

### THIS WEEK

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#### REAL ESTATE SECTION

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## SLC company to bring nearly 70 new urban dwelling units to city



Artist's rendering of what the Westgate Business Center will look like once converted to urban townhouses.

**By Barbara Rattle**  
*The Enterprise*

Clearwater Homes of Utah is serious about developing loft-style urban dwellings in Salt Lake City.

The company, already in the midst of developing the Broadway Lofts project, a 51-unit development near Pioneer Park, recently purchased the Westgate Business Center at 200 South and 300 West, where it will create another 50 units, and has plans to build an additional 17 residences at the historic Telegraph Exchange building at 847 S. 800 E.

Originally a General Electric building constructed in 1929, the

Westgate Business Center, measuring 79,000 square feet and containing 85 office suites, saw its occupancy drop from about 80 percent to roughly 20 percent once tenants were made aware that the then-owner was planning to sell the property. With the assistance of First National Bank of Layton, Clearwater Homes was able to close on the purchase of the structure Feb. 1, said Clearwater CEO Micah Peters.

He said conversion to residential loft units will begin in about six months, with one, two and three-bedroom units equal-

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## Stalled bill would give insurers better crack at school employee health insurance contracts

**By Brice Wallace**  
*The Enterprise*

A bill that would give insurance providers a better crack at school employee health insurance contracts stalled last week in a House committee.

Brought before the House Education Committee a second time after being held once, HB275 failed to gain committee advancement, instead ending in a tie vote.

The bill would require local school boards and charter schools to seek competitive bids from at least three providers every five years for the health insurance benefits that they offer school district employees. It would require bids from at least three insurance con-

sultants if the local board or group of local broads provides benefits to their employees through a self-insurance plan. It also would hold boards and districts free of bidding fees except for the health insurance plan it selects.

The bill's sponsor, Rep. Jim Bird, R-West Jordan, said a legislative audit revealed that districts with bidding for insurance usually had lower premiums than those that did not.

"What we're trying to do here is say to the school districts, 'You know, we don't really care if you keep the same plan that you have or if you keep the same provider that you have or if you keep

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## Greater Salt Lake new home starts up 58 percent from 2011, report says

A total of 6,892 new homes were started in the Greater Salt Lake City area last year, representing a 58 percent increase compared with 2011, according to Metrostudy, a national housing data and consulting firm that maintains the most extensive primary database on residential construction in the U.S. housing market.

During the fourth quarter of last year, there were 1,758 new starts, which is a 55 percent increase compared to 4Q11. While quarterly starts dropped 18 percent from 3Q12, this is a normal seasonal decline, Metrostudy said. The fourth quarter totaled 1,642 new home closings, which is a 45 percent increase compared to 4Q11. Quarter-over-quarter closings actually experienced a 12 percent decrease, which is most likely attributed to the rush of closings that occurred during 3Q12, or pre-election.

"Consumer confidence in the market took a hit after the presidential election, and therefore put some buyers back on the sidelines for a short time," said Eric Allen,

director of Metrostudy's Utah/Idaho Region.

New home inventory for detached product remains healthy at 7.1 months, or 2,731 homes. Under-construction inventory has experienced a 57 percent increase compared to last year, and currently sits at 2,049, which is a 5.3 month supply. "With the rapid increase in sales, available inventory has remained low for the past few years, which has required builders to increase production in order to keep up with demand," Allen said. Finished inventory has declined once again and remains at record low levels. There are currently only 499 finished detached homes on the ground, which at the current pace of absorption is a low 1.3 month supply. This total is down 12 percent from last year and another 7 percent from last quarter. Total inventory for attached homes is down 3 percent from last year at this time to 2,188 units, which is a 16-month supply. Under-construction inventory has

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## Utah Medical Insurance Assn. sold to Minneapolis firm

MMIC, the Midwest's largest medical professional liability company, has entered into an agreement to acquire Utah Medical Insurance Association (UMIA), the leading provider of medical professional liability insurance for physicians in Utah, Montana, Idaho and Wyoming.

After the acquisition, UMIA will become a wholly-owned subsidiary of Minneapolis-based MMIC, but will retain its brand and board of directors. The terms of the transaction were not disclosed. The combined companies will have nearly 20,000 policyholders in 14 states. The organizations will serve the entire health care spectrum: physicians, large hospitals and health systems, clinics, and outpatient and long-term care facilities.

In connection with UMIA's previously plans to sell itself to California-based The Doctors Co., UMIA had a short period in which it could consider other bids.



MMIC emerged with a superior bid and was notified on Jan. 30 of the board's unanimous decision to proceed with MMIC and recommend that UMIA's policyholders approve the transaction.

"A partnership between UMIA and MMIC will provide benefits for both sides," said Bill McDonough, president and CEO of MMIC. "We will be better and stronger together. This partnership will extend MMIC's geographic footprint and broaden UMIA's access to products and services, and we are both interested in preserving our companies' legacies. In the end, we were successful because we were able to assure UMIA that it can retain their own legacy, board and brand, which are highly valued by the board. Together we can provide signifi-

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## INSURANCE

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the same broker that you have,” Bird said. “What we do care about is, have you gone out for bid to make sure you are where you need to be?”

Bird said a district in Wisconsin saved more than \$3 million annually through bidding and that Utah might get similar results because its districts currently pay a total of \$382 million for health insurance. “If we could get just 1 percent of that — just 1 percent — that’s a ton of money,” he said.

At the first committee meeting, Bird used the “fox guarding the henhouse” analogy to describe the problem. Many districts have an insurance consultant on their insurance committees. The consultant is paid by a broker, who gets a commission from an insurance provider, he said. And those consultants analyze requests for proposals from various providers and play a big role in determining whether a competing insurance company has a better bid.

Some Utah school districts

have had the same provider, without competitive bidding, since the 1990s, he said.

“There are plenty of school district that are doing what we’re requesting in this bill,” Bird said at the second meeting, “but there are some that can’t, won’t or, for whatever purpose, haven’t.”

But several committee members and people who testified said the bill was an intrusion on local control and that local districts work hard to know what is best for their employees. One said if a district is not doing the proper activities regarding health insurance contracts, its board members should be held accountable by voters. Among those opposing the bill were representatives of the Utah School Superintendents Association, the Utah School Boards Association, the Jordan School District and the Logan School District.

But supporters said the bill could lead to districts saving money. “To me, it just makes prudent business sense to save money in any way or shape that we can, especially in this environment,” said Rep. Rich Cunningham, R-South Jordan.

Mike Sonntag, a lobbyist

representing the Utah Association of Health Underwriters, said the association’s agents “would like the opportunity to look at some of these school districts and have an opportunity to get into underwriting and bidding some of these businesses, just like the private market. One of the things that drives this very competitive business is an agent is always looking over his shoulder and seeing what [is] the agent down the road going to offer, what is he going to bid, what is he going to bring to the table, and it keeps them very lean and very efficient.”

Majority Whip Greg Hughes, R-Draper, said the bill “at least would encourage efficiencies. ... I am just puzzled by the opposition to this bill.”

Rep. Craig Powell, R-Heber, cited several reasons he opposed the bill, including the likelihood it would do more harm than good. “I don’t think that there’s a problem out there that has to be solved that outweighs the chaos that we could create by implementing a policy like this,” he said.

unemployment rate than the nation, the gap is widening, signaling that jobs are easier to replace here compared to the nation as a whole,” Allen said.

### Ooops ...

A story in last week’s edition of *The Enterprise* about a new off-site parking facility that will be built for Salt Lake City’s Alta Club misspelled the name of the architect on the project. It is FFKR Architects.

## CLEARWATER

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ly represented and measuring approximately 1,200, 1,350 and 1,500 square feet, respectively. Sales prices have not yet been determined.

“The building will be brought back to more of a historical reverence on the street-facing side of 200 South,” Peters said. “On the east-facing parking lot side, where we have 47 surface parking pads, we’ll do more of a paradoxical kind of modernism with steel and glass and architectural metals.”

All top-floor units in the four-story structure will have private rooftop decks, and there will be a common area rooftop deck for the entire community. Construction should take six to eight months; a contractor has not yet been selected. Preliminary drawings were created by Lloyd Architects, Salt Lake City.

“The basement — and one of our biggest attractions to [the building] — has 10-foot ceilings and we can ramp down to the basement and get another 45 parking spots,” he said.

Plans for the Telegraph Exchange building, currently serving as a 16,000 square foot warehouse, call for the creation of eight large, contemporary lofts, Peters said. On the perimeter of a half-acre site, nine modern townhomes will be built.

“Again, the theme is historical reverence on the 800 East frontage with paradoxical modernism on the north and south, inclusive of an exterior mounted steel and glass elevator servicing the rooftop deck, architectural metals and an expansive steel deck and railing system to maximize the concept of indoor/outdoor living,” Peters said. MJSA is the architect on the project. A contractor has

not yet been chosen. Construction should begin in about six months.

“There’s a substantial local emotional response to this building,” Peters said. “It’s on the National Historic Register. We opened it up and people were very excited.

“We are bullish on the future of Salt Lake City urban living, and want to play an essential role in the key projects that will help shape the character and vitality of downtown. In respect to the market, we are seeing the recession-related downward pressure on price subside as the number of available for sale units fall below market equilibrium.” Peters noted that Clearwater Homes, based in Salt Lake City, released 18 units in the Broadway Lofts to “test the market,” and all sold in 10 business days.

The Broadway Lofts are being completed with the help of a \$4.5 million loan from the Redevelopment Agency of Salt Lake City. Peters said both the city and the RDA have been “exceptional partners.” Clearwater’s current construction schedule calls for delivery of 20 to 25 Broadway Lofts units on May 30.

Peters formed Clearwater about a year ago after serving as a senior executive with Richmond American Homes for a decade. He said he likes to see Clearwater’s portfolio consist of about 50 percent urban lofts and 50 percent traditional residential. Current projects in the latter category include Fairfield Meadows in Layton and Cottages at the Rose Garden in Sandy. “Coming soon” communities include Midway Village at the Homestead Resort in Midway, and single-family lots in Farmington.

### Colvin Engineering names Connor as new president

Colvin Engineering Associates, a Salt Lake City-based energy efficient mechanical engineering firm, has named Stephen Connor as its new president. Founder Tom Colvin remains as a full-time senior consultant.

Connor has been a local leader in sustainable design. He was the first engineer in Utah to be LEED accredited and has worked on more than 22 LEED-registered or certified projects.

Founded in 1986, Colvin has been responsible for the mechanical engineering of some of the state’s most challenging and high-profile projects, including the Natural History Museum of Utah and the Salt Lake City Public Safety Building. The firm provides services that include the analysis, design and commissioning of HVAC, plumbing, process piping, CFD modeling and fire protection/smoke control systems.

## HOUSING

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also increased, to 1,445 units, 21 percent more than last year.

“Positive trends are putting the market in a great position for more expansion as we move through the New Year. While nationally, there are some hurdles that will need to be conquered, the fundamentals in the local market are well in place, which will provide for more opportunities and growth in 2013,” Allen said.



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## Bill would give employers tax credits for hiring the homeless

By Brice Wallace  
The Enterprise

A bill that passed through the House last week would provide tax credits for companies that hire homeless people, but critics wondered if it is an example of government favoring one population over another.

A version of HB274 got through the House last year but didn't reach a vote in the Senate.

The new bill would provide credits of \$500 for corporations for employing a homeless person who works between 80 and 160 hours each month of a six-month period, and \$1,000 for those working 160 or more hours each month. The homeless person must have a primary nighttime residence that is "a permanent housing, permanent supportive or transitional facility."

"This is an attempt made to ensure that we assist those who are vulnerable, who have been struggling to make ends meet, who have been struggling with recent timeframes of homelessness, to get back into the workforce and to provide some incentives for businesses to hire them," the bill's sponsor, Rep. Brian King, D-Salt Lake City, told the House Revenue and Taxation Committee.

The bill is not designed to benefit people "living under a viaduct," he said. "They are individuals who have had a recent period of homelessness but are working to transition their way back to permanent housing."

King said the business community supports the bill because it would allow companies to "get more comfortable" when they are

"going out on a limb a little bit" and hiring people who have issues that affect hiring or cause companies to worry if they would be good employees.

Rep. Steve Eliason, R-Sandy, said the bill would help homeless people overcome two strikes against them when they apply for work — one being a homeless shelter address and the other being general homelessness causes such as abuse, mental health issues, chronic health conditions, domestic violence or criminal backgrounds.

King described them as "a stigmatized population." Some choose to be homeless or have mental issues, he said. "But many, many people who are homeless — almost half the people who are homeless — do so as part of being in a family, and they would like nothing better than to get back to work," he said.

But a few committee members, while lauding the bill's intent, nonetheless said the tax code is an improper way to accomplish the bill's goals. One said, however, that using the tax code is better than establishing a spending program.

Two people testified that the bill represents government picking winners and losers. Rep. Douglas Sagers, R-Tooele, wondered if the bill would benefit the homeless at the expense of people on the verge of homelessness.

"I know a number of people who've been really one paycheck away from being homeless. ... I agree with the premise, but I wonder if we're not enabling one group of people over another that

are very close to that (homelessness)," Sagers said.

Several people spoke in support of the bill, matched by an equal number of critics. A few of the latter pointed to the potential impact on the state's education fund. The bill's fiscal note said that about 165 credits are expected to be used in the first year and 330 thereafter. Education fund revenue could shrink by \$248,000 in fiscal 2014 and \$496,000 in fiscal 2015.

"But when you look at the bigger picture," King said, "the effect of employing individuals who are currently not employed and who have had recent periods of homelessness, I think there's not too much question that in a very short time you're going to have additional income into the state coffers that far exceeds the cost of the tax credits."

He added that in putting homeless people to work, "we're likely to take individuals who are currently using resources of taxpayer dollars and wean them away from that to the point that they're contributors to helping others who need taxpayer dollars — in other words, a virtuous cycle."

### Principal Engineer – Mine Expansion Planning

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## Report: Utah beer distributors generate \$247 million in economic impact

A new economic impact report released by the National Beer Wholesalers Association (NBWA) provides the first comprehensive report on beer distribution companies' total impact on national and state economies.

The report found that Utah beer distributors directly employ 721 people. When the impacts of Utah distributor operations — such as capital investment and community involvement — are taken into account, the total number of impact jobs exceeds 1,800. Utah beer distributors generate \$247 million in total economic impacts. Utah beer distributor activities contribute \$50 million to the federal, state and local tax bases; the sum does not include an added \$55 million in federal, state and local alcohol excise and consumption taxes on beer sold in Utah. The Utah beer distribution industry contributes more than

\$76 million in transportation efficiencies for the beer industry each year.

"The beer distribution sector is a hidden gem that has been tremendously undervalued in previous economic reports," said Dr. Bill Latham, co-producer of the report. "Fueling more than 345,000 direct and indirect jobs across the country, beer distributors add \$54 billion to the nation's gross domestic product and offer far reaching benefits to brewers, importers, retailers, consumers and government agencies at all levels."

Latham and Dr. Ken Lewis of the Center for Applied Business & Economic Research at the University of Delaware authored the report.

Nationally, there are 3,300 independent beer distributors that employ more than 130,000.

## Three Utah firms make Forbes' 'most promising' list for 2013

Three Utah firms have made *Forbes'* annual list of America's Most Promising Companies for 2013.

Now in its third year, *Forbes'* annual rankings recognize the top 100 privately held, high-growth companies with bright futures to watch in the coming year. In conjunction with data research firm CB Insights, *Forbes* identified the top U.S.-based, private companies from a holistic perspective, taking into consideration each company's growth, quality of its management team and investors, margins, market size and key partnerships.

Ranking No. 23 is Qualtrics, a Provo-based provider of enterprise data collection and analysis products for market research, voice of customer, employee performance, and academic research.

### Miller named president of GSBS Architects

The board of directors of GSBS Architects, Salt Lake City, has elected Kevin B. Miller as president of the firm. Miller has served as managing director for seven years and was named CEO last year.

Miller joined the firm in 1988 after receiving his master of architecture degree from the University of Utah. Currently, Miller is the principal in charge of Salt Lake City's new \$80 million Public Safety Building, which will be completed in a few months.

Firm founder Michael J. Stransky has been named president-emeritus and will continue to be associated with the company he co-founded in 1979.

According to the list, it has sales of \$48 million and employs 270.

Coming in at No. 46 is Vivint, also based in Provo. The largest home automation services firm in North America, it has sales of \$400 million and employs 2,533.

Ranking No. 97 in Aquatherm, an Orem-based producer of advanced and environmentally friendly piping systems. According to the list, it has sales of \$19 million and employs 22.

Over the course of six months *Forbes* reviewed thousands of applications to be on the list. The final assessment is based on growth (both in sales and hiring), quality of management team and investors, margins, market size and key partnerships.

Under the direction of Stransky and co-founder Abram Gillies, GSBS built its practice around the design of complicated, technical buildings. With the addition of David Brems, a leader in passive solar design and daylighting, GSBS pioneered new designs for office buildings, residences, religious buildings, recreation centers, industrial facilities and sports facilities.

GSBS Architects is a 90-person firm offering architecture, landscape architecture, interior design, energy engineering and planning services through offices in Salt Lake City, Fort Worth and Guadalajara.

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## Bill could punish Utah truckers using hand-held mobile devices while driving

Commercial vehicle drivers would be subject to license suspension if they use a hand-held mobile phone while driving under provisions of a bill that passed through the state Senate last week.

But supporters noted that SB19 simply puts Utah law in conformance with federal law on the matter.

SB19 says a commercial driver license may be suspended if the driver uses a handheld mobile phone while driving a commercial vehicle.

The bill's sponsor, Sen. Scott Jenkins, R-Plain City, said the bill was crafted in a way to not affect two-way communication through "push-to-talk" phones used when drivers speak with dispatchers, meaning cell phone use itself is not the issue but rather the act of dialing numbers.

Sen. Daniel Thatcher, R-West Valley City, wondered if SB19 is necessary because Utah already has laws about distracted driving. He said Utah has little power over what the federal government considers legal or illegal and

added that he prefers handheld cell phone use to be a matter of company policies.

But Sen. Kevin Van Tassell, R-Vernal, said failure to pass SB19 could put Utah at risk of losing federal highway funding. Van Tassell said most large trucking companies already have cell phone prohibitions or instruct their drivers to pull over and stop their vehicles if they need to use a cell phone.

The bill had been recommended by the Transportation Interim Committee.

## Legislation would ban municipalities from barring lawful fireworks

A bill endorsed by a legislative committee would prohibit counties or cities from banning lawful fireworks.

The bill, HB289, does have a caveat, however. Those govern-

ment entities can ban their use in certain "hazardous" areas.

Passed out by the House Business and Labor Committee, the bill says counties and municipalities cannot prohibit the discharge of Class C common state-approved fireworks. Legislation last year set the dates and hours that fireworks may be used.

But fireworks use can be prohibited by those entities in certain areas if their local fire code official determines that hazardous conditions exist. Those areas include mountainous, brush-covered or forest-covered areas and the "wildland urban interface area" (where human development meets or mingles with undeveloped wildland or land used for agriculture).

The bill's sponsor, Rep. Jim Dunnigan, R-Taylorsville, said the measure gives local fire officials a broadened "menu" of areas for

banning fireworks.

Lincoln Shurtz, director of legislative affairs for the Utah League of Cities and Towns, said the bill will provide clarity because many cities have been confused about the sales and discharge of fireworks.

Richard McMullen, representing TNT Fireworks, said fireworks should be allowed in developed areas, adding that in the past some communities wanted to prohibit fireworks "where there was no good reason to."

John Hiskey, deputy mayor in Sandy, backed the bill, saying its intent is "not to prohibit fireworks; it's to protect areas that have hazardous potential to them."

The bill also says a person can be prohibited by local entities from using fireworks if the person violates a local fireworks negligence ordinance.



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## SOS Employment marks 40th anniversary

January 2013 marked the 40th anniversary of SOS Employment Group, a West Valley City-based international employment services firm. SOS has grown to become the 32nd largest staffing firm in the United States, and, most recently, expanded into Canada.

SOS will kick off the year by striving to collect interview and work attire for job seekers at each of its 155 locations. Job-for-Job, an SOS charitable program, is making donations of its job search training software to job seekers and will be hosting a 40-hour job fair.

SOS provides general staffing, professional, engineering and technology and reemployment services, and operates a dedicated skilled trades division, SOS Tradesmen.

## Vivint names Alex Dunn to position of president

Provo-based Vivint, the largest home automation services firm in North America, has promoted Alex Dunn to the office of president.

Dunn, who has been with the company for seven years, was previously chief operating officer at Vivint.

Prior to Vivint's sale last fall to The Blackstone Group for more than \$2 billion, Dunn was instrumental in securing equity partners, including Goldman Sachs, Peterson Partners and Jupiter Partners, and a \$690 million credit facility. This funding allowed Vivint to pursue new market opportunities and fuel growth.

Prior to joining Vivint, Dunn was deputy chief of staff/COO to Gov. Mitt Romney in Massachusetts. Prior to serving with Romney he co-founded LavaStorm and m-Qube, both venture-backed high tech firms. Dunn holds a B.S. degree from Brigham Young University.

## UMIA from page 1

cant value to our markets. And our two organizations, in addition to being complementary from a geographic perspective, are a better cultural and philosophical fit."

The transaction is expected to close in the first half of 2013.

UMIA is a Salt Lake City-based reciprocal insurance company managed by USMA Insurance Management Co. It was formed in 1978.

# • Industry Briefs •

## BANKING

• **Shea Bettencourt**, veteran mortgage loan officer and local resident, has advanced within Ogden-based **Bank of Utah** to become the new mortgage branch manager at the Providence location. Bettencourt worked for more than 14 years as a loan officer for various mortgage lending institutions, including MetLife and Wells Fargo, before being hired by Bank of Utah 18 months ago. His advancement has taken him to the Providence branch where he will also continue to serve as a loan officer.

• **TAB Bank**, Ogden, has released its new **mobile banking app**. It is currently available for TAB Bank's personal account customers and is available for download on the Apple App Store or Google Play for Android devices.

## CONSTRUCTION

• **Erik Wright**, controller at Salt Lake City-based **Spectrum Engineers**, has been named the National Association of Credit Management (NACM) Business Credit Services 2013 **CBF Designation of Excellence Award** winner. The award will be presented to Wright in April at the annual stockholders meet-

ing and dinner. Wright will also be nominated for the NACM National CBF Designation of Excellence Award. The national winner will be announced in May. The Credit Business Fellow (CBF) designation is an academic and participation-based designation which illustrates that achievers are knowledgeable about and have contributed to the field of business credit by first having earned the CBA designation as well as having completed additional course work. The CBF signals competence in business and credit law.

• **Associated Builders and Contractors** recently announced

the appointment of **Ron Hadley** of Jack B. Parsons Co. as 2013 chairman of the board of the Utah chapter. Hadley has served on ABC's board for four years before taking the helm as chairman in 2013. In all, Hadley's combined service as an ABC board member totals 10 years. ABC's executive committee consists of chair-elect Dave Hill, Cameron Construction; chapter counsel Darrel Bostwick, Bostwick & Price; secretary Josh Van Orden, VO Brothers Mechanical; past chair Dave Stryker, SOS Employment Group;

and Clair Rood, CBIZ ATA Services, as chapter treasurer.

• **Messerly Concrete**, Ogden, was recently awarded a **Golden Trowel Award** for its outstanding performance on the Center for New Media project located in Salt Lake City. The project won the Somero Laser Screed (Narrow Bay) category. In addition, the company was also awarded a Silver Trowel Award for the Rockefeller FTZ Building E located in Salt Lake City in the Somero Laser Screed (Wide Bay, Large Project) category. Messerly Concrete broke into the worldwide rankings this year with their first Golden Trowel win. Presented by the Face Companies, the Golden Trowel recognizes the flattest and most level floor slabs placed in the world in the previous contest year.

• **Jerry Fletcher** recently joined **Reeve & Associates'** surveying department as a registered professional land surveyor and project coordinator. He brings 15 years of experience in land surveying to the position. Based in Ogden, Reeve & Associates currently has commercial, industrial, medical, military and multifamily projects throughout the western U.S. and Pacific Northwest.

• The **David Eccles School of Business** at the University of Utah has created the **James Lee Sorenson Center for Global Impact Investing**. Created through a \$13 million personal gift from James Lee Sorenson, the new center will engage students at the University of Utah and partner universities in creating sustainable change on regional and global levels through high-impact social investment, innovative curriculum and research. The new center will serve as a growth platform for the University Impact Fund, a joint venture launched in 2010 by the David Eccles School of Business, the Melvin J. Ballard Center for Economic Self-Reliance at Brigham Young University, James Lee Sorenson and global impact investor Geoff Woolley. The center will accelerate the work of the University Impact Fund, which cultivates impact investment expertise in students through real-world experience while providing consulting and advisory services in the social entrepreneurship and impact investment sector.

• Weber State University's **Alan E. Hall Center for Sales Excellence** is **launching in 2013** and has been designed to advance and elevate sales techniques

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**HITACHI**

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# Staffing Matters

## Workforce development in manufacturing

The manufacturing industry has quickly changed into a fast-paced, technologically advanced workplace. Due to these changes, the face of the manufacturing workforce has changed as well. There is no denying that U.S. manufacturing has recently experienced a series of ups and downs related to the rapid decline in lower-skilled manufacturing positions, many of which have moved overseas. As a result of this decline, manufacturing companies' needs have shifted from lower skilled employees to those with more complex, technically advanced knowledge that will keep companies competitive within the industry.

This need for more highly skilled workers has coincided with a growing shortage of workers with the advanced skills needed to fill these open positions, forcing manufacturing companies to take new approaches to how they

attract and retain workers.

What can companies do?

According to Spherion's Emerging Workforce Study, manufacturing employees are among the most loyal and hardest-working, and tend to have more traditional mindsets at work. The study also reveals that manufacturing workers have a relatively high dissatisfaction with both training and career development opportunities and growth potential offered by



**Ron Zarbock**

today's employers. Additionally, companies in manufacturing also have some room for improvement in the benefits department so that the skilled workers who are available can be courted with a more enticing package.

### Benefits

Workers, who have advanced skills in computers and integrating technology that result in higher productivity and cost effectiveness for businesses will be looking

for benefits that can provide work/life balance because they will be working the longer hours. Options such as flexible scheduling and job sharing can differentiate one company from the next, especially in an industry that tends to have more traditional workers and employees. This means that companies may need to be prepared to upgrade their benefits with more emergent options to increase their chances in making hires among young workers with desired skills, and positioning the company as an employer of choice in a tight industry for candidates.

### Training and Career Development

Manufacturing employers must understand that they have to encourage their supervisors and managers to assist workers in furthering training and development. This emphasis on training and workforce development will not only satisfy current employees and help with retention, but will

also act as an aid in recruitment efforts of candidates coming out of school and looking to enter the workforce. In-house training and career development will also help workers who may not already possess the more advanced skills get up to speed and allow them to move into positions that require more technologically advanced skills.

### Shoring up the Knowledge Gap

Like many other industries, manufacturing is experiencing a "graying" of its workforce. With a large portion of workers expected to retire within the coming decade, manufacturing is facing not only a shortage in skilled workers, but a significant loss of its workforce as well. One of the ways to combat this dearth is to establish a mentoring program. Pairing more mature workers, who acquired their skills and knowledge through experience, with younger workers who are eager to learn and create a foundation for their career, will

ensure a minimal loss of knowledge and provide a cost-effective alternative to expensive training.

### Bottom Line

Manufacturing is turning into a high-tech, advanced skill career option. In order to recruit the employees needed to fill more complex positions, companies need to make slight adjustments to increase their recruiting and keep them competitive in the industry. As the manufacturing workforce shrinks, companies will have to evaluate where they can make changes in areas such as benefits and training to position them as clear employers of choice in the industry.

Ron Zarbock is the area owner and manager for Spherion Staffing and Recruiting and Today's in Utah, with several locations along the Wasatch Front. Zarbock has more than 30 years of business experience in process and distribution, automation and workforce solutions.

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# Legal Matters

## Securing land rights for renewable energy projects

At the core of any renewable energy project's overall value is the security, stability and flexibility of the project's land rights. Before any wind turbine or solar panel can be constructed, land interests must be acquired and secured. One of the most common and preferred tools for acquiring and securing such interests is a long-term land lease. A typical land lease for developing a renewable energy project contains provisions setting out the term, the purposes for which the developer may use the property, the amount and method of calculating rent, and default and cure provisions. The purpose of this article is to summarize the critical provisions and identify pitfalls of renewable energy land leases.



Adrienne Bell

during which the developer conducts feasibility and due diligence investigations on the property and designs and constructs the project. The developer requires broad inspection rights and access to the property during the development term and often must install equipment on the property, such as meteorological towers, in order to collect the necessary data to determine the property's suitability for a renewable energy project. The rent due to the landowner during the development term is usually fixed on a per-acre price.

Upon the expiration of the development term, the developer would have the right to extend the agreement automatically. This extended or operating term typically is tied in duration to the term of the developer's power purchase agreement and can range anywhere from 30 to 50-plus years. Rent during the operating term is based in some measure on the

project's energy output. Often the most heavily negotiated provision of the land lease, operating rent can be based on a percentage of the gross revenues received by the developer from the sale of the electricity generated by the facilities on the property or on a fixed rate per kilowatt-hour or megawatt-hour of electricity generated by the facilities on the property.

Given the critical importance of operating rent to both the developer and the landowner, the land lease should clearly define how such rent will be calculated. If operating rent is based on gross revenues, for example, the land lease should clearly delineate how costs and credits (e.g., tax credits, renewable energy credits, prepaid power purchase agreement payments) factor into the gross revenue calculation. Because the information used to calculate the operating rent typically lies with the developer (or project operator), the landowner often will insist on the right to audit rent calculations and a process for resolving any

discrepancies or underpayments of operating rent.

If the renewable energy project involves multiple parcels owned by different landowners, operating rent may vary from lease to lease within a project, or even from parcel to parcel within the same land lease. For example, a land lease may specify minimum payments to the landowner in the event that all or a portion of the property is not used primarily for energy generation (i.e., used for transmission lines, roads or other project purposes). A land lease also may call for additional compensation to the landowner for the developer's right to place certain project facilities, such as substations or operations and maintenance facilities, that serve the entire renewable energy project as a whole. The landowner also may require additional assurances that the developer or its successors have the financial means to operate the renewable energy project for the term of the land lease and will remove the project facilities

and restore the property at the project's termination.

### Scope and Use of the Property

The primary purpose of a renewable energy land lease is the construction and operation of the renewable energy project. The land lease will include the total amount of the landowner's property subject to the land lease and delineate the scope and extent of the developer's rights in the property. Under a typical project land lease, the developer has the right to thoroughly inspect the property, conduct feasibility studies and construct, own and operate the energy generating facilities. Developers also need rights to access and build related improvements, such as roads, transmission towers and lines and substations. Exclusivity and non-interference provisions limiting the landowner's ability to interfere with the construction or operation of the renewable energy project, including limitations on the size and kind of structures that can be built on the property by the

see *ENERGY* page 9

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## Pushy, aggressive, obnoxious or professional — which are you?

Sales reps get a bad rap for trying to sell too hard.

You've heard the term "pushy salesman" or "aggressive salesperson" or even "obnoxious salesman." How do those phrases make you feel?

And salespeople go to great lengths *not* to be perceived as pushy or aggressive or obnoxious — so they (maybe you) go to the opposite end of the spectrum and try to be or be known as professional.

Beware and be aware: a professional sales call is OK, but boring. Professional meetings typically have no outcome. Or worse, they result in never-ending follow-up, void of sales. Not good. Here's a good way to think about professionalism: your customer must *perceive* you as a professional person. It's more of a look on your part, and a perception on the part of the customer. In today's world of selling, professionalism is a given. Your words, actions and deeds take over from there.

Professionalism is not bad, but professionalism alone will not net sales.

Between pushy, aggressive, obnoxious and professional lies a middle ground — a ground where sales are made. It's known as *assertive*.

Caution: Assertiveness is not a word — it's a strategy and a style. It's not just "a way in which you conduct yourself." Rather, it's a full-blown strategy that has elements to master way before assertiveness can begin and be accepted as a style of selling.

Assertiveness is a good style of selling as long as you understand, and have mastered, the elements that make "assertive" acceptable on the part of the customer.

Where does assertiveness come from?

• **The root of assertiveness is belief.**

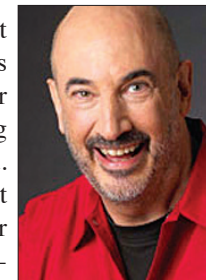
Your belief in what you do, your belief in who you represent, your belief in the products and services that you sell, your belief in yourself, your belief that you can differentiate yourself from your competitor (not compare yourself to), and your *firm* belief that the customer is better off having purchased from you. These are not things you believe in your head. Rather, these are things you must believe in your heart. Deep belief is the first step in creating an assertive process. Until you believe, mediocrity is the norm. Once you believe in your heart, all else is possible.

• **An attitude of positive anticipation.** In order to be assertive, positive attitude or YES! attitude is not enough. You must possess an "attitude of positive anticipation." This means walking into any sales call with a degree of certainty that the outcome will be in your favor. It means having a spirit about you that is easily contagious — a spirit that your customer can catch, and buy.

• **Total preparation is the secret sauce of assertiveness.** This must include customer-focused, pre-call planning as well as creating the objective, the proposed

outcome, for a sales call. Most salespeople make the fatal mistake of preparing in terms of themselves (product knowledge, literature, business cards, blah, blah). The reality of total preparation means preparing in terms of the customer first. Their needs, their desires and their anticipated positive outcomes — their win. If these elements are not an integral part of your preparation, you will lose to someone who has them.

• **The assertive equation must also contain undeniable value in favor of the customer.** This is not just part of preparation, this is also part of the relationships you have built with other customers who are willing to testify on your behalf, and other proof that you have (hopefully in video format) that a prospective customer can relate to, believe in, and purchase as a result of.



**Jeffrey Gitomer**

Reality: It's not about changing your beliefs, it's about strengthening your beliefs. It's not about changing your attitude, it's about building your attitude. It's not about changing your preparation, it's about intensifying your preparation. It's not about adding value, it's about delivering perceived value.

Bigger reality: When you have mastered *belief, attitude, preparation and value*, as I have just defined them, then and only then, can assertiveness and assertive selling *begin* to take place.

Biggest reality: Incremental growth in belief, attitude, preparation and value offered will lead to assertive sales calls and an increase in sales.

Your stature is the glue. Your professional look, your quiet self-confidence, your sureness of knowledge and information that can help your customer, your past history of success, your possession of undeniable proof and your assertive ability to ask your customers to be responsible to their customers and their employees. (Responsibility is an acceptable (and assertive) form of accountability.) No customer wants to be *accountable* to a sales rep, but every customer has a million to be *responsible* to his or her customers and co-workers.

When you combine your belief, your attitude, your preparation, your value and your assertiveness, the outcome is predictable: It's more sales.

Next week is all about the assertive sales call. Get ready.

Jeffrey Gitomer is the author of *The Sales Bible*, *Customer Satisfaction is Worthless*, *Customer Loyalty is Priceless*, *The Little Red Book of Selling*, *The Little Red Book of Sales Answers*, *The Little Black Book of Connections*, *The Little Gold Book of YES! Attitude*, *The Little Green Book of Getting Your Way*, *The Little Platinum Book of Cha-Ching*, *The Little Teal Book of Trust*, *The Little Book of Leadership*, and *Social BOOM!* His website, [www.gitomer.com](http://www.gitomer.com), will lead you to more information about training and seminars, or e-mail him personally at [salesman@gitomer.com](mailto:salesman@gitomer.com).

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## ENERGY

from page 7

landowner and other third parties, are also important for protecting the developer's investment in the project.

The landowner retains the right to continue to use the property subject to the land lease in all other ways. With a typical wind energy project, for example, the landowner often will retain the right to use the land for farming, ranching and grazing, timber harvesting, hunting and fishing, and mineral exploration, so long as such uses do not interfere with the renewable energy project. The landowner also preserves the right to lease for other purposes any land excluded from the land lease.

### Title Review

Title review is critical to renewable energy projects. As with any real estate development project, if the title to the project lands were to fail during or after the project's construction, losses and other costs could be significant. Even a single title defect can have disastrous consequences if not addressed as part of a project's due diligence investigations. A title defect can occur when, for example, a developer obtains a leasehold or easement interest from someone claiming to own the land, but all or part of the fee simple title is vested in another party. A title defect also can take the form of an existing encumbrance on the property, such as an oil and gas lease or a severed mineral estate held by a third party, that may be incompatible with the construction or operation of the renewable energy project for the term of the land lease.

For these reasons, most developers will conduct a thorough search and examination of the title to the project lands and purchase a policy of title insurance representing the amount of investment in the project. In addition, more specialized endorsements to title policies covering renewable energy projects are becoming increasingly common, such as an endorsement for the expenditures to install the facilities. It is also advisable to obtain an ALTA survey of the project lands showing existing easements and encumbrances, improvements and other physical features important to the siting, construction and operation

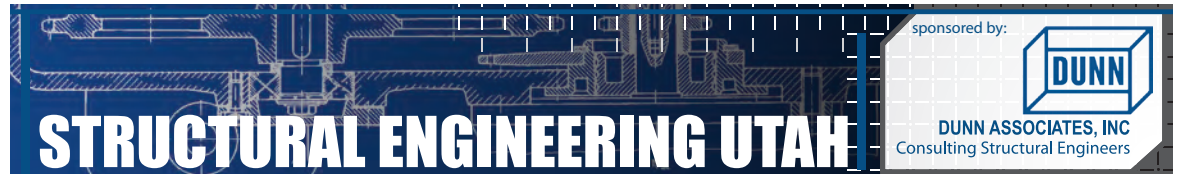
of the renewable energy project.

### Lender Requirements

As with any lease, a project lender will want to see that certain provisions are included that protect the lender's interests. A lender typically will require that the land lease provide the lender with an opportunity to receive notice of, and cure, any defaults of the developer of the terms of the land lease. A lender also will want to see that the developer is allowed to sublet or assign its interests in the land lease to third parties. A lender may require the right to approve any amendments to the land lease. A subordination agreement from the landowner also is important from the lender's perspective as it allows the lender's lien, which is junior to the land lease, to become the superior lien on the property. A non-disturbance provision is critical to protect both the developer's and lender's interests in the land lease by ensuring that the land lease will remain in effect so long as the developer is not in default. Lastly, for the reasons mentioned previously, most institutional lenders customarily require a lender's policy of title insurance to insure mortgages or trust deed liens on the developer's interests in the renewable energy project.

Thus, a successful renewable energy land lease is one that creates and protects the developer's, the landowner's and the lender's interests and investment in the property. A successful land lease also provides reliable income to the landowner while offering the flexibility and security necessary for the developer to profitably operate the renewable energy project through the lease term.

Adrienne Bell is an associate in Stoel Rives' Real Estate section, practicing in the areas of real estate, renewable energy and natural resources law. Bell focuses on all aspects of the real estate development process, including acquisition and leasing; permitting, zoning and land use entitlements; community and site planning; environmental remediation; adaptive reuse of historic properties; and Green Building and sustainable development strategies. She also provides real estate, land use and development services to the renewable energy industry. She can be reached at (801) 578-6983 or [ajbell@stoel.com](mailto:ajbell@stoel.com).



## Building Permits are not Created Equal, Part 1

There may be somewhat of a misunderstanding that just because a project obtained a building permit, the drawings must be completely correct. Although this would be a comforting notion, it could also be far from the truth. This is not to insinuate that any willful deception, shortcomings or shortcuts are ever intended or allowed, but to state that it's a complicated process which may not be without compromise.

If a project receives a building permit from the local jurisdiction, it is inaccurate to assume that said jurisdiction warrants the completeness and accuracy of the documents.

It is not the total responsibility of the building department to correct the design professional's work or to even catch all mistakes that may exist within the building drawings. It is their responsibility, however, to provide a cursory review and to check general conformance to current building code requirements. To assume that a few hours of their review can insure that the documents are free from error is not the intent.

Building departments in general are not legally responsible for errors and mistakes in drawings that are not identified through the plan check process. They do their very best to help ensure that a minimum level of competence is

achieved in the industry.

This is not to suggest that permit fees should be raised, but rather to clearly identify the hidden value of money well spent during the design process. If all engineering firms charged the same fee for their design services, how would you then make your selection? Obvious answers to this simple question would include experience, service, schedule, personality, location, capacity and relationships. Like other business models, those businesses that cannot successfully compete on merit have to do so with price. If an attorney, CPA or doctor charged a substantially lower price, you would certainly question competence or service. This should also be true with professional design services.

The real responsibility with design rests with the professional, not some governing jurisdiction, yet there seems to be a peace of mind when a building permit is issued.

To be continued ...

Ronald Dunn is the owner and founder of Dunn Associates Inc., a structural engineering firm in Salt Lake City. Since founding Dunn Associates in 1995, he has been directly responsible for structural designs as well as supervising a large staff of professional engineers.

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# • Calendar •

• Feb. 12, 7:15-9 a.m.: **Association for Corporate Growth Utah breakfast meeting.** Guest speaker will be Jason Kilgore of Kilgore Companies. Location is the Little America Hotel, 500 S. Main St., Salt Lake City. Register at [www.acgutah.org](http://www.acgutah.org) or by calling Linda Blake at (801) 359-8613.

• Feb. 13, 6-8:30 p.m.: **Utah Entrepreneur Workshop.** Event will include tips on starting a business and creative ways to fund a startup company, networking with others and gaining tools to propel ideas forward. Keynote will be by Adam Casto, partner at Rees Capital. Location is Utah campus of the University of Phoenix, 5373 S. Green St., Suite 300, Salt Lake City. Free. Details are at [www.eventbrite.com/event/5087835854#](http://www.eventbrite.com/event/5087835854#).

• Feb. 14, 11:30 a.m.: **Building Owners and Managers Association (BOMA Utah) monthly luncheon.** Guest speaker will be Michael Nascimento. Location is the Grand America Hotel, 555 S. Main St., Salt Lake City. Free for BOMA members, nonmembers pay \$45. Register at [www.BOMAUtah.org](http://www.BOMAUtah.org).

• Feb. 19, 11 a.m.-noon: **"Difficult Conversations: From A Pounding Heart To An Open Mind" webinar** presented by Webinar Masters of North Salt Lake. Presenter Jerilyn Willin of JWillin Consulting will discuss how to make critical, difficult conversations easier and more productive. Cost is \$49. Details and registration are at [www.webinar-masters.com](http://www.webinar-masters.com).

• Feb. 21, 3-4:30 p.m., repeating June 20 and Oct. 24: **"Arc Flash: Danger at Your Fingertips,"** presented by Hunt Electric. Attendees will learn how to increase the awareness of a dangerous condition that can be

averted through proper preventive maintenance techniques and the right personal protective equipment. Instructor will be Scott Searle, TEGG department manager. Location for all events is Hunt Electric, 1863 W. Alexander Ave., West Valley City. Cost is \$20. Register at [hunteelectric.com/training.htm](http://hunteelectric.com/training.htm).

• Feb. 22, 2-4 p.m.: **"Wider Net, More Fish: A Workshop for 21st Century Marketers."** Workshop facilitator is Mark Farr, managing partner at Jibe Media, which he cofounded in 2001. Discussion will include the nine rules of effective online engagement, the five key components of visibility strategy, and creating a strategy for maximizing Web presence. Location is Corporate Alliance Salt Lake Hub, 7730 Union Park Ave., No. 150, Midvale. Details and registration are available by contacting Matt Castleberry at (801) 433-5423 Ext. 205 or [Mattc@jibemedia.com](mailto:Mattc@jibemedia.com).

• Feb. 22, 11 a.m.-1 p.m.: **Society for Marketing Professionals Utah Winter Day.** Teri Klug, director of strategic development at the Economic Development Corp. of Utah, will share insight on a few of the most exciting corporate, manufacturing and industrial developments being discussed in Utah. Following lunch, Lin Alder from ETC and Erick Allen from Layton Construction will lead a guided tour of either cross country skiing or skate skiing at a nearby resort. Location is Jupiter Bowl, 1090 Center Dr., Park City. Register at [www.smp-sutah.org](http://www.smp-sutah.org).

• Feb. 28, 3-5 p.m.: **Utah Technology Council Emerging Exec P2P Forum Series.** Nathan Furr, professor of entrepreneurship at Brigham Young University, will discuss validation of business models, pricing, revenue

streams, market channels and go-to-market strategies. Location is Rees Capital, 651 W. South Jordan Parkway, South Jordan. Details are at (801) 568-3500 or [www.utahtech.org/events](http://www.utahtech.org/events).

• Feb. 28-March 1: **Fourth annual Intermountain Sustainability Summit.** Event will include education programs, networking and trade show. Focus will be on energy efficiency, renewable energy and achieving carbon neutrality; water conservation, quality and management; and recycling and waste reduction and elimination. Keynote speaker L. Hunter Lovins, president and founder of Natural Capitalism Solutions, will discuss "The Business Case for Sustainability." Related activities include Utah College/University Sustainability Consortium Meeting, 4:30-6 p.m.; Utah's GreenX Team Exchange meeting, 4:30-6 p.m.; and networking dinner, 6:30-8:30 p.m. at Roosters (\$40 cost). Location is Weber State University's Shepherd Union Building. Summit cost is \$75 for general attendees and \$65 for Utah Recycling Alliance members before Feb. 14 and \$90 thereafter; \$10 for students. Students may attend for free by volunteering at the summit (contact Jennifer Bodine at 801-626-6421 or [jenniferbodine@weber.edu](mailto:jenniferbodine@weber.edu)). Details and registration are available at [www.intermountainsustainability-summit.com](http://www.intermountainsustainability-summit.com).

• March 4, 11 a.m.: **Intermountain Association for Corporate Growth Capital Connection and Deal Source.** The conference connects private equity groups with middle market businesses and the intermediaries who work with them across the Intermountain West. Luncheon keynote speaker will be Michael O. Leavitt, formerly governor of Utah and Secretary of Health

and Human Services. Location is the Grand America Hotel, 555 S. Main St., Salt Lake City. Register at <http://www.acg.org/utah/2013acgutahintermountainconferenceandacgcapitalconnection.aspx>.

• March 7, 8 a.m.-1 p.m.: **Siemens Energy Days,** with company highlighting solutions for energy efficiency in facilities, including smart building concepts, system recommissioning, and utility management and monitoring. Siemens will provide a breakfast and lunch and a keynote speaker, and vendor booths will highlight the latest technologies in energy products. Location is Salt Lake City Downtown Hilton, 255 S. West Temple, Salt Lake City. Details are available by calling (801) 230-4895.

• March 19, 7-9 p.m.: **"Power, Persuasion & Purpose: Preparing & Arming the Next Generation to Compete and Succeed Globally."** Cari E. Guittard, founding principal at Global Engagement Partners, will discuss the weapons of global influence and global mindsets. Guittard teaches graduate courses in corporate diplomacy and geopolitics for the University of Southern California Annenberg School and courses in international negotiations and women's leadership for the Hult MBA School in Dubai. Location is the Bill and Vieve Gore Concert Hall at Westminster College, 1840 S. 1300 E., Salt Lake City. Event is free and open to the public. Details are at [utahdiplomacy.org/events](http://utahdiplomacy.org/events).

• March 28, 3-4:30 p.m., repeating April 25, Aug. 29, Sept. 26 and Nov. 14: **"Solar Photovoltaic Energy: Generating Your Own Electricity,"** presented by Hunt Electric. The events are designed to provide a better understanding of renewable energy systems, design, installation and work pro-

cedures by owners, architects and other construction team members. Instructor will be Brok Thayn, PE, LEED AP and NABCEP Certified Electrical Engineer. Location for all events is Hunt Electric, 1863 W. Alexander Ave., West Valley City. Cost is \$20. Register at [hunteelectric.com/training.htm](http://hunteelectric.com/training.htm).

• April 11: **Annual Governor's Utah Economic Summit.** Event will feature keynote presentations and panel discussions in multiple tracks about strategic opportunities and challenges facing businesses. Location is Grand America Hotel, 555 S. Main St., Salt Lake City. Cost is \$140 before March 1, \$200 thereafter. Details are at [www.utahsummit.com](http://www.utahsummit.com).

• April 11, 3-4:30 p.m., repeating May 23, July 18, Oct. 17 and Nov. 7: **"Distributed Antenna Systems: Bring Your Facility Up to Full Connectivity and Full Code Compliance,"** presented by Hunt Electric. Instructor will be Darrin Guevara, ITS/communication division manager. Location for all events is Hunt Electric, 1863 W. Alexander Ave., West Valley City. Cost is \$20. Register at [hunteelectric.com/training.htm](http://hunteelectric.com/training.htm).

• May 10: **Utah Hispanic Chamber of Commerce's Annual Convention and Expo.** Tentative program includes workshop on business expansion, workshop on marketing, a student track, women's leadership breakfast, business expo, leadership luncheon, Quixote Business Awards and after-hours social. Location is the Utah Cultural Celebration Center, 1355 W. 3100 S., West Valley City. Cost is \$40 for chamber members, \$50 for nonmembers. Details are at [uhcccconvention.com](http://uhcccconvention.com).

by redefining sales around the customer. The new center will be located in Weber State University's College of Applied Science and Technology and will be the only one of its kind in Utah.

• **Westminster College,** Salt Lake City, has named **Sheila Rappazzo Yorkin** as its executive director of integrated marketing communications. Yorkin will lead the college's Office of Communication beginning March. Yorkin joins Westminster after four years as director of marketing and communications at the Economic Development Corp. of Utah, where she strategically positioned the state of Utah as a business and relocation destination.

• Utah Valley University's **Entrepreneurship Institute,** housed in the university's Woodbury School of Business,

recently announced the **winners of its 2013 Opportunity Quest competition,** which recognizes excellence among the region's array of innovative entrepreneurs and small businesses. Ten finalist teams pitched their business ideas before an expert panel of judges. Andrew Nielsen of **MusicScape** walked away with the \$3,000 first place grand prize. Nielsen has developed a multi-page folder that secures each page of music in its own pocket while reducing the need for page turns.

• **InsideOut Development,** a professional services firm in South Jordan that specializes in individual and organizational performance improvement, announced **24 percent year-over-year revenue growth** in 2012. Last year, InsideOut Development delivered training programs and coaching

services to approximately 42,000 individuals in over 20 countries and across continents.

## HOSPITALITY

• **Kimpton's Hotel Monaco** Salt Lake City was named as one of the 2013 Best Hotels in Salt Lake City by *U.S. News & World Report*. The 2013 Best Hotels are calculated based on the aggregate opinion of travel experts and guests expressed through awards, recommendations and ratings. To create this year's rankings, *U.S. News* factored in the prominence of industry awards a hotel receives along with its reputation among travel experts and guests. In total, 1,639 U.S. luxury hotels and 273 Caribbean hotels were analyzed for the 2013 rankings. Only a fraction of these scored high enough to be named Best Hotels by *U.S.*

*News.*

• **Deer Valley Resort** has hired two new general managers for its luxury resort managed properties. **Anthony Bartholomew** has been named as the general manager of the Lodges at Deer Valley and **John Whitby** as general manager for Black Diamond Lodge. Bartholomew's hospitality career spans more than 25 years, with leadership experience in the areas of high volume hotel operations, sales, marketing and food and beverage. Prior to Whitby's position at Deer Valley, he was the owner-operator of a resort services business in Telluride, Colo., and prior to that was a partner at Deloitte & Touche/Deloitte Consulting in the New York area.

## INSURANCE/BENEFITS

• **GBS Benefits Inc.,** Salt

Lake City, has appointed **Gary Bell** managing director of business development. Bell has 25 years of large employer consulting experience with expertise in consumer-directed health, health plan strategy and data analytics. Previously, Bell was senior vice president at HealthEquity, and a former practice leader at Mercer.

## INTERNATIONAL

• The **International Trade and Diplomacy Office** of the Governor's Office of Economic Development (GOED) will be hosting a **trade mission to the Philippines** on July 15-17. The trip will feature one-on-one matchmaking meetings with pre-qualified distributors, joint venture partners and others; appointments with key government officials and industry experts; pre-arranged

*continued on page 13*



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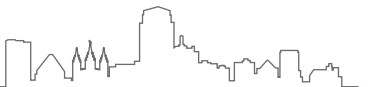


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logistics, including hotels, ground transportation, interpreters and daily itinerary; a detailed mission guide which includes cultural, political, market, economic and travel information; and networking opportunities with chambers of commerce and other U.S. companies already doing business in the Philippines. Financial aid is available for qualifying companies through a grant from the U.S. Small Business Administration. Details are available by contacting Daniel Royal at (801) 538-8640 or [droyal@utah.gov](mailto:droyal@utah.gov).

• **Curtis Willardson** and **Emily Rodriguez-Vargas** have joined **World Trade Center Utah**. Willardson is the client service manager. For most of 2012, Willardson served the Department of Commerce's International Trade Administration in various offices. Most recently, he completed a voluntary assignment with the Foreign Commercial Service in the San Jose, Costa Rica, embassy. Previously, he was a life and health insurance producer with a local group benefits broker. He also was a student intern with the Department of State in the Los Angeles Passport Agency. He has a B.A. in international relations and economics from Southern Utah University and attended graduate studies in international commerce and policy at George Mason University. Rodriguez-Vargas is the new executive administrator, managing communication, logistics and coordination with WTC Utah partners. She also publishes *Global Utah*, a weekly newsletter that informs individuals and businesses of opportunities, networking events and seminars. For her studies at the University of Utah, she has specialized in international studies and communication with a French minor. She was a columnist for the *Daily Utah Chronicle*; a legislative reporter for KCPW radio; and an intern from the Hinckley Institute of Politics in the U.S. House of Representatives in Washington, D.C., and one year later, in the European Parliament in Brussels, Belgium. She has participated in a study-abroad program in Quebec, Canada, and most recently served missionary service in St. Petersburg, Russia.

## LAW

• **Bryant J. McConkie**, shareholder, has joined **Ray Quinney & Nebeker's** Litigation Section. Prior to joining Ray Quinney & Nebeker, McConkie was a shareholder at another firm in Salt Lake City. His practice focuses on family law and divorce. He is also committed to the development and improvement of family law and in 2010 co-founded the *Utah Journal of Family Law*, of which he is editor in chief. In addition, Ray Quinney

& Nebeker's **website** was recently awarded **two W3 awards**. The site received a Gold Award in General Website Categories - Law and Legal Services and a Silver Award in Website Features, Structure and Navigation. The W3 Awards honor creative excellence on the Web and recognizes the creative and marketing professionals behind award winning sites, videos and marketing programs. Also, **Matthew M. Cannon** and **Maria E. Heckel** have been elected shareholders in the firm. Cannon is a member of the firm's Litigation Section. His practice focuses on prosecuting and defending commercial litigation matters, including antitrust and trade regulation law, intellectual property law and general litigation. Heckel is a member of the firm's Litigation Section. She practices general commercial litigation before trial and appellate courts and in administrative proceedings. Heckel works on a variety of litigation matters, but specializes in securities litigation and environmental and natural resources law and is a member of RQN's appellate practice group.

• The Salt Lake City law firm of **Prince Yeates & Geldzahler** recently represented the **Girl Scouts of Utah (GSU)** in a transaction to acquire 236 acres of land in Wasatch County. The newly acquired land will expand GSU's historic Camp Cloud Rim on Lake Brimhall. Erin Stone, an attorney at Prince Yeates and board member for GSU, served as the GSU board representative for the transaction. Chris Jones, an attorney at Prince Yeates, served as counsel for GSU in the land acquisition.

• The Salt Lake City law firm **Durham Jones & Pinegar** has elected its board of directors. Newly elected members are **Steven J. McCardell**, **Brick G. Power** and **David P. "Dade" Rose**. McCardell, a shareholder in the Salt Lake City office, was recently head of the firm's bankruptcy section. He is also chair of the firm's ethics committee. His practice focuses on business workouts, Chapter 11 reorganization and lender liability defense. He joined the firm in 2006 after practicing with a national firm for 22 years. Power, a shareholder in the Salt Lake City office's intellectual property section, joined the firm in 2010. He represents clients in the areas of patent prosecution, the delivery of legal opinions regarding intellectual property rights, and the crafting of agreements to transfer intellectual property rights. A member of the patent bar, Power is also admitted to practice in Utah and California. Rose, a shareholder in the Salt Lake City office, has served twice as the chair of the firm's real estate section. His practice focuses on real estate, land use and sophisticated financing transactions. A Harvard Law graduate, Rose has been with the firm for 13 years. Those

continuing to serve on the firm's board are the firm's three founding shareholders, Paul M. Durham (real estate and banking), Jeffrey M. Jones (business and finance) and managing partner Kevin R. Pinegar (business and finance); and shareholders Joshua E. Little (business and finance, and current managing partner of the firm's St. George office), David W. Tufts (business litigation), and Philip C. Van Alstyne (litigation, and current managing partner of the firm's Las Vegas office).

• A newly formed law firm, **Handy & Handy**, which focuses on personal injury cases, **has opened its doors** at 515 S. 700 E., Suite 3R, Salt Lake City. Founders are Preston Handy and Garrett Handy. Preston Handy has been handling personal injury cases since 1994. He earned a B.A. in finance from the University of Utah in 1989. He also earned his juris doctor degree from the University of Utah in 1992. Following law school, he served as a judicial clerk for Chief Justice Gordon R. Hall of the Utah Supreme Court from 1992 to 1994. Prior to forming Handy & Handy, he worked at one of Utah's largest personal injury law firms. During his last 10 years at that firm, he was a partner and shareholder. Garrett Handy received his bachelor's degree in political science from the University of Utah in 2002. He earned his juris doctor degree from the Wake Forest University School of Law in Winston-Salem, N.C., in 2005. While in law school, he was a summer intern for Judge Pamela T. Greenwood of the Utah Court of Appeals. For six years prior to forming Handy & Handy, he was an attorney with one of the largest personal injury law firms in the state.

## MANUFACTURING

• A majority stake in Logan-based **S&S Worldwide**, a leading designer and manufacturer of roller coasters, tower rides and other thrill rides for the global amusement park industry, has been sold by Larsen MacColl Partners, a pri-

vate equity fund based in Radnor, Pa., to **Sansei Yusoki Co. Ltd.**, a publicly held Japanese firm. S&S has installed over 150 amusement rides and coasters in 27 countries.

## REAL ESTATE

• The Salt Lake office of **Coldwell Banker Commercial NRT (CBC)** has been chosen to represent **Vista Station**, a transit-oriented development located in Salt Lake County. CBC's Brandon Fugal will be leading all marketing efforts regarding the new 100-plus acre development located in Draper at 13000 South 550 West. Vista Station will offer more than 1.8 million square feet of office space, including eBay's new \$110 million campus that is near completion, 250,000 square feet of retail shopping space and 1,800 residential units. The developer is a California company.

• **Coldwell Banker Residential Brokerage** has hired **Nathan R. Poulsen** as a sales associate in its Ogden office. Previously, Poulsen was the president and CEO of XS Computer Solutions, located in Roy.

• Members of the **Ladies' Literary Club of Salt Lake City** have given ownership of a 1913 Prairie-style building at 850 E. South Temple to **Utah Heritage Foundation**. Club president Laraine Christensen said the board made the decision to give their club's "home" to Utah Heritage Foundation due to declining membership and increasing expenses and tax obligations. The foundation plans to make the building available to the public for performances, weddings, meetings and other public and private functions. The foundation will immediately embark on a fundraising campaign to help it make repairs and improvements prior to re-opening the club for public and private functions, hopefully in the next year. The initial phase of renovation is expected to cost \$500,000.

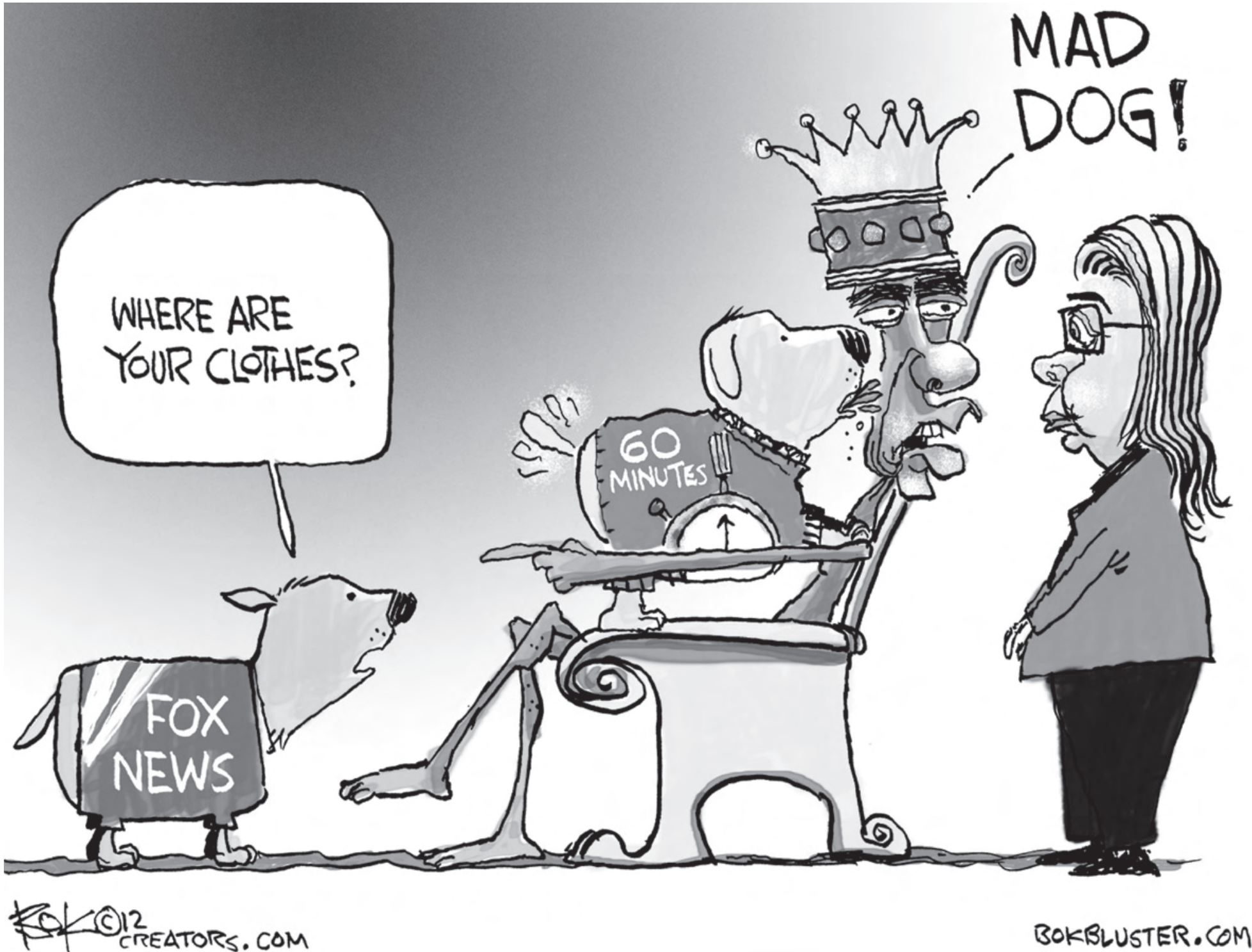
## SECURITY/DEFENSE

• **Protection 1**, a Chicago firm that bills itself as the largest full-service provider of business and home security in the U.S., has purchased select assets from Utah-based **Pinnacle Security**, including certain proprietary IT infrastructure and software, along with assuming the current Pinnacle facility in Orem. Utah employees will focus on one-to-one selling of home security products and services at a new residential division at Protection 1. Protection 1 serves over 1 million customers and employs more than 2,500 people in more than 60 locations across the country.

## TRANSPORTATION

• The **Winter Trucking Report** released by Ogden-based **TAB Bank** is showing signs of a **slow and steady economic recovery** according to monthly truck tonnage, fuel costs, perceived business conditions and invoice size. Historically, trends in trucking and transportation serve as good indicators of the greater economy. The report found that diesel prices are at their lowest point since August, with a nationwide average of \$3.91; sales volume for TAB's core group of clients reached its highest point of 2012 in October but has since decreased significantly in the months of November and December as the post-holiday shipping season settles in; for fourth quarter of 2012, total industrial production moved up at an annual rate of 1.0 percent; average invoice size for TAB's core group of clients retreated below \$1,000 for the first time since September as carriers adjust the fuel surcharge portion of the invoice to account for decreasing diesel prices; and collections of unpaid invoices for TAB's core group of clients reached their lowest point of 2012 in October at 27.47 days but have steadily grown to end the year at 30.69 days.





## Benghazi hearings: angry little men keep making Hillary bigger

Anyone truly concerned about the safety of U.S. diplomatic personnel abroad — and that should include every American — has fresh reason for fury over last September's disaster in Benghazi and its aftermath. But the target of public anger should not be former Secretary of State Hillary Clinton, whose conduct was exemplary ever since the U.S. ambassador to Libya and three of his brave colleagues lost their lives last September. Far more deserving of scorn are the likes of Republican Senators Rand Paul of Kentucky and Ron Johnson of Wisconsin and all the other grandstanding, conspiracy-mongering, ill-informed politicians who questioned her recently on Capitol Hill.

Four months after the tragedy occurred, Republicans on both the Senate Foreign Relations Committee and the House Foreign Affairs Committee still seem to be obsessed with the talking points

provided to U.N. Ambassador Susan Rice before she appeared on television to discuss the incident.

According to Republican folklore, unsupported by facts, the Obama White House engaged in a conspiracy to conceal the true nature of the terrorist attack by mischaracterizing it as a "demonstration."

The continuing focus on that trivial issue — long since explained by Rice herself, as well as retired Gen. David Petraeus and others, under oath — understandably provoked an exasperated Clinton to scold Johnson, one of the dimmer idols of the Tea Party.

When the Wisconsin Republican began to harp on this topic yet again — interrupting her answer, after stupidly asserting that Clinton could have resolved any questions about the attack with "a very simple phone call" to the burned-out Benghazi com-

pound — she responded sharply: "With all due respect, the fact is we had four dead Americans. Was it because there was a protest or was it because there were guys who went out for a walk one night who decided they would kill some Americans? What difference at this point does it make? It is our job to figure out what happened and to do everything we can to make sure it never happens again."

No doubt Clinton's utterly sane retort will undergo dishonest editing, in the style of James O'Keefe, to make her sound cavalier or arrogant. But it is the Republicans in Congress whose attitude toward the deaths of Ambassador Christopher Stevens and his fallen comrades has seemed cynical and false, ever since they first sought to exploit the incident politically during the presidential campaign.

Meanwhile, having historically supported reductions in federal spending on diplomatic security, they have done nothing useful

so far to enhance the safety of Americans serving abroad. Worse still, their questions to Clinton indicate that very few of them, even at this late date, have bothered to learn the basic facts surrounding the Benghazi incident.

By contrast, Clinton assumed responsibility in a meaningful way ever since Sept. 11 — which is to say that she took action to ensure a serious response. As required by law, she empowered an independent investigation, which resulted in dozens of recommendations for improved security and held several high-ranking State Department officials to account for the lapses in Libya. It is worth noting that Thomas Pickering, the distinguished former diplomat who led the probe, fixed culpability for the security flaws at Benghazi at "the assistant secretary level," rather than with Clinton herself. Nobody in Washington understands the workings of the U.S. foreign service better than Pickering, who served in top positions under both presidents Ronald Reagan and

George H. W. Bush. Certainly not Johnson or Paul, who rather comically asserted that "if (he) were president," he would have fired Clinton. Always hard to imagine, a Paul presidency seemed even more remote when he quizzed her about obscure right-wing conspiracy theories involving Syria, Turkey and Libya.

As Joan Walsh observed in *Salon*, those irate and ignorant inquisitors on Capitol Hill appeared small and peevish in their confrontation with Clinton, a woman whose serious, diligent, tireless approach to public service has armed her with an enduring popularity at least three times greater than her Republican adversaries in Congress. Their feeble attempts to cut her down, echoed by the usual loudmouths on radio and cable television, only make her bigger.

If they persist, she probably will be president someday.

Joe Conason is editor in chief of [nationalmemo.com](http://nationalmemo.com).

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## Prophets and losses

Now that the federal government is playing an ever larger role in the economy, a look at Washington's track record seems to be long overdue.

The recent release of the Federal Reserve Board's transcripts of its deliberations back in 2007 shows that their economic prophecies were way off. How much faith should we put in their prophecies today — or the policies based on those prophecies?



Thomas Sowell

Even after the housing market began its collapse in 2006, Federal Reserve chairman Ben Bernanke said in 2007, "The impact on the broader economy and financial markets of the problems in the subprime market seems likely to be contained."

It turned out that financial disasters in the housing market were not "contained," but spread out to affect the whole American economy and economies overseas. Then Bernanke said: "It is

an interesting question why what looks like \$100 billion or so of credit losses in the subprime market has been reflected in multiple trillions of dollars of losses in paper wealth."

What is an even more interesting question is why we should put such faith and such power in the hands of a man and an institution that have been so wrong before.

This is not just a question of a bad guess by Ben Bernanke. The previous chairman of the Federal Reserve System, Alan Greenspan, likewise misjudged the consequences of the housing boom and bust. Nor was the Federal Reserve's staff any more accurate in its prophecies. According to the *New York Times*, "The Fed's own staff still forecast that the economy would avoid a recession."

Today, the economy has not yet fully recovered from the recession that the Federal Reserve System's staff and chairmen

thought we would avoid.

We all make mistakes. But we don't all have the enormous and growing power of the Federal Reserve System — or the seemingly boundless confidence that Bernanke still shows as he intervenes in the economy on a massive scale.

Not only does the Federal Reserve System control the money supply and regulate banks, the Fed's willingness to keep buying hundreds of billions of dollars' worth of government bonds makes it easier for the Obama administration to keep engaging in massive deficit spending that runs up a record-breaking national debt.

The reason that the Federal Reserve can afford to continue buying huge amounts of government bonds is that the Fed is authorized to create its own money out of thin air. They use the fancy term "quantitative easing," instead of saying in plain English that they are essentially just printing more money.

Being wrong is nothing new

for the Federal Reserve System. Since this year is the 100th anniversary of the Fed's founding, it may be worth looking back at its history.

President Woodrow Wilson explained the reasons for creating the Federal Reserve System. He said that the Federal Reserve "provides a currency which expands as it is needed and contracts when it is not needed" and that "the power to direct this system of credits is put into the hands of a public board of disinterested officers of the Government itself" to avoid control by private bankers or other special interests.

The Federal Reserve was supposed to prevent shocks to the economy that can come from drastic inflation or deflation, and reduce the dangers that can come from widespread bank failures. These are all good goals. But what is the Fed's track record?

In the hundred years before there was a Federal Reserve System, inflation was less than half of what it became in the

hundred years after the Fed was founded. The biggest deflation in the history of the country came after the Fed was founded, and that deflation contributed to the Great Depression of the 1930s. As for bank failures, they reached levels unheard of before there was a Federal Reserve System.

Like so many "progressives," then and now, Woodrow Wilson seemed to think that, if those who made government decisions had no financial interest in those decisions, then they could be trusted to wield their powers in the public interest.

But the enormous power wielded by the unelected leaders of the Fed over the economy, unchecked by the constraints of the market, has repeatedly turned out to be more than human beings can handle.

Thomas Sowell is a senior fellow at the Hoover Institution, Stanford University, Stanford, CA 94305.

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