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# >> The Commentary

# The Solution to Education

Do What Works

The Nevada State Government needs to stop throwing good money after bad; and, it should begin now. As business people, we have just a few days to affect our Nevada State Legislators and what they do, and do not, vote for. What do you plan to do? Sit back and be complacent and then suffer the consequences, or do you plan to be part of the solution?

It seems government is continually seeking additional tax dollars to throw at old problems, rather than working within current budgets to fix those problems. The methods to grab more tax dollars have become increasingly crafty in recent years. Take, for example, Republican (ouch, I said it) Governor Sandoval's new business tax proposal that is now in front of the legislature. Of course, what I mean by "new" is that this is a new twist to the old Gross Margin Tax that was overwhelmingly beaten at the polls just a few months ago. The Governor's logic behind this new business tax is that it is better than other plans he and his cronies have considered. While this argument alone may be true (i.e. black is darker than gray), it is irrelevant if you don't agree with the premise which is that the solution to fix the education system seems to be tax and spend!

I, along with like-minded business people who understand the harm of this tax, implore the Governor and legislators to stop throwing good money after bad and fix this problem, now. So we can't be accused of maligning one "solution" without proposing an alternative, here's a suggestion: take a page from successful business' handbooks. We should close poor performing schools and set competition to solve this problem. Competition is, after all, what made this country great. If we're really working for a better education for our children, reform a broken system.

With competition in mind, let's take a look at organizations that are effectively educating kids and know how to work within their budgets. What other solution is available to us that doesn't burden the state with bureaucracy and excess fat, such as that brought on by the school district's overstaffed administration and the Teacher's Union? What would give children a better education with less (much less) Nevada government to oversee it without costing tax payers more and giving them a true return on their investment? ... Drum roll please ... Charter Schools! Governor, if education is such an important investment for our state, shouldn't we be helping charter schools by deferring their taxes and giving them incentives (like we are doing for Tesla and promoting for other businesses to move here)? It's interesting to note that the Governor likes charter schools, too; it just doesn't appear that he is prepared to tackle the real issues behind education, our self-destructing, poor performing Nevada public school system.

Don't take my word for it. Charter schools have proven their success already. A 2013 study published by the Center for Research on Education Outcomes (CREDO) out of Stanford found that charters continue to make gains. Charters are particularly effective for both students in poverty and English language learners such as those found in the Clark County School District. The study added that in both math and reading, charter schools are on an "upward trajectory, with the relative performance of the charter sector improving each year." Can we say the same for our public school system?

In closing, beware the wolves in sheep's clothing. As certain business people or business organizations waffle or make a formal stand with the Governor on his new tax for this outdated, out-lived broken public education system, all you need to do is dig a bit and you will find out why. There is always another agenda, whether political or simply a fear to stand for what is right. Or, more innocently, maybe they just ain't right in the head. This train looks like it's already left the station; if it's going to get stopped, it's going to take a derailment. If you don't want to see this tax made law, you're going to have to thrust yourself and everyone you know into this fight. Contact your representatives in Carson City NOW!

For more information on this tax, refer to the tax article on page 46.

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.



**Lyle E. Brennan**Publisher

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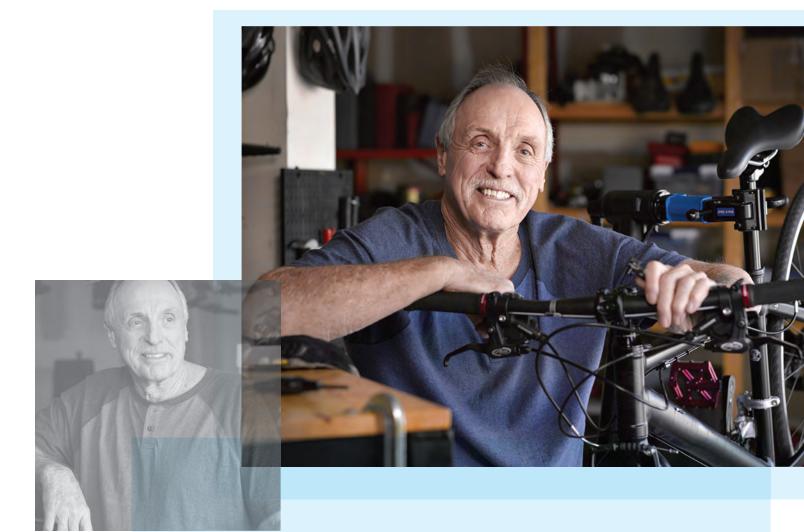
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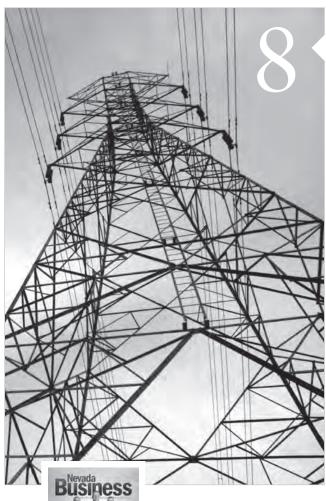


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John Entsminger, Southern Nevada Water Authority

John Hester,

Southwest Gas Corporation



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HOLLAND&HART.















# NEVADA'S HILL S The second of the second







By Jeanne Lauf Walpole

**UTILITY** movers and shakers in Nevada continue to be optimistic as they strategically manage new technologies, increased regulation, customer growth and a changing portfolio mix of options.

# **Regulations**

A regulatory agency that ensures investor-owned utilities comply with laws enacted by the Nevada Legislature, the Public Utilities Commission of Nevada (PUCN) oversees a broad spectrum of entities. "Each utility has its own challenges. In natural gas we have aging infrastructure and we need to repair and replace pipelines. We have to watch costs and maintain safe service," says Anne-Marie Cuneo, director of regulatory operations staff. "With respect to small water companies, we also have aging infrastructure and natural-occurring arsenic."

While energy companies continue to add more alternative energy to their portfolios, individual consumers have also shown increased interest in renewables. "Small rooftop solar has made a big splash," she says. "The panel price of solar has gotten really cheap. As the costs have come down, it's much more accessible to people." Other forms of alternative energies, however, have not worked out as well for

Nevadans, according to Cuneo. "Nevada doesn't have a very good wind resource," she says. "The state is blessed with geothermal, but there's a lot of development risks. A lot of it is on public land."

A big concern of utilities in many states is Section 111 (d) of the Clean Air Act which, according to the PUCN, awards

"Reducing carbon emissions comes at a price. You're replacing it with something more expensive."

— Anne-Marie Cuneo

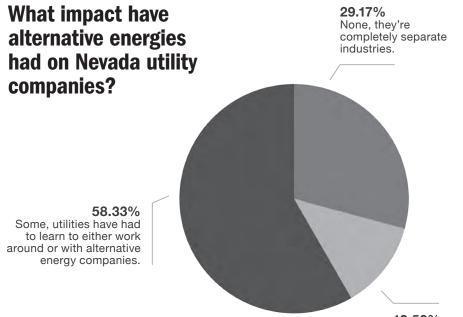
overreaching powers to the United States Environmental Protection Agency (USE-PA). The PUCN has submitted lengthy written objections to the regulations that address rules at the federal level for reducing greenhouse gas emissions at existing fossil fuel-fired electric generating units. In addition to the legal and ju-

risdictional issues, the PUCN objects to the timing of submittals, the yearly reporting requirement, lack of symmetry between goal calculation and compliance calculation, high program costs and the fact that carbon capture and storage is not a feasible technology for Nevada, to name a few. Reducing carbon emissions means shutting down a fossil fuel power plant and replacing it with something else, such as

a renewable. "Reducing carbon emissions comes at a price. You're replacing it with something more expensive," Cuneo says.

In compliance with the Nevada Legislature's SB 123, NV Energy has retired about 500 MW of coal-fired power and is in the process of replacing this with cleaner energy. "We acquired two natural

# A MATTER OF OPINION: READER'S POLL



"The current utility companies seem to show no impact from alternative energies at the moment. [A] plastic-to-oil program needs to be brought mainstream with all municipal entities as well as utility companies."

**Dean Williams,**IT Manager, The Gem Gallery

12.50% Significant impact. Alternative energy has changed the way Nevada utilities approach their business.

gas-fired plants," Paul Caudill, president and CEO of NV Energy said. The Las Vegas Cogeneration units and the Sun-Peak Generating Facility will bring about 496 MW of gas-fired power to the company portfolio. "We'll be looking for 300 MW of renewables in the next year," he says.

# **Power**

The PUCN was also an active participant in the approval process for NV Energy's acceptance into the Energy Imbalance Market (EIM) that will cover seven states and more than 44 million people when it goes live this fall. A combination of California Independent System Operator (California ISO), Oregon-based PacifiCorp and NV Energy, the EIM will strengthen grid reliability by balancing supply and demand closer to when electricity is consumed. By identifying fluctuations in supply and demand, the EIM will automatically find the best resource to meet the current needs across its service region. "California has a lot of renewables during the daytime and they can't always use it. The sun shines at different times there than in Nevada. We can trade power on the short-term," Cuneo says.

The new kid on the block a year ago, Caudill said his most important priorities would be safety and customer satisfaction. Now, into his second year on the job, he points at the progress that has been made. "We had the best year the company has had with personal safety. We cut the rate of injury almost in half," he says.

Customer satisfaction is also getting higher marks, according to company surveys and one-on-one encounters. NV Energy began around the clock service in its VOIP call centers about a year ago and found that more than 80 percent of its callers were connected within 30 seconds or less. The company also improved the efficiency of its system by linking the centers on both ends of the state. The company facilitated increased use of the

online "My Account" for customers who want to monitor usage online. Out of its 1.3 million customer accounts, the company expects that around 540,000 will be using it by the end of the year.

Also optimistic, Thomas Husted, CEO of Valley Electric Authority (VEA) in Pahrump, radiates bullish enthusiasm while describing the future of the company and the Industry. As a member-owned elec-

tric utility, VEA doesn't generate electrical energy, but buys it on the open market for its more than 17,000 members. Its service territory extends for about 250 miles along the California-Nevada border from Sandy Valley in the south to halfway to Reno in the north. "We have one of the most sophisticated operating systems in the West. We've always been ahead of the game," he says.

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Although VEA has had an impressive history of steady growth in recent years, last year was a real winner, according to Husted. "2014 was an extremely good year. We continued to grow out of the recession and 2015 will be another exciting year," he says. The company enjoyed a 40 percent increase in revenue last year which allowed it to maintain a ten-year run with no rate increases.

As VEA continues to expand its interest in solar energy, Husted talks about the 80-acre solar park the company is developing near Pahrump. "We're finalizing plans to put in a community solar park which will have 60,000 solar panels. We'll make them available to our members if they choose to participate," he says. "They don't have to put panels on their roof or in their back-yard." For those consumers who do generate their own solar power, Husted says VEA will buy their excess. "We're developing the rooftop generation," he says.

Other VEA projects include the installation of fiber because the company's service area lacks high-speed broad band communication. "We're running fiber to every home," Husted says. The optional connection to the service is expected to be available by the end of this year. In addition, VEA is expanding its Pahrump-based campus to include a new community conference center and other enhanced operational facilities.

Husted is especially enthusiastic about the future as he anticipates fulfilling the energy needs for more fully automated homes. "I wish we could change faster and transition to where the world is going," he says.

# Water

As the state continues to respond to drought conditions, it's not hard to figure out the biggest concerns of Nevada water companies. "We're in our fourth year of drought. It's our highest attention right now," says Mark Foree, general manager of Truckee Meadows Water Authority (TMWA).

When put into historical perspective, however, it may not be all that unusual. "It seems like we have a prolonged drought every 20 years," he says. The company's strategic planning has enabled them to continue serving their customers even through the driest years. "We plan for a nine-year dry cycle and we have the water supplies to back that up. This comes from well pumping and upstream storage," he says.

Although TMWA has experienced healthy growth in recent years, through conservation methods it has actually

CONTINUES ON PAGE 50 ►









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# **More Nevadans Covered**

Data showed that during the recent enrollment period, 72,000 Nevadans applied for and enrolled in health insurance plans through the Silver State Health Insurance Exchange. This figure, however, includes all of the 36,000 previously enrolled people who had to again sign up.

"I was really gratified by this year's results," said Bruce Gilbert, executive director for the exchange since August 2014.

Similarly, Anthem Blue Cross Blue Shield of Nevada, which offers individual plans via the exchange, met expectations as far as new customers captured there, said Mike Murphy, president. With individuals and businesses as customers, the insurer serves more than 500,000 Nevadans.

Last year, the state exchange was plagued with technical problems, but two major changes resolved most of them, Gilbert said. The exchange turned over its eligibility, enrollment and application processing function to the federally operated exchange. It also transferred the premium billing, collection and remittance component to the involved insurance carriers.

"I think we made, as a state, the right decision to move to a different administration backroom for the exchange, and it's much stronger in 2015," Murphy said.

Since the change took effect, an additional health insurer, Time, has joined the exchange. It's is a subsidiary of Assurant Health, a national carrier.

"The fact that more people now have insurance is a good thing. The more people who receive healthcare insurance, the healthier our community will be going forward," said Helen Lidholm, CEO, Reno's Saint Mary's Regional Medical Center and Saint Mary's Medical Group.



Bruce
Gilbert
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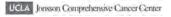
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The change has been positive for patients, added Mason VanHouweling, CEO, Las Vegas' University Medical Center of Southern Nevada (UMC), a public, 541-bed, acute care hospital with a children's hospital and level 1 trauma, burn and transplant centers. More people are able to seek primary and specialist care and obtain medications. They're having better results and fewer readmissions.



Alan
Olive
Northern Nevada
Medical Center

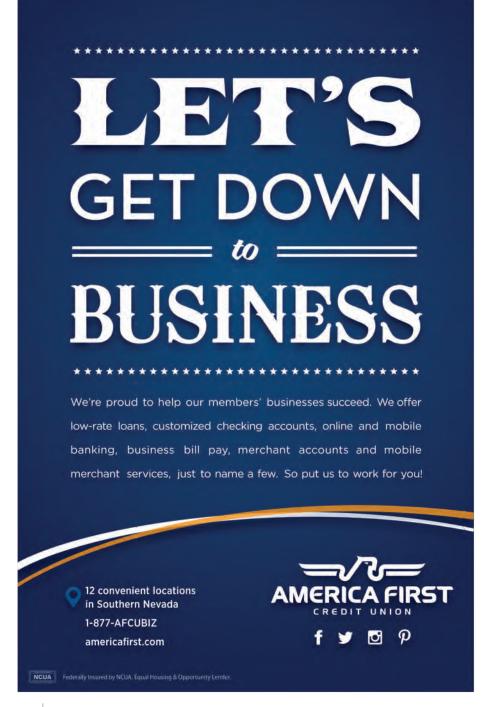
Hospitals and providers are more aligned than ever as far as clinical outcomes and goals. "We're seeing a transition from the uninsured to Medicaid," added Dr. Anthony Slonim, president/CEO of Renown Health, a Northern Nevada integrated health system and ACO. "That's what the ACA was intended to do. It changes your reimbursement, you're getting paid for things you previously weren't."

# **Facilitating Good Health**

The onslaught of new insureds into the system pressured providers to accommodate an increased need for care. Southern Nevada's Southwest Medical Associates Inc. (SMA) gained about 50,000 Medicaid patients, said Dr. Linda Johnson, senior medical director of primary care. SMA is a multispecialty accountable care organization with 21 locations in Southern Nevada. Although it had prepared for a steep patient increase, the amount was greater than anticipated. To manage the growth, the group added 40 new providers-physicians, nurse practitioners and physician assistants-in the last six months alone. In 2014, it opened five new locations in Las Vegas and plans more for this year.

In general, however, the supply of physicians is bleak throughout the state. Southern Nevada is short on specialists; Northern Nevada is short on primary care physicians (PCP). Consequently, some newly insured people continue to visit local emergency rooms, the most expensive point of care, rather than see a generalist on an outpatient basis. Northern Nevada Medical Center (NNMC), whose parent company is Universal Health Services, had a 20 percent increase in ER visits in 2014 over 2013, 80 percent of which weren't urgent, said CEO Alan Olive.

"It demonstrates that the ACA provided insurance and not healthcare," Olive added. "[The ACA] provided insurance, but it didn't provide the mechanism and an additional amount of PCPs or specialists who have the capacity or who are willing to see Medicaid patients."



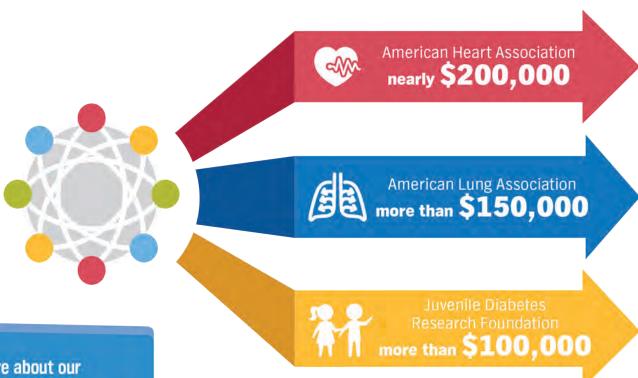


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\*These figures represent 2013-2014 giving

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"As we think through what the solution set looks like, we need input from people in regulatory positions to think through innovative models to transition through the challenges the ACA has put out there for us," said Slonim.

Additionally, many people now with health insurance don't know how to navigate the system and/or care for themselves healthily. Therefore, a major focus of Nevada's healthcare industry today is on promoting preventive health and wellness and educating people about the ideal places to pursue care for different circumstances. It aims to manage population health or, in other words, improve the health of defined groups—seniors, cancer patients, children, etc.—in a cost-efficient way.

"The health needs of a community are much broader than the healthcare needs of a community," said Slonim.



The major goals in Renown Health's new five-year strategic plan are to be as efficient as possible to achieve ACA goals with respect to population health; utilize community partners for their knowledge and expertise; and continue to build the size, scope and scale of the organization to facilitate effective programming and manage the numbers of newly insured. Among other efforts, Renown is using information from its insurance plan, Hometown Health, and getting more involved in community-based programming to better understand and address the health and needs of individual populations.

Saint Mary's launched a pilot program to capture and maximize the expertise of the Access to Health Care Network (AHCN) that has one of the lowest ER utilization rates among payers. AHCN-provided case managers will help Saint Mary's better manage patients who have two or more chronic diseases.

UMC offers eight primary care and quick care locations as part of its community outreach. It's investing in a minimally invasive da Vinci Xi surgical robot as well as high-definition endoscopy scopes and state-of-the-art pulmonary diagnosis equipment.

The Nevada Business Group on Health (NVBGH) is working to help employers create a healthy Nevada workforce. The nonprofit organization provides its 53 member employers with resources and support.

Services include the research, testing and deployment of healthcare, from chronic disease management to in-depth studies of specific diseases. It provides employers with solutions, such as ACA guidance or a no-cost diabetes screening program that can be branded with their logo.

NVBGH also contracts for healthcare services—hospital, pharmacy benefit management, dental, employee assistance programs, employee health and wellness programs, bariatric services and more—on behalf of its Northern Nevada members.

"Our main objective is to raise the visibility, viability and sophistication of conversations between employers—who are the ultimate payers—and those who deliver and influence the delivery of care," said Terri Lightfoot, executive director and CEO.

This year, the organization will continue monitoring the ACA, launch several consumer engagement programs that employers can use to engage their employees in their own healthcare and offer targeted

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programs for sleep deprivation and depression in the workplace. It will continue to participate in the statewide diabetes survey and work with employers and community health advocates on immunizations.

Cumulatively, throughout the Silver State, a lot of work is being done.

"Nevada needs more, and it needs everybody on the same page," Lidholm said.

# **Providers Boost Access**

Consumers today have more of a role in their healthcare than ever before, from decision making to contributing financially. Major advances in providing varied access for consumers to providers and care have taken place and are underway to meet the current and growing demand. Telehealth services, which Renown Health and NNMC offer, is an emerging trend to meet needs of the community where they live, and where and when they want medical help. Even Anthem, through LiveHealth Online, offers its customers the ability to connect online with a physician any time for a co-pay.

"We have to find innovative ways to partner in the rural communities and make sure they have appropriate access and services available, sometimes in person, sometimes via technology and sometimes by bringing them to Reno," said Slonim. "We have to be innovative in reaching out into the broader geographic areas that we serve."

NNMC is increasing its footprint to strengthen its integrated health system. It's growing its medical group and plans to add new locations as needed, offer corporate medicine and introduce new services, including pharmacy distribution services and expanded telehealth.

"Our model of care increases access, reduces cost and strengthens the quality of care," Olive said.

Saint Mary's recently started a women's health center, an obstetrics/gynecology practice. Already with nine primary care offices, it plans to add several more in addition to a pediatric intensive care unit and a wound care center.

SMA added innovative access points to its existing locations that including an urgent care center that's always open. One is virtual visits, where commercial consumers can connect with a provider via the Internet for simple medical problems. Through e-visits, patients can ask questions via the group's Web portal and receive answers within one business day.

"We're a continuous process improvement type of medical group, always looking at how we're delivering care and if we can do it in a better and more efficient way to improve access and the health of our patients," Johnson said.

The industry continues to make health care tools available to consumers. To help them make better decisions about where

to access care, Anthem provides a cost estimator, among other resources. SMA is developing a smartphone app that will allow patients on the go to do much of what they can accomplish on the group's website—virtual check-in at its urgent cares, accessing one's electronic medical record and more.

In Southern Nevada, numerous and varied providers have agreed to participate in the Health Information Exchange, which allows them to share medical information in real time. Launched by the nonprofit organization HealtHIE Nevada, the program eliminates duplication of tests and procedures, lowers costs, improves diagnosis, quality and safety for patients and is more convenient for all involved.

CONTINUES ON PAGE 59 ►





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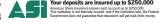
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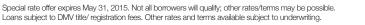
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# **Credit Unions**

LEFTTO RIGHT Dennis Flannigan, Great Basin Federal Credit Union · Eric Estes, Boulder Dam Credit Union · Wally Murray, Greater Nevada Credit Union Connie Brennan, Nevada Business Magazine · John Lund, America First Credit Union · Wayne Tew, Clark County Credit Union · Kelly Buckner, Elko Federal Credit Union Andrew Hunter, Silver State Schools Credit Union · Rick Schmidt, WestStar Credit Union

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trengthened by a collaborative spirit, credit unions that have made it through the recession work to provide quality services for their members. Recently, Nevada executives in this industry met at the offices of Clark County Credit Union to discuss the trends and challenges facing their industry.

Connie Brennan, publisher and CEO of *Nevada Business Magazine*, served as moderator for the event. These monthly roundtables are designed to bring together leaders to discuss issues relevant to their industries. Following is a condensed version of the roundtable discussion.

# HAS THE INDUSTRY BOUNCED BACK FROM THE RECESSION?

**ERIC ESTES:** We've recovered most, if not all, of what we lost during the economic crisis. Now it's a matter of positioning ourselves to refocus on the future. There's an advantage that we have right now that can't be underestimated. A lot of the millennials have

learned not to trust financial institutions, especially on a large scale, after what we've been through. That mistrust that exists doesn't necessarily exist for us. A great deal of the people in our community have learned to trust us because we have survived and we have done right by our members.

**WALLY MURRAY:** Last year, credit unions just acknowledged that we surpassed, for the first time, 100 million members across the nation.

**DENNIS FLANNIGAN:** Most of us have gone into business lending and assuming that community bank role in many of our communities. We're running smarter, we've been disciplined more and, in a sense, we're stronger today than we were eight years ago.

JOHN LUND: Part of the challenge is the national economy. It's still somewhat fragile. Citizens and our members in general are still asking when interest rates are going to go up. There's gridlock in our government in DC and we can't get anything done, so it all makes us a bit nervous about what impact that will have. It feeds down to the local level.

**FLANNIGAN:** There is a lack of lending involved in the environment. It's still sluggish.

When you consider the low-interest rate environment that is present, we should be making a lot more loans. There's still a lot of uncertainty in the consumer's mind.

# HOW DO CREDIT UNIONS DIFFER FROM BANKS?

**SCHMIDT:** Credit unions are cooperative, not-for-profit organizations. That's who we are, that's who we will always be. We are not a for-profit industry that is trying to enhance shareholder value by virtue of stock price.

**FLANNIGAN:** We've long been recognized as a not-for-profit. It is a very difficult thing for many people to understand that we are in business to make as little as possible. Everything we're doing is to minimize fees, minimize loan interests and charges. When you reduce that and you're giving more back to that member, that member has more money and they get taxed. It passes back through [the economy] that way.

# CAN **NEVADA**EXPECT TO SEE MORE **CREDIT UNIONS**?

**WAYNE TEW:** You could extrapolate from the national level. When I started there were 17,000 credit unions; we're down to approximately 6,000. We will see fewer credit unions over the next 15 years.

**ESTES:** New charter requests are essentially nonexistent.

**MURRAY:** The barriers for entering the market are so much higher than they used to be, both from a financial perspective and a regulatory perspective.

**ESTES:** There's a lot of talk about regulatory relief but the problem is two-fold

right now. There are existing regulations and, whether it's through the state or the federal legislature, getting them changed is nearly impossible. In the meantime, there's the Consumer Financial Protection Bureau (CFPB) that's proposing new stuff all the time.

**KELLY BUCKNER:** Credit unions are unique from the standpoint that we can't raise capital. We can't do anything but retain earnings. We can't go out and solicit capital; we have to earn it and build it over time.

# HOW DO REGULATIONS AND LAWS IMPACT THE INDUSTRY?

**BUCKNER:** A consistent challenge that we face is the regulatory environment that we're currently under with the National Credit Union Administration (NCUA) and the CFPB.



**RICK SCHMIDT:** Some regulations are good. You can't operate without a safety net; there has to be protections in place. But some of the rules that have come down as a result of the Dodd-Frank and the CFPB have made it increasingly difficult to do business.

**TEW:** If we continue to merge and press, and have less and less competition with any kind of business, including the banking business, then the advantage to the consumer to choose and have options goes away. It has a chilling impact upon growth in the economy and innovation. Regulation has now dictated what we can or cannot do.

**ESTES:** The regulations were brought in to deal with, primarily, large institution issues. But the regulatory reaction is being applied across the board down to the smallest of the industry who don't have the resources nor the ability to deal with the costs. And we're not part of the problems. It's a very difficult scenario.

**TEW:** We've been very involved with the super priority liens with the homeowners associations (HOAs). It would alter what was happening with a third party coming in and paying for a lien held by a HOA without notification to the first mortgage holder or anyone else. They would be buying that mortgage or home for pennies on the dol-



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lar, then turning around and selling it with the lien-holder being stuck with this loss. That looks like it will be rectified. Another thing we're all watching carefully is what will happen with Governor Sandoval's proposal for the tax licensing fee. It's essentially what we voted out with the Margins Tax and now it's coming back as a licensing fee. We're [also] lobbying to take away this business lending cap for all of us so we can help people.

**FLANNIGAN:** Unfortunately, the state regulator looks to the federal regulator and follows their guidelines. That's why, indirectly, the state credit unions also have that limit and it's transferred through.

**MURRAY:** The CFPB was originally created from a mandate from the Dodd-Frank act, but once they implement everything that's in this Dodd-Frank act, then their decision of what they want to do next is entirely their own. They have no formal congressional



oversight; they report directly to and get their budget directly from the Department of Treasury. There's no funding mechanism for Congress to oversee them. It's a challenge we share with banks. **LUND:** The NCUA's purpose is to keep all of us safe and sound, as opposed to the CFPB, which could care less whether any of us are financially safe or sound. Those actions, from their perspective, to protect the consumer can go so far that it really cuts into the viability of the institutions.

# ARE NEVADA CREDIT UNIONS MORE COLLABORATIVE OR COMPETITIVE?

**MURRAY:** We have a shared branching network with over 6,000 branches. My members can walk into branches of other credit unions and use [the ATMs] for free, and vice versa. We're not doing it to make a whole bunch of money off of people. Emphasizing free utilization for the consumer makes



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it more convenient and accessible. That's all done through shared technology.

HUNTER: Collaborative, but that's not true everywhere. Geographically speaking, other places are more competitive than collaborative.

**SCHMIDT:** Even if we're competitive in the same marketplaces, we all want the credit union industry to endure. We all recognize that if we fail individually, it potentially leads to the failure of everyone else.

MURRAY: One of our greatest challenges as we go forward is being mindful of our collaborative souls and not losing the spirit of collaboration that's key to our very existence. There are times when we certainly compete with one another, but, at the end of the day, none of us can fly alone.

LUND: Technology changes so fast, it's hard to keep up with if you don't have the size or strength to offer those mobile services and other emerging technologies to



members or customers. One of the nice things about credit unions is the cooperative nature even among ourselves. There are service organizations that many of us are a part of that help to bring that ability to provide technology services solutions to our members so we don't have to pay for it individually. We can share the costs.

# WHAT SETS CREDIT **UNIONS APART?**

ESTES: We're seeing a lot of younger employees walk in the door and acknowledging the credit union is appealing to them because they see the social mission built into what we're doing and they want to be a part of that. You get a lot of reward from that at the end of the day. You also see the next generation of employees with a greater concern for quality of life. Credit unions have the ability to sell themselves to the younger employees with both our social mission and our desire to make sure they have a good quality of life outside of what we do as a business.



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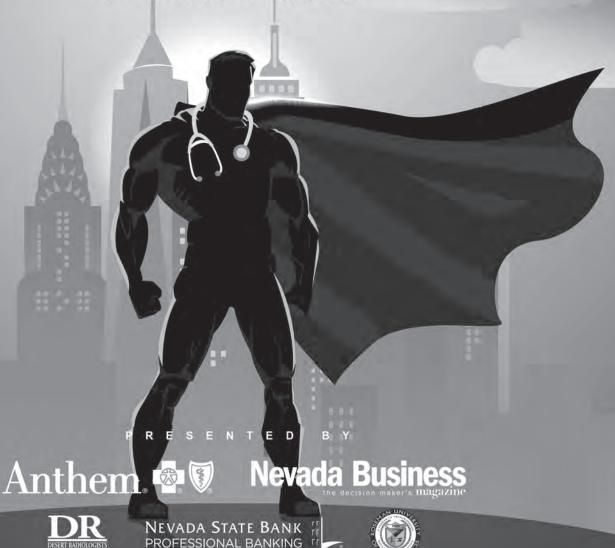
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Nominations are open through April 20th.





MURRAY: We've identified a set of core values that have made us who we are to-day, and we don't want to walk away from those. Our challenge is to find prospective employees that fit with that set of values and hold consistent values of their own. If they're just there to punch a time-clock and collect a paycheck, that's not going to what's best for our members in terms of the type of service they get.

# HOW DO CREDIT UNIONS ENGAGE IN THE COMMUNITY?

**HUNTER:** We set up a program at several schools where we encourage kids to save. Our staff really gets into it and we believe it is very helpful to teach the savings habit. We're also supporting a bill that will require financial education to be taught as part of the math curriculum in middle school. There's some financial education in high school, but nothing in middle school or lower.

**MURRAY:** One of the investments that many of us made during the economic downturn was creating teams of employees that could go out and teach financial literacy. It wasn't cheap to do, but it was the right thing to do at the right time and

we've sustained that. We teach hundreds of classes a year, we create time and pay [the employees] and we don't charge anything to the consumers.

**TEW:** As an industry, we've adopted Children's Miracle Network (CMN) as a prime recipient of funds. California and Nevada Credit Union League just had a wine auction this past year and the final tally of \$1.2 million went back to local CMN hospitals in our respective communities.

**LUND:** Many credit unions also offer free financial counseling, where if a member does run into financial difficulties they can come in and meet with professional counselors to work through their budgets and plans. That's one of the successes we had during those recessionary years that were so trying. Instead of writing those members or loans off, we worked with those folks through their hard times.

# WHAT ARE FUTURE PLANS FOR THIS INDUSTRY?

JOHN LUND: [We need to] maintain the trust relationship we have with our members, creating long-term, lifetime relationships with them. The membership population is aging and so it's important, as credit unions, to attract younger members to keep the good things that we all do going strong.

**BUCKNER:** Everyone here is going to be in a better place [in the future] because we operate within certain core principles. We mind our business, take care of our members and take care of our credit union. We're all going to be better off because we take care of business. We look out for our members, our employees and the communities that we serve.







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# >> Around the State

# Chase International Installs Tesla Charging Station

An independent real estate company, Chase International, has installed a Tesla charging station at the firm's Zephyr Cove location. The high-power wall connector adds 58 miles of range per hour for the Model S vehicles. Chase is the latest in a growing network of businesses and resorts adding charging stations in anticipation of increased use of the electric vehicles.

# The International School of Hospitality Doubles Campus Size

The International School of Hospitality has completed a renovation and expansion which doubles its Sunset campus. The facility now includes five classrooms, a lecture hall, student resource center, computer lab and student lounge. An additional high-tech special events lab with "front-desk" training space was also added in an effort to give students a realistic feel of working in the hospitality industry.

# UNLV Boyd School of Law Receives Highest-Ever Program Ranking

UNLV's Boyd School of Law has jumped 16 spots in the "Best Law Schools" category of *U.S. News & World Report's* list of Best Graduate Schools. The report ranks Boyd as 67th of 198 schools and the "Lawyering Process" program ranked third in the legal writing specialty. In addition, the school placed 43rd in the law school diversity index.

# **Nevada Ranked No. 1 For Energy Job Growth**

According to a recently released report from a national non-partisan business group, Environmental Entrepreneurs (E2), Nevada was ranked the number-one state for clean energy job growth last year. The Tesla Motors' announcement of a 6,500-employee "Gigafactory" was the largest single announcement in any clean energy sector all year. Despite growth, E2 indicated that uncertainty over public policy along with the expiration of beneficial tax policies has been a hindrance to clean energy industries. The jobs report found that at least 55 percent of clean energy business leaders had said they would likely increase investment levels if federal clean energy tax incentives were extended.



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# **Reaching Deeper**

by Chris Sieroty

**HALL** of Fame baseball player Yogi Berra once said it is deja vu all over again. He wasn't wrong if he was describing Nevada politics and biennial efforts to create a tax code that can better withstand economic recessions.

Nevada lawmakers have recently been debating another proposed tax increase geared towards adding funds to the state's woeful educational system. In total, Governor Brian Sandoval's plan would raise more than \$1 billion in new taxes.

The details of Sandoval's business license fee were released last month in Senate Bill 252, a 208-page bill that would change Nevada's flat \$200-per-year business license fee. The new tiered system has rates ranging from \$400 to \$4 million a year.

try type, and sectors with a higher average profit margin will pay more. The changes to the business license fee will raise an estimated \$438 million over the biennium. All of the state's 330,000 businesses will be subject to paying it quarterly.

The business license fee or tax would scale what a business owes based on the North American Industry Classification System, or NAICS. The standard system used by federal and state agencies breaks businesses from utilities and services into different classes. Then it increases what each business owes according to its gross revenues.

The new fee applies to more than 30 super classifications. The new tiered system has a top payment of \$4 According to the bill, a commillion and one analysis showed the largest

pany's tax burden would be

determined by its revenue and indus-

# >> Feature Story

payment by any Nevada business is expected to be \$2.58 million by the "accommodations" category, which includes hotels and casinos.

According to the proposal, the Secretary of State would be required to revoke the license of any business that fails to pay their quarterly license fee. It would also prohibit issuing new business license or reinstating a business's license unless the license fee is paid in full.

# To Pass or Not to Pass

Sandoval has said the increase is needed to invest in K-12 education statewide. The bill will need to win support from two-thirds of the Republican-controlled Assembly and Senate to become law.

One question on many executives lips is, even with a Republican majority in the Legislature, will the governor's proposal get the votes needed to pass?

"We don't know," said John Restrepo, an economist with RCG Economics in Las Vegas. "Anytime you tax a percent of your gross revenue, it brings a certain amount of uncertainty. It's all these different rates."

But, Restrepo said in the end there are only three numbers that are important to passing Sandoval's tax proposals and his \$7.3 billion budget. Those numbers are 28 in the Assembly, 14 in the Senate, and the governor.

Carole Vilardo, president of the Nevada Taxpayers Association, expressed concern over the governor's business license fee. She described the tiered systems as "a gross tax that is not based on a company's ability to pay."

Victor Joecks, executive vice president at the Nevada Policy Research Institute echoed that sentiment saying the, "proposal for a modified gross receipts would force businesses that are losing money to close their doors and kill jobs. Sandoval has said he's modeled the Gross-Receipts Business License Tax after Texas' margin tax but Texas lawmakers are looking to repeal the margin tax."

Joecks added that a National Federation of Independent Business/Texas survey found that after Texas implemented the margin tax in 2007, around 20 percent of small businesses

said they had to lay off employees and onethird said they left jobs unfilled.

The business fee is just part of the proposed tax package Sandoval used to balance his \$7.3 billion budget for the coming two years. His plan was needed after the Economic Forum projected \$6.6 billion in revenues from existing sources for the coming biennium. Sandoval has also proposed raising the taxes paid by restricted slot route operators and a \$78.3 million increase on the state's cigarette tax.

"There is a big need for money, but maybe there is a better way to design a business license fee," Restrepo said.

He said the increase in the business license fee from \$200 to \$400 makes us less competitive against states like Wyoming and Delaware.

Restrepo explained that entitites with 500 companies licensed in Nevada at \$200 a piece find the fees manageable, but at \$400 each they might consider moving to Delaware.

"There are a lot of nuances" to this proposal, Restrepo said.

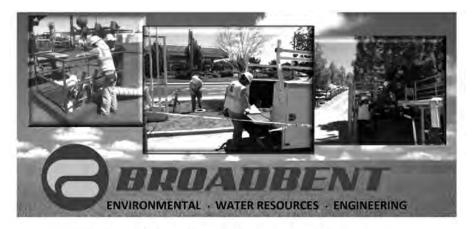
# **Other Revenue Sources**

In his proposal, the governor has also figured in \$14 million in lost tax revenue from the mining industry. Sandoval's budget includes a mining industry payroll tax hike to 2 percent, from its traditional 1.17 percent.

The gaming industry is somewhat included in that the tax would affect non-gaming revenue, such as clubs and restaurants.

Sandoval wants to make permanent the \$544.5 million in general fund tax and fee increases that were approved in 2009 and supposed to sunset July 1, including the \$277 million increase in the Modified Business Tax. The governor also seeks to make permanent \$697 million in non-general fund revenues that were scheduled to sunset this year, some of which comes from a room tax that goes directly to schools.

Vilardo said Nevada's Highway Trust Fund is one of the biggest losers in the governor's



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push to make those "sunset" taxes permanent. The fund's budget was taken away during the recession to cover shortfalls in the general fund. The 10 percent increase in the Motor Vehicle Registration Tax has been deposited into the general fund, but on July 1 of this year, the revenue from the increase is expected to be deposited into the Nevada Highway Trust Fund. However, the money is still being used for other purposes, costing the fund \$64 million between 2013 and now. Nevada's highways are also hurting from a lack of federal funding.

Vilardo said by making it permanent, "you get a lack of money and the erosion of the highway trust fund."

# **The Debate**

Some advocacy groups have come out in support of the governor's proposal. The Las Vegas Global Economic Alliance (LVGEA) is one of those groups.

"We know that high-wage businesses overlook Southern Nevada because we lack a highly educated workforce," said Ray Specht, of Toyota Financial Savings Bank and chairman of the LVGEA board of directors, in a statement. "The LVGEA board recognizes that it is imperative to start at the beginning and both reform our K-12 education system and pay for programs that will create a workforce that will be competitive in the 21st century global economy."

Vilardo said the groups the Nevada Taxpayers Association represents have expressed their opposition to the governor's proposed business license fee increase.

The governor won his second term in November with 70 percent of the vote. Sandoval then did something unexpected for a Republican governor. He used his state-of-the-state address to call for the largest tax increase in Nevada history. A decision that put him at odds with his fellow Republicans and many

in the business community that helped defeat the Margin Tax in November.

The governor's budget and proposed tax increases continue to face criticism, in particular from the anti-tax wing of the Republican party. Meanwhile other lawmakers, including Assembly Speaker John Hambrick, have been threatened with recalls if they vote for Sandoval's budget.

One potential block to Sandoval's tax proposal is that many of Nevada's GOP lawmakers are conservative and likely to vote against his billion dollar tax plan.

The heart of the issue for many is not about whether or not Sandoval can use his political capital to usher his \$7.3 billion budget through the Legislature, but what specifically he is proposing and its impact on the business community.

Restrepo said the economy is always changing and projected collections in these budgets never meet forecast. "What ends up happening is that they tweak it again, then again, and then again."

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used less water. Increased awareness of usage along with the installation of water meters has caused a drop in consumption from 86,000 acre feet in 2001 to 74,000 last year. "We're using a lot less than 15 years ago. It appears that we'll call for some conservation this summer," Foree says. He expects that usage for this year could drop to less than 70,000.

Foree speaks highly of the much anticipated merger between TMWA and the Washoe County Department of Water Resources (DWR) which was finalized last year. "We acquired 24,000 more customers with the merger. It's a good thing for the community. Most of the new systems are ground water," he says. These provide an efficient balance with TMWA's resources which are mainly surface water. "We

own all the water rights in Independence Lake and one-half in Donner Lake," he says. The consolidation has been good for the community because it has resulted in better management of all the water resources. "We've seen some economies of scale so we'll have fewer rate increases as we go forward," he says.

As part of its ongoing water management strategies, TMWA uses its Aquifer Storage and Recovery Program to bank water for future use. "We take water from the Truckee, treat it and then we put it back down into the ground," Foree says. Up to 10 million gallons a day can be injected into selected wells during the fall and winter.

Southern Nevada is also positioned to withstand drought conditions and, despite the ongoing drought on the Colorado River, John Entsminger, general manager of the Southern Nevada Water Authority

(SNWA), says that Southern Nevada will have enough water for decades to come. "We're very comfortable with our facilities and our resource portfolio right now," he says. Even as Lake Mead dropped 130 feet over the past 14 years, methodical strategic planning by the company has ensured a reliable water supply for many years to come.

The much anticipated Lake Mead Intake No. 3 project, which will pump water from the lake at 860 feet above sea level, is expected to come into service in July. "Immediately it will help our water supply because we can pull from the deepest part of the lake which is colder and cleaner," Enstminger says. Coupled with the new intake is a low lake level pumping station, now in development, which will draw water from the 875-foot level. These two entities will secure the water supply regardless of the level of Lake Mead.



SNWA is constantly developing and promoting greater efficiencies in water usage through conservation and recycling. "We've reduced net use of water by about 40 percent over the past 14 years," Entsminger says. Part of the reduction is because the type of growth has changed with less turf and landscape being used and more housing units per acre being built. Also Southern Nevada is some-

what unique by being able to utilize return flow credit methodology, which captures 99 percent of the water used indoors, treats it and then returns it to Lake Mead. "If it hits a drain, we reuse it," Entsminger says. Looking several decades into the future, the company is exploring an instate ground water project which would

"We've reduced net use of water by about 40 percent over the past 14 years."

— John Entsminger

pipe water from Lincoln and White Pine counties into the SNWA system. In addition, SNWA is also looking into the possibility of developing a desalination plant in Mexico.

Entsminger says that new technologies have resulted in greater efficiencies for both the company and its customers. "We don't do check processing anymore. The vast majority pay online. We're getting ready to launch our first mobile app," he says. The days of meter readers walking the streets is also a dim memory. "Our entire retail side has automatic meter reading devices. We just drive down the street with a truck," he says.

The company is very aware of the critical role they play in

economic development as businesses who locate in Southern Nevada need to be assured that they will have enough water for their needs. "We appreciate the support that the business community has given us," Entsminger says. "We have a very stable safe secure water supply in Southern Nevada."



# The Next Generation

Natural gas continues to be one of the darlings of the energy world, according to John Hester, president and CEO of Southwest Gas Corporation. "It's a pretty carbon-friendly fuel," he says. As coal falls out of favor, natural gas has become even more attractive, especially with a 150-year supply that is mostly domestically produced. "Domestic natural gas development has been a growth engine for the economy," he says.

As coal-fired electrical plants are retired across the country, cleaner gas-fired facilities have taken their place. Also the use of natural gas in vehicles continues to grow. "We're seeing increased usage in fleet operators. People continue to appreciate the low cost and the benefits to the environment compared to diesel fuel," Hester says. "We're also looking at liquefied natural gas (LNG) which puts a bigger

energy component in a vehicle compared to compressed gas." The company's LNG plant in Lovelock, which is designed to provide customers peak service during winter months, can be used by long-haul truckers in warmer months. Hester also emphasizes that natural gas partners well with renewables and with electric cars, such as Tesla. "I think we can co-exist with electric vehicles. It's going to be a net improvement for both," he says.

In recognition of the continuing regulation of the energy industry, research and development is adding some rather fascinating options to the fuel mix. Hester says he's pretty excited about the idea of methanization, a process that uses electricity from a photo voltaic cell to perform electrolysis on water to produce hydrogen. The hydrogen is then combined with carbon from carbon dioxide in the atmosphere to make synthetic natural gas.

Hester predicts a bright future for his company with a natural growth rate of about one and a half percent annually. "The desert southwest continues to be a good place to live. We're bullish on Nevada," he says.

As they gamely face the challenges of 2015, Nevada's utility companies embrace a changing landscape that requires adept leadership and vision to navigate. Those at the helm are invigorated by the opportunities presented and look to the future with eager anticipation.

# **IN BRIEF**

According to a recent Rasmussen Reports survey, 54 percent of likely U.S. voters believe Democrats should look for a fresh face to run for president in 2016 rather than promote a candidate who has already run in the past. Only 22 percent think Democrats should go with a candidate from the past and just as many (23 percent) are not sure.



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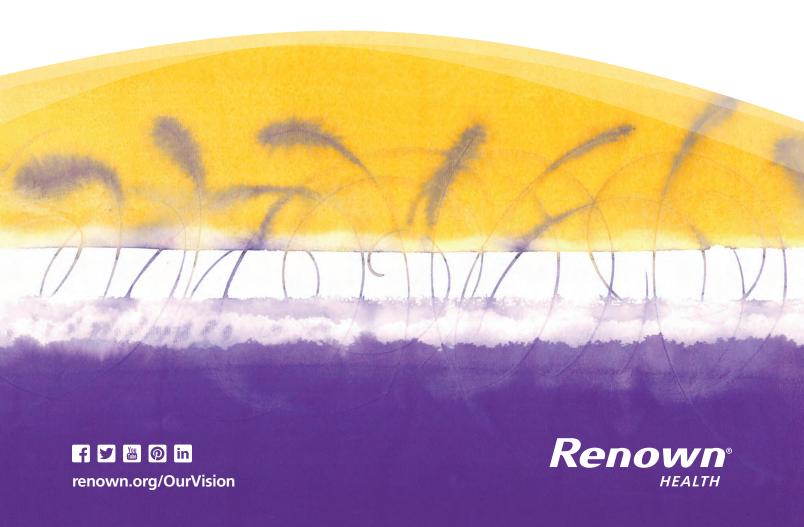
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# GREEN SCHOOLS NOT RIGHT FOR NFVADA

# AS DISTRICTS BEGIN TO BUILD NEW SCHOOLS, THEY SHOULD FOCUS ON KIDS, NOT ENVIRONMENTAL ACTIVISTS

Chantal Lovell is the deputy communications director of the Nevada Policy Research Institute.

ew school buildings are coming to Nevada, and if recent years are any indication, the push to build those schools to "green" standards will be as strong as the push that led lawmakers to authorize 10 additional years of bonding without voter approval to fund the construction of those schools.

But if decision makers wish to make the best use of taxpayer money and live up to their stated goal of building more schools, they'll think twice before adhering to costly environmental standards.

This cautionary tale comes from a new analysis authored by Todd Myers — a Wall Street Journal expert panelist and the environmental director at the Washington Policy Center.

Examining the construction and energy costs of schools in Clark and Washoe counties, the study finds that facilities built to so-called green standards produce only nominal electricity savings, while, in some cases, using even more energy than schools not built to the costly standards.

Take Washoe County's only middle school built to green standards: Depoali Middle School. Though it performs well in terms of energy efficiency, it is outperformed by Cold Springs Middle School, a school not constructed to the environmental standards. Additionally, a second non-green school, Shaw Middle School, was just as energy efficient as Depoali.

In Clark County, green schools performed better than schools not held to the same standards — but was it enough to even matter? As with Depoali, it could be decades, or even a century, before the district sees any return on its investments. Moreover, the analysis doesn't consider the fact that many energy-saving building features incur additional maintenance costs and are more expensive to repair or replace than their simpler predecessors — reducing even further the alleged financial benefit of green building.

When making the decision to go green, school district officials and building designers tend to forget that there are tradeoffs in any decision. Opting for more natural light in a building, for example, reduces insulation — resulting in the energy savings from lowered lighting demands being cancelled out by the increased cooling and heating costs.

Considering that green schools cost anywhere from 1 to 3 percent more to construct and the return on investment doesn't come until a building is a decade or decades old, is building to green standards actually wise?

To make the projected rate of return on green-building projects pencil out better, one can presume increases in future energy costs. That's a speculative and risky strategy, however — especially when not indulging green standards would mean more money for classroom construction.

Before the current Legislative Session even began, the cries to raise property taxes — by extending taxes beyond what voters were promised — were incessant. The claim was that additional money was needed to build more schools.

That claim prevailed and, on its basis, lawmakers passed Senate Bill 207, authorizing an additional 10 years of bonding not approved by voters.

If building new schools is the priority that legislators and school officials claim it to be, these new projects should not be subjected to green standards. Increasing construction costs to build schools that, at best, save only nominal energy and are unlikely to ever pay for themselves is not merely imprudent but also a clear waste of taxpayer money.

Spending millions of dollars on green standards steals money from the public to satisfy environmental activists. Bowing to special interests should not be a priority of Nevada school construction projects.

Rather, let's create structurally sound, quality environments within which children can learn. As SB207 is implemented, let's make sure kids are our priority.



**INCLINE VILLAGE** 

# HOW DID YOU FIRST GET INTO YOUR PROFESSION?

I have worked in the tourism industry in the Lake Tahoe basin for over 22 years for both public and private entities.

# WHAT DO YOU WANT YOUR LEGACY TO BE?

I am a big fan of Lake Tahoe and I hope my legacy is to help drive the region as one of the world's top vacation destinations.

# WHAT IS YOUR PET PEEVE?

Slow drivers on curvy, two lane highways.

# WHAT IS THE BEST MOMENT OF YOUR CAREER?

I think it would be our effort in North Lake Tahoe to bring world-class sporting events to the region. From the Amgen Tour of California bike race, to the Ironman Lake Tahoe and the USA Cycling National Amateur Championships, we are reinforcing North Lake Tahoe's position as the human powered sports capital of the United States.



### **LAS VEGAS**

# HOW DID YOU FIRST GET INTO YOUR PROFESSION?

Grant administration is one you fall into. I began writing grants for local non-profits to gain awareness and funding for projects; then one thing led to another and I began managing the projects and my career in higher education overseeing the entire grant process.

# WHEN YOU WERE A KID, WHAT DID YOU WANT TO BE?

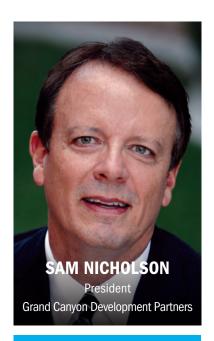
I wanted to be a teacher so that I could have an impact on students and make a difference.

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

Find a mentor or colleague to brainstorm and learn from. This is a handson field where we learn as we go.

# WHAT IS THE BEST MOMENT OF YOUR CAREER?

When I see the impact of my work, through the grant project, helping students and watching them succeed, I feel rewarded behind the scenes.



### **LAS VEGAS**

# HOW DID YOU FIRST GET INTO YOUR PROFESSION?

I worked as a heavy equipment operator in the summers during high school and college, going into heavy highway construction right out of college, then later into building and construction.

# WHAT IS A LITTLE KNOWN FACT ABOUT YOURSELF?

I was a commissioned reserve police officer with the Arizona Department of Public Safety for seven years while living in Arizona during the 1980s.

# WHAT IS THE BEST MOMENT OF YOUR CAREER?

When my employees say how much they enjoy working with me. I work hard to build and maintain a healthy and positive work environment and culture so our staff can enjoy their work and challenges. We develop strong teams within our group and with all the partners we work with and manage in the development of every project.



# YOU ARE NOT LOCKED IN TO YOUR CURRENT HEALTH PLAN.





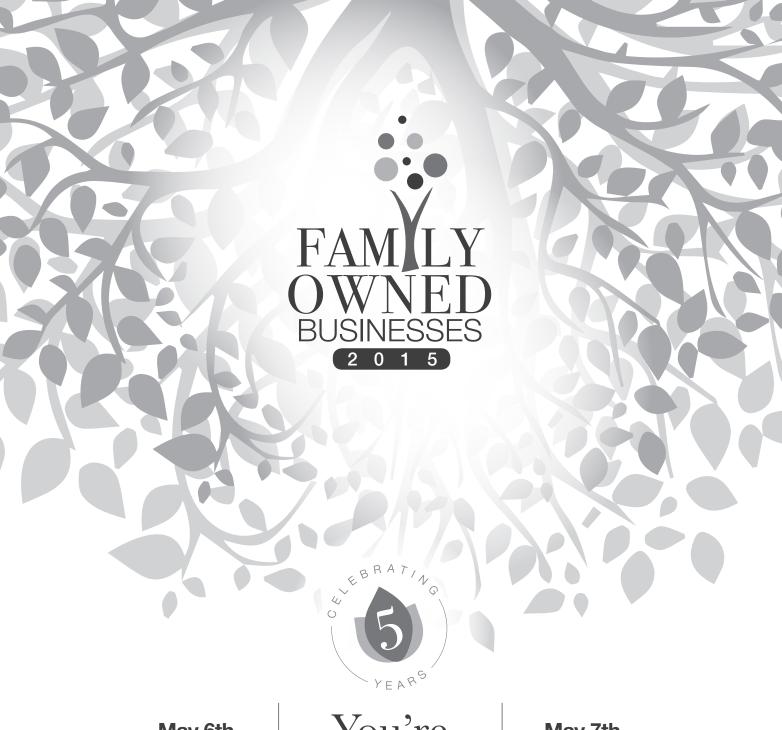
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# >> **Feature** Story

**◄** CONTINUED FROM PAGE 19

# The Reimbursement Dynamic

The ACA moved numerous individuals from an uninsured, self-pay status to Medicaid coverage. UMC's uninsured consumers nearly halved, dropping to 8 percent post-ACA from 36 percent pre-ACA, VanHouweling said. For providers, this shift translated into additional revenue that hadn't existed previously.

"For the hospital, at least we get some payment for those services," Olive said. "So we fare better because of that."

A remaining problem, however, is Medicaid reimbursement rates don't cover costs. Dr. Slonim described this universal challenge as "trying to balance between these two worlds of volume-based and value-based reimbursement."

"Mandates have come out about providing care broadly, we have ACOs and everybody is talking about healthcare reform, but reimbursement mechanisms haven't caught up with that," he added. "We're still paid by each office visit, by each ER visit, by each

For Saint Mary's, it's a struggle. In its primary care group alone, the number of Medicaid patients increased to 30 from 7 percent.

"We can't survive on that," Lidholm said.

Last year, UMC cut \$20 million from its operating budget and closed four of its clinics in anticipation of increased costs and loss of support from Clark County Social Services due to the ACA, VanHouweling said. It continues to practice fiscal discipline and reduce costs when and where possible.

Other insurers, like Anthem, however, are redesigning their payment models to be more value based and are strengthening their relationships with physicians. Anthem launched Enhanced Personal Health Care, a program that offers providers payment that rewards high-quality, efficient care and provides PCPs with tools, resources, informa-

tion and support to help them do the same.

"The more we help support the PCPs, the quarterbacks of healthcare, the better the system will work," Murphy said.

# Tackling Provider Shortages

Solving the shortage of not only physicians but, also, nurse practitioners, nurses, physician assistants, physical therapists and other allied health professionals is a high priority for the healthcare industry, and multiple efforts are ongoing.

One strategy is recruiting physicians to Nevada, in which numerous entities, including Saint Mary's, NNMC and SMA, are involved. Another is expanding in-state graduate medical education slots, with which the planned new medical schools and expansions should help. UMC, a teaching hospital located in an area targeted for revitalization as a medical district, is the host campus for UNLV's new medical school. Already, about 200 residents and fellows train at UMC annually. SMA is helping with the planning and growth of the school and will be involved in the educational process.

"I see our hospitals and communities committed to physician recruitment," Lightfoot said.

The three major Northern Nevada health systems are collaborating with the University of Nevada School of Medicine in Reno on plans to expand to a four-year school for the 2017 academic year. Renown will be a major teaching affiliate. St. Mary's is creating a family medicine residency program.

# What's to Come

The ACA requires companies with between 51 and 100 employees, as of January 1, 2016, to purchase health insurance, which means near the end of this year and early next, they'll need to make decisions about benefits.

The Silver State Health Insurance Exchange in 2015 will continue to deconstruct

its past efforts, determining what worked and what didn't and build on that.

"We're just going to look for ways to continue to grow, improve and do what we do," Gilbert said.

The experts said Nevada's healthcare community, in the near future, will keep addressing the need for providers and growing demand for care, continue to facilitate ease of access and focus on improving outcomes of patients and populations.

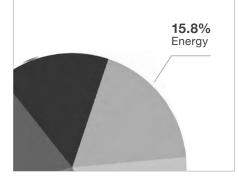
"The needs are too great," said Slonim. "The circumstances that we have to overcome are just too large. We have challenges that need to be informed by a broader constituency - business, government and local, county and statewide officials - if we're going to be successful. It takes a whole team of people looking though multiple lenses."

"Nevadans have a deep sense of integrity and community," Lightfoot said. "We will use those characteristics to build a better system that takes care of every Nevadan."

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# IF YOU BUILD IT, WILL THEY COME?

# CONSTRUCTION RETURNS TO NEVADA'S INDUSTRIAL MARKET

By Kay Foley

**NEVADA'S** industrial market, which was devastated by the recession, has now recovered to the point where developers have returned to the market with "spec" projects (those built in advance of a contract or buyer). Now that 2014 year-end numbers have been tallied and evaluated, commercial real estate experts agree that the market is definitely rebounding.

Kevin Higgins, SIOR, executive vice president at Voit Real Estate Services, noted, "The trend from 2014 to 2015 is much better. Projects under construction [in Southern Nevada] have increased by 75 percent and planned projects are up 62 percent. Vacancies have dropped by one third, from 11.9 percent to 8.1 percent, which is a significant improvement from January 2014 to January 2015. We've seen a steady upward trend for the last three years."

Charles Van Geel, 2015 Chapter President of NAIOP of Southern Nevada, add-

ed, "The big difference from a year ago is that several developers have committed to build spec industrial buildings and are working with cities to get the proper entitlements. There was talk a year ago, but no one had yet pulled the trigger. Today, 3 to 4 million square feet of industrial projects are in the pipeline in Southern Nevada." Van Geel is also vice president for commercial leasing and sales at American Nevada Company.

Jeff Foster, vice president and market officer for Prologis, noted that Las Vegas was one of the last markets in the U.S. to recover from the recession. "We've been the direct beneficiary of the economic



Kevin
Higgins
Voit Real Estate Services

recovery over the last eight quarters," he said. "[Prologis] had double-digit (25 percent) vacancy at the bottom, and now we've taken it back to 100 percent leased. You can't do much better than that. The recovery started in the first quarter of 2014, and it's been a steady progression since then. We're starting with spec again and also looking at some build-to-suits."

The Reno industrial market also showed positive numbers in 2014, with strong leasing activity and rising rates in the face of increased demand. Nearly 3.8 million square feet were absorbed in 2014, and vacancy at the end of the year was only 6.7 percent. Interest in Northern Nevada manufacturing was given a boost by Telsa's announcement that their \$5 billion "gigafactory" for lithium-ion batteries would be built at the Tahoe-Reno Industrial Center east of Reno in Storey County. At the same location, Switch is building a \$1 billion, 3 million square feet data center.

# >> Building Nevada

# Why Here? Why Now?

The main driver behind the recovering industrial market is the U.S. economy. As consumer confidence returns and spending increases, retailers see the wisdom of investing in big box facilities where their products can be stored and distributed, and manufacturers are starting to ramp up production. The economic recovery has also positively impacted gaming, tourism, and conventions, which are major forces in Nevada's economy, especially in the Las Vegas market.

As the economy improves, many industrial tenants are choosing to locate or expand in Nevada because of factors that have historically made the Silver State an attractive choice: location, cost and tax advantages. Reno's location allows trucking companies to provide overnight delivery to 80 percent of the 11 contigu-



Foster
Prologis

ous Western states. In addition, Las Vegas is just a four hour drive from the Inland Empire, with access to 30 million people in Southern California. Even projects in outlying areas are getting attention after a March 2015 report from The Boyd Company, Inc. ranked Fernley and Mesquite among the nation's top 25 "logistics-friendly" cities based on factors such as location and operating costs.

Another factor is the current low interest rate environment, which helps users who want to construct a building for their own use, as well as making it easier for investors and developers to finance projects. On the resurgence of spec construction, Foster noted, "Interest rates are a factor, but higher rental rates are more important. Rates had fallen so much that it didn't make sense to build a project, but deals pencil now because rates are higher, so smaller developers and investors can get financing for their projects."

Higgins agreed saying, "Even 15 months ago we weren't at a rental structure point that would allow developers to make the returns they needed. Rates are up 20 to 30 percent across the board in the last 12 months. Big box distribution (250,000 square feet or more) was 28 to 30 cents per square foot a year ago; now it's 36 to 37 cents, a significant increase. Good old economics of supply and demand were responsible: very little supply, plus new demand for larger spaces over 100,000 square feet."



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# >> Building Nevada

# Who's Renting?

The industrial market includes everything from small owner-occupied buildings to huge distribution centers totaling hundreds of thousands of square feet. This means that the type of occupant varies by location, size of the project, and ability of the building to be divided into smaller spaces. That being said, most of the recent activity in the market has been in the big-box segment for ten-

ants in retail distribution, e-commerce distribution, and third party logistics (3PL). In Southern Nevada, companies that support the convention and trade show business with services such as carpet rental, sound and lighting and graphic design play an important role in leasing large facilities to store their materials.

"Rates had fallen so much that it didn't make sense to build a project. Deals pencil now because rates are higher so smaller developers and investors can get financing for their projects."

— Jeff Foster

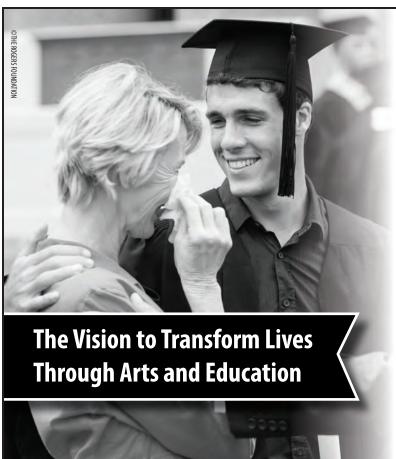
Demand for smaller spaces is also increasing as the economy rebounds. "Big box tenants have been very active for three to four years, but it's nice to see that we now have growth among smaller tenants, occupying spaces from 25,000 to 50,000 square feet," said Doug Roberts, Partner, Panattoni Development Company, Inc. "They tend to be local or regional companies that are either expanding or moving into the

area. We've seen a real uptick in the small-tenant base in the last four to six months."

While manufacturing plays an important role in the Reno economy and in its commercial real estate market, it isn't a major factor in the rebound of the state's industrial numbers overall. In Southern Nevada, Foster estimates that manufacturing makes up less than 15 percent of Prologis' business.

# Who's Developing?

The major players in the market include international companies like Prologis, Inc. and Panattoni Development Company, national companies like Dermody Properties (based in Reno), and regional companies like The Pauls Corporation and Harsch Investment Properties.



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"The big difference from a year ago is that several developers have committed to build spec industrial buildings and are working with cities to get the proper entitlements.

There was talk a year ago, but no one had yet pulled the trigger." -Charles VanGeel



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Bruce Ford manages a team of business banking relationship managers in Nevada and San Diego who are responsible for working with branch managers to develop new business and lending opportunities with small and medium size businesses. Prior to joining City National in 2009, Ford served as regional president and chief operating officer of Community Bank of Nevada. Since he began his banking career in 1983 for Pentagon Federal Credit Union in Virginia, he has worked for Wells Fargo, First Security Bank, Pioneer Citizens Bank, First Interstate Bank, and Nevada State Bank. He graduated from the University of Nevada, Las Vegas, where he earned a Bachelor of Science degree in finance. He is also a graduate of the Pacific Coast Banking School at the University of Washington. Ford is a life member of the UNLV Alumni Association.

ADVERTORIAL PROFILE -

Panattoni is currently developing two projects in southern Nevada. Henderson Freeway Crossings, six buildings near the Henderson Spaghetti Bowl, with a total of 450,000 square feet on completion. Jones Corporate Park is 416,000 Square feet of distribution space in two buildings at Jones and Sunset in Las Vegas.

Prologis broke ground in September 2014 for the Las Vegas Corporate Center 19 in North Las Vegas, and within two months the 464,000 Square feet project was fully leased to Global Industrial Distribution. Now they're developing Las Vegas Corporate Center 20 nearby, a 153,000 Square feet project planned for completion by the end of 2015. Altogether, Prologis either owns or is in the process of developing 4.1 million square feet in the Las Vegas metro area.

In Reno, Dermody broke ground in November 2014 on the final two buildings in its LogistiCenter 395. They will add nearly 627,000 square feet to the industrial park, bringing the total square footage to 1.2 million.

These are just a few of the mega-projects currently under development. However, rebounding demand for smaller spaces, along with higher rental rates, have signaled the return of small to mid-sized developers and investors. Roberts noted, "[Panattoni] is a national company with large capital partners, so we can propose large buildings on spec that are way beyond the means of local developers because they require tens of millions of dollars. On the other hand, we don't have the interest or the ability to work in those smaller buildings, which creates a niche market for smaller developers to cater to smaller tenants."

Higgins said, "Several local or regional players are now building projects from 5,000 to 50,000 Square feet on parcels sized from five to 20 acres. We'll see a handful of these projects in the next couple of months, including freestanding buildings for users."

NAIOP's Van Geel noted that entitling projects in advance of demand give developers the option of acting quickly if necessary.

# >> Building Nevada

"Economic development folks tell you that nationally recognized tenants are looking at Southern Nevada for facilities with space requirements of 200,000 square feet or more," he said. "Having projects already entitled and ready to go may entice some of these tenants to come here, so if I have an existing project, I'll be ahead of the competition. That's what Prologis, Panattoni and Harsch are betting on, and I think they're right."

# **Outlook: Steady Growth Predicted**

Many agree that 2015 will be a good year for Nevada's industrial market. Industrial projects are sprouting up all across the Silver State as developers construct spec buildings and users expand current facilities. Smaller developers and investors have returned to the market in response to rising rental rates and a positive interest rate environment. At the end



Charles Van Geel NAIOP of Southern Nevada

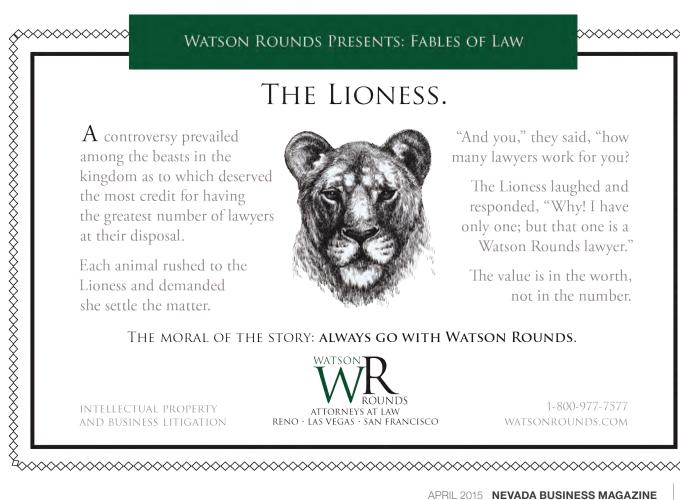
of 2014, nearly 2.4 million square feet of construction was underway in the Reno market.

"As for pure development volume, it should be a very significant year for both Northern and Southern Nevada," Roberts stated. "A lot of brokers have lamented that there are no projects for them to lease. By the end of the year we'll have a lot more projects to lease, both for brokers representing landlords and for those representing tenants looking for space."

Lease rates in both major Nevada markets are predicted to rise in 2015 in response to increased demand. Vacancy rates may fluctuate, rising as completed projects are added to "standing inventory" numbers, then falling as those projects are leased. Roberts expects the vacancy rate to decrease, but at a slower rate than last year, while Higgins says Southern Nevada rates may decrease from the current 8.1 percent to the mid-single digits.

Van Geel said the outlook for Southern Nevada is positive. "We have about 120 million square feet of industrial space now. At a minimum, we can assume that another 2 million Square feet will be added before the end of the year." Foster agreed, saying, "We'll see more building and more leasing. The market will tighten further as additional developers and investors come into the market. It won't be as frothy as the 2004-2006 heyday, but clearly the seven years of no spec construction are over."

Van Geel summed it up, stating, "I'm optimistic. In 2013 and 2014 we were starting to recover. We're definitely in full recovery mode now."





# >> Commercial RE Report



# RETAIL SUMMARY

**FOURTH QUARTER 2014** 

# **SOUTHERN NEVADA**

The overall vacancy rate for the Las Vegas Valley anchored retail market in the fourth quarter of 2014 was 11.4 percent. The vacancy rate increased 0.4 points, from 11 percent in the third quarter. However, vacancies were down 0.3 points, from 11.7 percent compared to the same time in 2013. While the vacancy rate rose, the general trend still shows that the market is improving by declining during the previous four quarters.

Completions during the quarter were 222,000 square feet, all in one project. This marked the first quarter of new anchored retail space coming to market since 2012. The completed project is the Sahara Center community center in the northwest submarket. This increased total anchored retail inventory to 44.3 million square feet.

Despite the rise in vacancy, net absorption remained positive for the quarter with 38,600 square feet of newly occupied space. Absorption was 323,300 square feet, year-over-year. Power centers led the way with 310,500 square feet of net absorption. Neighborhood centers also posted growth with 147,300 square feet of absorption. However, a decline in net absorption among community centers of 310,500 square feet erased most of the gains in the rest of the anchored retail sector.

Space under construction in fell to 278,700 square feet. Two projects comprise this space: Phase 2 of the Target Shopping Center (140,000 square feet) in the northwest submarket and Phase 2 of Green Valley Crossing (138,700 square feet) in Henderson, both of which are community centers. Work on these sites is intermittent, however, and progress is slow.

# **NORTHERN NEVADA**

The Reno/Sparks Retail market has shown some signs of improvements this year. Lease rate have shown a slight uptick from last year and overall interest in the area is up. Starbucks, Jimboys Taco, Raising Cane's, Dunkin Donuts, and others are all looking to open new stores in the market. Larger new leases signed such as Hobby Lobby, Natural Grocers, and Nordstrom Rack show the market is improving when compared to the last few years.

Investors are also showing confidence as there were some notable sales of retail properties this year. Stanford Crossing, the former Heritage Bank Building, and 6395 S. McCarran (5 Guys Burgers) Longley Town Centre, and Longley West Town Center.

The overall vacancy in the market is 12.7 percent. In addition the shopping center vacancy is 14.6 percent and the power center vacancy is 20.4 percent. General retail (freestanding vacancy stands at 9.2% and lease rates range from \$1.10 to \$2.25 NNN.

Downtown Reno will be an area that will continue to see growth. Reno Provisions, The Bridge, the re-location of Starbucks opening downtown and the re-development of the former Heritage Bank building will all contribute to that growth among other opportunities. Retail space in locations downtown will continue to be in demand.

With housing sales improving in the area and good retail locations still available, 2015 should show signs of improvement in the market. Rates and vacancies are expected to stay the same for 2015.

# RETAIL FOURTH QUARTER

TOTAL MARKET	Las Vegas	Reno*
Total Square feet	44,262,684	31,471,452
Vacant Square Feet	5,030,918	3,930,698
Percent Vacant	11.4%	12.49%
New Construction	222,000	0
Net Absorption	38,571	86,680
Average Lease sf/mo (nnn)	\$1.10	\$14.09
Under Construction	278,738	0
Planned	0	0

### **POWER CENTERS**

Total Square Feet	10,083,608	11,839,108		
Vacant Square Feet	1,002,104	1,085,556		
Percent Vacant	9.9%	9.17%		
New Construction	0	0		
Net Absorption	310,453	18,917		
Average Lease SF/MO (NNN)	\$1.47	\$12.92		
Under Construction	0	0		
Planned	0	0		

### **COMMUNITY CENTERS**

18,703,226	3,056,231
2,352,625	593,406
12.6%	19.42%
222,000	0
-419,224	47,455
\$0.89	\$12.02
278,738	0
0	0
	2,352,625 12.6% 222,000 -419,224 \$0.89

### **NEIGHBORHOOD CENTERS**

Total Square Feet	15,475,850	13,981,726		
Vacant Square Feet	1,676,189	2,050,735		
Percent Vacant	10.8%	14.67%		
New Construction	0	0		
Net Absorption	147,342	13,373		
Average Lease SF/MO (NNN)	\$1.20	\$14.23		
Under Construction	0	0		
Planned	0	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 RCG Economics, Northern Nevada analysis and statistics compiled by Dickson Commercial Group

# >> Business Indicators

				— DATA —		⊢ GR0	OWTH ¬	
NEVADA	DATE	UNITS	LATEST	PREVIOUS	YEAR AGO	RECENT	YEAR AGO	COMMENTS
Employment	2014M12	000s, SA	1220.4	1217.9	1193.1	0.2%	2.3%	Up Over Year Ago
Unemployment Rate*	2014M12	%, SA	6.8	6.9	9.0	-0.1%	-2.2%	Reduced
Taxable Sales	2014M12	\$billion	4.867	3.965	4.416	22.7%	10.2%	Up Over Year Ago
Gaming Revenue	2015M01	\$million	952.70	950.69	884.19	0.2%	7.7%	Up Over Year Ago
Passengers	2014M12	million persons	3.666	3.658	3.623	0.2%	1.2%	Up Over Year Ago
Gasoline Sales	2014M12	million gallons	93.37	88.78	90.67	5.2%	3.0%	Up Over Year Ago
Visitor Volume	2014M06	million persons	4.709	4.662	4.684	1.0%	0.5%	Up Over Year Ago
<b>CLARK COUNTY</b>								
Employment	2014M12	000s, SA	883.7	880.5	860.9	0.4%	2.6%	Up Over Year Ago
Unemployment Rate*	2014M12	%, Smoothed SA	7.0	7.0	9.2	0.0%	-2.2%	Reduced
Taxable Sales	2014M12	\$billion	3.603	2.968	3.249	21.4%	10.9%	Up Over Year Ago
Gaming Revenue	2015M01	\$million	838.16	833.87	777.20	0.5%	7.8%	Up Over Year Ago
Residential Permits	2014M12	units permitted	639	559	407	14.3%	57.0%	Up Over Year Ago
Commercial Permits	2014M12	permits	16	27	18	-40.7%	-11.1%	Low and Volatile
Passengers	2015M01	million persons	3.302	3.362	3.291	-1.8%	0.3%	Up Over Year Ago
Gasoline Sales	2014M12	million gallons	64.55	61.66	62.42	4.7%	3.4%	Up Over Year Ago
Visitor Volume	2015M01	million persons	3.638	3.325	3.627	9.4%	0.3%	Up Over Year Ago
<b>WASHOE COUNT</b>	Υ							
Employment **	2014M12	000s, SA	202.6	202.9	200.9	-0.1%	0.8%	Up Over Year Ago
Unemployment Rate*	2014M12	%, Smoothed SA	6.5	6.6	8.6	-0.1%	-2.1%	Reduced
Taxable Sales	2014M12	\$billion	0.676	0.544	0.624	24.3%	8.2%	Up Over Year Ago
Gaming Revenue	2015M01	\$million	59.92	60.34	53.32	-0.7%	12.4%	Up Over Year Ago
Residential Permits	2015M01	units permitted	172	202	119	-14.9%	44.5%	Up Over Year Ago
Commercial Permits	2015M01	permits	17	18	17	-5.6%	0.0%	Low and Volatile
Passengers	2014M12	million persons	0.258	0.225	0.270	14.3%	-4.6%	Down Over Year Ago
Gasoline Sales	2014M12	million gallons	14.01	13.41	13.78	4.4%	1.6%	Up Over Year Ago
Visitor Volume	2015M01	million persons	0.343	0.357	0.309	-3.9%	10.9%	Up Over Year Ago
UNITED STATES								
Employment	2015M02	million, SA	141.126	140.831	137.830	0.2%	2.4%	Up Over Year Ago
Unemployment Rate	2015M02	%, SA	5.5	5.7	6.7	-0.2%	-1.2%	Reduced
Consumer Price Index	2015M01	82-84=100, SA	234.7	236.3	235.1	-0.7%	-0.2%	Down Over Year Ago
Core CPI	2015M01	82-84=100, SA	239.9	239.4	236.0	0.2%	1.6%	Up Moderately
Employment Cost Index	2014Q4	89.06=100, SA	121.8	121.1	119.1	0.6%	2.3%	Up Over Year Ago
Productivity Index	2014Q4	2005=100, SA	106.1	106.8	106.6	-0.6%	-0.4%	Down Over Year Ago
Retail Sales Growth	2015M01	\$billion, SA	439.8	443.3	425.6	-0.8%	3.3%	Up Over Year Ago
Auto and Truck Sales	2015M02	million, SA	16.17	16.55	15.33	-2.3%	5.4%	Up Over Year Ago
Housing Starts	2015M01	million, SA	1.065	1.087	0.897	-2.0%	18.7%	Up Strongly
Real GDP Growth***	2014Q4	2009\$billion, SA	16,293.7	16,205.6	15,916.2	2.2%	2.4%	Moderate Growth
U.S. Dollar	2015M03	97.01=100	115.340	114.236	102.952	1.0%	12.0%	Up Strongly
Trade Balance	2015M01	\$billion, SA	-41.752	-45.601	-38.841	-8.4%	7.5%	Year-Over-Year Deficit Increase
S and P 500	2015M02	monthly close	2096.99	1994.99	1859.45	5.1%	12.8%	Up Strongly
Real Short-term Rates*	2015M01	%, NSA	-2.47	-2.77	-3.06	0.30%	0.59%	Year-Over-Year Increase
Treasury Yield Spread	2015M02	%, NSA	1.96	1.85	2.66	0.11%	-0.70%	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 annulized rate								

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

he "second" estimate for fourth quarter 2014 shows U.S. real gross domestic product increasing at an annualized rate of 2.2 percent, lower than the 2.6 percent growth first reported.

Compared to the "advanced" estimate, changes in private inventories increased less and nonresidential fixed investment increased more. Personal consumption expenditures, residential investment and state and local government spending.

consumption expenditures, residential investment, and state and local government spending also made positive contributions. Net exports and federal government spending made negative contributions. U.S. nonfarm employment experienced gains in February, adding 295,000 jobs over January. The unemployment rate fell from 5.7 percent to 5.5 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. In addition, oil prices are at their lowest levels since before the recession.

The Nevada economy evidenced positive signals with the most recent data. Seasonally adjusted, statewide employment increased by 2,500 jobs from November to December, and it was up 2.3 percent year-over-year. The Nevada unemployment rate fell from 6.9 percent to 6.8 percent. Taxable sales continued to show strong year-over-year growth, up 10.2 percent. Total air passengers were up 1.2 percent over the same time period. Gaming revenue experienced gains for the month and was up 7.7 percent from January 2014.

For Clark County, seasonally adjusted employment rose from November to December by 3,200 jobs and was up 2.6 percent year-over-year. The Las Vegas unemployment rate remained constant at 7 percent. Total passengers at McCarran Airport were up 0.3 percent from a year earlier. January visitor volume was up 3.4 percent from a year ago. Gaming revenue was 7.8 percent higher than in January 2014. Clark County's taxable sales for December were 10.9 percent above those of a year earlier. Residential construction permits increased from November to December. 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 November to December of 300 jobs. Total employment, however, is up over a year ago, by 0.8 percent. The seasonally adjusted Reno-Sparks unemployment rate fell from 6.6 percent to 6.5 percent. Compared to a year earlier, January visitor volume was up 10.9 percent. Total air passengers were down 4.6 percent from December 2013. Gaming revenues for January were up 12.4 percent from a year earlier. Residential construction increased from November to December, while commercial construction permits remained low.

For the third straight quarter, the U.S. economy experienced growth—rebounding from a weak first quarter.

Ryan T. Kennelly

UNLV Center for Business and Economic Research

Sources: Nevada Department of Taxation; Nevada Department of Employment, Training, and Rehabilitation; UNR Bureau of Business and Economic Research; UNLY 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



Ε

# Project, Other

ADDRESS SW Corner of Sahara Ave. & Las Vegas Blvd., 89104

**CONTRACTOR OF RECORD** Martin-Harris Construction

**DETAILS** Construction is underway on MGM Resorts International's open-air music venue. The entertainment complex will have a 2,700 SF administration and storage building, 23.3 acres for the main festival area, 7.7 acres for transportation pick-up and drop-off and 8.6 acres for a pedestrian walkway.

# Sale, Office

ADDRESS 917-920 S. First St., 89101 BUYER World Investments Network Inc. SELLER LV First Street LLC

**DETAILS** 5,040 SF; \$630,000

**APN** 139-34-410-015

**BUYER'S REP** First Commercial Real Estate **SELLER'S REP** Michael Boscia, CCIM of MDL Group

# Lease. Industrial

**ADDRESS** 1624 S. Mojave Rd. Ste. 150, 89104 **TENANT** Quality Iron

LANDLORD Mojave 15 LLC

**DETAILS** 24,184 SF; \$566,631 for five years **TENANT'S REP** Marty Martell of MDL Group **LANDLORD'S REP** Jarrad Katz, CCIM, SIOR and Galit Kimerling of MDL Group



# Project, Industrial

ADDRESS 151 Gallagher Crest Road, 89074 CONTRACTOR OF RECORD The Korte Company

**DETAILS** Renovations are underway for Designs for Health's 42,000 SF warehouse in the Gibson Business Park. The 23-year old building will undergo construction to add on

6,600 SF of office space and a 6,144 SF mezzanine level, as well as additional storage and processing space. JVC Architects serves as the architect of record. The project, totaling about 32,000 SF of improvements, is slated for completion next month.

# Sale, Office

ADDRESS 6494 Boulder Ranch Ave., 89011 BUYER Larsen's Real Estate Holdings LLC SELLER Vegas Closeouts LLC DETAILS 9,192 SF; \$675,000

**APN** 161-34-610-037

**BUYER'S REP** Elizabeth Moore and Jennifer Levine of Voit Real Estate Services

SELLER'S REP James Griffis of MDL Group

# Sale. Office

**ADDRESS** 2900 W. Horizon Ridge Pkwy, Ste. 101, 89052

BUYER Horizon Holdings 2900 LLC SELLER TAG Horizon Ridge LLC DETAILS 6,336 SF; \$1,200,000

APN 177-25-411-000

**BUYER'S REP** Aaron Goldberg of Avison Young

**SELLER'S REP** Jason Brooks of The Equity Group

# Sale, Retail

**ADDRESS** 11241 & 11261 S. Eastern Ave., 89052

**BUYER** Eastern Ridge Plaza LLC **SELLER** Uyeda Holdings, LLC **DETAILS** 23,647 SF; \$3,700,000

**APN** 177-36-801-004

**SELLER'S REP** Dan Hubbard and Todd Manning of Cushman & Wakefield Commerce



# Sale, Office

ADDRESS 3600 N. Rancho Dr., 89130 BUYER Project 150 501C3 SELLER Barrister Global Services Network DETAILS 8,078 SF; \$700,000 APN 138-12-213-049

**SELLER'S REP** Wil Chaffee and Paul Chaffee of NAI Vegas

# Lease. Industrial

ADDRESS 3500 John Peter Lee, 89032

**TENANT** Fencing Specialist Inc. **LANDLORD** Cypress Creek Investments

**DETAILS** 12,600 SF; \$393,348 for five yeras **TENANT'S REP** Ben Millis of Newmark Grubb Knight Frank

**LANDLORD'S REP** Amy Ogden and Danielle Steffen of Cushman & Wakefield Commerce



# Lease, Retail

**ADDRESS** 8826 S. Eastern Ave., 89123 **TENANT** International Church Four Square Gospel

LANDLORD Regal I LLC, Sansone Companies
DETAILS 4,366 SF; \$179,180 for three years
TENANT'S REP Matt Feustel of Virtus
Commercial

**LANDLORD'S REP** Devon Sansone of Sansone Companies



# Sale, Retail

ADDRESS 6250 W. Charleston Blvd., 89146, et al BUYER Charleston Festival Retail, LLC SELLER RPM Investments

**DETAILS** 55,583 SF; \$13,860,000

APN 138-35-816-003

**BUYER'S REP** Tim Behrendt and Lisa Hauger of Sun Commercial Real Estate, Inc.

**SELLER'S REP** Chris Clifford and Sean Margulis of The Equity Group



# Sale, Multi-Family

ADDRESS 825 Delucchi Ln., 89502 BUYER M3 Multifamily, LLC SELLER FPA Multifamily

**DETAILS** 206 Units; \$15,000,000

**APN** 025-373-03

**SELLER'S REP** Aiman Noursoultanova, CCIM of CBRE Reno

# Sale, Retail

ADDRESS 3940 N. Martin Luther King, 89032 BUYER Alexander Square LLC SELLER Clark County Credit Union DETAILS 34,282 SF; \$2,470,000

APN 139-09-501-021

**SELLER'S REP** David Grant and Grant Traub of Colliers International



# >> Red Report

# Sale, Industrial

ADDRESS 9748 S. Virginia St., 89511 BUYER Ingram Clark Properties LLC SELLER J & J Real Properties LLC DETAILS 10,880 SF; \$1,178,000 APN 163-130-11

# Sale, Office

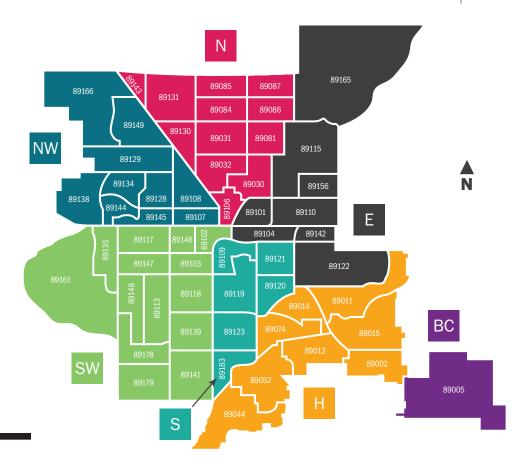
ADDRESS 550 Spice Islands Dr., 89431 BUYER HC Companies Inc. SELLER Myers Industries Inc. DETAILS 174,878 SF; \$5,500,000 APN 034-070-32

# Sale, Industrial

ADDRESS 400 Western Rd., 89506 BUYER Sierra Alliance Partners LLC SELLER OCE LLC DETAILS 61,152 SF; \$2,350,000 APN 082-600-04

# Sale, Industrial

ADDRESS 2710 Somersett Pkwy, 89523 BUYER Somersett Owners Association SELLER Somersett Country Club Inc. DETAILS 9,600 SF; \$2,750,000 APN 234-011-44





# >> Last Word

"The good news is the positive economic outlook we are experiencing in Northern Nevada. Hotel rooms are booked and new businesses are opening their doors. The bad news is that we need more snow/water!"

**Tim Holland** | Sales Executive, LP Insurance Services, Inc.

"Nevada has a rich history of philanthropy. We live in a very generous, supportive community; however, there are far too many people in our community who have needs that aren't being served."

Jamillah Ali-Rahman | Executive Director, Friends of Parkinson's Non-Profit "Living in an extremely interesting, sun-drenched, low-tax state that is just a few hours drive from the Pacific Ocean, Utah skiing and the Grand Canyon is the good news. Our education system, unfortunately, is the bad news."

Mike PeQueen CFA, CFP | Managing Director, Partner, HighTower Las Vegas







# What's the good news/bad news about living in Nevada?



**Ken Kerby** | President, Henderson Police Officers' Association

"The good news is that, in living here, residents have access to many activities within a short drive and, of course, world-class entertainment. The bad news is the sweltering summer heat is here to stay."



Darlene Terrill | Director of Development, WestCare Nevada

"The good news: Nevada communities have heart and hundreds of worthy nonprofits making a difference daily. The bad news: the real impact will only be felt if more volunteers become a part of the process."



**Kunall D. Patel** | CEO and Director, Davidson's Organic Teas

"Living in Nevada allows me to enjoy the quality of lifestyle while working from dawn to dusk without being in a rat race. However, I'm always referred to as a gambler when traveling abroad."



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