

JUNE 2005

\$4.95

NEVADABUSINESS.COM

# Nevada BUSINESS

JOURNAL

## HEALTHCARE CHECKUP

*Managing  
Nevada's  
Medical  
Challenges*

## NEVADA'S DOOR "WIDE OPEN"

TOURISM PICTURE BRIGHT

INDUSTRY FOCUS

## TELECOMMUNICATIONS

SPECIAL SUPPLEMENT: NAIOP



Now Leasing



96,000 sf Retail

• South Rainbow at Sunset

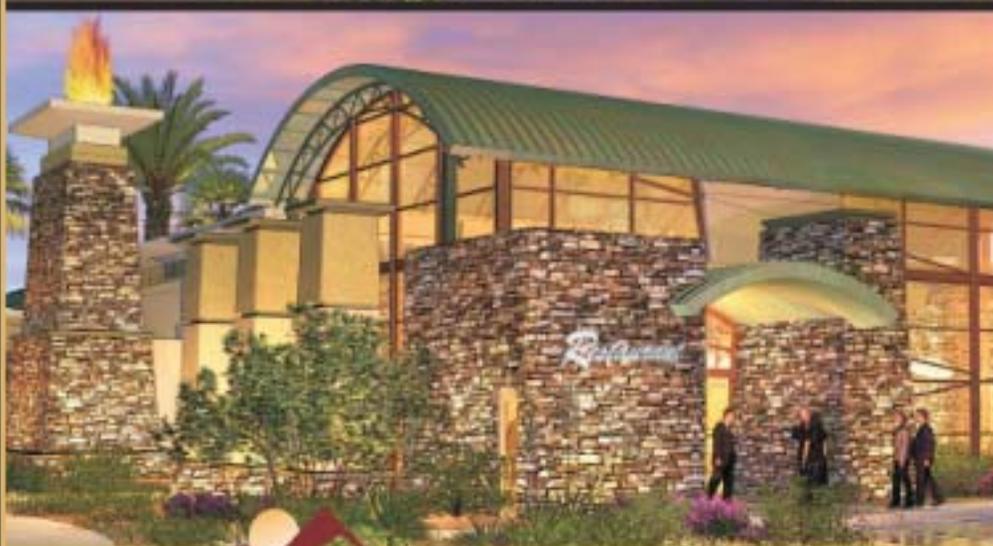
• Prominent Frontage on Rainbow

• Great visibility from freeway & Rainbow Boulevard frontage

• Upscale Restaurant Available

• 7,275 Square Feet Indoor Dining

• Over 1,000 Square Feet Patio Dining



**Rainbow Sunset Pavilion**

**Retail • Restaurant**  
Available Now



• 10,800 sf Retail

• On Painted Mirage at South Ann Road

• Interstate 95 Frontage

**Painted Desert**  
Professional Park

**Retail**  
Available Summer 2005



5495 South Rainbow Boulevard • Suite 202 • Las Vegas, Nevada • 89118  
T: 702.871.4065 • F: 702.871.0333 • E: info@plise.com • www.plise.com

IT'S MORE THAN A JOB.  
IT'S A COMMUNITY.  
IT'S ABOUT LIFE.



*Rose de Lima Campus*  
102 E Lake Mead Pkwy  
Henderson, NV 89015

*Siena Campus*  
3001 St. Rose Pkwy  
Henderson, NV 89052

*San Martín Campus*  
Warm Springs/Durango  
Opening 2006

For nearly six decades, St. Rose Dominican Hospitals have served the Las Vegas valley. This commitment to the past continues today and into the future with the opening of the San Martín Campus in 2006. The hospital will be appealing in appearance and will feature the most advanced technology available, however, the most important attribute will not be a tangible item. It will be an inheritance of unparalleled caring for the mind, body and spirit.

At St. Rose we believe the process of healing is more than a job. It's about giving back to our community and creating a great place to work. And, it's about providing the best health care for you, your family and the entire community.



**702-616-5000**  
[www.strosehospitals.org](http://www.strosehospitals.org)

Serving your community  
for nearly 60 years.

Committed to providing  
quality, compassionate care.

Employing over  
2,000 valley residents.

You stood in line for an hour... you removed your belt, your shoes and put all your valuables into a bin that preceded you through the line by half a mile. Then they took the Swiss Army knife your Dad gave you for your first camping trip. All so you could enjoy the convenience of rapid air travel...



Take Control Learn to Fly  
It's easier and less expensive  
than you think.



Located at the North Las Vegas Air Terminal  
2826 Perimeter Rd #106 (Rancho & Decatur)  
[www.firstflightlasvegas.com](http://www.firstflightlasvegas.com)

**702.647.4111 866.FLY.VEGAS**

*Part of the Pinta Aviation Services family of companies*

NEVADABUSINESS.COM  
**Nevada  
BUSINESS  
JOURNAL**

A division of BUSINESS LINK, LLC

**PUBLISHER**

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

**PUBLISHER / CEO**

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

**PRESIDENT**

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

**EDITOR**

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

**ART DIRECTOR**

Joe Thomasula

**RESEARCH/RANKING NEVADA**

[info@nbj.com](mailto:info@nbj.com)

**ONLINE MARKETING DIRECTOR**

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

**INTERNET/WEB SITE DIRECTOR**

J.R. Fent

**CONTRIBUTING EDITORS**

Tina Allen • Doresa Banning • June Cox  
Tom Dye • Kathleen Foley • Elizabeth Gamble  
Matthew D. Goedert • Brian Holthus  
Lorraine Hunt • R. Keith Schwer  
Sharon Rorman Sheldon

**ADVERTISING / SALES**

Connie Brennan • [connie@nbj.com](mailto:connie@nbj.com)  
Sheri Lautherboren • [sheri@nbj.com](mailto:sheri@nbj.com)  
Dawn Jenkins • [dawn@nbj.com](mailto:dawn@nbj.com)

**SALES ASSISTANT**

Linda McKeon • [linda@nbj.com](mailto:linda@nbj.com)

**CORPORATE OFFICE**

4386 S. Eastern Ave., Ste. B • Las Vegas, NV 89119  
(702) 735-7003 • FAX (702) 733-5953  
[subscribers@nbj.com](mailto:subscribers@nbj.com)

**NORTHERN NEVADA ADVISORY BOARD**

Chuck Alvey • EDRAWN  
Tom Clark • Tom Clark Consulting Company  
Connie Fent • Community Representative  
Valerie Glenn • Rose Glenn Group  
Harry York • Reno-Sparks Chamber of Commerce  
Web Site: [nbj.com](http://nbj.com) • [nevadabusiness.com](http://nevadabusiness.com)  
TopRank Nevada: [topranknevada.com](http://topranknevada.com)



Nevada Business Journal is a division of Business Link, LLC, 4386 S. Eastern Ave., Ste. B, Las Vegas, NV 89119. It is listed in Standard Rates and Data, #20A-Business-Metro, State and Regional. TopRank Nevada - Annual Statewide Book of Lists is a publication of Nevada Business Journal.

Advertisers should contact Sales at (702) 735-7003, or write to: Nevada Business Journal, 4386 S. Eastern Ave., Ste. B, Las Vegas, NV 89119. Demographic information available upon request. Month-to-month circulation may vary.

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

All contents ©2005 copyright, and reproduction of material appearing in Nevada Business Journal and TopRank Nevada - Annual Statewide Book of Lists is prohibited unless so authorized by the publisher.

CHANGE OF ADDRESS: POSTMASTER: Send address changes to Nevada Business Journal, 4386 S. Eastern Ave., Ste. B, Las Vegas, NV 89119. Subscribers please include previous address or mailing label. Allow six weeks.

EDITORIAL SUBMISSIONS: Address all submissions to the attention of Kathleen Foley. Unsolicited manuscripts must be accompanied by a SASE. Nevada Business Journal assumes no responsibility for unsolicited materials.

DISCLAIMER: Editorial views expressed in this magazine, as well as those appearing in area focus and industry focus supplements are not necessarily those of the publisher or its boards.

Leilani Bradford, Partner



**We Have The Prescription To Get You To The Top**

Good accountants do more than file reports. They provide honest objective council.  
Let's meet and see what it takes to strengthen your business.

*Accounting, investment strategies, insurance, financial planning and company benefits.*



L. L. Bradford & Company, LLC

3441 S. Eastern Ave. • Las Vegas, NV 89109 • (702) 735-5030 • [info@llbcpa.com](mailto:info@llbcpa.com)

> With Sprint, wireless is beautiful.



You can get more out of your technology investment by making sure employees have access whenever they need it. No downtime. No waiting for answers. Now it's easy to keep them connected with Sprint, the first major provider of end-to-end managed wireless service. We integrate devices with your network, keep them running effectively, keep them secure. We can even disable lost or stolen devices remotely, so private information stays that way. Sprint Managed Mobility Services™ help save your company time and money. And when your people can spend more of their work time actually working, your business is more productive, powerful, beautiful. **With Sprint, business is beautiful.™**

> Visit [Sprint.com/beautiful](http://Sprint.com/beautiful) for case studies or call 800-597-6583 > Wireless. Data. Voice. IP.



**L**YLE E. BRENNAN  
*Publisher*

## United We Stand Business and Homeowners Must Fight Together

There's been a lot of talk lately about California's Proposition 13 and the taxpayers' revolt that caused its passage. The Nevada Policy Research Institute recently brought Jon Coupal, executive director of the Howard Jarvis Taxpayers Association, to Nevada to provide some background on how Proposition 13 came about, and some advice on how to draft our own version of tax relief. It's worth considering.

### The California Experiment

During the 1960s and '70s in California, home prices were rapidly escalating. Because real estate was taxed on its assessed value, property taxes soared, and many people were actually taxed out of their homes, including seniors who had owned their homes for many years. Does this sound familiar?

Howard Jarvis and Paul Ganns had both fought separately for property-tax relief measures, but neither was successful. In 1977 they finally joined forces to create what became Proposition 13. This ballot question proposed rolling California property tax rates back to 1976 levels and capping future increases to 2 percent a year. Once a property changed hands, it would be reassessed and the tax basis would be adjusted to match current market value.

Nobody took Jarvis and Ganns seriously – not politicians, the press or anyone else. But just before the ballot question went up for a vote, county assessors sent out property tax bills, and people discovered their taxes in many cases were four times what they had previously been. Proposition 13, which nobody had expected to pass, earned 66 percent of the votes and became law in 1978.

"Government is like an amoeba," Coupal warned. "If you push it down in one place, it will pop up again somewhere else. So, how could we prevent the state from finding other ways to make up for the loss in income when property tax increases were reduced?"

To avoid this tax shift, Proposition 13 also included a provision that all new taxes needed to be put in front of taxpayers, where they must gain a two-thirds vote of the electorate.

Despite the dire predictions by government officials that Proposition 13 would kill California, it has been alive and well since 1978.

### Nevada's New Law

In response to fears that Nevada property owners would revolt when they got their tax bills this summer, the Nevada Legislature passed Assembly Bill 489, which was signed into law on April 6th. This measure caps property tax increases at 3 percent annually for owner-occupied homes and 8 percent for all other property. Keep in mind that this rate is 50 percent more than the Proposition 13 rate for homeowners, and 400 percent more for commercial property.

The new law is sure to face challenges in the courts, mainly because it sets up a split tax roll. Article 10, Section 1 of the Nevada Constitution states, "The Legislature shall provide by law for a uniform and equal rate of assessment and taxation." Sub-section 10 of this section states the Legislature may reduce taxes for single-family homes "to avoid severe economic hardship to the owner of the residence." This year, lawmakers decided "economic hardship" applied to all Nevada homeowners caught in the rising spiral of housing prices.

More likely, they decided it would create a "political hardship" for themselves if they allowed tax bills for the 2005-2006 fiscal year to show a huge increase in property taxes. And if the law doesn't hold up to court challenges, then the courts, not the legislators, will get the blame. They may have also hoped the new law would take some of the pressure off a potential taxpayers' revolt, "like letting steam out of a teakettle" according to Coupal's analogy.

But a two-tier tax system is not "uniform and equal." Why should owners of commercial properties be denied relief from these burdensome tax increases? And what about rental properties? If taxes on apartment buildings are raised, rents will have to go up to compensate, which means renters are paying more, while homeowners aren't.

If this new law passes challenges in the courts, we will have an unequal and unfair system of property taxes. If it doesn't, we'll have to start all over again looking for tax relief. In either case, it's time for Nevadans to make plans for our own Proposition 13 to take control of taxes and put it back in the hands of the voters, where it belongs, instead of being held hostage by market forces we have no control over.

### Advice for Nevada

The idea of a split tax roll is just one example of how politicians are trying to drive a wedge between the business community and ordinary taxpayers to "divide and conquer" us. If we fight against each other, we'll both lose.

Coupal's advice: "Members of the business community: Don't advocate higher taxes on individuals. They are your customers. The more they pay in taxes, the less they'll have to spend at your company. And individuals should realize that taxes on businesses are passed on to their customers in the form of higher prices."

Assemblywoman Sharron Angle (R-Reno) and others are proposing to put a property-tax relief measure on the ballot in 2006. Let's start now to research ways to craft a proposition that will be fair to everyone, will stand up to court challenges and will guarantee a stop to runaway taxation. Most importantly, we need to stand together. 

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



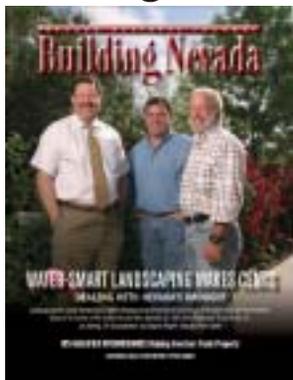
Features

Find out what hospital CEOs and other experts have to say about health-care in Nevada. A group of hospital CEOs got together recently at Southern Hills Hospital Medical Center for a unique photo opportunity. Front row (left to right): Karla Perez, Spring Valley Hospital; Vicky VanMeerten, St. Rose Hospital San Martin campus. Second row: Mark Howard, MountainView Hospital; Lacy

Thomas, University Medical Center; Stephen Dixon, Southern Hills Hospital; Rod Davis, St. Rose Dominican Hospitals; Greg Boyer, Valley Hospital. Back row: Renato Baciarelli, St. Rose de Lima Hospital; Tim Hingtgen, Summerlin Hospital; Jim Miller, Washoe Health System; Sam Kaufman, Desert Springs Hospital.

Photo: Opulence Studios

Building Nevada



Landscaping experts from both ends of the state report how they are coping with the drought situation and how homeowners and businesses can save water and money by switching to less thirsty landscaping.

Photo: Opulence Studios

Special Supplement: *NAIOP*

70 Water-Smart Landscaping Makes Cents  
Dealing with Nevada's Drought

DORESA BANNING

73 IRS-Qualified Intermediaries  
Helping Investors Trade Property

ELIZABETH GAMBLE

73 Commercial Real Estate  
Market Report  
First Quarter 2005 – Office Market

8 Healthcare Checkup  
Managing Nevada's Medical Challenges

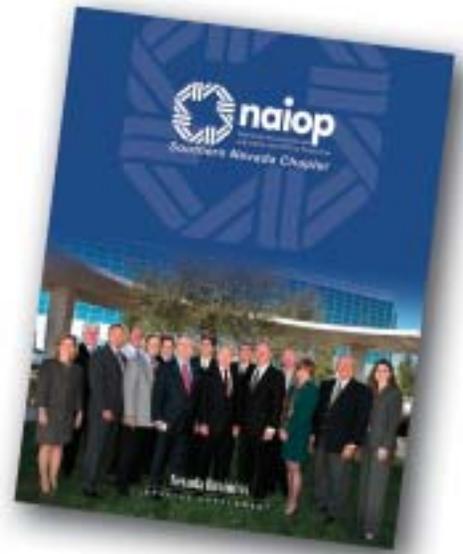
TINA ALLEN

14 Nevada's Door "Wide Open"  
Tourism Picture Bright

SHARON RORMAN SHELDON

17 **INDUSTRY FOCUS** Telecommunications  
The Future is Calling

KATHLEEN FOLEY



74 Building Nevada News in Brief

- Panattoni Completing Facility
- Reno Justice Center Tops Off
- World Market Center Plans Expansion
- Roche to Build DETR Facility

Departments

6 Commentary  
LYLE BRENNAN  
United We Stand  
Business and Homeowners Must Fight Together

12 Business Up Front  
Sarbanes-Oxley Affecting U.S. Not-for-Profits  
Today's Immigrant Woman Entrepreneur  
U. S. State Budgets Show Revenue Gaps

13 Face to Face  
Tommy Isola, Blue Heron Companies, LLC  
William Werksman, Resource Partners and CareerInsider.com

75 Nevada Briefs  
Nevada Tourism Presents Awards for Excellence  
LMG Breaks Ground on New Las Vegas Facility  
FedEx Ground Expands in Southern Nevada  
Reno Named No. 1 City for Business

78 Speaking for Nevada  
LT. GOV. LORRAINE HUNT  
International Outreach  
Bringing Countries and Cultures Closer

79 Expert Advice  
JUNE COX  
Joe Taxpayer vs. The IRS  
Why Joe Needs Professional Help

80 Money Management  
MATTHEW D. GOEDERT  
Employee Stock Ownership Plans  
An Alternative Way to Sell Your Business

83 Compassionate Capitalism  
Nevada Donor Network  
Encouraging People to Give the Gift of Life

84 Power of Attorney  
BRIAN HOLTHUS  
The New Bankruptcy Law  
What's It All About?

85 Banking on It  
TOM DYE  
Community Bank of Nevada  
Enjoying Steady Growth

86 Business Indicators  
R. KEITH SCHWER

# HEALTHCARE CHECKUP

## Managing Nevada's Medical Challenges

BY TINA ALLEN



All across America, the healthcare industry is facing some of the toughest challenges in its history. Overcrowded emergency rooms, a lack of affordable healthcare, the high cost of technology and an influx of uninsured patients have many healthcare providers walking the tightrope of meeting ethical obligations while still making a profit.

Here in Nevada, the challenges are just as daunting, if not more so. The state has witnessed an unprecedented population growth – in the Las Vegas Valley alone, the population has doubled in the last decade – forcing hospitals to cope with a crisis in a demand for services. In recent interviews with *Nevada Business Journal*, some of the state's most respected healthcare professionals talked about what is on the horizon for Nevada's hospitals and medical service providers.

### OVERCROWDED EMERGENCY ROOMS

Without a doubt, the problem of overcrowded emergency rooms is an immensely serious issue for hospitals throughout the state. According to hospital administrators, the reasons for overcrowding are many, ranging from the mentally ill taking up hospital beds, to the growing senior population, to the uninsured not having anywhere else to go.

One area of concern, health professionals said, is patients using emergency rooms more and more as their source of primary care instead of seeking out a pri-

mary-care physician. "The stream of new residents coming into town and their primary demographic – young, often single – indicates that finding a family physician is not a priority," said Michael Tymczyn, spokesman for the Valley Health System, which includes Desert Springs, Spring Valley, Summerlin and Valley hospitals in Southern Nevada.

Lawrence O'Brien, president and CEO of Saint Mary's Health Network in Reno, said there just aren't enough primary-care physicians to go around. "There just is no place for patients to go to get care," O'Brien said. "The growth explosion has been far swifter than anybody would have projected," agreed Lacy Thomas, CEO of University Medical Center in Las Vegas.

The U.S. Department of Health and Human Service's most recent figures report Nevada had 55 active primary-care physicians per 100,000 people in 2000, much lower than the national average of 69 per 100,000 people.

Many hospitals are trying to find alternatives to relieve some of the pressure on emergency rooms. For example, University Medical Center operates Quick Care centers throughout Southern Nevada. Valley Hospital has a Rapid Treatment Center to treat primary-care patients. In July, a community clinic to serve the indigent and uninsured is scheduled to open in Elko that should ease some of the overcrowding in Northeastern Nevada Regional Hospital's emergency department. Saint Mary's

Health Network also operates two clinics that serve low-income patients: Saint Mary's Nell J. Redfield Health Center at Neil Road and Saint Mary's Nell J. Redfield Health Center at Sun Valley.

Emergency response systems are also doing their part to help increase efficiency and make it a faster process to serve patients in emergency rooms. American Medical Response ambulance company, which responds to emergencies in Las Vegas and two-thirds of Clark County, recently implemented an electronic patient-care reporting system. Previously, patient reports were handwritten by paramedics, said Derek Cox, the company's clinical and educational services manager. The technology could save them up to 15 minutes per patient. "We are working with the Nevada Hospital Association and specific hospitals in making it a seamless transfer of [patient data] once we arrive," Cox said.

### THE MENTAL HEALTH CRISIS

Emergency rooms in Southern Nevada hospitals are being inundated with mental health patients every day. By law, hospitals are required to conduct medical screenings on them before they are transported to a psychiatric facility. However, with a shortage of psychiatric beds in Clark County, patients often end up spending days in emergency rooms, occupying much-needed space.

One of the factors causing the crisis was the loss of 133 psychiatric beds in the

private sector, said Carlos Brandenburg, division administrator for the Nevada Division of Mental Health and Developmental Services. "A lot of folks were basically getting out of the adult psychiatric business because the Medicaid reimbursement wasn't very high," Brandenburg said.

However, the state is hoping to see some relief when its new psychiatric hospital opens in Las Vegas in May 2006 with 150 beds. Another phase will add 40 more beds in December 2006. Brandenburg said he plans to keep the existing state facility licensed as a hospital in case he needs more beds.

The Legislature recently provided an additional \$91 million in funding for mental health, which translates into a 47 percent increase. Brandenburg said about 80 percent of that funding will be used in Clark County to help alleviate the crisis. But despite the promising outlook, a debate is occurring between the hospitals and the state over where the required medical screenings should take place. "We believe there's no real reason to bring psychiatric patients to the emer-

*"The growth explosion has been far swifter than anybody would have projected."*

gency room," said Thomas. "The state facility should be able to do a lot of the screening, medical and otherwise."

Brandenburg said they have looked into the issue, but it is a matter of cost. "For the state to do medical clearance in our facility, I would have to staff it 24 hours a day with physicians and nurses," Brandenburg said. "Why do we want to spend millions of dollars in a whole new emergency room at our facility when those dollars could actually be used for additional housing, medication and other desperately needed services?"

**KEEPING UP WITH RISING COSTS**

When it comes to operating for a profit, hospitals in Nevada find themselves in a constant struggle. Part of the problem is the rapidly increasing number of patients without insurance benefits, meaning they can't afford to pay their medical bills.

"Right now, we have about 44 million uninsured people – both working and unemployed – in the United States, and the number is growing," said Paul Cohen, executive director of Comprehensive Cancer Centers of Nevada. "We as physicians and healthcare practitioners outside the hospital can say, 'If you don't have any insurance, we don't have to take you.' Hospitals don't have that luxury." Federal regulations require Nevada hospitals to evaluate any patient in the emergency room, whether they are insured or not.

According to Bill Welch, president and CEO of the Nevada Hospital Association, during the late 1980s and early 1990s, the average profit margin for Nevada hospitals was 6.6 percent. "The most current data shows the hospital industry's profit margin has fallen to 1.8 percent," Welch

**In your neighborhood ... whenever you need us**

No matter where you live in Southern Nevada, there's a Valley Health System hospital nearby.

With emergency care available 24 hours a day, seven days a week; a wide range of high-quality medical services and an experienced, compassionate staff, The Valley Health System provides the healthcare you need.

And with four hospitals in Southern Nevada – and a fifth on the way – there's a Valley Health System hospital near you.

**The Valley Health System**

- Desert Springs Hospital Medical Center
- Spring Valley Hospital Medical Center
- Summerlin Hospital Medical Center
- Valley Hospital Medical Center

[www.valleyhealthsystem.org](http://www.valleyhealthsystem.org)

said. "You can almost make more money investing in a passport savings account. That's pretty sad."

Jim Miller, president and CEO of Washoe Medical Center, said anytime a hospital patient does not pay for treatment, those costs have to be absorbed by someone else. "If there's a government program that assists, that program might pay something," Miller said. "But all in all, hospitals across the U.S. are funding people who don't pay by charging more to those who do. No hospital wants to exact-

ly admit that. What we generally say is, 'Costs in hospitals across the United States are higher because some people can't pay.'"

Nevada remains above the national average in uninsured persons, with 16.6 percent of the population lacking healthcare benefits, according to a study by the Great Basin Primary Care Association.

As of April, Welch said he hoped to see some positive changes for the future enacted during the 2005 legislative session, which would provide more assistance for

the uninsured. One bill, if passed, would establish a fund for individuals diagnosed with a chronic illness, who can't afford insurance and yet, don't qualify for county or state indigent programs.

The Nevada Hospital Association is also pushing for better funding of the Medicaid program, Welch said. "We don't fund adequately, we don't reimburse at a reasonable rate, and our benefits are in the lower percentile (nationally). Furthermore, we haven't budgeted enough to even fund what it is we do have in our state health plan for Medicaid," Welch said. "If the budget were to go through as it is today, many of us in the healthcare community believe there will be a \$100 million to \$140 million shortfall in the next biennium."

Dr. Mary Ann Shannon, an orthopedic surgeon and partner of Las Vegas Neurosurgery, Orthopaedics and Rehabilitation, agreed changes need to be made in the Medicaid system. "Medicaid has it written into the law that if we don't see a Medicaid patient within 15 minutes of the time they sign in, we are in violation and can be hit with thousands of dollars in penalties," Shannon said. "The regular patients, who actually pay better, are put behind because of federal legislation."

Darren Sivertsen, vice president and COO of the managed-care division for Sierra Health Services, which offers health plans and provides a physicians' network for its members, raised the issue of the rising costs of pharmaceuticals and technology. "The way we cope with it is by trying to make sure medical necessity is really there," Sivertsen said. "We have to figure out the best method for determining who should really have these services, and then the cost of these things gets spread to everybody. That's what insurance is—a way of spreading high-risk events over a large number of people."

Another area of concern for community hospitals is the proliferation of specialty hospitals. Miller said doctors across the country are finding ways to do more expensive procedures in outpatient facilities, which would normally be done in a hospital. He said this type of practice, which is being reviewed by the federal government, "leaves hospitals with the stuff that doesn't pay for itself." Miller said specialty hospitals and outpatient surgery centers

## It is brain surgery.



The Nevada  
Neurosciences  
Institute

at Sunrise  
*The Neurological Choice*

702.731.8115

generally only take paying patients and only provide services that produce high profit margins.

### RECRUITING HEALTHCARE PROFESSIONALS

It's no secret that Nevada hospitals have an uphill journey when trying to recruit enough nurses to fill positions, especially as new hospitals sprout up and existing ones expand their facilities to serve the growing population.

Miller said the nursing shortage really is a national issue. "But for growing communities, it just intensifies," he said. As a result of the shortage, Miller said the Washoe Health System often employs nurses from temporary agencies to fill spots in its hospitals, something commonly done to keep up with demand. But the problem with that, he said, is it just takes them out of other communities. Nurses trained for highly specialized areas, such as intensive care, emergency rooms and operating rooms are the most difficult to attain.

However, the industry is facing more than a nursing shortage. Many types of healthcare workers are in short supply. The

U.S. Department of Health and Human Services ranks Nevada the lowest among the states in per capita health services employment. "We have a severe shortage of nurses, respiratory technicians, lab technicians and radiology technicians," Thomas said. "We have a statewide problem and we are aggressively trying to recruit from out of state, as well as supporting training programs in Nevada."

Tymczyn said the shortages are exacerbated by the competition for acute-care personnel, particularly in Southern Nevada. Hospitals, outpatient surgery centers and physicians' practices are all seeking the services of the same highly specialized labor pool. To help alleviate the crisis, Nevada has stepped up its education programs to increase its healthcare workforce.

Nevada's smaller, rural communities struggle with the same recruitment challenges as its larger cities, but their dilemma is compounded by several other factors, said Kerry Aguirre, director of community relations and business development for Northeastern Nevada Regional Hospital in Elko. First, there's the challenge of finding people who want to move to a small town.

And second, "If you recruit a nurse (for example), she or he is likely to have a spouse who wants to work as well," Aguirre said. "If you can't find that spouse a job, then you can't get either one of them into the community." Typically, small towns are limited by a lack of diverse employment opportunities. Elko relies on mining as its economic base, but that is changing, Aguirre said.

"We are experiencing good growth and our community's business base is becoming more diverse," she said. Aguirre said major retailers are expanding existing locations or moving into the area. Wal-Mart is converting its facility to a superstore and Home Depot is entering the market, as well as numerous restaurants. The housing market is seeing an increase, as well, meaning more construction-related jobs.

Another plus for Elko, is its local college recently implemented a four-year nursing program. "We work very hard to retain all our medical professionals, because we know we need them," Aguirre said. "We want them to be loyal to us and not move out of the area."

*Continued on Page 76*



**CELEBRATING THE PURSUIT OF THE ENTREPRENEURIAL SPIRIT.**

**LIVE YOUR DREAM. SECURE YOUR FUTURE.**  
Sun West Bank provides and helps me manage my business financial solutions so I can concentrate on doing what I do best. Providing bright smiles across the Las Vegas Valley.  
— Jennifer Cha, DMD, MS,  
*Dental Implant Institute*

**SUN WEST BANK**  
PEOPLE YOU CAN BANK ON™  
[www.swbnevada.com](http://www.swbnevada.com)

**CONSTRUCTION & DEVELOPMENT LOANS**  
**BUSINESS LOANS • SBA LOANS • EQUIPMENT FINANCING • BUSINESS CHECKING • PAYROLL SERVICES • CASH MANAGEMENT & MORE**

Member FDIC Equal Housing Lender

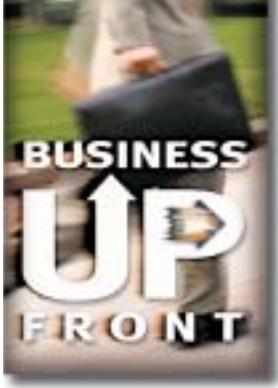
**CORPORATE HEADQUARTERS**  
5830 West Flamingo Rd.  
702.949.2265

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

**EASTERN & WIDEN**  
8475 S. Eastern, Ste. 100  
702.921.2100

**N. NEVADA REGIONAL HEADQUARTERS**  
Mountainview Corporate Ctr.  
Kietzke & Del Monte Lns.  
775.333.8900

**WILL STREET**  
(Two blocks west of  
McCarran Blvd. on Mill St.)  
1101 Corporate Blvd.  
775.856.8300



## SARBANES-OXLEY AFFECTING U.S. NOT-FOR-PROFITS

Awareness of the Sarbanes-Oxley Act of 2002 surged in the not-for-profit industry in 2004, according to the second annual Grant Thornton LLP Board Governance Survey for Not-for-Profit Organizations. Eighty-three percent of survey respondents said they are "very" or "somewhat" familiar with the act, compared to 56 percent in the 2003. The survey, which includes responses from more than 700 not-for-profit entities, also found that almost half (48 percent) have made changes to their corporate governance policies as a result of Sarbanes-Oxley. The number of not-for-profit organizations with an audit committee is also on the rise; 84 percent of survey respondents cite having an audit committee within their organization, compared to 77 percent in 2003. Internal controls have come under higher scrutiny post-Sarbanes-Oxley at 81 percent of responding organizations. Of the 19 percent who have not evaluated their internal controls, 61 percent are planning to review them in the future. Not-for-profit organizations are confident about the level of documentation they maintain for their internal controls.

Other findings include:

- Conflict-of-interest policies seem to be standard operating procedure at 83 percent of organizations surveyed.
- Of those with a conflict-of-interest policy, 85 percent have their board members sign it, 49 percent have executive management sign, and 39 percent have all employees sign the policy.
- More than three-quarters (76 percent) of responding not-for-profits have a records-retention policy.

## U. S. STATE BUDGETS SHOW REVENUE GAPS



According to a recent report from the National Conference of State Legislatures, half the states are facing budget gaps for fiscal year 2006. Because of the rosier economic picture nationwide, state revenues from sources such as sales taxes and personal income taxes are surpassing estimates, but the expenditure side of the budget is increasing faster than revenues' ability to keep up. According to the report, "State lawmakers predominately cut spending to keep their budgets balanced when state revenues plummeted. These cuts have generated enormous pressures from elementary-secondary education and other state programs for restoration funding. On top of this, lawmakers are facing rapid increases in Medicaid and other healthcare spending currently outpacing revenue growth rates." In a survey taken in February, 22 states projected FY 2006 shortages totaling \$24.7 billion. In 17 states, the gaps are above 5 percent of general fund spending. Alaska predicted the highest deficit at 15 percent, followed by Maine at 12.4 percent and California and New York, each at 10 percent. The complete report may be downloaded from [www.ncsl.org](http://www.ncsl.org).

## TODAY'S IMMIGRANT WOMAN ENTREPRENEUR

A report from the Immigration Policy Center (IPC) shows that immigrant women entrepreneurs are rapidly making their mark in every region of the country and across a large range of industries. Immigrant women comprise one of the fastest-growing groups of business owners in the U.S. The study examines the rise of immigrant women entrepreneurs and profiles them as a group using data from the 2000 Decennial Census and other sources. In 2000, immigrant and native-born men were self-employed in their own businesses at roughly the same rates: 11.3 percent of employed immigrant men and 11 percent of employed native-born men. However, immigrant women were business owners at a rate of 8.3 percent, compared to 6.2 percent among native-born women.

Among the findings in the report:

- The number of immigrant women business owners increased nearly 190 percent between 1990 and 2000.
- The largest group of immigrant women entrepreneurs in the United States – 234,454 or 41.6 percent of the total – comes from Latin America and the Caribbean. The second largest group – 165,483 or 29.4 percent of the total – comes from Asia and the Pacific Islands.
- The most popular destination for immigrant women entrepreneurs is the Los Angeles-Riverside-Orange County metropolitan area, which hosts 13 percent of all immigrant women entrepreneurs in the nation.

According to the report, every decennial census taken in the United States since 1880 has reported a higher level of self-employment among immigrants than among the native-born. "Among the many reasons for this entrepreneurial spirit is that the immigrant is likely to have many of the same qualities as the entrepreneur, such as a willingness to take risks," the report's authors note.



## Tommy Isola

Owner/Manager  
Blue Heron Companies, LLC  
Las Vegas

Years in Nevada: 27

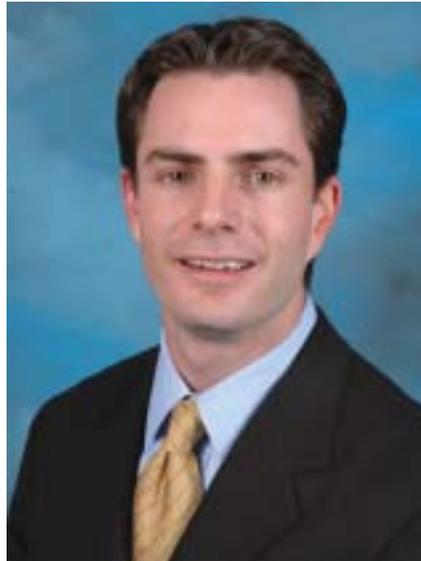
Years with Firm: 1

### Type of business

Land acquisition and development

### Biggest business challenge

Our biggest challenge this year has been organizing a new company while simultaneously developing our first project. Our first development, Stone Canyon, is



a luxury loft-style community with homes ranging from 3,409 to 3,884 square feet, and prices starting at \$600,000. Although the style is open like a loft, the homes are two-story.

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

The ability to take raw land and create a space that families will call their home is a pretty powerful thing. But when it comes down to it, building anything is fun.

### How do you spend your time when you're not working?

I spend time with my family. I also enjoy rock climbing and fishing.

### Favorite Business Book

*The Essential Drucker*, by Peter Drucker

### Best Business Advice:

"We work not only to earn an income, but to find meaning in our lives. What we do is a large part of who we are." (Alan Ryan)

### How have rising land prices affected your company?

Part of my job is finding new projects, and it's been really difficult to find land at a price that makes sense. I'd like to see more affordable housing, and we do have another project on the drawing board in North Las Vegas, which is the same loft-style concept, but with smaller units in duplexes. Because that land was less expensive, we could afford to build a more affordable product.

## William Werksman

Managing Partner  
Resource Partners and  
CareerInsider.com  
Las Vegas

Years in Nevada: 16

Years with Firm: 11

### Type of business

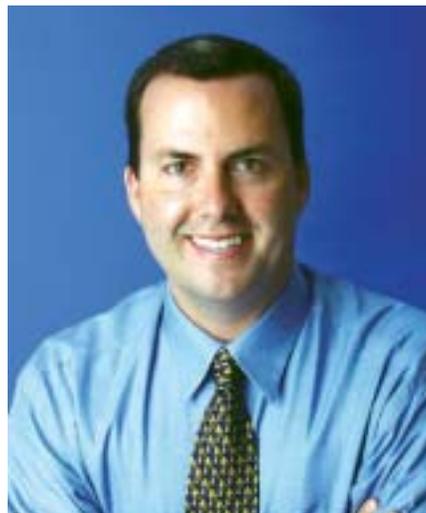
Executive recruiting

### Biggest business challenge

Clearly communicating what we do, and that we are not simply sending résumés out, hoping for a hit. We seek out high-performance individuals and recruit them to our clients' opportunities. We are involved in preparing and building the personnel inside our client organizations.

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

The feeling of placing the right person in the right job. My true personal payback



and enjoyment come three to nine months after a placement, when a candidate has been there long enough to start shining and demonstrating his or her skills throughout the organization.

### How do you spend your time when you're not working?

Playing sports or participating in other outside activities with my son and daughter.

My wife and I also enjoy cooking. Her chili is world-class.

### Favorite Business Book

*The New Strategic Selling*,  
by Stephen Heiman and Diane Sanchez

### Best Business Advice:

For employers: Your people are your most valuable asset and the only asset that will appreciate in value over time. For candidates: Make your career choices wisely. You spend more than half of your lifetime working, so if you are not happy with what you are doing, find something that does make you happy. The money will follow.

### Is there a difference between recruiting in Northern Nevada and Southern Nevada?

We do a lot of our Nevada recruiting in technology, and both cities have an abundance of job opportunities. We often find it challenging to woo candidates from Northern Nevada to Southern Nevada or vice versa. It's a lifestyle choice.



## Nevada's Door "Wide Open" Tourism Picture Bright

*The \$2.7 billion Wynn Las Vegas resort casino opened in April, featuring a manmade mountain, a three-acre lake with fountains and waterfalls, and a theater with a pool that transforms into a stage.*

BY SHARON RORMAN SHELDON

No doubt about it, visitor volume is up. Nevada topped 50.5 million visitors in 2004, an all-time record – and they all brought money. Tourism is Nevada's No. 1 industry, contributing more than \$40 billion to the state's economy, including \$10 billion in gross gaming revenue.

"A gradual climb" is probably the best way to describe post 9/11 tourism in Nevada. With a few ups and downs, Nevada has experienced steady growth, with every indication of continued expansion. In 2000, the annual average room occupancy rate in Las Vegas was 89.1 percent, but after the terrorist attacks, that average dipped to 84 percent for 2002. It had risen to 88.6 percent by the end of 2004, and the February 2005 rate of 89.7 percent demonstrated that occupancy had finally overcome the twin crises of terrorism and a national economic downturn.

The reasons tourists visit Nevada are different, but connected. Convention visitors, for example, may spend several days inside one of Las Vegas' huge convention centers, then stay the weekend for shopping and the nightlife; mom-and-pop leisure travelers will take in the neon sights, but might spend a day or two at Red Rock Canyon or Lake Tahoe; the majority of Asian travelers come for business reasons, but spend a lot of time and money shopping for American products; outdoor enthusiasts traveling to Northern Nevada for skiing, hiking, camping and water sports also attend stage shows in Reno; nearly every international visitor who goes to the Grand Canyon comes through Las Vegas; and of course, nearly everyone does a little gambling along the way.

The U.S. Commerce Department ranks Nevada the fifth most-visited state for overseas visitors and the Travel Industry of America reports Nevada is No. 6 in domestic and international visitor spending.

### INTERNATIONAL IMPACTS

The Asian market has tremendous impact on the international tourism industry, and Nevada is fast becoming a major force in that arena. Although it is the slowest visitor sector to recover after 9/11, positives such as good air service and the strength of the dollar has brought back the vital Japanese tourism market, with Japanese visitors to the United States up 40 percent in 2004 over 2003.

Last June, a milestone event linked Nevada to a nation with the largest population on the planet. Nevada established a tourism office in China, the only U.S. tourism entity to have such an office licensed by the Chinese government. That means no other state in the U.S. is allowed to advertise its tourism products in China, a privilege usually reserved for countries. The office in Beijing will enable Nevada to work directly with Chinese government agencies, airlines, tour operators and other businesses to develop tourism between the People's Republic of China and Nevada. "Our tourism office in China will open doors for Nevada in the country with the world's fastest-growing economy," said Nevada Commission on Tourism Executive Director Bruce Bommarito.

The potential for economic impact is enormous. Chinese officials estimate that China has between 100 million and 300

million people who can afford to travel, internationally. And when they travel they spend freely. On average, Chinese travelers who visit the United States spend \$5,200 per trip. And that doesn't include the cost of the flight. By comparison, the average domestic visitor to Las Vegas will drop only about \$450 per trip.

Nevada's representatives worked hard to open a tourism office in Beijing. "We believe tourism between the United States and China is important economically and we need a continual presence there," Bommarito said.

Nevada is a popular choice among Chinese travelers. According to China's tourism officials, more than 93 percent of the approximately 280,000 Chinese who traveled to the United States in 2004 came to Nevada. Las Vegas is the No. 1 choice of cities to visit, followed by New York City.

Nevada's China tourism office is focused on establishing direct air service between China and Nevada, and also on finding ways to make it easier for legitimate Chinese tourists to obtain U.S. visas. "Good air service instantly increases your market share," Bommarito explained. Most of China's U.S. visitors currently arrive through Los Angeles, San Francisco or Seattle. "Direct air service between China and Nevada will bring in visitors and establish our state as a western gateway to the United States."

The Nevada Commission on Tourism also operates offices in South Korea, the United Kingdom, Japan and most recently, Mexico. These offices are shared with the Las Vegas Convention and Visitors

*Continued on Page 82*

# UNIVERSITY OF PHOENIX



- \* 6 convenient Nevada locations
- \* Class attendance and learning team meetings are just once per week
- \* Small workshop style classes
- \* Faculty members are professionals who work in the field they teach
- \* Financial aid options available

## Education that fits *your* busy schedule

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

University of Phoenix, Nevada Campus offers degree programs in Accounting, Business, Criminal Justice, Counseling, Education, Human Services, Management, Technology and Teacher Education for Elementary or Secondary Licensure.

CLASSES ARE STARTING NOW!

# 1-800-MY-SUCCESS

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

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

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



# TOP 5 WAYS IDACOMM CONNECTIONS WILL MAKE YOUR BUSINESS MORE PROFITABLE



*Designed specifically with your needs in mind, IDACOMM Connections, a new Voice over IP (VoIP) phone system, offers the flexibility and headroom to grow along with your business as you add new users, reconfigure existing office space, or move into new offices altogether.*

## 1. BUSINESS COMMUNICATIONS MADE SIMPLE

IDACOMM Connections is a complete family of affordable, time-saving business telecommunications tools that deliver on the promise of voice and data convergence, bringing together local and long distance voice, high-speed Internet access, domain hosting and network security.

## 2. INCREASED EMPLOYEE PRODUCTIVITY

IDACOMM Connections improves employee productivity with convenient and easy-to-use web-based administration tools, feature-rich web-based call management, Unified Messaging, Simultaneous Ring and Remote Office. Never miss another important call.

## 3. NO CAPITAL COMMITMENT

With little or no capital cost, IDACOMM Connections will replace your existing phone system hardware and lower your total cost of ownership (TCO).

## 4. THE IDACOMM GUARANTEE

Our commitment to you: 24x7 customer support and face-to-face account management ensuring your needs are met.

## 5. COST-EFFECTIVE BUSINESS COMMUNICATIONS

Give us 20 minutes to show you how IDACOMM Connections will make your business more profitable.

**For a FREE business communications cost analysis contact:**

**Rhonda Rae at (702) 273-1129  
or [rrae@idacomm.com](mailto:rrae@idacomm.com)**



# INDUSTRY FOCUS



## TELECOMMUNICATIONS The Future is Calling

by Kathleen Foley

**D**on't let the high-tech vocabulary fool you – people in the telecommunications industry face many of the same challenges as executives and business owners in other fields: keeping up with growth, competition, finding qualified employees and dealing with government regulations, among others. Telecom leaders gathered at The Stirling Club recently to discuss issues affecting their industry. Steve Schorr of Cox Communications acted as moderator for the roundtable, which was part of *Nevada Business Journal's* Industry Outlook series. Following is a condensed version of the discussion, which began with introductions.

### THE PLAYERS

**Jason Lazar:** I'm one of the co-founders of KeyOn Communications, an owner-operator of wireless broadband networks. We started in Las Vegas and now operate in three other markets across the Southwest. By the end of June we'll have three more active markets. We provide wireless broadband directly to businesses and homes, and we're providing voice-over IP as well. We are bundling solutions providing voice and data to homes and businesses.

**Lou Emmert:** I'm vice-president and general manager of Sprint of Nevada, which is what I call a "total solutions communications provider." We have a complete portfolio of products, and our customer base is business and residents. We also have a wholesale division that sells in partnership with a lot of the people around the table today. Although on one hand you're competitors, on the other hand I think of you as partners and customers. This is an exciting marketplace to operate in, but it's a constant challenge to keep up with the 5,000 to 6,000 people who are moving in every month, and all the businesses that are moving in. Sprint has spent over \$130 million a year in capital investments in Southern Nevada in the 12 years I've been here. Another challenge is competition, so we're constantly looking at our processes, procedures and marketing to make sure we meet the marketplace and continue to be a successful company.

**Rob Roy:** I'm CEO and founder of Switch Communications and the Nevada NAP. We are now building the largest data core along the West Coast, also one of the

#### FRONT ROW (LEFT TO RIGHT):

Jonathan Weinberg	Cricket Communications
Cheryl Hickman	Hickman Telcom
Sandi Dickens	Tiger Communications
Steve Schorr	Cox Communications (moderator)

#### SECOND ROW:

Joe Brondon	XO Communications
Jason Neiberger	Skybridge Wireless, Inc.
Lou Emmert	Sprint
Leo Brennan	Cox Communications
Jason Lazar	KeyOn Communications LLC

#### BACK ROW:

Rhonda Rae	Idacomm
Ronald Buzbee	NEC Unified Systems, Inc.
Rob Roy	Switch Advanced Communications
Doug Gaylor	Inter-Tel



Photo: Opulence Studios, Inc.

largest voice-over IP cores in the United States. We do disaster avoidance for Citicorp, QUALCOMM and Yahoo. I chair the Nevada Development Authority's new technology-related businesses into Nevada. Like Lou, we're partners with everybody, and even though we compete in some things, cooperation is really the wave of the future, and joining together to provide solutions for large projects like Wynn Las Vegas.

**Jason Neiberger:** Skybridge Wireless has been in Las Vegas for three years. We provide fixed high-speed wireless Internet access and network engineering for wireless systems, licensed and unlicensed. We service primarily commercial entities here in Las Vegas. We developed a high-speed backbone using 23-gig licensed frequencies, and using unlicensed frequencies for the last mile. Like everyone else, we're trying to develop a system to roll out voice-over IP. The biggest hurdle



## Definitions for the Tech-Impaired (Adapted from Webopedia.com)

**ILEC:** Incumbent local exchange carrier, a telephone company that was providing local service when the Telecommunications Act of 1996 was enacted.

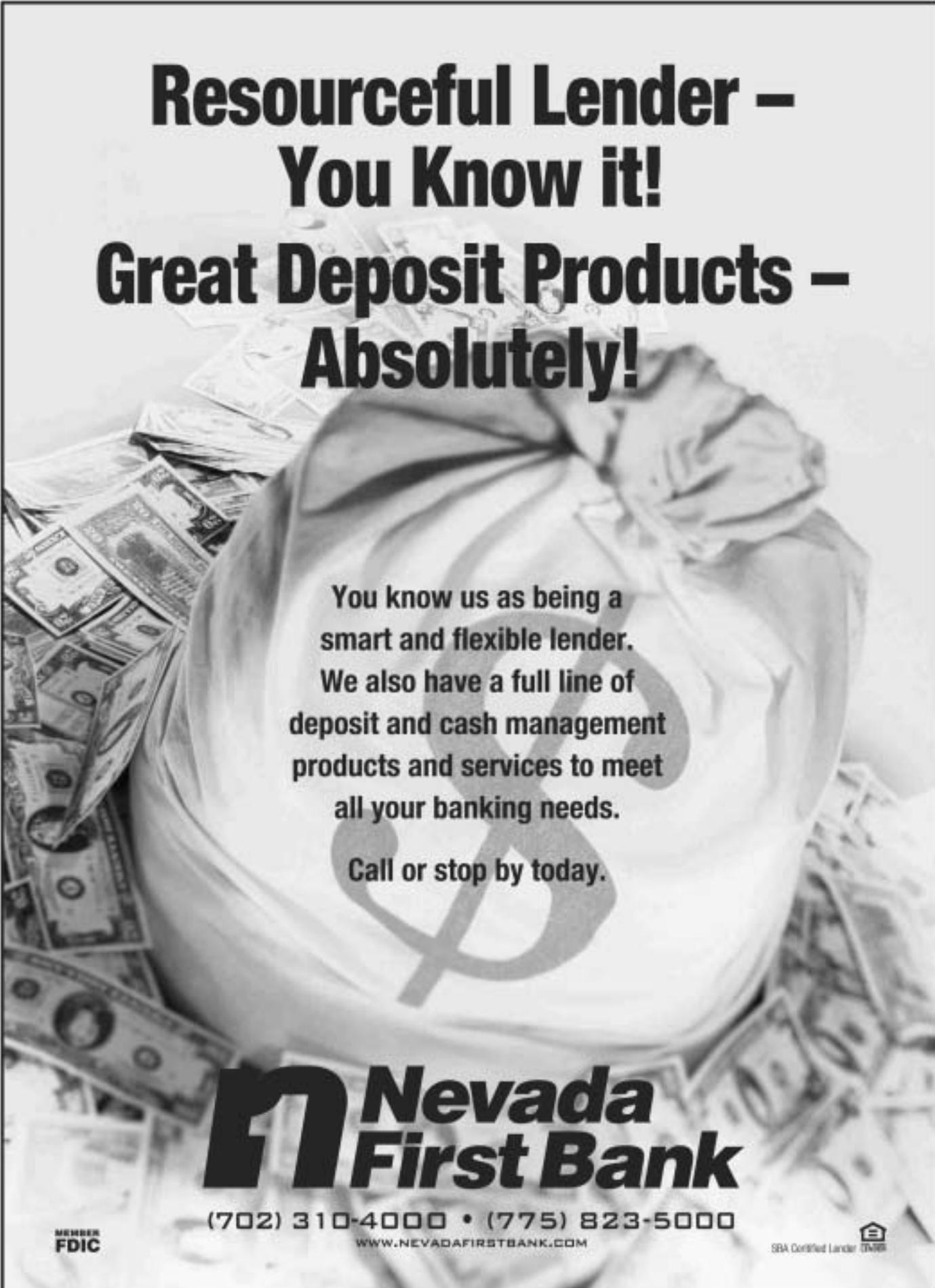
**CLEC:** Competitive local exchange carrier, a telephone company that competes with an ILEC. After the passage of the Telecommunications Act, there was an explosion in the number of CLECs.

**Telecommunications Act of 1996:** The Act allows CLECs to use ILEC infrastructure in two ways: 1) Access to facilities or equipment, principally the local loop, which connects the ILEC switches to its customers. Using the local loop, CLECs can connect their switches with the ILEC's switches, thus giving them access to ILEC customers. 2) The Act states that any telecommunications services ILECs offer at retail must be offered to CLECs at a wholesale discount. This saves the CLEC from having to invest in switches, fiber optic transmission facilities or collocation arrangements.

**CDMA network:** Short for Code-Division Multiple Access, a digital cellular technology that does not assign a specific frequency to each user. Instead, every channel uses the full available spectrum. Individual conversations are encoded with a pseudo-random digital sequence. CDMA allows more subscribers to connect at any given time.

**T-1 line:** A dedicated phone connection supporting data rates of 1.544M bits per second. A T-1 line consists of 24 individual channels, each of which supports 64K bits per second. Each channel can be configured to carry voice or data traffic.

**VoIP (Voice-over IP):** Short for Voice over Internet Protocol, a category of hardware and software that enables people to use the Internet for telephone calls by sending voice data in packets using IP rather than using the traditional telephone system, which is based on copper wires carrying analog voice data. One advantage of VoIP is that telephone calls over the Internet do not incur a surcharge beyond what the user is paying for Internet access.



**Resourceful Lender –  
You Know it!  
Great Deposit Products –  
Absolutely!**

You know us as being a  
smart and flexible lender.  
We also have a full line of  
deposit and cash management  
products and services to meet  
all your banking needs.

Call or stop by today.

** Nevada  
First Bank**

(702) 310-4000 • (775) 823-5000

[WWW.NEVADAFIRSTBANK.COM](http://WWW.NEVADAFIRSTBANK.COM)

MEMBER  
FDIC

SBA Certified Lender  10A99

we're trying to overcome is finding bundled services and being able to offer them at a reasonable price to the customer. Partnering with groups that already have those in place is probably the most cost-effective solution.

**Cheryl Hickman:** Hickman Telcom is a small, family-owned business that specializes in three areas: cabling for voice, data and fiber; PBX phone systems for small businesses; and a division that custom-builds computers and sets up and configures computer networks. As a small company, our biggest challenge is keeping up with technology, along with competing with the other 62 businesses like ours listed in the phone book. We have a good reputation, and most of our business is from referrals, so that's the only way a small company can stay alive.

**Jonathan Weinberg:** I'm the general manager for Cricket Communications, based in Reno. Cricket has offices in 39 markets across the United States. We are a smaller wireless provider, offering customers unlimited anytime minutes within our calling area over a high-quality, all-digital CDMA network.

**Rhonda Rae:** Idacomm Communications is part of a holding company called Idacorp, which is a \$2.8 billion company based in Boise, Idaho. Like all of you, we will be faced with many challenges over the next 18 months with the new technology we're trying to release, deploy, install, service and support. Certainly voice-over IP is in everyone's thoughts. It takes a different kind of mindset and different talents to support voice-over IP, so we're all in that growth curve. I'm sure a lot of companies going into voice-over IP will be surprised at what it really takes to deploy it. It's not like just delivering broadband and putting in a T-1 line.

**Joe Brondon:** I'm general manager for XO Communications, which serves over 70 markets. We are a facilities-based, competitive local exchange carrier (CLEC). We have our own backbone network that connects all those 70 locations together, which well suits us for voice-over IP applications. In Southern Nevada, we have a little over 800 miles of fiber, and we've got 350 buildings on our network. In terms of challenges, one of the

things I see is fear. The industry is going through another upheaval in terms of consolidation – organizations buying each other and customers trying to understand what that means to them. The other challenge we have is with voice-over IP. When you deal with small or medium business customers, voice-over IP is a big buzz word. Everybody wants it and they think they need to have it, but when you start digging deeper and doing a needs assessment, you may find out that voice-over IP isn't a natural fit for that company today. One of the challenges we have collectively is to help customers understand exactly what their needs are and make sure that voice-over IP is a fit. The other challenge I find in this market is talent. As Rhonda mentioned, it takes a totally different talent set to not only engineer voice-over IP or IP-centric services, but also to sell it, position it and support it. The talent pool is a little thin from that perspective.

**Ronald Buzbee:** NEC Unified Solutions is a national company that manufactures equipment and provides voice and data services, chiefly for hospitality clients. Ninety percent of our business is in the

Durango Construction has a simple philosophy... we take care of our clients and make sure they are completely satisfied. We find that happy customers keep coming back.

- Commercial
- Residential
- Industrial
- Design/Build
- Construction Management



702-651-0123

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

Nevadans  
Building Nevada.

MORE RESPONSIVE

MORE DEPENDABILITY

MORE STABILITY

MORE SUPPORT

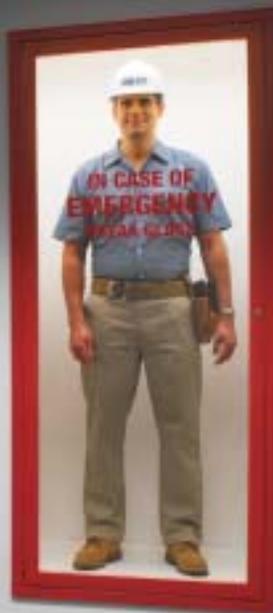
MORE SERVICE

MORE LOCAL

MORE CONVENIENCE

MORE FLEXIBILITY

MORE VALUE



## LET'S JUST SAY THAT LOCAL AND RESPONSIVE DON'T EVEN BEGIN TO DESCRIBE US.

When you choose Cox for your company's communications, you have a partner who's always standing by to provide the service and support your business demands. With our local customer care team and 24/7 technical support, we're more flexible and more responsive to your needs. And no matter what size your business is, we're better equipped to help you be more productive through our full suite of robust, reliable data and video solutions. So don't wait for a communications emergency. Call on Cox today.

CALL 1-866-866-2644 OR VISIT [COXBUSINESS.COM](http://COXBUSINESS.COM).

MORE OF WHAT

YOU NEED

TO SUCCEED



Data. Video.

**COX** Business Services.

Services not available in all areas. ©2005 Cox Communications, Inc. All rights reserved.

Las Vegas and Reno area. One challenge I see is trying to keep costs down and margins up while facing competition, which is driving pricing down. Another one is finding qualified people to work for us who can really row the boat when we need them to.

**Leo Brennan:** Cox Communications has been operating in Nevada for a number of years. We're the fourth largest cable operator in the country, and we're the first operator to provide video, voice and data bundled over one network. Our key challenge now is getting our voice-over IP and telephone products out into the marketplace, which we're working on now. Also keeping up with technology, which is changing so rapidly.

**Doug Gaylor:** Inter-Tel is a nationwide manufacturer of telecommunications equipment. Our administrative headquarters is in Reno, and we recently did an acquisition to bring us into the Las Vegas market. We sell direct to about 60 different markets across the United States. I think our biggest challenge is education – both teaching customers how technology can enhance their business, and more im-

portantly, educating our sales team. Sales drives our business, as it does everybody's here, and teaching sales people how to sell in today's environment is so important. We have to educate our sales reps about selling return-on-investment and understanding business acumen, knowing what our products and solutions are going to do to benefit our clients' businesses.

**Sandi Dickens:** I'm the owner of Tiger Communications, a low-voltage contractor in Las Vegas. I've been in the business about 18 years, and I decided to branch out and start my own company about two years ago, and it's doing well. My biggest challenge was opening my own company.

**THE CHALLENGE OF GROWTH**

**Schorr:** Growth, as a number of you said, is a true challenge, not only in Southern Nevada, but in the entire state. How are you facing the challenges of growth?

**Emmert:** I mentioned earlier that Sprint spends \$130 million in an average year on capital improvements, so that's certainly one way we're dealing with it. The way development occurs in Southern Nevada causes problems. Home de-

velopment is not contiguous; you may have a development far out where we have no facilities, so we have to build out there, whereas if you had consistent, contiguous growth it would make it a little easier. The other problem here is "churn," which is much higher here than in the rest of the country. By churn, I mean a lot of people move into town and order their phone service, then two months later they move into another apartment because it offers a free month's rent, and Sprint has to provide facilities to the new apartment. When people move a lot like this, it costs us money to keep up with their moves, which don't result in an additional phone line. We're constantly evaluating our processes and our procedures, trying to meet the challenges of growth, plus putting lots of capital into the community. Staffing can be a problem, too, because of that churn, anticipating the workload that's coming and exactly where that workload's going to be.

**Brennan:** I've only been here two months, and the amount of growth is just phenomenal. We've added over 30,000 homes a

**Walk-ins Welcome**  
**Extended Hours**  
**Open Weekends**  
**Call Day or Night**

**RAINBOW**  
 Medical Centers

**Board Certified Physicians**

**PRIMARY & URGENT CARE**

**My Health ZONE**  
 My Health Zone is a resource that helps you manage your health online at [www.rainbowmedical.com](http://www.rainbowmedical.com)

Rainbow Medical Centers has been serving the Las Vegas community for over 15 years and takes great pride in the quality of care we offer our patients. That is why we have voluntarily sought and achieved national accreditation from the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), which sets strict national standards for medical care. Our physicians and staff are friendly, courteous, compassionate and attentive.

**Primary & Urgent Care**  
**Non-Life Threatening Emergencies**  
**On-Site X-Ray • Lab • EKG**  
**Most Insurances Accepted**

<b>West</b> 255-6657 1341 S. Rainbow Blvd. Las Vegas, NV 89146	<b>East</b> 438-4003 821 N. Nellis Blvd. Las Vegas, NV 89110	<b>North</b> 655-0550 4920 Lorne Ntr. Rd. Las Vegas, NV 89130	<b>Rampart</b> 254-9192 8522 Del Webb Blvd. Las Vegas, NV 89134	<b>Galleria</b> 436-5800 1397 Galleria Dr. Henderson, NV 89014	<b>Golden Triangle</b> 657-9555 1302 W. Craig Rd. N. Las Vegas, NV 89032	<b>Boulder Hwy</b> 898-1405 4241 S. Nellis Blvd. Las Vegas, NV 89121
---	---	--	--	---	---	---

year for the last four years, with no signs of slowing down, and we're investing over \$100 million a year in capital just to keep up with growth. There's also growth from the standpoint of the additional services we're providing – DVR, HDTV, telephone, high-speed data – just getting the resources and the people to launch additional services is difficult.

**Brondon:** Yes, but what a great challenge! There are probably people sitting around a similar table in a different part of the country trying to figure out how to maintain their profitability with a declining population. We have a wonderful opportunity here. Is it a challenge? Of course, but every day when we roll out of bed we have opportunities to serve a different type of customer, to serve an additional customer, to serve an expanding customer base. That's what the excitement is about. Entrepreneurs are being successful because they are finding different ways to reach that customer, whether it's technology or service. I find when people are coming into Southern Nevada, they're pushing us for new technologies. We've got sophisticated businesses coming into the Valley, primarily from the Southern California area, and they're saying, "We want this technology. We want this application." It's a challenge to find people who will be able to deploy that new technology, but where else would you want to be?

**Roy:** The growth of this community has allowed people to feel better about coming here for technical schooling. In the past nobody from California would think of going to school in little Las Vegas to get a degree in engineering. Something that, unfortunately, has not been publicized enough is that CCSN just brought the largest Cisco school in California here to Nevada. One thing I deal with when QUALCOMM or Yahoo or Anheuser-Busch is looking at coming to Nevada is the question, "How is your work force?" It's getting much better, and even they know the school is here and it's going to get better. We have to get over the past, when Las Vegas was not the community to come to and hire engineers. I think it is very quickly becoming someplace where that will happen, and that will help everybody sitting here, but it will also

help bring technology-based businesses into Nevada. So, one good part of growth is it's helping us get through that ceiling and move on to the next education level here.

#### EARLY ADOPTERS

**Schorr:** This is a very unique state. We probably lead the nation in what are called "early adopters," individuals who like the latest technology and all the latest gadgets. I'm sure if we would go into Lou's closet at Sprint we'd see that every type of

cell phone that was ever invented came right through this marketplace. Has that type of customer – the early adopter – forced companies to bring new technologies to this community and expend dollars in order to get new customers?

**Brondon:** The short answer is, yes. When you talk about early adopters from a business perspective, there's a thirst for more bandwidth. There's a thirst for applications that are faster, more reliable, with the ability to be modified on demand. It's made us rethink our models and reconsid-

**DROUGHT ALERT**

**IT'S NO LONGER BUSINESS AS USUAL**

Southern Nevada is in the worst drought on record. For details on drought restrictions and penalties that may affect your business, contact your water provider. For programs that can help your business save money and water, call 258-SAVE or visit [snwa.com](http://snwa.com).

**Be the solution.**

SNWA Member Agencies: Big Bend Water District • Boulder City • Clark County Water Reclamation District • City of Henderson • City of Las Vegas • City of North Las Vegas • Las Vegas Valley Water District

er not only the way technology is deployed, but how we support it.

**Buzbee:** I see it from two points of view. Our market, primarily, is hospitality. In the hospitality market we have the data groups, the IT groups, who are definitely early adopters. They want anything and everything we can give them; anything they read about in any publication, they want to try it out. But on the PBX side of the house, they don't even want to hear IP yet. We're really struggling trying to get them to look at IP and see what it can do

for them. It's just amazing to me that hotel management doesn't yet want to use IP to its full potential.

**Hickman:** We've had to go into the voice-over IP market just to be able to provide those types of services to people who have heard about it and think it's going to work for them. But then we have to educate them – will it be good for them or not – and it just depends on what their business application is.

**Rae:** For an ILEC like Sprint, their issues are totally different, because they're look-

ing at both a business and residential marketplace. For us smaller companies that just service the business market, our advantage is that we can target a market so we don't have to be everything to everyone. We can identify a need and a critical group and go after serving that need. Certainly Las Vegas is one of the biggest users of cellular technology, and I think we'll be one of the biggest users of voice-over IP because we are early adopters here. Businesses are asking for it, and the things we can push down an open pipe are incredible.

**Brennan:** The early-adopter phase just keeps getting shorter and shorter. Technology goes quickly beyond early adopters and into the mass market.

**Lazar:** The early adopter phenomenon impacts my company differently than you might expect. It's technology that allows a company the size of mine to go out and compete with some of our larger players. Early adopter customers are already comfortable with data being delivered and they don't really care how it's delivered. They're not concerned with whether it's delivered over a phone line or a cable line or whatever – only that it gets in and it works. So the comfort level of the delivery mechanism has allowed us to penetrate new markets.

**Weinberg:** The delivery piece is interesting. My business is a consumer-based business, and as you grow, and as more of these products come out and the early adopter phase shrinks, the other thing that comes is the expectation that these products and services are available, and at a very affordable or a low price. So you have to invest in the equipment to be able to meet the needs of the public, because otherwise someone else will do that for them at a less expensive price. As people come in from places outside this area who expect to be able to get these kinds of services for a very affordable price, it's one of those challenges we face every day.

#### THE ROLE OF COMPETITION

**Schorr:** When the Telecommunications Act of 1996 became law, there was an expectation on the part of the general public, because of what Congress said, that competition was going to drive prices down, and the benefit to the public was going to be immense. That didn't happen, and we know that. A lot of new companies came



**18 DESTINATIONS INCLUDING:  
BALTIMORE, HONOLULU,  
KANSAS CITY AND MAUI.**

From Reno/Tahoe International Airport it's easy to get to where you want to go or need to go. With 18 one-stop and 19 non-stop destinations, Reno/Tahoe's 11 airlines can connect you to the entire world.



**moving**  
RENO/TAHOE  
INTERNATIONAL AIRPORT

reno-tahoeairport.com

# **P** **PARSONS BROS.** **ROCK RETAINING WALLS** *Continued Success Since 1973*

**Innovators and Experts in  
Retaining Wall Construction**



## **P** **PARSONS BROS.** **ROCKERIES, INC.**

Henderson, NV Tel: (702) 656-6747 Fax: (702) 656-6734

Reno, NV Tel: (775) 323-0302 Fax: (775) 853-5398

Phoenix, AZ Tel: (623) 298-0203 Fax: (623) 298-0206

Roseville, CA Tel: (916) 773-9766 Fax: (916) 773-9764

Website: [www.parsonswalls.com](http://www.parsonswalls.com)



forth, but the public didn't see any great pricing crunch. The question now is: Have we eventually reached the point where competition is going to bring prices to a level playing field and where consumers benefit, or are we still waiting for that?

**Emmert:** This is a very competitive marketplace. In the front of the Las Vegas phone book there are three pages of competitors that provide residential and business services like we do. Over 400 companies are certified by the Public Utilities Commission in Nevada to provide some form of communication services. Since the 1996 Act, we now have about 67 percent of the business market instead of 100 percent, and on the residential side we have about 91 percent. Being in Las Vegas has definitely been an advantage, because we continue to grow while losing market share, because the total market is growing so much. So I definitely think that the Telecommunications Act has promoted competition. It's brought us to the place today where I think the marketplace should determine the pricing of the product for the consumer.

**Gaylor:** I see competition driving prices down considerably for telecommunication equipment and PBX manufacturers. I find it very tough out there and competitive. And it's changed our selling style to having to sell return-on-investment. We don't sell cost; instead, we sell products and our solutions.

**Brennan:** The Telecom Act did promote competition, but we haven't seen anything yet. Wireless continues to develop at phenomenal rates. You've got power companies testing broadband on power lines and there is a convergence now in voice, video and data on an IP platform. So we're going to see markets more competitive than we've ever seen for the next three to five years. It will be amazing.

**Brondon:** When we look at the planning of a product, whether it's new technology or bundling technology, we have to be very cognizant of the price point on that initial launch, because if we don't have the exact right price point on that initial launch, there's plenty of competition out there that will come in at a price that's more competitive. We can't launch a product at the

wrong price point, and six months later make an adjustment and hope to recapture some of that market we lost.

**Schorr:** For Cheryl and for Sandy – two small companies – how do competition and pricing affect you?

**Hickman:** I agree with Doug. We have to present value, because we don't sell by cost. We're not the cheapest company in town, by any means. Competitors will come into the market and lowball everything, so we have to have a different attitude than just price. We let people know we're stable and that we do what we say we'll do, and we emphasize our reputation. There's also the Internet as a competitor. Smart shoppers can buy equipment on the Internet at the price I pay for it myself as a small purchaser. One thing we do is come in as consultants and let them know what they need. We've had to change the way we submit bids due to the fact that customers will go to the Internet and shop before looking at bids.

**Roy:** Yes, but let's see if they can run the system without you.

**Dickens:** We have addressed that by selling service totally. We're going to be here today. We're going to be here tomorrow, and I've been here forever. So, servicing the customer is the most important thing. I'm not always the cheapest either, and I won't install anybody's telephone system they bought on the Internet. So that might discourage them a little bit.

**Rae:** We have to be competitive in pricing, and usually that ranges within 10 to 15 percent of price, but then you have total cost of ownership, and that's another picture. When you start looking at total cost of ownership of a product, that involves a great deal of service. I may get a cheap price, and get a product that could be actually very good, but when I have a problem, what if I make that phone call and get no service? How good was the deal I made? The minute I lose that broadband connection, total cost of ownership really starts to come into play. Service is and will always be the driving force for any product. If you can't service it, I don't care how cheap you are, your company will go away.

**Brondon:** Just like any other marketplace, there's a certain portion of this market that will shop on price, and you're just not

**Dekker/Perich/Holmes/Sabatini**  
 architecture interiors landscape planning engineering  
 creating great places

1 Holmes Sabatini Way Henderson, NV 89014 702.436.1006 tel www.dphslv.com

going to reach them. There are other providers out there that will reach that marketplace in terms of price point. Price is an important factor. So is service, but there's a balance there.

**Brennan:** The bottom line is that over time, as all of these networks develop and as the technology develops, there are going to be a plethora of opportunities for people to get voice, video and data. The key is going to come down to how well you service the customer and what's the reliability of your product. Another thing is going to be value-added services. How mobile is the product? How portable? If we get to the point where we're all competing on price, look at the airline industry, for example. Nobody wins in that war.

**HIGH-TECH OR HIGH-TOUCH?**

**Schorr:** Is the future of our industry technology, or is it the way we take care of customers? Which one will impact where this industry is going to go?

**Rae:** I find it interesting that you could try to separate those, because you can't. They have to be together. Technology is of no use if you can't make it work.

**Brennan:** The bottom line is that when everybody has access to the same technology, it's the customer interface – dealing with the customer, the service quality – that is going to be the differentiator.

**Buzbee:** Technology allows us to get the customer, but service allows us to keep that customer. That's what we really need. We need that ongoing service revenue and all the profit we get from that service. They go hand-in-hand.

**Roy:** As the technology gets more advanced, individuals and small businesses will be less able to effectively run and control that technology by themselves. Service will become more valuable down the road because you will need qualified technicians to come in and show you why your call forwarding attendant is not transferring calls to your home phone, or whatever the problem is. So actually, the technology is going to breed a greater need for customer service. There was a time when I felt pretty comfortable running my desktop computer. But applications now are so unbelievably advanced, I need a special-

**SUBSCRIBE NOW AND SAVE!**



**Nevada BUSINESS JOURNAL**

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

---

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

**Fax Order: (702) 733-5953 • Phone Order: (702) 735-7003**  
**Web Order: www.nbj.com**



**Comprehensive HEALTH CARE**  
FOR THE WHOLE FAMILY OR SMALL BUSINESSES

**MEDICAL • DENTAL • VISION AND PRESCRIPTIONS**

**ONLY \$29.95 PER MONTH FOR WHOLE FAMILY**

- Complimentary Dog Grooming
- Weekly Foot Massages
- Oil Changes Every 3,000 Miles
- Buffet Lunches Every Friday
- Comes with Free Clock Radio!

**No Health Questions Asked!**

**Seem Too Good To Be True?**

**Check before you write a check!**

Go to [nvinsurancealert.com](http://nvinsurancealert.com) to find out more information on how to protect yourself from phony insurance programs.



*Our relationship banking is all about helping you make it to the top.  
That's why we are the largest, locally owned and operated bank in Nevada.*

Call us today and see why banking is better with people who care 702.889.2038

Construction  
Loans

Owner-Occupied  
Commercial  
Loans

SBA Loans

Deposit and  
Merchant Services

Mortgage Loans

Wealth  
Management

Lines of Credit

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

*Building Relationships is our Business*



ist who works on them full-time in order to take advantage of what that application delivers to our company. ROI doesn't matter if you use only 2 percent of an application. So I need to hire somebody just to come in and train us and to understand how to best utilize this application to make it help our company be more successful.

**Hickman:** I agree totally that it's both technology and service. We brought on voice-over IP because people were asking for it, but we have to have the service behind it to make it work for them.

**Dickens:** "Back in the day" – probably about 15 years ago – everything we did was about servicing customers: visiting them, taking them places, taking them out to eat. I don't know if you've noticed, but it's coming back to that, although not to such a degree – truly just building a relationship with those customers. Having them trust you and know you're going to be there for them and servicing them is truly the No. 1 thing.

**Brondon:** Service, from a certain perspective, will sell through technology. Examples are existing customers, where you have somebody come in and offer them a new technology-based application. If you're servicing that customer well, they're going to pick up the phone and call you. They'll say, "Joe, I just had a vendor come in, and he's pushing this whiz-bang technology. Tell me what you know about that." Or, "Are you guys looking at something similar to that?" Your personal relationship with that customer may allow you to advise them that the new technology may not give them the return they're looking for. On the other hand, if that new technology will give them a great return, then you have to take a serious look at offering it yourself.

**Buzbee:** Customer retention is the name of our game. Everybody's selling the same technology, and the differentiator is the customer service.

**Schorr:** I think we're on the verge of making some amazing advancements because of the people who are around this table, and the beneficiaries are going to be the consumers. I am very proud to be part of this industry, and I thank you all for your wonderful insights today.



# Building Nevada



## **WATER-SMART LANDSCAPING MAKES CENTS** **DEALING WITH NEVADA'S DROUGHT**

Landscape experts in both Northern and Southern Nevada give advice on how to conserve one of the state's most precious resources. Shown at The Gardens of the Southern Nevada Water Authority are: John Jones, Poggemeyer Design Group, Inc.; Jim Altwegg, The Groundskeeper; and Stephen Pingree, Amargosa Pine Growers

**IRS-QUALIFIED INTERMEDIARIES Helping Investors Trade Property**

COMMERCIAL REAL ESTATE REPORT: OFFICE MARKET

# Water-Smart Landscaping Makes Cents

## *Dealing with Nevada's Drought*

*Informing Northern Nevadans about water-smart landscaping are (left to right): Tom Stille of Interpretive Gardens, Dale Doerr of CFA and Andy Gebhardt of the Truckee Meadows Water Authority.*



by Doresa Banning

Nevada's streetscapes and yards are changing. Once embellished with greenbelts, trees and shrubs, they now boast different types of ground cover, multiple plant groupings, varying elevations and even streams. The concept behind the new look is water conservation.

Increasing numbers of residential and commercial property owners are choosing water-smart, or water-efficient, landscaping over traditional landscaping. "Water conservation is definitely becoming more and more popular," said Tom Stille, president of Interpretive Gardens, a Reno firm that develops sustainable landscapes. "And as the price of water increases, people will be more concerned, especially when we start having to have water meters." In Northern Nevada, approximately 25 percent of users presently pay a flat fee for water, but the Truckee Meadows Water Authority (TMWA) is gradually phasing in water meters and will eventually require all users to pay according to the volume of water consumed.

According to the experts, water-efficient landscaping incorporates these seven principles:

- Limit use of turf to places where it's functional, such as in picnic areas or children's play yards.
- Prepare the soil. Soil should be loose so water can penetrate it and roots have sufficient air.
- Use water-efficient and drought-tolerant plants.
- Practice hydrozoning, grouping plants according to their water needs.
- Apply water efficiently, using drip or low-volume irrigation.
- Use mulch to cool the soil surface and

hinder evaporation.

- Maintain the landscaping; prune, fertilize, control pests and weeds.

### EFFICIENT AND BEAUTIFUL, TOO

One reason people are converting to water-efficient landscaping is a greater awareness that it doesn't have to be barren and boring. Rather, it can showcase stunning color, assorted flowering effects and various textures. "People are discovering their landscape is more diverse, more vibrant, more a part of their lifestyle if they include different kinds of plants, different styles and different approaches other than what I call a 'blandscape' – grass and a tree," said Doug Bennett, conservation manager for the Southern Nevada Water Authority (SNWA).

John Jones, manager of the Landscape Architecture Department at Poggemeyer Design Group, Inc. in Las Vegas, agreed. "The beauty of good desert design matches other areas of the country. It is a different aesthetic, but no less attractive. Good desert design reinforces the unique qualities of the Southwest – its boldness, as well as its subtle details – and creates a special 'sense of place,'" noted Jones.

Leaves and blooms provide a landscape with color, said Jack Zunino, president of J.W. Zunino & Associates, a landscape architecture and land-planning company in Las Vegas. Incorporating plants with different blooming seasons provides a garden with year-round color. Texture is created by mixing colors and shapes, Zunino said. In areas where people are sitting or walking, Zunino likes to follow what he calls a mini-oasis concept. It entails clustering some less water-efficient plants

(such as ornamental ligustrums or euonymus) near the house or building, and using water-efficient groupings further away.

When designing plantings for drought conditions, landscape architects take into consideration not only the general climate of the area, but also "microclimates" – areas that can support specific types of plants with little maintenance, according to Jones. A shady area under a tree or a sheltered nook between large rocks can be its own microclimate. "It comes down to placing the right plant in the right place," said Jones. "This leads to ease of maintenance and lower overall costs."

Non-native plants that do well in Nevada can add interest to water-smart landscaping. Agaves, euphorbias and yuccas from Arizona and New Mexico are finding their way into Northern Nevada gardens, Stille said. Leucophylla, cassias and birds of paradise are being used in Southern Nevada, according to Zunino. Eldarica pines were recently introduced to Nevada, as Amargosa Pine Growers began growing them in the Amargosa Valley for the wholesale Southern Nevada market. These tall, green pine trees are native to Afghanistan but thrive in the state's desert climate. "They provide shade, color and privacy, which is quite a contrast to the rocks, mesquite trees and low shrubbery-type of desert-hardy landscaping," said Stephen Pingree, founder and manager of Farm Road LLC, which owns Amargosa Pine Growers.

### WHY THE HEIGHTENED POPULARITY?

The primary advantage of water-smart landscaping is water conservation and, subsequently monetary savings, which

can be significant in light of increasing water costs. In Southern Nevada, turf requires lots of water – 79 gallons of water per square foot per year, according to the Xeriscape Conversion Study conducted by SNWA between 1995 and 2000. In contrast, water-smart landscaping requires 17 to 25 gallons of water per square foot per year. Converting a turf-based landscape to a water-smart landscape reduces water use by 75 percent, the study showed. “Even people who like a lush look can achieve it with half the cost,” said Bennett.

About 30 percent less maintenance is needed with water-efficient landscaping than with traditional landscaping, Bennett said. This translates into greater savings potential. “Another value of the landscape is that you’re sharing it,” he added. Property owners with water-smart landscaping enjoy watching wildlife in their yards, which double as animal habitats. Their landscaping attracts birds, butterflies, squirrels, lizards, hummingbirds and more.

Southern Nevadans have an additional monetary incentive to convert grass to water-smart landscaping. With its voluntary rebate program, SNWA pays property owners \$1 per square foot of grass replaced, up to 50,000 square feet, and then 50 cents per square foot for the next 500,000 square feet. The maximum rebate per property is \$300,000, and many homeowners find the rebate sufficient to fund a large part of the relandscaping work.

Those interested in the program can enroll online. SNWA representatives approve the water-smart design, property owners effect the conversion within six months, and SNWA inspects the final result to ensure the necessary conditions have been met.

SNWA began the program in 1999 following completion of its Xeriscape Conversion Study. Last year, property owners converted more than 34 million square feet of grass, Bennett said. More than \$28.6 million was rebated to customers. “It’s been enormously successful,” Bennett added. “We have 10,000 people per year who apply to the program. Our estimated savings right now from this program is just under 3 billion gallons of water per year.”

The fees people pay to connect a new building or a home to the water system are

## WORRY. FRET. CURSE. THEN COME TO US TO GET IT DONE.

**Norma Spaeth**  
EVP / County Manager  
702.510.9800

**Bob Kuhl**  
VP / Builder Service  
Business Development  
702.499.1444

**Dave Cheval**  
SVP / Sales Manager  
702.460.6300

**Shelley Hickson**  
Business Development  
702.682.4993

**Michelle Meyers**  
Business Development  
702.510.9857



**EQUITY**  
TITLE OF NEVADA  
COMMERCIAL DEPARTMENT  
[www.eqtitlenev.com](http://www.eqtitlenev.com)

7360 W. Flamingo Rd. Las Vegas, NV 89147 702.432.1111 Fax 702.432.1112

*cfa*



**Draw on passion.**

To us, CFA isn't just a place to work. It's an opportunity to make northern Nevada even more beautiful. And it shows.

Our intense passion for our work allows us to plan on perfection. Our faith in our own people enables us to count on our ingenuity. And our drive to be the best is proven in our history of award winning work.

We invite you to plan on perfection, count on ingenuity and build on success, too, with CFA by your side.

Planning · Civil Engineering · Landscape Architecture · Surveying  
775.856.1150 · [www.cfareno.com](http://www.cfareno.com)

what fund the water-smart landscapes program, Bennett said. Connection fees made \$32 million available this year for the water-smart landscapes program.

Jim Altwegg, construction manager for The Groundskeeper, a Las Vegas firm that specializes in turf conversions, said he works with property owners, both commercial and residential, to show them the best ways to replace grass with less thirsty landscape options. "When we help a commercial property owner take advantage of the Water Authority's rebate program, we often get resistance from tenants at the office park, shopping center or apartment building," he said. "They're afraid the new landscaping will be rocks and cactus, and will look ugly and boring. Once the work is completed, tenants are happy when they see how colorful it is. As long as you use a drip system, you can even include tropical plants and still save water." The Groundskeeper also works with homeowners' associations to convert landscaping in common areas of master-planned communities from grass to a wide range of water-smart plants.

In the Truckee Meadows, property owners use three gallons of water per square-foot, per season, said Andy Gebhardt, supervisor of customer services and conservation for TMWA. Data are not available on how much water is used or saved with water-smart landscaping in the north. TMWA doesn't have a rebate program, as it has no way to fund it, Gebhardt said. Conserved water is stored or supplements what's needed upstream during droughts. The agency does, however, encourage water conservation. This year it plans to launch an annual awards program that showcases water-efficient landscape designs and honors their creators. "The purpose is to show that water-smart landscaping can be attractive, can serve the owner's needs and still serve the community's needs by conserving a vital resource," Gebhardt said.

#### WHAT ARE THE DRAWBACKS?

With water-smart landscaping, more time must be spent initially on soil preparation and design than with traditional landscaping. "It's not as easy as laying down sod," Gebhardt said. "The investment

on the front end can add cost to the project, but ultimately will add value." Whereas a lawn provides instant gratification, water-efficient landscaping may not look as pretty as desired in the first year or so.

Implementing a water-efficient design may necessitate intense physical labor, particularly when jackhammers are required to remove concrete, caliche or large rocks. However, those who are capable can do it themselves, Bennett said. "Anybody can really do this if they go out and seek the information first and are willing to make that investment in time and effort," he said. To assist people with their landscaping, SNWA has a plant list and five design templates on its Web site, [snwa.com](http://snwa.com). TMWA offers a landscaping guide on its Web site, [tmh20.com](http://tmh20.com), in interactive and paper forms.

#### EMERGING TRENDS

"Designing for our cyclical drought conditions can have positive impacts on conserving resources in general, including materials, chemicals, energy and labor," Jones pointed out. "Life-cycle costs of water-conserving landscape design can be much lower than resource-intensive solutions."

How we irrigate land continues to evolve. For example, evaporative control (EC) systems are popular now, said Dale Doerr, director of landscape architecture and planning for CFA Inc., a Reno company providing planning, civil engineering, landscape architecture, land surveying and construction. EC systems are installed below the surface of a lawn or garden. Runoff water from rain gutters and drains is funneled to an underground storage reservoir and landscaping is watered from underneath.

Another growing trend is reusing or recycling water. Increasingly, communities are pursuing irrigation with reclaimed water and treated wastewater. A second method is capturing rainwater. Zunino harvests water by grading a multi-terraced dry riverbed and lining it with grasses and trees that will suck up the water collected there. Some homeowners are recycling grey (non-potable) water. They're applying water that's been used for dishwashers, showers, sinks and laundry rooms to their landscaping, Stille said.

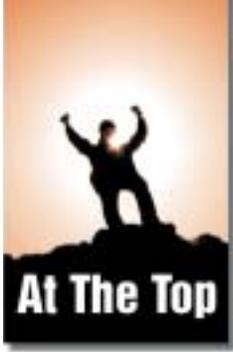
It's not as important how property owners conserve water – just that they do. As Doerr pointed out, "Water is a limited commodity in our area and a precious resource." 



It takes more than good sunlight, seeds and good soil to make a garden grow. It takes water.

Through resource development, research, innovation, and smart management, Vidler is helping to solve the water issues of the West.

**VIDLER**  
Water. Quality. Life.  
[vidlerwater.com](http://vidlerwater.com)



by Elizabeth Gamble

## IRS-Qualified Intermediaries

### Helping Investors Trade Property

Since 1921, Internal Revenue Code 1031 has encouraged investment property owners to trade their properties to avoid paying capital gains tax. Fortunes have been made by taking advantage of this tax-deferred exchange of investment and business properties. Yet even savvy real estate investors may fail to consider IRS Code 1031.

How does it work? To qualify for a tax-deferred exchange, a real estate investor must trade "equal or up" in both price and cash or net mortgage relief on like-kind property.

It's important to know that "like kind" property does not mean "same kind." For example, investors may trade a rental house for a warehouse or an apartment building for an office building. Vacant investment land could be traded for a shopping center. Almost any real estate held for investment or for use in a trade or business is eligible. Not eligible, according to the IRS Web site, are inventory, stocks, bonds, notes, other securities or evidence of indebtedness, or certain other assets.

To comply with Code 1031 and the subsequent Internal Revenue Code 1031(a)(3), commonly called Starker exchanges, proceeds must be held in trust by an independent third party or Qualified Intermediary. If the seller or any agent of the seller takes possession of the funds during the exchange, the sale becomes taxable.

To qualify for deferral, exacting adherence to the code is necessary. Therefore, it is critical to select a Qualified Intermediary who possesses a thorough understanding of all the details of the regulations, preferably someone who specializes in this type of transaction.

A Qualified Intermediary is an entity established by the code to act for taxpayers without being deemed their agent. Docu-

mentation for the exchange must be in place before the transfer of any property. Proper documentation and tracking are vital; otherwise, taxes will be assessed against the seller.

Answering that need in Southern Nevada is Henderson-based Southwest Exchange, established in 1990 as an independent Qualified Intermediary for IRS Code 1031 tax-deferred exchanges.

Southwest Exchange founder Betty Kincaid explained exchanges provide a tax haven for preserving real estate wealth. She compared the concept to an IRA account or a 401(k) plan. "You keep building on your investment," Kincaid said. "You're using what you would have paid in taxes to invest in a higher-valued property, which in turn gives you a better return and a better long-term appreciation. Technically, you could exchange forever and not pay taxes."

After the sale of the old investment property, the trader has 45 days to designate the qualifying replacement property. The trader then has 180 days from the sale date to complete the acquisition.

According to the experts, a few basic reasons for tax-deferred exchanges include: to pyramid equity without paying capital gains tax; to trade a hard-to-sell property with one more easily marketed; to eliminate or minimize the need for new financing on the acquired property; to acquire a property that is easier to manage; to acquire a property with greater profit potential; or to receive tax-free refinance cash either before or after the exchange.

"Like almost everything associated with the IRS, a significant amount of paperwork is involved. People really have to know what they're doing. It's also very important that the counseling clients receive is delivered accurately and consistently," Kincaid said.

"We give free educational classes to real estate agents and investors, and believe that educated clients make informed decisions," she added.

Southwest Exchange's management has, over the last few years, made a commitment to more growth, profitability and expansion in Southern Nevada. "We're also getting a lot more regional recognition in California, Arizona and Utah," said Kincaid.

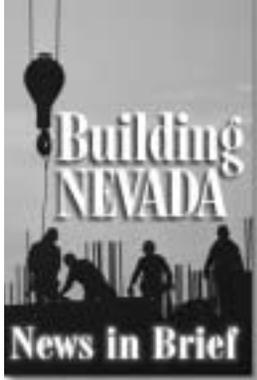
The company is one of the largest independent qualified intermediaries in the U.S., handling in excess of half a billion dollars annually in transactions. 🌿



OFFICE- 1ST QUARTER 2005		
TOTAL MARKET	LAS VEGAS	RENO
Total Square Feet	28,897,608	—
Vacant Square Feet	3,630,759	—
Percent Vacant	12.6%	—
New Construction	779,480	—
Net Absorption	694,663	—
Average Lease SF/MO (NNN)	\$2.09	—
Under Construction	1,208,634	—
Planned Construction	4,567,726	—
PROFESSIONAL CLASS A		
Total Square Feet	3,265,692	—
Vacant Square Feet	325,392	—
Percent Vacant	10.0%	—
New Construction	111,183	—
Net Absorption	33,573	—
Average Lease SF/MO (NNN)	\$2.45	—
Under Construction	206,700	—
Planned Construction	1,430,350	—
PROFESSIONAL CLASS B		
Total Square Feet	9,846,687	—
Vacant Square Feet	931,951	—
Percent Vacant	9.5%	—
New Construction	277,762	—
Net Absorption	287,106	—
Average Lease SF/MO (NNN)	\$2.05	—
Under Construction	446,419	—
Planned Construction	1,152,114	—
PROFESSIONAL CLASS C		
Total Square Feet	9,926,294	—
Vacant Square Feet	1,400,250	—
Percent Vacant	14.1%	—
New Construction	129,143	—
Net Absorption	117,798	—
Average Lease SF/MO (NNN)	\$2.01	—
Under Construction	317,790	—
Planned Construction	1,456,667	—
MEDICAL OFFICE		
Total Square Feet	5,858,935	—
Vacant Square Feet	973,166	—
Percent Vacant	16.6%	—
New Construction	261,392	—
Net Absorption	256,186	—
Average Lease SF/MO (NNN)	\$2.13	—
Under Construction	237,725	—
Planned Construction	528,595	—
Next Month: RETAIL		
ABBREVIATION KEY		
MGFS:	Modified Gross Full-Service	
SF/MO:	Square Foot Per Month	
NNN:	Net Net Net	

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

RENO STATISTICS COMPILED BY GRUBB & ELLIS NEVADA COMMERCIAL GROUP



### World Market Center Plans Expansion

World Market Center officials recently announced plans for an expanded campus comprising 12 million square feet of permanent and temporary showrooms for the home furnishings and hospitality contract industries. The original plans consisted of 7.5 million square feet of showrooms. The new development plans call for eight buildings to be constructed on a 57-acre campus near downtown Las Vegas, with a completion date of 2015. Phase one of the campus is fully leased and nearing completion. Officials are currently leasing Phases two and three, which total 3 million square feet. The fourth and fifth phases total 3.2 million square feet, and the final three buildings are 1.5 million square feet each. All eight buildings will be connected to each other through sky bridges at every level. The master-plan is being developed by Kashani and Samson, in conjunction with The Related Companies, L.P.

### Panattoni Completing Facility

Design-build contractor Panattoni Construction Inc. is approaching completion of a three-building facility in Las Vegas totaling 343,000 square feet of distribution and manufacturing space. The tilt-up buildings located at 4780 N. Lamb Blvd. will feature storefronts with architectural facades. Artesian Spas is relocating its manufacturing operations from Victorville, Calif. and is expected to bring 100 employees to the area while operating in 100,000 square feet of manufacturing space in the complex. Blakely Johnson & Ghusn, Inc. designed the buildings and Doug Roberts of Panattoni Development Company led the development of the project.

### Reno Justice Center Tops Off

A traditional topping-off ceremony was held recently for the Mills B. Lane Justice Center in downtown Reno, a joint project by the city of Reno and Washoe County. The \$36 million facility will house the Reno Municipal Court and the Washoe County District Attorney's offices. The eight-story, 160,000-square-foot structure is located adjacent to the county's Family Court Building. It includes underground parking and a tunnel connecting to the existing courthouse for prisoner transport. An adjoining atrium at street level will also connect the two buildings, allowing security screening equipment to be shared. General contractor Clark & Sullivan broke ground for the project in June 2004 and completion is scheduled for December 2005. The architect for the Justice Center is Tate Snyder Kimsey.

### Roche to Build DETR Facility

The State of Nevada Public Works Board has awarded Roche Constructors, Inc. a contract to construct a new office building for the Department of Employment, Training and Rehabilitation (DETR) on an eight-acre site at the corner of St. Louis and McLeod in Las Vegas. Valued at \$13.2 million, the two-story DETR building is designed to meet LEED Silver Certification, including drought-tolerant landscaping, a lighting control system to reduce energy consumption and an under-floor HVAC supply. Site development will include desert demonstration gardens. Dekker/Perich/Holmes/Sabatini of Henderson designed the 64,217-square-foot building.

### Granite Construction Improves Lake Tahoe Landmark

Granite Construction Company has been awarded a \$2.3 million contract by the Nevada Department of Transportation for the rehabilitation of one of the most well known landmarks at Lake Tahoe. Improvements on the Cave Rock tunnels, located along U.S. 50 near Zephyr Cove, began in May and are scheduled for completion by the end of June. Improvements to the site, designed to help facilitate safe travel, include widening of existing roadway for the addition of barrier rail. Capitol City Concrete is providing the colored concrete for the precast barrier rail. 🌿

REMEMBER WHEN PROMISES WERE KEPT AND INTEGRITY MATTERED?

Bob McDonald, Don Carano and Spike Wilson do. Our founders are the inspiration for the values, integrity and community leadership we practice each day. Many firms set up shop and make great claims about serving Nevada, but after more than 55 years, these three continue to uphold our central philosophy: Dedicate yourself to your clients and your community, and everything else will fall into place. Since the first day we opened the doors in 1949, we have followed this philosophy. As Bob McDonald, Don Carano and Spike Wilson do, so does every individual at our law firm.

McDONALD-CARANO-WILSON  
Las Vegas 702-875-4100 • Reno 775-788-2000  
www.mcdonaldcaranowilson.com



## Nevada Tourism Presents Awards for Excellence

At the 15th annual Rural Roundup conference, the Nevada Commission on Tourism presented awards for exceptional efforts to promote tourism. The winners were: Dr. Elizabeth Tom of Elko, who produces a newsletter for Cowboy Country Territory and serves as tourism liaison for the Elko Chamber of Commerce; Leah Brady of Elko, co-director of the Shoshonean Reunion V gathering of tribe members; Nancy Marcellus of Lawry's the Prime Rib restaurant in Las Vegas, for dedication to media relations; Andrea Robb-Bradick, owner of the Jim Butler Motel in Tonopah, for her work to establish Monte Cristo Castle state park in Esmeralda County; Rick Gray of the Fallon Convention and Visitors Authority for developing a regional bird-watching marketing campaign; the Regional Marketing Committee of Reno and Lake Tahoe for bringing additional air service into Reno/Tahoe International Airport; the Las Vegas Convention and Visitors Authority for its advertising campaign, "What Happens Here Stays Here."

## LMG Breaks Ground on New Las Vegas Facility

LMG, Inc., a national provider of video, audio and lighting support, recently broke ground on a 64,000-square-foot, \$5 million facility to enable it to expand its Las Vegas operations. The new building on five acres near I-215 and I-15 will be completed and ready for move-in by November of this year. LMG has provided presentation services to some of the world's largest conventions and meetings, including nationally televised events, Fortune 500 business presentations and live entertainment venues.

## FedEx Ground Expands in Southern Nevada

FedEx Ground, the small-package ground delivery unit of FedEx Corp., recently broke ground for a distribution center in Henderson to

serve Southern Nevada. The new 130,000-square-foot distribution center on an 11-acre site will be a consolidation of current FedEx Ground and FedEx Home Delivery operations in Las Vegas and will more than double the size of the two existing facilities. The new distribution center, which will open in the fall of 2005, is expected to create more than 100 positions over the next five years, adding to the current workforce of 240 employees and independent contractors at the existing FedEx Ground and FedEx Home Delivery facilities in Las Vegas. Levine Properties and McNaughton Properties, both based in Charlotte, N.C., are the developers for the facility, which is being designed by Lee & Sakahara Architects and will be built by Martin-Harris Construction, both of Las Vegas.

## Reno Named No. 1 City for Business

Reno is the nation's top city for doing business, according to *Inc. Magazine's* annual ranking of the "Best Places for Doing Business in America." Reno jumped from 13th in last year's survey to the No. 1 slot in 2005. Las Vegas came in 14th. *Inc. Magazine* compiled the rankings by sur-

veying data from the Bureau of Labor Statistics in 274 regions. The primary measurement was job growth, taking into account current-year growth, average annual growth over three years and job growth over the first half and second half of the last decade. The data reflected a range of industries including manufacturing, financial services, business and professional services, educational and health services, leisure and hospitality and government.

## Caesars to Sell Reno Hilton

Caesars Entertainment, Inc. recently announced it has entered into a definitive agreement to sell the Reno Hilton casino resort to Grand Sierra Resort Corp. for approximately \$150 million. Grand Sierra is a Nevada-based company formed by a group of developers and investors. It has announced plans to redevelop the property by adding a large indoor water park, condominiums and retail stores and by creating a "theme park" atmosphere. The transaction is expected to close in the fourth quarter of 2005 after receiving the necessary state and federal regulatory approvals. 



Millions of Americans rely on their CPAs to help them run their businesses more effectively, prepare their taxes and develop sound financial strategies for their families' security. Our role today is the same as always: to provide the trustworthy financial insights and business advice so vital to success—especially in these difficult economic times. We're here for you, whenever you need us. Just as we always have been. **America counts on CPAs.**

 Nevada Society of CPAs  
www.nevadacpa.org

 American Institute of Certified Public Accountants

## HEALTHCARE CHECKUP

Continued From Page 11

### A PROMISING OUTLOOK

While there are no short-term remedies for Nevada's healthcare concerns, many in the industry are stepping forward to promote change. For example, Comprehensive Cancer Centers of Nevada is banding together with a network of oncology centers across the nation to form a drug distribution center for cancer patients that should be available next year. "The network will have access to pharmaceuticals at a lower cost, which we can then pass on to patients," said Cohen.

Saint Mary's Health Network recently opened a medically-based fitness center aimed at promoting preventive healthcare. "We are trying to create a long-term model that makes people aware of the positive impact of fitness on their health," said O'Brien. "I'm concerned that in the long term, particularly with the Medicare population, there just aren't going to be enough dollars. You have to have people beginning to think about getting healthy and staying healthy, living longer, more productive lives. I call it personal accountability."

*"There has always been a little bit of a public opinion that Las Vegas does not have quality healthcare providers and that people need to leave town to get good care,"*

Sivertsen agreed preventive medicine and consumer awareness are vital to improving healthcare. Sierra Health Services offers health-and-wellness programs for those battling such conditions as obesity, smoking, diabetes and asthma. "The challenge we face in Clark County is the lifestyle is not always the best," Sivertsen said. "We have a lot of

smokers, a lot of drinking, so that's a challenge. We are probably behind the curve relative to the rest of the country in this respect. We also have demographic issues because of our aging population. All of these folks put a lot of stress on the healthcare system; however, we view it all as opportunity."

Dr. Thomas Vater, a Las Vegas spine surgeon and chief of University Medical Center's Orthopedic Department, said he believes Southern Nevada's medical community is misunderstood. "There has always been a little bit of public opinion that Las Vegas does not have quality healthcare providers and that people need to leave town to get good care," Vater said. "The fact is that physicians practicing in Nevada come from excellent schools in California, the Midwest and the East Coast, and they are extremely well trained. I'll challenge anybody in any major city to compare the medical care we offer here."

Added Miller from Washoe Health System, "I don't think we are second to anybody." ❁



# You Can Breathe Easier

With pulmonary care at Kindred Hospital Las Vegas

*Practice makes perfect.*

Kindred is a highly focused specialty hospital that provides intensive care for medically complex, critically ill patients—especially patients with pulmonary disease. Because that is our specialty, we have continuously improved our results and consistently achieve a higher level of expertise.

*Exceptional results for patients other providers can't help.*

Nationwide and locally, Kindred Hospital weans "unweanable" patients off ventilators. In a recent comparison to national data\*, Kindred Hospital demonstrated significantly better outcomes than other hospitals—including Medical/Surgical ICU's, community hospitals, and teaching hospitals.

(\*Source: 2003 CDC NNIS data)

**Call us today for a tour!**

**EAST**  
Kindred Hospital — Flamingo  
2250 E. Flamingo Rd.  
Las Vegas, NV 89119  
(702) 784-4300

**WEST**  
Kindred Hospital — Sahara  
5110 West Sahara Ave.  
Las Vegas, NV 89146  
(702) 871-1418

Kindred Hospital at  
Desert Springs Hospital  
2075 E. Flamingo Rd.  
Las Vegas, NV 89119  
(702) 894-5728

Kindred Hospital  
Las Vegas

# Image Is Everything.



Stand Out From The Crowd.

NEVADA BUSINESS  
**Nevada**  
**BUSINESS**  
JOURNAL

*For more information, call:*

(702) 735-7003 Ext. 28 or (775) 747-4434

Or download a Media Kit from [www.nbj.com](http://www.nbj.com)



Lt. Gov. Lorraine Hunt

## International Outreach Bringing Countries and Cultures Closer

*“What is the Commission on Tourism doing to encourage international visitors to come to Nevada?”*

**M**ost everyone around the world knows Nevada. Whether it is the brilliant sparkle of the Las Vegas Strip, the blue waters of Lake Tahoe or the endless beauty of our wide-open spaces, Nevada has a remarkable global reputation.

But where will our next generation find new visitors? How will the growth of our super-charged tourism economy be fueled in the future?

I can answer those two questions with two other questions. Which country has

the world’s fastest growing economy? Which country has the world’s largest population? The answer in both cases is the People’s Republic of China. China has more than 1.4 billion people and a free-market economy that is accelerating at a dynamic pace. In fact, China has the fastest growing economy on earth. Nevada has to be there.

Let’s take a look at some numbers:

- 1.5 billion: China’s population
- 300 million: The number of Chinese with the means to travel internationally
- 50 million: The number of millionaires in China

\$5,200: The average amount spent by Chinese tourists per person per trip

250,000: The number of Chinese tourists who visited the United States last year.

90+%: The number of those tourists making Nevada part of their visit

Last summer, I led a delegation from Nevada to the People’s Republic of China (PRC). The giant Asian nation has so much to offer Nevada and the world. Among our delegation were representatives of Nevada’s vast hospitality industry on our second Asian Tourism Building mission.

In our next mission, this June, we will visit Shanghai (population 20 million) and Beijing (population 14 million), two of China’s largest cities.

Nevada’s success in China is already on the record. Last year we were there for the historic opening of our first tourism office in Beijing. Once again, Nevada leads the global competition for lucrative tourism business. This is a little piece of history that will play an im-

mense part in Nevada’s economic future. Nevada is the only state with a government-sanctioned tourism office in China. In fact, only 13 countries have similar offices there. The Nevada Tourism Office in China affords our state the opportunity to advertise to outbound Chinese tourists. Some states have been working to get a similar license in China for more than seven years, yet Nevada is the only one to receive this lucrative honor.

This is no small feat in a highly competitive arena. Tourism is one of the top three economic drivers in all 50 states. In 29 states, tourism is the first, second or third largest employer. Marketing of Nevada to the PRC will put us far ahead of the pack in the competition for tourists.

With the colossal population of the PRC, it may well be the largest untapped reservoir of potential visitors to Nevada in the world. The immediate focus of Nevada’s tourism office in Beijing will be to open direct air service between the PRC and Nevada, as well as making it easier for Chinese tourists to obtain U.S. visas.

China and the United States have signed an agreement to dramatically increase the number of commercial and cargo flights between the two countries from around 50 per week to nearly 250 per week. As chair of the Nevada Commission on Tourism, I am working hard on my vision to promote Nevada as the “Western Gateway to the United States.” My goal is to have thousands and then millions of Chinese tourists bypassing the congestion of the airports in Los Angeles or San Francisco and traveling directly to Las Vegas and Reno.

As new resorts in Nevada open their doors and existing resorts expand, I believe China can be viewed as a new frontier in the search for tourists to occupy Nevada’s hotel rooms and experience our hospitality. Further, I believe Reno/Tahoe International Airport can become a hub for air cargo between China and the United States.

Opportunities for Nevada abound in Asia. Our pioneer spirit shines as Nevada works to bring faraway countries and cultures closer.



**WE GET IT**

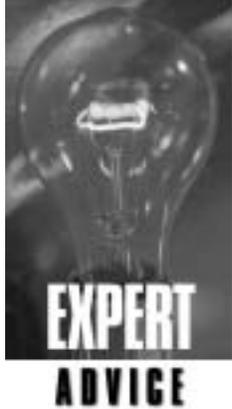
More than just the fundamentals of information technology, we get the role that IT plays in your business. We understand that your systems need to run correctly so that your day is as efficient as possible. We approach your needs with a view of your business goals, doing more than just treating immediate problems.

As a Microsoft Certified Partner, Microsoft stands behind our ability to meet your needs. Whether you need to create a network or ensure that your data is secure, give us a call at 702-370-7999 or visit [www.falit.com](http://www.falit.com) to find out how we can help.

**Microsoft CERTIFIED**

**FAI** Information Technology  
TRUSTED STAFF  
Our success is measured by the success of our client.

NETWORK SECURITY | NETWORK ADMINISTRATION & REMOTE SYSTEMS MANAGEMENT  
IT PROJECT MANAGEMENT | HARDWARE AND SOFTWARE RECONFIGURATION  
BUSINESS AND SUPPORT | NETWORK DESIGN AND INSTALLATION



by June Cox

## Joe Taxpayer vs. The IRS

### *Why Joe Needs Professional Help*

People who hire accountants for personal or business reasons usually do it for the same reasons: accounting and the myriad tax laws are not their bailiwick. Even if clients are interested in managing their finances on their own, chances are there simply is not time to learn everything a professional knows. Hiring an accountant is often a safer and simpler means to make sure Uncle Sam gets what's coming to him, without the burden of costly mistakes and direct dealings with the IRS.

However, from time to time private citizens will find themselves in the unenviable position of dealing directly with the IRS. Whether it is a situation requiring collections, or simply a misunderstanding, for those of us not accustomed to communicating directly with an IRS agent, this can be intimidating and confusing.

When a taxpayer is dealing directly with the IRS, the taxpayer is usually at a disadvantage. An IRS agent knows what to look for, while the taxpayer may not. Similar to representation in a court of law, it is important to have representation from a professional who understands the IRS's motivation and has experience in how to handle the situation. Unfortunately, if a taxpayer goes it alone without the proper preparation or understanding, it can be easy to get overwhelmed and end up with a settlement that is cumbersome. Additionally, this process could require filing a variety of different papers, which can

only add to the confusion. Unfortunately, if paperwork is not filed properly, it can result in having a settlement proposal rejected or missing out on the opportunity to save thousands of dollars.

You, as a taxpayer, likely do not know all the formulas and rules that are applicable to your situation. IRS agents will, but may only reveal the portion they want you to know, not the portion that would be helpful to you. Of course, who could blame them? After all, the agents' job is to collect money from the taxpayer.

When an individual has proper representation, either by a CPA or a tax attorney, the playing field is more level. The chance for the taxpayer to get to the end of the process wondering what happened is less likely. Situations that can require direct IRS communication include cases involving an operating business, aggressive IRS collections action such as a bank or wage levy, or a complicated tax situation that needs extra attention. Other areas in which taxpayers may find themselves in need of representation with the IRS are:

- Liens & seizures
- Payroll tax problems
- Delinquent tax returns
- Offers in compromise
- Installment agreements
- Penalty abatement
- IRS appeals
- IRS collection problems
- IRS audits

When a taxpayer is looking for the proper person to represent him or her with the IRS, it is important to make sure that person has extensive experience. Many programs make promises to represent you for a small fee, but it is also a good idea to interview the person who is going to speak on your behalf. Understand that if the IRS is looking to collect large amounts of money from you, it is a good investment to find a professional representative with the experience to help you, versus the one who is the least expensive. 🌿

*June Cox, CPA, MST, CVA is shareholder with Muckel Anderson CPAs, a full service accounting firm in Reno.*

DAY-TO-DAY BUSINESS IS A BATTLE.



WE KNOW HOW TO WIN THE WAR.

**HUTCHISON & STEFFEN**  
ATTORNEYS

PECCOLE PROFESSIONAL PARK  
10080 WEST ALTA DRIVE, SUITE 200  
LAS VEGAS, NEVADA 89145  
702-385-2500 • FAX 702-385-2086  
877-HSNVLAW  
HSNVLAW.COM



### OUR STAND

WORK WITH ALLSTATE AND PEOPLE  
**WILL KNOW YOU**  
BEFORE THEY EVEN MEET YOU.

As an Allstate Exclusive Agent, you'll get instant name recognition as well as an extensive product portfolio, a start-up bonus, even a computer- without sacrificing your independence. **Are you in Good Hands?™**

TO LEARN MORE ABOUT BECOMING AN  
EXCLUSIVE AGENT CALL

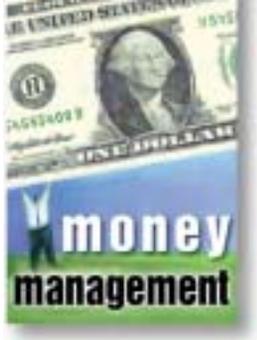
**1-800-347-2266, x. 6262**

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



**Allstate.**  
You're in good hands.

Allstate Life Insurance Company. Home Office: Northbrook, IL. Securities offered through Allstate Financial Services, LLC (LSA Securities in LA and PA). Registered Broker-Dealer. Member NASD, SIPC. Main Office: 2920 South 84th Street, Lincoln, NE 68506. 877-525-5727. The "Cupped Hands" logo is a registered service mark and "Our Stand" is a service mark of Allstate Insurance Company. © 2005 Allstate Insurance Company. Allstate.com. Allstate is an Equal Opportunity Company.



by Matthew D. Goedert

## Employee Stock Ownership Plans *An Alternative Way to Sell Your Business*

**H**ave you ever tried selling a minority share of your privately held business? Did it feel like you were selling beachfront property on the moon? There is an easier, more profitable way for you to liquefy your assets and diversify your stock.

As a successful business owner, you may know one of the most difficult endeavors is to convert the company's equity into cash. You may be worth \$5 million

on paper, but your inability to exchange equity into cash may be affecting your current lifestyle or retirement plans. Don't be discouraged. This is a common problem for many privately held businesses. Although a business owner has several alternatives when deciding how to proceed, using a retirement plan might be the best alternative.

Many owners are unaware that they can sell the stock to a retirement plan known as an employee stock ownership plan (ESOP). An ESOP is not a typical retirement plan; it is designed to invest primarily in company stock. A company using an ESOP as a pass-through conduit may be able to borrow money at a preferred rate from a bank to purchase the stock, due to the tax benefits. When an ESOP purchases at least 30 percent of the company stock, the sale qualifies for tax-free "rollover" treatment as long as the selling shareholder buys other qualified securities.

Thus, the owner can diversify his portfolio in preparation for retirement. In addition to tax benefits and liquidity, in many cases owners can sell 51 percent or more of the company to an ESOP and re-

tain effective control. Depending on the company finances, the ESOP can purchase all the stock over a period of three to seven years, and in extremely rare cases the ESOP is able to purchase 100 percent of the company in one transaction.

The positive financial impact on the company is simple. Borrowing funds to repurchase an owner's stock with an ESOP loan allows the company to deduct the principal repayments on the loan as well as the interest. If the company borrows \$5 million for the purchase price, the company will be entitled to \$5 million in federal income tax deductions for repaying the loan. This results in a \$1,750,000 federal tax savings over the term of the loan. Combined with the \$750,000 in deferred capital gain taxes for the seller, the total tax savings can be at least \$2.5 million, or 50 percent of the purchase price.

There are other benefits as well. Through their indirect participation, employees will share in both the profitability and long-term growth of the company. Similar to the way pension and profit-sharing plans benefit employees, an ESOP can defer taxes for retirement benefits. Studies have shown that an ESOP can result in increased employee productivity and reduce employee turnover.

ESOPs are not for everyone. Some business owners are not concerned with liquidity, may not be contemplating retirement, or may want to retain sole ownership of their company. ESOPs may be inappropriate for businesses that are unprofitable or have only a short-term industry outlook.

There are many ways to liquefy and diversify your stock, as well as provide for your retirement. ESOPs provide a viable solution by creating a ready market for privately held company stock, while maintaining employee interest and profitability. An ESOP will also allow you to diversify your investments on either a tax-free or tax-deferred basis. When it comes time to retire or sell part or all of your business, consider an ESOP and the rewards it can provide for your loyal employees and your own pocketbook. 🌿

*Matthew D. Goedert is a partner in Goedert & Associates, a Reno-based law firm focused primarily on employee benefit plan matters.*

### BRINGING OUR NEWEST TECHNOLOGY TO YOUR FRONT DOOR

**DESERT RADIOLOGISTS,  
THE LEADER IN DIAGNOSTIC IMAGING...**

continues to provide you with the most innovative technology available today.

Using the SOMATOM Sensation 64, the fastest and most progressive CT scanner available, we will be able to perform your CT scan in **ONLY 6 SECONDS.**

For your convenience, this exciting new technology will be available at our North West Cathedral Rock facility and beginning April 2005, at our new Horizon Ridge facility in Henderson.

If you would like additional information regarding this exciting new technology or any of our procedures, please call 382-XRAY (9729) or visit us at [www.desertrad.com](http://www.desertrad.com).

**FOUR LOCATIONS TO SERVE YOU...**

- 2020 Palomino Lane, Suite. 100
- 3920 S. Eastern Avenue, Suite. 100B
- 7200 Cathedral Rock Dr., Suite. 230
- 60 North Pecos Road, Suite. A

**OPENING APRIL 2005...**  
2811 W. Horizon Ridge Parkway

**DR**  
DESERT RADIOLOGISTS  
382-XRAY (9729)  
[www.desertrad.com](http://www.desertrad.com)

# Nevada Oral & Facial Surgery - *Transforming Lives Daily*

*Dr. Brendan Johnson and Dr. John Holtzen lead a 23-member professional team at Nevada Oral & Facial Surgery, treating patients for facial injuries, dental implants, wisdom tooth extractions and other oral and maxillofacial surgery procedures.*



For most people, a trip to the oral surgeon isn't something to smile about. But for patients of Nevada Oral & Facial Surgery, one of the largest and most respected oral and maxillofacial surgery practices of its kind in the state, the patients are the heart of the practice, which means the experience is likely to be a positive one.

That's because Dr. Brendan Johnson and Dr. John Holtzen have a 23-member professional team that is committed to treating patients as they would treat their own families.

Drs. Johnson and Holtzen founded Nevada Oral & Facial Surgery in 1999 to offer the most technically advanced maxillofacial and oral surgical care possible with an uncompromising commitment to their patients' overall well being. That caring and commitment is evident from the front desk team to state-of-the-art surgical suites. Regardless of the type of surgery – repair of traumatic facial injury, facial reconstruction, dental implants or wisdom tooth extraction – patients are treated with unmatched skill and care.

In addition to their lofty academic degrees from respected institutions like Johns Hopkins and UCLA, the surgeons truly care about their patients. From repairing birth defects to placing dental implants, these doctors provide expert patient care and transform lives daily.

Dr. Holtzen is well respected among his peers not only for his compassion, but also for his skill and artistry as a surgeon. He is a diplomate of the American Board of Oral and Maxillofacial Surgery and the National Dental Board of Anesthesiology.

Dr. Johnson has a well-deserved reputation as a caring, skillful and outstanding surgeon. He is a diplomate of the National Board of Anesthesiology. Both doctors serve on the executive board of the Nevada Dental Society and as associate professors at the University of Nevada School of Medicine.

"Our doctors have extensive experience caring for patients of all ages, from children to seniors. They're very caring and have a special gift for putting children and teens at ease," said Barbara Campagiomi, insurance coordinator for the practice. "Not surprisingly, many local dentists in town bring their children and families to us."

From scheduling appointments and creating comprehensive treatment plans to working with insurance companies, the practice's professional staff is attentive to every detail. "Dentists rest assured knowing their patients receive outstanding care and customer service here," said Cathy Gailey, practice administrator. "They know our doctors and team will be here for them. Referring doctors are looking for excellence, which is what they receive here."

Services include:

• **Dental Implants** – As a highly respected center for dental implant placement, the surgeons of Nevada Oral & Facial Surgery work as a team with general dentists to assure the best results. Implants replace teeth permanently or support dentures securely. Nevada Oral & Facial surgeons can often treat patients who have been told implants were not possible for them.

• **Facial Trauma** – The doctors of Nevada Oral & Facial Surgery possess a level of surgical competency and artistry that has

given many victims of facial trauma an opportunity to heal through this reconstructive surgery.

• **Snoring and Sleep Apnea** – Recent studies indicate snoring can be an indication of sleep apnea, a potentially fatal condition. There is a relatively simple and effective treatment for snoring using a laser and/or radiofrequency.

• **Facial Reconstruction** – The surgeons at Nevada Oral & Facial Surgery have the benefit of years of experience and training, utilizing their skill and vision for facial reconstruction. In addition, they have incorporated into their practice the most modern of technologies for planning surgery.

• **Wisdom Teeth** – Oral health specialists recommend removal of the wisdom teeth during the adolescent years. Removing the teeth before they are completely developed is much easier for the patient and helps reduce the potential for future problems.



**Northwest Las Vegas Office**  
3150 North Tenaya Way, Suite 240  
702-360-8918

**Henderson Office**  
1525 Warm Springs Road, Suite 125  
702-433-4355

[NevadaOralAndFacialSurgery.com](http://NevadaOralAndFacialSurgery.com)

Authority (LVCVA) and serve to increase visitor volume to the Silver State.

### WHAT HAPPENS IN VEGAS...

Las Vegas is globally seen as the epicenter of excitement. You can't go to a movie theater or watch TV without seeing something about Las Vegas. It's all working to Nevada's economic benefit. Las Vegas had a record 37.4 million visitors last year, according to UNLV's Center for Business and Economic Research. By comparison, visitor volume was nearly 36 million in 2000 and dropped to 35 million in 2001 and 2002.

The current marketing focus is on world-class dining, high-end retail, a great hotel experience, more guest features such as spas, and attractions for both the leisure and convention traveler. "Every indicator is strong," said Rob Powers, spokesperson for the LVCVA. "Visitor volume and visitor spending are up and our destination resorts are so imaginative and have so much to offer, the drawing power is irresistible."

Powers said the Las Vegas Monorail is a valuable benefit to the area. "It's a terrific amenity for our customers," he said. Which is why LVCVA included a connector to a monorail station as part of the Las Vegas Convention Center's \$400 million construction project, which will be spread over the next few years. The project will concentrate on updating facilities, adding new meeting space and building a police substation on the resort corridor.

"Wynn Las Vegas will provide a huge gain for all of Las Vegas," Powers said. "Major resorts have a drawing power. Whenever a new property opens, tourists plan a trip to see the new resort, and as a result, other properties also benefit."

### CONVENTION GROWTH

An obvious change over the past several years in the convention industry is the increase in space available to host meetings. "The expanded space, along with effective Las Vegas marketing, has been a great combination for organizers who want their events held in Southern Nevada," said Jeff Quade, executive vice president of sales for GES.

As the largest provider of convention services in Nevada, GES has 500 employees – more than a third of its nationwide staff – working out of Reno and Las

Vegas. GES built its national headquarters in Las Vegas, along with a 900,000-square-foot facility to support the hospitality/convention industry.

Quade said the major convention centers in Las Vegas are so comprehensive that any one of them is larger than the combined facilities in many cities. "Mandalay Bay's convention facilities alone are bigger than all the convention facilities in Phoenix, Albuquerque and Tucson together," he said. In addition to Mandalay Bay, the Sands Expo Center and the Las Vegas Convention Center are mega-sized facilities.

Who fills up these convention centers? "There are basically three categories of conventions," Quade said. "Events that have struggled since 9/11 have found that relocating to Las Vegas has helped them combat low attendance numbers and helped stabilize their meetings. Other events that have traditionally met here have also grown. We are blessed with many events that come here every year and make Las Vegas their home."

Convention attendance numbers continue to be strong for the well-known megashows, like the Consumer Electronics Show, MAGIC and the National Association of Broadcasters. LVCVA recently signed a long-term agreement with the National Association of Home Builders to meet in Las Vegas eight times through 2020. "This is a major commitment," Powers said. "We expect 100,000 people each year with this convention, representing \$1.2 billion over the 15-year period."

Another major trend Quade sees on the horizon accounts for another growing submarket and Quade's third convention category: corporate meetings. "There are a significant number of corporate events," he said. "Companies hosting proprietary trade shows, a product launch to other businesses, or face-to-face marketing within their own industry." These are shows to which the general consumer is not invited. For example, NAPA Auto Parts is hosting a meeting as a one-on-one marketing medium to communicate what is going on in its company. Additionally, Quade said more corporate meetings are moving toward education for employees and customers.

The convention industry is still driven by the surrounding amenities, such as hotel rooms, nightlife, gaming, restau-

rants, high-end shopping and convenient visitor services. It all works together. "We are thankful for the level of teamwork in the hospitality community," Quade said. "It's a great mixture."

### NORTHERN NEVADA

For conventions and meetings, Reno does a great job in the northwest market in competition with San Francisco, Seattle, Portland and Boise. It's a natural location for environmentally conscious groups like the North American Wild Sheep Organization and the International Safari Show. The \$28.5 million Reno Events Center, which opened in January 2005, is a 118,000-square-foot facility with more than 56,000 square feet of exhibit space.

Northern Nevada is undergoing a tourism transformation of sorts, with a new energy and new facilities. The region's promoters have done an excellent job of creating a distinct identity, marketing to consumers as a fun destination.

Popular annual events such as the Hot August Nights classic car rally, ARTown, Reno Air Races, Reno/Tahoe Wine, Food and Jazz Festival, Mastercraft Pro Wakeboard Tour, Reno Rodeo, Brews and Blues Festival, and Reno River Festival helped boost the Reno area's visitor volume to nearly 5 million in 2004.

Development of the downtown Reno arts and cultural center, as well as the Truckee River Whitewater Park, have also increased tourism. The National Bowling Stadium hosts tournaments from around the country, including the Women's International Bowling Conference and the American Bowling Conference.

The "Nevada: Wide Open" advertising campaign promotes Nevada's outdoor activities to reach a broader range of visitors. Targeted primarily to the leisure traveler, it's had success in creating the perception that Nevada is an adventure state, with golfing, hiking, skiing and other outdoor recreational activities. The new brand has drawn the attention of retail outdoor outfitter Cabelas, which will begin construction on a huge store in Reno by the end of this year.

The beauty of Nevada being promoted as America's adventure place is that it does not detract from visitors who come here for other diversions. It just gives them another reason to come to Nevada. 



## Nevada Donor Network *Encouraging People to Give the Gift of Life*

**N**evada Donor Network (NDN) is responsible for the coordination, recovery and distribution of donated human organs and tissues for transplantation and medical research throughout Southern Nevada. It is a federally designated, not-for-profit organ, tissue and eye procurement organization. NDN participates in national organ and tissue sharing in an effort to meet the ever-growing needs of patients awaiting transplantation therapy. Currently, 88,000 Americans are on the national waiting list; on average, 15 people die every day waiting for a transplant.

NDN has served Southern Nevada since 1987, and was formally known as DORS (Donor Organ Recovery Services). It is one of the few organ procurement agencies in the country to manage the recovery of organs, tissues and eyes in the same facility, making Nevada progressive in the field of organ and tissue procurement.

“Our mission is to improve the quality of human life through the recovery of all available organs and tissues for transplantation and medical research, while maintaining the dignity of the donors and their families,” explained Ken Richardson, executive director of NDN.

The Nevada Donor Network has trained staff available 24 hours a day to counsel families and medical staff about organ and tissue donation, determine medical suitability for donation, and coordinate the recovery and distribution of donated organs and tissues.

NDN provides a routine follow-up to all healthcare providers and donor families. Its Keepsake Program provides follow-up support for donor families for up to two years after donation. Participants receive infor-

mative and inspirational literature regarding grief and organ donation. It also promotes a support group known as Champions of Organ Sharing (COS), which is made up of organ recipients, donor families and those waiting for transplants.

One COS member who is a heart recipient said, “My transplant has done other things for me that are not necessarily tangible or quantifiable. A friend of mine received a heart transplant about four months before I did. He was a very sick individual, and had been on the list for about three years. Consequently, while waiting, he was in deep despair and about ready to give up. Toward the end of his long wait, he got some words of wisdom from an acquaintance who himself had received a liver transplant. This person told my friend that those awaiting organ transplants have a unique perspective on life. He pointed out that everybody is going to die someday, but really has no idea when. Those awaiting an organ transplant, however, have a more finite idea of when they could be gone. Therefore, they should look at any extra time they might get as a bonus. He suggest-

ed to my friend that if you are fortunate enough to get your transplant and a second chance at life, make the most of it.”

“Our employees are proud to work for a company that saves lives,” said Richardson. “Our major frustration is that so many additional lives could be saved if more people would say ‘yes’ to donation. One person saying ‘yes’ can save up to eight lives, and by agreeing to tissue donation, he or she can enhance the lives of up to 70 people. We are continuing to work hard to educate the public about the shortage of organs and tissues and we are always looking for quality volunteers to help us communicate with the public. Educating the community about the virtues of organ and tissue donation is a large job.”

Nevada Donor Network  
2085 East Sahara Avenue  
Las Vegas, NV 89104  
Phone: 702-796-9600  
Fax: 702-796-4225  
[www.nvdonor.org](http://www.nvdonor.org)  
[lcrews@nvdonor.org](mailto:lcrews@nvdonor.org)

**Now approved by Medicare.**

crystalens<sup>®</sup>  
see all the possibilities

Introducing the revolutionary Crystalens, an intraocular cataract replacement lens that may enable you to see near, far and everywhere in-between.

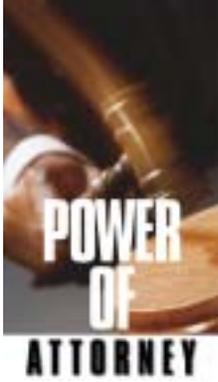
And it's now approved by Medicare.  
Call Dr. Siems today for a consultation.

Jon L. Siems, M.D.

**SIEMS**  
ADVANCED LASIK AND IMAGE CENTERS

**702.948.2010**

Boca Park • 1000 S. Rampart, Suite 10 • Las Vegas, NV 89145 • [www.siemslasik.com](http://www.siemslasik.com)



by Brian Holthus

## The New Bankruptcy Law *What's It All About?*

One of the most controversial bills to pass through Congress of late is the bankruptcy reform legislation President Bush recently signed. The new law will make it more difficult for individuals to qualify for Chapter 7 bankruptcy and avoid their debts.

What does this mean? Individuals normally file either Chapter 7 or Chapter 13 bankruptcy. Chapter 7 allows a person to keep exempt assets, such as home equity and retirement plans, and receive a “dis-

charge” on most debts. A few months after the Chapter 7 is filed, a discharge is entered and the individual is given a fresh start to rebuild his financial stability. Under Chapter 13, individuals pay their monthly disposable income into a plan for three to five years, and a trustee distributes the plan payments to creditors. The Chapter 13 filer does not receive his discharge until all plan payments are made.

Under the new law, individuals will be required to meet with a credit counselor before filing bankruptcy. In addition, a means test will be applied to determine if the person’s income is above the state’s median and if he can afford to pay 25 percent of his unsecured debt. If so, he will be required to follow a five-year repayment plan under stricter guidelines. While in the past, the judicial system could evaluate a person’s monthly expenses on a case-by-case basis, the new law is fairly strict in its requirements, affording little leniency.

Since more bankruptcy debtors will be forced into payment plans, small business creditors are more likely to receive pay-

ment (albeit a small payment) if their customer files bankruptcy. In preparation for the influx, accounts receivable managers should learn how to properly file a proof of claim and familiarize themselves with the provisions of the new law.

What does this law mean for low-income individuals, single women and minority groups? Perhaps the biggest opponents of the new legislation, truly low-income people, will still be able to file a Chapter 7 and discharge their debts. However, this will be a fairly limited class of people.

The law will cause changes for bankruptcy attorneys as well. If the information in a bankruptcy filing is found to be inaccurate or fraudulent, the bankruptcy attorney may be subject to fines and sanctions. This can only result in fewer attorneys willing to file bankruptcy petitions, and those who do will charge more for their services.

Will this law work? Supporters claim it is a strong effort to prevent individuals from abusing bankruptcy laws and shirking financial responsibility. Opponents feel it is designed to assist credit card companies and financial institutions without regard for how the debtor came into his financial crisis. For example, an individual with extensive medical debt is treated the same as an individual with high credit card debt.

Regardless of its intent, however, the new law does resolve some glaring problems for creditors, such as reducing the Chapter 13 “super discharge.” Under the old law, a debtor could discharge fraud and embezzlement claims by filing Chapter 13 and paying his disposable income into a plan. Also, debtors will not be able to use Chapter 13 to reduce their car payments through a “cram-down” process.

Individuals who are truly in need of a fresh start may no longer benefit from filing bankruptcy. Only time will tell whether the new law is an effective tool for forcing personal responsibility or a weapon for creditors to collect loans that should never have been approved in the first place. 

*Brian Holthus is a partner with Jolley Urga Wirth Woodbury & Standish Attorneys at Law, which has offices in Las Vegas and Boulder City.*

## The Next Billion Dollar Company In Network Marketing

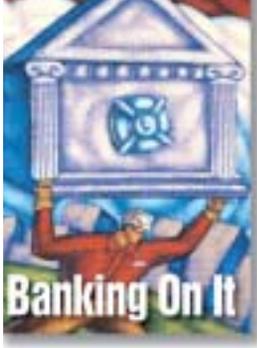


From the rainforests of Southeast Asia, the small beautiful mangosteen earns its nickname “Queen of Fruits”, with a taste that is blissful and health benefits that are off the charts. Because XANGO™ is made from the whole mangosteen fruit, it delivers a serious, nutrient-packed punch. Loaded with Xanthones, the next generation of antioxidant-rich phytonutrients, XANGO™ is the future of nutritional supplements. Get in on the ground floor of this Network Marketing Opportunity!

*“This product may be the next closest breakthrough to a medical miracle!”*

- True 50% payout
- Border friendly product
- 28% better payout than industry average (DSA)
- 20 Year patent
- Experienced NM’s are flocking to this opportunity
- Backed by independent scientific & medical research
- Over \$50 million in sales and debt free in first 12 month

To learn more, call 702/897-9590 or look us up at [edmckeon.com](http://edmckeon.com)  
Ed & Linda McKeon • XANGO™ Independent Distributor  
[mckeon@peoplepc.com](mailto:mckeon@peoplepc.com)



by Tom Dye

## Community Bank of Nevada *Enjoying Steady Growth*

**W**hen Ed Jamison opened the doors of Community Bank of Nevada 10 years ago, the operation was small – very small.

The bank operated out of a triple-wide trailer at 1400 S. Rainbow Blvd. in Las Vegas. Its total capitalization was only \$8.1 million. The new financial institution faced stiff competition in a community where huge banks such as Wells Fargo and Bank of America were the big players and many smaller banks were being swallowed up by the competition.

Jamison had first-hand knowledge about consolidation in the local banking industry. In 1989, he came to Las Vegas from Salt Lake City to serve as president of a new bank named Nevada Community Bank. Five years after it was founded, the bank was sold because the founders received an excellent price. “We didn’t intend to sell,” he explained, “but the offer kept increasing.”

The growth and success of this banking venture inspired Jamison and a group of eight others to found another Las Vegas-based bank. Named Community Bank of Nevada, the new bank opened in July 1995. Jamison took the reins as president and Noall J. Bennett, his partner in the preceding banking operation, became chairman. Bennett, a former executive with Zions Bank, lives in Salt Lake City.

The new bank saw astounding growth in its first decade of operation. Community Bank of Nevada now has five branches, holds deposits of \$650 million, and has grown its staff from just a

few employees to 120. Three years ago, the bank opened its new City Centre branch and corporate headquarters downtown at 400 S. Fourth St. “We have been profitable since the second month of operation,” Jamison pointed out.

Community Bank of Nevada began expanding in September 1999 with the opening of a branch at 2887 S. Maryland Parkway. It now also has branches in Green Valley (1441 W. Warm Springs Road) and Summerlin (7676 W. Lake Mead Blvd.).

The key to the bank’s success has been the decision to focus on providing banking services to business customers, Jamison said. He tried to operate a retail banking operation when he founded his first bank, but changed strategies when he discovered Las Vegas’ growing business community offered more potential. Business banks, such as American Bank of Commerce and Sun State, had prospered in Las Vegas, but had been purchased by larger operations.

Jamison said his bank serves a wide variety of businesses of various sizes. “We are a high-service, high-touch busi-

ness bank,” he said. “We go out to meet with our customers, rather than having them come to us.”

The bank plans to open its sixth branch later this year near the Russell Road-Interstate 15 interchange. Expansion to other areas of Nevada also is being considered. “Our objective is to look for strategically located branches,” Jamison said. “We have additional capital and can move forward quickly.”

Community Bank of Nevada, which had an after-tax profit of \$5.6 million in 2004, raised an additional \$45 million through a public offering held in December and is now listed on NASDAQ. The bank’s game plan is to use the capital to expand outside Nevada and become a regional operation.

“We are targeting high-growth areas,” Jamison said. San Diego and San Bernardino counties in Southern California and Maricopa County in Arizona are possible sites for Community Bank’s expansion. Jamison said he is flexible when it comes to the bank’s future. “We might buy another local bank. All things are possible up the road. Just watch us grow.”





# RED ROCK CORPORATE SOLUTIONS LLC

**Nevada Corporations \$298.00**

**Nevada Corporations and LLC's Include:**

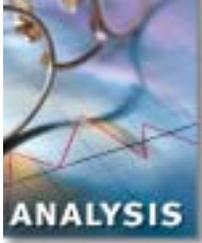
- Articles of Incorporation or Organization
- One Year Resident Agent
- Corporate Charter
- Corporate Record Book with Name Foil Stamp on Spine
- Corporate State Seal (Desktop)
- Bylaws for Corporations or Operating Agreement for LLC
- Stock Certificates (25 Million Shares)
- Stock Ledger
- Amendment and Meeting Minute Samples
- Example Corporate Resolution Forms

Corporations in all 50 states  
Call us today for a free structuring analysis,  
living trust, FLP's land trusts and more!

Corporate Credit and Financing  
Unsecured \$50,000 Business Credit Lines Available\*

**Time is Money... Money is Time**  
6655 West Sahara Suite B-200 • Las Vegas NV 89146  
702.384.3700 • Fax: 702.363.3050 • [www.redrockcorporatesolutions.com](http://www.redrockcorporatesolutions.com)

\*Restrictions Apply



# Business Indicators

Not surprisingly, U.S. growth in spring 2005 turned more moderate. Coming after a period of sustained recovery, slower growth suggests the economy is undergoing mid-cycle adjustments. These adjustments come about as the pace of inflation picks up and growth slows, a typical mid-cycle pattern. The numbers, however, do not foretell a downturn – as some pessimists are prone to pronounce – but instead reflect growth at slower future rates. To be sure, there will eventually be another downturn, but to our view, not in the near term.

The rate of inflation, as measured by the consumer price index (CPI), was up 0.8 percent in one month and 3.1 percent above year-ago levels. Excluding food and fuel costs, the core CPI gained 0.6 percent in one month and 2.3 percent for the year. The price of oil has gone above \$50 a barrel; and, though supplies are building, world demand continues to grow, leaving little reason to believe prices will soon return to the \$30-a-barrel price range of the past. Still, if you adjust oil prices for overall price movements, the current price of \$50 per barrel translates to about \$15 in 1980 prices. As such, it seems fuel prices at current levels will not derail the normal cyclical expansion, though it will take the edge off the rate of growth.

Double-digit growth in key 2004 Nevada indicators exceeded real U.S. gross domestic product (GDP) growth after adjusting for inflation. Though one month's data do not foretell trends, we see a slowing in the rate of expansion. Conditions in the Silver State – though tending to follow a different path than the national economy – show slower growth in 2005 than in 2004.

However, this does not signal an economic downturn for Nevada; rather, the state seems to be taking a respite from the rapid growth of 2004 while the national economy makes a mid-cycle adjustment.

	UNITS	DATES	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT (%)	YEAR AGO (%)	
<b>NEVADA</b>								
EMPLOYMENT	1,000 EMPLOYEES	3/05	1,197.9	1,184.3	1,122.0	1.1	6.8	Strong Yearly
UNEMPLOYMENT RATE	%, NSA	3/05	4.0	4.2	4.7	-4.8	-14.9	Excellent
TAXABLE SALES	\$ BILLION	1/05	3.189	4.205	2.915	-24.2	9.4	Strong Yearly
GAMING REVENUE	\$ MILLION	2/05	909.55	917.14	876.54	-0.8	3.8	Up
PASSENGERS	PASSENGERS	2/05	3.649	3.715	3.545	-1.8	2.9	Up
GASOLINE SALES	MILLION GALLONS	1/05	88.50	91.45	87.56	-3.2	1.1	Holding
VISITOR VOLUME	MILLION VISITORS	2/05	3.850	4.028	3.969	-4.4	-3.0	Down
<b>CLARK COUNTY</b>								
EMPLOYMENT	1,000 EMPLOYEES	3/05	851.5	842.4	790.7	1.1	7.7	Strong Yearly
UNEMPLOYMENT RATE	%, NSA	3/05	3.9	4.0	4.8	-2.5	-18.8	Excellent
TAXABLE SALES	\$ BILLION	1/05	2.414	3.104	2.179	-22.2	10.8	Strong Yearly
GAMING REVENUE	\$ MILLION	2/05	765.80	793.10	731.73	-3.4	4.7	Up
RESIDENTIAL PERMITS	UNITS PERMITTED	3/05	2,765	3,094	3,877	-10.6	-28.7	Market Correction
COMMERCIAL PERMITS	PERMITS	3/05	152	120	102	26.7	49.0	Up
PASSENGERS	MILLION PERSONS	2/05	3.220	3.315	3.130	-2.9	2.9	Up
GASOLINE SALES	MILLION GALLONS	1/05	61.87	61.83	58.33	0.1	6.1	Up
VISITOR VOLUME	MILLION VISITORS	2/05	3.418	3.512	3.411	-2.7	0.2	Holding
<b>WASHOE COUNTY</b>								
EMPLOYMENT	1,000 EMPLOYEES	3/05	212.7	210.2	202.8	1.2	4.9	Strong
UNEMPLOYMENT RATE	%, NSA	3/05	3.8	4.4	4.2	-13.6	-9.5	Excellent
TAXABLE SALES	\$ BILLION	1/05	0.448	0.648	0.441	-30.9	1.4	Up Slightly
GAMING REVENUE	\$ MILLION	2/05	77.66	67.65	80.84	14.8	-3.9	Down Yearly
RESIDENTIAL PERMITS	UNITS PERMITTED	3/05	716	345	438	107.5	63.5	Up
COMMERCIAL PERMITS	PERMITS	3/05	20	29	23	-31.0	-13.0	Down
PASSENGERS	MILLION PERSONS	2/05	0.418	0.390	0.403	7.3	3.7	Up
GASOLINE SALES	MILLION GALLONS	1/05	14.17	15.95	15.16	-11.2	-6.5	Down
VISITOR VOLUME	MILLION VISITORS	2/05	0.348	0.324	0.369	7.5	-5.7	Holding
<b>UNITED STATES</b>								
EMPLOYMENT	MILLION, SA	3/05	132.926	132.816	130.786	0.1	1.6	Improving
UNEMPLOYMENT RATE	%, SA	3/05	5.2	5.4	5.7	-3.7	-8.8	Slowly Adjusting
CONSUMER PRICE INDEX	82-84=100, NSA	3/05	193.3	191.8	187.4	0.8	3.1	Up
CORE CPI	82-84=100, NSA	3/05	200.7	199.5	196.1	0.6	2.3	Up
EMPLOYMENT COST INDEX	89.06=100, SA	4Q04	166.4	165.8	162.5	0.4	2.4	Up
PRODUCTIVITY INDEX	92=100, SA	4Q04	136.0	134.7	131.8	1.0	3.2	Up
RETAIL SALES GROWTH	\$ BILLION, SA	3/05	339.299	338.412	320.213	0.3	6.0	Up
AUTO AND TRUCK SALES	MILLION, SA	3/05	16.80	16.25	16.72	3.4	0.5	Up
HOUSING STARTS	MILLION, SA	2/05	1.837	2.229	2.000	-17.6	-8.2	Down
GDP GROWTH	\$ BILLION, SA	4Q04	10,994.3	10,891.0	10,580.7	0.9	3.9	Good
U.S. DOLLAR	97.01=100	3/05	108.934	109.585	114.057	-0.6	-4.5	Weak
TRADE BALANCE	\$ BILLION, SA	2/05	-61.036	-58.504	-45.863	-4.3	-33.1	Weak
S&P 500	MONTHLY CLOSE	3/05	1,180.59	1,203.60	1,126.21	-1.9	4.8	Holding
REAL SHORT-TERM RATES	%, NSA	3/05	1.96	1.96	0.30	0.0	553.3	Up
TREASURY YIELD SPREAD	%, NSA	3/05	1.70	1.59	2.88	6.9	-41.0	Narrowing

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

R. KEITH SCHWER  
UNLV Center for Business and  
Economic Research



## THE HEALTH PLAN DOCTORS CHOOSE.

### SAINT MARY'S HEALTH PLANS



Saint Mary's Health Plans was recently chosen by the Washoe County Medical Society to be its partner in offering cost-effective, high quality coverage for its physician members and their offices. Why do companies choose Saint Mary's over all the rest?

- We provide a full range of wellness programs and screenings, and health outcomes management
- We provide incredibly fast turn-around on referral requests
- We have easy self-referral for initial alternative medicine and chiropractic visits, as well as unlimited self-referrals for women to their gynecologists/obstetricians
- We have helpful, friendly member service reps available and members always get a live person when they call
- Our members have a choice of Saint Mary's and Northern Nevada Medical Center

Trust the people who really know great healthcare when they see it – northern Nevada's physicians. Call to find out what Saint Mary's Health Plans can do for your company.

**Call 770-6065**

Or visit us at:  
[www.SaintMarysHealthPlans.com](http://www.SaintMarysHealthPlans.com)



# Strength

# Vision

# & Agility

# for Nevada.



In over 40 years, DP Partners has built the **strength** of 14+ million sf of industrial development in Nevada. We are the largest developer in the state and one of the top 10 largest private industrial developers in the nation with an additional 6+ million sf in California, Georgia, Illinois, Indiana and Pennsylvania.

DP Partners had the **vision** to embrace Nevada as the ultimate distribution location servicing the entire west coast. Recognizing the extensive logistic and economic advantages of doing business in Nevada, it is where we call home.

With our experience and resources, we have the **agility** necessary to respond to any real estate requirement. Development in 2005 will include 1 million sf in northern Nevada and 750,000 sf in southern Nevada.

Contact us or visit our website to search our portfolio of ideal locations in Nevada. And beyond.



800-596-0062

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

NATIONWIDE INDUSTRIAL DEVELOPMENT