

Nevada Business

THE DECISION MAKER'S magazine

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Touro University Nevada Addresses Healthcare and Education Needs in the Valley

Touro University Nevada (TUN), part of a system of Jewish-sponsored, non-profit institutions of higher education, was established to help address the need in Nevada for healthcare and education professionals. TUN opened its doors in 2004 and is celebrating its tenth anniversary. Today, the thriving campus has more than 1,300 students enrolled in a variety of degree programs, many of which are the first of their kind in the state of Nevada.

TUN is Nevada's largest medical school and offers six other healthcare-related degree programs — Doctor of Physical Therapy, Master of Science in Medical Health Sciences, Master of Physician Assistant Studies (only program in the state), Doctor of Nursing Practice, Bachelor of Science in Nursing for new practitioners, and Master of Science in Occupational Therapy (only program in the state). TUN also offers Master of Education and Master of Camp Administration and Leadership (only one in the nation).

Touro University Nevada is committed to developing strong educational partnerships in the community. TUN partners with Valley Hospital's graduate medical residency program and encourages students to apply for resident slots. National studies show that nearly 70 percent of physicians stay in the community where they do their residency.

Touro University Nevada furthered its commitment to the Southern Nevada community with the launch of a unique mobile healthcare clinic that serves homeless in the downtown area and throughout the Las Vegas Valley who cannot otherwise obtain healthcare. The mobile unit, started in July of last year, also provides care to homeless veterans at Veterans Village. This unit is an outreach of the Stallman Touro Clinic at The Shade Tree Shelter for Women. The Stallman Touro Clinic, which is staffed by TUN students and faculty, has been providing free care to the women and children at The Shade Tree since 2009.

TUN also operates a recently expanded, multi-specialty Health Center, staffed by faculty physicians specializing in various fields including geriatrics, rheumatology, primary care, and osteopathic manipulative medicine (OMM). Third and fourth year medical students do clinical rotations at the Health Center and residents with Valley Hospital also assist in the practice. Most insurances are accepted and new patients are welcome.

As the healthcare industry changes, Touro has the ability to assist the state of Nevada with critical healthcare needs at no cost to state taxpayers. In 10 years, Touro has graduated more than 1,500 healthcare professionals and continues to work and partner with the Southern Nevada community.



Quick Facts

Established in 2004

More than 1,300 students enrolled

Fully accredited by the Western Association of Schools and Colleges

Served more than 24,000 patients through Touro's Health Center in 2014

Community service efforts include the Stallman Touro Clinic at Shade Tree, an outreach program for community events known as Caring Without Walls as well as the Touro Mobile Healthcare Clinic which was launched in July of last year.

Touro University Nevada's mission is to provide quality education programs in the fields of healthcare and education in concert with the Judaic commitment to social justice, intellectual pursuit and service to humanity.

T
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> > The Commentary

2015 Wish List

Eliminate Things That Don't Make Cents

For many people, the New Year is a time to make resolutions to improve themselves, their families and their careers. It's a time to set goals and it's a time of the best of intentions. This year, I'd like to take a moment to share my wish list for 2015.

1. **Stop the government-sector from being controlled by union leaders.** Doing so would save Nevadans millions annually while returning to the state's original prohibition on government-sector collective bargaining. It is vital that legislators end the strong-arm tactics of union leaders that allow them to force local governments to execute union contracts.
2. **Repeal the prevailing wage laws.** They don't make economic sense and are counter-intuitive to a state that needs to save every dollar. Does it make sense to pay one person \$20 an hour and another \$70 an hour to do the exact same work simply because one job is state sanctioned?
3. **Reform PERS.** The program doesn't make any mathematical sense. If you take a look at the Nevada Policy Research Institute's (NPRI) website, www.transparentnevada.com/nvpers, you might be shocked or even, as I was, sickened to see some of the retirement payouts from PERS. When over 10,000 retired government employees are poised to make more than the state's median household income, we have a problem.
4. **Create more and better school choices.** If legislators remove the current bureaucratic and union ran school system and replace it with a system that allows school choice, Nevada's K-12 education system would be both more effective and accountable.
5. **Enact real tort reform.** When we allow ambulance chasers to run our courts and present lawsuits that even a small child would scoff at, we have some serious problems. While it's important to take care of the injured, frivolous lawsuits have no place in Nevada and it is my hope that common sense will lead our legislators to enact laws that limit these harmful practices.
6. **Impose true government transparency.** Our current law barely scratches the surface of what we need, which is to make ALL state and local government meetings open to the public. How can we call ourselves free with so much hidden from general view? If you are determined to enact laws and policies that affect my business and my family, I have a right to hear about and comment on the same.
7. **Cease political correctness.** There is a difference between political correctness and intentionally being offensive. Stop being so sensitive. If you've never offended someone accidentally then give me a call, I'd like to meet such a paragon. If you have, however, remember that before you jump to offense because you misunderstand or don't like the opinions of another. If you're entitled to your opinions, I'm certainly entitled to mine.
8. **Draft a fair tax platform.** We understand that running our state requires funding. When additional tax revenues are actually necessary, seek it through a broader consumption tax rather than attempting to avoid the issue or forcing an unfair tax upon one segment of the state.
9. **Last, but definitely not least, pass a law that no present or future law contradicts God's Word.** As the foundation upon which we built our great Nation, it is imperative that we protect it and the rights of those that live its precepts.

When I take a moment to look over and review my wish list, there is a common thread running through it, government control needs to be limited and our God given ability to use common sense and determine right from wrong needs to be practiced more diligently. It is my hope that 2015 will see a renewing of those values that were at the foundation of our country. My final wish is that God will bless and keep you in this New Year.



Lyle E. Brennan

Publisher



COMMENTS

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By Whose Authority?

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

Nevada Business

THE DECISION MAKER'S MAGAZINE

VOLUME 30 · NO. 1

A division of Business Link, LLC

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Nevada Business Journal, Nevada Business Magazine and Nevada Business are divisions of **Business Link, LLC**, 375 N. Stephanie St., Bldg. 23, Suite 2311, Henderson, NV 89014. It is listed in Standard Rates and Data, #20A-Business-Metro, State and Regional. **TopRank Nevada - Annual Statewide Book of Lists** is a publication of **Nevada Business Magazine**.

Advertisers should contact Sales at (702) 735-7003, or write to: **Nevada Business Magazine**, 375 N. Stephanie St., Bldg. 23, Suite 2311, Henderson, NV 89014. Demographic information available upon request. Month-to-month circulation may vary.

Nevada Business Magazine is published monthly. Subscription rate is \$44.00 per year. Special order single-copy price is \$7.50.

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CHANGE OF ADDRESS: POSTMASTER: Send address changes to **Nevada Business Magazine**, 375 N. Stephanie St., Bldg. 23, Suite 2311, Henderson, NV 89014. Subscribers please include previous address or mailing label. Allow six weeks.

EDITORIAL SUBMISSIONS: Address all submissions to the attention of Tarah Figueroa. Unsolicited manuscripts must be accompanied by a SASE. **Nevada Business Magazine** assumes no responsibility for unsolicited materials.

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



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What are your hopes for the New Year?



>> Cover Story

A close-up portrait of a Black male doctor. He is smiling warmly at the camera. He is wearing a white medical lab coat over a light blue dress shirt and a dark blue tie. A stethoscope hangs around his neck. He is holding a white folder or document in his hands.

MEDICAL EDUCATION

By Doresa Banning



PREPARING FOR THE **FUTURE** OF HEALTHCARE IN NEVADA

MEDICAL education in Nevada is growing and is poised for significant expansion. Collectively, the current and proposed changes will eventually go far in reversing the state's shortages of medical students, physician residency programs, doctors and nurses.

"Everything is about everybody getting bigger, everybody getting successful," said Dr. Thomas Schwenk, dean of the University of Nevada School of Medicine (UNSM), referring to the various players in Nevada.

"I also think there's a general sense that public medical education is just too small. It needs to be more thriving, more robust, with more research and have more influence on overall quality of care. We need to be a lot bigger."

An ample supply of providers could transform the Silver State into a destination for healthcare. The state could become a place where, at a minimum, residents don't have to go elsewhere for services. For many, this is the ultimate goal.

"A stronger physician workforce would have a huge impact on the quality of life in the state, the business climate and the attractiveness of the state to new businesses," Schwenk added. "Businesses also benefit here in terms of higher-quality health, better healthcare, better access and, maybe, less employee turnover and lower worker's compensation expenses."

The Current Landscape

The state's physician pipeline is weak, Schwenk noted. In 2013, about 900 Nevada students applied to UNSOM and only 60 of those were accepted. Similarly, the state graduates from 60 to 70 M.D.s (not doctors of osteopathic medicine, or D.O.s) per year when the average national size of a medical school class is 145.

In-state residency slots are few and offered only in about 14 of 24 key medical specialties, such as anesthesia, neurology and orthopedic surgery. For example, only 90 residencies are available each year for Touro University's 135 graduating D.O.s, said CEO Shelley Berkley. Consequently, many physicians leave Nevada to pursue their residencies and, often, don't return to the state to practice.

"We're losing a huge number of our own students because they aren't being trained here," said Dr. Barbara Atkinson, planning dean of the University of Nevada, Las Vegas School of Medicine (UNLV SOM). "The state really should be training in all specialties."

The Silver State needs significantly more primary care physicians and specialists. Clark County alone needs 2,060 additional physicians in all specialties to match the U.S. average number of physicians per 100,000 in population, according to the 2014 report, "Physician Workforce in Clark County Nevada."

An acute need exists as well for nurses at all levels, but primarily ones with bachelor's degrees along with ones specializing in areas such as critical care and mental



Bart
Patterson

Nevada State College

health, said Bart Patterson, president of Nevada State College (NSC).

Public School Opportunities

Currently, UNSOM students complete two years at the University of Nevada, Reno (UNR) then another two years at UNLV. Two proposed plans would eliminate that structure and expand medical education in Southern and Northern Nevada.

UNLV School of Medicine

The first plan is the addition of a four-year public medical school—the UNLV School of Medicine—that's entirely independent of UNSOM, accredited under UNLV and located at its Shadow Lane campus, Atkinson said. The concept is a full academic health center model, which would encompass medical education, research and clinical care. UNLV SOM has already developed partnerships with four area hospitals and begun the accreditation process.

Its first class of 60 students would start in the fall of 2017; class size would increase to 120 by 2022. Residency programs could start as early as mid-2016.

"We'll really be able to substantially increase the number of doctors over time here," Atkinson said. "We'll be able to build programs that can help doctors stay in Las Vegas."



Dr. Barbara
Atkinson

UNLV School of Medicine

University of Nevada School of Medicine

UNSM now has a statewide vision for how to expand, Schwenk said. Plans are to build out the UNR medical school program from two to four years; conduct more clinical research; collaborate with Reno's Renown Health as its major academic platform and full teaching hospital; expand pediatric and neurology specialty services in the north; and work with Las Vegas' MountainView Hospital to create additional residencies. MountainView plans to add 250 or more such programs in an array of primary care and specialty programs. This would double the available slots in Las Vegas and, ultimately, afford the state several physicians with a high likelihood of subsequently staying.

"We're trying to help the state understand what it needs and then provide what it needs in terms of more of a pipeline of programs to expand the number of physicians and specialties," Schwenk said.

Whether UNLV SOM and UNSOM's plans come to fruition, however, greatly depend on their obtaining the necessary state funding. The Nevada System of Higher Education requested from the state \$26.7 million to establish UNLV SOM, \$5.09 million for UNSOM's expansion, \$9.9 million for residency and fellowship development; and a one-time funding of \$4.3 million, according to the "2015-2017 Biennial Budget Request."

"I expect [funding] will go through, but you never know. At worst it would slow us down, but it's not going to make us go away," Atkinson said, referring to UNLV SOM.

By 2030, the total economic impact of both state-supported medical schools would be about \$1.9 billion (more than five times UNSOM's current impact)—\$1.2 billion from UNLV SOM and \$685 million from UNSOM, according to the August 2014 report, "Economic Impact and Return on Investment to the State General Fund Related to Medical Education Expansion in Nevada."

Private Education Changes

Two Henderson-based, private, not-for-profit universities are carrying out medical education expansion plans of their own.

Roseman University of Health Sciences

Roseman is developing its College of Medicine in Summerlin and plans an inaugural class of 60 for the fall of 2017, said Dr. Mark Penn, founding dean. The school would offer medical education (M.D. degrees), provide continuing education for physicians and other healthcare providers, expand its current research and, eventually, as it grows, deliver patient care within the community.

"The board of trustees and leadership saw [a medical school] as a natural evolution for a health professions university," Penn said. "People were talking about there being a need. We have the desire to

provide comprehensive patient services."

The project cost until full accreditation, an estimated seven years, is about \$146 million. Funding would be multi-faceted and include existing monies, research grants, philanthropy, partnerships and eventually tuition and revenue from healthcare services.

Roseman is now working on accreditation, outfitting its acquired 184,000-square-foot building for students, hiring researchers and teachers, developing a curriculum and establishing clinical sites via partnerships.

"We will contribute to and help the healthcare here as we bring on faculty and staff," Penn said. "Recruiting students from the state will be a high priority for us."

Touro University

Touro continues to evolve, with new programs and capital expenditures intended to enhance medical education in Southern Nevada.

In 2014, Touro launched its mobile clinic, which is staffed by supervised students and provides healthcare to populations with limited access, such as the homeless and seniors.

The university also expanded the size of its patient clinic, allowing it to double the capacity of patients seen, which includes an active aging center that offers medical care, occupational and physical therapy, a driving simulator and relevant educational programming. The expansion cost about \$2.5 million, half paid by Touro and matched by the federal government.

"It's been a tremendous help to the community because there is no medical clinic in this area of town," Berkley said. "Our third- and fourth-year students have an opportunity to do their rotations right in our own medical clinic. It expands opportunities for our students to get the experience and training that they need."



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Touro has additional growth in the works. It includes adding a doctorate in psychology program, doubling the capacity of its autism program, expanding its physical therapy laboratory and building student affairs offices.

"Our mission is to teach, to serve and to lead," Berkley said. "We provide services that are needed."

Nursing Education Component

Three major nursing schools in the state are enhancing their programs to help chip away at the supply and demand gap for nurses.

Nevada State College School of Nursing

This four-year, Henderson public institution is fast tracking a gradual increase in the number of students it admits annually to its flagship program—nursing. Now



Carolyn
Yucha

UNLV School of Nursing

at 96 students, by the end of the 2015-2016 year, it would accept 240 students, said Patterson. In the last class, NSC had to turn away 70 percent of the qualified applicants.

In the next year or two, the college plans to add academic and clinical education for two or four medical specialties, perhaps geriatric, critical or emergency.

"Turning out more bachelor-qualified nurses in the state is going to meet that state demand and help us reach additional care that the governor and the legislature are trying to reach," Patterson said.

To accommodate the projected growth, NSC is building a 66,000-square-foot Nursing, Science and Education Building on campus, which is slated for completion in May of this year. A second facility—the Student Activities and Administration Building—is underway as well. The total cost for both, including construction, fixtures and furniture, is about \$45 million, which the school's revenues, primarily student fees, would fund.

UNLV School of Nursing

UNLV's School of Nursing partnered with Las Vegas' Spring Valley Hospital to create a second Dedicated Education Unit (DEU) program for its undergraduate students, said Carolyn Yucha, dean of UNLV's School of Nursing.

The first DEU, which began in 2012, with Summerlin Hospital, unexpectedly led to the hospital agreeing to hire all the nursing students who'd completed three training semesters there while earning their bachelor's degree. By summer 2015, the DEU program at Spring Valley will be running, meaning all of UNLV's nursing undergrads will receive their medical and surgical clinical training under this model. Eventually, the plan is to extend the DEU concept to more specialties, such as maternity, pediatric, psychiatric or community health nursing.

The benefits of DEUs are that nursing students spend as much time at one clinical site as possible instead of training at up to four or more, thereby reducing the amount of time spent at facility orientations and learning different electronic medical records programs. It also modified the length of clinical shifts to 12 hours from six or eight. Students are more comfortable with the new arrangement. The on-site staff, each mentoring one to two students, can be committed to them and overall stress is reduced, Yucha said.

"All the hospitals want experienced nurses," she added. "There's a benefit

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in having a model that gets students out faster, employed here and not leaving."

UNR School of Nursing

Meanwhile, UNR's School of Nursing is expanding its RN-to-BSN program and doubling its undergraduate nursing class over time, Schwenk said. It recently launched a nurse practitioner-level master's degree in mental health and plans to debut its physician assistant program in 2017.

A Different Approach

The Regional Emergency Medical Services Authority, a Reno-based paramedic ambulance service, delivers medical education to healthcare providers and the public, continually adjusting its offerings based on need and interest. It likely will add new classes this year. Via all of its courses and its many Northern and Central Nevada sites, it trains more



than 16,000 students a year, said JW Hodge, manager of education and community outreach.

"We're making sure we're providing high-quality education but with a frequency that actually can support the people in the community," he added. "We pride ourselves on being very agile. If a class is getting too full, we'll add another one."

Students encompass medical professionals who need certain certifications—in CPR, first aid, advanced life support and more—for their work; local businesses wanting safety, first aid and other primers; and citizens looking to

expand their medical knowledge. Further, REMSA provides all requisite education and training for basic EMTs and paramedics. In fact, about 60 to 70 percent of the company's work force comes out of its programs.

"We offer a lot," Hodge said. "We're always looking to do more."

With two major medical schools opening and expansion throughout the state, Nevada clearly will be working towards more medical students to serve the growing needs of healthcare in the state. 

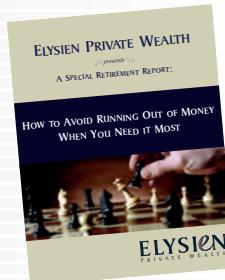
IN BRIEF

According to a study conducted by Oxford Economics on behalf of the American Gaming Association, Nevada casinos contributed \$53 billion to the state's overall economy, supported over 425,000 jobs and over \$18.8 billion in wages.

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GAME CHANGERS

ECONOMIC DEVELOPMENT IN NEVADA

By Jennifer Rachel Baumer

NOTHING paints a clearer picture of the results of economic development than the Silver State. Nevada has transitioned from a state with the highest unemployment rates in the country to a state welcoming Tesla to its economy, breaking ground on a 12,000-home master planned community, launching one of the first-of-its-kind interactive medical communities with Union Village and searching for tenants to fill a large industrial park.

This is Nevada and many of its recent economic successes are the result of long-standing policies and practices as well as a business friendly environment, a great corporate and personal tax climate and two large metro areas that provide one-day access to the eleven western states.

Couple those facts with four-year-old Governor's Office of Economic Development (GOED), aggressive marketing campaigns and eight months of national media coverage as Tesla made its site selection, and Nevada looks like the state where companies want to relocate and entrepreneurs want to start up.

Why Nevada?

Part of what's driving economic development is a greater realization on the part of companies around the country and around the world that Nevada is a great place to do business, said Steve Hill, executive director, GOED. "We've had some pretty high profile successes lately, which have helped open the eyes of businesses everywhere and caused Nevada to appear on their radar more than it has in the past."

One reason Nevada has been on the radar of both national and international busi-



Tom Skancke

Las Vegas Global Economic Alliance

nesses is the media attention covering the eight-month site selection process before Tesla Motors Inc settled on the Tahoe Reno Industrial Center (TRIC) east of Reno on I-80.

Tesla's not the only reason Nevada's attracting attention. Another force behind economic growth is the Governor's initiative to make economic development a priority, said Tom Skancke, CEO, Las Vegas Global Economic Alliance (LVGEA).

"There's increased consumer confidence given what's happening in Nevada," said Skancke. "I think what the Governor has done with his leadership by estab-

lishing the Governor's Office of Economic Development as a secretary level position has really changed what's happening from a collaboration perspective to the state working as a whole as opposed to separate regions competing." One aspect that helps is the amount of manpower in this state focused on the subject. For example, on any given day there are approximately 70 people working full time in Clark County alone on economic development.

Some economic development partnerships in Southern Nevada include the university system and the Nevada System of Higher Education (NSHE), College of Southern Nevada (CSN), the Clark County School District (CCSD), the state college, private companies and the banking community.

"It's everyone rallied around economic development and diversification and I think it's beginning to work," said Skancke.

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In Northern Nevada, a three-year aggressive marketing program has been in place, a concerted effort to promote the region for advanced manufacturing, warehouse distribution and logistics and e-commerce.

According to Mike Kazmierski, president and CEO of the Economic Development Authority of Western Nevada (EDAWN), "That effort has significantly increased the number of prospects we have on a monthly basis from four a month to now when we're averaging between 11 and 12 a month. If we can get a prospect to visit this region, we get closure on someone who makes a decision and more than 70 percent of the time they decide to come here."

How It's Done

GOED was formed by the state Legislature in 2011, when Nevada's unemployment was running between 12 and 14 percent. Formed to take the state into ac-

count as a whole, GOED provides an overall economic development strategy for the state. Each of the RDA's – regional development authorities – interpret the strategy for their own region.

That same year, the Brookings Institute created an economic development agenda for Nevada, identifying seven target industry sectors likely to help grow and diversify the economy. The seven industries were then split into nine which include tourism, gaming and entertainment; clean energy; health and medical services; aerospace and defense; mining; manufacturing; business information technology (IT) ecosystems; logistics and operations and agriculture. Four years later the state is seeing advanced manufacturing in the form of Tesla, more IT in the form of data centers and technology companies, growing health and medical services such as Union Village in Southern Nevada and a burgeoning aerospace

sector in regards to the drone testing coming to Nevada.

What's New

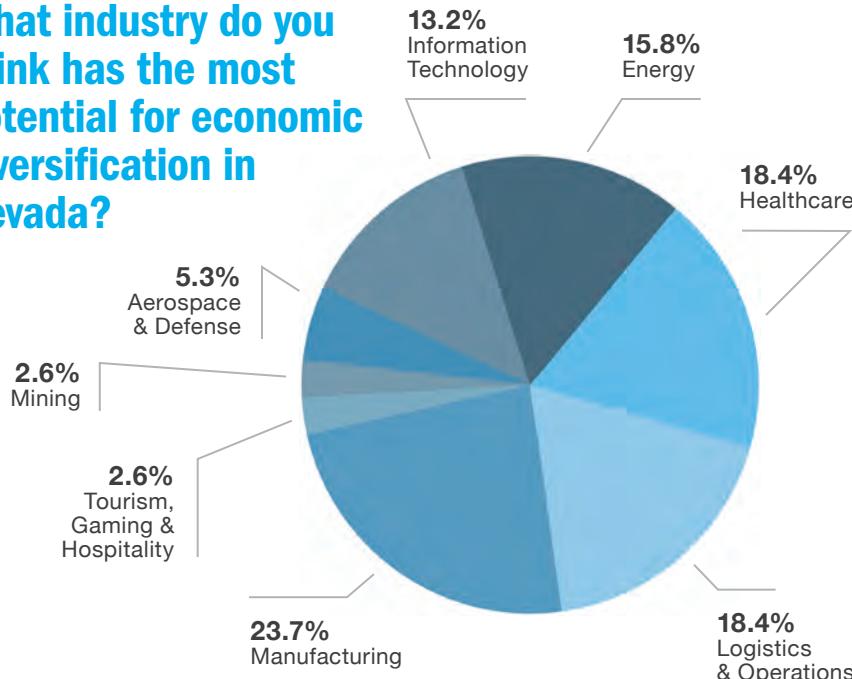
Now that economic development has started moving forward again, it's moving fast. "We've done more in the last 18 months by attracting employers and businesses and economic investments than we've done in the previous three years combined," said Skancke.

"We're seeing some renewed industrial development activity on the part of our local and regional development partners, and have at least three projects for speculative industrial space to be built in Henderson, some of which could break ground first quarter 2015," said Barbra Coffee, director for Economic Development and Redevelopment, City of Henderson.

Panattoni Development has a project at Eastgate and Lake Mead Parkway that would create 400,000-square-feet of indus-

A MATTER OF OPINION: READER'S POLL

What industry do you think has the most potential for economic diversification in Nevada?



"With significant announcements regarding Tesla, Nevada is poised to create the critical mass needed to expand manufacturing. The key to success is "re-tooling" our hospitality-trained workforce to the manufacturing sector and to attract capital."

Michael Bosma,
President, Bosma Group CPAs

"Nationally, healthcare has created more good paying jobs than any other industry. Nevada has the potential to take advantage of this fast growing industry."

Bob Cooper,
President, Cooper & Associates/
Economic Development Consultants

trial space, and other industrial developers are looking at 100 and 200,000-square-foot industrial buildings.

For Henderson and Southern Nevada, where big box industrial space has little vacancy, it's hard to compete with sites in Arizona and Utah that have existing space. "We've been challenged by that over the last year. Going into 2015, we're excited to see some industrial development. It's a good sign that the economy is improving," said Coffee.

Henderson's also anticipating growth in the healthcare sector with Union Village, a 150-acre integrated healthcare village at I-95 and Galleria, which broke ground in the autumn of 2014. The anchor Henderson Hospital, part of the Valley Health System, is expected to open by year-end 2016. The Village will include retail, entertainment, senior housing and an athletic center. Henderson is also expecting the new master-planned community, Cadence, to bring more than 12,000 new homes online.



Gina
Gavan

City of North Las Vegas

Southern Nevada is seeing more tech, more healthcare and much more warehouse and distribution business, enough to have run out of industrial warehouse space in Clark County.

That presents opportunities for North Las Vegas, which owns 50 percent of the developable land in Southern Nevada, according to Gina Gaven, economic and business development director, City of North Las Vegas. In an area that already has warehousing, fulfillment and call centers, Senate Bill 1 has had a positive impact. The bill allows GOED to approve applications for abatements and tax credits

to businesses that meet monetary requirements for investing in the state – tools for economic development that paved the way for creating the phases of Apex Industrial Park, 2,000 acres located 20 miles north of Las Vegas. Apex has remained largely empty because of concerns with water supply. Senate Bill 1 means North Las Vegas finally has the tools to bring water to the industrial park. Some of the first tenants will be from the medical marijuana industry.

Rob Hooper, executive director, Northern Nevada Development Authority (NNDA), said the Carson City region is experiencing high demand for warehousing facilities. "We were very fortunate [during the recession]. Even though we had high unemployment, because we are a manufacturing hub, we were already diversified. As we went through the recession we were already bringing a lot of companies into Carson City."

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In fact, between 2009 and 2012 the industrial vacancy rate dropped from 26 to 4 percent as NNDA filled buildings. Today, demand is even higher.

Business As Unusual

Numbers-wise, some businesses recently located in Southern Nevada are outperforming expectations. SolarCity, expected to hire between 300 and 400 in its first year of operation, and Barclaycard, expected to hire 800 in the first six months, have both hired over a thousand workers.

Other positive indicators in Southern Nevada include Summerlin Mall. According to Skancke, "It sends a signal that people are back to work and have disposable income." Since the project was put on indefinite hold when the recession hit, The Howard Hughes Corporation having the mall up and running by holiday season 2014 sends a clear, positive economic development message.

In Northern Nevada, EDAWN's success at increasing the number of prospect visits from four to 12 a month has had a direct impact on jobs. Though there's still a lag time between the announcement of the company coming to or expanding in Nevada and the actual jobs available said Kazmierski, "We've gone from around 850 primary jobs a year announced to 2,500 in 2013 and over 3,500 last year."

If numbers are correct, Tesla's presence in Nevada should bring in some 6,500 primary jobs. "It's the secondary and induced jobs, worth at least another 10,000 that come with it including suppliers, providers and other people that will come to help support the Tesla jobs and the Tesla work. On top of that those are primary jobs so when you add 15 to 20,000 jobs to the region, you need more teachers and more attorneys and the construction industry launches, and all

these other jobs that become part of the secondary affect."

Even discounting Tesla, Northern Nevada was already experiencing fairly significant growth rates. "We will probably bring in more jobs that are not associated with Tesla in the next five years than those that are associated with Tesla," said Kazmierski. If EDAWN lands the top 15 from the current list of 140 prospects, that would be another 6,500 jobs. "We were already taking off [when Tesla chose Nevada], and had we not had that prior success, there is a good chance we would not have gotten Tesla to begin with."

What Has Happened

In November, the defeat of the Nevada Margin Tax for Public Schools Initiative removed a stumbling block for companies whose leaders were looking to come to Nevada but held off because of the potential tax.

Representatives of those companies are calling again, and many are from the manufacturing sector. "A lot of manufacturers will operate on a 1 to 2 percent net profit," said Hooper. "If you take 2 percent off the top, [which the tax would have done] why would a company want to be here?"

Other businesses that would have been harmed by the tax are entrepreneurial and startup companies that may have a very high gross margin but are aggressively channeling money back into their companies. On a gross level they make enough to have been hit with the tax, but would have had to take out loans in order to pay the tax and stay in the state. Many believe that the ability for startups to grow here as opposed to having to go somewhere else is critical to long term success.

While the Margin Tax, if passed, may have been a game changer – or just plain game over – the problems the tax was meant to provide solutions for haven't gone away.

"The Margin Tax was more a cry for help than a real solution. Clearly there is a need to invest in our education system

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at a level higher or more significant than where we are now," said Kazmierski. "It's the 'how' part of the equation that really is the challenge for the Legislature in this coming session."

What Needs to Happen

In order to capitalize on the recent successes in economic development, leadership in Nevada now needs to look to a number of challenges.

"Three years ago our unemployment rate was probably still in the 12 to 13 percent range and now unemployment is down below 7 percent, and that trend looks positive," said Hill. "Moving forward our focus will be more about helping to assist in the creation of higher paying jobs and cutting edge technology areas and setting the foundation or platform for that with advanced manufacturing, robotics and the IT sector."

There's a need to improve Nevada's education system and to increase the state's science, technology, engineering and math (STEM) workforce. There's going to be increasing demand for talented individuals trained in STEM.

So, how do we improve education, train the workforce and improve the supply chain? What steps does Nevada's leadership need to take to get to the next level?

"That's exactly the question we're wrestling with now," said Kazmierski. "When you're at 14 percent unemployment you're looking really hard to bring jobs in. But we're at the point now where we can project out to where we're going to have workforce issues."

Nevada's workforce has to meet the needs of employers. If it can't, they'll go elsewhere. "So we have started to look at the strategic plan, what do we do different and how do we support the needs of employers through workforce development?" asked Kazmierski.

"We have to participate in K-12 education, and in transportation, water, infrastructure, healthcare – all those issues are inextricably linked to economic development," said Skancke. Employers aren't going to bring employees and their families to Nevada if the education system is failing, transportation systems aren't in place, there's not enough water to last or the healthcare system is poor.

Redevelopment also plays into economic development. Interesting, attractive, complete communities attract businesses, especially entrepreneurial ones. Looking to attract unique, small companies, Henderson is working on downtown redevelopment.

"We're creating a mid-scale, mid-rise downtown and actively recruiting companies to come in and start up here," said Coffee, who expects they'll see small but significant businesses with 15 to 20 people coming into downtown.

The big ticket item on economic development authority's wish list is funding for proj-

ects. Beyond that, many are seeing the light at the end of the tunnel.

"The main message is that things are actually going really well," said Hooper. "Our agency is looking at a five-year economic impact study, 2010 to current, we have logged \$1.3 billion in economic impact. Through expansions and relocations we have added 4,824 new jobs and supported 2,600 households. We've impacted \$280 million payroll impact from the state's point of view and our \$1.3 billion impact has resulted in \$388 million in estimated taxable expenses."

"For every dollar the state has given us, we have returned to the economy \$1,531. So what we're doing is working. Now is the time to put more fuel in the tank, not to create new studies or departments and agencies. We need a fund the actual outreach programs. We'll see major returns on investment if we continue doing that."



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Industry Focus



Non-Profit

LEFT TO RIGHT ► **Brian Knudsen**, Boys and Girls Club of Southern Nevada · **Myesha Wilson**, St. Jude's Ranch for Children · **Cass Palmer**, United Way of Southern Nevada
Caitlin Shea, HomeAid Southern Nevada · **Brian Burton**, Three Square Food Bank · **Karen Barsell**, United Way of Northern Nevada and the Sierra · **Paul Stowell**, City National Bank
Tarah Richardson, Nevada Business Magazine · **Tom McCoy**, American Cancer Society · **Caroline Ciocca**, Make-A-Wish Foundation of Southern Nevada
Molly Latham, Big Brothers Big Sisters of Southern Nevada · **Julie Murray**, Moonridge Group Philanthropy Catalysts

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Nevada Business
THE DECISION MAKER'S magazine



As the state continues its steady economic recovery, Nevada's non-profit organizations have gotten creative in order to fulfill their mission. Collaborative efforts move forward making industry leaders optimistic about the coming years. Executives representing several non-profits throughout the state recently met at the Las Vegas offices of City National Bank to discuss the future of the non-profit sector.

Tarah Richardson, managing editor of *Nevada Business Magazine*, served as moderator for the event. These monthly meetings are designed to bring leaders together to discuss issues pertinent to their industries. Following is a condensed version of the roundtable discussion.

WHAT IS THE BIGGEST CHALLENGE FACING THE NON-PROFIT SECTOR?

CAROLINE CIOCCA: Our biggest challenge is recruiting talent and volunteers, paid and unpaid.

BRIAN KNUDSEN: A huge challenge [we have] is trying to explain and bring about

awareness in the community about the connection between poverty and educational outcomes. [We need to] really help people understand how poverty impacts kids in our community.

KAREN BARSELL: The biggest challenge we'll be facing in Northern Nevada is a growth spurt. How do we get revved up for that growth? I don't know if we have all the money in place to prepare for it.

CAITLIN SHEA: Our biggest challenge is getting that community connection and allowing people to engage on these projects.

BRIAN BURTON: Recruiting development professionals is extraordinarily challenging in this community. There's such a small number of experienced people in relation to the need, which will only be growing. In terms of hunger, a challenge we're going to face with the rising economy, growth and lower unemployment is fighting the perception that hunger is not a problem, that we've got that figured out. We still have one out of six people in Southern Nevada that struggle with where their next meal is coming from.

MYESHA WILSON: Funding is our greatest challenge, especially when we're going up against agencies that are better known in the community or serve more people than

we do. It becomes a really big challenge for us especially when we're a cash-based organization.

HOW HEALTHY ARE NON-PROFITS?

CASS PALMER: They're struggling. The last five or six years have really put a drain on their financial resources. The donations are flat on average but the demand for services is way up.

MOLLY LATHAM: One opportunity that came out of the economic crisis is, if you had to shave back on quantity, it allowed you to focus on quality. My agency really honed in on being able to demonstrate our impact. It's important to remember the lessons that we learned and keep employing those good skills we learned.

BURTON: Many of the small business owners tell me their business got wiped out during the recession, but they're starting to see more activity so they can start to donate a little bit again. It's going to continue to challenge all of us to maximize our operations and prove our effectiveness and impact to the donor community. It's also going to require more people participating. We can't just have a leadership circle of 200 people in Las Vegas; we need thousands.

WHAT TYPES OF COLLABORATIVE EFFORTS ARE BEING MADE?

SHEA: Our bottom line relies on collaborative efforts with building facilities and with the outreach programs. It's a great way for us to continue to grow together because the growth happens when people are working in tandem on different issues.

PALMER: If non-profits are not collaborating, then they'll go out of existence. That's what we've seen in the last few years. Non-

profit CEOs have gotten together to ensure we're not duplicating operational ideas. The collaboration idea is alive and well and existing and growing.

KNUDSEN: We have a new partnership called Nevada HAND, which is a non-profit property developer. They opened up their community centers for us to operate out of. It saves them money so they don't have to pay for someone to operate a community center, and we just put our program into it. It allows us to focus on really good programming instead of maintaining a building. The more we can push our programming into schools and into other existing buildings, the more it benefits both parties.

PAUL STOWELL: If we don't see the collaborative efforts between non-profits, we pull back. We want some accountability and if we can't get some accountability to what our dollars are helping support and fund, then we have to rethink that. If non-profits will continue to look at collaboration as job one, then the corporate funders will be more willing to step up.

JULIE MURRAY: As more and more non-profits are collaborating, the trust factor increases, which is what it takes for true collaboration to occur.

CIOCCA: Another important thing to look at with non-profits is the turnover. When you're building relationships and collaborating and then someone leaves that organization, you're essentially restarting that partnership. That's something that needs to be looked at. How do you keep people in the non-profit sector and at your organization?

HOW IMPORTANT IS TRANSPARENCY FOR NON-PROFITS?

WILSON: It's important especially when you solely rely on donations. If a donor says to only buy socks with their \$5,000, it's the only thing that you do. It's really important

to maintain that transparency so that relationship can continue on.

TOM MCCOY: In this day and age, when I can go online and check just about anybody's percentage and admin costs, etc., transparency exists whether you like it or not. Most of our national organizations and certainly some local organizations have had to look at that because donors, be they a large banking situation or individuals,

want to see where their money goes and where it's going to be used.

CIOCCA: Your donors can be a part of your solutions. To be fearful of sharing an issue with a donor, you could be leaving a solution on the table. They truly can collaborate with you and see things from a different perspective and may have resources you never thought they would be able to access.

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PALMER: Transparency is good business, but at the same time it's expensive business. Accreditation is 23 steps and it's time consuming for individual entities to go through it. At the end of the day, there are hard dollars you have to spend for transparency. Transparency is proper, but at some point and time, those dollars going into the transparency process should be going towards programming. You have to have a standard transparency number. Everyone tries to calculate numbers differently. You have to have a common accountability for the non-profit world.

WHAT METHODS DO YOU USE TO ENCOURAGE FUNDING?

MCCOY: What we've learned is you really need to be thinking about those investments donors are making with you. In making that investment, they expect something back. This is a changed environment, at least from my perspective. We, as nonprofits, have to prove our worth.

LATHAM: You can help a donor understand what is the impact of their investment: how will their investment in an agency change the graduation rate, or the likelihood of this child graduating high school and attending college? What is the ROI of that investment and to the community at large?

MURRAY: Quarterly, there's a Nevada Corporate Giving council that meets with dozens of corporate funders. They're talking about the non-profit agencies, their great investments and ROIs. So you have a group of corporate funders collaborating quarterly and then you also see the family foundations meeting quarterly and doing the same thing. They're sharing good experiences that they have with you and, in some circumstances, pooling their resources when one gets particularly excited about it. There



are proactive efforts to get people excited about giving and we all need to be proactive about that. It's up to us to tell stories.

LATHAM: For business owners growth means new people coming into town as they're recruiting that talent. A great thing to do from a human resources standpoint is to recommend to those new employees to get involved with the community.

CIOCCA: It's important for us to not just focus on the top executives, but getting involved with employees and building a base within the organization. That will just become part of the culture if you've got the right champion inside of the company, and it's not always the CEO or the top executive. We've found that to be very important in our volunteerism and it has a snowball effect.

STOWELL: Most of these executives have been there done that, year after year. Maybe they're getting a little worn down but they can still be the sponsor and face at an event. It's getting the new and young blood involved, and having them take ownership so they can step into that leadership role.

SHEA: The tangible experience of delivering bags of food or doing those events collaboratively with companies is what helps us in the long run with the funding. If you can

first present them with the feeling of being a part of it, the money and storytelling becomes real for them.

BURTON: We need to continue broadening the diversity and scope of individual donors so that we're not relying on just a few foundations or a few corporations, as generous as they are. We all have to do a better job of engaging small and medium sized donors, and thousands of them, because a lot of them want to get involved but they don't know how.

HOW IMPORTANT IS YOUR BOARD OF DIRECTORS?

MURRAY: One of the single most important things a non-profit can do is to have a rock solid board of directors because it's all about the leadership.

KNUDSEN: We merged Las Vegas and Henderson Boys and Girls Clubs to put more money back into programming, but the execution of that allowed for a 60-member board. We have an active board, but to meet the expectations of 60 people is also really difficult. We're trying to figure out how do we keep that group of 60 people engaged and inspired and motivated and giving financially.

SHEA: I'm a team of one, with no staff underneath me. Wearing 12 hats a day can be really fun but also really stressful. My board has driven the volunteer initiatives and starting the dialogues to get them engaged.

BURTON: We'll sometimes spend two years vetting a new board member because we are as careful recruiting that person as you would a CEO. That is the long-term sustainability of our organizations. Show me strong non-profits, I'm going to find a strong board.

STOWELL: The one thing I have always said to a non-profit organization is if I can't be an engaged and actively involved board member, I'm not going to participate. I'm not us-

ing this as a resume builder, I'm using this as a way to benefit and help the community.

LATHAM: I will take a young, upcoming professional who's been an engaged volunteer for two years and works for a company that gives back to the community any day. I'll take that enthusiasm and passionate drive and welcome it.

WHAT DOES THE FUTURE OF NON-PROFIT ORGANIZATIONS LOOK LIKE?

CIOCCA: It will look better. The conversation is definitely changing and we're thinking more strategically and talking about the same issues that a for-profit company is talking about. We're talking about em-

ployee retention and revenue generation. If we continue to share ideas on both sides of the sector then we're going to be a lot better. We're going to continue to grow and be stronger.

BARSELL: The trust level among us is growing. As we keep coming back and getting to know each other better and fulfilling the promises that we make to each other, I expect that the non-profit sector is going to be abundant in 2015 and going forward.

MURRAY: The future looks very bright for both non-profits and for funders. During the recession, everybody had to rethink how they were operating as a non-profit or a funder and drive more efficiency or get higher impact for fewer dollars. Now as we're coming out of the recession, there's so much efficiency and collaboration and private/public partnerships.

BURTON: Our community faces some deeply entrenched challenges that are

not readily apparent. Our state is broke. We all thought we'd be able to go there and restore some of that funding to the non-profits. Whatever legislator I talked to said nothing is going to happen except cutting more. We can't continue doing business this way as a state. The silver lining of this recession is that we are talking to each other more. Those hardened silos that don't want to cooperate will be marginalized. They are not the future; they are the past.

? SAY WHAT

An Accountemps survey of workers between the ages of 18 and 34 indicated that 57 percent believe that job hopping can benefit their career. Benefits believed to be attained by the practice are higher compensation, gaining new skills, experiencing a new company culture and as a resume builder among others.

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MONITORING EMPLOYEES' COMPUTER USE IN THE AGE OF ENCRYPTION

BE AWARE OF THE PITFALLS

Ann Morgan is the managing partner of the Reno office of the law firm Fennemore Craig Jones Vargas.

The right to monitor the performance of an employee by monitoring computer use is recognized by most courts when the employer is a private, as opposed to a governmental, employer. Indeed, in some instances the right to monitor becomes a duty to monitor. Thus, an employer who receives a complaint of sexual harassment and fails to investigate may be liable for the harassing employee's actions.

Monitoring has become more difficult, however, as banks, medical providers and other entities encrypt their sites, shielding even the fact that an employee has accessed a certain site from his or her employer. As more web browsers turn to encrypting data as a means of securing the information, the benefit to monitoring employees' computer use is reduced.

Some employers, therefore, are turning to software that enables employers to record all employee activity on company computers or use of the company's Internet, prior to encryption. Such technology should allow employers to continue to enforce their policies and remove any reasonable expectation of privacy by employees. Taking this approach, however, may subject the employer to unexpected liability.

To date, the software that can record an employee's activity in an unencrypted fashion cannot screen out information that employers are not allowed to record. Thus, if an employee checks their bank balance or a medical report or fills out a confidential employee survey on the company's Internet, the software will record their user ID and password, as well as the banking, medical and employee information.

Several statutes, both federal and state, prohibit an employer from collecting certain data on its employees. Thus, the mere acquisition of the data – even if unintentional—subjects the employer to liability. For example, under the Genetic Information Nondiscrimination Act (GINA), it is unlawful for employers to request, require or purchase genetic information. The Equal Employment Opportunity Commission's (EEOC) regulations define "requesting" genetic information to include not only deliberate attempts to acquire such information, but also actions that are "likely to result"

in the acquisition of genetic information. A "request" includes conducting an Internet search of an individual or requesting information in such a way that an individual's current health status may be divulged to the employer. Software that collects this information from an employee's use of the company computer violates this act, even if the employer never sees or uses the information.

Further, if the employer receives information contained in the Facebook accounts of employees, it may be deemed to have violated NRS 613.135, which prohibits employers from directly or indirectly requiring, requesting, suggesting or causing employees to disclose user names, passwords or other information that provides access to social media accounts.

Finally, to the extent such software causes the employer to learn new information about the protected classifications to which an employee belongs (e.g., sexual orientation, gender identity or expression, union activity, military service, etc.), and that employee is later terminated or subjected to another adverse employment action, the employer could be in the position of defending against claims that the employer intentionally discriminated against the employee based on this newly discovered information.

To a certain extent, this potential liability can be mitigated by having a third party collect and store the unencrypted data and providing the employer with only that information it is allowed to collect. The use of an independent third party should be coupled with frequent and direct notice to employees of the employer's monitoring rights. In addition, employers should consider obtaining the employee's written acknowledgment of the employer's right to monitor. This acknowledgment should also include the employee's understanding that use of the company's Internet will be deemed consent to having the employee's electronic communications intercepted by the employer for purposes of such monitoring. This acknowledgment and consent should be obtained not only when the employee begins their employment, but periodically throughout the year and every year that the employee works for the employer.



> > Around the State

Cox Activates 500 Wi-Fi Hotspots in Las Vegas

Cox Las Vegas has launched the first of 500 hotspots that have been installed around the Las Vegas Valley. The launch came on the heels of a ribbon-cutting for a Henderson Cox Solutions store. The Las Vegas hotspots are part of a 300,000 nationwide hotspot network being offered by the communications company through a collaboration called CableWiFi. 

NDOT Program Opens “Sponsor-a-Highway” to Nevada Businesses

The Nevada Department of Transportation (NDOT) has begun a freeway litter removal program for segments of Reno-area freeways. Businesses can now sign-up to sponsor litter removal in one-mile segments. The program saves taxpayer dollars while sponsoring businesses receive a road sign sign that recognizes their community involvement. 

American Preparatory Academy Begins Work on Nevada Campus

A charter school based primarily in Utah has broken ground on a flagship Nevada campus. The school opened up a temporary campus in the fall of last year serving 400 students. The new research-park facility is expected to serve 1,000 K-10 students this fall. The school is sponsored by the Nevada State Public Charter School Authority and the Nevada Department of Education. 

Builders Association of Northern Nevada Partners with Local Medical Providers

The Reno-Tahoe Medical Associates (RTMA) and Saint Mary's Medical Group have partnered with the Builders Association of Northern Nevada (BANN) to improve health outcomes and reduce the dollars spent on medical insurance. The partnership is offered to BANN through a benefit plan with Key Healthy Partners Nevada and gives members access to an expanded medical provider program through RTMA and Saint Mary's. The program includes a network of over 60 providers and 14 locations in Reno-Sparks. 

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As one of *Nevada Business Magazine*'s 2015 Business First Breakfast Series, "Financing Your Project" will bring together industry leaders in a panel discussion with a question and answer session. Sponsored by Holland & Hart and LP Insurance Services, the Business First series allows business leaders in Nevada to directly address a variety of issues related to funding projects.

"Financing Your Project" will include information commercial real estate professionals need on the best ways to get financing for projects as well as information on the legalities behind the issues. A recap of the event will run in the February issue of *Nevada Business Magazine*.

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WHAT TO EXPECT FROM CARSON CITY IN 2015

REPUBLICAN SWEEP CREATES NEW OPPORTUNITIES FOR POLICY REFORMS

Victor Joecks is executive vice president of the Nevada Policy Research Institute.

The November wave that swept Republicans to victory not only solidified their control of the governor's mansion but also saw them capture both chambers of the Nevada Legislature for the first time in 85 years.

So now what?

In the lifetime since Republicans last controlled the legislative process, liberal policies, decade after decade, have generated many problems for the people of Nevada.

The state suffers from the nation's lowest high-school graduation rate and its students, collectively, consistently perform near the bottom of all states on standardized tests.

Public-sector pensions have huge underfunded liabilities. The growing annual payments that city and county taxpayers must make just to pay down their share of the pension debt already has pushed major jurisdictions to insolvency's brink.

The ability of local elected officials to deal intelligently with local fiscal issues is sabotaged by inflexible collective-bargaining laws. Unelected arbiters essentially dictate contract terms. With personnel costs accounting for nearly 80 percent of operating budgets in most cities and counties, officials elected to right the fiscal ship find themselves handcuffed. Voters have no control.

Each of these matters can and should be addressed by the 2015 Legislature. A major cause of the state's education problems is that state financial resources are committed to programs that have little-to-no impact on student achievement. Every year, hundreds of millions of dollars are poured into class-size reduction, full-day kindergarten, pre-K and other programs that scholars from left to right agree are extremely cost-ineffective. In reality, even the left-leaning Center for American Progress agrees those dollars should be redirected to better uses, such as merit pay for the most talented teachers.

More fundamentally, however, public education could be drastically improved by simply allowing parents the freedom to choose the schools their children attend. Because parents know their children best, parental choice programs, such as Education Savings Accounts, empower parents to find the schools and school types that are best for their children. Governor Sandoval and legislative leaders have already indicated early support for a program of school choice, and that news should delight every parent in Nevada.

Pension reform for years has been the signature issue of Assemblyman Randy Kirner. In previous sessions, however, he was unable to move any bill out of the lower chamber's Democrat-controlled committees. Now, a Republican Assembly majority provides Kirner with a real opportunity to address Nevada's pension problems. The most-needed reform would begin transitioning public employees into 401(k)-style savings accounts akin to those the private sector enjoys. While ending unlimited taxpayer liability, these new accounts provide government employees with increased portability and flexibility.

Also likely to originate from the Assembly are collective-bargaining reforms. Liberal politicians have long colluded with unions on the rules under which local governments must operate — in exchange for the unions' electoral support. Today, the bosses of Nevada's public-sector unions — which are private organizations — enjoy powers of coercion over the public that no other individuals share. Public-sector unions enjoy a privileged position within the policymaking arena that even union advocates such as President Franklin Delano Roosevelt found unacceptable, supplanting the sovereignty of voting citizens.

Union political machines have long controlled Nevada election outcomes, so career politicians are usually reluctant to challenge unions. Thus, reports from the capital indicate that some Republican political leaders — either from fear or from deals struck — want to avoid collective-bargaining reform. But while the political clout of these unions can be intimidating, Nevada's cities and counties desperately need the flexibility to control their own major spending decisions.

Governor Sandoval has also indicated a desire for "tax reform" — a phrase that's often simply a euphemism for tax hikes. While there are revenue-neutral improvements that should be made to Nevada's tax structure, tax revenue has grown by nearly 20 percent in just the last four years, excluding the "sunset" tax increases. With the Economic Forum projecting revenue of \$6.3 billion and fund sweeps likely to net another \$200 million in spending, lawmakers can craft a budget similar to the current \$6.6 billion spending plan without raising taxes.

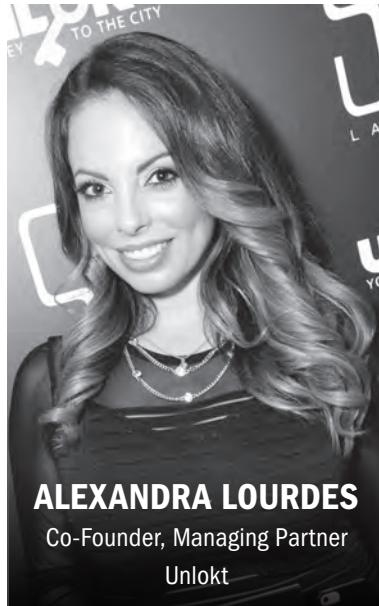
In the end, the governor may only get his tax package after achieving significant reforms within public-employee collective-bargaining law.

**KEVIN RYAN**

CEO

Nevada Humane Society

RENO & CARSON CITY

**ALEXANDRA LOURDES**

Co-Founder, Managing Partner

Unlok

LAS VEGAS

**JOSEPH MILLER**

Nevada Area Manager

Project Manager

Fisher Sand & Gravel Company

LAS VEGAS

WHAT DO YOU WANT YOUR LEGACY TO BE?

I hope I can help the organization grow and help Nevada become a no-kill state. It is absolutely possible.

WHAT BUSINESS ADVICE WOULD YOU GIVE SOMEONE JUST STARTING IN YOUR INDUSTRY?

A non-profit is a business, make no bones about it. Everything you do and everything you endeavor to do is on the backs of the generous folks who donate. You owe them an extraordinary return on their investment.

IF YOU COULD TAKE BACK ONE SENTENCE YOU'VE EVER SPOKEN, WHAT WOULD IT BE?

"Because I told you to." It's just a lazy response. Who wants to follow a leader who says something like that?

WHAT IS YOUR PET PEEVE?

People who can squarely see something wrong and can't be bothered to fix the problem. Apathy is the enemy.

HOW DID YOU FIRST GET INTO YOUR PROFESSION?

I grew up in a family of entrepreneurs, so that was unquestionably a strong influence on how I thought about business.

WHAT BUSINESS ADVICE WOULD YOU GIVE SOMEONE JUST STARTING IN YOUR INDUSTRY?

The people you work with become your family. Don't settle for just anyone and surround yourself with positive people that believe in your dream; quality over quantity.

WHAT IS A LITTLE KNOWN FACT ABOUT YOURSELF?

I am a Kiwi, I grew up in New Zealand until I was 9.

WHAT IS THE BEST MOMENT OF YOUR CAREER?

It's the daily feedback from strangers on social media or a random email that says thank you for everything you do for the community or how much they love finding new local places to support. Those little moments make all the hard work worth it.

WHAT DO YOU WISH YOU WOULD HAVE LEARNED AT THE BEGINNING OF YOUR CAREER?

To believe in myself more than I believed in anyone else.

WHAT BUSINESS ADVICE WOULD YOU GIVE SOMEONE JUST STARTING IN YOUR INDUSTRY?

Listen, learn and work your butt off. No one can teach you like you can teach yourself. It is important to learn from your mistakes. Don't be afraid to fail, and pick yourself back up!

WHAT WAS THE TOUGHEST LESSON YOU'VE LEARNED IN YOUR CAREER?

Don't be afraid to say yes, and don't be afraid to commit to what you may think is impossible. The impossible makes your career worthwhile.

WHAT IS YOUR PET PEEVE?

My biggest pet peeve is when someone interrupts someone else during a discussion or talks over them when they are in the middle of speaking. Everyone has a right to be heard.

BUILDING NEVADA



**Andrew
Ciarrocchi**

Senior General Manager,
Downtown Summerlin

**Nevada
Business**
THE DECISION MAKER'S magazine

Photo By Chris Tucker

THE RETAIL MARKET

RECOVERING WITH MEASURED EXPECTATIONS

By Chris Sieroty

WITH a New Year upon us, real estate brokers and developers are dampening their expectations for the retail market in Nevada over the next couple of months and for the rest of 2015. Nevertheless, all of them see positive trends for the market and some reason to remain optimistic.

"We are clearly in a recovery," said Brendan Keating, principal with The Equity Group in Las Vegas.

Keating said investors and buyers were seriously looking at Las Vegas because of what the area has to offer over California, Phoenix or Denver.

Daniel Adamson, a principal with ROI Commercial Real Estate Inc. in Las Vegas, believes the region has "had a solid recovery."

Demand For Projects

Two significant projects, both of which include office space, are The Gramercy and Downtown Summerlin.

The Gramercy, which is a mixed-used development in the Southwest submarket, has 175,000 square feet of Class A office space which is 69 percent leased. The most significant tenants are HMS Business Services, with 63,922 square feet, and Regus occupying 14,872 square feet.

The most notable project under construction remains the Downtown Summerlin mixed-use development.

"The response to the overall property has been great," said Andrew Ciarrocchi, senior general manager of Downtown Summerlin. "We are just an evolving property."

Downtown Summerlin, which opened in October, is a 106-acre, 1.6 million-square-foot planned urban center within the 22,500-acre master planned community of Summerlin. The retail component of the property is completed with an eight-story, 200,000 square foot office component expected to be completed this year. But, for almost five years, the desert plot of land near Red Rock Resort was home to steel skeletons, a reminder of the recession that Las Vegas is still recovering from.

Some 20 minutes from the Strip, Howard Hughes Corp. inherited the development in its 2010 spinoff from Chicago-based General Growth Properties Inc., the second largest

U.S. mall owner. General Growth shut down Downtown Summerlin in 2008.

"When Howard Hughes Corp. acquired it from General Growth Properties, we took the time to look at the plans for Downtown Summerlin and make the changes we wanted," Ciarrocchi said. "We didn't want to pick up and use the plans that were there."

He said the first order of business was to see if the unfinished buildings, a reminder of the project that was halted by the recession, were useable. Ciarrocchi said after some maintenance the steel structures were incorporated into the design.

"It made a little more sense than tearing them down and starting all over," he said.

Mixed Retail Recovery

Keating said the overall commercial real estate market is being driven by multi-family and industrial projects, with retail developments still struggling. In terms of retail projects in Southern Nevada, Keating said there are "very few speculative retail projects without pre-leases."

There are still retail developments being built along Buffalo and Blue Diamond, and on Rainbow and Durango in the Southwest sub-market, but all have pre-leases before construction begins. "What were are not



**Daniel
Adamson**

ROI Commercial
Real Estate Inc.



Downtown Summerlin

"It's a slow process, but over the next five years it will get better and better." —Kelly Brand

seeing is a return to 2006 when buildings just came out of the ground," Keating said. "Financing is not available for those projects."

Adamson, of ROI Commercial Real Estate Inc., said he's seen stabilization in the market, but growth continues as consumer confidence continues to rise. Adamson said it depends on how consumers feel about their own financial situation.

He cautioned that the "black holes" in the retail market tend to be where a lot of strip centers were built, for example along South Durango. Adamson said because of the recession and a decrease in rental rates, there has been a "flight to quality" for many retailers who have taken advantage of the market to move to a better demographic along West Charleston or West Lake Mead.

La Bonita supermarkets is an example of a company taking advantage of the lower lease rates and sale prices to move into a new submarket. Adamson said La Bonita took the opportunity a few years ago to move into a shopping center along Rainbow and Flamingo to fill a space that once housed an Albertson's supermarket. He said the company realized it could be successful given the right opportunity.

What speculative development there has been over the last two quarters has been constrained to the Summerlin area, with some projects leasing for \$3.50-per-square-foot, while the overall retail market is leasing for an average of \$1.78-per-square-foot. Meanwhile, as IKEA comes closer to opening, in the Southwest submarket, other retail developments should be following.

Those projects will benefit from new retail developments popping up along the 215 Beltway in the Southwest and in Henderson. But, the region will continue to be defined over the next few quarters by a divergent retail market as some retailers close underperforming stores. Meanwhile, retail in Summerlin, the Southwest and Green Valley continue to do well and outpace the rest of the market.

Southern Nevada's retail market is broken down into nine submarkets with a total of more than 63 million square feet of space. Those market are Central East; Central West; East; North, which includes North Las Vegas; Northeast, including Nellis; Northwest; Southeast, including Henderson; Southwest; and West, which includes Summerlin.

Overall, it's the smaller leases that are the issue. Adamson said Firestone has done

eight deals, then there is Burger King, Del Taco and Chase bank opening new spaces, but they average 8,000 square feet. Those deals "don't move the needle as much as a Downtown Summerlin," Adamson said.

Some of the recent significant leases in both retail and office include Nella Chunky LLC, which does business as Fresh Tops, signed a 60-month lease for 2,251 square feet of space at The Shops at Summerlin. The lease is valued at \$717,051.

Serrano's Mexican Grill has leased 2,574 square feet of retail space, with a 144-month leased valued at \$932,012, at 4425 E. Sunset Road in Henderson. Transwestern Investment Holdings V LLC has signed a 60-month lease on 5,429 square feet of office space, valued at \$923,012, at 8945 W. Russell Road, inside Pageantry West, and AccuPOS LLC signed a 60-month lease, valued at \$302,119, for 4,614 square feet of office space at 1291 W. Galleria Drive.

"These modest leases are what's driving the market," said Keating. "Las Vegas, Henderson, and Summerlin are doing well. Reno's office and retail markets got a big kick from Tesla Motors. But Reno usually recovers after Las Vegas."

Reno's Recovery

The Northern Nevada economic climate continues to show signs of improvement, however, in the retail sector momentum continues to be soft. As a result the current overall vacancy level in the Reno-Sparks area is 16.7 percent, which is still down from 17.5 percent in the third quarter of 2013, according to research by NAI Alliance.

Kelly Brand, senior vice president of NAI Alliance in Reno, split the region's retail market into two submarkets: Anchor space, which is above 20,000 square feet and In-Line space, stores that are below 20,000 square feet in space. Brand said the vacancy rate for anchor spaces is at 20.75 percent, which is down almost 3 percent from a high of 23.43 percent in the third-quarter of 2012.

"Vacancies for in-line space are filling up," Brand said, adding that most of the leasing activity was for 10,000 square feet of space or less, which "helps firm up the market." Brand said a lot of these new leases are local business, which has helped bring down the vacancy rate to a current rate of 13.96 percent, down from a high of 15.83 percent in the first quarter of 2012.

Brand said the decrease in vacancy rates has not come down in a straight line and there have been adjustments along the way, but "in general things are improving" in the Reno-Sparks retail market.

However, there are still some signs of stress on the market, especially in the anchor retail space. Scolari's Food & Drug closed its second location last year as the company, whose reach once encompassed 19 markets in Nevada and California, continues to adjust their presence in the market. In May, Scolari's closed its East Plumb Lane location, followed by their Southwest Pavilion location at the end of 2014.

Brand said that closure added an additional 47,000 square feet of available space onto the market in the anchor category. He said that loss was partially offset by the Natural Grocers opening a 32,000-square-foot space in the Firecreek Crossing Shopping Center.



**Kelly
Brand**
NAI Alliance, Reno

He said Scolari's closing will have an effect on the retail market, but overall there is a "more positive outlook on the region."

As for the greater Reno-Sparks office market, the vacancy rate at the beginning remains around 16 percent, with the two-healthiest submarkets being downtown Reno and Meadowood with the most Class A office space.

"It's a good feeling," Brand said. "There is a definite change in the attitude of the Reno community."

Tesla's Impact on Reno

Meanwhile, construction is revving up at the Storey County site of Tesla Motors' future

gigafactory, where thousands of workers are expected to begin finding employment by next year. The \$5 billion factory plans to open by 2017 and will employ up to 6,500 people at the Tahoe-Reno Industrial Center east of Sparks.

Brand said over the new few years as Tesla ramps up it will have an impact on the retail market, especially when new workers buy homes.

"Eventually, we'll get more retail built in the region," he said. "It's a slow process, but over the next five years it will get better and better. It's a positive sign. We got hit so hard by the recession."

Brand said Natural Grocers opening in Reno and several groups from out of state, including Hobby Lobby moving into a former JC Penny Home store location on Virginia Street across from Meadowood Mall, will help the retail market recover.

"We are moving in the right direction," Brand said.



A MATTER OF OPINION: READER'S POLL

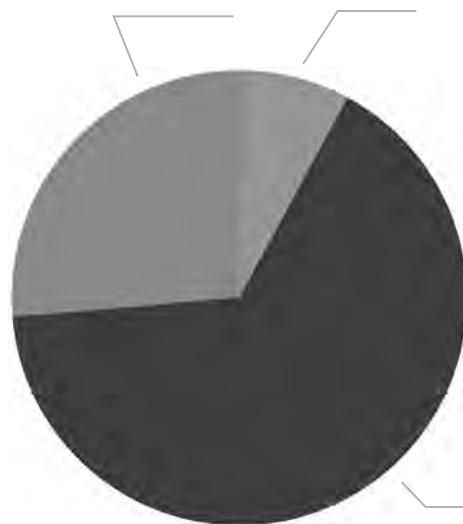
Has Nevada's commercial real estate market rebounded?

"The Summerlin mall is probably a 'one-off', at least for the near-term future. Retail construction on the Strip is fairly hot."

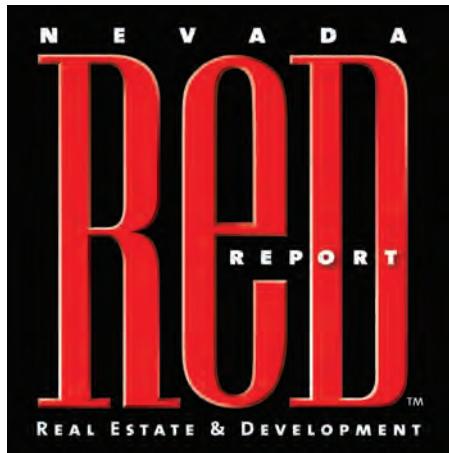
Jeff Ehret,
President, The Penta Building Group

26.3%
 Nope. there's still a ways to go.

7.9%
 Definitely



65.8%
Not quite yet,
but it's getting
there



E

Sale, Industrial

ADDRESS 6070 Boulder Hwy, 89122
BUYER Frederic and Barbara Rosenberg Family Trust
SELLER Burton-Bowels LLC
DETAILS 6,400 SF; \$885,000
APN 161-27-311-011
BUYER'S REP Bob Diamond of Platinum Real Estate Professionals
SELLER'S REP Neil Sorkin of Cushman & Wakefield Commerce

N

Sale, Industrial

ADDRESS 3355-3675 W. Cheyenne, Ave., 89032
BUYER BKM Capital Partners
SELLER Voit Real Estate Services
DETAILS 172,329 SF; \$18,415,000
APN 139-17-101-006
BUYER'S REP Self
SELLER'S REP Kevin Higgins and Garrett Toft of Voit Real Estate Services



3355-3675 W. Cheyenne Ave.

NW

Project, Multi-Family

ADDRESS Hwy 95 and Horse Rd., 89166
DETAILS The first two builders of the master planned community Skye Canyon are Pulte Homes and Woodside homes. This first phase represents 80 acres of land, with the first models slated to open in Fall 2015. The full build-out is projected for 9,000 homes and extensive outdoor amenities spanning over 1,700 acres.

S

Lease, Retail

ADDRESS 9850 S. Maryland Pkwy, Ste. 20, 89183
TENANT Open Box Holdings
LANDLORD Maryland Parkway Properties, LLC
DETAILS 30,902 SF; \$1,438,226 for 84 months
TENANT'S REP Philip Roy of PR Properties Group
LANDLORD'S REP Dan Hubbard and Todd Manning of Cushman & Wakefield Commerce

Lease, Industrial

ADDRESS 770 Pilot Rd., Ste. A, 89119
TENANT Page Operations
LANDLORD Hughes Airport Realty Owner LLC
DETAILS 24,925 SF; \$1,117,718 for 39 months
TENANT'S REP Amy Ogden of Cushman & Wakefield Commerce
LANDLORD'S REP Kevin Higgins and Garrett Toft of Voit Real Estate Services

Lease, Industrial

ADDRESS 7540 Dean Martin Dr., Ste. 502-503, 89139
TENANT Zerorez Las Vegas LLC
LANDLORD KTR LV Loan LLC
DETAILS 12,008 SF; \$471,515 for 63 months
TENANT'S REP Jennifer Levine and Elizabeth Moore of Voit Real Estate Services
LANDLORD'S REP Chris Lane of Colliers International

SW

Sale, Multi-Family

ADDRESS 4370 S. Grand Canyon Dr., 89147
BUYER The Kislik Organization
SELLER Alicante Villa Apartments, LLC
DETAILS 232 Units; \$29,300,000
APN 163-19-601-035
REP (both) Jeffrey Swinger and Spencer Ballif of CBRE, Inc.

Sale, Retail

ADDRESS 2001 S. Rainbow Blvd., 89146
BUYER Troy Kearns Limited, LLC
SELLER Jarretts Children's Trust
DETAILS 15,210 SF; \$1,550,000
APN 163-03-704-009
REP (both) Eric Larkin, CCIM and Mark Musser of NAI Vegas

Sale, Industrial

ADDRESS 4301-4325 S. Valley View Blvd., 89103
BUYER BKM Capital Partners
SELLER Terra Grandis LLC & The Tiberti Co.
DETAILS 147,903 SF; \$9,100,000
APN 162-19-601-006
BUYER'S REP Self
SELLER'S REP Kevin Higgins and Garret Toft of Voit Real Estate Services

Lease, Retail

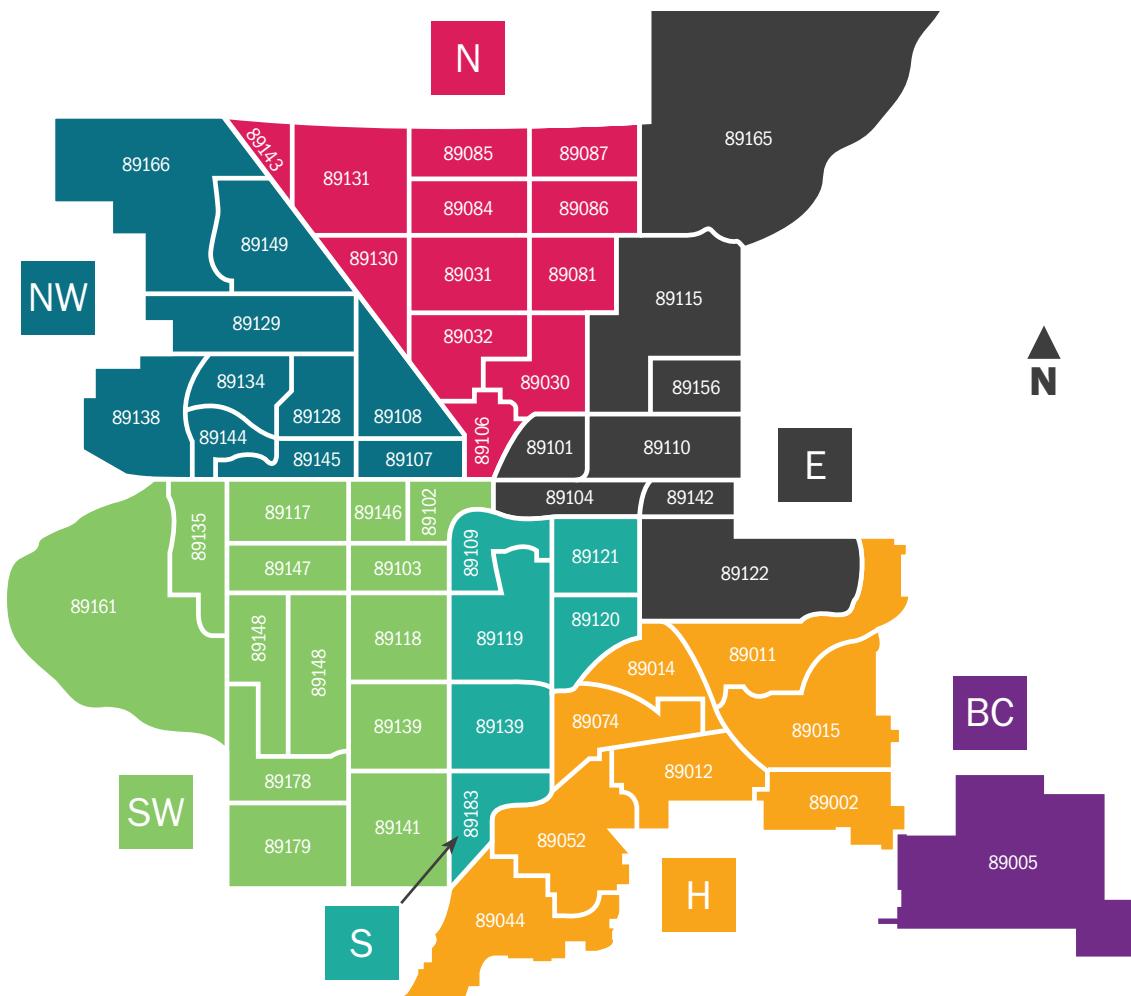
ADDRESS 6545 W. Sahara, 89146
TENANT Major Power Sports
LANDLORD Romancal, LLC
DETAILS 6,500 SF; \$221,761
TENANT'S REP Curtis Sanders of Cushman & Wakefield Commerce
LANDLORD'S REP Christopher Richardson, CCIM of The Equity Group

Lease, Retail

ADDRESS 4280 Hualapai Way, Ste. 200, 89147
TENANT Underground Revolution
LANDLORD Hualapai Plaza
DETAILS 6,542 SF; \$395,256
TENANT'S REP Self
LANDLORD'S REP Robert S. Hatrak II and Jeff Mitchell of Virtus Commercial

Lease, Industrial

ADDRESS 3542 Sirius Ave., Ste. A, 89102
TENANT Universal Carpet Care Inc.
LANDLORD Jonathan Park LLC
DETAILS 15,420 SF; \$454,322
TENANT'S REP Eric Molfetta of Colliers International
LANDLORD'S REP Dean Willmore, SIOR of Colliers International



WC

Project, Industrial

ADDRESS Lemmon Dr. and Hwy 395, 89506
DETAILS Dermody Properties broke ground on the final two buildings in LogistiCenter 395. The company began construction on Buildings A and C. Building A will total 402,320 SF and Building C will total 224,640 SF upon completion. Along with Building B, the industrial park totals 1.2 million SF.



LogistiCenter 395 Groundbreaking

Sale, Retail

ADDRESS 1644 S. Wells Ave., 89502
BUYER B&C Real Estate holdings LLC
SELLER Fabricor LLC
DETAILS 5,144 SF; \$415,000
APN 013-412-01

Sale, Industrial

ADDRESS 51 Snider Way, 89431
BUYER Beck Properties LLC
SELLER Lenzora Family Trust, Richard A
DETAILS 7,000 SF; \$415,000
APN 034-252-03

Sale, Office

ADDRESS 699 Sierra Rose Dr., 89511
BUYER Acterra LLC
SELLER McKenzie Capital Partners LLC
DETAILS 7,872 SF; \$2,444,928
APN 040-941-01

Sale, Industrial

ADDRESS 533 Vista Blvd., 89434
BUYER MMAV LLC
SELLER Vista Business Park LLC
DETAILS 7,880 SF; \$613,800
APN 037-370-19

Sale, Industrial

ADDRESS 755 Timber Way, 89512
BUYER Salvation Army
SELLER Albers Incorporated
DETAILS 22,166 SF; \$925,000
APN 004-130-66



RETAIL SUMMARY

THIRD QUARTER 2014

SOUTHERN NEVADA

In the third quarter of 2014, the Las Vegas retail market reported a vacancy rate of 9.1 percent. The latest period represents a decline of 0.1 percentage point compared to the prior quarter (Q2 2014). Compared to a year ago (Q3 2013), the retail vacancy rate has declined 0.3 percentage points. Anchored retail space has now reported annual declines in vacancy rate for nine consecutive quarters.

During the quarter, the 200,000-square-foot Sahara Center completed construction, bringing total market inventory to 52.6 million square feet. The neighborhood center was partially pre-leased when completed. In the past three quarters, three retail projects totaling 241,000 square feet have completed construction.

The retail market reported approximately 224,700 square feet of positive net absorption during the third quarter. Selected transactions included the leasing of 17,000 square feet in Town Square to Vercini. In addition, Dollar Tree signed a deal for more than 12,000 square feet, while Ulta leased nearly 11,000 square feet. In the past year, the retail market has reported nearly 389,800 square feet of net move-ins.

By the end of the third quarter, six anchored retail projects totaling 2.1 million square feet were under construction throughout the valley. A number of projects continued to make progress, including the second phase of Tivoli Village at Queensridge and Downtown Summerlin which opened in October. In addition, roughly 11,300 square feet of pad space broke ground at Green Valley Crossing, while Urgent Care Extra is building a 4,000-square-foot facility.

NORTHERN NEVADA

The Reno/Sparks retail market conditions experienced some slowdown during the third quarter of 2014. During the quarter, the vacancy rate increased slightly, and the area had a negative net absorption of 37,411 square feet. With this quarter's negative net absorption, the market had positive net absorption in five of the last eight quarters. Looking at the last several quarters, it appears that the market vacancy peaked in the second quarter of 2012 and has been generally improving since then.

During the third quarter, there were 17 businesses moving into shopping centers consisting of 53,221 square feet while during the same period, 16 businesses moved out consisting of 101,426 square feet. Scollari's was the largest tenant moving out of space, vacating 50,528 square feet. During the quarter, several new tenants opened including Hancock Fabrics, Yellow House Furniture and Invictus Computer Games.

The line shop vacancy rate has decreased to 20.75 percent this quarter from 21.52 percent last quarter. The anchor vacancy rate has increased to 13.96 percent this quarter from 13.09 percent last quarter. This is the highest anchor vacancy rate since the first quarter of 2013. The overall vacancy rate is 16.76 percent, which remains low compared to the record high from almost two years ago of 18.84 percent. As the market stabilizes and the vacancy rates continue to decrease, it is incrementally taking a little pressure off of landlords. However, with a continuation of high vacancy rates in the market, it remains a good market for tenants to find deals.

RETAIL THIRD QUARTER

TOTAL MARKET	LAS VEGAS	RENO*
Total Square feet	52,586,822	13,935,472
Vacant Square Feet	4,783,835	2,335,385
Percent Vacant	9.1%	16.76%
New Construction	200,000	-
Net Absorption	224,673	(37,411)
Average Lease sf/mo (nnn)	\$1.48	\$1.51
Under Construction	2,073,039	7,855
Planned	2,815,595	-

POWER CENTERS

Total Square Feet	18,613,398	2,868,311
Vacant Square Feet	1,204,500	424,640
Percent Vacant	6.5%	14.80%
New Construction	0	-
Net Absorption	37,330	(3,807)
Average Lease SF/MO (NNN)	\$1.60	\$1.65
Under Construction	1,500,000	-
Planned	1,205,620	-

COMMUNITY CENTERS

Total Square Feet	13,591,293	5,820,681
Vacant Square Feet	1,440,660	940,348
Percent Vacant	10.6%	16.2%
New Construction	0	-
Net Absorption	23,809	10,468
Average Lease SF/MO (NNN)	\$1.55	\$1.55
Under Construction	561,750	-
Planned	1,137,247	-

NEIGHBORHOOD CENTERS

Total Square Feet	20,382,131	5,246,480
Vacant Square Feet	2,138,675	970,397
Percent Vacant	10.5%	18.5%
New Construction	200,000	0
Net Absorption	163,534	(44,072)
Average Lease SF/MO (NNN)	\$1.38	\$1.45
Under Construction	11,289	7,855
Planned	472,728	0

NEXT MONTH: INDUSTRIAL

ABREVIATION KEY

MGFS: Modified Gross Full-Service

SF/MO: Square Foot Per Month

NNN: Net Net Net

* All numbers exclude regional malls

Southern Nevada analysis and statistics compiled by

Applied Analysis, Northern Nevada analysis and

statistics compiled by NAI Alliance Reno

The “second” estimate for third quarter 2014 shows U.S. real gross domestic product increasing at an annualized rate of 3.9 percent, higher than the 3.5 percent growth initially reported. In the revision, personal consumption expenditures and nonresidential fixed investment increased more than previously estimated, while private inventory investment decreased less. Residential investment, federal government spending, and state and local government spending made positive contributions. Net exports made negative contributions. U.S. nonfarm employment experienced robust gains in November, adding 321,000 jobs over October. The unemployment rate remained constant at 5.8 percent. Housing starts were up substantially year-over-year, but housing prices experienced a slight decline. Auto/truck sales and retail sales remained above their level from last year. Consumer confidence and consumer sentiment both fell for the most recent data.

The Nevada economy evidenced mostly positive signals with the most recent data. Seasonally adjusted, statewide employment decreased by 7,300 jobs from September to October, but it was up 2.4 percent year-over-year. The Nevada unemployment rate fell from 7.3 percent to 7.1 percent. Taxable sales continued to show year-over-year growth, up 4.0 percent. Total air passengers were up 3.3 percent over the same time period. Gaming revenue, however, experienced losses for the month and was down 4.3 percent from October 2013.

For Clark County, seasonally adjusted employment fell from September to October by 1,700 jobs but was up 2.7 percent year-over-year. The Las Vegas unemployment rate fell from 7.2 percent to 7.0 percent. Total passengers at McCarran Airport were up 3.4 percent from a year earlier. October visitor volume was up 3.5 percent from a year ago. Gaming revenue was 6.2 percent lower than in October 2013. Clark County’s taxable sales for September were 6.0 percent above those of a year earlier. Residential construction permits decreased from August to September. Commercial construction permits remained at a low level.

The most recent data show mostly positive signals for Washoe County as well. Seasonally adjusted, Reno-Sparks’ employment experienced a decrease from September to October of 1,500 jobs. Total employment is up over a year ago, by 2.0 percent. The seasonally adjusted Reno-Sparks unemployment rate fell from 6.8 percent to 6.6 percent. Compared to a year earlier, October visitor volume was up 3.5 percent. Total air passengers were up 1.6 percent from October 2013. Gaming revenues for October were up 6.8 percent from a year earlier. Residential construction increased from August to September, while commercial construction permits remained low.

Ryan T. Kennelly
UNLV Center for Business
and Economic Research

	DATE	UNITS	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT	YEAR AGO	
NEVADA								
Employment	2014M10	000s, SA	1214.0	1221.3	1185.4	-0.6%	2.4%	Up Over Year Ago
Unemployment Rate*	2014M10	%, SA	7.1	7.3	9.4	-0.2%	-2.3%	Reduced
Taxable Sales	2014M09	\$billion	4.232	4.088	4.071	3.5%	4.0%	Up Over Year Ago
Gaming Revenue	2014M10	\$million	913.64	901.70	954.33	1.3%	-4.3%	Down from Year Ago
Passengers	2014M10	million persons	4.177	3.903	4.044	7.0%	3.3%	Up Over Year Ago
Gasoline Sales	2014M09	million gallons	91.74	98.75	90.60	-7.1%	1.3%	Up Over Year Ago
Visitor Volume	2014M06	million persons	4.709	4.662	4.684	1.0%	0.5%	Up Over Year Ago
CLARK COUNTY								
Employment	2014M10	000s, SA	878.3	880.0	855.1	-0.2%	2.7%	Up Over Year Ago
Unemployment Rate*	2014M10	%, Smoothed SA	7.0	7.2	9.4	-0.2%	-2.4%	Reduced
Taxable Sales	2014M09	\$billion	3.156	3.023	2.976	4.4%	6.0%	Up Over Year Ago
Gaming Revenue	2014M10	\$million	787.45	770.46	839.75	2.2%	-6.2%	Down from Year Ago
Residential Permits	2014M09	units permitted	823	899	569	-8.5%	44.6%	Up Over Year Ago
Commercial Permits	2014M09	permits	21	26	42	-19.2%	-50.0%	Low and Volatile
Passengers	2014M10	million persons	3.857	3.568	3.730	8.1%	3.4%	Up Over Year Ago
Gasoline Sales	2014M09	million gallons	62.49	66.70	61.51	-6.3%	1.6%	Up Over Year Ago
Visitor Volume	2014M10	million persons	3.867	3.571	3.736	8.3%	3.5%	Up Over Year Ago
WASHOE COUNTY								
Employment **	2014M10	000s, SA	203.3	204.8	199.3	-0.7%	2.0%	Up Over Year Ago
Unemployment Rate*	2014M10	%, Smoothed SA	6.6	6.8	9.0	-0.2%	-2.4%	Reduced
Taxable Sales	2014M09	\$billion	0.564	0.572	0.541	-1.4%	4.2%	Up Over Year Ago
Gaming Revenue	2014M10	\$million	63.85	65.15	59.79	-2.0%	6.8%	Up Over Year Ago
Residential Permits	2014M09	units permitted	236	205	176	15.1%	34.1%	Up Over Year Ago
Commercial Permits	2014M09	permits	23	23	21	0.0%	9.5%	Low and Volatile
Passengers	2014M10	million persons	0.267	0.285	0.262	-6.4%	1.6%	Up Over Year Ago
Gasoline Sales	2014M09	million gallons	13.94	15.14	13.84	-7.9%	0.7%	Up Over Year Ago
Visitor Volume	2014M10	million persons	0.383	0.429	0.370	-10.7%	3.5%	Up Over Year Ago
UNITED STATES								
Employment	2014M11	million, SA	140.045	139.724	137.311	0.2%	2.0%	Up Over Year Ago
Unemployment Rate	2014M11	%, SA	5.8	5.8	7.0	0.0%	-1.2%	Reduced
Consumer Price Index	2014M10	82-84=100, SA	237.6	237.6	233.8	0.0%	1.7%	Up Moderately
Core CPI	2014M10	82-84=100, SA	239.2	238.7	234.9	0.2%	1.8%	Up Moderately
Employment Cost Index	2014Q3	89.06=100, SA	121.1	120.2	118.5	0.7%	2.2%	Up Over Year Ago
Productivity Index	2014Q3	2005=100, SA	106.4	106.0	105.8	0.4%	0.6%	Up Over Year Ago
Retail Sales Growth	2014M11	\$billion, SA	449.3	446.1	427.4	0.7%	5.1%	Up Over Year Ago
Auto and Truck Sales	2014M11	million, SA	17.09	16.35	16.19	4.5%	5.5%	Up Over Year Ago
Housing Starts	2014M10	million, SA	1.009	1.038	0.936	-2.8%	7.8%	Up Strongly
Real GDP Growth***	2014Q3	2009\$billion, SA	16,164.1	16,010.4	15,779.9	3.9%	2.4%	Recent Strong Growth
U.S. Dollar	2014M12	97.01=100	109.342	107.781	101.816	1.4%	7.4%	Up Strongly
Trade Balance	2014M10	\$billion, SA	-43.432	-43.603	-39.083	-0.4%	11.1%	Year-Over-Year Deficit Increase
S and P 500	2014M11	monthly close	2067.56	2018.05	1805.81	2.5%	14.5%	Up Strongly
Real Short-term Rates*	2014M10	%, NSA	-2.88	-2.98	-2.95	0.10%	0.07%	Year-Over-Year Increase
Treasury Yield Spread	2014M11	%, NSA	2.32	2.28	2.65	0.04%	-0.33%	Down Over Year Ago

*Growth data represent change in the percentage rate, **Reflects the Reno-Sparks MSA which includes Washoe and Storey Counties, ***Recent growth is an annualized rate

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

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

> > **Last** Word

"My resolution is to lose the same 5 pounds I resolved to lose last year."

Terry Fator | Headliner, The Mirage



"My hope is that we can engage philanthropists, individuals and business leaders to join our mission in providing opportunity and choices for our students. Every adult has the power to make a difference in a child's life."

Sonia J. McTaggart-Anderson | CEO & Founder, Andson, Inc.



"I hope that Vegas' economy persists to flourish, though my most profound hope is for more opportunities to bring out the kid in each grown-up and to place a smile on everyone's face!"

Justin Archbold | Owner, The Toy Box



What are your hopes for the New Year?



Darius R. Toston | Diverse Segments Consultant, Wells Fargo Home Mortgage

"My hope for the new year is an influx of cash flow through the economy, allowing for a better quality of life for all Nevadans!"



Gina Watters Sinclair | Hospitality Project Manager, Keep Memory Alive Event Center

"My hope for the New Year is to live a well-balanced life by spending more quality time with family and friends. I want to continue creating great memories and experiences for all of our clients."



Dr. Mulugeta Kassahun | M.D., F.A.C.S., Urology Specialists of Nevada

"I would like to be healthy by being more selective about what I eat and increasing my physical activities. I would like to work on patient and physician communication in the clinic and in the hospital."



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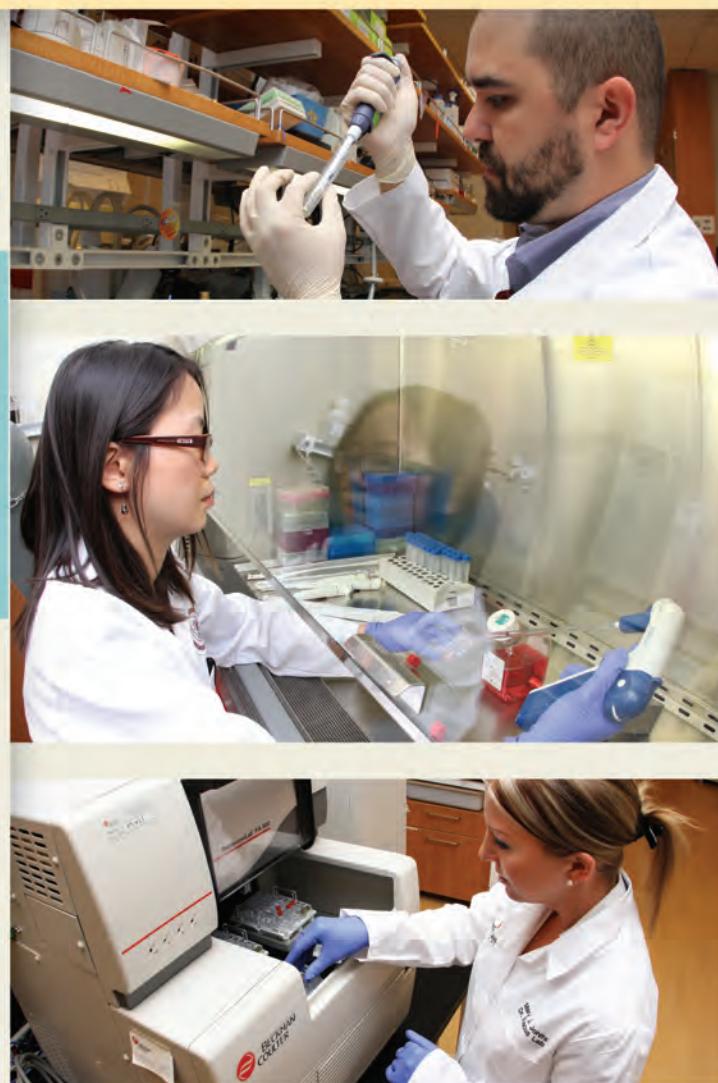
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- Groundbreaking medical research programs.

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