

Mike Kazmierski

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

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

2017 Major Investors

Presidential Gold:

- Bombora

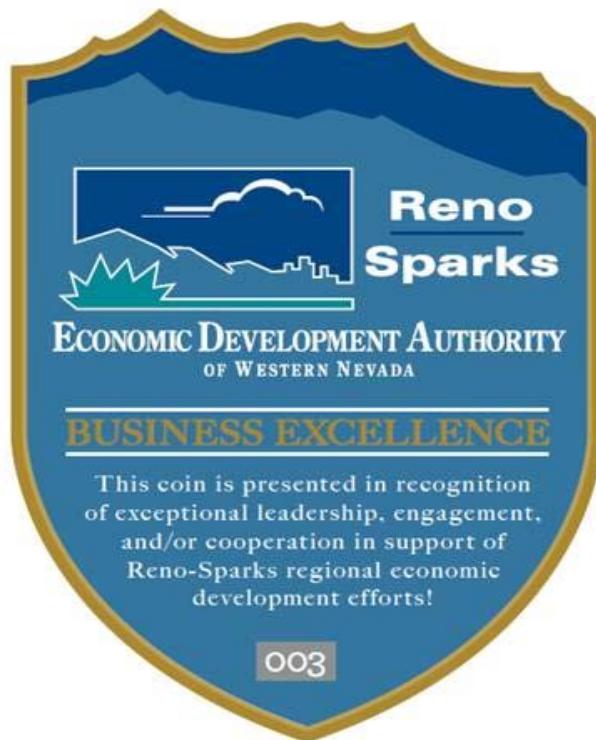
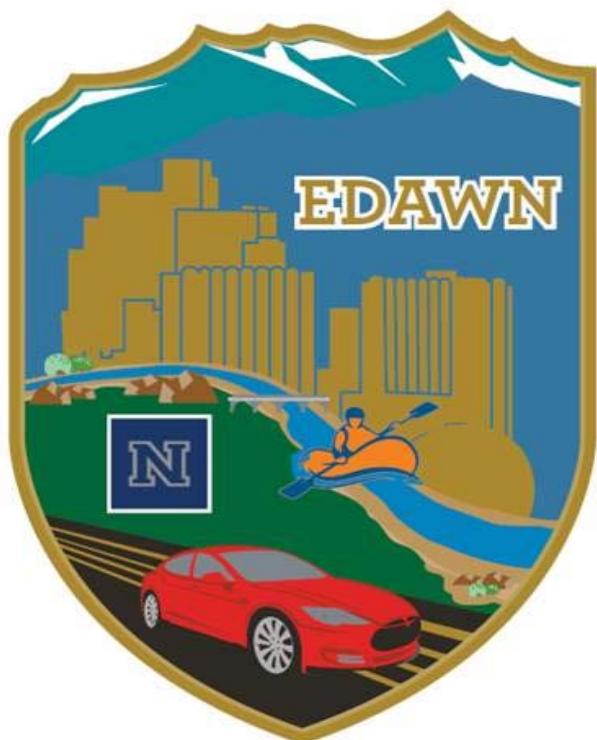
Gold Investors:

- 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

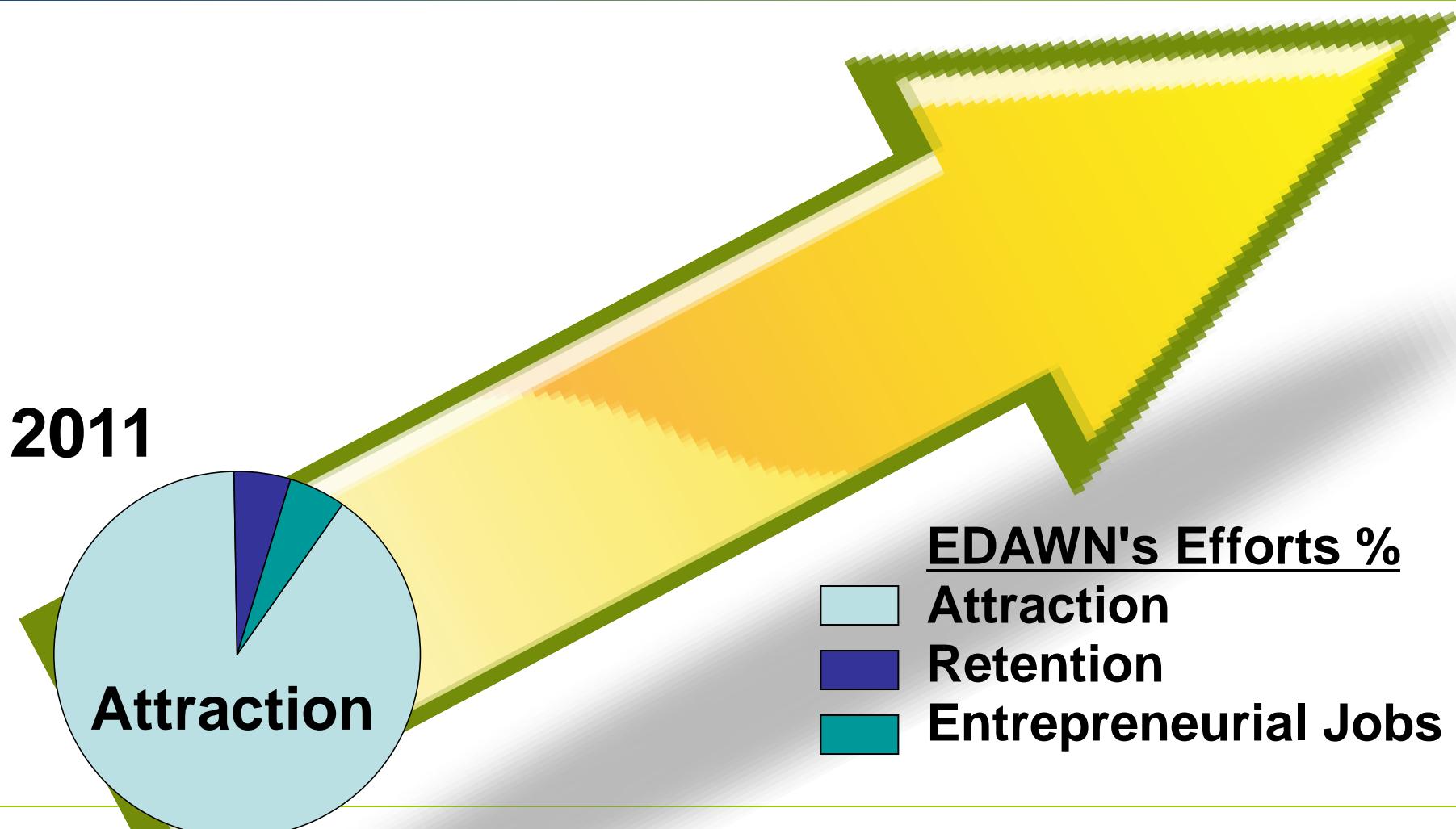
**Retention /
Expansion**

**Entrepreneurial /
Start Up Growth**

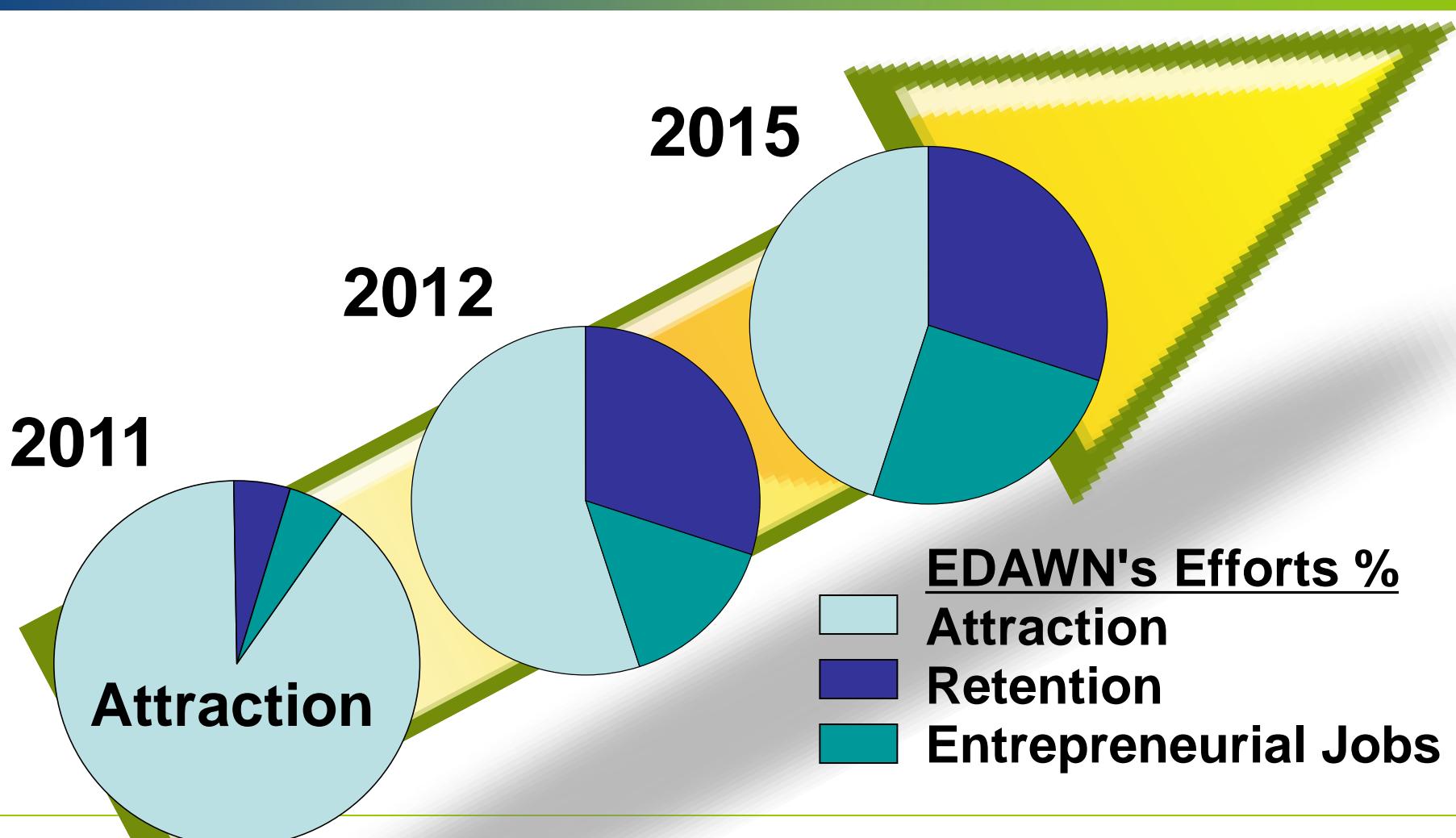


Change Has Come To EDAWN

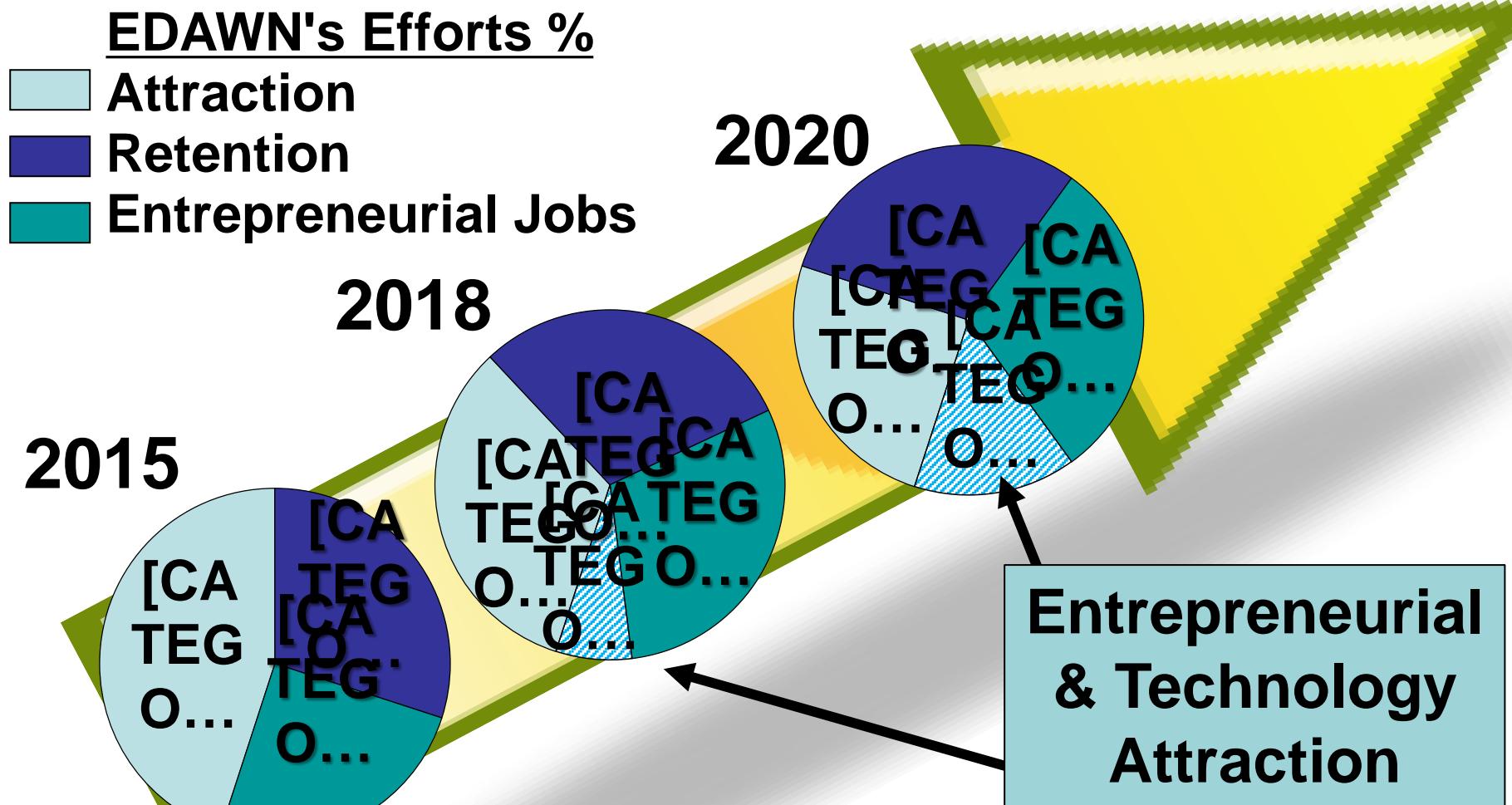
EDAWN's Focus – Resources (2012)



EDAWN's Focus – 2012 Planned Evolution



EDAWN's Focus – The Evolution Continues



Economic Development Stool

Workforce Development

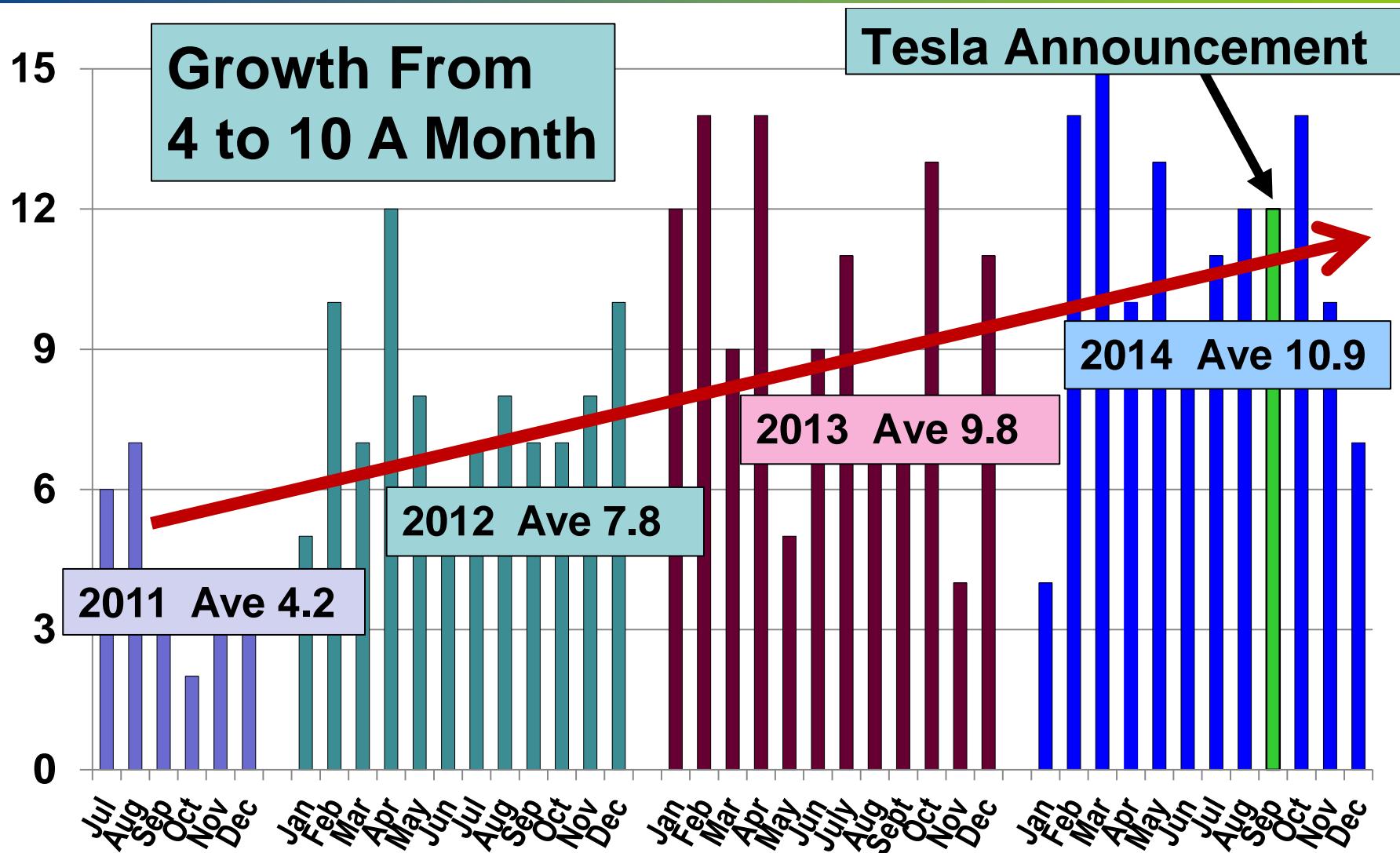
Attraction

Retention / Expansion

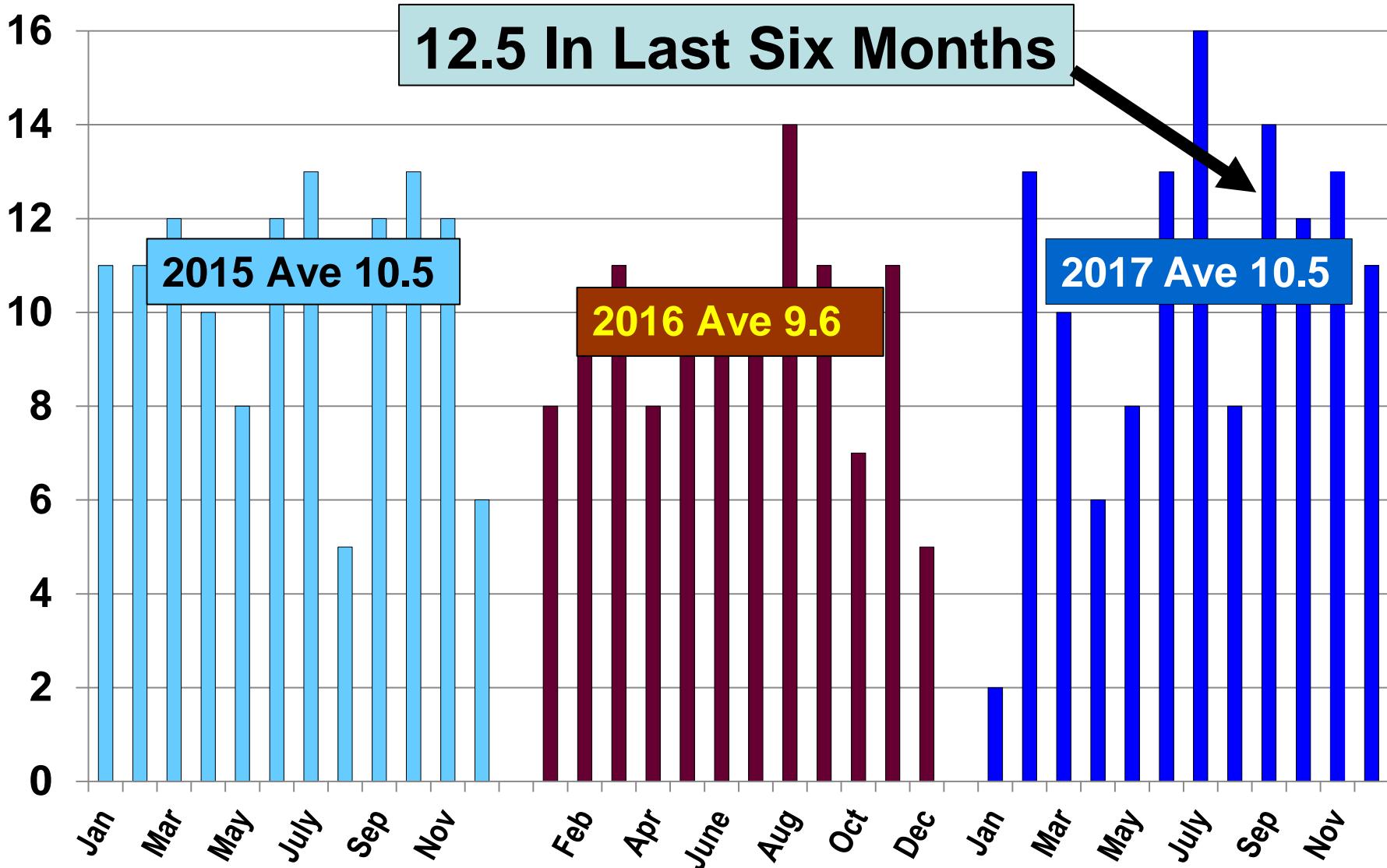
Community Development

Entrepreneurial / Startup Growth

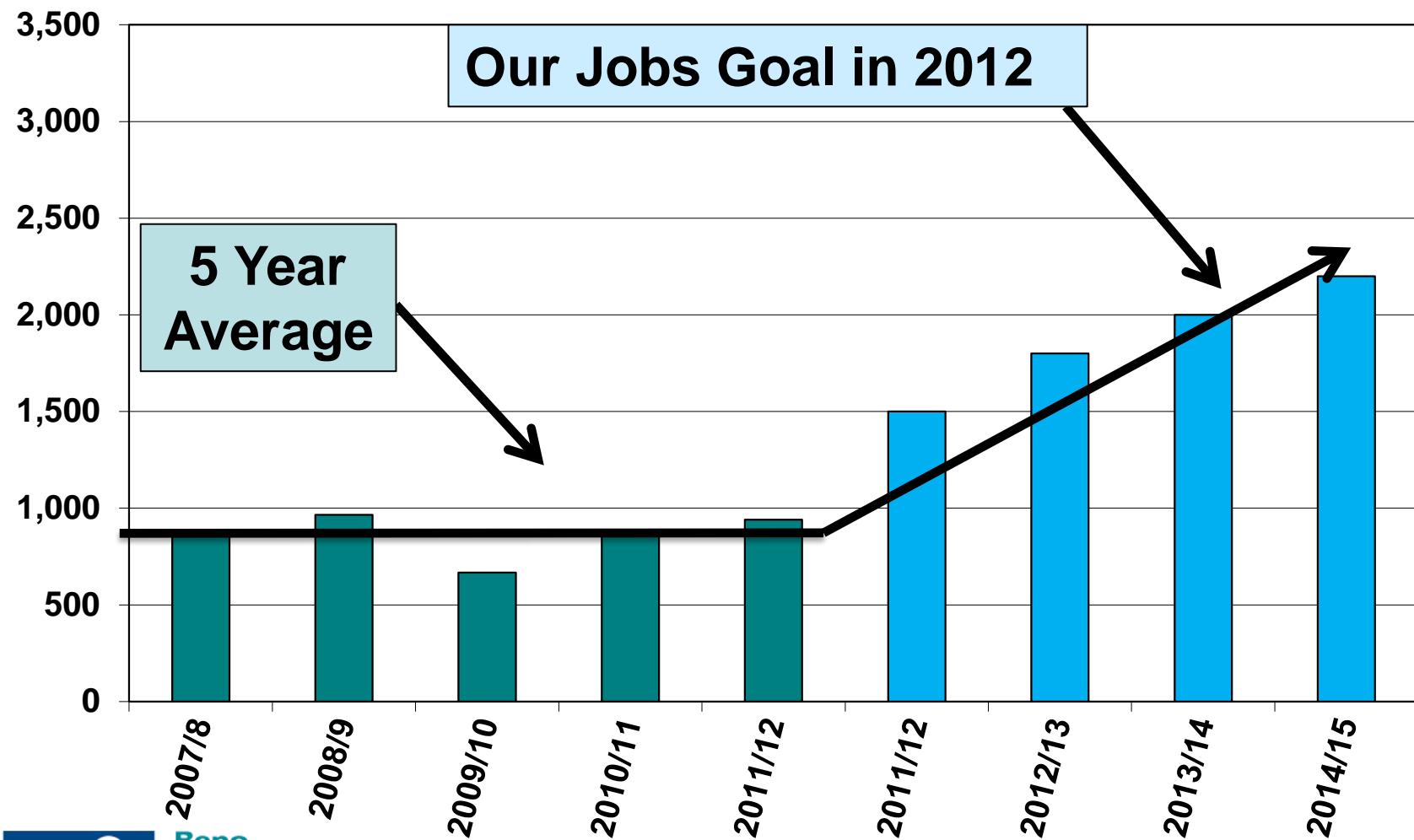
Monthly Prospects Visits 2011 - 2014



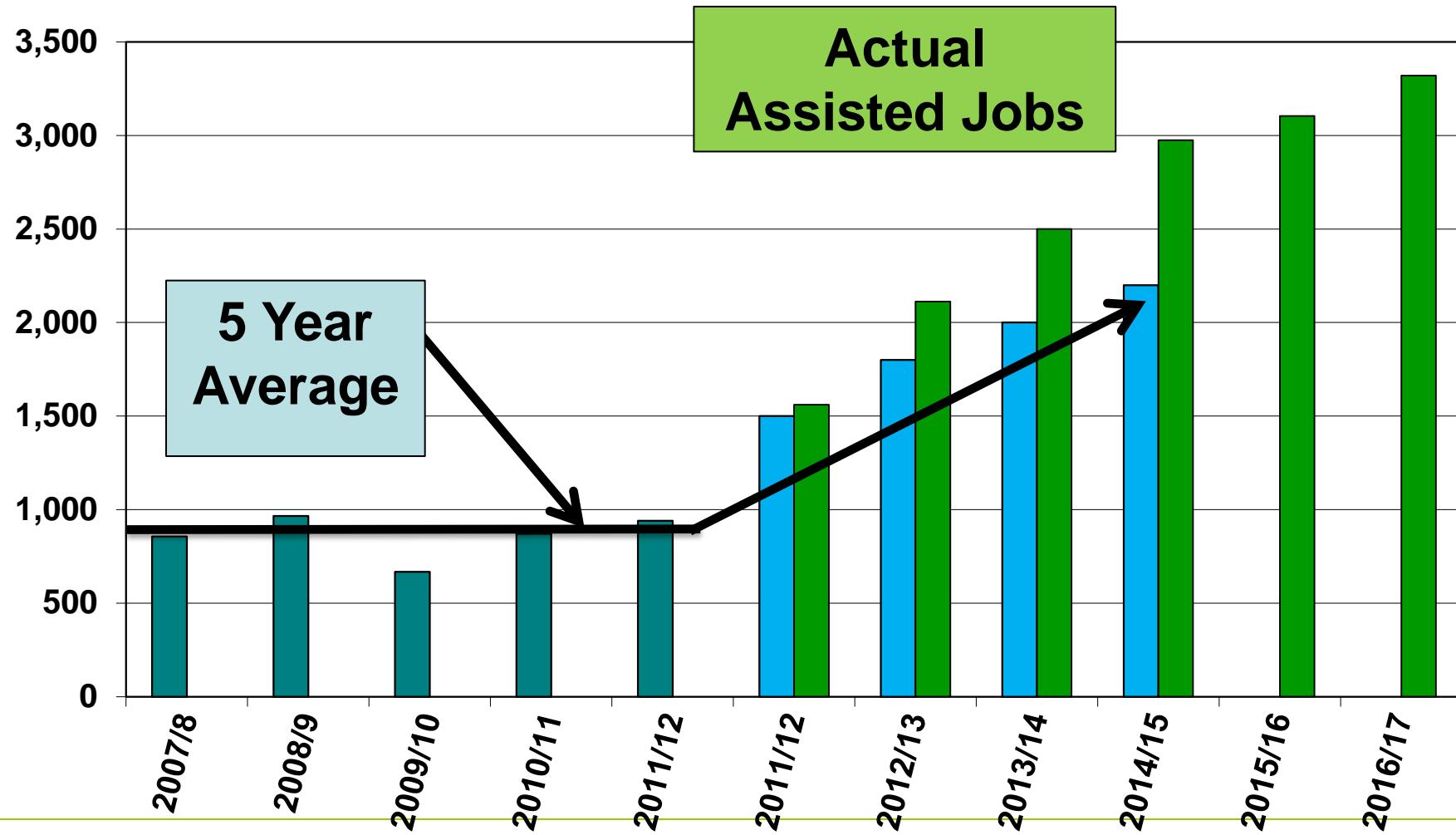
Monthly Prospects Visits 2015 – 2017 (Goal 8-10 per month)



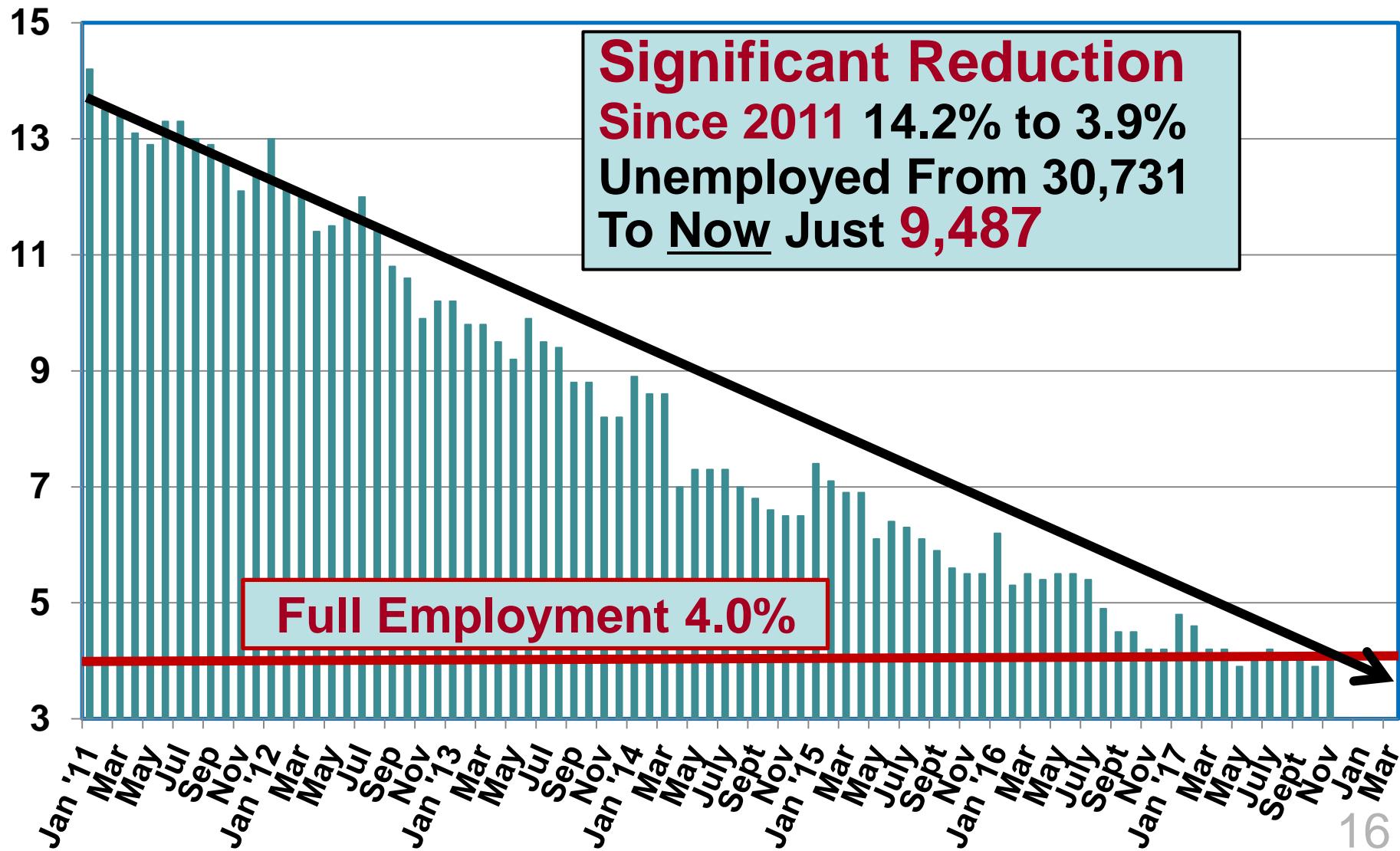
EDAWN Assisted New Jobs 2007-2012



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
Total	1,362	3		

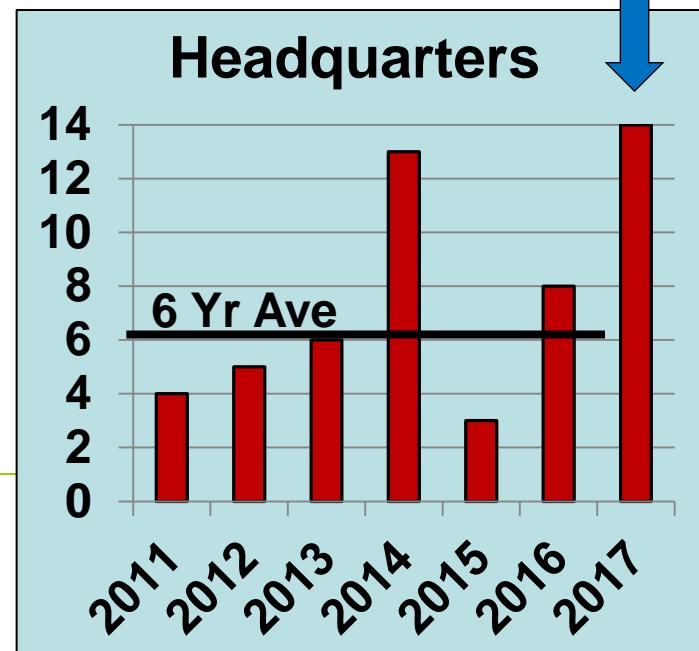
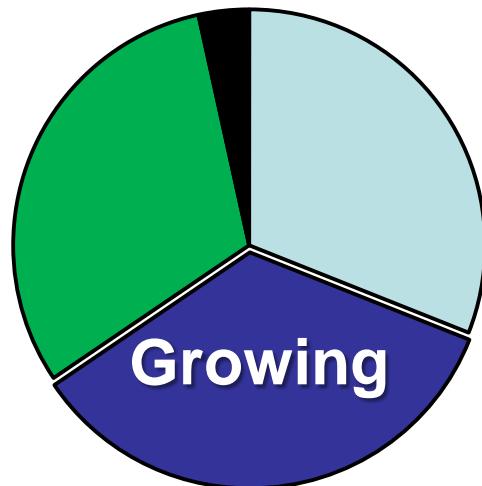
Hot Prospects From List of 150+

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
Total	3,827	4		

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



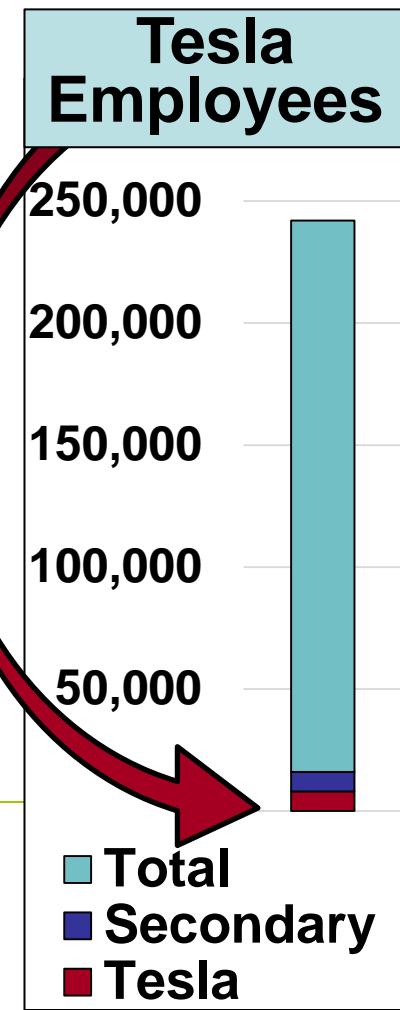
2018 Attraction Priorities

- **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



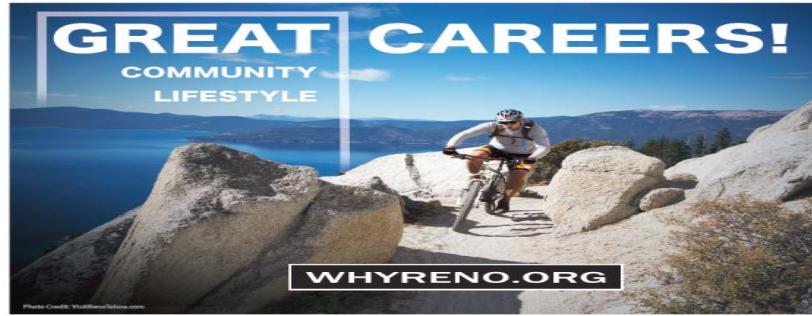
University of Nevada, Reno



Western Nevada College

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



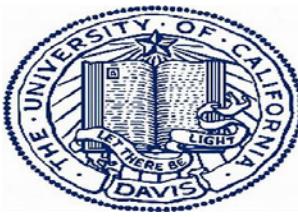
SNC



CCNN



Sacramento State



UC Davis



San Jose State



Stanford



Cal State Chico



Fresno State



UC Berkeley

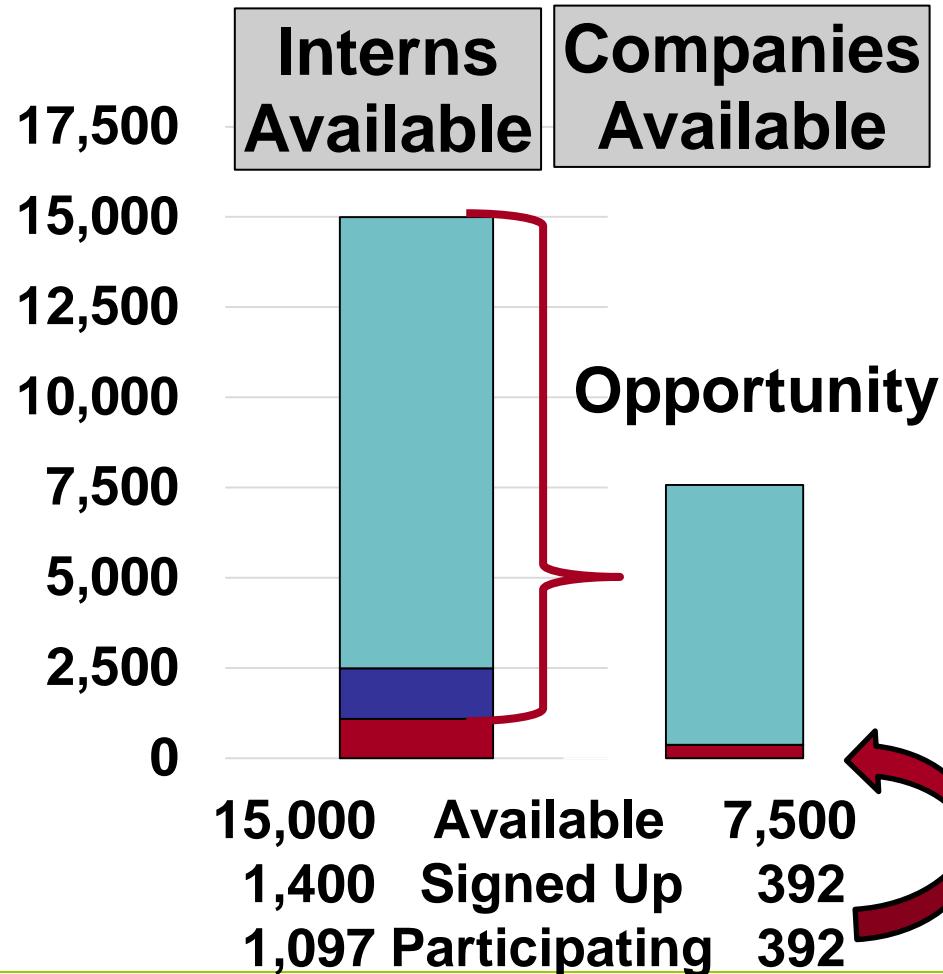


UC Merced

Internships – Are You Involved? 7,500+ Companies – Only 1,097 Interns

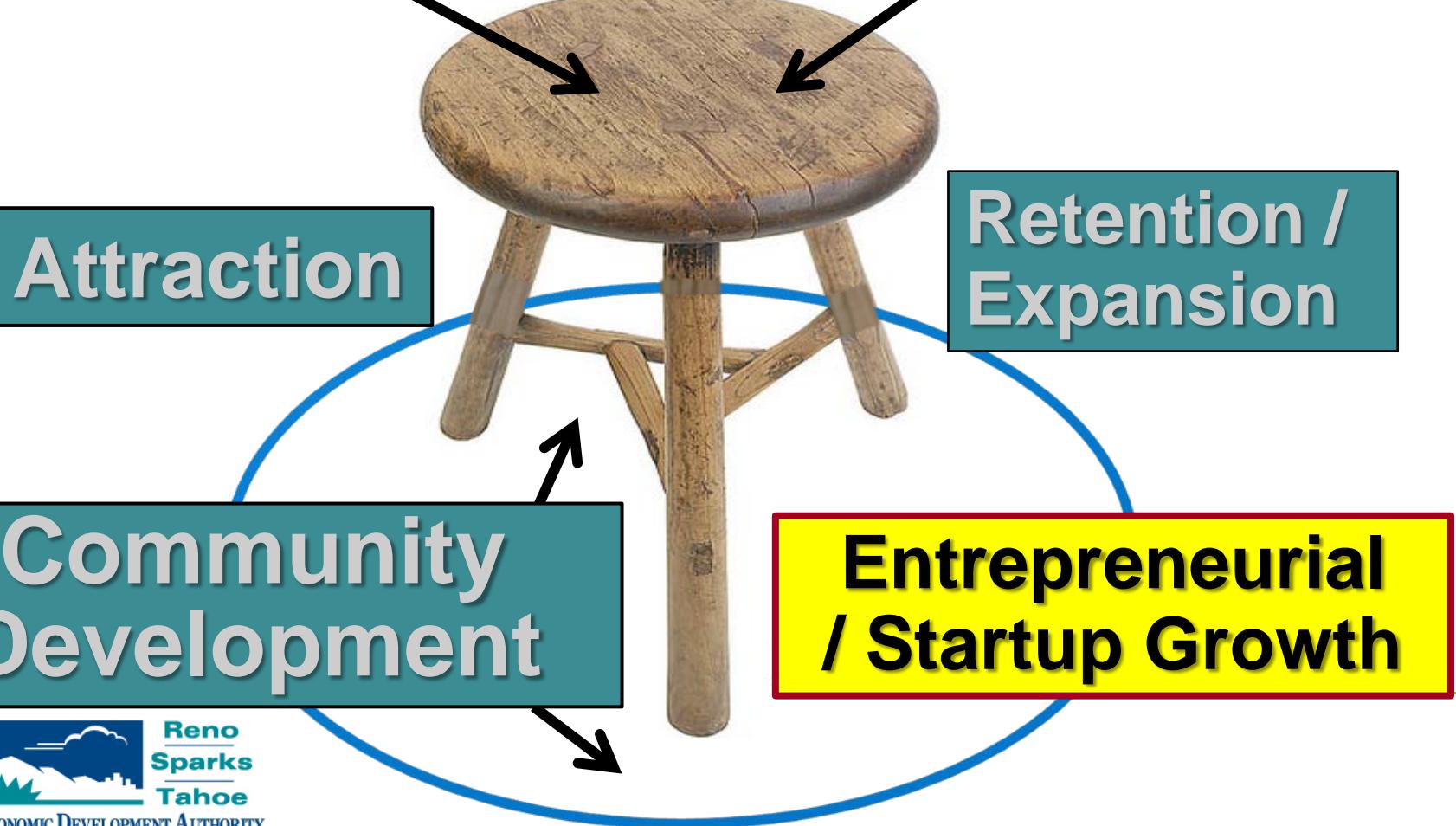
Intern Programs

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



Updated Economic Development Stool

Workforce Development



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

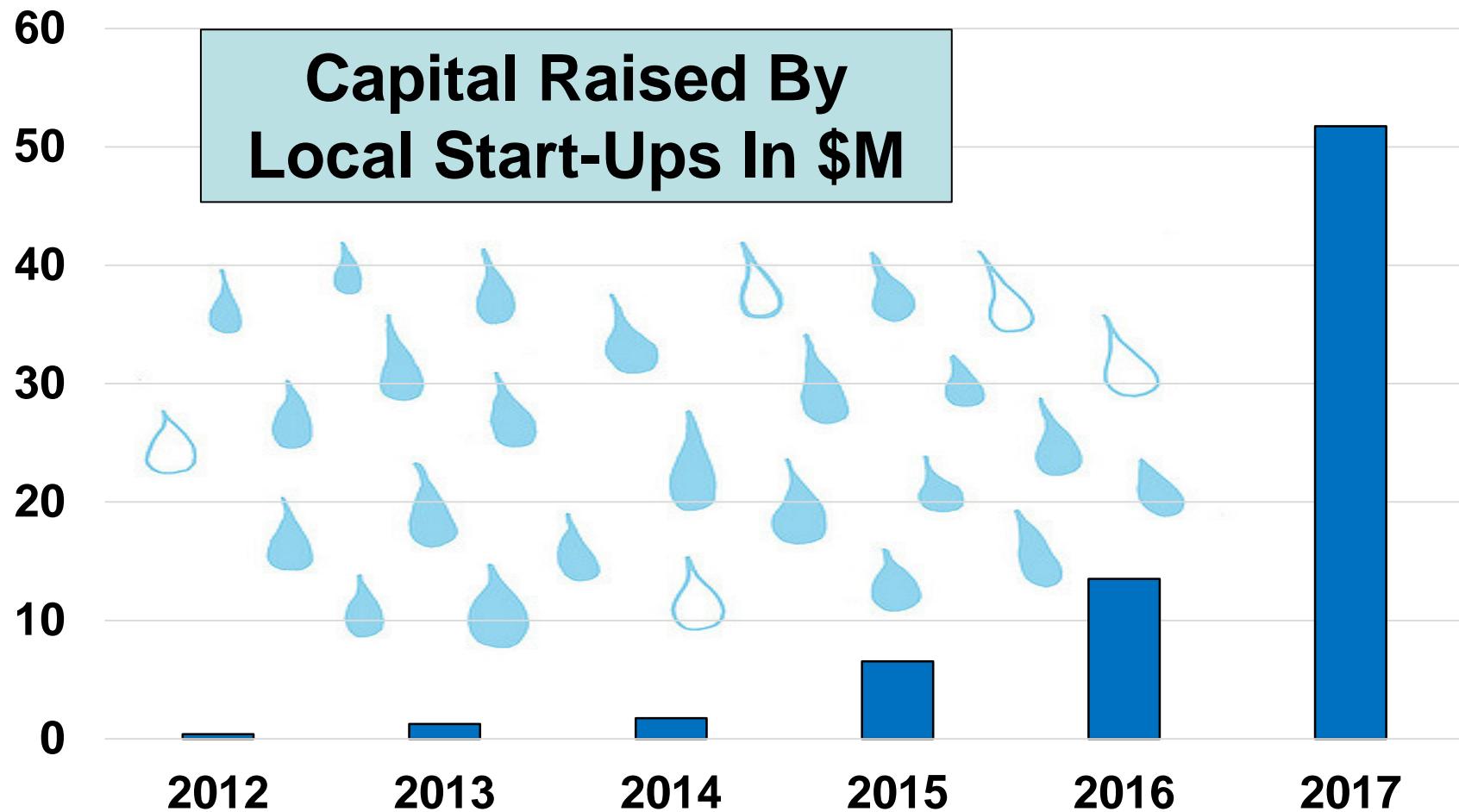


2017

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



Community Concerns – To Address



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



Our Greatest Challenge **Affordable Housing**

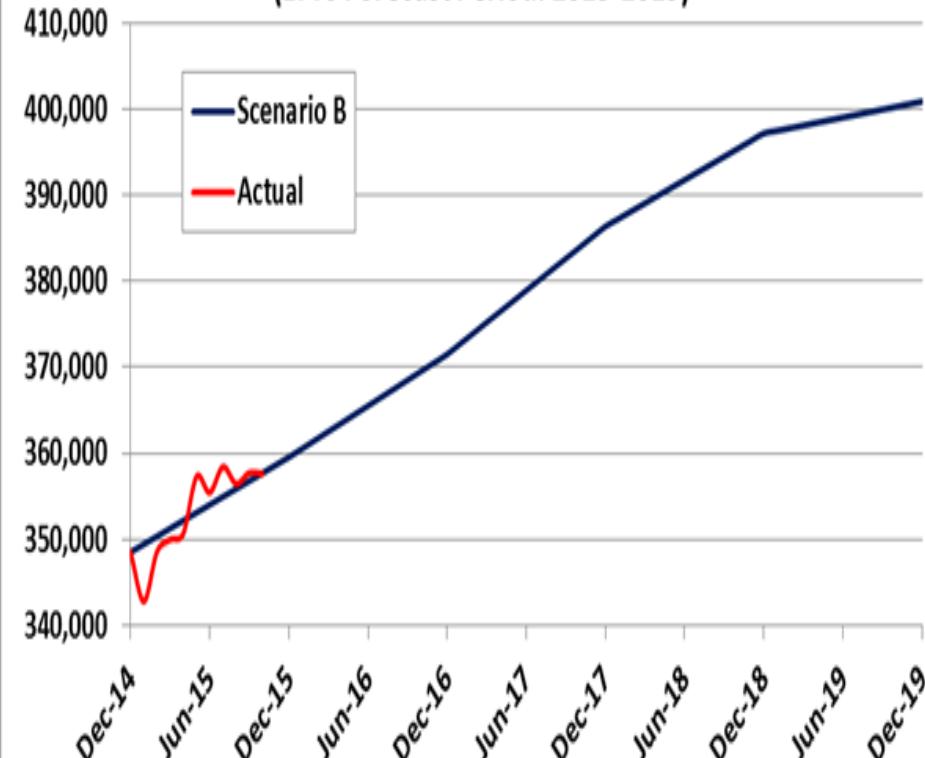
- **Simply Supply and Demand Issue**
- **Not Just Here – But A National Problem**
- **Building Fewer Housing Units Than We Need**
- **Shortage Drives Up Prices**
- **Housing Shortage Impacts:**
 - Forces Low Income Citizens Out
 - Increases Homelessness
 - Increases Sprawl And Traffic
- **Can Not Be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

EPIC Projection 50,400 Jobs In 5 Yrs

December 2015

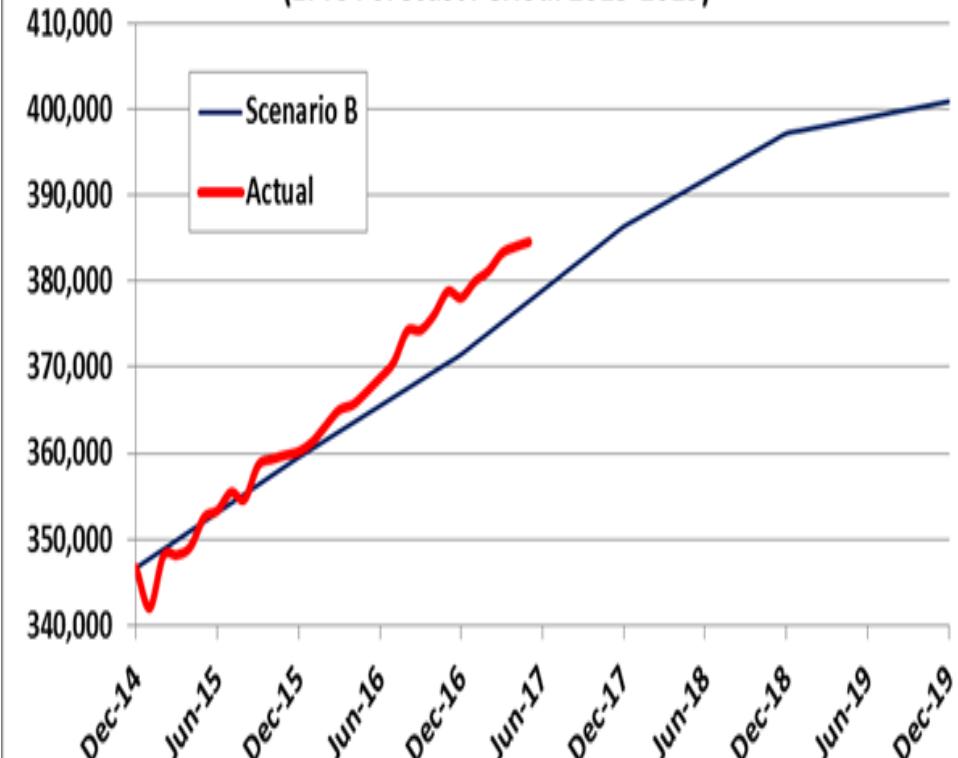
December 2017

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



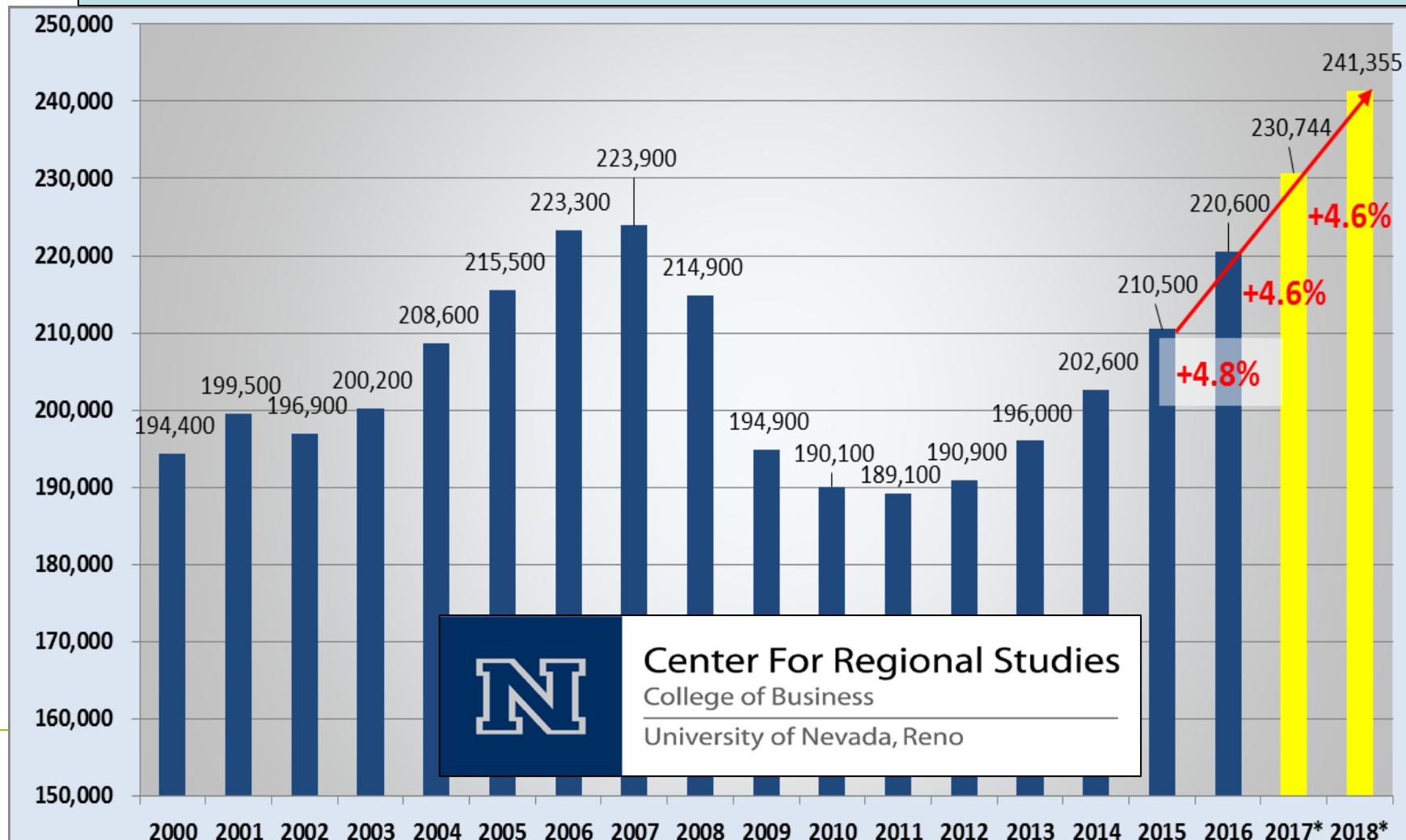
Study Area Employment Tracking: Dec-14 to May-17
(EPIC Forecast Period: 2015-2019)

RCG
economics



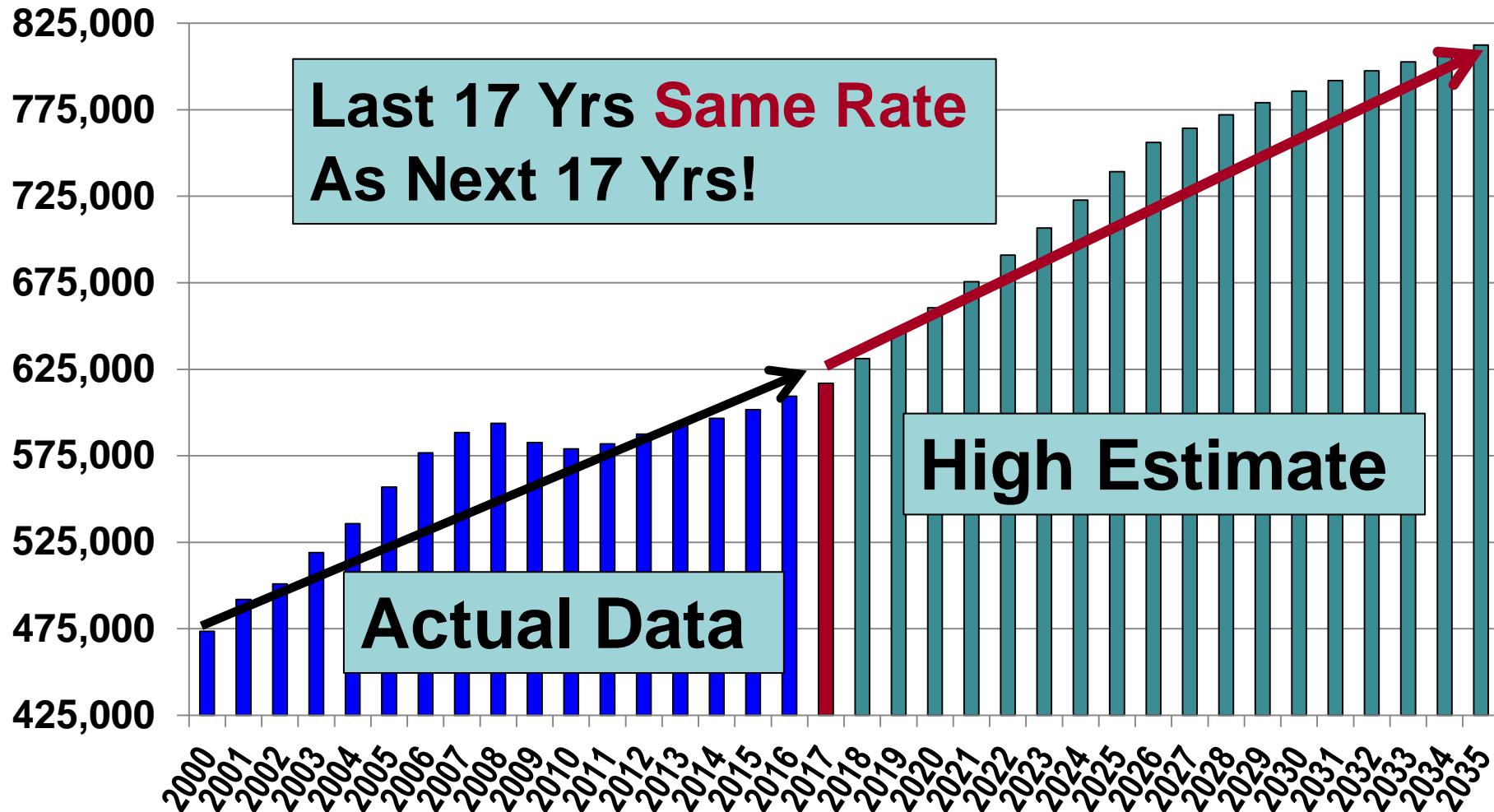
Western Nevada Housing Report Needs Assessment - 2018 Report

Reno-Sparks MSA Annual Employment & Projections

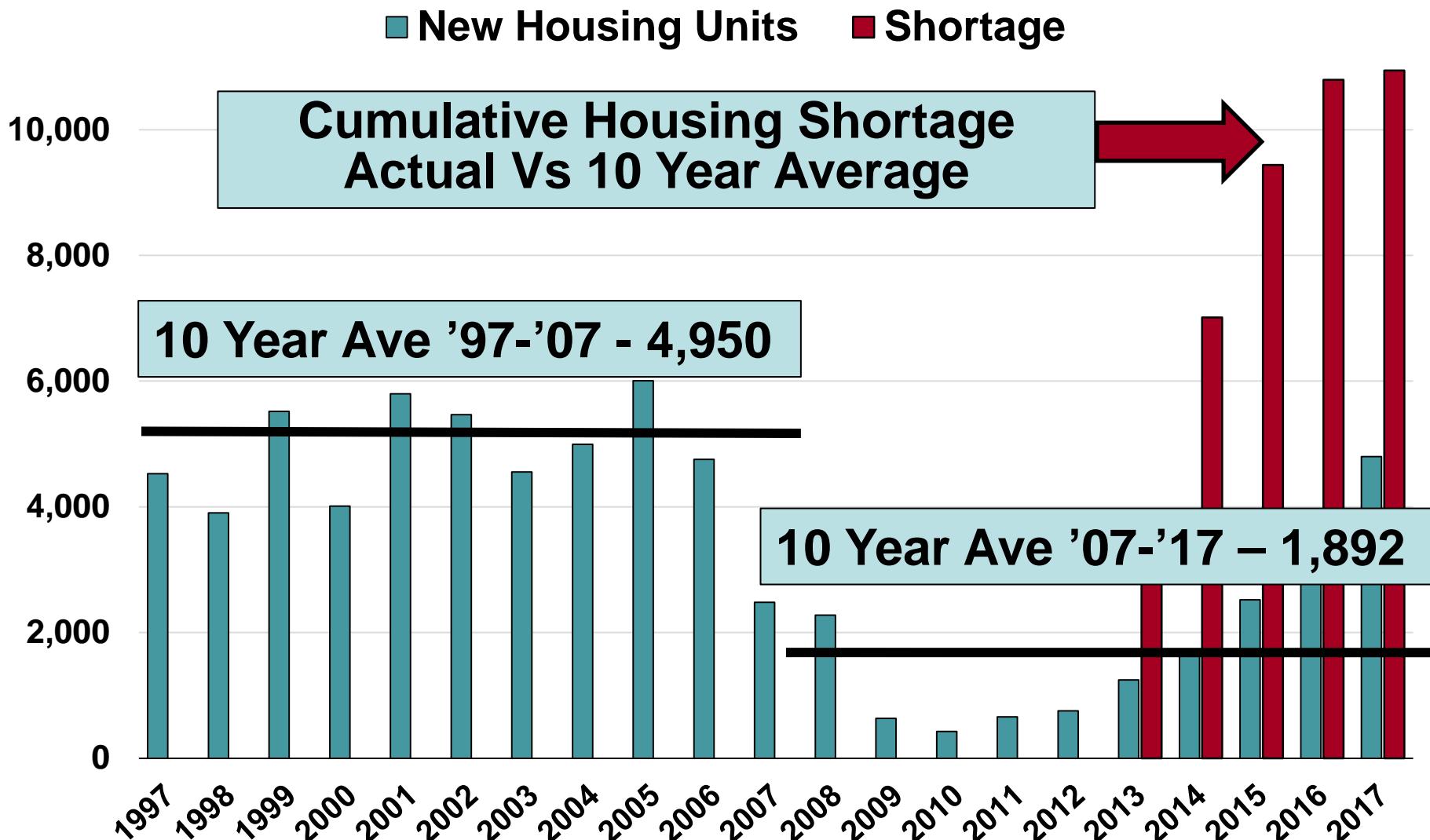


Source: Department of Employment, Training, and Rehabilitation; 2000-2016 = CES data; 2017 & 2018 = Average annual growth rates from short -term projections

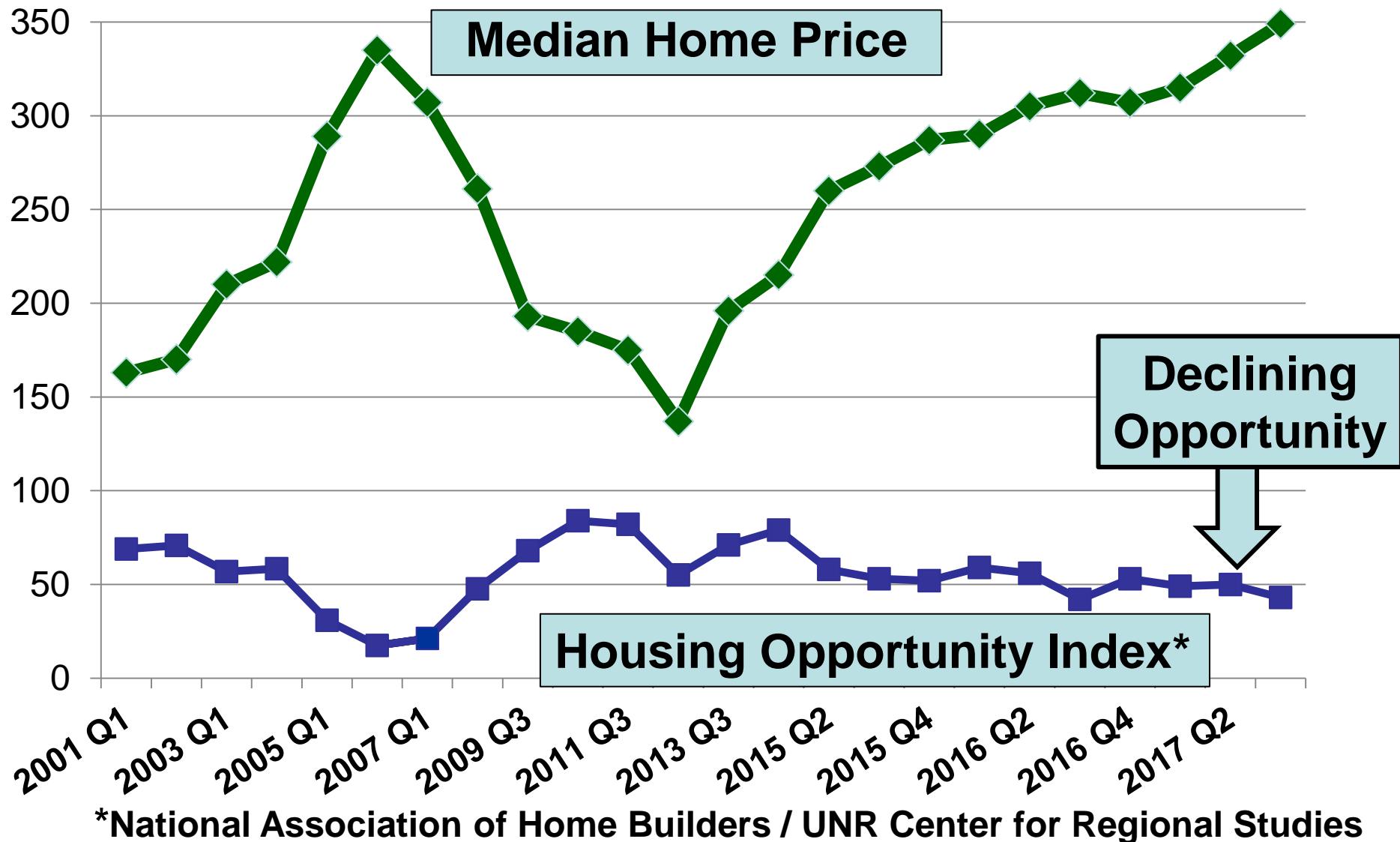
Are We Growing Too Fast?



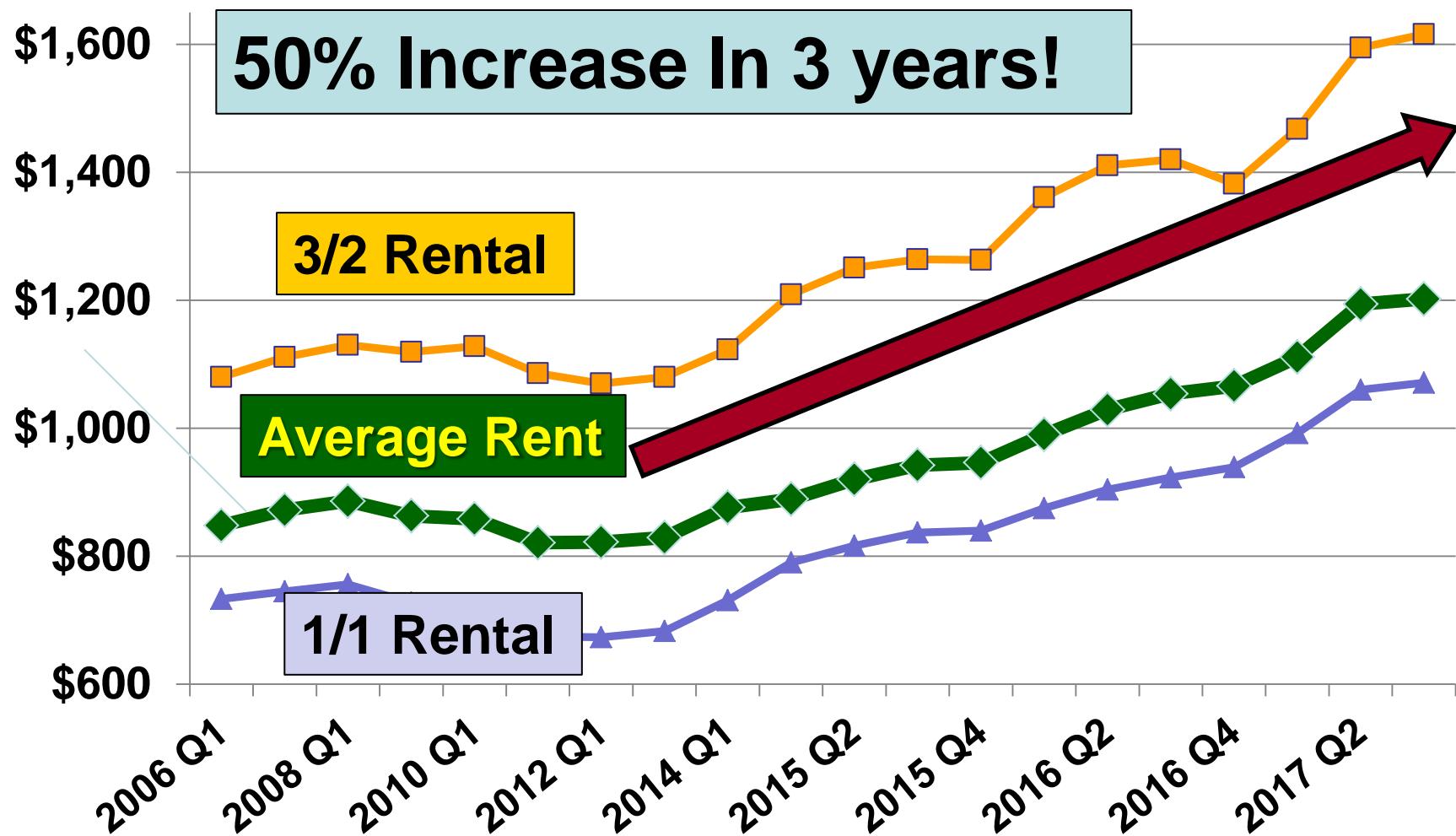
New Housing Units Just Not Keeping Up



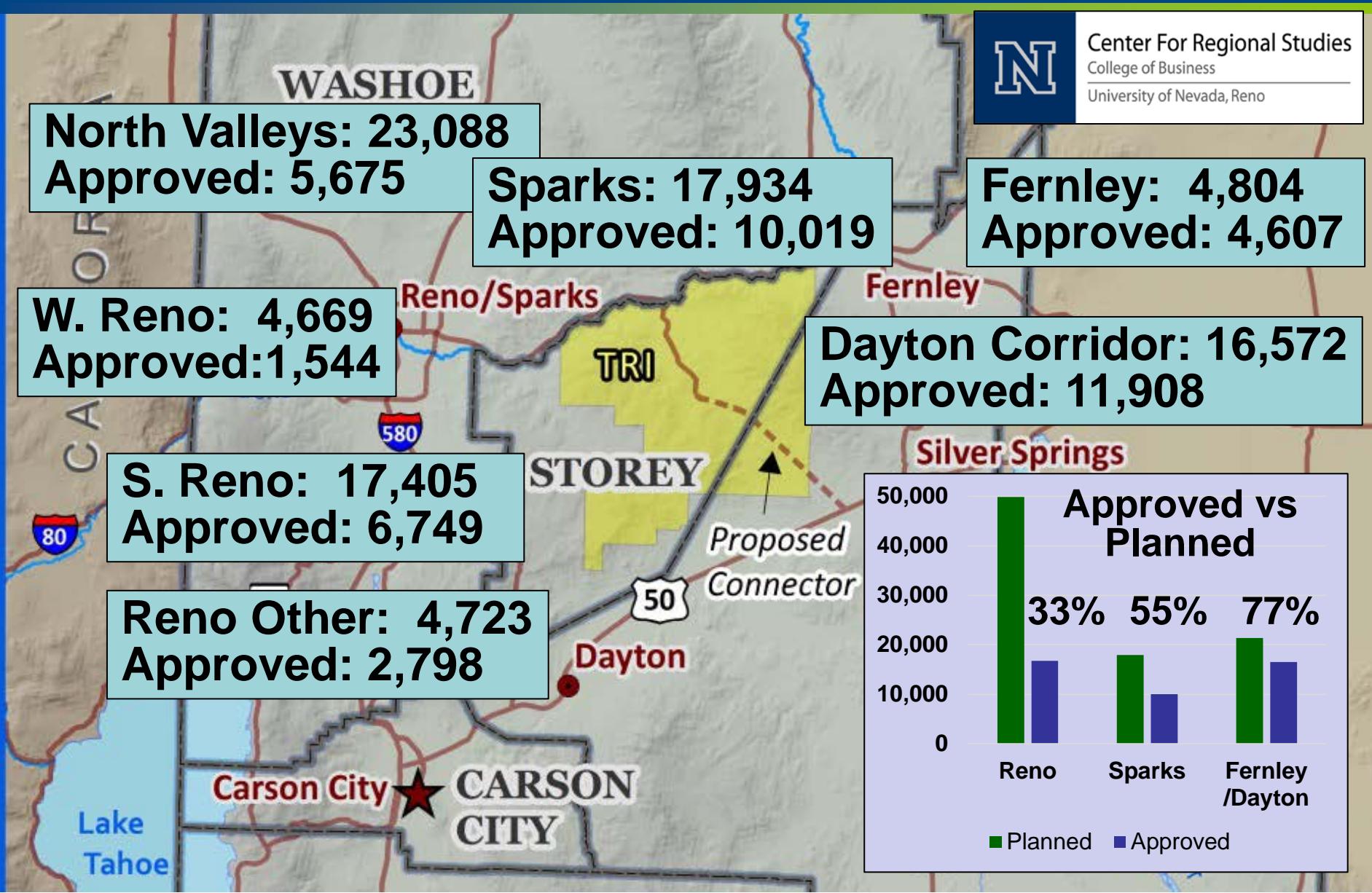
Housing Shortage Drives Up Prices Median Home Price Vs Affordability



Lack Of Housing Driving Rental Costs Up!

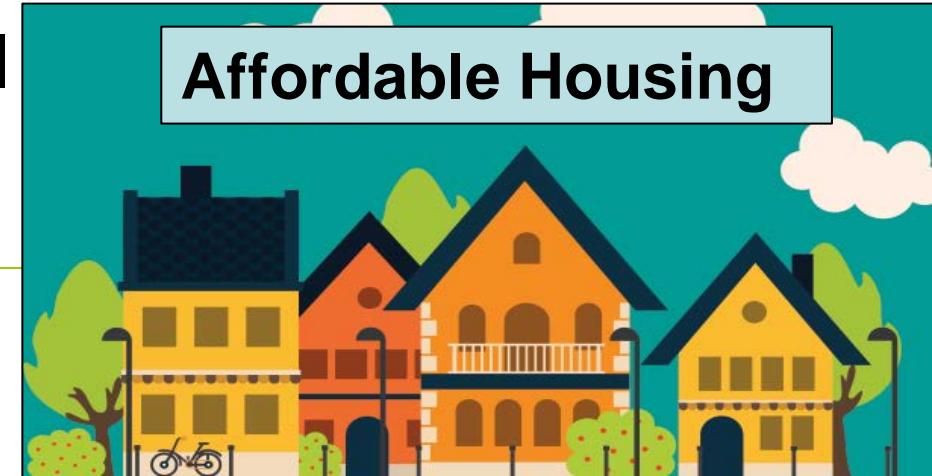


Housing: 89,195 Planned 43,300 Approved



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 polices 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 (1/3rd 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. 2nd 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

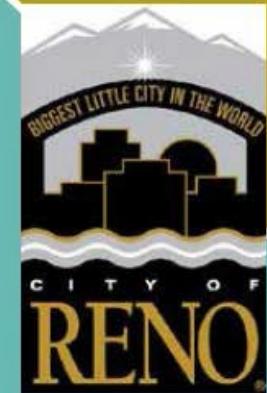


Prepared By

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

APRIL 2017

City of Reno, Nevada



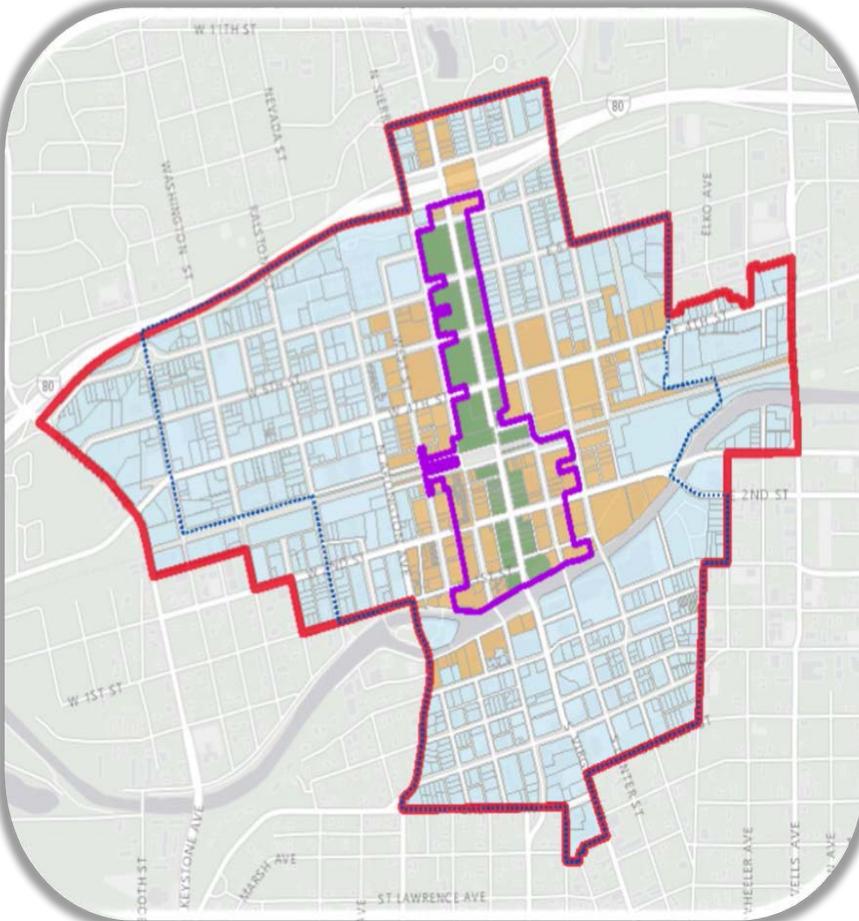
Downtown Management Organization

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