WELCOME

Nevada Economic Development Conference
EDAWN & EPIC Update
Mike Kazmierski

EDAWN President & CEO
What Does EDAWN Do?

Attraction

Entrepreneurial / Startup Growth

Retention / Expansion
EDAWN’s Focus

“Primary” or “Base” Jobs!

Majority Of Customers **Outside** The Region

External Customers **Add Wealth** To Community

1. **Tax Dollars & Wages** Of Employees
2. **Investments** Of Building / Equipment
3. Generates **Additional Jobs + Multiplier Effect**
4. **Quality Jobs** ($20.00 Per Hr + Benefits)
5. **90% + Of Jobs** Filled By Existing Residents
EDAWN Assisted New Jobs FY ‘08-‘15
(5 Year Numbers Based On Company Estimate)

2015 YTD 2,927
(Not Counting Tesla)

5 Year Average 840*

* 2008 – 2010 est. based on 1 year numbers
**Hot Prospects! (Very Likely)**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Job Count</th>
<th>HQ</th>
<th>Confidence</th>
<th>Relocation State</th>
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<tbody>
<tr>
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<td>100</td>
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<td>Very Likely</td>
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<td>CA</td>
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<tr>
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<td>NV</td>
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<tr>
<td>Distribution</td>
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<tr>
<td>Service</td>
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<td>NY</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>930</strong></td>
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<td><strong>1</strong></td>
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</table>

*Very Likely* Means They Have Indicated They Have Selected Us Or Are In The Process Of Acquiring Real Estate
## Hot Prospects! (Probable)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Job Count</th>
<th>HQ</th>
<th>Confidence</th>
<th>Relocation State</th>
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<tr>
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<td>Finalist</td>
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<tr>
<td>Manufacturing</td>
<td>1,000</td>
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<td>Top Two</td>
<td>IL</td>
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<tr>
<td>Distribution</td>
<td>800</td>
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<td>Top Two</td>
<td>PA</td>
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<td>PA / VA</td>
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<td>Data Center</td>
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<tr>
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<td>IN</td>
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<td><strong>Total</strong></td>
<td><strong>10,580</strong></td>
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</table>
Explosive Growth Is Coming!

- Tesla Job Growth
- EDAWN Job Growth
- Historic Employment

4.5% Growth
1.2% Growth
Unemployment Rate Improving- But!

Significant Reduction
Since 2011 14.2% to 6.9%
Unemployed Now 15,615

Full Employment 4.5%
Types Of Companies Relocated FY2014

- Distribution: 21%
- Service: 21%
- Data Center: 7%
- Manufacturing: 52%
Tesla: Wow!

The Largest Deal In The U.S. In 2014 Changes Our Brand Overnight

More Than Jobs Puts Us on The Radar:
Manufacturing
Business
Entrepreneurs
Creative Class
Research & Development
Investors . . .
Another Wow!

Switch SUPERNAP

3 Million Square Foot Data Center Project
$1 Billion Investment
Thousands of Technology Jobs
Supernap Connector (Super loop)
Components to BR&E Program

- **Connect** with resources and each other
- **Grow Jobs/Revenue/Visibility**
- **Fix problems/Eliminate roadblocks**
- **Retain/Recognize**
- **Support**
- **Think Local**
Retention Results / Initiatives

- **Company Visits** – 184
  - Growing 84
  - Future Growth 68
  - Flat 29
  - Declining 3

  > 83% Growing

- **Seven Assisted Expansions** = **1,340 New Jobs**

- **Business To Business Connections Made** = 36

- **Two Industry Sector Councils**

- **53 Companies In Existing Industry Awards**

- **Issues Addressed** = 25
Entrepreneurial Journey

OUR MISSION
To support entrepreneurs at every stage of their journey through education, experiential learning and mentorship.
Reno Startup Decks

• The FINAL decks are in!!!
• 52 Playing Cards – Key Entrepreneurial People, Places, And Programs
  • Card With Free Coffee From Coffeebar, SWILL, Craft, & The Hub
• $500 for 50 Or $800 /100

www.Renostartupdeck.Com
# 8 Of The 14 Best Startup Cities in America
...the next wave of cities building an ecosystem to turn innovators into entrepreneurs Popular Mechanics.

### 3 Alternative Tech Startup Cities

Three Western locales previously considered vacation destinations are now alternatives to Silicon Valley.

Entrepreneur.com on NBCNews.com
EDAWN’s Focus FY15 – FY17

Attraction: Quantity / QUALITY Jobs
Retention: Prepare / Help Companies With Change
Entrepreneurship: Mentor, Support And Attract
Community: Brand + Downtown Revitalization
Workforce: Coordinate Region To Meet Needs
Updated Economic Development Stool

- Workforce Development
- Retention / Expansion
- Entrepreneurial / Startup Growth
- Community Development
- Attraction
“Northern Nevada Regional Growth Study” (Draft)

May 21, 2015

John Restrepo
PART 1: THE NEW NORTHERN NEVADA ECONOMY
Unprecedented Growth Is Projected For The Region: Tesla/Switch & Nearly 100 Other Announcements

What Are The Impacts Of This Growth On: Housing, Transportation, Workforce, Public Service Etc.?  

Multiple Planning Organizations Were Providing Varying Projections On Job & Population Growth

Oct '14 EPIC Formed To Initiate The Coordination Of (Public / Non-profit / Private) Agencies To Develop A Single Consensus Report - RCG Was Commissioned

EPIC Technical Committee Met Weekly With RCG Economics To Gather Data & Provide Feedback
Assumptions

- Detailed Assumptions Provided In The Report
- In Developing The Ranges For Job Growth, Conservative Numbers Were Used
- Job Growth, In Addition To Tesla, Was Included Based On EDAWN’s Estimates
- Transportation Projects Projected To Be Completed In The Next 5 Years Were Considered
- Study Area Based On Area Around Tahoe Reno Industrial Center & Reno / Sparks / Carson City
## EPIC Members

<table>
<thead>
<tr>
<th>Organizations</th>
<th>Economic Development Authority of Western Nevada</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Reno</td>
<td>Truckee Meadows Regional Planning Agency</td>
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<tr>
<td>City of Sparks</td>
<td>Center of Regional Studies, UNR</td>
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<tr>
<td>City of Fernley</td>
<td>Regional Transportation Commission of Washoe County</td>
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<tr>
<td>Washoe County</td>
<td>NV Department of Employment, Training &amp; Rehabilitation</td>
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<tr>
<td>Storey County</td>
<td>Truckee Meadows Community College</td>
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<tr>
<td>University of Nevada, Reno</td>
<td>Truckee Meadows Water Authority</td>
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<td>NV Energy</td>
<td>Northern Nevada Development Authority</td>
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<td>State Demographer</td>
<td>Western Nevada Development District</td>
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<tr>
<td>Washoe County School District</td>
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<tr>
<td>Reno Tahoe Airport Authority</td>
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<tr>
<td>RCG Economics, LLC</td>
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<tr>
<td>Governor’s Office of Economic Development</td>
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</table>
Scope of Work

- Address The Community Growth Impacts On:
  - Fiscal (Public Revenues)
  - Socio-Economic / Housing / Schools
  - Traffic

- Address 3 Scenarios High - Med - Low

- Address A 5-Year Period 2015-2019

- Provide Data On 5 Counties & 18 EPIC Zones

- Collate Data From State & Local Agencies
  Addressing Planning & Projections

- An Updated Report Is Projected in 18-24 Months
RCG Economics & John Restrepo
36 Years of Experience

- RCG economics is one of the most authoritative sources of research & market trend analysis.
- They offer objective, independent strategic advice on economics, demographics, gaming, hospitality, real estate, & public policy issues.
- Research based on urban & regional modeling & economic / demographic projections.
- RCG clients include: Bank of Nevada, City of Las Vegas, Clark County, LVGEA, Wells Fargo, Washoe RTC, The Howard Hughes Corp., NDOT, UNLV, GOED.
PART 2: THE NEVADA ECONOMIC REALITY
Nevada job recoveries pre-Great Recession

Nevada Recession Recoveries: 1948-2001

Comparison of Recession Job Growth Recoveries
% Job Losses Relative to Peak Employment Month

- 1948
- 1953
- 1957
- 1960
- 1969
- 1974
- 1980
- 1981
- 1990
- 2001
- 2007

Number of Months After Peak Employment

Nevada job recovery from Great Recession (after 94 months)

Nevada Recession Recoveries: 1948-Present

Comparison of Recession Job Growth Recoveries
% Job Losses Relative to Peak Employment Month

State taxable sales near all-time high thanks to economic recovery & visitors

Nevada, Clark & Washoe Counties Taxable Retail Sales: Jan-06 to Jan-15

- Jan-15 NV Total: $4,083M
- Jan-15 WC: $555M
- Jan-15 CC: $3,062M

Source: Nevada Department of Taxation.
Gaming revenues returned moderately due to baccarat; slot revenues stagnant

Nevada, Las Vegas & Reno Gaming Revenues W/O Baccarat: Feb-06 to Feb-15

Source: Nevada Gaming Control Board.
Reno-Sparks Monthly Visitor Volumes: Feb-06 to Feb-15

Source: Reno-Sparks Convention & Visitors Authority.
Home affordability suffered during Great Boom, now near US avg, but??

Reno-Sparks MSA Home Prices: Jan-10 to Jan-15

Jan-15: $247,517
Jan-15: 14.6%

Source: Center for Regional Studies-UNR.
THE REALITY:
NEVADA POPULATION & JOBS
The “headline” unemployment rate continues to drop

Nevada & Study Area Unemployment Rate: Feb-06 to Feb-15

Feb-15 Study Area: 7.5%
Feb-15 NV: 7.5%

& “real” wages in Nevada finally rising Reno-Sparks doing even better

Real Average Weekly Earnings ($2007): Feb-08 to Feb-15

Slack remains in Nevada job market but Reno-Sparks is improving significantly.
NORTHERN NEVADA GROWTH FORECAST: TESLA & NATURAL GROWTH
New Tesla battery plant will help bring thousands of needed jobs to Nevada

**Tesla Gigafactory Facts:**

- **Goal:** Produce batteries for cars / homes / others
- **6,500 jobs at buildout; 7,646 indirect & induced jobs**
- **Nucleus of new economic cluster for the state**
- **Factory to use economies of scale to reduce costs of lithium-ion batteries**
- **By 2020, should more than double the world production of lithium-ion battery production of 2013**
- **Tesla Just Announced the “Powerwall” stackable battery system to store electricity for homes, businesses and the grid**

*Source: Tesla Motors.*
Study Area consists of 5 counties

Study Area Map - Study Period: 2015-2019

Source: Nevada Economic Planning Indicator Committee (EPIC).
Study Area also divided into 18 “EPIC Zones”

Source: Nevada Economic Planning Indicator Committee (EPIC).
### Study Area Zone Index IDs

<table>
<thead>
<tr>
<th>ID</th>
<th>EPIC Zone</th>
<th>Washoe County</th>
<th>Storey County</th>
<th>Carson City County</th>
<th>Douglas County</th>
<th>Lyon County</th>
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<td>Sparks</td>
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<td>8</td>
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<td>North Washoe</td>
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Source: Nevada Economic Planning Indicator Committee (EPIC).
Scenario B 5-Yr growth: 52K jobs, 42K persons & nearly 17K households

<table>
<thead>
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<th>Households</th>
<th>16,787</th>
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<td>Population</td>
<td>42,395</td>
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<tr>
<td>Jobs</td>
<td>52,370</td>
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Total % Growth in Study Area:
Jobs: 16.2%
Population/Households: 7.8%

- Some of jobs will go to current Study Area employed & unemployed residents in workforce
- Some jobs will go to Study Area residents currently in school
- Some jobs will go to “economic” migrants

Source: Nevada Economic Planning Indicator Committee (EPIC).
Scenario B job growth concentrated in 4 Zones

Total Projected Employment Growth Map—Scenario B, by EPIC Zone: 2015-2019

Change in employees | Percent of EPIC Zones
--- | ---
369 - 1,000 | 22%
1,001 - 2,500 | 33%
2,501 - 5,000 | 22%
5,001 - 7,500 | 17%
7,501 - 10,000 | 6%

Source: Nevada Economic Planning Indicator Committee (EPIC).
Scenario B employment growth concentrated in 4 Zones

Projected Employment Growth Conclusions: 2015-2019

- 4 zones contain over half of the growth
  - Zone 2: Sparks Industrial - 6,107 jobs
  - Zone 5: North Reno - 5,585 jobs
  - Zone 8: Southeast Reno - 9,104 jobs
  - Zone 12: Storey County - 5,478 jobs

- Other notable gains
  - Zone 4: Downtown Reno - 4,143 jobs
  - Zone 7: Southwest Reno - 3,762 jobs
  - Zone 10: South Washoe - 3,009 jobs

- All zones gain jobs over study period

Source: Nevada Economic Planning Indicator Committee (EPIC).
Scenario B population growth centered around Reno-Sparks MSA

Total Projected Population Growth Map-Scenario B, by EPIC Zone: 2015-2019

<table>
<thead>
<tr>
<th>Change in population</th>
<th>Percent of EPIC Zones</th>
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<tbody>
<tr>
<td>-393 - 1,000</td>
<td>39%</td>
</tr>
<tr>
<td>1,001 - 2,500</td>
<td>22%</td>
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<tr>
<td>2,501 - 5,000</td>
<td>22%</td>
</tr>
<tr>
<td>5,001 - 7,500</td>
<td>11%</td>
</tr>
<tr>
<td>7,501 - 8,000</td>
<td>6%</td>
</tr>
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</table>

Source: Nevada Economic Planning Indicator Committee (EPIC).

Reno/Sparks Detail
Scenario B population growth concentrated in 3 Zones

Projected Population Growth Conclusions: 2015-2019

- 3 zones encompass nearly half of the population growth
  - Zone 5: North Reno - 6,738 persons
  - Zone 9: North Washoe - 7,608 persons
  - Zone 10: South Washoe - 5,765 persons

- Rest of population growth spread out
  - Zone 3: Sparks Suburban - 4,242 persons
  - Zone 6: West Reno - 2,632 persons
  - Zone 7: Southwest Reno - 3,323 persons
  - Zone 8: Southeast Reno - 4,016 persons
  - Zone 12: Carson City - 2,176 persons

- Douglas County expected to lose 393 persons, but will start growing in 2017

Source: Nevada Economic Planning Indicator Committee (EPIC).
Contact Us

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