Nevada: 775-356-6530 In southern Nevada: 702-894-5584**



# healing PEOPLE, STRENGTHENING COMMUNITIES.



Dear St. Rose Employees, Physicians and Volunteers;

It is our sincere pleasure to thank you for your dedication to our community's health and well-being. According to the UNLV Center for Business Research survey results, which were recently published in the Las Vegas Perspective, St. Rose Dominican Hospitals rank #1 and #2 in community satisfaction among the valley's 11 acute care facilities. The significance of these rankings is that they are more than just numbers. They are the affirmations of local residents for whom you have provided attentive, high-quality compassionate care to within the past 12 months.

Most impressive is the number of residents who found the care you provided more than satisfactory. The Rose de Lima Campus ranked #1 with 87.2 percent of residents surveyed expressing that they were either very or quite satisfied with the care they received. The Siena Campus ranked #2 with 86.4 percent of people responding that they were very or quite satisfied with the care provided by St. Rose.

As we reflect on these marks of distinction, we recall many instances where you as a collaborative team have shined. The immediacy and professionalism with which you handled trauma cases during the temporary closure of southern Nevada's only Level I trauma center last summer is just such an instance. Your continual commitment to providing medical and dental care to uninsured and underinsured children of southern Nevada was also noted. In addition, we were extremely touched by the level of sensitivity you have shown for one another as part of an interdisciplinary healthcare team. Together, you successfully lobbied our Legislature to enact stiffer penalties for those who commit violence against healthcare workers, and you formed a critical incident stress management team dedicated to helping one another weather the emotional experiences that often accompany attending to the physical, emotional and spiritual needs of the ill, injured and disenfranchised.

We, the members of the St. Rose Dominican Hospital Board, have a profound sense of appreciation for your efforts to advocate on behalf of your patients. We are proud to be a part of southern Nevada's only mission-based, non-profit and non-tax supported hospital.

Congratulations, and thank you for giving your best in St. Rose's continuing journey of healing people and strengthening communities.

Our Deepest Regards,  
St. Rose Dominican Hospitals Board of Directors

Hugh J. Anderson, III, Chairperson  
Rod A. Davis, President/CEO  
Frazine Jasper, Vice Chairperson  
Mary Ann Allison, M.D.  
Melba Beine, O.P., M.D.  
Robert Croke, M.D.  
Rosemary Ferguson, O.P.

Rosemary Abramovich, O.P.  
Lt. Governor Lorraine Hunt  
Rafael Juarez, M.D.  
John Kilduff  
Brenda O'Keeffe, RSM  
Cyde T. Turner



St. Rose Dominican Hospitals

[www.strosecares.com](http://www.strosecares.com)  
702.616.5000



# COMMUNITY SATISFACTION SURVEY



## FULL-SERVICE HOSPITALS

FACILITY	PATIENT BEDS	DOCTORS	STAFF	SURGICAL SUITES	SOURCE FET	WOMENIAL	OB/GYN	PEDIATRICS	PHARMACY	COMMUNITY SATISFACTION RATING*			
										VERY SATISFIED	QUITE SATISFIED	SOMEBWHAT SATISFIED	NOT AT ALL SATISFIED
St. Rose Dominican Hospital										***	***	***	***
Rose de Lima Campus										35.2	16.5		
102 E. Lake Mead										43.8	21.2		
Henderson 616-5000										***	***		
St. Rose Dominican Hospital										45.6	32.8	14	
Sienna Campus	138	919	900	6	220,000	no	yes	no	yes	69.4	17.8	4.7	8.1
3001 St. Rose Parkway	148	919	900	8	312,469	yes	yes	yes	yes	65.2	21.2	3.1	10.5
Henderson 616-5000										23.6	19.7	45.1	11.6
										27.5	25.7	27.7	19.1
										22.7	35.5	14.4	27.4
										35.6	37.9	12.9	13.6

\* Survey of satisfaction, those who received service only.  
n.a.: Data not available

Source: Las Vegas Perspective Survey, 2002, individual entities.

## #1 IN COMMUNITY SATISFACTION FOR SIX CONSECUTIVE YEARS

According to the University of Nevada - Las Vegas Business Research Center survey published in the 2003 Las Vegas Perspective. Rankings based on respondents who were very or quite satisfied with the care they received from one of the area's 11 hospitals within the past 12 months.

\*\*Includes 14 Quick Care Centers  
\*\*\*Insufficient responses

WE'RE #1





earlier diagnosis of many conditions. Sierra Health Services reported that physicians in its Southwest Medical Associates group now have handheld devices that allow them to do prescription ordering and check formularies right in the office with the patient. O'Neal indicates the company is currently working to create an electronic medical record to reduce the amount of paperwork and allow easy access to a patient's total record.

Nevada will also have to look at how we are educating our children, and begin to

emphasize the sciences, especially medicine, at a much younger age. Programs to teach math and science at the middle school level must be expanded, and the excitement of a career in the medical field passed to future generations. We will also need to educate patients, so consumers will understand how to utilize medical advice and medical facilities more wisely, and what steps they can take to remain healthy.

New ways to insure our population must be considered, and reimbursement for those medical services provided to our

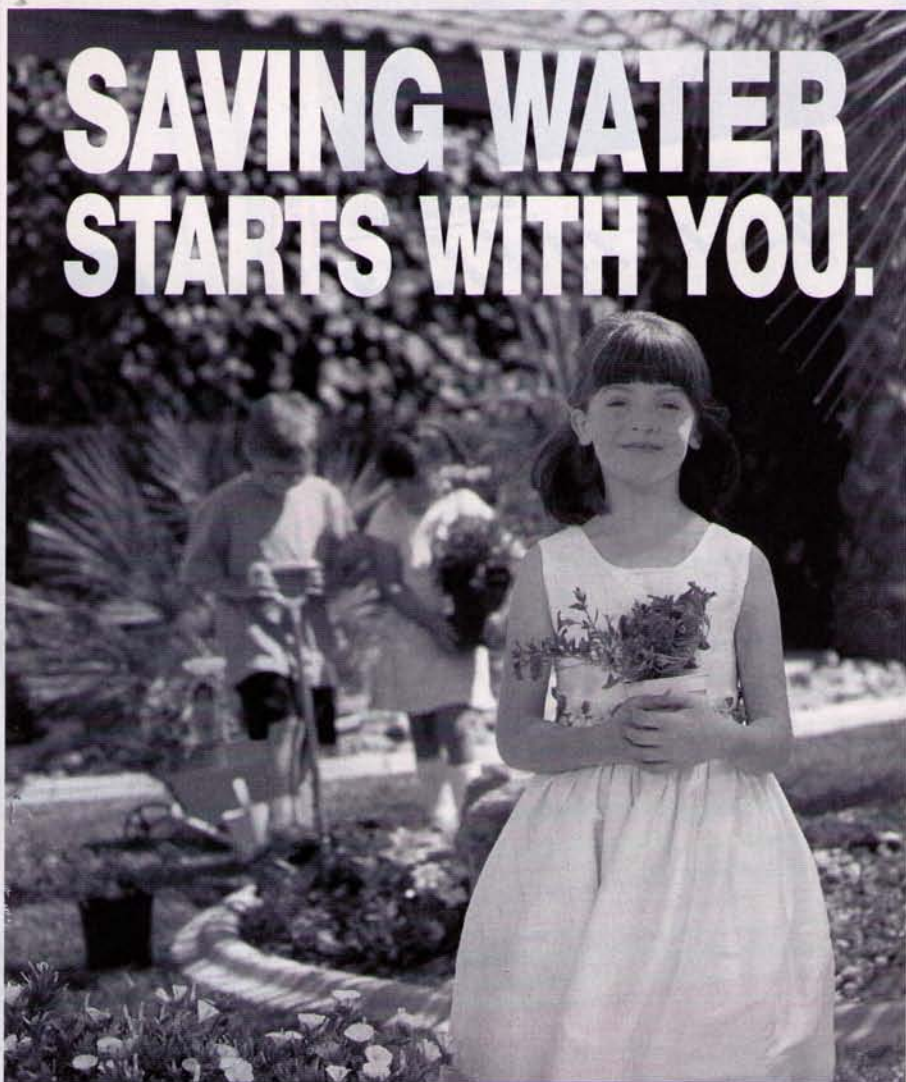
needy must be increased to appropriate levels, said Bill Welch. "In a perfect world, the federal government would change formulary to help states out with Medicaid. The state will have to raise taxes, in my opinion. On a national basis, it would be nice if Congress would step up to the challenge so we aren't piece-mealing tort reform in each state."

The state will need to step up to the plate and provide the necessary college education for its own doctors and nurses, if it hopes to supply its own needs. Those needs that cannot economically be met in Nevada must be contracted to other states, as we purchase slots for our students in the programs of out-of-state universities.

"Nevada has a resilient economy, and we have the resources to turn that into medical care," said Larry Mathias. "We are now large enough to have specialists and special units, and basic care is at its highest level ever."

David Dahan, CEO of Orgill-Singer and Associates, a spokesperson for the Las Vegas Chamber of Commerce and an executive board member of Nevadans for Affordable Healthcare, noted that, "Las Vegas is always ahead of the curve – we always seem to find a way to fix our problems. For example, in Las Vegas, we have some of the greatest radiology facilities and hospitals. There does need to be a closer working relationship between physicians, attorneys and insurance carriers to look at the issues in a more comprehensive way. If healthcare is not affordable, the quality of life is greatly reduced and we all suffer."

Welch agreed. "If you want a state to succeed – if you want economic development and growth – there are two things you have to have in place. You need a quality education system, both K-12 and upper education, and you need a quality healthcare delivery system. As we talk about wanting to diversify our economy, we had better not cripple the two things that must be in place to get us to that goal. The future of healthcare in Nevada will continue to be a challenge in the foreseeable future. At the same time, you have individuals in the industry in this state who are committed to ensure that quality services are available. Regardless of the challenges and differences we are confronted with, we will continue to ensure that is the case."



# SAVING WATER STARTS WITH YOU.

## PLEASE SAVE WATER.

A water smart yard is not only better for the drought; it can be better looking too. Replacing grass with water smart trees, shrubs and flowers gives your yard distinction and saves thousands of gallons of water. It's a way to save that makes your yard a water smart showpiece. Be the solution.

Call 258-SAVE or log on to [snwa.com](http://snwa.com) for more information.

This message sponsored by the Southern Nevada Water Authority and the Water Conservation Coalition.







Business Bank's Kelly Blakeslee with Mr. Sang Ok Pak and Mrs. Pyong Hui Pak from Asian Market, Inc.

## "I'm a big fish in a small pond."

— Mr. Sang Ok Pak, Asian Market, Inc.

"Business Bank of Nevada is our partner. Why? They understand one of the great fundamentals of business - that if your client prospers, so do you. We had outgrown our 9,000 square foot market space and could no longer grow. So we called Business Bank and they got us an SBA 504 loan, allowing us to more than double our size. But the really great part is that we're paying just about the same for our new mortgage as we did before in rent. As we continue to grow, you can bet we'll come back to our partner, Business Bank of Nevada."



Call Lori Haney in Northern Nevada at (775) 885-1220  
or Tom Powers in Southern Nevada at (702) 952-4489

Member FDIC. Equal Housing Lender.

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



# BLACK THURSDAY

## Supreme Court's Judgment Day Threatens Nevada's Future

BY NEVADA BUSINESS JOURNAL EDITORIAL STAFF

**Editor's note:** As we were preparing our August issue, something occurred that was so important to our readers – and to all Nevadans – that we decided to prepare this special feature about the Supreme Court's decision on July 10, 2003. We take very seriously our responsibility to represent the interests of business people throughout Nevada. Although not everyone will agree with our views, we believe the voice of the business community needs to be heard.

### THE BUDGET BATTLE

In January 2003, Gov. Kenny Guinn proposed a state budget for the 2003-2005 biennium totaling \$12.016 billion dollars, a 17.6 percent increase over the 2001-2003 budget. At a budget briefing on January 8, Guinn estimated state lawmakers in the 2003 legislative session would have to find an additional \$980 million in new revenues to finance this proposed budget, since Nevada, like many other states, requires a balanced budget. Thus began the start of a contentious and politically charged legislative session that pitted fiscal conservatives against liberals, created its own heroes and villains (often the same people, viewed by those on different sides of the argument) and will be remembered as one of the most watershed sessions in our history.

Assemblyman Bob Beers and his supporters argued that the entire "budget crisis" was a political creation rather than a mathe-

matical calculation. Legislators on both sides of the aisle eventually agreed that a certain amount of new taxation was necessary, although the actual amount was a bone of contention. The real sticking point became the method of taxation. One side supported a broad-based tax on businesses calculated on their gross receipts (a franchise tax), a model proposed by the Governor's Task Force on Tax Policy. The Task Force and its supporters, which included Big Gaming and Big Education, insisted it was time for Nevada's non-gaming businesses to "pull their own weight" instead of depending on revenues from the gaming industry. Opponents protested that a gross receipts tax would, in effect, set up a state Internal Revenue Service for Nevada businesses, would keep companies from relocating to Nevada and drive many low-margin firms out of business. They proposed several other methods of raising funds. Both sides dug in their heels and it was apparent from early in the session that any compromise would be difficult to obtain.

Further complicating the issue was the requirement that a two-thirds majority in both the Senate and the Assembly had to approve all bills related to generating or increasing taxes, fees or any other kinds of assessments. This provision was added to the Nevada Constitution as a result of the Gibbons Tax Restraint Initiative, a referendum that was approved by over 70 percent of the voters in both the 1994 and 1996

elections. Therefore, even if one side convinced a simple majority to agree to a compromise, that wouldn't be enough to break the impasse. Two-thirds would have to agree on an acceptable tax plan.

### A POLITICAL PLOY

Because the Nevada Constitution also contains a requirement that each legislative session must conclude in 120 days, June 2 became the deadline to decide on a tax plan. On this last day of the session, the Legislature – by a simple majority – appropriated a total of \$3,264,269,361 to fund the budget, with one vital exception. The education budget for schools from kindergarten through high school (K-12) was not approved. Adding in the K-12 budget, an \$860 million gap still remained between the total budget's projected income and its budgeted expenditures. Gov. Guinn quickly signed the approved section of the budget into law, and then requested legislators to convene in a special session to resolve the budget shortfall and approve the education budget. According to Assemblyman Bob Beers: "The K-12 portion was amended into the \$860-million tax package required by the total \$1.25-billion dollar spending increase. The difference is the \$400-million in new money that our existing structure will bring in."

Splitting the budget was a blatantly political ploy designed to pressure the legislators who were refusing to support the



proposed tax increases. Legislators had already garnered bipartisan agreement to spend the \$1.643 billion to support schools, an increase of 27 percent over the 2001-2003 figure. It was the rest of the budget that was disputed. But in order to fund the rest of the budget, Gov. Guinn and his Democrat supporters held up the one item they knew would create a firestorm in public opinion and the press.

A statement from Nevada Concerned Citizens pointed out: "Appropriations for the Distributive School Account and Class Size Reduction were unconstitutionally bundled with tax legislation in the regular and special legislative sessions for the express purpose of pressuring legislators to pass the tax legislation based on the merits of the school-related legislation, which is exactly what Article IV, Section 17 of the Nevada Constitution is intended to prevent." That section requires each bill to have only one subject.

## THE SPECIAL SESSIONS

The 19th Special Session of the Nevada Legislature convened on June 3 and adjourned on June 12 without reaching a de-

cision. After the exhausted and frustrated lawmakers took a few days off, the 20th Special Session convened on June 25. The following day, the Senate passed SB6, which would have raised \$873 million for the biennium. Its centerpiece was a 1 percent payroll tax, and it also included a 3 percent net profits tax on banks starting in 2005. The Assembly version of SB6 would have brought in \$834.5 million. It included a 0.1 percent tax on companies' gross receipts, a 0.5 percent tax on payrolls and increased fees for Secretary of State transactions. Once again, the gross receipts tax became the sticking point, and once again, neither side would budge.

Meanwhile, the state's school officials were facing the beginning of the fiscal year (July 1) with no budget and no money to hire teachers or support staff. The ploy of handcuffing the school budget to the gross receipts tax was working just as Gov. Guinn and his Democrat supporters had planned, and the outcry around the state was reaching a fever pitch, with soccer moms picketing government buildings and crying that their children were being held hostage. Presumably, they didn't realize that it was Gov. Guinn and Big

Education, along with the Democrat legislators, who were holding the children hostage, not the Republican holdouts who couldn't justify voting for a gross receipts tax that would irreparably harm Nevada's business community and by extension, the entire state economy.

## BLACK THURSDAY


On July 1, Gov. Guinn petitioned the Nevada Supreme Court to force the Legislature to take action to pass the school bill and balance the budget. Supporters, including the Nevada State Education Association (the teachers union), filed "friend of the court" briefs also urging immediate action. After considering the matter, the court issued a ruling on Thursday, July 10, which shocked everyone, pleased Gov. Guinn and Big Education and outraged voters throughout the state. The court's majority opinion stated that the constitutional provision requiring a two-thirds majority was a "procedural" requirement, and the state's obligation to educate its children took precedence over it. Therefore, the court ruled to "issue a writ of mandamus directing the Legislature of the State of Nevada to proceed expeditiously



## a slice of heaven in Las Vegas

Rise into an extraordinary world of indulgent splendor. The bustling casino for excitement. The gracious meeting facilities for camaraderie. The Heavenly Bed® by Westin for a pampered respite. Come experience the above and beyond.

Let us reserve your stay. Call 1-702-836-9775 or your travel planner.  
[www.westin.com/lasvegas](http://www.westin.com/lasvegas)

MEMBER OF  STARWOOD PREFERRED GUEST™

modern

luxury

THE WESTIN  
CASUARINA  
Las Vegas

Not responsible for typographical errors. Starwood Hotels & Resorts Worldwide, Inc. © 2003



with the 20th Special Session under simple majority rule."

In one stroke of the pen, the Supreme Court struck down a law that more than 70 percent of Nevada voters had approved — not once, but twice — in a statewide referendum. For reactions from Nevada and across the country, see the accompanying sidebar, which summarizes the objections to this ruling more eloquently than we can here. However, the following points need to be made:

First and foremost, the court is overruling the vote of the majority of the people in the state. The justices seem to think Nevada voters don't know what it is they really want and need to be told by those who are wiser and more educated. The Gibbons Tax Restraint Initiative became a part of the Nevada Constitution, and it reflects the wishes of Nevada voters, whether the governor and the Supreme Court like it or not.

The court revealed its liberal bias when

it stated, "The Legislature, faced with a rapidly increasing population, a substantial budget deficit and record-high needs, was unable to reach a two-thirds majority and left its constitutional obligations unfulfilled." The justices obviously believed that these "needs" in the governor's budget were actually needs and not items on somebody's political wish list. That Nevada has "record-high needs" is a political statement, not a fact.

Secondly, the court did not explore other avenues to resolve the question. Justice Maupin, the lone dissenter, wanted to give the Legislature until July 28 to solve its problem and reach a compromise solution. Another answer would have been to request that the governor re-open the budget and let legislators trim down those areas they found unacceptable. If the budget is in a deficit, reasonable people would suppose there would be two choices: either raise taxes OR reduce spending. The court totally ignored the option of re-opening the discussion on the budget.

The court could have objected to the 11th-hour political ploy of tying the education bill to the budget, but chose not to do so. As Steven Miller of the Nevada Policy Research Institute pointed out, "Article IV, Section 17 requires that 'Each law enacted by the Legislature shall embrace but one subject...' Had the court condescended to enforce this actual provision of the constitution Thursday against its actual violation by Assembly Speaker Richard Perkins, the entire education crisis could have been ended simply and instantly, with no violence to the 2/3 rule."

Here's another worrisome thought, pointed out by the *Nevada Appeal's* editorial board: "If the court's logic says a two-thirds majority is too steep a requirement in order to fulfill a constitutional mandate to fund education, what would happen if the Legislature couldn't find a tax plan that satisfies even a simple majority? Would the court then say a tax plan that gets 45 percent of the vote is okay? Forty percent?" This may sound absurd, but it is a logical projection of the court's decision.

Gary Peck, executive director of the ACLU in Nevada, pointed out that the court ruling creates a dangerous distinction between "procedural" and "substantive" laws. Who decides what is procedural and what is substantive? Why is one more important than the other? This is

*Continued on Page 24*

## Blue Diamond Business Park Welcomes



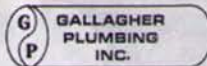
**Completed**  
**161,500 sq. ft.**  
**processing plant**  
**on 20 acres**

**Diamond Lane**  
**Industrial Park**

**3.1 Acres**

Broker:

**Derek Rafie,**  
**CB Richard Ellis**



**Four G's, LLC**  
**3.0 Acres**

Broker:

**Jeff Gallagher,**  
**Moore Realty**



**Additional**  
**6.9 Acres**

Broker:

**Loy Plaster, Valley Realty**



**3.3 Acres**

Broker:

**Alan Dees**



**SAFARI DEVELOPMENT**

**Two Lots**  
**13.7 Acres**

Broker:

**Loy Plaster, Valley Realty**

*Join this premier business park at Blue Diamond Road & Lindell Road.*

CONTACT

**Loy Plaster at Valley Realty**  
**702.947.0367 or fax 702.896.7077**



**THOMAS & MACK**  
**DEVELOPMENT GROUP**  
The Standard For Excellence



## QUOTES FROM NEVADA AND BEYOND

Take a flying leap, fellow Nevadans. That's what your Supreme Court told you on Thursday, when it ruled the Legislature could go ahead and raise taxes without a two-thirds majority vote. The logic behind the court's ruling is tortured and tangential, not to mention just plain wrong. And the fact it throws out the wishes of Nevada taxpayers, who twice voted to impose the two-thirds majority, shows a disdain for Nevada residents that – if there is any justice – should get them voted out of office on election day.

*Nevada Appeal, editorial opinion, July 11, 2003*

The Supreme Court's decision might as well have told everyday Nevadans to go to the back of the bus, because when it comes to the law, taxpayers are second-class citizens. The black robes of this Court can't conceal the political agenda of the teacher unions and others who support a blank check for big government. *Pete Sepp, vice president for communications, National Taxpayers Union*

"Activist high court justices tell lawmakers it's OK to ignore constitution." On Thursday, six justices of the Nevada Supreme Court – with a lone justice dissenting – drooled all over the state Constitution, wadded it up and tossed it in the trash.

*Las Vegas Review Journal, editorial opinion, July 11, 2003*

In a state that has given us the quickie divorce, legalized prostitution and gambling, you'd think it would be hard to raise eyebrows. But compared to their Supreme Court, Nevada's sin industries are looking downright respectable.

*The Wall Street Journal, Review and Outlook, July 15, 2003*

Judges are just deciding to take the law into their own hands, just like the Old West when the outlaws decided that the law didn't appeal to them. They're just going to do things as they please – "To hell with the people." The symbolism here [is that] the old renegade outlaws of the Old West now wear black robes and occupy judicial chambers at the state and federal level.

*Rush Limbaugh, July 14, 2003, broadcast on KXNT radio*

Judges like to posture as wise and fair authority figures. But the reality is that any judge is an amalgam of two of the most-often-despised occupational types of American life: the lawyer and the politician. And sometimes it shows.... Yet even given this record, the court on Thursday outdid itself. And in so doing it deeply injured every man, woman and child in this state for years and years to come – for as long as Thursday's decision stands.... Having sown the wind, they will now reap the whirlwind.

*Steven Miller, policy director, Nevada Policy Research Institute*

No matter their differences, area lawmakers are unified on at least one aspect of the state's legislative impasse over taxes – Thursday's decision by the Nevada Supreme Court was a bad one and bodes ill for the state's future. *Elko Daily Free Press, July 11, 2003*

The Supreme Court created a problem that didn't exist before and then created a remedy that nobody asked for. Its decision appears to disregard a substantive constitutional provision. I cannot believe that our Supreme Court would choose a political decision rather than a judicial decision to solve this problem. *Congressman Jim Gibbons, July 16, 2003*

Our attorney pointed out that it has been abundantly clear from the beginning of the session that the reason the education budget was not passed was so it could be used as the tool to rid the state of the pesky 2/3 majority rule that gaming and the state teacher's union have opposed since the initiative first passed in 1994. *Assemblywoman Sharon Angle, R-Reno*

The Supreme Court ordered the Legislature to violate the state constitution by passing a tax plan with less than a two-thirds majority. Even worse, Legislative leaders proceeded to do so. I believe those legislative leaders violated their oath of office.

*Assemblyman Bob Beers, R-Las Vegas*

If we have businesses that move here because of low taxes, maybe we don't want those businesses. Let's pass these taxes to help people, and not worry about the businesses. *Assemblyman Harry Mortensen, D-Las Vegas*

With a wave of its hand, the Supreme Court made the will of the voters go away. The court... wasn't trying to bring a logical or legal conclusion to the budget question. It was trying to find a way to allow the Legislature to raise taxes. Nevada's Supreme Court has dismissed its voters. The voters should respond in kind. *Nevada Appeal editorial opinion, July 13, 2003*

The Nevada Supreme Court has broken the deadlock in the Nevada Legislature. It's also broken the will of the people of Nevada. Twice Nevadans by overwhelming majorities voted to require two-thirds of our legislators in both houses to support tax increases in order for them to become law. But the court ruled Thursday that the constitutional requirement to fund education trumps the constitutional requirement for a super-majority to jack up taxes. *Ely Daily Times, editorial, July 15, 2003*

It's time for Assembly Speaker Richard Perkins, a Henderson cop who supposedly dreams of serving as governor one day, to go back to police work. He failed miserably at legislative hostage negotiations. While we're handing the bums their bindles, give one to Gov. Kenny Guinn, who hid behind the findings of the Gaming Inc.-tilted Task Force on Tax Policy and failed to build a coalition of support for his unprecedented tax plan. He performed his duties in keeping with a long Nevada tradition of company men in the Governor's Mansion.

*John L. Smith, Las Vegas Review Journal columnist, July 13, 2003*



especially important when the "procedural" law was passed by such a large majority of Nevada voters.

It is fair to point out that there is an inherent problem with the requirement for the two-thirds approval for new or increased taxes. While the Nevada Constitution requires a supermajority to increase taxes, spending may be approved by a simple majority, which is what happened on the last day of this year's legislative session. Although it makes no sense to approve spending without also approving the means to finance it, that is exactly what happened in this case. This loophole was used to create an intolerable situation for the political advantage of one group – the governor and his Democrat legislators.

However, this doesn't justify throwing out the Nevada Constitution and creating a dangerous precedent. Although the justices insist this ruling only applies to this one situation, there is no guarantee that it will not be used as political blackmail in future legislative sessions whenever agreement cannot be easily reached.

## AT PRESS TIME

On July 13, the Assembly, acting under orders from the court, passed \$788.5 million in tax increases by a vote of 26 to 16 – two votes fewer than the two-thirds supermajority – in a revised version of Senate Bill 6 that included a 0.1 percent tax on gross receipts and a 0.5 percent payroll tax. The following day, the Senate convened and rejected 19 to 1 (with one abstention) the Assembly's bill. An announcement that Federal Judge Philip Pro had issued a restraining order against the Legislature halted further action.

The Claremont Institute Center for Constitutional Jurisprudence, under the direction of Chapman University law professor John Eastman, a national constitutional law expert, together with local Reno attorney Jeff Dickerson, filed the request for a Temporary Restraining Order (TRO) in federal district court on behalf of the citizens of Nevada and state legislators. The TRO charged, among other things that, "Voter Plaintiffs who voted in 1996 for the Gibbons Constitutional Tax Initiative, which added Article 4, Section 18(2) to the Nevada Constitution, have had their constitutionally-protected right to vote (and to have their votes counted and given effect) infringed, in violation of the Equal

*In one stroke  
of the pen,  
the Supreme Court  
struck down a law  
that more than  
70 percent  
of Nevada voters  
had approved –  
not once, but twice –  
in a statewide  
referendum.*

Protection and/or Due Process clauses of the Fourteenth Amendment and the Republican Guarantee Clause of Article IV."

On July 21, the Legislature finally agreed on a tax plan that was supported by a two-thirds majority in both chambers. Lawmakers wisely decided not to take action with a simple majority vote, despite the Supreme Court ruling, fearing that such a decision would only lead to more court challenges.

The final plan (Senate Bill 8) approved \$836 million in new taxes over the 2003-2005 biennium. The main provisions affecting business are: a modified business payroll tax starting out at 0.7 percent of payroll, which includes a dollar-for-dollar reduction for companies that provide health insurance coverage for workers; a 2 percent payroll tax on banks and a \$1,750 quarterly excise tax on each bank branch; and a 0.26 percent real estate transfer tax. While this package will increase the tax burden for most businesses, it avoids establishing any form of gross receipts tax (franchise tax).

## THE HEROES

The following members of the Nevada Assembly deserve the thanks of all Nevadans, and especially those in the business community. These brave lawmakers stood firm in the face of opposition from Big Government, Big Education and Big Gaming and held the line as long as they could. Although they weren't successful in preventing the largest tax increase in Nevada history, their resistance did help the cause of Nevada's businesspeople, as well as ordinary taxpayers.

Walter Andonov	R-Henderson
Sharron Angle	R-Reno
Bob Beers	R-Las Vegas
David Brown	R-Henderson
John C. Carpenter	R-Elko
Chad Christensen	R-Las Vegas
Pete Goicoechea	R-Eureka
Tom Grady	R-Yerington
Don Gustavson	R-Sun Valley
Lynn Hettrick	R-Gardnerville
Ron Knecht	R-Carson City
Garn Mabey	R-Las Vegas
Rod Sherer	R-Pahrump
Valerie Weber	R-Las Vegas

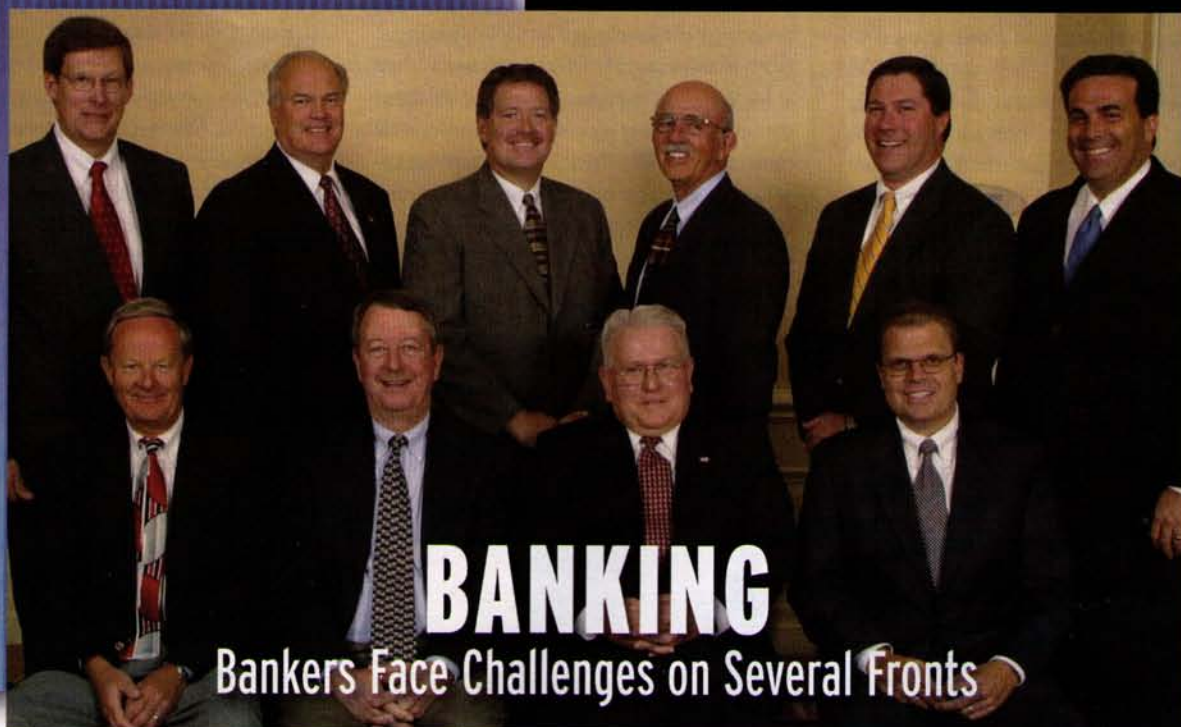
## THE FALLOUT

It is impossible to predict with any certainty what the final effects of the Supreme Court decision will be. However, one of the immediate consequences was a public uproar against the action, with a broad coalition of organizations calling for the justices' recall. It generated negative publicity about Nevada throughout the country, through opinion pieces in national publications, including the *Wall Street Journal*, and through radio and television news and talk shows.

It also appeared to give impetus to other states experiencing similar legislative deadlocks. According to an article in the *Sacramento Bee* on July 22, "Three of California's top Democratic officeholders are poised this week to ask the [California] Supreme Court to set aside the constitutional provisions requiring a two-thirds majority for the Legislature to pass a budget and raise taxes. State schools Superintendent Jack O'Connell was the first to jump on the idea, inspired by a Supreme Court ruling next door in Nevada." It has been suggested that the U.S. Supreme Court may eventually be called in to decide the constitutionality of this issue, for Nevada and other states as well.

The only positive effect this entire situation has had on the state has been that it raised the level of political awareness and interest among people who may not have paid attention to local politics before. The next election cycle will be filled with discussions on what happened this session and who should be singled out for praise or blame. It is our hope that Nevada voters will continue to take an active interest in politics long after this legislative session and Black Thursday have been relegated to the history books.





## BANKING

### Bankers Face Challenges on Several Fronts

BY KATHLEEN FOLEY

**C**hief executives from Nevada's banks gathered at the Four Seasons Hotel on June 10 to discuss challenges and issues affecting the banking industry. The gathering was part of *Nevada Business Journal's* monthly Industry Outlook series. Connie Brennan, publisher of *Nevada Business Journal*, served as moderator for the roundtable discussion, which included issues such as interest rates, staffing, new federal regulations and competition with credit unions. Following is a condensed version of the discussion.

**Tom Van Overbeke:** Southwest USA Bank is a *de novo* bank, started in May of 2001, and we have concentrated our efforts on private banking services. We spent a lot of our first year and a half assembling the type of team who will do a large part of the sales and administration of that service. In addition to trying to grow the bank, we've concentrated mainly on riding through the wave of all the interest rate shifts that we've seen, and so we've been busy.

**Connie Brennan:** Could you explain for our readers what *de novo* banks are?

**John Guedry:** They are banks in their first three years of operation. They tend to be treated a little differently by the regulators during that period of time. They're given a little bit more flexibility to get up and running and stabilized. They're also watched very closely by the regulators.

**Dave Funk:** Regulatory oversight is a lot stronger, and you have capital requirements you have to maintain that are typically higher for that three-year period. Our bank now has to maintain 8 percent capital, and that's relaxed from my days at another new bank where it was 10 percent. After that three-year period, you can do what you wish with capital, but it's still monitored by the state and also the FDIC.

**James Bradham:** Nevada Commerce Bank is three years old. If this meeting had been held three years ago, just as we were opening the bank, I would have had all the answers. However, most of those answers have been kicked out of us in the last three years, and we're learning to live in an interest rate environment that we certainly had not anticipated, but we intend to continue to keep our head down and make progress.

#### STANDING (left to right):

Dennis Guldin:	Nevada First Bank
John Gaynor:	Bank of Nevada
Tom Van Overbeke:	Southwest USA Bank
James Bradham:	Nevada Commerce Bank
Mark Daigle:	Colonial Bank
John Guedry:	Business Bank of Nevada

#### SEATED (left to right):

Dave Funk:	Nevada Security Bank
Barry Hulin:	Valley Bank
Larry Woodrum:	BankWest of Nevada
Jim Howard:	Desert Community Bank
Jay Kornmayer:	(not pictured) Wells Fargo Bank

Photo: Opulence Studios, Inc.



FOUR SEASONS HOTEL  
*Las Vegas*



**John Gaynor:** The biggest challenge I see is management succession. We'd all like to think we're not getting older, but we are, and who will take our place? I don't know where the next generation of bankers is going to come from. It used to be real simple. The small banks would wait until the big banks ran their training programs, and then as soon as people got a couple years under their belt, we'd just go out and offer them a couple thousand dollars more a year, and we'd be able to pick them off like cherries. That's not true anymore, because none of the big banks

have training programs, at least to the extent they did back in the '70s. We're not developing that middle tier of management. I don't think there are mentors out there anymore, because a lot of the old-time bankers have gone on to other things. With mergers and acquisitions, we've lost a lot of good people who have decided that enough is enough, and they have gone into other fields. So I look at human resources issues as being very predominant for us.

**Guedry:** Small banks really struggle with having the resources to handle some of the

things that were thrown at us over the last three years. The interest rate environment is hard for us to monitor. We just don't have the resources on staff, so we rely very heavily on outside companies to assist us. The same is true in recruiting and technology. We don't have a whole room full of employees to deal with the bank regulators. We have had to become jacks of all trades.

**Jay Kornmayer:** Wells Fargo is the only really big bank represented here today. We are evolving ever more aggressively into a total financial services approach to the banking industry, which means whether it's mortgages, financial services, insurance or traditional commercial banking, Wells Fargo is putting itself in a position to provide for needs across all business cycles and across the customer's life cycle, as he or she goes from being a borrower to a saver to an investor. We want to handle the 15 products the average consumer needs in the financial services industry. The more of those we can provide in the same shop, the better the service and the better the price for the consumer. As far as challenges, I think the people around this table represent a huge challenge for all the larger banks. The community banks tend to find a great little niche to attract some of our best customers, and it's always a challenge for us to act like a community bank and deliver like a national bank.

**Connie Brennan:** So, does Wells Fargo still have the training programs John [Gaynor] mentioned?

**Kornmayer:** We do not have the type of training program that John was referring to, where each independent affiliate would provide its own in-house training. We actually have two different versions: One is a modular program, where we have three weeks of on-the-job training, and then a one- or two-week intense training session that lasts for about six or eight months. The other type is a six-month intense training session in San Francisco.

**Jim Howard:** Desert Community Bank has been open nearly four years, and it was the first of the Capital BankCorp banks that we opened up in Las Vegas. Tom Mangioni and I got together in late 1998 and decided to take this venture on. These banks are a little bit different than the average *de novo*, because instead of a small group of investors getting together and

# Carter-Burgess

C=B Nevada



Land Development



Transportation



Two Firms  
One Solid  
Foundation

Architecture



Public Works



Survey

6655 Bermuda Road, Las Vegas, Nevada 89119 Phone: 702.938.5400 Fax: 702.938.5454 [www.c-b.com](http://www.c-b.com)



forming a bank and finding a president, this company finds a president and says, "Now, go sell the stock and open your bank." That scared me to death. But, it turned out that selling the stock was easy — it's running the bank that's hard. For example, I don't know how we manage to balance the Privacy Act against the Patriot Act when they conflict with each other. Also, I've always been an Alan Greenspan fan, but I'm beginning to wonder if there was one class he didn't go to, which would have taught him that if you run the interest rate down low enough, banks don't make any money making loans. So it doesn't necessarily fuel the economy like you would want it to.

**Dennis Guldin:** Our biggest challenge has been in the staffing area, not just because of competition with other banks, but also because of people deciding to re-engineer their jobs. They're getting romanced out into the development market or they are going into other careers, or maybe going out and taking over a business. So the available labor pool is getting smaller and smaller. In the last few months we've been looking for people more out-of-state than in-state, because the pickings are very thin here. Most people who are any good are well taken care of, as you all know.


**Larry Woodrum:** Bank West of Nevada is a nine-year-old bank, with about \$950 million in assets. Our major change this year has been that our holding company now has banks in Arizona and California. They just opened this spring and are doing well. Our biggest challenges are the interest rates, finding qualified people and managing growth. We opened our bank with the philosophy of keeping things simple and sticking to traditional core banking. We've done a very good job at relationship-type banking, and it's very difficult to keep it simple when you're the size bank that we are. We're just trying to keep going and keep the 20 percent growth each year and the 20 percent return on equity each year that our shareholders want.

**Funk:** Nevada Security Bank is about 16 months old, and total assets are about \$115 million. We have a location in south Reno and another in Incline Village. Our Incline Village market is premiere personal banking with the folks who do business there, and our location in Reno is more geared to the business client. Our main

issue is capital, as fast as we're growing. We're looking at a secondary offer, and I think we'll bring in some more money shortly. It seems the timing for that is very good. Most folks that we talk to about the possibility are excited that we are going to have more stock available, since none has been traded since we've opened.

**Barry Hulin:** Our biggest challenge is the interest rate environment. I've never been a particular fan of Alan Greenspan. He seems to have just discovered that deflation is a problem. He must not have been watching the banking business, where

you've got a perfect example of deflation: You've got falling prices; you have no pricing power; and you're at the mercy of a central authority. I know a lot of banks have been working with floors under their loans, but that can't last in the long term. If we have another 25-basis point rate [drop], it's going to hurt an awful lot of banks. With all due respect, I wouldn't want to be running a bank that has been started in the last two years. You have to grow so fast to get to a critical mass quickly enough just to cover your overhead. The risks are tremendous.



**SOME  
BUSINESSES  
GIVE AWAY  
T-SHIRTS**

**WE LIKE TO  
HAND OUT  
MONEY**

Commonly referred to as loans. But my, are we ever eager to do it.

We may not be the biggest bank around, but we may be the smartest. We're made up of some of the best business minds in town. So we know how important it is for your business to succeed.

Call, log on or stop by today. Ask for Bill Paredes, SVP/Senior Loan Officer.

**Nevada  
First Bank**  
WE HAVE A HEAD FOR BUSINESS

MEMBER FDIC SBA Certified Lender

777 N. RAINBOW BLVD. LAS VEGAS, NV 89107 • (702) 310-4000  
WWW.NEVADAFIRSTBANK.COM





## Your Construction Partner for Quality Construction Control

### Disbursement Services Include:

- \* Budget Review
- \* Disburse / Authorize Loan Proceeds
- \* Site Observations

- \* Disbursement Summary
- \* Process Payments / Lien Releases



- \* Document Maintenance
- \* Incorporate Change Order
- \* Obtain W-9's & Submit 1099's

2601 North Tenaya Way, Las Vegas, NV 89128 702.255.4433 phone 702.255.4245 fax



*Not your  
ordinary  
stuffed shirt*



**L.L. Bradford & Company, LLC**  
Certified Public Accountants & Consultants

(702) 735-5030 • 3441 S. Eastern Avenue • Las Vegas, NV 89109 • [www.llbradford.com](http://www.llbradford.com)

## INDUSTRY FOCUS • Banking

**Mark Daigle:** Yield maintenance in this kind of a rate environment, which is unprecedented, is something that everybody has to focus on. There aren't many fixed-rate loans anymore, as customers put repricing pressure on you simply because there's an alternative to refinance as rates drop. Despite that, we've done very well in Nevada. One of our challenges is growth management with respect to the customer base and also in finding appropriate, affordable real estate for new branch locations. Part of that is also the staff retention and development issue. If you want to go find good bankers, you have to take them from another bank. We're also faced with an ever-changing regulatory environment. Banks received new powers through the Gramm-Leach-Bliley Act of 1999, and as soon as those new powers and authorities were there, people started whittling away at them again and tried to take some of those opportunities back away from the banking industry.

**Brennan:** So how do you manage your business if you're at the mercy of the federal government and the interest rates?

**Hulin:** You probably retire. (General laughter)

## Interest Rates and the Economy

**Brennan:** Any other comments on the interest rates – any predictions?

**Guedry:** Eventually, they'll go up. That seems like a safe prediction.

**Gaynor:** Well, I predicted rates would go up at last year's roundtable.

**Daigle:** At our last roundtable, we all felt it would be difficult for rates to go much further down, yet look where we are today. Rates are already so low, it's hard for banks to pass much of a rate benefit out into the market. After the last few cuts, banks are becoming more disciplined in maintaining floors and in variable-rate loan pricing, more disciplined in enforcing prepayment penalties, simply because we don't have a choice anymore. The margins have gotten too thin – the rates have gotten too low.

**Hulin:** They need people to start investing in capital equipment and in longer-term assets. Cutting the prime rate does nothing for that. The businessman is not going to make those long-term decisions based on short-term interest rates.

*Continued on Page 46*



# SPARKS

*Nevada's City of Promise*

**Nevada BUSINESS** JOURNAL Special Supplement





## Engineering Today for Nevada's Tomorrow

Civil Engineering

Master Planning

Construction Staking

Construction Administration

Parcel & Subdivision Mapping

Water Storage Tanks & Reservoirs

Topographic & Boundary Surveys

Water Supply & Well Pumping Design

Sewer Collection System & Lift Station Design

Water Distribution & Booster Pump Station Design

Reclaimed Water Distribution & Pumping Station Design

Design and Rehabilitation of Streets, Roads & Highways

Surface Water Hydrology & Storm Drain Improvement Design

**Contact:**

Kathy R. Smith, P.E., President  
1009 Whitney Ranch Drive  
Henderson, Nevada 89014  
(702) 248-6415

Michael P. Bidart, P.E., Office Manager  
1465 Terminal Way, Suite 5  
Reno, Nevada 89502  
(775) 322-3064

Paul "Marty" Brown, P.E.  
2260 Reno Highway, Suite C  
Fallon, Nevada 89406  
(775) 423-4053

**VPOINT**  
DESIGNING FOR THE FUTURE





## CITY OF SPARKS

*Welcome to the city as it approaches its 100th birthday!*

**O**n March 15, 1905, the City of Sparks was incorporated. As the city marches toward its centennial celebration, it has a promising future to look forward to, and an exciting past to celebrate. "We're going to be having mini-celebrations during 2003 and 2004, all the way up to the big celebration in 2005," said Mayor Tony Armstrong. "We'll be celebrating our incorporation, and the birth of Sparks as it changed its name from Harriman – named after the Union Pacific railroad magnate – to Sparks, after John Sparks, the tenth governor of Nevada."

The city is planning to create a time capsule of modern-day Sparks that won't be opened for another 100 years. There will be plenty to put in the capsule, as opposed to one that might have been assembled 100 years ago.

Sparks sprang up practically overnight, when Southern Pacific Railway moved into the area

in the early 1900s, taking over from Central Pacific. It brought to the area rails, shops and the world's largest roundhouse. The city's population in 1904 was 1,500. As it closes in on its centennial, the population of Sparks is 76,000.

"We're the premier city in Northern Nevada," said Shaun Carey, city manager. "We've raised the bar as the place to live and work. Companies can look to Sparks when they want an opportunity to give their employees, and their employees' families, a better place to live."

"For business owners, Sparks is set up to help get your business established quickly," said Carey. "We make things happen at the speed of business. We offer a growing market in which to reach your business goals, and a well-rounded community for your employees."

While no longer dependent on the railroads, Sparks is still

known for transportation. Businesses located in Sparks have the ability to deliver their goods and services to any state on the Pacific Coast within seven hours, offering access to more than 53 million consumers living in the West. With easy access to interstate highways, railroads and an international airport, and with its designation as a port of entry, Sparks is becoming a popular distribution hub for the 11 western states. More than 300 national companies have businesses or factories in Sparks, including Coca Cola Distributing, Federal Express, J.C. Penney, Sportif USA, K-Mart, Sears, Consolidated Freight, Ralston Foods, Holly Decorations, Boise Cascade and United Parcel Service.

"We're known as Nevada's City of Promise," said Carey, "not only because of our bright future, but because we keep our promise to business. We do that by being businesses' silent

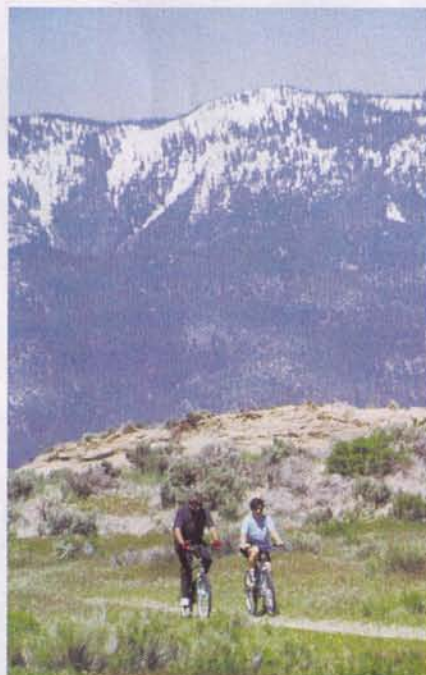


# SPARKS *Nevada's City of Promise*

partner, providing them with workable taxes, superior infrastructure, affordable neighborhoods for their employees and a plan for making sure that businesses can reach their goals here for years to come."

Sparks is surrounded with the kind of natural beauty that draws tourists from far and wide, and gives residents their own vast playground. It is less than an hour's drive to Incline Village and Lake Tahoe – the largest alpine lake in North America – where visitors can boat, fish, water ski, scuba dive, dance, gamble, eat in or picnic out. Sparks is also 30 minutes from Pyramid Lake, a beautiful desert lake 27 miles long, the last remnant of a prehistoric sea. Pyramid is one of the best lakes in the world for catching trophy Lahontan cutthroat trout.

During the winter, snow covers the nearby Sierra, allowing skiers to play in the mountains while the valley floor below stays relatively dry and easily navigable. The Reno/Sparks area averages 300 sunny days a year. Rand McNally ranked the Reno/Sparks-Tahoe area number



*Residents of Sparks enjoy a quality of life that includes access to many outdoor activities.*

one in the U.S. for outdoor recreation. The Reno Sparks Convention and Visitors Authority aggressively markets the region as America's Adventure Place.

## **Economic Development Means Quality Growth**

When Sparks looks in the mirror, it likes what it sees: A family-oriented community offering

tremendous opportunities for businesses to grow and prosper. But like any self-evaluation, a look in the mirror brings up areas Sparks would like to enhance. Right now, that would be bringing in more business park activity to complement the many successful new residential developments. "Our focus in the past has been on building beautiful new residential communities," said Randy Mellinger, assistant city manager. "This has led Sparks to be perceived as a kind of bedroom community. So, right now, in addition to the residential building, we are successfully attracting new mixed-use developments which will allow residents to work closer to home."

The focus on industrial construction is motivated by sound business rationale. Residential communities create demands for service – road maintenance, police and fire protection – generated by population growth. Businesses, on the other hand, do not create as many needs for services and add a great deal more tax revenue to the general fund of the city.

"That's why we're looking at developing land uses with higher assessed valuations, such as businesses," said Tom Burrous, economic analyst, "so we can enhance our fiscal situation and maintain the service-level needs which increase daily as our population expands from 75,000 today to a planned 120,000."

Not only will mixed-use developments add to the fiscal soundness of Sparks, but they will also enhance the quality of life for residents – a recurring mantra



### **YOUR NEIGHBORHOOD ARCHITECTS ARE AMONG THE TOP 16 NATIONALLY**

BUILDING DESIGN & CONSTRUCTION MAGAZINE

WASHOE FAMILY CARE AT VISTA SPARKS

FIRE STATION#5 AT WINGFIELD SPRINGS

DINI-TOWNSEND HOSPITAL AT NEVADA MENTAL HEALTH INSTITUTE

**HMC**

ARCHITECTURE

PLANNING

INTERIOR DESIGN

SERVING RENO, SPARKS, LAS VEGAS & ALL OF CALIFORNIA

775-322-9475 702-315-4203 [www.hmcgroup.com](http://www.hmcgroup.com)



among city planners. "We can't have people commuting for hours to jobs in the southern region of the county," said Mellinger. "It erodes air quality, creates frustration caused by traffic, and cuts into employees' social time with their families."

One way to keep Sparks residents working locally is to redevelop areas that are slowing down economically. "We are using redevelopment funds to spur private investments and remove blight," said Burrous.

Another approach is to update the master plan to maintain a jobs/housing balance in the community, creating mixed-use communities where job opportunities will allow people to live and work in close proximity, rather than commuting and adding to traffic congestion. Three planned developments are in the works to achieve this goal.

Copper Canyon is a 1,300-acre, mixed-use project proposed for the hills of East Sparks. It would include single-family homes with large lots, multifamily housing, senior housing, recreational areas such as hiking trails, and a business park. It would also include restaurants, banks, hotels and a shopping mall. "We call it an emerging employment center," said Mellinger, "because people living there can walk to work." The developer, Michael Barnes, envisions 50 percent open space in the project and access to Bureau of Land Management open space to ensure an enjoyable quality of life.

Barnes said he is targeting high-tech companies for his office

park. "We'd like to get any kind of company that uses 'tech,' like biotech, light-tech manufacturing and research and development. We'll be providing great transportation access – our entrance is just 500 feet from I-80, America's

major east-west route."

As for dealing with city planners, Barnes is enthusiastic. "The city personnel are business-savvy," said Barnes. "They are committed to bringing quality growth to this area, and they do

## Bank With One Hand Tied Behind Your Back.



MEMBER FDIC

You already know all about our great people. What you may not know, however, is that we offer lots of people-friendly services, like Online Banking. Check your balance, pay bills, view or print checks and statements, without ever leaving your chair.

To find out more, simply visit us online or stop by your favorite branch.



It's all about people.  
firstindependentnv.com

Reno: 6518 S. McCarran Blvd. (775) 828-2000 Sparks: 725 Sparks Blvd. (775) 358-8400







Victorian Square is the heart of downtown Sparks.

everything in their power to make it happen."

Kiley Ranch is a 900-acre development which will include single family homes, multifamily housing and a business park. It will include a golf course and a town center-style commercial development.

Flora Springs is a mixed-use project in East Sparks which will include housing, retail shops and a business park.

Another way Sparks plans to cut down on traffic is to enhance its mass transit system. It is building a new transit center to accommodate the buses that the RTC (Regional Transportation Commission) circulates throughout the area. The city is encouraging developers to provide bus passes to residents, and actively looks for developers to create "transit-oriented development" near the bus lines.

But building new projects does not exclude preserving the old, and Sparks is working on celebrating its history. "We are very much in favor of historic preservation," said Mellinger. "It really

contributes to the quality of the community." The city is in the process of identifying historic places in town, houses where important historical figures lived and buildings deserving of historical designation. "We are updating our historical walking tour," said Burrous, "and we are recruiting horse-drawn carriage operators to offer a carriage tour."

Sparks has its eye on preserving and updating one historic building in particular, an 80,000-square-foot historic Union Pacific Railroad machine shop. "It would make a very impressive science center, mall, or showcase for outdoor adventure companies," said Mellinger.

*"We make things happen at the speed of business."*

## Downtown Redevelopment

Since 1977, Sparks has revitalized its downtown into the well-known and much-enjoyed district known as Victorian Square. It's a mixed-use entertainment and retail center, which can be closed for special events.

Victorian Square is adjacent to John Ascuaga's Nugget, one of Nevada's largest, independent, family-owned and managed resort hotels. A Sparks fixture since 1955, the Nugget began as a 60-seat café. Today, as the largest hotel casino/resort in Sparks, it boasts 1,600 rooms, 110,000 square feet of meeting and convention space, eight restaurants and weekly top-name entertainment. "The Nugget has built some of the best convention and meeting space found anywhere in the country," said City Manager Shaun Carey. "They offer a complete package at a five-star hotel for conventions, with all the dining, entertainment and gaming excitement."

Attractions found in Victorian Square include small retail shops and the Century Sparks Theatre, a multiplex cinema with an Art Deco façade that draws over a million guests annually.

"While we've made tremendous progress in revitalizing downtown, we have very ambitious plans for the future," said Armando Ornelas, the city's redevelopment manager. "We've been approached by numerous developers who are interested in turning Victorian Square into a major regional destination."

The Sparks redevelopment

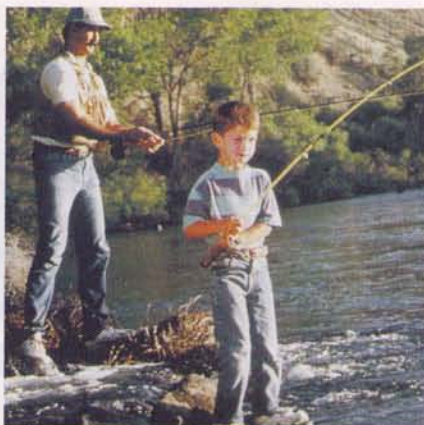


team is hoping to create something that is not replicated anywhere in Nevada. They envision creating an area of retail and entertainment offerings that would include such amenities as nightclubs, health clubs and upscale retail outlets. They also envision brand-new housing in the mix.

"We've made a great deal of public investment in Victorian Square," said Ornelas. "Now we need private investment to take the ball and run with it, building on the substantial groundwork we've completed." According to Ornelas, Victorian Square has a lot to offer developers. "It's the flagship of Sparks," said Ornelas. "People everywhere know it, especially because of our famous special events."

Five special events attract 700,000 visitors annually to Victorian Square. The town center is host to the Hometowne Farmers Market held every Thursday all summer long, attended by at least 10,000 visitors annually. This is the oldest and largest certified farmers market in the state. It offers a weekly celebration of summer produce, as well as fresh breads, desserts and dinner items including Italian, Basque, Mexican and Thai dishes. Food and garden-themed arts and crafts are available at the market as well.

The Big Easy in mid-July – a celebration of New Orleans – attracts at least 75,000 people. This three-day family event mirroring Mardi Gras brings the music and cuisine of New Orleans to Sparks, with dance contests and dance lessons, craft shows and Cajun and Creole food. Music is



Sparks is just minutes away from the Truckee River, Pyramid Lake and Lake Tahoe.

an integral part of the celebration, from Cajun to Zydeco, Dixieland to Brazilian to New Orleans rhythm and blues.

Hot August Nights, a Reno and Sparks regional celebration of the

cars and music of the 1950s, '60s and '70s sees 250,000 guests and 5,000 classic cars pass through Victorian Square in a week-long celebration. Best in the West Nugget Rib Cook-off on Labor Day weekend offers five days of food and festivities. During the long weekend, some 280,000 visitors move through Victorian Square, enjoying free music and eating over 120,000 pounds of ribs. In December, Hometowne Christmas, now in its 17th season, offers family entertainment, a Christmas parade and a tree lighting to as many as 20,000 visitors. Roasted chestnuts, carolers, parades and holiday shopping are all part of the family-oriented event, topped off with the



## HOME FINANCE NEEDS?

We can help.

- Buying a Home
- Selling a Home
- Home Improvement
- Refinancing



Lake Tahoe  
**1.866.342.1779**

Reno/Sparks  
**1.800.234.3361**

Carson City/Minden  
**1.877.746.8425**



# SPARKS *Nevada's City of Promise*

lighting of the tree.

"We're known for our events," said Mayor Tony Armstrong. "We have the only Hometowne Christmas parade in the state, and the Farmer's Market is phenomenally successful as a gathering place for the whole region."

Downtown merchants have reaped the benefits of both the famous events and the redevelopment, and are eager to see what the future brings. Ken Cummings has continually owned a business downtown since 1969 and gives the city high marks for its programs. "I've worked with the city a long time," said Cummings, who is now completing the renovation of an historic hotel into an antique mall with two restaurants. "I'm sold on Sparks. I think the city is number one in Northern Nevada for the amount of attention it gives small businesses. I've been in a number of cities in Nevada and California, and Sparks is tops in the way it tries to help business people."

The Sparks team sees an additional benefit to incoming businesses for locating in Victorian Square, and it has to do with housing. "We're experiencing a residential housing boom here," said Ornelas, "and 60 percent of that is happening north of Interstate 80." Currently, most retail options are in the southern areas of the county, and Ornelas feels retailers would have a terrific market of customers to draw on if they were situated in downtown Sparks.

With the prospect of the city's events growing larger, and even



Hot August Nights is just one of the many attractions that bring visitors to Sparks.

more development in the downtown area, Mayor Armstrong has a decidedly grand vision for the town. "I see us as being as famous as Branson," said Armstrong, referring to the wildly successful country music town in Missouri. "Between our special events and the proposed development, we will be as successful as they are."

## Sparks Marina

Imagine this scenario: You're holding a team-building exercise for your corporate staff in a park, followed by a company picnic overlooking a marina. But time is tight, and you don't want your employees driving hours getting to the events.

But, if your company is a tenant at the new Sparks Marina

*"It's the  
ideal place  
to live, work  
and play."*

office park development, they'll just need to walk out the front door. "It's an all-inclusive urban environment," said David Dahl, whose company is developing a 32-acre project adjacent to the Sparks Marina. "People can live and work right on the property."

The marina, which began life as a gravel quarry and became a lake as a result of a flood of the Truckee River in 1997, contains approximately 2 billion gallons of water. It has an average depth of 60 feet, with the deepest part reaching 120 feet.

Dahl's company has just completed the construction of a 27,000-square-foot building near the marina that will house retail and office space. "A third of the space will be for boutiques and restaurants serving marina visitors," said Dahl. "The rest will be office space. All the offices have a view of the lake and the Sierra Nevada. Every one has balconies offering indoor/outdoor access." The offices also boast DSL connections and easy freeway access to the two main arteries in town (I-80 and US 395), and are only a few steps



away from a 5K running path. The building, which has one floor of retail space and two floors of office space, is surrounded by convenient parking.

Also in the works are 59 homes currently under construction, a 240-unit apartment building, another 60,000 square feet of commercial, office and retail space, and a 120-room hotel.

The development is alongside another 80-acre mixed use project, for which there is a proposal to build an 8,800-seat stadium housing a Triple-A baseball team. Renderings of the development also show restaurants built over the lake, a lighted Ferris wheel and a lighthouse, as well as places to rent sailboards. The total value of the two projects is expected to reach \$225 million.

The marina, stocked with rainbow trout and German brown trout, opens for fishing in May. Swimmers can enjoy the marina starting in June. Other amenities include two swimming beaches, two sand volleyball courts, nu-



The Hometowne Farmers Market is the oldest and largest certified farmers market in Nevada.

merous picnic tables and gazebos, a lighted trail system and extensive landscaping. Even boating – sail or electric-powered – is permitted.

"It's the ideal place to live, work and play," said Dahl. "It's a magnet for people from all over the Truckee Meadows. There are so many activities in the park to take advantage of, both for the office tenants and residents."

The Sparks Marina is one example of the enviable quality of

life enjoyed by residents of the city. There is a wide range of housing options, including downtown apartments, charming homes in established neighborhoods and golf-oriented master-planned communities.

Outstanding outdoor recreational opportunities include many golf courses, water recreation, winter sports, fishing, hiking and biking activities in the foothills, Sierra Nevada, Lake Tahoe and Great Basin desert.

There's a well-regarded public school system, Truckee Meadows Community College and the University of Nevada, Reno, a four-season climate, striking landscape, and arts and cultural offerings more typical of much larger cities.

"Sparks offers a wonderful lifestyle, and that applies especially to getting to work," City Manager Carey added. "Employees can live close to where they work, meaning that our residents measure their commute in minutes – not hours."



The Sparks Marina not only offers outdoor recreational activities, but will also be the site of office and housing developments.



## Worker's Comp an Important Consideration

**M**any factors go into the decision to relocate a business, but none may be as crucial as workers compensation rates. Nevada comes out strong in this arena, according to Chuck Alvey, president and CEO of EDAWN (The Economic Development Authority of Western Nevada.)

"In California, rates went up 100 percent in January 2003," said Alvey, "and they are predicted to be going up another 40 percent in July 2003. These rates are causing some California companies into bankruptcy."

In comparison, Alvey said that Nevada's rates are lower. There is no way to say exactly what a company would pay in Nevada, according to Alvey. "It depends on the type of company, kinds of employees, and what their workers comp history is," he said. "But I do know we're cheaper than California."

"Our workers comp insurance is privately run, and it's run more effectively than programs run by public agencies," said Alvey. "The group running our program has managed the insurance better, and has passed on the savings to corporations."

## Sparks Government

The City Council appoints the City Manager, who is directly responsible to and serves at the pleasure of the Council. Two city departments are directed by elected officials: the City Attorney's Office and the Municipal Court. Eight additional city departments have department heads appointed by the City Manager subject to ratification of the city council. These additional departments are Administrative Services, City Clerk, City Engineer (Public Works), Community Development, Finance, Fire, Parks & Recreation and the Police Department.

## Climate

Sparks offers four distinct seasons with few extremes. Average temperatures range from winter lows in the 20s to summer highs in the 90s. Low humidity characterizes the area, making the cool days seem not so cold, and the warm days not so hot. Rain is scarce (fewer than eight inches on average annually), as are cloudy days. Snow, however, is certain (23.5 inches on average per year), though it tends to melt by late afternoon in the valleys. Here, the sun shines more than 300 days a year, providing warm days, cool nights and blue skies.

## Business Benefits

Tax benefits (no corporate, personal income, unitary, inventory, or franchise tax), business-friendly regulations and high quality of life make Northern Nevada an extremely attractive place to do business and live. Michelin North America, Microsoft Licensing, John Deere Company, Kal Kan, Amazon.com and I GO are just a few examples of companies who have recently chosen to expand in or move into the region. They join long-standing companies, such as Ralston Foods, International Game Technology and R. R. Donnelley and Sons, in calling Northern Nevada home.

## Higher Education

The tremendous resources of the University of Nevada, Reno (UNR) and Truckee Meadows Community College (TMCC) provide a wide variety of assistance to the business community and opportunities for collaboration. All major fields of study and many advanced degree programs are provided at UNR, a fully accredited state university. TMCC offers numerous training programs and will customize programs for individual businesses.

## Outdoor Recreation

Minutes from world-famous Lake Tahoe, Sparks is surrounded by natural beauty and limitless recreational opportunities. The Reno-Sparks-Lake Tahoe region has over 18 world-class ski resorts and 40-plus golf courses. The area also boasts 60 gaming locations, the National Bowling Stadium, the National Automobile Museum, Rancho San Rafael Park's Arboretum and Wilbur D. May Great Basin Adventure, the historic boomtown of Virginia City, and world-class fishing, hiking, biking and numerous other outdoor activities.

## Transportation

**Railroads** • Served by Union Pacific Railroad

**Highways** • The Reno/Sparks area is bisected by I-80 east/west and U.S. Highway 395 north/south

**Airport** • Reno-Tahoe International Airport. U.S. Customs Inspectors based at the airport serve the area as a U.S. port of entry.

**Trucklines** • Close to 60 motor carriers provide a combination of transcontinental, interstate and intrastate deliveries.

United Parcel Service has an area terminal located in industrial Sparks.



## Vpoint – Designing Infrastructure for Northern Nevada

Vpoint, a consulting civil engineering and land surveying firm headquartered in Henderson, opened a Reno office in 1997 to specialize in engineering for public works infrastructure projects. Services are provided to a variety of clients including cities and counties, state agencies, water and sanitary sewer districts, utility companies, golf courses and tribes.

Michael P. Bidart, P.E. is the office manager in Reno and serves as the contact person for Northern Nevada and California projects. He brings a varied consulting engineering background to lead a dedicated team of engineers, surveyors and technicians. With the addition of a Fallon office this year, the Northern Nevada division currently has a staff of 16, including several native Nevadans, eight licensed professional engineers and a professional land surveyor.

Vpoint has provided engineering services to the City of Sparks on several projects, including the design for the Prater Way Revitalization project to upgrade sidewalks, add landscaping and decorative street lighting and provide other facilities such as bus stops. Sparks is also utilizing Vpoint for the engineering design of the Victorian Avenue West Revitalization project.

The City of Reno Phase I Reuse Pipeline and UNR Farms Irrigation System project received awards for Environmental Project of the Year from Washoe County and from the American Society of Civil Engineers (ASCE).

Vpoint provided the engineering design and construction administration for this project, which included a major reuse water pipeline to take treated effluent from the Truckee Meadows Water Reclamation Facility (TMWRP) through UNR Farms and provide irrigation for other potential reuse water users. The project also involved upgrading and expanding the UNR Farms reuse water irrigation system.

In 2001, Vpoint was chosen by the City of Reno to provide engineering design and construction administration for the Sierra Executive Center (SEC) Infrastructure project. The project was funded as a Special Assessment District to construct streets and associated infrastructure in a new commercial/business park development. A bridge over Dry Creek was required, as well as an offsite sewer interceptor and improvements for access to Sierra Pacific's building on Campus Way.

The City of Fernley incorporated in 2001, and utilizes Vpoint to function as the City Engineer. Responsibilities include general engineering duties for the citywide water supply and distribution system, the sewer collection and treatment system, maintenance and rehabilitation of city streets, and storm drainage maintenance and improvements. In addition, Vpoint provides engineering design on capital improvement projects and is also building and maintaining the City's new Geographic Information System (GIS).



## Connecting with our community.

### Partners

### Collaboration

### Strategic Alliances

### Success

DP Partners, one of the nation's largest industrial developers, is truly connected with every community in which we do business, including Reno/Sparks, Nevada, home of our corporate headquarters. We are proud of our outstanding clients across the nation, in Las Vegas, NV; Harrisburg, Carlisle and Allentown, PA; Rochelle/Chicago, IL; Indianapolis, IN; and Atlanta, GA. You and our clients are OUR link to success.



**PARTNERS**  
Nationwide Industrial Development. Individual Attention.

Call 1-800-775-SITE  
[www.partnerwithdp.com](http://www.partnerwithdp.com)



## Sparks Cityworks



Getting a construction project off the ground usually involves dealing with unnecessary red tape. Not so in Sparks, where Neil Krutz leads a division designed to be the scissors that cuts through the tape: Sparks Cityworks.

"We're the permit and entitlement review group for the city," said Krutz, deputy director for community development. "But, unlike similar departments in other cities, we operate more like a business." Instead of competing with other departments like fire

and police for dollars from the city's general fund, Cityworks derives its income from fees generated by permit requests.

"We can respond to the growth in the community, because as our income increases, and the need for our services expands, we can add staff immediately," said Krutz. "In fact, the number of plan checkers has increased recently from three to four, and the number of permits we issued increased 36 percent over last year." More staff equates to faster permit turnaround time for builders,

a crucial advantage in an industry where time is money.

"We've set high performance goals for Cityworks," said Krutz. "Two thirds of the permits we get are over-the-counter, and we can turn them around in one day. The rest we are committed to completing in 15 working days."

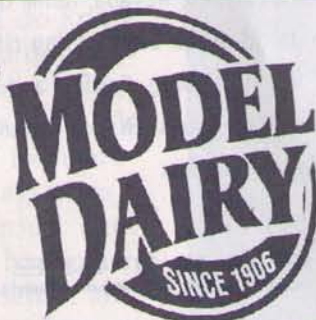
"Cityworks shows we're not obstructing business - we're more like a partner," said City Manager Carey. "A business person can walk in one door to take care of all building planning requirements."

Cityworks also established a new telephone standard of logging all calls received and returning them within 24 hours. Far from being a reactive department, Cityworks staff go out into the builder community and solicit feedback on how they can improve the process even more.

"We have two Development Services Users Groups, one for residential and one for industrial," said Krutz. The groups bring together Cityworks staff with developers, engineers, planners, architects and major property owners on a regular basis to discuss issues affecting the development process.

"The feedback we get from developers often results in policy changes," said Tom Burrous, economic development analyst for Sparks. "For example, we heard that city staff was not always available for meetings with developers and their teams. So we set up a system whereby every other Wednesday, members of our staff from Building, Fire, Planning, Engineering, Survey and Industrial Waste would be available for meetings from 9 am to noon."

**Good Then...**



**...Better Now**

**Buying Model Dairy Supports Our Community**



As a result, developers who want to get all their meetings done at once can schedule a half-hour meeting on a Wednesday. Best of all, there's no charge for these pre-application meetings, according to Burrous. "It's an opportunity for us to provide a reality check," he said. "We tell builders what they need to do and offer guidance on their proposals. This saves them a lot of time and money down the road as they get more involved in the project."

Another hassle Cityworks is attempting to alleviate from builders' lives is the mounds of paperwork associated with planning a project. They've introduced an Electronic Information Management System intended to make looking up plans as easy as doing a search on Google.

"We're scanning all of our plans into an electronic database to make the information more accessible," said Kurtz. "Right now, plans are available to all city employees through our intranet. The next step will be for us to move it to the Internet, so all property owners and builders can look up plans."

The new system promises to save time for property owners who want to enhance their buildings. They won't have to venture to a city office and spend hours rummaging through old plans. "Say you've got a residential or commercial building that's 20 years old, and you want to add onto it," said Burrous. "With the Internet, you'll be able to look up the permits for the building, see where important things are, like

## Developer Praises CityWorks

**I**n the fast-paced world of housing construction, action speaks louder than words. Terry Reynolds, vice president of Loeb Enterprises, LLC, a builder of housing developments in Sparks, likes the response he gets from Cityworks.


"We have a good relationship with them," said Reynolds. "They have it nailed down – things are done in a timely fashion, the rules are clear, and I know that we are able to work together to solve difficult issues."

Reynolds wanted a government that works with him, and he found it in Sparks. "When you invest millions of dollars, you want to make sure the government is going to work with you, and Sparks does. We currently are developing 1,640 acres in Sparks for residential housing, and we just bought 750 more. We would not have invested any more in Sparks if they weren't doing a great job for us."

utilities, and create your plans – all from your home or office."

Cityworks knows that to serve its customers efficiently, its staff has to work like a team. All members of Cityworks staff are required to complete training sessions usually taken only by corporate clients. They take customer service classes, and have even completed courses in a new science called Emergenetics, which discloses each

team member's working style. It all comes down to providing the highest level of service to builders.

Cityworks is committed to bringing more businesses to Sparks, according to Krutz. And they're doing whatever it takes, from returning calls faster to running outreach programs to learning how each other's brains tick. It's a full-service operation. 

## SPARKS SANITATION COMPANY

Exclusive franchised hauler for the City of Sparks for residential & commercial garbage & trash service.

### Available Services:

- Residential Garbage Collection
- Semi-Automated Wheel Carts
- Yard Clean Up Boxes, 4 & 6 yards
- Large Mechanical Compactors: 10-40 yards
- Transfer Stations Conveniently Located
- Heavy Duty Debris Boxes - Sizes: 14, 20, & 30 yards
- Rubbish Hauling
- Consulting
- Special Pickups
- Landfill Use Available
- Free Estimates

100 Vassar St  
Reno NV 89502  
(775) 329 - 8822





The city of Sparks maintains nearly 500 acres of developed parks, offering a recreation facility within a half-mile walking distance of each home in the city. In addition to the Sparks Marina, other facilities include three swimming pools, two recreation centers, two championship sports complexes and 18 tennis courts.

## Salads and Solutions

The City of Sparks offers a yearly meeting cosponsored by the Chamber of Commerce called City of Sparks Business Forum featuring Salads and Solutions, which gives business owners the opportunity to dine with the city's senior managers. "You can sign up to sit at a lunch table with the city manager or assistant city manager," said Tom Burrous. The keynote speech each year is the annual State of the City address from the mayor. "As a business owner, you get to learn more about how the city operates."

The lunch also gives city staff a

chance to "walk in the shoes" of a business owner. "We hear about some policies that just are not working," said Burrous. "We often discover a better way of doing things, and policies have literally been changed overnight."

Salads and Solutions has been expanded to include breakout sessions in which business owners can learn about marketing, business law, computers, hiring and employee relations. Burrous said, "Each year, following this event, business owners walk out pumped up about doing business here in Sparks."



## PYRAMID PLAZA OFFICE PARK

*"Your Future Office Location"*

Leasing Now

Build To Suit - From 300' To 10,000'  
Pyramid Way And Roberta Lane

### DEVELOPED BY:

City Developers Corp.  
2041 Hallmark Drive  
Sacramento, CA 95825  
(916) 927-0997

### OWNED AND MANAGED BY:

Sycamore Gardens  
875 Roberta Lane, 103-1  
Sparks, NV 89431  
(775) 358-8033

Alison Building Co., Ltd.  
General Contractor - Rod Alison  
5390 Riggins Court, Suite E  
Reno, NV 89502  
(775) 828-1125

### A Few Of Our Present Tenants

#### First Centennial Title Co. Of Nevada

*"Your Partner In Title And Escrow"*

895 Roberta Lane, 101a  
Sparks, NV 89431 • (775) 685-2121

#### Edward Jones - G. Douglas Voelz

*Investment Representative*

895 Roberta Lane, 102  
Sparks, NV 89431 • (775) 355-1100

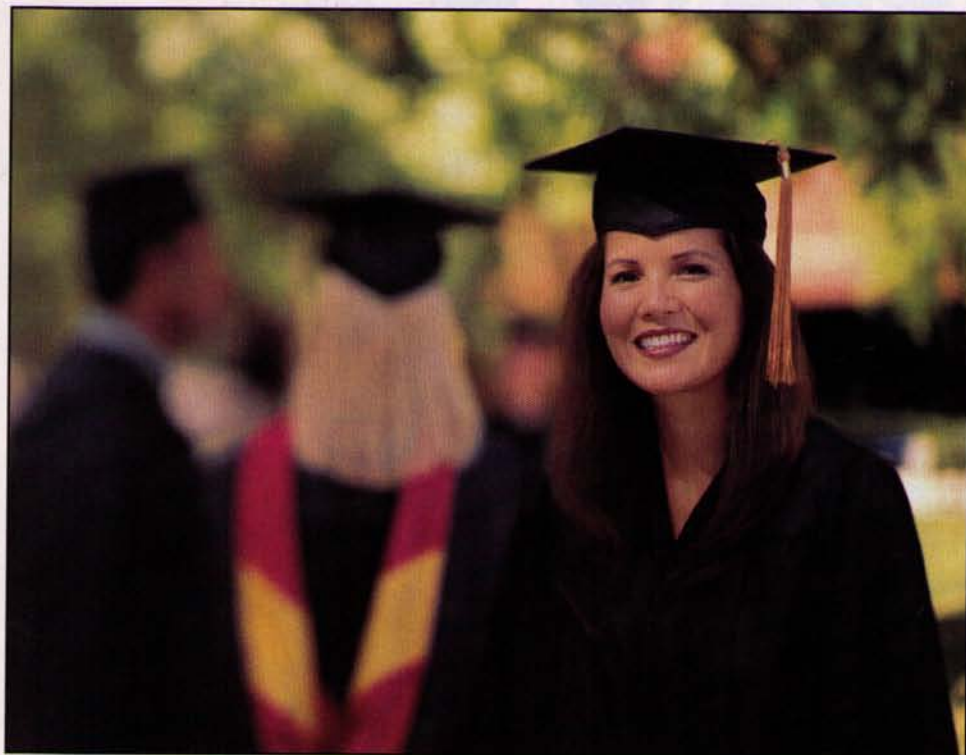
#### Eagle Realty Of Nevada

Ruth A. Ward - Emmil, Broker

895 Roberta Lane, 101b-3  
Sparks, NV 89431 • (775) 685-7767



# UNIVERSITY OF PHOENIX



\* 5 convenient  
Nevada locations

\* Class attendance  
and Learning Team  
meetings are just  
once per week

\* Small workshop  
style classes

\* Faculty members  
are professionals who  
work in the fields  
they teach

\* Financial options  
available

## Education that fits *your* busy schedule

Whether it's work, family or school, we know you're busy. That's why University of Phoenix is designed for working adults like you.

University of Phoenix, Nevada Campus offers BACHELORS and MASTERS degree programs in Business, Criminal Justice Administration, Education, Human Service, Management, Technology and Teacher Education for Elementary Licensure.

CLASSES ARE STARTING NOW!

1-800-MY-SUCCESS

Reno Main Campus - 5370 Kietzke Lane (775) 828-7999

Las Vegas Main Campus - 333 North Rancho Drive (702) 638-7868

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



University of Phoenix is accredited by The Higher Learning Commission and is a member of the North Central Association ([www.ncahigherlearningcommission.org](http://www.ncahigherlearningcommission.org); 312-263-0456). © 2003 University of Phoenix. ALL RIGHTS RESERVED.



The  
City of

# Sparks ...



## Nevada's quality of life indicator!



City of Sparks Community Development P.O. Box 857 Sparks, Nevada 89432

Tel: 775 353-2340 Fax: 775-353-2608

[www.ci.sparks.nv.us](http://www.ci.sparks.nv.us)



*Become the Center of Our Attention.*



SERENITY. SERVICE. SUCCESS.



Unexpected serenity. Truly intuitive service. Spaces that adapt perfectly to your goals. An intimate meeting experience that can only be found at Four Seasons Hotel Las Vegas. Here you'll discover state-of-the-art technology and complimentary amenities that are certain to exceed your every expectation. A tranquil, non-gaming oasis amidst the sparkle of the city, this unique and luxurious hideaway on the Strip offers you and your attendees the ultimate setting for success. For more information, please call the Hotel toll-free at 877.632.5200 or simply visit [www.fourseasons.com/lasvegas/meetings](http://www.fourseasons.com/lasvegas/meetings).



**FOUR SEASONS HOTEL**  
*Las Vegas*

— 3960 Las Vegas Boulevard South, Las Vegas, NV 89119 —



**Gaynor:** If they do that, it will change the unemployment situation. We're sitting at about 6.1 percent [unemployment] right now, and that's a huge number. The more we invest in capital, put into business, into inventory and expansion, the better off the job market will be. The feel of the market is that the second half of this year should be better than the first half. What's going to trigger that is investment. There's a lot of pent-up demand in the stock market right now – a lot of money sitting on the sidelines waiting. So you're seeing some things that may signify the start of a recovery. I don't know that we've made the turn, but we're certainly into the turn.

**Guldin:** When we hang our hat on manufacturing, we have to realize that, as the economy declined, a lot of companies relocated out of the country. We can't depend on selling cars, when a lot of the components of cars are being produced out of the country now, and that's not creating jobs here.

**Hulin:** Moving the manufacturing jobs overseas has been very visible, but one of the dirty little secrets is that we're starting to move a lot of service jobs overseas. When you talk to somebody about your

credit card, he or she is somewhere in Asia. This trend is still kind of under the radar, but one of these days it's going to pop up and really create a furor, particularly when you're dealing with credit cards and personal information. You're going to have all that information in countries that don't have the kind of protections we do. I think there are some real issues there.

### Credit Unions: The Uneven Playing Field

**Brennan:** We had a fairly lively discussion last time at the roundtable about the credit union issue. Is it a level playing field?

**Howard:** No, and it hasn't been for years.

**Guldin:** It's not going to change. They have too much lobbying support.

**Hulin:** The credit unions are going to get new powers, and they're going to go make commercial loans and other transactions, but they don't have the people who know how to do them. They're going to end up taking huge losses and there will be a bunch of credit union failures, just like there were with the [savings and loans]. The thing will come back full circle to

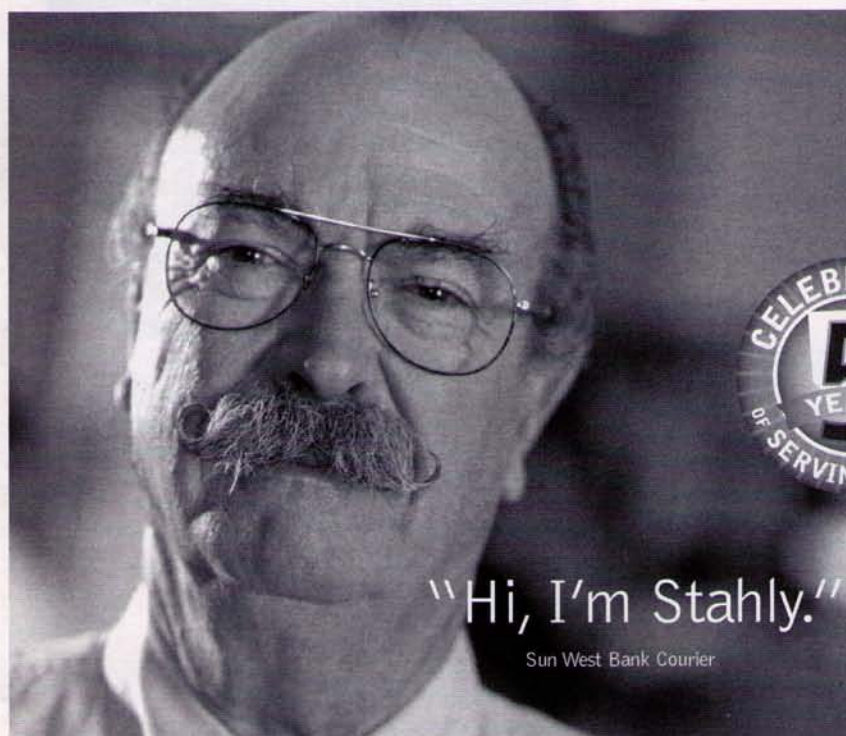
where they'll get some regulation, but I don't think they'll ever be taxed. However, if you put all the credit unions together, they don't even represent one big bank.

**Brennan:** Then, why are they such a powerful lobbying force?

**Kornmayer:** Grass roots support.

**Daigle:** As much as our customers love us, if we call them up and say the credit unions have an unfair advantage over us, they don't care. They're not going to write letters to Congress about that. However, contact credit union members and say, "Somebody's trying to take away your advantageous financial relationship," they all get fired up and send letters. There's a huge lobbying force out there that we just simply don't have the ability to respond to.

**Daigle:** Anytime you have a tax-subsidized business competing with a non-tax-subsidized business, it's not a fair playing field. Our challenge is this: The more they try to do what we do, it's our job to make sure we do it that much better. Because the reality is, if you can provide the product, the service, the function, better than a competitor from a quality standpoint and still be reasonably competitive on price, you'll still be able to grow and retain your



Sun West Bank Courier



## Familiar Faces

### Convenience You Can Bank On

At Sun West Bank, we're committed to providing our customers with "Service Above the Rest" in every area of our business. Our couriers, such as Stahly, are dedicated to serving our customers in every community in which we do business, whether it's across town or simply across the street\*.

\*Some restrictions may apply. This service only provided to business customers. No cash.



People You Can Bank On™

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

Member FDIC Equal Housing Lender



**CORPORATE HEADQUARTERS**  
5830 W. Flamingo  
702.949.2265

**SUN CITY SUMMERLIN**  
9350 Sun City Blvd.  
702.949.2273

**EASTERN & WIGWAM**  
8475 S. Eastern Ave.  
702.921.2100

**N. NEVADA REGIONAL HEADQUARTERS**  
MountainView Corporate Centre  
775.333.8900

**MILL STREET, RENO**  
1101 Corporate Blvd.  
775.856.8300



business. The way we succeed against competition is by doing our jobs well.

**Guedry:** In theory, that's great, but when a third of your profits, or more, are being paid in taxes, and you're competing against somebody who doesn't have to pay those same taxes, pricing is considerably more favorable on the credit union side. As Barry was saying earlier, I think as [credit unions] move more and more into the arenas that we compete in – the business/commercial arenas – without the expertise to do so, they're going to take some losses because they don't understand that type of business as well. Their regulatory agency doesn't understand that type of business either. It's going to require a fairly large credit union or a handful of credit unions around the country to suffer some losses and be shut down.

**Hullin:** In Alaska, two credit unions got into some deals with no idea what they were doing, and the credit union people were very clever about keeping it quiet. When these credit unions go upside down, they arrange mergers. They're not like the FDIC that marches in on a Friday and closes the building and puts a big sign on it.

**Daigle:** We need to promote the fact that we protect the customer through our credit quality programs, our professionalism and our knowledge of the business we are doing.

**Hullin:** Frankly, I think the ABA (American Bankers Association) has been obsessing too much about credit unions. That's a reflection of bankers who do want to try and compete with them. We cannot compete with them. We cannot compete with them on car loans or mortgage loans, so we don't. We do things we can do well, and build relationships and price reasonably.

**Kornmayer:** Their expertise is not anywhere near what a commercial bank puts on the table, so at some point in time, consumers are going to differentiate. When they need to go out and do something a little bit more sophisticated, they're going to look for a more sophisticated source.

### Banks as Real Estate Brokers

**Brennan:** Are banks going to be allowed to sell real estate?

**Gaynor:** Well, the real estate issue is still hot and heavy. All the Financial Modernization Bill (Gramm-Leach-Bliley, 1999)

did was to try and level the playing field. Most of us in here may not even go into real estate. It may not be something we want to get into. What we want is the ability to do it, and the lobbying effort is going to be just like the credit unions. You're not going to find our customers out there writing letters to congressmen, but you're going to get thousands of Realtors sending in letters for every five or six letters they'll get from bankers. Gramm-Leach-Bliley was debated, and the Realtors were allowed to give their input, but they were

asleep at the switch. Now, after the bill went through, they want to say, "Stop – we didn't understand." They had their chance to debate it. The Realtors are very unhappy about it, because they think we're going to take money out of their pockets.

**Daigle:** The Realtors right now are fighting to take away the ability for banks to sell real estate, yet there's no prohibition for virtually any other type of business in the United States from picking up that line of business. Sears can start selling real estate, or General Motors could put out its

*Continued on Page 62*



# NOW LEASING

**RAINBOW SUNSET OFFICE PARK**  
Class A Professional Office • Retail  
400,000 Square Feet • Available December 2003

**SAGE MOUNTAIN COMMERCE CENTER**  
Light Industrial • Big Box • Flex Office • Manufacturing • Distribution • Warehouse  
2,416,320 Square Feet • Available October 2003

**SIENA OFFICE PARK**  
Class A Medical & Professional Office  
380,000 Square Feet • Immediate Availability

**RAINBOW QUAIL**  
Professional Office & Retail  
27,480 Square Feet • Immediate Availability

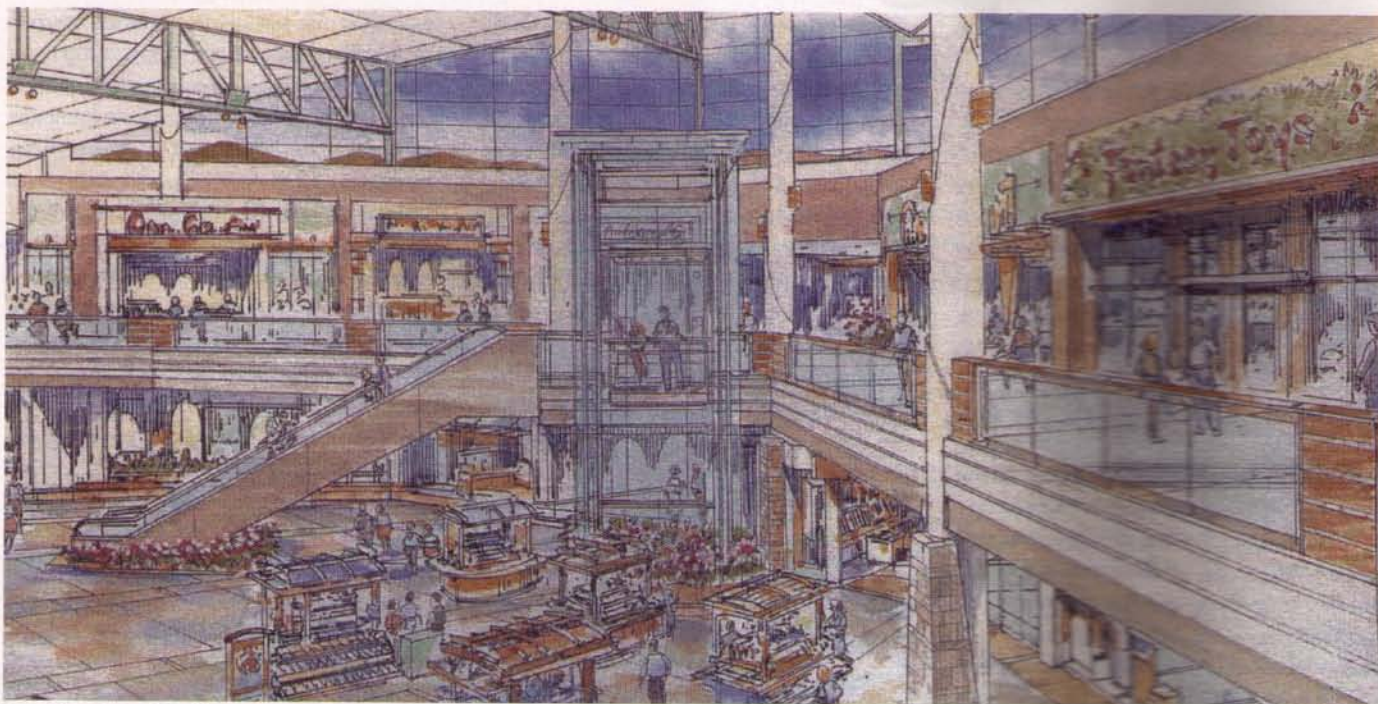


**Inquiries: Rhonda Panciro**  
**702.871.4065**

**The Art of Development**

P: 702.871.4065 F: 702.871.0333  
E: info@pdc-lv.com www.pdc-lv.com  
5495 South Rainbow Blvd., Suite 202  
Las Vegas, Nevada 89118





*Meadows Mall in Las Vegas is planning a multi-million dollar renovation project with tile flooring, three new escalators, food court upgrades, a new stone façade and enhanced landscaping.*

## On the Rebound: Nevada's Malls Bouncing Back

by Renee Roberts

Shopping malls have become an integral part of the economic and social fabric of our communities. Although the weakened economy and the slowdown in tourism have affected their bottom lines, Nevada retailers are seeing a rebound for the first time in two years and are optimistic about the future.

According to the 2002 issue of Las Vegas Convention and Visitors Authority's (LVCVA) *Las Vegas Visitor Profile Study*, in 2001, the average visitor to Las Vegas spent \$106.75 on shopping per trip, but in 2002, he or she spent only \$83.53. Most Nevada retailers agree they were not immediately affected after Sept. 11, 2001, but did take a financial loss into the next year (2002) and are now stopping at nothing to increase their malls' traffic and sales.

Maureen Crampton, marketing director of the Forum Shops at Caesars, reports its sales are up 5 percent, and traffic is up 7 percent, from last year's figures. Crampton noted 80 percent of the Forum Shop's 18 million visitors annually are tourists, so she expects this increase is especially significant in light of the decline in tourism, and

especially international tourism, after Sept. 11. "The LVCVA did a phenomenal job — kudos to them," said Crampton. "They really saved the day, taking a proactive role instead of laying low." Although Crampton admits her property did take a hit in 2002, she said it was, "not as tragic as we thought it would be. It has come back. We have seen a great bounce back."

Scott Freshwater, general manager of the Fashion Show Mall on the Las Vegas Strip, stated, "We are very much on target, with our sales at about \$1,000 a foot. We did see some impact on average [sales] due to the slowdown in tourism. We saw a more bargain-minded customer before the [hotel] room rates came back up. We are in a different situation right now [in comparison to most malls], because we are winding down the second phase [of expansion] and undergoing a complete transformation."

Freshwater stated the Fashion Show sees over 10 million visitors annually, but that is only half the volume he expects to see when its \$1 billion, four-year renovation and expansion project is complete in 2004. It will more than double the size of the center to

over 1.9 million square feet. "Twenty million visitors annually is our goal," said Freshwater. "We have a significant advantage, and are clearly one of the flagship properties. By 2004, we will be the only shopping center in the country that has eight department stores under one roof."

The Fashion Show has a much larger local visitor base than ever before, due to the opening of the mall's west expansion in November 2002, which added two new department stores — a new national prototype Bloomingdale's Home and the first Nordstrom for Nevada. Now, 60 percent to 65 percent of Fashion Show's sales are from tourists, and 30 percent to 35 percent are from locals. Since the opening of the expansion, Las Vegas residents, who once had to travel to Southern California, Phoenix, Seattle or even the East Coast to shop at their favorite stores, no longer have to leave the state or even the city.

Although Las Vegas shopping malls located off the Strip do not rely on tourists for the vast majority of their sales, Carrie Renfrow, senior marketing manager for The Boulevard Mall, believes a slowdown in



# Finding it hard to get your message across?

Publish your story in the  
Nevada Business Journal

## SPECIAL OFFER!

Nevada Business Journal's advertorials, which read like news articles, are the perfect way to tell your story.

Choose Nevada Business Journal as part of your advertising program and reserve a four-color Advertorial, which features:

- All the professional copywriting needed to tell your story.
- Design and layout services to ensure your message is effective and eye catching.
- An on-site professional photo session to provide strong visual impact and give your company its most effective visual image.

### PLUS:

Your Advertorial will be included in the full run of the magazine, where it will reach 68,000 decision-makers throughout the state. In addition, you will receive 1,000 reprints to use as an extended marketing tool. Your Advertorial will be the perfect piece to leave with potential clients.

***This corporate package is offered at:***

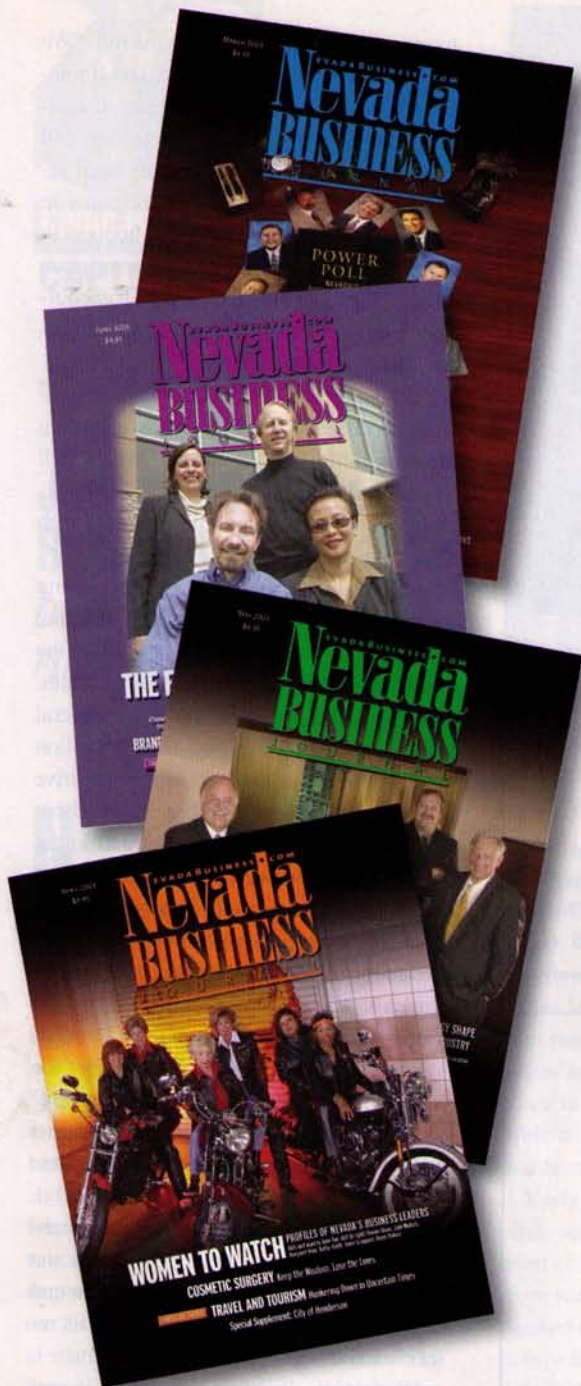
\$5,375 for a one page advertorial

\$7,530 for a two page advertorial

See your Account Representative for further details.

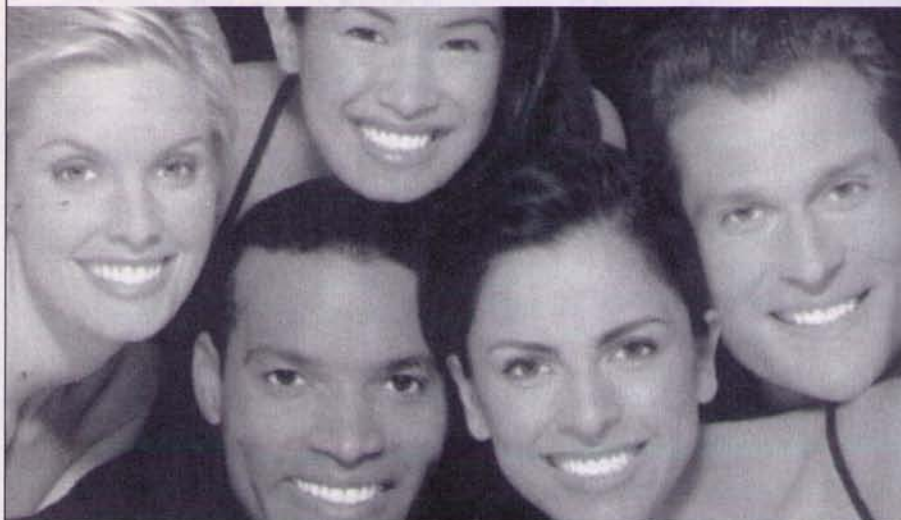
702-735-7003 or 775-747-4434

**Nevada**  
**BUSINESS**  
JOURNAL





## We'll Make You Smile!



For the whiter, brighter teeth you've always dreamed of!  
Take-home tooth whitening is fast, easy and fun. It can be done during the day or overnight while you sleep.

Conveniently located near Greatland Target

Only \$300

www.discusdental.com

**DISCUS DENTAL**



Tim Kuiava, D.D.S.  
Lee R. Turner, D.D.S.  
1000 S. Rampart Blvd.  
Las Vegas, NV 89117  
Tel: (702) 240-6200



## Practitioner Faculty

The University of Phoenix is seeking part-time Information Technology instructors in the following areas:

Programming background in Visual Basic,  
Java, C++, or HTML & Javascript,  
Background in UNIX & W2K,  
and Database Management

We are also seeking qualified instructors in the following areas:

**Financial Management; Business Research; & General Studies**

You must possess the following qualifications: you have held a Masters or Doctorate degree from a regionally accredited institution for at least two years, and you are employed in the area of concentration of your advanced degree. If you do, please consider this opportunity.

To learn more about the benefits of teaching for the nationwide leader in intense, accelerated undergraduate and graduate level programs for working adults, e-mail your resume with cover letter, reference NBJ 6-03, today to:

tracey.bargas@phoenix.edu  
No Calls Please

tourism has a negative impact overall. "We do have a strong tourist base at The Boulevard," stated Renfrow. "Anything that affects the financial health of the city will certainly resonate throughout the local retail industry. We have some programs in place to encourage out-of-town shoppers to visit The Boulevard, as well as a program called Gifts for Your Guests, which encourages locals to bring their out-of-town visitors to The Boulevard."

Although The Boulevard "cannot provide specific numbers or trends regarding sales or traffic," said Renfrow, "We can tell you we have seen a lot of traffic, particularly on the weekends, and many people with shopping bags."

According to Cynthia Moore, marketing director for the Meadowood Mall in Reno, a downside in tourism doesn't affect the north end of the state as much as the south. "We've had a positive trend for several years," said Moore. "we see 7 million tourists per year, and we see more drive traffic versus the air traffic in Southern Nevada. We are the only large mall in the region. We have over 100 stores, 65 of which are unique to the market, which gives us a tremendous advantage. Our sales are going up as people move in, and our tourist base is at 25 percent because we are a regional retail destination."

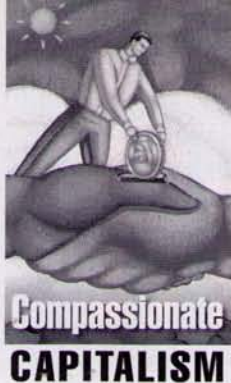
Tony Vaiso, general manager for the Meadowood Mall, added, "Lake Tahoe creates a strong draw for our area. Hot August Nights and a variety of other special events have helped us to keep a positive trend. Also, we're seeing a steady trend of established businesses moving in, such as the Starbucks roasting plant, Amazon.com and Barnes and Noble, which are giving us resources and higher paying jobs."

How much the average shopper is currently spending per visit at the malls in Nevada varies anywhere from \$92 at the Meadowood Mall in Reno to \$160 at the Forum Shops at Caesars in Las Vegas.

There is no telling what will be in store for the upcoming holiday shopping season. However, Nevada retailers are agreed it should be a good one. "It's encouraging that everyone is getting back into the swing of things," said Crampton of the Forum Shops. "The major war [in Iraq] is over — that's a plus for the economy. Everyone is ready to get back into the holiday season. I predict that shoppers will be more

*Continued on Page 52*





by Michelle Danks

## Juvenile Diabetes Research Foundation

*Dedicated to Finding a Cure*

**N**early 1,000 children in Nevada have been diagnosed with Type 1 diabetes, caused when the body's immune system attacks and destroys cells in the pancreas that produce insulin. Children with Type 1 diabetes must take insulin shots daily in order to stay alive. The Juvenile Diabetes Research Foundation (JDRF) is a not-for-profit organization founded in 1970 by parents of children with diabetes who were convinced that through research, diabetes could be cured.

The Nevada Chapter of JDRF, also formed in 1970, continues to raise money to research a cure. In addition, JDRF Nevada provides children and their families with the "Bag of Hope", a bag full of educational materials underwritten by several foundations in Nevada, to help recipients learn more about the disease. Rufus, a Teddy bear with diabetes, is also part of the "Bag of Hope". He even has a place where children can inject him with insulin.

"The greatest thing about this organization is that for every dollar raised, 87 cents goes to fund research," said Dean Collins, executive director of the Nevada chapter of JDRF. "The goal is to find a cure as soon as possible. The best way to do that is to put as much money as we can into research."

JDRF Nevada hosts several fundraising events throughout the year, with the most well known being the Walk to Cure Dia-

betes. This year, the walk has been named the Thomas & Mack Company 2003 Walk To Cure Diabetes, due to the tremendous support the company has given to the Las Vegas chapter. On Saturday, October 11, the fundraiser will take place at the Las Vegas Motor Speedway. This year, the goal is to raise \$500,000 during the Walk in Las Vegas and \$250,000 at the Walk that takes place in Reno on Sunday, October 12. The Walk is intended for teams – both families and companies.

Karla Perez, CEO of Spring Valley Hospital, serves as the 2003 corporate recruitment chair, responsible for recruiting teams from various companies and organizations. According to Collins, "The idea is to have family teams and company teams participate in the Walk to help raise more money. Karla Perez will be a great asset in helping us put together these teams and get everyone excited about participating."


In addition to the annual Walk to Cure Diabetes, the chapter hosts a gala each spring, a golf tournament in the fall and the Ride to Cure, which takes place in California.

Collins added that the support of the community and the caliber of people who make up the board of directors are what allow JDRF Nevada to remain successful. "Paul Stowell, senior vice president of Business Bank of Nevada, has served as the board president of the

Nevada chapter for the past six years. His support is what drives this organization to be successful," said Collins.

Another significant part of JDRF is the organization's Children's Congress. This year, nearly 200 diabetic children from ages 2 to 17, representing all 50 states, were selected as delegates for the JDRF Children's Congress 2003, which was held in Washington D.C. The goal of Children's Congress is to raise awareness about juvenile diabetes and increase congressional support to help find a cure. Both Northern and Southern Nevada had representation from two brave young children who served as delegates.

The children asked Congress to support the Pancreatic Islet Cell Transplantation Act of 2003. In this procedure, islet cells, which produce insulin in healthy non-diabetics but are damaged by Type 1 diabetes, are surgically transplanted into diabetic patients in an attempt to eliminate the need for insulin injections. This is just one procedure that is being tested through research funded by JDRF.

To learn more about the Nevada Chapter of the Juvenile Diabetes Research Foundation, or how to become a team or family sponsor for the Walk to Cure Diabetes, contact the Las Vegas office at (702) 732-4795 and or the Reno office at (775) 786-1881. 





personally indulgent this year – more of a celebration kind of feeling.”

Renfrow of The Boulevard agrees. “We are very optimistic about the upcoming holiday season,” she said. “We have fantastic retailers, and we are looking forward to their exciting winter inventories.”

### Marketing and Expanding

The slow economy has definitely changed the way Nevada malls are marketing themselves. “Our marketing plans are flexible to adjust for the changing retail en-

vironment,” stated Renfrow. “We have many programs in place that make The Boulevard a preferred shopping destination for Las Vegas families. For example, during the Back-to-School season, we will host the Channel 3 Back to School Fair, a teen-oriented fashion event called The Scene, and a gift-with-purchase program to reward our shoppers for their patronage.”

Crampton stated, “The Forum Shops has made some adjustments to market itself more effectively. We have broken ground on Phase Three and are moving towards ex-

pansion with the addition of 50 new specialty shops, which will open in the fall of 2004.” Upon completion of the \$139 million Forum Shops expansion, pedestrians will be able to enter the mall through a series of street-level doors and courtyards. The expansion will include a recreation of a series of Roman-era storefronts along the Las Vegas Strip.

Phase Two of its redevelopment plan (the east expansion), to debut in 2004, features a long steel structure called “The Cloud.” The Cloud hovers 128 feet above a 72,000-square foot plaza on the Las Vegas Strip, providing shade during the day and doubling as an image projection surface at night. Four LED screens situated just below The Cloud will be used to broadcast video, events happening inside the mall, sponsored advertising and synchronized live Las Vegas events. Also included in the east expansion will be: a new event facility that will accommodate up to 750 guests for private functions; new retail, dining and entertainment experiences; and an 11,288-square-foot food court overlooking the Las Vegas Strip.

Meadows Mall is kicking off a multi-million dollar renovation project with planned improvements including a new color scheme, tile flooring, three new escalators, food court upgrades, brighter indoor lighting, a new stone façade, exterior paint and enhanced landscaping.

Chelsea Property Group and Simon Property Group will raise the stakes in the outlet industry in late summer with the opening of their \$80-million Las Vegas Premium Outlets on 40 acres of land in downtown Las Vegas. The new 435,000-square-foot, open-air center will feature 126 upscale stores.

The Las Vegas Valley’s next proposed regional mall, the Rouse Company’s Summerlin Centre near Charleston and Rampart, is expected to begin construction in mid-2004, with opening planned in late 2005 or early 2006. The mall is scheduled to have four to six department store anchors.

While many would believe that the recent economic downturn poses a threat to the retail industry at large, consumer statistics in Nevada seem to be rebounding, and ongoing major projects in retail construction paint a healthy, positive picture of the future.

## We Make It Our Business To Know Yours. Business Lending.

Colonial Bank is very interested in helping our communities grow. As your banker, we want to understand your business and we’re committed to being responsive to your requirements. We pride ourselves on being available to you to talk about your business needs and on being able to respond quickly to your loan requests.

- Business Loans
- Lines of Credit
- Letters of Credit
- Equipment Financing
- Commercial Loans
- Permanent Financing
- Real Estate Loans

### Las Vegas Offices:

Fort Apache Office	(702) 304-3770
Lake Mead Office	(702) 254-3147
Russell Road Office	(702) 740-5666
Sunset Office	(702) 435-9902
West Charleston Office	(702) 258-9990

### Northern Nevada Offices:

Fallon-Downtown Office	(775) 423-7081
McCarran Landing Office	(775) 823-7440
Parklane Office	(775) 827-7200
Prater/McCarran Office	(775) 355-6100
Stateline Office	(775) 588-5124
Stewart Street Office	(775) 687-2700



Financial Strength In Local Hands

www.colonialbank.com • Member FDIC





# Building Nevada



## CHEYENNE TECH CORRIDOR PICKS UP THE PACE

### Project Unites Private and Public Entities

Developers of the Cheyenne Technology Corridor attended the groundbreaking for a new phase of Jackson Shaw's NorthPort project:  
(left to right) Kirt Klaholz, Stoltz Management; Mike Majewski, City of North Las Vegas; Ralph Murphy, Harsch Investment Properties; Mike Carroll, Jackson Shaw; Lyle Brennan, Brennan Brothers; Rick Smith, RDS/Insight, LLC.

**Q&D CONSTRUCTION: Building Northern Nevada**  
**COMMERCIAL REAL ESTATE REPORT: Industrial Market**



# Cheyenne Tech Corridor Picks Up the Pace

## Project Unites Private and Public Entities



BY THOMAS K. DYE

**T**hree years ago, five developers talked to North Las Vegas city officials about a plan to join forces and transform a five-mile stretch of Cheyenne Avenue into a technology corridor that would attract quality companies, both locally and from other states. Their vision of a Cheyenne Technology Corridor is rapidly becoming a reality.

The Community College of Southern Nevada (CCSN) and the North Las Vegas Airport joined the partnership and other local technology service companies came on board. The result is that Cheyenne Avenue, between CCSN on the east and the airport on the west at Decatur Boulevard, is attracting companies requiring facilities for research and development, administrative centers, manufacturing and a variety of other needs. The city of North Las Vegas has provided infrastructure that makes it easy for new companies to have their communications and other high-tech systems running smoothly.

The partners began developing the corridor, which already has some large industrial facilities, more than a year ago. One of the new projects, NorthPort Business Center, is nearly completely leased and has attracted two major companies, DynCorp and C. Martin Company Inc. DynCorp provides information services technology to government and business clients and C. Martin builds and manages ranges for military installations.

"We are estimating that 10,000 jobs will be created and 4 million square feet (of facilities) will be developed in the next five years," said Mike Majewski, North Las Vegas' director of economic development, about projected growth along the corridor.

The five developers collaborating on the project are Brennan Brothers, Harsch Investment Properties, Jackson Shaw Company, RDS/Insight, LLC and Stoltz Management. "We had five major competitors that saw the benefits of developing here," Majewski said. He explained the city did not want to work with just one developer, but preferred to have a group in order to create a corridor with a strong business base. He believes spinoff projects will be built by other developers that will complement the projects created by the original five.

"We took an inventory of what assets we had around the city and Cheyenne appeared on the radar screen," Majewski said of the initial discussions with the developers. The partnership liked the location because of its proximity to the airport, which has facilities for smaller or corporate aircraft, and the community college, which is developing new facilities for high-tech training.

The corridor has easy access to Interstate 15, U.S. Highway 95 and the new northern Beltway, Interstate 215, which will facilitate transportation to the Las Vegas Strip, McCarran International Airport and other destinations in the Las Vegas Valley.

North Las Vegas also developed an excellent fiber-optic network that can be utilized by companies along the corridor. Advanced Cyber Solutions, a member of the coalition, provides telecommunications services to the corridor. Communications to the area are routed through Colocation Gateways. The facility, which is in the local telecommunications corridor, is Las Vegas' leading colocation and interconnect facility. It provides a secure location for companies to store their servers and other telecommunications equipment.

The community college's role is to provide high-tech training for students who are potential employees for companies in the corridor, Majewski said. Its Engineering Technology Department has partnered with Sprint Corp. on a program to train students in fields such as high-speed data transmission and other telecommunications. Cisco Systems selected the department as its partner in a regional academy designed to provide high-tech training to Southern Nevada. The college also plans to build an 80,000-square-foot telecommunications facility to enhance its high-tech programs.

North Las Vegas officials believe the project will create jobs for the city's rapidly growing residential areas. The city is experiencing a 9 percent annual growth rate in population and has several residential projects under development. The city has high hopes for residential development on



a 7,500-acre parcel of land just north of the corridor, which is being released in phases by the Bureau of Land Management. Two homebuilders, American Nevada Corp. and Del Webb Corp., have joined forces to build Aliante, a 1,900-acre master-planned community that could have as many as 7,500 homes and a population of 20,000 in the next few years. The corridor also is not far from Summerlin, the giant northwest Las Vegas community. The partners believe there is nothing quite like their project in the Las Vegas Valley.

"It's a rather unique alignment," said Kirt Klaholtz of Stoltz Management. "Our alliance is going to help all the developers in the city of North Las Vegas. We are going to provide a service not available in the rest of the community."

Mike Carroll of Jackson Shaw agreed. "It's unheard of for five developers to work together this closely," he said. "We really support each other and hold monthly meetings to discuss our projects." Although the developers are in competition, they are cooperating by recommending clients to their coalition partners when their own developments are not what the

clients are seeking. Majewski's economic development agency is also involved and gives out-of-state companies a rundown on each developer's project.

Jackson Shaw's NorthPort Business Center is located on 24 acres on the south side of Cheyenne on both sides of Allen Lane. In addition to DynCorp and C. Martin Co., NorthPort has Sunterra Corp., a time-sharing operation with 450 employees that has relocated its headquarters from Orlando, Fla. to a 55,000-square-foot building in the center. Payroll Solutions, which handles payrolls for other companies, and Future Fun, which distributes health and beauty products, are also in the park. The company has leased most of the 126,000 square feet of space in the park and is looking for tenants for an additional 80,000 square feet it has completed. The company plans another 90,000 square feet by the end of the year. Carroll said facilities can be modified to handle a variety of business operations, from high-tech users to distributors and manufacturers. "I think the demand for space in this next phase is going to be real strong because of the population explosion in this area," said Carroll.

Stoltz became involved when its parent company, Stoltz Management of Delaware Inc., acquired Hughes Cheyenne Center three years ago. The 209-acre master-planned project has land both east and west of Martin Luther King Boulevard on the southwest side of the corridor. The center features "big box" buildings designed for large office-warehouse users and is home to such large companies as Federal Express and Frito Lay. Stoltz owns three of the buildings for a total of 376,000 square feet, which are 50 percent occupied. Klaholtz said the company is working hard to have 100 percent occupancy and recently gained another tenant when the Clark County Election Department signed on. It has also attracted companies such as M&M Trucking and Creative Light Source, which makes custom-lighting fixtures.

Stoltz Management plans to develop 200,000 square feet of space on the 12 acres it owns in the park and is trying to acquire 38 adjoining acres to develop another 600,000 square feet. Stoltz will lease or sell the space and will build to suit for clients who want a certain type of facility. "Future buildings will be more like high-tech



(L to R) Linda Kuhn (CBN), Kris Sundell, Alan Fitzhugh (CBN)

## *"They have a small-bank feel, but meet our big-bank needs."*

Kris Sundell of Stewart and Sundell Concrete understands there's more to his business than the relationship between his concrete and his credit line. There's the relationship between his time and his money, his convenience and his satisfaction—his banker and his success.


That's where his relationship with Community Bank of Nevada comes in. Offering everything from home loans to business loans, personal bill payment to merchant services, even a convenient courier service, Linda Kuhn and Alan Fitzhugh work closely with Kris to make sure his success is set in stone.

When was the last time you spent some quality time with your banker? Give us a call today and start enjoying a more rewarding relationship.



COMMUNITY BANK  
OF NEVADA

ARE YOU IN THE RIGHT RELATIONSHIP?

878.0700 | [www.communitybanknv.com](http://www.communitybanknv.com) | MEMBER F.D.I.C. | 

CITY CENTRE BRANCH  
400 South 4th St.

MARYLAND PARKWAY BRANCH  
2887 South Maryland Pkwy.

RAINBOW BRANCH  
1400 South Rainbow Blvd.

SUMMERLIN BRANCH  
7676 West Lake Mead

GREEN VALLEY BRANCH  
375 North Stephanie  
at Warm Springs





*A new Telecommunications Building at the Cheyenne campus of the Community College of Southern Nevada will educate the workforce necessary to attract high-tech businesses to Southern Nevada*

centers," he explained. "We plan to attract clients that need the latest in communication technology and high-tech services."

RDS/Insight's Cheyenne West Corporate Center, a 40-acre mixed-used business park, has completed about one-fourth of the half million square feet it plans to develop on the site, which is on the southeast corner of Cheyenne and Simmons Street. The first phase was 80 percent leased by mid-June and includes a corporate headquarters-type building, a flex office building that can be modified to various uses and a mid-bay industrial building, which is the largest of the

three with 52,000 square feet. Tenants are being sought for the recently completed second phase, which has 47,000 square feet. A larger third phase with 170,000 square feet is scheduled for completion late this year. Plans call for the fourth phase to include restaurants, a daycare center and a medical facility to provide services for tenants and nearby residents. The company also plans a hotel designed to accommodate business travelers.

"We are still in the early phases of development, but we have already signed a lease with a high-profile cellular

company," said Rick Smith of RDS/Insight. Some of the other tenants in the park include the Veterans Administration, Manpower Inc. and Gorilla Inc., which markets collectibles such as classic guitars.

Harsch Investments, which purchased 40 acres on the northeast corner of Revere and Cheyenne more than a year ago, has a different strategy than the other five developers. It plans to develop a commercial center that will concentrate on smaller businesses. Harsch, a regional company based in Portland, Ore., has developed 6 million square feet of industrial space in the Las Vegas Valley. Seventy percent of its more than 1,000 tenants lease 3,000 feet or less, said Ralph Murphy, vice president and regional manager. "We are confident there is a demand for this type of space," Murphy said. "We think the amount of residential growth in North Las Vegas and the continued evolution of the Cheyenne corridor will create a strong demand for smaller companies."

The park will attract a variety of tenants, from service-oriented companies to small manufacturers and distributors of products, he said. "We are going to lease space

## Don't Fall Prey To Phony Insurance.

They're out there, ready to take your money, and possibly, your business. Before you purchase insurance for you, your employees or your business, make sure the company you are dealing with is legitimate. And don't leave it up to your agent to find out, since they fall prey too.

Call or visit our Web site to get more information or to find out if a provider is authorized to sell insurance in Nevada.

**Don't write a check  
until you check.**

888-467-4195 • [nvinsurancealert.com](http://nvinsurancealert.com)

Funded by the Nevada Surplus Lines Association and presented by the Nevada Association of Independent Insurance Agents in cooperation with the Nevada Division of Insurance.



to businesses that have grown too big to be run out of a home or garage," Murphy predicted. Construction on the first phase, which will include two buildings with a total of 100,000 square feet, is scheduled to be completed early next year, with a similar second phase to follow.

Brennan Brothers and Lyle Brennan Investments are developing the Cheyenne Valley project, a 100-acre-plus master-planned, mixed-use business park offering the most versatile land use in the area. Located at Cheyenne Avenue and Valley Drive, the two adjoining parcels are the largest in the corridor. According to Lyle Brennan, the substantial surrounding population is currently underserved for retail and other services, making the parcels ideal for banks, professional and medical offices, retail shops, restaurants and food stores. Other planned uses for the land include office, warehouse, flex space, light industrial, corporate campus/headquarters and residential projects. The project's diversity allows it to be divided into very small units – down to 1,000 square feet – but it can also accommodate large users wanting to build a multi-building developments. Users can choose to purchase, lease, lease with the option to buy, or build-to-suit.

The Brennan Brothers, Lyle and Gary, have more than 70 years' combined experience in Southern Nevada development. They have developed office parks, health-care facilities, back office projects, hospitality and retail properties. "Since we are based here in Southern Nevada, decisions can be made almost instantly," commented Lyle Brennan. "Our projects are often out of the ground while others are still stuck in the boardroom. We can also offer our clients greater flexibility, both in structuring deals and in building their project."

Cheyenne Valley is in close proximity to the North Las Vegas airport, but is mostly outside the noise impact contour area. Consequently, businesses located within the park will enjoy all the benefits of the state's second-largest airport with no negative impact from the planes coming and going. "The city of North Las Vegas has done a tremendous job of planning for future growth in the area," commented Lyle Brennan. "It is our intention, by working with the city, to make Cheyenne Valley, and the entire Cheyenne Technology Corridor, the prototype for future development."

## Sure, Everyone In Commercial Real Estate Likes To Talk About Big Deals.



### But We'd Rather Redefine The Term.

We are a client driven commercial real estate company that sees every one of your transactions as a big deal. And while this might set us apart from some commission driven companies, we cannot think of a better way to earn your business for life.

We're ready to earn it. 702.796.8888  
3790 South Paradise Road, Suite 250, Las Vegas, NV, 89109

**NAI HORIZON**  
COMMERCIAL REAL ESTATE SERVICES  
Client driven commercial real estate.

Do You Smoke Cigarettes, Cigars, Pipes or Cigarillos?  
Do You Use Dip, Snuff or Chew?  
Do You Want to Quit?

## Nevada Tobacco Users' Helpline™

A division of the University of Nevada School of Medicine,  
Department of Internal Medicine

**Free and Confidential  
Telephone-Based Nicotine Dependence Treatment**

**Call: (Toll-Free) 1-888-866-6642 or  
(702) 877-0684**

Medication Assistance Program  
English · Spanish · Tagalog

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

Funded by the Task Force for the Fund for a Healthy Nevada



# Large Projects Being Developed in North Las Vegas

Developers are betting on the growth of North Las Vegas and an improved economy in the next few years to stimulate the demand for office-warehouse projects.

"The whole of North Las Vegas is waking up," said Brad Myers, regional manager for DP Partners of Las Vegas, which is building a 2-million-square-foot industrial park at 3200 E. Gowan Rd., just west of Pecos Road. Myers said North Las Vegas has lagged behind other areas of the Las Vegas Valley in commercial and residential growth, but is now poised for significant development. DP Partners completed a 266,000-square-foot building designed for manufacturing and warehousing in July at its new industrial park. The \$70 million **LogistiCenter at North Las Vegas** will have seven buildings with a combined 2 million square feet of industrial space when it is completed in the next three to five years, Myers said. DP Partners had commitments for about half of the space by early summer and did not anticipate problems in leasing.

The developers of the **Golden Triangle Office Park** at Craig Road and Interstate 15 are taking a cautious approach and waiting to see what the market does before deciding the final size of their project, said Donna Alderson of CB Richard Ellis, which is handling the leasing. Construction was started this summer on two new buildings that will expand the industrial center from 1.5 million square feet to 2 million square feet of manufacturing-distribution space and a total of eight buildings. This phase will be completed in the first quarter of next year.

The Operating Engineers Fund of Pasadena, Calif. is developing the 200-acre **Alexander/Pecos Industrial Park**, named after the intersection where it is located. H&Z LLC completed 50,000 square feet of space this summer in the center, which is designed for smaller industrial users. Partners Kevin Higgins and Jim Zeiter are selling six of the seven buildings in the first phase. Higgins is also senior vice president of Voit Commercial Brokerage, which handles marketing for the park and also for LogistiCenter.

The six buildings for sale range in size from 4,000 square feet to 7,500 square feet. The partners plan to lease the seventh building, an 18,000-square-foot multi-tenant facility. Tenants will be able to lease 500-square-foot offices with 1,100 square feet of warehouse space and yards ranging from 700 square feet to 800 square feet. Two or three more phases are planned for the 20-acre site. The developers are also selling eight half-acre lots in the park.

The **Commerce Center at Brooks Park**, which has nine buildings ranging in size from 5,500 square feet to 10,100 square feet, is scheduled for completion by the end of the third quarter 2003. The buildings in the 10-acre, office-warehouse project are for sale or lease. Jeff Smith of Los Nevados LLC is developing the project and Dan Doherty of Colliers International is marketing the commercial center. "He's the most prominent small-building developer in North Las Vegas," said Doherty, who pointed out that Smith has developed 65 free-standing industrial buildings in the community. The center, at the Commerce-Alexander intersection, is about a mile from Interstate 15, via Cheyenne Avenue.



## RAINBOW Medical Centers



### "...for those who count on you to stay healthy."

Rainbow Medical Centers understands that people count on you to stay healthy. That's why our board certified family physicians provide the highest quality of primary and urgent medical care. In fact, Rainbow Medical Centers has been nationally accredited for maintaining strict standards of care. With seven convenient locations, walk-ins welcome and most insurances accepted, we are the primary care provider of choice for thousands of Las Vegas families. Rainbow Medical Centers also offers a special health education and wellness program to employers called "Health At Work". For more information about initiating "Health At Work" in your company, contact Debra Toney, Administrator, at 255-5845.

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

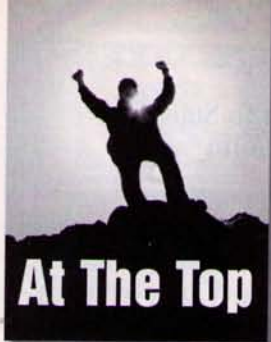
## HEALTH AT WORK

Protecting Your Most Valuable  
Assets - Your Employees

Rainbow Medical Centers' "Health at Work" is an ongoing health education and wellness program created especially for employers. The program offers on-site seminars conducted by licensed physicians and healthcare professionals. The wide variety of program topics provide employees a common sense approach to personal health management and motivates them to make lifestyle changes to better their health.

<b>WEST</b>	1341 S. Rainbow Blvd.	255-6657
<b>EAST</b>	821 N. Nellis Blvd.	438-4003
<b>NORTH</b>	4920 Lone Mtn. Rd.	655-0550
<b>RAMPART</b>	8522 Del Webb Blvd.	254-9192
<b>GALLERIA</b>	1397 Galleria Dr.	436-5800
<b>GOLDEN TRIANGLE</b>	1302 W. Craig Rd.	657-9555
<b>BOULDER HWY</b>	4241 S. Nellis Blvd.	898-1405





by Jennifer Rachel Baumer

## Q&D Construction: Building Northern Nevada

**Q**&D Construction has been building Nevada since 1964, taking jobs big and small, primarily within 65 miles of Reno. "We do everything," said owner Norm Dianda. And he has chosen to do most of it in Reno. "I've got a lot of confidence in Northern Nevada. It's a great place to live, work and play, and that's why 'We Love This Place'," said Dianda. "That's a slogan we've believed in for quite a few years now – ever since we worked with Rose Glenn [Advertising] to develop it."

Dianda got his start in a cabinet shop at age 15, while still in high school. In 1979 he opened Artefice by Dianda, a premier millwork and cabinet manufacturer. Artefice builds furniture, architectural beams and moldings, cabinets, and complete interior finishes for homes and offices.

Q&D does just about everything related to the building industry. Its general engineering department builds roads and performs dirt work, installs underground utilities from gas to water, sewer, fiber, telephone, electric and anything else that goes in the ground. It builds curbs, gutters and sidewalks and does paving work. It builds infrastructure for major subdivision developers, in some 1,500 subdivision lots a year.

The building division constructs everything from hospitals to hotel/casinos, warehouses, retail centers and office buildings. "If it pertains to buildings, we'll build it," said Dianda. Q & D's Special Projects division handles small jobs, from repairs in existing homes to remodels. Another division works in high-end luxury estate homes at Lake

Tahoe. Three homes currently under construction are valued at roughly \$19 million.

Q&D employs some 400 people year-round and its staff peaks at around 700 in the summer. Built and positioned to be client-oriented, the company negotiates on projects and does some hard bidding, but Dianda said relationships are the key to winning contracts. "We don't look at doing one job for a client – we look at building a relationship so we will do their work in the future," he explained.

Dianda claims Q&D has hardly felt the most recent economic downturn, but he takes nothing for granted. "You always need to be looking over your shoulder with a little bit of fear," he said. "Even in a good market, something can happen that will affect business in a big way. You can never get complacent."

Being the client's partner has been company practice since day one, and recently Q&D's very first client – a small kitchen remodel in 1964 – called to have a parking lot paved. "That's a 30-year relationship. That's what it's all about," said Dianda.

The philosophy pays off. In 2000 Q&D ranked 377 on the *Engineering News Record's* Top 400 Contractors list (based on volume of work completed). In 2003 the company ranked 295.

Q&D is a Partner in Education with the Washoe County School District, exposing kids to the construction trade. In line with its interest in education, it is building the new Bishop Manogue Catholic High School, expected to be completed in July 2004, and the Eagle Valley Children's Home in Carson City.

The new Saint Mary's Hospital project is still in the planning stages, but Q&D is building the new campus and parking garage, professional office building, central plaza and emergency room expansion.

In northwest Reno, Q&D is building the master-planned community of Somersett, bringing in 2,000 new homes, apartments and townhouses, two golf courses and over two miles of new roads. Like a city within a city, Somersett branches off the main roads so none of the houses are located on busy streets.

Among its many awards, Q&D has won three Pinnacle Awards from Associated General Contractors and two Gold Nugget Awards from Pacific Coast Builders Conference.

## Building NEVADA

COMMERCIAL  
REAL ESTATE  
MARKET REPORT

### INDUSTRIAL – 1ST QUARTER 2003

TOTAL MARKET	LAS VEGAS	RENO
Total Square Feet	78,559,203	55,522,249
Vacant Square Feet	8,698,909	4,861,834
Percent Vacant	11.1%	8.76%
New Construction	1,023,775	37,120
Net Absorption	244,893	573,448
Average Lease SF/MO (NNN)	\$0.56	\$0.30
Under Construction	805,534	188,000
Planned Construction	5,514,235	1,725,296

#### WAREHOUSE/DISTRIBUTION

Total Square Feet	30,517,113	—
Vacant Square Feet	3,753,646	—
Percent Vacant	12.3%	—
New Construction	578,330	—
Net Absorption	201,494	—
Average Lease SF/MO (NNN)	\$0.39	—
Under Construction	606,586	—
Planned Construction	4,501,782	—

#### LIGHT DISTRIBUTION

Total Square Feet	12,820,144	—
Vacant Square Feet	1,914,020	—
Percent Vacant	14.9%	—
New Construction	231,391	—
Net Absorption	34,048	—
Average Lease SF/MO (NNN)	\$0.56	—
Under Construction	24,000	—
Planned Construction	608,245	—

#### LIGHT INDUSTRIAL

Total Square Feet	23,689,881	—
Vacant Square Feet	1,587,059	—
Percent Vacant	6.7%	—
New Construction	213,029	—
Net Absorption	-29,155	—
Average Lease SF/MO (NNN)	\$0.71	—
Under Construction	144,166	—
Planned Construction	202,332	—

#### INCUBATOR /R&D FLEX

Total Square Feet	11,532,065	—
Vacant Square Feet	1,444,184	—
Percent Vacant	12.52%	—
New Construction	1,025	—
Net Absorption	38,506	—
Average Lease SF/MO (NNN)	\$0.72-\$0.98	—
Under Construction	30,782	—
Planned Construction	201,876	—

### Next Month: OFFICE MARKET

#### ABBREVIATION KEY

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

LAS VEGAS STATISTICS COMPILED BY COLLIER'S  
INTERNATIONAL & RESTREPO CONSULTING

RENO STATISTICS COMPILED BY  
GRUBB & ELLIS NEVADA COMMERCIAL GROUP



## Two Reno Buildings Sold

**C**B Richard Ellis announced the sale of the Social Security Administration office building at 1175 Financial Blvd. in southeast Reno. The 14,000-square-foot building was sold for \$1.2 million to an individual Incline Village investor. The Social Security Administration is the sole tenant. Michael Schnabel and Aiman Noursoltanova of CB Richard Ellis' Investment Properties Group represented the investor in the purchase of the building.

Colliers International announced recently that Investment Broker Dewey Struble negotiated the \$1.7 million sale of a single-tenant, net-leased, furniture showroom. Struble represented the buyer, a 1031 purchaser from Southern California who bought the building through a family trust. Located at 9738 S. Virginia St. in the Foothill Commerce Center in South Meadows Business Park, the new 10,813-square-foot building is leased to Mountain Comfort Furnishings and Design.

## Thomas & Mack Sells Project

**T**homas & Mack Development Group, a Las Vegas-based real estate development company, recently sold Crossroads at Sunset, a 164,311-square-foot retail project located on the southwest corner of Sunset Road and Stephanie Street in Henderson. The buyer was Seligman Western Enterprises Limited, a privately held company based in Michigan. The purchase price was not disclosed. Current tenants include: Toys R Us, Sports Authority, Borders Books, Hallmark and Wells Fargo Bank. The project, which was built in 1995, includes four buildings situated on 13.9 acres of land. Jeff Pori and David Stubbs of Grubb & Ellis represented the buyer. Valley Realty, an affiliate of the Thomas & Mack Development Group, represented the seller.

## Mesquite Purchases BLM Land

**T**he city of Mesquite has completed the purchase of approximately 7,700 acres of land managed by the Bureau of Land Management (BLM). The land was acquired pursuant to the 1996 and 1999 amendments to the Mesquite Lands Act, federal legislation that provided for the sale of federal land directly to the city of Mesquite at fair market value. The acreage was purchased for a total cost of \$10.75 million, an amount equal to the BLM appraisal. A joint-acquisition agreement executed in 1993 by city officials and Mesquite Vistas, LLC, a local development company, provided for both parties to work together to request the BLM sale. The agreement stipulated that Mesquite Vistas would acquire roughly 3,125 acres at the appraised price, and pay the appraised price of an additional 600 acres to be donated to the city. The total cost to Mesquite Vistas was \$8.25 million, plus all of the costs associated with the legislation, environmental studies and other related transaction costs. The city acquired a total of 4,575 acres at a cost of only \$2.5 million. In March 2003 the city annexed the above-mentioned property, as well as the Flat Top Mesa area, which is still managed by the BLM.

## Harsch Adds to Southern Nevada Portfolio

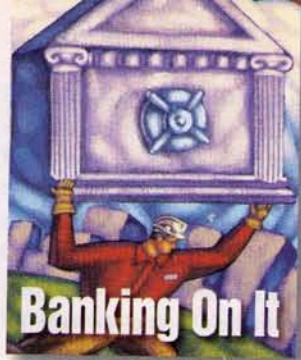
**H**arsch Investment Properties recently purchased Stephanie Street Power Center, a 379,067-square-foot retail center in Henderson at the intersection of Warm Springs and Stephanie Street, across from the Galleria Mall. Harsch purchased the building from Stephanie Street, LLC for \$54 million. The property was represented by Perry White of Marcus & Millichap. Another recent Harsch acquisition is the 380,000-square-foot Valley View Industrial Center, a multi-tenant industrial park in Las Vegas. The purchase price was \$22.15 million. With the purchase of this project, Harsch Investment Properties' Las Vegas portfolio now totals over 6.2 million square feet. Valley View Industrial Center, located on a 19.14-acre site at the intersection of Valley View Boulevard and West Harmon, includes four, one-story buildings ranging from 79,000 square feet to 100,000 square feet. Harsch purchased the property from Calwest Industrial Properties, LLC. Ted Tapfer of Secured Capital Corp. in Los Angeles represented both parties in the transaction.



## Reno Library Completed

**S**outh Valleys Public Library, designed by the architectural firm of WorthGroup and constructed by West Coast Contractors, opened recently in Reno. It is the first new freestanding library built in Washoe County in over 30 years. This state-of-the-art public facility is the product of WorthGroup's involvement as architect-of-record in a partnership with Brendle APV of Denver, Colo. The multi-purpose property is located in southwest Reno off Mt. Rose Highway. The \$3.7 million library is spread over 16,500 square feet, and includes: 65,000 books; a vast collection of electronic media; a business center; tutoring rooms; a teen center; a children's reading room; a community room; and an art gallery. Design commenced in April of 2001 and construction began in June of 2002.





## Nevada State Bank

### *Serving Nevada for 44 Years*

**F**orty-four years ago, Nevada State Bank (NSB) opened its doors for business, giving it the distinction of being the oldest state-chartered bank in Nevada. Today, the \$2.8 billion company is the fourth largest commercial bank in Nevada. It operates 65 branches, 34 of which are full-service banking centers located inside Smith's Food & Drug Stores serving 18 different Nevada communities. Branches are located in Boulder City, Carson City, Dayton, Elko, Eureka, Fernley, Gardnerville, Henderson, Las Vegas, Lovelock, Mesquite, North Las Vegas, Pahrump, Reno, Sparks, Tonopah, Wells and Wendover.

In addition to small business lending, NSB offers commercial and real estate loans up to \$50 million and provides large equipment leasing. "Our clients are able to experience the best of both worlds in the banking industry. We have the quality service of the smaller banks, and at the same time are able to offer the products and specialized services of the large national banks," stated Bill Martin, Nevada State Bank chairman, president and CEO.

With 46 approved U.S. Small Business Administration (SBA) government-guaranteed loans in Nevada, totaling approximately \$12.2 million, Nevada State Bank ranked as the state's top provider (by volume) of SBA loans to small businesses last year. "We are proud to be the number-one ranked lender in the SBA program for Nevada, focusing on providing small businesses the ability to grow and flourish," Martin said. Martin added he is equally proud the bank was ranked

number one for loans to minority and women-owned businesses during this time period.

Nevada State Bank pioneered super-market banking in Nevada. Its first super-market branch was opened at Maryland Parkway and Sahara Avenue in May 1989. The then-revolutionary concept has developed into a system providing a full-service branch inside every Smith's Food & Drug Store throughout Nevada. "Nevada State Bank strives hard to accommodate our clients by providing extended and weekend hours with the convenience of banking where our clients shop," Martin said.

The bank has developed a Community Reinvestment Act (CRA) program that extends beyond the basic federal requirements of servicing the needs of low- and moderate-income communities. Nevada State Bank helped fund and support over 260 programs, events, sponsorships and agencies in Nevada in 2002 totaling up to \$364,000. All of these programs are essential and important to citizens of Southern and Northern Nevada.

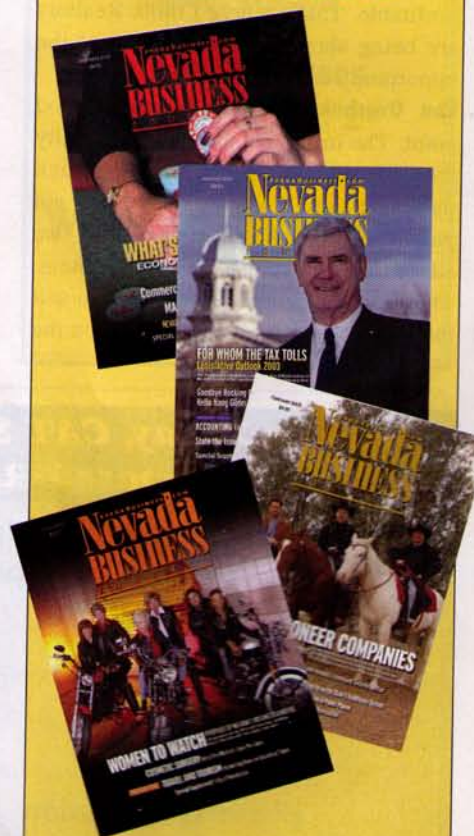
Nevada State Bank is presently the only bank in Nevada to offer a product called Fresh Start Checking, an account geared to the individual who has had a checking account closed because he or she did not know how to reconcile and maintain an account. After meeting certain requirements, customers are eligible to open a Fresh Start account. This innovative product gives a much-needed second chance to those who would not otherwise be able to open a checking account at a financial institution.

Nevada State Bank designed the Assisted Technology Loan Fund (ATLF) to help Nevadans with disabilities. The ATLF loans money to those who cannot get funding from other sources and who qualify under loan guidelines. The Assistive Technology Loan Fund is a cooperative effort between Nevada State Bank, Nevada Community Enrichment Program and State of Nevada Rehabilitation Division.

NSB has over 750 employees, both full and part-time. It was ranked as the friendliest small business bank in Nevada by the Small Business Administration in its eighth annual *Small Business Lending in the United States* report.

NEVADABUSINESS.COM  
**Nevada  
BUSINESS**  
JOURNAL

# SUBSCRIBE NOW AND SAVE



**ONE YEAR \$44**  
26% off cover price!

**THREE YEARS \$79**  
56% off cover price!

Fax Order: (702) 733-5953

Phone Order: (702) 735-7003

Web Order: [www.nbj.com](http://www.nbj.com)



brand of real estate agents, but they want to keep banks from doing it. We were just asking to be able to do what everyone else out there can do. In addition, I think [the new legislation] represents an opportunity for Realtors. There is a huge amount of capital now available to go into their industry. I can't predict whether or not Colonial is going to have an interest in getting involved in a real estate brokerage line of business. At the same time, if I were, I would not try to train all my people to be real estate agents. They already have full-time jobs. I would affiliate and bring capital into play to help an existing real estate business become bigger, better and more profitable. That's where I think Realtors are being short-sighted in terms of the opportunity represented here.

**Van Overbeke:** That's a really good point. The insurance industry, especially the independent agents, went through the same thing. When they finally got past it all, they realized that what we added was franchise value for them. They had a new market in which to sell their agencies, which may just die on the

vine if their kids don't want to take over. Interestingly enough, when you start to read their trade magazines now, they all talk about "how to find your best opportunity and your local bank to merge with."

**Daigle:** You're right. The independent real estate brokerage has traditionally been a partnership or sole proprietor type of business, and those folks do have a succession planning issue.

**Bradham:** I'll give you some more history on that. In the 1980s, I was involved in the Nevada Bankers Association, and we were testifying at the state level, attempting to get expanded powers. Owners of insurance agencies were testifying to limit those powers. When I left Carson City, I had the business cards of two agency owners who wanted to talk to us about us acquiring their agencies.

### The Regulatory Environment

**Brennan:** Since we're discussing legislation, let's talk a little bit about the Patriot Act. How does it affect banks?

**Bradham:** It angers your customers who

don't understand what you are doing. You need substantially more documentation to identify customers. You may have a customer you have dealt with for 20 years. Now he has created a new limited partnership or something else that involves opening a new account, and you have to tell him he's going to have to bring in his wife and have her show her driver's license before she can sign on the new account.

**Howard:** We're expected to observe conflicting regulations. Privacy regulations tell us we are not allowed to keep copies of customers' identification on file. But then we have the Patriot Act that insists we keep copies of customers' identification on file. And we have lists of people and countries that we can't do business with. It's an onerous responsibility, and as Mr. Bradham points out, our customers don't understand it at all.

**Gaynor:** Interestingly, we have become the enforcement division for a lot of different federal agencies. We are kind of a Big Brother, even though we don't want to be.

**Hulin:** The penalties are horrendous for doing business with anyone on those lists.

**Daigle:** There's nobody sitting in this room who wants to knowingly or unknowingly deal with somebody involved in drugs or terrorism. We would just as soon be able to stop that flow of money. The issue is how much of that responsibility falls on the private sector and the banking industry. There are significant penalties for noncompliance, although noncompliance could be simply a very innocent oversight or mistake. Not only that, but the system isn't perfect. We keep getting new lists because new aliases are created by the hundreds every day. Trying to keep up with those things is extremely challenging.

**Guedry:** It required some investment on the part of all of our banks for software to search and check for names that pop up on these ever-changing lists, and lots of time is spent on it as well.

**Hulin:** For the big banks, it's millions and millions of dollars.

**Guedry:** Everything is relative. For the small banks, you're pulling resources to be doing all of the checking and reporting that you're required to do now. The government didn't say, "Here's a grant

## Need an X-Ray, CAT Scan or MRI. . . Choose DR, Desert Radiologists!

Choose DR, Desert Radiologists, for your radiology services. DR is proud to provide the latest in diagnostic technology.

- ☯ Uterine Fibroid Embolization
- ☯ PET (Positron Emission Tomography)
- ☯ Percutaneous Vertebroplasty
- ☯ Coil Embolization
- ☯ MRI / Open MRI

- ☯ Ultrasound
- ☯ DEXA
- ☯ Mammography
- ☯ Nuclear Medicine
- ☯ Body Fat Assessment
- ☯ Diagnostic Radiology
- ☯ CAT Scan (CT)

For more information on our procedures or a free brochure, please call 598-1006 or visit our website at [www.desertrad.com](http://www.desertrad.com).

**DR**  
DESERT RADIOLOGISTS  
**382-XRAY**



for you to put this in place." They just said, "Do it."

**Brennan:** So there are no contributions by the federal government to help offset the costs.

**Daigle:** In a sense, it's a back-handed tax, because we have to incur the costs for enforcement of a federal legislative action.

**Funk:** From the consumers' standpoint, you've created more problems for them because it's more time-consuming. All of us around this room have relationships with long-term customers, but you can't just say, "I've known this guy for 25 years, so I don't need all this." You can't do that anymore. You have to make him come in with a copy of his driver's license and everything else.

**Howard:** It's a lot like the airline industry, with those stupid questions they used to ask us. Every time I flew, I would ask myself, "What in the world could this possibly prevent?" It puts us in the same position of asking dumb questions and checking dumb things on the off-chance that we might actually be aiding and abetting a terrorist.

**Brennan:** If somebody comes into your bank, though, who is on the list, and you do the transaction with him, then you're penalized for it.

**Howard:** You could probably go to jail for that.

**Brennan:** How extensive are the lists?

**Van Overbeke:** Tens of thousands of names.

**Hulin:** You get these pages and pages and pages, and all the names look the same. They're all variations of Arab or Muslim names or Hispanic names.


**Gaynor:** If you're an international bank, like Wells Fargo, I would guess there's a staff of at least 30 people who do nothing every day but sit there and look through the lists. I can just visualize the headlines if you missed one: "Bank Aids Terrorist." It would be just devastating for public relations. Plus, the person who let it happen is going to probably end up being chastised – put in jail or whatever. You have federal agencies like the INS whose sole responsibility is to know the people who are coming into this country, and they can't seem to filter everybody out. So bankers are supposed to do a better job than the federal government?

**Daigle:** We can't open an account or transact business with them. But, on the other hand, we can't call the FBI and say, "I got this guy in my lobby – come get him."

**Hulin:** If you did, they would say, "Okay, we'll be there in about three days."

**Daigle:** At the same time, it doesn't prevent anything. If you tell somebody, "Your alias is on this list, so we can't open that account for you," then he knows it's time to get a new alias. He gets new identification, comes back the next day at another branch, and manages to open that account.

**Hulin:** How can you argue with the thought that if somebody had nabbed Mohammed Attah at some point, maybe [the Sept. 11 attacks] would never have happened? That's what you get thrown at you if you complain about it.

**Daigle:** We want to do whatever we can reasonably do to prevent that flow of funds. It's just an example of how a good principle suffered when it got to legislation. They want to make you the criminal if you don't catch it. If they can't catch the criminal, they have to catch somebody. 



NEVADA STATE  
COLLEGE

## A Fresh Approach to Higher Education

Offering 24  
degree programs

Night & weekend  
classes available

Fall 2003 Classes  
Start September 2<sup>nd</sup>

Apply now

[www.nsc.nevada.edu](http://www.nsc.nevada.edu)

1125 Nevada State Drive  
Henderson, NV 89015  
702-992-2000

## We're Your Big 5\* Firm



Tax Advisory & Preparation

Accounting and Auditing

Management Consulting

Information Technology

Financial Planning

Succession Planning

World-class Experience • Personal Attention  
Professional Excellence • Reliability



Fair, Anderson  
& Langerman

The FAL Family of Companies...



Fair, Anderson & Langerman  
Investment Advisors, LLC



Advisors to Management



Fair, Anderson  
& Langerman  
Information Technology Services Group

3065 S. Jones Blvd., Ste. 100 Las Vegas, Nevada 89146  
702.870.7999 Fax: 702.870.7342 [www.falcpa.com](http://www.falcpa.com)

\*Accounting firms in Las Vegas (Las Vegas Business Press, April 2002)





## Speaking for NEVADA

by Congressman Jim Gibbons

# Tax Relief Benefits Nevada's Businesses and Economy

**O**ur economy has been sluggish since 2000. The terrorist attacks of Sept. 11, 2001 only exacerbated the economic slowdown. Economists agree that the tax relief enacted in 2001 by Congress and President George W. Bush helped to shorten the duration and impact of this economic slowdown. Yet, we continue to face economic challenges and need to take proactive steps to strengthen and grow our economy. The Jobs and Growth Tax Relief package we passed in Congress and that President Bush signed into law this May takes these next, proactive steps towards helping our small businesses and encouraging investment.

By accelerating the individual income-level tax reductions enacted in 2001, small businesses will receive much-needed assistance, since many file as individual taxpayers. Nationwide, 23 million small business owners would receive tax cuts averaging over \$2,200. Additionally, owners of flow-through entities, including many small business owners and entrepreneurs, will receive approximately \$9.7 billion in tax relief, thanks to the accelerated tax bracket reductions.

Another component of the tax relief package passed this May is an increase in the expensing amounts allowed for new investment, thus encouraging business owners to purchase new technology, machinery and equipment to expand and modernize. The amount of investment that may be immediately deducted by small businesses would quadruple from \$25,000 to \$100,000 beginning in 2003. Computer software would also now be eligible for expensing. In addition to the expensing reforms, the first-year bonus depreciation deduction was increased from 30 percent to 50 percent for qualified investments. These provisions

offer great new incentives for our businesses to expand – helping to spur economic growth in all industry sectors.

I am especially pleased that the tax relief package included a decrease in the capital gains tax rate. Our nation has one of the highest tax rates on capital gains in the industrial world. In a country where we aim to foster investment, lure entrepreneurs, encourage economic growth and create jobs, America should have the most fair and just tax system. Yet, America's capital gains tax rates, which affect the cost of capital, and therefore investment and economic growth, are significantly higher than those of other countries, even socialist economies. The average rate of the top 24 world economies is much less than the U.S. capital gains rate. Reducing the capital gains tax rate will reduce the cost of capital, promoting business investment and fostering growth. The reduction will also raise the value of stocks and equities, thereby strengthening millions of workers' 401(k) and other retirement plans.

Individual achievement and entrepreneurship is what our country was built upon, and the federal government should not cripple our economy with excessive taxes, such as the Death Tax. Too many family-owned businesses, farms and ranches are not passed onto the second generation because of the exorbitant amount of taxes a family must pay on an estate when the owner dies. The Death Tax is simply unfair, and it should be permanently eliminated. We took the first steps in 2001. Now we need to finish the job to ensure that thousands of family businesses across America remain in the family for generations to come.

The average small business owner



serves as CEO, accountant, shopkeeper and personnel manager – all at the same time. Simplifying the federal burdens on small business owners will be a welcome relief to thousands of hardworking Nevadans. The Jobs and Growth Tax Relief package simplifies tax compliance and record-keeping burdens by allowing many small businesses to avoid the inherent complexity of depreciation provisions. Yet, we need to further simplify our tax code, which has burgeoned to mammoth proportions – over 2.8 million words – while the epic *War and Peace* only contains 660,000 words. It is time to repeal outdated and unnecessary taxes – such as the Death Tax – and at the same time, we need to control the growth of the federal government, which has also expanded to mammoth proportions. Achieving both goals certainly is a monumental challenge. However, with the continued advocacy and support of the business community, we can work together towards accomplishing these goals.

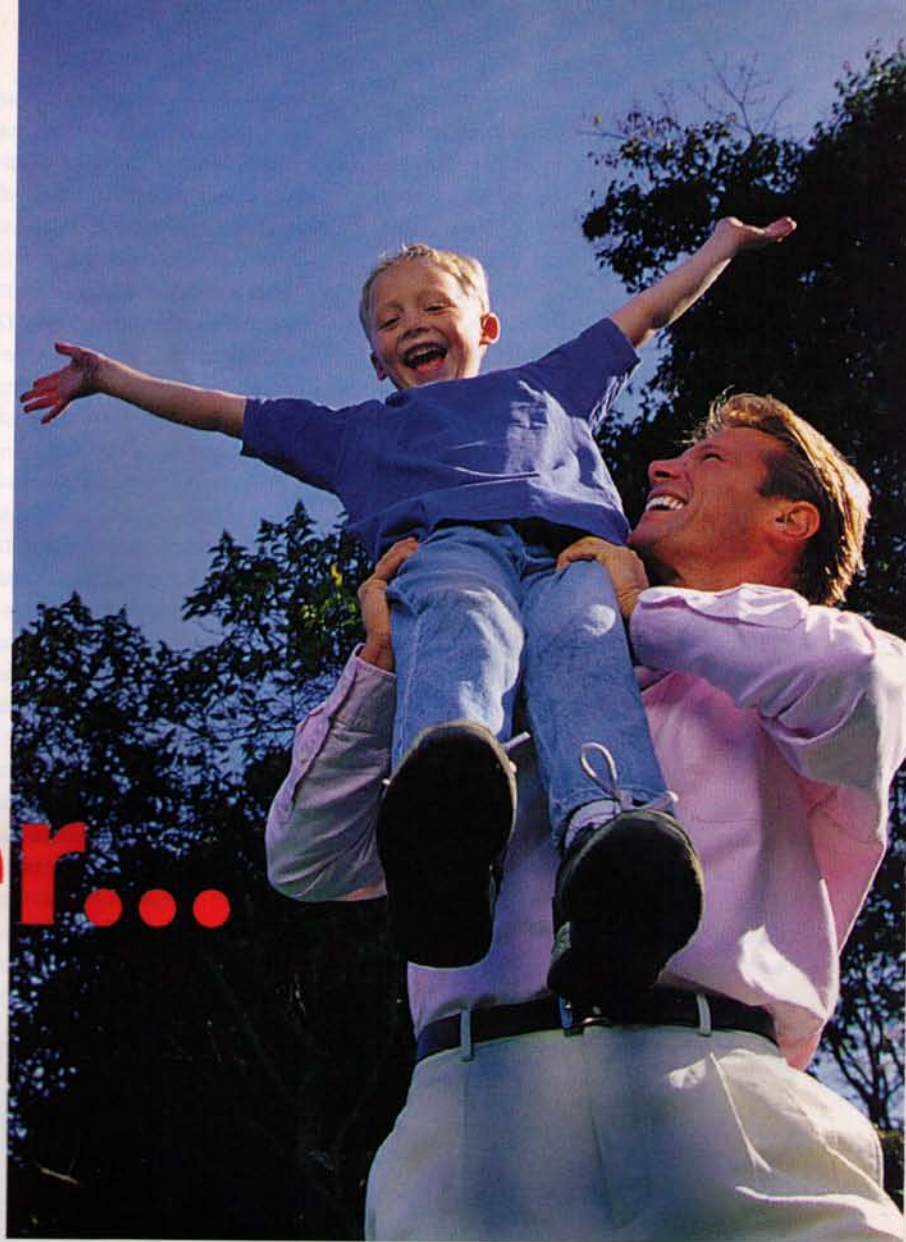
Promoting and encouraging business activity is the answer for our struggling economy. It is the answer to lowering our unemployment rate. It is the answer to helping families save for their retirement or their children's education. And targeted tax relief provides companies with a hospitable environment in which to do business. Reducing the bureaucratic burden and the amount of revenue each business must give to a bloated government enables businesses to hire more employees or invest in new equipment. It is all good news for Nevada's businesses and the people they employ. 🍀



We'd  
love  
to  
take  
credit  
for the  
beautiful  
Las Vegas

# Weather...

but  
we  
think



creating a

**strong**

**local**

**economic**

**climate**

is

much more

important.

| Networking opportunities to help you make new business contacts

| Government advocacy to protect you from red tape and undue taxation

| A pro-business agenda to help strengthen the local economy

| Discounts and benefits to save you money

| Learning and professional enrichment programs to help grow your business

**Join Today. (702) 735-2718**

**Today's**

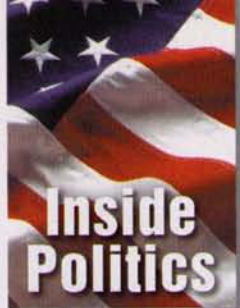
Las Vegas Chamber of Commerce...  
the ultimate business resource.  
[www.lvchamber.com/nbj](http://www.lvchamber.com/nbj)

**Las Vegas  
Chamber of Commerce**

The Voice of Business







by **Scott Craigie**

## **"Don't Tread on Me"** *Revolutionary Spirit Sparks Legislative Battles*

**T**he spirit of the American Revolution was, to some extent, rekindled in Nevada during this past state legislative session. Specifically, the regular session, followed by a frustrating string of special legislative sessions, reawakened a revolutionary spirit among many business leaders in Nevada.

Of all the symbols created during the Spirit of '76 - 1776, that is - the one that best captures the essence of the 2003 legislative cycle may well be the yellow Gadsden flag with the coiled rattlesnake and defiant "Don't Tread on Me" motto. The meaning of Don't Tread on Me is unmistakable.

The simple goal of finding and fully defining a "broad-based" tax became the focus of the real tax wars of these sessions. How to tax was more a topic than how much to tax. Representatives of Nevada's gaming industry, unions and many others, for example, viewed gross receipts and net profits taxes as the only

acceptable tax systems. They argued these are genuinely broad-based taxes. Others viewed these same tax devices as fertilizer for a Nevada IRS that would sprout auditors, tax assessors and piles of forms to choke business owners.

Factions divided sharply over what was acceptable, generating angry Don't Tread on Me debates. These divisions were more than philosophical. They were emotional - often brutally so. Charges of obstructionism flew back and forth.

For many, the battle was formally joined as advocates for both sides divided into emotional, committed camps ready to fight to their last breath for what they viewed was right. This war pitted tax opponents against those who demanded that the quality of state services improves and keeps up with Nevada's record-setting growth.

This is a long-term war, and current views regarding who won and who lost the 2003 legislative sessions are interesting, but neither foresee nor assess the long-term impact of this year's battles. That remains to be sorted out.

The first step in the sorting process is already underway. Consultants are running the best and worst of this year's multiple legislative sessions through a series of polls taken by players on all sides. The Don't Tread on Me side is asking, "Do we need a billion dollars in new taxes? Does Nevada really need 560 new state employees?" They may point out that with the new teachers and school support personnel who will be hired, the number of new public employees could climb well above 1,000 over the biennium. They are asking, "Does Nevada really need 1,000 new public employees during these hard economic times?"

Teachers, parents and advocates for

public education will respond, absolutely, that is what Nevada needs. And groups served by Nevada's Medicaid and mental health services systems will produce startling numbers quantifying horrifying details of the low levels of service and the inadequacies of many Nevada social support systems.

It is entirely possible attorneys will be sent to federal and state district courts seeking to declare that Nevada's state government is failing to fulfill its constitutionally mandated requirements to meet the needs of the poor. It would be a harsh reality to wake up one morning and read headlines that a federal district court judge has just been placed in charge of Nevada's Medicaid or mental health systems.

Once this fall's polling and post-session political posturing has played out, the winning messages and power plays will be identified, refined and launched as political weaponry throughout hundreds of campaigns next year. The hard-sell themes will be pounded home via television and radio commercials and newspaper ads. They will be circulated through hundreds of thousands of brochures mailed to every voter, hand-delivered to front doors, delivered in speeches and all the free media the best public relations pros can garner.

Campaign successes and failures in the 2004 elections will show which are the winning and losing themes. Then, those who win election to the 2005 Legislature will have to put their political rhetoric into a budget and tax package that works. The end of that session, or sessions, will trigger yet another biennium of political test-taking and campaign rhetoric. Finally, once the dust settles and votes are counted after the 2006 elections, we will be able to figure out which side of this year's debates prevailed.

This is how we fight revolutions in civilized society, although it may not seem very civilized as the campaigns progress. It is, however, far better than the "off with their heads" and "load the muskets" versions of revolutions in earlier times.

*Scott Craigie served as Governor Bob Miller's chief of staff through three regular legislative sessions. He currently is a legislative lobbyist representing numerous business interests.*



### **LYBARGER CORPORATE SERVICES**

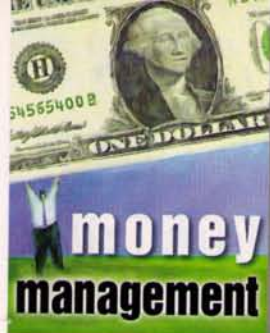
*a division of Lybarger & Associates, Attorneys at Law*

Providing Corporate Services for Over 10 Years.

- Complete Corporate Packages (C Corp / S Corp / LLC's)
- Partnerships / Joint Venture Agreements
- Business Forms / Contracts

Tel: (702) 871-2200  
Fax: (702) 876-2200  
E-Mail: charleslybarger@hotmail.com





by **Kimberly Parker-Hansen**

## Business Succession Plans

### *Don't Leave Your Business Without One*

**M**any Nevada businesses don't have a viable business succession plan in place. In fact, recent data indicate that only six out of 10 business owners have prepared for their untimely demise. Many are shocked when a trusted partner dies, to find their new partners are his/her spouse or children. Today, more than ever, businesses are forced to take a serious look at their business plans and the continuation of that business in the event of death, disability or retirement.

Experience has shown the most successful business owners build a business that can either be sold or passed down as a family legacy to their heirs and beneficiaries. To assist in ensuring the orderly disposition of a business interest, the owners must have an appropriate agreement drawn up which will establish a market for the business in the event of death, disability or retirement. The agreement should establish a fair price for the business and the possible value for estate taxes. The plan should also provide enough cash liquidity for the owner's obligations. All closely held businesses should have a succession plan.

If a plan is not in place, several things can occur:

1. A business will be liquidated to pay outstanding debts and it may not receive its fair market value.
2. The business will remain in the family. However, will the new leaders really want that position and are they qualified to run the business successfully?
3. The business interest will be sold.

A succession plan that is properly structured can achieve the goals and objectives of the business owner. Here are some questions business owners should ask:


1. Is there enough cash to meet debts, income needs and estate taxes?
2. Will all intended heirs and beneficiaries receive the same financial considerations?
3. Will there be a buyer for the business, and at what price?
4. How much will it cost to replace the key owner or employee?

After asking these questions, it is important to understand the desired result of the succession plan. Once the objectives have been established, a plan can be designed. Succession plans usually fall into two main categories: buy-sell arrangements and key person insurance.

A buy-sell arrangement is simply an agreement in which one party agrees to buy – and the other agrees to sell – business interest in the case of a disability, retirement or death. The most common forms of buy-sell arrangements are entity purchase plans, also known as stock redemption plans. They are normally best to use with multiple partners.

The other form of buy-sell is known as a cross-purchase arrangement, which is commonly used with a small business having five or fewer owners.

Key person insurance is used by a corporation to insure the life or lives of key employees, which will provide the business with the resources to survive in case of disability, retirement or death.

In summary, all business owners should have a succession plan in place. Whether it is simple or complex, the plan should be designed to meet their desires and needs. Business owners should also assemble a team to provide the latest planning solutions available for their firm. The team quite often consists of an attorney, a CPA and a financial consultant. Having a viable plan in place will assist a company in the necessary transition to a new owner or the passing of that business as a legacy to the next generation. 

*Kimberly Parker-Hansen, the co-founder of Hansen Marrs Financial Group, is a registered principal with Linsco/Private Ledger, member NASD/SIPC.*



# We Make House Calls.

WE MAKE IT EASY FOR YOU AND YOUR OFFICE STAFF. WE'LL PICK UP DEPOSITS, ASSIST WITH PAYROLL, OR ORDER OTHER SERVICES THAT MEET YOUR SPECIFIC NEEDS.

Bank of Commerce, your community bank, offers a full-line of fiduciary products for businesses and individuals. We strive to provide innovative, customized banking products and the highest level of personal service available to the business market. To find out how Bank of Commerce can help with your business banking needs, contact us at (702) 307-9800, or visit us at [www.bankofcommerce-nevada.com](http://www.bankofcommerce-nevada.com).



(702) 307-9800

Member FDIC

Equal Opportunity Lender





## How does use of the Comprehensive Loss Underwriting Exchange (CLUE) affect homeowners and insurers?

### Insurance Companies Are "Red-Lining" Markets

By Melody L. Luetkehans, Esq.

**I**s your new home insurable? It may not be if the previous owner has filed an insurance claim on the property.

If a seller previously had a claim against the property, especially a water damage claim, the home may be "stigmatized" for insurance purposes. How does this happen and what does this mean? It happens when a buyer applies for homeowner's insurance. The insurance company checks the property address through a national claims database known as CLUE, the Comprehensive Loss Underwriting Exchange. This database is much like a credit reporting company to which insurers report their claims history against, not only the potential policy holder, but also the property. Almost all insurers are using the CLUE report to deny coverage, or exclude certain types of damage, on homes where the previous owner has made claims.

Insurers, in looking at any way they can decrease their risk exposure, not only review a buyer's personal credit history, but the property's claims history as well. Their risk reduction policies extend not only to denying coverage for specific properties, but to "red-lining" whole counties or markets.

One major insurer unilaterally determined it would no longer write policies in certain Nevada counties, such as Elko. This left currently insured homeowners with policies they couldn't renew, and new buyers with no insurance options. What's worse is that a homeowner who may not have made a claim may still be still penalized for a claim inquiry. Many insurance companies send information on all homeowner contacts to the CLUE database, whether the contact resulted in a claim or not.

The Nevada Association of REALTORS recently sent a survey to its brokers asking them what insurance issues they are seeing in the field. Fifty-six percent stated their clients have experienced problems with insurance availability and 60 percent have had premium increases. Twenty percent said real estate transactions were canceled because of non-affordability of insurance or uninsurability.

Maybe it's time for the public to look at how insurers determine what risks they will cover and where they will write coverage. Twenty years ago, banks were forced to stop red-lining areas in which they would not lend for "business reasons". If the insurance industry doesn't revamp the way it determines insurance eligibility, it may find a groundswell pushing for laws to force a change.

*Melody Luetkehans is general counsel for the Nevada Association of REALTORS. She has written numerous articles on real estate-related issues, as well as lobbying for the industry's interest in Carson City.*

### CLUE Reports Provide Important Information

By Dana R. Bennett

**F**or many of us, buying a home is the single most important – and expensive – purchase we make. Consumers rely on information provided by the seller regarding the condition of the home to help determine a fair price for the property.

Insurance companies also need information to determine a fair and accurate price for insuring the property and the homeowner. When considering an application to write a new policy on an existing home, insurers request the claim history on the person applying for insurance, as well as information on the condition and maintenance of the home that is about to be purchased.

In the early 1990s, some insurance companies began to use loss-history databases, sometimes referred to as CLUE reports, to access important underwriting information. CLUE reports contain up to five years of personal property losses and help insurers and agents deliver fast, accurate and less expensive underwriting decisions. Prior to the advent of CLUE, insurers considering an application to write a new policy on an existing home obtained property-loss histories in various ways: searching public records, requesting information from the applicant, and requesting information from the insurer currently writing the coverage for the property. CLUE reports make the exchange of this information much more efficient, benefiting homebuyers, home sellers, realtors and insurers.

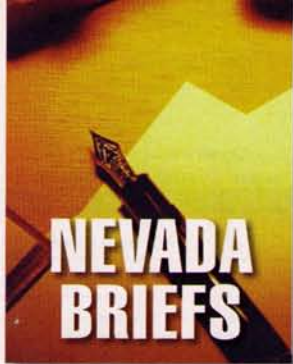
Consumers have access to the CLUE report about themselves and their own properties. It is important for consumers to remember that only sellers have access to a CLUE report on their own property. However, many buyers are now stipulating that a copy of the report be disclosed as a condition of the real estate contract.

Some REALTORS and real estate sales organizations contend that CLUE reports are an unnecessary obstacle to buying and selling homes. Yet, there is no evidence to suggest that home sales have been affected by a supposed inability to obtain homeowner's insurance. In fact, the National Association of REALTORS recently reported that existing homes are selling at record levels. Recently, Homebuilders Research reported a record for resales in April 2003 in Las Vegas, a 27 percent increase over resales in April 2002.

CLUE reports help consumers and insurers make certain the price they pay for homeowner's coverage is fair and accurate. More importantly, they speed up the insurance transaction, facilitate prompt real estate transactions and provide homeowners and potential homeowners important information before making one of the most significant investment decisions of their lives.

*Dana Bennett is the Nevada legislative advocate for the National Association of Independent Insurers (NAII), the nation's leading property/casualty insurance company trade association. NAII member companies write more than one-third of the homeowner's policies in Nevada.*





## Online Resource Center Wins Award

**S**usan Jamerson of Jamerson & Associates, LLC received the SBA's Nevada Small Business Research Advocate Award in June for the development of a virtual online resource center for small businesses, *ItsSimple.biz*. The development of the Website was funded by two grants from the USDA Small Business Innovative Research (SBIR) program. Entrepreneurs who visit this on-line resource center can access how-to guides for business planning, marketing, financing, hiring and accessing capital. Numerous templates and worksheets assist the sites' visitors with financial spreadsheets, loan applications, tax and employee relations information and government contracting. In addition, *ItsSimple.biz* offers start-up or expanding business owners a complete list of business-related service providers in their area and the opportunity for one-on-one, e-mail-based mentoring with successful entrepreneurs. Jamerson also produced *Building Business in Nevada*, a video that addresses the 10 most frequently asked questions people have when starting or expanding their business. More than 900 copies of the video have been widely distributed at no cost to small businesses and business centers across the state.

## Las Vegas Maintains Largest Tradeshow Share

**F**or the ninth consecutive year, Las Vegas has maintained its position as the top-ranked destination for tradeshows. According to *Tradeshow Week*, the industry's most widely read publication, Las Vegas captured 35 of the 200 largest tradeshows in the U.S. in

2002, for a 17.5 percent market share. In addition, Las Vegas leased more net square feet of exhibit space than any other destination in 2002. Tradeshows held in Las Vegas utilized nearly 17 million square feet. Five of the 10 largest U.S. tradeshows took place in Las Vegas in 2002, including the top two shows - CONEXPO-CON/AGG (1.8 million square feet, 80,054 attendees) and International CES (1.2 million square feet, 27,835 attendees). The National Association of Broadcasters (901,00 square feet, 60,588 attendees); MAGIC Marketplace Fall (864,000 square feet, 85,000 attendees); and MAGIC Marketplace Spring (862,208 square feet, 80,000 attendees) rounded out the top 10.

## Reno City Council Approves Whitewater Park

**T**he Reno City Council has approved building a \$1.5 million whitewater park and kayak slalom racing course on the Truckee River in downtown Reno. The council unanimously voted to post a \$1.5 million conditional loan consisting of public and private funds that will enable construction to begin this summer. Construction must be finished by the first of November. The \$1.5 million cost for the kayak course and whitewater enhancements at Wingfield Park are included in a list of projects recommended for funding under a voter-approved state bond known as Q-1 that designated \$10 million for improvements along the Truckee River. The kayak course and whitewater improvements will be a part of city-owned Wingfield Park, situated on an island in the heart of the downtown hotel-casino district. The whitewater project would be the first phase of a Truckee River recreation plan that calls for improvements at eight publicly-owned sites over 24 miles of the river.

## Rural Communities Receive Grants


**T**he Nevada Commission on Tourism (NCOT) approved more than \$1 million in grants recently to help rural communities promote tourism, Lt. Gov. Lor-

raine Hunt announced. "The Rural Grants Program makes it possible for many Nevada communities with limited marketing resources to promote attractions and draw visitors, which helps support local economies," Hunt, NCOT chair, said. "Communities stretch the dollars by matching each grant with local funding or volunteer efforts."

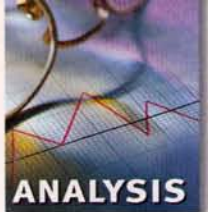
Grants included:

- \$10,000 to the Tonopah Chamber of Commerce to create The Tonopah Star Trail and pursue a niche market - stargazing - in sparsely populated Tonopah's extraordinary darkness;
- \$6,000 to the Western Folklife Center to help promote the 20th National Cowboy Poetry Gathering in Elko;
- \$10,000 for the Lake Tahoe Incline Village/Crystal Bay Visitors Bureau to promote the Incline Village Jazz Festival;
- \$3,500 to the Central Nevada Mountain Bike Association to advertise and promote Austin as a Nevada "biking capital" whose location on "The Loneliest Highway in America" makes it an ideal site for bicycle racing events.

## Nevada Sets Up Office in Hong Kong

**T**he Nevada Commission on Economic Development (NCED) opened a representative office in Hong Kong recently to promote investment and facilitate trade between Hong Kong and Nevada. The director of global trade and investment at the NCED, Alan Di Stefano, said, "Hong Kong is currently [the United States'] eighth largest trading partner. We therefore see Hong Kong as a gateway for most of Asia and the Pacific Rim, not only for two-way trade and investment, but also for tourism. The opening of a representative office in Hong Kong will serve to increase the volume of trade and tourism between Nevada and Hong Kong." The office is expected to work closely with the private sector and government officials in Hong Kong and Nevada to help companies increase their exports through finding the right distributors, identifying joint venture opportunities and establishing offices, manufacturing or service operations. 





# Business Indicators

**E**conomic activity following the Gulf War in 1991 moved forward without marked improvement in employment, giving rise to the term "jobless recovery". So far, employment growth in 2003 seems stuck, leading one to surmise that the next recovery, whether already afoot or to occur in the future, might also be a "jobless recovery". U.S. employment in May remained essentially unchanged. Nevada employment levels performed slightly better, up 1.3 percent in April from year-ago levels.

Las Vegas Metro (Clark County) has seen a 1.5 percent growth rate over the same period. Reno (Washoe County), though showing a recent step-up in the employment rate, stands 0.7 percent above year-ago levels.

During the April Iraqi War, a number of tourism-based indicators turned downward. Visitor Volume, Passenger Volume and Gaming Revenue each took a hit for Nevada and its urban areas. Though geopolitical risks remain, a rebound is expected. This rebound, however, will likely be constrained by the weakness in the U.S. economy. Even without a stronger U.S. growth rate, the Silver State's economy will grow, but at more modest rates than historical averages.

Looking back, we can conclude that Nevada's economy has performed better than the national economy or other states with major resort destinations. Looking to the near future, Nevada continues to attract new residents, reflecting job opportunities, desirable community amenities and profitable business opportunities. With favorable interest rates and continued in-migration, expenditures will fuel growth. Over the longer view, however, future economic prosperity will depend on creating jobs and economic activity associated with sales outside the Silver State, what is referred to as the export base.

Nevada, having developed its export base around tourism and mining, will increasingly need to recreate itself with new products and services. Competition from other states and nations will sap the state's vitality, to be sure. Meeting this challenge calls for Nevada to create its own new products, new services, new technologies and new ways of doing business, and to rely on trade for the rest.

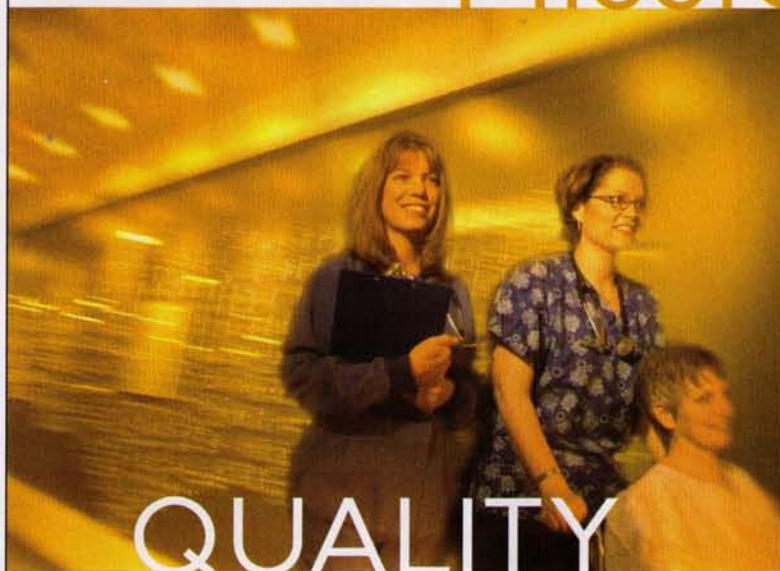
*R. KEITH SCHWER*  
UNLV Center for Business and  
Economic Research

	UNITS	DATES	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT (%)	YEAR AGO (%)	
NEVADA								
EMPLOYMENT	1,000 EMPLOYEES	04/03	1,060.1	1,056.7	1,046.3	0.3	1.3	Slow Growth
UNEMPLOYMENT RATE	%, NSA	04/03	5.5	5.5	5.6	0.0	-1.8	Improving
TAXABLE SALES	\$ BILLION	03/03	2.199	2.510	2.842	-12.4	-22.6	Down
GAMING REVENUE	\$ MILLION	04/03	744.62	756.14	799.59	-10.8	-6.9	Down
PASSENGERS	PASSENGERS	04/03	3,304	3,126	3,377	8.1	-2.2	Down
GASOLINE SALES	MILLION GALLONS	04/03	84.36	83.0	83.36	-1.6	1.2	Price Effects
VISITOR VOLUME	MILLION VISITORS	04/03	3,994	3,786	4,113	-4.0	-2.9	Down
CLARK COUNTY								
EMPLOYMENT	1,000 EMPLOYEES	04/03	798.7	797.3	786.8	0.2	1.5	Slow Growth
UNEMPLOYMENT RATE	%, NSA	04/03	5.4	5.5	5.7	-1.8	-5.3	Improved
TAXABLE SALES	\$ BILLION	03/03	2.199	1.847	2.079	19.0	5.7	Up
GAMING REVENUE	\$ MILLION	04/03	608.89	684.98	646.85	-11.1	-5.9	Down
RESIDENTIAL PERMITS	UNITS PERMITTED	05/03	2,712	2,736	3,129	-0.9	-13.3	Down
COMMERCIAL PERMITS	PERMITS	05/03	96	77	91	24.7	5.5	Up
PASSENGERS	MILLION PERSONS	04/03	2,946	3,181	3,007	-7.4	-2.0	Down
GASOLINE SALES	MILLION GALLONS	04/03	55.62	57.09	54.90	-2.6	1.3	Price Effects
VISITOR VOLUME	MILLION VISITORS	04/03	3,434	3,563	3,502	-3.6	-2.0	Down
WASHOE COUNTY								
EMPLOYMENT	1,000 EMPLOYEES	04/03	196.8	195.0	195.4	0.9	0.7	Slow Growth
UNEMPLOYMENT RATE	%, NSA	04/03	4.7	4.9	4.8	-4.1	-2.1	Improved
TAXABLE SALES	\$ BILLION	03/03	0.472	0.396	0.453	19.1	4.1	Up
GAMING REVENUE	\$ MILLION	04/03	77.71	85.32	87.13	-8.9	-10.8	Down
RESIDENTIAL PERMITS	UNITS PERMITTED	05/03	365	285	338	28.1	8.0	Up
COMMERCIAL PERMITS	PERMITS	05/03	21	15	27	40.0	-22.2	Mixed
PASSENGERS	MILLION PERSONS	04/03	0.346	0.393	0.355	-11.9	-2.5	Down
GASOLINE SALES	MILLION GALLONS	04/03	14.96	15.38	14.67	-2.8	1.9	Up
VISITOR VOLUME	MILLION VISITORS	03/03	0.370	0.398	0.415	-7.0	-10.8	Down
UNITED STATES								
EMPLOYMENT	MILLION, SA	05/03	130.067	130.084	130.411	0.0	-0.3	No Growth
UNEMPLOYMENT RATE	%, SA	05/03	6.1	6.0	5.8	1.7	5.2	Up
CONSUMER PRICE INDEX	82-84=100, NSA	05/03	183.5	183.8	179.8	-0.2	2.1	Holding
CORE CPI	82-84=100, NSA	05/03	193.2	193.1	190.2	0.1	1.6	Holding
EMPLOYMENT COST INDEX	89.06=100, SA	1Q03	159.3	157.7	154.8	1.0	2.9	Holding
PRODUCTIVITY INDEX	92=100, SA	1Q03	125.6	124.9	122.5	0.6	2.5	Slowed
RETAIL SALES GROWTH	\$ BILLION, SA	05/03	308,779	309,624	293,814	0.1	5.1	Flat
AUTO AND TRUCK SALES	MILLION, SA	04/03	16.36	16.07	17.19	1.8	-4.8	Holding
HOUSING STARTS	MILLION, SA	05/03	1.732	1.632	1.752	6.1	-1.1	Pause in Growth
GDP GROWTH	\$ BILLION, SA	1Q03	9,562.9	9,518.2	9,363.2	0.5	2.1	Modest Growth
U.S. DOLLAR	97.01=100	05/03	118.536	122.542	127.266	-3.3	-6.9	Depreciating Dollar
TRADE BALANCE	\$ BILLION, SA	04/03	-42.028	-42.874	-34.225	-2.0	22.8	Further Decline
S&P 500	MONTHLY CLOSE	05/03	963.59	916.92	1,067.14	5.1	-9.7	Recent Improvement
REAL SHORT-TERM RATES	%, NSA	05/03	1.23	1.35	1.73	-8.9	-28.9	Still Low
TREASURY YIELD SPREAD	%, NSA	05/03	2.48	2.81	3.40	-11.7	-27.1	Suggests Expansion

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.



# MISSION



# QUALITY



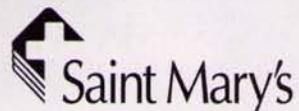
# PEOPLE



When you love where you work, it shows. Building one of America's top 100 hospital systems has taken the work of many physicians, nurses, staff, volunteers and donors who enjoy working with and supporting Saint Mary's.

Living our mission. Committed to quality. Proud of our outstanding people, who love what they do... and it shows.

Our Mission. Our Quality. Our People. | [saintmarysreno.com](http://saintmarysreno.com)







Paul Dykstra,  
President & CEO

# THE SHOW IS OUR BUSINESS

When the largest shows and conventions roll into Las Vegas, Paul Dykstra and his team at GES get rolling, too. GES orchestrates everything behind the scenes of successful shows. Laying miles of carpet and electrical cable. Producing hundreds of signs and graphic images. Handling thousands of pounds of freight. Building countless exhibit booths. And every other detail you can (or can't) imagine.

**everything**exposition

**702.263.1500**

**gesexpo.com**

**GES**  
Exposition Services