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# Nevada BUSINESS JOURNAL

*Nevada's Only Statewide Business Magazine*

## **MARDIAN CONSTRUCTION**

*Enjoying a banner year*

## **NEVADA: A BUILDER'S DREAM**

## **GENERAL CONTRACTORS**

*Our annual survey  
and ranking*

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The Nevada Business Journal is listed in Standard Rates & Data, #20A-Business-Metro, State & Regional. Advertisers should contact Chuck Dandy at (702) 735-7003, or write to: The Nevada Business Journal, First Interstate Tower, Suite 120, 3800 Howard Hughes Pkwy, Las Vegas, Nevada 89109. Demographic information is available upon request. Circulation may vary from month to month.

The Nevada Business Journal corporate offices are located in the First Interstate Tower, Suite 120, 3800 Howard Hughes Pkwy, Las Vegas, Nevada 89109. NBJ is published bi-monthly, bulk postage paid. Subscription rate is \$27.00 per year. Newsstand price is \$2.25 and special order single copy price \$4.00.

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**CHANGE OF ADDRESS:** Please send previous address or mailing label & new address. Allow six weeks.

**EDITORIAL SUBMISSIONS:** Address all submissions to the attention of Chuck Dandy. Unsolicited manuscripts must be accompanied by a self-addressed stamped envelope. NBJ assumes no responsibility for unsolicited materials.

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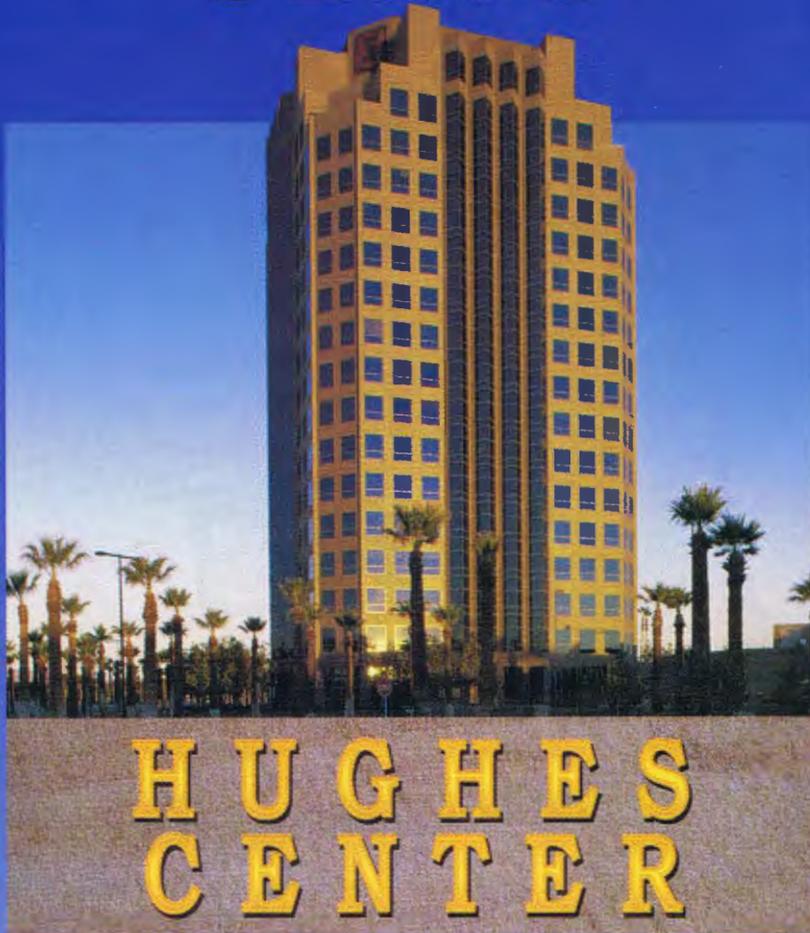
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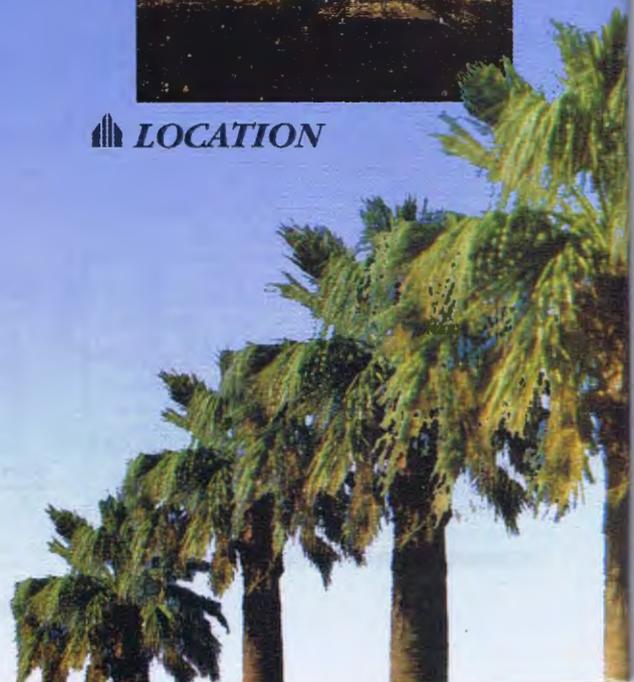
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On the cover: Mardian Construction completed the Sands Expo Convention Center last year, ahead of an already compressed construction schedule.

Photo by Ian Vaughan

# A BUILDER'S DREAM

by Kristi Goodwin



At a time when the word “growth” triggers a shudder response in most populace metropolitan areas, the state of Nevada has reason to be proud – because the word “growth” in Nevada walks *hand-in-hand* with the word “responsibility”.

*Responsible growth is the key to what makes Nevada an attractive place to live, and why high profile businesses and manufacturing industries continue to migrate from other large metropolises to our state. Our attractive tax base, still mainly served by the gaming industry, has enticed major corporations, research facilities, industrial warehouse industries over the past few years to locate here.*

Instead of falling into the self-generated energy and pollution debacles of other states, Nevada is setting the pace for the future with projects that will not only bring together the finest scientific minds in the world, but will answer the questions and establish policy on how best to manage and control the planet's environment: master-planned communities with all elements working synergistically to the whole; agencies who watchdog one another, and come to resolutions for the interests of Nevadans; community services; and networks providing information and answers to a growing population.

Nevada is an exciting place to be, and exciting times are definitely afoot. Nevada natives may take all of the above in stride. After all, if Nevada weren't so great, they would have left a long time

ago. But for expatriates of other cities who come to Nevada, the level of community awareness and interaction is stunning, impressive and challenging.

A few short years ago, everyone thought you came to Nevada to visit, throw away a portion of your disposable income and leave until your next vacation. Because of this perception, major businesses refused to take our state seriously as a possible base of operation. That left a major public relations coup to be accomplished. Who would take on this mission impossible, and turn these corporations around?

## **THE NDA**

Overcoming a negative image was only part of the job for the Nevada Development Authority. NDA President Dennis Stein led the agency in transcending the previous perceptions of Las Vegas, specifically, and of Nevada in general. Following that mega leap, his agency encountered the Desert Tortoise issue. Construction lost momentum temporarily until the issue was successfully resolved. Next came the corporate tax initiative – a tax measure that threatened growth and diversification in the state. The initiative was successfully defeated last fall when it failed to win voter approval.

Despite the defeat of the corporate tax initiative, the majority of Nevadans agree new forms of revenue are needed to provide services for the influx of people and businesses moving to the state. Most new-business advocates in the construction industry are hoping to see new tax measures in the form of an additional sales tax or an increased developed property tax. One such person is Tom Schoeman of JMA Architects and Engineers, a leading architectural design firm. "I'm very disappointed in B.A.T. (Governor Miller's proposed 'business activity tax' designed to assess businesses an annual activity fee and/or levy taxes according a percentage

of gross payroll). It works against efforts to diversify the state's economy." Stein himself sees the influx of new businesses temporarily stilted, since a swing toward a payroll tax would be crippling to certain types of businesses. Companies with high numbers of upper level management, or "brain rich" high tech industries and research firms, could be buying trouble if a payroll tax takes hold. Nevertheless, the "wait and see" climate currently hovering over Nevada's construction industry is expected to turn around once the tax issue is settled, and the economy rebounds.

Meanwhile, Stein sees the construction industry focusing on existing contracts for warehouse and light manufacturing facilities, and other build-to-suits with prior "will serve" water contracts in place. In addition, infrastructure improvement is seen as another source of labor for the construction industry.

Even though housing sales and starts dipped somewhat with the recessionary tide, forecasts for the near term look much more promising in Nevada than many other parts of the country.

In spite of the good news, Stein forecasts some inclement weather with regard to the water rights issue. Although current water needs are being met, and there's no present water shortage, future demand levels must be anticipated. For Southern Nevada, this has meant the Las Vegas Valley Water District has withdrawn promises of water to nonactive development projects, and is refusing to issue any new ones until the contract with the Bureau of Reclamation is signed and in place.

Even then, a regional water board will have to be established, and an environmental impact assessment done before any new water permits are issued.

Dr. Littell of the Las Vegas Valley Water District explained, "Although the Cooperative Water Project has been in motion since 1989, and we have 200,000 acre feet of water filed on and in storage,

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we have no pipelines in which to carry it. This will involve a conduit to be constructed through four counties in order to reach Clark County." Current water supplies are predicted to last through 2006 — the not too distant future.

Leaders in the construction industry are dubious about the consistency of efforts being made to secure a stable, uninterrupted source of water. Summerlin President Mark Fine has voiced such concern. "We're alarmed at the uncertainty." Development of his Summerlin project is advancing nicely at this point. But in five to 10 years, Fine sees that there could be a problem. "Literally and figuratively 'is the glass half empty or half full.' We prefer to think positively, and say the glass is half full." Regardless, Summerlin is surging ahead and the first phase will be completed by year's end.

Although the Water District seems to have the first stages of the process in motion, there are those in the construction industry and the business community itself, who feel the Water District has not correctly handled the media's perception of the situation. Rather than gearing attention toward measures in progress, many feel the focus has been on current denials to water access for new builders. This has had a deleterious effect on firms looking to Nevada as a future base of operation.

Since Southern Nevada will continue to be the fastest growing sector of the state, it's important to the existing community to maintain its homogeneous image and accommodating climate for business. If the perception is that we can't facilitate new growth, our economy will once again become dependent upon the gaming industry as the primary source of employment for the increasing number of new residents who arrive every month. Hence, the importance of keeping an even flow of diversified companies coming into Nevada, and resolving the water issue satisfactorily in the media. Until the Water

District reformulates its public relations stance, Stein and his staff will have to finesse the situation and be responsible for evening up the picture of the current development climate in Southern Nevada.

## FACE OF NEVADA

Speaking of current development, there is much to recommend Nevada as a state of noteworthy design-and-build teams, subcontractors and development firms.

Nearly everywhere you look, you see construction harmonious to the Southwestern region. Of course, the northern climes of the state are a little less desert-oriented. But the clean lines and sententious quality of most constructions define the best of Southwestern architecture.

One such outstanding design is the Marbeya Center. While it was developed by Investment Equity Corporation, it has received an admiring glance from more than one developer. Schoeman of JMA Architects and Engineers stated projects such as Marbeya will continue to improve the state's architecture. Those types of buildings respond favorably to the environment. And, with the trend of builders toward asset management as opposed to speculative development, there's a more long-term vision utilized in designing and constructing new properties.

For the next few years, Schoeman sees tourism-related construction boom slowing. However, with the increase in population, he sees a need for catching up on public service facilities. Universities, hospitals, cultural, health and detention facilities will continue to be in demand, and will be built according to need. Light industrial construction, such as JMA's Hughes Airport Center, will also be on many contractors' project books.

Northern Nevada also boasts some outstanding construction and design-build firms. Krump Construction has recently finished work on the Clarion Hotel Ca-



sino in Reno. Located adjacent to the Reno-Sparks Convention Center, the Clarion will provide additional rooms for the growing number of conventions drawn to the Northern Nevada area.

Diversity seems to be a specialty of Krump Construction. Their design-build projects in the last year included a medical office building and parking structure, a bindery, several manufacturing facilities and a motor lodge renovation. Building activity even included a sake plant in Sacramento. According to Tom Miller, manager of business, their vision of the future encompasses a slight slowdown in the manufacturing and industrial sectors. By the beginning of '92, the market will once again be strong in these areas.

Clark & Sullivan, another Northern Nevada firm, is finishing construction on the Supreme Court Building in Carson City. The new \$22 million structure is located next to the State Capitol building, and is stunning in proportion and style.

According to Clark & Sullivan co-owner Tom Sullivan, private monies dried up in northern Nevada at year-end 1990. But with the end of the Gulf crisis, the "well is flowing again."

Since 60 percent of their business is in the public sector, Clark & Sullivan was not too adversely affected. And Sullivan feels, in another six months, the private sector will even out. He anticipates that Northern Nevada will maintain stable levels of building activity, with commercial and industrial facilities comprising 60 percent of new construction.

Asked if there were any other projects he wanted to laud, Sullivan conveyed overwhelming pride in his community for its support of and contributions to higher education. "The engineering building on the campus of University of Nevada-Reno was built with matching funds raised by students and adults alike. The project required them to raise \$1 million; they managed to raise \$1.8 million."

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Broadway Stores	Los Angeles Dept. of Water & Power	Southwest Gas Corporation
Carter, Hawley and Hale Stores	Los Angeles International Airport	Sperry
Clark County, Nevada	Lucerne Milk	Standard Oil
Coca-Cola	Lutheran Hospitals and Homes	State Farm Mutual Insurance
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Dayton-Hudson	McCulloch Properties	Texaco Oil
Delta Airlines	McKesson, Inc.	Tidewater Oil
Digital Equipment	McLane Company, Inc.	Tobishima Development
Eaton-Kenway	Medtronic-MicroRel	Transworld Airlines
El Paso Natural Gas	Mesa Lutheran Hospital	Tropicana Resort Hotel & Casino
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## HOME SWEET HOMES

As with recent interior trends, quality has become a main criterion in buying a home. Prospective home owners have become more sophisticated and discerning when making their purchasing decisions. Many of Nevada's major homebuilders, recognize and address the market demand for quality. On the other hand, developers also acknowledge the potential danger in overbuilding during a recession.

According to Robert Lewis of Lewis Homes, basic new home sales levels have stayed about the same. "The trick to managing in recessionary times is to not overbuild, leaving excess inventory."

Dwayne Cerniglia, vice president of operations for Durable Homes, feels strongly that the market will stay stable for single family product, as long as land prices and lending costs don't soar. Cerniglia also predicts continued growth from tourism-related industries. Even though the building market for the retirement community continues to grow, Cerniglia sees the market not yet fully tapped.

## FUTURE WAVES

The one recurrent theme encountered in Nevada's construction community is that of "self-containment." Whether it's a master-planned community or a state-of-the-art office complex, in terms of community orientation and planning, current projects feature a freshly imposed, all encompassing self-sufficiency. Even single-family homes have become microcosms of community living with their efficiency-driven use of space. Home appointments now include former luxury items, bonus rooms and extended living areas, as well as options for creating home entertainment centers replete with hidden screens. The message seems to be: "Time out, let's re-evaluate, get more in control and take it easier this decade."

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Current construction trends reflect that growing mentality. Specifically, three projects were particularly representative of this window on the future.

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According to Mark Fine, Summa's man in charge of Summerlin, there's been a substantial amount of activity since the first of the year. Eleven builders have closed on property since the start of 1990. Six model compounds are now open, 11 will be completed by the end of the year.

In addition to the schools and parks being put in place, Fine is especially proud of the tournament golf course now under construction. The PGA Open will be held there in October of 1992 - a first for Southern Nevada.

Commercial and office buildings will also be included in the Summerlin development. The community's dynamics are unique in its carefully orchestrated blend of retired persons and families of upper and middle incomes.

## DREAMSCAPE

The future holds exciting frontiers for Nevada as the construction industry addresses current needs, while keeping in sight the demands and problems of tomorrow. We all rely on our master builders to construct the path we take into the future.

*Kristi Goodwin is a former script writer for various film studios, as well as television, cable and broadcasting companies. She is based in Las Vegas.*

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NEVADA BUSINESS JOURNAL'S Survey and Ranking of  
**GENERAL CONTRACTORS**

Recession or not, the construction industry in Nevada continues to flourish. Our second annual ranking of general contractors has once again received an enthusiastic response, and covers a broad spectrum of companies from the Las Vegas and Reno chapters of the Associated General Contractors. Last year's top ranked firm, the 4,700-employee strong Reynolds Electrical and Engineering Co. is back on top of the survey, and is joined by several newcomers, from Mirage and Rio Hotel builder Marnell Corrao to the two-man mining excavation company headed by John Uhalde.

Ranking in our survey is done on the basis of total number of employees. EG&G-owned Reynolds remains on top, primarily as a result of its extensive work with the U.S. Department of Energy. Sundt Corp., at number two (up from number three last year), is an Arizona-based firm with projects in eleven states, the Philippines and Saudi Arabia. Third-ranked Mardian Construction, the company that built the Sands Convention

Center and the Flamingo Hotel in Laughlin, makes its first reply.

With the exception of a number of new entries, the rankings in this year's survey are remarkably similar to those of last year. The most dramatic move was made by Reno-based Krump Construction, Inc. from 14th to 12th, as a result of nearly doubling their employees. Among the newcomers: Frehner Construction Co., Inc. (5), FKC Inc. (13), and Carson Construction (14).

Only those firms who are members of AGC in Nevada were asked to respond. *Nevada Business Journal* wishes to thank the Northern and Southern Nevada chapters for their help in furnishing information for this ranking.

NOTE: Our poll was designed as an informal survey whose information was provided voluntarily by respondees. Additionally, because of normal fluctuations in the construction industry, the number of employees on a company's payroll can vary from month to month.



COMPANY/ADDRESS	NO. EMPLOYEES	SPECIALTIES	THREE CURRENT/RECENT MAJOR PROJECTS
Reynolds Elect & Engineering Co. P.O. Box 98521 Las Vegas, NV 89193-8521	4,700	See current projects	Construction, underground excavation and drilling for U.S. Department of Energy
Sundt Corporation P.O. Box 26685 Tucson, AZ 85726	2,000	General building; heavy, highway and industrial construction; concrete forming	Maricopa Cnty Program Mgmt, AZ; Embassy Suites, S. Lk. Tahoe, CA; U.S. Army Housing, Fort Drum, NY
Mardian Construction Company 3800 Howard Hughes Pkwy, #680 Las Vegas, NV 89109	1,163	General contractor and construction management	McCarran Intl. Airport/Intl. Terminal; Sands Convention Ctr, LV; AmericaWest Arena, Phoenix
Q & D Construction, Inc. P.O. Box 10865 Reno, NV 89510	250	Design, general construction, general engineering, development, custom architectural	NV Health Services Prof Bldg, Reno; Great Basin Env. Res. Lab. Reno; Ambulatory Care Center, Reno
Frehner Construction Co. Inc. 124 West Brooks North Las Vegas, NV 89030	225	Heavy highway construction, crushing, grading, excavation	Tropicana interchange, I-15; bridges over U.S. 95 at Lake Mead, Smoke Ranch, Vegas Drive and Alexander

COMPANY/ADDRESS	NO. EMPLOYEES	SPECIALTIES	THREE CURRENT/RECENT MAJOR PROJECTS
Sletten Construction of NV, Inc. 5825 S. Polaris Las Vegas, NV 89118	200	Concrete, tilt-up, structural steel, cast in place	Nine schools; TJ Maxx Distribution Center; Las Vegas Paving Corp. office
J.A. Tiberti Construction Co., Inc. 1806 Industrial Las Vegas, NV 89102	190	Concrete contractors	LV Convention Ctr. expansion; Palace Station highrise, LV; Bally Manufacturing facility, LV
Marnell Corrao Associates, Inc. 4495 S. Polaris Las Vegas, NV 89103	175	Design, general construction, interior design	Mirage Hotel-Casino lowrise; Excalibur Hotel-Casino; Rio Resort Hotel-Casino; Caesars Palace expansion
Weyher Brothers Company 2245-A Renaissance Drive Las Vegas, NV 89119	175	Industrial construction	EG&G Advance Tech Lab, LV; Mackay Museum, Reno; EG&G High Intensity Source Lab, LV
Ruby Dome, Inc. 2211 North Fifth Elko, NV 89801	150	Heavy earthworks, contract mining, aggregate prod., heavy hauling, underground utilities	Atlas Gold Bar Mine, Eureka; Newmont-Mill 4 tailings facility, Carlin; Glamis-Alto Mine, Copperopolis, CA
Clark & Sullivan Constructors P.O. 7100 Reno, NV 89510	120	General contractor for commercial, warehousing, public works, office bldgs & hotel/casinos	Supreme Court building; UNR engineering building; Nine grammar schools
Martin-Harris Construction 1900 Western Las Vegas, NV 89102	120	Offices, warehousing, single-user buildings	Park Flamingo East; Green Valley Athletic Club; 10 schools for Clark County
Krump Construction, Inc. P.O. Box 7357 Reno, NV 89510	100	Design and build manufacturing and industrial projects	R.R. Donnelley Addn.; Orange Tree Commercial Center; Clarion Hotel-Casino
FKG Inc. P.O. Box 90729 Henderson, NV 89009	60	General engineering contractor	Green Valley Pkwy, LV; Wigwam Pkwy, LV; Green Valley infrastructure, LV
Carson Construction 4330 W. Desert Inn Rd. Las Vegas, NV 89102	60	Industrial and commercial general contracting, construction mgmt and design building	Desert Research Institute, LV; Kidd Marshmallow, LV; Letica Plastics, LV
Al Shankle Construction Co. 2245 Meridian Blvd. #A Minden, NV 89423	46	General contracting, full-service construction	Pepsi-Cola Bottling Plant, Riverside, CA; Almeria Mid. School, Fontana, CA; The Ironwood Ctr, Minden, NV
M.J. Gibson Inc. 1914 So. Highland Las Vegas, NV 89102	45	Design/build, constr. mgmt, shopping centers, fast food, service stations, industrial	Five Lucky supermarkets; Four Sizzler's restaurants; Von's supermarkets

COMPANY/ADDRESS	NO. EMPLOYEES	SPECIALTIES	THREE CURRENT/RECENT MAJOR PROJECTS
Denny Frook Construction 1455 Demingway, #11 Sparks, NV 89431	30	Commercial, industrial	Air Tanker Dispatch Center; Sun Chemical (Ink Mfg.); Valley Bank Operation Center
Affordable Concepts, Inc. 1511 West Oakey Las Vegas, NV 89102	27	Tenant improvements, metal buildings, new commercial construction	Renovate Cameron Apts for FDIC; Medical center for Industrial Medical Center
Jack N. Tedford, Inc. 235 E. Williams Ave. Fallon, NV 89406	25	Asphalt paving, crack filling, slurry-seal, all phases of road construction	Fallon Naval Air Station taxiway repairs and 7125 runway; Churchill County road improvements
Nevada Builders, Inc. 1524 Pittman Av. Sparks, NV 89431	20	Public works projects	Reno/Sparks Convention Center; B.D. Billingham Middle School
Benedict Contractors 1433 S. Commerce Las Vegas, NV 89102	15	General contracting, industrial, commercial	Nevada Power Clark Stn. welding shop; City Hall expansion, LV; ATS expansion McCarran Int'l Airport
Trident Construction Corp. 4625 Wynn Rd. Las Vegas, NV 89103	15	Custom cabinets, mill work, finish work	Elks Lodge renovation, LV; Museum of Natural History, LV; Clark County Fire Training Center
JD Jensen Construction 500 Soda Lake Rd. Fallon, NV 89406	15	General contracting, structural concrete	Langtree Square, Gardnerville; The Studio, Carson City; Arborwood Apts, Fallon
Fettig Construction 1290 Gentry Way, Ste 100 Reno, NV 89502	14	Commercial remodel and tenant improvements	Washoe Medical Emergency Services; Reno Housing Authority; Essex Tile Renovation
Precision Construction, Inc. 2319 Western Ave., #A Las Vegas, NV 89102	14	Interior and exterior renovations	Deluca Distributors, LV; R.H. Macy's; Nadine Ford Developmental Center
Lifestyle Homes Inc. Box 7821 Incline Village, NV 89450	12	Home builder	Silverlake subdivision
West Coast Contractors of NV, Inc. P.O. Box 70625 Reno, NV 89570	10	Government work, complex remodels	Mtn. View Elem. School, Elko; Surgery Alterations at Elko Gen. Hosp.; Supply Warehouse, Fallon NAS
John Uhalde 1975 Palisade Dr. Reno, NV 89509	2	Mining pads, excavation	Placer mining; barite and placer



*3763 Howard Hughes Parkway project at Hughes Center*

## MARDIAN CONSTRUCTION: ENJOYING THE FRUITS OF A BANNER YEAR

**F**or Mardian Construction, 1990 was a year of record revenues and profits as a result of the company's unprecedented activity in Nevada. Mardian's predictions for yet another robust construction year in Nevada are also holding firm with several pending projects expected to fulfill the company's objectives for 1991.

According to Dick Rizzo, Mardian president, 1990 was the company's "biggest and best" in many ways. "It was a year marked by several milestones."

For one thing, Mardian broke through the \$200 million mark. This represents the highest revenue level in the firm's history and ranks Mardian as one of the largest general contractors in Nevada.

Among its achievements in 1990, Mardian lists the completion of the 744-

room expansion of Las Vegas' Holiday Casino, making it the largest Holiday Inn in the world. Mardian completed the 2,006-room Flamingo Hilton-Laughlin, the largest hotel the Hilton corporation has ever designed and built from inception. In addition, Mardian completed an expansion of the 3,900-room Flamingo Hilton-Las Vegas, creating the largest Hilton hotel standing in the world.

Overall, Mardian turned over 3,464 hotel rooms in 1990, which is a record for both Mardian and the Perini Corporation, Mardian's parent company.

Also in 1990, Mardian was successful in obtaining several major construction contracts. Mardian was awarded the international and charter terminal buildings at McCarran International Airport. This complements the new central ter-

minal and parking structures completed by Mardian in 1986. Mardian was also awarded the 3763 Howard Hughes Parkway office complex in Las Vegas, the Laughlin High School and the Carson City Library and archives building.

Another example of Mardian's construction expertise was evident in the 1,148,000-square-foot Phase I of the Las Vegas Sands Convention Center, a project which when completed, will be the country's largest privately-owned convention center. By the time construction was actually able to begin, the original schedule of ten months was compressed to eight months with an absolute October 30th completion date. This deadline was critical in order to be ready for the city's biggest annual convention event, the COMDEX show, on November 11.

"That meant success would require exceptional cooperation from everyone," Rizzo said. Dave Agnello, project manager, said that his team's tremendous commitment and spirit was evident throughout the entire project. "It was with that kind of spirit," Rizzo added, "we were able to turn the finished job over to the owner in mid-October, two weeks ahead of an already compressed deadline."

One of the key factors to the success of the project was the forming system the company used for the massive concrete deck separating the parking garage from the convention center above. The system enabled Mardian to pour 35,000 square feet of deck per week.

A second factor was the teamwork that permitted all the structural steel and exteriors to be in place by the end of August.

"The pure challenge of the job was a terrific motivation for not only our own crews but the subcontractors as well," Rizzo said.

To accommodate growth, Mardian expanded facilities in Las Vegas. In accord with its expansion commitment, Mardian intensified efforts in its Las Vegas office over the years, expanding staff and facilities several times. Recognizing that a long-term commitment requires financial resources, Rizzo points to Perini, Mardian's parent company. "Perini gives us the financial strength to build a quality organization in Nevada."

Rizzo attributes the company's success to making the long-term commitment necessary to participate in Nevada's long-term opportunity. "We developed a strategy. The first step was to establish a permanent, physical presence in Nevada. The second step was to intensify and emphasize what we feel is our competitive advantage — building long-lasting client relationships. The final step was to continue to make an ongoing, long-term corporate investment in the Nevada communities where we work."



*Richard J. Rizzo, president ICEO  
of Mardian Construction*

Building long-term relationships with clients is also integral to Mardian's business strategy. "We feel the role of the general contractor has changed over the last decade. The business has become considerably more sophisticated. Now, a client is looking for a long-term relationship based on professionalism and integrity — a consultant and confidant, as well as implementer. Building a relationship on trust is critical, evidenced by the fact that over 80 percent of our total work is now repeat business."

Another component of Mardian's strategy is the support and strengthening of the markets where it does business. Rizzo calls it "corporate citizenship."

Part of this commitment is seen in Mardian's philanthropic projects. For example, in 1990 Mardian completed a remodel of the Las Vegas Women's Development Center (WDC), a shelter for abused women. Spearheaded by Mardian, the \$50,000 project was totally underwritten, including an added \$10,000 in cash raised from a Mardian golf tourney.

Mardian received awards from both the WDC and the city of Las Vegas for corporate commitment to the community, as well as WDC's Good Neighbor Award.

Mardian contributed materials and la-

bor in combination with other subcontractor donations to renovate and remodel a four-plex apartment unit leased from the U.S. Department of Housing and Urban Development. It will house approximately 12 women and their children.

The added funds from the golf tourney will help the WDC in their efforts for the renovation of a recently acquired second four-plex apartment unit which Mardian was again called on for help.

The Women's Development Center is a non-profit organization that provides transitional housing for destitute women and their children together with access to vocational counseling, job training and other resources in Clark County. The goal of WDC's Transitional Housing Program is to aid employable but temporarily homeless women in becoming self-sufficient.

"We are grateful for our success and feel a responsibility to reinvest something back into the community," states Rizzo.

A significant factor in the company's success, Rizzo points out, is the extensive construction experience and loyalty of Mardian employees. Mardian has a reputation for retaining its staff — management and construction personnel average more than 10 years with the company. That, Rizzo adds, is remarkable for an industry in which life expectancy of the corporation is only six to seven years.

As for 1991, Mardian predicts another robust year in Nevada. Its Arizona and California operations are doing well, and overall the company is projecting \$219 million in total revenues in 1991.

Since its inception 77 years ago, Mardian has completed over 50 million square feet of construction, principally in Nevada, Arizona, California, Colorado, New Mexico and Texas. Projects include commercial, industrial, manufacturing, utility, institutional, retail, health care, hospitality and stadiums.

Since completing its first Nevada project, the Ormsby House Hotel and Casino

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Since completing its first Nevada project, the Ormsby House Hotel and Casino in Carson City back in 1971, Mardian has generated an extensive catalog of major projects. Recent clients, beyond those mentioned earlier, have included, in Laughlin: Harrah's Del Rio Hotel and



*The new McCarran International Terminal forms the backdrop for Mardian's construction team: at left, Craig Shaw, vice president, construction operations; and Scott Pettis, vice president, preconstruction operations.*

Casino, Ramada Express Hotel and Casino, and Clark County School District; in Reno: Harrah's Hotel and Casino, and Cannon International Airport; in Sparks: John Ascuaga's Nugget; and in Las Vegas: Thomas Mack Sports Arena, Las Vegas Hilton, Clark Place Office Building, Tropicana Hotel and Casino, First Western Savings, Showboat Hotel and Casino, El Rancho Hotel and Casino, Southwest Gas Center, Marriott-Host International, and Cashman Field Sports, Cultural and Convention Complex.

In addition to its Las Vegas office, Mardian has offices in Pasadena, California and Phoenix, Arizona. Mardian is a member of the Perini Corporation, a multinational construction firm listed on the American Exchange. ❁



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# NEVADA'S MINING INDUSTRY

## An Imperiled Imperative



BY MARTY KROOT

**T**he Nevada mining boom of today could become the state's "borasca" of tomorrow if the western mining alliance is unsuccessful in defending a 119-year-old mining law currently under attack by some of Washington's heaviest hitters.

Historically, the General Mining Law of 1872 has been the basis for mining exploration and production, particularly in the West, allowing miners access to the nation's mineral and metal resources located on federal lands. These lands are located primarily in the states of Nevada, Montana, New Mexico, Arizona and Idaho. By contrast, mining in the eastern states is conducted on private property. Environmental groups and eastern inter-

ests have long been critical of the law, which they claim allows for abuse by the mining industry, offering "bargain land sales and the wholesale rape of the nation's wide open spaces." These critics have thus far been unsuccessful in their efforts to amend existing legislation, but in recent years the picture has changed.

During the 1980s, western mining interests fell under the protection of the White House. California-native President Reagan was sympathetic to the cause of the western miner. But within the Bush administration, no such sympathies exist, creating a hospitable climate for mining reform. Additionally, the retirement of powerful Idaho Senator James McClure—

a ranking member of the Senate energy and appropriations committees—has further weakened the position of the western mining alliance. But there are new leaders on the horizon and the torch has been passed—this time to Nevada's congressional delegation. Why? Because Nevada may have the most to lose.

Nevada's booming mining industry, of which 90 percent is in precious metals, has experienced a decade of unprecedented growth. A recent study conducted by University of Nevada, Reno economist John Dobra and his associate Paul Thomas reveals since 1980, gold production in Nevada has increased nine-fold—from less than a million troy ounces at the

beginning of the decade to over 9.6 million troy ounces in 1990. Dobra's study ranks Nevada as the top gold producing state in the U.S., accounting for 62 percent of all gold produced nationally. California is second at 11 percent, with South Dakota ranking third at 6 percent. With these figures, it is not surprising to learn Nevada's gold boom has had global implications. Due largely to the success of Nevada's mining industry, the United States currently ranks third in world gold production, exceeded only by the Soviet Union and South Africa. Estimates suggest that the U.S. will surpass the Soviets within the year, capturing the number two position in worldwide gold production.

On a more parochial level, Nevada's growth in the mining industry has had a significant impact on the state's employment, earnings and economy. From 1986 to 1989 Nevada's statewide employment levels increased by 24 percent. During the same period employment in Nevada's precious metals industry grew by 132 percent. That means of all new jobs created in the state during that four-year period, 114,299 of them (almost 20 percent) were created within the mining industry.

Most of that employment has occurred in rural Nevada where the majority of mines are located. These areas traditionally have had a small population base with limited job opportunities and infrastructure. Thus, the effects of such unprecedented growth have been phenomenal.

Kelly Lucy, executive director of the North East Nevada Development Authority (NENDA) reports that in 1985, mining in Elko and Eureka Counties provided some 1,300 jobs. Within five years, mining employed 4,690 persons in those two counties alone — accounting for 76 percent of all jobs held in that part of the state. The growth of the mining industry in Northeast Nevada has meant many things, including the overcrowding of schools, excessive demands on existing services and an increase in the level of crime. But the development of the mining industry has also brought new opportunities to

these rural communities, opening up jobs in the areas of construction, commerce, service and manufacturing. While the mining industry continues to rely upon California and Colorado to provide much of its equipment, sales and service, Lucy reports that mining support industries have helped to broaden the economic base of Northeast Nevada, having a positive effect on the area's economy and lifestyle.

Within the jurisdiction of the Tri County Development Authority (TCDA), comprised of Humboldt, Lander and Pershing Counties, there exists 70 active mines, providing jobs for over 3,700 persons. Sharlet Berentsen, executive director of the TCDA said that while mining is clearly an important part of the economic picture of that region, "the development authority has been working hard to attract non-mining related industries as a hedge against the time when mining no longer serves as the premier industry for rural Nevada." Along with seeking greater economic diversification, the authority is also emphasizing its small business retention program to help existing businesses develop within an ever-changing economy.

Back in 1980, precious metals did not figure into the gross state product. However, by 1990, following a decade of extensive exploration and plant construction — up to \$5 billion worth — precious metals accounted for over 8.6 percent or 11.4 percent (depending upon the formulas utilized) of the gross state product. In the past year alone, some \$755 million in minerals and precious metals were mined in Nevada by miners making an average wage of \$36,000 (compared to the state's overall average wage of \$21,341).

Tax-wise, the mining industry pays a net proceeds of mine tax which accounts for roughly half the taxes paid by the industry. This tax, which last year accounted for over \$36 million in revenue, is paid on the production of minerals and precious metals. Other general taxes include a sales and use tax, property tax and taxes on plants and equipment.

Because of a constitutional change in

the net proceeds of mine tax, enacted by the legislature and followed by a vote of the people, payments of the tax have more than tripled. But revenues from this tax are directly affected by the variations in the price of gold. In 1990 some six million ounces of gold were produced in Nevada accounting for over \$36 million in state revenue. However, had the average annual price of gold dropped by just \$1 per ounce, the revenue base would have dropped by \$6 million. Multiply that \$6 million figure by the five percent net proceeds of mines tax rate, and state and local tax revenues would fall by \$300,000.

During periods of major development, it is the sales and use taxes which create the greatest tax burden, coming in at a tax level of at least \$30 million in each of the past three years. Property tax, which represents the most stable tax on the industry, is paid on the accumulated value of land, plant and equipment. Such values tend to grow during both periods of development and production. During the past fiscal year some \$24 million in property taxes were assessed from the mining industry.

But is Nevada's mining industry a "gold mine" for tomorrow, as well as today? The answer could be a resounding "no," and that may have less to do with the state's available mineral and metal deposits, than it has to do with the industry's detractors back in Washington D.C.

In February, Senator Dale Bumpers of Arkansas introduced a bill (S433) to provide "for the disposition of certain minerals on federal lands, and for other purposes." Among the many provisions in the Senate bill is a halt to the "sale" of public lands at a price of \$2.50 per acre for a placer claim or \$5 per acre for a lode claim. Bumpers calls such prices "scandalous," noting that such mining patents amount to a "title in fee," or outright ownership.

But the reality of a mining patent for \$2.50 to \$5 per acre appears to be a misconception happily promoted by anti-mining interests. "Environmental extremists have been very successful in selling a bill

of goods to our politicians," said Dave Parkhurst, who heads up the Nevada Miners and Prospectors, an organization of "small" miners. "They have convinced the folks back in Washington that we can go out and spend \$2.50 to \$5 per acre on a mining patent when, in actuality, it costs upwards of \$100,000 to create a marketable mineral deposit. The costs expended in the approval process for a mining patent usually exceed the surface value of the land by a considerable amount. No one seems to hear that side of the issue."

The Bumpers bill also proposes a royalty of five percent on gross income from mining production, limits claims to a maximum of 80 acres and requires annual holding fees to keep the title in effect.

Bob Martinez, vice president and general manager of Coeur Rochester, which operates a silver mine with a gold by-product in Lovelock, believes that, if

passed, the proposed Senate legislation could put over half of Nevada's miners out of business. "Most of Nevada's mining deposits are of low to average grade, making production an expensive proposition. Most gold mines receive a minimum return of eight percent, dependent upon the fluctuating price of gold. Take a five percent royalty right off the top and how can a miner make any money?"

Martinez notes the usual formula of supply and demand doesn't necessarily apply to mining. "Traditionally, war moves the price of gold higher because it acts as a haven. And yet, during the Persian Gulf War the price of gold went down." Both exploration and production are directly affected by the variable price of gold. "As a company we have to look at the historical performance of gold. If we can't make a decent return on our find, we move on to another."

At what price do gold miners make a reasonable return on their investment? According to some, \$400 per troy ounce of gold is the magic number. Others are willing to go as low as \$350. It all depends upon the costs involved in getting the gold out of the ground. During the last 10 years, most of the heavy exploration investment was initiated when gold was selling for \$450 per ounce. Now the figure is some \$100 lower and the high price of those exploration expenditures weigh heavily on the account books.

Brian Kennedy, president of FMC Gold Company says the Bumpers bill, which hopes to secure another \$30 million in federal revenues in addition to the \$80 million the mining industry already pays, seeks to hobble an industry which places the United States in the position of being an exporter rather than an importer. "In 1980 the United States imported some



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\$6.7 billion in gold. By 1990 we were able to export \$8 billion in gold. That's how you cut away at the national debt!"

Kennedy says he sees the Bumpers bill as being totally counter to American business interests. "Senator Bumpers wants to take an industry which values self initiative and technological achievement, and through a process of unwarranted restraints, cripple its ability to produce."

Kennedy talks about the penalties written into the bill for those lands which are not developed at a specified pace. Using the Carlin gold find as an example, Kennedy says that the area

could not be developed with the level of technology available at the time of its discovery in the early 1960s. But by the mid-1980s both exploration techniques and the going price of gold allowed for enormous discoveries. "Had the Bumpers bill been in effect then, the Carlin gold mines would have been penalized out of business because they hadn't exploited their discoveries in a timely manner."

Kennedy is particularly concerned with recent developments in the environmental agenda where, during the last 10 years, millions of acres have been withdrawn forever from multiple use. That includes mining, forestry and ranching. Speaking of the western mining picture, Kennedy said, "I don't believe this country is rich enough to wind up being a preservation reserve for all the minerals in the U.S."

But the Bumpers bill is not the only piece of legislation threatening Nevada's mining industry. Congressman Rahall of West Virginia has introduced his bill (HR918) to "modify the requirements applicable to locatable minerals on public domain lands, consistent with the principles of self-initiation of mining claims,



*Jerritt Canyon*

and for other purposes." (Note the term "self-initiation" used in the description of the bill. The same term was used by President Grant when the General Mining Law was written in 1872. It is also a term which crops up in conversations dealing with the philosophies of the mining industry). Rahall, whose bill includes comprehensive procedures for land reclamation, held hearings in Northern Nevada recently, taking testimony from a wide range of interested parties. Among them was Dave Parkhurst, representing the small miner.

Parkhurst says the Rahall bill is particularly disturbing because it places unlimited risk on the mining industry. The environmental regulations fail to provide for time limitations leaving retroactive lawsuits a real possibility. "The miner would be responsible for everything which has ever happened on that property — including mining disturbances which were made 100 years ago! Now who can afford that kind of liability?"

"The Rahall bill appears to be pretty well greased through house channels," said Parkhurst. Congressman Udall of Arizona serves as chairman of the House

Committee on Interior and Insular Affairs, but due to Congressman Udall's poor health, Congressman George Miller of California, a co-sponsor of the Rahall bill, has been named acting chair. "The makeup of the House is weighted heavily toward eastern population centers," said Parkhurst. "They and their representatives are less familiar with natural resource development and therefore are less likely to support what we call a rational approach to mining."

As for the Senate-side, Parkhurst cites the disposition of last year's patent

moratorium bill which received a tie vote in committee and failed by only two votes on the Senate floor. "These votes don't bode well for the mining industry," he said, "and this time Senator Bumpers has done his homework, securing seven sponsors for his bill."

As a miner, Parkhurst used to spend 90 percent of his time in the field and 10 percent at his desk handling paperwork. Now, with potential legislation serving up a threat to both large and small miners alike, Parkhurst can be found working in his office 90 percent of the time. "It's not much fun anymore," he said.

Some of the arguments used to promote the Rahall and Bumpers legislation have been heard before, according to mining economist John Dobra. "The opponents of mining contend that many of the mining firms are actually owned by foreign companies. That simply is not true. They claim these tougher laws will prevent foreign interests from mining U.S. minerals and taking the proceeds out of the country." Of those foreign companies which do operate within the state, such as Echo Bay (Canadian) and American

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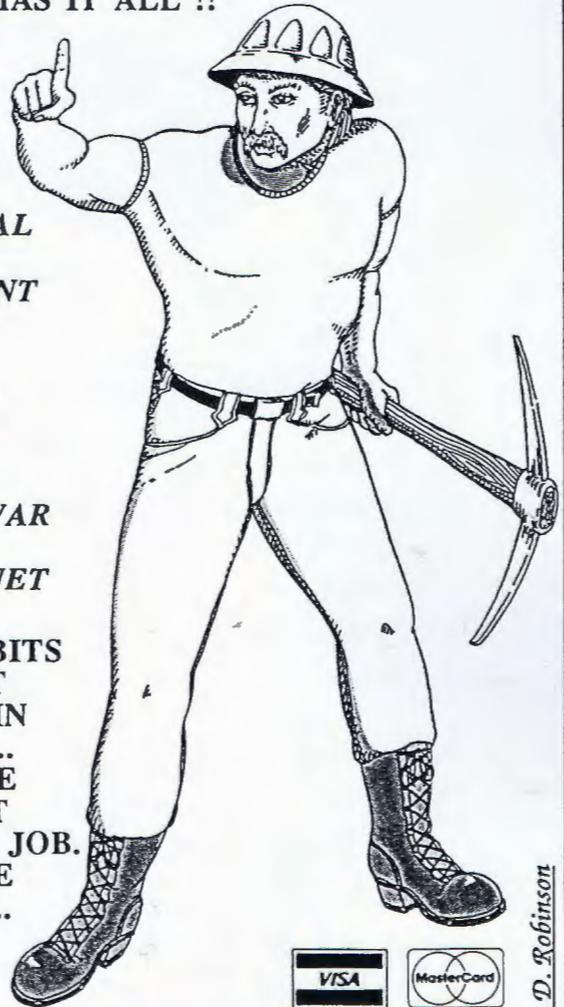
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1991 By Jayron D. Robinson

Barrick (Canadian), much of their stock is actually owned by Americans. "In reality," says Dobra, "it is the opponents of the mining industry who pose the greater threat in encouraging foreign investment. By undermining the asset value of U.S. mining properties through the creation of costly mining regulations, they may weaken U.S. mining firms so they become takeover targets, in essence, pushing them into foreign hands."

While there are no guarantees, the political picture looks to be less threatening in Carson City. For the past two sessions of the Nevada State Legislature the mining industry had come under the strong criticism of Assembly Ways and Means Chairman Marvin Sedway. With the passing of Assemblyman Sedway and the implementation of both a five percent net proceeds of mine tax and the 1989 Mining Reclamation Bill, legislators have found less to criticize. There is some feeling among industry representatives that the weakening in the price of gold has helped make the industry a lesser target.

Though they do not advocate a general business tax, mining leaders would support a broad-based business tax if they had solid evidence the tax would be applied equally to all businesses, and if there was a proven need for added revenue.

"As an employer here in the state, the industry is interested in work-force-related legislation," said Brian Kennedy. "And there may be other bills which require our attention, but we have no solid agenda for this legislative session." Solid or not, the Nevada Mining Association has hired lobby representative Sam McMullen, who, as a gaming lobbyist for many years, earned the reputation of being knowledgeable, hard-working and effective. In addition, most of the larger mining firms have their own full-time lobbyists working in Washington, D.C.

A strong lobbying effort is not the only tool being implemented by the mining industry. The Nevada Mining Association has placed education high on the list of its priorities, and each year holds a

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*“Even a reasonable attempt by Congress to bring certain monetary provisions within the law to reflect 1991 dollars, would result in opening the industry to widespread reform. It’s a real Pandora’s box.”*

series of workshops for teachers throughout both rural Nevada and the Las Vegas area aimed at dispelling the myths and providing a solid understanding of what the mining industry is all about.

“There is so much misinformation as to what the mining industry does, and so much confusion among our lawmakers as to the mining laws,” said Dave Parkhurst, “that it seems like our politicians would rather make new laws than try to understand the ones already on the books.”

Economist Dobra warns with the political climate existing in Washington today, “even a reasonable attempt by Congress to bring certain monetary provisions within the law to reflect 1991 dollars, would result in opening the industry to widespread reform. It’s a real Pandora’s box.”

Nevada may be known for its gambling halls, but perhaps the greatest gamble within the state appears not on the acres of green felt-covered tables found on the casino floor. Rather, the biggest gamble may exist in the remote hills of rural Nevada where miners, large and small, gamble that there is gold to be extracted of a quality, quantity and price that would provide a profit and that eastern interests, by an act of Congress, will not succeed in shutting down their Nevada operations. That’s some gamble. ♦

*Marty Kroot has been an account executive with Joyce Advertising in Reno since 1980. She is a former news reporter for KOLO-TV and is a graduate of the University of Missouri School of Journalism.*

# ELKO'S MINING EXPO

## A Celebration of Mining

*When Elko city councilman Marvin Churchfield first conceived of the notion for a Mining Expo, he had little idea of the tremendous impact the event would have both on the mining industry itself and his own community.*

BY LINN THOMÉ

**“A**T THE TIME I came up with the idea (for the Mining Expo), the Convention Center had been doing very poorly,” Churchfield explains. “In fact, it was considered the White Elephant of Elko. Understandably, the taxpayers were upset because it wasn’t generating much activity. At one point, someone even suggested that it be turned into a jail. I kept thinking ‘What could we do to give things a boost?’ Because mining’s an important part of life here, a Mining Expo seemed like it would not only help the Convention Center, but provide us with an opportunity to show our gratitude to the industry. Every year, the mining people pump about \$30 million into the economy here. That’s a life saver for all of us. We thought this would be a good way for local merchants and others to return the favor and do something for them, too.”

Mining, of course, has always played a significant role in Nevada’s history, having been a factor in its gaining statehood and also a large contributor to the state’s economic growth. According to Russell Fields, executive director for the Nevada Department of Minerals, 11 percent of the gross state product is related to mining. “Nevada is the number-one producer of gold and silver in this country. It’s also a

leading producer of minerals such as barite, magnesite and mercury. There are 13,500 people employed in direct mining jobs here, with approximately another 30,000 working in indirect jobs such as the suppliers and other related services,” he says. “You have to keep in mind, too, that mining employees earn above average salaries – about \$36,000 per year. Clearly, its importance to the rural communities is therefore enormous, but its impact on the state economy is equally significant. As I recall, in 1990, tax revenues from mining accounted for a whopping \$85 million, which is certainly not small change in anyone’s book.”

In 1986, former Governor Richard Bryan declared Nevada’s appreciation to the mining industry when he issued the following proclamation: “Whereas the Mining Industry originally made it possible for Nevada to attain statehood and ... Whereas today, the individual miners and the mining industry continue to enhance the quality of life for all Nevadans, both in local communities and across the state; and Whereas, we as Nevadans acknowledge the important contributions that this industry, its individuals and its companies have made to the economic well being of this state; the Elko Mining

Expo ’86 was conceived as an expression of appreciation to all the miners of the state and the industry they represent.”

Not surprisingly, when the decision was initially made to host a Mining Expo, the Department of Minerals was contacted for assistance. “Actually, we were instrumental in the Expo’s development almost from the very beginning,” says Doug Driesner, administrator of abandoned mine lands for the department. At the request of the Elko Convention and Visitors Authority, the department provided them with a list of mining companies and equipment suppliers, so they could send out invitations for the Expo. The department also helped promote the event, feeling it could benefit both the mining industry and the Elko area alike.

“The Mining Expo has turned into one of the largest mining related gatherings in the Western United States,” Fields says. “It gives mining operators, exploration operators and suppliers a chance to get together and exchange ideas and information. Additionally, it provides an opportunity for industry representatives to view the latest in equipment. It also offers the various exhibitors a chance to demonstrate to the public what’s being done as far as reclamation efforts. Obviously, we feel the Mining Expo is of great value to everyone concerned.”

According to Churchfield, the first Mining Expo in 1986 boasted 95 exhibitors. That very successful first year is still a source of immense pride to him. People came not only from the western region, but also from as far away as Kentucky and West Virginia. Dr. Charles Ellis parachuted from a small aircraft in a cloud of smoke to herald the momentous opening occasion. The Freeport McMoran Re-Act Team, at the time the only surface mine rescue team, demonstrated rescue techniques off the Convention Center roof. From that, the Safety Olympiad got its start, as did the annual National Intercollegiate Mining Competition, which was brought to Elko specifically for the Expo and continues to remain there.

Along with the technical meetings, a seminar was presented by the Mine Inspection Division of Nevada on the dangers of abandoned mines. Local parents were encouraged to bring their children to this educational presentation, a testimony to the fact that the Mining Expo was for everyone. Mike Smith, representative for Chilton Engineering (then known as Kennedy-Jenks Chilton), initiated the first balsa wood headframe contest, with the winning model holding over 400 pounds. In mining, headframes are used to transport men, equipment, ore and waste between the surface and the underground. Kits containing balsa wood, glue and a set of directions and rules were available to contestants at no charge.

Besides the exhibits, seminars, demonstrations, contests and games, outstanding entertainment was offered, including 12 boxing matches with Golden Glove boxers from Idaho, Utah and Nevada, a western swing dance and two shows featuring Country Western singing star Dottie West. The end result was that, in addition to being a trade convention, it was a family oriented, community affair as well. That this added greatly to its popularity and success goes without saying.

"One thing I want to emphasize," Churchfield says, "is the fact although I had the initial idea, it was Kay Thompson, then the acting director of the Elko Convention and Visitors Authority, who really made the Mining Expo what it is today. Kay is intensely creative and resourceful. She spent untold hours putting it together and promoting the idea to industry leaders. Before she left recently, she was even talking to the World Mining Congress. Kay knew instinctively how to take my idea and make it work and I credit her with the event's tremendous success."

According to a July 23, 1986 account of the event in the *Mining Record*, "There were no technical papers of astounding significance, no great revelations of mining technology, an attendee said. But there was something as important — the beginnings of a positive attitude on the part of the mining industry to the importance of

the public consciousness and the awakening of the public to the contributions of the mining industry to the economy."

The *Mining Record* reported further: "A consulting geologist said resource companies are recognizing the need to promote — to the general public as well as to the industry — what they are doing and how they are doing it. The Elko Expo was a friendly and worthwhile place to show their colors."

Projects and advertising coordinator for the Elko Convention and Visitors Authority, Jayron Robinson points to last year when the Mining Expo had 458 exhibitors; this year, they're expecting 511. To date, no study has been done to determine the impact on the area's economy, but city and county officials agree it's noteworthy from a number of standpoints.

Elko's Assistant City Manager Michael Klein explains the annual Basque Festival is held around the same time as the Expo, which makes analysis a little more difficult. "The Mining Congress definitely has a tremendous impact on the economy here, though," he says.

"Last year, they brought in around 17,000 people. When you consider lodging, meals and other expenditures, the Elko community most certainly benefits.

"When you also consider that people come here from all over the country, like what they see, like the easy life style and possibly consider relocating," he continues, "there's a spin-off effect which, while not immediately obvious, nonetheless impacts the community and the state. It's positive any way you look at it."

The Expo been such a success, a fund for the expansion of the center was begun in 1987 in memory of J.D. McBeth, a longtime Newmont Gold Company official and convention and Mining Expo supporter who died in 1987. The 1988 Expo was, in fact, dedicated to his memory. By that time, the Mining Expo had grown so large, exhibitors were paying for space on

the lawn and in the street in front of the Convention Center.

President Park Blair, of Al Park Petroleum, was one of many donors, stating his firm was "pleased to give our support to such a worthy cause. The Convention Center and the Mining Expo are important to all of us; they bring tourism dollars into our economy and allow us to show off the great things we're doing out here."

Initially, the expansion drive was begun when Expo exhibitors Bob Black of Delta Rubber and John McCafferty of Serrot Corporation raffled a work by noted sculptor Gary Prazen and donated the proceeds to kick off the fund-raising drive. Enthusiasm generated by the expansion project brought donors both from within the state and without.

In addition to Al Park, Serrot and Delta Rubber, contributors to the fund also included Norman Supply, Ivaska, Brinks (of New York), Am Quip, the *Mining Record*, Gundle Lining Systems (of Houston), Brite Star Sales, Quinn, David H. Fell Company, Polyfelt, Dominquez, Clarkson Equipment and Women in Mining. A benefit performance held earlier in the year also raised just over \$3,000 for the expansion fund as well.

Interestingly, before the Expo began, the Convention Center was booking 34 to 54 annual usage days. In 1989, the calendar boasted 274 usage days, a notable and certainly healthy increase. Commenting on the dynamic leadership responsible for the success of the event, the *Mining Record* extended its praise, stating, "Mining Expo '87 was a tribute to the mining industry; however, the Elko Convention and Visitor's Authority is a tribute to the city of Elko."

The *Elko Independent* also pointed out the Expo had not only proven itself a success in mining circles, but its success had also made it possible for the center to attract more events each year.

As might be expected, there were other benefits. According to Churchfield, the positive impact of the Expo far exceeded

anyone's expectations. The *Miners News* (June-July 1990) reported, "The impact of the Expo was being felt between March of 1986 and March of 1987. There was a 20 percent increase in mining jobs, with an average of five to 10 people moving to the community a week, according to Terry Reynolds, who was then city manager."

The *Miners News* went on to say Expo exhibitors began to move branch offices and salesmen or even relocate their businesses to Elko. "Requests for office space, raw land, industrial needs and housing began to be the talk of the day. The mines escalated their operations and personnel. Skywest Airlines analyzed the ever-increasing use of their planes and began to schedule new flights. Motel and hotel rooms were filled - there were those who had to live in their cars for a time. Schools were feeling the strain, and gold was king."

In 1990, the Elko Mining Expo was dedicated to TS Ary, director of the U.S. Bureau of Mines and a supporter of the various mining-related events now taking place in Elko. Ary, who had more than 40 years of experience in the mining industry before assuming his current national position, was formerly president of Kerr-McGee Corporation's minerals exploration division, vice president of exploration and director of development for Utah Carbide Exploration, and shift boss with the Anaconda Mining Company in Montana during the 1950s. Prior to that, he was a Navy carrier pilot during World War II.

According to Kay Thompson, former director of the Elko Convention Center, "Each year the Expo is dedicated to an individual who exemplifies the finest qualities of the industry and is himself an example and positive force in its promotion." The 1989 Expo, for example, was dedicated to Dan Harper, Nevada operations manager for Rayrock Resources. He is the general manager of the Pinson Mining Company and oversees Rayrock activities at the company's Preble Project, Dee Gold Mine near Elko and Marigold Mining Company at Valmy. Harper is also the immediate past president of the

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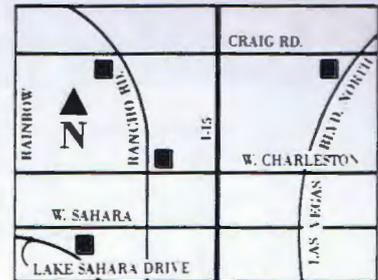
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Nevada Mining Association and has worked with the University of Nevada-Reno's Mackay School of Mines and serves on Nevada Department of Minerals on its Small Mine Development Advisory Committee and its committees on mines, mills and new developments.

Ary, in discussing the Mining Expo, reiterated the concept that the event is a unifying forum for the industry, as well as serving as a technology transfer. "The Bureau of Mines thought the Mining Expo was a tremendous opportunity and we thought it important to get involved," he says. "Our role at the bureau is to help the mining industry supply the materials needed in the U.S. economy. We provide research information and other types of assistance at no charge. So the opportunity to have an exhibit at the Expo allows us to bring our posters, pictures, literature and people to communicate with industry representatives and let them know the

extent of our services. Without a doubt, we have found it to be worthwhile. It is an excellent event and we always look forward to visiting the area."

As in previous years, the 1989 and 1990 Mining Expos had millions of dollars worth of high-tech machinery on display and Expo seminars included such topics as: elevation control using laser technology; innovative spreading systems for heap construction, and sodium cyanide production in the state; recovery of metals from ores using chloride-oxygen leaching; research to better manage mine waste; advanced situ mining technology; the Bureau of Mines cost estimating system for evaluating non-metal mining operations; the Nevada inventory of land use restraints program - land status versus minerals and mineral needs; and strategic and critical minerals land assessment

for Nevada. Sessions like these traditionally are open to the public and no registration fees are assessed, though some technical seminars impose an attendance fee.

Today, as Elko prepares for its sixth annual Mining Expo, Phyllis Peterson, executive director for the Convention and Visitors Authority, reports this year's event promises to be as exciting as ever. "This is a wonderful event for all of Elko and those of us at the Convention Center are working hard to ensure its continued success. From every indication, it will be even bigger and better this year," she said.

During the 1989 Mining Expo's opening ceremonies, Ta M. Li, vice president for ACZ, Inc., and president of the Northwest Mining Association praised Marvin Churchfield for initiating the Mining Expo. "This is not a trade show," he said warmly. "It is a celebration of mining in the sincerest form." Certainly, no one will ever argue with that. ♦

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## BOB BARKER: Nevada's tourism chief

Like Horace Greeley's beckoning call, "Go West, young man, go West," thousands of people are moving to Nevada every month to share in the Silver State's growth and success.



Named by *Inc.* magazine as the fastest growing state in the Union, Nevada's travel and tourism industry exemplifies the potential economic benefits that other states hope to capitalize on by luring more visitors to their borders.

One individual who took Greeley's advice now heads up the state department of tourism. Bob Barker, executive director of the Nevada Commission on Tourism, moved from Michigan with his wife and two young sons after Governor Bob Miller offered him the position in 1989.

"It was the equivalent of a modern-day wagon train across the country with my oldest son and I driving the U-Haul with our Bronco in tow and my wife and our youngest son in our Blazer following close behind," Barker said.

Barker was the executive director of the Mackinaw Area Tourist Bureau for six years before coming to Nevada. He spent several years as a high school teacher and coach, represented trade associations in the transportation industry and holds a bachelor of science in industrial technology from Western Michigan University.

"Most people in the Midwest have a high regard for Nevada and what the state has accomplished in its tourism development. Now, more states are taking a hard look at how Nevada has maintained a low tax structure and how gaming has made a positive impact on the state's economy."

Obviously, it was a significant opportunity for me to progress from a convention and visitors bureau promoting a destination resort region to promoting a dynamic state program like Nevada's."

More than 29 million people visited Nevada in 1990 representing a \$9 billion non-gaming contribution to the state's economy. Nearly a third of all employment in the state is a direct result of hotels, gaming and recreation with another third estimated to be an indirect result such as construction, government and professional services, and retail trade.

Barker attributes the success of the state's growth in gaming and travel to a cooperative venture.

"Nevada has a wonderful combination of progressive business entrepreneurs who are investing in facilities, convention and

visitors authorities who actively promote specific areas, and the state providing a promotional strategy to assist rural and urban communities alike," Barker said.

The commission has won several tourism-related awards in the past year, including the coveted REX award from the American Society of Travel Agents, but Barker points out, "it's really a team award with many organizations contributing."

The Commission on Tourism is comprised of industry leaders from Northern and Southern Nevada as well as representation from rural parts of the state. Members are appointed by the governor while the commission is chaired by Lt. Governor Sue Wagner.

"I have the distinct pleasure of working for some of the most dynamic leaders in our nation's travel industry. It certainly keeps me on my toes," Barker said.

Since taking the position, Barker has been responsible for revamping the commission's promotional materials, and taking the state's advertising program into new mediums, including television.

The "Discover Both Sides of Nevada: From Lady Luck to Mother Nature" advertising slogan for the state's promotional strategy has proven to be quite successful, increasing annual inquiries from 100,000 in 1986 to more than 250,000 in 1991. "While every tourist knows about Nevada's gaming experience, many do not know about the other treasures to be found here," he said.

Several of Nevada's scenic areas, such as the Great Basin National Park, Red Rock Canyon and Lake Tahoe are featured in magazine ads. Under Barker's direction, the NCOT has developed television commercials with a toll free number which are aired on cable stations in key western markets to add to the comprehensive campaign. He emphasized the importance of using the turned up card in both print and television campaigns

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for continuity and consistency of image.

"We plan to continue to highlight gaming as the state's key positioning image in the domestic and international marketplace, however, it is important to acknowledge that other states are using gaming to diversify their product and we too must diversify ours into additional activities and attractions in order to stay out in front of the competition."

In reference to alternative vacation plans, Barker said, "It is not a matter of instead of gaming, but rather, it is in addition to it. To underestimate the value of our gaming experience to the visitor would be to ignore what Nevada's success is built upon."

According to Barker, Nevada is actively involved in marketing the state as a family destination. Quite a few of the state's advertisements show family activities, and public relations efforts often concentrate on activities for families offered in the Reno, Las Vegas and rural communities.

"Clearly, Las Vegas and Reno are offering a multi-faceted product. We know from recent surveys some visitors are motivated to come to our state for a variety of reasons and not necessarily gaming. On the other hand, an incredible percentage of visitors do gamble once they come. Successful new businesses like the Excalibur and Mirage Hotel/Casino are packaging the gaming experience with the versatile environment of a mega-resort which has something for everyone."

Barker's job is not without its challenges. The Persian Gulf War and the national economic recession could still pose threats to domestic and international travel habits. He was surprised at the resilience Nevada has shown while most of the country experiences a significant downturn. "All in all, Nevada's tourism industry seems to have weathered the economic recession so far," he said.

Barker noted that prior to the war, Ne-

vada was very popular with foreign visitors. "In 1990, we attracted more than 1.2 million foreign visitors, not including the Canadian and Mexican markets which account for another million." He added that only California, New York, Florida and Hawaii attracted more.

Barker pointed out that the number of Japanese visitors to the state jumped from 78,000 in 1986 to more than 400,000 in 1990. He said that 17 percent of all Japanese that visit the United States stop in Nevada. "The success of the international office as a cooperative venture with the Las Vegas and the Reno/Sparks Convention and Visitors Authorities has had a direct, measurable impact on the Japanese and their interest in visiting Nevada.

"Using both Reno and Las Vegas as a hub, a visitor can headquarter themselves in our state and visit a variety of national and internationally-acclaimed attractions like Lake Tahoe, Hoover Dam, Death Valley and the Grand Canyon. When you consider the average length of stay of the international traveler—14 to 21 days—the hub concept has great merit."

Barker is currently the chairman of the Visit USA West organization, an eight state regional marketing group designed to promote the western United States to the international marketplace. "It makes great sense to have a multi-tiered marketing approach to travel which includes community, statewide and national strategies," Barker said.

"Not only do we hope to promote the western experience, but we also need to influence federal government programs which impact natural resources and transportation systems to and from the western states. We need to rally organizations such as the Western Governors Association by providing them with statistics and position statements on issues affecting our industry. In this way, travel and tourism will truly become an acknowledged industry."

## DOUG CARSON: In his father's footsteps

The offices of Carson Construction are a constant, thriving hub of activity. It's no wonder. Carson's reputation as a reliable, high-quality general contractor has existed over four decades and two generations.

In 1946, Carson Construction founder, Don Carson, began a tradition of designing and building solid, well-crafted structures. Now, over forty years later, the tradition remains unchanged for this family-owned-and-operated business. Today, Don Carson's son, Doug, heads the firm.

Doug Carson believes the fundamental principle of customer care is one of the foremost factors contributing to his firm's success. Carson learned the business literally from the ground up. As a teenager, Doug spent his summers laboring at his father's job sites. Later, he developed his understanding of quality design and craftsmanship while working for a general engineering company in Ely, Nevada. He then moved back to Las Vegas in 1976 to head Carson Construction.

A full-scale contracting firm, Carson offers a complete range of design coordination, construction and construction management. As well, their unique design-build capabilities encourages client consultation at the inception of a project to detail the client's needs. This service provides the client with an additional safeguard against cost and schedule overruns.



*Built by Carson Construction, the recently completed Kidd Marshmallow Factory features over 120,000 square feet of production and warehouse facilities, and produces more than a million pounds of marshmallows each month.*

Carson's building expertise spans a variety of industrial, commercial and institutional construction. Three notable projects, Kidd Marshmallow with its "clean kitchen" environment, Letica Plastics with over 200,000-square-foot of high-tech manufacturing facilities and the 130,000-square-foot Morgan Adhesives building are a few examples of Carson Construction's versatility.

Additionally, the unique requirements of medical facility construction is one in which Carson is well versed. Carson developed the Shepherd Eye Center representing one of the most sophisticated eye care and surgery centers in Nevada. Two state-of-the-art surgery suites are included in the 21,000 square foot-complex.

Doug Carson has steered his company with unsurpassed devotion to customer satisfaction, industry integrity and community interests. Doug's commitment to the Southern Nevada community is evident in the many non-profit organizations he serves. He is currently chairman of the facilities committee of the United Way, a 10-year member of Nevada Development Authority's board of trustees and

remains active with Big Brothers/Big Sisters and the Frontier Girl Scout Council. Professionally, his associations include the American Institute of Mining Engineers and the National Association of Industrial and Office Parks.

Company Vice-President Daniel Bailey sums up Carson's contributions to the Southern Nevada community, "Wherever he goes, Doug Carson is recognized. He's the best public relations tool we have."

From its first project – a small office building in downtown Las Vegas – to the current Desert Research Institute, a \$5-million-plus facility, Carson Construction has strived to build a solid reputation of quality, reliability and cost effectiveness. With Doug Carson continuing his father's legacy, Carson Construction has now served more than 1,000 customers over the last forty years.

Contemplating the next five years, Doug Carson's goals are straightforward, "We will continue to promote our objective of providing client satisfaction, while enlarging our solid foundation." Serving third-generation customers today, his future looks bright, indeed.

## International Export Services for Nevada Firms

Marketing services and trade data

at the U.S. Department of Commerce

help plan export strategy



*Jerry Jeremy*

“The goal of the Nevada District Office of the U.S. Department of Commerce, International Trade Administration, U.S. Foreign and Commercial Service (US&FCS),” according to Jerry Jeremy, director and senior trade specialist, “is to promote the growth of Nevada exports through the development and delivery of services to the Nevada business community.”

Indeed, businesses seeking to find assistance in facilitating exportation of their product will find a wealth of information and aid available at Nevada’s district office of the US&FCS.

According to Jeremy, the Nevada district office of the US&FCS is the only federal trade promotion office in the state that has access to a global network of trade professionals, trained and available to assist small Nevada businesses with their exporting needs. “I work on an ‘account executive’ basis,” said Jeremy, “I provide one-on-one counseling and bring the U.S. Department of Commerce to Nevada’s businesses in a personal way.” Jeremy consults with business of all sizes, working with individual Nevada firms to evaluate their basis strengths, weaknesses

and opportunities in international marketing. A program of seminars, workshops and conferences to educate and support local businesses through the maze of international marketing is offered as well.

One innovative program employed by the district office capitalizes on private sector talent and resources through the Nevada District Export Council (NDEC). With a membership of 30 international business leaders who volunteer their time and expertise, the NDEC can assist potential exporters on the strategies of international trade.

Perhaps the greatest resource available to the small business in Nevada through the US&FCS is the vast amount of marketing information, trade data and publications that can help identify foreign markets and plan general export strategy. Increased emphasis has recently been placed on customized product information such as the “Comparison Shopping Service”, which provides U.S. manufacturers with detailed information on their products with relation to similar products already in the marketplace.

*Commercial News USA* is a unique commerce publication that showcases

new U.S. products and services of 1,200 small, new-to-export firms each year, reaching 80,000 potential agents or distributors directly. Reprints and republication in foreign commercial newsletters bring this information to over 200,000 prospective users of these products and services.

To process the avalanche of inquiries on business opportunities in the Persian Gulf, the Washington Office of the Department of Commerce recently opened the Gulf Reconstruction Center as an information gateway and starting point. The center has a full-time staff operating to assist and advise U.S. firms seeking commercial opportunities in the Middle East. Those interesting in obtaining information should write to or call the following:

**Gulf Reconstruction Center**  
c/o U.S. Dept. of Commerce  
14th and Constitution NW  
Washington, D.C. 20230  
(202) 377-57667 or 5737

**Kuwait Coordination and Follow-up Center**  
Dr. Al-Awadi, Director  
1510 H St. NW, Third Floor  
Washington, D.C. 20005  
(202) 508-0250 or 0251  
Fax (202) 808-0280

**For more information on services provided by the Nevada district office, contact:**  
Jerry Jeremy, Director  
U.S. Department of Commerce,  
International Trade Administration  
U.S. Foreign and Commercial Service  
1755 E. Plumb Lane, Suite 152  
Reno, Nevada 89502  
(702) 784-5203



Miners are being unfairly attacked by Eastern legislators who think they know what's best for the West. Today, it's mining. Tomorrow, it could be gaming or any other Nevada industry that outsiders do not understand.

## Today it's mining, tomorrow it's your business

By U. S. Senator Harry Reid

Nevada's miners have been falsely portrayed as careless, greedy and returning nothing to the American people. As a Nevadan and son of a hardrock miner, I know differently.

### Significant benefits for Americans

Americans and the U.S. treasury reap enormous benefits from a thriving mining industry for at least three reasons:

One, the mining industry employs 750,000 people nationwide, with operations predominantly in rural areas; Nevada alone employs 13,000. These well-paying jobs provide stability and livelihoods for rural communities and their resident families.

Two, the United States is the third largest producer of gold and silver worldwide. Unlike most U.S. commodities, minerals are an \$8 billion net export, enhancing our country's economic muscle. Continued access to our federal mineral estate is necessary to avoid reliance upon foreign resources. We all know the dangers of being dependent on foreign resources.

Three, mining companies are heavily taxed and capital intensive. Taxes levied against the precious metals industry include property taxes, severance taxes, net proceeds taxes and sales-and-use taxes. Taxes from the five largest mineral-producing states amounted to \$130 million in 1990 alone. Mining companies must invest millions of dollars into their operating equipment, engineering and technology. These investments create thousands of jobs and sales for related industries.

Minerals are also vital to national

security. Not many realize that gold and silver are important components of the Stealth bomber and Patriot missile. The U.S. space program, computer industry and building industry are all dependent on minerals.

In the 200-year-plus history of our country, a mere three percent of public lands have been patented for mineral exploration. This is by far the smallest use of public lands. The payback to our economy certainly warrants further exploration and development of public lands for mining.

### Outsiders think they know best

So why are our miners under attack? Because some outsiders don't know the first thing about mining and have decided they can manage the industry better. In all of their arguments, these outsiders have demonstrated a fundamental lack of understanding about the 1872 Mining Law.

Last year, a proposal to place a one-year moratorium on mining patents — essential to productive operations — was defeated in a very narrow vote. Such a moratorium would jeopardize Nevada's entire mining industry. I fought that legislation, but the battle will be even tougher this year. Measures to reform the mining law have already been introduced.

I've said many times that mining is the soul of Nevada. If we lose our soul to the whims of outsiders, we are likely to lose our heart — tourism. Eventually, we would lose our independence as a state. Nevada's businessmen and women must unite and stand firm against the forces from without.

Taking part in Nevada's construction business today means much more than creating roads, buildings and bridges. It means supporting the forces that keep our economic base strong.

## Contractors are key to keeping western Nevada attractive

by Norman Dianda

In the last four years, our industry has become accustomed to a healthy building demand. But to sustain that growth, we must help keep western Nevada attractive in terms of economic development and quality of life.

Economic development grows more competitive each day. There are now over 13,000 development authorities nationwide. All are working to lure new businesses to their area. Although my presidency with the Economic Development Authority of Western Nevada (EDAWN) ended in mid-December, my involvement with the group will be just as great this year because I truly believe in its goals and ideals.

Through EDAWN, I am able to help bring quality new businesses to our community. Contractors must play a major role in supporting area development agencies because they serve to attract businesses such as manufacturing, industrial development and corporate office development. These groups need our verbal and monetary support to guard over the assets that make Nevada attractive, such as our tax environment and our quality of life.

We also need to support our trade organizations. Through them, we can improve the industry, help elect good politicians and influence policy. This is critical because with every new tax, fee or other added expense, Nevada becomes that much less competitive in the race to entice businesses here.

For instance, members of the construction industry helped defeat Question 6 in the November 1990 election, which would have created a corporate income tax. However, what will take its place? The dog has been muzzled but he may still try to bite.

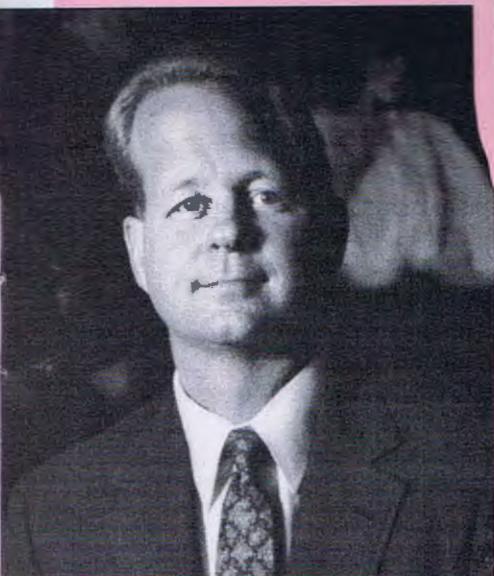
Contractors must continue improving the building industry by striving for quality and cost-efficiency, by keeping the industry as safe as possible and by improving the work force. We can make a difference. Industry leaders recently pulled together and led the charge to raise \$1.8 million in private donations to help fund a new \$10 million College of Engineering facility at the University of Nevada, Reno. Here, we were able to work as partners with educators in an effort that will ultimately improve the quality of our work force.

A new challenge we must meet is that of bringing greater opportunity for high-tech vocational education to high school students. We need to give them solid career bases and promote the idea that degrees within trade or associate programs are just as important as four-year degrees.

A healthy economy, quality educational opportunities, safe work environments, and well-constructed roads, buildings and bridges all contribute to our quality of life. And, of course, we must meet the challenge of providing these assets while carefully addressing environmental considerations.

The Reno-Sparks area is a good place to do business and one of the finest places to live. However, perhaps our biggest challenge in the 1990s is educating people in Reno about how a good, stable economic base fueled by modest economic growth is an integral part of our quality of life. Nevertheless, I'm optimistic the building business will continue to flourish and Reno-Sparks will continue to be among the finest places to call home.

*Norman Dianda is president and owner of Q&D Construction, and is past president of EDAWN.*



As our community continues to grow and outperform other metropolitan areas, the construction industry is working overtime to meet the challenges of growth.

## Las Vegas Construction: Reaching Cruising Altitude

by Dan Stewart

A recent *Wall Street Journal* report described Las Vegas as "an accident waiting to happen", based on their reporter's assessment of economic indicators for this region.

As president of the Las Vegas Associated General Contractors, I can assure you there continues to be steady growth in Southern Nevada and furthermore, it's no accident. Unlike some rapidly-growing areas, like Phoenix, we in Southern Nevada have been wearing our seat belts and obeying the speed limits in a very careful effort to avoid any economic accidents.

We have been undergoing one of the biggest building booms in the history of this state; we represent one of the fastest growing regions in the country, and at 5.5 percent, we have one of the healthiest job growth rates in the nation. In fact, Nevada's growth rate has been first among all 50 states in the areas of personal income, population and employment opportunities, according to the U.S. Commerce Department.

A summary of Las Vegas Valley building permits indicates there was roughly a 15 percent reduction in valuation – from \$2.3 billion for 1989 to nearly \$2 billion in 1990 – but the number of permits increased by 8.5 percent – from 31,540 in 1989 to 34,215 in 1990. And keep in mind that 1989's valuation included the construction of the Mirage and much of the Excalibur, our newest mega-resorts.

Prudent lending policies and realistic forecasts for growth have kept Southern Nevada from becoming overbuilt – and we maintain very healthy inventory levels, while our tourism industry still enjoys enviable occupancy rates.

True, the boom is not what it was,

and 1991 will see a leveling off of construction activity, but after such a steep and dramatic ascent, Southern Nevada construction is reaching its cruising altitude, and it should be a smooth flight into the foreseeable future.

As our community continues to grow and outperform other metropolitan areas, the construction industry is working overtime to meet the challenges of growth, which include a threatened natural environment and a shrinking workforce.

The construction industry is making an effort to be pro-active in policing itself to maintain cleaner job sites and to keep the dust down, while conserving as much water as possible. In short, we're going to be better neighbors.

Right now, the construction industry employs nearly 10 percent of the workforce in the Las Vegas metropolitan area, and we want to recruit more well-trained and highly skilled workers.

The Las Vegas AGC recently hosted its first annual Trade Show and Construction Rodeo, which drew contractors and suppliers from throughout the West. The three-day event featured exhibits, equipment contests and demonstrations, in addition to 15 educational seminars focusing on productivity and industry advancements.

We believe that our sponsorship of this regional showcase of the best in our business will help keep the industry spotlight on Southern Nevada. Already a national leader in the quantity of projects, the Las Vegas construction industry is ready to become a national leader in quality as we continue to build a better Southern Nevada. 

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Southern Nevada Construction  
Connection Magazine*

*by Ehert Kowalk*

## **Insurance Management: Identifying risks, cutting costs**

"Many business do not have enough money to properly insure themselves. Our experience has been that large numbers of new businesses are going in on a short shoestring. As a result, insurance is one of the first things they cut."

Loyalty means a great deal to Scott Sorenson, a small business owner in Melbourne, Florida, but not necessarily when it comes to insurance. As the entrepreneur behind a moving and storage company, Sorenson has discovered liability and property insurance can be expensive, so he bids out his policy to three or four insurance agencies each year. "I believe in loyalty, but insurance is too much of an expense to base your decision strictly on loyalty," Sorenson says.

Many insurance industry experts agree and say the best way to manage insurance costs is to know all your options. "When I meet a small business owner, the first thing I tell him or her is to find an agent who represents more than one company," says John Egan, director of product services for Aetna Life and Casualty, Inc. "There's a lot of niche marketing out there and an independent agent can generally offer the most options," he explains.

David Frame, chairman and CEO of American Line Builders, says it is important to find an agent who understands your business. "Get him to know the administration and operation of the business," says Frame, whose company designs and constructs power transmission lines and substations across the country.

Even better than an independent agent is an independent insurance consultant, says Esby McGill, a volunteer for the Service Corps of Retired Executives (SCORE) in Medford, Oregon. McGill

says that while many independent agents can function as consultants, buyers must be aware that agents are also interested in making a sale. "I think it is very important for a person to find a reliable consultant he or she can trust," says McGill, a former small business owner and business school dean.

According to Samuel Schiff, a spokesperson for the Insurance Information Institute, a small business owner should look for agents who know their community. "For example," Schiff says, "if you run a business in Fall River, Massachusetts, and your brother-in-law is an agent in L.A., don't call on him for insurance, no matter how well you get along."

For some small businesses entrepreneurs, however, the question is not how to find the best insurance policy but how to afford it. McGill of SCORE notes many businesses, especially young ones, do not have enough money to properly insure themselves. "Our experience has been large numbers of new businesses are on a very short shoestring. As a result, they try to cut costs, and insurance is one of the first things they cut," McGill says. Rather than cut insurance, he suggests businesses identify their risks and prioritize those that need insurance coverage.

According to the Insurance Information Institute, there are five key areas in which to look for risks or loss exposures: property losses; business interruption losses; liability losses; key person losses;

# From Our Family...

and losses resulting from workplace injury or death of employees. By examining these areas, a business can decide which risks deserve insurance coverage.

For example, Sorenson says he cuts costs by raising his deductibles on some equipment and dropping collision insurance on some of his older moving vans.

Another way to lower insurance costs is through risk management. Don Kyle, a spokesperson for the Risk Insurance Management Society (RIMS), says risk management for small businesses can sometimes be vital due to the high cost of insurance. "Every business needs to protect its assets," says Kyle. "Insurance is only one way. Another form of protection comes from projections of what can go wrong and what to do to prevent it."

David Frame of American Line Builders says his company holds weekly safety meetings that are often attended by its insurance representative. He also sends his employees to safety seminars conducted by independent consultants. Such procedures help lower premium costs.

Small and growing business owners can find assistance in risk management procedures from various sources including the Insurance Information Institute, publications and seminars offered to RIMS members and from independent or allied insurance agents.

The bottom line, says Schiff, is growing companies must be prudent in managing their insurance costs, which is usually accomplished through a combination of thorough risk management procedures and careful insurance policy reviews. "It's simple," he says, "you take what you need and eliminate what you don't." ♦

*Ehert Kowalk is an IBM marketing manager who focuses on small and growing businesses in the Las Vegas area.*

*This monthly column is sponsored by ValCom Computer Center, 4305 S. Industrial Rd., Suite 110, Las Vegas, NV 89103. Any comments or requests for additional information, call (702) 795-1010.*



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by Richard Chulick

As the Nevada population ages, many of us potentially face another major expense in addition to the escalating cost of medical care: long-term custodial and nursing home care. This care may be for ourselves, our husband or wife, or elderly members of our family.

## Long-Term Care Insurance

The chances of our needing long-term custodial care are high. Once a person reaches age 65, he or she has a 40 percent chance of needing nursing home care at some time. Fully 22 percent of those who have lived to age 85 are in nursing homes. The annual cost of this care can be \$25,000 or more, and the fees are escalating with inflation.

### Who Pays the Bills

Although Medicare provides for up to 100 days of care each calendar year, it will do so only in Medicare-certified skilled nursing facilities, and then only if admission follows a hospital stay. Also, Medicare pays the full cost only for the first 20 days of such care. Thereafter, the individual and Medicare share the cost of coverage but only up to the 100th day. Certified facilities are limited and exclude the many institutions that offer custodial care but do not have licensed medical professionals on duty 24 hours a day.

Supplemental "medigap" plans, which can be purchased from private insurers, will pay a portion of the medical expenses not covered by Medicare. However, a basic medigap policy will exclude long-term care. Medicaid, the medical welfare program for the indigent, covers long-term care. But many individuals who need long-term care are not eligible for Medicaid or will need to deplete their resources before becoming eligible.

### Private Long-Term Care Coverage

Because of these limitations, it might be appropriate to consider private long-term care coverage for yourself, your spouse and your parents. In evaluating a long-term care insurance policy, you'll want to make sure certain features are included in the coverage. Review prospective policies in light of the following points:

*Guaranteed Renewability*—The policy should be guaranteed renewable for life. This feature prevents the insurer from being able to cancel the policy, except for nonpayment of premiums, when the individual is using the expensive coverages.

*Deductible Period*—The deductible or elimination period provides that benefits will not be paid for a specified length of time before the insurer begins to pay off. This period varies from 21 to 365 days, depending on the policy. Although a shorter deductible period may be desirable, a longer period will reduce the premium. If available, other emergency resources can be used in the interim.

*Custodial Care Coverage*—Make certain that the policy provides coverage not only for skilled and intermediate care but also for custodial care. Custodial care is basic; it does not require licensed medical professionals. It is an essential element of any coverage.

*Home Care*—Long-term care in the individual's home, instead of in a residen-

tial or nursing facility, can be an attractive provision. Some policies offer this coverage only as a rider, for an extra charge, or as a percentage of the normal coverage.

**Prehospitalization** – Some policies allow benefits to be paid only if the individual has been in a hospital before receiving long-term care. However, many individuals do not go to long-term care facilities directly from the hospital, so this requirement can result in a denial of benefits at a crucial time.

**Alzheimer's Coverage** – A good policy will provide long-term care coverage for a patient stricken with Alzheimer's disease. This disease is generally described in policy language as "organically based mental conditions". If such language is not specifically included in the policy, Alzheimer's probably is not covered.

**Inflation Protection** – This feature provides for the anticipated rise in the cost of

long-term care. However, a rider to offset inflationary increases can cause the premium to increase by as much as one-third.

Other policy features you may wish to review are: clauses limiting coverage based on pre-existing conditions or medical history; waiver of premiums in the event of disability; premiums that remain level for life; a maximum benefit period for one stay of at least four years; a daily nursing-home benefit of about \$80; and a grace period, giving the policyholder some protection against overlooking a payment of a premium.

### Selecting the Policy

As a general rule, if you decide to buy long-term care insurance for yourself or for your elderly parent, the sooner you do so, the better. Premiums increase significantly with age.

As you would when buying other types

of insurance, shop around and compare features of long-term care policies available from different insurance companies. You want to be satisfied that the policy is issued by a company that is in solid financial condition.

As more employers begin to offer long-term care insurance as a benefit, company-sponsored plans should be reviewed and considered as well. Because long-term care policies are relatively new and actuarial data are limited, current prices vary over a wide-range. Prices can be expected to stabilize, and perhaps decline, as insurers gather more actuarial data from claims experience.

Your tax advisor and attorney can provide more information and should be consulted before making any decisions. ♦

*Rick Chulick is a tax partner with the firm Deloitte & Touche.*

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## Nevada Briefs

### Lease agreement provides Santa Fe with equipment

The popularity of lease financing continues to gain momentum in Nevada's resort industry. The Santa Fe Hotel and Casino recently entered into a lease agreement with Valley Leasing Company, Inc., for \$8 million worth of gaming equipment. This lease becomes the largest single lease agreement for the Nevada-based leasing company, whose affiliate company is Valley Bank of Nevada.

The lease agreement with the Santa Fe resort includes a variety of gaming equipment such as 1,500 slot machines and count room equipment for the casino, along with computer systems and kitchen equipment for the hotel portion of the resort. The \$8 million lease is for four years, with a purchase option at the end.

The financing for the Santa Fe resort was provided by Valley Leasing's affiliate company, Valley Bank. A \$25 million construction loan funded the building of a 200-room hotel, a 75,000-square-foot casino floor, an ice skating arena and a 60-lane bowling center, all of which opened earlier this year.

L. Bruce Royer, president of Valley Leasing Company, says lease financing of gaming equipment is becoming more popular among resorts because it allows the resort to retain more capital for multiple-phase construction projects.

According to Royer, leasing's popularity can be simply explained by its advantages. Because leasing can provide 100 percent financing of equipment costs, companies are able to conserve capital and retain cash flow for the expansion of other business activities. He says fixed payments allow for more reliable budgeting and payments may be tax deductible for both regular and alternative minimum tax computations.

"Leasing also keeps up with the market," Royer said. "For equipment which may be obsolete in a few years, it makes more sense to lease than to buy."

Royer added that the teamwork between Valley Leasing and Valley Bank provide Nevada businesses with a competitive edge in obtaining financing. "The fact that Valley Capital Corporation and its financial service companies are locally owned and managed, we can provide more convenient and timely financing than many of our competitors."

In less than three years, Valley Leasing has become one of the largest leasing companies in Nevada. The firm is also a member of both the American and Western Associations of Equipment Lessors.

### LandGrant enters Nevada market

One of the Western United States' leading retail shopping center developers entered the Nevada market when LandGrant Development officially broke ground on the new 256,000-square-foot Whitney Ranch Center, located in Henderson.

LandGrant Development — a San Diego-based company that develops, manages and leases neighborhood and community shopping centers throughout California, Arizona and Nevada — announced

the new center will be anchored by a 114,000-square-foot Target store and a 50,000-square-foot Von's grocery store. C. Samuel Marasco, president of LandGrant, said the new shopping center site was selected "because of the rapid growth in Henderson's northern region, and the site's close proximity to a large number of master-planned communities."

Marasco also indicated the shopping center will have several other anchor tenants, in addition to Target and Von's. Plans also call for a wide variety of restaurants, fast food outlets, service station and other retail businesses.

Whitney Ranch Center will be ready for occupancy in the fourth quarter of 1991.

According to Sharon R. Hibbert, vice president of real estate for LandGrant, "The success of home sales in the area, was a determining factor in the decision to start construction," she said. "The trade area immediately surrounding the center has emerged as one of Las Vegas' strongest new housing markets with a total of almost 30 subdivisions," Hibbert stated.

### Hardison/Downey begins work on distribution center

Phoenix-based Hardison/Downey Construction, Inc. has begun work on the construction of a 112,000-square-foot distribution center at the Birtcher Palms Industrial Center in Las Vegas.

Bob Hardison, president of Hardison/Downey Construction, said construction is well underway on the project at the corner of Industrial and Post Roads, just west of Interstate Highway 15, near McCarran International Airport.

Hardison/Downey Construction recently completed the installation of major infrastructure at the 45-acre Birtcher Palms Industrial Center, including major grading, sewers, water lines, streets, curbs, gutters and sidewalks. Total cost of the project is \$3.1 million, Hardison said.

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## Call Before You Dig protects excavators

Most people have an "it-won't-happen-to-me" attitude whether the subject is winning the lottery or getting in a car accident. Unfortunately, it often takes a shattering experience, such as an accident, to realize anything is possible.

When it comes to buried utility lines, that same careless attitude is often responsible for serious and potentially dangerous "dig-ins". The worst Illinois telephone outage in years occurred last fall when a landscaper planting a large tree in a Chicago suburb severed a major fiber optic cable. As a result of that "dig-in", air traffic controllers temporarily lost radio contact with the planes they were routing; Loyola University Medical Center lost all contact with the outside world and had to resort to two-way radio; automatic teller machines were out of service; and thousands of people were without telephone service for 12 hours.

These potentially dangerous "dig-ins," however, can be avoided, according to Rob McCoy, Nevada Power manager of media relations and public communications and 1991 Southern Nevada Call Before You Dig committee chairman. "Because anything is possible, particularly in heavily populated and expanding areas like Nevada, it is important to call the nationwide one-call system before you dig, even if you're just installing sprinklers," he said.

"Call Before You Dig is part of a system that has been established to help locate underground utilities buried just inches down in some cases. By locating these in advance, we hope to prevent potential injuries and damages for anyone — either residential or commercial excavators — who might dig up unseen utility lines," McCoy said. "It's not only going to keep you out of physical and financial trouble, it's the law."

The one-call Call Before You Dig center is accessed from Nevada by calling 1-800-227-2500. McCoy advises calling two to three days before planning to dig.

When an excavator calls the system, information is taken to help identify where cables and lines might run in the area. Representatives from utilities believed to have lines buried at or near the location are then dispatched to mark — with different colored spray paints — the areas where lines are actually located so excavators may then proceed safely.

Excavators need to realize, McCoy said, in many areas of Nevada, because of very hard earth, utility lines are buried only a few inches under the surface.

"Although the problem of dig-ins still does and always will exist, we have been able to curb the problem substantially due to the increased number of people who do call before digging," McCoy said.

For information on the Southern Nevada organization, write Call Before You Dig, 2250 E. Tropicana, Suite 406, Las Vegas, Nevada 89119.

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## PriMerit begins drought-resistant landscaping

Having gained drought-resistant landscaping experience through its Arizona branch designs, PriMerit Bank recently began using that experience to support Nevada's water conservation efforts.

"We are literally turning over a new leaf for our Nevada landscaping plans," said David H. Rogers, president and chief operating officer of PriMerit Bank. "Our drought-resistant landscapes in Arizona have significantly reduced water consumption at each branch. We are now planning to incorporate these landscapes into all of our Nevada branches."

PriMerit has partially established such landscaping at its Financial Center, which is the bank's single-largest water user. The first PriMerit facility to be completely

drought-resistant landscaped is its Summerlin branch, which, when completed, will provide the basis for future branch designs. Rogers noted Summerlin was an appropriate place to begin this landscaping because it easily blends in with the Spanish-style architecture and landscape already present in that community.

According to the Las Vegas Valley Water District, drought resistant landscaping can reduce water usage from 30 to 50 percent, depending on the types of plants and irrigation used. Because PriMerit is using drip irrigation and desert plant materials, the bank will save a substantial amount of water. Because drip irrigation is provided directly to plant roots at a rate appropriate for the plant, less water is wasted through over-watering, evaporation and sidewalk-watering. Some of the plant materials to be used include African sumac, twisted acacia, shoestring acacia, desert willow, mesquite trees and a variety of shrubs and perennials. Boulders and soil will be used as well, decreasing the number of live plants that must be watered.

"People are just beginning to realize that water is a precious resource," said Louise Harding of Harding Landscape Diversified, design consultant for the project. "Lush greenery may be beautiful, but it's not sensitive to our surroundings, and more individual residents and businesses are changing their landscaping to be more environmentally sensitive."

"PriMerit Bank is taking measurable steps to incorporate environmental concerns into their own image," she said.

PriMerit was the first bank to serve the Sun City community with the opening of its temporary branch in March 1990. The new branch will be located near the temporary office location, directly adjacent to Summerlin's front gates.

A wholly-owned subsidiary of Southwest Gas Corporation, PriMerit Bank, a federal savings bank, recently completed its 23rd consecutive year of profitability. The bank has 32 branches throughout Nevada and Arizona.

## NFCU announces new Reno branch

Nevada Federal Credit Union has announced plans to open a new branch in Reno during the third quarter of 1991. This new full-service branch office, located in the Airport Shopping Center at 1296 Plumb Lane, will feature a three-lane drive-up and a 24-hour automatic teller machine.

"The site was chosen for its accessibility, which means added convenience for members," said Tom Hilton, senior vice president and head of facilities for Nevada Federal. "It's in a vital area of Reno, close to freeways and shopping areas."

The credit union's two existing Reno branches will close and all services will be transferred to the new branch office. "The existing offices are small and not as visible," Hilton said. "With the new branch, we will be better positioned to provide the accessibility, convenience and quality of service that our members deserve. And the new branch site is within a mile of the two existing offices."

The state's largest credit union with over 64,000 members, NFCU reported assets of \$280 million and reserves of \$17.6 million as of March 31, 1991. Member deposits are federally insured by the National Credit Union Administration.

## Community Hospital gets new name and identity

Community Hospital changed its name and identity to Lake Mead Hospital Medical Center, hospital officials announced in late April. Additionally, the hospital is undergoing a renovation and expansion. Phase one of the project has been completed and a new medical office building has been master-leased as well.

Ernie Libman, chief executive officer of Lake Mead Hospital said, "With the

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rapid growth of Southern Nevada, our community needed a first class facility. This is the pinnacle of the North Las Vegas redevelopment plan providing quality health care."

The hospital's phase one expansion and renovation included such things as adding an additional operating room, providing an industrial medical clinic and creating a special entrance for ambulance patients.

"We tried to make the hospital more efficient and provide the kinds of health care services our local community requires," said Jack London, Lake Mead Hospital's marketing director.

More than 2,500 square feet of space was added to the emergency room and the front facade was given a facelift. Additionally, the acquisition of a new 26,000-square-foot medical office building across from the hospital, will offer more office space for doctors providing specialized health care services.

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## **Krump Construction awarded Contractor of the Year**

The Nevada Chapter of the Associated General Contractors of America (AGC) has recently awarded Krump Construction the inaugural Contractor of the Year Award. The AGC ethics committee selected Krump as the firm who was "most worthy on the basis of ethical practices toward fellow AGC members while exemplifying the AGC motto of 'skill, integrity and responsibility'."

"This award is especially gratifying because it is voted for by the subcontractors in the association," said Tom Miller, manager of business development at the firm. "These are the firms best able to judge how equitably they are treated by the general contractor. At Krump Construction, our policy is to associate with qualified subcontractors."

Krump Construction maintains offices in Reno and Sacramento, California.

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## **Quick Care Centers relieve Trauma Unit overload**

One of the multitude of changes in American culture over the last 20 years is that most individuals, as well as most families, do not have a family doctor. This change has caused a trend toward using hospital emergency rooms instead of visiting the family physician when immediate health care is needed. The influx of such patients has caused an overload in emergency rooms. Because an emergency room's primary concern is to treat trauma patients, those with minor emergencies such as fevers, minor burns, flu symptoms and broken bones sometimes wait for hours before receiving treatment. Although necessary and understandable, these long waits in emergency rooms are uncomfortable and stressful.

In response to the problem of overcrowding in its State Designated Level II Trauma Unit, University Medical Center opened a Quick Care Center at its hospital location on West Charleston in Las Vegas. The center was soon working at full capacity on a 24-hour-a-day, seven-days-a-week schedule treating patients who needed health care, but did not need a trauma-oriented emergency unit.

The obvious need for more of these facilities soon prompted UMC to select another location for an additional Quick Care Center – the UMC Quick Care Center at The Lakes in the rapidly growing western fringe of the Las Vegas Valley.

The concept of having doctors, nurses, technicians, x-ray facilities and laboratories capable of conducting many routine tests right on premises made the center an immediate success. The convenience of having mammography screening available without referral from a physician encourages women to get mammograms. The fact that credit cards are accepted allows patients – who feel they cannot get medical treatment because of lack of funds

or insurance – to get needed immediate health care. The pharmacy on premises makes it more likely that prescriptions will be filled for patients who might either delay taking them to a drug store, or not have them filled at all.

The success of UMC's Quick Care Centers has made it clear this type of minor emergency care facility is a productive answer to the rapidly growing medical needs of Southern Nevada.

Experts estimate the demand for expanded health services will increase by 25 percent annually during the next five years. Additional research conducted by UMC showed because of the growth in Clark County, there are physician shortages in many local areas. Using this data, University Medical Center made the decision to open two more Quick Care Centers, one in the northeast and one in the northwest areas of Las Vegas. As with UMC's previous Quick Care Center locations, the newest centers to come on line were immediately in use by residents of nearby neighborhoods.

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## **Breternitz named to architectural board**

Governor Bob Miller recently appointed John Breternitz, general manager of Q&D Construction, Inc., to the Nevada State Board of Architecture.

The seven-member board adopts regulations governing the examination of applicants for certification to practice architecture or residential design in Nevada. Board members can also adopt and promulgate codes of ethics for architects and residential designers.

Breternitz is a registered architect and has worked in the building industry more than 20 years. As a general manager of Q&D Construction, Inc., he oversees all aspects of day-to-day operations, including design, construction, general engineering and development. 

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# business indicators & analysis

**N**evada and U.S. indicators point toward continued economic weakness. Nevertheless, economic weakness has been more pronounced in other regions of the nation than in the Silver State. Nevada continues to be ranked among the strongest state economies, even as the nation enters a recession. Recent Nevada data (compared with year-ago figures) show a beginning trend toward increased unemployment and a slowing expansion of expenditures.

The unemployment rate increased nationally to 6.5 percent (February, 1991) up from 6.2 percent only the month before, and up from 5.3 percent a year ago. Unemployment in Nevada also increased over the same periods. But Nevada's unemployment rates remain lower than the national level. Nevada unemployment (on a seasonally adjusted basis) is at a 5.4 percent level. The rate for the Las Vegas area (5.9 percent) is above the state level, while the rate for Reno (4.9 percent) is less than the state level.

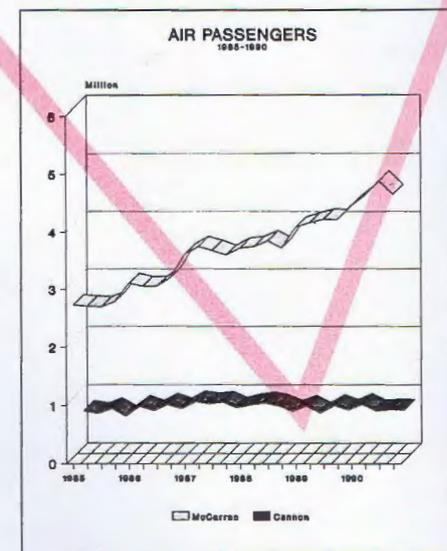
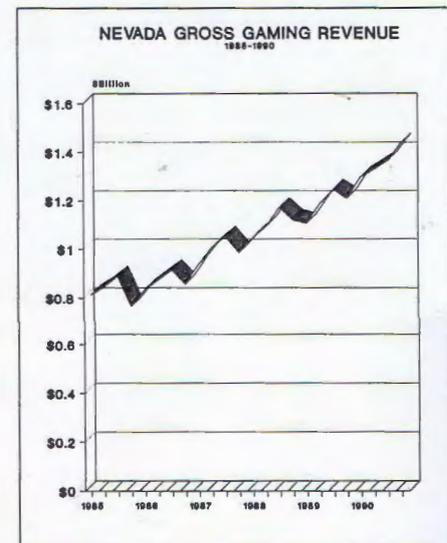
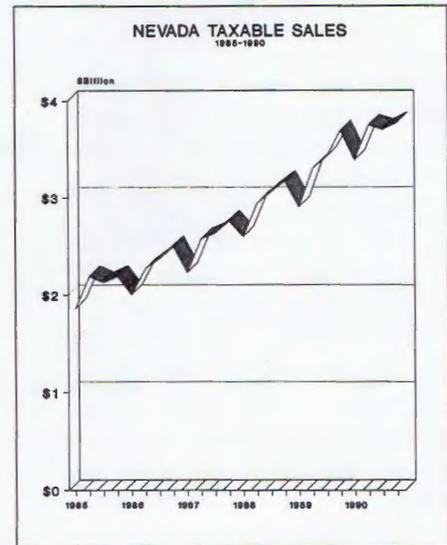
During the past few years, Reno's economy has tended to lag behind Las Vegas, but during February (on a seasonally adjusted basis) the Reno economy experienced a better unemployment picture than Las Vegas. Of course, the seasonal adjustments for Reno's winter ski season may influence in part this situation. Consequently, further information will be needed before broad based conclusions may be reached. Yet, as of February the better performance of the Reno economy in terms of unemployment represents a change in the relative performance of Nevada's two major metropolitan areas.

Further evidence of the relative softness of the Las Vegas economy appears with comparison of gross gaming revenue. During February, 1991 the Las Vegas Metropolitan Area's (Clark County) gaming activity increased by only 0.3 percent above year ago levels. On the other hand, Reno (Washoe County) experienced strong and vigorous activity during the same period (up 19.5 percent from a year ago). Southern Nevada's economy slowed, while Reno's economy grew during the height of the Persian Gulf War.

Economic slowdowns differ over time and between regions. It is said that business cycles are like snowflakes, each one is different. Nevertheless, construction activity typically shows more pronounced variability than other sectors. Current indicators (both U.S. and Nevada) confirm the tendency for construction and housing activity to decline relatively more than other sectors during recessions.

Should sluggish economic conditions continue to prevail beyond mid-year 1991, one might reasonably expect further action by monetary authorities to stimulate construction and housing. Stimulative monetary action would include greater funding availability for development and construction and lower interest rates to improve affordability conditions. Future economic recovery (and the strength of future economic expansions) will depend in large measure on the environment for investment, construction and housing.

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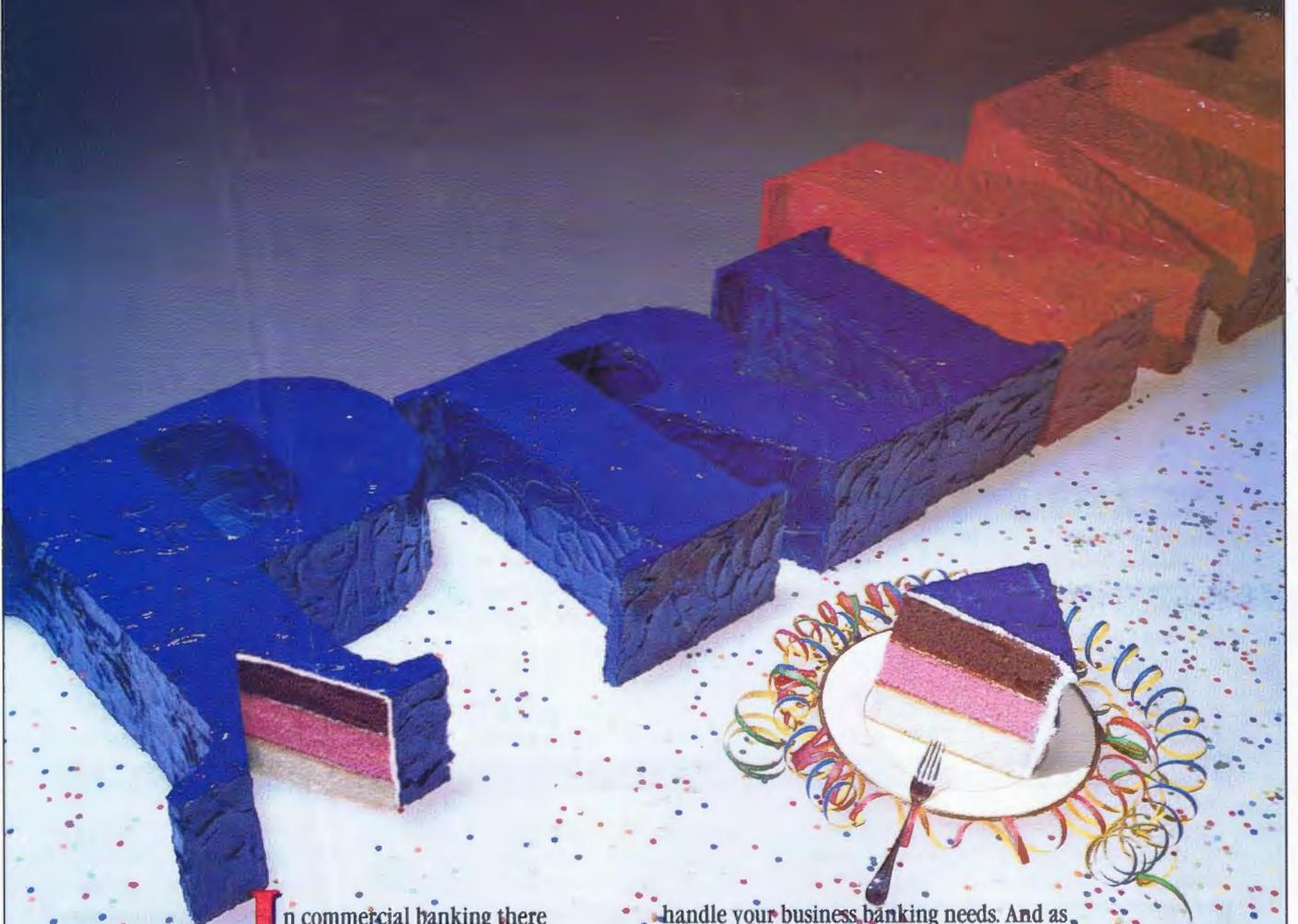
	DATE	UNITS	LATEST PERIOD	PREVIOUS PERIOD	YEAR AGO	CHANGE YR AGO
<b>UNEMPLOYMENT</b>						
Nevada	Feb 1991	seasonally adj.	5.4	5.4	4.8	12.50%
Las Vegas	Feb 1991	seasonally adj.	5.9	5.7	4.2	40.48%
Reno	Feb 1991	seasonally adj.	4.9	5.0	4.7	4.26%
U.S.	Feb 1991	seasonally adj.	6.5	6.2	5.3	22.64%
<b>RETAIL ACTIVITY</b>						
Nevada Taxable Sales	Feb 1991	\$ thousand	1,069,143	1,053,009	1,031,941	3.61%
Clark County	Feb 1991	\$ thousand	625,370	627,857	625,447	-0.01%
Washoe County	Feb 1991	\$ thousand	191,722	189,033	183,239	4.63%
U.S. Retail Sales	Feb 1991	\$ million	148,869	147,633	150,579	-1.14%
<b>GROSS GAMING REVENUE</b>						
Nevada	Feb 1991	\$ thousand	413,800	428,685	394,393	4.92%
Clark County	Feb 1991	\$ thousand	314,026	330,984	313,092	0.30%
Washoe County	Feb 1991	\$ thousand	58,701	56,676	49,107	19.54%
<b>CONSTRUCTION ACTIVITY</b>						
Las Vegas Area						
New Residences	4th qtr 1990	# permits	2,461	3,022	2,994	-17.80%
New Commercial Permits	4th qtr 1990	# permits	125	228	167	-25.15%
Reno Area						
New Residences	2nd qtr 1990	# permits	589	438	480	22.71%
New Commercial Permits	2nd qtr 1990	# permits	39	58	72	-45.83%
U.S.						
Housing Starts	Feb 1991	thousand	989	850	1,459	-32.21%
Total Construction	Jan 1991	\$ billion	396.6	407.1	446.0	-11.08%
<b>HOUSING SALES</b>						
Las Vegas Area						
Median Sales Price <sup>(1)</sup>	4th qtr 1990	\$	122,194	131,242	114,318	6.89%
Average Cost/Square Foot	4th qtr 1990	\$ per sq. ft.	85.98	76.66	54.27	58.43%
Average Mortgage Rate <sup>(2)</sup>	4th qtr 1990	%	9.58	9.45	9.47	1.16%
Washoe County						
Average Sales Price <sup>(1)</sup>	2nd qtr 1990	\$	149,403	145,501	139,462	7.13%
Average Cost/Square Foot	2nd qtr 1990	\$ per sq. ft.	77.82	75.59	78.61	-1.00%
Average Mortgage Rate <sup>(2)</sup>	2nd qtr 1990	%	10.50	10.50	10.34	1.55%
U.S. Home Sales	Jan 1991	thousand	408	465	627	-34.93%
<b>TRANSPORTATION</b>						
Total Passengers <sup>(3)</sup>						
McCarran Airport, LV	4th qtr 1990	passengers	4,648,328	4,881,626	4,220,563	10.14%
Cannon Airport, Reno	4th qtr 1990	passengers	738,367	756,917	751,195	-1.71%
State Taxable Gasoline Sales	Feb 1991	thousand gal.	43,734	51,007	46,713	-6.38%
<b>POPULATION ESTIMATES</b>						
Nevada	July 1990	people	1,280,020		1,197,260	6.91%
Clark County	July 1990	people	800,840		733,180	9.23%
Washoe County	July 1990	people	256,640		251,130	2.19%
<b>NATIONAL ECONOMY</b>						
Consumer Price Index <sup>(4)</sup>	Feb 1991	1982-84=100	135.1	134.8	128.2	5.38%
Money Supply — M1	Feb 1991	\$ billion	836.4	826.7	801.1	4.41%
Prime Rate	3/30/91	%	9.0	9.5	10.0	-10.00%
Three-Month U.S. T-Bill	3/30/91	%	5.91	5.95	7.87	-24.90%
Gross National Product	4th qtr 1990	\$ billion	5,527.3	5,514.6	5,289.3	4.50%

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

SOURCES: Nevada Dept. of Taxation; Nevada Employment Security Dept.; UNLV, Center for Business and Economic Research; UNR, Bureau of Business and Economic Research; US Dept. of Commerce; US Federal Reserve.

COMPILED BY: UNLV, Center for Business and Economic Research

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