



The Interview:

# Smith Center board chairman: The greatest project since Hoover Dam

Don Snyder is more than a pillar of the community in Las Vegas. Interviewing him about the Smith Center for the Performing Arts under construction in downtown Las Vegas, he strikes us as being, well, almost a human tape recorder.

Off the top of his head, Snyder remembers key dates and even days of the week for important events years ago — milestones in the drive to raise the nearly \$500 million now in hand for the landmark center opening next year.

Listening to him it's clear that this former bank CEO and casino company president is more than a numbers guy—he's a marketing guy.

VEGAS INC talked with Snyder at UNLV where he's dean of the William F. Harrah College of Hotel Administration. Snyder is friendly, but all business during our talk. Besides his Smith Center duties, where he's been volunteer chairman of the board for more than a decade, Snyder has a full schedule of meetings after ours involving university work.

During our interview, Snyder offered the inside story of winning approval of government and private-sector funding for the Smith Center. A key to success was the business plan calling for all the construction money to be in place before work started and having an operating endowment in place.

He recalled with particular fondness his bold request for \$50 million from the Donald W. Reynolds Foundation, named for the late owner of the Las Vegas Review-Journal and other newspapers in the Donrey Media Group chain.

The foundation was launched with \$804 million from Reynolds' fortune after his death. Snyder didn't just get \$50 million—the foundation came up with \$150 million. That's why the performing arts center is named for Reynolds Foundation Chairman and longtime Donrey Media executive Fred W. Smith and his late wife Mary.

How did you get started working on the Smith Center?

I had my arm twisted to attend a meeting, I think in 1994. It was co-hosted by Steve and Elaine Wynn; and with John Goolsby when he was CEO of the Howard Hughes Corp. (developer of Summerlin); and with a few others. It was hosted at the Golden Nugget by the Wynns.

That meeting is what I refer to as "The Community Call to Action Meeting." It was when Steve Wynn stood up and said we were the largest community in North America that doesn't have its own performing arts center.

"We need to change that," he said.

Right after that meeting I was asked if I would be part of the efforts to form a board of directors, and I was, and so I became part of that initial board of directors. Then we did for the next few years what boards typically do. It was to meet every two or three months and you move the ball a little bit further by hiring some consultants to help you frame out what it means to build a world class performing arts center.

One of those consultants, I remember asking him the question, "How long does it take to do one of these projects?" And he said, "We studied that and you may be surprised to know it takes a while. Our research says it takes on average 20 years from the time a community has its first real conversation about doing something and when the

facility actually opens.”

We all laughed and said, “It doesn’t take us 20 years to do anything in Las Vegas. In fact we can build buildings and tear those buildings down in a 20-year period.”

But it does take a long time. Whether it’s this project, or the Nevada Cancer Institute or the Cleveland Clinic’s Lou Ruvo Center for Brain Health, it’s easier not to do these projects than to do them.

I think to have a sense of the degree of difficulty it’s probably a helpful perspective to have. We will finish in about 18 years, so we beat the average in true Las Vegas fashion!

I became chairman right after MGM Grand acquired (Wynn’s) Mirage Resorts. I remember Elaine coming to the meeting and saying, “Steve and I don’t know what we’re going to do in the next chapter of our lives. This project needs to move ahead and it needs to have leadership that can focus on it and deal with all the challenges, including the political challenges of getting a project like this done. Steve and I just aren’t prepared to provide the total extent of that leadership.”

They said very nice things about being very supportive, they just didn’t want to provide the leadership.

The board came to me and asked if I would be the chairman and I said I would do it under two conditions: The first was that we repopulate the board with people who were focused on getting the project done, because we were losing some. It was not just Steve and Elaine stepping away, but John Goolsby retired from Howard Hughes Corp. about the same time and moved out of state. The other person who was very active in the leadership was Barry Shier, he ran the Golden Nugget, but left the company (Mirage) with the acquisition too.

Secondly, we needed to do something I was used to doing in the business world: We needed to develop a very specific business plan that would articulate what it is we are going to do and how and when we would get it done.

Everybody agreed to that. I led the strategic planning process to develop that business plan. I engaged Myron Martin (formerly of the Liberace Foundation and the UNLV Performing Arts Center) for the first time to get involved with this project. He volunteered his time early on, as we moved forward we decided someone needed to have a day job doing this, it couldn’t just be volunteers.

Martin assuming full-time responsibility, that was an important part of moving the project forward. (Martin is now CEO of the Smith Center).

You’ve been quoted as saying this is the most important project in our lifetimes. Is that the case and why?

I still believe it’s true. The other project that really rises to the level of significance is Hoover Dam, which touched the community pretty broadly and pretty deeply. Other than Hoover Dam, I don’t know of any project that has touched the community as broadly and deeply as this one will. It’s not to take away anything from hospitals, and schools, and the beautiful buildings that have been built on the Strip.

This project and its programming will embrace the entire community all over the valley, of all demographic and ethnic groups. The programming will reach into the community more broadly than those other types of facilities.

The other thing that really highlights that is we made an early commitment that this would be a community asset and, to be a community asset, educational outreach has to be fundamental to what we do.

Education became a part of our core thinking. To be a world-class performing arts center, we needed to reach into the school-age population. That came from a lot of research that had been done that said kids who had been exposed to the arts at all ages — the earlier the better — learn better, achieve more, have higher IQs and higher self esteem. All kinds of arts, but particularly the performing arts.

That was an early commitment we made and we have been doing education outreach even before we open the facility. We had Candy Schneider join us almost five years ago after she retired from the school district. Candy is the go-to person in the state when it comes to arts and education. She worked in the school district for 33 years and she ran all the arts programs for the school district. She witnessed the lack of funding. As budget cuts happened, arts education

was always one of the things that got cut.

She saw a real need for someone to step into that void and the performing arts center was the vehicle that was able to do that. She runs educational outreach programs and has established wonderful partnerships with the Kennedy Center and others and we will touch every school-age child in Clark County during the course of their career at least once. Some of the students will spend a lot of time in and around the programs.

When you combine the programming we will do that will reach all segments of the community with the education outreach program, there is no project in our lifetime that will touch the community more broadly or deeply than this one.

That's why this is the most important project to be built in Las Vegas — actually I say Nevada and Fred Smith has picked up on this and he oftentimes quotes me and says Nevada.

We have performing arts centers at UNLV and at some of the hotels on the Strip. What's substantially different about the Smith Center?

The facilities built on the Strip have been an important part of the tourism economy. When you do something on the Strip, your motivation and your focus is very different than a community-based center. You can't afford to do some of the things a community center needs, educational outreach programs for example.

We have a commitment to ticket prices that reflect not what happens on the Strip, but what happens in other world class performing arts centers in our region and around the country.

The type of production on the Strip is usually changed a bit. If it's a Broadway production, it's not the full Broadway production. We've got a commitment to the artistic side and that makes it different.

The properties on the Strip could never be the type of community asset that a community needs.

As for the contrast to what happens at UNLV, a university in general is a really important part of the cultural infrastructure for a community and UNLV has provided that for years. But the facilities that a university typically has don't rise to the same level of quality — they're not typically world class facilities in terms of design, in terms of architecture, building material and acoustics.

We felt for Las Vegas to be a world class city it needs to have a world class performing arts center, and particularly with the fiscal challenges facing higher education today you can't build that kind of facility — it takes something more.

It clearly takes a public sector/private sector partnership to build a world-class center. It cannot and should not be built just on the backs of the private sector or of the public sector. To have this be a true asset to the community it needs to be both.

If you look at our project the day it opens it's going to be close to 50 percent funded by public dollars and 50 percent by private dollars.

One of the things that was part of our business planning process, we said, "We need to have a world class performing arts center but we also need to have something no one else has had in the history of building performing arts centers in America: a significant operating endowment the day that we open."

Most of these places struggle to get the money for construction, and then the first few years can be very painful in terms of operating the way they need to and certainly in doing the type of community-based programming that we want to do.

My goal is that it be \$50 million, it will be at least \$45 million. No place in America has had that.

When did fundraising get started in earnest?

2005. That was a really important step. The architecture for it was laid with the business plan.

We said early on in the business and strategic planning process that the public sector has to be engaged. Because if the public sector isn't engaged, the private sector isn't going to feel it's a real deal.

We went to the Legislature in 2001 to lay out our business plan. The only thing we had in addition to our business plan was a commitment from the city to provide a site.

We walked the hallways and did what you typically do when you're trying to gain support for something. We weren't looking for anything tangible in terms of funding. We were trying to create awareness and get a public dialogue going about having a world class performing arts center.

We had some help from Billy Vassiliadis, who was the head of R&R Advertising — he's still very supportive. He said he would help open the right doors in Carson City to have the conversation.

And he did.

He also urged us not to get too optimistic about the conversations, because they're going to be concerned you're going to be back to ask for public sector funding.

We talked to people, there were five of us who had those conversations. At the end of the day we had a joint resolution passed by the Assembly and the Senate that basically memorialized everything that was in our business plan. And it went one step further: It was something we hadn't even hoped for. It said the group supporting the development of the performing arts center is ready to move forward and in order to do that, we recognize there needs to be a public sector funding mechanism, for the public sector portion of the project.

So they basically laid the groundwork for us to come back and ask for a funding source.

That resolution was passed unanimously by a joint session. Every single Republican, every Democrat, every Northern legislator, every Southern legislator voted in favor of it.

That's when I started referring to "the power of the project." When people saw what we were doing, and how we were going to do it, they started realizing this is a game-changer. It's part of growing up as a city and growing up as a state.

We got rid of the regional issues that are always difficult to get rid of. The power of the project really unified the voices around this important project.

With the passage of that resolution, we started to get ready to go to the 2003 Legislature with a funding request. We talked about various alternatives such as a sales tax or a room tax.

We had had conversations along the way with Chris Giunchigliani (aka Chris G., a legislator at the time). She kind of took us under her wing because she felt this project was really important to the state. She surfaced a bill that was in Northern Nevada to have a rental car tax to support the building of a baseball stadium and she felt perhaps that same structure would work for building a world class performing arts center.

We worked with her to develop the bill to do the same thing they were doing up north — a 2 percent rental car tax. That legislation was passed at the very end of the legislative session.

That was the last big legislative session where there was a lot of tax stuff going on.

Gov. Kenny Guinn had formed a blue ribbon task force (to study the tax structure). We were told in that environment there was no way in hell we would get a revenue bill passed unless we were part of an omnibus tax package.

At the end of the day, Chris G. with (Assemblyman) David Parks helping and a few others, got it approved.

We were celebrating the fact it was approved, it was estimated it would produce about \$50 million in bonding capacity. But we were advised by bond counsel there were technical flaws in the legislation because it was passed pretty quickly. We were told if somebody wanted to challenge it, like the rental car industry, they would probably prevail.

That \$50 million, we thought in those days, was about half of what we needed from the public sector.

We went back to the 2005 Legislature, and decided if we needed to fix the bill we should look for ways to enhance it. I had been involved in the building of the Fremont Street Experience, it was the last public sector-private sector partnership to use a tax increment, it was the room tax in those days to fund the public sector portion.

We did some creative things with that tax to maximize what it would fund. So we took every lesson that was learned and built that into the legislation Chris G was going to carry in the 2005 Legislature.

As we were preparing, we then started working on a few other things including the private sector funding.

When the legislation was passed in 2003, and with what we anticipated would pass in 2005, the legislation enabled the tax but put the monkey on the back of the Clark County Commission to actually implement the tax.

That's something that's only been done in rare circumstances, and the county commission was pissed, to use a technical term.

We first started talking to the county in 2004 and told them we need you to implement the tax, and we were told, "There's no way in hell — it's something we just typically don't do. Putting in taxes, we won't be re-elected." They didn't want to have any part of it.

But because of the power of the project, the more they understood it the more they were prepared to listen.

As we were talking with the county, and getting them to actually talk about this project, they gave us some feedback: "If we do this, we don't think the city of Las Vegas is doing its fair share because it's going to be in the city. By them just providing a site for this project, we don't think goes far enough."

That was music to our ears, because we felt the same.

So we started working with the city, the staff and the City Council, saying, "We think we can get the Legislature to fix and enhance the funding source, and we think we can get the County Commission to put the tax in place. But the county, if they're taking the hit, they don't think the city is doing as much as it should do."

So the city asked us what we thought they should do. We said, "The site needs to be site-specific and needs to be in the heart of the 61 acres (west of the city center downtown). This will create other development, so it needs to be at the heart."

"Because it's in the 61 acres, the soil is contaminated (by decades of railroad operations), we can't afford to address that so the city needs to provide the environmental remediation."

"Third, because we're going to be the first real development in that site, we need the city to provide all the infrastructure to the site, the utilities, the roads."

"Fourth, we're prepared to raise the private-sector funding for this project, but parking is a real issue. Because there will be a neighborhood around us, we think the city should provide the parking."

"For us to maximize what we get out of this revenue source, the county wants the city to use its bonding capacity. We need the city to put its full faith and credit behind these bonds and create a general obligation bond."

When I first said that, at a meeting of staff and advisers, they laughed and thought I was kidding when I asked for the general obligation. They said, "You may be able to get the City Council to give you those other things, but there's no way they will approve a general obligation."

I had the same conversation I had with the City Council we were having with the Legislature and the county, and again it reinforced the power of the project.

Pretty soon they were nodding their heads and saying, "This is the right thing to do."

So while we were having those conversations with the public sector, in late 2004, I had my first conversation about this with Fred Smith, the chairman of the Reynolds Foundation.

I called Fred in December of 2004. When I first came to Nevada in 1987 as chairman and CEO of First Interstate

Bank of Nevada, Fred was on the board of directors.

Fred and maybe Jim Cashman (of Cashman Equipment) were tied as the toughest board members you could ever have on a board. They asked the toughest questions, they were always kind of surly, so I didn't know if I had a good relationship with Fred or not, but I knew I could pick up the phone and call him.

I told Fred, "We are having a lot of conversations with the public sector and I think we're going to get their support. If we get done what we think we can get done, this is going to be a real deal. I would like to come out and update you as to where we are in this project. I know you're generally aware of what we've been doing, but we never really talked about it. I promise you I won't ask for any money for this project, I just want to brief you. If we get the public funding, I may want to circle back and talk about whether there's some funding that makes sense for the Reynolds Foundation to provide us."

He agreed to meet and we met just before Christmas. We met for an hour and a half, it was a good meeting, I had a stack of materials, the same basic stuff I was using to brief the City Council and the county commissioners and the legislators.

It was just Fred and I and then Fred invited Steven Anderson, the president of the Reynolds Foundation, to join us. He asked a lot of good questions. At the end of the meeting Fred said, "This project is bigger than I thought. You've made more progress than I thought. If you get done with the public sector what you're trying to accomplish, you'll really have accomplished a lot. But this isn't our type of project. I don't think our board will be interested in providing financial support for it."

But he turned to Steven Anderson and said, "I think this is a big enough project that I think our board should be aware of it."

He asked Steve to make a presentation to the next board meeting. I said, "When's the board meeting and they said 'Jan. 31, 2005' and I said 'would you like me to be there?'"

Fred said, "No, we don't work that way. Steve will make the presentation." I asked if I could provide material for the presentation, but he said Steve would use the information I provided and would call me if he had any questions.

He called me once for a minor question and that was it.

This was a busy time, it was in my final few months being president of Boyd Gaming Corp.

I received a call on Feb. 1 from Steve Anderson, their board meeting had been the day before, and I asked Steve how the meeting went. He said, "We had a good conversation, but Mr. Smith and I want you to know we still think this is not the type of project we think our board will support. But they'd like to know more about it."

He said they had formed a subcommittee and wanted to meet with me on Feb. 17 – and that's significant because on Tuesday, Feb. 15, we were scheduled to be before the County Commission to ask them to enact the tax subject to the Legislature fixing the technical problems. Wednesday the 16th we were scheduled to be before the City Council to ask for the approvals of everything we had requested.

We proceeded forward, we walked into the County Commission chambers and the place is packed, it's an overflow crowd. We had arranged for a number of people to be there to show support for our project, but it wasn't that many people, so we had no idea if they were for us, against us or unrelated to us.

We went in with something you should never do when you go to the County Commission, we didn't know if we had the votes, we couldn't get the commitments, and we needed four of the seven.

We made our presentation, we had a few people who volunteered to stand up and support the project, people like Jim Murren. In those days he wasn't the chairman and CEO (of MGM Resorts International), but he was the president (of MGM Mirage). We had Steve Schorr (of Cox Communications). We had a ballet dancer from the Nevada ballet theater.

Some people also randomly spoke. There wasn't a dry eye in the house. People talked about how their lives had been

changed by exposure to the arts. Steve Schorr talked about growing up in Newark, N.J., and if it hadn't been for a teacher, during the third or fourth grade who took him to see a performance, if he wasn't dead he'd be in some slum in Newark.

There were three guys who represented the rental car industry and they said, "We think this is a wonderful project our community needs. But we don't think it should be done on the back of one industry."

It was fairly soft opposition.

It was unanimously approved and the crowd broke into an ovation that went on and on.

They felt good about the project – it reinforced the power of the project.

The next day we went to the City Council, we knew we had enough votes, but we didn't know we had all the votes. It was the same dynamic, standing room only.

It was unanimously approved (with the general obligation guarantee) and they received a standing ovation.

That rental car tax, when it was conceived in 2003 it was estimated it would be worth about \$50 million, today it's worth something north of \$150 million.

We went into the meeting the next afternoon with the Reynolds Foundation subcommittee. The "we" in this case was Myron Martin, Alan Feldman (of what is now MGM Resorts International) and me. We had a presentation and about an hour into it I noticed the chairman was looking at his watch and I said, "I should have asked this at the beginning, but how much time do we have?" He said he had a flight to catch and we had 10 or 15 minutes max.

I told them that I had promised Mr. Smith and Mr. Anderson when we met in December I would not ask for money at that time, but I can't let this meeting go without asking for something. I said, "This is the most important project to be built in Nevada in our lifetime. As such, we think it should have the largest philanthropic gift in the history of the state of Nevada. Secondly, I know how important Las Vegas was to Mr. Reynolds and his company and therefore the Donald W. Reynolds Foundation, because when the company was sold when he passed away, the single most important asset in the organization was the Review-Journal. As such we think this should be the largest philanthropic gift in the history of the Reynolds Foundation. So we'd like to ask for \$50 million."

Fred Smith was not there, but I turned to his son Wes Smith and said, "I know how important Las Vegas was to your dad and your family, because he made the decision while he was working his way through the corporate ladder at Donrey Media, when he moved his family here more than 40 years ago, to raise his family here. So you were all raised here. I also know, from a business point of view, how important Fred was to our business community. While I don't have a vote in the matter, if the Reynolds Foundation saw fit to give us the \$50 million and then saw fit to put your dad's name on the project, we'd be honored to have it."

With that the meeting ended. It was very cordial, it was just our words and our PowerPoint presentation.

That was Thursday afternoon. I received a call Monday from Fred Smith's secretary who asked that I have lunch with Fred.

I showed up for lunch on time, which is important with Fred, and in his office in Summerlin I heard this voice coming down the stairs, no hello or anything: "That was a pretty bold request you made of our committee last week!"

He had this scowl on his face. I said, "Yes sir, but this is going to be the most important ..." he cut me off and said, "I know you told the committee it'll be the most important building to be built in Nevada in our lifetime."

He said, "That may be true, but let me share how we at the Reynolds Foundation look at naming opportunities."

In his office there's a picture on the wall of Razorback Stadium in Fayetteville, Ark. (now Donald W. Reynolds Razorback Stadium).

He said "In Arkansas, they love their football. They love their football so much that this is probably the most important building in the state of Arkansas. They asked us to put our name on the most important building in the state

of Arkansas and we did – Arkansas is really important to us, that’s where our corporate headquarters was. It’s where Mr. Reynolds spent his entire adult life. Do you know how much it cost to put our name on the most important building in the state of Arkansas? \$21 million.”

He showed me a book from the Smithsonian Institution and said, “They want us to put our name on the third-oldest building in Washington, D.C. It’s really an important building for the entire nation. We really like the project. Coincidentally, they’re also asking for \$50 million and as much as we like that project, we’re going to support it, but we can’t support it with \$50 million.”

I am dying at this point – they are starting to set up our lunch while we’re talking. We went on the patio before lunch and he instructed me to sit on a bench. And he said again, “That was a pretty bold request.” He hasn’t smiled once in almost 30 minutes.

He finally said, “Let me tell you what we’re going to do, we’re going to give you the \$50 million and in addition I talked with Mary my wife, and we’re so impressed with what you and Dee have done, we’d like to personally match your \$1 million gift.”

(Snyder and his wife Dee had just announced a \$1 million gift to start the Smith Center’s Founders list of million-dollar-plus donors).

Then he laughed and said, “I bet you wished you would have asked for more!”

I said, “We asked for what we thought was right and we couldn’t be happier.”

At that point in time we hadn’t submitted a request in writing, but he said he was very impressed with the business plan and this was going to be run like a business. They were especially pleased to see a commitment to an operating endowment, they had seen so many projects that floundered in the early years.

Of the first \$50 million commitment, \$5 million was available for preconstruction, architects and things like that. Forty-five million was earmarked for the operating endowment, so they put their money where our mouth was.

My commitment to him was this would be run like a business, and that has been very important for him.

That \$50 million is more, these days. It was in 2007 that Myron and I were invited to make presentation to the full board regarding the design and the budget and the fundraising.

It was a good presentation, but we knew they wanted to see this built all at once. We had talked about the fact we would have to phase the project. They asked how much it would cost to do it all at once and we said, “\$112 million.” With that the meeting ended.

They had asked about fundraising, we said the Founders Club was growing, it was in the mid teens or so. We also talked about our plan to have naming rights to various aspects of the building.

We had just had the model delivered, they loved what they saw in terms of the architecture.

Myron got a call a few days later from Steve Anderson, who asked, “What are you doing for lunch on Monday?” And Myron said he was flying to Dallas for a meeting with the design team. And Steve said, “So Myron, what are you doing for lunch on Monday?”

And Myron said, “Having lunch with you?”

Steve said yes, he and Fred wanted to have lunch with Myron and myself.

We had lunch – they had ordered from Jason’s Deli so we had box lunches in this beautiful facility and Fred had a stack of papers with him.

Fred said we had done a good job with our presentation, but he turned to me and said, “You said something during the presentation that created a lot of concern. You mentioned you were talking with people about naming rights and had a commitment for a part of the building.”

I said, “Yes we feel real good about it, that’s how we’re going to get the financing done.”

He said, “That’s the problem. It says here in paragraph 22 (or whatever it was) that before you can commit naming rights on any part of the building, you have to get our prior approval. You never asked for our approval.”

I’m dying. Myron’s legs were numb at this point in time. I said, “Fred, I’m going to take the hit on this one. I know it’s in there (the contract), but I totally spaced it. I’m so focused on fundraising I just missed the fact we have to ask for prior approval.”

Fred said, “We (the board) talked about it for a long time and we came up with a solution to the problem. We figure if we give you another \$100 million, and you build it all at once, you won’t need to ask us for our approval quite as many times.”

So we sat back and laughed. That was how we got from \$50 million to a \$150 million commitment from the Reynolds Foundation.

This has clearly become a legacy project for them and for Mr. Smith — what they’re doing with us directly and what they’re doing to facilitate the move of the Children’s Museum.

We originally had plans for a smaller theater, but it didn’t really make good sense in terms of complementing the assets that already exist in the community. We had this space, they encouraged us to look at the Children’s Museum.

That culminated in the Children’s Museum moving to the Smith Center.

Some of the \$150 million they gave us is for the core and shell, but then they gave additional money to the Children’s Museum to build out that space.

The also felt the park out in front of us, a 2-acre park, was real important so they basically adopted the park and paid for the costs of designing and building the park and endowing its maintenance.

All told, their commitment to downtown is one the largest single philanthropic commitments in the history of our country.

It’s truly a legacy for them, we just couldn’t have done it without that.

In 2005, having that commitment in place and going to the Legislature, it was really the thing that made the difference. Having the county prepared to implement the tax was important, having the city prepared to do all those things they were prepared to do was a big deal. But to have a \$50 million commitment from the Reynolds Foundation and having a few of us signed up to be part of a Founders Club was really the critical element we needed to get the support we needed from the Legislature.

Another thing we committed to in the business plan is that we’d have all the construction funds in place before we started construction, and we did. Typically these projects will start construction when they’re about 50 percent funded. We said, “We couldn’t afford to do that.”

That decision was made before the world turned (into recession). If we hadn’t of had the money in place and the world turned, to raise the money we needed to raise in the last three years would have been impossible.

When we broke ground, we had all of the construction money in place and 90 percent of the total project funding in place. Today our project is almost \$500 million – we’re down to the final \$13 million.

It’s unheard of for a project like this.

We know you don’t speak for the Reynolds Foundation, but why did it make sense for them to name it after Mr. Smith rather than Mr. Reynolds?

Don Reynolds started the company and he was the patriarch, and Fred Smith was with him that entire period of time. Fred was really the business guy. He emerged from lower-level management positions up to when Mr. Reynolds passed away, Fred was the president and CEO. The wealth that was created, the business that was built, Fred

deserves a tremendous amount of credit for that. Their foundation board, made up of people who were close to Mr. Reynolds, knew that as well. We knew they had put the names of some executives on some small projects, we knew there was some thought about doing that type of thing. Where other than Las Vegas would it make sense for them to honor Fred Smith? He had raised his family here and so on. It was tremendous respect shown for Mr. Smith in that regard.

Mr. Reynolds' name is in the large hall. So the large hall will be the Reynolds hall at the Smith Center.

Once the world did change in late 2008 and we entered this recession, did you take a break and say, "We need to hold off on fundraising until things turn around?"

We moved forward. We talked a lot about it and we changed our focus. We recognized some people were affected a lot more than others by the economic downturn. Some may not have been affected in a big way, but they were affected by the uncertainty. There were a lot of people kind of paralyzed and we had a sense of who those people might be. We probably slowed down a little bit, and focused our efforts on where it made most sense.

The underlying strategy that goes back to that business plan dating to 2000 is the thing that helped us more than anything. Business plans need to change from time to time, but it provided us the bones of a decision-making process that gave us the ability to work with changing circumstance and that was a pretty big change of circumstance that happened in 2008.

Now that we're under construction, that creates a lot of energy. You're never done fundraising, the \$13 million we have left to raise – I am incredibly confident of our ability to do that.

There are no cold calls these days when it comes to the fundraising opportunities, they are all people we have talked to over an extended period of time.

Having deadlines is important. The broad base of people donating to this project is important, but the Founders because of the magnitude of the gifts they give are really the catalyst for how you get from here to there.

We have to have our final list of Founders in place by July 1, because that's when we have to give the names to the stonecutters in Italy. That group that will be signed up by July 1 will be memorialized forever as the people that really made this project happen.

From an overall fundraising point of view, it is wonderful and important to have the public sector support and a foundation like the Reynolds Foundation to step up in a major way, but these projects don't get done if you don't have the larger group of people. First the Founders who can step up with \$1 million-plus gifts, and then gifts below \$1 million – that's where you really start to create the energy that's important for a successful project.

It's because those people have a sense of ownership and commitment and will be buying tickets and telling their friends and taking their friends to performances.

The process we're in now is important from a fundraising point of view, but it's also important from a "friendraising" point of view.

If people care about the arts and want to make small donations or say something like \$1,000, is there a mechanism for that?

We have I don't know how many hundreds of donors at this point, people that just hear about our project get on our website and contribute that way. We have a constant series of lunches where we are doing "friendraising."

Will this project boost economic development efforts?

When I first came here as CEO of First Interstate Bank of Nevada, my hardest job was hiring executives and convincing them to move from other parts of the country.

I could often convince the executive, but convincing the family to move here away from infrastructure they were used to in other cities like Los Angeles or Phoenix or Dallas or wherever it happened to be, performing arts always

surfaced as a reason people didn't want to move here.

I know first-hand how important it is. Over the years I've gotten more tuned in to how important it is as I have gotten involved with technology companies or broader-based companies.

I was chairman of the board with the Nevada Development Authority for a few years and I have talked to so many businesses that see the lack of infrastructure here, whether it's education or performing arts.

I know how important this is as part of us being a world-class city. We cannot diversify our economy if we don't have these types of assets and this is a really important one.

In terms of redevelopment, I've been involved over the years including with the Fremont Street Experience. It takes significant things to create a difference.

Redevelopment is harder than development. With redevelopment, it's not just taking a clean piece of dirt and building something. With redevelopment, you have to un-do before you can do. Oftentimes it's physical structures and environmental problems. A lot of times it's undoing attitudes where people don't want to be someplace because it's deteriorated to the point where they don't feel comfortable.

Redevelopment is tough. For it to happen, it takes some significant key things. The performing arts center is one of those really key things.

Before the economy turned upside down, everybody who was considering doing something downtown on the 61 acres or around it always wanted to know where we were in our planning process.

The Brain Institute is a big deal – and Zappos.com, those are big deals. But it takes something to be the catalyst. The performing arts center clearly is a catalyst for that type of thing.

Now, the momentum will pick up. We have to get out of this economic ditch we're in.

The thing that's created by this project and others is real. I walked the Union Pacific site (the 61 acres) in 1989 with John Cushman, CEO of Cushman & Wakefield. He'd just been given a mandate to sell the Union Pacific Railroad property.

There was nothing there. To see what's happening now – I don't have time for people to criticize what's happening downtown or to criticize the mayor. Let's give him credit for what has happened.

It's a significant change, but it's only just begun. It's a big deal.

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