

# Mike Kazmierski

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President & CEO

*EDAWN's Economic Update*

*January 25, 2018*

# The Alliance

- The Chamber of Commerce – EDAWN – RSCVA
- Coordinate Efforts Of Business Community
- **Overlap** of Businesses And Concerns
- Success Of One Elevates The Others
- **All Three** Committed To The Community



# **Regional** Public / Private Partners

<b>City of Reno</b>	<b>UNR</b>	<b>State Offices</b>
<b>City of Sparks</b>	<b>TMCC / WNC</b>	<b>Nevada JobConnect</b>
<b>City of Fernley</b>	<b>DRI</b>	<b>Nevadaworks</b>
<b>Washoe County</b>	<b>The Chamber</b>	<b>NNDA</b>
<b>Storey County</b>	<b>WNDD</b>	<b>NV Energy</b>
<b>Washoe County School District</b>	<b>NCET</b>	<b>Reno-Tahoe Airport Authority</b>
<b>GOED</b>	<b>RTC</b>	<b>Investors</b>
<b>DETR</b>	<b>RSCVA</b>	<b>Many Others !</b>

# 2017 Major Investors

## Presidential Gold:

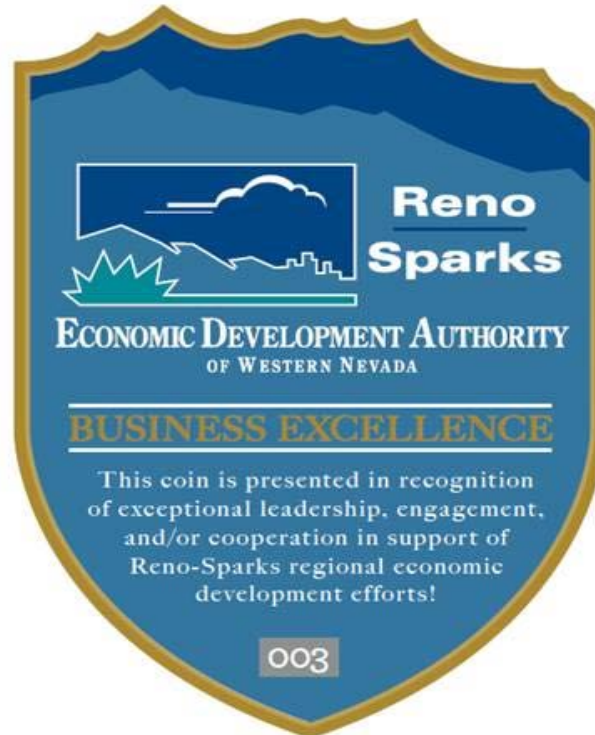
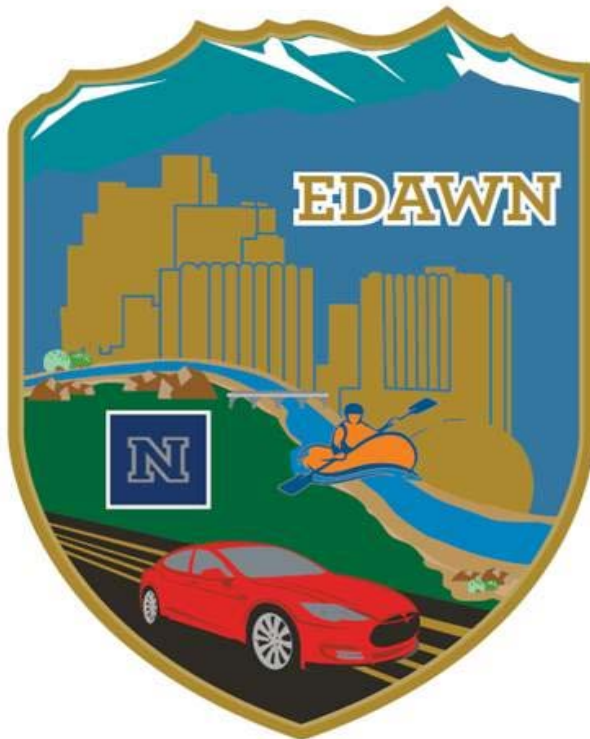
- Bombora

## Gold Investors:

- Aflac Insurance
- Arrow Electronics
- Brownstein Hyatt Farber Schreck, LLP
- Community Foundation of Western Nevada
- Dickinson Wright PLLC
- GTG Capital Partners
- High Sierra Industries
- Lewis Apartment Communities
- Meadows Bank
- Michael D. Peyton Insurance, LLC
- Moody Weiske Contractors
- My Ride To Work
- Neeser Construction
- Nelson Electric Company
- Sierra Pacific Federal Credit Union
- Stanton Chase

# EDAWN Coin !

***This Coin Is Presented In Recognition Of  
Exceptional **Leadership, Engagement, And /  
Or Cooperation** In Support Of Reno-Sparks  
Regional Economic Development Efforts!***



# EDAWN 2012 - 2018

**We've Come A  
Long Way In  
Six Years!**



# **2012 Legs** Of Economic Development

**Attraction**

**Entrepreneurial /  
Start Up Growth**

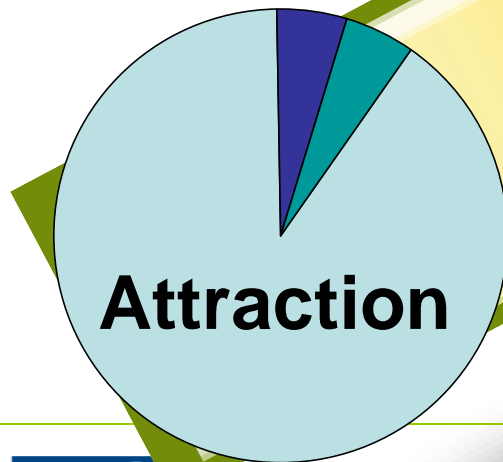
**Retention /  
Expansion**



# Change Has Come To EDAWN

## EDAWN's Focus – Resources (2012)

2011

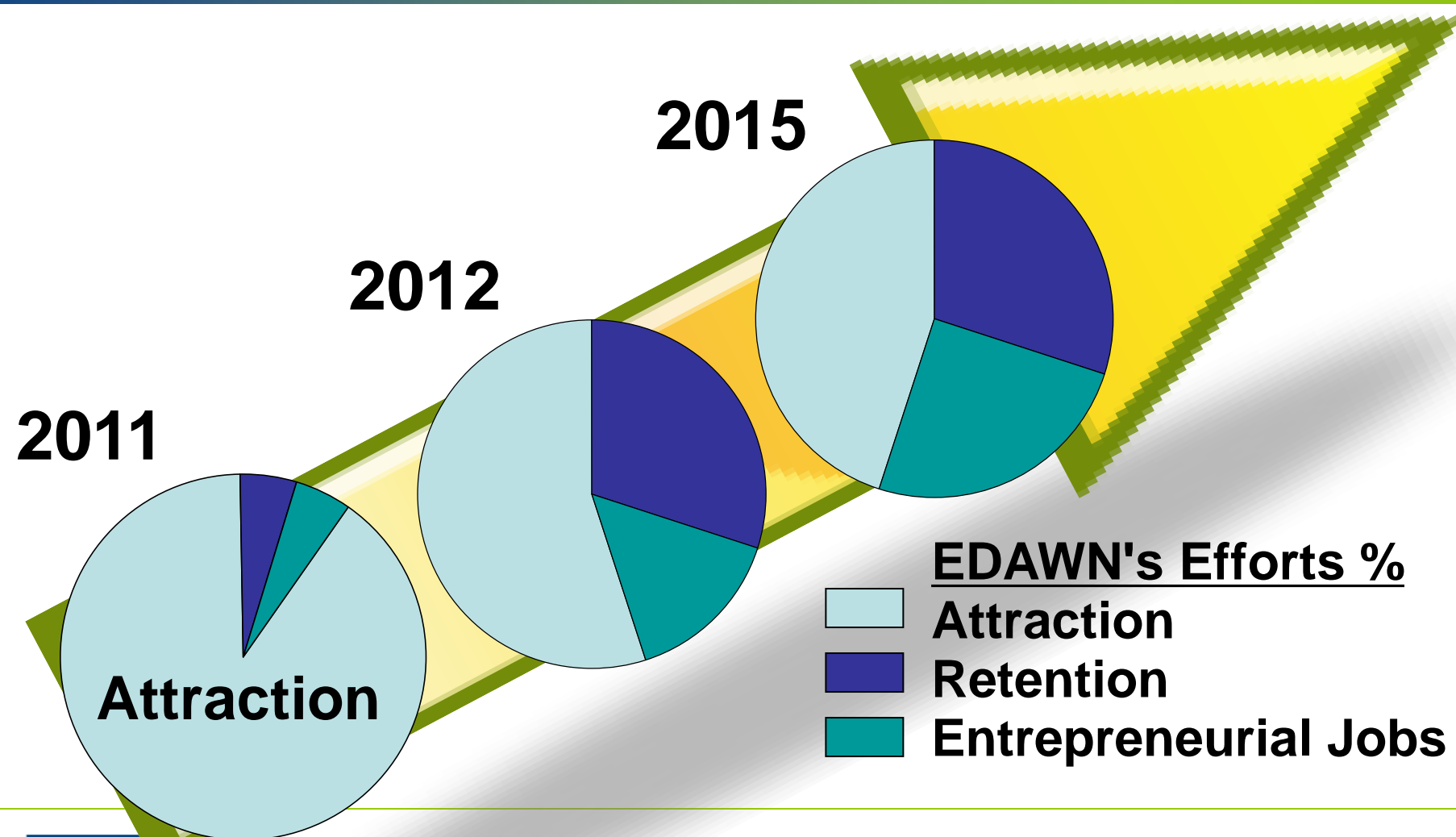


### EDAWN's Efforts %

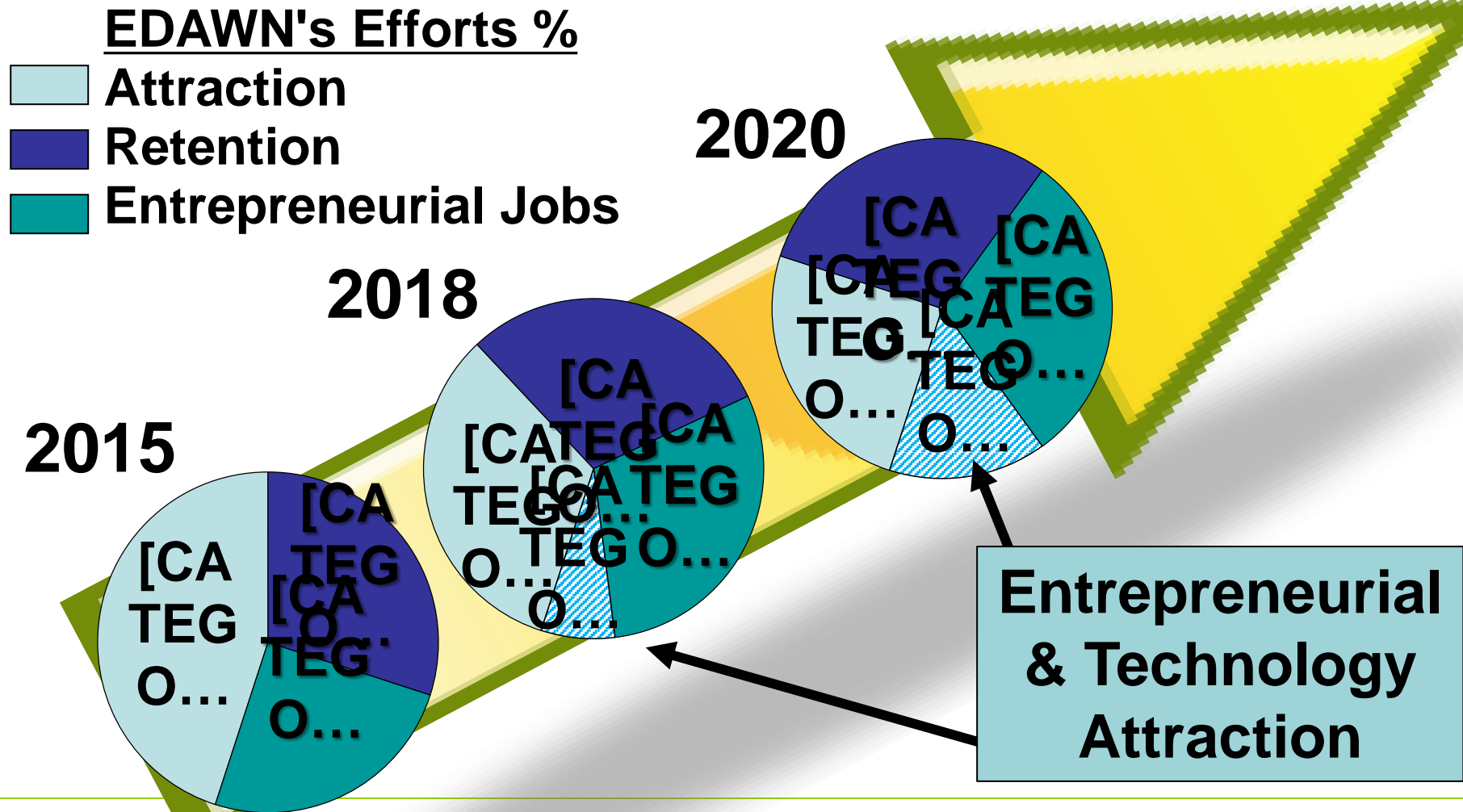




# EDAWN's Focus – 2012 **Planned** Evolution



# EDAWN's Focus – The Evolution Continues



# Economic Development Stool

Workforce Development

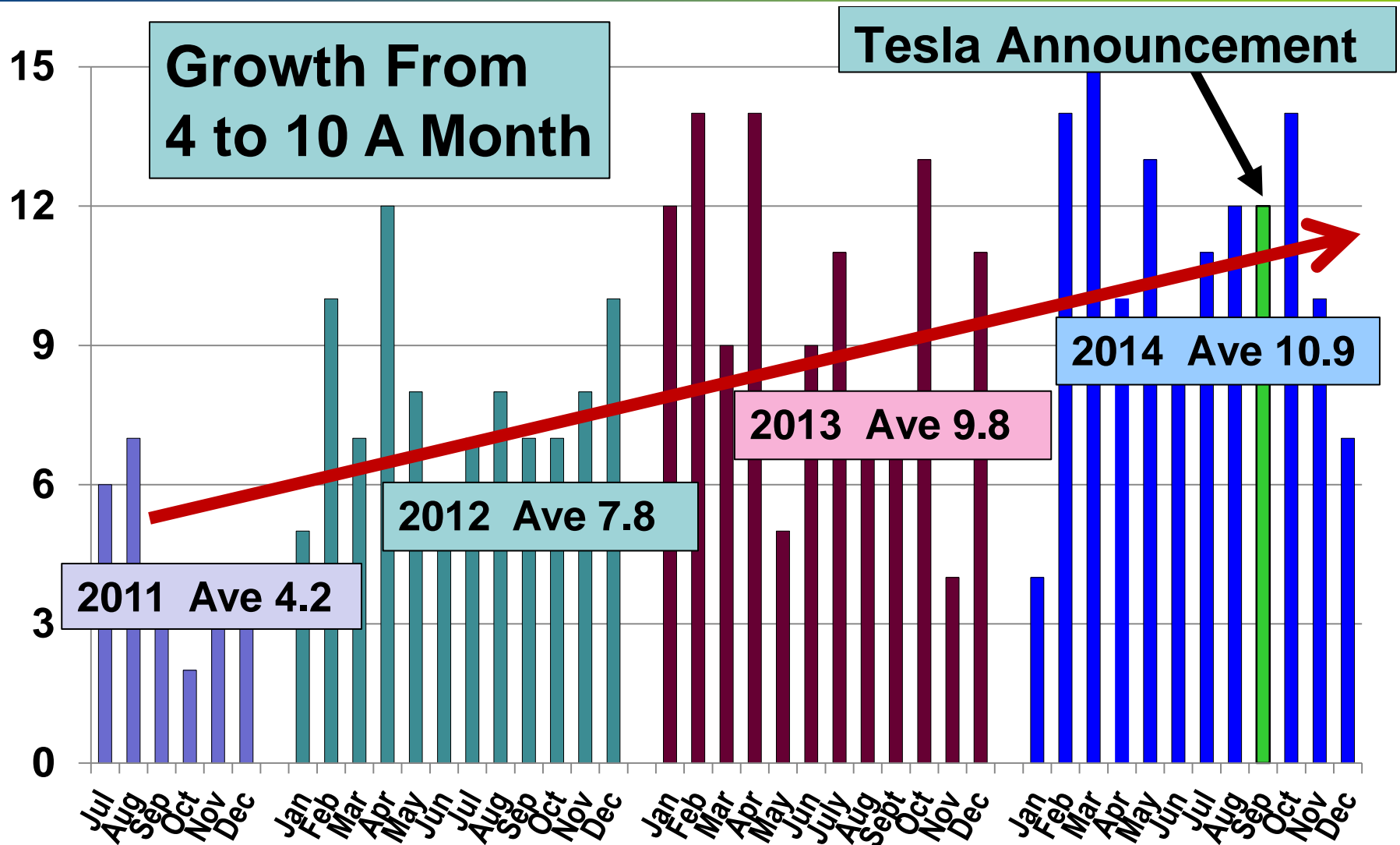
Attraction

Retention /  
Expansion

Community  
Development

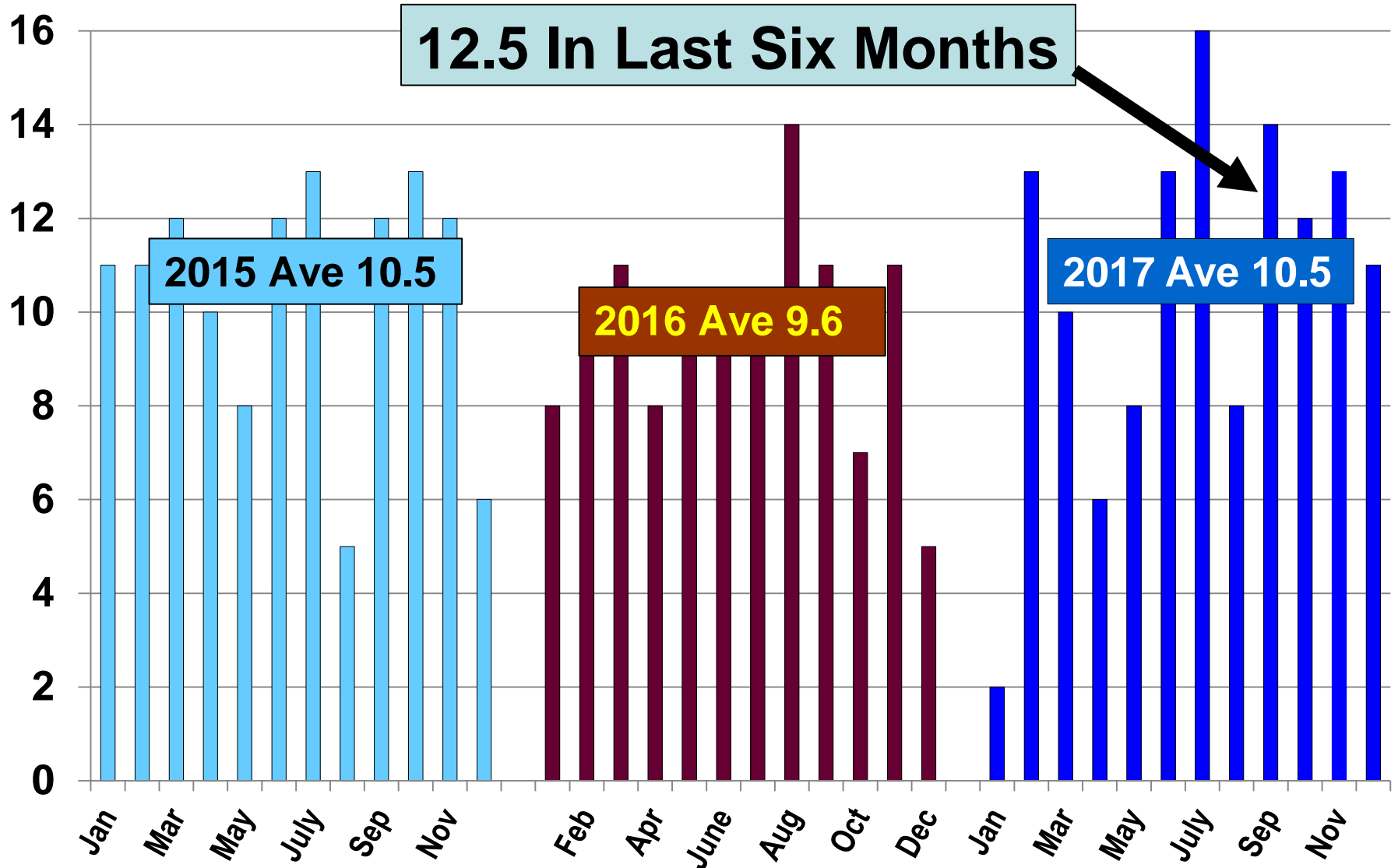
Entrepreneurial  
/ Startup Growth

# Monthly Prospects Visits 2011 - 2014

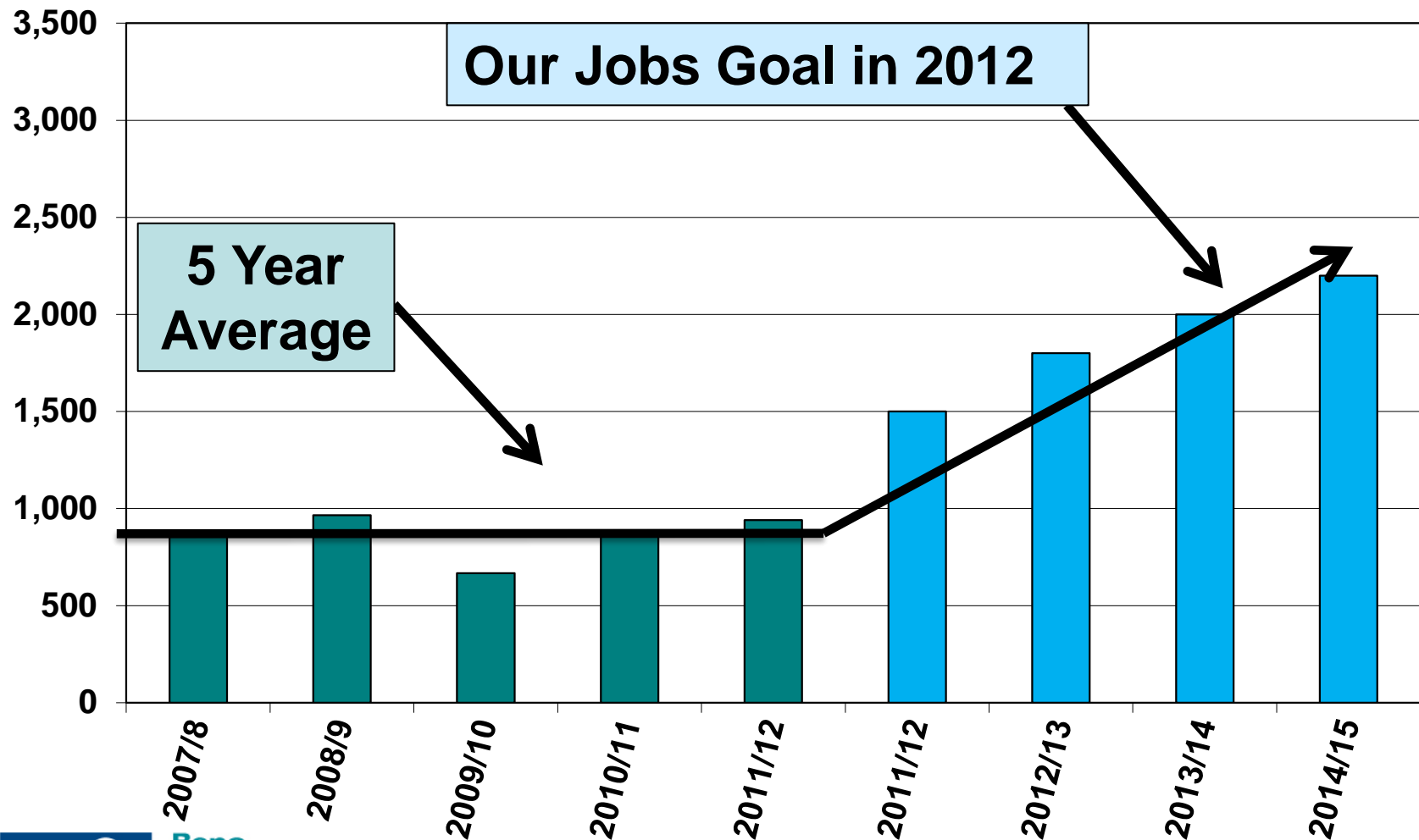


# Monthly Prospects Visits 2015 – 2017

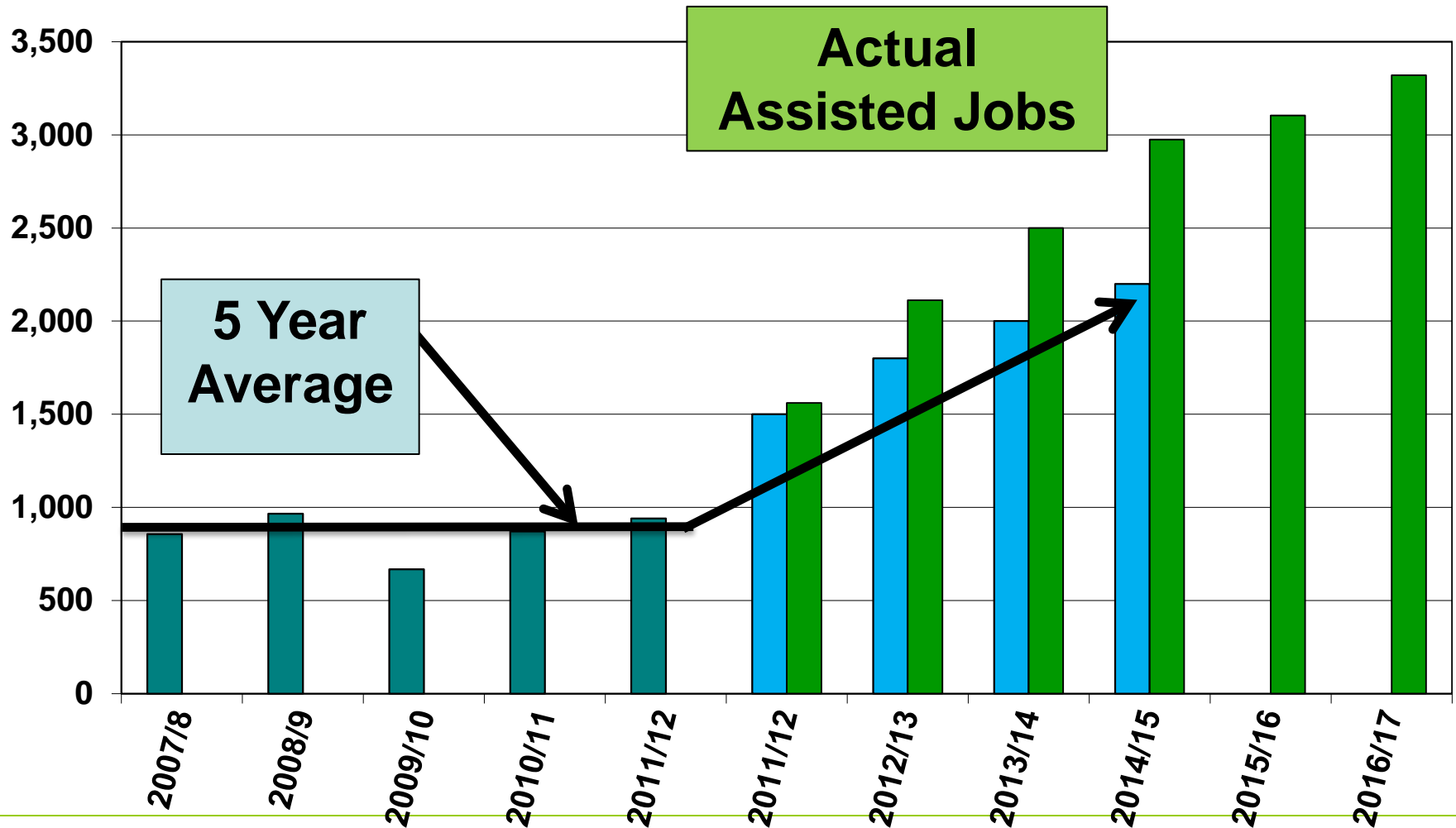
## (Goal 8-10 per month)



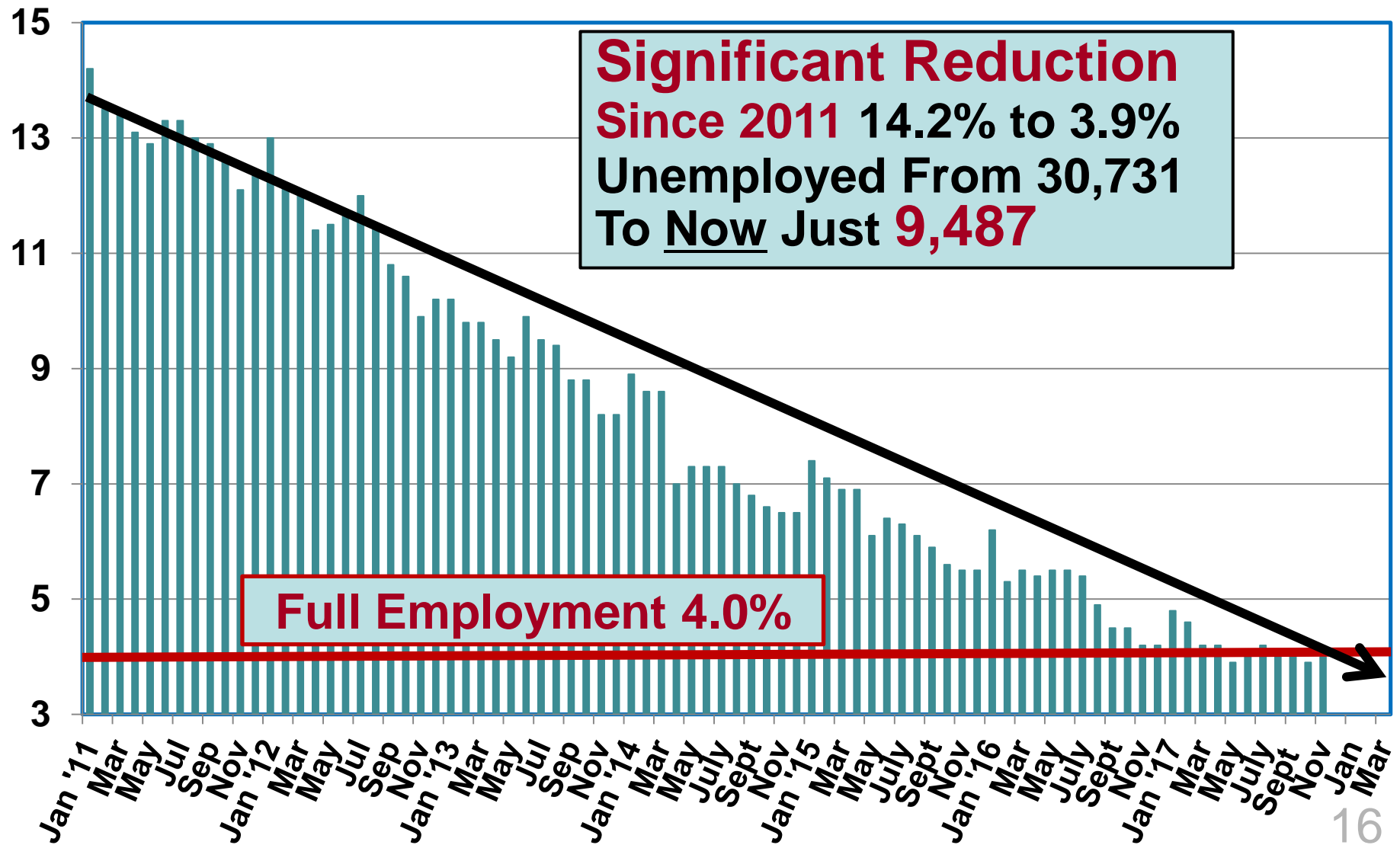
# EDAWN Assisted New Jobs 2007-2012



# EDAWN Assisted New Jobs 2007-2017



# Unemployed – Now Have Jobs!





# Pending Announcements

Industry	Job Count	HQ	Confidence	Relocation State
Back Office	120		Very Likely	NE
Distribution	40		Very Likely	FL
Distribution	135	X	Very Likely	CA
Manufacturing	117	X	Very Likely	CA
Manufacturing	150		Very Likely	WI
Services	100	X	Very Likely	CA
E-Commerce	300		Very Likely	CA
Manufacturing	300		Very Likely	GA
Distribution	100		Very Likely	CA
<b>Total</b>	<b>1,362</b>	<b>3</b>		

# Hot Prospects From List of 150+

Industry	Job Count	HQ	Confidence	Relocation State
Manufacturing	70		Finalist	MI
Service	200		Finalist	CA
Manufacturing	50	X	Finalist	CA
Manufacturing	292		Finalist	OH
Manufacturing	1,000		Finalist	CO
Manufacturing	100		Finalist	TAIWAN
Distribution	1,500		Finalist	GA
Manufacturing	30	X	Finalist	SWEDEN
Manufacturing	400		Finalist	MI
Distribution	20	X	Finalist	CA
Distribution	15		Finalist	PA
Manufacturing	150	X	Finalist	CA
<b>Total</b>	<b>3,827</b>	<b>4</b>		

# 2017 Attraction / Expansion **Summary**

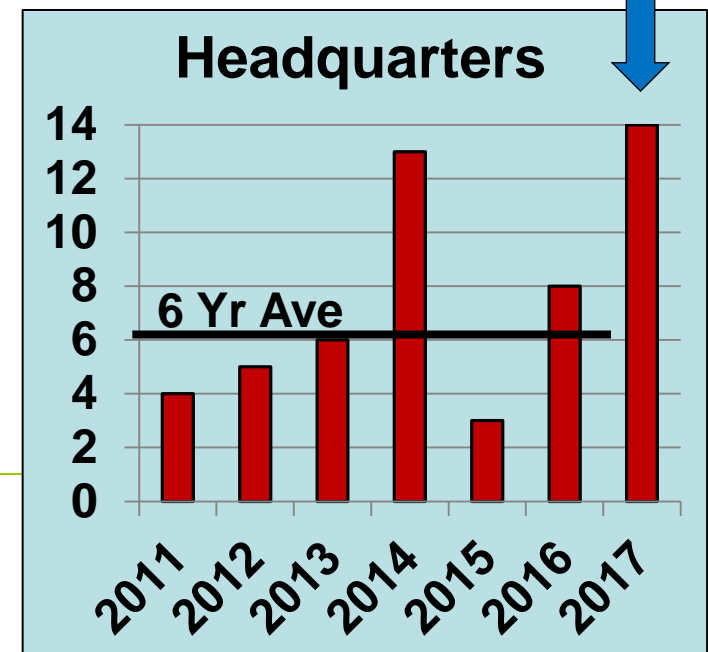
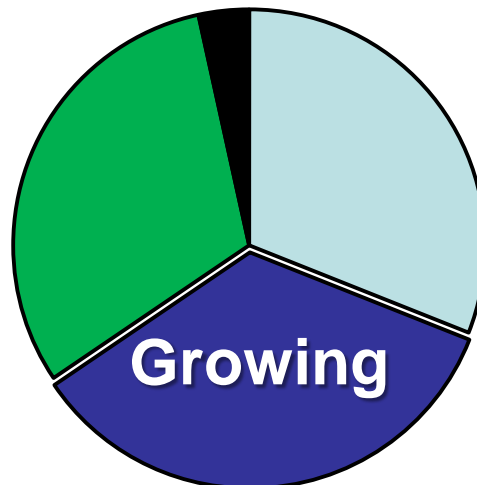
- 29 Companies – Over 3,300 New Jobs
- 11 Companies, 577 Jobs **Ave Wage \$80,594**
- **Record** Number of **Corporate Headquarters 14**
- **23 of 29** Located In Reno
- 45% From California
- Two International

□ Dis / Log / E-Com

■ Tech / Aero / Fin

■ Manufacturing

■ Back Office



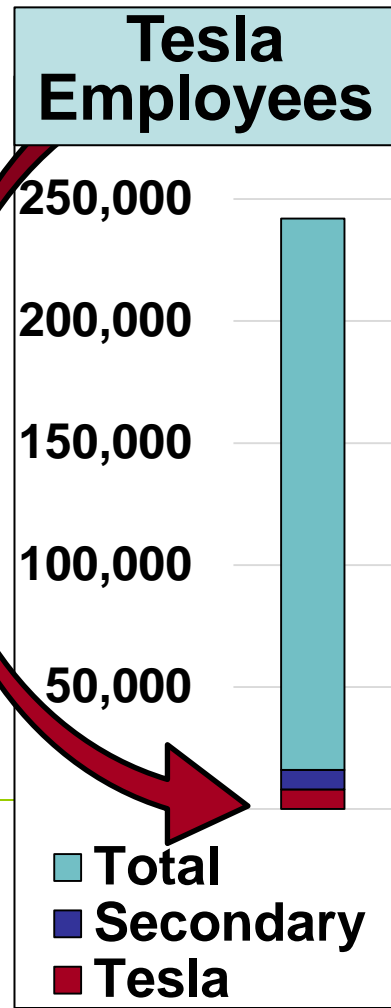
# 2018 Attraction Priorities

- **Higher Paying Jobs** 50% More Than \$30 / Hr.
- Reduced **Job Goal** to **2,500** from 3,200
- Corporate **Headquarters**
- **Technology** Companies
- High State Tax Locations – New Tax Plan
- **Joint Entrepreneurial** Attraction Effort
- Increase Prospect Travel To The Bay Area



# Tesla Update! Going Strong!

- Will Employ 6,500 People (Targeted For 2018) And Eventually As Many As 10,000 Employees
- Nevadans Average **96 Percent** Of The Full-Time Employee Workforce
- Model 3 Battery And Drive Unit, Tesla Powerwall And Powerpack, All In Production At Gigafactory
- Current Structure Has 5.4M Sq. Ft. Of Operational Space (29% Complete)



# Updated Economic Development Stool

**Workforce Development**

**Attraction**

**Retention / Expansion**

**Community Development**

**Entrepreneurial / Startup Growth**

# EDAWN's Goals – Retention / Expansion

- **Why Is This So Important?**
- Majority Of **New Jobs Come From The Expansion** Of Existing Companies
- Our High Growth Companies **Are Being Courted** By Other Communities
- Efforts To Keep Existing Industry Also Improves The Region - **So Attraction Is Easier**
- Working With Existing Companies Provides **Connections And Opportunities For Attraction**



# Retention-Expansion-Workforce

- Visit Primary Companies
- Introduce To Resources
- Remove Roadblocks
- Recognize And Support
- B2B & B2C Connections
- Implement Workforce Plan



*Company of The Year  
GrandRounds*





# 2017 By The Numbers

- 133** Company Visits = 58% Are Growing
- 3** Assisted Expansions: **58 Jobs**, \$23.6M CapEx
- 39** Business To Business Connections
- 41** Companies Recognized @ Industry Awards
- 7** Critical Issues Addressed
- 166** Total Education and **Internship Connections**
- 150** Educator Meetings / Tours **With Industry**

**Congratulates To the BREWD Team**

# Workforce **Development** Activities

## Retention

- **NNHRA New Nevada Article**
- **Share Monthly Retention Tips EDAWN EU**
- **Increase Awareness Of Retention Best Practices**

## Training

- **Promote Community College Programs In Support Of High Demand Jobs**
- **Focus On High School Graduation / Equivalency**
- **Support STEAM**

# Workforce Development Activities

## Connection

- Backpacks & Pantry Bags
- Employer Workforce Guide
- Fill Your Talent Pipeline Manufacturers
- RTC Bus Advertisement
- Food Pantry Bags
- Connect Partners, Business, Education



# Workforce **Attraction** Activities

- Ads Hospitality Magazines for Visitors
- Society of Women Engineers & Austin CC
- WhyReno.Org/Who's Hiring: **864 New Users**
- Burning Man Billboard & Giveaways





# Where The Talent May Come From



**UNR**



**TMCC**



**WNC**



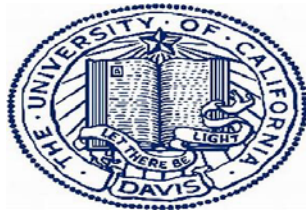
**SNC**



**CCNN**



**Sacramento State**



**UC Davis**



**San Jose State**



**Stanford**



**Cal State Chico**



**Fresno State**



**UC Berkeley**



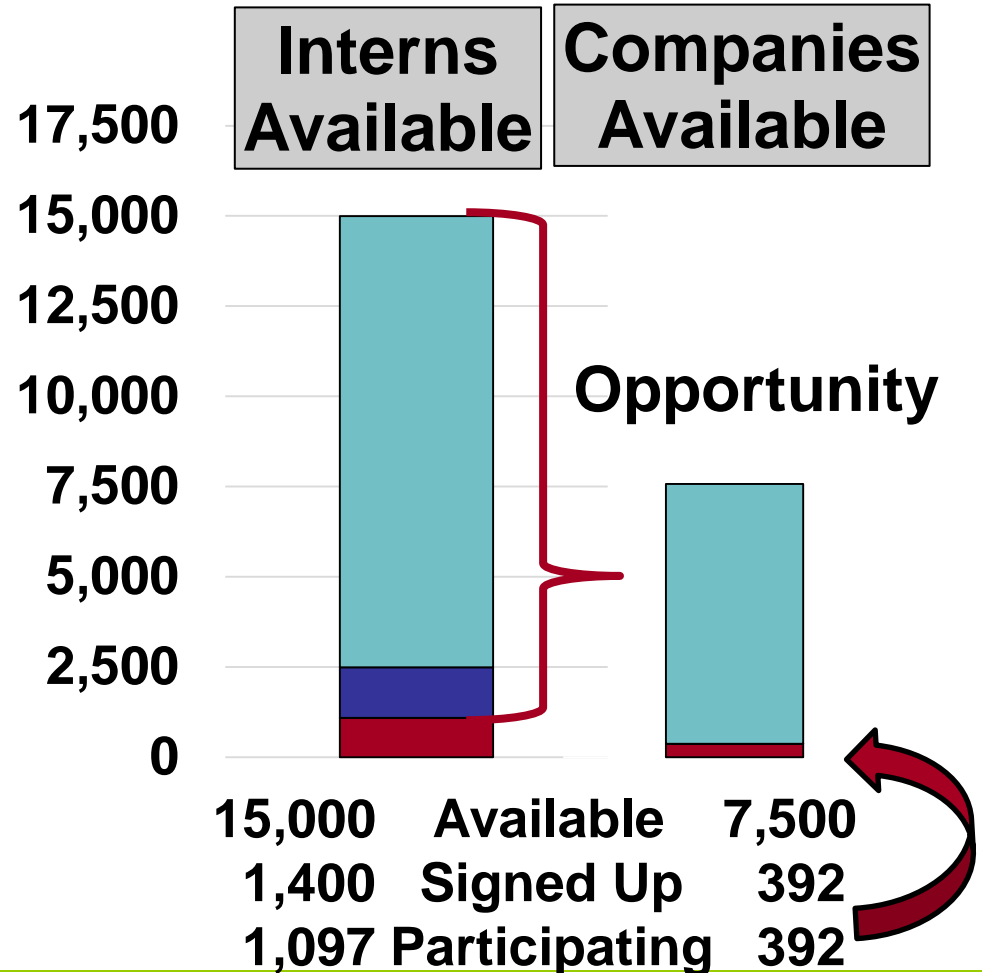
**UC Merced**

# Internships – **Are You Involved?**

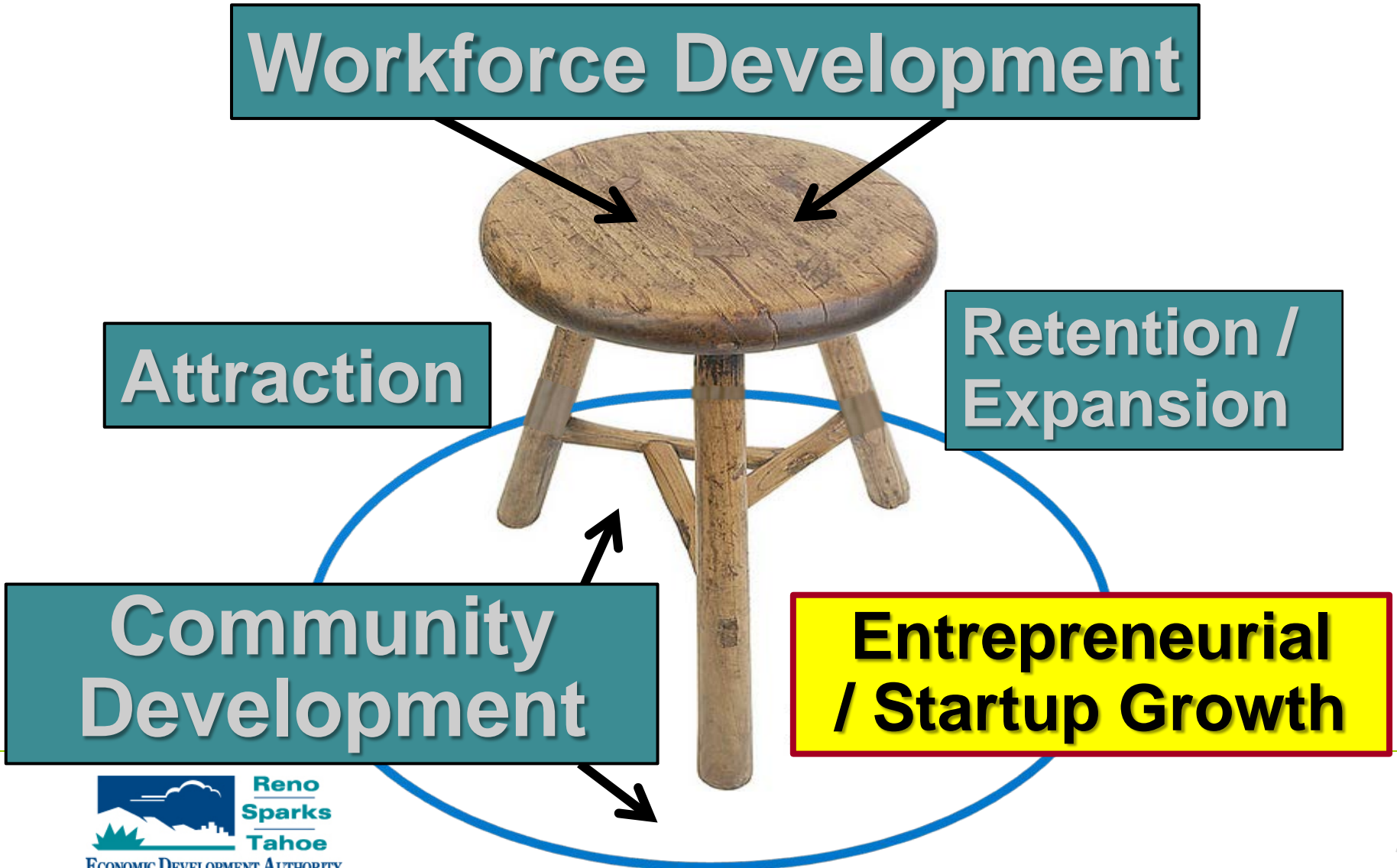
## 7,500+ Companies – Only 1,097 **Interns**

### Intern Programs

- TMCC + Clinical
- UNR Pack Grant
- UNR Academic Credit
- UNR Career Studio
- WCSD
- WNC



# Updated Economic Development Stool





# First Few Years Focused On Building A Vibrant Ecosystem



- Connections
- Events
- Marketing
- Capital
- Mentoring

An Environment  
Where Start-Ups **Can  
Grow** And Innovation  
Flourishes





# Entrepreneurial **Successes** In 2017

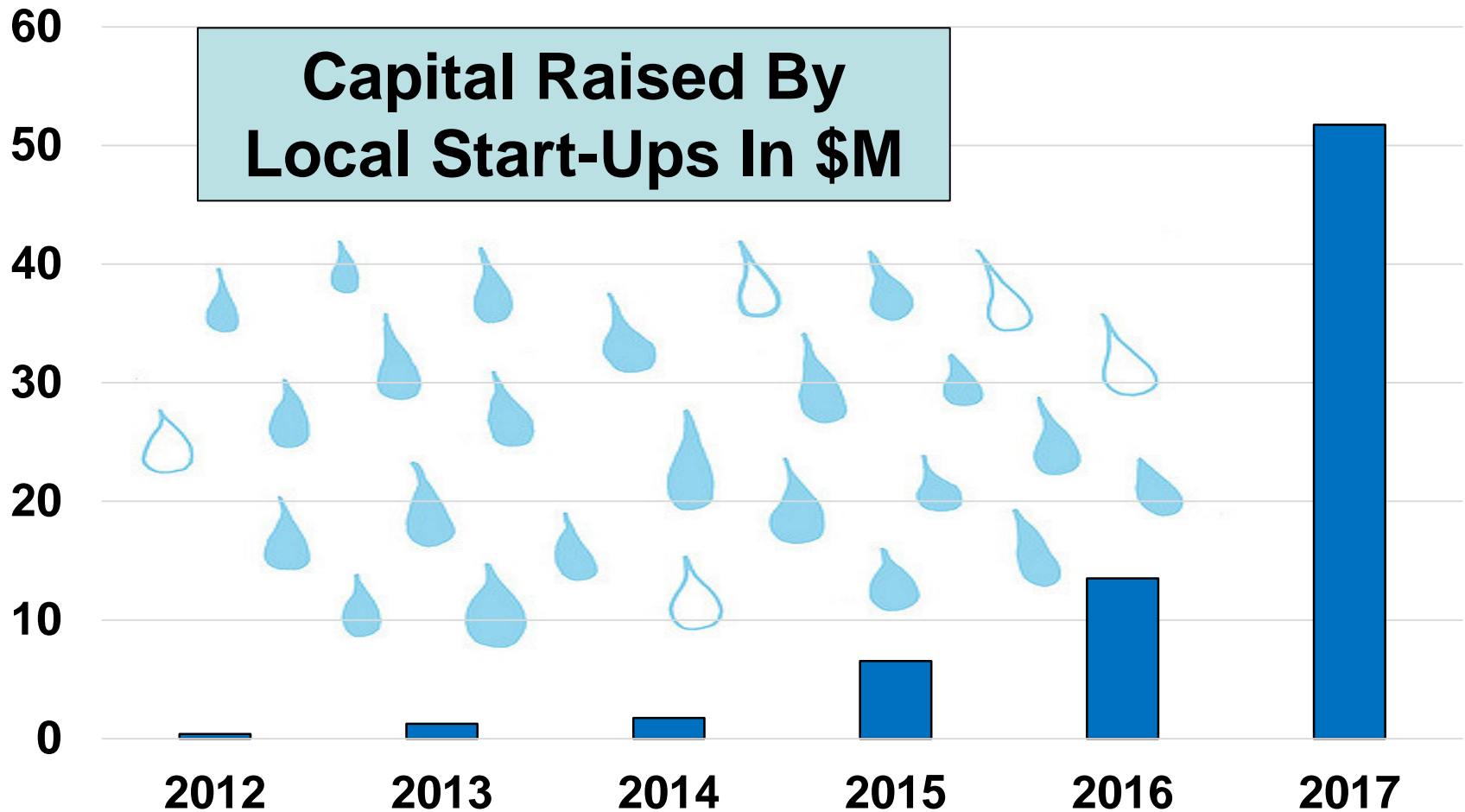


2017

**182 NEW Startup Jobs**  
**49 NEW Companies**  
**\$58 M In NEW Funding**

**Reno Attracting High Tech / High Growth  
Startups As An Alternative To The Bay Area**

# Entrepreneurial Success - Capital



# Startup / Tech **Attraction** Efforts

- Objective: Increase High Wage / High Skill Jobs
- Focus: Attracting Tech Startups From Bay Area
- How:
  - Focused National / Regional **PR Effort**
  - Highly **Targeted Direct Marketing** Campaign
  - Events Like Venture Beat Blueprint
- Example Of Successes



# Seed Capital Ecosystem Catalyst

- Goal: Streamline Access To Capital & Deal Flow
- Focus: Pre-Seed / Seed Capital (> \$2M Funding)
- How:
  - New Seeds Fund
  - Quarterly Deal Flow Forums
  - Angel Investor Workshops
  - Annual Venture Capital Conference
- Catalyst: Federal EDA Grant Recipient



# Ecosystem Support / Events

- **Blockchain : Building the New Nevada on Trust**  
**February 6th**
- **Blueprint**  
**March 5th-7th**
- **Angel Workshop**  
**April 11th**
- **Venture Conference**  
**September 2018**





# Community Concerns – To Address



1. Affordable Housing
2. Property Tax Fix – Reset Upon Sale
3. 2<sup>nd</sup> Road To The Industrial Center (TRI)
4. Downtowns Revitalization
5. Brand or Image
6. Workforce Development / Talent Attraction



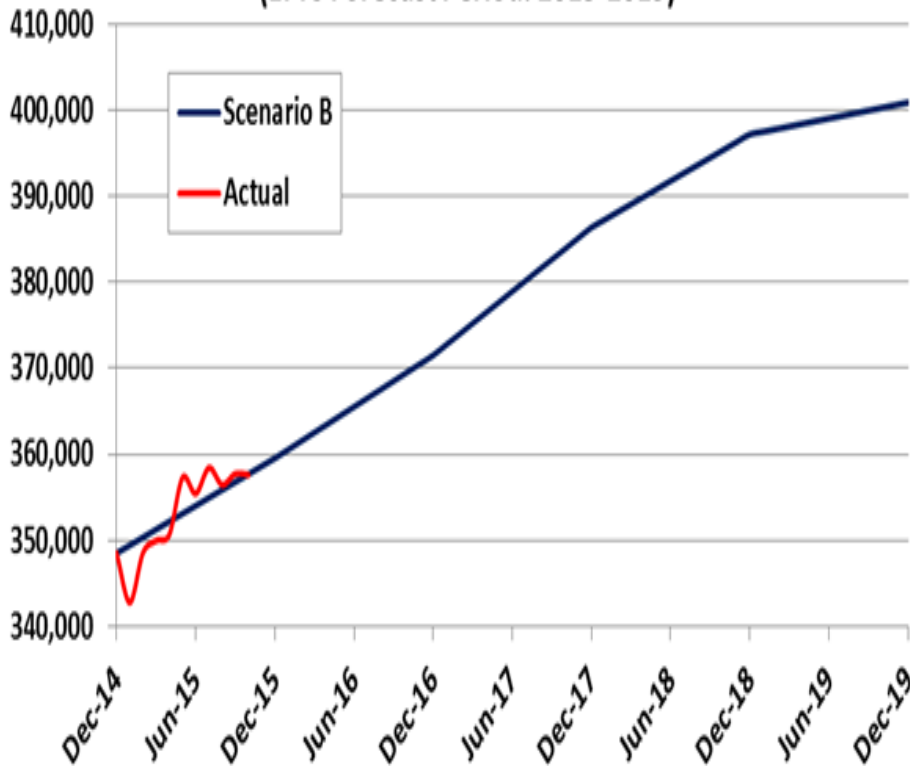
# Our Greatest Challenge **Affordable** Housing

- Simply **Supply** and **Demand** Issue
- Not Just Here – But **A National Problem**
- Building **Fewer** Housing Units Than We Need
- **Shortage Drives Up Prices**
- **Housing Shortage Impacts:**
  - Forces Low Income Citizens Out
  - Increases Homelessness
  - Increases Sprawl And Traffic
- **Can Not Be Solved By Private Sector Alone**

# EPIC Projection 50,400 Jobs In 5 Yrs

December 2015

Study Area Employment Tracking: Dec-14 to Oct-15  
(EPIC Forecast Period: 2015-2019)

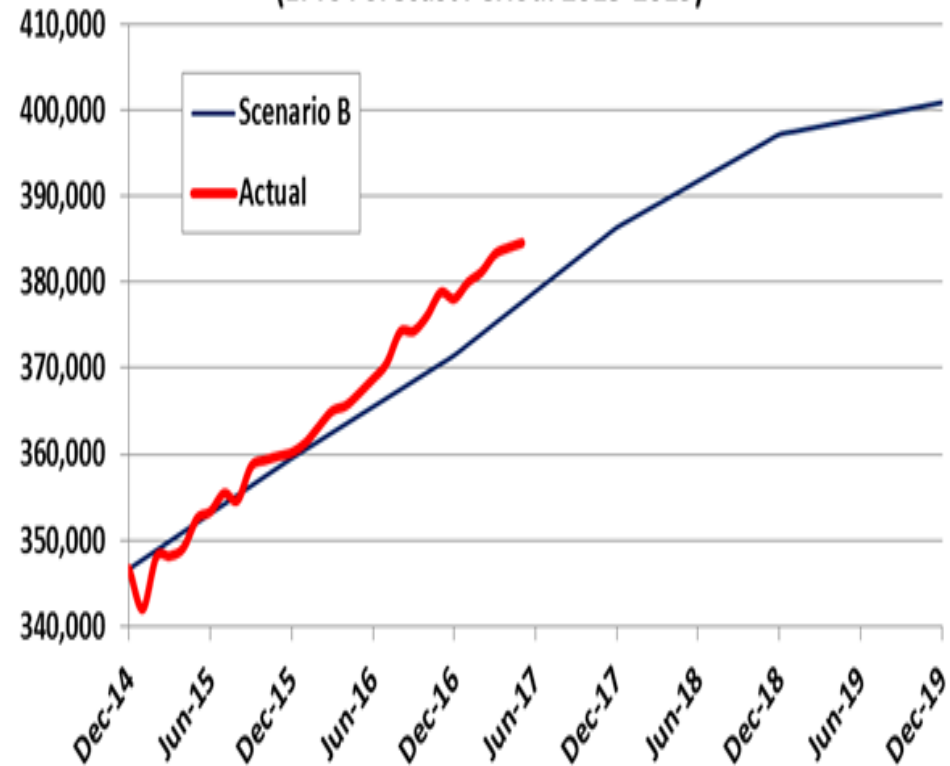


Sources: EPIC Committee, Nevada State Demographer

December 2017

Study Area Employment Tracking: Dec-14 to May-17  
(EPIC Forecast Period: 2015-2019)

RCG  
economics

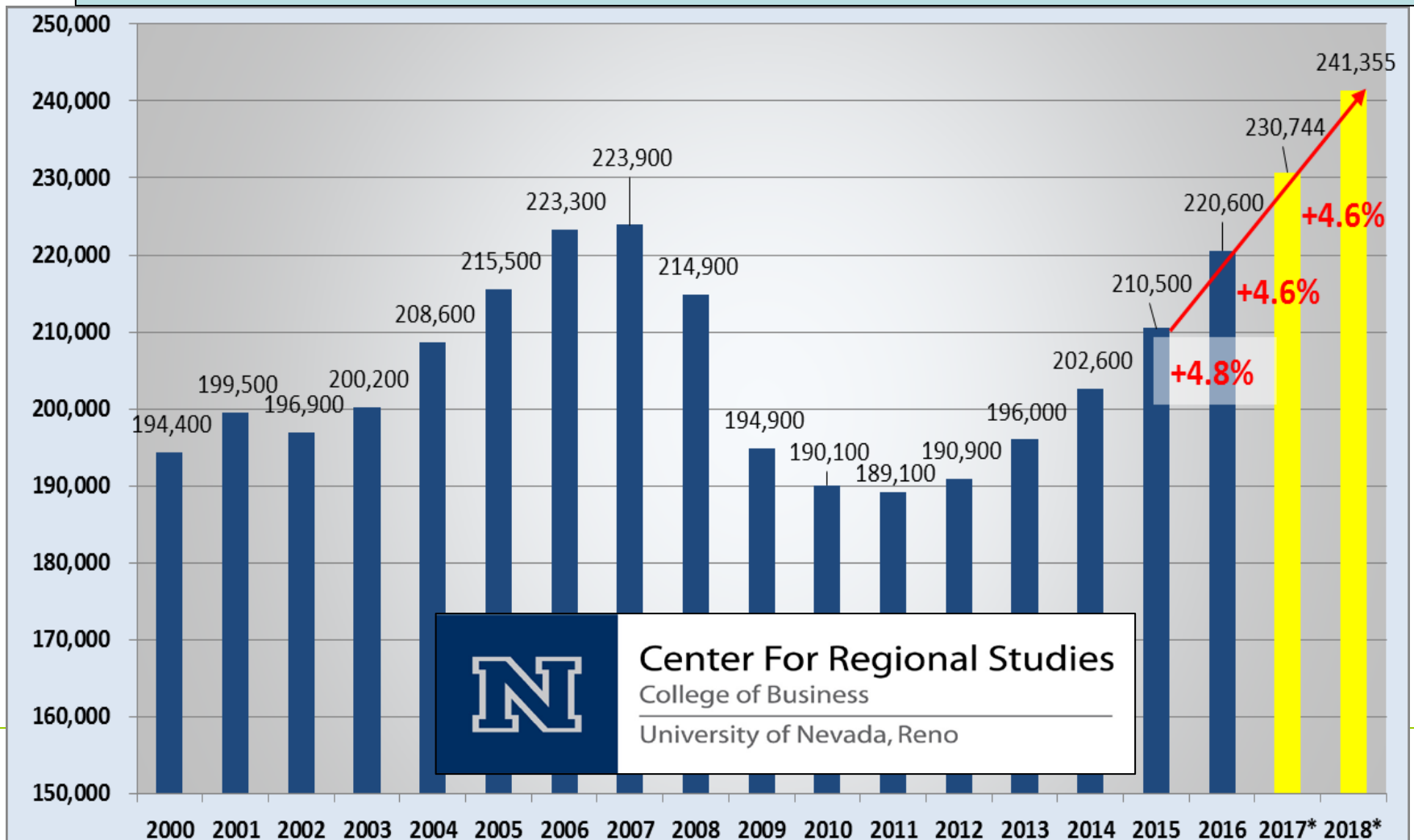


Sources: EPIC Committee, Nevada State Demographer, Bureau of Labor Statistics



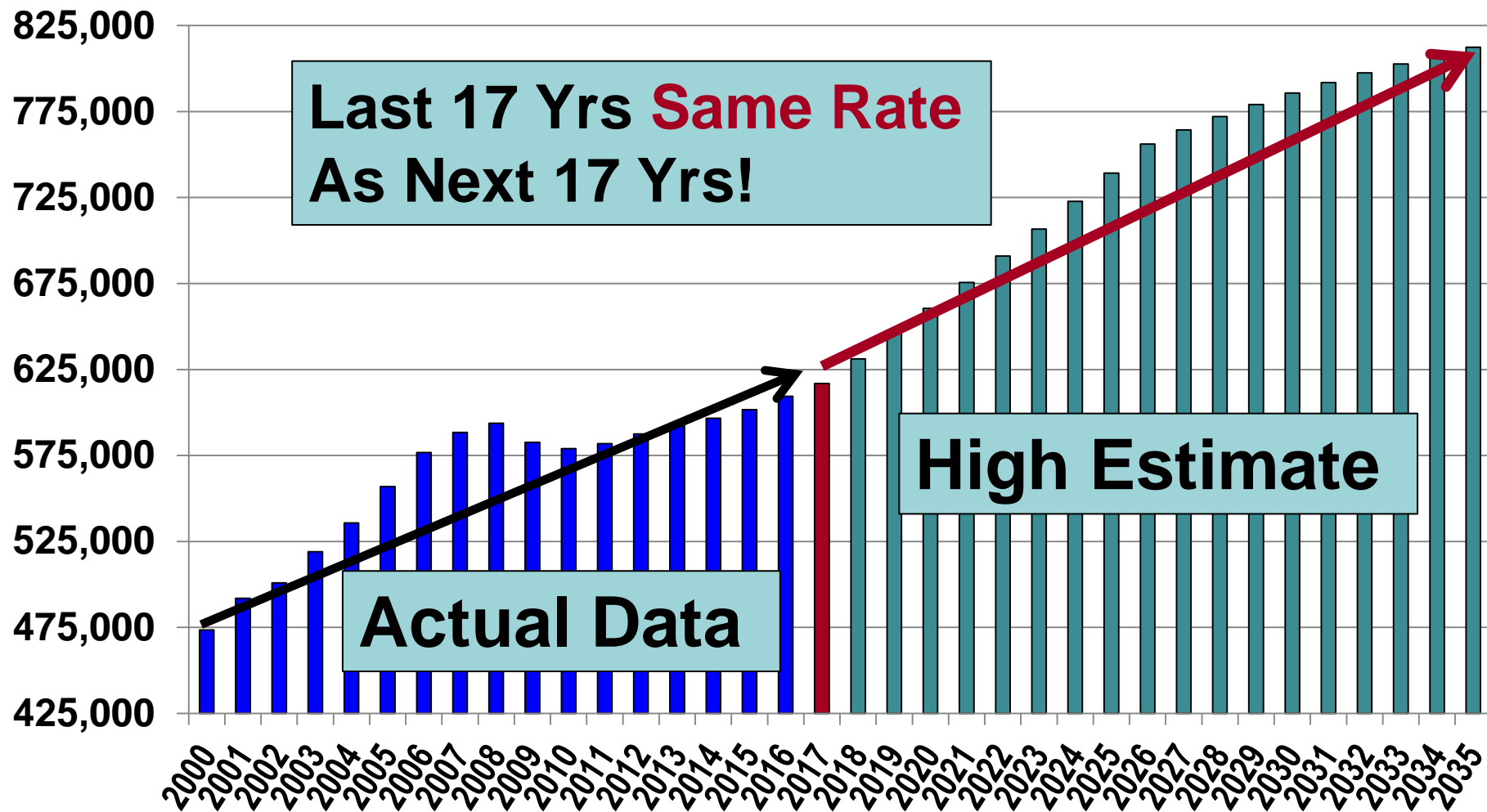
# Western Nevada Housing Report Needs Assessment - 2018 Report

## Reno-Sparks MSA Annual **Employment** & Projections

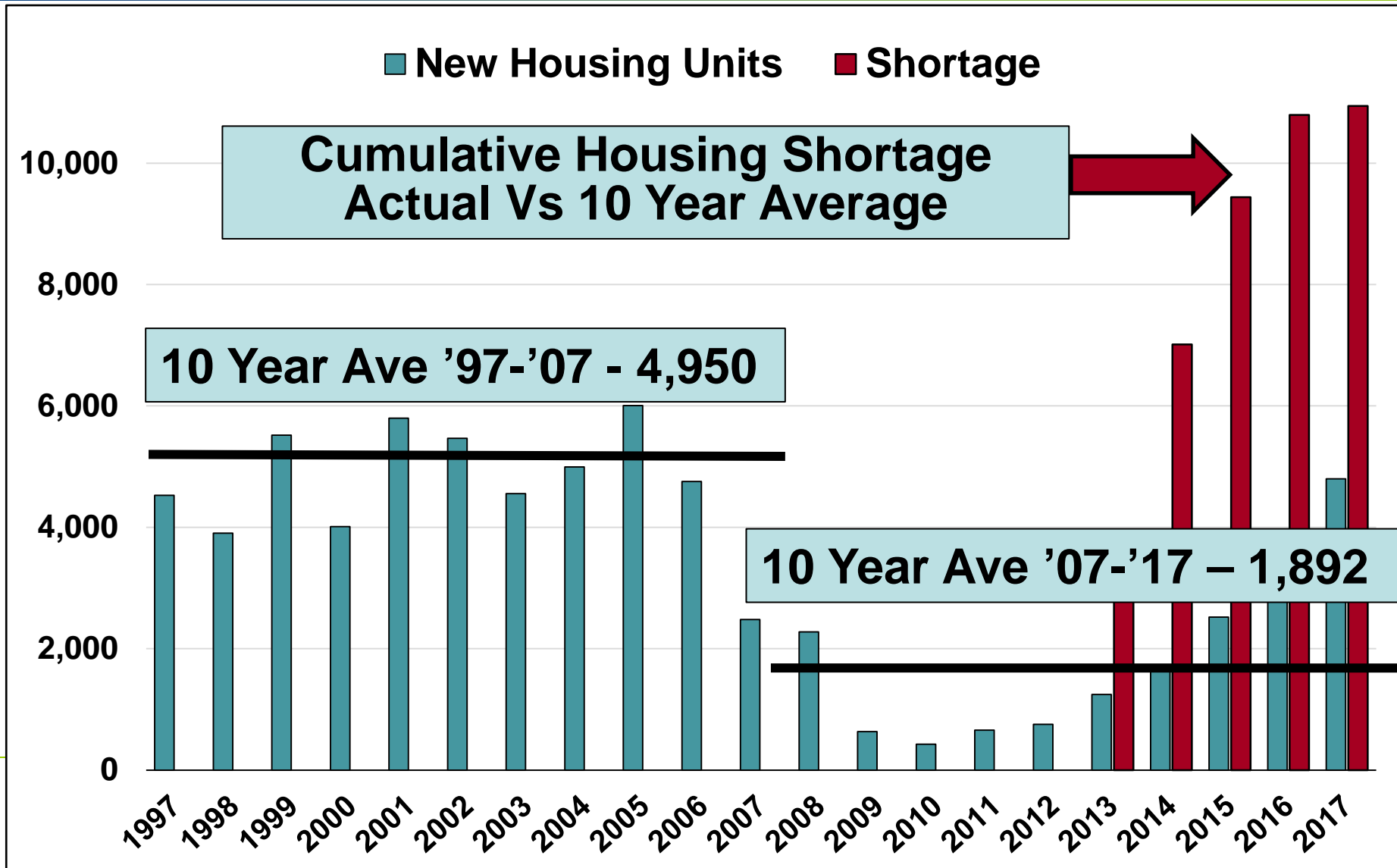


Source: Department of Employment, Training, and Rehabilitation; 2000-2016 = CES data; 2017 & 2018 = Average annual growth rates from short-term projections

# Are We Growing **Too Fast?**

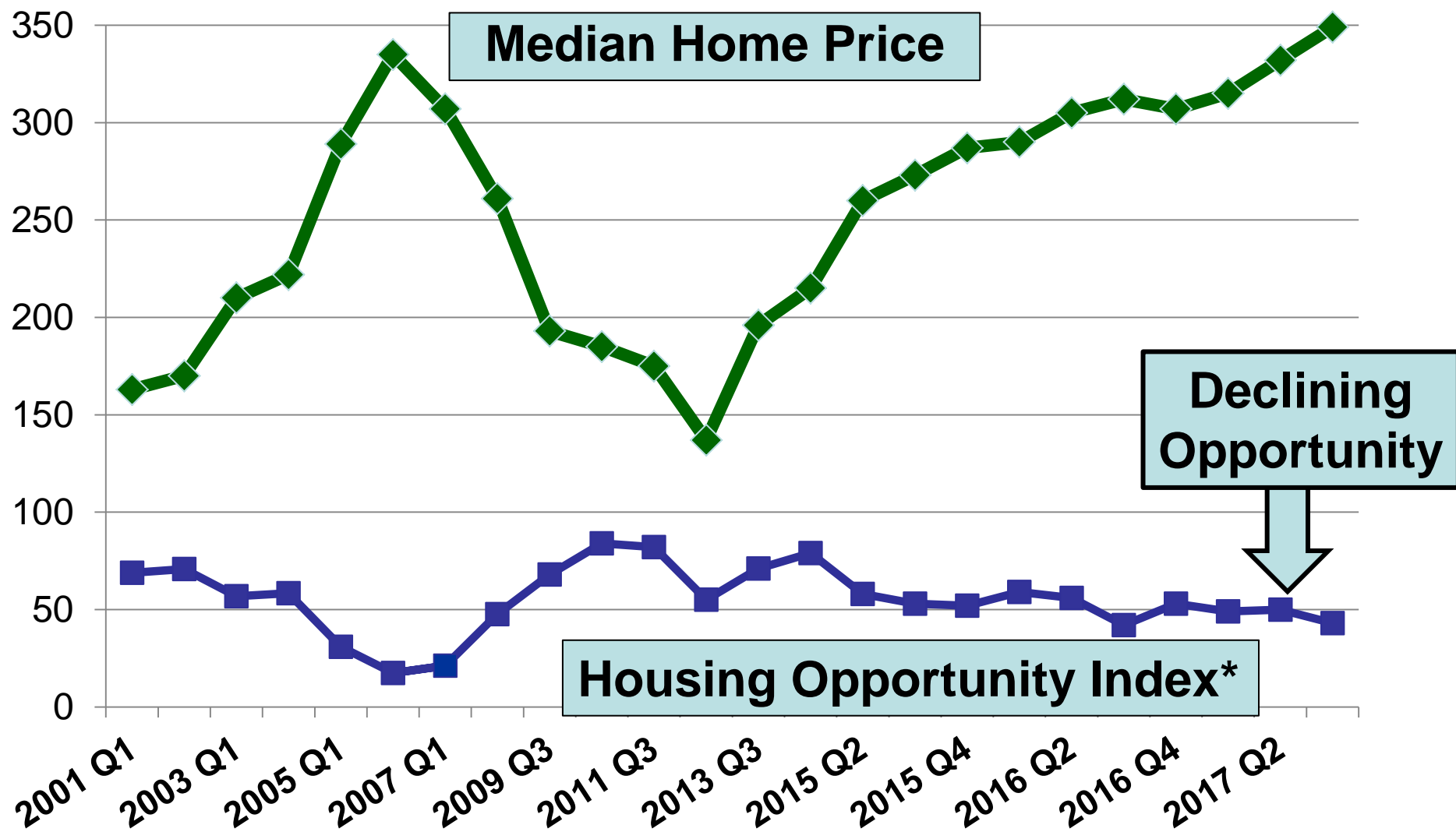


# New Housing Units Just Not Keeping Up



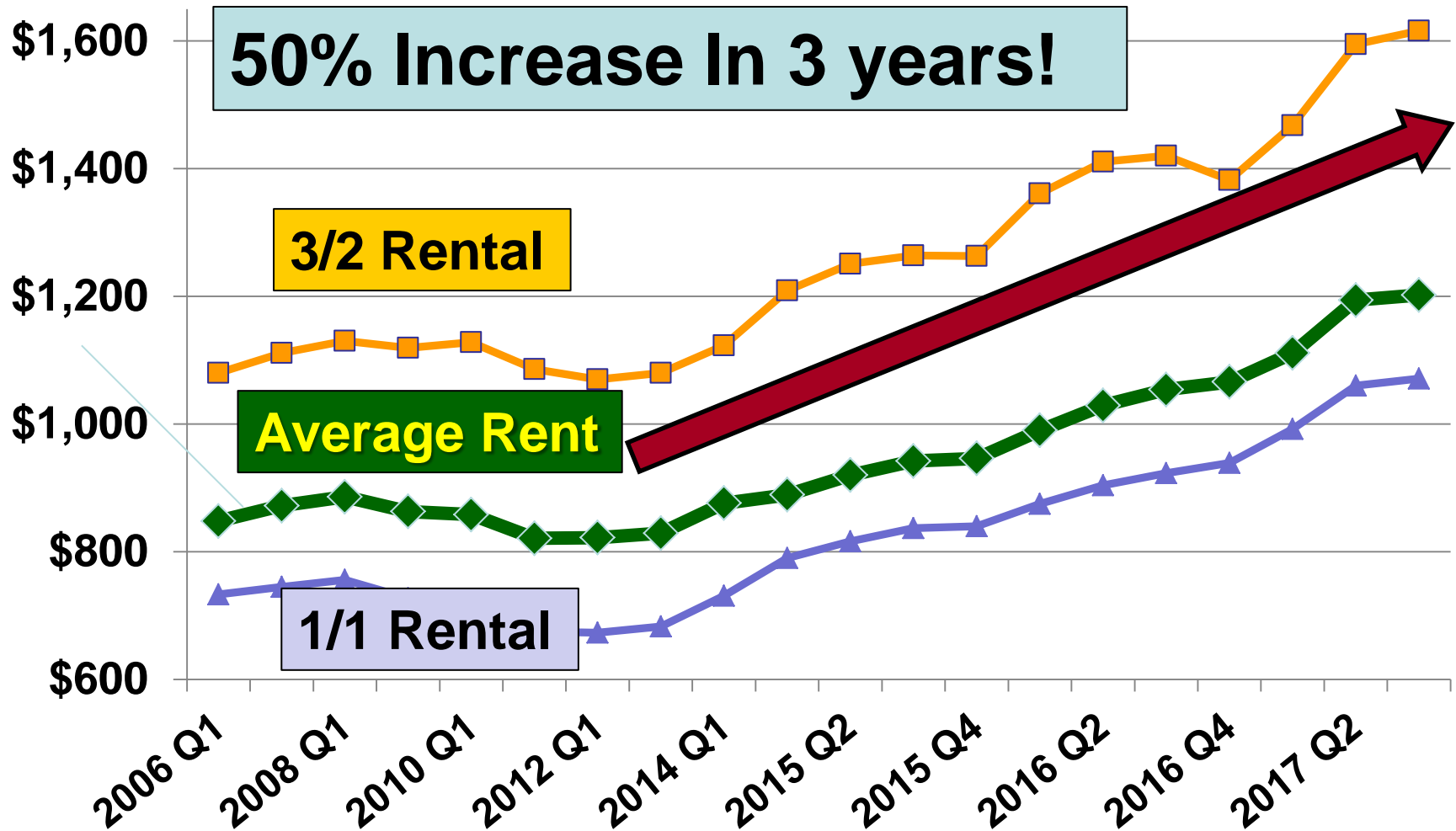
# Housing **Shortage** Drives Up Prices

## Median Home Price Vs Affordability



\*National Association of Home Builders / UNR Center for Regional Studies

# Lack Of Housing Driving Rental Costs Up!



Johnson Perkins Griffin, LLC Apartment Survey 3<sup>rd</sup> Qr. 2016 Data Reno/Sparks Metro

# Housing: 89,195 Planned 43,300 Approved



Center For Regional Studies  
College of Business  
University of Nevada, Reno

**North Valleys: 23,088**  
**Approved: 5,675**

**Sparks: 17,934**  
**Approved: 10,019**

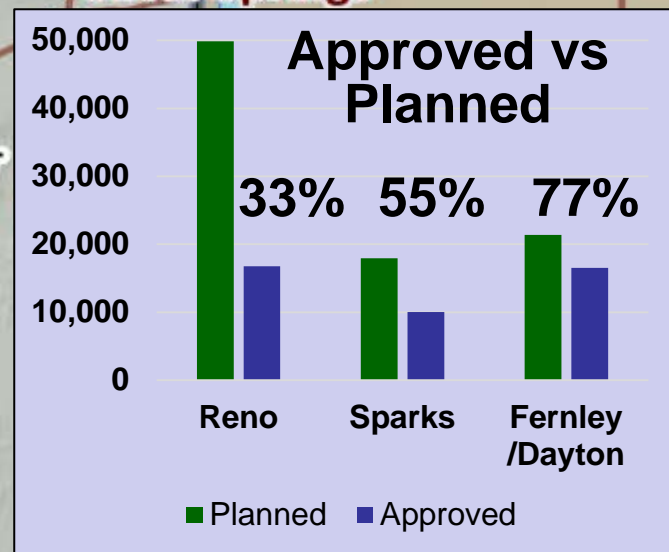
**Fernley: 4,804**  
**Approved: 4,607**

**W. Reno: 4,669**  
**Approved: 1,544**

**Dayton Corridor: 16,572**  
**Approved: 11,908**

**S. Reno: 17,405**  
**Approved: 6,749**

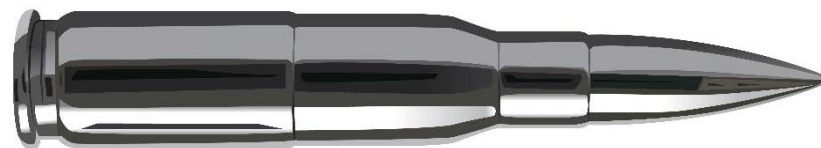
**Reno Other: 4,723**  
**Approved: 2,798**





# No **Silver** Bullet – But Some Ideas

- Government Financing
- Supportive Zoning
- **Fee Reduction** / Waivers
- Donated Or Low-Cost Land From Government
- Local Government **Accelerated Approvals**
- Building On Cheaper Lots
- Building Smaller/Simpler Units
- Private Sector Financial Assistance



# Changes City Of Reno Considering

**Mayor Schieve:** I will be asking the Council to support an initiative that would **fast track** both **affordable housing and infill developments**

- We must Remain aggressive with policies for:
  - **tiny homes,**
  - **accessory dwelling units,**
  - **ease on parking restrictions,**
  - **allowing for higher density and**
  - **alleviating up-front costs** for development
- We believe **this will spur** more affordable-housing initiatives

# How Can You Help?

- Acknowledge The Problem – We Are Changing
- Support/Encourage Government Affordable Housing Solutions – Like
  - Zoning Changes
  - Use Of Government Land
  - Reduction Or Deferral of Fees
  - Approving Developments – **Time Increases Costs**
- Don't Be A “Not In My Backyard” (NIMBY)
- Support Legislation To **Reset Upon Sale** Property Taxes – Local Government Funding



# Property Tax Fix - **Reset Upon Sale**

- **Flawed Tax Structure:** Depreciation Of Property Tax
- **Only State** In The Nation That Does This!
- Causes A Systematic Decline Of Funding For Local Governments/Schools (1/3<sup>rd</sup> to Half of Total Revenue)
- Valuation = Market + Land – 1.5% Depreciation
- Exacerbated By **3% Upper Cap and No Lower Cap**
- Will Require Revote By Legislator **And Your Vote**
- **No One's Current Property Taxes Will Increase**

# Community Concerns – To Address



1. Affordable Housing
2. Property Tax Fix – Reset Upon Sale
3. 2<sup>nd</sup> Road To The Industrial Center (TRI)
4. Downtowns Revitalization
5. Brand or Image
6. Workforce Development / Talent Attraction

# Second Road To TRI?



- Currently I-80 Is **A Single Point Of Failure**
- Major Accidents Daily
- Industrial Center Going From **8,000 To 25,000 In Next 10 Yrs**
- **No Funding Or Approved Plan To Address This Issue**
- 75% Of TRI Employees Live North Of I-80 In Reno/Sparks
- Let Elected Officials Know **If You Think** This Is A Problem They Should Address?





CITY OF RENO



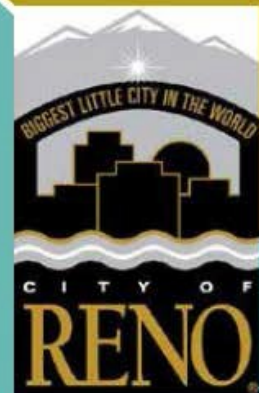
# DOWNTOWN ACTION PLAN



APRIL 2017

*City of Reno, Nevada*

*Prepared By  
Progressive Urban Management Associates (P.U.M.A.)  
in association with  
Economic and Planning Systems (EPS)*





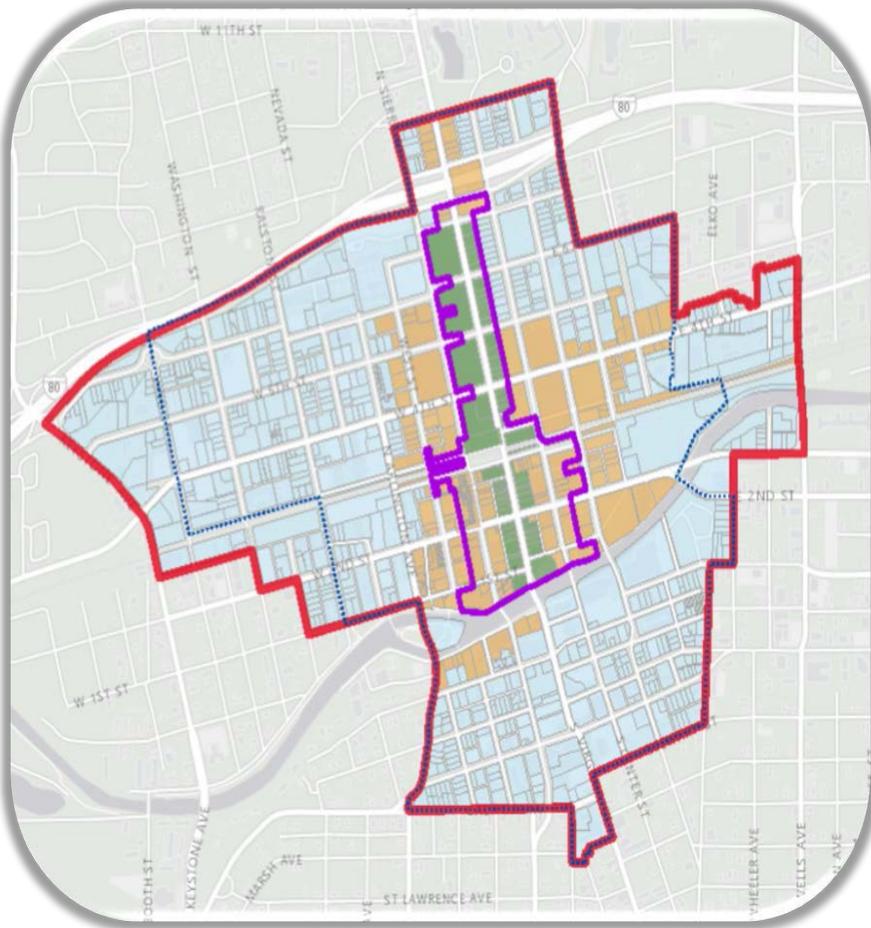
# Downtown Management Organization

## Why a DMO?

- Stabilize Downtown Streets
- Create a Public/Private Partnership to Champion Downtown
- Unified Voice and Accountability
- Employ **National Best Practices** in Reno



# Business Improvement District



## BID Formation – Q1 2018

- **Property Owner Petition – Need Support From Property Owners Representing More Than 50% Of Assessments**
- **City Council Approval – Jan '18 - BID Formed Through Ordinance**
- **Services Start July 2018**

# Brand / Image – Hurts Attraction

New York Times: “Reno stirs images of **worn-out casinos, strip clubs** and quick divorces.”

Talent Attraction Requires Rebranding!

- Millennials Want **Quality of Life**
- Education & Technology Important
- **State Education – Bottom 5**
- **Human Trafficking – Top 5**
- Strip Clubs Image - Over Education?

Marketing Co-Op:

- Effective Way To Get Accurate/Positive Media

# How Can You Help? **Five Things**

- **Engage** In Support Of **Affordable Housing** And Downtown **Revitalization** Initiatives
- Help In Our **Talent Attraction** Efforts
- Use Your Social Media **To Brag** About The Great Things Happening Here!
- Hire An **Intern**...Or Two!
- Support EDAWN's Efforts





***Special Thanks  
To The  
EDAWN Board,  
Our Investors  
And The  
EDAWN Staff***





# Phil Delone

- **Phil Delone** is the President And CEO Of The Reno-Sparks Convention And Visitors Authority (RSCVA).
- More Than 35 Years Of Tourism, Sales And Marketing Experience
- Former Executive Of The Silver Legacy Resort Casino, As Well As The MGM Grand In Las Vegas
- Former CEO Of Safari Club International