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HEALTHCARE CHECKUP

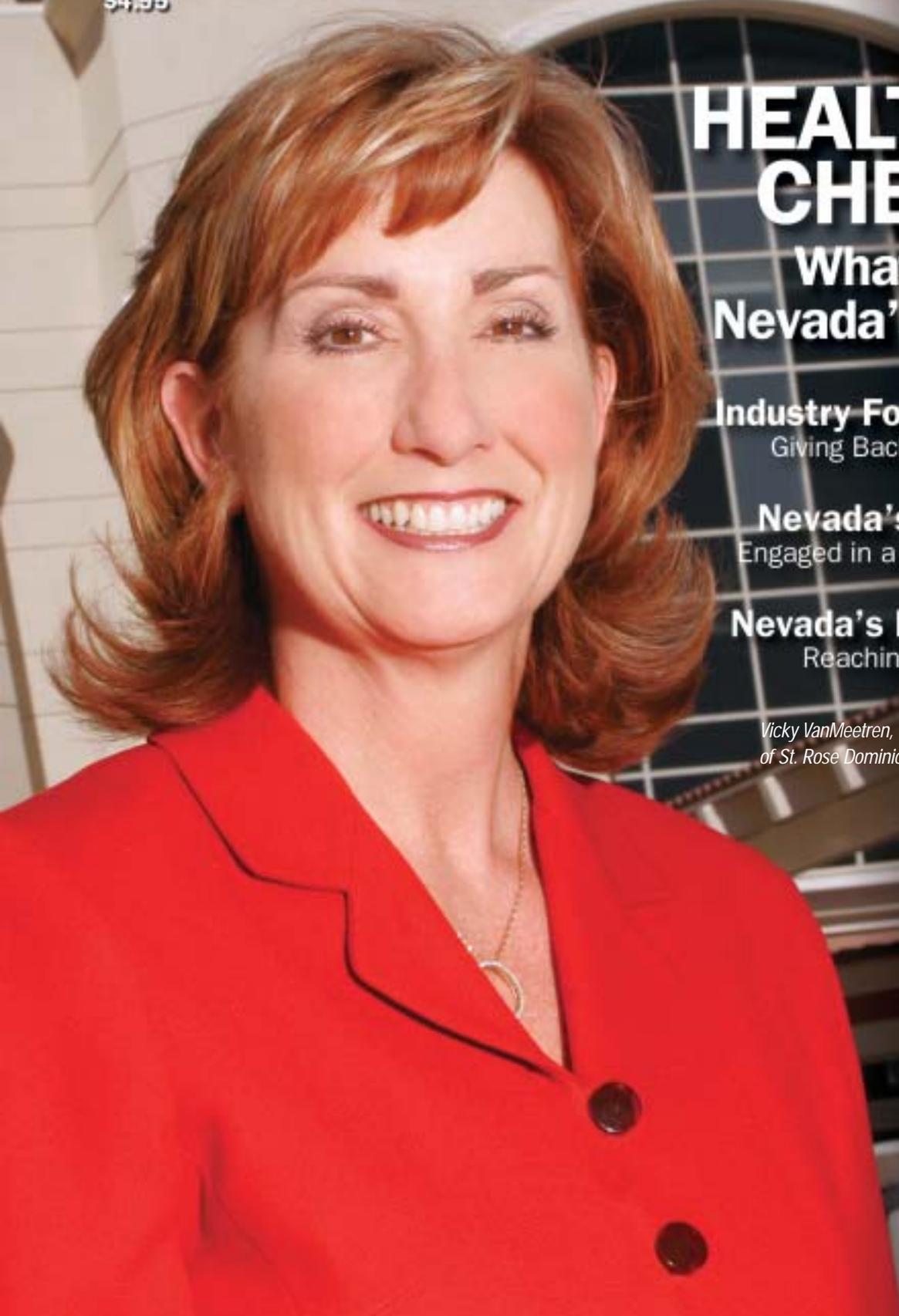
What's Ailing
Nevada's Hospitals?

Industry Focus: Philanthropy
Giving Back to the Community

Nevada's Credit Unions
Engaged in a Delicate Balancing Act

Nevada's High-Rise Market
Reaching Sky-High Levels

*Vicky VanMeetren, CEO of the San Martín campus
of St. Rose Dominican Hospitals*



CREDIT UNIONS

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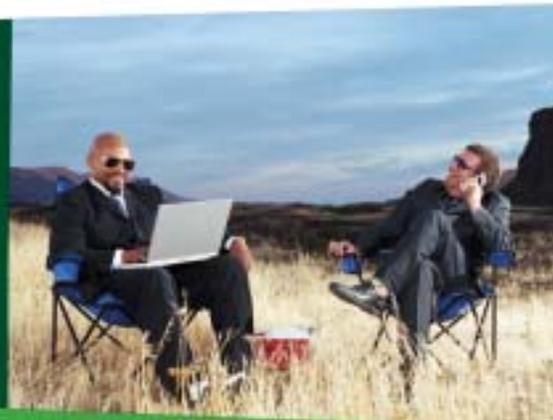
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COMMENTARY



LYLE E. BRENNAN
Publisher



Doing Business in Nevada? www.nbj.com is Critical

If you haven't visited our website in the last month, now is the perfect time to log on. We have just finished a complete redesign of www.nbj.com. It's easier to navigate and jam-packed with historical data, all in a format that can be easily searched. The website offers many opportunities to promote your business – many of them at no charge.

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However, we realize that bigger is not necessarily better. A small company may be able to outperform its

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Nevada's Choice will highlight the top vote-getters for each type of business: Best Bank, Best Private Golf Course, Best Public Relations Firm, etc. Which companies will do the best job promoting themselves? Which companies inspire loyalty, not only from their employees, but also from their clients? Who will receive the most votes? We challenge you to join in, not only by encouraging votes for your company and your clients, but also by taking the time to fill out your choices in the categories that matter most to you.

Each month, our editorial department receives hundreds of press

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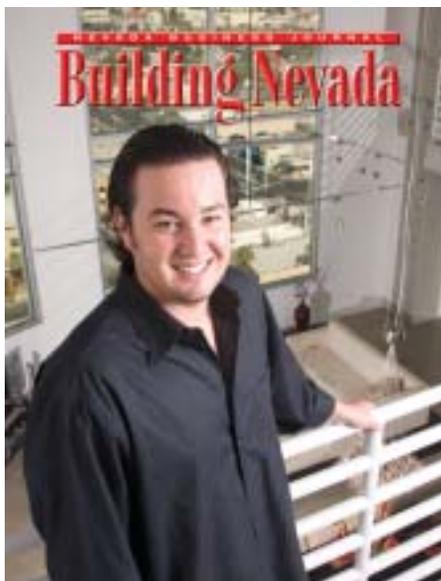
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Vicky VanMeetren is the CEO of Nevada's newest hospital, the San Martín campus of St. Rose Dominican Hospitals. Our cover story features the challenges faced by Nevada hospital CEOs as they try to keep up with growth and maintain a healthy bottom line.



The high-rise market is booming in both ends of the Silver State. Sam Cherry, shown at his Soho Lofts project in downtown Las Vegas, is one of the developers who are changing Nevada's skyline.

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Besides keeping you informed on the latest trends and breaking news, these new online features can play a valuable part in promoting your company. While many publications charge for these services, we are offering them at no charge to our paid subscribers as an added benefit.

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COMMENTS
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Designer Jewelry: The Perfect Gift

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Designer jewelry can be the perfect gift for any occasion, according to Cliff Miller, president and CEO of M.J. Christensen Diamond Centers. Miller has become an expert in the field, with nearly 40 designer brands exclusive to M.J. Christensen.

"Designer pieces offer unparalleled quality of workmanship," explained Miller. "The secret is often in the metallurgy. Designers use extruded metal of the highest quality, which is denser than the metal used in most jewelry. For this reason, we consider designer pieces to be 'generational' because they not only serve this generation, but also future generations. In jewelry designed for the mass market, 95 percent will last only about 10 years, because the metal is worked in a way that saves production costs, without much thought to how long the piece will last."

Many people are attracted to designer jewelry because of its uniqueness. "When you see a piece in a typical jeweler's display case, be aware that there are at least a dozen more just like it under the counter," said Miller. "At M.J. Christensen, we want our guests to be able to purchase something unique. When you give a gift of designer jewelry, you know that no one else will have one exactly like it."

In addition, designers express their stories, their dreams and their visions through their jewelry pieces. "Guests often make a connection between themselves and a designer and will identify with the symbolism of the pieces," said Miller. "For example, I wear a bracelet designed by John Hardy, created by natives on the tropical island of Bali. When things get tough, just looking at the bracelet allows me to escape to an exotic, remote island."

M.J. Christensen also offers watches designed and created by Swiss manufacturers that lead the industry in quality and design.

"With designer products, you never have to be concerned about value," noted Miller. "Prices for designer pieces are set by the designer, not by the retailer, which eliminates the stress of shopping around for the best price and the worry that you may not be getting the best value."

Miller noted that 95 percent of what's sold in mall jewelry stores consists of inexpensive knockoffs of what designers have created, but without the designers' concerns for durability, quality and significance. "The market is flooded with 'just jewelry,'" he said. "However, if uniqueness and distinction appeal to you, M.J. Christensen is your only destination... Without Question!"

These are just a few of the major designer brands available at M.J. Christensen Diamond Centers:


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BUSINESS UP FRONT

New Law May Affect Tax Returns

The American Society of Appraisers (ASA) recently completed a five-year effort to get legislation enacted to change appraisal standards. President Bush signed Senate Bill H.R.4 into law in late August, ensuring that in the future only “qualified appraisers” will be eligible to submit appraisals for charitable gift tax purposes. Future appraisals will also be required to conform to the generally accepted appraisal standards for all professional appraisers.

Under the new law, all appraisers who submit appraisals for tax purposes will be held to a higher level of accountability with the IRS. In addition, both appraisers and taxpayers will face increased penalties for valuation misstatements.

According to the ASA, the new legislation is a result of Congress’s growing alarm in recent years about the poor quality of many tax-related appraisals. Prior to the new legislation, extremely weak and ineffective requirements regulated who could submit valuations to the IRS. A wide variety of private and corporate tax returns will be affected, including personal income tax returns, estate and gift tax returns and corporate tax returns.

Business appraisers value billions of dollars of closely held stock and intangible assets each year, as well as many other types of entities, including Family Limited Partnerships, which are becoming increasingly important in estate planning. In addition to business valuation, the new legislation affects the full range of appraisal disciplines, including personal property, real property, gems and jewelry, and machinery and technical specialties.

The next step is for the IRS to implement the law through new regulations and changes to tax forms. ASA will be actively engaged in the implementation of the law.

Home Office or Corner Office?



Many professionals are considering telecommuting as an economical work option, but spending too much time working from home can mean saying goodbye to the corner office. In a recent survey by OfficeTeam, 43 percent of respondents said telecommuting is best suited for staff-level employees, compared with 18 percent who felt telecommuting is most beneficial for managers.

Executives were also asked, “Overall, how frequently do senior executives at your firm telecommute?” Their responses showed that 67 percent “rarely” or “never” commuted, while only 28 percent “very frequently” or “somewhat frequently” commuted.

“Effective management requires plenty of ‘face time’ with employees,” said Diane Domeyer, executive director of OfficeTeam. “Supervisors should have an open-door policy, and that means being available to staff who need guidance with projects.”

According to Domeyer, it’s often easier for staff-level employees to

telecommute because their work often can be performed autonomously. However, she noted that even those people who work from home need to spend time in the office. “Employees who work from home must ensure that being out-of-sight doesn’t also mean being out-of-mind for promotions, team projects and plum assignments,” Domeyer said.

SBA Loans Set Records

Small businesses turned to the U.S. Small Business Administration for commercial financing in record numbers in fiscal year 2006, setting records for both the number of loans and the dollars loaned, SBA Administrator Steven C. Preston recently announced. The SBA backed a net 100,197 loans totaling \$19.1 billion under its two primary small-business loan programs during the 12 months ending on Sept. 30. Both the number of loans and the dollar amount represented a single-year record for the agency. The previous records were set last year, when SBA provided a net 94,554 loans worth \$18.1 billion under the same two programs.

The 7(a) loan guaranty program – most often used for working capital – produced 90,477 loans worth \$13.46 billion. The Certified Development Company, or 504, program, which is used for the purchase of real estate and fixed assets, provided 9,720 loans worth \$5.61 billion.

A third of the loans in FY 2006 went to minority borrowers, 32 percent went to start-up businesses, 22 percent helped fund businesses owned by women and 21 percent went to businesses located in rural areas. Increases were recorded in loans to African Americans, Hispanics, Asian Americans and Native Americans. ❁

FACE TO FACE



Paul Perkins, SIOR, CCIM

Senior Vice President, Industrial Properties
Alliance Commercial Real Estate Services, LLC
Reno

Years in Nevada: 28

Years with Firm: Since company was formed in May, 2005

Type of business

Commercial real estate brokerage

Biggest business challenge

Utilizing technology to make me more efficient only seems to bog me down. I spend too much time in the office responding to e-mails instead of out in the market. I think I was more productive with just a Day-timer, Rolodex and calculator.

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

My wife Lynda and I love to travel, play golf and sail. When we were younger, we did a lot of water skiing and snow skiing, as well.

What do you like best about your job?

I love coming to work every day because I love the people in our company. Working with them, as well as having clients and competitors for whom I have a great deal of affinity and respect, has kept me enthusiastic about my business, even after 37 years. I've also enjoyed the opportunity to

be involved in a number of civic and charitable organizations, and I'm grateful to have made so many friends through both business and civic involvements.

If you could start over and choose a different profession, what would it be?

I think it would be commercial development. Although there is a lot more risk, dealing with the myriad issues necessary to accomplish a project that provides lasting value would be very gratifying.

Little-known fact about yourself:

I'm a single-digit handicap golfer and can drive a golf ball 350 yards. The reason it is so little known is that I've never done it except in my dreams.

Best Business Advice:

Live your business and personal life by the golden rule and never let a decision or action that is expedient or self-serving take precedence over doing the right thing. Treat people today as though they would be asked to eulogize you tomorrow.



Jim Howard

President
Desert Community Bank
Las Vegas

Years in Nevada: Las Vegas native (More than 50 years)

Years with Firm: 7

Type of business

Full-service neighborhood bank

Biggest Business Challenge:

Personnel. It's so hard these days to find qualified bankers and lenders in this market. The large banks used to train lenders for us, and then we would hire them away. The large banks are no longer really banking companies; they're sales companies now, and don't train lenders anymore.

If you could start over and choose a different profession, what would it be?

Law. Lawyers have all the power in this country. You can still be a banker with a Juris Doctor degree, but you can also manage companies, practice the law or teach – it's the most useful and versatile degree to have. You can even run for office.

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

We had weekend activities in the past with our kids – now we do them with our

grandkids. I like cars as a hobby: buying, restoring and playing with them. Golf is an "on demand" pastime only.

Little-known fact about you:

I'm a Las Vegas native. When I was born, only about 10,000 people lived here.

Best business advice:

A good name is really all you have. Pay your debts no matter what, keep your word, and maintain a good credit standing at all costs. Becoming known as a bad credit risk or a dishonest person will truly limit your opportunities.

Which area of the business do you find most interesting?

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HEALTHCARE CHECKUP

What's Ailing Nevada's Hospitals?

Nevada makes a living from gamblers looking for “lucky numbers.” But with healthcare, Nevada’s numbers are anything but lucky: Nevada ranks 47th in the nation in physicians per capita, and 49th for nurses. Approximately 19 percent of the population is uninsured. And here in the fastest-growing state, those 65 and older – those who put the greatest strain on the system – are the most rapidly growing segment of the population. Hospital executives know there’s no easy remedy.

Bursting at the Seams

According to the University of Nevada’s Center for Economic Development, Nevada’s population will increase 29 percent by 2014. The number of Nevadans 65 and older – baby boomers – will increase by 45.8 percent. They will increasingly rely on new medical advances as they age, further straining an already overburdened healthcare system.

“For the last 15 or 20 years, growth has been an issue,” said Bill Welch, president and CEO of the Nevada Hospital Association. “It causes us to be short of the healthcare workforce needed to keep up. We haven’t had any major change in the number of nursing students we’ve graduated, and our physician education program hasn’t had a major change since the ’70s. Infrastructure hasn’t kept pace with demand.”

Maintaining adequate staffing levels is a problem around the country, but Nevada’s difficulties are compounded by growth. One effect is that housing costs in Southern Nevada are now holding at around \$308,000; in Washoe County the median housing price is \$330,000. The high cost of living makes recruitment of nurses, surgical technologists, medical assistants, home health aides and other lower-paid – but much-needed – staff a challenge.

Nevada also has the smallest capacity for residencies in the country. The average physician in Nevada is 55; as those doctors retire, the number of physicians per capita will continue to shrink.

Touro University and the University of Southern Nevada recently added nursing programs, and the private Na-

tional University in Henderson offers nursing programs in the evenings and online. As Welch explains, in 2003 the Nevada Legislature approved the NHA’s request to double the size of all state-supported nursing programs. But this only increased the number of graduates from about 300 to 600 per year – not nearly enough to meet the demand, which the Western Interstate Commission for Higher Education (WICHE) said is about 1,100 each year.

“The chancellor and the Board of Regents have created an ad hoc committee focused on healthcare, which will recommend funding requests to again double nursing enrollment, and to coordinate nursing education at community colleges and universities to create better articulation,” said Welch. “But we still have an extreme shortage of nursing faculty.”

Without faculty, doubling enrollment does little good. The average age of nurse educators is 55, and retiring educators will soon need to be replaced. Both Nevada State College and the Community College of Southern Nevada turned away more nursing students than they accepted for this fall, due to a lack of resources.

As for physician staffing levels, Bill Welch said, "Tort reform was passed by the Nevada Legislature in 2004 and upheld in 2005. That's starting to help get the medical malpractice issue – which was keeping so many physicians from practicing here – under control. But it's not fixed yet. We're running just under 200 residents a year, and we need more than double that."

Staffing Solutions

Sam Kaufman, CEO and managing director of Las Vegas' Desert Springs

Maintaining adequate staffing levels is a problem around the country, but Nevada's difficulties are compounded by growth.

Hospital Medical Center, believes that quality, not quantity, is the key to employee retention. "Having a relationship with staff is important," said Kaufman. "They like to be communicated with, so we're always out on the floor with them. I hold monthly lunches and breakfasts so the staff can discuss issues with me. Retention is the most important thing, so we put tremendous effort into that."

Desert Springs is part of the Valley Health System, which has four

locations in Southern Nevada and a fifth in the works. It's the only Nevada hospital to be nationally accredited by the Society of Chest Pain Centers; its Center for Surgical Weight Loss is a nationally accredited Bariatric Surgery Center of Excellence, and its Diabetes Treatment Center has been nationally recognized by the American Diabetes Association. Kaufman feels that having such quality programs helps with recruitment. "We have to offer competitive wages and benefits, too. But the fact that we have programs like these is very attractive," he said.

The flagship of the Valley Health System is Valley Hospital Medical Center in Las Vegas. As CEO Greg Boyer explained, Valley, like many hospitals, is determined to grow its own recruits. Valley now provides graduate medical education, through partnership with Touro University and



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A commitment to quality care

As physicians, we see how our patients benefit from investments made by The Valley Health System.

New technology, new services and an emphasis on education and patient safety programs showcase The Valley Health System's commitment to providing high-quality healthcare to Southern Nevada residents.

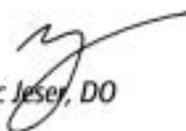
We see nurses and other healthcare providers using new techniques and processes, thanks to The Valley Health System's annual investment of more than \$5 million in training and education programs.

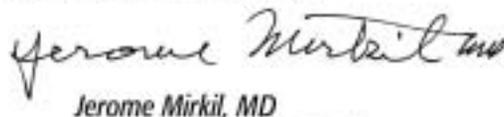
We see investments in technology such as computerized mobile workstations for nurses and advanced radiology and surgery equipment that help us do our jobs.

We see our patients benefit from a number of hospital safety initiatives covering home medication usage, infection reduction and many more.

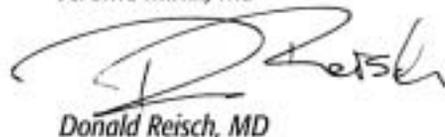
New programs like The Stroke Center at Valley Hospital and the Multicultural Institute at Desert Springs Hospital underscore The Valley Health System's commitment to meeting the needs of our community.

There are many issues being debated in healthcare today, but at Desert Springs Hospital, there is one critical point on which we agree: We work with a hospital that cares about quality.


Marc Jeser, DO


Jerome Mirkil, MD


Marina Plon, MD


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the University of Nevada School of Medicine (UNSOM). Boyer projects about 100 new residency slots will be available in the next three years. A three-slot dermatology residency program was also recently approved.

Valley provides intensive education for nurses in areas of specialization, such as critical or emergency care, or labor and delivery. Tuition reimbursement is available, and its Nurse Apprentice Program helps students get on-the-job experience. Its partnership with UNLV allows Valley's nurses with master's degrees to serve as clinical instructors.

Renown Regional Medical Center (formerly Washoe Medical Center) in Reno is addressing cost-of-living barriers to recruitment. "We're building a residential facility across from our main campus, which allows us to offer housing to potential employees," said Renown's CFO Dawn Ahner.

"Government payers don't cover the cost of care, which leaves healthcare facilities challenged with being good stewards of resources and picking up the shortfall."

Renown partners with nursing programs at the University of Nevada Reno and Truckee Meadows Community College. This allows Renown to conduct a student nurse mentor program, add nurse educators and clinical nurse specialists to the staff, pay for nurses to gain specialized expertise and certifications, and provide faculty for those nursing programs. Renown is also a teaching hospital with a residency program for UNSOM.

St. Rose Dominican Hospitals, the only faith-based healthcare organization in Southern Nevada, has three campuses in Clark County. Vicky VanMeetren, president and CEO of the San Martín campus, believes this appeals to recruits. "We deal with the body, mind and spirit here," said VanMeetren. "I think that makes us the employer of choice for many people."

St. Rose pays tuition reimbursement and offers scholarships to every nursing school in town. VanMeetren added that for hospitals to boost staff numbers, they must reach out to young people. "We need to change attitudes about going to work in this field," she said. "We go into schools, explain to young people what the opportunities are, and answer their questions. We even have high schoolers shadow our managers on Bosses Day in fields like marketing, to show them that those careers also exist."

Saint Mary's Medical Center in Reno is also a faith-based organization, which CFO Don Kowitz said is a major selling point. Aside from competitive wages and traditional benefits, its creative recruitment offerings include a new fitness center, career planning and coaching, bonuses for national certification, flexible scheduling, use of its Child Care Center and even discounted ski tickets.

A Healthy Bottom Line?

Hospitals aren't exactly making money hand-over-fist. According to Welch, profit margins for hospitals in Nevada average between 2.5 and 4 percent – in the bottom quartile in the nation. So why are healthcare costs increasing?

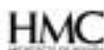
Increasing technological advances and longer life expectancies are part of the issue. Meanwhile, as Welch explained, about 60 percent of a hospital's business is with those Nevadans using federal programs, such as Medicare,



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Medicaid or Indian Health. Those reimbursement rates are set by the government. "The majority of those programs pay anywhere from 5 percent to 15 percent less than our actual costs to provide service," said Welch.

Meanwhile, as Dawn Ahner pointed out, 19 percent of the state's population is uninsured, so the pool of people to cover those remaining costs keeps shrinking. "Government payers don't cover the cost of care, which leaves healthcare facilities challenged with

being good stewards of resources and picking up the shortfall," she said. "It's a challenge to be financially viable."

And the number of uninsured or under-insured workers keeps climbing. That means those people are using emergency rooms – where federal law requires hospitals to examine and treat patients – as primary-care facilities.

Another factor clogging ERs to the breaking point is a lack of mental health facilities in the state. "On any

given day, we've got 100 patients who need mental care sitting in our ER," said Greg Boyer. "We don't treat psychiatric patients, but we have to hold them if we think releasing them will pose a threat. We may end up holding as many as 15 people at a time. Those patients take valuable resources away from those with legitimate health crises."

Sam Kaufman said this is especially true at Desert Springs Hospital. "Here in the center of town, we have more than our fair share of uninsured, indigents, illegal immigrants and hard-to-collect payments. It's probably 25 percent of outpatients daily. Financial reimbursement is a real challenge for us."

Boyer added that the Medicaid enrollment rate in Nevada is 7 percent; the national average is 13 percent. "The criteria here are far too high, so most people don't qualify."

University Medical Center in Las Vegas is Clark County's only public hospital. CEO Lacy Thomas said that because UMC is owned by taxpayers, and not shareholders, remaining financially viable is a challenge. "Part of insurers' appeal to companies is lower costs," said Thomas. "They'll then try to drive down costs with us. But the cost of care is the cost of care. We're in a unionized environment. So you get into a tug of war that makes it difficult for hospitals to get their fair share."

Ensuring Healthy Outcomes

Anthem Blue Cross and Blue Shield, the second largest insurer in Nevada, serves about 220,000 Nevadans. As Joe Hoffman, vice president and general manager of the Nevada and Colorado offices, explained, making sure people get the right kind of care is closely tied to rising costs. He referred to this year's "First National Report Card on Quality of Care" by Rand Health, which

Spotlight on Vicky VanMeetren, CEO St. Rose Dominican Hospitals, San Martin Campus

As St. Rose Dominican Hospitals prepares to open the doors to its newest location, the San Martin campus, in November, all eyes will be on Vicky VanMeetren. She is not only the new hospital's president and CEO, but she managed all construction efforts at San Martin.

VanMeetren has been with Catholic Healthcare West, the parent company of St. Rose, for 10 years, and has worked in healthcare in Las Vegas since 1981. Prior to her current position, she worked for 10 years at the Siena campus in Henderson – the first three years as director of quality management, and the subsequent seven years as senior vice president of operations.

San Martin isn't the first major construction undertaking VanMeetren has managed. She was appointed the St. Rose lead for the recent \$100 million construction and expansion that nearly doubled the size of its Siena campus. "My father was in the construction business, and so is my husband, so I guess I'm a magnet for it," said VanMeetren. "I've watched the growth in this city for the last 25 years, and I'm excited to be a part of the changes."

And the changes are indeed significant. St. Rose broke ground on San Martin in February of 2004, and when the four-story, 111-bed acute-care facility opens in November, it will boast many features, including:

- An accompanying three-story medical office building with an outpatient pharmacy;
- An extensive range of health services, including an emergency department, the full range of surgical and rehabilitative services, obstetrics, the only pediatrics department in its region of the Valley, full diagnostic imaging services (including MRI and CT), cardiac services, cancer/oncology services, a chapel and chaplains and extensive community outreach programs;
- The "Get Well Network," which provides each patient with a flat-screen LCD television on a movable arm that allows patients to put the TV right in front of them; the TV has full computer capabilities, as well as television and movie rental options, all of which can be accessed from patients' beds.

All beds in the new hospital are in private rooms, which offer guest accommodations. A Healing Garden provides a quiet sanctuary for patients, visitors and employees where they can sit outside, think, pray, relax or even eat lunch. Some space in the new San Martin campus is being shelled for future expansion.

Following San Martin's opening, St. Rose will begin remodeling its Rose de Lima campus on Lake Mead Parkway in Henderson.

found only 55 percent of Americans receive the recommended care, revealing “substantial gaps between agreed-upon standards of care and the care actually provided.”

Hoffman said Anthem negotiates with hospitals to arrive at a mutually agreeable reimbursement rate. (Sierra Health Services, the state’s largest insurer, chose not to be interviewed for this article because at press time, it was in the midst of contract negotiations with hospitals.) The per diems, or amounts paid for each day a patient is in the hospital, are locked in as a way to keep costs reasonable. “We try not to tie our rates to hospital bill charges, to make them more predictable,” Hoffman said. “They’ve gotten to be unrealistic. We’ve all heard stories of patients being charged \$100 for Tylenol, those kinds of things. This puts a burden on hospitals to be efficient.”

*“On any given day,
we’ve got patients
who need mental care
sitting in our ER.”*

Anthem, he said, is doing its part to improve outcomes. This includes offering case management programs to help members deal with ongoing conditions and properly follow doctors’ instructions. Anthem is also encouraging consumers to try to understand the cost of care they’re receiving.

“People read *Consumer Reports* to buy a dishwasher, but they don’t do nearly enough homework when it comes to cardiac surgery,” said

Hoffman. “Prevention and appropriate treatments are a significant portion of costs.” He added that statistically only 10 percent of costs are driven by care delivered, 50 percent by behaviors, 20 percent by genetics and 20 percent by the environment. “If we can help to control behaviors – getting people to eat right, stop smoking and follow doctors’ instructions – that can be significant.”

Hoffman said approximately one-third of the uninsured are actually eligible for government programs like Medicare, yet aren’t enrolled, while another one-third live in households earning more than \$50,000 per year. The remaining one-third are working poor who are unable to purchase insurance. Programs like Anthem’s new Tonic, for 20- to 29-year-olds, help cover those most likely to be uninsured, but who are generally in good health. “You want healthy lives in the insurance pool, to help offset the costs



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of the not-so-healthy," he said. "If we can insure people who can afford it, and get others properly enrolled in government programs, that will go a long way to solving our problems."

In some cases, hospitals themselves have become insurers in order to weather the reimbursement storm. In Northern Nevada, both Saint Mary's and Renown offer their own health-care plans; this is a rarity. "It's really an outgrowth of how this community has evolved in terms of its relationship between hospitals and health plans," said Kowitz, referring to many insurers' contracts with specific hospitals. "[Having our own health plan] has provided another leg of stability."

"We'd be hard-pressed not to have insurance," said Ahner. "For us it's an integral part of healthcare. It helps us compete with larger national players and offer services to the local community. "

What's the Prognosis?

Most agree that there will have to be some changes in the healthcare industry. What they will be, and what effect they'll have, is anyone's guess.

Kowitz predicted that discussions about what kind of care is really necessary will begin taking place. "More isn't necessarily better. Look at the pharmaceutical industry. We used to treat indigestion with antacid, but now it's called 'acid reflux disease' and we have people asking for Nexium because they saw it on a commercial. As the system gets pushed, we'll have to make decisions about what kinds of treatment we really need."

VanMeetren points to St. Rose's new Joint Replacement Program, which was developed for active, otherwise healthy patients needing joint replacement. This program treats patients like outpatients; a family member or friend receives early training to become a "coach" to the patient, and can assist with recovery after a short



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three-day stay. "While I believe the number of stays will increase, I think in the long run, their duration will be shorter, thanks to patient education," said VanMeetren.

Thomas' biggest concern about the future is that many boomers are healthcare workers. That leaves UMC to fill those gaps. UMC is looking to expand its part-time employee programs to attract more staff. But Thomas said it's not keeping him up nights. "The reality is that we've had challenges in every decade, and we've met them," he explained.

All in all, Welch is optimistic about the future of healthcare in Nevada. He said, "We have a dedicated hospital community, regardless of the challenges, and its members continue to look for ways to be more efficient, to better utilize their resources to ensure Nevadans access to quality, affordable healthcare. And we're committed to meeting those challenges." 

Jessica Santina is a freelance writer based in Northern Nevada.

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St. Mary's to Join CHW

The board of directors of Saint Mary's has voted to enter into exclusive negotiations to join Catholic Healthcare West (CHW), the largest Catholic healthcare system based in the western United States. St. Rose Hospitals in Southern Nevada are also affiliated with CHW.

"Over the last two years, CHW has partnered with Saint Mary's to provide strategic planning assistance and to allow for group purchasing options. As a result of our successful interactions, our organizations have found compatibility of mission, cultures, and values," said Larry O'Brien, chief executive officer of Saint Mary's.

Headquartered in San Francisco, CHW is a system of 41 hospitals and medical centers in California, Arizona and Nevada. Founded in 1986, it is one of the nation's largest not-for-profit healthcare systems, with a network of more than 7,800 physicians and approximately 45,000 employees providing services to more than 4 million people annually.

Goodbye, Washoe Hello, Renown

Washoe Health System and its subsidiary organizations underwent a major rebranding in September, adopting the name Renown Health. Its flagship Reno hospital, Washoe Medical Center, is now known as Renown Regional Medical Center. The region's oldest hospital, which traces its roots back to 1864, was originally affiliated with Washoe County; however, it has been a private, not-for-profit health network for more than 20 years.

Jim Miller, president and CEO of Renown Health, said market research and image surveys provided the impetus for the name change. "We found people were leaving town for medical care, partly because they weren't aware of all the services we offered," he said. "When the hospital board was discussing our new patient tower and all the changes that would come about because of that, we decided if there was a problem caused by our name, now would be the time to fix it."

The organization contracted with nationally known firms to conduct research and set up focus groups, and the results clearly indicated that the name was indeed a problem. "When people were asked their opinion of private hospitals versus public hospitals, they clearly preferred private hospitals," said Miller. Because the hospital shared the name Washoe with the county, hospital leadership felt it needed to clarify that it is a private hospital.

Renown's management hopes the rebranding will result in positive benefits, including an increase in the number of people staying in town for their healthcare. "It offers benefits to the patients and their families, because it's more convenient for them to stay close to home," noted Miller. "But the community as a whole also benefits, because the more people who stay here, the more services we can offer."

At the ceremony announcing the rebranding, Renown Health presented a

\$500,000 donation to the city of Reno as seed money to assist with funding for a screening and treatment facility for mental health patients. "There is a very significant unmet need in mental health," said Miller. "People whose needs are going unmet are ending up in the hospital emergency room, which is not the best place to take care of those issues. We decided to make the lead donation for this project to encourage others to step up as well to help get the facility built." Miller hopes Washoe County, its cities, the state and the hospitals will all collaborate to build and support the center.

The organization's name change coincides with the construction of a new 10-story patient tower, which will contain 200 private beds, 18 operating rooms and 25 emergency room beds. The new tower will also be equipped with state-of-the-art technology in its Heart Institute, Neurosciences Institute and radiology department.

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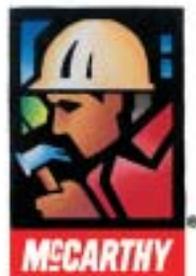
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Philanthropy: Giving Back to the Community

In an effort to educate our readers about the philanthropic efforts of Nevada businesses and foundations, *Nevada Business Journal* recently sponsored its first-ever philanthropy roundtable meeting, which was attended by some of the biggest givers in the Silver State. They discussed issues important to all companies involved in community giving campaigns, including the challenges and rewards of fundraising, methods of engaging employees in volunteerism, and strategies to ensure dollars make the most impact in the community.

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 CEOs together to discuss pertinent issues in their industry or profession. Following is a condensed version of the discussion.

Connie Brennan (Nevada Business Journal): *What is the process for granting money to nonprofits? What do you look for?*

Kirk Clausen: Requests come in a number of ways. We see a minimum of 30 unsolicited requests a month – maybe as high as 50 or 60, depending upon the time of the year. A lot of us here also use the grassroots approach; our employees are out in the community, they see an organization or a cause they like, and they run it up the flagpole with the team. We have a committee, which is fairly representative of the different positions within the bank, which makes decisions on how to spend the budget we have for charitable giving.

Steve Schorr: As a company, we have been involved with certain groups for a long time, but we also get suggestions from members of our team, and

FRONT ROW (LEFT TO RIGHT):	
Doretha Easter	Nevada Power Company
Melissa Nelson	Station Casinos
Laurie Susie	St. Rose Health Foundation
MIDDLE ROW:	
Bret Bicoy	Nevada Community Foundation
Merlinda Gallegos	MGM Voice Foundation
Gina Polovina	Boyd Gaming
Julie Murray	Andre Agassi Charitable Foundation
Colleen Bacchus	Deloitte & Touche
Kirk Clausen	Wells Fargo
BACK ROW:	
Mercedes Warrick	Business Community Investment Council and The Empowerment Zone, Inc.
Steve Anderson	Donald W. Reynolds Foundation
Paul Stowell	Business Bank of Nevada
Steve Schorr	Cox Communications
Rob McCoy	Embarq
NOT SHOWN:	
Debi Puccinelli	Harrah's Entertainment

we give each of these equal weight. We have been able to narrow down the scope of our giving to three things: children, families and education. They're not necessarily in order of one, two, three because they all have equal importance. We don't typically get involved in anything outside of those three categories. Our philanthropic efforts have actually grown over the years, so each year it's a little more of a challenge.

Rob McCoy: The needs, especially in Southern Nevada, have far outstripped the funds available.

Gina Polovina: Yes, and too few of us are being asked to do the majority of the giving.

Doretha Easler: Nevada Power has a charitable foundation and, like Cox, we try to narrow our focus down to four specific areas. For anything that falls outside of that, I have a budget I can use to purchase a table at an event or things like that.



Brennan: If you're considering supporting an organization you haven't worked with before, what do you look for?

McCoy: To begin with, we want to verify that the organization has a 501(c)3 classification. We also want to see who is running the organization and who's serving on its governing board. If it's a local group, this basic information is usually enough to help us separate the contenders from the pretenders.

Clausen: We look for United Way certification, too. If we see United Way is supporting them at some level, there's a strong likelihood we may support them.

Schorr: We demand a face-to-face meeting. We want to be on a first-name basis with the people running the organization, and we want them to know who we are as well.

Paul Stowell: We have people we can turn to as a resource – specifically, the Business Community Investment Council (BCIC). We tap into its resources on a monthly basis to find out about nonprofit organizations that we may not be familiar with. A lot of companies are affiliated with BCIC, but more importantly, I can pick up the phone and call Steve [Schorr] and say, "Hey, Steve, have you heard about this organization?" Nine times out of 10, if he hasn't heard about it, it's probably not a group that's worth the affiliation.

Julie Murray: BCIC meets monthly with the goal of strengthening and improving philanthropy in Southern Nevada. In fact, there are four past and current presidents around this table.

Brennan: Of all the requests you get, what percentage actually get funded?

Clausen: If I had to guess, maybe four out of 10 are getting approved. That's taking into consideration that we've been supporting some organizations for the last 10 years, so very few new organizations are coming on-line. We look for ways to support as many as we can and to make as much impact as we can, but in the end, we have a responsibility to make sure our stockholders are getting the most bang for their buck.

McCoy: Sometimes what we can't support with dollars, we will support with in-kind contributions, such as technology. We can also send volunteers to a group to help them out.

Mercedes Warrick: At BCIC, we're hearing a lot of questions from members about how to make the most impact. They're asking, "How can I collaborate with other businesses and organizations to make an impression?" Organizations

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are coming together and pooling resources, whether financial or in-kind, to make the most impact for their contribution.

Schorr: The challenge for corporations today is, we have to do things differently. Before, if there was a problem, we would throw money at it. We can do other things now besides that. With Cox, it's not just technology – it's everything from public service announcements to volunteering our employees, and sometimes that's as valuable as giving money. I think that's the key for philanthropy today – it's not just money – it's partnership.

Merlinda Gallegos: At MGM Mirage, when you count the requests for table purchases and auction donations, we get around 400 inquiries per week, which is a bit overwhelming. And out of those, I would say about 75 to 80 are requests to actually support programs. Of those, a very small percentage actually gets funded.



Brennan: When you are looking at a proposal, do you ask how much of your donation will actually fall to the bottom line?

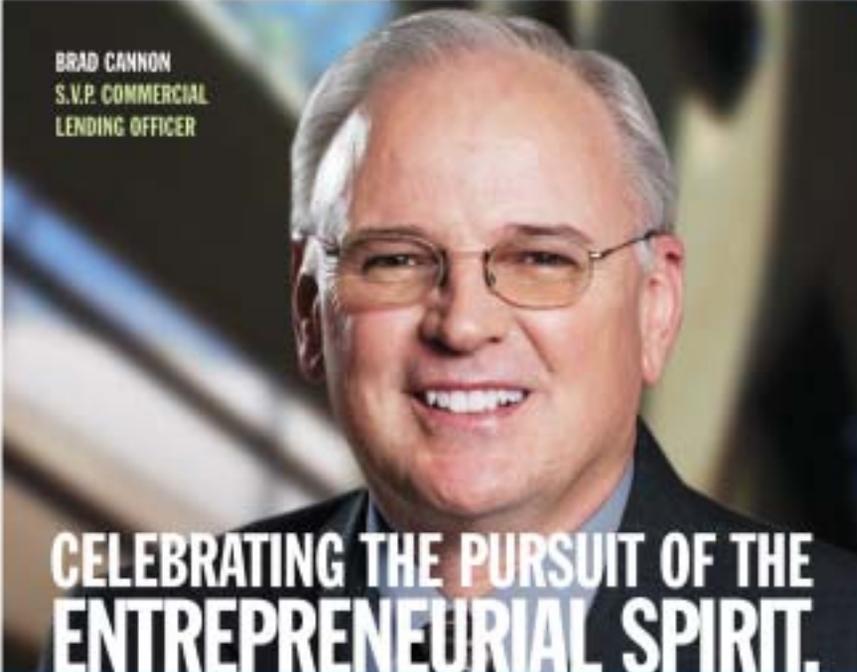
Debi Puccinelli: Always. We actually request they put it in writing.

Schorr: We always want to know what percentage goes for administration and what percentage goes for whatever the cause may be. That's a critical factor to determine what we're going to do. If a disproportionate amount of funds goes to administration, we typically stay away.

McCoy: With some organizations – for instance, the Salvation Army – we know the dollars are being passed straight through to the needy.

Stowell: Nonprofit groups need to understand that they have a responsibility to be accountable to their donors, especially those that are contributing shareholder dollars. If you're not going to be accountable and provide that kind of feedback, then I guarantee the funding is going to dry up.

Gallegos: We have specific focus areas: working with at-risk children, public education and community development. We're starting to look at more of a continuum of care and also focusing on systems issues. For example, right now we're sponsoring one of the empowerment schools, Peccole Elementary, and we will be building some of our philanthropy efforts around that. We're going to have more volunteers actually at the school site. We collected 1,500 backpacks



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and had our employees distribute them there, because we see it as part of our corporate responsibility to help our employees get more engaged in the community.

Clausen: There are also opportunities to restrict your giving. For example, we've been able to go to universities and target specific dollars to first-generation scholarship winners. We know 100 percent of that money is going to

the student to pay for books and credit hours and there are no administrative costs. As a giver, we love that.

Bret Bicoy: One of the things in the philanthropic world forget sometimes is that when you are dealing with human services, overwhelmingly the biggest cost is the human beings. You need a person to actually provide the service – to do the counseling, to be the teacher of the young person or

the caregiver for the senior citizen. So, when we look at where we invest our dollars, it's important to consider how much of it is going to those kinds of costs, but we must also recognize that those are appropriate in some ways. You have to pay someone to teach in a classroom. That's an appropriate expense. It's when you have to pay for five bureaucrats for every one teacher that you begin to know something is wrong.

Schorr: Looking around this room, I would guess we're talking about at least \$20 million to \$30 million in philanthropic giving, in both cash and time. I will speak for everybody by saying that none of us do it for the publicity. We do it because it's the right thing to do for the community. But the organization receiving the money needs to respond in a proper way. And that is, to use that money for the reason it was given, and to then report back to the organization on what it did with the money.

Gallegos: With the MGM Mirage Voice Foundation, we build in a reporting time twice a year. Grant recipients send us outcome reports twice a year, and we also have site visits so our employees can see their dollars at work. I was really proud of our employees this year. They took a chance with a fairly new organization that I hadn't heard much about. The group is working with youth, and has a prevention focus, so we decided to take a chance this first year, and we'll keep an eye on them. I think we're in danger of not being as innovative as we can be if we're basing our decisions on small-town relationship giving. It's also good to add some spice and get some outside influences in to solve community issues.

Bicoy: I couldn't agree more. There are well-established charities that are very good investments for our community and they have a proven track record. But where do new ideas come from? Where does innovation come from?

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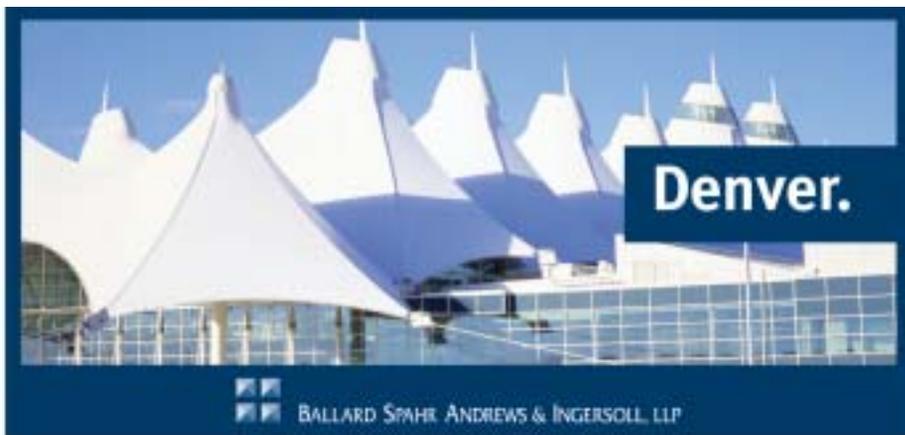
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Bicoy: I don't have any corporate statistics for the same reason. However, the Chronicle of Philanthropy conducted a study about five years ago that talked about individual giving. They looked at the percentage a typical community gives to charity out of its discretionary money. As a state, we consistently fall somewhere in the 40s out of the 50 states. I don't think this shows we are less generous. For example, it's unfair to compare Las Vegas to more established cities. If charitable giving is the manifestation of love and commitment to one's community, it's hard to have that love and commitment if you have only lived here for three years. So I don't think we are less generous – we are just new. What we lack in Las Vegas is a long tradition of philanthropy, but we are beginning to build one right now. Every day you hear about another large, exciting project, like the Nevada Cancer Institute.

McCoy: We are maturing as a community. Over the last few years, when potential business customers consider a contract with us, they will ask what we are doing as a company to help the community. That information helps them make the decision whether to deal with us or not.

Brennan: I think we can assume that donations are made for the right reasons, but you can do good for the community and also get media exposure for the company. So, how do you maximize that exposure?

Puccinelli: That's a good question, and it's one we often wrestle with. If we give a small amount and get a large response to it, either in terms of communications or external publicity, the foundation board considers it money well spent. If we present a large gift and hear next to nothing about it, it makes it much more difficult for the next group that comes forward and asks for that type of commitment.

Laurie Susie: As a foundation, we receive charitable funding from a lot of

From people who are willing to challenge the way we've always done things and look for something different.

Warrick: At BCIC, we are really encouraging smaller and medium-sized businesses to join the philanthropy world. Our organization allows smaller companies to ask questions like, "How do I get my employees more involved?" and "How do I bring the themes of my business together with the needs of the community? How I can make an impact?" And we get some great ideas from companies that have small budgets for giving.

Schorr: There are some wonderful ideas out there, and I think it's okay for us to steal ideas from each other. I am not afraid for somebody to take an idea I started, and have it grow for their company. I have learned a lot from the Agassi Foundation. The greatest joy of my life is that I have an elementary school named after me. However, there's not enough money

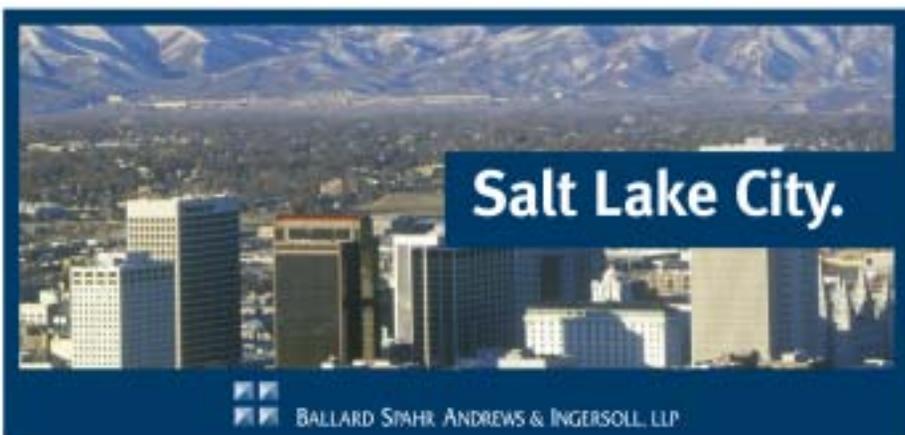
to go around for education – there aren't enough books in the library or enough computers in the classrooms. So I appreciate having access to the ideas the Agassi Foundation developed to build their school.

Murray: One of the great things about Las Vegas is there's such a "can do" spirit. If a problem or a social service need arises, everyone steps up to address it, and we collaborate with each other.

Stowell: If we don't collaborate, and if we don't engage more businesses to come to the table, we're never going to solve these issues.

Brennan: How does Nevada stack up in terms of giving, compared to other states?

Warrick: Actually, that is very elusive information, because companies calculate their giving differently, and it's difficult to place a dollar value on volunteer hours.



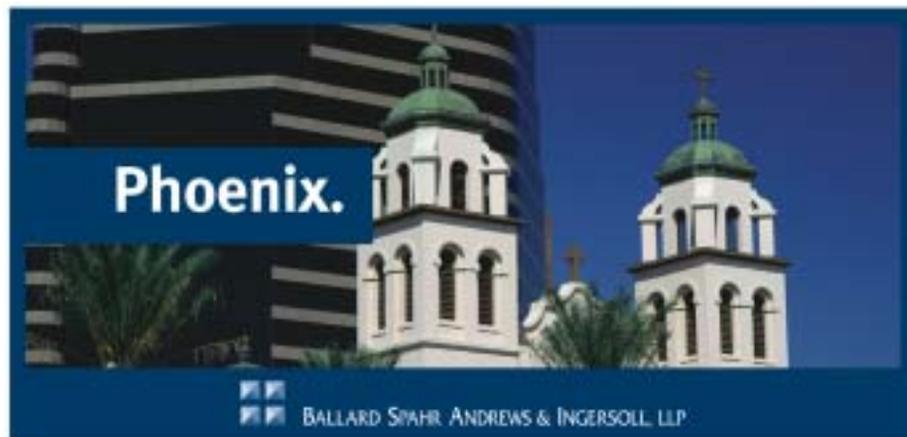
people around this table, and we look for ways to partner with local corporations. For example, we added Boyd Gaming's name to our pediatric unit. In addition, we did something very creative with Harrah's; instead of saying, "We want your money to fund a bilingual magazine," we put articles about our partnership in the *Women's Care Magazine* that goes out to 360,000 people, so readers can see that Harrah's is supporting St. Rose.

Puccinelli: We always encourage nonprofits to keep a little marketing spirit in everything they do, because it really is critical to get that feedback. I think it's also important that nonprofits show they are aligned with a reputable organization such as Wells Fargo or Nevada Power. It gives them added credibility.

Stowell: Many times we look at the ROI (return on investment) and ask, "What are we getting out of this?" Steve made a good point that we're really doing this to be good corporate citizens who believe in the community. But you have to understand, studies have shown that companies that give back to the community have greater loyalty among their employees, because employees want to work for companies that will support the causes they're involved in. And the consumer will do business with companies that are more philanthropic, rather than those that aren't, with all things being equal. So, there is a tangible return.

Bicoy: Publicity is important for several reasons, and one of them is that it's setting new norms for our community. If I'm running a bank and I see that Business Bank is involved in the community, then I recognize that maybe I should be doing it too. Celebrating giving is important because we don't have the long traditions of philanthropy here. One of the ways we're going to create it is to show that it is "the thing to do."

Gallegos: When the MGM Mirage Voice Foundation was founded five years ago, our employee giving rate



was at about 33 percent. Since then, it has grown consistently to its present level of 47 percent. The more we educate our employees about the needs in the community, the more they want to be engaged. One of the quotes that goes around our company is, "There's nothing more powerful than the human spirit on fire." When you can educate and reach out and have a system in place that makes it easy for

employees to give, and you have an accountability piece so they know exactly where their dollars are going, that's the human spirit on fire.

Colleen Bacchus: Corporate philanthropy gives you a competitive advantage as an employer as well, because employees are demanding that we do things for the community. This is especially important to the new generation. They're not only asking how

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much we'll pay them, they also want to know how involved we are in the community. So we pay close attention to what our people are asking us to do, and we do a lot of community involvement based on that. We also try to match up their skills and desires with what the community needs.

Stowell: Punam Mather from MGM helped us understand how we can craft charitable giving into our employee benefits package. Employees want to work for you if you are philanthropy-minded. When Kirk [Clausen] serves as chairman of United Way of Southern Nevada, guess what? Employees are going to say, "Caring must start at the top," and they appreciate that.

Polovina: Boyd Gaming has a long history of philanthropy in this community, having operated for four or five decades, and one of the things we found to solve the challenge of getting public-



ity was creating our own charitable giving report. It is a way we can communicate with our internal customers – our fellow employees, our boards of directors – as well as our external customers. We do that on an annual basis and also post it on our website.

Steve Anderson: One thing you don't want to overlook is the value that the recipient gains from the recognition of receiving the grant. We require

every building constructed with a capital grant to include the name Donald W. Reynolds. People tell me that this helps them approach other funders because they have been recognized as being a successful organization.

Brennan: How do you motivate your employees so they become engaged and have a passion for giving?

Gallegos: We have a great program called Dollars for Doers, which donates \$10 for every hour of volunteer work. For example, if an employee volunteers 25 to 50 hours per year for his kid's soccer club or something else that's within our focus area, we write out a check to that nonprofit in his name for \$250, and send it to him so he can present it to the organization. If any of our employees volunteers 51 hours or more per year, we write out a check for \$500 to that organization.

Continued on Page 65

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According to July 2006 data provided by the California Credit Union League (CCUL), Nevada is home to 29 state- or federally-chartered credit unions. The CCUL provides Nevada credit unions with information, education, advocacy and support services. Combined, Nevada's credit unions have \$4.7 billion in assets and 467,120 members.

Credit unions originated in Germany in the mid-1800s, according to the Credit Union National Associa-

tion, the national trade association serving credit unions. "Credit unions originally were intended as cooperatives where ordinary people could pool their resources and create a source for credit and other financial services. That basic concept continues to this day," said Brad Beal, president/chief executive officer of Nevada Federal Credit Union. With 83,000 members and \$85 million in assets, NFCU serves Clark County, Pahrump and inner-city areas of Reno.

In 1900, Canadian Alphonse Desjardins organized the first credit union in the western hemisphere in Quebec. Nine years later, he founded the first U.S. credit union in New Hampshire. The country's credit unions peaked in the late 1960s. Since then, the number of credit unions has declined due to mergers, yet membership continues to climb.

Distinctive Characteristics

Unlike banks, credit unions are owned by their members and are governed by a volunteer board of directors. Each member is afforded one vote in electing the board. Banks, on the other hand, have their stockholders elect the board of directors, whose members are often paid for their service. Stockholders may have more than one vote, depending upon how much stock they own. Credit unions are not-for-profit organizations, whereas banks are for-profit institutions. Because of their status, credit unions are exempt from paying federal income tax on earnings.

"Our motive is to give as much back as we can to our member owners. That goes hand in hand with our not-for-profit structure," said Bruce Rodela, president/CEO of Reno-based Frontier Financial Credit

Union. FFCU has \$71 million in assets and serves 8,600 members who primarily are government and health-care workers in Washoe and contiguous counties.

Credit union presidents argue that because their organizations focus on serving the membership rather than on maximizing profits for stockholders, they're able to offer members better rates on loans, higher returns on savings and a greater number of no-fee services. Clark County Credit Union gives back a bonus dividend to its members at each year's end (\$12 million in 2005), said Wayne Tew, president/CEO. CCCU has 37,000 members, \$560 million and serves employees of specific Clark County government groups, Clark County medical professionals, employees of the cities of Las Vegas and Henderson and contributing members of KNPR public radio in Las Vegas.

Credit unions also are self-insured. "A percentage of member deposits goes into a deposit insurance fund to add safety and soundness to the entire industry," Rodela said. His credit union, Frontier Financial, insures members' shares for up to \$500,000 per account.

Credit unions are restricted in ways that banks aren't. Their capital must come only from retained earnings, whereas banks can issue stock. Credit unions are also limited on who their members can be and what regions they can serve.

Evolution Over Time

Despite these restrictions, the state's credit unions have grown in size, and many have expanded their membership fields. For example, Nevada Federal Credit Union, formed in 1950, originally served about 200 of the state's major employers. In 2001, however, it changed to a community credit union serving anyone who lives in Clark County.

"We have every loan product there is, every checking and savings product there is."



Frontier Financial Credit Union, founded in 1958, originally served employees of Washoe County and Washoe Medical Center, along with 13 employer groups. Now its membership encompasses all government and health-care workers in Washoe and neighboring counties, unions in Northern Nevada and employees of any business associated with the Builders Association of Northern Nevada.

The scope of services credit unions provide also has expanded, dictated by members' needs and wishes. When many credit unions started, they offered what the industry calls "plain vanilla services" – savings accounts and one or two loan options, Rodela said. Today, however, the range of services is much wider and includes everything from certificates of deposit to mortgage loans. Other offerings are checking accounts, credit cards, ATMs, online banking, e-statements, commercial loans, home equity loans and more.

"We have every loan product there is, every checking and savings product there is," said Carol Schumacher of IBEW Plus, a 30,000-member, \$130 million credit union that serves Southern Nevada union workers and select employer groups. "We have had to evolve to be competitive in the market."

Facing Competition

Because credit unions offer as many services as banks, they compete for the same customers. Financial Horizons, which serves 9,200 members in rural Nevada, struggles to compete in Fallon, where about 10 financial institutions exist.

"The banks are growing faster than the community is growing," said Barbara Reuter, president. "Everyone is getting their share of the growth, but it is a challenge to grow in that particular area because of all the other options."

Credit unions use various methods to draw potential members. "A major challenge for us is helping folks understand what makes credit unions different, particularly people living in the community who aren't credit union members," Beal said. "We work hard to help them understand and let them know that they're eligible for membership."

Strategies include advertising through radio, television, newspapers, billboards and employer groups, along with direct mail, newsletters, e-mail, on-hold messages, event sponsorship and word of mouth. "We're always looking for new ways to reach out," said Reuter, whose credit union relies primarily on radio and newspaper advertising.

Generally, Nevada's credit union heads describe competition with banks as healthy and beneficial for consumers. However, they have to expend time and resources defending against legislative attacks by banks. Many of Nevada's credit unions contribute money annually to the California Credit Union League, which advocates on their behalf, Schumacher said.

One complaint bankers lodge is that the playing field for the two types of entities is uneven because credit unions don't pay federal income taxes. "Those banks chose their structures," Rodela said. "I really believe

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there is room for both types of organizations. The real bottom line for the bankers is that they want to own the playing field. They're going to lawyer up and lobby to try to do away with us. If you look at how the banks operate, in my opinion, they're against anybody in the financial arena that competes with them."

Walter Murray, president/CEO of Greater Nevada Credit Union (GNCU), said banks have advantages in their ability to raise capital and grow. "The playing field has not been level since Day One because we're not-for-profit and they're for-profit," he said. With \$495 million and 51,000 members, GNCU serves Northern Nevada.

Reuter said the complaint is a non-issue. "Banks are great big business, and credit unions aren't," she said. Banks' earnings and growth history over the last several years, along with the number of new banks being formed in Nevada, prove this fact, said Beal. Further, a number of banks are assuming a subchapter S status, which, with some limitations, allows stockholders to own a portion at a very similar tax structure to that of credit unions. "It's readily apparent that credit unions are not damaging the banks in a competitive way," he said.

Bankers also argue that credit unions have become large and bank-like, and therefore should pay taxes. "Credit unions as a whole have reached those plateaus and their structures because of the wishes of their members using those services, and have done it over many years," Rodela said. "While there are some very large credit unions, they're certainly eclipsed by the Bank of Americas, the Citigroups and the Wells Fargos. They'll never be able to reach that size unless their tax exemption is revoked and they end up becoming a bank structure of some form and they grow even further. The bankers would

like to see that take place so they can buy out these institutions down the road. That's another form of wanting to see the credit unions go away."

Another criticism is that credit unions don't contribute to the tax base. "That is erroneous," Beal said. "Credit unions pay real estate, payroll, Social Security and unemployment taxes."

Credit union money benefits commerce locally, Rodela added. "The beauty of credit unions is that they're locally owned and operated," he said. "The funds stay in the community and are reinvested in the community."

Along with banks, credit unions compete with other financial institutions and companies offering financial services. Those include insurance companies, auto dealerships, mortgage lending companies and industrial loan corporations (ILCs). ILCs are state-chartered companies, oftentimes non-financial institutions, with broad banking powers, such as Target, General Motors and BMW. Nevada is one of seven states that permit these charters. Wal-Mart and Home Depot applied earlier this year for industrial bank charters.

"The environment has changed significantly in the last 10 to 15 years," Murray said. "Some of the other players in the marketplace are the Wal-Marts, Toyotas and industrial loan companies that exist in the marketplace like Charles Schwab and ING Direct, which are making inroads into traditional consumer banking products."

Schumacher of IBEW Plus said her greatest competition is with mortgage/home equity lending companies that offer interest-only financing and car dealerships that offer zero-percent financing.

As for Wal-Mart entering the marketplace, Beal believes the impact could be dramatic. "There's a lot of uncertainty about how that would impact financial services," he said. "Do



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we really want Wal-Mart in that business? How much of our economy do we want Wal-Mart to control? How much of our national economy do we want centered in one place?"

Credit unions, however, say they welcome competition in any form. "I am a big believer in the free market," Tew said. "People can make something happen, and if it's a better widget, it ought to be available. I'm not a fan of legislation to keep people out of the marketplace. Competition is good for the consumer. It's good for business because it forces businesses to be more efficient. If competition forces me to be introspective and improve what I'm doing, I'd better do it or I won't survive."

Other Challenges

Despite competition, some of Nevada's credit unions are growing, which

is problematic in its own right. "We're challenged with growing the credit union so we continue to focus on a mission of service," Murray said. "We don't want to get big for the sake of getting big, but rather because what we're doing is the right thing for people. As we continue to grow, that becomes a bigger challenge for us."

At Clark County Credit Union, loan growth is exceeding deposit growth, Tew said. CCCU is also working hard to have the technologies to meet consumer demand for delivery of various services.

Another hurdle for some Nevada credit unions is staying current with changing and new regulations. "The regulatory environment has changed so dramatically over these last several years in the wake of 9/11, Hurricane Katrina and electronic privacy issues," Murray said. "They all created a significant challenge for us to stay up with. It's nothing we can't do, but

it's very dynamic and takes effort, time and money."

Rising interest rates are impacting Frontier Financial. "We've been operating at all-time lows for a couple years now," Rodela said. "We're starting to feel the shocks of higher rates taking hold. It takes awhile for an institution to basically reach a new plateau to be able to deal with the higher rates and maintain levels of reserves and regulatory compliances and that sort of thing to maintain its safety and soundness."

Credit unions also strive to educate the public about sound financial practices. Nevada Federal gives free seminars and financial counseling online via a toll-free number. IBEW Plus provides financial education in elementary and high schools. It's looking to start a \$150-limit credit card program for teenagers.

The increase in fraud has credit unions on the offensive. They're

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seeing the most fraud with debit cards, money orders and PIN-based transactions. "We see that people who commit fraud get very creative, and there are new schemes out there constantly," Murray said. "It's one of those things that take time and energy to stay up with and make sure we have the most current technological procedures possible to help prevent those frauds and catch them when they do occur."

To combat fraud, the credit unions use various means, including fraud-detecting products, employee education, identification and other procedures, black lights for detecting fake money orders and more. Sometimes they're forced to limit transactions or eliminate services. Greater Nevada, for example, eliminated credit card services because of fraud. IBEW Plus stopped its members from using debit cards to rent cars.

"I'm not a fan of legislation to keep people out of the marketplace."

"We work with other credit unions," Schumacher said. "We network really well. When we find something out, we call the others and let them know."

On the Horizon

Consistent with their mission, some Nevada credit unions are exploring new services. Clark County is evaluating com-

mercial deposits. Nevada Federal plans to offer a payroll card for consumers who don't have deposit accounts. IBEW Plus is considering e-statements and a 24/7 call center. Greater Nevada hopes to expand small business lending, grow its real estate services and eventually offer health savings accounts. Frontier Financial is looking at a student loan program for members attending college.

Additional branches are planned as well. Greater Nevada and Frontier Financial both have branches under way in Sparks. In Southern Nevada, Clark County Credit Union has one and IBEW Plus has two new branches slated for Las Vegas.

"We do quite well just living a quiet little life and moving forward," Tew said. "As long as we do that quietly and not get the bankers too mad at us, we do quite well." 

Doresa Banning is a freelance writer based in Northern Nevada.

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Building Nevada



Sam Cherry is shown in one of the penthouse units of Soho Lofts in downtown Las Vegas. He is developing two other high-rise projects nearby.

NEVADA'S HIGH-RISE MARKET

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The Nevada landscape has changed dramatically in recent years due to an influx of retirees and urban dwellers drawn to high-rise living. This trend has fueled a vertical building boom at both ends of the state. In Las Vegas, however, land prices, construction costs and competition caused some high-rise condominium cancellations over the last 18 months. Some fallout was inevitable, say observers, due to the volume of planned projects, speculation and investment activity.

Ninety-five proposed luxury condominium projects were on the books in Southern Nevada in August, totaling 53,260 units, according to John Restrepo, principal of Restrepo Consulting Group, a Las Vegas-based real estate research firm. In contrast, only 30,750 new single-family homes were sold in Southern Nevada last year.

Recent high-rise cancellations include: the Hard Rock's \$1.4 billion, 1,420-unit Flats, Bungalows and Residences at Harmon Avenue and Paradise Road; The Curve's 389 residences at Durango Road and

Interstate-215; Diversified Real Estate Concepts' 825-unit Aqua Blue at 4178 Koval Lane; and Related's \$3 billion, 2,764-unit Las Ramblas at Harmon Avenue and Koval Lane, among others. Despite this, the high-rise market remains robust, with 14 projects totaling 4,288 units going vertical and more on the way, according to Restrepo.

"The market has stabilized some, which had to happen, because it had been white-hot," said Bea Goodwin, president of the Las Vegas High-Rise and Condominium Association, an industry trade group. "As a result, today's buyers are more savvy and educated."

Downtown Las Vegas on the Rise

Much of the activity is taking place in downtown Las Vegas, thanks in part to developers like Sam Cherry. The 28-year-old high-school dropout turned entrepreneur completed the \$63 million, 120-unit Soho Lofts earlier this summer at the southwest corner of Las Vegas Boulevard South and Hoover Avenue. The project, down-

town's first residential high-rise, quickly sold out.

Cherry is also developing the \$87 million Newport Lofts at Casino Center Drive and Hoover Avenue, together with Seegmiller Partners. The 23-story, 168-unit tower features homes from 900 square feet to 1,600 square feet in size, with ground-level retail and an exotic car dealership. It's expected to open by summer 2007. Cherry, never one to rest easy, is already at work on his next creation, Stanhi. The 65-story, 425-unit glass skyscraper at Gass Avenue and Third Street could break ground as early as mid-2007. WPH Architecture is designing all three projects, with Breslin Builders as general contractor.

"Downtown hadn't taken off until Soho got started. It was the first one out of the ground," Cherry said. "We're trying to create an urban village lifestyle that combines living, working and playing in the heart of the city, similar to San Diego, New York or Chicago."

Cherry's vision for a revitalized downtown is shared by Mayor Oscar

Goodman, who has tirelessly crusaded for transforming the area into an intimate community of small businesses, residences, boutiques, restaurants and art galleries. As a result, downtown is once again becoming hip. It's the type of place where young professionals and singles can mix and mingle, shop and live. "Like it or not, downtown is the core of our city, the heart and soul of Southern Nevada, and without a healthy inner core, the city will rot from the inside out," said the mayor.

Goodman's conviction and optimism has helped spawn several new downtown developments, including the 21-story, 275-unit Streamline Tower at 150 Las Vegas Boulevard North. Designed by JMA Architecture Studios, the \$105 million, 700,000-square-foot high-rise will have 12,000 square feet of retail space and seven levels of parking. Martin-Harris Con-

struction is the general contractor. Streamline Tower, developed by Barclays North of Everett, Wash., is scheduled to open in mid-2007.

CityMark Development, meanwhile, is building a \$167 million mixed-use project called Juhl nearby at 255 E. Bonneville Avenue, between Third and Fourth streets. The six-building complex will have 330 residences, 13 live-work units and 24,000 square feet of storefront shops. CityMark, the firm responsible for reenergizing San Diego's Lamplight District, was selected from a nationwide request-for-proposal process to develop the 2.38-acre city-owned site. Juhl's first residents are expected to move in by 2008. Turner Construction Co. is the general contractor.

Other downtown projects include the 38-story, 270-unit HUE Lofts at Art Central at Charleston and Casino Center boulevards. Developer Eddie

Haddad expects to break ground on the 450-foot-tall, 678,000-square-foot tower in early 2007. UPA Group is the general contractor, with RNL Design as architect. The project will offer homes from 1,100 square feet to 1,800 square feet in size, plus restaurants, boutiques, an art gallery and recreational facilities.

Boulevard Properties, a Miami developer, hopes to build the 350-foot-tall, 159-unit Evolution Lofts nearby, at Charleston Boulevard and Third Street. Designed by JMA Architecture Studios, the 29-story high-rise will offer residences from 806 square feet to 2,100 square feet, with seven levels of parking and 2,800 square feet of retail. Although groundbreaking isn't expected until June 2007, Martin-Harris Construction has been named as general contractor.

Additional downtown developments could come from Michael Mirolla's 35-story, 413-unit Sandhurst Tower at Iron Horse Court and Grand Central Parkway, Diversified Real Estate Group's 60-story, 912-unit Club Renaissance at Casino Center Boulevard and Bonneville Avenue, and Metroplex Group's 39-story, 311-unit Gateway Las Vegas at Charleston Boulevard and Fourth Street.

Las Vegas Strip Looking Up

"Condos are continuing to sell, but location, branding, pricing and amenities remain very important with prospective buyers," said Bruce Hiatt, owner of Luxury Realty Group Inc., a Las Vegas high-rise real estate specialist. "Currently, the Strip corridor ranks first in desirability, followed by downtown."

The Strip, defined by its verticality, is seeing a residential building boom with projects like Sky Las Vegas. The 45-story, 409-unit blue-and-white tower is taking shape along Las Vegas Boulevard, just south of Sahara Avenue. The \$325 million, 500-foot

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high-rise is a joint-venture development between Aaron Yashouafar and David Pourbaba. Designed by Klai Juba Architects, the 45-story skyscraper is scheduled to finish in early 2007. M.J. Dean Construction is the contractor.

Allure Las Vegas is rising up just west of the Strip on Sahara Avenue. Developed by the Fifield Companies of Chicago, the 41-story, 428-unit high-rise is scheduled to finish by late 2007. Bovis Lend Lease is the contractor. Sales for a second 41-story, 472-unit tower are now underway. Although Fifield has built 50 high-rise projects valued at over \$3 billion throughout the country, Allure is the company's first foray into the Vegas market.

"Today's buyers want nice finishes, a good location, an experienced developer and a quality project that will retain its value over time," said Tamra Trainer, manager of Beasley & DeVarreu Sotheby's Vertical Realty Group.

Those qualities can be found in the Edge Group's \$2.5 billion, 4,000-unit W Las Vegas at the northeast corner of Harmon Avenue and Koval Lane. The twin 50-story glass towers are expected to break ground in 2007, with anticipated completion by 2009. M.J. Dean Construction is the contractor. Around the corner, Bruce Langson is planning the \$1 billion, 1,000-unit Las Vegas Central at Sierra Vista Drive between Paradise Road and Swenson Street. The dual 40-story towers recently launched sales. Tutor-Saliba Corp. has been named as contractor, with Jerde Partnership as architect.

Del American, meanwhile, will finish its four-story, 212-unit Bella Venezia I at Flamingo Road and Swenson Street in early 2007. Summit Builders Construction Co. is the contractor. Laurence Hallier's 646-unit, twin Panorama Towers at Dean Martin Drive and Harmon Avenue, just west of the Bellagio, will move residents in

later this year. M.J. Dean Construction is the contractor, with Klai Juba as architect. Hallier is planning two more 42-story towers at the site.

Turnberry Ltd. is the firm credited with launching the Valley's current high-rise mania. The Florida-based developer recently completed its \$650 million, 778-unit Turnberry Place condominium complex at the northwest corner of Paradise Road and Riviera Boulevard. The 15-acre development, which originally broke ground in 1999, consists of four 40-story buildings and the 80,000-square-foot Sterling Club.

"In 1998, many were skeptical that the luxury high-rise condominium concept would succeed in Las Vegas," said John Riordan, Turnberry's senior vice president. "Our success here is based on superior locations, architecture and amenities, but primarily our experience. Over the next 25 years, the popularity of high-rise living in Las



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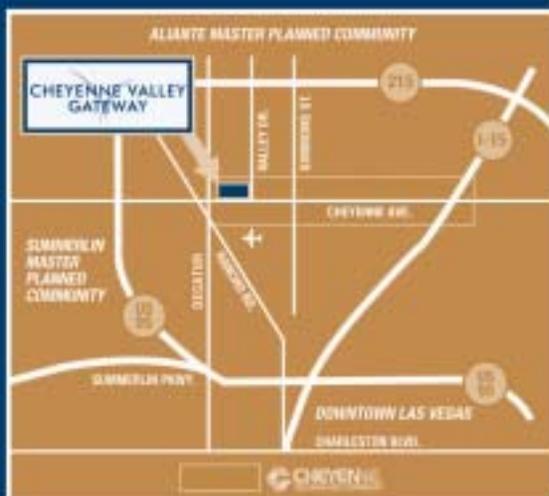
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Vegas, particularly near the Strip, will grow beyond anyone's expectations."

The firm is already at work developing the 632-unit Turnberry Towers at Paradise Road and Karen Avenue, which consists of two 45-story buildings. The first tower is expected to finish this spring, followed by Tower Two in 2008.

Condo-Hotels A Unique Product

In addition, Turnberry has partnered with MGM Mirage to build three, 40-story condo-hotel towers at the southwest corner of Harmon Avenue and Koval Lane. The \$1.2 billion, 1,727-unit Residences at MGM Grand is the Strip's first completed condo-hotel project. The initial tower opened this summer. Tower Two will finish in November, followed by the last phase in May 2007.



Turnberry Place recently completed its fourth tower.

A condo-hotel is a unique product that enables owners to earn an income by renting out their residence when it is not in use. Units are normally marketed by the building's operator in exchange for a portion of the income. Most condominiums, by contrast, have strict guidelines for subleasing.

"For the Strip resorts, there is little downside to condo hotels," said Restrepo. "It's essentially a way of having buyers finance a room expansion. And 85 percent of resort corridor projects have been purchased by second homebuyers, investors and speculators."

Diversified Real Estate Concepts recently opened the 17-story, 255-unit Platinum condo-hotel at E. Flamingo Road and Koval Lane. Milwaukee-based Marcus Hotels & Resorts manages the property, where owners participating in the rental program can use their units for 60 days a year, but no more than 29 consecutive nights. Owners, however, share in the rental revenue, which is often a 50-50 split minus additional fees for housekeeping and marketing.

Ian Bruce Eichner, the developer responsible for Manhattan's One Broadway Place, is also building a condo-hotel product. The \$2 billion Cosmopolitan Resort & Casino is located on the Strip just south of Bellagio, and consists of two 53-story towers and a four-level low-rise. The property will contain 3,000 hotel and condo-hotel units. Cosmopolitan is expected to finish by 2008. Perini Building Co. is the contractor, with Miami-based Arquitectonica as architect.

George Maloof is joining the condo-hotel crowd with his \$350 million Palms Place at Flamingo Road and Arville Street, a few blocks west of the Strip. The 50-story high-rise will have 599 luxury condo-hotel units that connect to the Palms by a 300-foot-long moving walkway. Designed by Jerde Partnership, with M.J. Dean as contractor, Palms Place is scheduled to open in December 2007.

"We sold out at an incredible pace, despite six price increases," Maloof said. "We could have sold out another tower, but we won't build another one. This is one-of-a-kind."

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Donald Trump experienced similar sales success with his self-named condo-hotel tower behind the New Frontier Hotel and Casino. The \$500-million, 1,282-unit high-rise is a joint-venture between Trump, New Frontier Owner Phil Ruffin and Jack Wishna (a dealmaker who brought the two together). The skyscraper, which sold out in under a week despite sale prices of \$600,000 to \$6 million, is scheduled to finish in early 2008. Perini Building Co. is the contractor, with Bergman Walls & Associates as architect. Unlike Maloof, Trump is planning a sequel. He hopes to launch sales for a second tower in early 2007 to coincide with the new season of *The Apprentice*, the hit television reality show starring Trump himself.

But MGM Mirage trumps them all with its \$7 billion, 18 million-square-foot Project CityCenter. The 76-acre complex, which broke ground on June 26, is located on the Strip between the Monte Carlo and Bellagio resorts. Plans call for 2,800 condominiums designed by Rafael Vinoly, Helmut Jahn, Kohn Pederson Fox and Norman Foster. MGM Mirage formed CityCenter Realty Corp. this summer to oversee sales.

The sales center will officially open in January 2007, though CityCenter isn't expected to finish construction until November 2009. Perini Building Co. is the contractor. CityCenter's aggressive Realtor compensation program could dampen sales for projects elsewhere. After all, not everyone has central Strip frontage like MGM Mirage. Soaring land costs have already driven rival projects southward, giving shape to a new "South Strip."

High-Rises Moving to New Areas

Boca Raton, for instance, is a \$450 million, 756-unit condominium complex at Las Vegas Boulevard South and Serene Avenue, just north

of the South Coast Casino. Developed by Palm Beach Resort Condominiums LLC, the project calls for four seven-story towers. Martin-Harris Construction is the contractor, with PGAL as architect. The first building will finish in early 2007, with expected build-out in 2009. It's just one of many emerging South Strip projects, which include Gemstone

Development's 700-unit Manhattan mid-rise condominium complex across the street from Boca Raton and AmLand Development's five-tower, 1,000-unit ONE Las Vegas at Las Vegas Boulevard South just south of Windmill Lane.

Property prices have pushed some projects further west, beyond the traditional resort corridor. The Falcon Group, for example, is building an \$850 million, 1,100-unit condo-hotel at Tropicana and Cameron av-

enues across from The Orleans Hotel and Casino. Pinnacle Las Vegas has two golden towers connected by three sky bridges. Designed by YWS Architects, with Marnell Corrao Associates as contractor, the project is expected to open in 2009.

Migrating further west toward the suburbs is Sullivan Square, at Durango Drive and Sunset Road. The \$800 million, 1,300-home mixed-use complex, developed by Glen, Smith & Glen Development, is expected to break ground in early 2007. Martin-Harris Construction is the contractor. Another suburban project, One Queensridge Place, is located at the southwest corner of Alta Drive and Rampart Boulevard, across from the Suncoast Hotel and Casino. The dual-tower, 340-unit project is being developed by Executive Home Builders and Peccole Nevada.

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Northern Nevada Plans Projects

Northern Nevada is undergoing a vertical building boom of its own. Much of the action is happening in downtown Reno, with nine planned residential projects potentially adding up to 2,000 new homes. "A lot of projects are taking place here," said Lisa Newberg with the Reno Redevelopment Agency. "There are plenty of empty-nesters and people who want a high-rise type of lifestyle."

Capstone Partners LLC, for instance, is planning to build the \$90 million, 16-story Arterra at Liberty and Sierra streets. It will consist of 185 units, with five live-work commercial spaces and a rooftop terrace. It's tentatively scheduled to open by 2009.

The 120-unit Residences at Riverwalk (the former Comstock hotel-casino) is underway at 200 W. Second Street, and BCN Development's 12-story, 87-unit Palladio tower at First and Sierra streets is expected to finish in 2007. Siena Communities is building the Thoma Lofts – three-story retail-work-live spaces – at Thoma and Center streets. Plans are also underway for the \$200 million, 499-unit Wingfield Towers at Island Avenue and Court Street, which includes 40,000 square feet of retail-commercial space. BCN Development, however, has dropped its plans for the 10-story, 50-unit Chambolle, adjacent to the Riverside Artist Lofts downtown, due to rising construction costs. In response, the city is issuing requests for proposals.

"More people living downtown will bring more retail and support services needed for a live-work-play environment," said Newberg. "We require retail on the ground floor on new projects so streets and businesses can stay open and thriving after dark, making downtown alive." 

Tony Illia is a freelance writer based in Las Vegas.



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Cheyenne Fairways Business Center

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

Cheyenne Fairways Business Center is a 40,000 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.



Rainbow Corporate Center

On the corner of Rainbow and Post, just north of the I-215 Beltway.

This development is a 10-acre project, consisting of 12 medical/professional office buildings for lease or sale with units ranging from 2,000 to 15,000 square feet, totaling over 87,000 square feet. The project is situated close to the I-215 Beltway and within a 3-mile radius of three new hospitals, with Rainbow frontage available. All owners will have high visibility with signage on their buildings as well as a monument sign fronting Rainbow.



North Buffalo Business Centre

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

This development will have 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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Sullivan Square Developer: It's Easy Being Green

Kenneth Smith, managing partner of Glen, Smith & Glen Development (GSG), said the idea of incorporating green building principles into the company's Sullivan Square project was motivated by a deep personal concern for the environment. "When respected national publications like *Time Magazine*, *National Geographic* and the *New York Times* run article after article saying the planet is in peril, we shouldn't stick our heads in the sand and pretend everything is okay," Smith warned. "Each person has a responsibility to change things in his or her own corner of the world. For me, as a real estate developer, that means looking for ways to make subtle changes in projects that will make a huge difference in their effects on the planet, either by causing less damage or by reducing consumption of valuable resources."

Sullivan Square will eventually contain 1,300 residential units in mid-rise and high-rise buildings, as well as neighborhood retail shops and services and a 13-story Class A office tower. GSG is seeking LEED (Leadership in Energy and Environmental Design) certification for the project, a designation from the National Green Building Council. The LEED Green Building Rating System is the nationally accepted benchmark for the design, construction and operation of high-performance green buildings.

"The LEED system is like a cafeteria plan," explained Smith. "There are hundreds of options that can save energy, reduce waste and lessen environmental impact. Each choice you make has points, and the more points you accumulate, the higher your rating. It's fascinating to look through the list and realize all the different ways there are to make a difference at little or no extra cost."



One innovation GSG is making at Sullivan Square is reclaiming water to use for landscaping. Smith estimates this will save 45 million gallons of water a year. Green building principles also involve using different materials. Smith explained that it used to be difficult to find products made from recycled materials, or to find carpet that did not emit harmful vapors. "People are waking up to the need for green materials," said Smith. "You get points from LEED for using them, so there's more demand, which leads to more production. The costs have come

down, and it's often cheaper to use non-toxic or recycled materials than to use the traditional, harmful products. If they cost the same or less, why not go with the better ones? However, if you don't take the time to look for these alternatives, you won't find them."

Smith said the principal costs of getting LEED certification are not in construction methods or materials, but in paperwork. The general contractor on a project must document each step in the process and turn in the proper records in order to get accredited. "That's because it's a new program," he explained. "As it matures, the process will get easier and those extra costs will go away."

Most changes in the Sullivan Square project will be invisible to the people living and working there; changes such as better insulation or more efficient windows may each save 1 or 2 percent in energy costs, but making many subtle changes can result in saving a substantial percentage. Smith estimates the end user at Sullivan Square can reduce energy bills between 25 percent and 30 percent, compared with the same-sized home or office in a traditional building.

Additional savings could come in the form of property tax abatements. Because of a recent bill passed by the Nevada Legislature, if the project receives the LEED Silver certification it is seeking, residents may recognize a tax abatement up to 42 percent for seven years.

Smith believes the movement toward more green high-rises is inevitable, and pointed out that MGM Mirage has committed to getting LEED certification for its \$7 billion Project CityCenter. "Green buildings are healthier to live in, healthier to work in and cheaper to maintain," he said. "I absolutely think green building will be the wave of the future."



Kenneth Smith



Strata Building Group New Name, New Direction

Strata Building Group is making a name for itself among Southern Nevada contractors. It's a new name, coupled with a renewed vision and focus.

Strata Building Group LLC was formerly known as Centra Construction. While Centra Construction nurtured a thriving client base – working for its parent company, Centra Properties, as well as taking outside contracts – the association with the parent company caused the firm to miss opportunities, according to President Charles Mitchener. Some developers opted to hire other firms due to concerns that the parent company, a well-known developer in Southern Nevada, would be involved in their business. This ultimately led Mitchener and Centra to dissolve their bonds, allowing Mitchener and his team to form Strata Building Group.

Mitchener, who brought the entire Centra Construction team to Strata Building Group, said he feels strongly that the bottom line to success is having a team of people who can make things happen. "It is easy to fill spots in an organization, but it is much more difficult to have the best people in the spots," he said. "We believe we have that now. We each care about what we are doing, want to do it the best we can, want the process to be easy and enjoyable for our clients, want our clients to be successful in the facility we construct, want our team to be successful, and look forward to conquering the next challenge."

To further inspire team-building, Mitchener recently took all of his employees on a team-building trip fly-fishing in Montana.

When not reeling in fish, the Strata Building Group team is hard at work reeling in a variety of clients, with a focus on office, industrial, retail and commercial

projects. "We think we do design-build as well as anyone," Mitchener said, pointing to the firm's commitment to value engineering and the monthly status reports, complete with photos, it prepares for clients.

Projects he is particularly proud of include buildings for Colonial Bank, Vestin Mortgage and Stewart Title. With a construction volume of approximately 350,000 square feet and more than \$20 million in the past two years, Strata Building Group is developing Gaming Today's office/warehouse project and the Giroux Glass office/warehouse building.

Another recent challenging project included the conversion of Pulte Homes' former headquarters into a multi-tenant building for Pulte/Del Webb. "It required a lot of planning and coordination to make it happen," Mitchener said.

Strata is in negotiations for numerous other large-scale projects and tenant improvements and will be working on a California condominium project that is a joint venture with another contracting firm.

Mitchener and his team also go to great lengths to maintain excellent relationships with subcontractors. "We and other contractors are all working from basically the same pool of subcontractors," he said. "We spend a lot of time building our relationships with our subs and treat them with respect."

Mitchener has spent nearly three decades in the construction industry. His background also includes senior-level positions for Panattoni Construction, Kitchell Contractors, Nathan Construction, Americon Companies, Inc., Tibesar Construction, Sigma Contracting and Splashtown USA.

Although his company is doing business under a new name, Mitchener's goal remains the same: to build at the next level, in both his personal and professional life. "We understand it's not Strata paying our salaries – it's the customer," said Mitchener. 

Ruth Furman is a publicist and writer based in Las Vegas.

Building Nevada

Commercial Real Estate Report

INDUSTRIAL-2ND QUARTER 2006		
TOTAL MARKET	LAS VEGAS	RENO
Total Square Feet	85,920,851	61,828,057
Vacant Square Feet	3,414,947	2,993,887
Percent Vacant	4.0%	4.8%
New Construction	1,620,623	560,539
Net Absorption	928,575	1,586,054
Average Lease SF/MO (NNN)	\$0.67	\$0.33
Under Construction	4,990,955	312,000
Planned	6,597,748	2,157,000
MANUFACTURING		
Total Square Feet	19,213,433	na
Vacant Square Feet	362,686	na
Percent Vacant	1.9%	na
New Construction	185,268	na
Net Absorption	125,309	na
Average Lease SF/MO (NNN)	\$0.82	na
Under Construction	941,198	na
Planned	129,260	na
DISTRIBUTION		
Total Square Feet	54,310,278	na
Vacant Square Feet	2,332,270	na
Percent Vacant	4.3%	na
New Construction	1,144,537	na
Net Absorption	578,882	na
Average Lease SF/MO (NNN)	\$0.54	na
Under Construction	3,774,027	na
Planned	6,095,135	na
FLEX		
Total Square Feet	11,921	na
Vacant Square Feet	715,408	na
Percent Vacant	6.0%	na
New Construction	290,818	na
Net Absorption	224,384	na
Average Lease SF/MO (NNN)	\$1.04	na
Under Construction	275,730	na
Planned	322,313	na
R&D		
Total Square Feet	476,018	na
Vacant Square Feet	4,583	na
Percent Vacant	1.0%	na
New Construction	0	na
Net Absorption	0	na
Average Lease SF/MO (NNN)	\$0.95	na
Under Construction	0	na
Planned	51,040	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
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Victorian Square Plans Mixed-Use Project

The city of Sparks and Trammell Crow Company recently announced that plans for The District at Victorian Square have been approved, with groundbreaking slated for the second quarter of 2007. The three-acre development, which will be the city's first mixed-use community, is a major part of downtown revitalization efforts. The first development phase consists of three buildings: a four-level structure featuring live/work spaces and single-level condominium homes, plus two, three-level structures featuring townhomes with alley-accessed, two-car garages. The residential component comprises 171 condominiums and townhomes ranging from approximately 760 square feet to more than 2,000 square feet. Architect for the project is James, Harwick+Partners Architects; Blue Water Studio provided interior design services.

TWC to Construct Medical Office Building

TWC Construction has received a contract valued at \$9.8 million to construct the 100,000-square-foot Centennial Hills medical office building in Las Vegas, which is being developed by Ensemble Real Estate Company and Universal Health Realty Trust. Located on three acres near the I-215 Beltway and U.S. 95, this project will be the first medical office facility in the Centennial Hills area and will be close to a new hospital serving northwest Las Vegas. Construction of the four-story structural steel building is scheduled to start this quarter, with a completion date in the third quarter of 2007.

Bank Building Topped Off

Business Bank of Nevada and Charleston Pavilion, LLC recently announced that construction crews have completed vertical construction of the bank's new corporate headquarters at Charleston Boulevard and Pavilion

Center Drive in the Summerlin area of northwest Las Vegas. The six-story, 150,000-square-foot Business Bank Corporate Centre reached its final height of nearly 100 feet when the final steel beam was bolted and welded into place. Business Bank owns 26 percent of Charleston Pavilion, LLC, the investment group that owns the building. The bank will occupy approximately 32,000 square feet of space, which will include its corporate headquarters and administrative offices, as well as a 5,000-square-foot bank branch. Fertitta Enterprises recently signed a lease to occupy 9,000 square feet in the building. Completion of the \$40 million project is scheduled for May 2007. Howard F. Thompson and Associates designed the building and Whiting-Turner Contracting was selected as general contractor.

Work Progressing on Montecito Marketplace

Montecito Companies, which recently opened Phase I of Montecito Marketplace, is continuing work on Phase II of the retail project in northwest Las Vegas. When complete, the \$48 million development will contain 207,765 square feet of retail space situated on 19.2 acres at the southeast corner of Durango Drive and Elkhorn Road. Phase I includes 104,904 square feet of retail space anchored by a 65,000-square-foot Smith's Food & Drug. The architect for Montecito Marketplace is Vedelago Petsch; civil engineering was performed by Great Basin Engineering South

Build-to-Suit Project Breaks Ground

Parts Unlimited and Drag Specialties have broken ground on one of the largest build-to-suit projects in Sparks. The new facility is located on 26 acres in the Spanish Springs Business Center at the intersection of Pyramid Highway and Isidor Court. Parts Unlimited



Victorian Square

specializes in motorcycle, ATV, snowmobile and watercraft parts and accessories. Drag Specialties is a dealer and distributor of aftermarket parts and accessories for Harley-Davidson. Both companies are units of LeMans Corporation and are the largest parts and accessories distributors in North America, fulfilling 20,000 orders daily. The 418,000-square-foot facility is scheduled to be completed in March 2007. The general contractor and architect on the project is United Construction. 🌿

Fearless?

...check.

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The 2007 Legislative Session *What's Ahead for Nevada?*

Even before the shouting dies down on Election Day 2006, many heads are already turning toward Carson City and the 2007 Legislature.

Sure, there's still turkey to be carved, presents to be handed out and champagne to be sipped, but for some it's never too early to start plotting strategies and getting a start on lobbying for their favorite causes.

As always, there will be numerous important issues discussed at the bi-annual meeting of our legislative leaders. Energy issues will be on the table again, as will funding for education and taxes, although nowhere near the level they have been in previous sessions.

There will be a substantial budget surplus to deal with this year, so it will be interesting to see how legislative leaders attempt to carve up the hundreds of millions of dollars for major issues and pet projects.

The Democrats are sure to push for all-day kindergarten and raising teacher pay. Republicans may look to

endow the very popular Millennium Scholarship, or perhaps even rebate money to businesses.

Where it will get very interesting, however, is how the rest of the money will be allocated. There are always programs that need additional funding, and a budget surplus can be a dream come true for their supporters.

While issues will take center stage in 2007, a changing of the legislative hierarchy will also vie for some attention in the early going. After four sessions as Speaker of the Assembly – that body's top position – Richard Perkins (D-Henderson) will step down (he did not run for re-election). Majority Leader Barbara Buckley will become the first female Speaker in Nevada history. Assistant Majority Leader John Ocegüera is likely to replace her as Majority Leader for the Democrats in the Assembly.

It will be very interesting to watch the dynamic between Buckley and Senate Majority Leader Bill Raggio (R-Reno). Perkins was often seen as a

facilitator between Buckley and Raggio, but without his presence no one knows how the two legislative leaders will get along.

Committee chairmanships are likely to stay much the same, but Buckley will likely give up chairing Assembly Commerce and Labor. That post could go to Ocegüera or – if he chooses not to chair a committee – to Marcus Conklin, an able lieutenant and well-respected legislator.

On the Senate side, things could get interesting. At press time, it looks as though Raggio will keep his Majority Leader position, but the conclusion of the governor's race will decide what happens on the Democratic side. If Dina Titus wins her race to become governor, then the minority leader title will be up for grabs. Even if she loses, it's a possibility we will see a new minority leader next session. The leading candidate is Senator Steven Horsford, who will be in his second term. He has solidified relationships with many of his caucus members and brings a wealth of union and business contacts to the position. Chairmanships in the upper house will most likely parallel last session, but memberships on those committees could change slightly.

There will be no shortage of issues for the "Gang of 63" to deal with this session, and as always, it is hoped they will do it in a bi-partisan, non-confrontational fashion. 

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

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Nevada Hospitals Recognized for Quality Care

At a recent meeting of the Nevada Hospital Association, HealthInsight, the Medicare Quality Improvement Organization (QIO) for Nevada and Utah, announced two Nevada hospitals as recipients of the 2006 HealthInsight Quality Award. The hospitals were selected for demonstrating high-quality healthcare and excellence in performance on publicly reported quality-of-care measures. The hospitals selected for awards were: St. Rose Dominican Hospitals, Rose de Lima Campus (Henderson) and Washoe Medical Center (Reno). Washoe Medical Center subsequently changed its name to Renown Health.

NCED Approves Economic Development Grants

The Nevada Commission on Economic Development (NCED) recently awarded the first seven Nevada Economic Development Fund (NEDF) grants, which totaled \$1,705,770. The grants are designed to help rural Nevada communities and blighted urban areas remain economically viable. The first applicants to receive grants were: the city of Caliente, for engineering and construction of a rail siding transloading facility; the city of Carlin, for improvements to the Carlin Industrial Park; the Board of Lincoln County Commissioners, to acquire land for the Alamo Industrial Park; the city of Ely for renovation of the Northern Nevada Railroad; and the Northern Nevada Development Authority for the Rural Regional Incubator Project. The Humboldt Development Authority received two grants: one to purchase

land for a rail spur into the Winnemucca Airport Industrial Park and another for a workforce development project.

Elko Casino Group Changes Hands

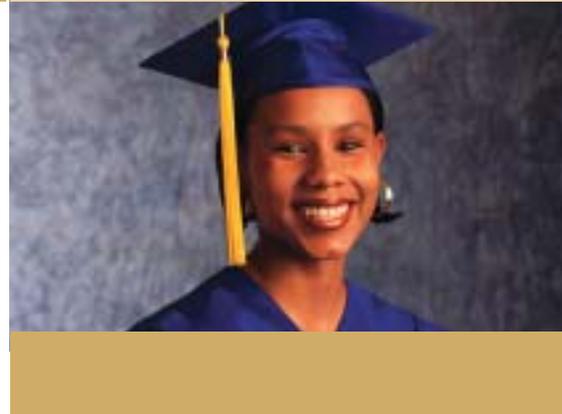
McClaskey Holdings, owner of the Red Lion, Gold Country and High Desert casinos in Elko, has sold the properties to Nav Elko, a company owned by Las Vegas-based Navegante Group. The new owners, who have received the approval of the Nevada Gaming Commission, said they plan to retain the managers who oversee day-to-day operations at the casinos. Larry Woolf, founder and chairman of Navegante Group, said plans called for refurbishing the three properties with ticket-in, ticket-out slot machines. The new owners will also direct marketing efforts to attract local residents. The group manages four downtown Las Vegas casinos, in addition to the Grand Sierra in Reno and Casino Fandango in Carson City.

Convention Center Launches Recycling Efforts

The Las Vegas Convention and Visitors Authority (LVCVA) introduced new, on-site recycling efforts during the recent MAGIC International convention at the Las Vegas Convention Center. The LVCVA contracted with Environmental Recovery Services, a Las Vegas company, to conduct on-site separation of recyclables and removal of the materials to a recycling facility. Its staff collected materials such as cardboard, wood, plastic, paper, carpet, carpet padding and aluminum for recycling. The company managed to achieve a recycling rate of 68 percent during MAGIC,



resulting in savings of \$28,000 for the LVCVA compared to the previous MAGIC trade show. Having the operation set up on-site meant a 100 percent cost savings for the sponsors of MAGIC because the fee normally paid for trash removal was completely eliminated. The LVCVA plans to implement similar recycling operations during the upcoming Specialty Equipment Marketing Association (SEMA) show and the Global Gaming Expo (G2E). 



UNLV Foundation *Inventing the Future*

As a leader in fundraising efforts at the University of Nevada, Las Vegas, Don Snyder is not only helping to shape the future of the university, he is also playing a role in shaping the future of Southern Nevada.

Snyder, retired Boyd Gaming president and a member of the UNLV Foundation's board of trustees, said economic diversity is necessary in order for the Las Vegas region to grow more broadly.

"Economic diversity is vital to a long-term healthy economy, and the university is the link between what you want to be and what you can be," he said. "While it might seem to be a bit of a cliché, you can't have a great city without a great university."

The UNLV Foundation is the fundraising arm of the university. The foundation's board of trustees, 60 prominent local business leaders like Snyder who volunteer their time, provides important links between campus and community to help raise and manage the millions of private dollars that flow in each year through annual giving programs, scholarships, major gifts and estate gifts.

Snyder has been involved with the UNLV Foundation since moving to Las Vegas from California as a banker in 1987. When he came on board, he said the state provided about 50 percent of the university's budget. The state now contributes 32 percent of the funding, said John Gallagher, vice president for development and execu-

tive director of the UNLV Foundation. "The growth in student enrollment and the rise in sophistication of our programs has made it necessary for us to step up our fundraising efforts, not only to meet basic needs, but to enhance the quality of the university as a whole," Gallagher said.

As a result, the foundation launched its first comprehensive campaign, *Invent the Future*, in January 2002 with the goal of raising \$500 million by the end of 2008. To date, the university has raised more than \$334 million.

The objectives of the campaign are to raise UNLV's public profile and academic reputation, broaden alumni support, strengthen the university's ability to impact economic development, and increase the fundraising resources, which will strengthen UNLV and the community.

Nancy Strouse, the UNLV Foundation's senior associate vice president for development, said the foundation gets a tremendous amount of support from local businesses. "Employers are looking for well-educated, high-quality employees, and they look to the university to provide them," she said.

Their support isn't just financial, Strouse said. Business leaders serve on advisory boards, where they can help shape the direction of a particular college or department by providing guidance on programs and reviewing strategic plans.

Ted Quirk, vice chair of the UNLV Foundation and an intellectual property and patent attorney, said the Las

Vegas Valley will grow with or without UNLV – the service sector will always need workers. But to attract other industries and businesses to Southern Nevada, a strong university is a must. "All you have to do is look at other cities – Austin and San Jose, for example – which have grown because of their multi-layered university system," he said.

Another UNLV Foundation board member, Terry Wright, owner of Nevada Title, pointed out that the university not only has more to offer than education, but it also improves the quality of life for all Southern Nevadans.

"It provides culture and entertainment such as concerts and lectures. We have museums and athletic events," he said. "It makes the community a better place to live, and when you have a community that's a great place to live, you're able to attract people from other areas who will make it even better."

More information on the *Invent the Future* campaign can be found on the foundation's Web site, <http://foundation.unlv.edu>. 

UNLV Foundation

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Silver State Bancorp

Expanding in Nevada and Arizona

Silver State Bancorp, the holding company for Silver State Bank, has expanded in 10 years from a five-person operation to a multi-state financial services provider with more than 260 employees. In September of this year, it acquired Choice Bank of Scottsdale, Ariz. As a result of the merger, the holding company's consolidated assets now exceed \$1 billion.

Corey Johnson, president and chief executive officer of Henderson-based Silver State Bancorp, explained the reasons for purchasing Choice Bank. "We had a loan production office in Arizona with four lenders who were doing great and consistently exceeding our expectations of what they could produce. However, when we generated loans in Arizona, we would have to fund those loans with deposits made in Nevada," he said. "We were unable to take deposits in Arizona because we weren't chartered as a bank there. Purchasing a bank gave us a platform to fund the loans out of local deposits."

Another advantage of purchasing Choice Bank was that it had a portfolio of residential loans. Silver State Bank, which is primarily a commercial lender, gained the expertise of the new Arizona staff, which Johnson hopes will enable it to break into the residential loan market in Nevada.

Silver State Bancorp now operates 10 full-service branches in Southern Nevada through Silver State Bank, as well as two Choice Bank branches in the Phoenix area. Silver State's latest

branch recently opened at 6895 Aliante Parkway in the master-planned community of Aliante in North Las Vegas. The holding company also operates loan production offices in Reno, Salt Lake, Denver, Seattle, Portland, Sacramento and San Diego.

In June, the bank celebrated the opening of its new Central Administration Building, located in Henderson. The \$7 million, 30,000-square-foot building houses many of the company's back-room operations, including loan processing, information technology and compliance offices.

Silver State was recently awarded the Economic Independence Award by the Small Business Administration (SBA) for achieving the highest dollar volume of SBA loans in the state of Nevada for the seventh consecutive year. "Whether the business is a restaurant, a dental clinic or a mortgage broker's office, we provide quick turn-around time," said Johnson. "We're a nationwide preferred lender, which means we can approve our own loans throughout the nation."

Silver State Bank sponsors a Women's Business Group, which provides a forum for female business owners and executives to get together for luncheons where they can listen to informative speakers. "Women-owned business is a big market that is often overlooked," said Johnson. "In addition, women are often the decision-makers within a company, so we want to maintain our connections with them."

Johnson said plans for the bank's future include expanding with several

new branches. Silver State has purchased five sites in Clark County for additional branches, and Choice Bank has purchased a site in Mesa for another branch, which should break ground in January 2007 and be open by summer. "We try to open up a branch each year, and so far we've been right on target, with 10 branches in 10 years," said Johnson. "If things continue to go the way they are, we'll look at other opportunities to expand outside of the Nevada marketplace." 

Tenacious?

...oh yeah.

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Online Promotions

How to Navigate this New World

A whole new world has emerged in recent years – a world that helps businesses transform and grow at the speed of an Internet connection. This new world is referred to by various names, including Paid Search, CPC and Sponsored Links – all of which enable businesses to tap into millions of business prospects online.

The major advantage of this new world of advertising is that business owners pay a preset cost only when someone (a prospective customer) clicks on their ad and arrives at their website. Clearly the customer has an interest in the company's product or service and wants to find out more.

This is a far more effective form of advertising than the failed 1990s type, which was based on a CPM model (cost per thousand impressions), in which every single person arriving on a search engine was exposed to banner ads, and the advertiser paid whether a click was stimulated or not. In fact, it was not uncommon for an unsuspecting advertiser to rack up hundreds of dollars in ad fees and not get a single visitor to its website.

Here's how it works: A Nevada business (let's call it Widgets R Us) wants to find more customers in order to move its new line of Blue Widgets. Widgets R Us has an e-commerce-enabled website that can process orders from interested buy-

ers. Widgets R Us would simply visit one of the "big three" search engines – Yahoo!, Google, MSN (now called Live) – and sign up for an advertising account to "sponsor" search terms that Internet users type in when looking for information on blue widgets.

Widgets R Us would then assemble a list of terms and phrases that people would most likely use when searching for blue widgets, such as "blue widgets," "widgets," and even "store selling blue widgets in Las Vegas." The more terms one has, the better the reach. (I have more than 100,000 terms and phrases in order to promote all of my websites.)

Next, Widgets R Us would set the price it is willing to pay each time someone clicks its sponsored search ad. This can vary widely, but starts at 5 cents per click on most search engines.

Within hours, Widgets R Us has a full-blown ad campaign running on a search engine. Depending upon the amount of search volume for blue widgets, the Widgets R Us website

Success depends upon many factors, including finding out which search terms convert into sales and which don't.

could be awash with new prospective buyers who otherwise would never have known of Widgets R Us or their new line of amazing blue widgets. Best of all, Widgets R Us only paid for traffic that wanted to go to its website to check out the blue widgets. This is called the bid price or price per click (PPC), and can vary widely by sponsored search term.

My advice to business owners is, please – don't try this at home! This new world of advertising utilizes tons of new approaches and technology. Success depends upon many factors, including finding out which search terms convert into sales and which don't. Believe it or not, these change over time due to competitor influences and even change on a seasonal basis. Other factors include how well a website is designed to convert visitors into sales (a real science, by the way) and other factors.

Consult with a specialized ad agency called an interactive ad agency. Paid search is very different from traditional advertising models and demands continual research and refinement of ad campaigns and Web landing pages (pages designed specifically to stimulate a particular action, be it a sale or a lead). 🌿

Edward Serrano is president of Henderson-based nineblue.com. Serrano is also president of the Las Vegas Chapter of EO, Entrepreneurs Organization.

Desert Radiologists *New CEO Takes Over Growing Company*

Bill Moore recently took over the reins of Desert Radiologists, which has a 41-year history in Nevada. Rather than dwelling on the firm's past successes, however, the new CEO looks forward to the challenge of leading the imaging company into the future.

With five outpatient centers throughout the Las Vegas Valley and contracts to provide in-house diagnostic service to five hospitals, Desert Radiologists has grown with Southern Nevada's population and now performs more than a million procedures annually. Its services have also expanded with medicine's technological advances; today, the company offers technologies ranging from CAT Scans and MRIs to pediatric radiology, mammography and ultrasounds, as well as nuclear medicine, dental CTs and other imaging services.

It's that diversity of services and contracts with hospitals that Moore believes will protect Desert Radiologists from the effects of what he sees as the greatest challenge facing his industry – the Deficit Reduction Act (DRA). Scheduled to take effect in January, 2007, the Medicare Reform portion of the DRA calls for payments for medical imaging services in a physician's office or imaging center to be capped at a rate not to exceed the rate paid to a hospital outpatient department. "The implementation of this act could reduce reimbursement by as much as 75 percent," said Moore. "Smaller imaging companies could be forced to close, and more devastatingly, it could prevent seniors from getting lifesaving diagnostic tests."

Secure in its position as the largest imaging company in Nevada, Desert Radiologists recently further expanded its foothold with the announcement of an agreement to provide radiology coverage for Mesa View Regional Hospital in Mesquite. Under the agreement, which took effect on September 15, 2006, Desert Radiologists provides interpretation of diagnostic images, which examines how the body is functioning, as well as interventional radiology support, which works to make changes in the body by using electromagnetic or particulate radiation to treat disease.

"We've been offering diagnostic services for more than 40 years and providing hospital coverage for the same amount of time. Our vision calls for a continuation of the same quality services beyond the Las Vegas Valley, growing the company throughout the entire state of Nevada," said Moore. As part of its growth plan, Desert Radiologists is committed to continuing to give back to the community through such programs as its participation in Breast Screening Month and its care for indigent patients.

Moore leads more than 250 employees, including 40 board-certified radiologists and specialized technicians.

Moore knows and understands the for-profit side of healthcare operations. Prior to joining Desert Radiologists, he served as senior vice president of operations for the western region of US Oncology, Inc. located in Houston, Texas. He also held the positions of CEO for Lake Mead Hospital Medical Center

(now North Vista Hospital) in North Las Vegas, COO for Desert Springs Hospital Medical Center in Las Vegas and COO for Lakeside Hospital in Metairie, La.

Moore sees Desert Radiologists as playing a part in the improving image of Southern Nevada's medical community. He added, "When a need exists, Southern Nevada's medical community steps up to the plate to meet that need."



Liz Gamble is a freelance writer based in Southern Nevada.

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Employee Rights *And Employer Obligations*

The increasing level of military operations in Iraq, Afghanistan and other places in the world has resulted in the ongoing activation of thousands of National Guard and Reservists. As the rotation and deployment cycles continue, many Guard and Reserve members are now returning to resume their civilian jobs. Problems between these returning service members and their former employers are occurring in increasingly frequent numbers.

The returning service members, as former employees, have legal reemployment rights. Employers have a legal obligation to reinstate these individuals in their previous positions. The returning service members have recourse under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

The Employer Support of the Guard and Reserve (ESGR) is a Department of Defense-funded program that works to resolve employment or reemployment issues between service members and employers. The USERRA guidelines outline the fine points of the act and clearly define service members' obligation to notify their employers, whenever possible, of an upcoming activation or deployment. Additionally, it provides timelines for them to return to work upon deactivation from active service.

On the employer side, the act outlines the requirement for prompt reemployment, "which will depend on the circumstances of each individual case." It also defines an escalator position, which "requires that each returning service member actually step back onto the same seniority escalator at the point the person would have occupied if the person had remained continuously employed."

The act further describes the service member's rights and the employer's obligations regarding pension and retirement programs. The act states the following: "A reemployed person must not be treated as not having incurred a break in service with the employer maintaining a pension plan;" and: "Military service must be considered service with an employer for vesting and benefit accrual purposes."

The act also provides protection from discharge and discrimination. "A reemployed employee may not be discharged without cause, for one year after the date of reemployment if the person's period of military service was for more than six months,

Employment discrimination because of past, current or future military obligations is prohibited.

or six months if the person's period of military service was 31 to 180 days. Employment discrimination because of past, current or future military obligations is prohibited. The ban is broad, extending to most areas of employment, including hiring, promotion, reemployment, termination and benefits."

The act allows liability for violation of the law to be established if service connection is just one of the employer's reasons for any adverse action against the service member. Violations of the act can result in action by the Department of Justice and civil action with the support of the U.S. Attorney General.

The ESGR, as part of its duties, attempts to work with employers to make sure that they understand the law and their obligations to returning service members. Employers need to understand their obligations under USERRA and make sure that their supervisors and managers know the appropriate actions to take in dealing with returning service members.

All quotes are from the USERRA guidelines, which can be accessed at: <http://www.esgr.org/employers2/thelaw.asp?c=userra.html>. 

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

Continued From 32

Melissa Nelson: We put together a calendar of events all year long, so there's constantly some sort of activity going on. And it's not necessarily giving money – it's giving your time. Maybe a school needs help, a house needs repairs or a project to clean up Red Rock Canyon has been organized. We like to provide as much opportunity as possible to our team members in various community-related activities.

Puccinelli: We do a lot of senior-related initiatives, including delivering birthday cakes to seniors. We've found that if we get an employee to go out on one of those deliveries, nine times out of 10 he or she becomes a real advocate of the program and starts recruiting other employees to volunteer as well.

Stowell: We pay our employees to go out during work hours to mentor and tutor and get involved with students at at-risk schools. But communication is crucial if you want people to volunteer time over a weekend. They're not going to show up if you don't communicate that information to them. At Business Bank, we don't want management pushing volunteerism on our employees from the top down. We want our employees to communicate it from the bottom up. Our employees actually sit on the grants committee, and they are the ones driving the voluntarism of the employees who get involved.

Polovina: However, I don't think you can underestimate the importance of the hierarchy in your organization, because they lead by example. And when you have people who are philanthropically inclined, it's going to filter down throughout the entire organization.

Puccinelli: Recognition is important too. We sponsor a nice employee recognition luncheon on an annual basis. And we're always looking for ways to recognize employees who contribute.

Clausen: We encourage our team members to get involved in organizations, even sitting on the boards of nonprofits.

Stowell: Our company actually mandates that everybody at VP level and above must sit on at least one nonprofit's board; senior VPs and above sit on at least two boards, because if you are going to set the example, then you better go out and get involved.

But what's very rewarding for a company is seeing your employees put together a program by themselves and carry it through. A couple years ago, Center for Independent Living was remodeling and trying to furnish their center. Our management had no clue that employees were collecting donations for the project behind the scenes. Management found out about it and asked, "Why didn't you get us

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Workplace Evaluation and Management Tools –

Dec. 6, 8:30 a.m. – 4:30 p.m.

This presentation assists the student in the development of effective evaluation and management tools for use in their safety and health programs. The class focuses on the procedures for doing a safety assessment, job safety analysis, setting up a functional safety committee, and using root cause analysis to do a thorough accident investigation. Emphasis is placed on the importance of total management commitment.

Workplace Emergencies and Evacuation – Dec. 20, 1:30 p.m. – 4 p.m.

This presentation gives an overview to prepare for a workplace emergency. Topics that will be covered include: type of disasters, response plans, protection from airborne, biological, radiological attacks and mass evacuations.

Reno – Classes held at 4600 Kietzke Lane, Suite E-144, Reno, NV 89502. Register by calling (775) 824-4632 or (775) 824-4630.

OSHA 30-Hour General Industry Outreach Program –

Dec. 4-8, 8:30 a.m. – 4:30 p.m.

This five-day course will provide training in OSHA's General Industry Standards. It is an expanded version of the ten-hour course. Attendees must attend all five days to receive the OSHA attendance card.

Control of Hazardous Energy "Lockout/Tagout" –

Dec. 13, 1 p.m. – 4 p.m.

This class emphasizes locking out all energy sources during maintenance operations. Energy sources include, but are not limited to, electrical, pneumatic, hydraulic, and gravity.

Elko – Classes held at Great Basin College at 1500 College Parkway, Elko, NV 89801. Register by calling (775) 778-3312 or (877) 4SAFENV.

OSHA Injury and Illness Recordkeeping – Dec. 13, 1 p.m. – 4:30 p.m.

The presentation covers employer injury and illness recordkeeping requirements of the OSH Act of 1970. The discussion includes: OSHA's basic recordkeeping requirements, injury and illness recordkeeping criteria, recordable and non-recordable injury and illness determination, recordkeeping forms and their maintenance, and posting requirements.

For a complete list of classes, please visit www.4safenv.state.nv.us

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involved?" and the employees said, "We didn't need your help."

Murray: One final thing – Bret mentioned that we rank in the bottom 10 in many areas of giving, but when you look at our ranking with regard to high school dropouts, teenage pregnancies and crime, they're just tied in side-by-side. And when you look at the companies around this table, they are the ones funding health and human services and capital campaigns and so many great causes. It has to spread to the rest of the community, or else we won't get off of the bottom of the list for these indicators.

Schorr: We have to be innovative in what we do, to take care of the major issues we face: education, healthcare, homelessness and others. A lot of people knock the business community by saying we aren't doing enough for civic and charitable organizations, but I believe we are accomplishing a great deal, and I am proud of what the people around this table do on a daily basis. 🌟

The Volume of Corporate Giving

Participants at the Philanthropy Roundtable were asked to estimate the amount their business or foundation contributes annually to communities in Nevada. While individual results were confidential, the total dollar amount was staggering: the 15 organizations represented at the roundtable contributed more than \$110 million to local nonprofits and community groups. The participants represent just a fraction of all the companies in Nevada with charitable giving campaigns, which illustrates the immense impact philanthropy makes on the state's well-being. Congratulations to all businesses, large and small, that make our state a better place in which to live.



Employee Recognition

Is It Really That Important?

Throughout the years, research has proved that employee performance and retention are strongly linked to consistent, appropriate positive reinforcement of behaviors that promote employers' goals. Within companies, a recent study by Gallup showed that a simple act of recognition by an employee's colleague or superior dramatically enhanced an employee's work output and motivation.

Another recent study conducted by Northwestern University found a direct link between employee satisfaction and customer satisfaction, and between customer satisfaction and improved financial performance. So you see, employee recognition is not just about warm fuzzies – it can improve a company's bottom line.

This is not a new phenomenon. Ever since researchers started conducting workplace satisfaction surveys, employees have prioritized recognition. In 1949, when Lawrence Lindahl asked North American workers to rank the rewards of their jobs, highest on the employees' lists were: (1) feeling appreciated for work done; and 2) feeling "in" on things. Managers were shocked. They had guessed that good wages and job security would be No. 1 and No. 2. The study has been replicated many times in recent years. Each time, the findings are exactly the same.

It is clear that employee recognition has been – and will continue to be – vital to the success of companies large and small. In fact, as baby boomers retire and the pool of qualified workers shrinks, increasing competition for top performers, employee recognition may be more important than ever. Learning to appreciate workers in an appropriate way is a key skill for any good leader. A recognition program does not have to be expensive. An effective program has the following components: fairness, high visibility and consistency.

To be fair, a program must not favor one employee over another, merely because of his or her position within the organization, or relationship with a supervisor. There must be an effective means of identifying employees who deserve recognition. In many programs, employers initiate a simple system by which employees can nominate others for recognition.

Making certain a program is highly visible helps to ensure consistent

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implementation. If a recognition program becomes viewed as management's "program of the month," it loses its luster and thus the desired effect of appreciating and motivating employees.

The actual rewards can be anything. The reward itself should be just part of the process. Recognition can be achieved by having the reward given at a gathering of employees, and by recognizing the award in corporate communications such as a newsletter.

Awards products are growing in significance for companies across America as they seek dynamic methods of boosting employee morale, productivity and sales. Recognition programs have become mainstream among companies seeking to reward employees for their dedication.

So ask yourself: When was the last time you publicly recognized a great employee for his/her specific contributions to your team? If you can't remember, it's been too long. Start today by offering specific praise to an employee for a job well done and you can practically ensure yourself a repeat performance, not only by that employee, but also by others who witnessed the act of appreciation. 🌿

Jeff Tino is the president and CEO of Recognition Express, based in Las Vegas.



The Roth 401(k) Plan *Can It Permanently Improve Your Future?*

In 2006, two things happened to strengthen the ability of investors to shelter income in a tax-deferred pension plan. The first was the creation of the Roth Section 401(k) plan on January 1, 2006. The second occurred on August 17, 2006, when it became a permanent fixture of the available tax-deferred saving plan options. Originally, the Roth 401(k) plan was set to expire after 2010, but the Pension Protection Act of 2006 eliminated the expiration.

The Roth 401(k) plan entitles the participant to contribute \$15,000 per year of post-tax earnings to a tax-deferred savings plan. Contributions can be withdrawn tax-free after the age of 59 1/2. If the participant is over the age of 49, an additional \$5,000 can be contributed annually to the plan. The traditional Roth IRA maximum contribution is \$4,000, with a \$1,000 catch-up contribution for older workers.

The benefit of the Roth-type plans is that even the tax-deferred earnings accumulated over the years by the plan will never be subject to income taxes if managed correctly. Put another way, your retirement nest egg could never be reduced by income taxes, meaning more disposable income for the lifestyle you desire in your retirement.

Since the original Roth Section 401(k) plan was set to expire after 2010, many employers were reluctant to establish the Roth as part of their benefit package. Now that the provision has become permanent, employers are more likely to implement the Roth feature to their existing Section 401(k) plan.

The combination of having a traditional Section 401(k) plan with a Roth Section 401(k) does require the employer to maintain separate accounts for the employee. Funds of the Roth cannot be commingled with funds of the traditional 401(k) plan – a requirement that will cause additional administrative expense. However, the extra costs now appear justified, because the Roth feature is now permanent.

The features of the Roth 401(k) can increase tax-deferred compounding of retirement investments. Savings under the traditional plan, combined with the Roth, could reduce risks because future tax brackets are unknown. If tax brackets go up, and Roth investments were taxed at a lower rate when they were originally contributed, then money is made by simply paying the tax early.

Combine that with the non-taxability of the earnings on the Roth assets over time, and a financial hedge is created to defend against the risk

of inflation and adjusted rising tax brackets. Further still, if a traditional 401(k) plan is utilized in conjunction with the Roth, current income taxes could be saved. The key is finding the right balance to getting the most effective tax-deferred savings portfolio with minimal risk.

Rules for Roth 401(k)s have to be followed to make them worthwhile. For example, once funds are contributed, participants have to hold the account for five years in order to pull out funds tax-free, and be over 59 1/2 when they do so. In addition, the funds cannot be withdrawn penalty-free for the purchase of a first residence or qualified educational expenses, which a traditional Roth IRA allows. With any savings plan, the aspects of the plan need to be fully researched to make sure the advantages outweigh the disadvantages.

All in all, the Roth Section 401(k) plan adds up to be a powerful savings plan. The benefits of the plan are too enticing to ignore for older, as well as younger, workers. It only makes sense to take advantage of the Roth 401(k) option if it creates more retirement savings in the long run. 🌿

Jason Thomas is a shareholder and vice president of tax services at Fair, Anderson & Langerman, a Las Vegas CPA firm.

North Las Vegas...

A CLOSER LOOK



The past, present and future of one of Nevada's most dynamic and fast-growing cities will soon be revealed in *Nevada Business Journal's* special focus on the City of North Las Vegas. The publication will be included in the full run of the January 2007 issue, where it will reach over 68,000 business decision-makers statewide. In addition, the stand-alone magazine will be distributed throughout the year to the movers and shakers in the North Las Vegas business community, and to those considering relocating to the area.

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Amid some pessimism, we see a good U.S. unemployment rate below 5 percent, but inflation topping out at the upper end of the comfort range. The core consumer price index (CPI) is growing at an annual rate of 2.8 percent.

With inflation posing a concern, the Federal Reserve has moved the Federal Funds rate from 1 percent to 5.25 percent in a series of steps. However, with the prospect of weaker housing, auto and other consumer durable markets, the Fed has seen reason to take a pause.

As inflation has picked up, the long-awaited housing market slowdown got underway. The indicators show recent U.S. housing sales declined 13.3 percent, and auto and truck sales declined 4.8 percent. With slowing housing and auto markets and a recent sharp retreat of oil prices, the outlook calls for less inflation and slower spending ahead.

The U.S. economic picture, though still comfortable, gives reason to watch for danger signs. The most notable concern is for deflating housing asset values, which could cascade into a recession.

Las Vegas and Reno have experienced rapid housing price appreciation and could be vulnerable to market corrections. Abundant anecdotal evidence, such as price concessions by sellers, shows slowdowns occurring. Residential permits are down 37.4 percent in Las Vegas for August 2006 compared to the same month a year ago, and permits are up moderately (by 3.8 percent) in Reno.

With good investment prospects for the Silver State, however, one might expect more rapid market corrections than in slower-growing areas. Indeed, the trend of job growth in Las Vegas is at 5.9 percent and 4.4 percent in Reno – rates well above the national level of 1.3 percent. Therefore, though there may be a greater housing market overhang in Nevada, strong growth makes adjustments quicker, other things being equal. All in all, we foresee weaker housing markets, but things will hold up in the Silver State.

R. Keith Schwer

UNLV Center for Business and Economic Research

	UNITS	DATES	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT (%)	YEAR AGO (%)	
NEVADA								
EMPLOYMENT	1,000 EMPLOYEES	08/06	1,293.8	1,288.3	1,228.9	0.4	5.3	Strong Trend
UNEMPLOYMENT RATE	%, NSA	08/06	4.6	4.3	4.3	7.0	7.0	Still Favorable
TAXABLE SALES	\$ BILLION	06/06	4.507	4.074	4.183	10.6	7.8	Good
GAMING REVENUE	\$ MILLION	07/06	1,038.76	921.08	958.48	12.8	8.4	Very Good
PASSENGERS	PASSENGERS	07/06	4.619	4.399	4.580	5.0	0.9	Modest Trend
GASOLINE SALES	MILLION GALLONS	07/06	98.32	98.32	97.23	0.0	1.1	Flat
VISITOR VOLUME	MILLION VISITORS	07/06	4.483	4.254	4.602	5.4	-2.6	Modestly Off Trend
CLARK COUNTY								
EMPLOYMENT	1,000 EMPLOYEES	08/06	923.4	918.7	872.2	0.5	5.9	Strong Trend
UNEMPLOYMENT RATE	%, NSA	08/06	4.6	4.3	4.3	7.0	7.0	Still Favorable
TAXABLE SALES	\$ BILLION	06/06	3.270	3.009	3.007	8.7	8.7	Very Good
GAMING REVENUE	\$ MILLION	07/06	850.26	757.74	765.69	12.2	11.0	Very Good
RESIDENTIAL PERMITS	UNITS PERMITTED	08/06	2,324	2,232	3,714	4.1	-37.4	Down
COMMERCIAL PERMITS	PERMITS	08/06	118	92	130	28.3	-9.2	Down
PASSENGERS	MILLION PERSONS	07/06	4.148	3.949	4.062	5.1	2.1	Good
GASOLINE SALES	MILLION GALLONS	07/06	65.99	65.99	65.12	0.0	1.3	Flat
VISITOR VOLUME	MILLION VISITORS	07/06	3.791	3.574	3.866	6.1	-2.0	Modestly Off Trend
WASHOE COUNTY								
EMPLOYMENT	1,000 EMPLOYEES	08/06	228.0	227.2	218.4	0.4	4.4	Strong Trend
UNEMPLOYMENT RATE	%, NSA	08/06	4.2	4.0	3.9	5.0	7.7	Very Favorable
TAXABLE SALES	\$ BILLION	06/06	0.692	0.602	0.657	15.0	5.2	Very Favorable
GAMING REVENUE	\$ MILLION	07/06	99.72	88.83	101.12	12.3	-1.4	Good July
RESIDENTIAL PERMITS	UNITS PERMITTED	08/06	493	380	475	29.7	3.8	Up
COMMERCIAL PERMITS	PERMITS	08/06	61	45	43	35.6	41.9	Up
PASSENGERS	MILLION PERSONS	07/06	0.466	0.445	0.504	4.8	-7.5	Trend Down
GASOLINE SALES	MILLION GALLONS	07/06	15.72	15.72	15.64	0.0	0.5	Flat
VISITOR VOLUME	MILLION VISITORS	07/06	0.479	0.477	0.516	0.4	-7.2	Trend Down
UNITED STATES								
EMPLOYMENT	MILLION, SA	08/06	135.500	135.372	133.792	0.1	1.3	Good
UNEMPLOYMENT RATE	%, SA	08/06	4.7	4.8	4.9	-2.1	-4.1	Still Favorable
CONSUMER PRICE INDEX	82-84=100, NSA	08/06	203.9	203.5	196.4	0.2	3.8	Concern
CORE CPI	82-84=100, NSA	08/06	206.7	206.2	201.0	0.2	2.8	Concern
EMPLOYMENT COST INDEX	89,06=100, SA	2Q06	101.7	100.8	98.8	0.9	2.9	Up
PRODUCTIVITY INDEX	92=100, SA	2Q06	138.6	138.2	134.9	0.3	2.7	Good
RETAIL SALES GROWTH	\$ BILLION, SA	08/06	368.233	367.351	345.226	0.2	6.7	Trend Up
AUTO AND TRUCK SALES	MILLION, SA	08/06	16.02	17.14	16.82	-6.5	-4.8	Down
HOUSING STARTS	MILLION, SA	08/06	1.665	1.772	2.075	-6.0	-19.8	Down
GDP GROWTH	\$ BILLION, SA	2Q06	11,388.1	11,316.4	11,001.8	0.6	3.5	Expansion
U.S. DOLLAR	97,01=100	08/06	107.770	108.510	110.690	-0.7	-2.6	Down
TRADE BALANCE	\$ BILLION, SA	07/06	-68.044	-64.818	-58.080	-5.0	-17.2	Down
S&P 500	MONTHLY CLOSE	08/06	1,303.82	1,276.66	1,220.33	2.1	6.8	Up
REAL SHORT-TERM RATES	%, NSA	08/06	4.76	4.65	2.93	2.4	62.5	Up
TREASURY YIELD SPREAD	%, NSA	08/06	-0.21	0.01	0.74	-2200.0	-128.4	Caution Signal

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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