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# Vitality in the Las Vegas Valley

A look at the office and retail markets in the west valley and Summerlin

By **John Restrepo**  
Principal  
and  
**Maria Guideng**  
Economic Researcher  
Restrepo Consulting Group LLC

The phenomenal population and employment growth in the Las Vegas Valley since 1990 represents a significant contribution to Clark County's growth and economic vitality. It is well known that Clark County's economy continues to be driven by tourism. For example, more than 30 major resorts opened in Southern Nevada in the past two decades, dramatically benefiting the community not only with tourist dollars but by generating jobs and attracting new residents.

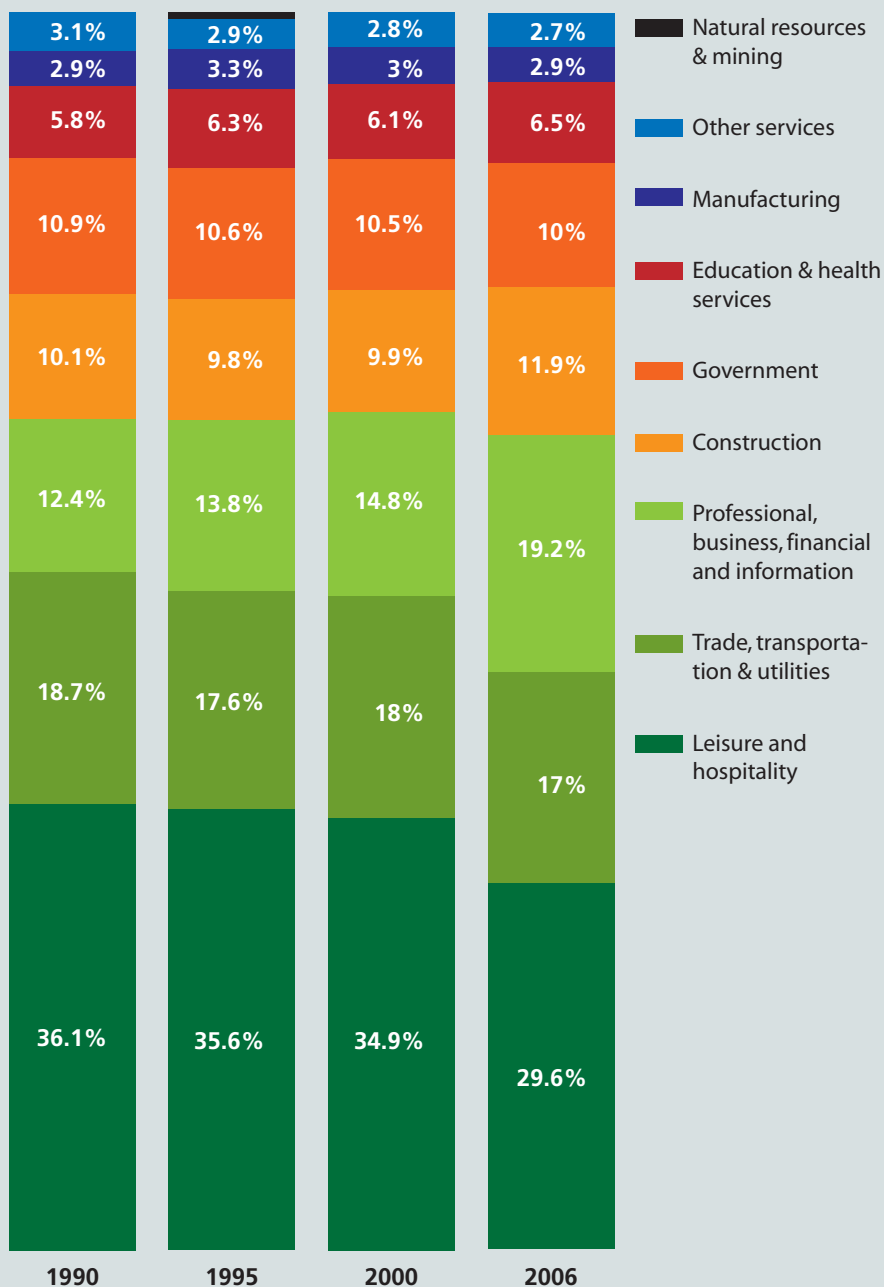
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Service industries dominate the valley's economic landscape, with tourist industries leading service-related jobs. According to the Nevada Department of Employment, Training & Rehabilitation, of the 271,900 jobs that made up the leisure and hospitality sector in 2006, approximately 178,800, or 66%, were in the casino/hotel and gambling industries. Between 2005 and 2006, 3,800 casino/hotel and gambling jobs were added.

At the end of 2006, approximately 30% of Clark County's employment continued to be directly related to the leisure and hospitality sector. However, this is a 15% decrease from the 35% share this sector represented in 2000, indicating that economic diversification is occurring at a slow but steady pace as our population becomes more diverse and employment growth in other industries gained momentum (see Figure 1). In particular, professional and business services were the fastest-growing sector in 2006 with the creation of over 9,200 office-using jobs for a total of 115,300.

As for population growth, the numbers speak for themselves — the latest figures provided by the Nevada state demographer reported that Clark County's population grew by a staggering 143% between 1990 and 2006, from 770,280 to over 1,874,800 residents. As

Figure 1: Clark County employment by sector



SOURCE: Nevada Department of Employment, Training & Rehabilitation

the valley passed the one million mark in 1996, new businesses and residents entered the market to capitalize on this milestone growth.

According to the "2007 Las Vegas Perspective," a yearly publication by the Metropolitan Research Association, over 1,800 jobs were created by 61 new non-gaming companies and 155 jobs

were created by four expanding companies in 2006, equating to a one-year economic impact of over \$400 million, or nearly \$205,000 per each of these jobs. Many of these new companies were manufacturing and retailing firms attracted by low business costs and the region's proximity to major western markets.





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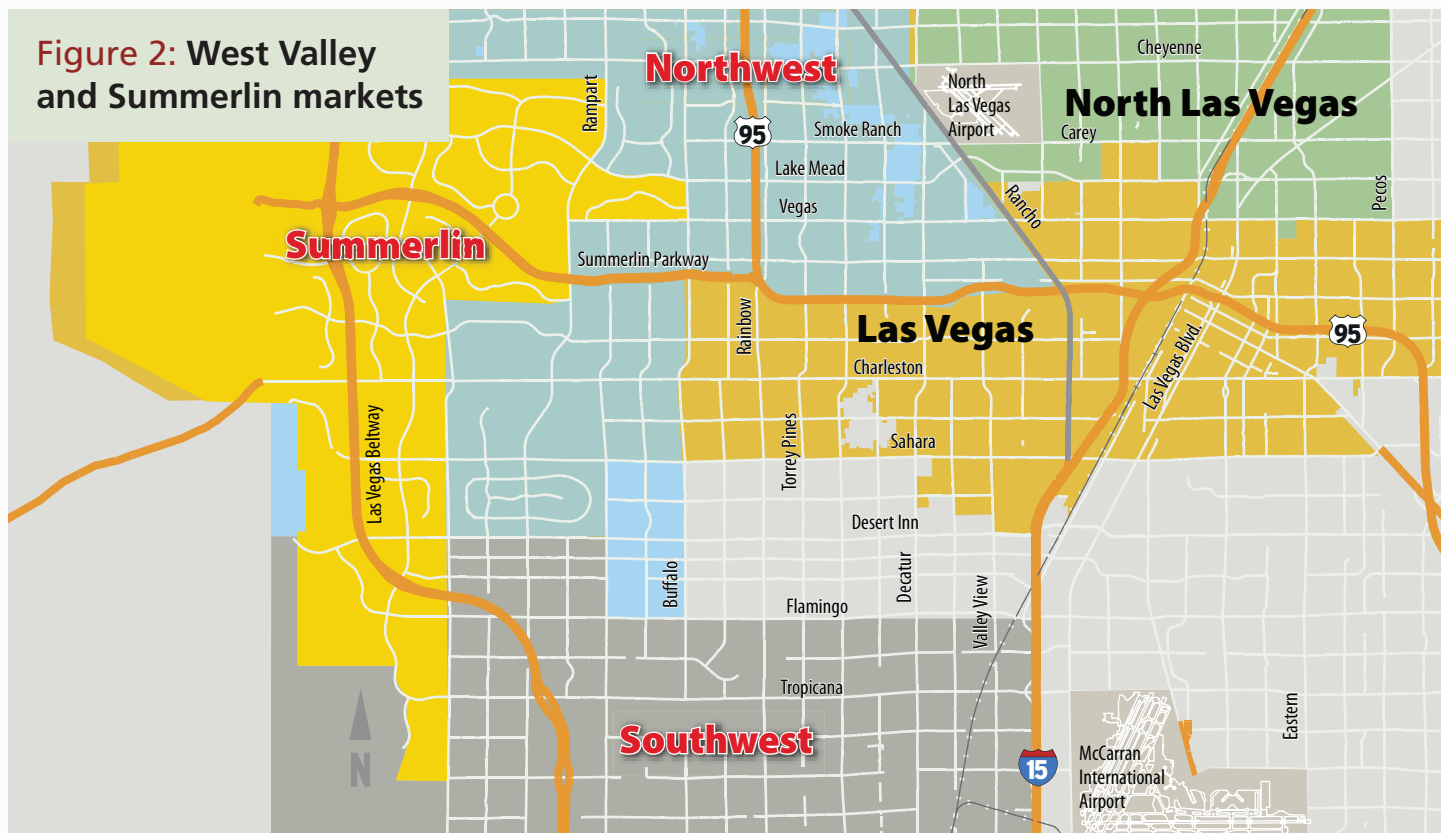
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**Figure 2: West Valley and Summerlin markets**





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As these changes in employment and population occur, so does the level and type of real estate development. The vitality of the valley's economy has had a dramatic effect on the performance of local real estate markets and individual properties. And nowhere is this change more apparent today than the valley's current high-growth region: the thriving and ever-expanding "west valley."

### The thriving west valley

In general, valley development has proceeded from the center, outward towards the mountains, and along major transportation corridors. In the past decade, much of the new development occurred in the northwest and southwest submarkets (the west valley, see Figure 2). Supported by a relatively large supply of developable land, the ongoing progress of the 215 Beltway, large investment in infrastructure and continued proliferation of master-planned communities, the west valley has emerged as one of the valley's most desirable places for people and businesses to call home.

### Sustainability in Summerlin

While master-planned communities have been criticized as adversative to smart growth, they can be both smart and sustainable when built correctly. A case in point is Summerlin, an award-winning master-planned community

located along the western rim of the valley. Summerlin incorporates the best of planning design and quality construction in a 22,500-acre community encompassing 35 square miles that will ultimately be home to 200,000 residents when completed in 2020.

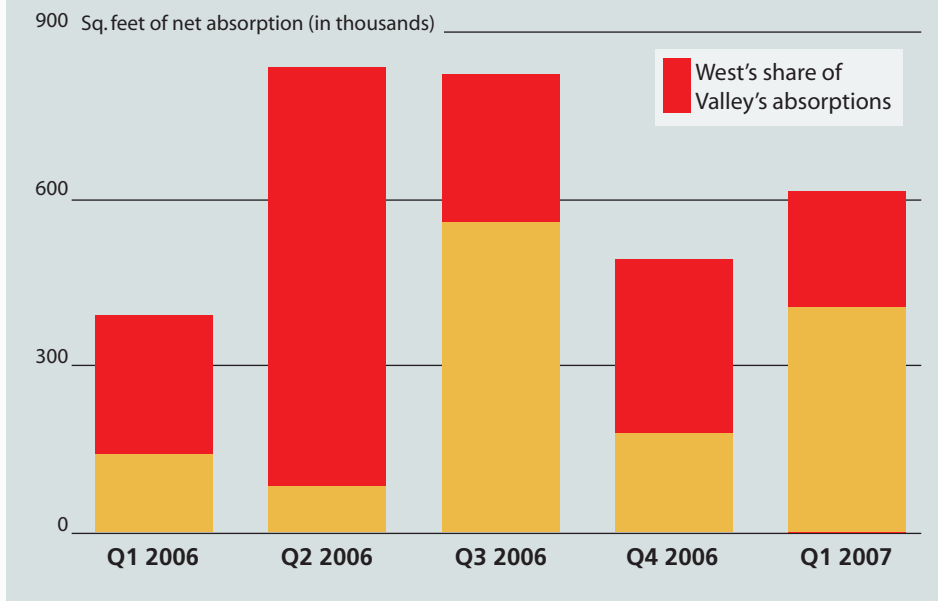
Summerlin is being developed in phases, ultimately filling the residential, business and recreational needs of residents in 20 distinct villages planned around Summerlin Centre, the community's "urban core." Linked by trails and parks, the community provides a wide selection of homes, recreational amenities, regional and neighborhood parks, golf courses, cultural and civic centers, public and private schools, houses of worship, office parks and an array of retail centers.

### Office market

According to data collected and analyzed by Restrepo Consulting Group LLC and Colliers International, the valley closed Q1, 2007 with a speculative (for-lease) office inventory of over 35.5 million square feet ("sf") in 1,733 buildings. The valley saw 1.3 million sf new completions of office space at the end of Q1. The overall vacancy in the valley's office market increased to 10.8% in Q1, from 8.4% in Q1, 2006, as demand fell short of completions (see Figures 3 & 4). With only 607,000 sf absorbed in Q1, 2007, the absorption-to-completion



**Figure 3: Las Vegas Valley office market absorption**



SOURCES: Restrepo Consulting Group; LLC: Colliers International

ratio was an imbalanced .47-to-1, or .47 square feet of demand for each square foot of supply built for the year. Much of this imbalance can be attributed to

“shadow” vacancy in the for-sale office condo segment of the market, which saw a large amount of completions during the last two years. The rapid rise in the

for-sale office market has definitely impacted the valley’s for-lease market.

Forward-supply, the combination of space under construction in a quarter and space planned to begin construction within the next four quarters, decreased from Q1, 2006, dropping by 1.8 million sf to the 5.2 million-sf recorded at the end of Q1, 2007. This should be taken on a positive note, as it will allow demand to catch up to the supply added in 2006. Most of this forward supply was in Class A and Class B, and concentrated in the west valley (3.5 million sf). The average monthly asking rate was \$2.75 per rentable square foot (“psf”) on a fully-serviced basis.

The west valley captured 33% of the valley’s total office inventory with 11.7 million sf in 610 buildings at the end of Q1, 2007. Over 1.3 million sf was vacant, resulting in a vacancy of 11.5%. Of the valley’s 1.3 million sf of new space added in Q1, 2007, 428,000 sf (or 33%) was located in the west valley. This area absorbed 1.5 million sf between Q1, 2006 and Q1, 2007.

Office buildings in the west valley have tended to be well received by users and viewed as “the” place for quality suburban office centers as it contains quality support retail accommodations,



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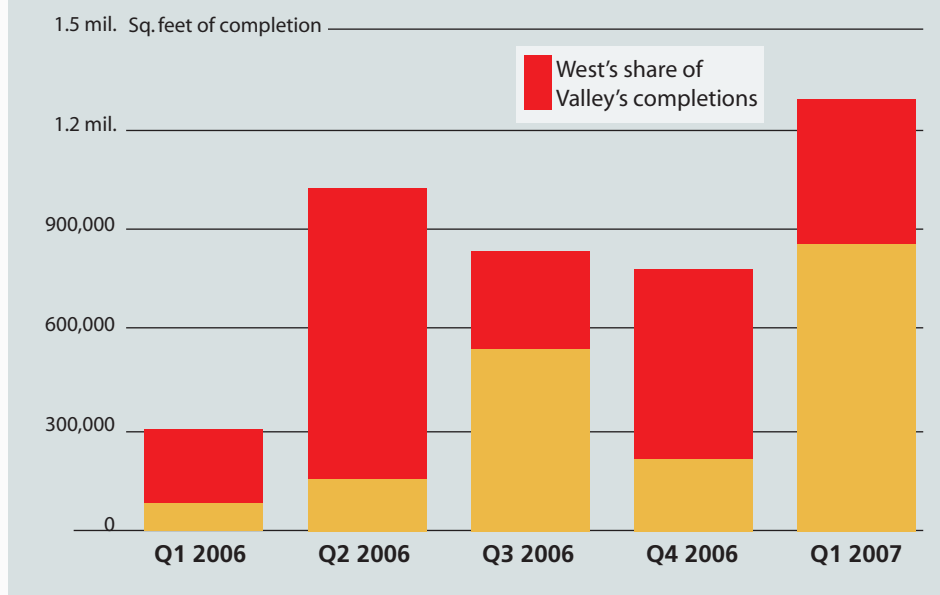
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**Figure 4: Las Vegas Valley office market completions**



SOURCES: Restrepo Consulting Group; LLC: Colliers International

a wide variety of housing and an expanding employment base that businesses require. As such, the west valley has generally commanded relatively high average monthly rents at \$2.75 psf at the end of Q1 versus \$2.51 psf for the valley.

Summerlin's share of the west valley's speculative office market is almost 15% with over 1.6 million sf. Notably, over 36% of the west valley's Class A buildings are located in Summerlin. Summerlin features a variety of office centers including Canyons Center at Summerlin, The Crossing Business Center, The Gardens Plaza, Hills South Business Center, Howard Hughes Plaza, The Plazas at Summerlin, Pueblo Medical Center and a number of build-to-suit and owner-occupied facilities that house a variety of national and local firms.

On average, the 4.3% vacancy in Summerlin was lower than both the valley and west valley. Summerlin's forward supply of office space was over 245,000, with Trailwood Office Park (43,000 sf) and Charleston Pavilion Center (150,000 sf) both under construction and the Parkway Pointe (52,000 sf) in the planning stages.

## Retail market

According to RCG and Colliers, the valley's anchored retail market totaled 38.4 million sf in 245 buildings, of which just over a million sf was vacant (2.7% overall vacancy) at the end of Q1, 2007. Retail developers responded to the supply constraints with the completion of 943,000 sf. Demand for retail space was strong as net absorption (940,000 sf) almost equal to new

completions. Among the three types of centers we track, neighborhood centers had the highest net absorption in Q1 with 579,300 sf, followed by community centers with 341,700 sf and power centers with 19,200 sf. The valley's average monthly retail rent was \$1.95 psf on an NNN basis at the end of Q1, 2007, a \$0.42 increase from Q1, 2006's \$1.53. Forward retail supply Valley-wide was robust with almost 1.5 million sf of space under construction and another 2.9 million sf in the planning stages.

Like the office market, retail completions were healthy in the west valley with 248,000 sf added, raising its anchored retail inventory to 13.8 million sf in 70 buildings. The overall retail vacancy rate in the west valley was 1.7% with 235,000 sf vacant. Vacancy was highest in community centers at 7.6% and lowest in neighborhood centers with 5.3%. Demand for retail space was exceptional in the west valley, with 1.2 million sf absorbed between Q1, 2006 and Q1, 2007 (39% of the valley's total).

The average retail rent for the west valley was \$2.20 psf. For community centers, the rate was \$2.01 psf, followed by \$2.43 psf in power centers and \$2.15 psf in neighborhood centers. Forward supply in the west valley was nearly 2 million sf, the bulk of which was planned for 1 million sf of power center space.

When it comes to retail in Summerlin, there has been a lot of consideration placed into land planning, architectural detail and strategic landscaping. Summerlin currently features a group of retail centers and facilities, including

Trails Village Center, a 172,000-square-foot, 20-acre neighborhood center; Canyon Pointe, a 568,000-square-foot, 62-acre power center; and Center Pointe Plaza, a 147,000-square-foot, 18-acre neighborhood center. Located adjacent to residential areas, these retail centers have been designed to look attractive on all sides while blending in with surrounding neighborhoods.

While the west valley is one of the valley's leading suburban office and retail markets, the area is also leading the way in the creation of innovative mixed-use environments that allow people to live, work, play and shop in the same area. This is especially true of Summerlin.

## Mixed-use: the next wave

Mixed-use, multi-level developments are capturing the money and the imagination of developers, investors and lenders alike. One of the most anticipated projects in the valley is Summerlin Centre, an active 1,300-acre mixed-use development that is unfolding in the heart of Summerlin. Summerlin Centre is incorporating significant retail and commercial development with residential, entertainment, recreational, cultural and resort components. As the future home for a variety of businesses and stores, Summerlin Centre will eventually encompass over three million sf of commercial space. In particular, the Shoppes at Summerlin Centre, being developed by General Growth Properties, will include a 1.5 million-square-foot regional retail shopping center and 1.5 million sf of Class A and general office space.

## Conclusion

The vitality of the valley's economy since 1990 has been driven by the resort and convention industries, the growth of professional services and strong in-migration. These factors have had a major impact on the demand for residential and commercial real estate, as reflected in both the quantity and quality of development that has occurred in Southern Nevada since 1990. The west valley has been at the forefront of these changes. The area has set the pace for the other parts of the valley in terms of the quality and magnitude of innovative and successful development projects. Southern Nevada's future is even more exciting with the combined vitality of the west valley, south and north valley areas. These three areas have joined to forever change our commercial real estate landscape. And to think, this is only the beginning of how Southern Nevada is being transformed into one of the country's major metro areas. **cre**



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# Location, location, location

## Boca Park savors strong west Las Vegas market

By Alana Roberts  
Special Publications writer

Stand at the intersection of Alta Drive and Rampart Boulevard and you'll see why Boca Park continues to be the number one shopping plaza in Summerlin. Not only is it surrounded by high-end demographic communities, the intersection car-count is one of the highest in the valley. It all adds up to the perfect place for retail development.

Triple Five Nevada Development Corp. has six years of experience operating at that intersection with its Boca Park lifestyle retail center. The project spans 22 acres and offers 950,000 square feet of retail options. "These are some of the strongest demographics on probably

the best corner in west Las Vegas as far as commercial is concerned," said John Massing, senior vice president of leasing for Triple Five Nevada.

Residents of the Summerlin area, which spans both the northwest and southwest portions of the Las Vegas Valley, were estimated to have a median household income of \$84,515 in 2006, according to research performed by Restrepo Consulting Group.

John Restrepo, principal of the consulting company, said developers and retailers look at how people spend their money as well as income levels. "They [higher income residents] attract a certain kind of retailer."

"The Summerlin area is defined by higher household income," Massing

added about the area's demographics. "[They're] well-educated and fashion conscious. They want unique, high-quality retail."

Massing said Boca Park fills the bill. He said its open-air lifestyle-center design provides a relaxing experience for discerning buyers. "It's a nice experience for customers who don't want a big mall," he said. "[It's] more intimate. You can go in and out of nice shops and park easily. It's not the large enclosed shopping experience."

Attracting higher-end retailers hasn't been difficult. High-end retailers have done so well that Triple Five is planning to expand the project by 400,000 square feet of retail space.

"We've got the momentum," Massing





Close-in, easy parking is just one of Boca Park's many amenities.

said. "We're established and we're going to feed off of that."

He said the company expects construction to begin first quarter 2008 and continue for two years, with construction developing in phases. The first phase, called Boca Park Marketplace, opened six years ago and featured conventional retailers like Target, Ross Dress For Less and Vons taking up residence. The second phase, Boca Park Fashion Village, offers a more high-end collection of retailers with stores like Brighton Collectibles, Talulah G, The Great In-

doors and Linens 'n Things making up the tenant mix. Boca Park Fashion Village also features restaurants like Gordon Biersch, The Cheesecake Factory and Kona Grill.

Massing declined to name potential retailers for the third phase, called The Shops at Boca Park, but, he said the retail mix would offer consumers more options for high-end dining and fashion. "We want to bring really top quality retailers with an emphasis on fashion and fine dining," he said.

Top people at the company are also

considering adding office and hotel space, but a final decision hasn't yet been made. Massing said the company would gauge the market and may eventually decide to add office and hotel space if conditions are favorable. He said the project is being designed so that additional uses can be added easily.

Massing said Triple Five has operated in the Las Vegas Valley for 20 years. The Alberta, Canada-based company owns some of North America's largest and best known shopping centers like West Edmonton Mall and Mall of America in Minnesota. West Edmonton Mall, as the largest mall in North America and the third largest in the world, features two hotels and a wide variety of amusement attractions in addition to its large array of retail offerings.

In the Las Vegas Valley the company is currently developing the Great Mall of Las Vegas, planned for the Centennial Hills area in northwest Las Vegas.

Massing said the Las Vegas market does well compared to other areas in the United States. He said the company plans to continue growing in the valley. "We love the Las Vegas market," he said. "The growth is exceptional and the household income is very high throughout the valley compared to the rest of the nation." **cre**

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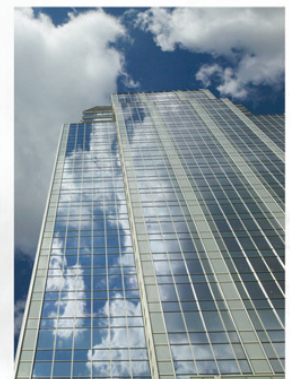
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Brighton Collectibles have prime locations at Planet Hollywood's Miracle Mile (above) and Caesars' Forum Shops (below).

# Bright outlook

## Brighton Collectibles a success story for the Borsack family

By Alana Roberts  
Special Publications writer

**L**ife is good for Donny Borsack and his brother Marleau. The Borsack brothers own Bribor LLC, licensee of seven Brighton Collectibles stores, stores that are well known for their high-end fashion accessories. Five of the stores operate in tourist-heavy locations like Fashion Show mall and McCarran International Airport. All enjoy a brisk business.

In 2002, The Borsacks founded Bribor and quickly opened Brighton Collectibles stores at the Miracle Mile Shops inside Planet Hollywood, The Forum Shops inside Caesars Palace and The Grand Canal Shoppes





inside The Venetian. “Our intent with Brighton was to only open two [stores],” Donny Borsack said. But, the brand’s popularity caught on and soon the store found itself in some of the most lucrative malls in the country. Later, they opened stores at Fashion Show mall, McCarran International Airport and in Maui, Hawaii, as well as a Corsa Collections, a luxury luggage and accessory store at The Forum Shops.

Borsack said operating in high traffic places like The Forum Shops has been profitable. The stores at The Forum Shops and at The Grand Canal Shoppes produce \$5,000 in sales per square foot,

as opposed to the \$1,000 per square foot average for Brighton stores around the country.

But, those stores didn’t allow the company to reach the local market. “What we were missing was the local ingredient,” he explained. “So, we opened in The District.”

Still, Summerlin residents demanded a store in their neighborhood, so in November they opened a store at Boca Park Fashion Village. “The demand to open in Summerlin was so great that we just had to do it,” Borsack said.

He said the stores at The District and at Boca Park create a “spa” or “salon”

atmosphere, where patrons can have a leisurely shopping experience, an atmosphere that is different at the company’s stores on the Las Vegas Strip which tend to operate at a bustling pace. Despite the pace, Borsack said the company strives to make the shopping experience at all of the Brighton Collectibles stores enjoyable. “What we want to do is slow you down,” he said with a grin. “Have a bottle of water, have some cookies, and have fun. Shopping is another [form of] entertainment.”

Though not in high tourist-traffic areas, the Boca Park and The District Brighton Collectibles stores do a brisk local business, Borsack said. He revealed that those stores produce between \$1,500 and \$2,000 in sales per square foot, \$550 to \$1,000 above the Brighton national average. “I think we’ll be in two locations in Summerlin because Summerlin has done so well,” he said.

The successful Brighton Collectibles are not the only retail stores the Borsack family’s owns in the Las Vegas Valley. El Portal, a luxury luggage and accessory store, was launched by Borsack’s grandparents, Edward and Edna, in 1936. The first store was located in downtown Las Vegas at Third and Fremont streets. “It was in the El Portal Theatre,” Borsack said. “It was the first air-conditioned building in Las Vegas.”

In the mid-1950s, Borsack’s parents, Donald Sr. and Lois, took over the business and in 1978 Borsack joined the company. Borsack, along with his brother Marleau and five other siblings, grew El Portal from two stores to a nationwide chain of 60 stores in an 18-year time frame. The Borsack family sold the El Portal chain to Wilsons Leather in 2000.

Borsack said the reason Bribor has opened in some of the most high-traffic malls in the country and was chosen as a Brighton licensee is because of the Borsack family’s long standing history in the Las Vegas Valley’s retail market. Brighton is a division of City of Industry, Calif.-based Leegin Creative Leather Products.

“They [Leegin] only have six franchises in the United States,” he said. “We’re one of the six. We have a great working relationship. [Further], to get stores at Fashion Show, The Venetian, Caesars Palace and the Miracle Mile is unheard of for most national retailers. But, because the family has been here since 1936, we can be successful at all [four stores]. Las Vegas is the best environment, I couldn’t imagine being anywhere else.” **cre**

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# Rainbow Sunset Pavilion unchallenged by southwest valley vacancy rate

By Alana Roberts  
Special Publications writer

Plise Cos. executives expect to beat a growing southwest valley office vacancy rate with the Rainbow Sunset Pavilion office/retail project. Centrally located, the project occupies 25 acres at Rainbow Boulevard and Sunset Road, adjacent to Interstate 215. Totaling 547,000 square feet, it spans 14 buildings, ranging from one to eight stories. The company considers the office portions to be Class A and make up 452,000 square feet, while the retail portions make up 95,000 square feet.

Plise Cos. expect to spend about \$120 million developing Rainbow Sunset Pavilion, with construction carried out by Plise Development & Construction.

The project is located in the growing southwest part of the Las Vegas Valley — an area that previously experienced a lack of commercial amenities to serve its expanding population. That area is now experiencing a growing office space vacancy rate as a result of increasing unused supply, according to data produced by Restrepo Consulting Group and Colliers International.

The vacancy rate for office space in the southwest part of the Las Vegas Valley grew from 12.9 percent in the first quarter of 2006 to 16.7 percent in the same quarter of 2007. Meanwhile, the total rentable square feet of office space grew from 2.6 million in the first quarter of 2006 to 4.2 million in the same quarter of 2007. "The challenge for the southwest is you have a lot of for-sale office condos that are competing with the traditional for-lease office market," said John Restrepo, principal of Restrepo Consulting Group. "Supply got ahead of demand."

But Jon Field, Plise Cos.' associate general counsel, said Rainbow Sunset Pavilion hasn't been hurt by that trend. He said the project's Class A design and amenities attract a mix of higher-profile local and national tenants, which has helped add to the project's tenant list. "We're fortunate to have a product type that fulfills a market niche," he said. "The increase in office vacancy is being experienced by some of the lesser products. We appeal to a certain profile of tenant." Field said he expects

Rainbow Sunset Pavilion's office portions to be completely leased within six months of the project's core and shell completion.

Southwest developers aren't facing a huge retail space challenge since the southwest retail vacancy rate remained the same — 2.5 percent between the first quarter of 2006 and the same quarter in 2007.

Rainbow Sunset Pavilion's retail portions are 70 percent leased. Field added that the leasing process could have gone faster if Plise Cos. were less selective in its choice of retail tenants. "We're trying to make sure the type of tenants in the retail portion are of a quality that provides a service to our office users," he said. Among the project's occupants are Boyd Gaming Corp., Ameriprise Financial, Town and Country Bank, Nevada Federal Credit Union, the Cracked Egg restaurant, 3 Tomatoes and a Mozzarella restaurant, LA Boxing and Starbucks Coffee.

Plise Cos. is developing Rainbow Sunset Pavilion in three and possibly four phases. The project's first phase was completed in 2005 and 2006, which includes one four-story office building that was purchased by Boyd Gaming Corp. and all of the retail portions. The second phase, which includes the second four-story office building, was expected to be completed in June. The third phase, the eight-story office building, will begin to go vertical in September and is set for completion first quarter 2008.

Field added that the potential fourth phase would be developed on 1.5 acres of company land. The fourth phase could include office or retail uses or a business class hotel.

Field said the Plise Cos. considers Rainbow Sunset Pavilion's office portions to be Class A because of its steel frames, use of glass and granite finishes as well as full service amenities like parking garages, tenant security and card key access. He also said the project's high quality retail tenants enhance its appeal.

"We're probably one of the few projects that has true Class A office combined with retail," Field said. "That's our market niche compared to the other sort of office parks. They have some retail here and there, but they don't have the mass of retail that we have." **cre**

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The 29-acre mixed-use complex at The Village at Queensridge will be dedicated to retail, office and restaurants.

# Upward expansion

## Queensridge finishing towers, going vertical on Village

By Brian Sodoma  
Special Publications writer

Though 80 percent of its first 219 homes are sold, trying to describe a custom home inside a high-rise tower has been a difficult task for the sales staff at One Queensridge Place. “It still is hard for people to understand [the custom home in a high-rise concept]. It’s an education,” said Greg Goorjian, vice president of sales and marketing for Executive Home Builders Inc. (EHB), developer of One Queensridge Place. The project’s first two 20-story towers are acquiring finishing touches in preparation for the first residents in August. Prices for remaining units start at \$1.8 million and go up to \$25 million for a top-floor penthouse.

One Queensridge Place boasts amenities galore with 24-hour security, concierge services, a wine cellar with private wine storage and dining area.

Residents can also enjoy a bar and lounge area, 25-seat theater, intimate card room, indoor lap pool and outdoor swimming pool. Parking includes private garages, and many units will have direct elevator access.

For golfers, One Queensridge is the



With its unique custom home in a high-rise concept, One Queensridge Place is 80 percent leased.

place to be. To the south, the towers border the Troon-managed Badlands Golf Course. And, there’s no shortage of other golf courses in the area with Angel Park and TPC Canyons close by. “You have a hundred holes of golf within a mile-and-a-half [of Queensridge Place]. It’s a really

attractive piece of property, a phenomenal corner,” said Frank Pankratz, president of Executive Home Builders Inc.

Also taking shape, at the northeast corner of Alta Drive and Rampart Boulevard, kitty corner to One Queensridge Place (or “caddy” corner for golfers) — is



the next step for Executive Home Builder's development team, The Village at Queensridge. The \$850 million, 29-acre mixed-use complex will total 1.4 million square feet, 700,000 of which will be dedicated to retail, office and restaurants. The balance will bring 340 luxury condominiums to the area.

"The Village has the same look and feel of One Queensridge Place, but it will be the hub of so much more," said Pankratz. "We've always liked the mixed-use concept for this site. ... It has a lot of energy and vitality."

Pankratz, who likes to say both Queensridge developments represent "the art of life," enjoys pointing out the attention to detail in the residential towers, the same details that will grace the Village at Queensridge, which is slated to open late next year. "Every piece is like a piece of art. You have actual seashells in some of the [tile] patterns," Pankratz said while pointing out floor tile on a walking tour of a sales center last month.

Queensridge and its "village" is the brainchild of Yohan Lowie, CEO of Executive Home Builders Inc., a custom homebuilder in the valley since the early 1990s. Lowie's vision of Queensridge was far beyond establishing an oasis in the desert with a regal theme. Both the residential and commercial sides of the project borrow from the Art Nouveau movement, which came to life in the early 20th century. Tower floor plans are spacious, while exterior and interior details include patina-colored cupolas; floorings using imported granite, marble and other stone; iron railings; imported stone and granite counter tops; custom cabinets; decorative moldings; medallion inlays in tile and stone wall designs and a host of other details.

The Village will have its share of old-world charm as well, and will resemble an ancient European city built over time. The site will feature ruins, statues and more fine stonework resembling the nearby Queensridge Place.

EHB employs an in-house staff of craftsmen for the project, which helps to control cost and quality. The staff of about 150 includes stonemasons, cabinetmakers, iron craftsmen, lighting designers, and faux finishers among others. "[Contractor] Perini did the shell, but we're taking care of all the interior detail. It's our way of assuring that there's attention to detail," Pankratz added.

Pankratz said the 65,000 square-foot Fort Apache Commons, a nearby neighborhood center, was built by EHB in 2004 as a "mini protégé" of the Village at Queensridge. "It's a real distinctive feel. It gives you a little bit of the feel of the architectural finish you'll see at the Village," Pankratz added.

Pankratz couldn't give tenant names yet, but said there will be an announcement soon. "We believe it's the right project at the right time in the right place. We've had significant interest from retailers," Pankratz added.

Some of the tenants envisioned for the Village at Queensridge include: a premium grocer; seafood restaurant; bakery (with baking done on site); health club; art galleries; boutique shops; fashion; jewelry and home furnishing stores; a sports bar serving gourmet food, and other dining options.

At the Village, workers are currently pouring concrete for underground park-

ing. The center will boast roughly 4,500 subterranean parking spaces, spanning two floors. Prior to starting construction, EHB needed to build a culvert that ran along the south end of the property (along Alta Drive) and then northward along its eastern border to drain water coming through the nearby golf course.

"Originally, what we had was a drainage system that was releasing the water right into the middle of our property," Pankratz said.

"What we did [by building the culvert] is finish the digging nature had already started," added Goorjian. **cre**



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Artist's rendering of the Dr. Miriam and Sheldon G. Adelson School's Summerlin campus (above) and James Professional Center that is still under construction (below).

# Building a dream

Adelson School, James Professional Center, two of Crisci Builders' projects

By Deborah Roush  
Contributing writer

A private, growing company with just under 50 people, Crisci Builders has been tackling commercial, industrial and professional real estate projects in Las Vegas' southwest and Summerlin areas since 1990. With the building of the \$50 million Dr. Miriam and Sheldon G. Adelson School in Summerlin, however, the company may be embarking on its biggest challenge yet.

Company founder and president, Joseph Crisci, said he is proud his firm was chosen to build the Adelson School, a 135,000-square-foot, independent Jewish high school with a state-of-the art campus and sports facilities now under





development on 13.7 acres at 9700 W. Hillpointe Rd. The Adelson School will be the first Jewish high school in Las Vegas, and until now, many Jewish families sent their children out of state for a Jewish high school education. Now, Crisci said, the Jewish community will have that opportunity here and in a cutting-edge school.

"As a builder, it's a privilege to work on this project," Crisci said. "It's the dream of the Jewish community to [educate high school students] in a world-class facility like this. And we're able to build their dream. It's exciting," Crisci said.

Benjamin Cornwall, Crisci's vice president of development, said the project is unlike any other the company has built. "The architecture is extreme and the site is challenging," he said. Adjacent to the Milton I. Schwartz Hebrew Academy, a pre-kindergarten through eighth-grade independent Jewish day school, the Adelson School is being built on a step-down, sloped site which presents challenges, Cornwall said. "There is a 20-foot elevation change from front to back," he said. "It has required a retaining wall and a lot of structural analysis to make sure it was designed properly. There are a lot of switch backs for access between upper and lower levels of the site."

Crisci Builders began construction on the project in January and recently completed foundation work. "We're into vertical building now and the school will be ready in August 2008," Cornwall said.

The school is enrolling ninth and tenth grade students for the fall of 2007, though classes will begin in a combination of permanent and temporary facilities, he added. When the school is completed, it will feature classrooms with integrated media technology and computers, a media center and research library, a music and arts facilities, a performing arts center, a high-tech computer center and a full-service dining facility. It will be the first high school in Las Vegas with an indoor, competition-size swimming pool. It also will boast a regulation-size basketball court, indoor track, volleyball court, outdoor tennis courts and a soccer field.

Crisci said the project, and the attention it is garnering, is an opportunity to showcase his company's abilities. "All in all it's a great project to be involved in," he said.

But the Adelson project is only one of Crisci Builders' current jobs. They also have under construction the \$20 million James Professional Center in the southwest valley. Cornwall said the James Professional Center, located on 10.9 acres at Badura Avenue west of Buffalo Road at I-215, is geared toward medical professionals who service the nearby St. Rose Dominican-San Martin campus

hospital.

Crisci Builders recently completed the first two of eight, two-story buildings it began in October and will begin the second phase of construction in 30 to 60 days, Cornwall said. "There's 42,000 square feet available now and it's earmarked for 120,000 square feet to be added with the next two phases," said Cornwall.

Cornwall calls the buildings' architecture stand out. "It's done very well. One of the members of the development firm is an architect and they have taken an old school approach with lush courtyards that are somewhat shaded," he said. "It also has plenty of parking, including covered parking, and a great location with access to I-215 and the nearby hospital," he added.

Steven Santanna, a commercial advisor for Prudential CRES Commercial Real Estate, is handling the sale of the property for the developer, James Medical LLC. "We are the only professional/medical development for sale in the area that is complete within 600 feet of the St. Rose Dominican-San Martin campus. The buildings are ready for immediate ownership and interior improvements,"



**Steven Santanna**

Santanna said. "We allow buyers a lot of flexibility with the square footage ranges; we can take care of the smaller buyers from 2,000 square feet to the larger buyer of 22,000 square feet plus," he added.

"Right now, we have two potential buyers looking at a full building purchase," Santanna said. "Both 22,000 square foot buildings in phase one are conducive to a one user purchase because both buildings are connected by two pedestrian walkways on the second floor and both buildings have one common elevator," he added.

Whether it's schools or office buildings, Crisci said he believes his firm is chosen for development projects because they are "up-front and do what they say they are going to do."

"We are becoming a larger company, but we still treat people as if we are a small company," he said. While other builders may have a roving superintendent who floats from site to site, each Crisci Builders project has a superintendent, Crisci explained. "There isn't a project that stands by itself. I sleep better at night knowing there's a representative of my company watching over construction. That way we're able to control the quality," he said. **cre**

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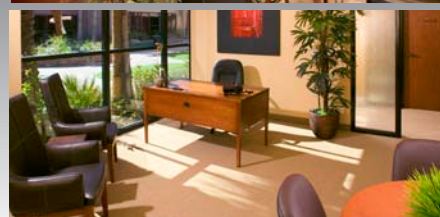
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Nordstrom and Crate and Barrel join other tenants at the Shoppes at Summerlin.

# A mall for the west

The Shoppes at Summerlin Centre to become regional retail center for the western valley

**By Alana Roberts**  
Special Publications writer

If General Growth Properties has its way, the western part of the Las Vegas Valley will have a major regional retail center to call its own in The Shoppes at Summerlin Centre.

Plans call for The Shoppes to span 1.5 million square feet in an open-air design. The mall will serve as the area's regional retail center with majors like Nordstrom and Crate and Barrel taking up residence. Nordstrom will be joined by three other



The Shoppes at Summerlin feature an open-air design.



department stores to anchor the project.

A number of retail projects surround the area where The Shoppes will be located but the locale lacks a major regional retail center. "There are several power centers and large community centers like Boca Park, but there's nothing like the Galleria [mall]; there's no large-scale regional shopping center there," said John Restrepo, principal of Restrepo Consulting Group.

Tom Warden, a spokesman for The Howard Hughes Corp., developer of Summerlin and an affiliate of the project's developer, retail giant General Growth Properties, said the project would satisfy the need for such a major center in the southwest and northwest part of the valley. "When this is done, people who live in the western rim of the valley won't have to drive far at all to find the best shopping, dining and entertainment," he said. "I would say that there is pent-up demand for these kinds of services."

Warden also said the recent announcements that Nordstrom and Crate and Barrel have committed to opening stores at The Shoppes is an indication that the project is now a go. "They signal to the valley at large that this center is real and will be drawing the top-tier retailers," he said.

The Crate and Barrel store will be Nevada's first, while the Nordstrom store will be the company's second full-line store in the state. "When you see department stores like Nordstrom and Crate and Barrel choosing to locate their first stores there, that speaks volumes about the demographics in the immediate area," added Dan Sheridan, executive vice president of General Growth Properties, indicating that Summerlin is considered one of the valley's wealthier neighborhoods.

Construction on The Shoppes began earlier this year and the first phase of the project is expected for completion in late 2009. The Shoppes will be located on 107 acres of land east of Interstate 215, sandwiched between Red Rock Casino, Resort and Spa on the north and Sahara Avenue on the south.

The Shoppes is part of the 1,300-acre Summerlin Centre mixed-use village, a part of the 22,500-acre Summerlin master-planned community. It is currently home to Red Rock Resort, other retail centers, restaurants, schools, office parks and residential neighborhoods. The village is expected to eventually serve as the urban core, or downtown, for Summerlin.

In addition to the 1.5 million square-foot retail center, plans for Summerlin Centre call for a 250-room non-gaming boutique hotel with conference facilities, office space, several plazas for public

events and urban housing options that vary from single family homes to condominiums over street-level retail.

Principals with General Growth Properties hope the project's open-air design will make it a destination for socializing and spending the day, and not just quick shopping trips. Trellises, loggia and a north-south promenade will help create a town center feel for visitors, Sheridan said. "We want to create a downtown for all of Summerlin," he said. "If you take into account this need we felt Summerlin had for a downtown center, that to us means open-air [design]. It will create a unique sense of place for people to shop

and enjoy a meal. It's something different than an enclosed mall."

Although Nordstrom and Crate and Barrel have announced their plans to open stores at The Shoppes, Sheridan declined to name any other potential tenants. But, he said the tenant mix would be varied. "It's a big enough project where our hope is that we can deliver the retail and restaurant mix that can meet the needs of a wide range of customers," he said. "We envision a higher-end luxury component to the project that would be consistent with a Nordstrom. [But], I couldn't put one singular label on the project." **cre**



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# The name game

Cauldron becoming Exchange Two One Five as it builds out mixed-use center

By **Brian Sodoma**  
Special Publications writer

**W**ith escalating land and construction costs, many developers would admit that getting a commercial project off the ground can be challenge enough, much less re-branding and re-naming one while it's being built. But Pacific Concepts president, Jaimee Yoshizawa, is up for the challenge.

Yoshizawa's company owns the Cauldron Tavern, on the northwest corner of Russell Road and I-215, which it opened in 2005. But while breaking ground on a 168,000 square-foot mixed-use, office and retail project that will surround the

tavern in a U-shape, Yoshizawa felt the energetic vibe her company was creating in designing the site — with bold colors and styling — was a stark contrast to the dark gothic feel of the Cauldron name.

So she decided, despite finished marketing materials and signage with the Village at the Cauldron name on hand, a name change was in order and the new Exchange Two One Five was born. The Cauldron Tavern will eventually be named the Exchange Two One Five Tavern.

"The Cauldron sounded gothic, and it wasn't going over well. And there were too many [projects named] villages," Yoshizawa explained. "We're going to have

office, retail, banquet rooms, restaurants, a dance studio, coffee shop, a lot of energy there [on the mixed-use site]. We wanted to lighten things up a bit."

Pacific Concepts broke ground on Exchange Two One Five in March. Currently, 70 percent of the 68,000 square-foot first phase is leased, and Yoshizawa is in talks with one prospective tenant who could take 50 percent of the second phase's 100,000 square feet. Current lease rates have ranged from \$1.95 to \$2.20 per square foot for office space and \$2.75 to \$3.25 per square foot for retail space. The contractor on the two-building \$15 million first phase and three-building \$27 million second phase is valley-based





Artist's renderings of the exterior (page 44) and office area of the new Exchange Two One Five mixed-use office and retail project at Russell Road and I-215.

Brooks Corp. Tenant improvements are scheduled to start in October, and move-ins are set for January 2008.

"This hasn't been a hard product to sell. People are really attracted to the product. The colors are different, lots of blues and greens and red. It's not just a wood stucco strip mall," Yoshizawa added. The site will boast contemporary design appeal along with cobblestone pathways, gas lamps, private patios, and great views of the Strip.

Bringing an eclectic mix of services will be Studio Ohm, which will reside in Exchange Two One Five's three-story Building B. Studio Ohm will house a banquet facility and dance studio on the top floor. The studio will offer belly dancing classes, nighttime dance events, yoga, pilates, housewife pole dancing classes and more. Building B itself is unique in that it will be a concrete tilt-up structure, instead of wood stucco. Yoshizawa said a concrete structure was more cost effective than steel or wood. The developer had to reconsider wood construction since engineering specs shifted with Studio Ohm bringing a banquet hall to the top floor of the building.

"When you're having banquets with higher dead and live loads, the stress on the floor is different, plus you have a noise issue. ... Basically, it calls for a different type of structure that's more expensive than wood and stucco. You can get a little higher retail rate, but it still needs to pencil out. In this case it [concrete construction] did," Yoshizawa said.

Exchange Two One Five is an early

entry in the southwest valley. Across the street, 700 mid-rise units are slated from ManhattanWest Condominiums. The 20-acre site will also include 100,000 square feet of commercial space.

Brian Gordon, a principal with economic research firm, Applied Analysis, said the southwest region is one of the fastest growing areas of the valley, but still remains underdeveloped. An early entrant, if well capitalized and able to hold out while more residents and businesses come to the area, could have a winning play. According to Applied Analysis, there is 3.7 million square feet of office and retail space either under construction or in planning for the southwest.

"There's tremendous visibility off the 215 and in that location you're also able to tap from employees living to the northwest and southeast," he said. "Some of the [office] vacancy rates are a little higher than the rest of the valley now, but we believe those will be absorbed in a reasonable amount of time ... say two to five years."

Pacific Concept has a unique approach to office suites. Yoshizawa hesitated to describe the office options at the center, as some may view the space as an executive suite product. But she asserts that it is not. Pacific Concepts refers to some of its space as office and retail "lofts," which, like executive suites, allows tenants to have contact in an open space that resembles an airport lounge, Yoshizawa said. "It's an open, shared space that allows tenants to network." she added. **cre**



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The southwest valley's Rhodes Ranch Plaza is 68 percent leased.

## Rhodes Ranch Plaza: Success in the southwest

By Deborah Roush  
Contributing Writer

**D**r. Jonathan Baktari, a practicing Las Vegas physician certified in pulmonary, internal care and critical care, has invested in real estate as long as he can remember. So it's no surprise that when he took his interest in the industry to the next step — starting a development group concentrating on commercial development — it would thrive.

"I thought it can't be any harder than organic chemistry or physics or biochemistry," he said with a laugh. "Plus, I was ready for an 'act two' in my career. Doing something else [in addition to medicine] always intrigued me," he said.

Baktari is president and chief executive officer of Omni Group Development, which recently completed Rhodes Ranch Plaza, a \$12 million, 23,000-square-foot neighborhood center at 8785 and 8795 Warm Springs Road, just west of the intersection of Durango Drive and Warm Springs Road, in the southwest valley.

From the outset, it is his motto, he said, that made Omni Group Development a success. "'You're only as smart as the people around you.' So for guidance, I surrounded myself with friends in the business who knew what they were doing," Baktari said. That included bankers, project managers, architects and attorneys.

With friends and fellow physicians as investors, Baktari's Omni Group Development developed its first commercial project in 2003, a small professional building. "It was so successful it was sold out before we ended construction," Baktari said.

By all accounts, the Rhodes Ranch Plaza, Omni's Group's venture, which was completed in late 2006, is equally as profitable. "We're about 68 percent leased right now. We thought it would take six to 12 months to lease and we're on that timeline so we're happy with our progress," he said.

Baktari said he has concentrated development efforts in the southwest because it is growing so quickly. "Right now, the southwest doesn't have enough retail for the rooftops that are out there," he said.

It seems, too, that Baktari has found a simple equation that is

working — make each new center bigger than the one before. "We keep doubling in size with each one. After Rhodes Ranch we immediately began Windmill Lane Plaza, which we just broke ground on, and it's 48,000 square feet," he said.

Baktari also said he outsources to the same professionals for every project which increases efficiency. "Our tactic is to use the same people over and over once we get them. We use the same project manager, the same civil engineer and the same architect. We've gotten rid of the dead weight and we have a really good team," he said.



Rob Lujan

Rob Lujan, vice president of leasing and brokerage for Gatski Commercial Real Estate Services, is handling the leasing of the Rhodes Ranch Plaza and said Baktari is an ideal client. "He's one of the best," Lujan said. "He's an astute developer who is on top of things. He's very hands on and he's going to make sure every project is a success."

There are several deals in discussion for Rhodes Ranch Plaza and one lease being finalized now, Lujan said. "We're wrapping up a new lease with the Buck Store and with that we'll be 85 to 90 percent leased in the back building."

Lujan also said the front building, which is designed for food providers, has a common grease trap line as well as pre-approved, outdoor dining. "There's also plenty of signage and a great tenant mix with office users in the day and restaurants at night," he added.

The development is considered phase two of the neighboring Von's-anchored center, which also is beneficial. The center's current tenants include Sumo Sushi II, Marco's Pizza, Luxury Nail & Spa, Custom Home Loans, Preferred Family Dentistry and Sundance Medical Group, Lujan added. **cre**



# Southern Palms Plaza thrives as southwest medical offerings expand

By Lisa McQuerrey  
Contributing writer

Recent new hospital and healthcare facility construction in southwest Las Vegas is driving the need for additional medical office space. Enter The Medical Pavilion at Southern Palms Plaza.

Located on nine acres at the northeast corner of Ft. Apache Road and Patrick Lane, The Medical Pavilion at Southern Palms Plaza, developed by Avia Construction, is conveniently situated adjacent to Southern Hills Hospital and Medical Center. The development supports 85,000 gross square feet of medical space, allowing for five parking spaces per every 1,000 usable square feet. The project consists of four 10,000 square-foot single story buildings and a three-story 45,000 square-foot medical office building.

Construction of new medical offices offers developers the opportunity to build cutting-edge medical technology into all aspects of their facilities. Offices in The Medical Pavilion at Southern Palms Plaza are designed to fully accommodate surgery centers and diagnostic equipment uses. The site is zoned for full commercial use, with anticipated medical uses including ambulatory surgery, diagnostic imaging, primary care, physical rehabilitation, wellness/fitness programs and other health and medical uses.

According to Shawn Barashy, senior vice president of Lee & Associates Commercial Real Estate Services, the facility's first phase opened in late 2006. Thirty-six thousand square feet of medical office space in the plaza is already sold and approximately 50 percent of available space is occupied. Current tenants include McKenna Pain Management, Fort Apache Urgent Care, Silver State Eye Care and Tabasi OB/GYN and Physical Therapy. A variety of leasing and ownership options remain for interested parties. Divisibility is available down to 1,180 square feet with lease rates starting at \$2.25 per square foot.

In addition to its prime location close to Southern Hills Hospital and Medical Center, St. Rose's St. Martin campus and Spring Valley Hospital, the Palms Plaza project is located in a thriving area of new residences and convenient to the established communities of Rhodes Ranch, Sun City Summerlin and the Summerlin



master plan. More residential growth is anticipated in the area adjacent to I-215

including Southern Highlands, Coronado Ranch and Mountain's Edge. **cre**



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## Shorter office buildings may be a thing

By Alana Roberts  
Special Publications writer

**D**urango Village may be one of the last “garden-style” office projects left in the Las Vegas Valley. Such projects feature shorter buildings, one and two stories, that are attractive to medical office tenants because they feature front door parking and easy patient access. But with skyrocketing land prices, shorter buildings may become obsolete. “Now it’s [Las Vegas Valley office development] going to be vertical in the future,” said Lucinda Stanley, vice president of development for SAXA Development, the project’s developer. “I can’t come close to what I paid for that dirt two years ago.”

Stanley said she paid \$7.2 million for ten acres of land at Durango Drive and Patrick Lane. That \$7.2 million is part of the nearly \$19 million she expects to spend to develop Durango Village.

The 94,000 square-foot office park is located half a mile north of Interstate 215 in the southwest part of the valley. Plans call for the project to span 12 buildings, all of which will be one story except for a single two-story building. The project’s units range from 1,200 to 25,000 square

feet and are offered for lease and sale. Construction began in November and is expected to wrap up in early September 2007. Durango Village is part of \$100 million in office projects SAXA is currently developing.

SAXA Development and Prudential CRES Commercial Real Estate, the broker for Durango Village, are spin-offs of Shea Commercial, a company Stanley launched in 2003. She said dividing Shea Commercial allows each company to grow independently. The two spin-offs were formed this February. “Do you want to be a broker or developer? It’s hard to be both,” she said. “When we separate them, both companies can grow.”

Stanley characterized the project as Class A by Las Vegas standards. “If you had what you called the Las Vegas class then we would be Class A compared to what everybody else calls Class A,” she said. “But, in national standards we’re Class B like most other projects [in Las Vegas] because we don’t design 18 or

more story buildings with a concierge and a gym and other amenities. We consider ourselves a Class A based on the quality of construction and the features.”

Stanley said the building also features covered parking with one covered spot for every 1,000 square feet of office space, in addition to monument signs, which are short, unlit signs that face the road.

Durango Village’s target tenants are doctors, dentists and oral surgeons as well as law firms and other professional services firms. She said the building construction is flexible so medical tenants can design their space to meet patients’ needs.

Despite its features, the project faces a burgeoning office vacancy rate as a result of too many available office spaces. According to data compiled by Restrepo Consulting Group and Colliers International, the office vacancy rate for the southwest has grown from 12.9 percent in the first quarter of 2006 to 16.7 percent in the same quarter this year. That’s

### Durango Village possibly last of its kind



## of the past

compared to the Las Vegas Valley's total office vacancy rate, which grew from 8.4 percent in the first quarter of 2006 to 10.8 percent in 2007. Meanwhile, the supply of southwest office space has grown from 2.6 million square feet in the first quarter of 2006 to 4.2 million square feet in 2007.

Stanley said the slowing office market has been a challenge. But, she said the company has found ways to overcome it. "We've changed our marketing strategy," she said. She added that Durango Village's best selling point is the fact that SAXA allows tenants to use their own contractors and architects for tenant improvements and they can scout their own financing.

She said she's optimistic about the market's future and Durango Village's role. She expects the project to be at least 90 percent sold or leased by the time the project is complete.

"I've been doing this for 24 years," Stanley said. "I've watched this town. To see how quickly it rebounds, I'm always amazed. The southwest is one of the more desirable areas in the valley. I see the southwest recuperating faster [than other areas of the Las Vegas Valley]." **cre**



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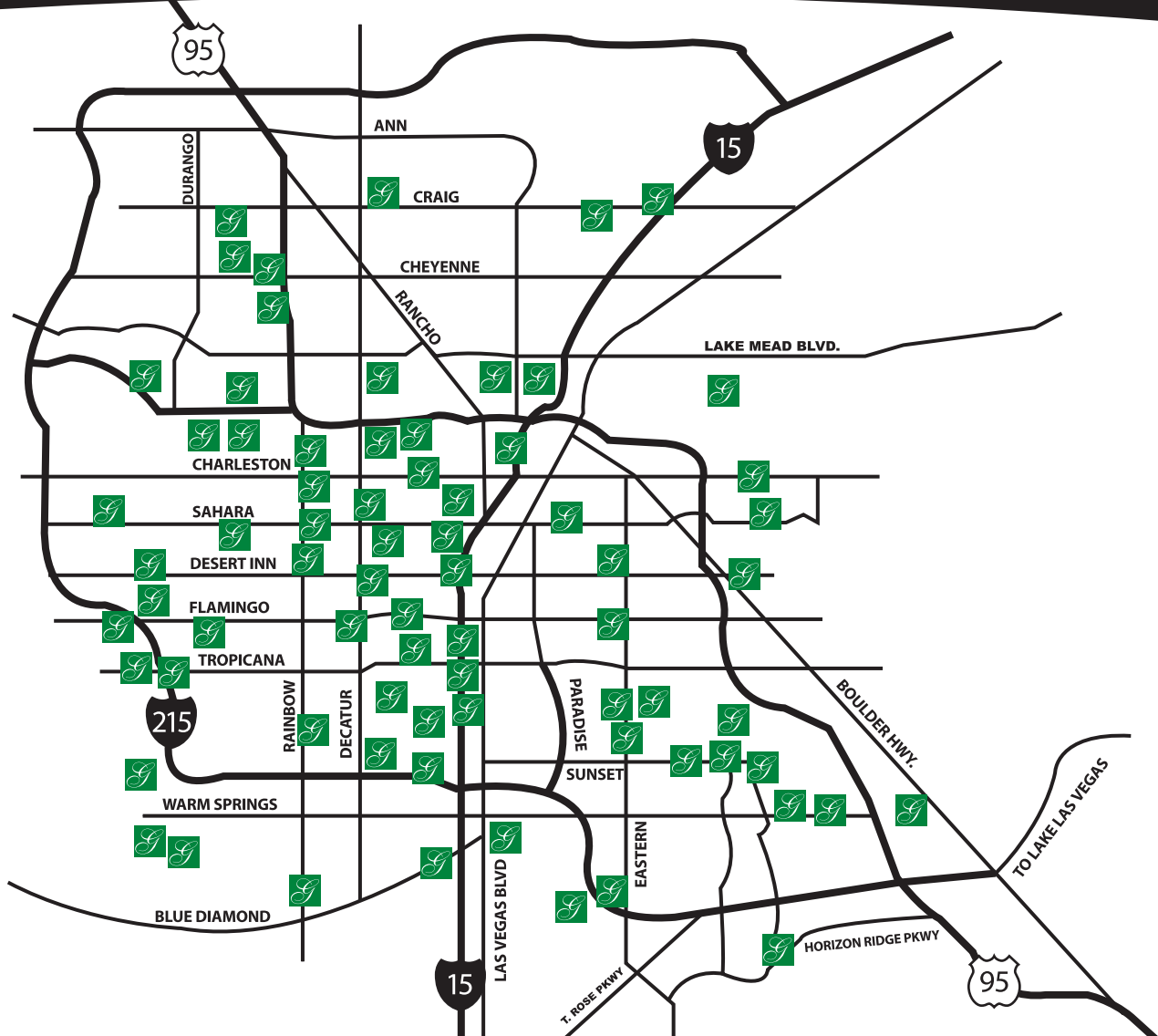




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# From the editor ...

Dear readers,

The next time you're looking for something to do, flip a coin. Heads travel to Summerlin, tails make a beeline for southwest Las Vegas. Either way, you're a winner.

These two areas of the Las Vegas Valley are the focus of this edition of CRE, our bi-monthly commercial real estate guide. Inside, you'll discover some of the new and exciting projects taking shape in these two parts of the valley.



In Summerlin, we'll bring you up to speed on the exciting plans for the Village at Queensridge and One Queensridge Place, along with informative articles on the popular Boca Park and the in-the-works Shoppes at Summerlin Centre.

In the southwest, catch up on the new developments of Exchange Two One Five (formerly the Village at the Cauldron), Durango Village, Rhodes Ranch Plaza, Southern Palms Plaza and Rainbow Sunset Pavilion.

In one of our popular Realty Check columns, Leslie Parraguirre – CEO and founder of interior-design company Colours, Inc. – takes a look at the right way to improve your company's image with smart and creative decorating ideas. You'll also find a great analysis of the

right way to perform land exchanges from Westcor 1031 Exchange Company's Robert Noggle in addition to Restrepo Consulting Group's top-notch analyst John Restrepo's view of the valley's changing economic landscape.

Enjoy features about several other companies and how they are making their mark on the Las Vegas Valley's commercial real estate industry. The Las Vegas Valley is growing and some of the most exciting projects in the nation are being built here – right in our own backyard.

**Rob Langrell**

Special Publications Editor

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ON THE COVER: One Queensridge Place



# A word from our sponsors...

Dear In Business Las Vegas readers,

**W**elcome to the summer edition of the In Business Las Vegas CRE that spotlights Summerlin and southwest Las Vegas.

Our own portfolio in those areas is growing. In fact, Charleston Pavilion, LLC recently retained Gatski Commercial Real Estate Services to handle property management for The Pavilion, a new, 154,000-square-foot Class A office building that will be completed this summer at 10801 W. Charleston Blvd. in Summerlin Centre, a 1,300-acre mixed-use village.

This building will serve as the Nevada corporate headquarters and a bank branch for City National Bank. Other major tenants will include Fertitta Enterprises, UBS, TD Ameritrade, Harris & Associates and Hill International among others.

We see this high-rise, Class A office building as a shining star in our company's portfolio and we are proud to have been selected by the owners through the competitive bid process.



We now have 4 million square feet in our portfolio valley wide. We offer brokerage services, commercial property management services, in-house building maintenance, landscaping services, emergency response and mold remediation.

On behalf of all of us here at Gatski Commercial Real Estate Services, enjoy the remaining weeks of summer as you read

about the latest happenings on the commercial real estate scene featured in this edition.

All Best Regards,

**Frank Gatski, CPM, CCIM**

President

Gatski Commercial Real Estate Services

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Dear In Business Las Vegas readers,

**C**ox Business Services is pleased to announce that our digital telephone service will be available in nearly all parts of the valley by the beginning of August. More and more developers and property managers throughout the valley are discovering the unique advantages of wiring buildings with a CoxSmart® solution. Now you can call on Cox Business Services to hardwire your build-



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Cox Business Services is pleased to be a sponsor of the Commercial Real Estate Guide. And as excited as we are about the expansion of our product offering, we are equally excited about the expansion that the Summerlin/southwest area is experiencing. We look forward to providing developers, property managers and tenants with the services they need to succeed in our ever-growing community.

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Dear In Business Las Vegas readers,

**R**OEL Construction is proud to be a sponsor of "In Business Las Vegas' 2007 Commercial Real Estate Guide." For me, it is especially exciting to see more and more companies move into the area while watching those already established grow and prosper. I am happy that ROEL is involved in helping to support the continuing growth of Southern Nevada.



ROEL was founded on integrity, quality and trust, which I whole-heartedly believe has enabled us to deliver construction excellence for nine decades. Since expanding our relationship network to Las Vegas in 1993, ROEL boasts continued year-over-year growth, rapidly making us one of the area's top contractors. Its managers, engineers, superintendents, and coordinators run ROEL projects with

a hands-on approach. No day goes by without a team member on the jobsite making sure the job progresses smoothly. Whether your job involves small tenant improvements or large-scale ground-up construction, you will find that ROEL has the expertise to ensure an unparalleled client experience.

ROEL, a family-owned company, employs more than 350 people between its San Diego headquarters and thriving offices in Las Vegas, Nevada, Irvine and Palm Springs, California, and Bullhead City, Arizona. I attribute ROEL's continued success to people, relationships, and trust and in the recognition of our ongoing dedication to client satisfaction. Eight times, ROEL has earned the Large General Contractor of the Year award by both the Associated General Contractors and the American Subcontractors Association. Additionally, the 2007 McGraw-Hill "Engineering News-Record" ranked ROEL 209 among the nation's 400 largest general contractors.

I am dedicated to helping ROEL continue to rise above the rest and deliver construction excellence for many years to come. And, as the market grows and evolves, so will this powerhouse contractor.

**Wayne Hickey**

CEO

ROEL Construction Company

## Realty Check

### Meet the experts

#### **ROBERT NOGGLE**

Exchange Administrator  
Westcor 1031 Exchange Company

Robert is exchange administrator for Westcor 1031 Exchange Company, an affiliate of Nevada Title Company. He frequently teaches continuing education classes on exchanging as well as presenting customized presentations to investors and members of the real estate community. He earned his law degree from Lewis & Clark Law School. For more information, log onto [www.nevadatitle.com](http://www.nevadatitle.com) and click on the "Family of Companies" link.



#### **LESLIE PARRAGUIRRE**

CEO  
Colours, Inc.

Leslie is founder and president of Las Vegas-based Colours Inc., one of Nevada's finest and most prestigious interior design firms. She has more than 28 years of experience in the interior design industry. The firm is recognized for award-winning medical offices, model home merchandising and innovative commercial office, restaurant, and custom home design. The firm, headquartered at 241 W. Charleston Blvd., #145, in downtown Las Vegas, can be reached at (702) 233-1333 or through its Web site at [www.lvcolours.com](http://www.lvcolours.com).



#### **JOHN RESTREPO**

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John directs Restrepo Consulting Group's economic and financial consulting activities. He has analyzed regional economic and real estate trends in Nevada, Arizona, California, Texas and areas throughout the southeastern U.S. His 24 years of urban and real estate economics experience has given him a broad range of skills and technical expertise in assessing the effects of local, regional and national economic trends on urban real estate markets. His clients include a variety of prominent private and public organizations concerned with urban development and growth. He can be reached at (702) 967-3188 or via his website at [www.rcg1.com](http://www.rcg1.com).





# A Tall Order

Turnberry sets luxury high-rise standard, makes big commercial splash

By Brian Sodoma  
Special Publications writer

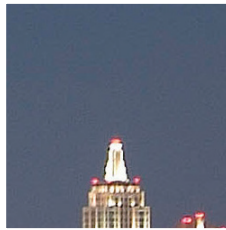
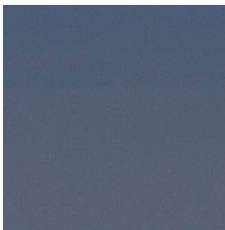
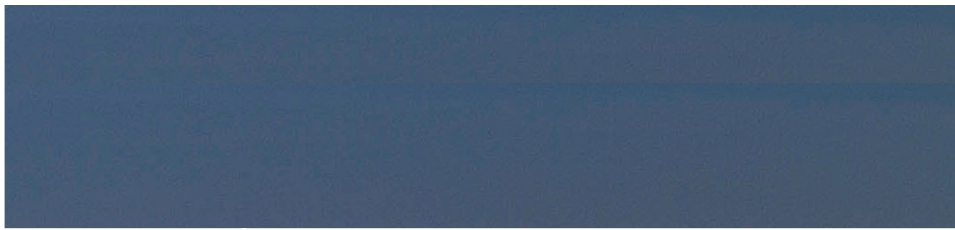
**T**urnberry Associates recently topped off its ninth high-rise condo tower in Las Vegas. The 45-story building at Turnberry Towers, one of two built on 10 acres at the corner of Paradise Road and Karen Avenue, is only a stone's throw from the four high-rises at Turnberry Place — the company's first foray into the Las Vegas market. But unlike many local projects that celebrate this type of progress, Turnberry's topping off milestone went under the radar.

"We tend not to go with a lot of fanfare. We do very meticulous work with our many divisions in our organization ... We pass on a lot of deals. But when we do a project, we do it perfectly," Phil Goldfarb, president and chief operating officer for Turnberry Associates, said of the company's approach to business.

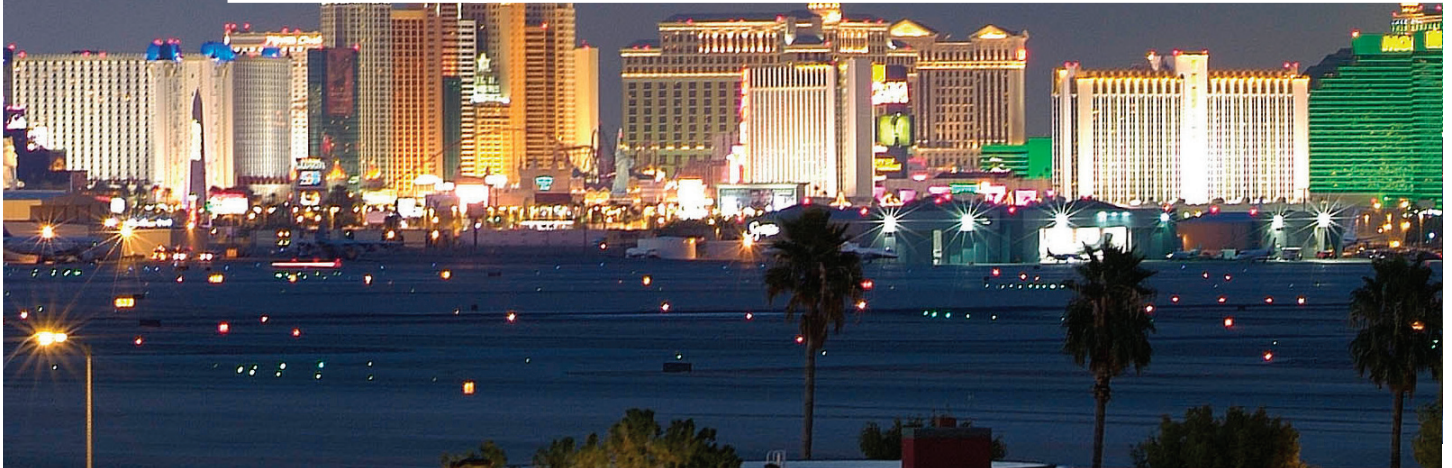
Of the valley's 14 high-rise condominium towers either completed or currently under construction, six belong to Turnberry, while three others — The Residences at MGM Grand — are a partnership







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Turnberry's \$750 million Town Square is slated for a November opening.



between the developer and MGM Mirage.

Turnberry also has two local commercial projects in development, which, like their residential endeavors, are big, bold and eye catching. The group is moving dirt on 25 Strip acres for the \$1.5 billion Fontainebleau Resort and Casino, a project built by its subsidiary Fontainebleau Resorts, and under the direction of

**"We tend not to go with a lot of fanfare. We do very meticulous work with our many divisions in our organization ... We pass on a lot of deals. But when we do a project, we do it perfectly."**

### Phil Goldfarb

President,  
Chief Operating Officer,  
Turnberry Associates

former Mandalay Bay Resorts chief financial officer, Glenn Schaeffer. Meanwhile, its \$750 million Town Square, an open-air retail, office and entertainment center at the intersection of I-215 and Las Vegas Boulevard, preps for a November opening.

"The backbone of our organization has always had a major retail component," added Goldfarb. "Because the family has such experience in multi-use development, it's really a natural progression [to go from building high-rise condos to mixed-use developments] for us."

Turnberry's evolution has been well-chronicled, going back to the days when its founder Donald Soffer, purchased 785 acres of undeveloped marshland in North Dade County, Florida, then over the next four decades created a prime destination known today as the city

of Aventura. It's now home to Turnberry Isle Resort and Country Club, the 2.5 million square-foot Aventura Mall, office buildings and thousands of condominiums, where stars, athletes and the wealthy love to play and live.

As a result of having expertise in both residential and commercial arenas, Turnberry's plans for a particular market can be flexible, allowing the market to dictate what it needs; then Turnberry brings the desired real estate product.

"We take one step at a time and as Vegas continues to evolve

with opening all these luxury hotels, it's important for retail to keep pace with the visitors and residents. We like to fill that need in a unique and distinctive fashion," Goldfarb added. "That's why we feel really good about what we're doing out at Town Square."

### Early entry, condo hotels ...

Turnberry's entry in the valley high-rise condo market in 1999 and subsequent success has fostered many an imitator, very few of which have responded with any substance beyond glitzy marketing pushes. But Bruce Weiner, president of Turnberry Ltd., said when the company first decided to build Turnberry Place, a line of skeptics offered opinions. "They told us that people in Las Vegas don't live in vertical type buildings. Fortunately, they were wrong," said Weiner.

But, Turnberry did research and purchased the Turnberry Place land in 1997. Further research confirmed a growing group of consumers, tired of buying homes in the suburbs, who wanted a more upscale urban living experience. "There were people who told us they just wanted something different and if we built a Turnberry-style residence they'd be first in line," Weiner said.

To date, Turnberry has sold 720 units in its four towers at Turnberry Place, and has only 50 condo-hotel units remaining in its third and final 576-unit tower at The Residences at MGM Grand. It has also sold out its east and 50 percent of its west tower at Turnberry Towers, a project that will total 636 luxury condos when completed.

Weiner said Turnberry is open to doing more residential projects, but he said land prices are making it tough for deals to pencil out. But he still sees condo-hotels as a strong bet for now. "You'd have to get better than Manhattan prices in order to get some of these [condo] projects to work any more," he said.

Fontainebleau, slated to have the tallest building on the Strip, is also another Turnberry condo-hotel venture. About 1,000 of its projected 3,900 suites will be condo-hotels, an extension of the company's success with its Fontainebleau brand in Miami, where it built and sold out a 36-story tower with 462 condo-hotel suites near the beach.

"You can't just do a stand alone condo-hotel. You need to build it in a public place with attractions, where everything's in place, restaurants, shows, shopping," Weiner added. "You need to get more than double, hopefully triple per square foot more than what you're getting for a regular condo." **cre**

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Colours, Inc. creates client colorboards showing aspects of the final design.

# Improve your company's image with a well-designed office

**N**ever underestimate the “look” of your office because it’s the first thing your client sees. Essentially, it’s the gateway to your company; it’s your “brand.” So, when designing your office space, try to see it the way your clients do. What does your office say about you, your staff and the company as a whole? A well-designed office enhances a professional image as well as providing a place where employees are happy to work.

Reinforcing your company’s brand throughout your office space, and not just in the entry or reception area, is important, easy and fun. Utilize company colors, exhibit products and proudly display the company’s vision and mission statement. When you communicate your



**Leslie Parraguirre**  
Colours, Inc.

company’s values, you send a strong message to everyone who enters.

Use original artwork to decorate your office. Many clients today are requesting custom-made pieces, but use it with caution. While paintings, prints, sculptures and other pieces of fine art can improve your office ambiance, the piece that is inappropriate for the surroundings can give the wrong impression. If your company is a conservative financial

institution, make sure the artwork is modest. Less conservative companies have the luxury of thinking outside the box. Sartini Enterprises’ headquarters, for example, will house a bronze water wall hand crafted by Archie Held of Palo Alto, California.

Live plants are another source of beauty and are often overlooked. Today’s designers follow the rule of “minimalism in mass,” meaning bigger and fewer. The trend is to make a bold statement with one large, dramatic plant or small pieces creatively placed to create a larger visual. Also on the plantscape scene are creative and unusual succulents — perfect for our desert clime. And don’t overlook containers the plants will be placed in because they are an equally important decorating

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## Copper Pointe Business Park

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

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



## Cheyenne Fairways Business Center

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

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



## Spanish Trail Business Park

On the southeast corner of Rainbow and Tropicana

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



## North Buffalo Business Centre

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

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

For more information contact  
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**INVESTMENT EQUITY  
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Use original artwork to decorate your office. Many clients today are requesting custom-made pieces, but use it with caution. While paintings, prints, sculptures and other pieces of fine art can improve your office ambiance, the piece that is inappropriate for the surroundings can give the wrong impression.

element. They influence the design, utilizing a vast array of materials that add subtle texture. Succulents look especially great in paved containers.

Today, a big design trend is high-end furnishings using rare and interesting wood. Look for complicated finishes with interesting grains in anything from

flooring to furniture. The unique wood veneer appearance creates both character and texture. Natural barn wood or reclaimed wood flooring is also making a big comeback as well as coconut shell species and wenge, a very dark and dense native African wood with a coarse grain. Sartini Enterprises also incorporated gorgeous burl and zebra wood in the design of their offices in addition to couture furniture lines such as Dakota Jackson.

In addition to wood, metals such as bronze and nickel enhance office design and can be incorporated into chairs, sinks and lamps. These subtle, yet sophisticated, finishes add to the modern office look. For the new Bank of George located in Desert Canyon Business Park, Colours, Inc. designers used heavy doses of cherry wood and organic colors to evoke the warm and luxurious atmosphere of a banking enterprise.

Another important aspect of office design is lighting. Today, more corporate environments utilize natural light so look for fewer overhead fluorescent lighting fixtures and more attractive and directed lighting such as desk lamps. Softer light allows for a more customized and high-end office look.

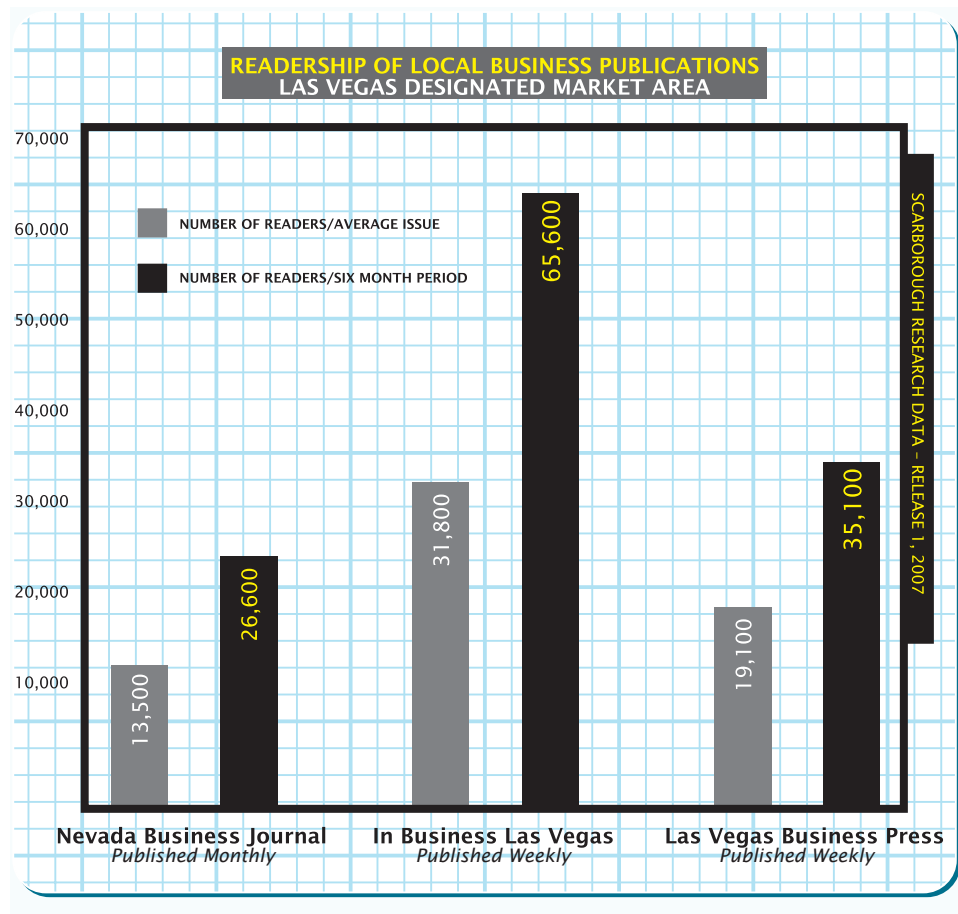
Like furniture, decorative fixtures are trending toward more expensive materials like mica, semiprecious stones and fabric shades, normally found only

in high-traffic common areas. Colours, Inc. always uses a lighting consultant to evoke the best in lighting atmospheres.

Color is a relatively easy way to make an impact. Corporate colors should be considered to form a guideline with which other colors could be matched. Use vibrant colors to liven up an office environment or to make a bold statement. But if the bright-color trend sounds overwhelming, rest assured organic colors such rich browns, yellow-saffron and mossy greens are still widely used in new and fresh combinations. As always, neutrals in linen and shades of cream continue to beautify contemporary offices, and black is ever present. Monochromatic schemes can be equally appealing.

The trend for employee common areas, such as break and lunch rooms, is for bigger, more comfortable and less institutional surrounds. By providing "loungy" spaces for de-stressing and including items such as ping pong tables, pool tables or coffee bars, companies offer employees comfortable and fun places to take breaks. The result is more productive employees and less turnover.

These days, you can't hear about real estate or construction without hearing about 'green buildings.' Being green doesn't stop once the office is built; earth-friendly design is more popular than ever and can be done very attrac-



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tively. Not only does it improve indoor air quality, which creates a healthier workplace environment, sustainable design promotes energy efficiency that can save money in the long run. Additionally, there is proof that green buildings improve staff productivity, and what business owner couldn't use that?

In addition, using natural and recycled materials such as wood, stone, linen, leather, cotton or wool can fashion a beautiful environment and create a calm workplace atmosphere. Using recycled, regional and/or rapidly renewable materials helps maintain earth's natural resources. Materials such as bamboo, cork, coconut shell and agro-board are attractive and grow at a faster pace allowing the planet to rejuvenate.

Also, green up an office by employing a variety of recycled building materials including glass tiles and wood; higher-performance windows; low-VOC paint, carpet, and wall coverings and paint; energy-efficient HVAC systems and refurbished furniture.

In the recent past, many clients asked for earth-friendly design components. At the PGA Village® at Coyote Springs, Colours, Inc., designers are implementing environmentally sustainable elements from paint to wood floors and stone detailing. The design includes mesquite wood, sandstone and Nevadastone, a material mined from nearby Jean, Ne-



**Colours, Inc. colorboards for Sartini Enterprises display fabrics, colors, textures and art pieces.**

vada. A side benefit is that by utilizing a resource that is close by, less gas and energy is consumed when transporting the material to the project site. In addition, Colours, Inc. designers make sure that low-VOC paints, paint strippers, glues, adhesives and wood preservatives will be incorporated in the decorating process to limit adverse health effects associated

with harmful chemicals.

Because we often spend more hours at work than at home, it's important to create a smoothly functioning and efficient office environment. With careful thought and a well-executed design plan, your office can be a relaxing as well as productive place for you, your employees and your clientele. **cre**

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# 'Roel' Play

## Contractor takes on jobs big and small

By Brian Sodoma  
Special Publications writer

It can be said of Roel Construction that the company walks quietly and carries a big stick. But company principals are also quick to point out they tap ever so gently when using that stick.

But, before one gets the image of a big softy on the local contracting scene, a glimpse at the company's hefty credentials is in order. Roel Construction landed in the valley in 1993, but has a long history of serving southwest clients since 1917. Based in San Diego, Roel built the four-story, 110,000-square-foot Boyd Gaming headquarters in Las Vegas, two award-winning Qualcomm buildings in San Diego, Las Vegas' Towbin Hummer dealership, and many other higher-profile projects. All the while, not excluding smaller jobs like the recent National University building and 1,700 square-foot Dinners Ready franchise.

Roel principals like to boast about the company's flexibility with the type and size of projects it takes on. "A lot of companies ... think 'Roel is too big for our job.' That's not true at all," said Steve El-

liott, a general superintendent for Roel's Nevada office. Elliott says the company's project price range can be as small as a \$20,000 tenant improvement to a \$150 million ground-up job.

Through the years, the company's client-based approach to business has produced tons of repeat business and customer loyalty. As a result, Roel's Las Vegas office doesn't chase every job in town, but has steadily generated an approximate \$35 million a year in annual sales, said Brian Roush, group manager of the local office. Roush said Roel might see an "elevation" in its local sales volume in the coming years, with some promising prospects in the gaming and hospitality sector on the horizon.

But Roush doesn't like to tout sales volume. Instead, like Elliott, he prefers to reflect on Roel's simple corporate philosophy of quality, honesty and integrity, while touching on its past and current projects. He adds that Roel is not out to try to prove itself to every developer in town.

"We're selective on the types of jobs we do and the types of clients we work with. We're not out to build everything. We pick the right jobs with the right clients," Roush said.

"We're never the lowest bidder. That's not the way we do things," added Elliott. "The client-based approach works for us. ... We know that, many times, one client



**Towbin Hummer is just one of Roel's high-profile projects in Las Vegas.**

will beget another client."

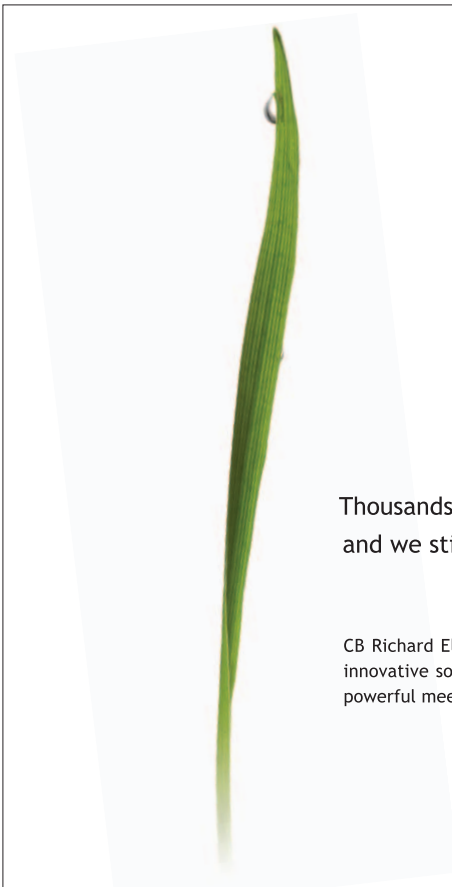
Elliott gives the example of Roel's relationship with Del Webb. Roel worked on the golf course and community clubhouses for the company in Palm Desert and Phoenix, which translated into business at the Anthem development in Henderson and subsequent work in Del Webb's Red Rock communities. The same holds true for the company's relationship with Boyd Gaming, where Roel built its temporary corporate headquarters three years ago, then recently completed a \$12 million tenant improvement for the gaming powerhouse's new headquarters.

When it comes to bidding for prospective clients, Roush said Roel separates itself from the competition by giving a complete bid, where some contractors may leave holes where costs could fluctu-

ate or design changes are anticipated.

"We try to give the client the most complete estimate front to back, where maybe some competitors leave some gray area for changes. I really believe it shows a lot of integrity on our part," Roush said.

"What'll happen, half the time ... we're liable to lose more jobs than gain with a new client, but that doesn't mean they're not going to be our client the next time around," Elliott added. "There are a lot of people out there now with the money that want to get into the real estate development game that don't have a savvy background on the whole process. Sure, they want to do it as cheaply as possible, but you're not going to buy your kids the cheapest toy in the store. So we try to educate them. ... We have an open-book policy on our jobs. You can see the ac-



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Roel's National University project in Las Vegas.



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counting at any time. We have nothing to hide. ... For that simple fact, we’ll keep more clients than most will ever have.”

Elliott asserts that Roel’s Las Vegas office employs mostly Las Vegas residents, which he calls a “home-grown” approach to its satellite offices. In addition, both executives admit that their company is only as good as its subcontractors. Because of this, Roush said Roel tries to market its subcontractors as much as it does itself. In much of the company’s promotional materials, features and profiles of subcontractors and architects the company works with are also included. Roush says moves like this help establish relationships with local subcontractors who will “move things around to take care of us” during busy times. “It allows us to gain the respect of the subs in town too,” he added. Roush also said establishing relationships with local contractors is an ongoing process that Roel views as an opportunity to help create better valley subcontractors. “Any general contractor would probably agree there are some subs in town that aren’t very good, some that are very good, and a whole lot in the middle. The ones in the middle are the ones you want to develop relationships with. Then you can help make them great contractors,” Roush added.

**“We’re never the lowest bidder. That’s not the way we do things. The client-based approach works for us. ... We know that, many times, one client will beget another client.”**

**Steve Elliott**  
 General Superintendent,  
 Roel

## Thinking green ...

Roel’s Nevada office currently has two project managers going through the LEED (Leadership in Energy and Environmental Design) certification program, as the company looks to participate in the growing green building arena in the future. Elliott said it would likely take some time before the company sees a large LEED project workload because many developers are still weighing the costs of going green.

“Until the public is a little more educated on what exactly a LEED building is, a lot of people will be interested until they find out the cost to do it,” Elliott said. “As things change, the prices will come down, and it won’t be so cost-prohibitive.” **cre**





MGM Mirage's CityCenter is one of several aggressive projects on the Strip.

# Growing Strip projects also grow land prices

By Alana Roberts  
Special Publications writer

One indication that the Las Vegas Strip is no longer a one-act show is the early success MGM Mirage garnered with its gargantuan mixed-use CityCenter project. So far, the \$7.4 billion project has attracted \$1.1 billion in condominium presales, giving outside investors confidence in the Strip as an investment. The project's success, however, is a part of a larger success story as Las Vegas is now seen as a viable place to do business. Its growing stature within the investment community has emboldened investors to more aggressively pursue the Strip's dwindling land supply.

With more outside investors willing to pay big bucks for a piece of the Las Vegas Strip, interested parties must give up more bread for a slice of the pie. To date, the largest Strip land sale is the one announced by New Frontier owner Phil Ruffin to the Elad Group, owner of New York's Plaza Hotel. The real estate investment company agreed to pay \$1.2 billion or \$35 million an acre for 34 acres of prime Las Vegas Strip land.

"It's market driven," said Mike Mixer, senior vice president and co-founder of Colliers International's Las Vegas office. "What someone decides to pay for a property is subjective. Talk to any appraiser and they say value is based on what others have paid in the past. That gives an indication of what others will pay in the future

or what it's valued at today."

Mixer added that the deal between Ruffin and the Elad Group indicates how much value the latter places on the land and its future possibilities. In a press release, the Elad Group said it intends to develop a \$5 billion multi-use complex on the land. That project would include a 3,500-room hotel, residential units, retail space and a gaming component.

MGM Mirage's confidence in the future potential of the Las Vegas Strip is also apparent in its recent 33.5-acre land purchase along Las Vegas Boulevard, south of Sahara Avenue near its Circus Circus property. Mike Mixer said the valley's average land purchase price is between \$500,000 and \$1 million an acre, although SAXA Development's Lucinda Stanley said land prices are surpassing \$1.5 million an acre for land zoned for mixed use. The Strip land bought by MGM Mirage went for \$576 million or \$17.2 million an acre.

The purchase, when added with other nearby land it already owns, gives the company 78 contiguous acres on which to build. And build it plans to do. The company recently announced a planned partnership with resort developer/operator Kerzner International, to develop a multi-billion dollar resort on that recently purchased land. "They saw their purchase as very strategic," said Mixer, who helped broker the deal on behalf of MGM Mirage. "They could add it to property they already have. When they blend the two sites

together their actual cost is very much lower than market."

Gordon Absher, vice president of public relations for MGM Mirage, said as the company has evolved through the acquisitions of Mirage Resorts and Mandalay Resort Group, it has grown from one to 17 properties. "We brought several very well known brands to our companies," he said. "Mandalay Bay, Mirage and Bellagio, those were very visible. What was less visible were the land holdings those corporations brought. [We have] more than 750 acres, and of that land, 200 acres are either totally underdeveloped [land not being used to its fullest potential] and undeveloped land."

Absher added that north Strip land value would continue to grow as well. MGM Mirage's joint venture will join other high-end projects on Strip's north end like The Palazzo, Encore, Trump International Hotel & Tower, Echelon Las Vegas, Fontainebleau Las Vegas, and eventually, an upgraded Sahara Hotel & Casino.

Mixer added that Las Vegas' 38.9 million visitors spend more money than ever which helps drive the demand for Strip land. He said as long as available land dwindles the cost will continue to increase.

"It's close to 40 million visitors a year," he said. That's a tremendous traffic generator. That's what real estate is all about. That's why the values are so high on the Strip. We'll continue to see that happening with the Strip because there's a limited supply." **cre**





MIG's JPOP Lounge and Sushi Bar remodel at Mandalay Bay (above) and Delights Deli at MGM Tower B (below).

# Big suits MIG

## Midwest contractor gets 'Grand' referral for Strip work

By Brian Sodoma  
Special Publications writer

**L**as Vegas is a “who you know” town and nobody knows that better than Detroit-based general contractor, Michigan Industrial Group (MIG). In one short year, the company has landed jobs on the Las Vegas Strip with some of the biggest names in the industry, expects to bill \$35 million to \$50 million annually in the coming years and has no plans to slow down any time soon. It all springboarded from its first big contract.

In 1998, MIG built the \$60 million MotorCity Casino in Detroit, the temporary structure for Mandalay Bay Resort Group. After Mandalay Bay sold its stake in the casino, as a condition of its merger agreement with MGM/MIRAGE, Marian Illitch, founder of Little Caesar's Pizza, bought out all other stakeholders to become the casino's sole owner. Illitch then hired MIG for a \$270 million expansion, which is set for completion at the end of this year. But more importantly, Tom Patterson, MIG Nevada's executive vice president, said the expansion gave MGM/MIRAGE executives an opportunity to watch MIG's construction practices first-hand from its nearby MGM Grand Detroit property.

“They had a camera on top of their building and could watch us from across the street,” Patterson recalled. MGM liked what



they saw and, through the years, a business relationship formed. MGM eventually sought MIG for more Las Vegas work.

MIG had a strong construction reputation in Detroit before entering the Las Vegas construction market, having built for the Detroit auto industry, healthcare, retail and a host of other sectors for seven years, and for more than two decades prior to

that in its previous incarnation, LaSalle Construction. MIG owner, Paul Jenkins, sold LaSalle in 1999 and started MIG with the intention of landing more gaming work, said Patterson.

"We did \$60 to \$70 million a year in auto out there [Michigan]. A lot of guys stayed on, and that industry's really hurting now. But we just flourished [with casino work]," he said.

The company executive recalls the day Jenkins told him he wanted to go full-force into casino work. "About five years ago, Paul Jenkins and I were touring [a potential job in Detroit] and he was so ho-hum about it," said Patterson. "Finally I asked him what's wrong? And he said 'This is just another brick building. In the last thirty years I've done nothing but these brick buildings.' I said 'Well what kind of work do you want to do?'"

Jenkins' response was firm and to the point. "He told me, 'If it were up to me, I'd want to build on the Las Vegas Strip.' So I said let's play the game and see where we're at in five years. We missed it by four months, but we got out here and made our dream come true," added Patterson. Currently, MIG staffs 10 people locally, but Patterson expects that number to grow to 20-25 people by the end of next year.

Some of the projects under MIG Nevada's belt include: Be-Jeweled, a high-end jewelry store inside Mandalay Bay; the Excalibur Hotel & Casino's new race and sports book; The Nile Bar inside the Luxor, which opened earlier this month as the new \$2.2 million Flight Night Club; and the addition of six new elevators inside Mandalay Bay's parking garage, along with an \$800,000 renovation of the resort's Coral Reef Sushi Bar and Lounge, both of which should be completed later this summer. MIG is also expecting to have the Fountainsbleau Casino & Resort's \$9 million preview center open by early 2008.

To MIG's and Patterson's delight, not only has its relationship with MGM translated into work for the gaming giant, but it also garnered work with Turnberry Associates. MGM's joint venture with the Florida-based developer, The Residences at MGM Grand, has been a smashing success. A MIG job at the project's Tower B required the addition of two new meeting rooms, a boardroom, development room, deli and kitchen area. MIG completed the job six weeks early, and later inked a contract with Turnberry to build the Fontainebleau preview center.

"This [the Residences job] gave us an opportunity to show them what we can do ... We've been on time, on budget and working with them hand in hand ever since," Patterson added.

MIG is also opening a Gulf Coast office this summer and is looking to capitalize on its Las Vegas relationships for more work in that area. MIG is a union contractor, and Patterson said it has been pretty easy landing good local subcontractors for its jobs.

"We literally started with handshakes,

going out and meeting these guys [local subcontractors]," Patterson said. "Today we're seeing a growing number of bids from them."

Timothy Opsomer, a corporate vice president for MGM's retail division, worked with MIG on the Be-Jeweled project, and said having good subcontractors that understand gaming jobs is a big plus for MIG.

"If you've got good subs and I don't have to send one of my guys in there three times, it really saves a lot of money and time," he added. "With construction in this town you really have the best of the best and the worst of the worst. ... Nothing is going to be a hundred percent, but when you can get it 96 percent perfect when you're used to seeing it 88 percent and eight weeks late, it's a big bonus."

He said a contractor working on jobs

for MGM needs to understand the number of people really involved with the projects, which could include MGM's engineers and inspectors as well as the retail tenant, and others. The more people involved in the project, the easier it is for slowdowns and cost over-runs to occur, Opsomer said.

"Construction is an imperfect science. You've got to be able to roll with the punches and go the extra mile to be as cost-efficient as possible. ... When it came to watching my costs, I really feel that these guys were on my side. They recommended things and made suggestions [to save money] when they didn't have to," Opsomer added. "And at the end of the day, they're really nice guys to work with, and that goes a long way with me." **cre**

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Artist's rendering of the 22,000-square-foot, \$9 million Patrick Neighborhood Plaza slated to break ground in August.

# New southeast neighborhood retail breaking ground this summer


By Lisa McQuerrey  
Contributing writer

Las Vegas-based RCS Development is bringing two new neighborhood shopping centers to the southeast this summer. Serene Neighborhood Plaza, a \$5 million, 11,750 square-foot retail community center planned for Serene and Tamarus, is slated to break ground in July. The 22,000 square-foot, \$9 million Patrick Neighborhood Plaza, located at Patrick and Pecos, is anticipated to get underway in August. Both projects carry a first quarter 2008 delivery date.

"The Serene development has been branded as 'a boutique retail experience,'" explained RCS Development partner Richard Crighton. Located near a Home Depot and Wal-Mart power center on Eastern near the 215 Beltway, it's within close proximity to Silverado High




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Among the tenants slated to move into the Serene Neighborhood Plaza are a tanning salon and a pizzeria.

School and adjacent to a day care facility. Crighton touts the project demographics, which include 200,000 homes within a five-mile radius and households with incomes of \$70,000 plus within a one-mile radius. "We also have a large student population in the adjacent Silverado High School. We're catering to consumers who want ease of access," said Crighton.

No tenants have been named as yet, though Crighton said a tanning salon and neighborhood pizzeria are in the works. The project features modern, linear design elements and carries rent prices as much as 20 percent lower than similar neighborhood retail projects in the area. "We want the right tenants to get established and become successful," said Crighton of the below-average rent. "We're offering small spaces for lease as well. Our tenants will have a lot of options."

The Patrick Plaza also boasts an impressive demographic and desirable location with easy access, which Crighton said is an amenity of growing importance to busy consumers. "We've branded the Patrick project as 'retail at the center of the business community,'" explained Crighton. "Within a five-mile radius we've got more than 400,000 residents and more than 230,000 Monday-through-Friday employees."

Crighton said the project has already generated a lot of interest from prospective tenants, with interviews and negotiations currently underway. He said he and his partners, Chris Shelton and Ryan Crighton, come from a "business/owner mentality" that drives them to assemble an appropriate mix of tenants to serve a neighborhood's specific needs. "Our projects are very important to us," noted Crighton. "These are neighborhood retail centers, so we need a good relationship with our neighbors."

The Patrick Neighborhood Plaza, which is adjacent to a Sonic Fast Food and a corner C-Store and gas station, is located

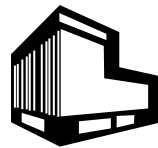
across the street from Home Depot, a 110-acre master-planned business park and Del Sol High School. The project also offers quick access to the 215 Beltway and the I-15 freeway.

In terms of overall look and feel, both the Serene and Patrick projects will have sleek, contemporary designs with rounded end-caps and linear features. "We worked closely with the architects to create something that captures a forward-thinking mentality," said Crighton. "We're looking for long-term viability in

these projects."

Both plazas will feature a mix of retailers, restaurants and services geared to neighborhood shopping centers, while also catering to the everyday business service needs of the area. Tenants are expected to include mortgage and real estate offices, coffee shops and other eateries.

General contractor for both developments is Massengale Construction. Gatski Commercial Real Estate Services is the leasing agent of record. **cre**



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# Using 1031 exchanges for sound investing and increased wealth

**W**ith advance planning and by using a financially sound regulated accommodator, investors can perform 1031 exchanges securely. Despite changes in the real estate marketplace and concerns about the recent failure of three accommodators, real estate investors continue to find 1031 tax-deferred exchanges a safe and sound strategy for building wealth.

But, finding a qualified accommodator owned by a reputable parent company is crucial. You may have read recent news accounts about three accommodators who took exchange funds and left investors without the means to close on their replacement property as well as with a tax bill due to the loss of the deferral. Unfortunately, the IRS doesn't oversee accommodators

and Nevada is the only state that has some regulatory supervision with a registration requirement. Accommodators are required to file company information with the



**Robert Noggle**

Westcor 1031  
Exchange Co.

state as well as have a \$1 million bond in effect. However, there are no restrictions on what accommodators can do with exchange funds once received. They can, for example, invest in the Calgary stock exchange, affiliated corporations or place them in FDIC insured bank accounts.

Interestingly, each legal case connected with missing exchange funds involved independent accommodators that were not owned by a parent corporation such as a title company or bank, companies that are regulated by securities laws. One local company, Southwest Exchange, placed exchange funds in a blind pool without transparency for the exchanger that was under the complete direction and control of the owner.

Before entering into 1031 exchange, a basic understanding of exchange types and tax deferment rules is essential. The delayed exchange is the most common. The investor sells a property called the relinquished and, at closing, the sale proceeds are sent to the accommodator. The investor finds a replacement property and the accommodator funds the escrow closing. Any investment, trade or business property may be exchanged for any other investment, trade or business property. Raw land may be exchanged for an office building; single family rentals may be exchanged for a retail strip mall; and a retail strip mall may be exchanged for a multi-unit property and so on.

By using a 1031 exchange, the investor defers the federal 15 percent long-term capital gains tax and the 25 percent depreciation recapture tax incurred at the sale. This is not synonymous with a tax on profit. On improved property, the depreciation taken by the investor results in more tax being owed than would be indicated by a back-of-the-envelope profit calculation simply subtracting the original purchase price from the sale price. For example, if the depreciation taken is \$100,000, the recapture tax is \$25,000. Many investors have been surprised at tax time to find they have a much higher tax bill than anticipated.

Wealth building, not just tax deferral, is the real benefit 1031 exchanges. As author Robert Kiyosaki explains, exchanging is like Monopoly. Four green houses are exchanged for a multi-unit property; the multi-units are exchanged for an office building. All of this occurs on an accelerated basis compared to the alter-



native of buy, sell, pay taxes, and repeat.

The deferred tax amount affords additional buying power for replacement property and provides the opportunity for increased leverage — the magic of real estate.

The increased buying power offered by the tax deferral increases the investor's return on investment (ROI) due to greater cash flow, more tax benefits (primarily depreciation), and more appreciation. Taxes are deferred until the investor sells the final property in the exchange sequence and does not reinvest.

A major investor concern is the strict exchange time lines and how to locate and close on a property within those time lines. The exchange time period is 180 days (calendar days, not business days) from close of escrow on the relinquished property to close of escrow on the replacement property. Should the last

day of the period fall on a weekend or a holiday, there is no extension to the next business day. The IRS does not provide for any extensions except in certain rare instances arising from disasters, such as hurricanes, earthquakes or tsunamis, and only to those who are directly affected. The deadline to open an exchange is the close of escrow on the relinquished property.

So, how does it work? The first 45 days of the exchange time line are called the identification period. An investor may close on a replacement property at any time after the sale property closes. If the exchanger desires to acquire a property after the 45th day, a list with the address of that property or properties must be provided to the accommodator no later than midnight of the forty-fifth day. Once the deadline passes, the list may not be changed in any respect including additions or substitutions. However, including a property on a list does not obligate the investor to acquire it.


There are two primary identification rules. The first is the three-property rule. It allows the investor to list up to three properties regardless of value. The second is the 200 percent rule, which allows the investor to identify any number of properties greater than three as long as the combined value of the identified properties does not exceed twice the value of the sale property.

The common response to these rules is "How can anyone get the deal done in that amount of time?" Actually, investors meet this challenge all the time. The key is to begin looking for a replacement property at the time the sale property is listed or even before. Putting the replacement property into escrow does not start the exchange time period.



The IRS also provides an alternative called a reverse exchange that allows the investor to buy and close on the replacement property first, then sell the relinquished property and complete the exchange. The time frame and identification rules are the same as in a delayed exchange. The key difference is that the investor is not allowed to take title to the replacement property. It must be parked with a disinterested third party known as the accommodation titleholder. This is generally a single-member LLC formed by the accommodator for the specific purpose of holding title to the replacement property.

At the close of escrow on the relinquished property, all funds for which taxes are to be deferred are wired to the accommodator's account providing the investor with a safe harbor. The IRS presumes an investor using an accommodator has not had actual receipt, that is, the investor received the exchange funds, or constructive receipt, the exchange funds went to anyone who is his agent or under his influence or control such as his attorney or CPA; the realtor or broker; an employee; a family member or the escrow officer. Any such receipt, regardless of amount, invalidates the exchange. **cre**


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The CSN library/classroom on West Charleston Boulevard is one of DCC's current projects.



# DCC Architects grows with Las Vegas

By **Danielle Birkin**  
Contributing writer

As a 45-year practicing Las Vegas architect, Domingo Cambeiro, AIA, president and principal of Domingo Cambeiro Corp. (DCC), has helped create some of the valley's notable landmarks and, over the decades, has witnessed the dynamic growth of Southern Nevada.

"I've been in Las Vegas since 1962 and formed my company in 1970. We have seen so much growth since then," Cambeiro said. "At the time, it was expanding from the center core, which was Fremont Street, and going toward the south along Paradise. That was the first spurt. Then it started taking off to the west, and then in later years with the proliferation of housing by Greenspun in Green Valley, growth started to blend in through the east. In our early years, the valley was evolving so you could not very well specialize in any particular architecture or type of building or use, so we started out being a jack-of-all-trades, from edu-

cational facilities to civic work to commercial, offices and office warehouses. We just strove to provide our clients with whatever services were needed, and that has sort of carried into our business philosophy."

DCC now has 30 employees, including six architects, and is recognized as the largest minority-owned architectural firm in Nevada, with an annual growth rate of about 5 percent, Cambeiro said.

Major past projects include the design of the Thomas & Mack Sports Arena at UNLV; the northwest and south halls expansion of the Las Vegas Convention Center; the 512-unit Polo Towers; the administration building for the Clark County Water Reclamation District; the design of Clark County Government Center; the computer and science labs and classrooms at the Henderson campus of the College of Southern Nevada; and various major projects at McCarran International Airport, including design of the C Gates and tram. Current projects include four facilities for Silver State Bank, two of which are located in

southwest Las Vegas.

"We have been lucky, and have had great opportunities to change the landscape of the valley," said Cambeiro, who is also a LEED-accredited professional and grasps the significance of green design and construction. "For years we have practiced what is now the fad word of sustainability, because we believe that buildings need to sustain the environment and because our environment will only be able to survive for so long," he said. "As we build, we want to make sure we are conscious of energy conservation and what products we put in a building so the health of the occupants is also maintained." This includes taking into account natural lighting, air quality, alternative energy sources, transportation of products, and the use of recycled materials, among other considerations.

These factors are being incorporated into the design of one of DCC's current projects, the \$20.4 million, 78,100-square-foot library/classroom building for the West Charleston Boulevard campus of the College of Southern Nevada,

which broke ground in October 2006 and is a joint effort between DCC and Clark & Sullivan Construction. Slated for completion in the fourth quarter of 2007, the three-story facility will be LEED equivalent, utilizing sustainable approaches that save money, resources and energy, and have a reduced negative effect on building inhabitants and the local community. "We are very excited about designing a project in which we are able to execute sustainable design concepts, thus providing a facility that could be certified by the U.S. Green Building Council," Cambeiro said. "A building of this type provides the students with a healthier environment, which [has been] proven in various studies [to be] beneficial to the learning process."

Cambeiro said challenges to running DCC include recruiting and retaining and qualified employees. "You have to find the right individuals who are capable and knowledgeable and willing to stay for the long term," he said. "We don't hire for [a single] project and we spend a lot of money for training, so we want hold on to professionals as long as we can. If we are slow or in transition from projects, we maintain them here and have them study codes or regulations just to keep them learning, and not just say, 'You don't have job and you are out on the street.'"

The concept of treating employees with respect also crosses over into client relations. Cambeiro is committed to exceptional customer service with a problem-solving approach that strives for innovation by first taking into account the client's site, program needs and design ambitions, a communications approach that guides DCC's design philosophy and ensures design excellence.

"We try to be of service to our clients in terms of design, production of documents, and being within budget and on schedule regardless of size," he said. "We want to design and develop projects that are what the client wants — and give them more bang for their buck. We bring solutions to challenges, and in doing so are very cognizant of costs. You can design a Taj Mahal but can it be built in budget? We also take pride in making sure that what clients are paying for is what they are getting in the field, so we take the time to make sure the contractors and subcontractors are building what is actually on the documents that have been approved. I think clients appreciate that."

As for the future of the firm, Cambeiro said it will likely be propelled and sustained by the continued growth in the valley. "The valley is gearing up for growth again in construction with City-Center and Echelon and all the other major projects that are the engine for the construction industry," he said. "As a result, you'll have more housing and commercial and offices and fire stations and schools and community centers, because those billion-dollar projects really drive the thrust of construction." **cre**

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# Topping off

## Rising construction costs not deterring developers

By **Brian Sodoma**  
Special Publications writer

**C**ontractors and developers have long known that building costs typically inflate about six percent a year. Coupled with skyrocketing land prices that make valley development even more difficult to pencil out, they maintain that the local commercial business machine is still healthy.

In recent years, rebuilding Gulf Coast properties after Hurricane Katrina placed a high demand on building materials and a subsequent upward pressure on price. Soaring gas prices slapped builders with higher hauling fees, and with the ongoing demand for skilled labor, workforce costs have continued to climb as well.

Tom Patterson, executive vice president for MIG Nevada, a local commercial contractor, said he will have his eyes on the upcoming union agreements with electricians, which will set in place the trade's pricing for the next three years. He said it's important to note that material, which gets most of the headline attention, is only 50 percent of the bid.

"The deal I think they're [electricians] looking at now gives them a three-dollar-[per hour] a-year raise. That gives them nine dollars three years from now. That's a pretty good chunk," he said. "This is only going to get a whole lot worse when [MGM Grand's

Project] CityCenter hits peak levels and [Boyd Gaming's] Echelon gets going. Those that have already been paying over scale in order to get help are going to pay even more."

On the material side, Ken Simonson, chief economist for Associated General Contractors, said construction material costs have risen annually at a rate of six to 10 percent in the past few years. But, he also said there has been some price stabilization with lumber and copper, while steel prices have kept rising. Copper prices have risen more than 71 percent in the last year alone.

"Clearly the total dollars on construction are still rising quite rapidly," he said. "[But] people in the private sector are [still] finding a way to go through with the project."

Jaimee Yoshizawa, the developer of Exchange Two One Five, a mixed-use center in the southwest valley, said wood construction penciled out better for certain structures in her 168,000 square-foot, five-building project.

"While we planned for escalations in the market, what we found was that wood dropped to a three-year low. I believe it may have to do with the slowdown in the residential market. ... But concrete has stayed pretty much at the same level and steel, I think, seems to still be going up," she said.

When planning her project, Yoshizawa originally estimated it to only be about half its current size. But she changed her mind

and began acquiring land around her. She said that with the added land costs and materials, she had to increase her density on the project, which forced her to build two- and three-story buildings, to make it profitable.

"In order for a deal to pencil, you have to have that density. You can't do a strip mall anymore and make a profit," she added.

Koko Darakjian, a partner with RLK Investments, which recently completed and leased a mixed-use project, The Meridian, on Water Street in Henderson, said he has little concern about construction costs. Instead, land prices are a greater concern, as he looks to develop other parcels in town, either in Henderson or in downtown Las Vegas.

"Land is more crucial right now. Not so much two-by-fours, drywall or electrical. Land is so high, I don't even think of the other costs," he added. "Material, no matter what, is going to keep escalating, but land has gone so high it's multiplying much quicker than actual goods."

Still, Yoshizawa refuses to be negative about land prices, which in many areas of town are now topping \$600,000 an acre, according to research from Applied Analysis, a local economic research firm. She says developers simply need to be smart about how they build.

"I don't ... look at land prices too much. It's only one component of development. You have to look at it as a whole. ... Can your density and lease rates cover the costs and make a deal pencil," she said.

Steve Elliott, a general superintendent with ROEL, a commercial contractor that has been in the valley for more than a decade, said construction cost increases are simply a matter of fact, but not a cause for concern.

"Construction costs have been rising six to eight percent for the last 90 years. It's the nature of the beast," he said. "If the developer thinks he can make some money off the property, he's going to pay what it takes to make it."

Elliott said construction costs become a problem with long-term projects that may not be built for several years. "In those cases, usually people know. Contractually, you try to make sure you protect yourself," he added.

Brian Gordon, a principal with Applied Analysis, said even though construction costs have been escalating the last few years, he thinks the industry is undergoing a bit of a "leveling off period." But his concern comes with tighter margins for developers in general and an increased supply of future office space having an adverse effect on rental rates.

"I think certainly developers' margins have been squeezed. In some instances it does make projects cost prohibitive," he said. "It kind of cuts both ways. ... There's a lot of inventory coming to market, especially office. Some buildings may be sitting vacant 12 to 18 months. [Owners] will have to cut rental prices to generate more demand." **cre**

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# MGM basks in improvement and diversity

By Danielle Birkin  
Contributing writer

Reinventing hotel resort properties is no small task, but the MGM MIRAGE (MMDG) Design Group handles the challenge with efficacy and ease.

Tony Mancini, MMDG's senior vice president of capital improvements, said his team is responsible for architecture, interior design, construction, accounting, purchasing and contract administration for 10 of the MGM MIRAGE resort properties that include Bellagio, The Mirage, Monte Carlo, TI, New York-New York, Circus Circus-Las Vegas, Circus Circus-Reno, in addition to the Beau Rivage and Gold Strike-Tunica properties in Mississippi. MMDG is also currently designing the guest rooms and suites for CityCenter.

"With approximately 100 on staff, MMDG's capital improvements team is developing and managing on average more than 100 projects," said Mancini. "We could be redoing rooms, suites, villas, food and beverage, retail, spas, salons — anything that a guest can see in one of our resorts we've worked on in one way, shape or form. Not every concept is designed by the team; however,

we are accountable for the final product. We manage the portfolio by having a well-defined business process with leaders who hold the organization accountable and responsible to deliver the vision and mission of the company."

Mancini, who previously served as senior vice president of global retail development for Walt Disney Imagineering and Walt Disney Parks and Resorts, said the capital improvement process entails a great deal of pre-planning and coordination. "We review our portfolio well in advance to ensure that we provide the appropriate due diligence," he said. "In other words, before we even begin design and construction, we consider the scope of every project, and we try and do that months in advance from when we submit our capital plans. We take the time early on, and we do site visits and metrics, and then we start to look at a preliminary schedule. The outcome is to provide a program for management review and approval."

Mancini said that most capital projects take less than a year to complete from design inception to turnover, depending on complexity. There are, however, projects such as an entire tower of guest rooms and suites which would likely

take longer.

"Recent projects at The Mirage include Jet Nightclub, Kokomo's, Japonais, STACK, Onda Ristorante & Wine Lounge, The Beatles Revolution Lounge, and Bare," Mancini said. "At Monte Carlo, we just redid the food court and café, the high-limit poker room, the high-limit slot room and the pool deck. Currently under construction, the new cantina called Diablo's is scheduled to open later this year. At Bellagio, we completed the VIP lounge and casino and are currently developing the hotel suites. At TI, we completed Social House, and we have several room programs under development."

MMDG is also currently developing projects for its New York-New York and Gold Strike-Tunica portfolios. On a larger scale, MMDG recently rebuilt Beau Rivage, the Biloxi, Mississippi barge/casino that was devastated by Hurricane Katrina. "The property is approximately 2.6 million square feet, with 1,700 hotel rooms, 12 retail locations, 15 restaurants and lounges, a 75,000-square-foot casino and a golf course and club house," Mancini said. "We had an average of 1,600 people on the site daily and the project cost was approximately \$500 million."

In addition to his role with MMDG, Mancini is on the company's Diversity Council. He said diversity is important to MGM MIRAGE, which established a commitment to the policy in 2000. Diversity is now a powerful declaration that resounds throughout the MGM MIRAGE workforce.

The company has continued to develop and refine a plan to advance efforts in human resources, procurement, construction, philanthropy, marketing and sales, and public relations. In a statement in the 2006 diversity report from J. Terrence Lanni, chairman and CEO, and Alexis Herman, chair of the diversity committee, they note: "We are pleased to report that 2006 was a banner year for MGM MIRAGE's diversity initiative. Every benchmark by which we evaluate our diversity gains showed upward momentum — among our employment ranks, our suppliers and construction providers, our marketing and advertising campaigns to emerging customer markets, our community contributions and our partnership with local, state and national organizations... The more we do, the more we appreciate the complexities we still have to overcome, but we are pleased with our steady strides in making diversity a key component of our business methods and practices... As we continue our pursuit of excellence in all that we do, we strive, we persevere, we advance, we achieve and we remain united through diversity." **cre**

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# Groups work to halt rise in construction thefts

By Brian Sodoma  
Special Publications writer

With the high price of copper, thieves robbing buildings — either existing or under construction — of copper air conditioning and plumbing lines is becoming more common. Further, construction material thefts are on the rise, according to Metro.

Year-to-date, 2,246 commercial construction site thefts have been reported, up two percent from the same period last year. Commercial thefts make up about 27 percent of the 8,320 total construction thefts reported so far this year, a number high enough to make local contractors take note, said Mandi Lindsay, a government affairs specialist for the Las Vegas chapter of Associated General Contractors (AGC).

Lindsay said one of the big barriers for police solving construction crimes comes from underreporting. She estimates only about a third of all construction site thefts are reported because of high insurance deductibles and a time-consuming reporting process.

“Let’s be honest, to file a construction theft report takes a lot of time, and for contractors, time is money,” Lindsay added. “We’re working with Metro now to see about streamlining the process.”

William Tullock, a Metro crime prevention specialist, said the department is exploring ways to expedite the reporting process. Some ideas involve using the AGC to help transmit reports, or simply calling a direct Metro line to report a theft. Metro is also exploring an Internet reporting option as well.

“One of the problems is that ... these guys [contractors] can’t take time out of their busy day to secure a job site, wait for the police to arrive or drive to the police station themselves to make a report,” said Tullock.

Richard Thomas, a principal with Gary G. Day Construction, a Las Vegas framing company, said often contractors don’t know their site has been hit until they are further along on a job and then realize they don’t have materials they ordered. Thomas, whose company was hit hard by a string of thefts spanning six months and totaling \$80,000 in 2004, said the experience forced him to order only enough supplies for immediate use.

And with the rise in thefts, a subsequent rise in insurance deductibles has been seen as well, said Thomas. “I know a few years ago I think ours was only about five thousand dollars. But now, I hear of them being around twenty or twenty-five thousand,” he said.

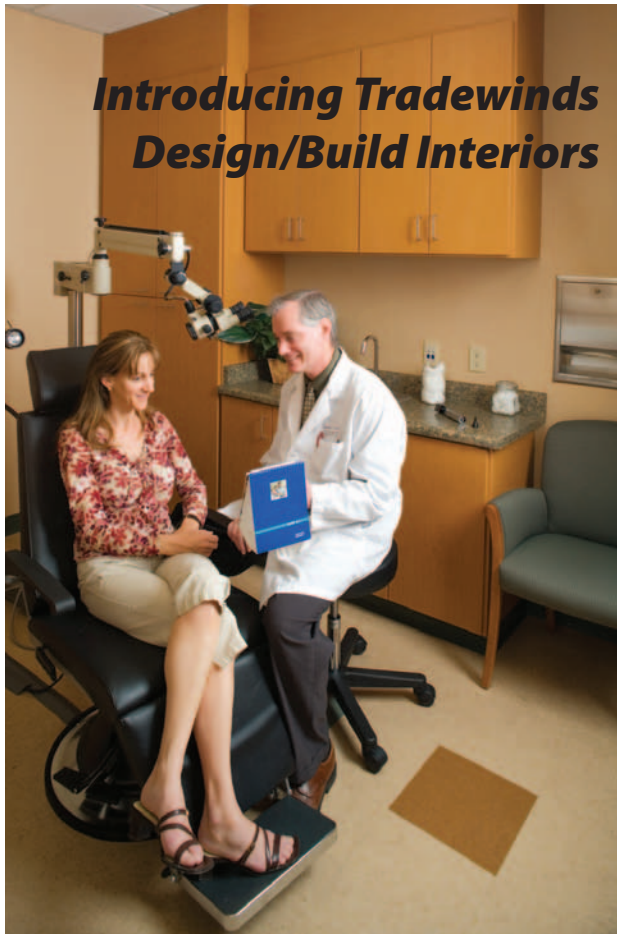
Currently, Metro and AGC are working

on programs that, hopefully, will help local contractors avoid future losses. One approach is through preventative measures. AGC recommends the following:

- Know who belongs on the job site at all times
- Delay delivery of materials and appliances
- Question anyone and anything that looks suspicious
- Tag and mark all inventory
- Hire on-site security
- Implant tracking devices such as GPS or LoJack
- Offer rewards for information
- Offer rewards to “nosy neighbors” to help look after the site
- Report thefts immediately
- Provide LVMPD with current emergency contact information
- Establish a communication network among trusted employees
- Prosecute after recovery

Tullock also said it’s a good idea for contractors to stay in touch with each other about “bad seed” or disgruntled employees who may be a threat to any contractor who hires them. **cre**

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## New southwest development is 'rare find' says leasing agent

By Deborah Roush  
Contributing Writer

As the southwest valley continued to explode from a development standpoint, the parcel of land across from the Von's-anchored shopping plaza on Windmill Lane near Bermuda Road has stood strangely untouched. Not so anymore.

Site work on the \$24 million Windmill Lane Plaza, at 500 E. Windmill Lane, is underway, and the 48,000-square-foot, mixed-use retail center already is close to being half leased, according to Jonathan Baktari, M.D., president and chief executive officer of Omni Development Group, the center's developer.

Baktari said land for the center had been family owned. "They bought it in the 80s for a few hundred thousand dollars and sold it for \$4 million. We paid \$1

million an acre," he said.

To Baktari, it was well worth the price. "I was keen on that new interchange at Windmill and Blue Diamond," he said. "There hasn't been a new interchange on the I-15 freeway coming from Los Angeles before the Strip for decades."

Because of zoning, the Windmill Lane Plaza will be the last piece of commercial-retail built in the area between the I-215 and the I-15 on Windmill Lane, Baktari said. "With the Von's center completely full, if you want a presence in that community, if you want to be in that neighborhood, we're the only game in town," he added.

Baktari said the new center will have two drive-through end caps as well as a drive-through pad for a fast-food restaurant and a restaurant pad with pre-approved outdoor dining. "We're going to be marketing to drive-through coffee

businesses and will have a drive-through for something like a McDonald's or an Arby's," he said.

Baktari said the shape of the land is ideal for this project. "It's long and narrow on the Windmill side and it's rare to find long, narrow property. A lot of commercial goes deep, but people want to be seen. This is all frontage with great sidewalk visibility," he said.

Rob Lujan, vice president of leasing and brokerage for Gatski Commercial Real Estate Services, which is handling leasing of the Windmill Plaza Center, said the project was needed. "There's not a lot of commercial in that submarket and it's going to do very well," he predicted. "And with the two end-caps, it is a rare find."

Baktari said he hopes the community will welcome the center. "If you have a house out there, we want this to be a place where you can get a cup of coffee or, with the outdoor dining, someplace the neighborhood can congregate," he said.

Baktari said the project has a tight construction schedule and is expected to open in January.

A practicing physician, board certified in pulmonary, internal care and critical care, Baktari said his development group is known for getting a project done well and on time. "When we buy a piece of land, we perform," said Baktari, whose investors include physician friends. "I think we do this better than the big guys. Just because they're bigger doesn't mean they can move the process along any faster," he added.

"It's like a symphony; we orchestrate the project. With our last project [Omni's Development Group's 23,000-square-foot Rhodes Ranch Plaza] we got the land in July 2005 and in December 2005 we had permits and started construction. By July 2006, we were done. In 12 months, our doors were open," he said.

"I think that speaks to the team we have around us. From our attorney to our project manager to Gatski Commercial and Bank of Nevada, they're efficient and loyal," he added.

Luhan said Nevada Heart & Vascular, Smoothie King, Sundance Medical Center, Signature Day Spa & Nails and Anytime Fitness have already leased space at the plaza. **cre**

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