

Nevada Business

DECISION MAKING Magazine

*Matt Kershaw,
Clark County
Credit Union*

NEVADA'S CREDIT UNIONS EXPERIENCE GROWTH

p6

*John Lund,
America First
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> > The Commentary

Is Common Sense Really Dead?

Shared Bathrooms are Simply Dangerous

Unless you've been living under a rock, you've heard about the most recent departure from common sense, the transgender bathroom issue. However, just in case you do call a rock your home, let me catch you up. In many places, men can now use the ladies' restroom and ladies, if they're so inclined, can find out what those urinals in the men's room are all about. The issue really picked up steam when Target announced that their bathrooms were transgender friendly which prompted boycotts of the retailer across the nation. And then Obama stepped in, of course. In May, his administration issued a directive implying that states would lose federal funding if they didn't make all public school facilities gender neutral.

What I'm left wondering is, how could we possibly have gotten this far away from common sense? Let's take a moment and break this down. According to a survey conducted by the Williams Institute, one of the best estimates of the transgender population in the United States is 0.3 percent of the total. Essentially, less than a third of 1 percent of all Americans identify as transgender. However, for some reason, it's been decided that because that 0.3 percent isn't sure where to go, the rest of us should accommodate them, possibly to the peril of our children.

I'm a father and a husband, imagine how I feel seeing one of my daughters or my wife go into a restroom and then see a man follow in after her. Just the thought of it makes me nervous as a man that seeks to protect his family. Furthermore, schools are full of teenagers going through puberty who haven't yet learned to control their hormones. It's absolutely naive of us to think that someone isn't going to abuse these new rules in order to prey on women and children.

Before you play the sexist card and contend that young boys have been subject to those same predators for years, let me bring you back to common sense. Of course any kind of sexual predator is a concern. However, it's a fact that nine out of every 10 rape victims are female and one out of every six American women has been the victim of an attempted or completed rape in her lifetime. The question that I have, with the numbers already so high, how is it possible that we would condone an action that would only make sexual assault easier?

The answer to that question, according to Obama and many on the liberal left, is so that less than a third of 1 percent of the population can feel better about where they go to the bathroom. Safety and privacy versus where to pee, there's a clear winner. And, if you'd like to say it's a mental health issue for transgenders, I'd like to know when one person's mental health became more valuable than another's. I guarantee that if a woman gets assaulted because a rapist was allowed access to a private stall she was in, that woman is going to have some mental health issues.

There are better ways to handle the transgender bathroom issue if its something that 0.3 percent is really concerned about. One common sense option is the single-use restrooms that are so readily available in public. They're also often referred to as family restrooms or, get this, unisex restrooms. With those restrooms as an option, why did endangering the public and killing privacy became the first choice? It's simple, we've abandoned common sense.

As far as Obama's tyrannical demand that school bathrooms be open to anyone despite privacy or security issues, there's hope yet. Eleven states have filed suit against the Obama administration regarding the directive admonishing an overreach of executive power. The suit says, "Absent action in Congress, the states or local communities, defendants [Obama Administration] cannot foist these radical changes on the nation."

Call to Action: Reach out to our Attorney General, Adam Laxalt, and ask for Nevada to be a part of the 11 state lawsuit against Obama. Contact your elected officials and let them know how you feel about gender neutral restrooms and the safety and privacy of Nevadans. I'm hoping it's not too late to get back to common sense measures. 🌿

2 Chronicles 7:14 (NKJV) "If my people who are called by My name will humble themselves, and pray and seek My face, and turn from their wicked ways, then I will hear from heaven, and will forgive their sin and heal their land."



Lyle E. Brennan
Publisher

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By Whose Authority?

For more information on my Commentary and to see some of my backup research, or if you wonder why I take the position I take, go to www.LyleBrennan.com.

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FEATURES

04

COMMENTARY

Is Common Sense Really Dead? Shared Bathrooms are Simply Dangerous
By Lyle E. Brennan

FEATURE

20/20 Executives Visionaries for the Silver State
By Tarah Richardson

10

15

INDUSTRY FOCUS

Architects and Engineers

BUILDING NEVADA

Business on the Move Office Market in Nevada
By Jeanne Lauf Walpole

62

66

RED REPORT

Tracking Nevada's Deals

THIS ISSUE

06

COVER

Nevada's Credit Unions Experience Growth

By Doresa Banning



PHOTO BY: Chris Tucker

ON THE COVER:

(L to R)

John Lund

America First Credit Union

Matt Kershaw

Clark County Credit Union



21

SPECIAL REPORT

CCIM

By Jennifer Rachel Baumer

DEPARTMENTS

20 Profit & Loss

Time to Pay the Piper
By William McKean

53 Free Market Watch

If Cronyism is the Problem, Maybe We Should Stop Empowering its Enablers
By Michael Schaus

56 Welcome to Nevada

57 Around the State

61 Face to Face

Matt Clifton

68 Commercial RE Report

Retail

69 Business Indicators

70 The Last Word

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NEVADA'S CREDIT UNIONS EXPERIENCE GROWTH

By Doresa Banning



DESPITE new and ongoing challenges, Nevada's credit unions are experiencing an upswing in membership and activity.

Of the state's 17 credit unions, the nine in Northern Nevada attained a record high membership of 112,347 by adding 3,973 individuals between the fourth quarters of 2014 and 2015, the most recent period for which Nevada Credit Union League (NCUL) data is available. The NCUL is the trade association for Silver State-headquartered credit unions.

Similarly, in their first increase since 2008, the eight credit unions in Southern Nevada gained 1,498 people, taking their membership to 221,860.

"More and more consumers seem to be connecting the dots between the services they need and the value our financial cooperatives can deliver to them," said Wally Murray, president/CEO, Greater Nevada Credit Union (GNCU), which has \$620 million in assets, 51,000 members, 11 branches in Northern Nevada and a student-operated branch at Carson City High School.

During the same 12-month time frame, credit unions in the north loaned \$754.4 million, a 14.9 percent year-over-year increase and an amount not seen since 2009. The area of greatest increase, of 58.4 percent, occurred in business loans. Great Basin Federal Credit Union (GBFCU), which has \$145 million in assets, 17,000 members and three branches in the north, experienced 20 percent growth in all loan areas since the start of 2016, said Dennis Flannigan, president/CEO.

The southern credit unions loaned \$1.51 billion, an 8.5 percent year-over-year uptick and an amount not seen since 2012. New auto loans had the most growth, at 43.3 percent. Currently, Clark County Credit Union (CCCU), with \$600 million in assets, 39,000 members and six branches in the south, is doing 400 to 450 auto loans per month, said Matt Kershaw, president/CEO.

Last year, One Nevada Credit Union (ONCU), with \$800 million in assets, 77,000 members, 11 branches in the south and two in the north, transacted \$275 million worth of home loans and \$125 million worth of auto loans, said Brad Beal, president/CEO.

The state's credit unions, however, only control a small percent of total deposits. At mid-year 2015, that market share was about 2.1 percent, according to data from the Credit Union National Association (CUNA).

"There is a huge upside to the citizens of Nevada to discover the benefits of belonging to a credit union, to simplify their lives, improve themselves financially and receive great service," said John Lund, president/CEO, America First Credit Union (AFCU), a Utah-headquartered entity whose Nevada credit unions have 65,000 members and 14 branches in Southern Nevada.

A Closer Look

Credit unions are not-for-profit, financial cooperatives that provide banking services to consumers and businesses, but each operates independently. Because of the not-for-profit status, they're exempt from certain taxes, such as federal income and real estate, Beal explained.

Most bankers would argue it's an uneven playing field with credit unions having an unfair advantage regarding taxes. In addition, unlike when credit unions were first formed, virtually anyone can become a member. The structure of credit unions differs from that of banks. The members, or shareholders, of a credit union own it, each with an equal share, which isn't tradeable or divisible, regardless of how much money they have in the institution. Banks are owned by investors, not necessarily customers, who've purchased stock in the corporation.

Members of the board of directors of a credit union are unpaid volunteers whom the membership elects. These individuals approve everything the financial institution undertakes—strategies, expenses, new offerings and more. Their focus is on building capital for the entity's soundness and returning value to the customers. Credit unions deliver that through lower loan rates and fees, higher



Brad
Beal

One Nevada Credit Union

dividend rates and more personalized service, Kershaw said.

In many banks, board members are compensated. Their aim is to generate a financial return for the shareholders. Credit unions can only generate capital by accumulating earnings from internal operations whereas banks can raise capital from profits and from selling stock.

Like other financial institutions, credit unions are subject to many regulations and rules, Lund said, and their assets are federally insured, but through the National Credit Union Administration rather than the Federal Deposit Insurance Corp.

Credit unions provide dividends in the form of interest on select accounts, and some even return a dividend to members at year-end. CCCU distributed a \$3 million bonus dividend to its membership last year, Kershaw said.

What's New

With a primary focus on commercial lending, commercial banking and real estate banking, development is underway at CCCU on a suite of products for checking and business checking accounts, Kershaw said. Those offerings will include remote deposit capture, lines of credit, merchant services and furniture, fixtures and equipment loans.

In addition, CCCU recently instituted the "Second Chance Mortgage" program that allows people who couldn't buy a home due to a bankruptcy, short sale or foreclosure to do so as well as a member's car-buying service. In fact, CCCU has its own auto dealership which allows members one-stop shopping and financing for cars.

AFCU is also growing in the state and opened its 14th branch in Southern Nevada in Summerlin earlier this year. Along with consumer offerings, it continues providing numerous commercial services including savings accounts, corporate VISA and debit cards, mobile and Web business bill pay, wire service, remote check capture and merchant services.

"Anything a business needs, for the most part, we provide," Lund said. "We pride ourselves in letting our members tell us how they want to be serviced."

With its popular ABC Deals program, America First credit card users receive 5 or 10 percent discounts from select merchants.

Flannigan confirmed GBFCU continues to do lots of real estate business, Small Business Administration, startup and business loan lending in amounts starting at \$250,000. Because processes can be done online, someone could become a member, apply for and fund a loan and never have to step into a branch.

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“Overall, we’re seeing excellent loan growth. We still have lots of liquidity to lend,” Flannigan said.

Finalizing the rollout of chip cards for debit cardholders, GNCU is working to take increased advantage of its three newest branch locations, including one in Elko, Murray said. Recently GNCU acquired naming rights to the Aces ballpark—Greater Nevada Field.

One Nevada continues to serve primarily consumers but offers commercial real estate lending as well, Beal said. Its gamut of services ranges from deposit accounts, debit and credit cards, CDs and money market accounts to home, auto, personal and first mortgage loans, 50 ATMs and remote and mobile services.

“We’ve chosen to keep our focus on our main activity—consumers,” Beal said. “We want to do that well.”

Planning Ahead

As they look to the future credit unions throughout the state are working to increase membership while maintaining a watchful eye on the economy and existing customers.

Kershaw said he expects continued growth for CCCU. “We really focus on trying to uncover the financial needs of our membership and developing and delivering products and services that meet those,” he said.

Lund added that the plan for AFCU is to continue to expand, grow and educate potential members about the benefits of credit union.

In the short term Flannigan at GBFCU expects membership and loan growth. Longer term, he expects potential expansion in the Reno-Sparks area.

For GNCU, Murray is focused on the state. He said, “over the next 12 months we will continue to seek ways to make a meaningful impact toward helping more of our state’s consumers, businesses and communities to, as we like to say, Live Greater!”



Dennis
Flannigan

Great Basin Federal
Credit Union

For One Nevada, the credit union is working to increase offerings for customers. ONCU’s plans include offering credit/debit

card controls and debuting person-to-person lending in the next two to three months. The cooperative also plans on launching a new feature, “Mobile Wallet”, where a customer can pay a merchant by waving their smartphone. One Nevada is also in the process of a branch in the Target center at North Decatur Boulevard and Highway 215 in the Target center.

CONTINUES ON PAGE 54 ▶

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20/20

Visionaries for the Silver State

By Tarah Richardson

PERFECT vision, otherwise referred to as 20/20 vision, is the ability for an individual to see clearly both in their near field of vision as well as far away. Likewise, a 20/20 executive, such as those featured in the following pages, has a clear vision for their business in both the short and long term. These executives strive to do what is right for their companies, employees, communities and state.

The search for this year's 20/20 Executives began several months ago when *Nevada Business Magazine's* editorial staff asked Nevadans to nominate individuals who have had 20/20 vision in their companies. The nomination form asked for those individuals that are innovative in the face of hardship and have demonstrated a drive to move their organizations forward regardless of what obstacles may be in the way.

Each of the following 20 executives was chosen for displaying the qualities of a true visionary. They have each shown an ability to work creatively in tough situation, they are all leaders in their industry and each has ambitions for their organizations that stretch far into the future.



Debbie Banko
CEO
Link Technologies
Las Vegas

What began 16 years ago with an old computer, a landline phone and a dining room table has now grown into a multimillion dollar technology staffing organization through the efforts of Debbie Banko. Link Technologies is a national organization based in Las Vegas and Banko has worked hard to ensure the company's success.

"For me, successful entrepreneurship has always come down to three things," said Banko. "Support the client, hire good people and stay active in the community through networking and charitable giving."

Banko practices what she preaches and, as a result, has managed to grow Link Technologies despite the most recent recession. In fact, the organization, which remains innovative in the IT staffing arena, has thrived and built a loyal customer base.

"Nevada is a small community," said Banko. "If you excel at supporting your clients, you become part of that community, instead of just an outside vendor."



Steven Burt
Executive Director
Ridge House
Reno

Ridge House is an organization that helps individuals with a history of addiction as well as recently released felons re-enter society as competent, law-abiding citizens. At the non-profit's helm is Steven Burt who serves as executive director.

Under his leadership, Ridge House has taken those that otherwise might return to drugs or crime and has fostered, cared for and encouraged them, eventually helping them realize their place as valued members of society. Even more impressive, the organization helps them turn around for good. While the

state of Nevada's three year rate of recidivism is around 75 percent, the Ridge House has managed to lower that rate in their clients to a striking 25 percent under Burt's leadership.

"I believe in giving everyone the opportunity to make a difference in their lives and in other's lives," said Burt. "Every day I am inspired by transformational experiences by people who had nothing and now help others achieve their goals."



Eric Edelstein
President
Reno Aces Baseball
Reno

Baseball is America's pastime, and quickly becoming a summer staple in Reno thanks, in large part, to the efforts of Eric Edelstein. Having joined the Reno



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Aces Baseball franchise three years ago as president, Edelstein has since revolutionized how the community views the Greater Nevada Field ballpark. While the ballpark was created to host baseball games, Edelstein has worked to add other events to keep the park open year-round.

"I hope to guide Greater Nevada Field to be the community center for Reno, hosting world class events, sporting and non-sporting, all year," he said.

To that end, Edelstein has helped bring in a professional soccer franchise to co-habitate with the Reno Aces and has launched a Non-Baseball Events department. The newly formed department's mission is to add events such as the City of Reno's annual Ice Rink and the Nevada Craft Brewers event, both of which were recently held at the park.

"I believe in being passionately curious and striving to learn and grow every day," said Edelstein.



John Farahi
CEO
Monarch Casino & Resort, Inc.
Reno

With a vision 44 years ago to turn a small coffee shop and motor lodge into a casino and resort, John Farahi has taken the long-view when it comes to success. What began as the Golden Road Motor Inn with 142 rooms is now the Atlantis Casino Resort Spa with 824 rooms, 61,000 square feet of gaming, 50,000 square feet of conference and banquet space and a 30,000 square foot spa. And, Farahi's name has become synonymous with Nevada entrepreneurship.

The CEO of Monarch Casino & Resort, Inc. (the holding company of Atlantis) credits his success to having a, "clear vision of our mission as an entertainment company, a team that is committed to excellence [and remaining] financially conservative with long-term objectives."

Those clear goals have been effective and helped Farahi's organization stay successful even during tough times. In fact, during the recent recession and despite pressure to do so, Monarch didn't lay off any employees or enforce furloughs or forfeiture of vacation time.

Farahi looks to the future and said that 20/20 vision in his company means, "clearly understanding long-term objectives and having the team and resources to deliver on their goals."



Nancy Fennell
President
Dickson Realty
Reno

Real estate has not had an easy time of it in the recent past and brokers, especially, have had to prove their mettle through the recession. In order for a brokerage firm to survive the downturn, its team must be resilient, creative and have solid leadership. Nancy Fennell, president and "chief innovator" of Dickson Realty, is an example of that leadership and has demonstrated how a firm with communication and strong vision can achieve success.

Fennell's goal for Dickson Realty is, "to build a profitable company of excellence with outstanding realtors and staff that contribute to the overall success of our community."

She works to achieve that goal through a variety of ways including building relationships with both clients and employees, leading by example and maintaining a commitment to her employees, clients and community.

"Nancy is unlike any other executive I have encountered in the nearly 40 years of my professional life," said Andrew Reel, chief marketing and technology officer for the firm. "She has a clear vision for the future of her company and has the gifts of clarity and eloquence to convey the overall Dickson Realty vision."



Mark Foree
General Manager
Truckee Meadows Water Authority
Reno

Serving over 385,000 residents in the Reno/Sparks area, Mark Foree, general manager for Truckee Meadows Water Authority (TMWA), has a significant responsibility on his shoulders, one he doesn't take lightly. Born and raised in Winnemucca, Foree is no stranger to the water needs of a desert state and his background as a civil engineer has been invaluable as he oversees the community-owned water utility.

"My vision is everyone's vision at TMWA," said Foree. "To enhance the quality of life in the Truckee Meadows by delivering exceptional, customer-focused water services."

Foree has been with TMWA for 15 years and has had a number of successes during his tenure. In fact, just last year, Foree oversaw the intricate merging of two water authorities into TMWA. He has been instrumental in leading the region through a long-standing drought through planning and forethought. TMWA has even consistently brought in a 90 percent customer satisfaction rating despite the challenges facing the organization.



Brendan Keating
CEO
Logic Commercial Real Estate
Las Vegas

Wanting to create a brokerage firm that efficiently produces favorable outcomes through the use of technology and employee innovation, Brendan Keating, along with partners, founded Logic Commercial Real Estate less than a year ago.

Keating recognized the importance of being a local resource for their clients and has assembled a team with roots in Southern Nevada, including many who are born and bred. In fact, Keating himself was born at Sunrise Hospital and has spent his professional ca-

reer helping expand the Southern Nevada market.

“Having the right assets on our balance sheet is part of having 20/20 vision,” said Keating. “Our assets are our team members. Service businesses like ours are valuable because of the people on our team.”

Keating recognizes that his team has been integral to the organization’s success and he credits them with the company’s growth. He hopes to make Logic one of the largest locally owned brokerage and property management companies in Southern Nevada.

“I believe we have something special brewing at our company,” he said. “If we can keep the culture and commitment to our values, we will create a valuable enterprise that we will share with our employees who helped us get there.”



James Kilber
Executive Director
Comprehensive Cancer
Centers of Nevada
Henderson

“My vision is to continue to build a practice that provides multi-disciplinary care and fully realize ‘comprehensive’ in the practice’s name,” said James Kilber, executive director for Comprehensive Cancer Centers of Nevada (CCCN).

While an incredibly lofty goal, Kilber, along with his team at CCCN, is living up to the vision. Kilber joined the company in 2007 and has since helped it achieve significant growth including year-over-year revenue increases, more patient visits and high employee retention rates. His achievements at the organization are numerous and have benefited the Southern Nevada community in a variety of ways including helping the state become known for cancer treatment and research.

Kilber explained that the over 550 employees who make up the team at CCCN are critical to his role as a visionary leader.

“I couldn’t do my job without their expertise,” he said. “In return, I need to be there for my employees. Our employees are our best resource and most important asset. If you don’t have a great team, then you can’t grow.”



Season Lopiccolo
COO & Founder
Noble Studios
Reno

Founded 13 years ago, Noble Studios is a digital marketing agency based in Northern Nevada with a global roster of clients. The company has a “work hard, play hard” culture that focuses on happy employees taking care of happy clients. Much of that culture is due to the efforts of Season Lopiccolo, co-founder and chief operating officer of the company.

“Since day one, my vision for Noble has revolved around the idea of building a business that will remain relevant in an industry that is constantly evolving,” said Lopiccolo. She added that there is a saying amongst the employees at Noble, “‘We chart our course by the stars and not by the ships around us.’ In other words,” Lopiccolo explained, “our success is directly affected by our ability to communicate with one another.”

That communication has proven to be key for Noble which has grown by leaps since it’s inception in 2003. The organization, which started with Season and her husband Jarrod, now has over 40 employees and has helped pave the way to Washoe County becoming a haven for technology companies.



Michael Markovsky
COO
Haws Corporation
Sparks

A Sparks-based manufacturer of commercial plumbing products with worldwide offices, Haws Corporation is over a 100 years old. Having been with the organization for 10 years, which may seem like a drop in the bucket to such a long-standing company, Michael Markovsky has nevertheless been critical to driving Haws forward.

“20/20 means normal or perfect,” said Markovsky. “We aren’t either of those things, nor do we want to be. But, we are constantly adapting and innovating to help define whatever the new normal will or could be.”

He went on to add that his vision for the company is, “establishing bold goals and accomplishing those goals by doing things differently than one would expect from a company that has been around for over a century.”

And, by anyone’s measure of success, Markovsky has been successful. He has been instrumental in restructuring Haws to create better efficiencies and promote leadership from within. He has also worked to establish an “Innovation Team” to work on new product developments.



Scott Muelrath
President & CEO
Henderson Chamber of
Commerce
Henderson

Armed with the axiom “large enough to be relevant, small enough to be personal,” Scott Muelrath started with the Henderson Chamber of Commerce (HCC) four and a half years ago with the intention of growing the organization. That intention has born fruit and the chamber has grown from 700 members to over 1,200. Taking on a new mantra, “business growth through personal connections” Muelrath, who serves as president and CEO, works hard to provide relevance for members.

“People want to do business with people they know, and the HCC serves as the conduit to make this happen,” said Muelrath. “I also believe in innovation and constantly evolving to meet our members’ needs. This gives you an edge in the marketplace. I have an open door to new ideas and am always receptive to dynamic thinking, concepts and people. There is always something to learn and improve upon.”

CONTINUES ON PAGE 58 ►



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Architects and Engineers

LEFT TO RIGHT ► Steve Schiller, John A. Martin & Associates · Scott Aney, City National Bank · Jason Zoeller, Henderson Engineers
Kurt Goebel, Converse Consultants · Brent Wright, Wright Engineers · Ramon Perez, City National Bank · Stephen Ranck, Gensler
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Architects and engineers in the Silver State are cautiously optimistic about their industries. Working through a variety of issues as a result of the recession, executives nonetheless indicated that their businesses were experiencing growth and the industry is gaining stability. A handful of decision-makers in the architect and engineer industries recently met at the Las Vegas offices of City National Bank to discuss the challenges and opportunities facing their industries.

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

WHAT EFFECT HAS THE RECESSION HAD ON THIS INDUSTRY?

DAVID MELROY: I would relate it to ice fishing. For several years, we did not go out on the lake because the lake didn't freeze over. Now we're able to go out and drill our hole,

drop a line and feel comfortable that the ice is still going to be there, but we don't want to set up base camp or drive our car out there yet like it was in 2006 and 2007. The ice is not that thick. There's just not the back log or the depth.

STEPHEN RANCK: I'd agree that we're cautiously optimistic. Things seem to be turning around. There appears to be real projects starting back up, where as before we were doing concepts for three or four years and nothing came up. However, with the election and it's impact on decision-makers, I think there is still some time [needed] to see where the market is.

GARY CONGDON: That could be why we're seeing a slight slow down right now in clients being willing to go forward because there is a big unknown [with the election] on a national scale. What's going to happen to taxes, to capital gains, how much more or less regulation is the EPA (Environmental Protection Agency) going to have, what are oil prices going to do? To think that we can live here in Las Vegas and be isolated from the rest of the national and world economy, that's foolish. We'll see what happens in November and we'll have a better answer.

KURT GOEBEL: The biggest challenge that we've seen is that it's been a very uneven

recovery. We're trying to work with regulators who have the power of the pen with the environmental regulations and trying to get them to understand that some clients are very sensitive or unstable. They have a lot of power to potentially impact the business.

CONGDON: It seemed like the first product type that really took off was the big box industrial market. That's one of the market segments that we've been very successful in, so we got our share of that work when everything took off. We had three big projects that we undertook. Those are nearing completion right now. There was all kinds of talk about the industrial market being back and it's full speed ahead, but it has slowed down. There was that initial glut of product that entered the market. There's still activity, we still have clients talking about new product, we have multiple proposals out there, but it's really slow now.

WHAT DO CLIENTS EXPECT IN REGARDS TO PRICING POST-RECESSION?

BRENT WRIGHT: The pressure to keep fees low is still there [as a result of the recession]. Fees haven't come back like they were before. Maybe related to that is that schedules are, in some projects and market sectors, really unrealistic. What used to be called a rush is now the standard schedule. The expectation from the recession was projects had 10 firms fighting over one little job and people still expect that. I think that's changing, but you still see that. [People want] fast and cheap.

CONGDON: Quite often, price is the only factor that the client is considering. Unfortunately for us, when that's the consideration, we're rarely going to win the job. We're not going to be the low bidder. I don't want to be. I can't do a professional job to the quality that we expect if I'm competing with a guy working out of his home.

JASON ZOELLER: It's really hard to tell an owner that there's a reason to spend 60 percent more money to do this when he thinks he's going to get the exact same thing for less, even though he's not. That's the challenge that we face on trying to educate everybody; you get what you pay for. If you want all these buildings that are specialized and ultra-efficient and everything else, everybody can't do that. You have to find the right person to do those jobs and be willing to pay for that service.

STEVE SCHILLER: I think you get less than you pay for when you take these half price fees. It's evident when we go in to clean up projects, which we've done on occasion. The people who take these jobs at lower fees than is necessary to do them, the client gets less than what they pay for. The drawings are bad, the design is bad and they're not completed. It turns into a bigger problem down the road.

MELROY: In our industry, the best thank you that you can receive is the next job. You select an architect based on their skill sets. Those firms that are solid in the market and deliver a good product will always be undercut by those who say they can do it for much less. I've seen recently where another firm in town was 60 percent less than our fee. With that, it becomes a focus on price rather than services, the deliverables and the end result.

DO YOU GET CREDIT WHERE CREDIT IS DUE ON YOUR PROJECTS?

CRAIG GALATI: I've taken a bunch of clients and pushed them off to the side saying we're never going to work with them because, they don't appreciate it, they try to cut our fees down or that's not the kind of work we want to do. That's a challenge in itself. There's only so much of that type



of work here. Every once in a while, in order to keep things going we have to take one of those jobs. Then I feel exactly what you're talking about: under-appreciated and underpaid.

ZOELLER: We make a joke around the office that engineering is the field goal kicker or the umpire of the project because people only talk about you if you mess something up. Otherwise, it doesn't matter. I think that's fine as an engineer. The bigger thing is if they'll pick up the phone and call you when they want somebody they know they're going to get a quality job from and who will stand behind their work.

WRIGHT: I've thought about this a lot from our humble engineering perspective. When I was younger in my career, it used to bother me. Then I realized that, first of all, we work for [builders and developers] and they're the ones who have the relationship with the owner. We don't have that with the owner. Why would the owner care about us? In reality, if we've done our job right, all of our best work is hidden underneath all the architectural finishes. They'd never even know that we were there. The only time they'd know we were there is if there's a problem.

HOW MUCH OF A STRUGGLE IS IT TO ANTICIPATE THE MARKET?

GOEBEL: We do more with less. When you do get a job, you have to figure out how you're going to staff it. Then you get done and now you have all these people with nothing to do. We're still in that mode where we're doing a lot more with a lot less, and that's really stressful.

SCHILLER: Contractors are suffering the same problem as we are. They're struggling to get stuff that requires more input from us, more time during the construction phase, so we're actually providing more services for less fee than we were 10 years ago.

CONGDON: It's something we wrestle with all the time. In the heyday, you put out a proposal and within 30 days you'd be under contract and be full speed ahead. It's taking six, seven, eight months from the time you send a proposal out there for that client to evaluate the market, make the market decisions, etc. So when you put a proposal together, you've got to look way ahead. I talked to my folks and we'd all rather work a little bit harder and get jobs done with staff we have than bring people on and have to lay people off.

HOW DO YOU FILL THE STAFFING VOID?

GALATI: We don't want to get bigger because we fell too hard last time. We want to make sure that there's a reason for us to get bigger if we do. There are times when we pick up a job and we need some help. We've been able to, over the last four or five years, build some really good relationships with either other firms or other small sole proprietors who will come in and work with us for six months or three months or whatever

more money. It's providing an environment where they're excited and energized and connected to what they're doing or there's a meaningfulness to what they do, which is good for us. Providing that environment is pretty simple. You don't have to pay an arm and a leg, necessarily, to do that.

ARE PUBLIC WORKS PROJECTS ON THE RISE?

CONGDON: It's pretty bad right now, particularly the public works side of things on all the agencies. The water district is struggling to get permits processed. The sanitation district is struggling with that. You can't really fault the city agencies. They're suffering from budget deficits. They laid off people just like everybody else did during the recession. They haven't had the mon-

ey to put those people back on board. NV Energy is struggling. Again, same kind of staffing problems. It can take nine months to get a design through NV Energy. These are things that hold up development, increase the developer's cost, make it more expensive to develop in Las Vegas and in other communities and that has an impact on our local economy. We as a community need to solve these issues.

GALATI: One thing that I've seen is they didn't keep up the infrastructure to be able to build new buildings. Now they're having all kinds of problems at the water district on sites that are not that old. The hoops you have to jump through to get those sites buildable are almost prohibitive. It's because they haven't kept up the pressure, they haven't built any new infrastructure. That's part of the downside of the recession as well.

RANCK: We finally, after 10 years, got new school district work with Clark County

School District. It's a blessing for the school district to be building again and they need to. They're very far behind. When the school district was at their peak when the town was booming, they were the ones who took infrastructure to neighborhoods. When they built a new high school, that brought power and water and gas and everything that was necessary for that school to that neighborhood. Those big public clients were really driving that. They haven't built anything for a long time and that's part of the reason why we're lacking. 🌿



The first high-rise resort on the Las Vegas Strip, the Riviera Hotel and Casino debuted with 300 rooms and nine stories on April 20, 1955. The hotel, which was purchased by the Las Vegas Convention and Visitors Authority last year, was imploded on June 14th.



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TIME TO PAY THE PIPER

FIRST NEVADA COMMERCE TAX PAYMENT DUE, DESPITE CHALLENGES

William McKean is a chief deputy attorney general with the Office of the Attorney General.

Nevada's recently enacted commerce tax has been back in the headlines, the latest dust-up being a recent judicial decision that has spelled the end to a repeal effort. A coalition (led by State Controller Ron Knecht) sought to have a referendum petition placed on the November ballot – motivated by what they see as a legislative sellout of the voters who rejected a similar “margins” tax in 2014. To do so, they needed to gather more than 55,000 registered Nevada voters to sign their petition by June 21. The 20,000 signatures they had collected over the last five months were invalidated by a ruling of Nevada Supreme Court in May. Recognizing the long odds of meeting the signature deadline in a month's time, the anti-tax coalition abandoned its efforts.

If they had succeeded in placing the measure on the ballot in November, then a “no” vote would have repealed the new tax – at least for future tax years. Now, however, it does not look like the new tax will be going away any time soon. With the deadline for filing the 2015 commerce tax returns looming, it is not too soon for taxpayers to consider the nuts and bolts of the new tax.

Nevada businesses must file their first annual commerce tax return on August 15. The annual filing requirement applies to virtually every business in Nevada, including sole proprietors, partnerships and corporations, as well as service providers such as medical professionals, attorneys and accountants, and persons engaged in the sale or rental of personal and real property. Each business is entitled to deduct the first \$4 million from its annual gross revenue, with the applicable tax rate applied to the balance. The tax rates range from 0.051 to 0.331 percent for 26 different business classifications pulled from the North American

Industry Classification System. A business must still make an annual filing even if it does not owe any tax as the vast majority fall below the \$4 million threshold. Nevada tax collectors are bracing for upward of 300,000 businesses to be subject to the annual filing requirements.

The Nevada Tax Commission is responsible for adopting the commerce tax collection and enforcement rules, and has been holding public hearings on proposed regulations since last July. It is expected that the agency will be adopting regulations soon, and approving new forms for taxpayers to use for their August 15 filings. Judging from the most recent public hearing, however, important issues still remain to be addressed.

Open questions include the need for all businesses to file otherwise private information with Nevada tax collectors. The filing form proposed by the Nevada Tax Commission asks each “owner” of a business to include his or her personal social security number and date of birth. It seems fair to question the need for a state agency to collect and store such information, particularly in the case of a business that will owe no tax, and in a state like Nevada, whose laws frown on a governmental agency requiring such personal information unless it is “required” by a specific state law. Equally troubling is the implication that individuals providing their personal information will be deemed “responsible persons,” with joint and several liability for the tax.

The years ahead will no doubt bring legal wrangling over other aspects of the commerce tax. This has certainly been the case in Ohio and Texas – two states whose tax laws served as models for the commerce tax. Such dustups will no doubt keep the Nevada commerce tax in the headlines for years to come. 

IF CRONYISM IS THE PROBLEM, MAYBE WE SHOULD STOP EMPOWERING ITS ENABLERS

Michael Schaus is communications director for the Nevada Policy Research Institute.

America's young adults don't seem nearly as turned off by socialism as do their parents and grandparents. Actually, they seem pretty receptive to the concept.

No doubt decades of class warfare have helped make younger generations feel more inclined to "soak the rich." But, it also seems likely they're more prone to flirting with socialism because of general disillusionment with rigged and corrupt practices they've been told represent capitalist greed.

"Crony capitalism" they call it.

Crony capitalism, however, isn't really capitalism at all. In fact, capitalism — as defined by free markets and limited government — is actually a bulwark against cronyism, political corruption and government overreach.

But that's a reality younger generations — badly educated regarding history and economics — simply do not understand.

On top of that, they're unknowingly afflicted by a similarly ignorant news media that reflexively regurgitates, day after day, the self-absolving political propaganda out of Washington, D.C.

According to that propaganda, it was excesses by self-interested capitalists that brought about the recent recession and that continue to afflict the working and middle classes.

Given the increasingly rigged and systematically cronyist nature of the economy in the last few decades, that's a somewhat difficult proposition to argue with. For years we have lived in an economy where big business routinely colludes with big-government — using political connections to fleece taxpayers and eliminate competition.

The "big banks" have gotten bigger. Unaffordable health insurance has gotten more unaffordable. Even "income inequality" has continued to rise.

And while all of these problems have their roots in government overreach, the politicians and elites who have been running things need a boogyman — and capitalism, as it turns out, fits the bill.

The irony, of course, is that these alleged problems are not the consequence of free markets run wild — they're the result of politicians corrupting the natural cycle of supply and demand with government diktats.

Legislation intended to bring an end to "too big to fail" helped the nation's largest banks consolidate their power. Obamacare forced insurance companies into risky business models, and forced cash-strapped consumers to purchase an unattractive product.

Even "income inequality" is the result of government regulations that have systematically shrunk the possibilities for middle-class careers.

In the face of all these centrally planned failures and boondoggles, however, the "socialist" wave is calling for even more government intrusion into the market. According to the politicians who have run our economy into the ground, it's the greed of capitalists — not politicians' lust for power — that is the real problem.

It's an argument that goes back to the days when the term "capital" was first used to impugn the system of free markets and private capital.

Nothing, however, could be further from the truth.

Capitalism isn't about the unbridled embrace of greed. Rather it is about consensual and mutually beneficial exchange between private parties.

It's a system where private businesses create, promote and preserve what is of value to as many people as possible, at prices that are ever more affordable.

Capitalism, in an important sense, is the most democratic economic theory that exists — giving consumers the ability to vote directly on the value and worth of individual products and services by permitting them to decide for themselves whether or not to purchase.

Unlike socialist-inspired big government schemes, free-market capitalism embodies the very simple and natural idea that individuals can, and should, have control over their own buying and selling.

When these rights are protected from government's intrusive political tinkering, a free-market system exists — one insulated from corruption, institutional cronyism and political pandering.

Yet this is a point seemingly lost on the unhappy ignorati who have been told capitalism is the collusion of "Washington and Wall Street."

Consensus seems to exist among voters of all ideological demographics that government too often has worked with politically connected businesses against the genuine common good.

The irony, of course, is that the support for socialism bubbling up in some corners of the country would give corruptible, despotic and crony government even more power. If cronyism is the problem everyone seems to recognize, isn't it time we strip such power away from the government that enables it? 

◀ CONTINUED FROM PAGE 9

Trends and Challenges

“An unprecedented and unabated litany of new regulations” has been added to financial institutions in the last several years, Murray said, requiring them to spend “incredible amounts of time and resources trying to comply.” In 2014, the financial impact of regulatory compliance for Nevada’s credit unions was \$25.3 million, or \$77 per member, data from the national association, CUNA, showed.

For example, some of the mortgage lending rules developed by the Consumer Financial Protection Bureau, which is tasked with preventing predatory mortgage lending, are ultraconservative and result in unintended consequences, Flannigan said. For one, financial institutions are prohibited from providing mortgage loans if the total fees on them exceed a certain amount, which the fees on all smaller loans do.

“So we’re looking at those people generally who need it most and are having to say it’s not a ‘qualified mortgage’ simply because the size of your loan is not big enough for you to get you over this artificial cap,” Flannigan added.

Further regulations on home loans, Beal said, have extended the closing period from less than a week to six or seven weeks because of additional imposed time frames and paperwork that made it more expensive. ONCU had to add two full-time employees to ensure compliance.

“It is becoming increasingly burdensome,” he added. “It is a disservice to the members.”

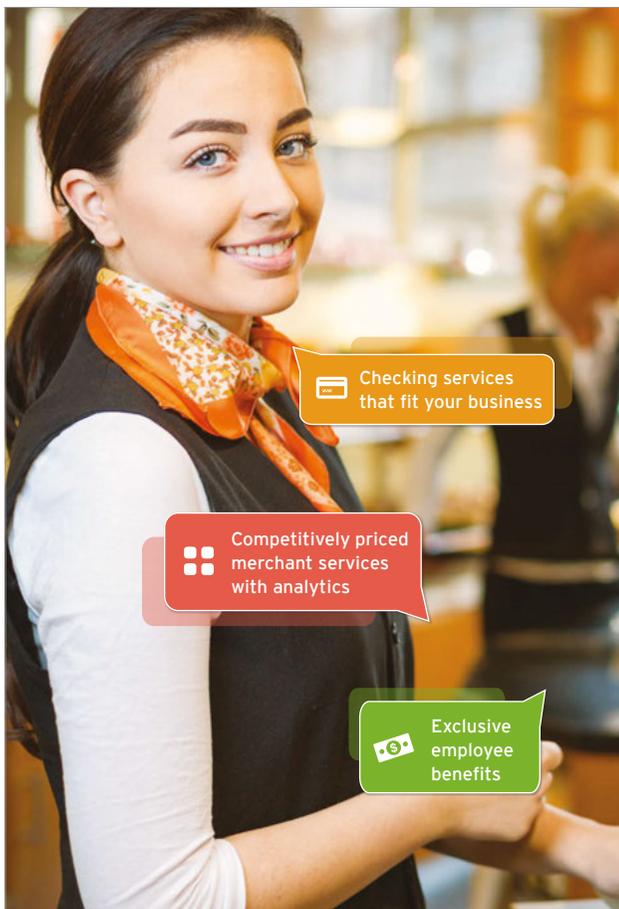
Many of the new regulations are one size fits all, which particularly affects the credit unions that lack the manpower and resources to fulfill the requirements. Subsequently, following the recession, some of the weaker, smaller credit unions got merged into larger entities headquartered in or out of Nevada.

Today’s competition among Nevada’s credit unions is different and greater than in past years.

Along with out-of-state credit unions and banks that have entered the market, other players include regulated and nonregulated online banks; peer-to-peer lenders, or online services that match lenders with borrowers; crowdfunders; and payment processors, such as Apple Pay, PayPal and BitPay.

“The competition continues to be fierce, which is good for the consumer,” Lund said.

The Silver State’s credit unions must stay proactive and current in ensuring their members’ financial information is protected adequately. The challenge comes when retailers, which aren’t required to do the same, experience data breaches. This happened with a major fast food chain in May. Members’ accounts were compromised, resulting in the credits unions incurring financial losses and the cost of reissuing debit/credit cards to those affected.



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AFCU, through its “Card Guard” program, affords members the ability to control their debit/credit card. Via a smartphone, can turn it on or off when want or don’t want to use it. They can set a spending limit and geographical parameters, such as the U.S. only, for where the card only can be used. They can be alerted via text message when a transaction using the card occurs, allowing a quicker response if the card is used fraudulently.

The issuance of EMV (Europay, MasterCard and VISA), or chip, cards has begun at Nevada’s credit unions, with some already finished and others nearly there. Once the chip technology is fully in place in a financial institution, the retailer that accepts a fraudulent transaction or lacks the chip system, not the credit union, will be responsible for financial losses, Flannigan said.

The trend toward more automation and technology continues, Lund said, and consequently, people want those new methods of access along with convenience, quick responses and speedy loan approvals.

The challenge for credit unions is to foresee and initiate implementation of a new technology early enough so that it still remains relevant and desired once it’s in place, Kershaw said.

Consumers continue to migrate toward remote access via smart devices, decreasing their in-person visits. However, members continue to express the desire to talk to someone in a branch or on the phone when the need arises. Because of this shift, for instance, ONCU gradually over the next few years, plans to redeploy some of its branches to more focused, centralized locations, Beal said.

the local economy. Therefore, they’re watching both to prepare for changes in either.

Because of the vast potential technologies and services credit unions could adopt and provide their customers, they must be choosy about which ones they decide to offer, Kershaw said. This challenge also extends to prioritizing and maximizing the various opportunities available to credit unions, Murray added. For AFCU, a similar challenge is remaining relevant to its members in each phase of their lives, Lund said.

Over the next 12 months, Nevadans can expect to see the state’s credit unions continue to grow and strengthen, experts said. However, it’s also likely some smaller ones will get merged into larger entities. Regardless, as the market changes credit unions will continue to adapt.

“Our state’s credit unions have seen consistent membership and asset growth for the last few years and we anticipate that trend to continue through 2017 and, hopefully, beyond,” Murray said.

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Outlook

Two unknowns for Nevada’s credit unions remain the future status of interest rates and

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Mary's Gone Crackers

A manufacturer of organic and gluten-free healthy snacks, Mary's Gone Crackers, has announced plans to open a manufacturing, research and development facility this fall in Reno. The company headquarters will also relocate to the site. The bakery will occupy over 420,000 square feet in the North Valley Commerce Center. Mary's Gone Crackers intends to hire over 200 employees by the end of 2017.



SeaQuest Interactive Aquarium

Seaquest Interactive Aquariums plans to open a family destination attraction this fall in the Boulevard Mall in Las Vegas. The aquarium will feature over 31,000 square feet of exhibits with thousands of species of animals, hands-on activities and a 45,000-gallon tank. SeaQuest and Boulevard Mall hope the aquarium will drive both tourist and local traffic to the area. The company expects to hire as many as 50 employees once it opens.



Seasons Market

Seasons Market grocery store and specialty market recently opened in Lake Las Vegas, just east of Henderson. The area has previously lacked a central marketplace. The store offers fresh produce, gourmet foods, beverages and gift items to the neighborhood, including locally and regionally sourced products. The 5,000 square-foot store has already hired eight full-time positions and expects to employ seasonal staffing as needed.

To submit suggestions for this new column, email editor@nevadabusiness.com.

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UNLV Releases White Paper on Fiscal Impact of Nevada Sales Tax

In an effort to determine future impacts of a possible sales tax on services, the University of Nevada, Las Vegas has released a white paper, *A General Sales Tax on Services in Nevada: Fiscal Impacts & Stability*. The white paper found that the best-case scenario for potential revenues from a uniform tax of 2 percent on services will yield approximately \$777 million annually. The report also found that a sales tax on services doesn't represent a "magic bullet" to reducing volatility in state public finances. 🌿

AT&T Enhances Nevada Networks

Over the past three years, AT&T has announced an investment of over \$800 million in Nevada wireless and wired networks. The investment is intended to enhance AT&T's coverage of the state and provide a broader range of services for Nevada customers. Additionally, last year, the telecom company made over 230 wireless upgrades in the state including new cell sites. 🌿

Republic Services Unveils Recycling Exhibit on the Strip

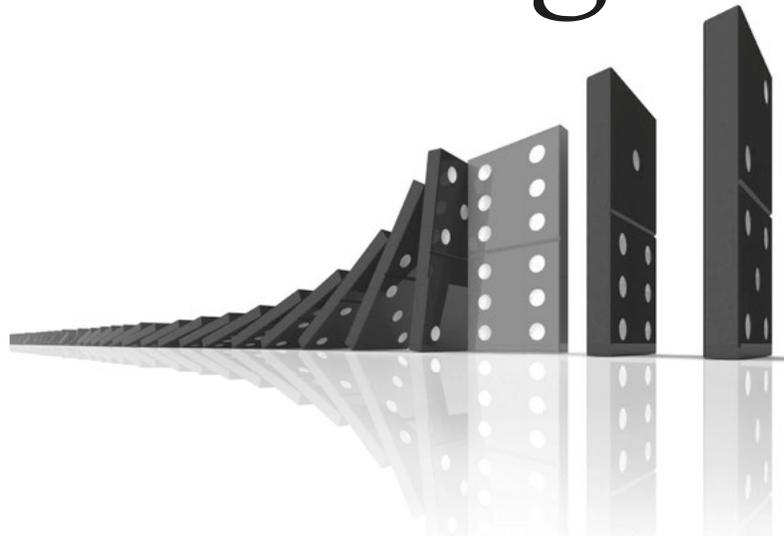
Partnering with the Mirage Hotel & Casino, Republic Services has unveiled the Sustainability Discovery Center in the hotel's Secret Garden and Dolphin Habitat. The center features diverse interactive displays to educate visitors on the importance of preservation. 🌿

NDOT Begins Work on USA Parkway Extension

The Nevada Department of Transportation (NDOT) has begun work on extending USA Parkway in the Tahoe Reno Industrial Center (TRIC). The road was originally privately built to connect TRIC to Interstate 80. Governor Sandoval called the extension "necessary infrastructure for the new Nevada economy." The road is expected to serve over 17,000 vehicles daily. 🌿

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◀ CONTINUED FROM PAGE 13

That attitude has been instrumental in the meteoric growth of the chamber and Muelrath expects that growth to continue.

“Our organization works for the betterment and benefit of others, and we now achieve that in so many measurable ways,” he said.



No industry has faced quite as many changes over the last decade as the health insurance industry. Overseeing many of those changes in Nevada, Mike Murphy, who serves as Nevada president and general manager for Anthem Blue Cross Blue Shield has had anything but a simple job. Anthem is Nevada’s second largest carrier and has a membership of over 300,000 in the state; it’s safe to say that Murphy has a lot on his plate.

“Every day there’s a flood of new information and issues demanding immediate attention,” said Murphy. “The key is being able to distinguish the signal from the noise and make sure we are always focused on what really matters - expanding access to high-quality, affordable health-care in Nevada.”

To that end, Murphy has been working towards building collaborative relationships within the community while creatively addressing cost challenges. He says that in achieving these goals its critical that Anthem is, “helping consumers fully understand their benefits, enabling members to develop relationships with health-care providers who truly care about them [and] arming providers with the tools and resources they can use to meet their patients’ needs.”

He added that, “it all comes back to achieving affordability for employers, consumers and providers.”



“Having 20/20 vision means mapping out a future that extends beyond our role in the community, working with others to create a vision of what Southern Nevada wants to become and effectively working towards progress,” said Tina Quigley, general manager of the Regional Transportation Commission of Southern Nevada (RTC).

Quigley has been with the RTC for the past 11 years, working her way from deputy general manager to general manager, a role which she has held for the past four years. Having achieved several important “wins” for the RTC in Southern Nevada, Quigley has her eye on the larger picture for the community. She has spearheaded several innovative programs including a fuel revenue indexing program which will provide over \$700 million for 221 transportation infrastructure projects by the end of this year.

“The secret to my success is to surround myself with smart, passionate and innovative people who are just as committed to enhancing Southern Nevada as I am,” explained Quigley. “It takes a team, and I am fortunate to have one of the most dedicated and hard-working teams in Nevada.”



When he founded Promo Direct, Inc. in 1991, Dave Sarro likely had no idea the number of changes his industry would see in the quarter century since.

However, like any true innovator, Sarro found those changes to be a challenge rather than a hindrance and positioned his business to thrive in advance of an online world.

When asked the secret to his success Sarro said, “I’m not sure anyone has a secret. For me, I have tried to study our competitors very carefully and do things a little better in all areas of our business. In addition, my foresight to investing heavily into technology has had a significant impact on Promo Direct’s success.”

Originally founded as a traditional ad specialty company, Sarro has since changed the organization’s business model not once, but twice, in an effort to adapt to market changes. He also heavily invested in Promo Direct’s online presence, creating a proprietary web-based software platform for the organization.



Dan Schwartz has a history in helping business thrive and that history has come in handy in his last one and a half years in office. He’s taken a private career in finance and turned it into a public career as Treasurer of the state of Nevada. In the first year of being in office, Schwartz has improved investment returns on the overall general fund by over 60 percent and has increased returns on the Local Government Investment Pool by fivefold.

Schwartz said his vision for Nevada is two-fold. “To aim to be a competent, honest and responsive public official. If I can put money in residents’ pockets through jobs, growing their tax dollars, preventing fraud and abuse and educate their kids by encouraging a ‘culture of education’, I’m halfway there.”

The second part of his vision involves moving Nevada forward and helping the

state innovate beyond gaming, mining and tourism.

"I've blended my financial background with practical experience to develop my skills and build businesses," said Schwartz. He added that he has, "learned to respect other people's ideas and suggestions, while keeping a commitment to honesty and knowing how to get the job done."



Debbie Shwetz
Owner & Co-Founder
Nothing Bundt Cakes
Las Vegas

Beginning with a friend, the combination of two delicious recipes and a great idea, Nothing Bundt Cakes was half the brain-child of

Debbie Shwetz who co-founded the baked goods partnership in 1997. Since then, Shwetz has helped take the organization to new places through franchising opportunities.

"In 2006 we franchised our company," said Shwetz. "Our vision then, and now, was to provide a homemade-quality product that was moist and delicious and would meet the needs of our guests. By never wavering from our qual-



Randal Shelin, MD
President
Desert Radiology
Las Vegas

Value-based healthcare is a philosophy based on the tenet that healthcare should maximize value for patients. Dr. Randal Shelin has been at the forefront of implementing value-based healthcare at Desert Radiology. Having been with the organization since 2001, he has been president since 2012.

Shelin has made a commitment to improving healthcare in Southern Nevada through Desert Radiology in a number of ways. He has sought to improve technology, allowing the imaging company to ensure a rapid transition of information for patients between providers. He has also worked to become more involved in how examinations are ordered.

"We are working with our business partners to ensure that when a provider orders a test, it is the right test for their patient and it is truly needed," Shelin said. "Only by getting the most utility out of our limited healthcare dollars will we ever be able to control costs."

Shelin added that, "understanding one's own limitations is critical to being an effective 20/20 executive. I may have a vision of where I want to take my company, but unless I can pull my team together, communicate that vision and execute a plan to make it happen, it will remain just that: a vision."




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ity promise, we would be able to extend a business opportunity to others so they too could recognize their dreams of entrepreneurship.”

Nothing Bundt Cakes now has 139 locations in 24 states and Shwetz has been instrumental in developing the sales process, writing manuals, maintaining compliance records and putting in place the bakery opening process.

“I believe a good leader keeps an open mind and has the ability to disagree with a member of their team, yet leave that disagreement with locked arms around a decision that will move the company forward,” said Shwetz. “Realizing through 20/20 hindsight where you can improve allows you the 20/20 vision to continue to reach for greater excellence.”



Michael Silberling
CEO
Affinity Gaming
Las Vegas

Affinity Gaming, which operates 11 properties in Nevada, Iowa, Colorado and Missouri, has had Michael Silberling, chief executive officer, at its helm for the past two years. Silberling brings with him over 20 years of casino industry management experience and has put that knowledge to good use at Affinity. Since becoming CEO, Silberling has helped the organization grow by over 20 percent and has seen net revenues of nearly \$400 million.

“My success comes from a vehement attention to hiring the right people that are motivated and driven to oversee efficient processes to achieve the vision of our company,” said Silberling. “We’ve learned how to deploy technology to support company goals in profitability, customer service and team member morale, while not losing touch with the personal and relationship side of the hospitality sector. I refuse to accept inefficiency and wastefulness, so every resource is used to its maximum potential.”



Johnnie Stoker, PhD
CEO
K2 Energy Solutions, Inc.
Henderson

K2 Energy, which was founded by Dr. Johnnie Stoker in 2006, is a lithium iron phosphate technology company working to replace common lithium batteries. Stoker founded the company when the previous organization he worked for, which was also based in Henderson, decided to move their jobs to China. He then hired some of his co-workers and started K2 Energy. Stoker’s vision for K2 is, “to be recognized as the technology and manufacturing leader in lithium ion (lithium iron phosphate) batteries and systems.”

To that end, Stoker has been focusing the company’s efforts on projects that set them apart as a technology leader. The company delivers anywhere from two to three new products or product improve-

ments per year. Additionally, K2 was able to grow through the recession, when many other technology companies, even those with government subsidies, failed.

Stoker said that the key to his success is, “good people, a hard working team and an attitude that failure is not an option. The K2 team is competitive with any team in the world for problem solving and innovation.”



Tim Wong
President & CEO
Arcata Associates
Las Vegas

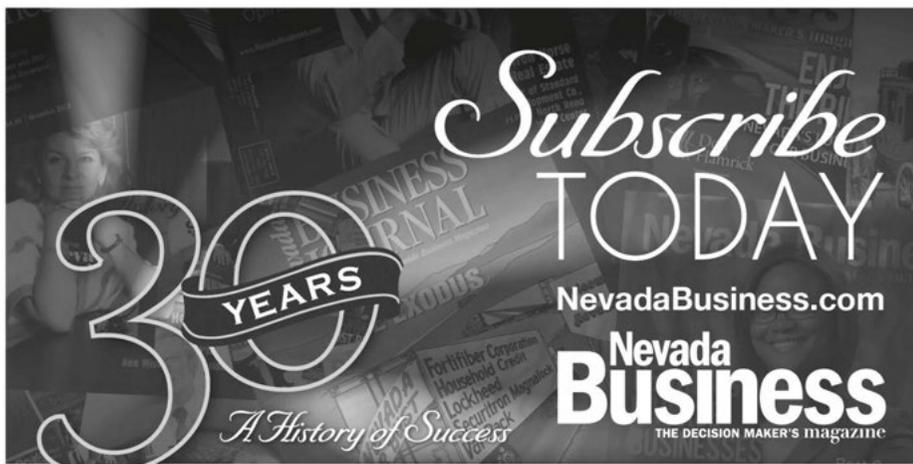
A leader in engineering, information technology, program and acquisition services and multimedia, Arcata Associates has been in business for 37 years. Leading the organization today is Tim Wong, president and chief executive officer.

“When I took the helm of Arcata Associates as president and CEO in 1993, I had a vision to significantly broaden the company’s defense work and expand into NASA,” he said. “Today, I’m proud to say that we’ve achieved that goal, but we’re not done yet. We’re constantly aiming to grow, excel and innovate.”

Wong’s plans to innovate include positioning Arcata to be an “integral member of programs that are setting scientific milestones in space and aeronautics.” He also wants to assist in preparing the men and women of the United State’s military forces to defend the nation.

“As U.S. and allied fighter pilots enter enemy airspace or astronauts climb into their space vehicle for the first human mission to Mars, we want them to be confident that the best engineers, scientists and technical support personnel have used their expertise and experience to ensure mission success,” said Wong.

When asked what he thought made a 20/20 executive he said, “A visionary 20/20 executive believes that dreams can become reality with hard work, a talented and dedicated team and a commitment to integrity. That’s what I strive for.”



Face to Face

MOVERS & SHAKERS

“Life is too short to do something that you don’t like.”



> **MATT**

CLAFTON

VP/General Manager
Alston Construction Company, Inc. (17 years in NV)

Type of Business: General Contractor | Hails from: Spokane, WA
14 years with company in Nevada | Based in: Las Vegas and Reno

How did you first get into your profession?

My dad was in the construction industry and I followed in his footsteps.

What is your pet peeve?

I am used to working at a very fast pace so I would say [my pet peeve is] when there are obstacles that slow progress on any given task.

What do you want your legacy to be?

To know that I made a difference in everything I did: family, friendships, work and giving back to the community I love.

When you were a kid, what did you want to be?

I wanted to be a professional football player and carpenter. I was fortunate to play football for Nevada in college and it was a great experience.

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

Find something that you are passionate about and pour yourself into it. Life is too short to do something that you don’t like.

What is a little known fact about you?

I am a huge Frank Sinatra guy and I love big band era music.

If you could be any fictional character, who would you be?

Donald Duck – He’s scrappy and persistent. I would also get to live in Disneyland and when I got mad it would be funny to others.

If you could have coined a single phrase of wisdom, what would it be?

“The measure of who we are is what we do with what we have.” -Vince Lombardi

If you could take back one sentence you’ve ever spoken what would it be?

“I’m not sure I can do that.”

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

I wish that I had learned more patience early in my career. Obstacles are a part of life and something you choose how to cope with.

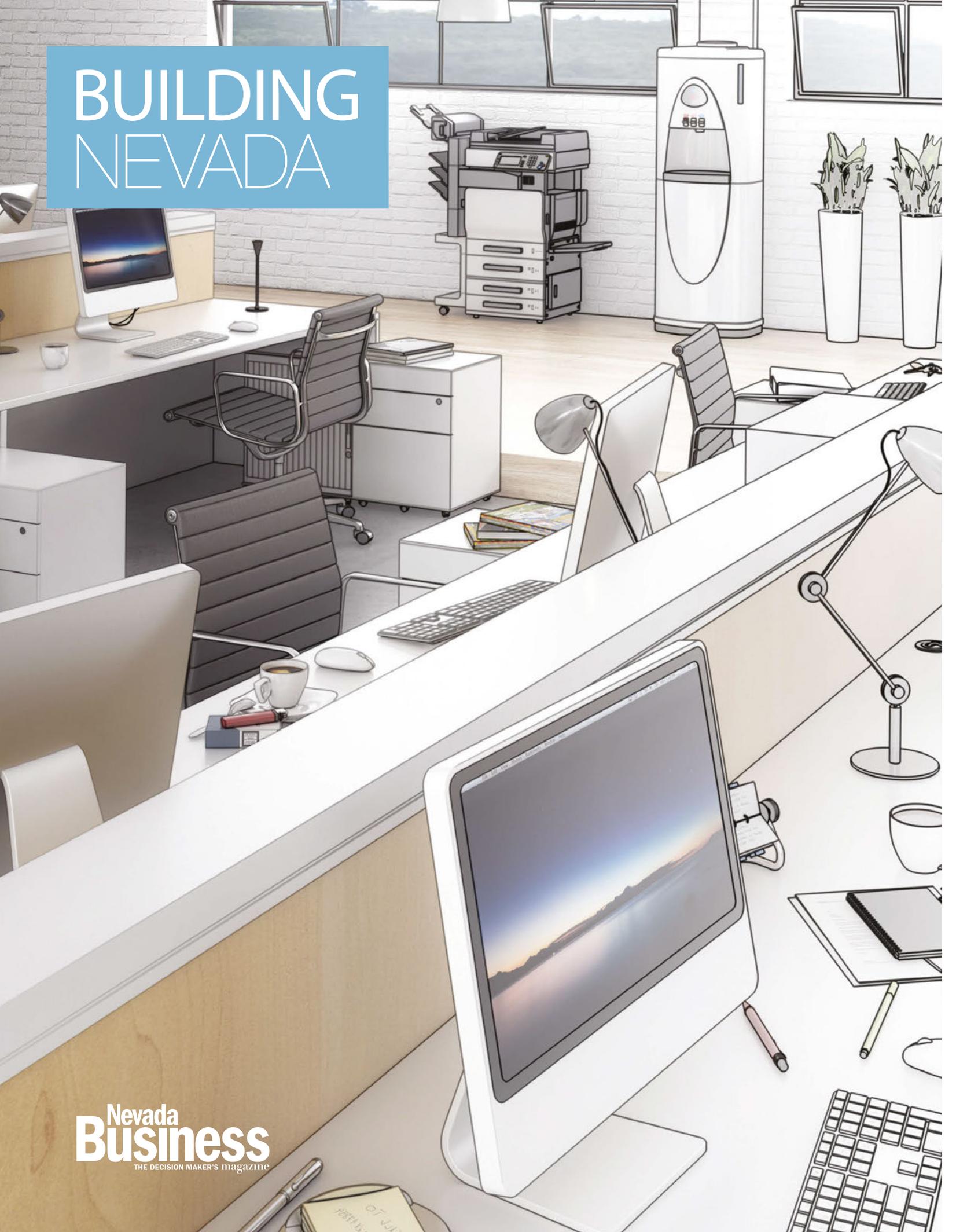
What is the best moment of your career?

Being hired by Alston as it has led to so many opportunities in life. It has determined so much of my path and has led to wonderful things.

What is your favorite thing about living in Nevada?

I love the open spaces that we have and the ability to ski, mountain bike, golf and boat; literally from my front door.

BUILDING NEVADA



BUSINESS ON THE MOVE

OFFICE MARKET IN NEVADA

By Jeanne Lauf Walpole

AS election jitters continue to dominate the news cycle, the status of the national economy appears to be just so-so in the minds of many business leaders. With only 38,000 jobs added in May, according to the latest U.S. Department of Labor statistics, the overall national employment situation is not as strong as most people would like. Having survived the steep highs and lows of the last decade, however, Nevada seems to be holding its own compared to some other areas of the country.

"The Nevada economy is doing fairly well, but the national economy seems to be going into a bit of a down cycle," said John Restrepo, principal at RGC Economics in Las Vegas. "I would describe the office market as moderately healthy and definitely better than a few

years ago. We have a long ways to go to return to normal though," he added.

Reflecting the slow and steady growth that the economy in the Silver State is experiencing now, the demand for commercial office space periodically puts pressure on available product.

"All of our locations are filling up. The demand is the general growth of Las Vegas," said Roland Sansone, president of Sansone Companies in Las Vegas. The 2016 first quarter *Las Vegas Speculative Office Survey* showed that 262,300 or 32 percent of all private payroll jobs in Clark County were office-related compared to 256,600 for first quarter 2015. Although that's not a huge movement, at least it's in the right direction for those who are invested in the office market.

Other figures for the Las Vegas Valley for Q1 2016, however, showed that additional space was added, vacancy rates rose slightly and monthly rates decreased a bit. New space totaling 15,788 square feet came into the market while the vacancy rate rose

from 18.4 percent in Q4 2015 to 18.7 percent. A desirable vacancy rate is around 10 percent, according to Restrepo, which would open the door to new construction. Average monthly asking rents dipped from \$1.97 per square foot to \$1.89. Statistics also indicate a net negative absorption of -130,802 square feet following positive absorption for the past 10 of 11 quarters.

Trends

Following the desire to create a pleasant work space for employees, increasing numbers of tenants are asking to upgrade their offices. "People want the class A look," Sansone said. Although some class B and C properties are struggling, growing pressure in the market



John
Restrepo
RGC Economics



Roland
Sansone
Sansone Companies

is expected to help them fill up. Tenant improvements have also gotten upscale and specific.

“We have to put in server rooms with heating and cooling and also a lot of glass. It’s not cheaper, but just a different look,” Sansone said. Some tenants also prefer a wide open look with taller ceilings and lots of collaborative space.

Promoting environmental awareness and sensitivity is also important, according to Restrepo. “We’re seeing larger users trend toward green buildings. They’re moving toward smaller offices with open areas. It ebbs back and forth, but, in general, seems to be going back to eco-friendly and traditional,” he said. The rule of thumb used to be 250 square feet per employee, but some buildings are now providing only 176 square feet.

In addition, parking ratios have changed, according to Hayim Mizrachi, president and principal at MDL Group in Las Vegas. “As companies put more people in offices, they require more parking. The parking ratio used to be between three and five spaces per thousand [square feet]. Today you need five or above,” he said. Mizrachi said his company has grown from 25 to 41 employees and is looking forward to moving into new space on South Jones Boulevard. “We’ve filled out our office space completely,” he said. The company decided to build because of a lack of options in the areas of town he preferred.

Leasing vs. Buying

With interest rates still relatively low, leasing to buy is becoming more popular, according to Sansone. Some potential tenants are pleased to discover that they can purchase a building for less than what their rent might cost.

“To buy or lease is a personal philosophy. It depends upon how much growth a business expects and how long-term the deal will be. Then, once you decide to own, you have to decide to do a build-to-suit or buy something existing,” Mizrachi said.

In 2015 the Southern Nevada market saw 48 office sales transactions with a total volume of \$384,632,411 which was one less sale than



Hayim
Mizrachi

MDL Group, Las Vegas

in 2014, according to the *Costar Office Report* for Q1 2016. Select top sales from January 2015 through March 2016 include the MGM Airport Corporate Center, The Oakey Building, VA Northwest Primary Care Clinic, City Centre Place, Cornerstone Office Park, Bank of America West, Commerce on the Green and the Acuity Financial Center.

Although tenants would like to have more new facilities to consider, the Southern Nevada market isn’t supporting that right now. “There are very few new developments because of the cost of land and construction,” Sansone said. About 261,000 square feet are under construction which includes Union Village, Tivoli Village-Phase 2, Pecos Springs Business Park expansion and the Park at Spanish Ridge. Planned projects include Centennial Hills Center Phase 1, Cimarron/Rafael Rivera, Seven Hills Plaza D, Stone Creek Professional Plaza, The Grid, The Square, University Gateway and Chronicle at Cadence for a total of 423,000 square feet.

Northern Nevada

Like Southern Nevada, the office market in the Reno-Sparks area shows slow, but steady growth. “It’s more of a landlord’s market, but only slightly. Every month there are fewer options for clients. We try to leave existing space for our client’s growth,” said Matt White, CEO of Basin Street Properties in Reno. “Concessions are being reduced and rents are continuing to increase. We need to get to the

point that will support new construction.” The demand is across the board and includes law firms, insurance, finance, environmental, tech companies and medical.

Melissa Molyneaux, executive managing director and senior vice president at Colliers Reno, said she’s optimistic about the economy in general. “The market is very active and busy, but the number of signed deals isn’t what we would like. Signed deals have been with existing tenants and we have a lot of lookers from out of state. The biggest trend is renewals and expansion. That’s a sign that the economy is going in the right direction,” she said.

The Reno-Sparks market posted a positive net absorption of 22,610 square feet for Q1 this year, making it the seventh quarter of positive absorption in a row, according to the *Reno Research & Forecast Report* provided by Colliers Reno. The vacancy rate stayed steady at 14.4 percent from the previous quarter and asking rents inched up slightly from \$1.42 to \$1.44. With a healthy absorption rate of 25,000 square feet, it would take about three years to hit an overall balance of 10 percent vacancy.

Although Tesla continues to dominate economic conversation in Northern Nevada, the jury is still out regarding what its full influence will eventually be. “The Tesla affect has had very little direct impact on the office market, but the psychological affect makes people feel good about the market. People are growing their businesses. There’s a lot of indirect impact that’s been great. Our economy is all psychological. When people don’t feel good about things they stop spending money,” White said. “We’ll probably see an economic slowdown in the next couple of years, but Northern Nevada will sail right through. I think Tesla will have more of a direct affect then.”

The Right Fit

In helping clients find the right home for their business, it’s important to understand their specific needs and preferences.

“The tech tenants I work with don’t like open space. They prefer private, dark space. They care about the culture though and place



Melissa
Molyneaux

Colliers Reno

a huge emphasis on employee satisfaction which helps retention,” Molyneaux explained. “They’re making the office representative of their company. If a company is from a big city they are more apt to go downtown.”

The bulk of her business, however, involves taking care of existing clients. “People are staying where they are. We had flight to quality during the recession, but it’s really hard for an existing client to move now,” she said.

One of the most positive elements of the market is the discussion and realization of new construction. “The most interesting thing is talk of a lot of development in areas that need it. Some people are looking to build,” Molyneaux said. Tanamera is constructing a 15,000-square-foot building on Longley Lane, the first new office building over 15,000 square feet since 2008. Other new development includes Corporate Pointe on South Virginia and McCarran, Rancharrah on Talbot Lane and West Elm located in the former historic post office in downtown Reno. Significant sales in Q1 this year include 590 Double Eagle Court, 9590 Prototype Court, 10 State Street and 63 Keystone Avenue. Colliers is anticipating that 2016 will be a banner year for office sales.

The Future

In looking to the future, White said he worries about predictions of rapid growth of as much as 50,000 people in five years. “Every aspect of the community needs to be prepared for an influx of new people. My concern is that we won’t do a good job of it,” he said. “50,000 people in five years scares me. I hope that’s wrong; 25,000 is better.” He is also concerned about how Northern Nevadans perceive themselves. “The problem with Northern Nevada is that it has a huge self-esteem issue. We’re an amazing place. It’s about becoming a more well-rounded community.”

Restrepo said that the successful diversification of Northern Nevada’s economy will serve it well into the future. The situation in the Las Vegas Valley is a little different, however. “We’re still largely concentrated in lodging and hospitality in Southern Nevada. It’s 30 percent



Matt White

Basin Street Properties

which hasn’t changed that dramatically. Gaming has always been a big part. That industry is also low wage,” he said. He supports a revised

tax structure, educational reform and a STEM (science, technology, engineering and mathematics) workforce to help boost the economy.

Molyneaux is most encouraged by the new development she sees going up in and around Reno. “We need to have new buildings. I see rental rates increasing and it would be nice to see small buildings for purchase. We need more product. Smart growth is good and it’s manageable,” she added. 



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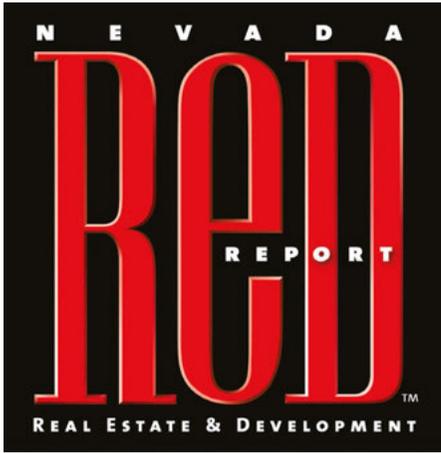
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E

Sale, Retail

ADDRESS 5061 E. Sahara Ave., 89142

BUYER JARM, LLC

SELLER East Sahara & Nellis, LLC

DETAILS 9,200 SF; \$2,550,000

APN 161-09-115-003

SELLER'S REP Nelson Tressler and Michael Zobrist of Newmark Grubb Knight Frank

H

Sale, Office

ADDRESS 139 E. Warm Springs Rd., 89015

BUYER Daniel J. Beumer

SELLER Foundation Executives Suites, LLC

DETAILS 6,300 SF; \$1.2 million

APN 177-09-113-017

SELLER'S REP Dean Willmore, SIOR and Chelsy Cardin of Colliers International

Sale, Retail

ADDRESS 445 S. Marks St., 89014

BUYER PKWY Management, LLC

SELLER Johnson Restaurant Partners

DETAILS 10,893 SF; \$2.3 million

APN 178-03-411-015

BUYER'S REP Jim Hill of ROI Commercial Real Estate

SELLER'S REP Chris Clifford and Steve Neiger of Colliers International

Loan, Industrial

ADDRESS 1191 Center Point Dr., 89074

LOAN OFFICER Kyle Nagy of CommCap Advisors

DETAILS Kyle Nagy of CommCap finalized a \$2,850,000 loan to borrower Center Point Business Park, LLC for a total of 48,250 square feet. The rate for the 10 year term 15 year amortization loan was below 4 percent.

N

Sale, Mixed-Use

ADDRESS 4315 N. Rancho Dr., 89130

BUYER Devineni Sharma Family Trust and Devineni Venkat TRS

SELLER Savant Investment Partners

DETAILS 8,456 SF; \$1,170,000

APN 138-02-712-005

SELLER'S REP Jordan Wirsz of Savant Commercial Real Estate

NW

Sale, Land

ADDRESS 1845 Village Center Cir., 89134

BUYER V Center, LLC

SELLER 1845 Village Center, LLC

DETAILS 27,443 SF; \$560,000

APN 138-19-721-006

SELLER'S REP Brian Fikes of Colliers International

Lease, Retail

ADDRESS 467 E. Silverado Ranch Blvd., 89138

TENANT Island Pacific Silverado dba Island Pacific Supermarket

LANDLORD Empress Group, LLC

DETAILS 14,643 SF; \$2,156,182 for 10 years

LANDLORD'S REP Nelson Tressler and Michael Zobrist of Newmark Grubb Knight Frank

S



3730 S. Las Vegas Blvd.

Project, Retail

ADDRESS 3730 S. Las Vegas Blvd., 89109

CONTRACTOR OF RECORD Forte Specialty Contractors

DETAILS Forte Specialty Contractors has completed construction on Carbone, an Italian-American restaurant located within the Aria Resort & Casino. The \$4 million 10,000-square-foot restaurant was completed three weeks ahead of schedule. The scope of work included the demolition of the existing restaurant, Sirio, and the tenant improvement build-out of Carbone which includes three separate New York subway-themed rooms.

Sale, Office

ADDRESS 151 E. Warm Springs Rd., 89119

BUYER 702/214, LLC

SELLER Pugsley Simpson Coulter Architects

DETAILS 6,000 SF; \$1,360,000

APN 177-09-113-016

BUYER'S REP Jerry Hagfeldt of MDL Group

Sale, Office

ADDRESS 280 Pilot Rd., 89119

BUYER American Homes 4 Rent

SELLER Ameriprise Financial

DETAILS 99,600 SF; \$20 million

APN 177-04-510-046

BUYER'S REP Joe Leavitt and Scott Donaghe of Avison Young

Sale, Retail

ADDRESS 2651 Westwood Dr., 89109

BUYER Reservoir 26, LLC

SELLER 2010-1 CRE NV-Industrial, LLC

DETAILS 22,540 SF; \$1,150,000

APN 162-09-102-006

BUYER'S REP David Makabi of Network Realty

SELLER'S REP Jackie Young and Liz Clare, CCIM of Avison Young

Sale, Multi-Family

ADDRESS 2555 Sherwood St., 89109

BUYER Urban Land of Nevada, LLC

SELLER 925 Trust

DETAILS 10 units; \$49,000 per unit

APN 162-10-113-004

SELLER'S REP Neil Dela Cruz and Oliver Kruaprasert of MDL Group

Lease, Retail

ADDRESS 6081 S. Eastern Ave., 89119

TENANT Peter Piper, Inc. dba Peter Piper Pizza

LANDLORD MCP Airport Center, LLC

DETAILS 9,613 SF; \$1,986,000 for 15 years

LANDLORD'S REP Nelson Tressler and Michael Zobrist of Newmark Grubb Knight Frank

SW

Sale, Office

ADDRESS 8064-8084 W. Sahara Ave., 89117

BUYER Sahara Plaza, LLC

SELLER R&R Plaza

DETAILS 54,394 SF; \$3.9 million

APN 163-04-812-001

BUYER'S REP Cathy Jones, CCIM, SIOR of Sun Commercial Real Estate

Sale, Retail

ADDRESS 6750 W. Sahara Ave., 89146

BUYER Count's Vamp'd

SELLER AJL Properties, LLC

DETAILS 6,769 SF; \$2,550,000

APN 163-02-415-012

SELLER'S REP Tina D. Taylor of Marcus & Millichap

Sale, Industrial

ADDRESS 5895 W. Wigwam Ave., 89139

BUYER Flip For Me Gymnastics, Inc.

SELLER MCA Wigwam, LLC

DETAILS 9,729 SF; \$1,167,480

APN 176-13-018

SELLER'S REP Dan Doherty, SIOR and Susan Borst CCIM, SIOR of Colliers International

Sale, Multi-Family

ADDRESS 2301 S. Valley View Blvd., 89102

BUYER 216 Spanish Oaks, LLC

SELLER Spanish Owner, LLC

DETAILS 216 units; \$65,162 per unit

APN 162-05-401-001

REP (Both) Art Carl and Patrick J. Sauter of NAI Vegas' Sauter Multifamily Group

Sale, Land

ADDRESS SWC of Fort Apache & Post Rd., 89148

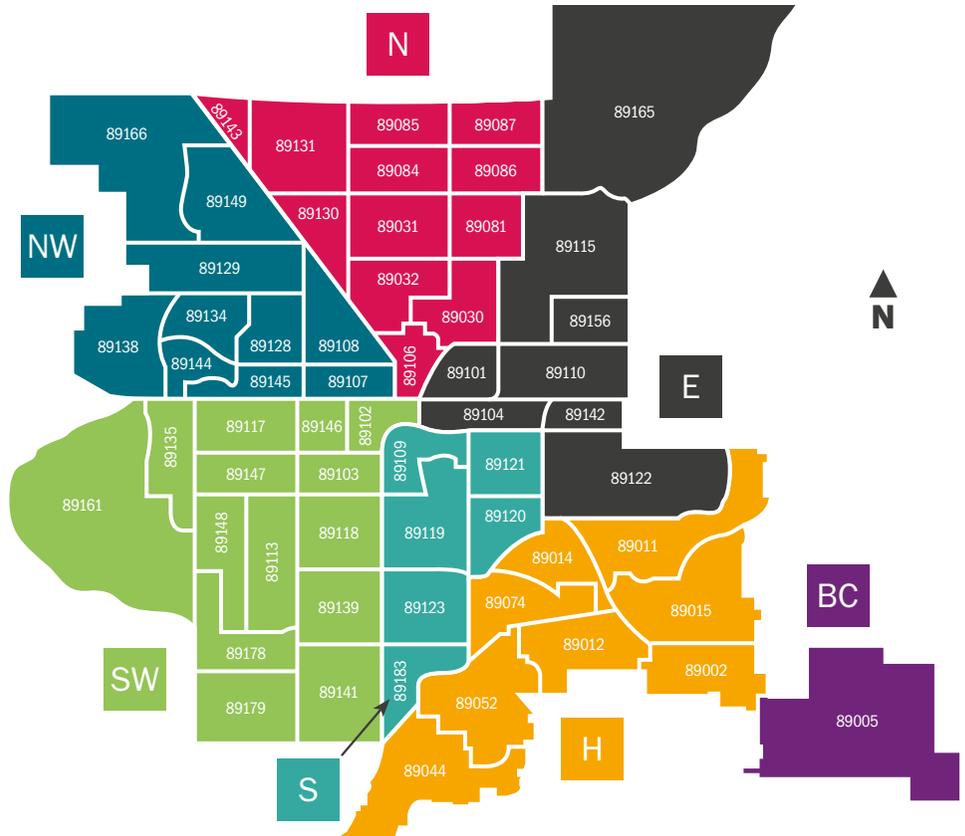
BUYER SW Ranch Apts Leasehold, LLC

SELLER Rhodes Ranch GP

DETAILS 43,560 SF; \$725,000

APN 163-31-801-026

SELLER'S REP Michael Boscia, CCIM of MDL Group



WC

Sale, Office

ADDRESS 9480 Double Diamond Pkwy., 89521

BUYER GBO Properties, LLC

SELLER EIG1, LLC

DETAILS 32,630 SF; \$4,575,000

APN 163-020-17

Sale, Office

ADDRESS 9855 Double R Blvd., 89521

BUYER Righetti Partners LP

SELLER Chilkur, LLC

DETAILS 12,661 SF; \$2,090,000

APN 163-061-03

Sale, Retail

ADDRESS 2000 Harvard Way, 89502

BUYER B33 Airport Square, LLC

SELLER 2000 Harvard Avenue Holdings, LLC

DETAILS 9,240 SF; \$15,250,000

APN 015-292-40

Sale, Industrial

ADDRESS 500 E. Glendale Ave., 89431

BUYER Shelly L. Palmer

SELLER TOF Sparks LLC

DETAILS 9,800 SF; \$754,600

APN 034-510-02

Sale, Industrial

ADDRESS 350 S. Rock Blvd., 89502

BUYER Harvest Family Fellowship

SELLER 350 S Rock Blvd, LLC

DETAILS 24,882 SF; \$200,000

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RETAIL SUMMARY

FIRST QUARTER 2016

SOUTHERN NEVADA

The Las Vegas Valley retail vacancy rate dropped 0.2 percentage points to 10.1 percent in Q1, 2016, a positive start to the year. At the end of Q1, Southern Nevada's vacancy rate was again lowest in power centers at 7.2 percent. Neighborhood and community centers were almost even with vacancy rates of 10.9 and 11 percent, respectively.

As of the end of Q1, developers started construction on another 72,000 square feet of anchored space, bringing the total amount of under-construction space to 282,000 square feet. The amount of planned space in Q1 is 658,000 square feet, an increase of 182,000 square feet from Q4 of last year.

Net absorption in Q1 was approximately 82,321 square feet. This level of absorption brought year-over-year absorption up to 213,968 square feet. Community centers accounted for most of the year-over-year absorption with 184,473 square feet. Neighborhood centers added 67,547 additional square feet of absorption, while power centers, the only submarket with negative year-over-year absorption, saw -38,052 square feet of total absorbed space in the Retail market.

The Las Vegas retail market's major concern when considering the future is the growth of e-commerce and online retail. Over the years, we have watched as major book and electronics stores closed up shop and, today, two major sporting goods chains are going out of business, partially the result of online shopping.

NORTHERN NEVADA

The first quarter of 2016 has been very active. The vacancy rate dropped by 0.02 percent over the last quarter of 2015. We are seeing a lot of activity in anchored shopping centers.

Kimco, one of the largest property owners of shopping centers has seen several of their spaces leased; many of the tenants are already in this market. The organization is looking to expand into other locations within the Reno/Sparks/Carson City market.

Rental rates have also increased slightly. With better locations being leased, landlords are finally able to negotiate slightly higher rents. Class B and C retail locations still have not seen an increase in rents. But with better locations being absorbed, Class B and C shopping centers should see some increases soon.

New retail construction is still non-existent. There has been some new retail sites close escrow, which will lead to some new construction on a smaller scale. Most new sites are working to pre-lease before any construction will start. New construction rates are expected to be from \$2.50 to \$3.50 per square foot.

Overall, expect the second quarter of 2016 to be just as active. There are some significant tenants looking to sign leases in the next few months. The most active retail use is still restaurant users. Second generation locations should begin to open back up with new, exciting restaurants, along with nationally-branded names. 🌿

RETAIL FIRST QUARTER

TOTAL MARKET	SOUTHERN	NORTHERN*
Total Square feet	44,262,684	32,688,333
Vacant Square Feet	4,469,102	3,506,540
Percent Vacant	10.1%	12.00%
New Construction	0	2,556
Net Absorption	82,321	48,175
Average Lease sf/mo (nnn)	\$0.94	\$13.91
Under Construction	282,000	0
Planned	658,000	0

POWER CENTERS

Total Square Feet	10,083,608	12,823,503
Vacant Square Feet	726,638	1,021,069
Percent Vacant	7.2%	7.96%
New Construction	0	2,556
Net Absorption	25,183	{11,895}
Average Lease SF/MO (NNN)	\$1.53	\$12.66
Under Construction	0	0
Planned	0	0

COMMUNITY CENTERS

Total Square Feet	18,703,226	3,085,143
Vacant Square Feet	2,052,739	515,440
Percent Vacant	11.0%	16.71%
New Construction	0	0
Net Absorption	16,054	15,508
Average Lease SF/MO (NNN)	\$0.81	\$10.79
Under Construction	152,000	0
Planned	119,000	0

NEIGHBORHOOD CENTERS

Total Square Feet	15,475,850	14,179,300
Vacant Square Feet	1,689,725	1,807,603
Percent Vacant	10.9%	12.75%
New Construction	0	0
Net Absorption	41,084	{43,753}
Average Lease SF/MO (NNN)	\$1.00	\$14.42
Under Construction	130,000	0
Planned	539,000	0

NEXT MONTH: INDUSTRIAL

ABBREVIATION KEY

MGFS: Modified Gross Full-Service

SF/MO: Square Foot Per Month

NNN: Net Net Net

* All numbers exclude regional malls

Southern Nevada analysis and statistics compiled by RCG Economics, Northern Nevada analysis and statistics compiled by Dickson Commercial Group.

The second estimate for U.S. real gross domestic product (GDP) for the first quarter of 2016 was revised upward from the first estimate of 0.5 to 0.8 percent annualized growth rate.

This revision mainly reflects upward adjustments in private inventory investment, residential fixed investment and exports and a downward adjustment in imports. The stronger dollar, cheaper oil and a weaker global economy all contributed to a slower U.S. domestic economy in the first quarter. U.S. nonfarm employment slowed dramatically in May, adding only 38,000 jobs. The unemployment rate dropped significantly to 4.7 percent due to a lower labor participation rate. Retail sales posted a 3.0 percent year-over-year growth, while auto and truck sales increased 3.7 percent from April 2015. Housing starts decreased by 1.7 percent compared to last year, but increased by 6.6 percent since last month.

The Nevada economy continued to post positive gains in economic activity. The seasonally adjusted unemployment rate remained unchanged at 5.8 percent from March to April, but fell by 1.1 percent from its level of 6.9 percent a year ago. Although gaming revenue decreased by 2.4 percent from last year, taxable sales, gasoline sales, and total air passengers all increased by 3.1, 1.4, and 3.2 percent, respectively, from last year.

The most recent data on the Clark County economy provides more positive than negative signals about the economy. Although seasonally adjusted employment lost 100 jobs from March to April, it added 23,600 jobs from April 2015. Total McCarran passengers and visitor volume fell from March to April by 4.0 and 4.9 percent, respectively, but rose 3.4 and 0.6 percent, respectively, on a year-over-year basis. Gaming revenue in April fell by 5.5 and 3.9 percent on a month-over-month and year-over-year basis, respectively. Residential housing permits rose by 26.5 and 59.5 percent from last month and last year, respectively. Visitor volume experienced a yearly gain of 0.6 percent but a monthly loss of 4.9 percent.

Washoe County experienced somewhat better economic conditions than Clark County. The Reno-Sparks seasonally adjusted employment gained 1,300 jobs for the month and 9,200 jobs for the year. Moreover, the unemployment rate dropped to 5.4 percent in April from 6.5 percent last year. Taxable sales and gaming revenue increased strongly by 9.5 and 3.7 percent on a month-over-month basis and by 5.9 and 15.5 percent on a year-over-year basis, respectively. Visitor volume increased year over-year by 8.0 percent and decreased month over-month by 3.7 percent. Residential housing permits fell significantly by 19.7 and 11.8 percent from last month and last year, respectively.

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The views expressed are those of the authors and do not necessarily represent those of the University of Nevada, Las Vegas or the Nevada System of Higher Education.

NEVADA

	DATE	UNITS	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT	YEAR AGO	
Employment	2016M04	000s, SA	1283.1	1282.7	1250.2	0.0%	2.6%	Up Over Year Ago
Unemployment Rate*	2016M04	%, SA	5.8	5.8	6.9	0.0%	-1.1%	Down From Year Ago
Taxable Sales	2016M03	\$billion	4.691	4.027	4.549	16.5%	3.1%	Up Strongly
Gaming Revenue	2016M04	\$million	876.07	922.34	897.97	-5.0%	-2.4%	Down From Year Ago
Passengers	2016M04	million persons	4.209	4.410	4.079	-4.6%	3.2%	Up Over Year Ago
Gasoline Sales	2016M03	million gallons	99.00	90.95	97.63	8.9%	1.4%	Up Over Year Ago

CLARK COUNTY

Employment	2016M04	000s, SA	934.7	934.8	911.1	-0.0%	2.6%	Up Over Year Ago
Unemployment Rate*	2016M04	%, Smoothed SA	6.2	5.9	7.0	0.3%	-0.8%	Recent Increase
Taxable Sales	2016M03	\$billion	3.508	3.005	3.411	16.7%	2.8%	Up Over Year Ago
Gaming Revenue	2016M04	\$million	752.82	796.77	783.28	-5.5%	-3.9%	Down From Year Ago
Residential Permits	2016M04	units permitted	1254	991	786	26.5%	59.5%	Up Over Year Ago
Commercial Permits	2016M04	permits	32	33	29	-3.0%	10.3%	Low and Volatile
Passengers	2016M04	million persons	3.912	4.074	3.785	-4.0%	3.4%	Up Over Year Ago
Gasoline Sales	2016M03	million gallons	68.91	63.51	67.82	8.5%	1.6%	Up Over Year Ago
Visitor Volume	2016M04	million persons	3.841	4.040	3.816	-4.9%	0.6%	Up Over Year Ago

WASHOE COUNTY

Employment **	2016M04	000s, SA	217.6	216.3	208.4	0.6%	4.4%	Up Over Year Ago
Unemployment Rate*	2016M04	%, Smoothed SA	5.4	5.2	6.5	0.2%	-1.1%	Recent Increase
Taxable Sales	2016M03	\$billion	0.646	0.590	0.610	9.5%	5.9%	Up Strongly
Gaming Revenue	2016M04	\$million	66.25	63.87	57.37	3.7%	15.5%	Up Strongly
Residential Permits	2016M04	units permitted	253	315	287	-19.7%	-11.8%	Strong decrease
Commercial Permits	2016M04	permits	21	30	21	-30.0%	0.0%	Low and Volatile
Passengers	2016M04	million persons	0.274	0.312	0.257	-12.3%	6.6%	Up Over Year Ago
Gasoline Sales	2016M03	million gallons	13.81	13.38	14.22	3.2%	-2.9%	Down From Year Ago
Visitor Volume	2016M04	million persons	0.394	0.409	0.364	-3.7%	8.0%	Up Over Year Ago

UNITED STATES

Employment	2016M05	million, SA	143,894	143,856	141,496	0.0%	1.7%	Up Over Year Ago
Unemployment Rate	2016M05	%, SA	4.7	5.0	5.5	-0.3%	-0.8%	Recent decrease
Consumer Price Index	2016M04	82-84=100, SA	238.9	237.9	236.2	0.4%	1.1%	Up Over Year Ago
Core CPI	2016M04	82-84=100, SA	246.6	246.1	241.4	0.2%	2.1%	Up Over Year Ago
Employment Cost Index	2016Q1	05.12=100, SA	125.2	124.3	122.6	0.7%	2.1%	Up Over Year Ago
Productivity Index	2016Q1	2009=100, SA	105.8	106.1	105.1	-0.3%	0.7%	Up Over Year Ago
Retail Sales Growth	2016M04	\$billion, SA	453.4	447.8	440.2	1.3%	3.0%	Up Over Year Ago
Auto and Truck Sales	2016M04	million, SA	17.32	16.46	16.70	5.2%	3.7%	Up Over Year Ago
Housing Starts	2016M04	million, SA	1.172	1.099	1.192	6.6%	-1.7%	Down From Year Ago
Real GDP Growth***	2016Q1	2009\$billion, SA	16505.1	16470.6	16177.3	0.8%	2.0%	Weak Growth
U.S. Dollar	2016M05	97.01=100	120.712	119.528	114.196	1.0%	5.7%	Up Over Year Ago
Trade Balance	2016M04	\$billion, SA	-37.436	-35.536	-40.885	5.3%	-8.4%	Year-Over-Year Deficit Decrease
S and P 500	2016M05	monthly close	2052.32	2,065.30	2107.39	-0.6%	-2.6%	Down From Year Ago
Real Short-term Rates*	2016M04	%, NSA	-2.57	-2.41	-2.58	-0.2%	0.0%	Recent decrease
Treasury Yield Spread	2016M05	%, NSA	1.53	1.58	2.18	-0.05%	-0.7%	Down From Year Ago

*Growth data represent change in the percentage rate, **Reflects the Reno-Sparks MSA which includes Washoe and Storey Counties, ***Recent growth is an annualized rate
Sources: Nevada Department of Taxation; Nevada Department of Employment, Training, and Rehabilitation; UNR Bureau of Business and Economic Research; UNLV Center for Business and Economic Research; McCarran International Airport; Reno/Tahoe International Airport; Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority; U.S. Department of Commerce; U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Federal Reserve System.

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

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Emerlinda Castillejo | Vice President Nevada Community Affairs Officer Wells Fargo Government and Community Relations

“There are many great things to be proud of as an American but for me, it is other Americans. With all of our different opinions, there is a common spirit in America that still values life, liberty and the pursuit of happiness.”

John Cannito | Chief Operation Officer The Penta Building Group



What makes you proud to be an American?



Dave Olesczuk | Owner Fit Body Boot Camp - The Lakes

“The ‘American Dream’ is not a phrase, it is truly a place where anything is possible. We live in a country where you can truly do anything you want to do.”



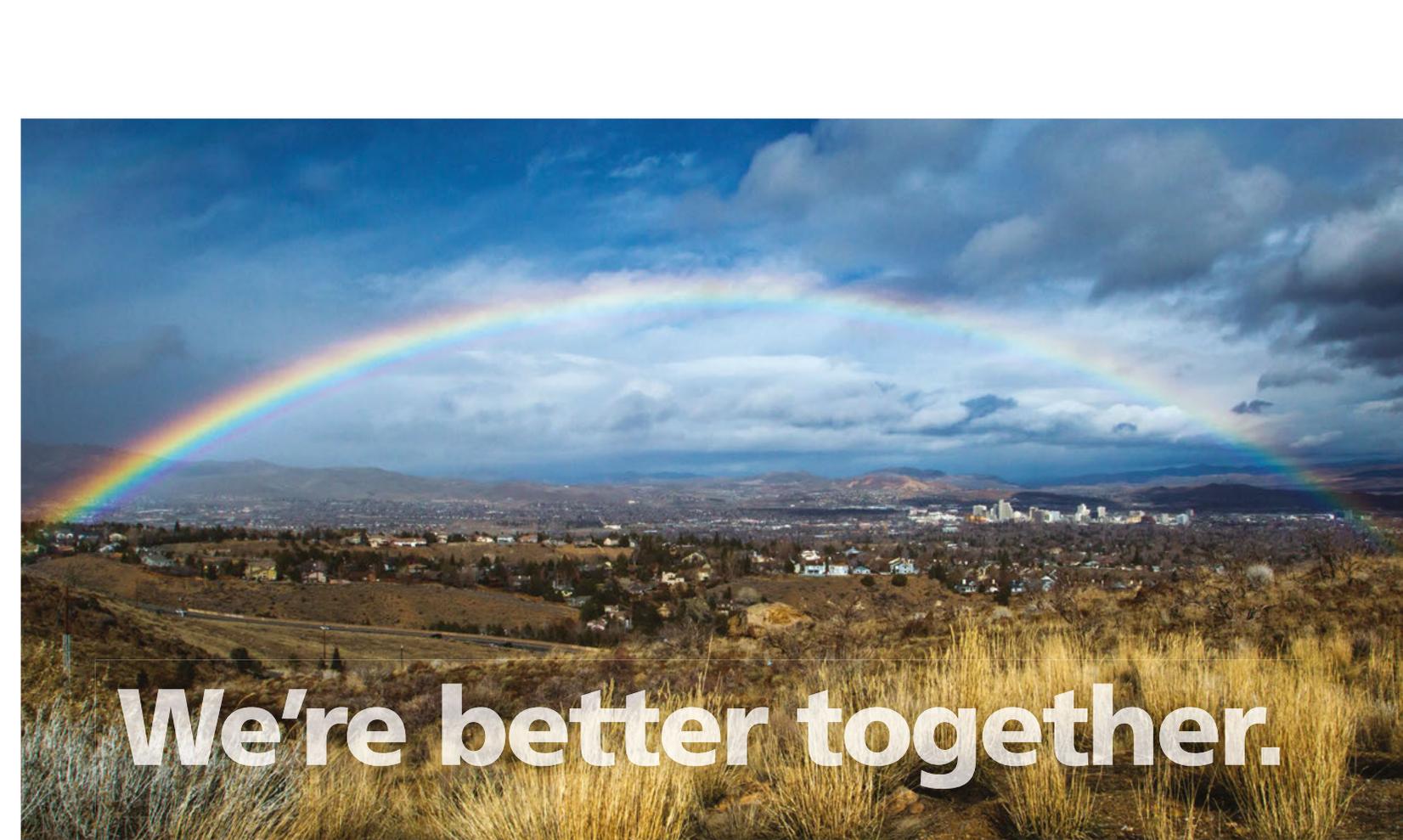
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