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May 2007

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COMMENTARY

LYLE E. BRENNAN
Publisher

Legislative Watch

Website Can Be Your Security Camera

In a few weeks, the 74th regular session of the Nevada Legislature will be over, for better or worse. The official date for adjournment is June 4th. Anyone familiar with the state's government knows that most bills get passed in the last few days, as lawmakers engage in marathon sessions of deal-making and arm-twisting.

Although many bills have already been passed, any bill labeled "exempt" can be held until the last minute. That's when the legislature puts in an extra shift so it can grind out all the bills under the cover of darkness.

How can Nevada taxpayers keep track of what's going on in Carson City so they can have some input? One great source of information is the official Website for the legislature, *www.leg.state.nv.us*. It would be well worth your time to spend a few minutes investigating its online resources to see what's happening at the legislature and send feedback to your representatives before it is too late.

You can find your representatives' information on the site under the heading "Who's My Legislator?" Once you know who to write or call, go to "Assembly" and "Senate" on the left side of the main page, and you can pull up information about your senator or assemblyman, including a hyperlink to their email address.

There are several ways to find out which bills are currently being considered. Under "Session Info" on the main page, you can choose "2007 Session" and then "Bill Info" for a complete list of all bills, sorted in several different ways. If you want to be informed when a particular bill is coming up before a committee or when it will be voted on, you can also sign up for "Personalized Bill Tracking" on the main page. For a fee of $50, this function allows you to track up to 25 Bill Draft Requests or bills and receive two daily emails: one is a list of all legislation passed that day, and the second is a status report of each bill on your list. More expensive options allow you to track more bills and have announcements sent to more than one email account.

What if the bill you're tracking will be discussed in a committee meeting today? You can find a "Calendar of Meetings" on the main page, or go directly to "Live Meetings-Listen or View." This function allows you to receive live streaming video or audio of

Continued on Page 8

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COVER:
How is the banking industry dealing with the state's growth and competition? (L to R) John Guedry, CEO of Business Bank of Nevada; Bill Martin, CEO of Nevada State Bank; and Mark Daigle, CEO of Colonial Bank were among the industry leaders interviewed for this report.

Photo: Opulence Studios

BUILDING NEVADA:
The engineering industry is facing many challenges. (L to R) Wayne Horlacher, vice president of PBS&J; Jeff Codega, CEO of Jeff Codega Planning and Design; and Michael Holloway, managing principle of Poggeymeyer Design Group were some of the executives who discussed those changes and trends.

Photo: Opulence Studios

SPECIAL REPORT:
The City of Reno is experiencing a renovation of its downtown, attracting residents and businesses to the area. This comprehensive report on the City of Reno provides an in depth look at the area's progress.

CONTENTS

FEATURES

12 Behind The Vault Door
A Look Inside Nevada's Banking Industry
DORESA BANNING

22 Business ABC's:
Private Education in Nevada
DIANE GLAZMAN

29 Industry Focus: Public Utilities
The Challenges of Dependable and Affordable Resources

BUILDING NEVADA

71 It's Hip to Be Square
The Changing Face of Nevada's Engineers
JEANNE LAUF WALPOLE

78 Building Nevada News in Brief
- *Summerlin Hospital Undergoes $100 Million Expansion*
- *KB Home Opens First Luxury Estates*
- *Carson River Aquatic Trail Moves Forward*
- *New Office/Retail Center Scheduled for Mesquite*
- *Juhl Tops Off First Building in Downtown Las Vegas*
- *McCarran Rent-A-Car Center Creates Easy Airport Access*

79 Commercial Real Estate Market Report
Fourth Quarter 2006 – Industrial Market

79 Sansone Companies
Building People-Friendly Communities
SUSAN BOTICH

DEPARTMENTS

4 Commentary
LYLE BRENNAN
Legislative Watch
Website Can Be Your Security Camera

10 Business Up Front
- *Business Leaders Struggle to Find Good Talent*
- *Younger Americans Planning for Retirement*
- *State and Local Business Taxes Jump 10 percent in Fiscal 2006*

11 Face to Face
W. Michael Beardslee, IT Strategies International
Chet Nichols, Amland Development Inc./Amland Properties LLC

80 Nevada Briefs
- *Nevada's Infrastructure Hurting Quality of Life*
- *TREC Investment Realty Unveils New Whole Property Program*
- *Nevada State College Increasing Southern Nevada's Nursing Workforce*
- *The Shops in Desert Passage Become Miracle Mile Shops*
- *Western Alliance and First Independent Merger Complete*

82 Speaking For Nevada
What is being done to ensure Nevada has renewable energy resources?
REBECCA WAGNER, PUBLIC UTILITIES COMMISSIONER

83 Inside Politics
MICHAEL SULLIVAN
The Game of Politics
Which Party Will Win?

84 Compassionate Capitalism
Horses for Heroes, Inc.
Befriending Children of War

85 Tech Page
ROBERT PAYNE
Blogging for Business
Why should businesses care about blogs?

86 Expert Advice
TIM RUBALD
Here's to You Mrs. Robinson:
Global Trade is the New "Plastics"

87 Vital Signs
CARLA SLOAN
Rising Healthcare Costs
Hurting Pockets of Businesses and Individuals

88 Money Management
TED SCHLAZER
Choosing a Private Wealth Manager: Where to Start

89 People First
MARK KEAYS
Are You Developing Your Employees
Or Hoping for the Best?

90 NAIOP Spotlight Award Winners Announced

92 Summit Award Winners Announced

94 Business Indicators
R. KEITH SCHWER

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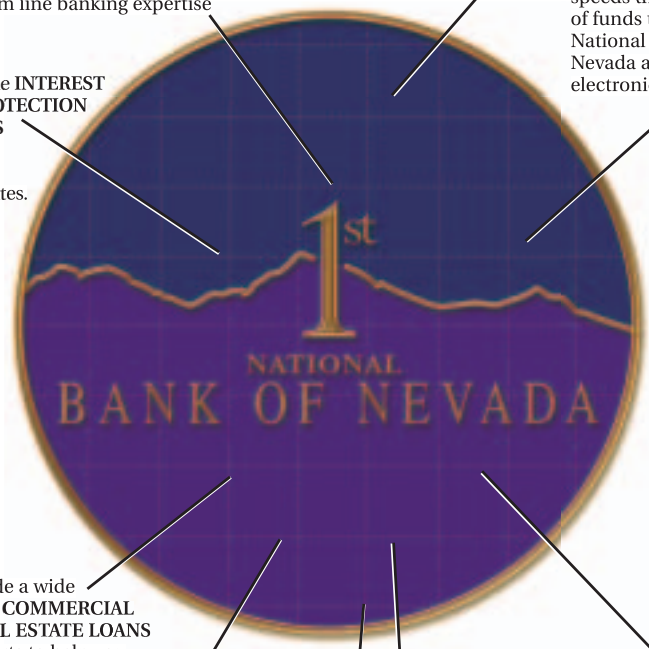

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Continued From Page 4

the meeting through Windows Media Player. You can follow along with the discussion, and if you want to send a comment to your representative or to a committee member, you can open another window on your computer and send an email. Many lawmakers have their laptops on during meetings.

Your email might say, "Ask the Senator what this is going to cost the average homeowner?" Or, "This might work for people in large cities, but how will it affect rural communities?" This is your chance to affect the legislative process. It's the next best thing to being there in person.

The main page of the Web site also has a function called "Share Your Opinion/Opinion Poll." This gives you an opportunity to choose a bill and give a quick "For" or "Against." Entering your address will make sure your opinion goes to the correct legislator. It only takes a minute.

The Web site also contains a wealth of miscellaneous information. Its "FYI-New and Notable Information" section contains links to the governor's official budget, the 2007 Nevada Education Data Book, a list of ombudsmen and advocates for special causes, a list of public information officers at major state agencies and a complete Legislative Manual, among other things.

The session will be over in a few weeks, but there's still time this month to participate in the political process to let your voice be heard. Log on to *www.leg.state.nv.us* today and see how it can help you take an active part. Your involvement in the process is critical, so let your voice be heard.

COMMENTS
email: *lyle@nbj.com*

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office / condo developments for sale or lease

Copper Pointe Business Park

Fronting the I-215 Beltway between Sunset Road and Russell Road.

Copper Pointe Business Park is a 74,000 square foot high image office park, consisting of two (2) two-story buildings with units for lease or sale ranging from 2,500 to 37,000 square feet. The project is ideally situated fronting the I-215 Beltway and is within a 3-mile radius of three new hospitals and several large proposed projects including Stations Casino at Durango and several mixed-use retail office high-rise residential developments. All owners will enjoy the benefit of having signage on the freeway with excellent visibility and tremendous exposure.

Cheyenne Fairways Business Center

Cheyenne west of Durango, fronting the Durango Hills Golf Club.

Cheyenne Fairways Business Center is a 60,000 square foot office/retail development for lease, featuring a two-story 50,000 square foot office building directly overlooking the 3rd and 4th greens and the entire length of the Durango Hills Golf Club. In keeping with the theme, Investment Equity is building an expansive putting green between the office and the golf course, exclusively for the tenants. This project is well located within close proximity to Mountain View Hospital, Summerlin, Desert Shores, the Las Vegas Tech Center and US-95, with restaurants and shopping nearby, and is anchored by the WaterMark Executive Suites.

Spanish Trail Business Park

On the southeast corner of Rainbow and Tropicana

Located across the street from the award-winning, master-planned community at Spanish Trail. This 76,400 square foot development consists of 11 single-story professional / retail buildings for sale or lease with awnings, stone veneer features, courtyard landscaping, and building colors complementing desert hues. The prominent location, abundant parking, and dramatic pylon / reader-board signage combine to create a true *pride of ownership* development.

North Buffalo Business Centre

On Buffalo Drive just north of the Buffalo/Cheyenne intersection.

This development consists of two 10,000 square foot single-story buildings with units for sale or lease ranging from 2,500 to 10,000 square feet. The project enjoys the benefit of having both high visibility and a great location close to Mountain View Hospital, the Las Vegas Tech Center and US-95. Owners will have signage on the building and a monument sign fronting Buffalo, as well as an electronic reader-board for personalized business messages.

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BUSINESS UP FRONT

Business Leaders Struggle to Find Good Talent

Many of today's top CEOs describe the quest to find quality talent like searching for a needle in a haystack. Recruiting and training staff is such a plight for businesses that they recently selected it as the No. 1 challenge in today's workplace, according to the 2007 Management Action Programs (MAP) Quarterly CEO Survey. Despite feeling confident in their companies' future performance and growth, more than 20 percent of the executives report that hiring talented employees is their biggest business-development roadblock. Some say it's because the best employees already work for someone else. But others fall prey to reactive, rather than proactive, recruitment tactics, leaving them scrambling to find great hires. The survey unveiled that CEOs stay current with world events and are wary regarding how those events affect business. Top concerns are:

• Recently weaker residential housing market

• Rising interest rates

• Iraq war and uneasiness surrounding terrorism and homeland security

CEOs planning for business growth feel external factors will not greatly impact their ability to achieve their goals.

Younger Americans Planning for Retirement

According to the 2007 American Retirement Study by Scottrade, 89 percent of 18- to 24-year-olds plan to save for retirement in 2007. Young people are just as concerned as their older counterparts about having enough money for retirement and a surprising number are planning for their retirement on their own without the help of a financial professional to do it. Nearly 40 percent of 18-to 24-year-olds and 60 percent of 25- to 34-year-olds are concerned about having enough money for retirement. Of this younger set, 36 percent of 18- to 24-year-olds and 49 percent of 25- to 34-year-olds are actively planning on their own without the help of a professional financial advisor. Younger Americans are focused on opening an IRA that has "no fees" attached to it. Sixty-two percent of adults under age 35 said a no-fee IRA was very or extremely important. Both twenty- and thirty-somethings are much more apt to do their own financial planning online.

State and Local Business Taxes Jump 10 percent in Fiscal 2006

Businesses paid $554 billion in state and local taxes in fiscal year 2006, representing 45 percent of total taxes collected by all state and local governments, according the annual study prepared by Ernst & Young LLP in conjuction with the Council On State Taxation (COST). The share of taxes paid is determined by a state's overall tax system, the structure of its economy, the types of business taxes levied, as well as business tax features that may provide a competitive advantage or disadvantage in attracting and retaining business employment and investment. Key findings of the study include:

• State and local business taxes totalled $554 billion in FY2006, up 10.2 percent for the prior year.

• Property taxes were the largest state and local business tax, accounting for $205 billion in 2006, representing 37 percent of total state and local business taxes.

• Sales taxes on business inputs were the second largest state and local business, accounting for $125 billion in 2006, or 23 percent of total state and local business taxes.

• Corporate income tax totalled $52 billion in 2006, representing only 9 percent of total state and local taxes.

FACE TO FACE

W. Michael Beardslee

President
IT Strategies International
Las Vegas

Years in Nevada: 10

Years with Firm: 10

Type of business:
Computer Consulting and Placement

Biggest business challenge:
Finding clients with computer technology needs for project work, specialized skills requirements, or supplemental personnel so we can place our appropriate talent.

What do you enjoy most about your job?
I like working with our clients, which range from casinos to utilities companies to government agencies. I also enjoy working with our consultants and especially the internal staff that make the business grow and prosper.

How do you spend your time when you're not working?
I have a passion for golf. I am fortunate that my wife is also passionate about golf.

Little-known fact about yourself:
I used to do magic tricks and eat fire with my father.

Best Business Advice:
Always be ethical and honest and provide goods or services that are needed and wanted at a fair price (I think that is called basic capitalism).

If you could start over and choose a different profession, what would it be?
Probably an attorney, like we really need more attorneys.

What area of your industry do you find most interesting?
Growth and unbelievable change with the use of computers. I also find it interesting that corporations and casinos are smart about keeping up with the changes and implementing technological advances.

How do you keep up with the constant changes in technology?
We offer company paid training so our employees can stay ahead of the curve.

Chet Nichols

Executive Vice President / Broker, Manager, Principal

AmLand Development Inc / Amland Properties LLC

Las Vegas and Phoenix

Years in Nevada: 17

Years with Firm: 14

Type of business:
Real Estate Development, Sales and Marketing

Biggest Business Challenge:
Escalating cost and labor shortages.

What do you enjoy most about your job?
Its an entrepreneurial adventure that is never boring. I may spend a week focusing on planning a new project, selling and marketing an existing product and meeting with partners, lenders and investors from around the country.

What would you like your legacy to be?
A positive contribution to the world, its culture, and future. A revelation to change the way we think about life and about each other.

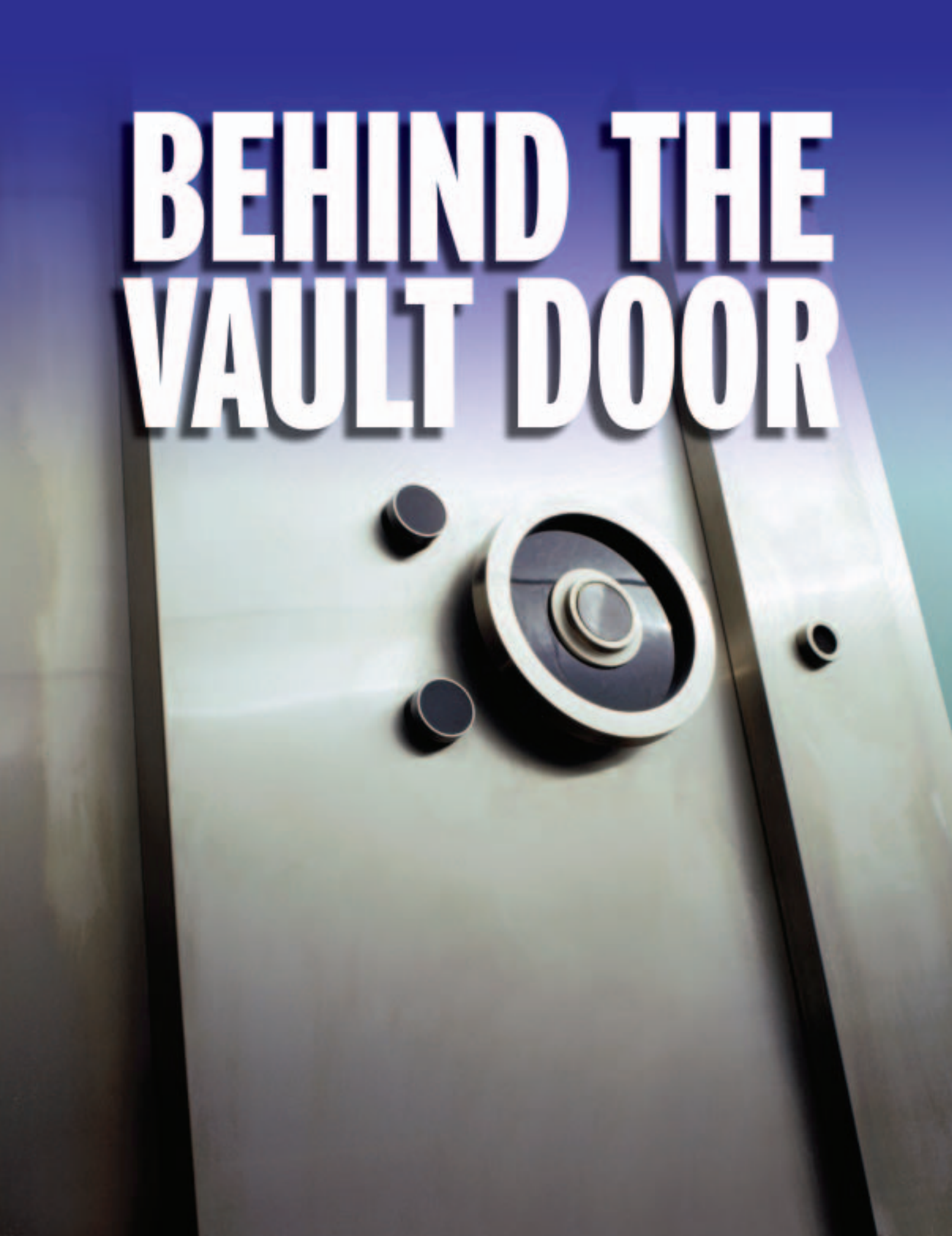
How do you spend your time when you're not working?
I spend time traveling with my two children, ages 4 and 6, and wife. I also enjoy tennis, golf, skiing and biking.

Little-known fact about yourself:
I am a philosopher and want-to-be psychologist and astronomer.

Best Business Advice:
Accept the reality that knowledge and hard work are only going to take you so far. If you want to go farther it will either be greed, luck, dedication or a combination of these that get you there.

What area of your industry do you find most interesting?
The traits, tendencies, influences and motivations affecting all people including consumers, bankers, investors, managers and entrepreneurs.

BEHIND THE VAULT DOOR



A Look Inside Nevada's Banking Industry

Nevada is a ripe environment for the banking industry. With its rapidly growing population, active development sector and strong economy, the Silver State has developed into a robust growth market. While the economy, in terms of housing, has slowed, the overall market remains strong.

"Nevada continues to be a very dynamic market as far as growth opportunities," said Jackie DeLaney, president and chief executive officer of Las Vegas-based Sun West Bank, a locally owned and independent financial institution. In response to these opportunities, banks are expanding throughout the state, all the while grappling with a handful of issues, from a diluted work force to intense competition.

Formations, Mergers and Acquisitions

Nevada's banking industry is finishing a consolidation phase, or merger-and-acquisition cycle, as most of the banks available for sale have changed hands, said John Dedolph, chief executive officer of Service1st Bank of Nevada, a commercial and real estate bank in Las Vegas. In a typical cycle, small banks form over a period of five to 10 years. When they sell to larger institutions for either greater efficiency or for profit gain, a new group of banks springs up. Six new banks – Bank of George, Caliper Bank, First Asian Bank, Paramount Bank, Prime Bank and First International Bank – were proposed for Nevada by March's end, according to Nevada's Division of Financial Services.

Since the start of 2005, five Nevada banks have merged. Business Bank of Nevada, a primarily business-focused entity, was acquired by City National Corp. in a $167 million transaction that closed on Feb. 28. "It was one of those cases where the offer was too good to refuse," said John Guedry, former chief executive officer of Business Bank and now executive vice president of City National. "We didn't actively go out and solicit offers, but were approached by City National."

At the time of the merger, Business Bank was in its 11th year of operation with seven branches. City National Bank, on the other hand, lacked a Nevada presence. The merger adds a number of new features to Business Banks' offerings, including 56 branches (55 in California, one in New York), and provides a larger lending limit and new products and services. The bank's clients can now take advantage of wealth management and investment services, private banking and products geared to professional, designated businesses. Business Bank plans to begin operating as City National Bank on June 1 once its system has been converted to City National's, Guedry said.

In the late 1990s, Colonial Bank entered the Southern Nevada

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market by acquiring Commercial Bank of Nevada. A few months later it penetrated Northern Nevada with its purchase of Interwest Bank and Interwest Mortgage. In 2000, Nevada State Bank, which was more of a retail entity, merged with Pioneer Citizens Bank of Nevada, a commercial institution.

Expansions

While the cycle is playing out, Nevada banks are adding branches aggressively throughout the state, with plans to continue expanding over the next few years, at least. Colonial Bank which serves commercial and consumer clients in 15 Nevada locations, has about 10 sites in varying degrees of negotiation in both Northern and Southern Nevada, and plans to open five branches next year. It most recently added a branch in late 2006 in Southern Nevada's Montecito community. "We're going to want to commit the resources to expanding our franchise in the growth markets," said Mark Daigle, chief executive officer of Colonial Bank.

Sun West Bank, which opened a branch in North Las Vegas in the fall of 2006, continues to scout the right locations and opportunities for new branches in the state's northern and southern regions. "We're here for the long term," DeLaney said. "We want to continue to grow our bank."

Service1st Bank, which opened in January in Henderson, plans to establish two additional branches, one in Reno and one in Las Vegas, by its third year of operation, Dedolph said.

Business Bank of Nevada announced a new corporate location in Summerlin, which will open in the latter part of summer, and it already has sights set on another branch. "Unlike some mergers where you have the acquired bank cutting new staff, we're actually hiring personnel to fill these departments and new branch locations," Guedry said.

Some banks struggle to keep pace with the state's geographic growth. "Branches are very expensive, land is very expensive," said Bill Martin, president and chief executive officer of this 73-branch statewide bank. "You don't dare fall behind, because in five to seven years, land won't be available in the places where branches are needed."

Nevada State Bank is making concerted efforts to stay ahead of Nevada's growth. It has acquired land in areas mostly around Las Vegas and, as budget allows, will commence construction there. Plans are to add two to three freestanding branches a year in both the north and south. Earlier this year, the bank opened its newest branch in Las Vegas. The next is slated to come online in midsummer in Mesquite, followed by a relocation of the Carson City branch.

Labor Market

The explosion of new banks and branches has led to difficulty finding and retaining qualified employees. The labor market is tight, and the larger banks no longer offer broad-based training as in the past. "It's a constant challenge to make sure we have good, quality staff," Daigle said. "You invest the development of your employees, and once they are accomplished and successful, competitors want to talk to them about other opportunities."

Nevada State Bank employees receive phone calls from other banks wanting to poach them "literally every day," Martin said. Lending positions are particularly hard to fill, and have been for the last several years, because it takes a while for those em-

ployees to acquire a level of expertise to do the job well, Guedry said. "As far as recruiting from within the industry, it's become very cutthroat out there," he added. "There has been a lot of back and forth movement within the industry between companies."

Some banks, such as Sun West and Business Bank of Nevada, are "home-growing" employees. In other words, they're bringing in youngsters from local colleges and universities for internships, hiring, training and then, promoting them from within. Business Bank has had success retaining several of the people they've helped cultivate. In one case, an individual served an internship and in about five years, worked up to a loan officer position, Guedry said. "It's a little slower process to go that route," he added. "It takes us longer, and not as many available candidates are available to fill needs, but we have had some success with it, so we'll continue to do that."

"It's a constant challenge to make sure we have good, quality staff."

Bank of Nevada is offering incentive plans to employees, as well as ownership opportunities through 401(k) programs to help retain employees. "We are proactive in hiring," said Bruce Hendricks, president of Bank of Nevada. "We anticipate our needs and are always out looking for bankers that will help us grow," he said. The bank has increased its corporate training capabilities to help keep up with growth. "It's very important to promote from within," said Hendricks. "We always try to look within our organization before hiring out," he said.

Competition

Banks also are vying for customers, and the fight is intense. Nevada's banks compete with the 50-plus other banks operating in the state, along with credit unions, international banks and non-bank providers, such as leasing companies, brokerage firms, loan production business and insurance companies, all of which offer some competitive products and services.

"While bank officers typically view competition as positive, they believe the credit unions compete with an un-

fair advantage because of their tax-free status," Martin said. "Congress never intended for there to be two financial institutions, one that pays taxes and one that doesn't," he added. Further frustrating bankers is a loosening of restrictions on Nevada credit unions in terms of size, membership makeup and services offered. Once only offering basic financial services, they've now moved into areas such as a title company and insurance brokerage work.

"They originally were intended to be finite in terms of commonality," Daigle said. "But with the advent of community credit unions, now everybody can belong. If you breathe oxygen, you can be in a credit union. If that's not a bank, I don't know what is. If you're going to be a bank, you need to be regulated and pay taxes like a bank. I don't mind competition. I just don't think it should be tax subsidized."

However, credit unions disagree. Congress granted credit unions a federal tax exemption because they are non-profit, member-owned cooperatives whose earnings are returned to their members by higher interest rates on savings and lower fees. "Service to the member within a credit union reigns priority," said Bruce Rodela, president and chief executive officer of Frontier Financial Credit Union. Rodela also noted that credit unions do pay property taxes and payroll taxes, and their member-owners pay federal income tax on the interest they receive. According to Dan Paulson, president of Weststar Credit Union, credit unions have a non-profit status because they have a different structure than banks. "A credit union can't offer stock – a bank can offer stock and immediately open a branch," Paulson said. Credit unions are limited in their ability to expand and have a volunteer board of directors.

To stand out above the competition, banks are taking any of a number of approaches. Colonial Bank is relying on a community bank-style philosophy, trying to earn business on its ability to evaluate and respond to a customer's request rather than fit it into an existing specific service. It also regularly reviews and, as is possible, enhances its offerings. A recent branding campaign revolves around the concept of "You'll like it here."

"It's a continual evaluation of trying to make sure we're providing a competitive level of service and pricing, and staying on top of what's happening and what the competition is offering," Daigle said. Similarly, Sun West Bank customizes its products and services to meet customers' needs. It, too, advertises via billboards, radio, print – primarily in business publications – and in some targeted markets, such as Summerlin, DeLaney said. "It's really about service and speaking to a live person," she added. "Our phones are answered. We make that a top priority."

As Business Bank of Nevada moves into its conversion to City National Bank, it plans to execute an aggressive, 30-day name-change campaign, said Paul Stowell, senior vice president. Subsequently, advertising will highlight new products and services, such as remote deposit – the ability to deposit checks electronically from a remote location, such as a company's office. "Our primary focus on all of these campaigns will still be the fact that people bank with people and that our personnel have stayed with us through this transition," Guedry said.

Service1st Bank employed an altogether different strategy, from the get-go. "We started on a different premise," Dedolph said. "It's a new concept for Nevada – super startup or super community banks."

Service1st Bank launched with $50 million in capital, 215 shareholders and 36 employees. In less than three months of operation, it accrued an additional $40 million in deposits. Its financial position upon opening allowed it to develop business more intensely, as it had more employees to solicit new customers, Dedolph said. It also provided the ability to immediately offer a $12.5 million lending limit. Since opening, Service1st has formed alliances with some out-of-area banks allowing it to offer loans in excess of $20 million. It also contracted with a major national bank to allow clients in the Reno area to make deposits at its branches. By year's end, Service1st Bank plans to provide a service that allows clients, without leaving their

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offices, to open accounts and apply for and secure loans, all during one on-site visit from a loan officer.

"Instead of competing with credit unions, we're competing with Bank of America, CitiCorp and Wells Fargo," Dedolph said.

Protecting Customers

Preventing and dealing with fraud continues to be expensive, time-consuming endeavors for all banks. "I would say in terms of attempts at fraud, there's no abatement," Martin said. "It's a constant attack, for us, for everybody."

Credit card fraud and counterfeit checks are frequent. Banks also see phishing schemes, identity theft and doctored loan applications. They experience people trying to hack into their systems, run programs that probe account numbers, open accounts with the idea of withdrawing money from them on insufficient funds later on. Sometimes situations arise in which customers' data has been compromised elsewhere, say at a big retailer. Robberies also are common. The volume of attempted fraud is so great that prosecutors don't have time to make minor cases a priority.

Bank of Nevada's Rainbow Regional Office

"They're just overwhelmed," Martin said. "They'll just interview the perpetrators, give them probation, and order them to pay restitution to get the case resolved. They deal with the criminals but won't pursue them all the way through court."

To protect their clients, banks are educating and training their employees and customers. They're using fraud detection software, encryption systems, two-tier security systems, auditing and other internal security measures. For increased safety, Nevada State Bank has begun installing in all its branches "bandit barriers," large, steel-reinforced Plexiglas walls at the teller stations, which span from the counters to the ceiling.

"It's a balancing act between being customer-friendly and protecting our customers," Guedry said. "It's a big challenge. I think the long-term solution is going to be consumer education."

Legislative Issues

Also weighing heavily on bankers' minds are the lopsided branch and payroll taxes that the Nevada Legislature imposed on banks in 2003. This year, banking lobbyists are working in Carson City to repeal the $7,000 branch tax (for a $3 million a year reduction), said Bill Uffelman, president and chief executive officer of the Nevada Bankers Association. In addition, they aim to reduce the 2 percent financial institutions payroll tax to the amount other employers pay (for an $18 million a year reduction). "We are approaching it strictly on the basis that it's inequitable and unfair, and we need to right that wrong," Martin said.

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Bankers argue that the tax is not only unjust, but it also puts all types of businesses at risk, increasing the potential for legislators to impose taxes on any one industry at any time to counteract a budget shortfall. "It's a dangerous path when you start to talk about segregating any business independently for disparate treatment from a tax standpoint," Daigle said.

Legislators have expressed some willingness to eliminate the franchise tax, the smaller of the two tax levies being protested, said Guedry, chairman of the Nevada Bankers Association. What might happen, he added, is that legislators will remove the franchise tax this year and agree to repeal the payroll tax in 2009.

Future Outlook

Nevada's financial institutions will continue to do well over the next five years, bankers predict, and will continue to see more of the same. It's likely a few additional acquisitions will occur, as some banks are organizing right now to be sold, Guedry said. Internal consolidations may also take place. In addition, new small banks will be formed despite the fact it's harder now for them to succeed because of market saturation and the decreasing multiples buyers are paying to acquire them. The process of getting to the point where a small bank becomes attractive to potential buyers will now take 10 to 20 years versus the five to 10 years it used to take, he added. Even the addition of three to four new banks represents a significant market increase. Along with its resident corporate banking institutions – Bank of America, Wells Fargo, CitiBank and US Bank – Nevada will see at least one or two more major national or super-regional banks operating in the state, Martin predicted.

Undoubtedly, new and improved electronic services will be delivered to the market. Furthermore, short term rates might start to decline, Guedry said. He also predicted the current slowdown in housing market values and sales won't worsen but will remain somewhat flat over the next 18 months.

All in all, however, Nevada's banking industry is expected to remain healthy.

"I think we're going to see good, solid growth in Nevada, particularly in the Las Vegas and Reno markets," DeLaney said. "We're seeing nothing that says that's going to stop."

Doresa Banning is a freelance writer based in Northern Nevada.

Banks in Nevada

BANK	NEVADA BRANCHES	DEPOSITS ($000)
Armed Forces Bank	2	45,891
Bank of America, National Association	84	9,389,544
Bank of Las Vegas	1	54,958
Bank of Nevada	16	2,320,807
Bank of North Las Vegas	1	31,365
Bank of the West	9	386,805
Beal Savings Bank	1	75,724
Black Mountain Community Bank	1	97,107
Business Bank of Nevada	7	386,004
Charles Schwab Bank	1	8,519,125
CitiBank Nevada	1	6,715,202
CitiBank West	21	1,360,676
Colonial Bank	14	753,130
Community Bank of Nevada	9	799,132
Credit One Bank	1	17,798
Desert Community Ban	1	65,586
Eaglemark Savings Bank	1	3,779
El Dorado Savings Bank	2	36,531
First Independent Bank of Nevada	4	326,060
First National Bank of Ely	1	41,792
First National Bank of Nevada	9	1,141,331
First Republic Bank	1	120,788
First Savings Bank	1	45,778
Great Basin Bank of Nevada	4	166,577
Heritage Bank of Nevada	4	228,082
HSBC	1	2,749
Imperial Capital Bank	2	183,806
Irwin Union Bank	2	540,766
M&I Bank	1	904,357
Marine Bank	1	14,432
Nevada Bank and Trust	7	79,367
Nevada Commerce Bank	1	111,449
Nevada Security Bank	4	320,954
Nevada State Bank	72	3,357,431
Northern Nevada Bank	2	124,167
Northern Trust Bank	1	28,899
Red Rock Community Bank	1	88,866
Security Savings Bank	1	121,382
Silver State Bank	9	781,132
SouthwestUSA Bank	1	152,937
Sun West Bank	6	320,178
Town & Country Bank	3	152,951
Town North Bank	1	500
Toyota Financial Savings Bank	1	20,984
US Bank	53	2,409,844
USAA Savings Bank	1	248,355
Valley Bank	5	378,069
Washington Federal Savings & Loan	3	126,772
Washington Mutual	35	73,151,621
Wells Fargo	114	8,468,807
Wells Fargo Financial	1	1,343
World Savings Bank	5	959,886

NEW BANKS	DATE ESTABLISHED
1st Commerce Bank	0/18/06
Carson River Community Bank	10/16/06
Service1st Bank of Nevada	01/16/07

Data are as of 6/30/06 and updated annually. Source: Federal Deposit Insurance Corp.

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PRIVATE EDUCATION IN NEVADA

Imagine running a business where your main competitor not only controls 95 percent of the market and provides its services for free, but federal law makes use of this product mandatory. Sounds like a recipe for disaster, doesn't it? Yet, this is the marketplace for Nevada's private schools. It is a marketplace that forces them to constantly evaluate their product and prove their value to their customer base over and over again. Unlike public schools, where students are required by law to attend, year after year, enrolling in private school is a choice that compels each school to constantly market its advantages in order to keep the students returning and their parents writing tuition checks. And, although the population of Nevada's school-aged children has continued its trend of record growth – currently hovering at just under half a million students – growth in private school enrollment remains flat.

According to Orval Nutting, private school consultant for the Nevada Department of Education, there are 170 private schools in the state, with approximately 20,862 students enrolled for the 2006-2007 academic year. Of those schools, 67 are dedicated to preschool-aged children, with 103 providing elementary, middle and high school education. While the actual number of students enrolled has increased, rising by 5.8 percent over last year, so has the population of the state. The percentage of total students enrolled in private schools has remained steady at just under 5 percent over the past 15 years. Nutting also said that Nevada has one of the lowest percentages of students in private schools in the country.

There are two types of private schools in the eyes of the state, according to Nutting: private licensed schools and exempt schools. The main difference between them is that private licensed schools are subject to the same financial review, employee verification and licensing of teachers as public schools, while exempt schools are not. As the term implies, exempt schools do not have to meet these criteria. They are exempt due to their affiliation with a church, mosque, synagogue or other religious institution.

Although the state only designates two types of private schools, within the private school community there are additional points of differentiation. According to Paul Schiffman, head of school for the Milton I. Schwartz Hebrew Academy, the term private school encompasses several different types of institutions. Parochial, for-profit, religious, independent and charter schools can all fall under this umbrella term.

Private schools in Nevada run the gamut from a small religious school with a handful of students to for-profit schools with 250 students to a Job Corps training school attended by approximately 570 young people to an independent school with just under 1,000 students. There is no

single profile that can describe a typical Nevada private school. The largest single-location private school in Nevada is Faith Lutheran Junior-Senior High School in Las Vegas with 1,300 students. The Diocese of Las Vegas Elementary Schools have the largest private school enrollment, according to state records with just under 3,000 students. According to Nutting, the state is experiencing a slight growth trend in the number of private schools, as well as seeing existing schools expand to accommodate the state's growing population. As with most things in the West, many of the state's private schools can count their age in decades, with a only a few, including Bishop Gorman High School in Las Vegas, passing the half century mark.

When electing to enroll their children in private school, parents base their decision on a number of factors. Religion is one of the primary reasons parents send their kids to private school. This category represents the largest group of private schools in Nevada, with roughly 58 percent classified as exempt schools associated with a religious institution. In total, almost 70 percent of the state's private schools have a religious-based curriculum. According to Nutting, almost every major religion is represented in Nevada's private schools.

Lee Bohs, senior vice president of corporate development for Nobel Learning Communities, Inc., noted that parents chose private schools primarily based on their own values and the desire to see those values integrated into their children's education. Nobel Learning Communities operates the for-profit Merryhill Schools at Summerlin and Spanish Trails in Las Vegas, as well as for-profit schools throughout the country. "It comes down to the values and philosophy of the parents … seeing the values instilled during the early years of education," he said. Bohs added that parents also recognize the benefits of the smaller classes offered in most private schools. While public schools must make room for all students, private schools can limit their enrollment, making smaller student-to-teacher ratios possible. "With the competitiveness of the world today, parents understand the long-term benefits of a premium education, and they are willing to pay for it and go outside of the classic public school system," he said.

Making the choice for private school also means putting a real world value in dollars on the education a child receives. Every child attending private school is there because his or her parents have paid the fees required by the school. While many schools offer scholarships to enable children from lower income families to attend, the majority of the students come from families with the means to pay anywhere from a few thousand dollars a year to more than $10,000, depending on the school and age of the student. Private schools rely on tuition revenue to cover their operating costs, including teachers' and administrative staff salaries, as well as the mortgage, utilities and other overhead expenses. Expansion comes only when, and if, the capital can be raised through fundraising efforts that rely first and foremost on the available donor base of parents, alumni and other benefactors.

Bishop Gorman High School and the Milton I. Schwartz Hebrew Academy have been fortunate enough to receive support from the community and alumni to fund new buildings. Bishop Gorman is completing construction on a completely new campus located in the Summerlin area that will allow the school to increase enrollment to 1,200 students and provide playing fields, a theater and expanded academic space. According to Dr. Paul Sullivan, head of school for Bishop Gorman, the facility is more like a small college campus than a high school. "It's unlike any other school facility that Las Vegas might see over the next 10 to 20 years," he said.

Milton I. Schwartz Hebrew Academy, which has been providing instruction for preschool through eighth grade for 19 years, will be opening the doors on the Dr. Miriam and Sheldon G. Adelson School for the 2007-2008 school year. The school came about through a $25 million gift from the Adelsons to provide the Las Vegas area with a Jewish high school. In addition to academic spaces, the new facility will offer students a competition-sized swimming pool, a prayer and study center and a theater for performing arts. Schiffman said the drive for expansion came directly from the demand of the community and the de-

sire to have a choice where they send their child. As an independent school, the Academy is not affiliated with any particular synagogue or group, and Schiffman said that he sees a need in the rapidly growing Las Vegas community for more private and independent schools to meet the demand.

In addition, Faith Lutheran, which has expanded several times throughout its 28 year history, is about to break ground on an $11 million chapel/performing arts center featuring additional classrooms and office space. Kevin Dunning, executive director of Faith Lutheran, said this is the latest addition the school is making in an attempt to keep up with demand. The school began to grow in 1992 as the Las Vegas population boom hit its stride. In 1998, Faith Lutheran moved to the Summerlin area at the request of developers who wished to include a non-public school in the master-planned community. In 2000, the school added a gym and 11 classrooms, and, in 2003, it added a cafeteria, student center and four more classrooms. Even as one of the largest private schools in the state, the demand for space is intense. "We will have a waiting list for every grade by the time enrollment is over," Dunning said, adding that the community is very supportive of the school and its capital campaigns to raise money for the new buildings.

The rendering shows the completed expansion of Calvary Chapel Christian School.

Calvary Chapel Christian School in Las Vegas is expanding its campus and when completed, the school will total 44,000 square feet. "We are doubling our classrooms," said John Weaver, administrator for Calvary Chapel Christian School. "Currently, we have 22 classrooms and are adding 23 classrooms with the new building." When the school opened in 1994, it was kindergarten through eighth grade with a total of 133 students. Today, the school is kindergarten through 12th grade, totaling 530 students. "We have steadily been increasing since we opened," said Weaver. "Next year, we will have 560 students."

Which brings the topic back to the original question: How do you compete when your main competitor does what you do for free? It comes down to basic market principles: offer something they don't, be more responsive to customer needs, and find a niche you can make your own.

One thing public schools cannot offer is religious instruction. This is one of the reasons the majority of private schools have a religious affiliation. Thurban Warrick, superintendent of schools at Trinity Christian Schools in Las Vegas, said that religious schools give parents a choice. "There are parents out there who want to instill more Christian values in their children. We can talk about Jesus

Number of Private Schools by County	Total
Clark	65
Washoe	22
Douglas	4
Carson	3
Churchill	3
Nye	3
Elko	1
Lyon	1
Mineral	1

Number of Schools Statewide by Grade Level	Total
Elementary School	9
Elementary and Middle School	40
Junior and Senior High School	7
K-12	33
High School	4
Exempt Schools	60
Total Students	19,251

Source: Nevada Department of Education

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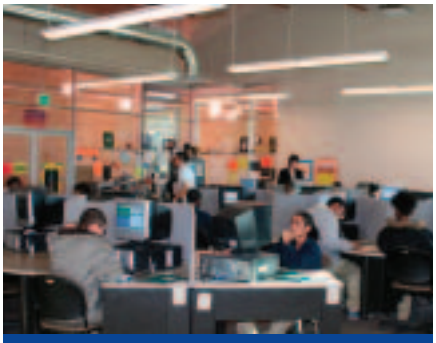
Christ and prayer, areas that public schools are unable to explore," he said.

Calvary does not offer open enrollment. Parents are required to attend the school's affiliated church, Calvary Chapel, or another Evangelical church. "It is important that the family has the same belief system as the school," said Weaver. At Calvary, all subjects are taught from a Biblical standpoint. "We believe and teach students that all truth is God's truth," said Weaver.

Gregory Root, administrator for Legacy Christian School in Sparks, said that teaching Christian values is part of the school's mission and Bible study is as much a part of the curriculum as reading, writing and arithmetic. The school uses the Bible as the model for conduct and behavior, and teaches the students how to integrate biblical lessons into their everyday lives. He said that even though public schools try to teach children to be good people, it comes from a different philosophical base that may conflict with what the parents are teaching at home. "We come from the standpoint that the Bible should guide the principles of a person's life," he said.

This is not to say that religious schools scrimp on the academics. Far from it. At the Martin I. Schwartz Hebrew Academy, Hebrew study takes place alongside algebra and Shakespeare. As Schiffman said, "Our parents come to us for our strong secular program, as well as Judaic study. Hebrew is taught to all our students. That's why they're here. They're here because we have small class sizes. They're here because this is our mission. We're different from a public school because our parents can easily vote with their feet and leave. We are hopefully a quality alternative and we have to prove ourselves every day."

Sage Ridge School, located in Reno, is an independent, non-sectarian day school. The curriculum is not



Students work in the computer lab at Sierra Nevada High School.

mandated by a church or diocese and is centered around traditional core academia and is college preparatory. "Our goal is to prepare students for selective colleges," said Bill Heim, principal of Sage Ridge School. "We are a laptop school," said Heim. "Students can work anywhere – outside or sitting in the hallway." Laptops are mandatory and are purchased by the parents. The school does however, offer a laptop plan. Sage Ridge offers financial aid for students who fit their criteria but can not afford to attend the school. "We want kids that want to excel and get in to good colleges," said Heim. "We don't turn them away because they can't afford it."

With an average school size of 200 students (based on Nevada Department of Education data) and a board of directors responsible only to the school and the enrolled students' parents, private schools are often more agile at redefining themselves and changing course, if necessary. In this respect, especially, they operate more along the lines of private business than public schools. In many instances, they hire teachers for one-year contracts and do not offer tenure. Carolyn G. Goodman, head of school for The Meadows School, said, "Our investment is in our faculty. We believe that buildings don't teach, the faculty does." Over half the school's instructors have advanced degrees, and most have been teaching at The Meadows for more than a decade, even though the school does not offer tenure.

Not all of Nevada's private schools are about high test scores and Ivy League admissions, though. Unique among the state's private schools is Sierra Nevada High School in Reno. The school, operated by the federal government, is one of the few remainders of President Lyndon Johnson's Job Corps program that targeted disadvantaged youth and people living below the poverty line, and offers them the opportunity to earn a high school diploma and receive valuable vocational training. Currently, the school serves approximately 570 young men and women, providing technical training in 16 different programs such as construction, healthcare, culinary arts and business office tech. According to Dr. Joseph Reading, academic manager and principal for Sierra Nevada High School, the school operates under an open-entry and -exit policy, with new students arriving weekly and current students leaving, either because they have finished their training or because they have decided to opt out before finishing the program. "It takes a lot of courage for these kids to leave home, travel to a strange place, and make the commitment to turn their lives around. Most of them have not been successful in a traditional school environment, public or private. Not all of them make it, but they're great kids and they work hard. For the most part, they are very grateful for the opportunities available to them through this program, and they make the most of it. They leave here, return to their communities and make a difference."

Which is what education is all about in the first place – achieving results. As Paul Schiffman said, "It's not about being better, it's about being a better fit for a particular student."

Diane Glazman is a freelance writer based in California.

Got Water Savings?

Water Conservation Coalition member Station Casinos recently converted 127,000 square feet of grass to water-smart landscaping at its Sante Fe Hotel and Casino property. The converted areas are located near parking structures and parking lots. The conversion saves an estimated seven million gallons of water every year.

Can your business increase its water efficiency and reduce its overhead costs? It's a question business owners in Southern Nevada may soon be asked by their peers. The Water Conservation Coalition, a public-private partnership comprised of business and community leaders who support water conservation, recently expanded its membership and is asking the Southern Nevada business community to join in its re-energized efforts.

"We started the coalition to support water conservation," Bill Martin, president and CEO of Nevada State Bank and president of the WCC. "Now the coalition is taking a more active role. We have new initiatives that reach out to the business community and this time, instead of asking for support, we're asking for action."

The WCC's initiatives include a speakers bureau, public projects, business community challenges, educational information for distribution to employees and customers and a public relations and marketing plan aimed at drawing attention to the efforts and successes of the business community.

"It's time for the business community to come together and get aggressive with water conservation," said Peggy Maze Johnson, executive director of Citizen Alert and vice president of the WCC. "The WCC will serve as the vehicle to organize and motivate businesses to make a difference. Our ultimate goal is to become the leader of water-efficient, urban, desert living within a business community."

WATER CONSERVATION COALITION

WATER EFFICIENCY IS EVERYONE'S BUSINESS

Tom Warden, vice president of community and government relations for The Howard Hughes Corporation discusses current water issues with Bill Martin, CEO and president of Nevada State Bank and Pat Mulroy, general manager of the Southern Nevada Water Authority, at the April meeting of the Water Conservation Coalition. Warden serves as the secretary of the WCC and Martin serves as president of the organization.

The WCC will announce its first public project and business challenge later this year. The public project will include water-conserving upgrades at a property that needs outside help.

The business challenge will include a water conservation goal set by the WCC for the business community. The business community will then be asked to permanently reduce water use to meet that goal.

"The purpose of these initiatives is to make lasting changes to the way the business community uses water. We're not looking for temporary solutions," said Johnson.

The WCC works with the Southern Nevada Water Authority to help businesses make water-efficient changes. The SNWA offers businesses several incentive programs and together, with the WCC, offers partnership programs that enhance water conservation within the community.

"The incentive programs help offset the cost of newly installed, water-efficient technology and landscape conversions," said Doug Bennett, SNWA conservation manager.

The SNWA's Water Smart Landscapes program offers property owners $2 for every square foot of grass converted to water-smart landscaping for the first 1,500 square feet, and then $1 per additional square foot thereafter. The average commercial conversion is estimated to save around 825,000 gallons and nearly $2,000 per year.

WCC member Station Casinos replaced grassy areas near its parking structures at the Santa Fe Station with functional, water-smart landscaping. This area (pictured above) includes a walking path and plenty of shade.

WCC member Station Casinos recently converted 127,000 square feet of turf at its Santa Fe Station Hotel and Casino property. The water savings for that conversion alone is estimated at nearly seven million gallons of water every year. But the water savings don't stop there for Station Casinos. The company is also saving water, an additional two million gallons each year, through its participation in the SNWA's Water Efficient Technologies (W.E.T.) program.

The W.E.T. program provides property owners financial incentives to purchase and install new technologies that save a minimum of 500,000 gallons of water annually. Station Casinos upgraded cooling towers at its Sunset Station property.

"Several technologies, such as upgraded cooling towers, are pre-approved with predetermined water-saving values," said Doug Bennett, SNWA conservation manager. "But the real advantage of the W.E.T. program is that it allows the customer the flexibility to bring technology to us. Property owners are encouraged to find new water-saving technologies. If a technology meets the program conditions they too can benefit from our incentives."

Technology that reduces consumptive use earns $10 for every 1,000 gallons of water saved annually. Consumptive-use technologies include synthetic turf in sports fields and cooling tower improvements. Technology that reduces non-consumptive use earns $2.50 per 1,000 gallons of water saved annually. These technologies include high-efficiency toilets, waterless urinals and low flow showerheads. The maximum incentive is $150,000 per property.

"It's a great way to help businesses in southern Nevada stay on the cutting edge of water-efficient technology," said Martin.

An example of a company using cutting edge technology approved by the W.E.T. program is the Ocean Spray Cranberry factory in Henderson. The company recently changed the way it sanitizes bottles. It upgraded from a water-based to a water-less system. The new technology uses ionized air and saves an estimated eight-million gallons of water a year. That's about 20 gallons each minute.

Other incentive programs include rebates for landscape irrigation upgrades including smart controller technology and water sensors.

The WCC's partnership programs don't offer financial incentives – instead they help businesses offer water saving opportunities to their customers.

The Water Smart Home program is a partnership with the home building industry. The program promotes water efficiency by requiring homes built through the program to include water-smart landscaping and water-efficient appliances. A Water Smart Home may save as much as 75,000 gallons of water each year compared to homes built a decade ago.

The Water Smart Car Wash program enlists the support of commercial car wash facilities. Participating car washes save water over home car washing, because commercials facilities recapture and reuse water. Partners in the program offer coupons to consumers on the SNWA Web site at *snwa.com.*

Southern Nevada restaurants are also joining forces with the SNWA and WCC as part of the Water Upon Request program. Participating restaurants save water by only serving ice water to those patrons who request it. According to the SNWA, it can take several gallons of water to produce one glass of water in a restaurant.

Southern Nevada hotels and resorts have a chance to help the SNWA and WCC launch their newest partnership: the Linen Exchange program. Partners in the program agree to offer bed linen and towel replacement to guests only upon their request.

"There are many ways for businesses to save water in Southern Nevada," said Martin. "It's just a matter of the business community taking advantage of the opportunities. And the WCC is here to help."

To find out more information about the WCC, visit *snwa.com.*

INDUSTRY FOCUS

Public Utilities: The Challenges of Dependable and Affordable Resources

Recently, industry experts in public utilities sat down to discuss the challenges facing Nevada's utilities, such as recruitment, climate change, growth and conservation efforts. Connie Brennan, publisher of *Nevada Business Journal*, served as the moderator for the event as part of the magazine's monthly Industry Focus series, which brings industry leaders together to discuss issues pertinent to their professions. Following is a condensed version of the roundtable discussion.

Industry Challenges

Donald Soderberg: The Public Utilities Commission is an agency of about 90 people whose primary purpose is to regulate the rates of public utilities in Nevada. Our charge is to make sure that all rates are just and reasonable and that sounds relatively simple. The public looks to us to be the watchdog over the utilities. Yet, at the same time, the industry and the financial markets look to us to be somewhat of an internal partner with the industry in the state. So we kind of wear two hats in that respect. With those two charges working, we try to get to a point where the rates are just and reasonable, in light of what is being paid around the country.

Pat Mulroy: For Southern Nevada Warter Authority, the most compelling challenges we face are the consequences of warm climate change and what that does to water resources in the entire American West, which will make our job even more difficult then, and force an even higher level of creativity.

Mark Foree: Our major source of supply is the Truckee River and Lake

BACK ROW: L TO R

Mark Foree
Truckee Meadows Water Authority
Serves the Reno-Sparks area and some of Washoe County.

Jeff Shaw
Southwest Gas
Serves Southern Nevada, most of Arizona and all the way to the Mexican border.

Tom Husted
Valley Electric
Located in Pahrump, serves some of Clark County, Nye County and Esmeralda County.

FRONT ROW: L TO R

Don Soderberg
Public Utilities Commission (PUC)
Agency that regulates utility companies.

Pat Mulroy
Southern Nevada Water Authority (SNWA)
Serves all of Southern Nevada.

Michael Yackira
Sierra Pacific Power/Nevada Power
Serves Northern and Southern Nevada.

Tahoe. The river is going to be sufficient to provide water for the majority of the growth that's anticipated in the Truckee Meadows area. And sufficient water rights are available to make that happen. What happens is, these water rights are personal property rights. They were agriculture rights, originally. They need to be converted to municipal and industrial use, so that's a process that takes place in the Reno area to provide for growth. There's only one project that's currently being built right now, and that's in the north valley. It's bringing water into the Lemon Valley area. But obviously, growth is going to be one of our challenges going forward.

Jeff Shaw: As a gas distribution utility, we have two major challenges. The first is the volatility of the commodity in terms of price. We have seen natural gas prices more than triple in the last decade, on a consistent basis. That's problematic. The second challenge is price volatility affects customer growth. Customers usually call when they see increases in their bills. And that's a concern. Another concern, still, for the industry is that we have seen declining usage on an average basis. With large cities like Phoenix, Las Vegas, Tuscon, you get what we call a heat island, and so the ambient temperature increases, and that causes people to use less gas. Plus, every appliance that gets replaced is usually picking up significant efficiency, and, therefore, natural gas is used less and less, which is a good thing. We believe that using less energy is always the goal that we should shoot for. Our challenge, then, is what type of rates do you need in order to have utilities remain healthy so that it can attract capital?

Tom Husted: One of the challenges that we see within Nevada, and really within the Southwest, is a lack of adequate transmission in generation facilities. We really have an island down here. But all public utilities need to work together to address the issues, whether it be power supply, transmission supply, helping formulate legislation and changes within the legislative environment, and conservation or renewables.

Michael Yackira: Following the significant growth in this state is a major challenge. We are one of the fastest growing states in the nation. Las Vegas, up until last year, had been the fastest growing city in the nation. We also have to face the price changes that our customers hate, quite frankly. The fact of the matter is the price of the commodity that creates electricity, mainly natural gas in this region, has had a tendency to increase in price. Anytime there is a price change, it is very difficult for customers to understand and to accept. We need to have a

very strong, financially healthy, electric utility in order to accomplish what we need to support the infrastructure.

Increased Demand

Soderberg: I think Nevada utilities that supply the product, whether energy or water, are always going to be chasing two tails. They have to build the infrastructure to serve the community, but then they have to find the product, whether it's water, natural gas, or electricity, to put into that infrastructure. So it creates sometimes untenable demands on a company. We have been very fortunate. To my knowledge, nobody in Nevada has gone without water. Nobody has gone without gas or has gone without power, regardless of what shortages or shake-ups occur in the market, such as the one energy crisis a few years ago.

Conservation

Mulroy: We have gotten extremely aggressive in our conservation efforts. Water that is used outside is lost. It's a one-time use, whereas anything that hits the sewer system is recycled and reused. And we have an aggressive agenda to drive Southern Nevada's usage down even further. The entire Colorado River which serves the Western United States as a whole, cannot survive if recipients don't change their usage habits. The notion that going to the ocean for water will solve all the problems is fallacious. First of all, coastal property isn't that easily accessible. It's either a part of California, which is the most expensive real estate in the United States, or it's in Mexico. There is an ever-increasing population and ever-decreasing amount of supply. The drought that is hurting the Colorado River is not short-term by any stretch of the imagination. We don't expect to be out of this for some time. It took us this many years to get into it and get runoffs again. It's going to take us at least seven to 10 years – if everything were to turn around tomorrow – to get that water back again. The only thing this community can do to assure the supply is conserve, and diversify consumption.

Foree: In Northern Nevada, it's sort of complicated. The Truckee River is the

main source of supply for the Truckee Meadows (Reno/Sparks) area. Continued conversion of Truckee River agriculture water rights to municipal and industrial (M & I) use will be sufficient to supply anticipated development of nearly all available land in the Truckee Meadows over the next 20 years. As the cities of Reno and Sparks expand their service areas outside of the Truckee Meadows, other resources will have to be developed to supply water for that anticipated growth. There are currently several private water supply projects in various stages of progress that are planning to meet the water needs of those expanded service areas and other areas, including Fernley (Lyon County).

Mulroy: The most poignant number is what happened over a two-year period where we saw the largest decline. We went from a consumptive use of 325,000 acres to 265,000 acres. And

usage has continued to go down, or remain at that level. We are continuing to replace turf with desert landscaping, and the restrictions dictating when you can water are now permanent. You will never ever again water five to seven days a week in Southern Nevada during the fall, winter and spring. We have seen our customer use go from what used to be an acre-foot per family of four in a given year down to a half an acre-foot for a family of five.

Yackira: We can't do it like Southern Nevada Warter Authority. We must expand our conservation measures so that our customers see that we offer programs that will reduce their bill. Residential customers don't understand rates. What they understand is their bills. So if there are things we can do, whether it's to promote energy audits that show customers to see how they are wasting energy, or through the PUC providing rebates to customers that change their air conditioning units to higher efficiency air conditioning units. There's a series of things we have been able to do to convince our customers that, yes, we really do want you to use less of the product.

Brennan: It stands to reason that if consumers use less, the utilities will make less?

Yackira: We do, but the growth that we see in this state is sufficient for us to grow faster than any utility in the United States. I would like to see us in the forefront throughout the United States, quite frankly. I think we need to do a better job of espousing conservation as an alternative, similar to espousing reusable energy as an alternative, and not just saying we're going to wait for people to build wind power projects and solar power projects, but to co-invest with them so that we are truly part of the solution and not just waiting for something to happen.

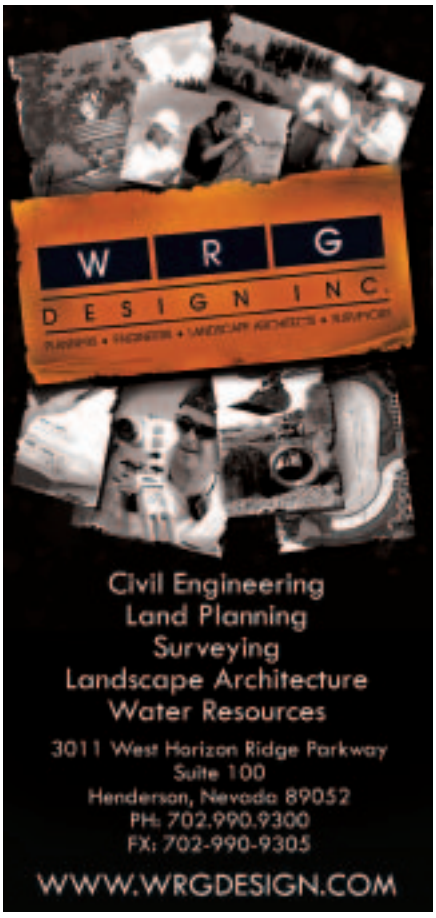
Mulroy: To that end, Sierra Pacific Water Authority has been partnering with us in a lot of projects. It has been a very productive partnership to both of us. Since we're the city industry first and foremost affected by such change, we have to lead the way to help solve the problem, as well.

Husted: Quite frankly, Nevada is behind the eight ball. I have never seen in my life so many inefficient consumers in one area. It's amazing. You can't have conservation until you have energy efficiency. For one, it's an educational process. We're not going to get there until we reach a price point where people say, "We have got to do something." That brings us back to my original statement. We are separate autonomous units, but we have to work together on these common goals. We must change the shape of how people utilize their utility resources within the state.

Brennan: What types of restrictions for water conservation are implemented in the Northern part of the state?

Foree: We have had twice a week watering for a long time, probably 15 years now. That's worked well for us. Our total annual water consumption has been fairly flat over the last several years, even with substantial growth due in part to customers switching to the metered rate and changing their water usage habits.

Continued on Page 65



Continued From Page 32

Aging Infrastructure

Yackira: As a franchise electric utility, as a franchise gas utility, we have to serve everybody who comes into our area. We don't have a choice. That means, we have to build assets to support growth. Whether it be installing the distribution lines and setting the meters for new housing tracts, or building long-distance transmission assets to import electricity, either from power plants we own or other power plants – it's constant. For Nevada Power and Sierra Pacific Power combined, in order to hook-up customers, it costs nearly $350 million and that does not include any projects we have, like major transmission lines or major generation power plants. This year alone, we will spend about $1.3 billion.

Shaw: Our goal is significant. We will experience capital expenditures in the next three years of $875 million in our state, which is substantial. We don't have the situation which is similar to setting power plant transmission lines, but it's much more gradual. We go into a subdivision that's continuous to another subdivision, and you will extend a main out to that new subdivision. And we have models that determine how much we're allowed to spend and put in the rate base. Anything above that, we are actually asking builders to contribute.

Mulroy: We're in the same position as Nevada Power. Virtually most of our systems blend. We have invested significant dollars over the years replacing all the old lines in downtown Las Vegas, and we did it over a period of eight to 10 years so we have very few old lines left. Traditionally around the country, water loss from the system lies between 10 to 15 percent. For us, it's 3 to 5 percent – our water loss is negligible. I'm worried about the new infrastructure we have to build. In fact, we're bringing in the expertise and equipment out of Sweden and France because we're bordering the mountain and Lake Mead in elevation. If you can figure out what the static pressure is, we're going down to the elevation of 60 feet, going through the floor of Lake Mead and coming up through intake. Lake Mead will be a challenge and as the water level sinks, not only will we lose our first intake, but we will also have serious water quality problems.

Staffing Issues

Yackira: Our average workforce age in Nevada is 48 years. We have about 3,200 employees throughout the state and recruiting people becomes more difficult, especially in Southern Nevada,

with so many similarly skilled employees needed for the growth we are experiencing. The cost of that labor force has gone up, as well. We have also seen an expectation for higher wages as we get more generation Y employees into the workforce, and they demonstrate less of a desire to stay with a company for life and to move up in the company.

Shaw: We are always looking for engineers and people with experience in technology. They are just becoming more of a scarce commodity. You don't have as many graduates in these fields. The increased cost of living has also made it difficult for us to recruit people from out-of-state.

Foree: Nearly 80 percent of our technicians are going to be retiring within the next five years. We're going to be faced with overstaffing for a few years so that we can have people who will, hopefully, know what they are doing when our skilled workforce retires.

Mulroy: I think part of the problem is that the universities and colleges aren't producing students with those skill sets when they graduate. It is so difficult to find someone in the sciences willing to move to Southern Nevada. We've become very active with youth to try to encourage kids to start pursuing these degrees. We have extensive summer programs and winter break programs, both for high school students and university students to see if we can spark that interest.

Yackira: We are starting a curriculum in Northern Nevada at UNR to develop course work on renewable energy to train renewable electrical engineers. It's been a very well received thought that is developing into a curriculum and will be starting by summer of 2007. We're hoping to convince UNLV to create something similar down here.

Climate Changes

Mulroy: We must work under the assumption that the climate is changing – just to stay ahead in our industry. Let's assume we were wrong. We at least have all the strategies in place. You can't assume that it's not going to happen. You have to assume that it is going to happen. We have been fighting over water rights in the

Shaw: Well, depending what you believe, I think you have to pay attention to what's happening. The fact of the matter is that, whenever you have big metropolitan areas, it is going to create heat. So from my perspective, we have to be mindful of that and of our customers because, depending on how your rates are structured, your uses go down. Based on this use, and if you have a new customer, it gets warmer. I agree we must prepare for any eventuality. We can't react – we

must be proactive. I'm all for conserving every resource – whatever it is. We shouldn't consume any resource without staying aware that all our resources are naturally finite. We are all affected by a number of issues, and climate is just one of them.

Yackira: Nobody would say that more carbon emissions are good. But at present, that doesn't mean we can shut down all the power plants in the U.S. or in Nevada because they use fossil fuels in order to produce electricity. However, one example of the progress we are making is the planned major coal-fired power plant in Eastern Nevada. At a cost of about $4 billion, the most daunting energy project that Nevada has undertaken since the building of Hoover Dam. There are things that we are doing to ensure that building that power plant makes it the cleanest, environmentally-friendly coal plant in the West.

Renewable Energy

Shaw: Sometimes we hear the term renewable and the general customer may say, "Gee, that's something that could be done for free or relatively inexpensive." Well, that just isn't the case. Renewable doesn't necessarily mean inexpensive. As we move in that direction, it will require a huge investment to make the transition. We must find ways to educate and prepare the public for this eventually – even if they don't have the time or interest.

Mulroy: It becomes a rate issue. Let's be frank. When you look at utility rates in other nations, you'll see that Americans are spoiled. As utility bills rise, if customers can learn to conserve and reduce consumption, the increases will have less impact. And if the utility companies educate the public and raise awareness, customers can learn to anticipate and plan for future changes, and take them in stride. I mean, I don't see why any of us would be so selfish as to cause further environmental damage just to save a couple of bucks.

Soderberg: The technology and science are making leaps and bounds and renewable energy is on the horizon. However, until then, we need to invest in modern fossil-fuel-burning power plants to replace the outdated inefficient facilities. For the immediate short-term, we need to maximize efficiency. We can't afford to wait for the politicians and special interest groups to finish their debates – we must set these actions in motion now, or we're never going to get down the road in 15 years and say, "We have accomplished this."

Nevada Economic Development Advisory Board

OUTREACH
EDUCATION
RESEARCH
SCREENING

New Economic Development Strategies for the New Economy

NEDAB is a council of businesspeople and legislators who share a vision of diversified economic growth through participation in capital markets and are working with other businesses and the government to make that vision a reality.

NEDAB believes

- Nevada has the potential to become the premier destination in the U.S. for companies looking to enter the capital markets.
- Nevada corporations across a variety of industries can benefit from participating in the capital markets as a way to build long-term shareholder value, access capital, attract and retain good employees, increase visibility and improve business practices.
- An increased number of Nevada corporations successfully entering and sustaining participation in the capital markets will create diversified economic growth, increase the number of companies that physically relocate to Nevada, create new jobs and increase revenue for the state.

Activities of the NEDAB include

- **Outreach** to other economic development groups, legislators, regulators, business owners, and business and industry leaders.
- **Educational Programs** for companies seeking to learn about capital markets and the advantages of domiciling in Nevada as a private or public company.
- **Policy Research and Recommendations** to make Nevada even more attractive as a home for companies wanting to participate in capital markets.
- **Locally-based Industry Screening Committees** will help identify and screen companies that are good candidates for participation in the public markets.

NEDAB has already announced several of the committee members and has been garnering support among business and government leaders who have committed to working with the committee toward diversified economic growth for Nevada.

"From a public policy perspective, I believe knowledge - based companies bring the kind of high-paying 'good' jobs that we need in Nevada. A few have discovered that Nevada's capital formation laws are amongst the best in America, but many more struggle because they don't know our secret. Collectively, the people who have already committed to join or work with the NEDAB not only "get it", but have the experience, connections, resources and motivation to execute the plan."

Bob Beers
State Senator District 6
PCMC Nevada Client Audit Coordinator

"In my 22 years working in Nevada Economic development, this is one of the most exciting and innovative initiatives I've seen a private-public partnership that carries the promise of not only economic growth, but also economic diversity by serving a broad range of industries traditionally underserved by government economic development programs."

Tim Carlson
CEO, Powered by Renewables
Economic Development Adviser to NEDAB

"Nevada has a long tradition of focusing on economic development. I see this as the next step in the evolution of the state's economy. We live in a world economy, and we now need to compete in international markets, so we have to be smarter about it. What NEDAB is doing is a positive effort to grow an entrepreneurial state, to present to the world the additional benefits of being a Nevada corporation and to raise awareness of Nevada's capital markets potential."

Dr. Keith Schwer
Professor of Economics, UNLV
Director, The Center for Business and Economic Research
NEDAB Research & Development Advisor

"One of the most important actions we can take to attract business to Nevada is the creation of a chancery court for business litigation, such as they might find in Delaware or New York. Currently both attorneys and litigants often would rather go to federal court than deal with the congestion in the Nevada civil courts. A dedicated business court would also seat judges who have the business experience to deal with the nuances of complex business litigation and make it better serve companies that face these issues."

Neal Tomlinson, Esq.
Bullivant Houser Bailey PC
NEDAB General Counsel

"So many companies are unaware that participation in the capital markets is even a viable option for them, and so many people involved in economic development are unaware of the potential for capital market participation to drive economic development. We have a wide open opportunity here to transform perceptions, help small business issues and grow the Nevada economy in the process."

Mark Daigle, NEDAB Co-Chair
CEO of Colonial Bank N.A.'s Nevada Region

"Having helped build several businesses, I know the challenges entrepreneurs face when trying to grow from startup phase to a larger market. The NEDAB helps fill that gap with much-needed educational materials, incentive programs and other resources. Its existence will be a boon to Nevada entrepreneurs."

Paul J. Henry, Esq., NEDAB Member
President/CEO, Henry & Associates, LLC

"The NEDAB is an exciting opportunity to help our economy grow, strengthen and diversify. Nevada must maintain a competitive, economic edge over our neighboring states - which are also experiencing unprecented growth. We offer favorable tax and regulatory structure to small business issuers domiciled in Nevada. I am honored to serve with such a diverse group of individuals who share in the belief that Nevada's economic environment and attractiveness must remain second to none."

Robert Uithoven, NEDAB Member
President, J3 Strategies
Campaign Manager, Gibbons for Governor 2006

Emil Frei III, MD
Former Chief of Medicine, National Cancer Institute; Associate Scientific Director, M. D. Anderson; Director and Physician-in-Chief, Dana-Farber Cancer Institute.
NEDAB Life Sciences Screening Committee Chair

Cancer research pioneer Dr. Emil Frei III and Las Vegas internist Dr. James Eells serve as the chair and associate chair, respectively, of NEDAB's Life Sciences Screening Committee, the first of several industry screening committees that will help NEDAB identify and screen qualified growth-oriented companies that could benefit from capital market participation.

James R. Eells, M.D.,
Former Chief of Medicine USAF
Associate Chair, Life Sciences Screening Committee

For more information visit www.Nevada-EDAB.com

On Becoming the Delaware of the West

Corporations are designed to make profits for their owners, so they naturally gravitate to places with the best mix of the largest markets, the greatest incentives, and the lowest risks. Nevada does better than most states, scoring well on two out of three.

Nevada has always been strong for its geographic location, being central to all business operating in the Western US, including the country's largest and most progressive market, California. Globalization has further worked to broaden markets and make them more accessible.

Nevada has done a very good job of ratcheting up its corporate incentives, too. Because of these improvements, Nevada has become one of the top ten filing districts in North America. But it's not quite enough to take Nevada to the top of the list.

That's because the third factor, reducing risk, is a piece of the puzzle still absent from Nevada's corporate offering. In the US' litigious climate, corporations tend to locate – or relocate – to states where the judicial climate is designed to address their specific legal needs and requirements. They find this climate in chancery states. In those states, judges are attuned to the specific problems and disagreements that arise between competing corporations. Nevada's judges are called upon to try civil, criminal, and business cases. If the business cases were split out, it would create an area for judges who are most interested in that part of law, and also help those judges to better develop their expertise there.

Other judges, those who have a greater passion for civil and criminal law, would have more time to adjudicate those cases, and to better hone their skills in those specialties. It should also be noted that a chancery court would fund itself from the increased corporate registrations it would attract the state.

Corporations often use the law in a different way than citizens, and chancery law is founded on a different "premise" than common law. Chancery law is based on the concept of "equity." It supplements the strict application of the "rule of law," especially in cases where its application would result in unusually harsh punishment.

There are three main distinctions between chancery law and common law.

The first is in the remedies available to litigants. In general, common law courts generally award monetary damages. Equity, though, can enter injunctions to act or refrain from acting. Often, this is more valuable to a corporation than monetary damages. While this kind of action is also available in common law, its use there is more restricted.

A second difference is the absence of a jury. Equity judgments are handed down only by judges, according to the law. In equity law, "matters of fact" are not decided by juries. The right to a trial by jury in a federal civil case is guaranteed by the Constitution, but it is not used in equity law.

A third difference is the origin of the rules covering the decisions. In equity law, though, the emphasis is more on "fairness" and "flexibility" than on the precise application of rules and penalties.

These distinctions are important when corporations are considering where to incorporate, or where to re-incorporate. The larger the company, the more likely it will be concerned about legally protecting its rights or defending itself in court. Corporations tend to register in those states where they can get the kind of legal clarity and support they need in order to maximize their profits and minimize their risks.

There is another factor in Nevada's legal system that harms consumers s well as businesses. The current court system is already one of the most crowded in the country, and includes civil, criminal, and business cases. Since the business cases are mixed in with the others, justice for every litigant is delayed. A separate chancery system would help unclog the dockets of the common court judges, allowing them to proceed more rapidly in cases where their expertise best serves the citizens. The chancery court would deal mostly with cases between competing corporations.

What does all of this have to do with Nevada? Nevada is not a chancery state, although there was a big push eight years ago to adopt this format in the state's legal framework. It didn't pass. Yet the addition of a chancery court system in Nevada, along with to all the other incentives already in place, could vault the state to the top of preferred jurisdictions for corporate registrations. The additional fees generated by the increased registrations could add millions of dollars to the State's general fund each year. It would also free up time for civil and criminal judges.

Delaware, the "gold standard" of corporate registrations, has had a chancery system in place for over two centuries. It's a tried and true system. Isn't it about time Nevada got in step with all of the needs of the business world, as well as of its own citizens?

For more details on the many advantages listed above, including the qualifications for participation, we would like to offer you a copy of our white paper, "On Becoming the Delaware of the West", at no cost to you (normally a $109.95 value).

To download, visit http://www.PubcoWhitepapers.com/nbj/may07.

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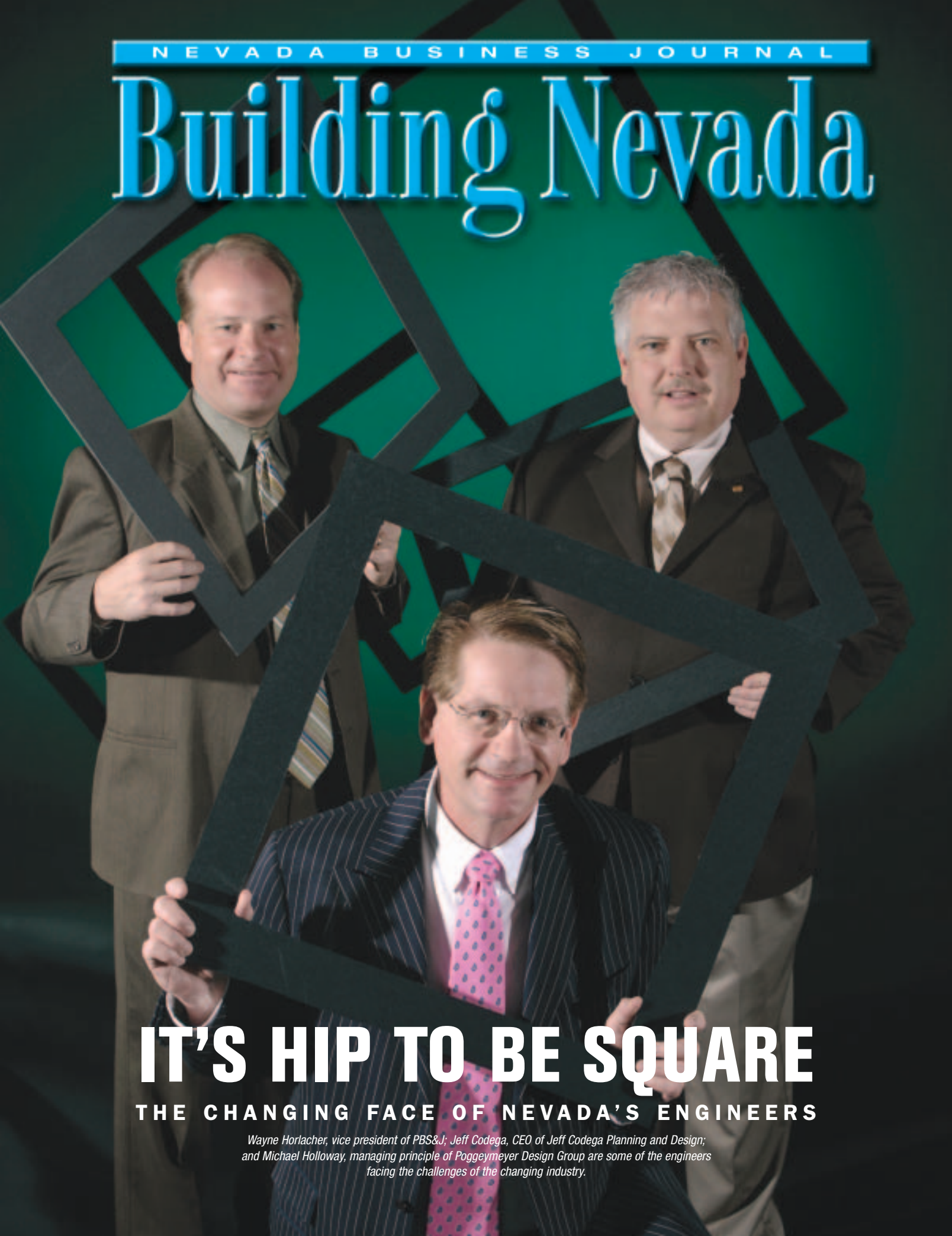

IT'S HIP TO BE SQUARE

THE CHANGING FACE OF NEVADA'S ENGINEERS

Wayne Horlacher, vice president of PBS&J; Jeff Codega, CEO of Jeff Codega Planning and Design; and Michael Holloway, managing principle of Poggeymeyer Design Group are some of the engineers facing the challenges of the changing industry.

Poggeymeyer Design Group added ground-mounted landscape to enhance the downtown entry corridor in Las Vegas.

It may not be sexy and it may not be glamorous, but a degree in engineering is one of the most sought after entries into today's job market. With fewer university students graduating in the engineering disciplines, engineering firms are scrambling to fill their ranks with qualified personnel. "Our biggest issue is a shortage of talent," explained Jeff Codega, president and CEO of Jeff Codega Planning & Design Incorporated in Reno.

Engineers from Las Vegas and Reno expressed their concerns about the manpower shortage more than a year ago during an Industry Focus Roundtable sponsored by *Nevada Business Journal*. "Everyone is struggling across this industry to find qualified staff because we have a shrinking supply of new talent," said Dennis Walbel, while attending the gathering. Walbel is the managing principal of the Las Vegas office of Carter & Burgess.

Now, more than a year later, engineering firms continue to struggle with employment issues. While most engineers acknowledge that computer science degrees and MBAs attract many of the best and brightest engineering prospects, they admit that their profession can do a lot more to compete with the glitzy dotcom job market. Most firms aggressively recruit not only at the University of Nevada, Las Vegas (UNLV) and the University of Nevada, Reno (UNR), which both offer degrees in a variety of engineering disciplines, but at campuses all over the country. Nevada may be an attractive place to live for new graduates, but the rising cost of housing coupled with moderate starting salaries makes it increasingly tough to sell. "It's complicated in Las Vegas because of the cost of living," said Wayne Horlacher, vice-president of PBS&J in Las Vegas. "It's a lot more difficult to recruit entry-level engineers." One obvious solution to this particular issue would be to raise

salaries, but with overall construction costs already on the rise, increasing employee compensation is not easily accomplished.

Engineers also confess that their somewhat geeky reputation doesn't help to attract bright young people to the profession. To polish the engineer's image, industry leaders are taking advantage of outreach programs, such as Clark County School District's Payback Program, to talk to young people about the attractiveness of a career in engineering. Most students are unaware, for example, of the diverse and immense impact that engineers have on our everyday lives. "Everybody knows what architects do, but nobody knows what engineers do," said Brent Wright, CEO of Wright Engineers. "Engineers are responsible for the buildings where we live and work, the transportation systems on which we travel and the delivery systems for the utilities we usually take for granted." The profession offers a wide variety of specialties to choose from, such as architectural, chemical, civil, electrical, environmental, mining and transportation, to mention a few. With its profound influence on all levels of society, a career in engineering presents a stable and rewarding choice for today's students.

Attracting new talent is just part of the problem, however, according to Horlacher, whose firm was ranked as the second best U.S. engineering company to work for by CE News magazine a few years ago. Equally important is retaining employees after they are hired. PBS&J builds worker morale with monthly luncheons and social activities. "We're a very closely-knit office," Horlacher explained. The company also prides itself on being completely employee-owned. "We've created opportunities for all employees to purchase stock," he adds. Codega builds cohesiveness in his 45-person company by developing partners from within, similar to the method used by most legal firms. He also believes that an integrated, but efficient work environment helps employee morale. The company is soon moving to a 14,000-square-foot office facility in South Reno which will allow for expansion as well as improved functionality. "If you've earned a degree you merit an office," he said.

Toss That Slide Rule

Aside from employment woes, like many other professionals, engineers have learned to embrace the whirlwind of new technologies which has substantially changed the ways they perform their work over the past decade or so. "The biggest challenge has been updating and integrating the

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sophisticated technological advances in the equipment now used to create our designs," said Michael Holloway, Las Vegas-based managing principal of the western region for Poggemeyer Design Group. "We used to use ink on linen, but now, the industry utilizes CAD (Computer Aided Design)." Considering that technology enables engineers to produce a more accurate design with fewer man hours, the advance is especially valuable in today's tight employment market. "Each project is designed and drafted simultaneously which results in a better product," Horlacher said. Young people entering the profession have little or no use for a slide rule now, but they must be comfortable with technology. "Employees must continually increase their technological savvy," Horlacher said. "They have to design rather than just be drafters."

While the tools of the engineering trade have changed with the advent of computer technology, the overall view of projects in Nevada may also be shifting, according to Codega. As the price of buildable land increases and the availability of it decreases in the state's most populated areas, developers may turn to new urbanism as an efficient way to utilize premium space. "It's from the turn-of-the-century where you lived on your front porch with the car parked in back and focus on the front," Codega explained. Used for urban infill as well as the creation of new neighborhoods and villages, new urbanism emphasized walkability, connectivity and mixed-use applications. It promotes the use of trains and light-rail transportation rather than building more roads. With housing, shops, entertainment and essential services in close proximity, a sense of community is created rather than suburban sprawl.

Rules, Rules, Rules

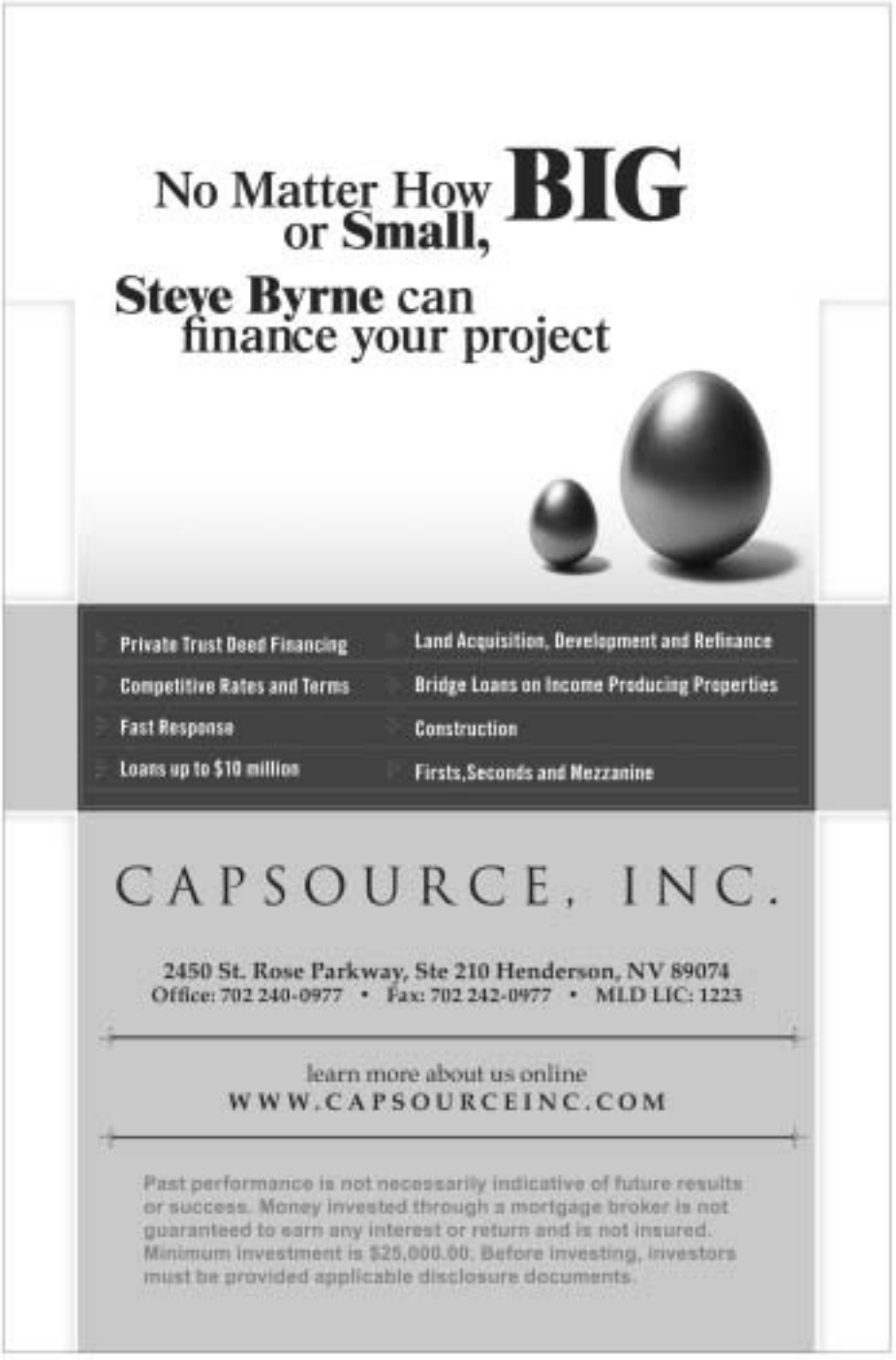
Other challenges facing engineers include additional regulations that have piled up over the years, creating review processes that can take months, depending upon the project. Getting approval, however, requires more than just jumping through all the appropriate design hoops. "We spend less time designing and more time dealing with process issues, such as meeting with neighborhood groups," Codega said. "It's a lot more work, and you have to be very politically aware." Engineers, along with architects and developers, must be much more sensitive with regard to how a project will fit into a master plan and whether it will be accepted by the neighborhood. Everyone knows of controversial projects, such as the Lazy 8 Casino in Sparks, that have caused vitriolic public meetings and threats of litigation. Codega agrees that for the most part, the review processes are valuable, but laments the fact that they don't always operate efficiently. "The processes are designed to make sure bad things don't happen, but they should be designed to make sure good things happen, as well," he explained. To better educate the public about current projects many design firms maintain websites with updated information on them.

As a specialist in water treatment and storage, Holloway has had to adapt to new regulations imposed since 9/11. "Homeland Security has new rules on protecting water and wastewater treatment plants," he said. To prevent unauthorized access to facilities, security gates have been changed from those that swing to those that slide. Security fencing and cameras are also standard. Poggemeyer recently completed work on the

Water Pollution Control Facility in Las Vegas, a $100-million project that included expansion of the sludge dewatering building, filtration, digesters, laboratory and chlorination/dechlorination facilities.

Other regulations come into play as engineers design sustainable projects. "The big thing now is green," Holloway said. Green or sustainable projects are designed to reduce the consumption of resources and/or to provide healthier more comfortable spaces where people can live, work and play. Resource conscious designs use native landscaping, reduce waste products, employ storm water filtration, optimize the use land, and promote the efficient consumption of renewable energy sources. Healthy design enhances indoor air quality, improves acoustics and utilizes natural light. Most leading design firms are LEED (Leadership in Energy and Environmental Design) certified or have people on staff who are. Certification is promoted by the U.S. Green Building Council (USGBC).

The Las Vegas Springs Preserve, a 180-acre parkland owned by the Las Vegas Valley Water District, is a quintessential example of environmentally sensitive development. Perpetuating and enhancing the native desert environs, visitors to the preserve will enjoy gardens, museums and trails through the wetland habitat when it opens in June. The development also showcases sustainable design with photovoltaic cells that generate power for the preserve while also functioning as shade structures. The Clark County Sport Shooting Park, now under construction north of Las Vegas, is another development planned around environmental impact concerns. The 2,900-acre park will be the largest of its kind in the country, providing a safe place for the public



to practice the sport, as well as a world-class site for international gun shows. "Safety is a major concern," said Holloway whose firm is working on the project. "All the ranges will face north into the mountains and be away from houses." Great care is being taken to protect archeological sites that are on the property.

Although some new regulations frequently give engineers headaches, the lack of others can also be a source of extreme angst. "The increased requirements are a concern particularly in the patterns of litigation," Horlacher said. Engineers can be dragged into what many consider frivolous lawsuits when attorneys for homeowner associations cast a wide net to find fault for design and construction mistakes, for example. Engineers say it's become a particularly thorny issue with the proliferation of high-rise condominiums in Las Vegas. Large settlements have been awarded when defects in a single unit are multiplied by all the units in a project. "What's needed is residential defect legislation," Horlacher said. Engineers support legislation that would reduce the likelihood of baseless lawsuits, and thus, decrease the liability and risk faced in many projects.

Follow the Money

As a transportation expert, much of Horlacher's frustration boils down to one word: money. "Our biggest challenges are working with the sharp increase in construction costs plus the funding shortfalls," he explained. The disparity between the two has caused a reduction in the number of projects that can be developed, according to him. "The industry as a whole, and particularly transportation, is looking at different ways to finance," he added. This is especially important in view of the fact that Gov. Gibbons has taken a strong stand against raising taxes.

As developers explore more creative ways of financing projects, some are dipping their toes into public-private partnerships (PPPs) which pave the way for various types of collaborations between public and private sectors. In some PPPs, the government provides investment capital through tax revenues, and then runs operations jointly with the private sector. In others, the private sector makes the capital investment and agrees to provide the certain services. The University of Nevada, Reno Renewable Energy Center (UNR REC) is being developed as a PPP with partners that include Truckee Meadows Community College, the Desert Research Institute, the Regional Transportation Commission, Sierra Pacific Power Company and Ormat Nevada along with UNR. When completed at the Redfield Campus near the Steamboat Springs geothermal area in South Reno, it will provide research, education and outreach for renewable energy sources in Nevada. The $650 million Las Vegas Monorail, opened in 2004, is PPP financed by bonds issued through the Nevada Department of Business and Industry. The construction, management and operation have been contracted to Transit Systems Management LLC, a private entity composed of Granite Construction Company and Bombardier Transit.

Poggeymeyer Design Group provided engineering services for the Water Pollution Control Facility in Las Vegas.

Although outsourcing work to countries such as India is a hotly debated topic, the jury is still out regarding the long-range effects it might have on U.S. engineering firms. "There's such a shortage (of employees) that some people are resorting to outsourcing to get the work done," Codega said. With engineers in other countries sometimes working for as little as 10 percent of the salaries that Americans earn, it's also about the bottom line. Company managers can save as much as 70 percent in net costs by using foreign workers, which is difficult to ignore in an era of rising construction costs. Along with the economic impact of lost jobs, however, is the fear that this country will somehow lose its creative competitive edge. The reality, according to Holloway, is that most firms are sending repetitive drafting jobs overseas while the creative design work is still handled in-house. "Among the things at which Americans excel is their ability to innovate new ideas," he said. "We're still strong in thinking outside the box." Although he said he's just now considering outsourcing for repetitive kinds of work, Codega said his firm hasn't used it in the past because their projects are so unique. He doesn't believe that in the final analysis it's a threat to U.S. engineers because of the global economy. "Ultimately things will even out, but it will take some time," he said.

The Role of Education

While today's engineers must be nimble to be successful in our rapidly changing world, the future of their profession will also depend to some degree on how educators decide students should be trained. As a former university professor, Holloway expressed concern about how some colleges have changed the number of credits required for a bachelor's degree from as many as 165 to as few as 115. "Education has been watered down a bit over the years," he said. Some educators reason, however, that because technology has made some

Public officials break ground last October on the Clark County Sport Shooting Park . From left to right, County Commissioner Tom Collins, City Councilman Steve Ross, Senator Harry Reid, Congresswoman Shelley Berkley, County Commissioner Rory Reid and County Manager Virginia Valentine.

college courses obsolete, perhaps the additional credits aren't necessary in today's world of work. On the flip side, several engineering organizations, including the American Society of Civil Engineers, are pushing for more education, specifically to require a master's degree in order to be licensed as an engineer. Although it would add prestige to the profession, many question the wisdom of such an action considering there's already such a shortage of qualified personnel. "The more technologically advanced we get, the higher the demand for qualified engineers is," said Wright.

Holloway worries that students aren't educated in the practical side of their profession, because many engineering professors lack experience in the business world. "Professors understand the academic end, but they've turned into scientists or equation pushers," he explained. Holloway said one of the reasons he left academia was to experience the real world of engineering. To provide opportunities for students to get valuable on-the-job involvement before heading out to their first full-time engineering positions, most engineering firms support internship programs.

Where the rubber undoubtedly meets the road, however, is instilling an enthusiasm and respect for the engineering profession. It's hard to be creative and difficult to respond to the ever-changing challenges if you don't love what you do. After 30 years in the profession (which he said must add up to 60 because of all his 80-hour weeks), Codega said he still loves his work. "I enjoy 99 percent of what I do," he said. In the hopes that everyone else in his firm will be just as enthusiastic, he said he's very selective in trying to recruit the best of the best. The most important quality is a devotion to the profession. "We're looking for people who have a passion for what we do," he emphasized.

Jeanne Lauf Walpole is a freelance writer based in Northern Nevada.

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Summerlin Hospital Undergoes $100 Million Expansion

Summerlin Hospital recently announced plans for a $100 million expansion which will mark the largest expansion project to date in the hospital's history. In its 10 years of existence, the facility has grown from a 147-bed community hospital to a 281-bed medical center offering services ranging from pediatric intensive care to open heart surgery. The tower expansion includes a six-story patient tower that will house 170 additional private patient rooms, bringing the total number of rooms to 450. The project includes additional labor, delivery and recovery (LDR) suites, antepartum and postpartum suites and new beds. In addition, the expansion will more than double the size of the hospital's busy ER, where it will add 30 more beds and treatment areas. Groundbreaking for the tower expansion is scheduled for winter 2007 and the ER expansion is scheduled to break ground in late spring 2007.

KB Home Opens First Luxury Estates

La Vita at Seven Hills, KB Home's first luxury estates in the nation, recently opened at the Henderson master-planned community. The development offers six floor plans ranging in size from 4,000 square feet to 8,500 square feet, price, from $1.4 million to more than $2 million. With 33 home sites spanning across 20 acres, homebuyers will choose from lots that vary in size from one-quarter acre to more than one-half acre. La Vita at Seven Hills will also have scenic parks and trail systems, as well as athletic facilities, including tennis, volleyball and basketball courts.

Carson River Aquatic Trail Moves Forward

The Carson River Aquatic Trail Master Plan recently received approval to proceed by the Carson City Board of Supervisors. The plan will improve areas of the Carson River, making it safer and more accessible for whitewater rafting, kayaking and fishing. "Whitewater river recreation is a rapidly growing activity in Northern Nevada that attracts visitors and enhances the community's quality of life," said Director Tim Maland of the Nevada Commission on Tourism. The Aquatic Trail plan calls for improvements along 13.7 miles of the Carson River in Carson City and Lyon County. The next step will be to seek funding for the project, which is expected to come from a $200 million statewide voter-passed bond that earmarked $2.5 million for Carson River improvements in Carson City. The Aquatic Trail plan is estimated to cost nearly $878,000.

New Office/Retail Center Scheduled for Mesquite

Town and Country Village Plaza, a new office/retail center located in Mesquite, was recently awarded to TWC Construction, Inc. The new center will be comprised of two wood-framed buildings, one is one-story and the other is three-story, totaling 86,617 square feet. It will be located on Pioneer Blvd. "Escalating land prices in Las Vegas have prompted many of our clients to consider development out of town, especially in a high growth area as Mesquite," said Matthew Ryba, CEO of TWC Construction, Inc. The project is scheduled for completion in fourth quarter of 2007.

Juhl, a mixed-use project located in downtown Las Vegas, will consist of six towers.

Juhl Tops Off First Building in Downtown Las Vegas

Juhl, a downtown Las Vegas mixed-use development located at the southeast corner of Bonneville Ave. and Third St., recently announced the topping off of its mid-rise residential building. The milestone marks the first topping off for the six-building condominium and retail project. The mixed-use development will consist of six towers, ranging from six to 15 stories and 24,000 square feet of dedicated retail space. Juhl residences range in size from 600 square feet to 2,500 square feet and offer studios, as well as street-level shopkeeper units. The $180 million project is being developed by CityMark Development, a San Diego-based firm.

McCarran Rent-A-Car Center Creates Easy Airport Access

The $166.8 million McCarran Rent-A-Car Center, located at the corner of Warm Springs Rd. and Gilespie St., recently opened to the public. The 68-acre site is near the Strip, Interstate 15 and the Las Vegas Beltway. McCarren Rent-A-Car Center's consolidated location eliminates the need for each rental car company to operate its own fleet of shuttles. Instead, travelers will be carried to and from terminals by a shuttle.

Sansone Companies

Building People-Friendly Communities

Sansone Companies, located in Las Vegas, specializes in the development of professional office, retail, industrial and multi-family properties, as well as their property management services. One factor that distinguishes Sansone Companies from other development companies is its commitment to long-term tenancy through practical and aesthetic values, according to Sansone Companies' president, Roland Sansone.

"We have won the Economic Development Award three years in a row," Sansone said. "The city council likes what we do. Our properties enhance their neighborhoods." The company prides itself on architecture, lighting and the fact that all aspects of their designs create an aesthetic balance. "Aesthetics are important to us," Sansone said.

The company, founded in 1978 by Roland Sansone, utilizes the diverse skills of several family members at its core structure, according to Sansone. Among these key corporate officers are Sansone's two sons, Devon and Miles, who are in charge of construction and development, as well as his sister, Yvonne, who works in the leasing department.

Another aspect of the company that allows it to price competitively while maintaining high standards of quality is the fact that Sansone Companies hires its contractors and subcontractors instead of keeping their own in-house. "We hire the contractors to afford us the flexibility to ensure, if something's not working, we can change it," Sansone said. "We hire the best, qualified contractors for the job."

Sansone Companies supports the concept of co-tenancy – leasing to the upper-floor office space to a quality professional tenant, while the space below is leased to a high-end retailer, according to Sansone. "We are utilizing co-tenancy in our developments," Sansone said, "And in our condos, as well. We build condos with grocery shopping, banking, eateries, etc., conveniently located within easy walking distance for condominium residents. These developments are kind of like small communities. This allows people to pursue a lifestyle removed from the stresses of traffic jams and skyrocketing fuel prices. It makes for a better quality of life."

According to Sansone, the survivability of tenants is very important. Keeping tenants happy is a key factor in the company's success. Taking into consideration parking, visibility, access and location all are critical to keeping tenants satisfied and maintaining occupancy over the long term.

More mixed-use developments are on the horizon for Sansone Companies. "Today, people's lives are very busy and complicated. We don't have a lot of time. We jealously guard our free time with our loved ones and don't want to waste time getting to the grocery store," Sansone said. "In fact, our mixed-use projects have been so well-received, we plan to continue building this type of development."

Susan Botich is a freelance writer based in Northern Nevada

Building Nevada

Commercial Real Estate Report

INDUSTRIAL– 4TH QUARTER 2006		
TOTAL MARKET	**LAS VEGAS**	**RENO**
Total Square Feet	19,509,660	62,675,335
Vacant Square Feet	446,137	3,402,676
Percent Vacant	2.3%	5.4%
New Construction	0	383,002
Net Absorption	-28,837	413,199
Average Lease SF/MO (NNN)	$0.88	$0.33
Under Construction	1,208,828	1,468,000
Planned	888,072	5,847,769
DISTRIBUTION		
Total Square Feet	56,037,237	na
Vacant Square Feet	1,709,680	na
Percent Vacant	3.1%	na
New Construction	647,221	na
Net Absorption	931,857	na
Average Lease SF/MO (NNN)	$0.66	na
Under Construction	5,317,410	na
Planned	4,580,744	na
FLEX		
Total Square Feet	11,878,166	na
Vacant Square Feet	583,776	na
Percent Vacant	4.9%	na
New Construction	0	na
Net Absorption	31,725	na
Average Lease SF/MO (NNN)	$1.05	na
Under Construction	248,651	na
Planned	192,165	na
R&D		
Total Square Feet	476,018	na
Vacant Square Feet	0	na
Percent Vacant	0.0%	na
New Construction	0	na
Net Absorption	4,583	na
Average Lease SF/MO (NNN)	n/a	na
Under Construction	51,040	na
Planned	0	na

Next Month: OFFICE

ABBREVIATION KEY

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

SOUTHERN NEVADA STATISTICS COMPILED BY APPLIED ANALYSIS.

NORTHERN NEVADA STATISTICS COMPILED BY ALLIANCE COMMERCIAL REAL ESTATE BROKERAGE.

Nevada's Infrastructure Hurting Quality of Life

The American Society of Civil Engineers (ASCE) Nevada Section recently released the 2007 Nevada Infrastructure Report Card assigning a cumulative grade of C to the state's roads, airports, drinking water systems and other essential public works. The 2007 Nevada Infrastructure Report Card assesses eight infrastructure categories. The grades range from a high of B-plus for wastewater systems to a low of D-minus for drinking water supply. To remedy the state's current looming problems, ASCE estimates an investment in excess of $5 billion will be needed over a five-year period from all levels of government and the private sector. From 1990 to 2003, Nevada experienced a 92 percent growth rate, distinguishing it as the fastest growing state in the nation.

TREC Investment Realty Unveils New Whole Property Program

TREC Investment Realty, providers of commercial real estate investment opportunities, recently announced a new option for investors called the Whole Property program. The program was created in response to a growing market demand for turn-key, sole-ownership property investments. It offers an alternative to TREC's 1031 exchange solutions for tenant in common (TIC) or co-ownership programs, which provides investors with a convenient method to own institutional grade commercial properties. The program is ideal for real estate investors and exchange buyers in search of well-located properties with stable cash flow.

Nevada State College Increasing Southern Nevada's Nursing Workforce

To combat Nevada's nursing shortage, the Nevada System of Higher Education (NSHE) has made it its mission to increase Southern Nevada's nursing enrollment. Nevada State College already enrolls 550 pre-nursing and nursing students in its undergraduate program. As of March 2004, Nevada employed 604 nurses for every 100,000 residents – only California's ratio was worse at 590 nurses per every 100,000 people – according to the U.S. Department of Health and Human Services. If this trend continues, the United States' nursing shortage is expected to grow to a 36 percent demand shortfall by 2020. NSHE officials are already implementing strategies to combat those projections and have seen a 176 percent increase in enrollment in its undergraduate nursing programs since its base year in 2000-2001.

The Shops in Desert Passage Become Miracle Mile Shops

The Shops in Desert Passage at the Aladdin recently began operating as Miracle Mile Shops. The designation, assigned in part to promote the 1.2 miles of retail space the mall covers, signals the center's transformation to a more urbanized space. The renovation and re-branding of the Aladdin Resort & Casino to the Planet Hollywood Resort & Casino will cost more than $1 billion. Gensler of Nevada, the Friedmutter Group and Studio B Design are the architecture firms. Flagship Construction Co. is the general contractor. The renovation is scheduled for completion in 2008.

Western Alliance and First Independent Merger Complete

Western Alliance Bancorporation recently announced the completion of its merger with First Independent Capital of Nevada. Privately held First Independent Capital owns First Independent Bank of Nevada. The Bank, which is headquartered in Reno, will retain its current name, management and board of directors. First Independent had assets of $428 million, deposits of $386 million, loans of $285 million and equity capital of $31.8 million as of December 31, 2006. To consummate the merger, Western Alliance issued approximately 2.5 million shares of its common stock and paid approximately $21.9 million in cash to First Independent shareholders.

Silver State Bancorp Files Registration for Public Offering

Silver State Bancorp recently announced that it has filed a registration statement with the Securities and Exchange Commission relating to the proposed initial offering of its common stock. All shares of the common stock are to be sold in the offering and will be offered by Silver State Bancorp. The company is seeking to raise net proceeds of approximately $80 million. Sandler O'Neill & Partners, L.P. will act as lead underwriter for the offering and Howe Barnes Hoefer & Arnett, will act as co-underwriter for the offering.

ARMSTRONG TEASDALE LLP

Law Firm Takes On High-Stakes, High-Litigation Cases with Extensive Experience, Knowledge and Resources

Grant Sawyer State Office Building

As Nevada, and Las Vegas in particular, has grown so rapidly over the previous two decades, so has its legal climate. With that comes high-stakes, high-litigation matters. Armstrong Teasdale, a law firm headquartered in St. Louis, Missouri, saw the legal climate changing and felt confident they had the attorneys and the resources to meet the ever-growing legal challenges Nevada is facing with this continued growth. What is the story behind the firm that is handling high-stakes, high-litigation cases that impact Nevadan businesses and citizens' tax dollars?

For more than a century, Armstrong Teasdale has offered sophisticated legal advice to clients. The firm's focus has always been providing legal solutions at the local level. To maintain this promise to clients, the firm has grown to include more than 265 attorneys, and eleven national and international offices, each one servicing clients locally. Armstrong Teasdale serves Nevada clients through its attorneys working locally in its Las Vegas and Reno offices.

The firm established a Nevada presence in 2005. Last year, the firm was joined by the attorneys of Senn Meulemans, a San Francisco-based law firm with a reputation for handling significant construction defect cases on the West Coast. The "marriage" further strengthened Armstrong Teasdale's commitment to serving the Nevada market.

"While Senn Meulemans already had a Reno office, Armstrong Teasdale wanted to solidify its presence in Nevada by adding to its team of attorneys based in the state. In addition, Armstrong Teasdale wanted to bring its experience, knowledge and resources especially as it relates to high-stakes, high-litigation cases," explained Richard G. Campbell, Jr., firm partner in the Reno office. "Both Armstrong Teasdale and Senn Meulemans already had strong construction defect departments, but the joining of the two firms bolstered their ability to serve clients in Nevada. The Grant Sawyer State Office Building is a great example. It's a case involving over $10 million in damages."

For nearly three years, Campbell and his team have worked on the construction defect case for the Grant Sawyer State Office Building in Las Vegas. The building allegedly has defective tile covering the building's exterior, creating life safety issues. Though the building is less than ten years old, a number of tiles have fallen off. The building has been covered with scaffolding while repairs have been made while workers within the building have been able to continue to work. Work is scheduled to end this summer, right when mediation is scheduled to begin. While resolving the case through an out-of-court settlement is the goal, the case will proceed to trial in January 2008 if a settlement is not reached.

With multiple offices and hundreds of attorneys, Armstrong Teasdale offers services in more than three-dozen practice areas. While the firm has the resources and expertise in virtually any business legal matter, there is nothing like having a presence locally when performing client work.

ARMSTRONG TEASDALE LLP

For more information about Armstrong Teasdale visit:

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Rebecca Wagner, Public Utilities Commissioner

What is being done to ensure Nevada has renewable energy resources?

Renewable Portfolio Standard

Nevada is blessed with abundant renewable energy resources – particularly solar and geothermal. Recognizing the potential for the development of these indigenous resources, state lawmakers enacted the first Renewable Portfolio Standard (RPS) a decade ago. After several years of modifying and improving the RPS, Nevada now has one of the most aggressive standards in the nation.

Under the RPS, Nevada Power Company and Sierra Pacific Power Company are required to purchase or acquire a certain percentage of renewable resources out of the total amount of energy supplied to their customers. Additionally, the RPS contains a provision that 5 percent of the requirement must come from solar energy. In 2005, the RPS was further modified to allow the utilities to utilize energy efficiency measures to help meet a portion of their portfolio. The utilities must achieve 20 percent of their total sales from renewable energy and energy efficiency measures by 2015.

Prior to the creation of the RPS, there were approximately 80 megawatts of geothermal power plants were operating in Northern Nevada. By 2009, that number is expected to more than double. While a large portion of renewable development is attributed to geothermal power plants, Nevada has two new utility-scale solar facilities that will begin commercial operations this year.

The Nevada Solar One facility is located in Boulder City. When completed, it will be the third largest solar power plant in the world. Nevada Solar One will be capable of generating 64 megawatts of electricity by heating tubes of liquid which run atop parabolic troughs. This project will produce enough electricity to power approximately 40,000 homes.

The Solar Star Nellis Air Force Base project also represents an impressive achievement in solar power generation for Nevada. The project consists of a single-axis-tracking photovoltaic array which will be capable of generating up to 18 megawatts of peak electricity.

In addition to utility-scale development of renewable resources, a number of programs have been designed to encourage individual customers to invest in renewable energy systems for their homes, businesses, public buildings and schools.

SolarGenerations is a project sponsored by the Nevada utilities which encourages the installation of photovoltaic systems on a small but broad scale. The program is designed for homes, businesses, public buildings and schools. Through a rebate program, customers are able to harness solar energy to reduce both the cost of electricity seen on monthly bills and the consumption of fossil fuels by the utilities.

Net metering is a system that allows those who contribute electricity to the grid from small generation systems to have their monthly power bills reduced according to their contributions to the grid. This system has been implemented by the Nevada Legislature in order to encourage the development of renewable generation systems on a small scale so that the financial benefits of clean energy generation can be had by those who directly contribute to the power grid.

The Green Power Program is a partnership between the Desert Research Institute and the utilities funded by utility customers who voluntarily add a few dollars to their utility bills each month. The program focuses on education as a vehicle for the development of renewables. This is accomplished by pairing the installation of photovoltaic solar systems on K-12 schools throughout Nevada with the education of the children who attend those schools about the systems.

With these projects and programs, it is clear that the shrewd foresight of Nevada's citizens to aggressively invest in clean, renewable energy early is paying off in terms of the benefits of renewable energy systems. With continued emphasis and investment in power generation using the clean resources at our disposal, Nevada's future will indeed be bright and clean.

The Game of Politics

Which Party Will Win?

In sports, a team is really only as good as it's bench – the players who don't start, but come in to fill key roles at crunch time, or who eventually become starters when veteran players retire or move on.

The same is true in politics. A political party, in any state, is only as strong as the quality of the members it has in down-ballot positions – offices that aren't the most important, but give a young or inexperienced politician time to learn the ropes and get prepared for higher, more prestigious offices.

The Democrats in Nevada took a huge step towards developing an effective farm team this past election year, when they nabbed the attorney general, secretary of state, treasurer and controller's offices. Any one of these offices could be an effective stepping stone in the future for any office, from governor to U.S. Congress to U.S. Senate.

In addition, the Nevada assembly speaker and majority leader positions are held by younger Democrats who could easily vie for statewide offices in the future. In local government, the head of the powerful Clark County Commission is also a Democrat and has a very influential father, who happens to be one of the most powerful men in the entire country.

Does this mean the Republican Party in Nevada should close shop and concede the future to the more powerful Democratic leaders? Of course not. The GOP has many bright young stars who could fill important political positions, including the seat a heartbeat away from the governor's office – the lieutenant governor. However, Republicans might have to move up another step to be as well-positioned as their Democratic counterparts.

Winning a statewide race and having your name in front of the entire voting population in Nevada creates an important advantage. Descent name identification means that candidates don't have to spend as much of their political war chest to gain recognition. They can concentrate on the message – the reason voters should choose them over their competition.

For example, a state senator who typically represents a district of perhaps 50,000 voters, might have a harder time challenging an attorney general, whose name is already familiar to Nevada voters. A significant amount of the senator's early campaign funds will have to be spent educating voters and letting them know the senator's name and record. The attorney general will not have to waste that initial money, and can go right to the issues.

Obviously other factors can change that dynamic, including scandals, ethical transgressions or any negative factors that can give the candidate with less name identification a fighting chance. And that chance might be further improved if the opponent receives negative press from the free media (television, newspapers and radio). The saying, "any PR is good PR," is not always true in politics. If candidate's name is in the paper daily because he or she broke ethics laws, that kind of negative name identity will not be helpful in a political campaign.

So while Democrats appear to have a distinct advantage as we look to future statewide races, the Republicans will have to be smarter and more aggressive in order to win back seats or make a significant political statement in Nevada politics.

Michael Sullivan is president of Knight Consulting, a Nevada government affairs firm.

Allison Knott, founder of Horses for Heroes, carries the flag during its kick-off in November.

Horses for Heroes, Inc.

Befriending Children of War

Founded by Southern Nevada teen Allison Knott, an equestrian, Horses for Heroes, Inc. introduces the wonder and love of horses and horseback riding to the children of the men and women in our community who do so much for us every day … police officers, firemen, active duty military, special needs teachers, hospice nurses and other heroes within our communities.

With the help of family and friends, Allison began laying the groundwork for Horses for Heroes by encouraging friends in the horse community to offer deeply discounted lessons, day-long horse camps and clinics for the children of these heroes. Children ages five to 15 are welcomed into the program regardless of their parents' ability to pay. Fees and scheduling for lessons, clinics and camps can differ from barn to barn.

Recently, Horses for Heroes received an anonymous email. The sender writes: "Children that have parents deployed might need a friend. There are some good friends and there are bad friends, but the best friend in the world is a horse. Horses can listen to you and really make you happy if you are down. Some kids may have a hole in their heart where the parents are and the horse could fill that hole with the horse's love."

"For those parents who are deployed, they might not worry about their kids because they are so worried about getting killed or if they are being taken care of. For the parents that worry about their kids, this organization may help. They will know that their kids are enjoying themselves and maybe aren't thinking about the war and the welfare of their parents. Since they are worrying less about their kids it will help them fight better and give them a better chance at staying alive. Now, Horses for Heroes is helping protect our country."

By agreeing to participate in Horses for Heroes, barn owners, trainers or riding instructors, agree to offer private, semi-private or group lessons at a price well below the cost of a beginner's lesson.

To introduce new Horses for Heroes riders, member barns are asked to hold a play day or mini-camp as an orientation session. Lessons – private, semi-private or group – can be arranged from those who attend a session and expressed sufficient interest in taking lessons. Sponsors may underwrite the costs of these camps.

As an additional community service, Horses for Heroes recommends that the barn owner and/or trainer use experienced teenage volunteers, when practical, to assist with the program. Many school programs, churches, clubs and colleges encourage and/or require community service hours. Horses for Heroes provides an avenue for young riders to do their community service work at the barn, without sacrificing their time and love for their horses. Student volunteers help by brushing and saddling the horses, warming them up, assisting with lessons, cooling down and unsaddling.

Since its founding Horses for Heroes has worked with Southern Nevada police forces, firefighters, school district and Nellis AFB toward the goal of offering discounted lessons. In addition, Horses for Heroes continues to meet with barns, trainers and riding stables in Las Vegas to create a network of participating equestrian facilities.

While the program was launched in Las Vegas, Horses for Heroes plans to expand its network to include barns and equestrian training facilities across the country. The organization will work closely with AQHA, APHA, PtHA, and other national horse associations and their youth groups.

As a not-for-profit organization Horses for Heroes, Inc. can accept donations of feed, tack, helmets and horses, as well as cash donations. Eventually, the organization hopes to be in a position to accept the donation of "school" horses for its programs.

For more information on Horses for Heroes call The Diamond K Ranch, which has donated office space, or The PR Group, a Las Vegas-based public relations firm, which is donating its services to the organization at 702-646-8470.

Blogging for Business

Why should businesses care about blogs?

There has been a lot of talk about blogs lately. Politicians and businesses alike are entering the blogosphere at a surprising rate. Why? Currently, more than 57 million American adults read blogs. For many years, the blog – a term coined by contracting "web log" – was conduit for personal expression by individuals who opened on a wide range of topics. Blogs did not appear to offer real application for business. This popular misconception has since been discredited. Blogs are in fact, websites. They are hosted on a server, built on the same programming languages, and most importantly, indexed by major search engines like Google and Yahoo. The significant difference is that blogs give businesses a personal voice, and can be built and launched for far less money than it takes to build a website.

The Power of Search

Internet penetration has now reached 73 percent of all American adults, according to Pew Internet, which is an authoritative source on the evolution of the Internet. Internet users search for products and services by entering specific keywords into search engines. These keywords produce immediate results that introduce users to many different companies vying for business.

Search Engine Optimization

Search engines place a significant amount of importance upon fresh, keyword-rich content, and the more relevant the content that businesses put online, the better. Blogging software helps publish this information easily and frequently. Search engines also create value through their capacity to link. Companies will find online conversations based around what their company has to offer. One blogger links to another blogger because he or she finds value in what the other has to say. This progress continues until multiple bloggers and websites are linked back to the original creator of that content.

Differentiation and Demonstration of Expertise

Consider for a moment that a potential customer is shopping online for a particular product or service. The customer types in specific keywords and several competitors appear in the search results. By clicking through the websites, potential customers can analyze products and services offered, as well as price, benefits and presentation. They repeatedly return to the search results to compare one competitor's products against the others listed. After a few more click-throughs, the potential customer has likely been unable to find any distinguishing differences.

But then, they find your company's blog, which demonstrates a personality with a voice and a willingness to share information to further empower customers to make the right decision about what they want to buy. Instead of representing an impenetrable and impersonal corporation with no direct connection with its customers, your company is viewed as a personable and interactive business that actively seeks to engage customers.

Bringing Businesses and Customers Together

Blogs not only help with search engine optimization and differentiation from competitors, they also offer a way for companies to better understand their customers. Blogs are a chance to establish ongoing dialogues with customers, and receive useful feedback that empowers a business to continually improve.

Blogging requires a time commitment, and is not for everyone. Blogging offers a powerful tool for attracting new business, creating loyal customers, and developing a deeper understanding of what can make your company even more successful.

Robert Payne is the marketing manager for Twelve Horses, a marketing and messaging company in Reno.

Here's to You Mrs. Robinson:

Global Trade is the New "Plastics"

"I have one word for you – plastics," was the advice given young Benjamin Braddock in the classic film The Graduate. Some forty years later, the advice should be "global trade."

The Nevada Commission on Economic Development (NCED) is your global trade partner. The agency's Global Trade and Investment Office assists Nevada businesses to begin or expand trade activities in international markets and attracts foreign direct investment (FDI) to the state.

According to data just released by the U.S. Department of Commerce, exports from Nevada in 2006 reached a record $5.49 billion, marking the fifth consecutive year of record export growth for the Silver State. NCED's Global Trade Office provides export readiness seminars and conducts trade missions to assist Nevada's companies to expand their marketplace.

The largest category of export products for Nevada is precious metals, primarily gold. The next six largest product categories are: electric machinery, toys, games, sporting equipment, industrial machinery and ores.

The state's top three export markets, Switzerland, Canada and Greater China (including Hong Kong and Macau), showed increases of 46 percent, 24 percent and 58 percent respectively, Japan and Mexico round out Nevada's top five export markets.

The agency has an innovative International Trade Representative Program available to consult with business owners considering branching into global trade. Trade representatives help locate new markets for the products of resident companies and advise Nevadans of business opportunities in other countries. Their goal is to match interested parties with promising pportunities.

This award-winning program provides international representation for Nevada without incurring the associated major expenses of traditional trade offices. Presently, Nevada has representation in the following nations and/or areas: Italy, Great Britain, Mexico, Japan, China – Beijing, China – Hong Kong and Singapore. NCED conducts extensive background investigations for the best assurances possible that, in each case, the trade representatives are credible.

During the week of May 23, 2007, several of NCED's trade representatives will be holding meetings in Las Vegas and Reno to discuss ways make their efforts more productive. The timing of this series of meetings will also provide an opportunity for Nevada businesses to meet with these representatives and gather insights and information related to FDI and international trade.

FDI is an under-utilized business development tool. People immediately think of investing overseas for the cost-efficient production of a product. We like to think in terms of reversing the revenue flow by directing foreign investment to the U.S, and more specifically, Nevada, to grow and diversify the state's business opportunities.

NCED also houses the Office of Diplomatic Relations and Protocol to help Nevada businesses gain an edge in the global marketplace by providing an awareness of the social, political and cultural aspects of doing business in a foreign country. Nevada has one of the fastest growing Consular Corps with 19 countries appointing Honorary Consuls to Nevada. Like the trade representatives, the Honorary Consuls lead trade delegations and facilitate business meetings between local companies and foreign dignitaries.

Companies or individuals looking for information or assistance attracting FDI or doing business abroad should contact the Nevada Commission on Economic Development at (800) 336-1600 or visit the website *www.expand2Nevada.com.*

Tim Rubald is the executive director of the Nevada Commission on Economic Development, a state agency.

Rising Healthcare Costs

Hurting Pockets of Businesses and Individuals

The business community is up against the wall. Predictions are that the average Fortune 500 Company will spend as much on employee healthcare benefits as it makes in profits by 2008. General Motors (GM) already spends more on healthcare than it spends on steel. We're losing our edge to global competitors in countries with lower costs and universal healthcare services.

GM's story is instructive. In testimony before the U.S. Senate Special Committee on Aging this past July, Richard Wagoner, chairman and CEO of General Motors, stated that GM spent $5.3 billion for employee healthcare coverage in 2005. And it's not just GM. In a business roundtable survey of member CEOs, 58 percent cited rising healthcare costs as the greatest pressure point for their businesses.

Small businesses are also feeling the pinch. While premiums rose 7 percent between 2005 and 2006 in firms with more than 200 employees, they jumped 8.8 percent across firms with fewer than 200 workers. The share of small employers offering health insurance to their workers fell to 60 percent from 68 percent between 2000 and 2006. Among the smallest employers, the offer rate is even lower, 48 percent in firms with three to nine workers.

Americans spent nearly $2 trillion on healthcare last year – more than $6,000 for every man, woman and child. That's far more than any other industrialized country, and costs continue to grow at more than twice the general inflation rate. Yet, we rank well behind other advanced societies in life expectancy and infant mortality.

Today, an alarming number of Americans are unable to afford health insurance – not just the poor, but the middle-class is increasingly affected, as well as premiums, deductibles and co-pays continue to climb, so too, swell the ranks of the uninsured. Too many have trouble paying their medical bills; too many have gone bankrupt trying; and, consequently, too many skip needed treatment, tests or prescriptions.

The American Association of Retired Persons (AARP) believes that affordable, high-quality healthcare should be available to all Americans. Our nation must find a way to improve the quality of care, excise wasteful practices, and focus its resources where they are most effective in order to provide value for each healthcare dollar.

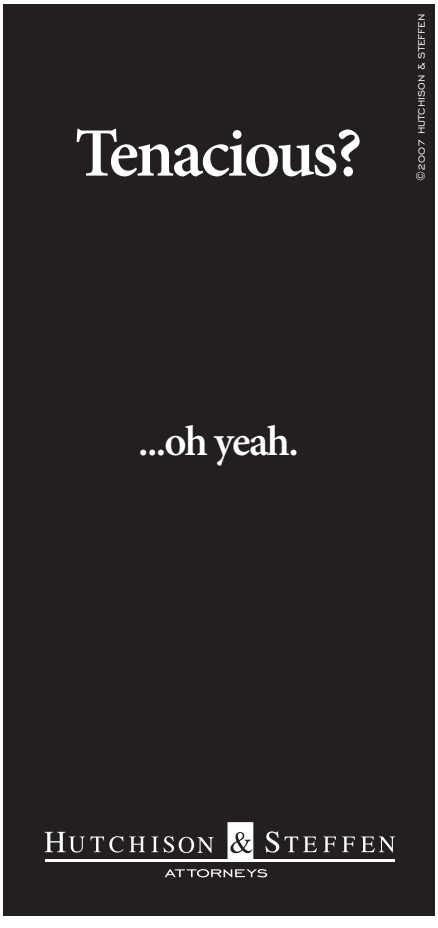
America is reaching its tipping point. Businesses, workers and retirees are worried about the growing cost of healthcare. People are concerned about the future for their children and grandchildren. It's not too late to turn the tide, if we begin addressing these issues now. AARP has launched the most ambitious campaign in the organization's history called, "Divided We Fail," because accomplishing the goal of affordable quality healthcare and financial security for all will require the efforts of everyone.

AARP is building a strong network of coalitions to help spread the word and reach unprecedented numbers of people. Getting there is going to take the concerted efforts of every sector – health, business, government and individuals, too. AARP will be engaging its members and the public to press for change. The organization will put pressure on candidates to make health and financial security the top domestic issues in 2008. To achieve this, AARP has joined forces with businesses and labor unions, and will add a broad spectrum of other groups to see this through.

Americans have an enormous opportunity to compel the nation's leaders to work out commonsense, bipartisan solutions so that everyone has access to affordable quality healthcare.

For more information about AARP's lobbying efforts on this and other issues, visit *www.dividedwefail.org.*

Carla Sloan is the Nevada State Director of AARP.



Choosing a Private Wealth Manager:
Where to Start

In an economy such as the one Nevada has enjoyed for more than two decades, local individuals have accumulated large amounts of personal wealth and continue to accumulate even more. Now, Nevadans are looking to professionals to help them preserve and cultivate that wealth.

The process of selecting an individual to manage your wealth should be given careful thought and consideration. Your wealth manager will be assisting you in making decisions that not only affect you, but your family, your future generations and any philanthropic measures you wish to carry on. Therefore, it is important to know what to look for when hiring someone to manage your wealth.

A common misconception is that private wealth managers handle the same responsibilities as financial advisors. In reality, private wealth managers provide more comprehensive and highly customized services to high-net-worth individuals.

Private wealth managers do not focus solely on one aspect of the financial scope, such as mutual funds, but look at clients' visions as a whole and create a process that takes into account the entire financial picture and how best to meet those goals. These practices may encapsulate a variety of measures including asset allocation and diversification, tax efficiency, estate planning, family offices and charitable gift-giving.

People who hire private wealth managers are generally those who have already accumulated their capital, such as successful business owners and individuals with large inheritances. The minimum requirement when hiring a wealth manager is often $1 million, because the main goal is not to make someone rich but to plan for the future.

In Nevada, only a handful of companies specialize in private wealth management. Once you are in the market for a private wealth manager, thoroughly examine and weigh all aspects of any potential manager to ensure you meet your best match – the company and/or individual who best understands your situation and is able to meet your financial goals. Here are some tips to keep in mind when hiring a private wealth manager.

Track Record

The person you choose to manage your personal wealth must possess an extensive education and employment background in this type of work. Furthermore, the company he/she works for must be specialized in private wealth management, preferably over a lengthy period of time. Make sure the private wealth manager you ultimately choose has a long and reputable track record, and can prove his/her capabilities.

Compliant with Company Philosophy

The individual who will handle your account should agree with his/her company's overall investment performance and philosophy. This philosophical investment outlook should also agree with your own, as you must be comfortable with and trust your manager's abilities.

Formal Education

Not all private wealth managers have the same educational background. Some have master's degrees in business administration and some are chartered financial analysts and/or certified public accountants.

Talk to the Decision-Maker

Be aware that the person with whom you initially speak may be a salesperson. Ask whether this individual will be making key decisions on your behalf. Before choosing a company to manage your capital, make sure you have face time with the final decision-maker for your account.

Payment Setup

A legitimate private wealth management company only earns revenue from fees, not products, and does not outsource services.

The most important thing to remember when hiring a private wealth manager is to find an individual in whose ability, integrity and clarity you can trust to keep your financial goals in focus.

Ted Schlazer is first vice president and managing director for Mellon's Private Wealth Management group in Southern Nevada.

Are You Developing Your Employees ...

... *or Hoping for the Best?*

The older baby boomers are retiring and the younger ones are next in line. Many organizations have found they aren't prepared for the accompanying loss of technical knowledge, job skills and abilities. In many cases, the reasons why many decisions were made the way they were, may only be found between the ears of these departing, or soon-to-be-departing employees. Organizations are also finding that a significant number of their leaders and key employees are baby boomers who could retire now or within the next five years.

The challenge facing employers is to create and implement a process by which knowledge and job skills are developed in employees on an ongoing basis to ensure that the existing staff is always capable of performing the organization's critical tasks. The answer to this dilemma is to create a staffing plan which allows an organization to identify career-track plans. These career-track plans can help the organization and its employees identify the knowledge, skills and abilities that need to be mastered to be considered for a specific position. A good career track identifies the technical skills and knowledge an individual lacks, as well as the educational requirements and people skills that the individual must develop to be successful. Like a good road map, the career-track plan gives the individual and the organization an overview of the rate of progression for each employee. This progression allows the organization to project a group of individuals' readiness to move into their next position. This readiness report allows the organization to make more logical transfers and work assignments as part of an employee's development.

Career-track plans play a significant role in boosting morale, and aid in reducing turnover as it shows which individual employees have a future with the organization. The career-track plan also can create a win-win relationship in that it places a large part of individual development in the hands of the employee. The organization should recognize its part in providing growth opportunities to meet an individual's career plan by allowing job transfers or rotation as needed, and to provide employees the opportunity to gain the knowledge, skills and abilities required to accomplish career needs.

One caveat in the development of career-track plans is that the leadership of the organization must provide honest and timely feedback to employees regarding their progress and the ultimate likelihood of promotion. If employees see others who are pursuing their career-track plans and being promoted, the process will typically be considered viable. If, however, people not in the career track are promoted, or the organization continues to hire from outside the firm when internal candidates are perceived to be qualified, the career-track process will likely lose credibility.

Mark Keays is president of Desert Management Services, a Las Vegas-based management consulting firm and a faculty member of the University of Phoenix.

NAIOP Spotlight Award Winners Announced

The Southern Nevada Chapter of NAIOP held its 10th annual Spotlight Awards on Saturday, March 24th at Red Rock Resort – Spa – Casino. Chapter President Tony Dazzio joined Gov. Jim Gibbons in hosting the event, which brought together 800 professionals from the commercial real estate industry to celebrate the best commercial real estate projects and industry professionals of 2006 including:

- **Office Building of the Year:** Marnell Corporate Center – MCC-4, developed by Marnell Properties, designed by Marnell Architecture and built by Carson Taylor Construction Company.

- **Industrial Building of the Year:** Southeast Loft District, developed by Familian of Nevada, Inc., designed by C2G Architecture Design Construction and built by Familian Development Group.

- **Special Purpose Industrial:** G&K Services, developed by Larry Baker, designed by Lee & Sakahara Architects AIA, Inc. and built by Martin - Harris Construction.

- **Special Purpose Office:** The Stanley P. Jones Building, Southern Nevada Regional Headquarters for the Department of Employment, Training & Rehabilitation, developed by the State of Nevada Department of Employment, Training & Rehabilitation, designed by Dekker Perich Sabatini and built by Roche Constructors, Inc.

- **Industrial Building Incubator/Flex:** Southeast Loft District, developed by Familian of Nevada, Inc., designed by C2G Architecture Design Construction and built by Familian Development Group.

- **Industrial Building Mid Bay/Distribution:** Decatur Crossing, Phase II, Building 3, developed by LaPour, designed by HFTA/KKE Architects and built by TWC Construction.

- **Common Area Design:** Corporate Gateway II, Beltway Business Park, developed by Thomas & Mack Development Group, designed by Cleo Design and built by Martin - Harris Construction.

- **Office Interiors:** Burrwhip Place, developed by GRG Inc., designed by Parker Scaggiari and built by GRG Inc.

- **Office/Warehouse Interiors:** Konami Gaming, developed by Stoltz Management, designed by JMA and built by Martin – Harris Construction.

Corporate Gateway II

Southeast Loft District

Decatur Crossing

Sunset Parkway Business Center

Center for Maternal Fetal Medicine

Northport Business Center

The Park at Spanish Ridge

The Park at Spanish Ridge Building 10

2550 Nature Park Drive at Aliante Corporate Center

• **Medical Office Building:** Center for Maternal Fetal Medicine, developed by Dr. Iriye, designed by Carpenter Sellers Architects and built by Breslin Builders.

• **Office Building – Single Story:** The Park at Spanish Ridge Building 10, developed by Glen, Smith & Glen Development, designed by Perkowitz & Ruth Architects and built by SR Construction.

• **Office Building – Two Story:** 2550 Nature Park Drive at Aliante Corporate Center, developed by American Nevada Company, designed by JMA and built by The Korte Company.

• **Office Building – Three Story-plus:** Marnell Corporate Center – MCC-4, developed by Marnell Properties, designed by Marnell Architecture and built by Carson Taylor Construction Company.

• **Small Industrial Building Park:** Northeast Crossing Commerce Center – Phase 1, developed by Jackson-Shaw Company, designed by DHA Architects and built by LM Construction Company.

• **Large Industrial Business Park:** Sunset Parkway Business Center, developed by Majestic Realty Co., designed by Commerce Construction and built by Commerce Construction.

• **Master Planned Office/Flex Park:** Northport Business Center, developed designed and built by the Jackson-Shaw Company.

• **Small Building Office Park:** Oquendo Business Park, developed by S&S Unlimited, designed by Perlman Design Group and built by Desert West Development.

• **Multiple Use Business Park:** The Park at Spanish Ridge, developed by Glen, Smith & Glen Development, designed by Perkowitz & Ruth Architects and built by SR Construction.

INDIVIDUAL AWARDS

Principal Member of the Year: Ralph Murphy, Jackson-Shaw Company Associate Member of the Year: Kyle Nagy, CommCap Advisors received the

Lifetime Achievement: Tim Snow and Rick Myers, Thomas & Mack Development Group

Office Broker of the Year: Charles W. Witters, SIOR, Lee & Associates

Industrial Broker of the Year: Dan Doherty, SIOR, Colliers International – Las Vegas

Brokerage Office Team of the Year: LaGrange Partners, Colliers International – Las Vegas

Brokerage Industrial Team of the Year: Higgins Team, Voit Commercial Brokerage

INDUSTRY AWARDS

Trendsetter Firm of the Year: The Molasky Group of Companies

Firm of the Year: Beltway Business Park, LLC, JMA, Martin-Harris Construction, WRG Design, Inc. and Colliers International – Las Vegas

Marnell Corporate Center

Burrwhip Place

Konami Gaming

Oquendo Business Park

Northeast Crossing Commerce Center

G&K Services

The Stanley P. Jones Building

Summit Award Winners Announced

Hosted by Certified Commercial Investment Members (CCIM), Commercial Real Estate Women (CREW), and the National Association of Industrial and Office Properties (NAIOP), the 2ndAnnual Summit Awards was held April 14th at the Peppermill Hotel Casino in Reno. More than 300 real estate professionals gathered to honor distinguished commercial agents, brokers, property managers, developers and projects in Northern Nevada.

• **Best Industrial Building (more than 100,000 square feet):** Lear 200 in the Lear Industrial Center, developed by Panattoni Development Company, designed by BJG | Architecture + Engineering and built by Panattoni Construction.
• **Best Industrial Building Flex (less than 100,000 square feet):** Glendale Properties, LLC – 2205 Glendale Ave., developed by Glendale Properties, LLC and built by Pinecrest Construction.
• **Best One-Story Office Building:** - Vineyards Professional Campus, developed by Tanamera Commercial Development, designed by Lee & Sakahara Architects and built by Tanamera.
• **Best Multi-Story Office Building:** Mt. Adams Building, developed by Trammell Crow Company and built by Trammell Crow Construction.
• **Best Retail Project (anchored):** McQueen Crossing, developed by Wall Street Properties Company.
• **Best Retail Project (non-anchored):** Virginia Street Plaza, developed by Fite Development Company
• **Best Renovation/Remodel:** The Atrium, developed by Atrium Partners, LLC, designed by Ken Bartlett and built by Shaver Construction.

INDIVIDUAL AWARDS

• **Office Broker of the Year:** Tim R. Ruffin, Colliers International Partnership
• **Retail Broker of the Year:** Chris Waizmann, CB Richard Ellis received Investment Broker of Year: Aiman Noursoultanova, CB Richard Ellis
• **Industrial Broker of the Year:** Paul Perkins, J. Michael Hoeck and Dave Simonsen, Alliance Commercial Real Estate
• **Largest Lease Transaction Broker of the Year:** Matt Riecken, Trammell Crow; Don Welsh, Grubb & Ellis; Annemarie Huisman, CB Richard Ellis
• **Largest Sale Transaction Broker of the Year:** Bruce Robertson, Sperry Van Ness
• **Land Broker of the Year:** Mark Krueger, Grubb & Ellis
• **Generalist Broker of the Year:** Frank Gallagher, NAI Gallagher Commerical
• **Apartment Broker of the Year:** Leonard Ramos, CB Richard Ellis
• **Rookie Broker of the Year:** Dylan Mattole, Marcus & Millichap
• **Lifetime Achievement:** Preston Q. Hale, Hale, Day, Gallagher
• **Extra Mile:** Kendra Kolvet, Alliance Commercial Real Estate Services
• **Property Manager of the Year:** Cheryl Evans, Coldwell Banker Commercial Premier Brokers
• **Crew Ambassador of the Year:** Deborah Sasz-Vonarx.
• **Largest Sale Transaction Broker of the Year:** Bruce Robertson, advisor, Sperry Van Ness.
• **Lifetime Achievement:** Preston Q. Hale, founder & partner, Hale, Day, Gallagher
• **Extra Mile Award:** Kendra Kolvet, marketing specialist, Alliance Commercial Real Estate Services
• **Property Manager of the Year:** Cheryl Evans, CPM, Coldwell Banker Commercial Premier Brokers
• **CREW Ambassador of the Year:** Deborah Sasz-Vonarx

McQueen Crossing

The Atrium

Mt. Adams Building

Virginia Street Plaza

2205 Glendale Ave

Vineyards Professional Campus

Lear Industrial Center,

Get connected. Join the Chamber.

Unlimited networking opportunities. Access to an affordable health insurance plan. Exclusive member discount programs. Unmatched credibility and integrity. Over 7000 members strong with a diverse membership base.

The Las Vegas Chamber of Commerce is the largest business organization in the state.

Las Vegas Chamber of Commerce

Contact Membership Sales at 702.735.2718
or visit *www.lvchamber.com/join*

BUSINESS INDICATORS

Some softening is apparent for Las Vegas and Reno in the recent indicators, though overall conditions remain favorable. The number of jobs is down for January 2007 in both Las Vegas and Reno, 1.3 and 2.8 percents, respectively. Job growth for January 2007 is up by more than 3 percent, however.

Still unemployment rates remain below 5 percent. These rates are 4.7 for Las Vegas and 5.0 for Reno. In comparison, the U.S. unemployment rate holds at 4.5 percent. Since Nevada rates have been below the U.S. rate for sometime, it remains too early to conclude that there is a structural shift underway--it is simply too early. Anecdotal evidence, however, suggests otherwise, as overall conditions remain favorable in the Silver State.

Most likely, the recent shift to slower job growth in Nevada can be largely attributed to marked declines in new-home construction. New-home permitting is down sharply since midyear 2006. Permitting was down 56.1 percent for Las Vegas and 47.4 percent for Reno, measured for February on a seasonally adjusted basis. Clearly, housing imbalances in the Silver State are being corrected.

Spending activity continues in Nevada at a high level, though month-to-month changes remain small. Gaming revenue is off slightly and taxable sales are up slightly. The substantial adjustments underway in the Nevada residential-construction market have not been a big drag on other sectors of the economy. Similar adjustments are underway elsewhere in the U.S. In some regions, however, conditions are decidedly weaker than in Nevada, for example, in states where housing and manufacturing are both down. Still, the likelihood of a national downturn remains markedly less than the likelihood of continued growth, even if at slower rates than recently experienced.

R. Keith Schwer
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	UNITS	DATES	DATA LATEST	DATA PREVIOUS	DATA YEAR AGO	GROWTH RECENT	GROWTH YEAR AGO	COMMENTS
NEVADA						(%)	(%)	
Employment	1,000 employees	01/07	1,285.9	1,307.4	1,239.7	-1.6	3.7	Down Recent
Unemployment Rate	%, NSA	01/07	4.9	4.2	4.1	16.7	19.5	Favorable
Taxable Sales	$ billion	12/06	4.698	3.892	4.656	20.7	0.9	Up Slightly
Gaming Revenue	$ million	01/07	1,117.05	1,062.75	1,140.82	5.1	-2.1	Down Slightly
Passengers	passengers	01/07	4.099	4.223	3.928	-2.9	4.4	Up, Year Ago
Gasoline Sales	million gallons	12/06	98.16	93.47	87.83	5.0	11.8	Good December
Visitor Volume	million visitors	01/07	4.095	3.939	4.158	4.0	-1.5	Down Slightly
CLARK COUNTY						(%)	(%)	
Employment	1,000 employees	01/07	924.9	937.1	891.4	-1.3	3.8	Down Recent
Unemployment Rate	%, NSA	01/07	4.7	4.2	3.9	11.9	20.5	Favorable
Taxable Sales	$ billion	12/06	3.406	2.811	3.434	21.2	-0.8	Down Slightly
Gaming Revenue	$ million	01/07	967.78	908.63	987.36	6.5	-2.0	Down Slightly
Residential Permits	units permitted	02/07	1,324	1,356	3,015	-2.4	-56.1	Housing Rebalance
Commercial Permits	permits	02/07	91	75	113	21.3	-19.5	Down
Passengers	million persons	01/07	3.698	3.823	3.508	-3.3	5.4	Good January
Gasoline Sales	million gallons	12/06	67.41	65.35	58.44	3.2	15.3	Good December
Visitor Volume	million visitors	01/07	3.546	3.380	3.585	4.9	-1.1	Down Slightly
WASHOE COUNTY						(%)	(%)	
Employment	1,000 employees	01/07	222.4	228.8	214.8	-2.8	3.5	Down Recent
Unemployment Rate	%, NSA	01/07	5.0	3.9	4.5	28.2	11.1	Favorable
Taxable Sales	$ billion	12/06	0.719	0.550	0.712	30.6	0.9	Up Slightly
Gaming Revenue	$ million	01/07	72.85	83.10	77.77	-12.3	-6.3	Down
Residential Permits	units permitted	02/07	179	97	340	84.5	-47.4	Housing Rebalance
Commercial Permits	permits	02/07	15	30	38	-50.0	-60.5	Down
Passengers	million persons	01/07	0.396	0.395	0.410	0.1	-3.4	Down
Gasoline Sales	million gallons	12/06	16.20	14.19	16.00	14.2	1.2	Up Slightly
Visitor Volume	million visitors	01/07	0.355	0.372	0.375	-4.7	-5.3	Down
UNITED STATES						(%)	(%)	
Employment	million, SA	02/07	137.410	137.313	135.410	0.1	1.5	Growth
Unemployment Rate	%, SA	02/07	4.5	4.6	4.8	-2.2	-6.3	Favorable
Consumer Price Index	82-84=100, NSA	02/07	203.5	202.4	198.7	0.5	2.4	Okay
Core CPI	82-84=100, NSA	02/07	209.1	208.0	203.6	0.5	2.7	Okay
Employment Cost Index	89.06=100, SA	4Q06	103.2	102.5	100.1	0.7	3.1	Up
Productivity Index	92=100, SA	4Q06	138.0	137.6	136.1	0.2	1.4	Okay
Retail Sales Growth	$ billion, SA	02/07	370.495	370.169	358.675	0.1	3.3	Up
Auto and Truck Sales	million, SA	02/07	16.57	16.68	16.57	-0.7	0.0	Flat
Housing Starts	million, SA	01/07	1.408	1.642	2.265	-14.3	-37.8	Housing Rebalance
GDP Growth	$ billion, SA	4Q06	11,506.5	11,443.5	11,163.8	0.5	3.1	Growing
U.S. Dollar	97.01=100	02/07	107.230	107.590	110.260	-0.3	-2.7	Down
Trade Balance	$ billion, SA	01/07	-59.118	-61.453	-66.470	-3.8	-11.1	Weak
S&P 500	monthly close	02/07	1,406.82	1,438.24	1,280.66	-2.2	9.9	Up, Year Ago
Real Short-Term Rates	%, NSA	02/07	4.49	4.67	4.23	-3.9	6.1	Up, Year Ago
Treasury Yield Spread	%, NSA	02/07	-0.44	-0.35	0.03	25.7	-1566.7	Remains Negative

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.

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