



RECEIVED  
CITY CLERK

2006 SEP -8 A 10: 21

September 5, 2006

Ms. Barbara Jo Ronemus  
City Clerk  
City of Las Vegas  
400 Stewart Avenue, First Floor  
Las Vegas, NV 89101

Dear Ms. Ronemus:

Chang Income Property Partnership dba Westlake Realty Group is hereby opposing the request for special use permit for a proposed massage establishment, as set forth in document SUP-14757.

You may contact me at (650) 579.1010 x195 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ian J. Calvello'.

Ian J. Calvello, RPA  
Commercial Property Manager

Submitted after final agenda



## Memo

To: Las Vegas City Council  
Date: September 6, 2006  
Re: SUP-14757 City of Las Vegas  
From: Stephen L. Cook, applicant

Dear City Council Members;

Thank you for this opportunity to address you. My name is Stephen Cook and I'm the applicant for the SUP request for the Rock Springs shopping center, as well as the franchisee of the proposed site. My wife and I are also the Regional Developers for Massage Envy in Arizona and southern Nevada. Franchesta Hammonds and Dr. Jay Coates are the franchisees for the clinic to be located in the Montecito shopping complex.

We agree with the planning commission in their recommendation to approve our requests for a special use permit. Because we are new to Las Vegas, and few, if any of you have first hand knowledge of our clinics, my desire today is to share salient information with you, which I'm hopeful will help you to not only allow our presence at these locations, but inspire you to pay us a visit once we're open! So far, we have three Massage Envy clinics open in this area – two in Henderson and one in Clark County on west Flamingo. The SUP applications before you today are for the first two clinics in Las Vegas proper. Here are some of the reasons we believe you may, in good conscience grant us these special use permits:

1. Massage Envy offers ONLY legitimate, wholesome and strictly therapeutic massage services.
2. Every therapist we hire is a fully registered, certified and licensed professional massage therapist.
3. Our therapists are employees, who are covered by workers compensation insurance and has access to full benefits including health, dental and vision insurance, etc.
4. Every therapist undergoes a national background screen; a pre-employment drug test, and signs a contract with the company making clear what is within the authorized "scope of services" – and knows that Massage Envy has a strictly zero tolerance policy relative to any inappropriate behavior.
5. We are the first and only Nationally Franchised massage business in the nation, which means that the lucky few to whom franchises are awarded are themselves carefully vetted and also subject to a detailed background and financial audit by the franchisor. Only those with the highest moral and financial integrity are awarded a franchise license. Massage Envy understands that the only way we'll grow this company is by strictly staying on the professional, therapeutic and wholesome side of the massage industry!
6. We started in 2002 in Scottsdale Arizona and today have awarded 360 franchises, with 121 clinics open in 29 states. So far, every single municipality has required some sort of use permit, and (knock on wood), so far, every municipality has seen fit to grant us the necessary waivers to secure the use permits once they understand our business model!
7. We cater primarily to the local residents and do not solicit visitors, nor pay for taxi fares to get to our clinics.
8. Our business model is to bring professional therapeutic massage out of the expensive, extravagant and exclusive spheres and make it available to everyone at convenient locations and affordable prices. We do this through our member benefits program, which works like this: Anyone may visit Massage Envy and try out our services for the special introductory price of just \$39 for a 1-hour session. If they want to join, they'll pay monthly dues of \$59 – which includes their first, 1-hour massage session each month. Members then have the privilege of receiving unlimited additional massages in the month for just \$39 per 1-hour session, plus numerous additional benefits. You do not have to join, however, because non-members are always welcome and still receive our everyday low price of just \$78/1-hr session.

Submitted at City Council

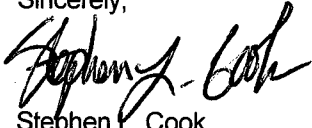
Date 9/6/06 Item #180

9. Massage Envy is beginning to be noticed around the country and has received several awards and recognitions including the ICSC's (International Council of Shopping Centers) "TOP 5 HOT RETAILERS" award for 2006. We are invited each year to the FBR Golf Open to perform chair massages at 6 venues throughout the course; and we are partners with the Susan G. Komen Breast Cancer awareness foundation and one day each year perform free massages in all our clinics in exchange for a donation to this foundation. Major retail developers around the country including Westcor, Vestar, Triple 5, Montecito Properties, and countless others are now seeking us as tenants. None of these councils, companies or foundations would award us, partner with us, or do business with us - if they had any doubts about our creditability or commitment to long term wholesomeness and excellence!
10. Our last appointment time is 9:00 pm so we close at 10:00 pm M-F and we close at 6:00 pm on Saturday and Sunday. We are asking only for 1 hour more than what the code provides so we can be consistent with other Massage Envy clinics and comply with franchise requirements.

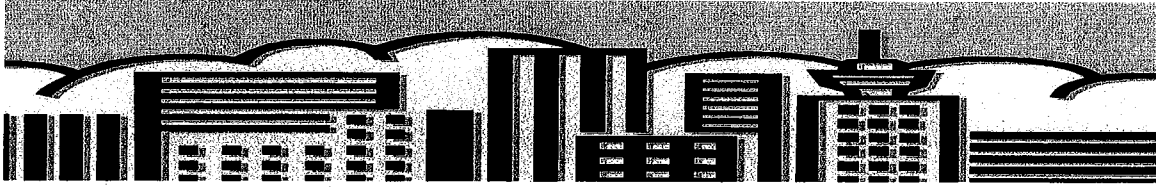
The accompanying pages show pictures of several clinics around the country that will give you a good idea of our brand, and how nicely appointed and professional our clinic and people are. There are also copies of some news articles on Massage Envy, as well as a letter of recommendation from our landlords.

We urgently hope and humbly request, that this council will approve our special use permit applications. Thank you!

Sincerely,



Stephen L. Cook  
Regional Developer, Arizona & So. Nevada  
Massage Envy



## **PLATINUM REALTY and DEVELOPMENT**

**Acquisition – Development – Leasing - Management**

To whom it may concern,

It has come to our attention that our prospective tenant, Massage Envy, is a topic of concern for approval.

We appreciate your desire to steer clear of inappropriate businesses and have no intention of including such a business/tenant in our grade A shopping center like ours. We have been building and developing shopping centers and office buildings in the Las Vegas area for over 10 years. We deal with many national accredited tenants and have no desire to tarnish the image of our centers with a shady business.

In strict accordance with our tenant approval guidelines, we have done our due diligence with Massage Envy and feel that they would make a nice addition to our center and be a welcome business for the patrons in the community.

Massage Envy is a reputable day spa, such as the ones in the larger hotels in the Las Vegas strip, yet their prices and convenient location cater to the general public living in the near by Summerlin community.

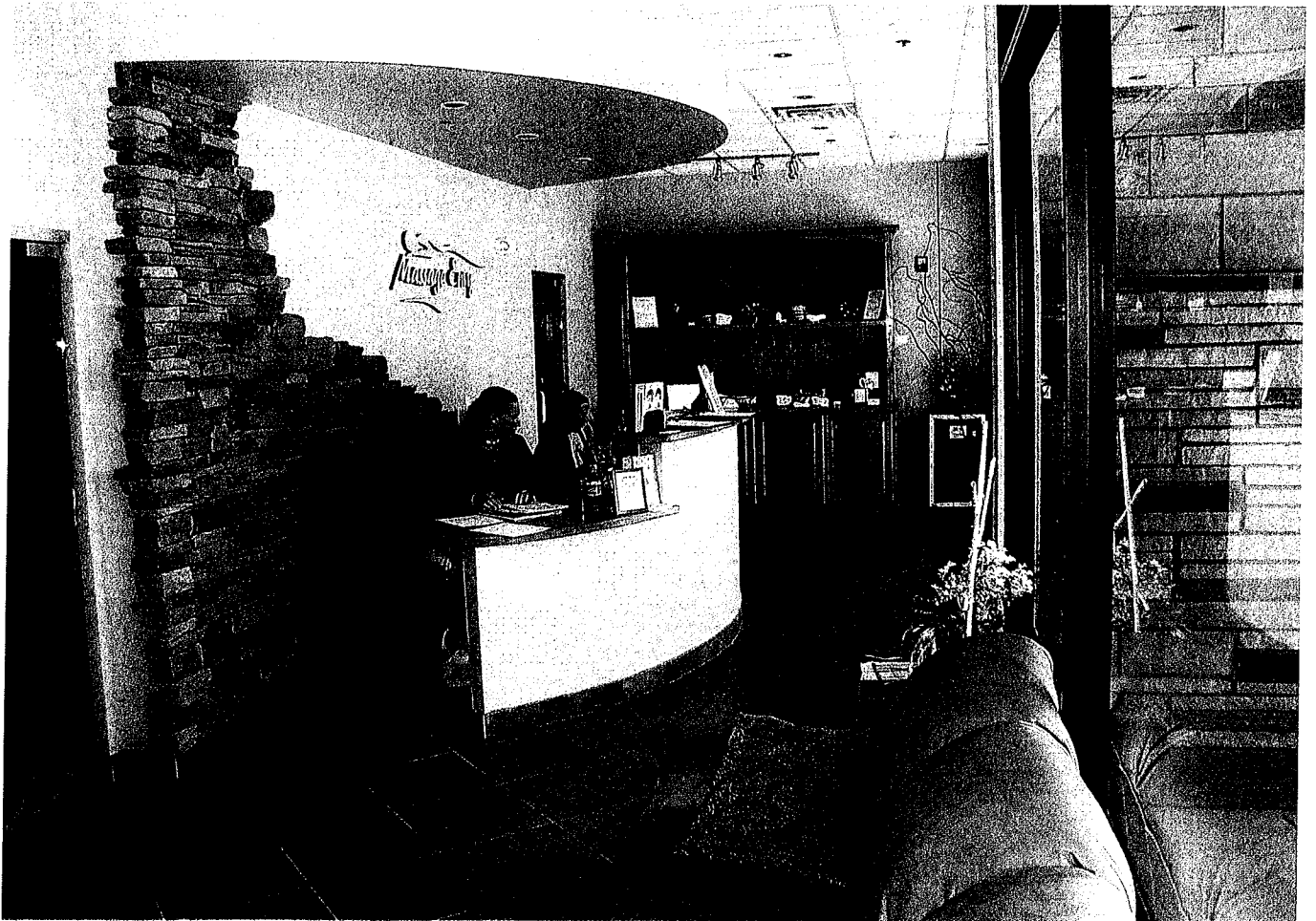
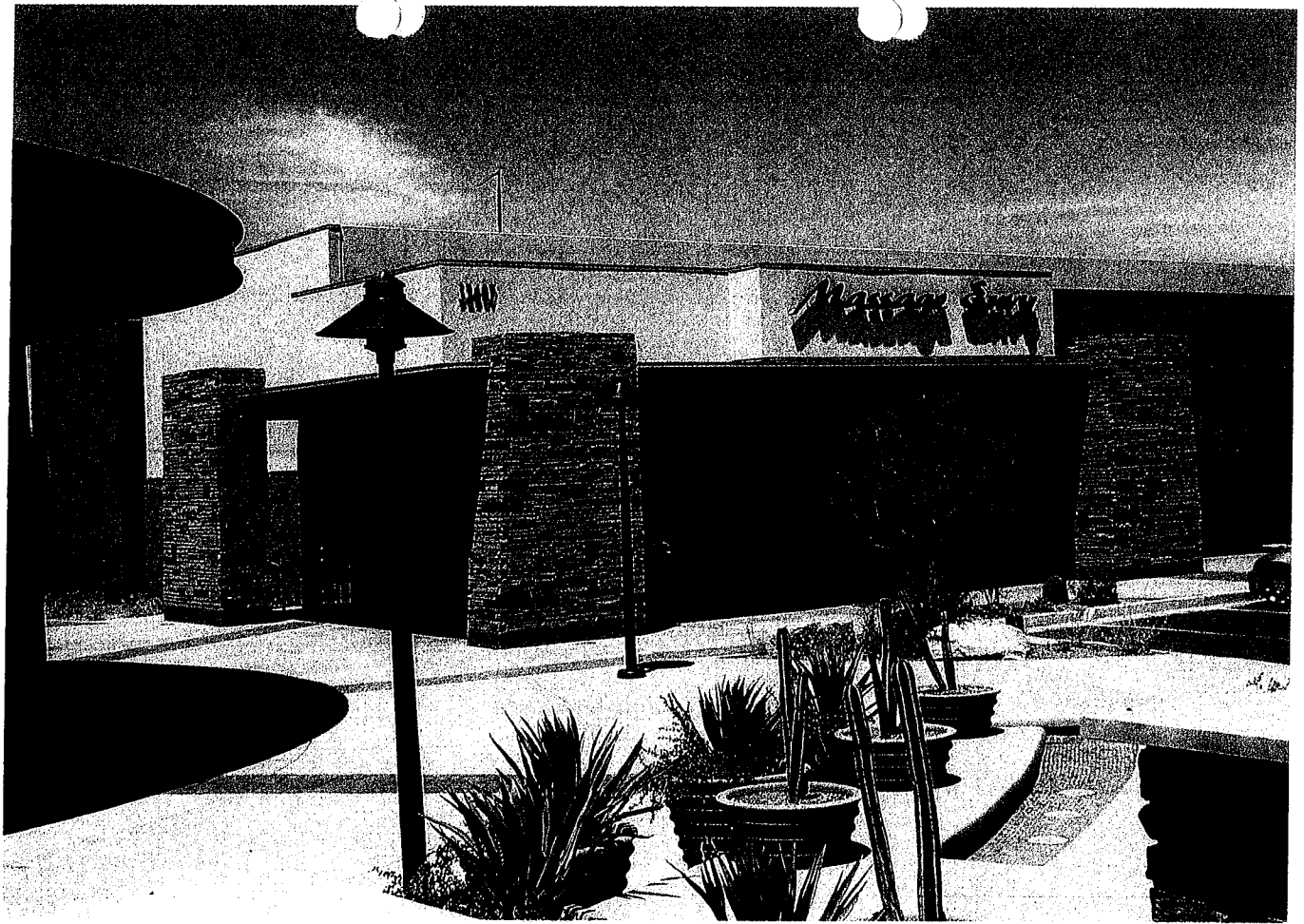
We feel confident that you will realize why we are interested in accepting such a tenant into our shopping center.

If you have any other concerns, please feel free to contact us.

Sincerely,

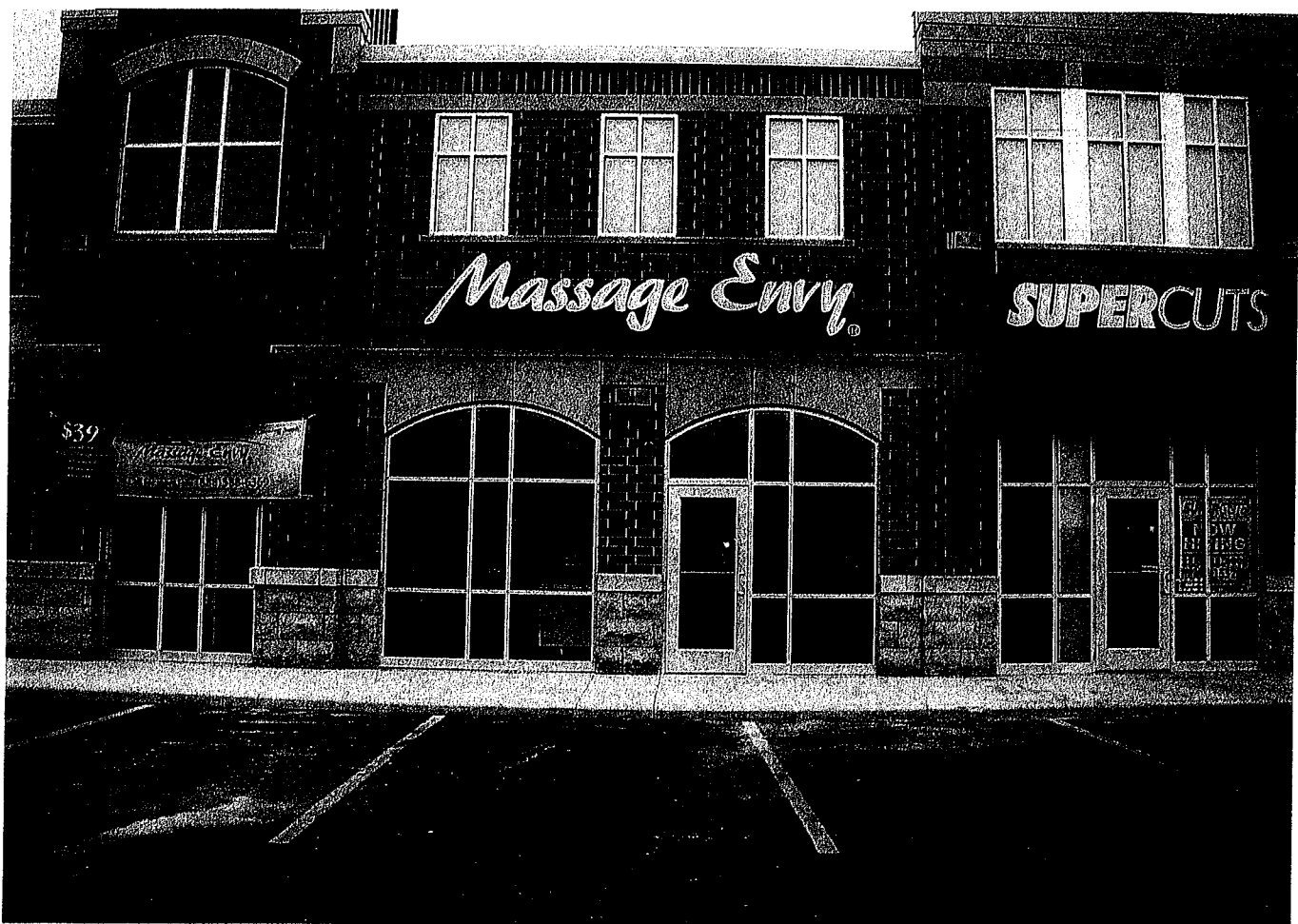
Ali Kaveh

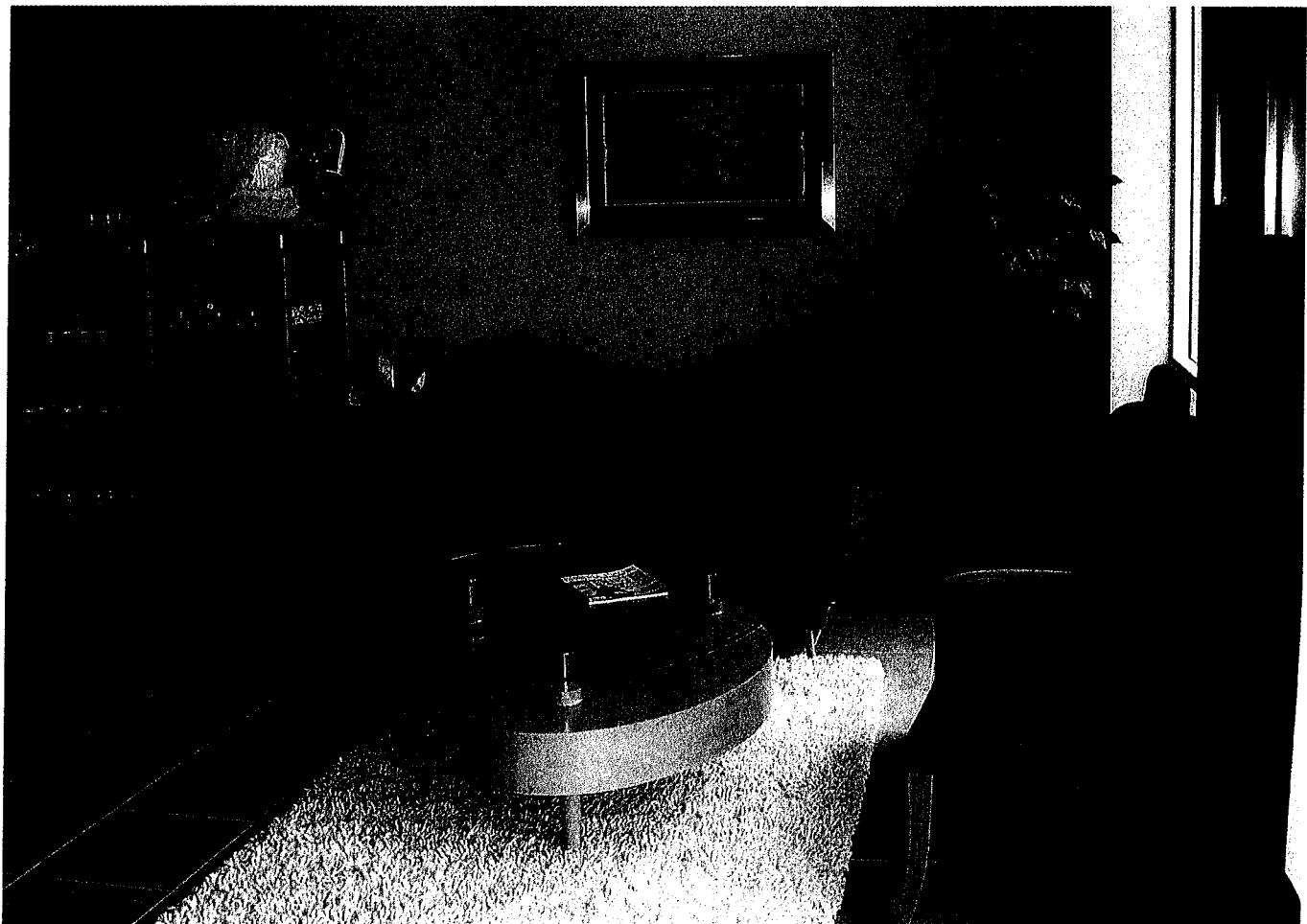
**3824 S. Jones Blvd. Suite F  
Las Vegas, NV 89103  
702-251-0218 Off. 702-251-0918 Fax**

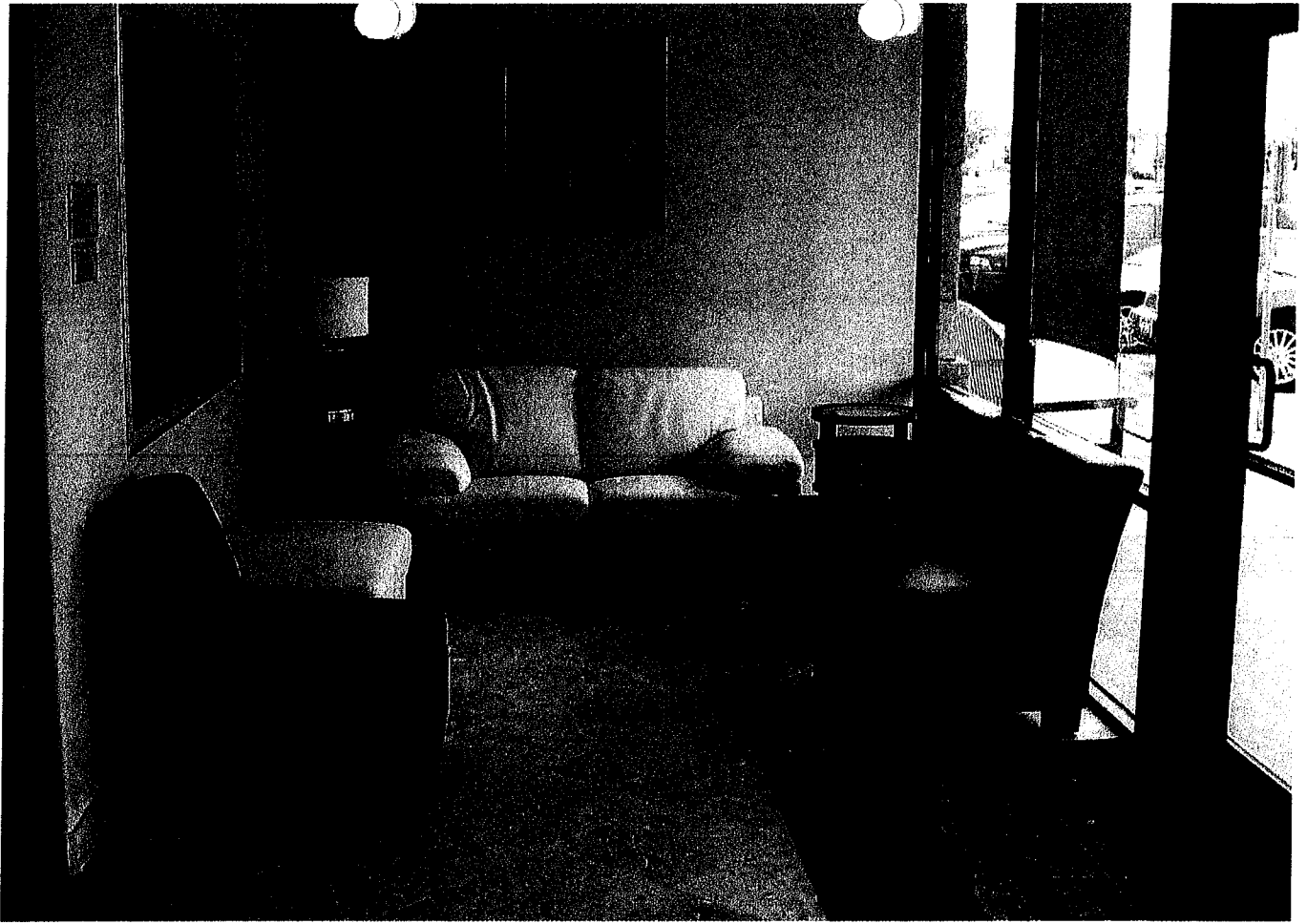




Thank You for Choosing  
Massage Envy!  
All Members and Guests  
Please Register.



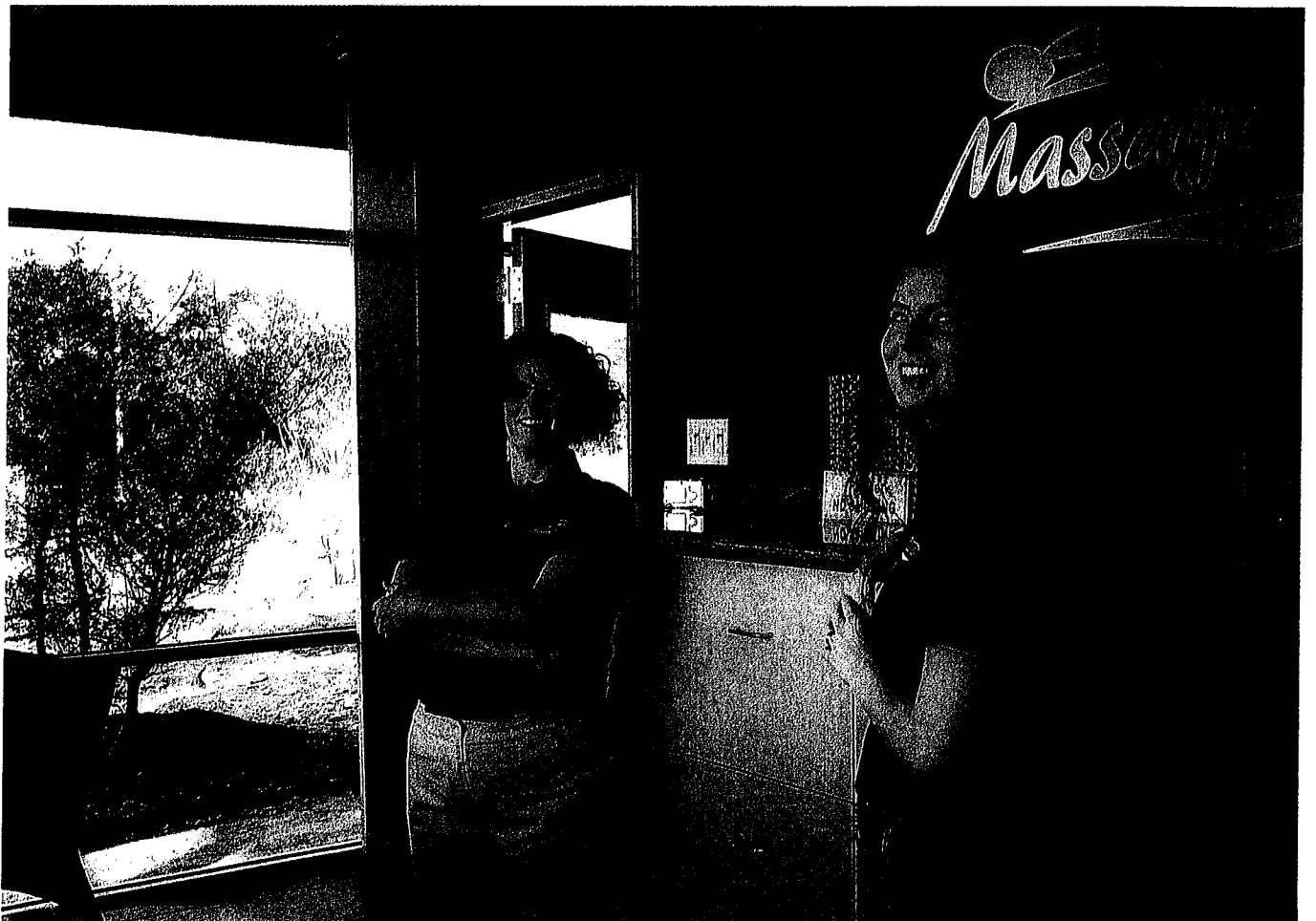
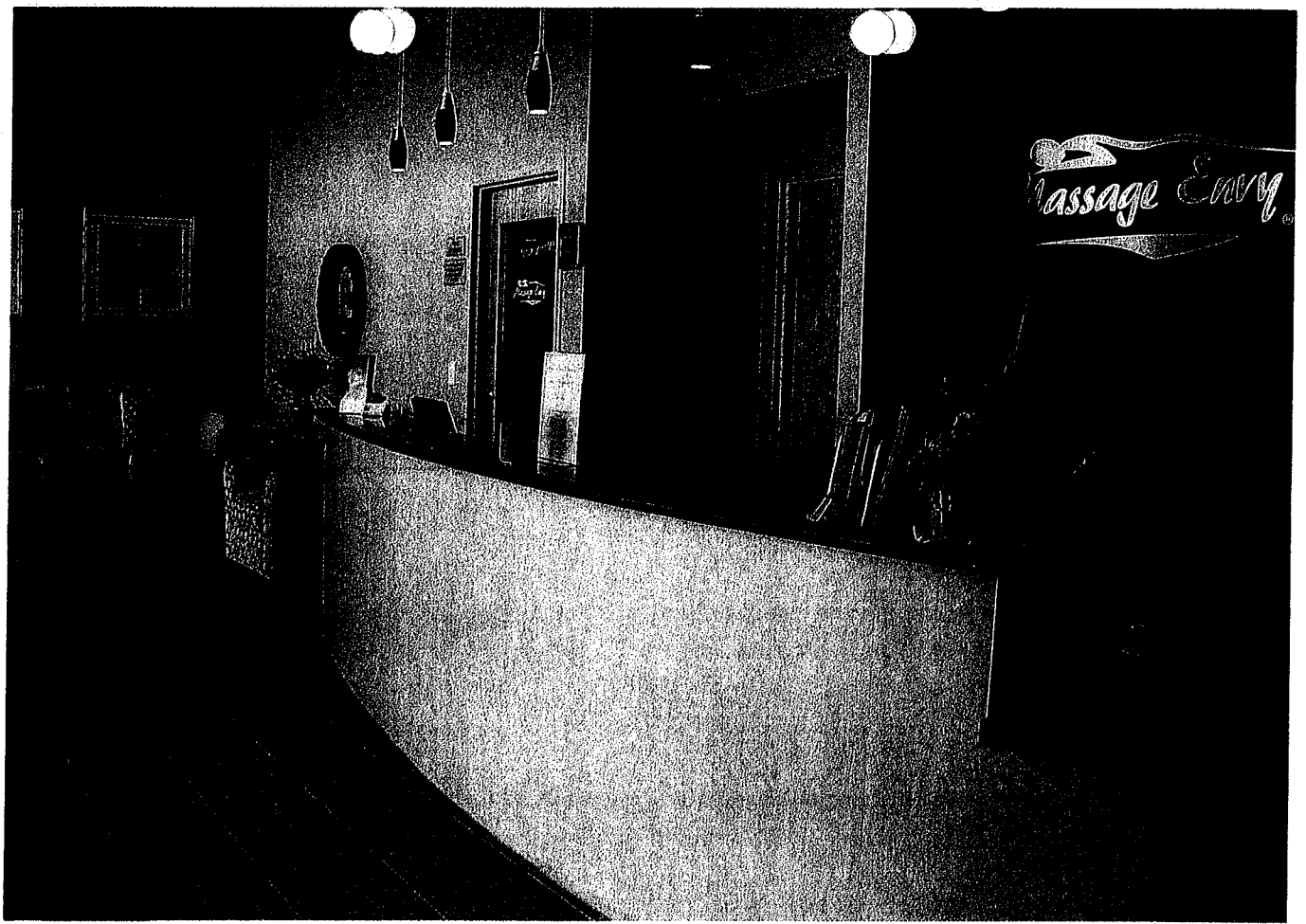


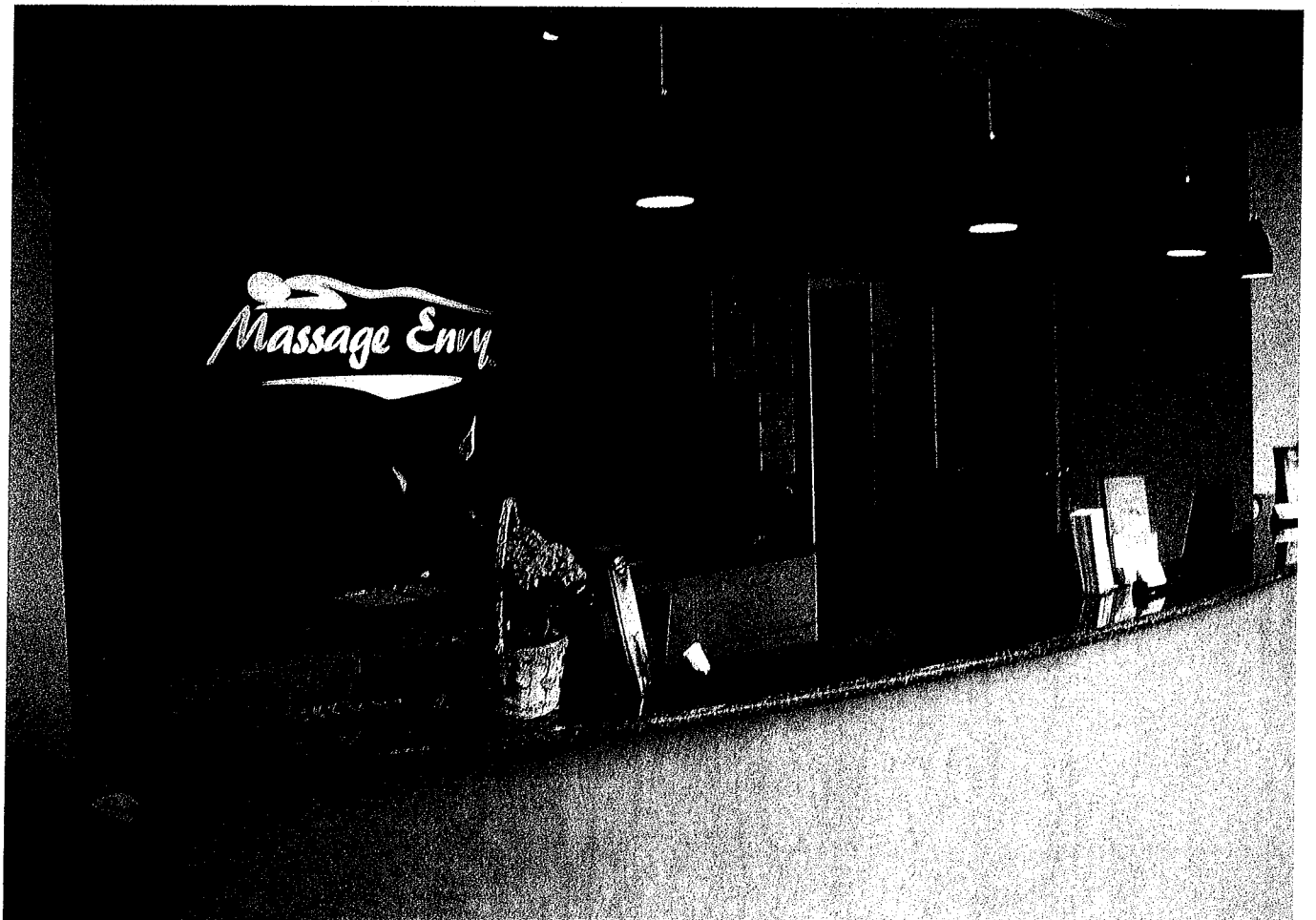
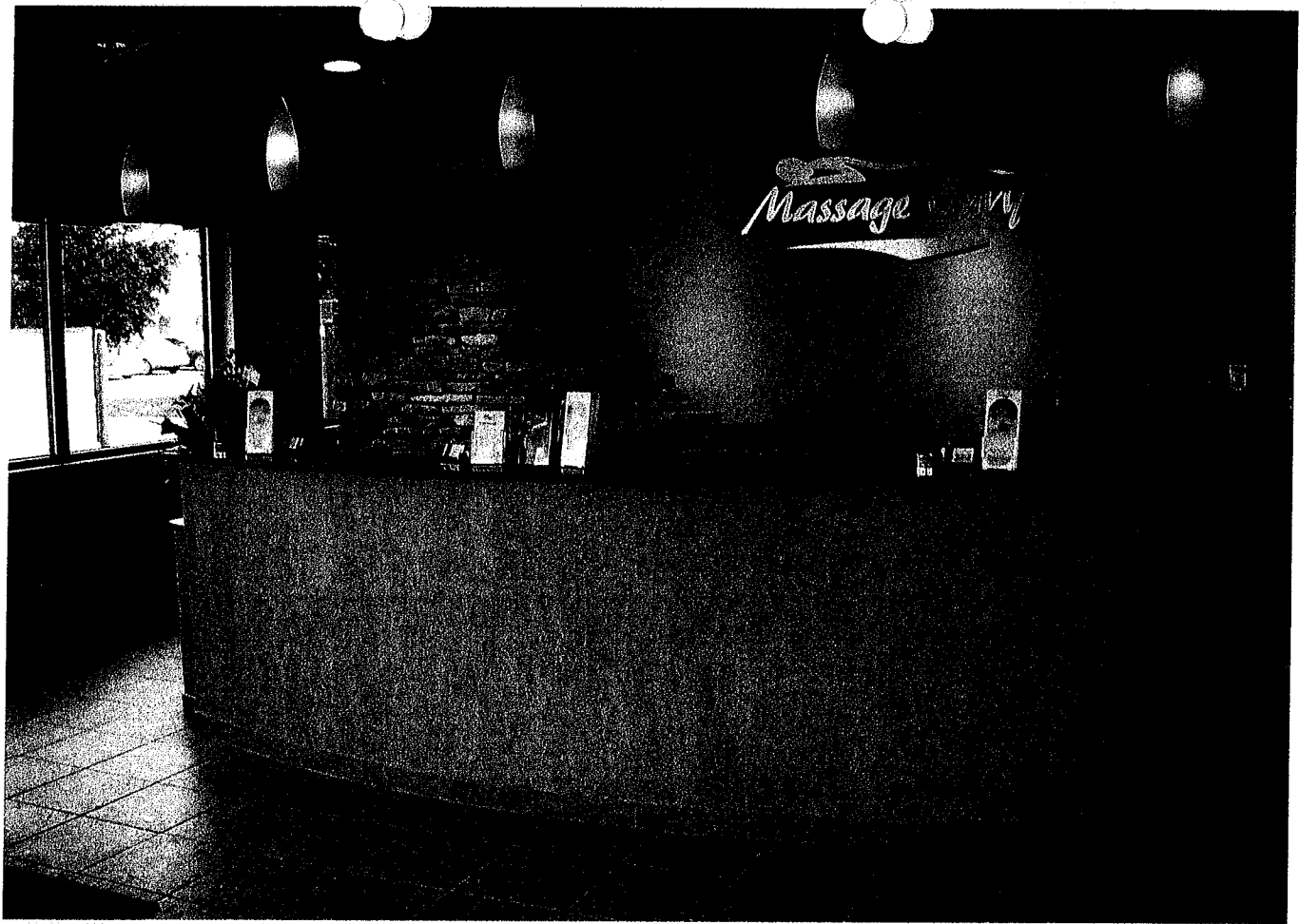


# Massage Envy

839









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**BUSINESS PULSE SURVEY:** Are officials doing a good job of preparing for ASU's downtown

## Massage Envy selected as one of the country's hottest retailers

The Business Journal of Phoenix - May 24, 2006

The **International Council of Shopping Centers Inc.** has named a Scottsdale company as one of the hottest retailers in the country.

**Massage Envy**, which franchises clinics, was named as one of the top retailers. Currently, Massage Envy has 95 operating clinics and 255 franchise locations in 29 states in the U.S.

Founded in 1957, the International Council of Shopping Centers is a global trade association for the shopping center industry, with more than 60,000 members in over 100 countries.

The awards were handed out earlier this week during ICSC's annual spring Convention in Las Vegas.

Massage Envy is a Scottsdale-based franchisor of massage clinics.

For more: [www.messageenvy.com](http://www.messageenvy.com).

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## SCT Newswire

### 2006 Hot Retailers named

**LAS VEGAS** — Some of the most innovative shopping center tenants were recognized yesterday at ICSC's annual Hot Retailers Award ceremony here. Five retailers, picked through a ballot of ICSC's members got the honor: Citi Trends, Justice Just for Girls, Massage Envy, Muttropolis and Teavana.

The founders and senior executives of these companies were onstage to receive their awards before a large audience of Spring Convention delegates. This was the fourth Hot Retailers event. The latest winners are now members of the distinguished pantheon of honorees from years past. Those were American Eagle Outfitters, Apple, Build-A-Bear, Chico's, Coach, H&M, Hollister, Hot Topic, P.F. Chang's, Steve & Barry's, Steve Madden, Trader Joe's, Victoria's Secret, White House Black Market and Williams-Sonoma. Details of the winners follow:

**Massage Envy, Scottsdale, Ariz.**

**No. of stores:** 108

**No. of stores to open this year:** 150

**Preferred locations:** Open-air centers, and sites near restaurants and supermarkets  
**Leasing contact:** Ilaria A. Giansanti, director of real estate development, (480) 366-4130

A little self-indulgence shouldn't have to cost an arm and a leg, says John Leonesio, CEO and co-founder of Massage Envy. And at his chain, it does not. Massage Envy, established in 2002, is dedicated to bringing the spa experience to the masses. Like gyms, the chain offers monthly memberships, which cost from \$49 to \$59. Clients call up and can get a massage at a moment's notice, and at a convenient location. "The concept is that a member could be in the parking lot calling in on their cell phone and still get an appointment," said Leonesio. The fee includes the month's first massage, with each additional session costing \$39.

**Citi Trends, Savannah, Ga.**

**No. of stores:** 250

**No. of stores to open this year:** 42-45

**Preferred locations:** Open-air centers, freestanding stores, some malls, and venues within three miles that serve predominantly black populations of at least 25,000

**Leasing contact:** Koyt Everhart, vice president of real estate, (912) 443-4910, keverhart@cititrends.com

Citi Trends' success rests on its "out-discounting" the discounters — while offering the latest fashions, no less. This family apparel, accessories and home decor chain caters to a population few major competitors court: blacks and ethnic minorities in cities and densely populated suburbs. Its stores are located in the Southeast, the mid-Atlantic and Texas.



## **MESSAGE ENVY® PARTNERS WITH THE SUSAN G. KOMEN BREAST CANCER FOUNDATION**

### ***“Massage for The Cure” Provides Free One-Hour Massages to Benefit Breast Cancer Research***

**PHOENIX, ARIZ. – July 11, 2006** – Schedule a massage for yourself and help others during the process. On Monday, September 18, all of the greater-Phoenix metro area Massage Envy® clinics will offer free one-hour therapeutic massages in partnership with the Phoenix Affiliate of The Susan G. Komen Breast Cancer Foundation.

All proceeds raised during the “Massage for The Cure” event will support breast cancer research initiatives through The Susan G. Komen Breast Cancer Foundation. For a donation of any amount, Valley residents will receive a free therapeutic massage from any of the 16 Valley-wide Massage Envy locations. Each location will offer information about the fatal disease, which affects nearly 213,000 women each year.

Reservations for appointments, which will run from 8 a.m. to 10 p.m., will be accepted beginning Monday, September 11, and it is recommended that visitors schedule early. Reservations can be made by contacting a participating Massage Envy clinic directly or calling 602-992-ENVY.

“Too many women have lived in fear of breast cancer for far too long,” said Massage Envy founder and CEO John Leonesio. “Our partnership with The Susan G. Komen Foundation will not only raise much needed dollars to fund mammograms and breast cancer research, but will also raise awareness about the importance of early detection and early treatment to offer the best chance of survival. We are proud to donate an entire day’s proceeds in honor of our employees who have been affected by breast cancer along with the Phoenix members of Massage Envy.”

Last year, 16 Valley-wide Massage Envy locations participated in the one-day event which raised \$41,000 – more than four times the original goal. To find a clinic near you or to book an appointment, please call 602-992-ENVY or log on to [www.messageenvy.com](http://www.messageenvy.com).

Massage Envy® Limited, LLC is a national franchise of massage clinics dedicated to providing professional and affordable therapeutic massage services to consumers with busy lifestyles at convenient times and locations. Founded in 2002, Massage Envy is now a \$9 million-a-year company with 109 operating clinics, and 344 franchises sold in 29 states.

# spots • n • dots

The Daily News of TV Sales

Friday, May 26, 2006

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## FIVE "HOTTEST RETAILERS" NAMED

### AT THE ICSC MEETING

The International Council of Shopping Centers announced its annual **Hot Retailers** awards last week, with five rapidly expanding chains from diverse retail segments honored.

The new companies join some distinguished past winners that have rapidly progressed from concept to major factor, and in some cases at least, major advertiser. Past honorees include **American Eagle, Apple, Build-A-Bear, Chico's, P.F. Chang's, Victoria's Secret, and Williams-Sonoma.**

**Citi Trends**, headquartered in **Savannah**, currently has about 250 stores in operation, and plans to open another 42-45 this year. Once called **Savannah Wholesaler**, later **Allied Department Stores**, and eventually **Allied Fashion for Less**, it targets blacks and ethnic minorities "out-discounting" the discounters in family apparel, accessories, and home decor. It's looking for sites in open-air centers, some freestanding stores, and some malls.

**Justice Just for Girls** is a sibling to **Limited Too**, but unlike the latter looks for power centers and lifestyle centers rather than malls. Headquartered in **Columbus**, it only has five stores open right now but could grow fifteen-fold just this year, with up to 75 new stores coming. Eventually the company feels it could outnumber **Limited Too**. Targeting girls 7-14, it sells merchandise for girls' rooms as well as clothing.

Some pet chains like **Pet Depot** and **PetSmart** have done well in recent quarters, and **Muttropolis** of **Solana Beach, Cal.** hopes to do the same. With four stores open now and 10 planned for this year, **Muttropolis** looks for upscale open-air and enclosed centers and downtown sites that have upscale co-tenants. Upscale is the key for this chain—dog collars run as high as \$95, and it offers a luxury dog bed for \$999.

**Massage Envy** tries to bring the spa experience to the masses, using a monthly membership fee as its base. Headquartered in **Scottsdale, AZ**, it's running 108 stores right now, which will more than double in a year. Preferred locations are open-air centers and sites near restaurants and supermarkets.

**Teavana**, an **Atlanta**-based company, sells all things tea—teapots, kettles, strainers, and all possible varieties of the beverage. It's got 41 units right now, and will almost double within the next year. So far **Teavana** has mostly been in malls, but that is changing as the company is now looking at open-air centers and urban storefronts.

### ADVERTISER TIDBITS

**Yahoo!** and **eBay** announced a strategic partnership which they hope will allow each to compete better against **Google**. Joint initiatives will be rolled out later this year with full implementation next year. Among the provisions **Yahoo!** will adopt **eBay**-owned **PayPal** to be the exclusive provider of its online wallet.....A mixed month at **Yum! Brands**. **Taco Bell** comps were up 5%, but **Pizza Hut** was down 7% and **KFC** was down 1%. **Yum** still does not report monthly comps at **Long John Silver's** and **A&W**, despite the fact it has owned those chains for more than a year.....**Wendy's** had another bad month, with

comps down 5.8% at company-owned stores and down 5.5% at franchisees. It's trying to mitigate the bad news by saying it is "excited" about reaction to the **Frescata** deli sandwich launch, with 20 million sandwiches sold in two

months.....**Ford** has extended its deal with **Toby Keith** as its truck spokesman for another year, and will again sponsor his concert tour. But it is pushing back the launch of the redesigned **F-Series Super Duty** pickup from this year's fourth quarter to next January. Quality issues for the truck's diesel engine are seen as the reason.....*The Wall Street Journal* says a deal with two major **Southeast** regional banks (both headquartered in **Birmingham**) is imminent. A combination of **Regions** and **AmSouth** would have 2,000 branches in 16 states. ....**Miller** has started to roll out a caffeinated malt beverage **Mickey's Stinger** in **AZ, CA, and NV**. It competes with **Tilt** and **B-to-the-E**, both distributed by **Anheuser-Busch**.....**CVS** will start remodeling and rebranding the **Osco/Sav-on** stores it's getting from **Albertson's** in July, and should have it completed by next March.....**Big Lots** quarterly profit was up 76%, helped by a 2.5% same-store sales increase..... **Petco** comps were up 2.2% last quarter, in which it added 20 net new stores to reach 799. Another 20 will be opened next quarter.....**Ahold's** sales at its **Giant-Carlisle** unit was up 5.1%, but **Giant-Landover** fell 2%, **Stop & Shop** was down 0.8%, and **Tops** was off by 5.5%.

### ECONOMIC RATINGS

The **Commerce Department** upwardly revised estimates of first-quarter GDP growth to 5.3%, the fastest rate since late 2003. New homes sales were unexpectedly strong last month, the 1.2 million annual rate the highest level of the year, although some observers suggest manufacturers' incentives to sell new homes may be taking sales away from existing homes.

## Citi Trends

## RETAILING TODAY



# THE RUB CLUB

## Massage Envy opens up spa experience to the masses

By Donna Mitchell

Ironically enough, scheduling a massage could well raise one's stress level, what with the expense and the long lead times for appointments and all. But Massage Envy, an expanding chain of massage therapy clinics, is moving quickly to change all of that.

Price, convenience and trustworthiness are the keys to providing a stress-free massage experience, says John Leonasio, Massage Envy's CEO, and a 33-year fitness club operations veteran. "The concept is that a member could be in the parking lot calling in on their cell phone and still get an appointment," said Leonasio. "The first Massage Envy clinic that we built had eight rooms. It was open seven days, and therapists were available all the time."

Leonasio says he hopes this more relaxed approach will dispel the notions many have about massage establishments: prostitution dens at one extreme, hopelessly expensive spas at the other.

The chain, which operates 79 U.S. units and features open-air centers, earns its revenue through monthly membership fees ranging from \$49 to \$59, depending on the local market's real estate and development costs, says Leonasio. The fee includes the month's first massage, with each additional session costing \$39, well below the typical \$60-and-above hourly fees charged at some spas, Leonasio says.

The idea grew out of Leonasio's experiences working for Akron, Ohio-based fitness club chain Q. The chain provided massage therapy to treat patrons' soreness from workouts and injuries. Massage was just one of several ancillary services at Q (others included tanning and personal training), but demand for it grew four times faster than for any of the others, alerting Leonasio to the potential.

Leonasio and fellow Q massage therapist Sean Haycock, an early partner in Massage Envy, discovered that the therapeutic massage industry was fragmented, with no dominant operators. No longer a partner, today Haycock is a Massage Envy franchisee.

Massage Envy is out to fill the void. The first clinic opened in Phoenix in March 2002. The founders hoped the facility would administer 400 massages that first month, says Leonasio. Instead, it performed 1,400. Now the company operates in 15 states across the country, and Leonasio says the chain could grow to 1,200 clinics nationwide. As of January the company had 45,000 members and was administering some 80,000 massages a month. On average, Massage Envy's clients post about \$1 million a year in sales each, which works out to about \$330 per square foot, says Leonasio.

Women between 30 and 60 constitute two-thirds of Massage

Envy's clients, which make the clinics suitable neighbors for such female-oriented retailers as Chico's, JoAnn Stores and Michaels. Health clubs, Pilates and dance studios, and similar membership-driven businesses also complement Massage Envy, says Ilaria Giansanti, Massage Envy's director of real estate.

The company opened its first two clinics on its own, then licensed out the

opening rights for the next two. Today all the Massage Envy clinics, including the two original ones, are franchisees. The company is relying for expansion on that network of franchise operators, who buy the rights to build and operate clinics in their respective regions. The company provides support for leasing the clinics.

Massage Envy clinics typically contain eight massage rooms. As with personal trainers at gyms, customers are generally assigned to a particular therapist. These therapists are employees who work full or part time at the clinics, but who also have liberty to maintain a clientele outside of Massage Envy.

At press time Massage Envy had 10 additional regional franchise opportunities, each of which can support up to 40 clinics, for sale across the U.S.



Massage Envy units average \$1 million in sales and about \$330 in sales per square foot yearly.

April 2006 ■ SCT 25

### At a glance...

**Massage Envy**  
Scottsdale, Ariz.  
No. of stores: 79  
Preferred locations: Open-air centers  
Leasing contact: John Leonasio, CEO,  
(602) 889-1090

From a landlord's perspective, Massage Envy is attractive because the clinics' size — between 3,000 and 3,500 square feet — makes the chain an easy fit in a center, while the concept is unique and refreshing, says Jerry Hess, senior manager of Regency Centers' premier customer initiative program. "We have been looking for new and exciting uses to put in spaces [of that size]," said Hess. "We were kind of excited about it."

Massage Envy clinics go well with convenience-oriented tenants, such as supermarkets, dry cleaners and quick-serve restaurants, Hess says, and they do not conflict with exclusivity clauses. Further, she says, they have a clean, respectable and upscale image. "We think they are unique enough to continue to explore what [leasing opportunities] could be here," she said.

But not every landlord will benefit from these advantages. Giansanti says

the company prefers grocery-anchored neighborhood properties and lifestyle and power centers. "We don't do regional malls, because you take away part of the convenience factor," said Giansanti. "People who would receive a massage don't want to walk through a mall's parking garage afterward."

Goodness knows that could stress them out all over again.

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For more information, please call us at 800-368-3688 or visit us online at [www.massageenvy.com](http://www.massageenvy.com)

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Music: On | Off

# Massage Envy Courts Busy Women

**WEST WINDSOR, N.J.** — A sign from a window in a power strip shopping center here announces the arrival of Massage Envy. The fast-growing franchise company of massages for the masses joins a Starbucks, a Verizon store, Five Below and ShopRite as some of the major traffic draws in the center.

What more could a busy woman want than a quick massage, followed by Starbucks and grocery shopping for the family?

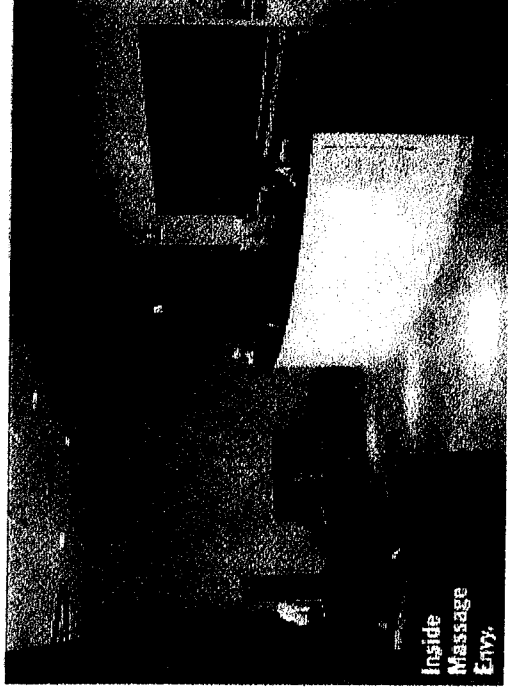
Massage Envy might be a relatively new name in shopping centers, but according to the International Council of Shopping Centers, Massage Envy has been named one of the hottest retailers in America.

There are now 114 Massage Envy locations pumping out sales exceeding \$9 million, primarily in open-air shopping centers near supermarkets. The chain is opening one to four locations per week, according to the company. The idea is to attract busy women who want a spa experience, but desire it at an affordable price and in a convenient locale. That's just what founder and chief executive officer John Leonasio had in mind when he started the company in 2001.

"Massage is a 3,000-year-old business that has never been organized," said Leonasio. "I know starting the Massage Envy concept now is the right program at the right time."

Massage has truly hit the mass world, with estimates that it is almost an \$11 billion industry, according to the American Massage Association. In the last year, 47 million American adults received a massage.

Headquartered in Scottsdale, Ariz., Massage Envy is making it easier for those stressed-out massage enthusiasts to get their fix, while also attracting new visitors. Customers join Massage Envy much like they join health clubs. There are currently



Inside Massage Envy.

## Critical Mass By Faye Brookman

fragrance popular in Spain that could be on Puig's list to import to A

Banderas is said to reflect the "natural seduction" of its namesake

Women. It is the first of the line sold in America to feature Banderas

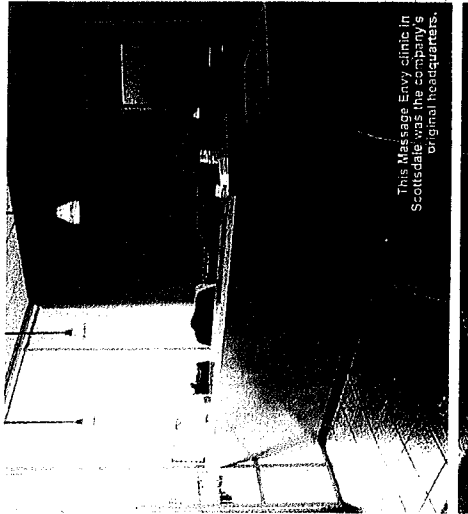
more than 60,000 active members. Two interested therapists perform more than 100 massages per month. What's inviting about N that walk-ins are welcome, meaning p in on impulse or to soothe aching mu operation make it easy for busy custo units being open until 10 p.m.

Massage options include everything Trigger Point, Sports, Deep Tissue Neuromuscular, Lymphatic, Drainage Release, Prenatal, Pregnancy and P sages. An introductory one-hour therapy session costs less than \$40.

Despite the value pricing, the scale at Massage Envy, with well-appointed areas and massage rooms. There is a Massage Envy, too. Some of the clinic massage oils and robes.

Retailers that want to build sales products might want to consider local vices such as Massage Envy. Customers who frequen massage spots may want to supplement with hom

Antonio Banderas was in New York City o wife Melanie Griffith to officially launch his Antonio, Antonio Banderas. Banderas was w on a roll with Banderas, with the first two scents winning FIFI's. A Banderas is said to reflect the "natural seduction" of its namesake grance launch follows on the success of Spirit Antonio Banderas Women. It is the first of the line sold in America to feature Banderas



This Massage Envy clinic in Scottsdale was the company's original headquarters.

Massage Envy wants to  
**RAISE AWARENESS**  
 about massage to take  
 it out of the elite's hands  
 and have massage  
 available not just  
 for vacations.

"In the first year, we were half a step behind," Leonesto says. He adds that most of the big mistakes first-time owners make were already made in previous business ventures. "We learned how to run effectively and efficiently," he says. Leonesto and Haycock also have a willingness to stick to what they know and hire consultants to do the rest, such as when they were learning the fundamentals of franchising, which neither knew much about.

### A Future To Envy

As the company gains momentum, it plans to work on issues directly affecting the profession, especially education. "We work a lot with schools by recruiting and hiring their alumni, as well as new therapists who are entering the field. We also are interested in working with schools for advanced education needs that we are putting together for our therapists," Haycock says. All signs indicate that Massage Envy will only get bigger. Currently, the company employs more than 1,000 therapists. With the 32 clinics open (they expect to have 100 open by the end of 2005) their therapists will provide one million massages this year.

In five years, they anticipate having 700 clinics across the nation with 14,000 therapists, servicing 350,000 members. And they are doing everything they can to familiarize the Massage Envy brand.

In just four days at the FBR Phoenix Open, more than 517,000 golf fans were exposed to the company.

That's what is at the core of Massage Envy—helping massage therapists raise awareness about the value of their profession.

"Massage therapists just want to help people," Leonesto says. "We take everything else out of their hands so they can do just that."

Valerie A. Danner is an associate editor with the American Massage Therapy Association. She can be reached at [valdanner@amtmassage.org](mailto:valdanner@amtmassage.org). For more information about Massage Envy, visit [www.massageenvy.com](http://www.massageenvy.com).



# Massage for the masses

Massage Envy started out as just one massage clinic outside Phoenix. Three years later, it's turned into a \$9 million a year franchise that's showing no sign of slowing down. Its secret? Make massage affordable and always take care of the client.

By Valerie A. Danner  
 Photos by Mark A. Culbertson

### Greatest Show on Grass

It's dubbed the "Greatest Show on Grass." On this picturesque 70°F February day in Scottsdale, Arizona, 165,000 people have flooded the Stadium Course at the Tournament Players Club for the third day of the PGA's FBR\* Phoenix Open. And whether they are seated in the skybox at the 16th hole (the unofficial party spot) or the top-notch seats in the clubhouse, everybody has the opportunity to get a complimentary chair massage by a Massage Envy therapist.

Whether unintentionally or intentionally, the positioning of their therapists at the FBR mimics the "Massage Envy approach" to massage—make massage therapy affordable and easily accessible to the public.

The philosophy has worked. In 2004, Massage Envy made \$9 million with an average of 15 clinics open with 14,000 consumer members.

Not bad for a company that opened just three years ago.

### The Wellness Boom

John Leonesto, CEO of the Scottsdale-based Massage Envy, LLC, brings decades of experience as an executive in the health and wellness business, so he has witnessed the explosion of opportunity in this market first-hand.

"The success in the health and wellness industry is all about timing with baby boomers aging," Leonesto says.

In the 1990s, he co-owned a chain of health clubs. Massage therapy requests quadrupled during that time. Each club had two massage rooms that were booked all the time; in fact, at the 20 health clubs, massage brought in \$3 million a year.

He met Shawn Haycock, now director of recruiting and president of Massage Envy, while he was the area manager for the Phoenix market of the health clubs Leonesto co-owned in 1997.

Leonesto's biggest moneymaker at the club was massage, which Haycock provided. "People with memberships would just come in for massage," Haycock says.

(Continued on Page 2)



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### CONSUMER MEMBERSHIP BENEFITS

50 PERCENT OFF OF GIFT CERTIFICATES

FAMILY DISCOUNTS

ON-SITE CORPORATE MASSAGE

\$5 PER SESSION

IN-HOME MASSAGE SERVICES

\$49 PER ONE HOUR

SPECIAL EVENT CO-OP DISCOUNTS

### THE EXTRA TOUCH

To aid customers, the company developed its own software that keeps track of appointments, whether the client prefers a male or female therapist, etc. If the client lives in Washington, but is near one of the Texas locations, people at the Texas office can access the client's information and preferences.

We really need to take care of the massage therapists—be there for them, give more back to them. Very few employers step up to TAKE CARE of the massage therapists...therapists can receive benefit packages even if they only work part-time.



At the FBR, an estimated 517,000 people were exposed to Massage Envy.



Massage Envy therapist Robyn Banning massages a spectator at the '16th hole of the FBR Phoenix Open.

PHOTOS: THE MORE WARRING A OWNER

Haycock also liked the way Leonasio ran his business. "He was always trying to improve the staff to make us more marketable, in ways of advanced training, both in management as well as hands on. He also was very approachable, something that I didn't always see with other people in upper management."

With his massage background and liking of Leonasio's management style—along with Leonasio's resume in the wellness industry—Haycock persuaded him to open a massage business together. By 2001, the team was mapping out plans for Massage Envy, with one goal: make massage convenient and affordable so people can get massage on a regular basis.

### Make It Convenient, and They Will Come

When hearing of the franchised massage company, some massage therapists believe Massage Envy is nothing more than a mass version of a discount store—a big chain of clinics aimed at keeping the consumer cost low at the expense of their therapists. That's before they sit down with Leonasio and Haycock to hear their basic business approach: create awareness about massage by making it affordable and available to consumers, but maintain high satisfaction among the company's massage therapists.

"We want to raise awareness about massage to take it out of the elite's hands and have massage available [on a wider scale], not just for vacations," Leonasio says. He wants clients to develop a relationship with their therapist, just like they do with other health-care professionals.



### MEET JOHN LEONASIO

- **TITLE:** CEO
- **AGE:** 54
- **BRINGS TO THE TABLE:** More than 30 years in the health club industry; business savvy.
- **BUSINESS PHILOSOPHY:** Have a clear and specific plan.
- **FAVORITE PART OF HIS JOB:** Creating a nationwide awareness of massage therapy.
- **FUN FACT:** His license plate reads MASSGNV.
- **ADVICE TO BUSINESS OWNERS:** Listen to what your customers want.



Most importantly, however, massage how much THERAPISTS CAN CHOOSE they want to work... Therefore, the company takes care of all the overhead so the therapists can do what they do best—provide massage.



Therapist Kristien Jensen massages a client at the Massage Envy on Shea Blvd. in Scottsdale, Arizona. The clinic was the first Massage Envy to open its doors in March 2002.

"We really need to take care of the massage therapists—be there for them, give more back to them," Haycock says. "Very few [employers] step up to take care of the massage therapists."

The majority of therapists in the focus groups said they want lots of clients, a nice room to work in and to have the marketing and promotional aspects of business taken out of their hands. Massage Envy therapists have employee status (so therapists don't have to worry about setting aside money for taxes) workers comp, disability, IRA and 401k—all things therapists have asked for in focus groups. Health, dental and vision insurance is also available. Therapists can receive benefit packages even if they only work part-time. "We don't skimp on what they ask for; they all use top-of-the-line products, too, all to take care of [the therapists]," says Haycock. The company is developing a rewards program for their therapists. Each massage gains them credits for rewards, such as continuing education units, apparel and more.

And their efforts work—four of the original six therapists they hired in 2002 are still with them. Most importantly, however, massage therapists can choose how much they want to work. "All the massage therapists [from the focus groups] said, 'keep us busy,' says Leonasio. "They don't like the ordering of supplies, the booking of appointments, dealing with the phone or spending money to advertise."

Therefore, the company takes care of all the overhead so the therapists can do what they do best—provide massage.

Handling the overhead also translates into another aspect: the therapists can make more money. Leonasio says the average take-home pay for a therapist from a one-hour massage

is \$25 to \$30. Since they welcome walk-ins, therapists can sometimes do five to six massages a day—it's entirely up to the therapist.

### An Untapped Franchise

They didn't plan on nationally franchising Massage Envy. But by the time the flagship store in Scottsdale opened its doors in March 2002, people were already calling to inquire about franchise opportunities.

Today, the company has 40 clinics in 14 states, and franchise opportunities purchased in five more. A Kansas franchisee was so interested in managing a Massage Envy business, that when he found out there weren't any more opportunities available in Kansas, he moved his family to the San Francisco area where there was opportunity.

Naturally, franchising brings criticism from those who see the company as nothing more than another cost-cutting chain that puts the smaller practices out of business. "We have many supporters as well as critics when we come into a new area," Haycock says. "What we have found is that we are able to educate a larger population of people about the benefits of massage therapy than a smaller 'mom and pop' practice can."

According to Haycock, many of the smaller businesses eventually benefit from Massage Envy's presence because it generates more clients. "I have received letters from therapists that claim that their business slowed down when we opened," Haycock says. "But after six months they tell us they are twice as busy than they were when we opened. It raises awareness and interest in massage."

While the enthusiastic response to the company's brand has been welcomed, it also presented the biggest challenge—keeping up with the demand and remaining organized.

### BY THE NUMBERS

(as of July 2006)

112 Open Clinics in 29 states  
236 Clinics under Development  
42 Regions sold  
Representing 29 states



# Therapeutic Massage Provides Healthy Solutions

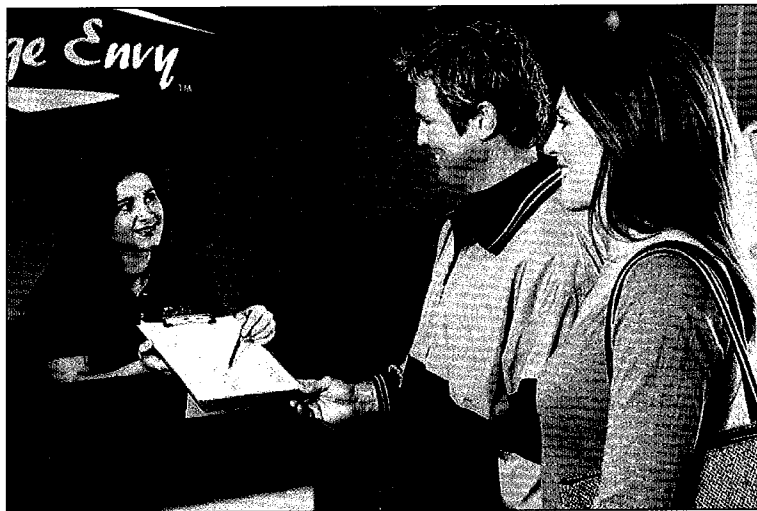
The world we live in today is not only fast paced and hectic, it's packed with demands from kids and other family responsibilities; work and career; church and volunteer commitments; school and continuing education requirements; car and home maintenance repairs as well as fitness and exercise needs, just to name a few. Throw in your own personal expectations and it's a wonder we ever take time to consider our health and wellness needs. Our mental and physical health is at stake and yet we seldom think about what a brief break could do for us.

Massage Envy, America's fastest growing member based massage clinic will be open soon in Oro Valley and may offer just the ticket for a healthy break in your hectic life. This innovative business concept combines the ancient art of massage with convenient locations; high quality services performed by licensed certified massage therapists and creative pricing strategies. The convenience starts with over 3000 appointments each month and extended hours, Monday through Friday 8am to 10pm, Saturday 8am to 6pm and Sunday 10am to 6pm, allowing a therapeutic massage to fit into just about anyone's busy schedule.

Massage Envy's unique, affordable member based programs allow therapeutic massage to be a regular part of your health and wellness routine. Anyone can schedule an

appointment at Massage Envy but membership provides additional discounts on all products and services. Only \$49 a month entitles members to one 60 minute massage session and further discounts additional sessions that month to a mere \$39 each. Owners LeeAnn Parkinson, Rondie Yancey and Wanda Myers invite you to come see their beautiful clinic opening the end of September and offer a \$39 introductory massage for all first time visitors. The clinic is located on Oracle Rd. just north of Ina next to Sprouts Grocery. Additional clinics are planned with an east Tucson location likely opening late 2006 and two more locations in 2007. Memberships are transferable to all locations nationwide - so if you travel, your membership goes with you.

With a spa-like atmosphere, Massage Envy offers more than eight forms of massage therapies from gentle and relaxing Swedish massage to the more intense deep tissue massage. The benefits of massage therapy are numerous. Research shows that it reduces the heart rate, lowers blood pressure, increases blood circulation and lymph flow, relaxes muscles, and improves range of motion and increases endorphins, the body's natural painkillers. Therapeutic massage also helps people feel less anxious and stressed, relaxed yet more alert. Massage Envy's services are both medically beneficial and



an affordable solution to those people with health issues such as arthritis, asthma and bronchitis and circulatory problems, among others. Therapeutic massage can also hasten and lead to a more complete recovery from exercise or injury.

To avoid the rush once the clinic opens, you are invited to call the following number to pre-book your \$39 introductory massage

or schedule a standing weekly, biweekly or monthly appointment at Massage Envy - 777-5417.

proudly sponsored by

*Massage Envy.*

*...the feeling every body wants*

COMING SOON

## 1-Hour Therapeutic Massage Session

# \$39\*

Massage Envy - Opening in September

7645 N. Oracle Road #140

(Just North of Ina next to Sprouts Grocery)

CALL TODAY TO SCHEDULE YOUR APPOINTMENT

## 520-777-5417

MEMBERSHIPS AVAILABLE

*Massage Envy.*

*...the feeling every body wants*

### Clinics Feature:

- Pleasant & relaxed atmosphere
- Professional, licensed and certified Massage Therapists
- Up to 4,000 appointment times available each month
- Gift Certificates and Gift Memberships available

Convenient Hours - OPEN 7 DAYS - Walk - Ins Welcome  
M-F 8am-10pm • Sat 8am-6pm • Sun 10am-6pm

\*Valid for first one hour session, which consists of a 50 min. massage and time for consultation and dressing. Not valid for gift certificate purchases. Prices subject to change.

[www.massageenvy.com](http://www.massageenvy.com)