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THIS WEEK

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Speaker: 'massive shift' from owning to renting coming to Utah

By Brice Wallace
The Enterprise

Utah faces several challenges in the next few decades as its population becomes more diverse and older, necessitating changes in education and housing, according to a University of Utah professor.

Arthur C. Nelson, professor of city and metropolitan planning at the U., where he also is director of the Metropolitan Research Center, told last week's member meeting of NAIOP Utah that virtually all population growth in Salt Lake City will be in populations that are currently minority, and that an aging baby boomer generation will feature more renters than homeowners.

With subprime mortgage

rates gone, 20 percent down payments being normal and Freddie Mac and Fannie Mae on the chopping block, there is a shift to smaller homes, smaller lots and more renters, Nelson said. But there is a mismatch in supply and demand: More people will want small-lot homes or attached housing, but public policy currently is skewed toward homeownership while local zoning "stifles" the rental market.

The desire to rent is prominent among seniors, who will total more than 80 million of the U.S. population by the year 2040. By late in the current decade, more baby boomers will be selling homes rather than buying as

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ThermoKing Intermountain to double footprint in move to WVC



ThermoKing Intermountain will be joining the ranks of transportation-related companies at Warner Truck Center.

By John M. Rogers
The Enterprise

The Warner Truck Center will soon add a new element to its transportation-related business mix in West Valley City.

Thermo King Intermountain, a temperature control systems parts and service company, will

relocate there from its current location on South 300 West in Salt Lake City. Groundbreaking is scheduled in May with occupancy anticipated in January of 2014. The facility will be located at 5413 W. England Court.

The move will more than

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Recession recovery better for printers that have adapted to market



Guarded optimism is the mood of the owners of Utah's printing companies as the \$800 million industry recovers from the recession.

By John M. Rogers
The Enterprise

By all reports, Utah is leading the nation in recovering from the recession. But as far as the state's locally owned printers are concerned, it depends on who you ask.

There's no doubt that it's "been a challenging few years," according to Ryan Ashworth, production manager at Interform in Centerville and president of Printing Industries of Utah (PIU),

the trade association for local printing companies. Membership in PIU is down 15-20 percent since the beginning of the recession in 2007 as companies opt to spend funds associated with belonging to the organization in other ways as business wanes, according to Ashworth.

Business failures have also added to declining PIU membership. Several established Utah

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Venture cap exec: Utah is alluring for California firms

By Brice Wallace
The Enterprise

Several state government officials over the last couple of years have promoted Utah as a less-expensive, more-attractive alternative for companies in California. A managing director of a Salt Lake-City based venture firm recently echoed those comments.

Speaking at the regular March meeting of the Governor's Office of Economic Development (GOED) board, Ron Heinz, a founding managing director of Signal Peak Ventures, said the venture environment in Utah is strong and alluring for companies

and talented people in California.

"I really think we're just getting started here in Utah. I think we're on track to have a great run over the next decade," Heinz said. "You see a lot of problems in California now. A lot of people don't like the tax rate, it's crowded, the quality of life is challenging in the Bay Area. I think we're even attracting more and more talent that wants to come to our state — people that perhaps would not have considered a move to Utah a decade ago and are considering that today. And that's great from a manage-

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PRINTERS

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printers have gone out of business in recent years and others have merged with or sold out to larger companies. Among the notable business failures are Lyon Press (formerly Magazine Printing), Sterling Press and Printech of Salt Lake City and Provo's Rocky Mountain Printing. Lorraine Press has been absorbed by Richmond, Va.-based Lewis Creative Technologies and Raster Printing is now owned by Canada-based Transcontinental. Also among the casualties are multiple small mom-and-pop print shops.

Randy Sparrow, former president of PIU and current board member for Printing Industries of America, a nationwide trade association, is an ardent watcher of the state's printing industry. He expects the trend toward fewer printing establishments to continue. He cited an inability by many shops to transition to the integration of digital technology in the industry. "Not all facilities will have the resources for the necessary retooling," Sparrow said.

Sparrow estimated that Utah printers produce \$800 million annually in sales from nearly 200 shops employing more than 5,000 people. Only 27 of those businesses employ 50 or more.

Print shop owners like Paragon Press' Al Fairbanks concede that it took considerable adjustment and a healthy business going into the recession be in a position to take advantage of some of the current recovery. "We took about a 30 percent hit but have started back up. Since about the

middle of last year things seem to be getting better," Fairbanks said. He is beginning to hire back the people he lost during the down period and credits the strength of Paragon Press when the bubble burst as the reason for its survival. A diverse product base and the fact that Paragon owned its equipment heading into the recession contributed to the current health of the business.

The owner of another of Salt Lake's larger printing companies that asked not to be identified believes that the business climate has not significantly changed. He reported that his "nosedive was steep and the recovery is very shallow despite what the governor is telling us." Following a 30-40 percent drop in business, he has seen less than a 5 percent recovery. He blamed the problems on his customers "just holding on to their bucks," and a shift to more digital ways of doing business.

The ripple effect of customer failures and bankruptcies has contributed to the problems Utah printers face. Liberty Press in Springville has survived despite the loss of number of its large customers. According to Liberty sales manager Dan Oldham, that lost business is now coming back, mainly due to the installation of heat-set presses that give the company the ability to respond better to customer needs. "These aren't new customers. We just have the ability to better serve them because of our new equipment," Oldham said.

But the recent business history is not all gloom and doom for locally owned printers. Sun Litho of Salt Lake City is representative of the other end of the economic

spectrum. "Fantastic," is how owner Jeff Isabell characterized the state of his business. "We had the biggest year in the history of the company last year. We beat the previous year by 40 percent and we expect to beat that by about 30 percent this year." Isabell credited his 72-year-old company's ability to change with market conditions for its success. "We definitely took a hit in 2009 and 2010 but we didn't just sit around trying to do business as usual."

Despite the upswing at Sun, Isabell believes the printing industry as a whole will continue to downsize. "The printing pie is going to get smaller and, at the end of the day, we'll share the pie with a lot less people," Isabell predicted. "We just want a bigger piece of the pie." Sun Litho has added three 40-inch presses, two die cutters and a pair of gluers in the past 18 months and will continue to grow as business dictates, Isabell said.

Among printers that have survived the recession, the consensus attitude is one of optimism. Hudson Printing of Salt Lake has rebuilt its volume back to pre-recession levels, according to owner Paul Hudson. And despite a continued lag in profits he thinks the outlook is good.

"Yes, I am optimistic," said Hudson. "Printers who have found additional ways to find value for their business customers are finding good success." But with a caveat: "Those that continue to do what they've always done won't be around. The good old days are not coming back."

Ashworth's Interform is another example of a printing company adjusting by responding

to customer demands. Despite its traditional ink-on-paper printing business being only "stable," the company has seen growth in its other product lines, that include embroidery, silkscreening and advertising specialty products. "Our industry has changed from production-minded to service-oriented; those are the print shops that will be viable in the future."

As a veteran of 50 years at the same Utah print shop, Fairbanks, of Paragon Press has seen a lot of ups and downs in the industry. And does he think this current recession is over?

"One week it looks like it is and then the next week it looks like maybe it's not," he said. "I'd like to see another two or three months of a track record. I'm hoping and I'm thinking it's over, but don't have anything to base that on."

Again, it depends on who you ask.

Les Olson Co. appoints new co-CEO

The board of directors and shareholders of Les Olson Co., Salt Lake City, has appointed James Olson co-CEO of the office equipment dealer.

Olson, a 22-year veteran of the company and third-generation Olson, will work closely with Jim Olson, current CEO and chairman of the board, and Troy Olson, president.

James Olson, who recently served as executive vice president of corporate service, is the grandson of Les Olson, who founded the business in 1956.

Les Olson Co. sells and services Sharp multifunctional digital systems and is an Authorized HP Business and Service Partner. The firm also offers Fujitsu scanners, managed print services and various software solutions.

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double the company's office and parts warehousing space and provide the truck and trailer parking space that has been lacking at the current location. Service and repair of temperature control systems for over-the-road trucks and trailers will be done in one of 12 pull-through service bays at the new facility. At approximately 35,000 square feet, the structure and improvements will cost about \$6 million, according to company president Tim Pugh.

"We are very excited about this move as it will allow us to expand our operations to fulfill customer needs," said Pugh. "It is our hope that customers find the Warner Truck Center as a 'one-stop shop' to meet all of their trucking needs."

Pugh expects incremental growth in Thermo King's business, citing the good results that other businesses moving into the Warner Truck Center have seen. Another anticipated benefit of the move will be the ability of the company to add an additional five to 10 employees in 2014 to handle expected growth. "When we see growth that means good-paying jobs for our friends and neighbors," said Pugh.

Warner Truck Center, located on 100 acres south of 2100 South at 5600 West, is home to businesses that cater to the transportation industry and maintain, repair and customize heavy- and light-duty vehicles. Companies there include Warner Fleet Services and Warner Body & Paint, Freightliner of Utah, Wabash of Utah, Western Star of Utah, TruckPro Leasing & Finance, Utah Tank & Trailer, Sprinter Sales, N.E.W.S. (National Environmental Waste Systems) and Cummins Rocky Mountain. Cascadia Cafe is also located in the complex.

Thermo King Intermountain's move to the center was made possible in part by a grant from the West Valley City Redevelopment Agency, which agreed to give the company \$125,000 to offset part of its moving costs. In return the city expects annual sales taxes of about \$75,000 and property taxes of around \$29,000.

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Work finally under way on Holladay Village Square project

Construction is finally under way on a retail and office complex in the long-anticipated Holladay Village Square. Rimrock Construction of Draper is the contractor for the joint public/private partnership between Holladay City and Holladay Village Square LLC.

First proposed more than seven years ago, the project has seen numerous incarnations but the version currently under way

was approved by the city last summer and will include equal space for office and retail. It will not include residential space that some previous plans had proposed. The project will consist of 42,000 square feet in two buildings, each two stories. The ground level will house retail while the second level will be for professional and medical offices. The addresses of the two structures are 4660 and 4670 S. Holladay Village Plaza

(approximately 2300 East).

Tom Henroid of the Rockworth Companies, partner in Holladay Village Square LLC, credited Holladay City officials for making the project happen.

"We highly compliment Holladay City for their efforts in preparing the site for development," he said. "We had a number of issues to overcome."

Henroid cited road realignment, utilities reconfig-

uration and demolition of old structures on the site as some of the hurdles to getting development under way. Henroid also credited the city with expediting the approval and permitting process once the final plans were presented.

Rockworth will oversee leasing of the project and Henroid indicated that a number of spaces have been secured by tenants.

"We have secured a couple of

restaurants, a hair salon and some medical tenants," said Henroid, who declined to reveal specifics. "We'll let our tenants make their own announcements."

Rimrock expects to have shells ready to turn over to tenants by the end of July and following 90 to 120 days of tenant buildout, the first opening should be in early fall of this year.

Foundation releases report on funding for Utah transportation needs

The Utah Foundation released a report last week on funding Utah's transportation needs — a significant economic and fiscal challenge for state policymakers.

Highlights of the report include:

- According to the Unified Transportation Plan, Utah's priority transportation needs by 2040 will total approximately \$54.7 billion, while current funding sources

will amount to \$43.4 billion.

- Fuel taxes are a convenient source for transportation funds, but fixed rates lose purchasing power over time due to inflation and increasing vehicle efficiency. Inflation losses can be avoided by indexing rates for inflation or regular increases. Fuel tax increases could garner \$3 billion to \$7 billion in additional revenue over 30 years (in 2010 dollars), depending

on how they are implemented.

- Applying the state sales tax to fuel could generate \$10 billion to \$20 billion in additional revenue over 30 years, depending on how fuel prices change and how the tax is levied. This would be more volatile than cents-per-gallon fuel taxes, because revenue would vary with changes in fuel prices.

- Transit funding options include: increasing transit sales

taxes by 0.25 percent across the UTA service area (\$3.8 billion), a 1 percent increase in hotel taxes (\$139 million), a 1 percent increase in the rental car tax (\$71 million), or the enactment of a transit property tax of 0.1 percent across counties in the UTA service area (\$5.8 billion).

- Some states have implemented pilot programs to test whether a vehicle miles traveled

tax would be beneficial. A mileage tax would more directly tax wear and tear on roads without losing ground to increased vehicle efficiency. Such a tax could replace current fuel taxes and produce up to \$6 billion in additional revenue over 30 years.

The full report can be accessed at www.utahfoundation.org/reports.

Sundance Film Festival gets another funding boost from state

The Sundance Film Festival has received another financial boost from the state, a precursor to perhaps a more permanent solution to ensure the festival remains in Utah.

The Governor's Office of Economic Development (GOED) board, at its regular March meeting, approved a grant of up to

\$300,000 — \$100,000 annually over three years — for the Sundance Institute.

Chris Conabee, GOED's managing director of corporate recruitment and business services, said the action repeats earlier use of state funds for Sundance and that GOED's funds will be used along with \$100,000 each from the Utah Office of Tourism and the Utah Film Commission.

The GOED grant was approved with the understanding that board will review the use of additional state funds in the future.

"There will be a better solution other than using the funds that we're using now two and three years from now, but if we don't use them, there won't be an

opportunity to do that," Conabee told the board. He said he believes festival organizers will reach out to local companies and to an assembly of government entities "to try to solve the problem in a more-global fashion."

During the meeting, board member Brent Brown questioned the likelihood of Sundance ever departing the state, but added, "Clearly we would never want the Sundance Film Festival to leave the state of Utah."

"The question is, if we don't say yes, do they leave? I think it's a good question to bring before the group," Conabee said. "The fact remains, it's an economic driver for the state of Utah ... and one of the tools that we have in our

quiver is to make sure that we resuscitate these things and keep them going until they can find the proper place of funding. And this incentive is more about keeping the festival whole while we find the proper place of funding rather than extending that."

Board members and others said other states have approached Sundance about relocating, and the festival has expanded to include events in London, New York and Los Angeles.

"Realistically ... would it be where they just pick up stakes and go? Of course not," Conabee said. "But I don't think it takes a lot of imagination to see something [through] attrition, with incentives from other places, to slowly

whittle out what it was and what it could become and to scale up somewhere else and scale down here."

A few board members hailed the festival's impact on Utah. "Sundance is the greatest name I.D. that Utah has at this point. ... We want those guys to know how much we appreciate them, seriously," Molonai Hola said. "From an economic development standpoint, they have a better name I.D. than our governor. Everybody knows about Sundance."

Conabee added that Sundance has an \$80 million annual economic impact in Utah. The festival attracts more than 45,000 attendees, with 65 percent being new visitors to the state, he said.

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• Industry Briefs •

ARTS/ ENTERTAINMENT

• The **Governor's Office of Economic Development (GOED)** board approved **incentives for three film and TV projects** at its regular March meeting. Gravy Bend Partners LLC was awarded a tax credit of between \$701,500 and \$876,800 for the production "Best Seat for the End of the World." The feature drama is expected to spend about \$3.5 million in Utah, with principal photography set for May 28-July 13. Camera 40 Productions was approved for a \$68,200 cash rebate for "Shadow Cabal 2." The fantasy feature film is expected to spend \$454,646 in the state. Principal shooting is scheduled for May 6-24. Turning Point Productions Inc. will receive a \$53,350 cash rebate for the documentary TV series "Turning Point: Season 4." The production is expected to spend \$355,654 in Utah, with shooting scheduled for April 8-June 1.

ASSOCIATIONS

• The **Downtown Alliance**, Salt Lake City, is seeking **nominations for its 18th annual Downtown Achievement Awards**, which will be presented June 28. Awards will be presented to a group, company or individual who has made a significant contribution to downtown, helping to build a more dynamic and diverse community that is the regional center

for culture, commerce and entertainment. The contribution must be for accomplishments located within Salt Lake City's Central Business District (located within the boundaries of 400 South, 700 West, North Temple Street and 300 East). Award winners can include commercial, residential and retail developers, small businesses, business associations and districts, downtown-based companies and nonprofit organizations, government organizations and officials, performing arts groups along with individual artists, musicians and other performers, sports and entertainment organizations, downtown residents, visitors, commuters and other supporters. Visit downtownslc.org/achievement for an application form. Entry deadline is April 12.

• **Amy Rees Anderson**, former CEO of MediConnect Global, has been named the **Dealmaker of the Year** by the **Utah Chapter of the Association for Corporate Growth (ACG)**. Anderson is the first female executive to receive the. After leaving MediConnect in October 2012, Anderson founded REES Capital, a mentor capital and angel investing firm. The ACG Dealmaker of the Year award recognizes the top corporate executive in the state of Utah who has demonstrated substantial success in accomplishing growth-oriented transactions. Anderson led MediConnect Global – one

of the largest cloud-based health information exchanges – for nearly nine years, which she sold to Verisk Analytics in March 2012 for just over \$377 million. Under her direction, the company grew revenues by more than 1,500 percent since 2004 and employed more than 1,000 people worldwide.

COMMUNICATIONS

• **Ogden City** and the **Utah Department of Transportation** are forming a partnership that will help provide **high-speed communication access to residents of the Ogden Canyon and the Ogden Valley**. The team will combine the placement of a conduit that will carry future fiber optic lines, along the Ogden Canyon water line alignment, allowing for future access to high-speed Internet, streaming movies, video chatting and high-definition video viewing to the area. The conduit will be installed alongside the water line project, eliminating future disruption of the roadway. Although the conduit is being placed now, it is anticipated that the fiber optic lines will not be installed for another year.

COMPUTERS/ SOFTWARE

• Lehi-based **AtTask**, a cloud-based Enterprise Work Management solutions for enterprise teams, is now offering **AtTask View**, an iPad app that

enables senior managers to customize, configure and share real-time insights. AtTask View was designed specifically for senior managers who need easy access to real-time visibility into their department's work at their fingertips.

• **Lindon-based AccessData Group** announced a "significant" investment from **Sorenson Capital Partners** and **Silicon Valley Bank**. The funding allows AccessData to reduce outside ownership and add Sorenson as a strategic, long-term partner. AccessData is an e-discovery, incident response and digital forensics provider.

CONSTRUCTION

• **R&O Construction Co.**, Ogden, has begun an addition and renovation of the **Ronald McDonald House** in Salt Lake

City. A 37,963 square foot addition will increase the Ronald McDonald House capacity at 935 E. South Temple from 25 family rooms to 71, and add more than 200 beds. A capital campaign is ongoing to fund the project. Ronald McDonald Houses provide a "home-away-from-home" for families who need to stay close by their hospitalized child. The new addition will be sustainably designed to Silver LEED standards by **Cooper Roberts Architects** of Salt Lake. R&O Construction hopes to have the project completed sometime in October.

EDUCATION/TRAINING

• **Utah Valley University**, Orem, has appointed **Alexis Palmer**, formerly the director of the university's Volunteer & Service-Learning Center, as the senior director for UVU's Community & Continuing Education department. Palmer earned her bachelor's degree in elementary education from Boise State University. She holds a Master of Science degree from Brigham Young University, and was also the valedictorian of her graduating class.

• Gov. Gary Herbert has appointed **David Lang** as **Salt Lake Community College's** newest trustee. Lang is head of Goldman Sachs' Salt Lake City office and head of operations for Salt Lake City. He currently serves on the company's Operations Operating Committee and the Acquisition Review Committee. Prior to taking his current position at Goldman Sachs, Lang was co-head of Global Goldman Sachs Asset Management Operations. He joined the company as an associate in 1994 and became vice president in 1998. Lang was named managing director in 2006.

• **Utah Valley University** officials have released details regarding the **\$54 million Utah State Legislature-approved classroom building** that will give students on the institution's space-strapped campus some much needed breathing room. The classroom building was approved by the House and Senate at the close of the legislature's 2013 session and awaits the signature of the governor. The building has been designed by architect firms CRSA Architecture and Method Studio. Pending the governor's signature, the UVU classroom building will provide more than 240,000 additional square feet, including 34 classrooms ranging in size from 40 to 330 seats and a 1,000-seat

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auditorium. In all, the institution will gain more than 3,000 per hour classroom seats. Study rooms and faculty offices are also in the plans.

FINANCE

• A total of \$4 million in State Small Business Credit Initiative (SSBCI) stimulus funds has been allocated for placement in seed or early-stage venture funds investing in Utah companies under a collaboration between the Utah Governor's Office of Economic Development (GOED), the Governor's Economic Council and the Utah Small Business Growth Initiative (USBGI). USBGI will administer the funds on behalf of the state. USBGI is led by Mike Plaizier, who is also the executive director of Utah Center for Affordable Housing and has 30 years of banking experience. Utah economic development officials, in collaboration with the Treasury, provided an allocation of \$4 million of \$13 million in SSBCI funds as investment capital in seed and early-stage venture funds. The state also may make direct investments in early-stage companies that may also be receiving funds directly from sophisticated Utah small-business investors. The team will be conducting screening panels, and candidates interested in presenting should contact USBGI's

Sidni Johnson before April 6 at (801) 464-2293 or sidni@utsbgi.com for details and application instructions.

GOVERNMENT

• Ogdan City has appointed **Gregg Buxton** as the new Ogdan City management services director. Buxton most recently worked with the state of Utah as the director over the Division of Facilities Construction and Management. Additionally, Buxton was a member of the House of Representatives for five years and served on various boards and committees.

HEALTH CARE

• The **ECRI Institute** has named **Intermountain Healthcare**, Salt Lake City, among the eight winners of its annual **Healthcare Supply Chain Achievement Award**. ECRI Institute representatives made the presentation, which honors organizations that demonstrate excellence in overall spend management and in adopting best practice solutions in their supply chain processes. Intermountain's Supply Chain Organization is recognized as a leader in efforts to reduce supply costs by specifying, purchasing and distributing supplies wisely, as well as by effectively providing a range of support services. These efforts saved an estimated \$55 million in 2012.

SHIFT

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they look to downsize their living spaces.

"Thinking of how big that baby boom market is, that's going to be a huge shift in market demand, starting at the end of this decade," Nelson said. "We're seeing a massive shift in a short period of time from owning to renting."

About half of the new housing needs in the U.S. by 2040 will be renter-occupied homes. The prediction is a bit higher in Salt Lake City, at 56 percent, he said.

The issue is a bit more complex in Utah than the rest of the country because Utah homeowners usually do not want to leave their community due to strong social ties, even after their children leave the home. A solution would be more mixed-housing neighborhoods.

"People are willing to pay to be in a neighborhood where they can move around in the neighborhood to satisfy their then-current housing needs and still maintain their social contacts," Nelson said. "That's where we have to go."

As for the other major trend, 91 percent of the U.S. population growth is in minority groups. In Utah, it's about 50 percent. Especially in Salt Lake City, minorities will become the "new

majority," Nelson said.

But there is a "reading gap" between that group and non-Hispanic whites, with about a 10 percent difference in the percentage of people who are literate by age 17. "This difference is not trivial," he said.

With less education, that population likely will earn less income, meaning they are also less likely to become homeowners.

"So I worry about our ability as a society — this state and other states; we're not alone in this state — to bring the education level up of the next generation of 'new majority' children to be part of our new economy in terms of skill sets and educational attainment," Nelson said.

But what are the prospects for boosting their education? Nelson cited statistics that indicate Utah is 33rd among states in high school graduation rates, 46th in Latino high school graduation rates, and 50th in per-student education spending.

"When you add up all of these factors, we need to come to grips with the future, because the future is decidedly more into the minority 'new majority' population growth," Nelson said. "So we have a challenge to sustain our economic competitiveness around the world when we see these kinds of numbers."

• The **Governor's Office of Economic Development (GOED)** board, at its regular March meeting, awarded a Life Science and Technology Tax Credit for up to \$35,000 over three years to **Dr. Clark Turner**, who has committed \$200,000 in angel investment to Spanish Fork-based **H2O Tech**. Turner's investment will provide the company with funds to complete development of a functional prototype of a pain-free, quiet waterjet drill used in dental care. Turner already has invested \$100,000, with the second amount to be invested sometime in March.

INSURANCE

• **Keri Chappell** was recently named assistant vice president of the **Aon Risk Solutions** Utah office. She is an account executive, providing day-to-day account management and consulting services to her property and casualty clients.

• **AAA Northern California, Nevada and Utah (AAA NCNU)** is expanding its product lines with the **introduction of commercial insurance**. Now, a AAA NCNU member can insure his or her business through the same agent with whom they currently insure their home and auto. AAA NCNU has partnered with Lighthouse Risk & Insurance Solutions, a major-

ity owned subsidiary, to provide insurance for small- and medium-sized businesses.

• **Arches Health Plan**, a non-profit health insurance company and co-op owned solely by its members, has **received a certificate of authority from the Utah Insurance Department** that allows the plan to provide health insurance in the state of Utah. Arches will begin offering health insurance policies to individuals and families and small and large groups in 2014. Open Enrollment will begin Oct. 1, 2013. Arches' CEO is Linn Baker, who for 31 years was the executive director for the State of Utah's Public Employees Health Program. He also served on the National Advisory Committee for the State Data Commissions and on the Executive Committee of the National Academy of State Health Policy, and on a number of state boards in the health care field.

LAW

• The **Utah State Bar** honored two attorneys at its recent spring convention. **Charlotte L. Miller** received the **Dorothy Merrill Brothers Award for the Advancement of Women in the Legal Profession** and **Cecilia M. Romero** received the **Raymond S. Uno Award for the Advancement of Minorities in**

the Legal Profession. Miller is senior vice president of People and Great Work for O.C. Tanner, where she provides human resource and legal support for 1,500 employees. Romero is a partner at Holland & Hart.

• **Ballard Spahr** has been named a winner of a 2013 **International Law Office/Lexology Client Choice award** for excellence in client care and quality of service in Utah. This year's Client Choice award winners were chosen from more than 2,000 individual assessments received through a third-party readership survey of International Law Office and Lexology in-house counsel subscribers. Award nominations can be made only by corporate counsel. Survey participants were asked to rate partners and firms on the following criteria: quality of legal advice, value for money, commercial awareness, effective communication, billing transparency, tailored fee structures, response time, sharing of expertise, and use of technology.

• **Kenneth L. Cannon II**, a shareholder in the law firm of **Durham Jones & Pinegar** in Salt Lake City, was inducted as a **Fellow of the American College of Bankruptcy** on March 15. Cannon is one of 39 nominees

continued on next page

VENTURE

from page 1

ment perspective."

Heinz, one of a series of venture capital executives to speak to the GOED board in recent months, said Utah is well-positioned in areas that are growing: cloud computing and "big data;" security; mobile applications for social and business use; browser-based, free-to-play games; and medical information technology.

"There's a lot happening in the state, much of it tied towards those key trends," Heinz said. "We're really, really bullish on venture here in the state over the next couple of years. We've got a very unique ecosystem, which you can appreciate, between bright kids from all over the world wanting to come to our schools; we've got an entrepreneurial-driven culture that's probably very, very unique, certainly in the Intermountain region in particular; and we've just have a lot of convergence as it relates to things happening around cloud computing."

Heinz said some game applications "come out of nowhere" to become \$100 million hits within a year.

"This whole cloud development, quick applications, mobile applications development is just driving rapid success and growth

in our state," he said.

Signal Peak has focused on early-stage investments mostly in information technology and life sciences companies. It has invested in 40 companies — usually \$1 million or \$2 million but sometimes as much as \$10 million to \$12 million — and has \$450 million under management.

Its portfolio includes Solera Networks, a security company that has grown from two employees to 140, including 125 in Utah; Center 7 Data Centers; Smart Bomb Interactive, whose "Animal Jam" joint venture game with National Geographic has attracted 10 million users; home automation company Control4 and MediConnect Global.

All of those companies are based in Utah.

"If you look around, we don't have a lot of Fortune 500 compa-

nies that people can go to work for out of school," Heinz said. "The culture lends itself to entrepreneurial activity — just a real, interesting, vibrant culture around development and innovation."

To keep its momentum going, Signal Peak will raise \$100 million this fall for a new fund, targeted entirely at Utah companies.

"We find plenty of deal flow in the backyard here. We know the entrepreneurs and the ecosystem quite well here and feel like Utah's really growing. We feel like we can effectively deploy all that capital here in the state over the next year," he said.

"We're really, really excited to be investing in Utah. We think the next couple of years should be really more of the same and really an acceleration of what we're seeing."

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from previous page

nationally being honored and recognized for their professional excellence and exceptional contributions to the fields of bankruptcy and insolvency. Cannon joins colleague **Steve McCardell** to make Durham Jones & Pinegar the only Salt Lake City-based firm with two members of the organization, which is an honorary professional and educational association of bankruptcy and insolvency professionals.

MANUFACTURING

• **Peter Metcalf**, lead founder and CEO of Salt Lake City-based **Black Diamond Inc.**, has been selected as the 2013 recipient of the **Kirk Englehardt Business Ethics Award**, an honor given by the Utah Valley University Center for the Study of Ethics and its advisory boards. Metcalf

is the ninth recipient of the annual award. Black Diamond is a leading global provider of outdoor recreation equipment and active lifestyle products. The day-to-day production and sustainability practices at Black Diamond are only a small part of Metcalf's work. He has been profiled in articles for *Inc.* magazine, *Outside*, *Mountain* and *High Country News* and authored numerous articles for national business, trade and environmental press. Metcalf has a long history of political advocacy for both the outdoor industry and the public lands of Utah, and has often united outdoor companies against policies that threaten public lands and outdoor recreation.

MEDIA/MARKETING

• Orem-based **PilmerPR** is celebrating its **10th anniversary**. Founded by president and CEO John Pilmer, the firm has

been profitable throughout its life. Past and present customers of note include firms from Salt Lake to Singapore. Among of dozens of notable Utah companies, clients have included Mozy, US Synthetic, Lendio, Seastone, Humless, AdvancedMD, Certiport and SpotterRF.

NATURAL RESOURCES

• **Rocky Mountain Power** is looking for organizations that would like help in making their dreams of a renewable energy project a reality. Once a year, the company's Blue Sky program accepts **applications for funding to help support the development of community-based renewable energy projects** in its service area. To apply for Blue Sky funding and to be considered in this competitive process, interested parties must complete and submit an application form, along with

supporting materials, by 5 p.m. (MDT) on May 31. The amount available for funding awards is limited and varies year to year. As a result of last year's application process, 22 organizations were selected to receive a total of nearly \$2 million. For detailed criteria on project qualifications and application forms, go to www.rockymountainpower.net/bluesky-funds.

• **Lynn Keddington**, the refinery manager at **HollyFrontier's** Woods Cross refinery, will retire after 34 years working at the refinery. The refinery, which was built in 1932, currently produces about 650,000 gallons of gasoline per day and 365,000 gallons of diesel and sells about 63 percent of these products in Utah. **Michael Wright Jr.**, vice president and project manager, has been named the refinery manager. Wright, who is from Davis County, has

worked at the refinery for 25 years. Keddington started working at the refinery in 1979 when it was owned and operated by Phillips Petroleum. Since that time he has worked in several capacities at the refinery including as a laborer, tank farm supervisor, lab and tank farm stock manager, maintenance supervisor, maintenance manager and operations manager.

OUTDOOR PRODUCTS/RECREATION

• **Utah resorts surpassed their goal in January** of giving 10,000 beginner lessons. Utah's 14 resorts joined 34 other states and more than 300 resorts during the month to offer special deals for first-time skiers and snowboarders to promote Learn to Ski and Snowboard month. The theme for Learn to Ski and Snowboard

continued on page 9

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Four words: winner, whiner, smart, dumb. Pick two

Questions: Who's going to win the next Super Bowl? Who's going to win the next World Series? Who's going to win the next Masters Tournament?

Answer: The team or the player that's best prepared. The team or the player that makes the fewest mistakes. The team or the player that stays steady and keeps its cool. The team or the player that creates breaks and takes advantage of them. The team or the player that prepares one razzle-dazzle play, takes the risk at the opportune time and pulls it off. The team with the most dedicated players. The team or the player with the best coach.

Same in sales.

In this year's Super Bowl, both teams were capable of winning. But victory does not always go to who's the best. It more often goes to who's the smartest.

Smartest coach. Smartest players. And, of course, whoever got the breaks and took advantage of them.

Same in sales. The smartest will win, especially if they get the breaks. (Or do smart people create breaks?)

Big question: What does smart selling mean to you?

My answer: It doesn't take as much brains as it takes understanding. So, I have created the perfect acronym to help you:

S — Smile.

M — Make friends.

A — Have the attitude of a winner.

R — Take relationship actions.

T — Take responsibility.

Pretty simple. No memorization required. No "find the pain" manipulation. Just an easy to understand formula that will guide you to more business.

Let me deepen the Smart Selling definitions:

S — Smile. This defines your warmth, approachability and overall feeling. It's a greeting beyond a handshake that sends a welcome, open message. It's both peaceful and reassuring.

M — Make friends. This is not as easy as it seems. Some prospects want to keep it "all business." Your responsibility is to create friendly dialog that might result in finding some common ground. Look for their smile. That's a sign you're breaking the ice. And note my mantra: All things being equal, people want to do business with their friends. All things being not quite so equal, people still want to do business with their friends.

A — Have the attitude of a winner. This is not just a positive or a Yes! attitude. This is a winning attitude that combines your will to win, your preparation and your self-belief. It's a positive, internal confidence based on previous wins. Not cocky, more like self-assured in a way that passes your confidence on to the customer.

R — Take relationship actions. This means you take long-term oriented actions. Actions that will stand the test of time. Actions that give your customer the feeling you represent their best interest, not just your own. You speak the truth, have

high ethical standards and are known for service. You're taking service actions, and value actions beyond the sale. Not selling and running (the 1970s definition of "hunter"), rather stay and help. Earn the relationship to a point where it becomes referral based and testimonial possible.

T — Take responsibility. Taking responsibility starts with who you are as a person, and transcends to who you are as a salesperson. As a smart salesperson, you have to know the responsibility is yours if you lose a sale — the same as if you win a sale. The good news is when you become responsible for both success and failure, you also become a student of sales and life. Blaming others (the opposite of responsibility) allows you a hall pass from self-education. It's forgotten or passed-on rather than studied.

I just tweeted: "When it's raining outside, and you blame the rain, keep in mind it's raining on everybody. Take responsibility. #gitomer" — result: 42 retweets and 14 favorites within an hour — on a Sunday morning.

Here are a few more critical elements of Smart Selling: Product smart. Customer smart. Value smart. Preparation smart. Follow-up smart. Service smart.

Bigger question: How smart a salesperson are you? Now that you have my definition, the reality is you may think you're smarter than you actually are.

Smart selling reality:

- Smart salespeople don't sell on price.
- Smart salespeople don't reduce price.
- Smart salespeople don't match price.

Biggest question: Now that you have read this, are you still as smart as you thought you were a few minutes ago? Probably not, but that's a good thing. Now that you're aware of what "smart-selling" consists of, you can begin to take advantage of it.

There's one more element of smart selling — it's the two-word essence of a successful salesperson. To find out what it is, go to www.gitomer.com, register if you're a first-time visitor and enter the words SMART SELLING in the GitBit box.

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, will lead you to more information about training and seminars, or e-mail him personally at salesman@gitomer.com.

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Jeffrey Gitomer

Five more smart ideas for your tax return

A young new advisor once approached me and asked, "What book can I read this weekend to gain your tax knowledge?" I smiled as I thought of the decade of effort studying tax law in graduate school, working with tax clients at Deloitte and serving as CFO of multiple companies that forged the ability to see tax-savings opportunities. I've also had people come to me with deductions that were not only in error but in my opinion bordering on tax evasion or illegal. Don't even go there, it's not worth it. There is a plethora of people who will happily take your money and show you strategies that may equate to tax evasion that can destroy your life. I recommend taking all the available deductions to the full extent possible, without running the risk of destroying your financial future by seeking out overly aggressive or illegal strategies to save taxes now and pay dearly later.

I frequently find plenty of relatively simple tax strategies that are overlooked or underused, but can be of great advantage to you. Last week I provided five ideas to potentially save a lot of money in taxes. As promised, here are five more.

TAX IDEA 6. Get a Second Opinion. Sometimes we feel that with all the technology we have available to us we can just do our own tax planning. Very simple tax preparation, possibly. But tax planning? I don't think the technology is quite there yet. I have seen new clients try to save money by doing taxes on their own, and have then shown them where they have left thousands of dollars on the table. Sometimes I have amended previous returns and gotten thousands of dollars back, but the IRS generally allows you to go back only three years, so in some cases, thousands of dollars were left on the table in previous years, never to be recovered. If you are dead-set on preparing your own return, I recommend at least getting a second opinion from a proactive tax planning expert to see what you may have left on the table. I have clients who received more than 10 times the fee charged in tax savings, and sometimes practitioners will perform this second opinion service for free, in hopes of creating goodwill and possible future business.

TAX IDEA 7. Excess RMD Distributions. The federal government always gets their tax! Not only do they tax earnings, but they want to make sure that we recognize enough earnings to keep the government wheels rolling. Required Minimum Distributions (RMD) must be taken each year from your IRA after age 70.5, so the government can tax you on these funds. If you don't take enough out, the results are rather draconian. Up to 50 percent of the amount you should have taken as distribution, but didn't, can be taken away in taxes. Ouch! Many people take only what they have to, which is a good idea in many cases, but in some cases, you may want to take out more than you need. I have instructed some clients to increase their IRA withdrawals above and beyond the amount required to be distributed via RMD because they are in a low enough tax bracket that little or none of this additional withdrawal will be taxed. They don't have to spend this money,

but it is a nice way to get it run through the tax systems at little or no tax cost so that it can be spent outside the IRA or pension plan in a later year when they may be in a higher tax bracket. This is one of those benefits you have to use or you lose it. You can't go back and take those distributions after year-end.

TAX IDEA 8. Harvest Capital Losses and Defer Capital Gains. When it comes to taxes, gains do not necessarily equate to more income tax. Even with the new 2013 higher tax rates on capital gains for those with income in higher brackets, there are many strategies that can reduce or eliminate altogether the tax on capital gains. For example, when the market declined in 2007 and 2008 I helped clients recognize the tax losses, and now the investments have appreciated but are in tax-efficient funds so those gains have not been taxed.

One of our clients recognized over \$500,000 in losses on their tax return, but has actually gained hundreds of thousands of dollars that have not been taxed.

TAX IDEA 9. Donate Gains or Step-Up Basis. Proper tax planning and investing may generate large untaxed capital gains, how do you reduce that tax hit? Rather than donating cash to your favorite charity, donate the property that has large capital gains instead, and you may be able to avoid tax on the entire gain, permanently. Furthermore, if you want to give money to a child or grandchild, why not transfer these highly appreciated shares to your child instead, and let the child sell the shares? In many cases the child may pay little or no taxes on capital gains, but still receive the same economic benefit.

Consider taking advantage of the step-up in basis at death by deferring these gains throughout life and then, after you pass away, if properly structured, your heirs can sell the assets the next day and pay no tax.

On a side note, beware of annuities, which may convert capital gains into ordinary income, thereby removing the opportunity to use these capital gain strategies. Furthermore, non-annuitized withdrawals require all gains to be distributed and taxed as ordinary income, before you get any of your original purchase amounts back.

There are some instances where an annuity might make sense, just make sure you understand the tax impacts before you invest.

TAX IDEA 10. Tax Managed Investments. Be smart about your investments; pick funds that are tax managed or attempt to match gains with losses or have very low turnover so that you're not constantly generating gains that you have to pay tax on. Taxes have a tremendous negative impact on your overall return. When you compare investments, make sure you include the tax effect of gains on dividends, interest and capital gains from schedule B and D of your return. Focus on the after-tax return, because it matters more what you keep than what you earn. People complain about the market, but over the last decade our clients have almost doubled their money in a boring, well-diversified, inexpensive

see TAX page 11



Rich Wagner

• Calendar •

• March 26, 7:30-9 a.m.: **Intellectual Property breakfast seminar.** Patents expert Prof. Ken Horton will be the guest speaker and facilitator. Horton is an associate professor for the MBA Technology Management Program at Westminster College. His professional practice specializes in domestic and foreign patent prosecution, intellectual property litigation, trademark, copyrights, trade secrets and intellectual property evaluations. Location is the Salt Lake Community College Salt Lake Region Small Business Development Center, 9750 S. 300 W., Room 333, Sandy. Free. Register at www.mbrcsbcc.com/intellectualproperty or call (801) 957-5200.

• April 3-4: **Bank of Utah Economic Outlook Breakfasts.** Robert B. Albertson, principal and chief strategist of Sandler O'Neill & Partners LP, will be the featured speaker. He will discuss the global economy and how it may affect

national and local businesses. The Ogden breakfast is slated for April 3 at the Ogden Eccles Conference Center, 2415 Washington Blvd. The Salt Lake City breakfast will be held April 4 at the Grand America hotel, 555 S. Main Street. Registration and a breakfast buffet begin at 7:30 am, with the keynote speaker beginning at 8 am. The events are open to business leaders; pre-registration is required by calling 801-409-5172. Seating is limited.

• April 9, 7:30 a.m.-1:30 p.m.: **Parsons Behle & Latimer's 25th Annual Employment Law Seminar.** Breakout session topics will include guns in the workplace, social media policies, whistleblowers, mobile devices and the workplace, employer insurance policies, sexual harassment, FMLA and the Affordable Care Act. Keynote speaker will be Rod Decker, reporter for KUTV Channel 2 News. Location is the Little America Hotel, 500 S. Main

St., Salt Lake City. Cost is \$150 and registration deadline is April 1. Lunch and a seminar handbook are included. Register at <http://www.parsonsbehle.com/emp-seminar>.

• April 9, 7:15-9 a.m.: **Association for Corporate Growth Utah breakfast meeting.** Guest speaker will be Kevin Ricklefs, senior vice president of CHG Healthcare Services, a medical staffing firm headquartered in Salt Lake City. CHG has been recognized as one of *Training* magazine's Top 125 organizations and one of Staffing Industry Analysts' Best Staffing Firms to Work For. In 2013, CHG ranked No. 3 on *Fortune* magazine's "100 Best Companies to Work For" list. Location is the Little America Hotel, 500 S. Main St., Salt Lake City. Register at www.acgutah.org or call Linda Blake at (801) 359-8613.

• April 11: **Annual Governor's Utah Economic Summit.** Event will feature key-

note 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 \$200. Details are at www.utah-summit.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.

• April 11, 8 a.m.-4 p.m.: **Second Annual Mining and Manufacturing Safety Conference,** sponsored by the Utah Mining Association and Utah Manufacturers Association. The theme is "Promoting a Culture of Safety." Morning keynote speaker Brad Gardner will discuss "Dominoes: Just Don't Watch Them Fall," while Dolores Gardner will discuss "I'm Serving a Life Sentence and I Did Nothing Wrong." Luncheon speaker Mark Eaton will discuss "Four Commitments of a Winning Team." Event also includes exhibits, safety award presentations and breakout sessions. Location is the Little America Hotel, 500 S. Main St., Salt Lake City. The cost is \$100. Registration can be completed at www.umaweb.org. More information about the event and vendor registration is available by contacting Marilyn Tuttle at (801) 364-1874 or Theresa Thomas at (810) 363-3885.

• April 12, 11:30 a.m.-1:30 p.m.: **Utah Technology Council (UTC) Annual Members Meeting.** Keynote speaker Tom Post, managing editor for Forbes Magazine, will discuss "The Seismic Turmoil in Journalism: How Businesses Can Adjust and Thrive." Post will discuss the current chaotic disruption in journalism and media — what it means to consumers, to the journalism industry, and to busi-

nesses communicating with and through the media. He also will discuss ways that every industry sector is vulnerable to the "seismic turmoil" the media is currently facing and will offer advice on the way businesses and executives need to prepare themselves to survive and thrive in the current economic environment and beyond. The meeting also will feature the election of UTC's board officers and trustees for the coming year, plus the presentation of the following awards: CEO, CFO, CTO, Emerging Exec, HR Exec, Marketing Exec and Sales Exec of the year, and awards for Legislators of the Year. Location is the Grand America Hotel's Imperial Room, 555 S. State St., Salt Lake City. Cost is \$55 for UTC members, \$90 for nonmembers. More details and registration are available at www.utahtech.org/events or (801) 568-3500.

• April 15, 7:30 a.m.-3 p.m.: **"Doing Business with China"** conference, presented by Utah Valley University's Woodbury School of Business. Conference will feature keynote presentations and breakout sessions. Participants also will have the opportunity to interact and network with leading experts, business executives, non-profit organizations and international trade enterprises, including experts from World Trade Center Utah and the Governor's Office of Economic Development. Details are at www.uvu.edu/businesswith-china.

• May 10: **Utah Hispanic Chamber of Commerce's Annual Convention and Expo.** Tentative program includes a 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 uhccconvention.com.



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THE LEONARDO

from page 6

Month was “Humans Were Never Meant to Hibernate.” Ski Utah has played a key role in January Learn to Ski and Snowboard Month since its inception in 2008, helping with both the design and implementation of the program. Nationally, the Learn to Ski and Snowboard Month/Bring a Friend (LSSM/BAF) initiative announced that more than 153,000 children and adults registered for beginner lessons from professional instructors in January. That is up more than 50,000 compared to last year and the largest one-year increase since the initiative began in January 2009 with 20,000 participants. Most areas offered a discounted lift, lesson, and rental equipment beginner’s package.

REAL ESTATE

• **Hamlet Homes’** newest community, **Kenmure Place in Millcreek**, has sold four of the subdivision’s 20 homes since opening the community’s model home on Feb. 16. Located at 4460 Gordon Lane (400 East), Kenmure Place’s first phase includes 12 homes with 5,000 square foot lots starting at \$241,900. A second phase with eight homes will begin this summer.

RESTAURANTS

• Last month, **Squatters and Wasatch Brew Pubs** took “Sweet Revenge on Hunger” and raised \$11,190 in 28 days for Utahns Against Hunger. In the month of February, every time a guest ordered a “guilt-free dessert” for \$5, 100 percent of the proceeds were donated directly to **Utahns Against Hunger**. The desserts were sold by the teams at Squatters downtown, Squatters airport, Squatters Roadhouse Grill and Wasatch Brew Pub.

RETAIL

• **RC Willey** has debuted its newest home décor line, **Angelo:Home**, created by designer **Angelo Surmelis**. Surmelis is host of the TV shows “Clean Sweep” on TLC and “Rate My Space” on HGTV. The new addition to the stores’ provides customers with a collection of more than 800 products, including furniture, lamps, rugs and bedding in an array of styles.

SCIENCE

• **BioFire Diagnostics Inc.**, Salt Lake City, has been issued a **U.S. patent covering the company’s FilmArray system**. The firm says FilmArray’s proprietary technology represents a significant advancement in user friendliness and multiplex infectious

disease testing capability for hospital clinical labs. This is the first U.S. patent issued to cover the FilmArray system, and BioFire has exclusive rights to the patented technology. Specifically, the patent covers methods for sample preparation and two-step multiplex polymerase chain reaction (PCR) in a sealed container.

SERVICES

• Sandy-based **USP Group**, a **Jiffy Lube** franchise, received the **2012 People Award** at the

annual Jiffy Lube Convention, held recently in Miami. Led by franchisee **Kirk Umphrey**, USP was recognized for the quality of its management team, store-level employees and commitment to customers. Notably, USP’s focus on superior training and top-notch employee benefits have afforded the group high employee retention rates. **Jeremy Semon** of USP Group in West Jordan received the **2012 President’s Store Manager Recognition Award** at the convention. Semon was recognized

for his outstanding achievement in training, operations, customer service and day-to-day details of the business. Notably, Jeremy’s strong leadership and focus on superior training have afforded the group high store volume and a surge in new customers.

• **Kevin Head** of **Mesa Moving and Storage Salt Lake LLC** was honored with **United Van Lines’ Masters Club Inner Circle Award** at United’s national sales and operations conference, held recently in St. Louis. Mesa

Moving and Storage Salt Lake LLC is an agent of the worldwide transportation company. United’s Masters Club is a reward and recognition program for agency sales representatives for exceptional sales achievement during the past year in five business segment categories – corporate account household goods, residential household goods, logistics/special products (includes special commodities, trade shows and electronics), international and total revenue.

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Online reviews: the truth be told?

By Steve White

We've all been in the same quandary. You go online to your favorite retailer to buy something — maybe it's a new DVD player. The specifications seem OK, the technical info matches up with what you're looking for, the price is right, you put your charge card number in, and are just about to hit "submit" when your eye glances at the customer comments section.

"I thought this DVD player was just what I wanted — until I pushed fast forward and it burst into flames."

OK, maybe a little extreme, but there's no denying that product and service reviews by consumers are becoming more and more popular on the many online stores popping up these days. But what is the impact?

According to a Jupiter Research study of 2,500 online shoppers polled, 48 percent said they read online reviews and a whopping 90 percent of those people indicated that customer reaction was very important in influencing their buying decision. In fact, many of these people put more credence into the opinions of their fellow online consumers than such respected publications as *Consumer Reports*. The reason being that the air conditioning in a new Toyota might work great on a test drive, but how does it hold up three days into a major heat wave?

The premise is quite simple. If someone you trust recommends something, you'll probably try it. If five people you know recommend the same thing, you're even more likely to try it. If 50 people or more tell you to try it, the suggestion is now a movement, and you're likely to jump onboard.

But don't always believe what you read. You will find some reviews written by people who have no idea what they are talking about, or are reporting information on a product that they "heard from a friend of a friend." Some is subtle, some is obvious. If you read a review complaining about the purchase of a tent, but it's obvious from the review that person knows absolutely nothing about camping, chances are there's an agenda somewhere. But that one remark can make a major difference in sales, especially when some online outlets, such as Shopzilla.com, are reporting up to 19 million visitors per month.

Is it any wonder in the highly competitive world of cyber-business that some companies may want to take advantage of the power of online reviews? It's been documented how companies have their employees and vendors

not only write positive reviews on their sites, but negative reviews on their competitors'. And some companies have gone even further by resorting to making sure they receive good reviews by actually *paying for them*. The term *payola* was made popular in the 1950s when record companies would pay disk jockeys to push their records on air. Sixty years later the broadcast industry has outlawed the practice, but no such legislation is in place on the Internet.

For those companies who truly see the value of honest feedback, here are a few tips on how to generate online reviews:

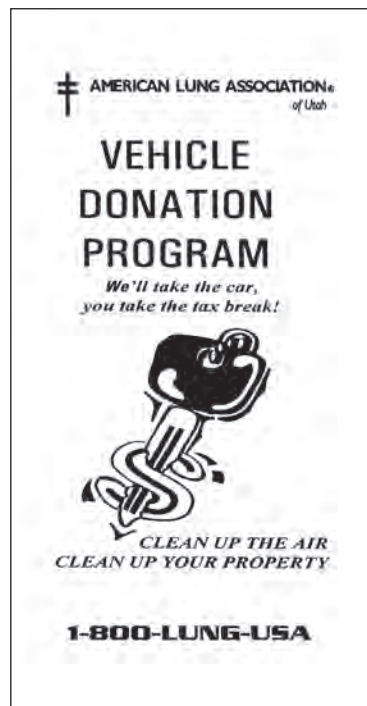
- **Make it easy to contribute.** Consider using a star-rating system, instead of having reviews written as narration.

- **Let the reviewer edit a template.** Few things are more terrifying to the average person than a blank page. If there's a template already in place, and all they have to do is edit it, that's more enticing.

- **Reward participants.** You can help motivate contributors to leave feedback by offering such things as discount coupons or advance notices on new products and services.

Bottom line is companies are now at the mercy of self-proclaimed reviewers at best, and those with a vendetta for your product or service at worst. The Internet has become a godsend in getting out the word about how great your product is. But once the public has the ability to comment on our product to a worldwide cyber-audience, it now feels like, in the great Faustian tradition, somebody has called in a marker.

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How to avoid getting in trouble with colleagues and customers

By John Graham

For countless employees and business owners, the workday is life in a straightjacket. There's not enough time to get the daily tasks done, let alone find even a few minutes to think about anything other than what we must do next.

All of which explains why *doing* is a top priority in business, while *thinking* doesn't get much attention.

If there's any time left, it's focused on how best to get through the next day, the next quarter, the next crisis — or to fantasize about how to get to retirement.

Even so, thinking about some things can be rewarding: It can keep us out of trouble. Here are a few possibilities:

- **Stop thinking we're important.** The simple truth is that we're all expendable in our jobs and careers. Admittedly, this might not seem like a smart way to begin. It's depressing for some and a waste of time for others. Yet, as a matter of fact, we're all expendable, and the trouble starts if we persist in viewing ourselves as the exception.

Time and again, those laid off during the recent recession were heard to say, "I knew there were going to be layoffs, but I didn't think it would happen to me."

One of the benefits of a GPS is having an escape route when you're in a traffic jam. It should be the same with a job, a career or even a business.

- **Stop talking about what we sell.** There's one reason to avoid talking about what we sell: it kills sales. If you don't believe it, ask yourself, "How do I react when I meet someone who starts talking about why I should be interested in their product or service?"

It's just a guess, but chances are you're instantly uncomfortable and two seconds later, you're planning your exit. That's not all. If you're somewhat normal, you wait for an opening so you can talk about what you do. If you're still there, of course.

How different is it when someone shares a story with us about how they helped a customer solve a problem or what it meant to take part in a charitable event. Stories get our attention.

- **Stop chasing appointments.** Getting face-to-face was the *sine qua non* for making a sale. An enormous amount of time, energy and money was spent on getting through the door.

That was years ago and now it's DOA. Even if they have the time, most prospects say no to appointments to those they don't know, no matter who they are. Yet, salespeople often continue to find a way to get in front of prospects.

That's doing it backwards. The task today is getting inside a prospect's head before asking for a meeting. Aiming for the appointment is like planting seeds and expecting vegetables to sprout the next day. The time for the appointment is after cultivating prospects so they understand what you offer and why it's worthy of their time to know more. The appointment should take place when the prospect wants to talk to you.

- **Stop thinking people believe what we say.** It should be rather obvious that what we say doesn't make it so. Rather basic, wouldn't you think? Yet, many of us seem to persist in doing what doesn't make sense. Does anyone really believe us if we say, "We give great customer service"? Of course not. In spite of everything, we do it because we want to believe that we control what people think about us.

A few years ago, an association of independent insurance agents started using "Trusted Choice" as a descriptor. Does it make a difference? If so, where the evidence?

It's what we do — how we perform — that determines what people think, not what we say.

- **Stop worrying about being a great closer.** This may sound a bit over the top, particularly since sales managers often stress the need to be a strong closer for salespeople to hit the big time.

There's no doubt about it; the close is important. Yet, focusing on it may not be the best explanation for lost sales.

If there's something worth worrying about, it's making sure that we're very good *openers*. If the sales process is flawed at the start, chances are that it won't end with a signed order.

A strong opener focuses on engaging prospects so they recognize that the salesperson both understands the issues and is serious about recommending the appropriate solution.

The right opening isn't accidental or left to chance. It's designed, specifically, to help a customer conclude that there's a commitment for developing a thoughtful, trusting relationship. At that point, the close becomes the inevitable result.

- **Stop saying yes, when you really mean no.** One way to develop a good reputation is agreeing to do something *only* when you mean it. To say yes because that's what you think someone wants to hear is fraught with danger. Yet, it occurs far too frequently.

Agreeing to do what's asked relieves the pressure at least for the moment. What follows often turns out to be a string of "the dog ate my homework" type excuses for not getting it done. But it doesn't end there. There's also a distinct residual effect: a lack of confidence and respect by colleagues, friends or customers who no longer trust us.

If there's a problem doing what you're asked, negotiate a resolution that's mutually acceptable instead of saying "yes."

- **Stop trying to trick colleagues and customers.** The Internet is a haven for tricksters. We see an offer for a "free whitepaper" on a topic of interest. But to get the document, we're required to give away what is clearly valuable personal information. All too often, the touted "whitepaper" is of little value. For that, we have given away our identity. Such a trick makes us angry and leaves a bad taste.

Companies offering whitepapers with no strings attached get it. They understand that sharing their knowledge with customers should stand on its own merit. They want it to be so compelling that we will want to know more. And that's a lead.

Because it's so easy to develop — and perpetuate — counterproductive behaviors, staying out of trouble starts with recognizing the value of thinking, as well as doing.

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They came, and we are building

In Kevin Costner's 1989 classic film, "Field of Dreams," an Iowa farmer hears a voice saying, "If you build it, he will come." Costner's character mowed down his corn field and installed a baseball diamond. From the surrounding corn came ghosts of the 1919 Chicago Black Sox — including the farmer's dead father.

In 2010, this state's Governor's Office of Economic Development (GOED) took it a step further. They directed a million-dollar marketing program aimed at West Coast businesses — including those in the venerable "Silicon Valley" — and said, in essence, "If you come, we will build it."

They came.

The marketing campaign, in conjunction with the Economic Development Corp. of Utah (EDCUTAH), included mini-trade missions to California, with representatives touting Utah's friendly business environment, recreational opportunities, low cost of living and returned Mormon missionaries speaking a plethora of foreign languages. Soon, several companies made plans for expansion to the Beehive State, including Adobe, Twitter and eBay, among others. By early May 2012, Adobe was accompanying media representatives through its new 280,000 square foot facility in Lehi, constructed for up to 1,000 employees.

Even the federal government has taken notice of Utah's talent pool and potential. In Bluffdale, off Point of the Mountain, is the new Utah Data Center, a one million square foot building constructed by the National Security Agency. A March 21, 2012, *Deseret News* article stated that the Data Center is "seen as having the potential to benefit a continually growing portfolio of information technology businesses ... Both Brigham Young University and the University of Utah have their eyes on the data center because of the potential for future jobs for its students. The University of Utah has already developed curriculum with the data center in mind."

For Utah citizens — especially those in the information technology industry — this is good news, especially in the wake of a recession. In December 2012, *Forbes magazine* ranked Utah the "Best State for Business and Careers."

During 2011 and into 2012, Utah's job openings percentage was the second highest in the nation, outshined only by North

Dakota with its oil and gas sectors. In Utah, employment opportunities have been mainly in the IT sector, with jobs in computer design rising 12 percent in 2011; science and technology jobs rose 9.7 percent.

Thus, not only are seasoned IT professionals seeing new job opportunities with a corresponding rise in salary, but also new college graduates are getting jobs with salaries far beyond expectations of a few years ago. In fact, to lure Adobe in 2010, the GOED board offered a \$40.2 million tax incentive over 20 years, payable if the company's annual average salary is \$60,000. According to a May 1, 2012, *Salt Lake Tribune* article, this was "75 percent more than the average Utah County wage."



John Pohlman

With all this positive economic growth and increased salaries, what might be the consequences for small businesses with small budgets or government agencies with budgets controlled by a state legislature? The fact is these small businesses and government agencies are seeing a corresponding loss of IT employees.

No one is crying in their milk, said Cody Spendlove, director of technology for the Alpine School District. But there is a reality.

"Institutions like government agencies are really at a disadvantage because they can't move fast enough to compete," said Spendlove, who oversees 54 employees in 84 locations, including high schools, junior highs, elementary schools, district offices and bus garages.

"In a normal economy, I will lose one or two of those positions a year. During the recession, I didn't lose anybody for two and-a-half years. Since August, I have lost seven of those positions, plus one network engineer."

Of those IT professionals, he said there is a six to one ratio of recent college graduates to seasoned professionals. He added that one of those professionals was sought after by two different organizations, and that after one day of bidding for his services, his salary offer rose by \$15,000. Spendlove has heard of some offers reaching 40 percent higher than previous salaries.

Government agencies, like the school district for which Spendlove works, and small businesses, simply can't keep up with the speed at which salaries are increasing in the current market.

Emphasizing that he understands the era, otherwise all your planning may be for naught. Make sure that you run your tax computation for both regular and Alternative Minimum Tax to give greater assurance that your planning efforts will pay off.

Richard L. Wagner, CPA, MAcc, is a local tax reduction and investment expert. For more ideas on protecting, saving and growing your money, call him at (801) 657-4459, or email at richw@vwapro.com. Do not rely on any information stated or calculations made herein as tax or legal advice. Consult your independent tax advisor or attorney for tax or legal advice on which you rely.

reasons these former employees moved on and wishes them only the best, Spendlove explained that to fill the IT needs of the school district, he has had to be creative. Over the course of the past year, he has sought the services of headhunter and staff consulting firm Robert Half International.

In addition, Spendlove has been doing what many other IT directors are doing throughout the Wasatch Front. He is looking to local talent pools found in small IT consulting firms in the Salt Lake area. He explained that using local IT consulting firms has resulted in several benefits, including the following:

- Remaining within budget restraints common to school districts and small businesses. "We'll bring in ... a network engineer three days a week to do the job the other guy was doing five days a week. But I can only afford him three days a week."

- Avoiding long-term contracts. In addition, by using a consulting firm, you are using that person on a trial basis until you can hire someone permanently. A temporary employee has no expectation of a contract.

"You pay a premium — 10 percent more for three months, but I'm not locked into a yearlong deal," Spendlove said.

As to hiring small local consulting firms, has the payback been worth it? Spendlove's answer was, "Yes, no and sort of."

"In a situation when I've had a long-going relationship ... they've been able to step in nicely," Spendlove said, adding that he only had one disappointment with a vendor, simply because there was a lack of the

right people with the right skills.

And that is the growing challenge for small businesses and agencies trying to fill vacant positions — getting the right people with the right skills. For IT directors wondering why they are losing good employees and are looking for options, perhaps the following is good advice:

- **Don't hire quickly.** The rapid flow in the Utah IT market could continue for a while. When you use IT consulting firms until you fill a position, you hire a team of professionals. In addition, you avoid having to clean up long-term problems created by quickly hiring someone who is not qualified.

- **Identify clearly the scope of the work to avoid losing time.** IT consultants often complete work in a shorter frame of time than a full-time employee.

So with all the new job offers in the state, why hasn't Spendlove taken one? "I have had offers, but I have turned them down."

The 46-year-old with a master's in secondary education, with an emphasis in technology, from Southern Utah University, said it's simple. "My commitment to education has been stronger."

While new companies are building new facilities for high-paying IT employees, there are those like Spendlove who are building a future for Utah's next generation.

John Pohlman is a general partner of Wazi Technical Solutions, an IT services and network security consulting firm in Taylorsville.

TAX

from page 7

portfolio with little turnover, and without ever leaving the market. Don't worry about the market; you cannot control it. But you can control taxes and fees paid, so focus on the things you can control and forget about the things you can't.

CAVEAT: As you are improving your situation, don't forget about Congress' sneaky trick — the Alternative Minimum Tax. When you see a nice "tax reduction" gift from Congress, if it is not married to a similar change in Alternative Minimum Tax, the new deduction may be worthless. As you look at different scenarios, make sure you take the AMT into consid-



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What the 'new' GOP budget reveals — and conceals

Someone needs to tell Paul Ryan that his party — and the economic platform of austerity and plutocracy he crafted for it — lost a national election last year. Someone also needs to tell the Wisconsin Republican that he still chairs the House Budget Committee mainly thanks to gerrymandered redistricting.

Someone clearly needs to remind him of those realities because the “vision document” he proposed as the Republican federal budget is only a still more extreme version of the same notions (and the same evasions) that he and Mitt Romney tried to sell without success last fall.

Voters decisively rejected that version of Ryan’s “path to prosperity,” with its gutting of the Medicare and Medicaid programs; its additional tax cuts for the wealthiest Americans; and its destructive cutbacks in education,

infrastructure, scientific research, national security and a hundred other essential elements of modern American life — and a decent future — that require effective government.

Indeed, the astonishing initial assessment of the new Republican budget by experts at the Center on Budget and Policy Priorities is that Ryan wants even deeper cuts and even more lavish tax cuts than he and Romney touted in 2012.

The CBPP estimates that the new Ryan plan would cut \$800 billion over the coming decade from an assortment of vital programs, including Supplemental Nutrition Assistance (SNAP, or food stamps), Supplemental Security Income (SSI) that supports the elderly poor, Pell grants for higher education and federal school lunches, among others, along with the Earned Income Tax Credits (EITC) and Child

Tax Credits that have historically improved standards of living for millions of impoverished working families.

Ryan pretends to admire Ronald Reagan, but the late president — who proudly extended and expanded the EITC — was far too liberal for the likes of him and Romney. Unlike the sunny Gipper, these sulking millionaires resent the working poor — the “47 percent” — who aren’t paying high enough taxes.

But everyone ought to know Ryan well enough by now to anticipate these cruel proposals. They ought to know, too, that Ryan would allow the entire edifice handed down to us by previous generations — highways, bridges, airports, canals, reservoirs, schools, parks and much more — to crumble into oblivion, rather than increase taxes on the Republican donors whose wealth has multiplied so astronomically in recent years. His voice is the

high-pitched drone of a generation of termites, voraciously consuming the nation’s foundations.

What everyone may not know is that Ryan’s vision of the future is quite blurry, since he again refuses to specify exactly how his budget allegedly achieves balance. It says (again) that the severest cuts will be made in domestic non-discretionary spending but never details how much will be cut from which programs or even categories. It says (again) that tax expenditures will be reduced to balance those tax cuts for the rich, but never details those either. It says (again) that the Affordable Care Act will be repealed, although there is no chance of that happening now. And it says that defense spending — including untold billions in well-known waste — will simply be restored to pre-sequestration levels, while everything else will be cut again, starting at the post-sequestration baseline, much as Romney promised last year.

It says the federal budget will achieve balance within 10 years, but (again) there is no reason to believe its unfounded promises.

This old “new” budget demonstrates that no change is taking hold among the Republicans, except that they seem even more rigid in their ideological obsessions. No basis exists for bipartisan negotiation toward a budget compromise.

Without a massive public reaction to the Ryan proposals, the likelihood is that sequestration will continue and the Republicans will again seek to hold government hostage, as they have done repeatedly since 2009. And the nation will continue to suffer until voters finally decide, in their wisdom, to curtail the power of this truculent and implacable faction.

Joe Conason is editor in chief of nationalmemo.com.

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Joe Conason



A real term limit

The main thing wrong with the term limits movement is the “s” at the end of the word “limit.”

What are advocates of term limits trying to accomplish? If they are trying to keep government from being run by career politicians, whose top priority is getting themselves reelected, then term limits on given jobs fail to do that.

When someone reaches the limit of how long one can spend as a county supervisor, then it is just a question of finding another political office to run for, such as a member of the state legislature. And when the limit on terms there is reached, it is time to look around for another political job — perhaps as a mayor or a member of Congress.

Instead of always making reelection in an existing political post the top priority, in the last term in a given office the top priority will be doing things that

will make it easier to get elected or appointed to the next political post. But in no term is doing what is right for the people likely to be the top priority.

Those who favor term limits are right to try to stop the same old politicians from staying in the same old offices for decades. But having the same career politicians circulating around in the same set of offices, like musical chairs, is not very different.

In either case, we can expect the same short-sighted policies, looking no further than the next election, and the same cynical arts of deception and log-rolling to get reelected at all costs.

There are undoubtedly some high-minded people who go into politics to serve their community or the nation. But, in the corrupting atmosphere of politics, there are too many who “came to do good and stayed to do well” — especially if they stayed too long.



Thomas Sowell

Recently, California’s Sen. Dianne Feinstein gave a graphic demonstration of what can happen when you have been in office too long.

During a discussion of Feinstein’s proposed legislation on gun control, Texas’ freshman Sen. Ted Cruz quietly and politely asked “the senior Senator from California” whether she would treat the First Amendment and the Fourth Amendment the same way her gun control bill was treating the Second Amendment, which guarantees the right to bear arms.

Feinstein never addressed that question. Instead, she became testy and told Cruz how long she had been in Congress and how much she knew. Watching her get up on her high horse to put him in his place, recalled the words of Cromwell to members of Parliament: “You have sat too long for any good that you have been doing lately. ... In the name of God, go!”

Those who oppose term limits express fears of having govern-

ment run by amateurs, rather than by people with long experience in politics. But this country was created by people who were not career politicians, but who put aside their own private careers to serve in office during a critical time.

When President George Washington was told by one of his advisors that an action he planned to take might prevent him from being reelected, he exploded in anger, telling his advisor that he didn’t come here to get reelected.

As for the loss of experience and expertise if there were no career politicians, much — if not most — of that is experience and expertise in the arts of evasion, effrontery, deceit and chicanery. None of that serves the interest of the people.

If we want term limits to achieve their goals, we have to make the limit one term, with a long interval prescribed before the same person can hold any government office again. In short,

we need to make political careers virtually impossible.

There are many patriotic Americans who would put aside their own private careers to serve in office, if the cost to them and their families were not ruinous, and if they had some realistic hope of advancing the interests of the country and its people without being obstructed by career politicians.

Is any of this likely today? No!

But neither the Reagan revolution nor the New Deal under FDR would have seemed likely three years before it happened. The whole point of presenting new ideas is to start a process that can make their realization possible in later years.

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