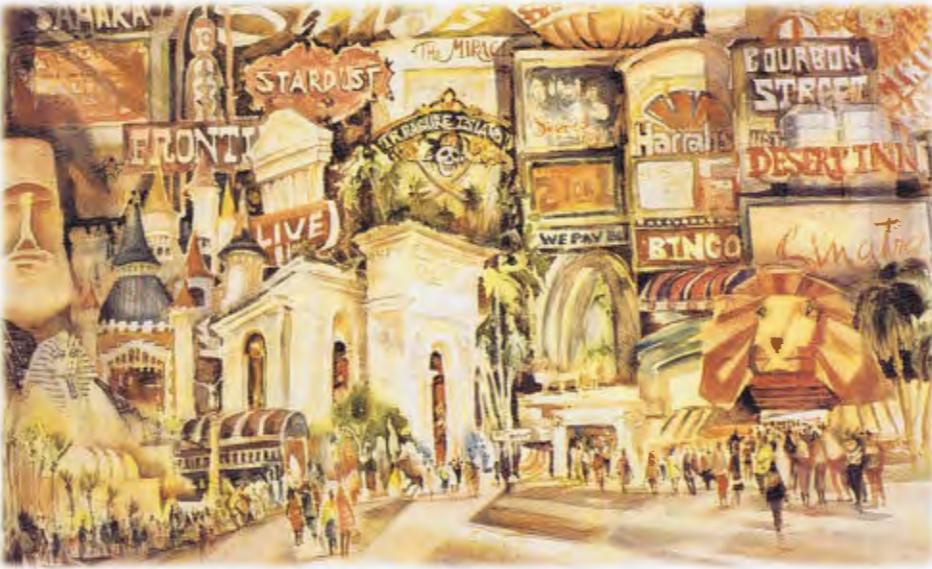


January 1995

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# Nevada BUSINESS JOURNAL



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## From the Editor



by Connie Brennan

All but a few of the political signs that have graced our roadways and neighborhoods for the last several months are gone, signaling an end to the political season. There's only one word to adequately sum up the results of the 1994 election season: "WHEW!"

As lawmakers sharpen their pencils and prepare to convene in mid-January for the 1995 legislative session, political observers are still stunned at the results of the 1994 elections.

Never before, since perhaps the Reagan landslide in 1984, have so many seats exchanged hands statewide. That's also about how long it's been since the Republicans have controlled both the State Assembly and Senate.

Most of the state's political watchers, and probably quite a few of the Republicans who won, were amazed at the depth of the G.O.P. carnage. Even some of the Democrat's strongest seats were in jeopardy this year.

On a statewide basis it remains to be seen how business will fare at the state Legislature. While the Senate is firmly in Republican control with a 13-8 split, the Assembly is divided evenly at 21 seats for each party. Initial meetings have been held to divide the leadership and chairmanships evenly amongst the parties, but as of press time, the Republicans had challenged two Democratic seats — Chris Giunchigiani and Vivian Freeman — giving them a temporary two-seat majority. Because of these challenges, the Legislative Counsel Bureau has issued an opinion giving G.O.P. officials the right to organize leadership and committee chairs on opening day.

Of course, the Democrats will fight this, and some insiders believe we may not know until the session begins who will be in control of the State Assembly.

One bright note for Nevada businesses is the phenomenal success of the Las Vegas Chamber of Commerce. The Chamber, which in previous years hasn't enjoyed all that much luck with the candidates it supported, had a rather large stable of winners this time.

Out of the 26 candidates the organization endorsed, only one — Kathy Von Tobel in Assembly District 9 — lost. However, Von Tobel is one of those challenging her defeat, so the real outcome of that contest won't be known until the Assembly convenes.

All this means that business should have a sympathetic ear when it comes to deciding state issues such as tax policies and funding requests.

Although term limits initiatives were on quite a few ballots nationwide this year, the voters decided to impose their own term limits. They chose not to support longtime career politicians, some of whom had served three or four decades.

The nation's voters have given our leaders the mandate that they want a shift back to more conservative policies, less taxes and definitely less government in our lives. That should bode very well for the nation's business community.

On a federal level, Nevadans, like voters across the rest of the U.S., decided they wanted a more conservative look in the nation's capital and bounced incumbent Congressman James Bilbray from office for political newcomer, John Ensign. A former veterinarian and gaming executive, Ensign ran an aggressive campaign with very few mistakes.

But while the Republican tide swept many incumbents from office, Nevada was one of the few states in the nation to reelect a Democratic governor and U.S. Senator. Both Governor Bob Miller and Senator Richard Bryan easily defeated their opponents.

It's easy to see, 1995 will be an interesting year for Nevada businesses. But for those of you who have had your fill of politics, there is no rest for the weary. City elections are just around the corner.



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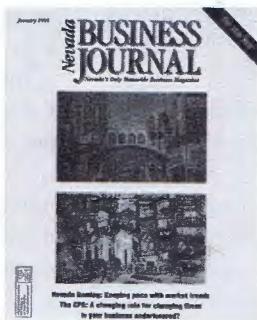
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Dottie Burton has studied with some of the most outstanding watercolorists in the United States. She has traveled – and painted subjects – throughout Europe, Mexico, the West Indies, the United States – and especially, her home state of Nevada.

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"If you hire them, they will sue."

# *The Evolution of Gaming*



## Southern Nevada

by Lynn Waddell

WHEN the Mirage opened in 1989, it was the first new resort to open on the Las Vegas strip since the MGM Grand — now Bally's Grand — in 1972.

What has happened since has been no mirage. Four major Strip resorts have opened in the past three years, and there's no end in sight.

Another five mega resorts are planned at the heart of Clark County's gaming mecca. The area's main, neon thoroughfare is to get another 11,500 rooms by 1997. That's in addition to the existing room inventory of 86,000.

Yet, they are only a fraction of the additional rooms planned for the Las Vegas Valley. The success of the new Luxor, the MGM Grand, and Treasure Island, have spawned another wave of expansion that goes far beyond the Las Vegas Strip.

New casinos, targeting the growing local population, are being constructed. Downtown resorts are ex-

panding, preparing to capitalize on the planned Fremont Street Experience, a city re-development project, designed to stimulate business.

In all, some 36,500 hotel rooms are planned for completion before the next century, according to Las Vegas Convention and Visitors Authority statistics.

"This new wave is going to be kind of interesting," said John Schibrowsky, a University of Nevada Las Vegas marketing professor. "Some are going right back after families. What's really surprising is that everybody has so much confidence."

Analysts are skeptical that all of those planned, new rooms will materialize. However, those involving major gaming companies are more secure, they said.

"A lot of these are just proposals, nothing more," said Peter Buccieri, president of Buccieri Assets Management in Las Vegas. "I get a lot of calls from people looking for money."

Fueling the expansion, is a steady gain in visitor volume to the area. Despite the 13 percent increase in the number of available rooms last fall – an addition of more than 10,500 rooms – hotels and motels have continued to enjoy rising occupancy rates.

Las Vegas Convention and Visitors Authority (LVCVA) representatives project the area will see up to 27 million visitors this year. That's up from 22 million last year.

So far, those estimates are holding true. Non-gambling attractions such as theme parks and high-tech displays have been drawing more people. From August 1993 to August 1994, the area experienced a 23 percent increase in tourism.

Increased numbers of visitors drove occupancy rates up 4.3 percent during the first four months of this year, said Terry Jicinsky, LVCVA research analyst.

"Everything just keeps going up, no matter how many new rooms we get," Jicinsky said, "The new resorts are creating so much new demand."

Joe Milanowski, USA Capital gaming analyst, said the current national economic condition should enable Las Vegas to handle the additional rooms.

"So far, we are at a pace for 27 million annual visitors," Milanowski said. "That will keep a lot of guys healthy and means we can support a few more hotel rooms."

The more substantial projects have one thing in common: they continue the trend of non-gaming entertainment that has proven successful thus far in the '90s.

The popularity of the whimsical MGM Grand Hotel, Casino & Theme Park has prompted MGM company executives to plan another resort, also offering amusements other than gambling.

Following the trend of non-gaming entertainment as a lure, New York-New York, being developed in partnership with Primadonna Resorts, Inc., will replicate famous New York landmarks, such as the Chrysler building, the Statue of Liberty and the Empire State building. It will be built on the northwest corner of Tropicana

Ave. and Las Vegas Boulevard South, directly across from the MGM Grand Hotel, Casino & Theme Park.

"When completed in 1996, this new project will showcase one of the most unusual casinos ever built in Las Vegas," said Bob Maxey, MGM Grand chairman and chief executive officer.

Maxey is not worried about oversaturating the market. The MGM has been filled since it opened December, 1993.

"It's a drop in the bucket," said Maxey, referring to the capacity New York-New York will add. "There's a train moving through Las Vegas, and there's room for several more properties."

MGM already owned the 18 acres where the new casino is to be built. Primadonna contributed about \$40 million and now the two firms will build and operate it equally, Maxey said. The new company will be privately held by the two publicly-traded companies, he said.

MGM was interested in the partnership because it allows the company to pursue other projects, such as the recently announced agreement with China to explore development of two casinos on the island of Hainan.

### *Partnerships among casino companies becoming a trend.*

In addition to the MGM Grand/Primadonna collaboration, a number of other gaming firms are considering, or have entered into, affiliations of varying degrees. Usually these agreements are designed to take advantage of the strengths of each participating firm.

"This is a trend that will be interesting to watch," said UNLV professor John Schibrowsky. "It's all in the notion of taking two organizations with varying skills, and combining them to get the best of both worlds."

Mirage Resorts has paired with Gold Strike Casinos to build a resort adjacent to New York-New York, on the former Dunes site.

"It's really interesting to see what the hybrids are going to be like when they open up," Schibrowsky said, "Are they going to be a wonderful blend or a Jekyll-and-Hyde sort of thing?"

For Mirage Resorts and Gold Strike Casinos, the partnership allows each to enter a new market niche. Mirage has centered on more high-end clientele, while Gold Strike caters to value-oriented customers. This will be the first Strip property for Gold Strike. Its other four hotel-casinos are just outside Las Vegas.

According to Steve Wynn, Mirage Resorts chairman and chief executive officer, "This particular resort will allow the Mirage to enter a market segment where we do not already compete, allied with another skilled management team, whose record as a low-cost operator is superb."

This partnership plans a \$250 million resort, which will cater to the value-oriented market. However, the theme and resort plans have not yet been revealed. Unlike the MGM/Primadonna partnership, though, Gold Strike will operate the new resort independently.

This aspect enables the Mirage to concentrate on the more posh resort it plans to build on the other side of the Dunes site – the Beau Rivage.

"This is the initial step in transforming the 164-acre Dunes site into the next generation of entertainment resorts in Las Vegas," Wynn said. "It will complement and enhance the wholly-owned, luxury property that we intend to build at the Flamingo Road end of the Dunes property."

Wynn, this fall, unveiled his ambitious plans for the 3,000-room Beau Rivage. The S-shaped tower and casino will sit amidst a 50-acre man-made lake. Gaming analysts and local officials are enthusiastic about the project that is to cost between \$700 million and \$900 million.

"Steve Wynn is a brilliant creator. He is so detail-oriented," said Peter Buccieri of Buccieri Assets Management. "There just seems to be no flaws at the Treasure Island or the Mirage."

The Beau Rivage promises to bring yet

another form of entertainment to the Strip – water sports. The lake surrounding the resort will accommodate windsurfing, boating and a water stunt show.

The project is to be completed in 1997.

Another unusual union is the publicly-traded, Stratosphere Tower Corporation. Vegas World owner Bob Stupak has united with Grand Casinos to build the 1,149-foot tower, plus a 2,500-room, \$300 million hotel-casino on recently acquired, nearby property. It is expected to be completed in the fall of 1995.

This resort will give Grand, the Minnesota-based gaming company, control of a major property in Las Vegas, where they currently have no holdings.

"Combining the gaming potential of the new casino with the attraction of the Stratosphere Tower, provides Grand with a unique and major gaming entry into Las Vegas," said Grand Casinos Chairman Lyle Berman, in a prepared statement.

### *Other Strip resort expansions are planned or underway.*

Other resorts on the Strip that are expanding to capitalize on the increased demand for rooms and gambling outlets include the Boardwalk, Flamingo Hilton, Polo Towers, Sands, Desert Inn, Stardust and the Vacation Village.

Another proposed development along the Strip corridor is El Rancho's Countryland U.S.A. – a planned renovation of the El Rancho Hotel, which was purchased by California-based Las Vegas Entertainment Network (LVEN) in November, 1993. The El Rancho has been closed since July 1992.

Next year, publicly-traded LVEN plans to revamp the property and add a 993-room hotel tower that looks like cowboy boots. The long-term plans for the new resort include a rodeo production facility and a family-oriented theme-park, featuring country entertainment.

Some analysts are skeptical LVEN will raise the necessary \$50 million, both because of the lack of activity around the

location and the extensive refurbishing needed to open the property.

### *Construction delayed on the Desert Kingdom.*

The only major Strip project, now in question, is ITT Sheraton's Desert Kingdom – a 25-story resort, which would attempt to replicate a mythological palace, complete with gargoyles and dragons. A relative newcomer to Las Vegas, the company has announced it is delaying construction on the planned \$750 million resort, to have been built beside the Sheraton Desert Inn.

The company has released no details, only that construction is delayed. This has lead to speculation that the company wants to expand room capacity in the Las Vegas market more quickly than the Desert Kingdom project would allow. When plans were unveiled for the Desert Kingdom, a company spokesman announced that "ITT Sheraton's reservations offices, this year, have received 140,000 requests for lodging in Las Vegas, that they have been unable to satisfy."

*Editor's Note: At press time, New York-based ITT Sheraton announced an agreement in principle to purchase Caesars World for \$1.7 billion. The transaction is scheduled to close sometime during the first quarter of 1995. If completed, the Caesars World purchase will place ITT Sheraton in the top ranks of the gaming industry. In addition to its current Las Vegas holding, the Desert Inn, ITT Sheraton also owns a Mississippi riverboat gaming operation.*

### *The "Strip" grows beyond Las Vegas Boulevard South.*

Limited, cost-prohibitive space on the Strip has caused other developers to seek casino sites off the main thoroughfare.

The \$80 million Hard Rock Hotel & Casino, just open, is one such project. Managed by Harvey's Resort Hotel and

Casino of Lake Tahoe, the 28,000-square-foot casino is expected to succeed.

"They should do well, just tapping off their existing restaurant draw, as well as being in a location where they are spotted as tourists come in from the airport," Schibrowsky said. "It's truly a casino that will have an inside line on the Baby Boomers, as opposed to other marketers who have focused current efforts on families and senior citizens."

The 345-room hotel-casino, near the shadow of the giant guitar, is on a common taxi-route from the airport.

Less touted projects planned near the Strip, include: Radisson International's 3,003-room resort; the Caribbean's 572-room hotel-casino; the Dynasty with 600 rooms; and the Star of the Desert, with 300 rooms.

### *Evolving market has analysts optimistic.*

Overall, analysts are optimistic about the expansion in Clark County.

Some are concerned, however, that the type of customers being attracted to the new Las Vegas aren't gamblers. Non-gaming entertainment increases the demand for Las Vegas, but those same attractions may be lessening the typical visitor's time in the casino. The average amount of gambling money won from each visitor was down 6 percent in the first five months of 1994, compared to the same period in 1993.

Mega resorts are responding to the decrease in gaming by increasing the cost of their services. For example, tickets to the *Mystère* show, at Treasure Island, cost \$52. An average weekend room at the Luxor rents for \$139 a night.

"Maybe they are charging more," Milanowski said, "But they are going to get the money from people one way or another. Whether that's good or bad, it's hard to say."

The availability of inexpensive, quality food, though, is probably going to continue, both for the tourist market and the growing local-oriented resorts.

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*Artists rendering of the recently completed \$18 million expansion of the Santa Fe Hotel and Casino.*

### *Local population growth creates expanding market niche.*

People continue to move to the Las Vegas area at a steady average of 4,000 per month.

"It's fairly cyclical," Schibrowsky said. "With all this growth on the Strip, more people are moving here to fill those jobs, so more casinos are going up to serve the locals. To some extent, it's self-perpetuating."

Station Casinos, having found a formula for success with Palace Station on West Sahara Boulevard, opened its \$103 million Boulder Station, on the east side, on August 23. The resort has been so successful, that it had to close its doors several times during the opening phase, because it met capacity.

This month, Station Casino plans to begin a similar resort on the southern part of the valley called Sunset Station. Frank Fertitta III, Station chairman, says the company owns land for another east side casino, but development will depend on the success of Boulder Station. The Fertitta family also plans to build the 200-room Texas Gaming Hall and Hotel in North Las Vegas. Plans have already been submitted to the city.

"What they are doing makes a lot of sense," Schibrowsky said. "They are fo-

cusing on geographic locations, not different themes. It's like putting in three McDonalds in different parts of town."

Developed by MarCor Resorts, Inc., the Rio Hotel/Casino on Flamingo — a local favorite — is in its third expansion phase with the addition of 550 rooms.

The company also has tentative plans to make better use of its Old Vegas property in Henderson. The fake Western town is currently used only for special occasions, but the company is considering a 600- to 700-room hotel/casino at the site.

In addition to his successful operation across the street from the Rio, Gold Coast operator Michael Gaughan, also has plans for more hotel-casinos to serve locals.

Further northwest, Arizona Charlies eliminated its bowling alley to expand its casino and add 168 rooms scheduled to open this month.

At the far northwest tip of the valley, the Santa Fe Hotel and Casino, which first opened in early 1991, just completed an \$18 million expansion. It adds 65,000 square-feet, including three restaurants, a new race and sports book, bingo hall, and a European-style pavilion that will house the Santa Fe Coffee Company.

Two upscale, locals-oriented casinos are planned as part of residential developments. Mountain Spa, a posh 326-room resort, is planned in the outskirts of north-

west Las Vegas. On the opposite end of the valley, the Ranch at Westgate will be part of a planned community.

Maloof Hotels, from New Mexico is developing a new Southwestern-themed resort, called the Fiesta in North Las Vegas. From Dallas, the Crown Casinos Corp. has plans to build the \$80 million Desert Winds Hotel/Casino, geared for locals, near the Rio and Gold Coast.

Still on the drawing boards are Car Country Resort, incorporating car dealerships and the Quarry Partnership. If completed, the two jointly would add 6,200 rooms.

### *Too much, too soon?*

Some industry analysts believe this explosion is too much, too soon.

"I think it's close to its saturation point and I'm fairly cynical about the success of some of these resorts," Schibrowsky said. "They can't all continue to go after the same markets."

Bucchieri echoed these fears. "I always worry that the locals will say, 'We don't want to play anymore.'"

There may be an element of truth to that projection. There is some evidence that newer Las Vegas residents don't gamble as much as the longtime residents.

A recent survey by a Reno firm showed that in August, in seven local casinos, the number of gamblers only averaged 210 people per day above the same month in 1993. The May and June figures were worse — they showed an actual decrease; down 259 in June, and down 193 in May from the same month last year. In July, the number was up only 102 gamblers.

### *Investing hope in the Fremont Street Experience.*

Lack of customers has been a problem for downtown Las Vegas, but the Fremont Street Experience, an ambitious four-block, overhead light show, hopes to reverse the trend. The project includes a lighted canopy, an ever-changing, computerized light and music show, new shops, a parking garage and the closing of four blocks of Fremont Street to cars.

Most city officials and downtown casino businesses are optimistic, but not all. Milanowski said that downtown's trying to directly compete with the newer Strip resorts, instead of finding its own niche.

"It's hard to compete with a pirate battle, a volcano, a pyramid and all the other attractions on the Strip," Milanowski said, "I have my doubts about how well a light parade will hold up."

However, project developers say customers will prefer the Fremont Street Experience to inflexible Strip attractions. According to Kathilynn Carpenter, vice president of Fremont Street Experience Limited Liability Co., "People say they would come back, because it's not like the volcano at the Mirage. With attractions such as these, they say, 'You've seen one, you've seen them all.'"

Betting this is true, downtown resort owners together have invested \$18 million of the project's total \$63 million cost.

Many plan to spend more on expansion. Fitzgeralds is adding more casino space, rooms, and possibly a bowling alley or movie theater. Boyd Gaming is adding 146 rooms at the California Hotel and is currently using the hotel space at Main Street Station. Boyd will reopen the casino with more space, rooms and a parking garage after the Fremont Street Experience opens.

Downtown resorts are counting on the project to revitalize their properties, because gaming revenues, as of June 30, have declined 4 percent. Occupancy rates have been up, but there is a daily flood of guests leaving downtown to gamble on the Strip, casino managers said.

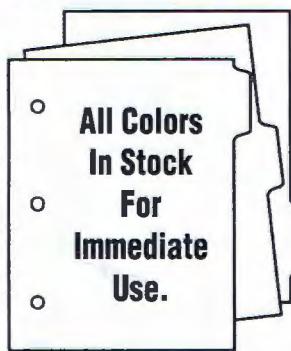
"It used to be, you could count on your guests spending half their money in your casino, but that's not true anymore," one downtown executive said. "Now, they treat us like a bed and breakfast. They get up and go to the Strip."

## TABS

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## Northern Nevada

by S.M. Luna

All Northern Nevada casinos, great and small, are loosening their belts as progress and growth rear their inevitable heads. From the small, friendly, casinos that wave to passersby, to huge, bigger-than-life structures that took more construction workers to build than the pyramids, it seems everyone is getting in on the act.

Here is an overview of properties, large and small, and the projects being undertaken to accommodate industry growth.

Snuggled into the center of historic Carson City, lies Cactus Jacks, trying to be nothing more than a casino. Its warm, down-home appeal has drawn crowds for years. To step inside this unpretentious property, allows even the most conservative gambler to feel at ease. Stepping outside takes one back to the days of yester-year, to a cobblestone street lined with late 19th Century paintings, replicating original Carson City businesses and their

owners. Park benches, and a touch of greenery, make it a pleasant place to eat a sack lunch, or just relax.

Carson City has been waiting for the re-opening of the beloved Ormsby House in December. "Just like waiting for the birth of a new baby," according to the new director of sales and marketing, Ray Hoy. "Restoring the place back to the original look is what we are trying to do. Having 400 employment positions is another plus." The gaming will follow, according to Hoy, after the hotel, restaurant and bars are all open.

"We are keeping the Rose and Gun Logo," Hoy says happily, "It's just part of the original Ormsby House."

What is one of the biggest complaints voiced by Reno visitors? Parking, of course. The Club Cal-Neva is trying to rectify this problem by adding a \$10 mil-

lion, 775-space "Parking Stadium", due for completion by spring of 1995.

Ascuaga's Nugget is also helping to eliminate parking problems for casino patrons. The Nugget has opened a new \$9 million, 1,250-space parking facility, that will make life much easier for customers. Down the road, the Nugget also has plans to build a family fun center.

With a decade of experience and strong will to survive, the Carson Valley Inn in Minden, has mushroomed into northern Nevada's answer for a full-entertainment facility. Still holding its own from the multitude of additions and expansions already completed, the Carson Valley Inn offers something for all types of tourist and entertainment-seekers. Some feel the Carson Valley Inn put Minden on the map. Even *Late Show* host, David Letterman, mentioned the town of Minden in a

recent monologue. Hundreds of golf groups, tour groups and professionals have enjoyed the hotel/casino/RV resort.

No. Reno's much ballyhooed "Project C" is not a secret military operation. It is a 1,720-room, two city-block resort currently under construction. This silver-studded, \$310 million baby, is the joint venture of Circus Circus Enterprises and the Eldorado Hotel Casino.

The resort is based upon an attraction on par with the themed resorts springing up in southern Nevada. Rising from the casino floor, jutting up towards the sky, Project C will feature a 120-foot tall, operational mining rig. The planned audio and visual special effects will rival Hollywood. Several restaurants, plus 85,000 square feet of gaming and convention space, will complete the project.

Local television stations have featured the coverage of several Hollywood stars visiting Reno for the opening of Planet Hollywood. Walking down the red-carpeted ramp, owners Bruce Willis, Arnold Schwarzenegger and Sylvester Stallone greeted crowds of cheering Nevadans. The new restaurant, visited by Charlie Sheen and many others, features movie memorabilia, a gift shop, and even offers the buffet set another dining option: that of California-style cuisine.

The Bonanza's marketing public relations representative, Stacie Wilke, tells the facts on what lies ahead for yet another Reno casino. "We are adding 3,500 square feet, which will include a

restaurant with a special Southwestern mesquite-style barbecue. There will also be a new buffet, a new keno counter and a mini-sports book."

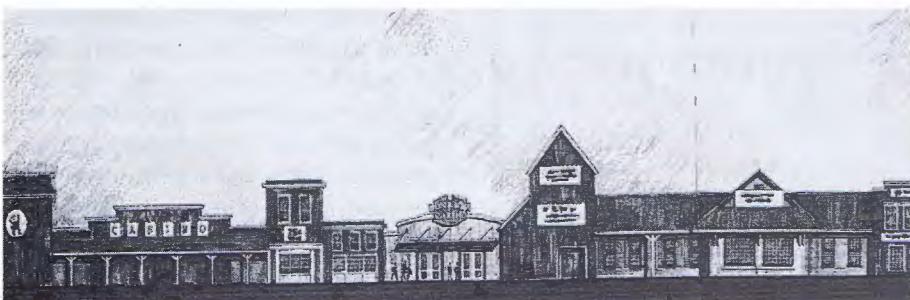
The words, "World's Largest", always attract attention, especially when heard in the Biggest Little City. Harrah's Casino Hotel, linked with the Hampton Inn, is building a \$29 million hotel that will add 408 rooms to downtown Reno. It will also include more convention and retail space.

To find a place where one can take the entire family is always difficult, but the Reno Hilton is making a \$1.7 million effort towards that end. With the addition of a 22,000-square-foot "Super Arcade", it will appeal to all family members.

The Hilton's \$86 million renovation also features the 450-seat Grand Canyon Buffet and the SuperBook sports book. Hilton gambling patrons will also enjoy a 100,000-square-foot casino floor with themes of the Western United States.

Next spring, Reno's Peppermill will be adding a \$60 million, 400-room addition and a 16,600-square-foot casino expansion to compliment last years' add-ons of 11,400 square feet. This expansion will offer customers more than 1,200 rooms, renovation of the popular Peppermill Restaurant, and a new steakhouse.

Due for completion by July 1995, the Eldorado Hotel Casino is expanding with a \$45 million, 12-story tower, which will feature an additional 12,000 square feet of casino space.



An expansion is planned for the Western-style Bonanza Casino.

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## Enthusiasm builds for Downtown Las Vegas development plans

Business and civic leaders are upbeat about plans to bring more business back to the center of Las Vegas.

"If you haven't bought property downtown, you'd better buy now," said Bank of America, Nevada, president, Dick Etter. "If you build it, they will come."

Other business leaders, like attorney John O'Reilly, agreed: "The heart of the city is downtown," he said, "It's not only where Las Vegas has been, but where Las Vegas will be."

Many elements contribute to the optimism for city officials. They are looking at public/private partnership efforts, such as the new state and county office buildings, the Fourth Street corridor improvements, the Fremont Street Experience, the sale of Main Street Station to the Boyd Group, and the expansion of the California Hotel and Casino.

There has been a significant increase in leadership and commitment to developing a first class downtown, according to Mayor Jones, who reported a new redevelopment strategy will be unveiled to serve as a blueprint for future efforts.

Recently, business and civic leaders previewed major development plans designed to reestablish Downtown Las Vegas, as the legal, financial and government center of the metropolitan area.

The preview included plans for the Koll City/Centre office building, to be located on the northern half of the former Minami tower site. Phase I occupancy is projected by the first quarter of 1996.

"With attractive office space opportunities added to a re-energized entertainment corridor, and a dedication to increased public safety, the downtown area will boom again," said Judi Woodyard, president of Lee & Associates Commercial Real Estate Services and member of the Koll team.

# Nathan Adelson Hospice

Providing Quality Care and Compassionate Support Since 1980



Hospice care allows patients to stay at home, in familiar surroundings.

As the only full service, community supported hospice program in Southern Nevada, the Nathan Adelson Hospice has been meeting the needs of the terminally ill and their families, for nearly fifteen years. Founded in 1978, the Hospice began serving home care patients in 1980, and in an effort to offer its patients a continuum of care, opened a free standing inpatient facility in 1983.

Nathan Adelson, the program's namesake, was an active community member and the first administrator of Sunrise Hospital. Following Mr. Adelson's death, a group of his friends and family committed themselves to finding an alternative to traditional care for terminally ill people. They believed that the dying should be allowed to participate in decisions concerning their care, and that they should have the opportunity to spend their last days in a familiar setting, surrounded by those they love.

Since 1980, the Hospice has provided a highly specialized program of care to over 18,000 individuals and their families, assisting them through the dying,

and the bereavement process. Increases in the number and variety of patients, coupled with the needs of the community, have led the Hospice to expand its services to include: hospice services to the residents of nursing homes, caregiver support groups, bereavement support groups for children and adults, intensive grief workshops for children and adults, "Camp Mariposa", a special children's grief camping experience, and E.A.S.E., a specially trained response team that assists emergency service personnel with families at the scenes of sudden deaths. The majority of these services are offered for free, or for a minimal charge to families on the Hospice program and to the general public. In 1993, over 50% of the individuals who accessed the support programs were not affiliated with the Hospice.

Much to the surprise of the general public, 94% of all patient care is delivered in the home, or in a homelike setting. The inpatient facility, which has 20 beds, exists to serve the advanced medical needs of Hospice patients. In addition, most do not realize that the Hospice is a non profit organization, and does not receive funding from state or local government. Rather, the primary sources of funding are from Medicare (reimbursement from the Medicare Hospice Benefit), reimbursement from some private insurance companies, and in a large part - by private donations.

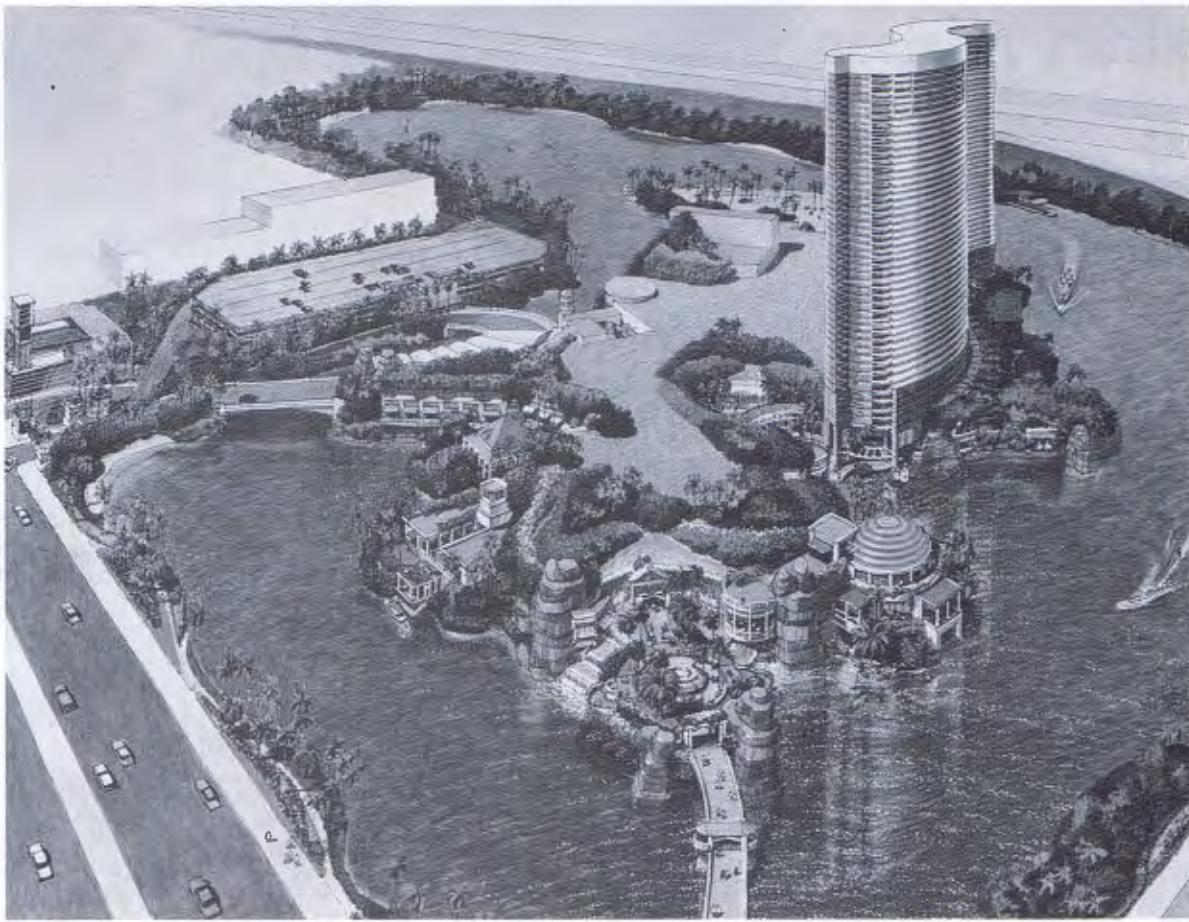
Hospices across the country share

a common bond - a commitment to provide the best care possible for terminally ill people and their loved ones. Community supported hospice programs also share a common philosophy:

*"Hospice provides support and care in the last phases of incurable disease so that those suffering from a terminal illness may live as fully and as comfortably as possible. Hospice recognizes death as a part of the normal process of living and focuses on maintaining the quality of remaining life. Hospice affirms life and neither hastens nor postpones death. Hospice exists in the hope that through appropriate care, and the promotion of a caring community sensitive to their needs, patients may be free to attain a degree of mental and spiritual preparation for death that is satisfactory to them. Hospice offers palliative care to terminally ill people and their families without regard for age, gender, nationality, race, creed, sexual orientation, disability, diagnosis, availability of a primary caregiver, or ability to pay."*

It is this philosophy of care, and the needs of this community, that has driven the Nathan Adelson Hospice to continue to provide quality care and compassionate support to terminally ill people and their loved ones in Clark County. In 1995, the Hospice will celebrate its fifteenth anniversary of serving its first patient.

For more information about the Hospice, call 733-0320.



## BEAU RIVAGE: Plans for a Lavish Island Resort Hotel is Revealed by Mirage Resorts

Mirage Resorts announced plans to build a new generation of destination resort on the former site of the Dunes hotel. 'Beau Rivage', which means 'beautiful shore', will have 3,000-rooms and will be located on a lush island, surrounded by a 50-acre lake, at the famous four corners of the Las Vegas Strip.

Visitors to Beau Rivage will enter by footbridges and causeways from the Las Vegas 'mainland'. All entrances will be surrounded by cascading waterfalls.

"Beau Rivage will be the most romantic hotel built in the history of the world," said Steve Wynn, chairman of Mirage Resorts.

The casino, with Steve Wynn's typical attention to detail, will be surrounded by a variety of restaurants, lounges and boutiques. The guest tower, rising above the island will offer panoramic views of the lake, which will feature water recreation, including wind surfing, water-skiing, and parasailing.

At one corner of the property, a large, white sand beach will remind guests of a Caribbean island. Along

the lake, an interconnecting transportation system will transport guests between Beau Rivage, and its neighboring sister property, being built in partnership with the Gold Strike organization.

Along the northwest shore of the island, a temperature-controlled amphitheater will feature world-class water-skiers, whose performances will be highlighted by special effects. Mirage Resorts' production teams are expected to be involved in this show, as well as a theatrical extravaganza, comparable in quality to the *Siegfried and Roy* and *Mystère* productions.

Scheduled to open in late 1997, Beau Rivage is expected to create more than 5,000 construction jobs. When open, it will employ more than 7,000 people. Construction will be funded through internal cash flow and the company's existing bank credit lines.

The construction of Beau Rivage, plus the cost of developing the neighboring resort (in partnership with Gold Strike), combined with the initial purchase of the property, is expected to exceed \$1 billion.

# Join NDA ...



*Back Row, left to right: Ray Nolan, Ocean Spray Cranberries, member since 1993; Randy Dodd, Milgard Windows, member since 1992; Mike Walter, Household Credit Services, member since 1994; Scott Wallace, G.C. Wallace, Inc., member since 1975; Bill Hartman, Deloitte & Touche, member since 1978. Front Row: Tom Weisner, Big Dog's Hospitality Group, member since 1971; Dianne Ursick, Sprint Central Telephone - Nevada, member since 1977.*

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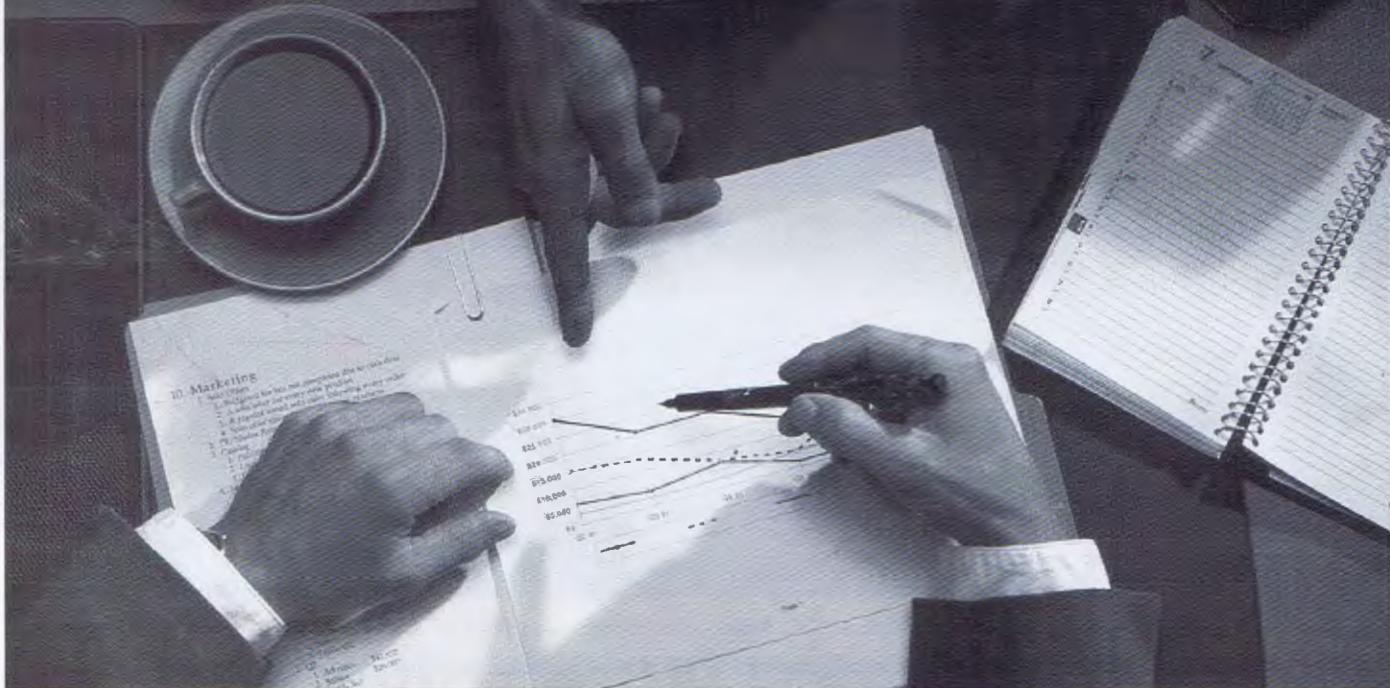
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# The CPA A changing role in changing times



by Russ Gardner

It comes as no surprise that certified public accountants (CPAs) are being recognized as more than just bean counters. Their role has expanded from that of expertly preparing financial statements and tax returns to providing valuable personal and business advice as well.

In Nevada, this role change has been amplified by the tremendous growth over the last decade. The growing population has brought with it a diverse cross-section of businesses and individuals that continue to impact the state's infrastructure and economy. As a result of a number of factors, the state's CPA profession is uniquely equipped to serve this evolving business community.

One such factor can be found in the fact that Nevada has one of the most stringent licensing procedures in the United States.

According to Bill Zideck, executive director of the Nevada State Board of Accountancy, the tougher educational and experience requirements tend to make Nevada one of the most difficult states in which to get a certificate. A fact which Leland Pace, partner at Stewart, Archibald & Barney, cites as why the state's CPAs are among the best in the country.

Qualifications are important when you consider that accounting is more of an art bound by laws, than an exact science, according to Randy Walker, a sole proprietor CPA. And the art of putting information together for owners and investors is going to gain more significance for those who compile the financial information, adds Robert Beers, president of Wilson, Beers & Edwards.

Because of the importance placed on

financial information, Nevada State Treasurer Bob Seale believes that objectivity is the strength and responsibility of a CPA. He said CPAs have the ability to make observations and suggestions from a different point of view. CPAs can help business owners gain new perspectives with regard to finances, he said.

Judy May, director of internal audit at Sierra Pacific Power Company, feels that a CPA's natural analytical skills can bring valuable added insight to running a successful business. Beers agreed, saying that the "expertise of a seasoned CPA culminates in his or her ability to be an effective management consultant. This kind of expertise cannot be gained from a book or a classroom but can only come from working with businesses and observing how they operate."

Ray Moberg, partner at Ernst & Young and president of the Nevada Society of CPAs, says the CPA's role has changed from the traditional tax preparer and auditor to becoming more involved as a business advisor in a wide variety of areas including structuring deals, raising capital, enhancing accounting and reporting systems and instituting employee compensation and benefit plans.

Betty Vogler, shareholder at Barnard, Vogler & Co., added that more requests are being made for CPAs to serve as consultants with respect to litigation support, forensic accounting, business valuation, mergers and acquisitions.

Walker notes the criteria business owners use when choosing a CPA vary according to the specific needs and characteristics of the business itself. A large accounting firm can provide the client a variety of expert opinions. Indeed, the team approach works well for many firms with complex, multi-faceted financial operations. "On the other hand," said Walker, "a CPA who operates as a sole proprietor offers the ability to develop a close working relationship with his or her client. Within such a relationship, the CPA gains valuable insight to all facets of the client's operation."

Seale noted that much of Nevada's growth has been attributable to the increasing numbers of small businesses who either relocate, expand, or choose to start up here. And, Vogler remarked, "This expanding small business environment has placed many CPAs in a role as more of an outside controller, helping clients understand options and serving in the capacity of a financial officer."

This growing role on the part of the CPA is vital for successful business because as John Mills, professor at the University of Nevada observed, "The management function is to make the company look as good as possible, while the CPA provides the balance on accounting approaches to provide fair reporting." May added that, "Since you are not working

by textbook examples, CPAs are needed to establish and enforce internal controls that will protect the company, its shareholders and customers while still allowing the business to be dynamic by reducing costs and increasing profits – all without sacrificing customer service."

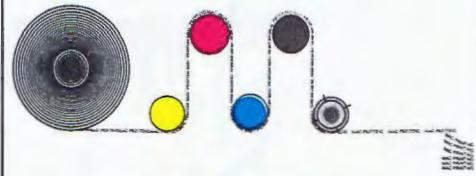
"The increased need for dynamics in business," Vogler said, "has placed a great deal of emphasis on diversification in all areas of business. It has caused U.S. companies to look overseas for new markets. As a result there is a growing need for knowledge of international accounting and tax matters," she said.

Although, Mills added, "There is going to be a standardization around the world regarding accounting. All nations are going to have to work to develop an accounting system that is consistent in order for international lending and business transactions to be effective."

According to May, present-day businesses must stay "lean and mean" to remain profitable. In the typical downsized business of the '90s, each department must justify its existence with relation to the bottom line. Functions which can be more efficiently performed by an individual or entity outside the company are normally contracted out, she said.

Moberg feels that the attitude in the business community is one of guarded optimism. He said, "Many members of the business community believe the conservative swing of the recent elections may produce legislation to lessen government regulation, lower taxes and stimulate economic growth."

Regardless of the market's attitude, new laws continue to be implemented. And despite the CPA profession's desire for less regulation, the self-regulated industry has welcomed some new laws. As Mills explained, the new laws make a CPA more valuable in terms of skills and capabilities. Vogler agrees, "The new laws have given CPAs a great opportunity to better serve clients by doing more intricate tax and financial planning."



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## The CPA – A changing role in changing times

Among the recent legislative changes, which members of the profession see as most significant, is the 150-hour baccalaureate requirement (effective January 1, 2001) which new CPAs will be required to obtain before they can become certified. Another involves proposed legislation to enable CPA firms organize as limited liability companies or partnerships.

Other major changes to the profession have occurred on the technological front. Mills stated that the shift from the adding machine to the computer has given the CPA more time to communicate with clients and analyze their needs – a shift which has encouraged small businesses to depend more heavily on the CPA as a consultant. Patty Braganza, auditor II for Clark County, added that because of this reliance, the CPA is now responsible to not only know about new technology but to recommend its use as well.

Beers emphasized this shift toward a higher level of customer service involves more than technological consultation. CPAs and their clients can also put new technology to use to enhance the efficiency and performance of the relationship itself. With recent advances, options such as tele-commuting and electronic security will soon be commonplace.

Another way, according to Pace, in which CPAs have expanded service is through the use of electronic data processing, which can make marketing, accounting and operational functions virtually paperless. In addition, with the use of multi-media and high-resolution graphics, this information is becoming ever-more user-friendly.

No matter where you are in the information chain, Beers feels that all businesses will be impacted by the Internet. Offices in one city can now use the Internet to send data to a remote office. He notes, "The information explosion is making the world smaller and allowing business relationships to exchange information across geographical and political boundaries never before imagined." ♦

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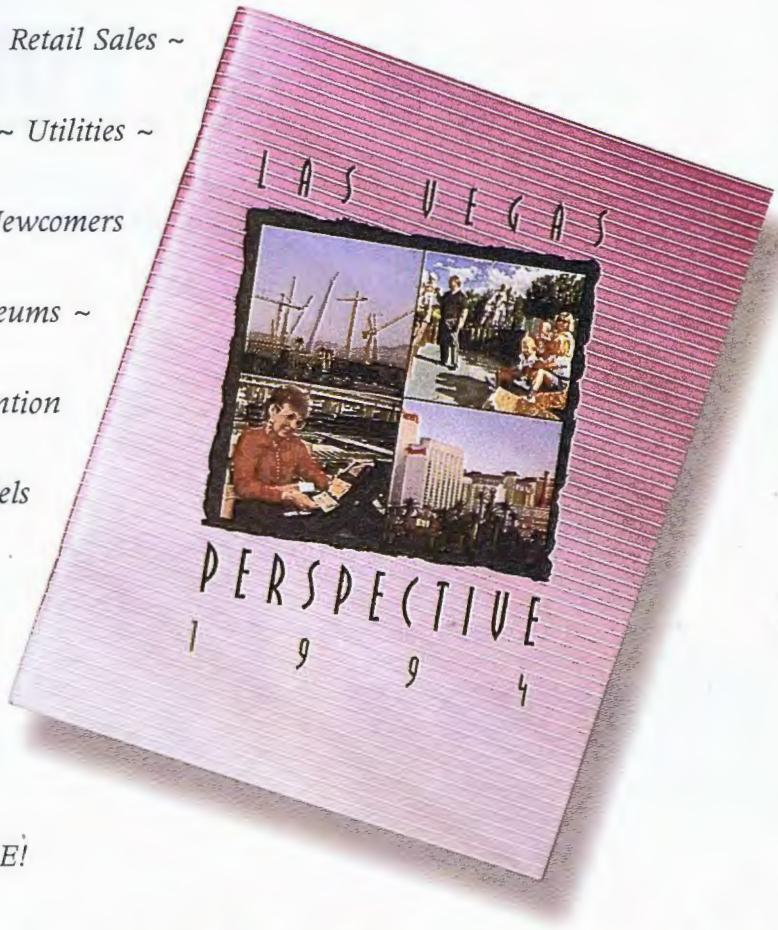
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# Insuring Your Future

*Insurance experts estimate 90 percent of small businesses are underinsured. Don't fall prey to this common oversight.*

by Tom Dye

When Mike Ballard opened his small public relations firm in July 1992, insurance was among the least of his concerns.

Ballard entered the business arena with a plethora of ideas on how to attract clients and make money. His primary worries involved finding the right employees, purchasing a computer system, and generating enough cash flow to pay the bills.

But like many successful entrepreneurs, Ballard began to expand. As his operation grew, he became aware of the pressing need to protect his investment.

One of his first insurance moves was to buy additional car insurance to insure his vehicle for business, as well as personal use. However, other than this, over the next two years he added very little coverage for the business as a whole.

His firm, the Ballard Marketing Group, was originally operated out of his home. He later moved the company to a business "incubator" facility that provided amenities such as secretarial services, computer equipment and insurance coverage. In February of 1994, the firm finally moved into an office building with a lease that required property and casualty insurance coverage.

By this time, Ballard had expanded from a one-man operation to a firm with four full-time and three part-time employees. Ballard had also acquired a computer system and other equipment.



*Mike Ballard*

"You probably don't spend adequate time figuring out your insurance needs," he said. "You don't really start thinking about insurance until you need to."

After moving into the new facility, Ballard purchased a \$2 million "umbrella" insurance policy that included several types of coverage from personal injuries on the premises to protection for fire damage and equipment damage. He also purchased protection in case his documents were lost.

Ballard's wife, Robin, didn't think this

was enough. She stated that he should purchase life insurance to protect her in case he died and she was left with the business. "If I died, she would have to pay the bills for the business, and we really don't know if the business would continue without me," Ballard said.

Ballard's next goal is to obtain disability insurance to further protect his firm.

Business experts say Ballard's dilemma about how much insurance is needed to protect his business is common among entrepreneurs with growing operations.

"Most businesses have some sort of liability coverage," said Michael Lantz, who is the partner in charge of Stewart, Archibald & Barney's business consulting services, based in Las Vegas.

But Lantz also estimates about 90 percent of small businesses are underinsured.

Small businesses have the capability to cover every conceivable risk, he said. However, entrepreneurs should examine their operation to determine the most important risks faced by their businesses.

Business owners should take out liability insurance on products that have potential hazards, and they should also protect valuable equipment or inventory.

Owners also should consider what other hazards may be involved in the operation of the business when determining their liability coverage. Lantz said that many entrepreneurs find themselves in financial straits because of lawsuits by employees or customers.

The cost of insurance must be taken into account, of course. Ballard said the premiums for protecting his company have soared to about \$3,000 annually and have forced him to raise prices.

Entrepreneurs are advised to shop for good coverage, but Lantz warns against choosing policies because they are cheap.

"There are a lot of fly-by-night (insurance) companies," said Lantz who advises entrepreneurs to pick solid insurers even if they have to pay higher premiums.

Business advisers recommend calling the Nevada Insurance Department at 456-

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Michael Lantz

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Insurance companies are rated according to their reliability and performance. Those seeking insurance company ratings should phone Standard & Poor's Corp. at 415-765-5000 or A.M. Best Co. at 1-900-420-0400 to check on ratings before making a final decision regarding insurance.

Business experts advise entrepreneurs to find a good insurance expert, broker or agent who can provide knowledgeable expertise. Fledgling entrepreneurs are advised to cultivate a team of experts who can help them on a wide variety of problems from insurance to legal problems, and how to organize finances.

Business owners should consult on insurance at least annually to determine if more insurance is needed, he said.

Horror stories about underinsured businesses abound. Lantz recalls a business that nearly failed because of a fire that destroyed much of the operation. The owner was unable to replace inventory and facilities because his insurance company did not live up to its obligations.

Many companies have been ruined by embezzlement, he said. Employee-theft insurance is a precaution entrepreneurs would do well to consider.

When assessing the risk their companies take, business owners should enact preventative measures in addition to taking out insurance, Lantz said.

Installing burglar alarm systems, as well as sprinkler systems to extinguish fires, can help entrepreneurs cut risks.

The value of a business is not always in its tangible assets, Lantz said. The knowledge, expertise and resourcefulness of its principals and employees are often the key to its success.

Lantz said that a business can take out life insurance on the partners in the firm so that if one of them dies, money will be available in case the operation suffers or fails because of the loss.

A business also can insure the life of a valuable employee for the same reason. The money can be used to keep the business going while a replacement is found.

Entrepreneurs should also consider disability insurance that would pay overhead costs for a year or more if they should become incapacitated.

Business people should consider purchasing "umbrella" insurance which wraps several types of insurance into one policy, said Mark Brandt, spokesman for State Farm Insurance Cos.

However, doctors who require malpractice insurance coverage and other businesses with specialized insurance needs should go to companies that feature that type of coverage. They can obtain malpractice policies to complement their comprehensive umbrella policies.

State Farm offers a business policy that insures buildings and other facilities. It insures documents and has an option for coverage in case employee dishonesty results in legal action against the company. The policy also has options to allow for increased liability in other areas.

State Farm also has a similar policy for owners of apartment buildings which features an option to protect business owners in case new building codes require expensive modifications to buildings.

"Our policies are flexible, and can be tailored to the needs of the business owner," Brandt said.

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# The Changing Face of Nevada's Gaming and Hospitality Industries

by Van V. Heffner,  
President,  
Nevada Hotel & Motel Association

The worldwide maturation of the gaming and hospitality industries has cast Nevada onto center stage. New gaming venues are being considered throughout the United States and across the globe. These new sites offer our gaming companies opportunities to enter diverse markets with new products and entertainment experiences.

Often, governments see gaming as a source of revenue to support budget requirements. Various groups, privileged by heritage, seek to develop gaming as a source of economic development. Gaming laws and policies are ever-changing, offering new opportunities and possibilities for the industry.

Memories of yesteryear in the Silver State are faded. Now, we enter a new era, where technological development has advanced the gaming experience to a space-age level. The ubiquitous computer chip, ever smaller and more powerful, continues to offer hotel guests and operators additional benefits, entertainment options and revenue opportunities.

Tourists travel from throughout the world to every part of Nevada. They visit our casinos, theme and amusement parks, restaurants, showrooms and family game centers. They also tour state parks, lakes and cultural centers.

Nevada's varied selection of resort properties offers visitors a wide variety of exciting choices, both new and traditional.

In the entertainment department, Nevada has no peers. One innovative stage production will soon be unveiled:



MGM Grand's *EFX* will feature the internationally acclaimed Michael Crawford. This spectacular joins the other world class entertainment offerings such as *Mystère*, *Starlight Express*, *Splash*, *Legends In Concert*, *Siegfried and Roy*, star-studded headliners and other productions throughout the state.

The allure of Nevada goes far beyond the neon. Other attractions offer family entertainment. In Reno, the National Bowling Stadium will open soon. In Las Vegas, family attractions such as the Mountasia Family Funcenter, FunTazmic family fun center, Circus Circus' Grand Slam Canyon, MGM Grand's Theme Park and others, abound. Even southern Nevada's stateline now offers a world class roller coaster.

Tourism in Nevada has no language or cultural boundaries. More than 80 different languages and dialects are spoken by industry employees. This cultural awareness helps international guests feel comfortable and welcome.

Providing over 45 percent of the jobs in the Silver State, the hospitality industry and the Nevada Hotel & Motel Association (NH&MA) work closely with every level of government to promote and protect industry interests. Hotel-casino and motel owners and operators monitor legislation and provide testimony on behalf of tourism and hospitality.

With the convening of a newly-elected Republican-majority Congress in 1995, the NH&MA will participate in industry-relevant issues. Healthcare reform will be revisited with a revised agenda. Tax fairness will be addressed with an attempt to restore the total deductibility of business meals and entertainment for our patrons. Telecommunication and tourism concerns will be debated to upgrade service and ensure the continued growth of Nevada's businesses.

For the first time in history, President Clinton will convene a "White House Conference on Travel & Tourism" in October 1995. This will assemble the diverse and multifaceted leadership of the industry, while simultaneously offering an international venue to tell the world America's tourism story.

Nevada's communities and the gaming industry are faced with many opportunities and challenges as we prepare for the next millennium. Growth, energy, water, infrastructure, the environment, new residents and transportation are all part of the vision for tomorrow.

As the president of the Nevada Hotel & Motel Association, I am personally committed to working hard towards the goal of creating prosperity for the state's hospitality industry and Nevada's citizens.

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# Need a Solid Business Partner?

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by Sharon Uithoven,  
*Executive Director, Nevada Society of  
 Certified Public Accountants*

If you are a small business owner or manager, then you probably already appreciate the contributions professionals can make to your success. Sometimes, it is not possible, or even desirable, to take care of every aspect of running your business. If you are considering going into business, then you may soon find that early consultation with these experts can be an important investment in your company's future. Using the services of a certified public accountant (CPA) allows you the freedom to take care of the business itself, instead of the innumerable financial details that can consume your time, particularly in light of continually changing tax laws.

CPAs are uniquely qualified to provide the financial and business expertise to successfully operate your company. From providing traditional auditing and tax preparation services, to serving as a management, business and even a computer consultant, a CPA can be your most valuable asset. Many CPAs specialize in particular fields or industries. These specialists can be an important resource, helping you to avoid costly mistakes, and more importantly, advising you of significant tax and organizational advantages which can benefit your company's financial position.

### Why Choose a CPA?

CPAs are licensed and regulated by a state regulatory board. They must meet stringent licensing requirements, which include a college degree, successful completion of a rigorous two-day



examination, experience requirements, and more. CPAs must also complete many hours of continuing education programs each year to retain a license to practice. They follow a code of conduct – one of the most exacting of any profession – which stresses independence, integrity, objectivity, technical competence and adherence to professional standards. When you talk to a CPA, you can feel confident about the source of your advice. He or she can be your best, impartial business advocate.

Some of the services a CPA can provide include: conducting studies on financing, inventory management, cost control, credit and collection; working with attorneys and bankers in business mergers and expansions; auditing financial statements and reporting on them for use with investors, creditors, management and others; and assisting securing loans and credit by gathering the information required by your lending agency.

### Nevada Society of CPAs

The Nevada Society of CPAs (NSCPA) is the statewide professional organization dedicated to promoting and maintaining high professional standards in the field of accounting. The society, which currently serves more than 1,200 members in four chapters throughout Nevada, provides members with information, education and opportunities to stay competitive in today's business environment. CPAs who are members of the American Institute of CPAs and employed in public practice, are required to participate in a practice-monitoring program, administered by the NSCPA, to maintain and improve the quality of their accounting and auditing services. This unique requirement ensures that CPAs are up-to-date on current techniques, procedures and standards. Successful completion of a practice-monitoring review program provides the client with reasonable assurance that the work done by the CPA firm can be relied upon when making business or personal financial decisions.

By working through the many committees of the NSCPA, members enhance not only their career potential, but also play an active part in the direction of their own profession. NSCPA members develop and participate in a variety of programs which serve the public as well, including expanding their role as legislative advocates at both the state and federal level. They offer their expertise, sometimes through direct testimony, enabling lawmakers to better judge the effects particular bills might have.

For more information on the Nevada Society of Certified Public Accountants, contact them in Reno at 826-6800.

## Award-winning UNIGLOBE travel franchise celebrates expansion

by Kathleen Foley

UNIGLOBE Commercial & Leisure Travel of Las Vegas (formerly known as UNIGLOBE Tony Pitch Travel) recently won three top awards at the annual conference of UNIGLOBE's Southwest region: Highest Percentage Growth, Manager of the Year (awarded to Mary Romero) and Agency of the Year, among the 88 companies in the region. The UNIGLOBE travel network contains over 1,100 independently-owned franchises throughout the world.

Robin Klaholz, president of UNIGLOBE Commercial & Leisure Travel, attributes her agency's phenomenal success to its ability to understand the competitive needs of the small- and medium-size companies which represent the bulk of its business.

"Because we are part of the world's largest travel franchisor," she states, "we can provide the purchasing power of an international corporation, with the personalized service of a small company."

The agency provides travel counsel and ticketing services for both business and leisure travel, as well as convention and group travel-planning.

Because of its award-winning growth rate, UNIGLOBE has recently opened a second office in Las Vegas, located at The Crossing Business Center in Summerlin. Robin Klaholz explains that she wanted to provide Summerlin residents and businesses with another alternative to travel services, and she is enthusiastic about the potential market in the Summerlin area. While retirees in the Sun City neighborhood provide a good market for leisure travel, including cruises and group tours, many businesses are also expanding into Summerlin. UNIGLOBE's convenient location in The Crossing Business Center provides on-site travel services for the businesses located in the center, as well as serving the leisure travel needs of their employees.

*"Being on call 24 hours a day is a very important part of my business, and I take it seriously. It's my job to be accountable to my clients."*

Klaholz believes the public has two misconceptions about the travel industry, "People believe travel agents charge a fee, and they assume the vacation they want costs more than they can afford." Her staff of trained professionals works with individuals as well as small businesses to help them get the services they need while staying within their budget. Both offices are staffed by certified travel consultants who have undergone a special two-year intensive travel education program. Klaholz states this gives them "elite status" as travel professionals.

Part of UNIGLOBE's success story is based on its ability to provide small businesses with services and prices that other travel agencies reserve for blue-chip accounts like Fortune 500 firms. "If you buy a ticket from here to Phoenix you get the same service as someone going around the world. Your company's travel budget may be only \$5,000 a year, but we don't discriminate on the basis of your travel budget," states Robin Klaholz. "These services include emergency ticketing, a 24-hour toll-free number, lost luggage control and international rate services. An executive message service can provide a communications link between the traveler and his or her home office after regular business hours."

Business clients receive computerized management reports, and can set up travel

budget guidelines through a computer system to prevent employees from spending their travel allowance without prior authorization. Corporate car rental and hotel rates are arranged through the worldwide buying power of the UNIGLOBE network, so that even a small company might enjoy lower rates than many large corporations receive.

UNIGLOBE Commercial & Leisure Travel also provides convention services not only for local business people traveling out-of-state, but also for people attending conventions in Las Vegas. The company was recently selected as the exclusive agency in the U.S. for the World Harness Racing Conference to be held in Las Vegas this spring.

According to Robin Klaholz, the advantage of UNIGLOBE's franchise system is that it can provide the personalized service of a small company. Rather than receiving a recorded message when calling after hours, a traveler can speak to a consultant on UNIGLOBE's toll-free 24-hour phone service, which has computer links to all the agencies in the franchise network. But if the problem cannot be solved there, the individual franchise owner is available, whether at home, or on the road by pager. "When my phone rings day or night," she states, "I'm there to answer it. Being on call 24 hours a day is a very important part of my business, and I take it seriously. It's my job to be accountable to my clients."

UNIGLOBE Commercial & Leisure Travel has been under its present ownership since 1986, and has been affiliated with UNIGLOBE since 1991. UNIGLOBE Travel (International) Inc. was founded in 1980 in Vancouver, British Columbia by U. Gary Charlwood, chief executive officer and major stockholder, who was named "1991 Entrepreneur of the Year" by the International Franchise Association.

## Sierra Pacific Resources and Walter M. Higgins - Profile of a merger and a man

by Debra Lynn Deming

Walter M. Higgins, who joined Sierra Pacific Resources as president and chief operating officer, on November 1, 1993, was appointed two months later, to the position of chairman and chief executive. Higgins, 49, a graduate of the U.S. Naval Academy, served as a commanding officer in nuclear submarines and later as a nuclear engineer. He came to Sierra Pacific with an additional 20 years' experience with various utility companies.

In assessing the strengths and weaknesses of Sierra Pacific, Higgins spent several months putting together a strategic plan designed to strengthen Sierra Pacific in every way. The merger with Washington Water Power (WWP) is the keystone of that strategy.

Higgins is familiar with WWP, and believes the utility has proven successful at handling many of the challenges now facing Sierra Pacific, a small company in a rapidly growing market.

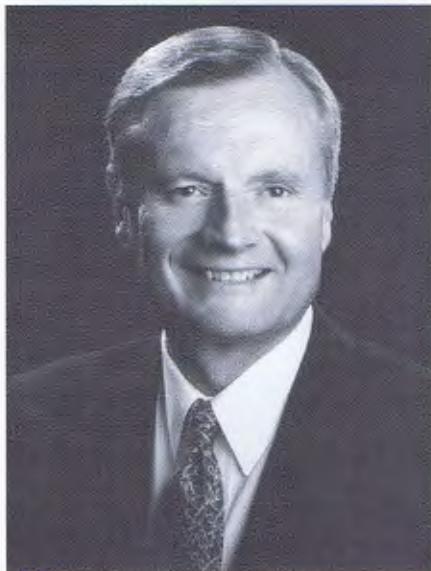
Higgins approached WWP and found, "a willing ally who shared my view of the world. We both wanted to hold costs down and win our customers' loyalty. Also, foremost for both of our companies, we wanted to retain our local, smaller-town identity and character.

"Washington Water Power is perhaps the leading utility in the U.S. in its ability to be ahead of trends in cost controls," said Higgins.

Utility companies are preparing for a new competitive era, expecting that changes in regulations will result in the end of regional monopolies.

Higgins expects customers will have a choice of utility companies, especially larger companies, and believes by merging with WWP, Sierra Pacific is positioning itself, not only to survive, but also to thrive in the new era.

WWP's Spokane location brings to the



*Walter M. Higgins*

merger access to plentiful, low-cost hydropower and natural gas in the Pacific Northwest and Canada. Sierra Pacific is able to provide access to the California market and to the rapidly growing markets in the Southwest.

Intention to merge, was announced June 28, 1994. The new company will be called Resources West Energy Corporation. Paul Redmond, 59, will become chairman and CEO. Higgins will be vice chairman, president and chief operating officer until 1999, when he will become chief executive and Redmond will continue as chairman.

Sierra Pacific shareholders will receive 1.44 common shares in Resources West Energy Corporation for each common share of Sierra Pacific, and Washington Water Power Shareholders will receive one Resources West Energy Corporation share for one common share in WWP.

Even positive changes can be difficult, and Higgins has an "aggressive at-

trition management" policy to reduce an estimated 300 administrative positions from the labor force of 3,300. The company will not be filling jobs that naturally come vacant. "Though some of our employees have been asked to carry an extra load, we have saved 30 to 50 job vacancies that have already occurred naturally," said Higgins.

"We are also planning to retrain and redeploy many of our employees to better fit the new company. Those being asked to leave, have been, and will be given, attractive incentives, such as voluntary severance programs and early retirement packages."

Higgins said they realize that 95 percent of what it takes to successfully run this business is in the heads of the employees. Therefore, "transition teams" have been selected. "The job of these teams is to put together the best ideas from both companies, and even steal some good ideas from other companies, as well," said Higgins. "In essence, their job is to create the new company."

Washington Water Power just finished a state-of-the-art customer information system, which will increase the speed and efficiency of service delivered to their customers. Higgins plans to tap into their system. "We'll duplicate it here in Nevada without having to spend the money to reinvent a system for ourselves."

Higgins said this was an example of the advantages of the merger. "We are creating a learning company, committed to doing it better."

"The future holds many uncertainties," said Higgins. "In fact, in October, Citizens Utilities Company of Stamford, Connecticut, who services 1.3 million customers in 16 states, tried to intervene in the merger by trying to purchase stock or assets of Sierra Pacific Power. How-

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*Based on recent totals, the new corporation, once completed, will serve 532,000 electric customers, 290,000 natural gas customers and 66,000 water customers in five states.*

ever, the merger plans continued and the states' Public Service Commissions did not allow Citizens Utilities to intervene.

The company believes the merger will net a cost savings of \$450 million in the first 10 years. Both companies are proposing to institute a base-rate freeze, plus a moratorium on planned increases, in every state the company serves. Exceptions, of course, would include increases in fuel costs and other expenses outside the control of Resources West Energy.

Cost savings provided by this strategic combination include: reduced reserve capacity requirements; an enhanced ability to make wholesale power sales to other utilities; reduced administrative costs; increased buying power; greater diversity of efficient and environmentally sound electric generating resources; increased economic, weather and load diversity.

Based on recent totals, the new corporation, once completed, will serve 532,000 electric customers, 290,000 natural gas customers and 66,000 water customers in five states.

Added together, the revenues of the two companies totaled about \$1.2 billion in 1993, with net income of \$120 billion and assets of \$3.4 billion. The process, which is on schedule, is expected to be completed in late 1995.

by Carol Vilardo

When evaluating whether general revenues are keeping pace with growth, it is important to examine both sides of the equation. More often than not, when revenues seem to fall short, it is because expenditures should be curtailed – not growth.

## A Taxing Question: Does growth pay for itself?

The discussion of growth in the Silver State has been fueled by two reports: the 1990 Census and the 1991 Arthur Anderson study, *The Fiscal Impact of Population Growth in Nevada*.

The highly publicized Census Report showed Nevada grew faster than any other state in the nation.

The Anderson study underscores the impact of this growth: "Spending by all types of governments in Nevada expanded to accommodate an increased number of residents, and will have to continue to do so, if accustomed levels of public services are to be maintained."

Unfortunately, the discussion of whether growth pays for itself has been primarily limited to only one side of the equation – that of expenditures. This article attempts to look at the other side of the equation – revenues.

Looking at the expenditure side, growth may not appear to be paying for itself, but one must consider additional factors. Policy decisions often call for increased programs that are disproportionate to the increase in both the population and the Consumer Price Index. Cost-shifting, which is the direct result of new and expanded programs mandated by the state and federal government, often lack appropriate funding.

The revenue side of the equation is

doing fine. It is the expenditure side that is out of whack. Simply stated, the spenders want to spend at a greater level than the increase in population and inflation. Expenditures are controllable; policy makers, elected representatives, local governing boards and the legislature, can – and should – limit expenditures.

To show that Nevada's general tax revenue has kept pace with increases in population and inflation, it is necessary to establish a base year to track population and revenue growth. Unfortunately, there will never be a consensus of opinion on a "base year" because a "base" implies that the amount of taxes raised in the "year" was optimal. Advocates of spending will argue Nevada was not raising enough tax revenue in any year. And, conversely, taxpayers will feel taxes were too high in any year.

To evaluate and compare revenue, two base years were chosen: fiscal 1978-79 – the year before the tax shift; and fiscal 1981-82 – the year after the tax shift.

In reviewing the revenue side, we have compared sales and property tax, the two major taxes paid by most Nevadans.

Another comparison considers all general tax revenue. The comparison does not take into account the various caps and distribution formulas to which local government revenue sources are subject.

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However, for the most part, local governments which experience population growth, also experience a corresponding growth in revenue.

Regardless of whether the comparison base is 1978-79 or 1981-82, or whether only sales and property taxes or all general tax revenue is considered, revenues have been greater than the growth in population and inflation.

#### COMPARING 1978-79 TO 1992-93

*Sales and Property Taxes* – In 1978-79 – before the tax shift – Nevada state and local governments received, in combined revenue from sales and property taxes, \$427,653,402.

By 1992-93, Nevada's population had increased 81.96 percent and the Consumer Price Index (CPI) had increased 99.31 percent. Applying these increases against the 1978-79 combined property and sales tax revenue, the yield in the combined property and sales tax revenue would be \$1,550,946,969.

Actual property and sales tax receipts for 1992-93 were \$1,758,751,000 – approximately \$200 million more than the actual growth attributable to population and inflation.

*All General Revenue* – Total general revenue for 1978-79 was \$609,365,000. Applying the same increase for population and the CPI results in a total general revenue of \$2,209,950,000 – approximately \$280 million more than actual growth due to population and inflation.

#### COMPARING 1981-82 TO 1992-93

*Sales and Property Taxes* – From 1981-82 to 1992-93 – after the tax shift – sales tax revenue was \$376,052,981 and

Any discussion on growth must give equal weight to both the revenue side as well as the expenditure side. Not to do so is a disservice to the taxpayers who, one way or the other, pay the final bill.

property tax revenue was \$155,401,161 for a combined revenue of \$531,454,142. By 1992-93, the state's population had increased 55.54 percent and the CPI had gained 48.56 percent. Applying population and CPI increases to the 1981-82 combined property and sales tax revenue yields \$1,251,718,000 for 1992-93, if the tax rate had grown only as fast

as the rates of growth for population and inflation over this period of time.

Actual revenue from combined property and sales tax was \$1,758,751,000 or about \$507 million greater than growth due to population and inflation.

*All General Revenue* – Total general revenue for 1981-82 was \$771,976,000. Applying the same population and CPI increase would have resulted in total general revenue of \$1,818,212,000 being received in 1992-93. Actual 1992-93 total general revenue was \$2,240,259,000 or about \$672 million more than the growth due to population and inflation increases.

Regardless of whether the base year is 1978-79 or 1981-82, or whether only sales and property taxes or all tax revenue is considered, the revenues raised (taxes paid) have been substantially greater than the corresponding growth in population and inflation.

It therefore becomes obvious that any discussion on growth must give equal weight to both the revenue side as well as the expenditure side. Not to do so is a disservice to the taxpayers who, one way or the other, pay the final bill.

Carole Vilardo is president of the Nevada Taxpayers Association.

# People on the Move



Marc Grossman, formerly vice-president of corporate affairs at Hilton Hotels Corporation, was recently appointed to the position of senior vice-president. A veteran of public relations, Grossman has been with Hilton since 1992.

Hilton has also announced the retirement of **Ronald L. Hughes**, president of the Reno Hilton, after a 37-year career with the company. He is replaced by **Ferenc Szony**, who was serving as president of the Flamingo Hilton-Reno. And, most recently serving as vice president and general manager of the Las Vegas Hilton, **Christopher W. Nordling** becomes the new president of the Flamingo Hilton-Reno.



Sahara Gaming Corporation recently appointed **Tim Maland** as general manager of the **Santa Fe Hotel & Casino**. Maland has held positions with ITT Sheraton, Trump Plaza Hotel & Casino and Ramada, Inc.

**Chantelle Waugh** has joined the **Santa Fe Hotel & Casino** as vice president of human resources. **Paul Vantine** is now vice president of finance. **Joseph Corradino** has been appointed vice president of casino operations for the Santa Fe. **John Sou** was promoted to vice president of food and beverage operations at the Santa Fe.

The Tropicana Hotel and Casino appointed **Mike Musicaro** as the new vice president of sales and marketing.

Musicaro previously was director of casino marketing administration at TropWorld Casino and Entertainment Resort in Atlantic City for five years. He has been at the Tropicana since 1991.

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**New Releases**

**The Southern Nevada Business Directory: 1994** provides information on firms located in Southern Nevada. Businesses are listed by Standard Industrial Classification (SIC) and alphabetically.  
Price: \$75.00 plus \$5.00 for shipping and handling

**The Historical Perspective of Southern Nevada: 1969-1993** includes historical data on the Las Vegas economy. Data include characteristics of Southern Nevada's population, building permits, gaming revenue, visitor volume, and other key economic indicators.  
Price: \$15.00 plus \$3.00 for shipping and handling

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	DATE	UNITS	LATEST PERIOD	PREVIOUS PERIOD	YEAR AGO	CHANGE YR AGO
<b>UNEMPLOYMENT</b>						
Nevada	September, 1994	seasonally adj.	5.7	6.1	7.4	-22.97%
Las Vegas	September, 1994	%	6.5	6.3	7.7	-15.58%
Reno	September, 1994	%	5.0	5.1	6.2	-19.35%
U.S.	September, 1994	seasonally adj.	5.9	6.1	6.7	-11.94%
<b>RETAIL ACTIVITY</b>						
Nevada Taxable Sales	July, 1994	\$ thousand	1,592,869	1,676,429	1,408,780	13.07%
Clark County	July, 1994	\$ thousand	968,104	996,342	833,479	16.15%
Washoe County	July, 1994	\$ thousand	281,122	300,342	265,321	5.96%
U.S. Retail Sales	August, 1994	\$ million	186,561	185,138	174,279	7.05%
<b>GROSS GAMING REVENUE</b>						
Nevada	August, 1994	\$ thousand	589,563	627,282	527,860	11.69%
Clark County	August, 1994	\$ thousand	440,386	474,171	378,618	16.31%
Washoe County	August, 1994	\$ thousand	84,404	85,385	86,053	-1.92%
<b>CONSTRUCTION ACTIVITY</b>						
Las Vegas Area						
New Residences	3rd qtr 1994	# permits	4,953	5,437	4,704	5.29%
New Commercial Permits	3rd qtr 1994	# permits	169	149	129	31.01%
Reno Area						
New Residences	2nd Half 1993	# permits	1,469	962	684	114.77%
New Commercial Permits	2nd Half 1993	# permits	53	40	40	32.50%
U.S.						
Housing Starts	August, 1994	thousand	1,402	1,413	1,319	6.29%
Total Construction	August, 1994	\$ billion	505.0	506.1	464.7	8.67%
<b>HOUSING SALES</b>						
Las Vegas Area						
Average Sales Price <sup>(1)</sup>	3rd qtr 1994	\$	120,475	124,738	119,398	0.90%
Average Cost/Square Foot	3rd qtr 1994	\$ per sq. ft.	76.9	78.51	69.73	10.28%
Average Mortgage Rate <sup>(2)</sup>	3rd qtr 1994	%	8.57	8.34	7.31	17.24%
Washoe County						
Average Sales Price <sup>(1)</sup>	2nd Half 1993	\$	170,325	157,825	151,403	12.50%
Average Cost/Square Foot	2nd Half 1993	\$ per sq. ft.	96.88	92.42	90.18	7.43%
Average Mortgage Rate <sup>(2)</sup>	2nd Half 1993	%	7.20	7.70	8.30	-13.25%
U.S. Home Sales	August, 1994	thousand	703	641	645	8.99%
<b>TRANSPORTATION</b>						
Total Passengers <sup>(3)</sup>						
McCarran Airport, LV	3rd qtr 1994	passengers	6,956,897	6,757,355	5,842,840	19.07%
Cannon Airport, Reno	3rd qtr 1994	passengers	1,445,209	1,240,035	1,324,944	9.08%
State Taxable Gasoline Sales	July, 1994	thousand gal.	65,201	65,326	62,646	4.08%
<b>POPULATION ESTIMATES</b>						
Nevada	July, 1994	people	1,493,000		1,398,760	6.74%
Clark County	July, 1994	people	971,680		898,020	8.20%
Washoe County	July, 1994	people	282,630		271,770	4.00%
<b>NATIONAL ECONOMY</b>						
Consumer Price Index <sup>(4)</sup>	September, 1994	1982-84=100	149.4	149.0	145.1	2.96%
Money Supply - M1	August, 1994	\$ billion	1,151.8	1,153.6	1095.3	5.16%
Prime Rate	September, 1994	%	7.75	7.25	6.00	29.17%
Three-Month U.S. T-Bill	September, 1994	%	4.64	4.5	2.96	56.76%
Gross National Product	2nd qtr 1994	\$ billion	6,689.9	6,574.7	6,299.9	6.19%

NOTES: (1) houses, condos, townhouses; (2) 30 yr. FHA; (3) enplaned/deplaned passengers; (4) all urban consumers

SOURCES: Nevada Dept. of Taxation; Nevada Employment Security Dept.; UNLV, Center for Business and Economic Research;

UNR, Bureau of Business and Economic Research; US Dept. of Commerce; US Federal Reserve.

COMPILED BY: UNLV, Center for Business and Economic Research

# Nevada Briefs

## Medical facility opens in northwest Las Vegas

The recent opening of the Westcliff House Medical Complex in the master-planned community of Summerlin has helped ease the demand for medical services in the rapidly growing northwest section of the Las Vegas Valley.

The medical complex was developed by Andrew Molasky, whose family has a history of building premiere medical facilities, schools, professional complexes and shopping centers.

The Westcliff Family Practice Center, located at the complex, opened its doors last October. The 40,000-square-foot facility is owned by Lake Mead Hospital Medical Center, an Orinda Healthcorp Hospital, and is being operated and managed by Prime Health, Inc.

Phase two of the Westcliff Family Practice Center will add 50,000 square feet of space for more physicians.

Medical specialties represented at the Westcliff House Medical Complex include: internal medicine, pediatrics, cardiology, ear, nose and throat, general surgery, obstetrics and gynecology, gastroenterology, adult and pediatric urology, ophthalmology, radiology, dermatology, podiatry and plastic surgery.

"We are fortunate to have another fine healthcare facility added to the medical community of Las Vegas and particularly serving the growing northwest area," stated Ernie Libman, CEO of Lake Mead Hospital. He said the response from the neighborhood businesses and residents has been overwhelmingly positive.

## Comstock Bank reports strong third quarter

Comstock Bank, which is based in Reno and operates a loan center in Las Vegas, reported continued asset growth, and a net three quarter income of \$780,000, or 15 cents per share for the quarter and 50 cents for the first three quarters of 1994.

"Overall, the bank's performance was positive," Comstock Chairman and CEO Bob Barone said. "Assets grew 19.8 percent, net loans were up 40 percent, and deposits increased 20.3 percent over last year's levels, by the end of September.

Much of Comstock's success stems from real estate lending activity, bolstered by the loan center opened in Las Vegas, last year. Because the Las Vegas market is weighted towards affordable homes for entry-level and moderate-income buyers, the market has slowed moderately, as a result of interest rate increases.

With that in consideration, Comstock has begun to develop new adjustable-rate mortgage packages to help first-time and moderate-income buyers qualify in the higher rate environment.

Comstock Bank has assets of \$91 million, a 20 percent increase from one year ago. Its stock is traded on the NASDAQ exchange under the symbol LODE. The Nevada bank operates full service branches in Reno and Carson City, and has additional lending centers in Minden/Gardnerville and Las Vegas.

## First Interstate selects Reno for new center

First Interstate Bancorp recently announced the company has selected Reno for a company-wide, teleservicing center. Up to 350 employees will work at the center, which will process 1.5 million telephone calls a week.

The center will allow customers in 13 states to transfer funds between accounts, obtain updated information on transactions, and access dozens of other ser-

vices by using their telephones. The building currently houses the Nevada bank's Day and Night Banking Center.

Clint Arnoldus, chairman and chief executive officer of FIB said, "This center and its state-of-the-art equipment will allow us to better serve our customers and their telephone banking needs."

First Interstate will invest about \$5 million in equipment for the center, and another \$3 million in capital improvements will be made to the building, which currently accommodates 42 employees.

Larry Tuntland, northern Nevada president of First Interstate Bank, said the Economic Development Authority of Western Nevada played a vital role in assisting bank officials in bringing the center to Reno. "We are especially excited about Reno being selected for this center. It is a choice addition to our community and economy," Tuntland said.

## Howard Hughes Corp. announces new medical complex in Summerlin

Universal Health Services, Inc. and the Summerlin division of the Howard Hughes Corporation, announced plans for a major hospital, an outpatient surgery center, a diagnostic center and a medical complex in the community of Summerlin.

Universal Health Services (UHS), owns and operates Valley Hospital Medical Center in Las Vegas.

In addition to the Summerlin project, UHS also plans to build a hospital in southwestern Las Vegas. The Valley Health System, as the new southern Nevada facilities will be known, will serve the rapidly expanding community with Valley Hospital Medical Center functioning as the tertiary care center.

The first phase of the Summerlin complex - a 100,000-square-foot medical office building - will eventually be connected to the hospital. An additional, 35,000-square-foot outpatient surgery center and a diagnostic center complex will be in operation by the end of 1995.

The 120-bed hospital, scheduled to

open in December, 1996, will provide a full-service emergency medicine department, in-patient surgery suites, obstetrics, cardiology, sophisticated cancer therapies, pulmonary medicine and rehabilitation. The hospital will be designed to expand to 400-beds, as needed.

UHS is a hospital management company, which owns and operates 15 acute-care hospitals, 13 psychiatric hospitals, and 17 ambulatory surgery and radiation therapy centers nationwide. It acts as the advisor to the Universal Health Realty Income Trust, a Real Estate Investment Trust (NYSE:UHT).

## U.S. Bancorp reports strong loan growth

U.S. Bancorp reported a net income of \$62.7 million, or 60 cents per common share, for the third quarter of 1994. Return on average assets was 1.18 percent,

while return on average common equity was 14.58 percent in the third quarter of 1993, net income was \$65.8 million or 63 cents per common share. The 1993 third-quarter results included \$16 million of pretax gains on the sale of servicing assets – net of servicing asset valuation adjustments – along with \$5 million of equity investment income.

"Positive trends in our core operations were apparent in the third quarter. Total loans grew, credit quality improved and non-interest expenses continued to decline," stated Gerry B. Cameron, chairman and chief executive officer. "These trends were reflected by an increase in per-share earnings of more than 20 percent from the previous quarter."

"We expect to see further declines in non-interest expenses into 1995 as we make additional progress on cost-cutting initiatives," Cameron stated. "Renewed focus has been placed on revenue growth. In combination with these expense re-

ductions, based on the economic environment in our territory, and the trends prevalent during the third quarter, I am optimistic about top-line growth potential in revenues as we move forward."

## Nevada's first tribally-owned casino set to open

The Avi Hotel and Casino, Nevada's first tribally-owned hotel casino, is scheduled to open in Laughlin early in 1995. The \$47 million project will be operated by Cashell Management on behalf of the Fort Mojave Indian Tribe.

"We've brought together an experienced team to guide the property through start-up and ongoing operation," said Bob Cashell, of Cashell Enterprises, Inc.

Members of Cashell's team, include Larry Tiller, who will be Avi's general manager, and Lowell Chichester, Cashell Management's chief financial officer. ♣

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by Joe Mullich

## IF YOU HIRE THEM, THEY WILL SUE

ALTHOUGH federal law prohibits someone with epilepsy from working as an interstate truck driver, EEOC guidelines say a trucking company may not ask whether an applicant has epilepsy until after he has been offered the job.

File this under, "We don't make this stuff up": A Tennessee man, who was told by his doctor that he suffered from low self-esteem and depression, filed a lawsuit against his employer. The man said his condition was a disability under federal law. So he proposed that his employer, to remain sensitive to his plight, never be allowed to criticize his performance.

I tried to get my wife to buy this theory and refrain from criticizing my performance as well. Unfortunately, the courts do not feel as compelled to intervene for couples as they do for workers. The philosopher Descartes once told us, "I think, therefore I am." Nowadays, the motto should be, "I work, therefore I sue."

People who aren't hired, sue for being refused work. People who are hired, sue for being required to work. These days, a supervisor is a fool to give a performance review without getting permission from the ACLU. A cottage industry has developed to advise companies about how to avoid being sued by employees, giving guidelines such as:

- A bad way to criticize: "You do not get along with co-workers." (This is too vague!)
- A better way to criticize: "You threw Chris Smith through a window on three occasions – July 7, July 15 and

August 12. (Good. Now if you verify seven more incidents you can build a case, hold a hearing, and ask the worker not to do it anymore, although stress that you understand his behavior results from improper potty training so he isn't to be blamed.)

Simply trying to give someone a job is a vast legal minefield. Fortunately, those handy folks at the U.S. Equal Employment Opportunity Commission (EEOC) have produced guidelines for what questions a company can and can't ask of job applicants. The guidelines' official name is *Enforcement Guidance on Pre-Employment Disability-Related Inquiries*. However, we prefer the catchy name given the document by an executive at the Society of Human Resource Management: "a really stupid set of guidelines".

According to the guidelines, it's okay to ask a job applicant, "Do you have 20/20 correct vision?" But you can't ask, "What is your corrected vision?" (This is the type of thing our hard-working bureaucrats spend time worrying about; no wonder we don't have a national health plan.)

You may ask a typist how he broke his arm, but not when it will heal.

You may ask a job applicant, "How well do you handle

stress?" But you can't ask, "Does stress ever affect your ability to be productive?" After all, if people can be judged by productivity, these government workers would be out of a job.

The new guidelines point out that federal law prohibits someone with epilepsy from working as an interstate truck driver. However, the guidelines say a trucking company may not ask whether a truck driving applicant has epilepsy until after he has been offered the job. My question is, if a company offers a job, then has to retract it because the driver has epilepsy, does the company have to pay for the applicant's unemployment insurance?

My guess is, not only does the company have to pay, they have to chauffeur him to the unemployment office. Anything else would be heartless.

The executive summary for the guidelines goes on for 50 pages filled with tiny, loop-hole-friendly footnotes, such as, "See 29 C.F.R. pt. 1630 and 1630.14 (a)." But I'll spare you the details. I called up a person at the EEOC. He said he was surprised that people were making fun of the guidelines. I didn't say anything because I didn't want to get in trouble with the Feds. I work alone, and am self-employed. But I'm sure the EEOC has some law that says I should have given my job to someone else. ♦

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