Governor Brian Sandoval

Vision

A vibrant, innovative, and sustainable economy

Mission

High-quality jobs for Nevadans

Objectives

Establish a cohesive economic development operating system

Advance targeted sectors and opportunities in the regions

Expand global engagement

Catalyze innovation in core and emerging industries

Increase opportunity through education and workforce development

Governor's Message

Consider for a moment first-grade students across Nevada. They have their whole lives ahead of them; it's easy to imagine their bright young faces flushed with excitement about what they might be when they grow up. But as a practical matter, we cannot know what manner of careers will be available to them. The global economy now changes so dramatically, and so rapidly, that entire career paths will come and go by the time today's first graders graduate from high school.

This economic development plan is dedicated to those students.

For nearly 150 years, Nevada has seen more than its share of economic booms and busts. From mineral extraction to tourism and gaming entertainment to residential and commercial construction, our economic model has historically relied heavily on consumption-based industries. As a result, the recent Great Recession hit us harder than any other state. Our path out of the current economic reality will be long, and by necessity we, as one Nevada family, must walk that path together. It will not be easy – and the new Office of Economic Development cannot do this alone. All stakeholders, planning strategically and leveraging their resources, must work together to produce the thinkers, the dreamers, and the doers that Nevada needs.

This State Plan for Economic Development proposes a plan of action for the next three years, but as a living, dynamic document, it can and will be adjusted as circumstances demand. We will assiduously track and regularly report our progress, making periodic updates available as needed. We are pledged to refine and refocus our efforts as changing situations demand and as we move into the future.

We will always have certain strengths in Nevada, but we are also home to emerging opportunities previously unimagined. Health services, national defense research, aerospace industries, clean energy – these are the new frontiers that will beckon future generations of Nevadans. The new economy fosters entrepreneurs and rewards innovation. It requires that we be nimble and flexible. It recognizes that there are hundreds, if not thousands, of businesses in this State that are ready to expand. There are also dozens of good ideas in Nevadans' minds, ready to emerge as start-up enterprises. Attraction and relocation of out-of-state companies are still important – and we will vigorously pursue those opportunities – but Nevada has its own resources, ready for deployment. After all, the economic touchstones of our history – mining, gaming, entertainment – all were launched from businesses that started here. The Nevada family is no stranger to innovation.

Through a strong educational system that arms students with skill sets that will translate to jobs we haven't yet imagined, through careful review and modernization of our legal and regulatory systems, through global engagement, we must ensure that Nevadans can continue to answer the call of opportunity whenever it is heard. Whether a child's critical thinking skills are honed through a challenging curriculum, or a graduate student's intellect is tapped for cutting-edge research on futuristic patents, or a displaced worker obtains a new skill set, the needs of the future economy can and will be met by the groundwork we are laying through this plan.

We must maintain a sense of urgency. Nevada's unemployment rate is unacceptably high, yet there are many job openings in our State for which the current workforce is not prepared. Our entire education system and workforce development agencies must join forces with economic development agencies; we must address the need for employment, while at the same time creating the future careers for first-graders in every corner of Nevada. State government, across all agencies, must work hand-in-glove with local governments, regional development organizations, and the private sector to bring our economy into alignment with the current reality and the emerging global environment. We must have new job opportunities, and we must have a skilled workforce. We must, therefore, work on multiple tracks.

I have said that economic development is a journey, not a destination. On the horizon we can see the desired aim: a vibrant, innovative statewide economy based on the pillars of opportunity, innovation, hard work, and collaboration. The strategies and metrics proposed in this plan will move us ever closer toward our goals and will require the engagement of both the public and private sectors in innovative partnerships. By the end of 2014, the 150th anniversary of Nevada's admittance to the Union, our State will be traveling on the new path conceived in this document.   With that in mind, this plan is not the end of the conversation about Nevada's new opportunity economy. Rather, it is the beginning.

Brian Sandoval
Governor of the State of Nevada

Objectives and Strategic Initiatives

1. Establish a Cohesive Economic Development Operating System.

Unify the Economic Development Effort.
- *Implement the State Plan and communicate Nevada's economic advantage.*
- *Advocate on behalf of business and jobs.*

Launch Regional Development Authorities.
- *Prepare regional economic development plans.*

Develop Data and Metrics That Matter.
- *Establish a state clearinghouse of economic development information.*

2. Advance Targeted Sectors and Opportunities in the Regions.

Develop Strong Working Knowledge about Targeted Opportunities.
- *Work with industry to prepare sector acceleration plans.*

Grow Sectors through Recruitment, Retention, and Expansion.
- *Provide access to assistance with financing and incentives.*

Support Sector Enhancement in the Regions.
- *Convene targeted industry summits and continue to improve the business environment.*

3. Expand Global Engagement.

Facilitate Export Growth.
- *Assist Nevada businesses to engage in exporting goods and services.*

Increase Foreign Direct Investment in Targeted Sectors.
- *Promote investment opportunities to international visitors and through trade representatives.*

Enhance Global Network.
- *Boost Nevada's international representation and relationships.*
- *Support international business councils.*

4. Catalyze Innovation in Core and Emerging Industries.

Develop Statewide Innovation and Commercialization Structure.

-Execute plan for technology-based economic development.

Increase Industry Collaboration with Universities and DRI.

-Connect R&D capacities with business needs.

Build Complete Entrepreneur Support Structure.

-Launch Spark Plug, a web-based resource center.

5. Increase Opportunity Through Education and Workforce Development.

Align Education, Career Training, and Workforce Development to Targeted Opportunities.

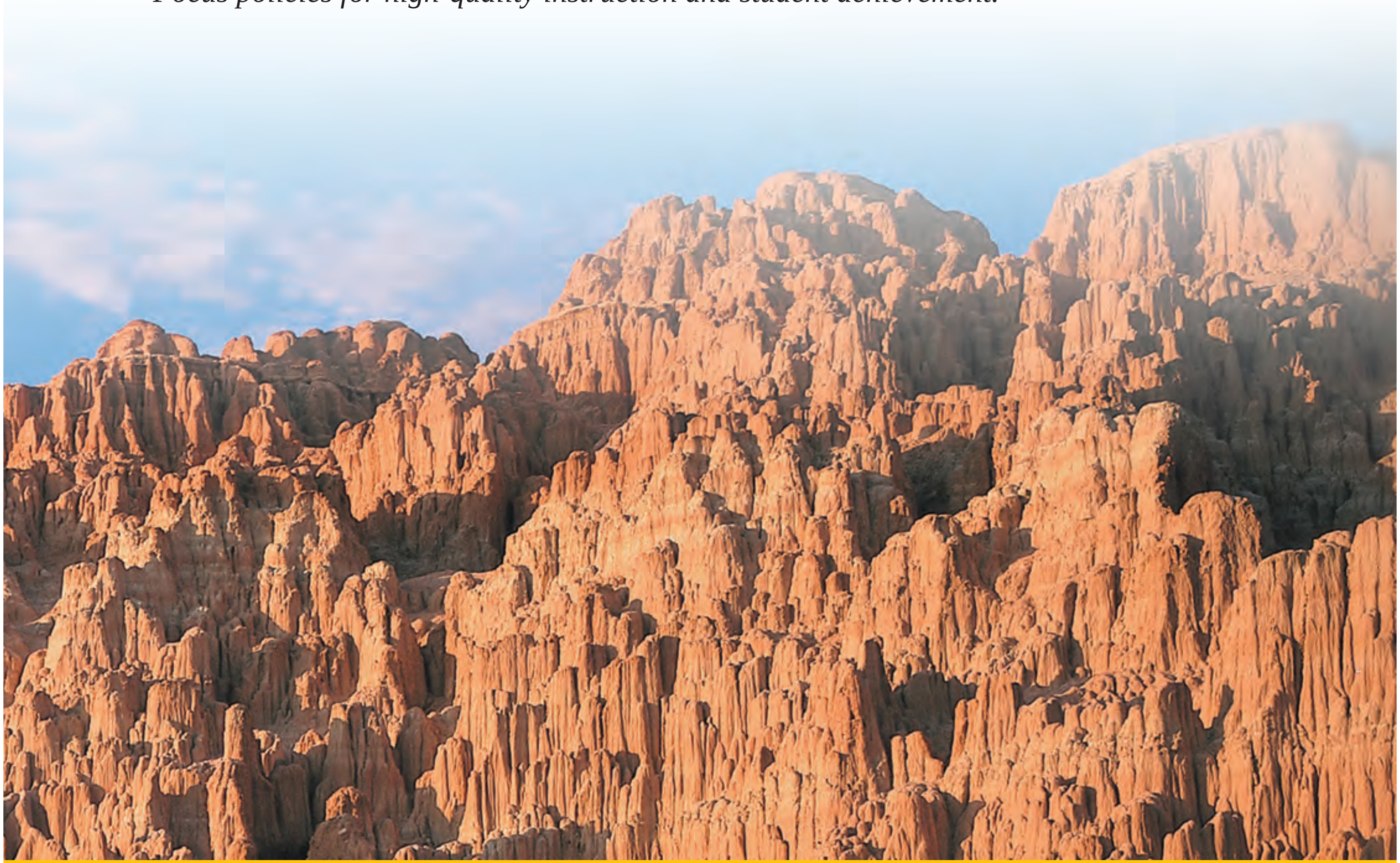
-Coordinate strategic planning efforts between education and economic development.

Reorganize the Workforce Investment System to Align with Targeted Sectors.

-Strengthen Sector Councils, partner with community colleges.

Improve Educational Achievement.

-Focus policies for high-quality instruction and student achievement.



A Checklist of Action for 2012

Advance effective regional economic development

- ❑ Designate Regional Development Authorities and allocate operating funds
- ❑ Complete regional economic development plans
- ❑ Hire and effectively embed Industry Specialists

Capitalize on near-term opportunities

- ❑ Manufacturing, especially gaming equipment, renewable components, advanced composite materials, food processing, and aerospace
- ❑ Customer service and back office operations
- ❑ Health care services
- ❑ E-commerce fulfillment operations and headquarters
- ❑ Warehousing, distribution, and air cargo
- ❑ National defense research

Build a business case for expansion

- ❑ Inventory current Nevada firms in targeted industries and determine their capacities
- ❑ Within targeted industries, inventory companies not currently located in Nevada
- ❑ Develop an inventory of unused or under-used facilities and assets

Focus marketing on targeted sectors

- ❑ Brand and communicate Nevada's economic advantage
- ❑ Formally establish Team Nevada
- ❑ Attend industry-specific trade shows and generate leads
- ❑ Reach out to site selectors who specialize in these industries

Grow new and existing businesses

- ❑ Conduct Governor's Expansion Assistance Tour
- ❑ Expand export opportunities
- ❑ Implement Catalyst Fund
- ❑ Create SBIR/STTR Resource Center
- ❑ Make loans available through State Small Business Credit Initiative

Advance knowledge-based industries through partnerships with higher education

- ❑ Gaming and hospitality in partnership with the Harrah's Hotel College at UNLV
- ❑ Mining in partnership with the Mackay School of Mines at UNR
- ❑ Health care in partnership with the Nevada School of Medicine and Health Sciences System in NSHE
- ❑ Geothermal energy in partnership with DRI
- ❑ Water in arid climates in partnership with DRI, UNLV, So. Nevada Water Authority
- ❑ Cyber security in partnership with UNLV
- ❑ Innovation and technology commercialization in partnership with NSHE
- ❑ An improved and highly-skilled workforce in partnership with our Community Colleges

Improve business environment

- ❑ Convene sector stakeholders to meet with Governor Sandoval
- ❑ Identify and remove obstacles to business growth and expansion
- ❑ Establish regulatory and business environment working group

Nevada's Assets

➥Nevada Is Connected

More than 40 million people from around the world visit Nevada each year
McCarran Airport is the nation's 7th busiest airport
Reno-Tahoe International Airport is an uncongested alternative to LAX and SFO
Adjacent to California, the world's 7th largest economy
Within a day's drive of 51 million potential customers
Over 1200 miles of rail line
More than 150 freight carriers

➥Nevada is Global

Leads nation in export growth
Proven destination for foreign direct investment
Center of global gaming policy and technology

➥Nevada is Technology

Location of the U.S. inter-cloud exchange
#1 disaster avoidance and recovery zone in the U.S.
Home to CORE, the world's leader in telecommunications pricing
Home to the SuperNAPs, the world's largest and most powerful data center ecosystem
Digital crossroads of the Western U.S.

➥Nevada is Culturally Diverse

Big city, small town, rural
World-class entertainment
World-class skiing, golf, and off-road racing
Centers for performing and visual arts
Incomparable locations for film, television, and other media with over 400 projects a year

➥Nevada is Resources

North America's largest producer of gold
Lithium, boron, vanadium mines
National leader in use of geothermal energy
National leader in use of solar energy

➥Nevada is National Defense

Home to Nellis Air Force Base and the Air Force Warfare Center
Home to Fallon Naval Air Station, the Navy's premier air warfare training center
Home to Creech Air Force Base, the first base to fly exclusively pilot-less aircraft
Home to Nevada National Security Site, formerly the Nevada Test Site

Where Nevada Leads

In 2011, Nevada ranked in the U.S.

#1 for economic development programs in terms of job creation, retention, and training (*Good Jobs First*)

#1 for production of nonfuel mineral commodities in 2010 (*U.S. Geological Survey*)

#1 for LEED-certified buildings (*U.S. Green Building Council*)

#1 in geothermal developments (*Geothermal Energy Association*)

#1 in export intensity and export growth (*U.S. Chamber of Commerce*)

#1 for new business launches (*Kaufman Index of Entrepreneurial Activity*)

#1 for export adaptability and growth (*Ball State University*)

#2 for tourist destination in the U.S. (*Forbes*)

#2 for creative class women (*Martin Prosperity Institute*)

#2 for small business survival (*U.S. Chamber of Commerce*)

#4 for business tax climate, and moved up to #3 for 2012 (*Tax Foundation*)

#4 part-time MBA program (*Business Week*)

#6 for personal and economic freedom (*George Mason University*)

#6 for growth prospects (*Forbes*)

#7 for business costs (*Forbes*)

#9 in U.S. for fastest internet access (*Akamai*)

#10 in best states for business (*Chief Executive Magazine*)

Liabilities

- An economy oriented toward consumption sectors
- Under-resourced and disjointed economic development strategy and structures
- Existing workforce skills not in alignment with job prospects
- Underperforming educational system
- Under-capacity health care system
- Higher energy costs than most neighboring states
- Innovation under capacity
- Risk capital under capacity
- State image does not reflect breadth of opportunities

"People say Nevada is at the top of all the bad lists, and the bottom of all the good lists. This perception cannot – and will not – be our reality."

Governor Brian Sandoval,
Inaugural Address,
January 3, 2011

Making the Case

During the past year, Nevada has embraced the need to strengthen and broaden the State's economy. There is no longer any doubt that future economic vitality must come through innovation in both our core industries and in emerging opportunities. There is a desire and commitment throughout the State to unify our efforts, focus our energy and resources, and grow a new economy, job-by-job, sector-by-sector, region-by-region.

With broad, bipartisan support, the Governor and the 2011 Legislature passed Assembly Bill 449 to re-structure and re-energize economic development in Nevada. By moving the State's economic develop-ment function into the Office of the Governor, placing an emphasis on regional economic development and innovation, and providing additional resources for the effort, this legislation laid the foundation for moving Nevada's economy forward.

To further spur this effort, the public and private sectors partnered to commission SRI International and the Brookings Institution to provide a clear-eyed look at Nevada's strengths and weaknesses and point out the State's best opportunities. Those studies, available for review on the website for the Governor's Office of Economic Development, chart a course to the future economic vibrancy of Nevada.

Building on the work done over the last year, Nevada's Plan for Excellence in Economic Development will bring focus, align resources, and engage economic development partners in regional collaboration that will catalyze cluster development within seven broad industrial sectors. The best way to build Ne-vada's prosperity is by working within its diverse, regional economies toward recognizable and measure-able goals.

What We're Doing

The Plan for Excellence in Economic Development outlines the vision for Nevada's economic future and the path to job creation. It calls out targeted sectors and specific opportunities and provides the strategies and initiatives that will best capitalize on our assets and improve areas in which we must progress.

The Plan aligns the efforts of all of Nevada's economic development partners, bridges state and regional efforts, and assigns specific roles and responsibilities.

This Plan provides the means for accountability by establishing benchmarks. Future decisions about the allocation of state resources will be made based on data and results.

Why We're Doing It

With a three-year timeframe, this State Plan seeks to facilitate job growth and help speed the recovery from the current recession, but it also looks to the future. The ultimate goal is to foster a long-term vibrant and sustainable economy that features high-quality jobs in Nevada.

Economic development is a long term, continual effort to advance Nevada's economy. After this recession is over and Nevada's economy is again vibrant, we should remain as focused on economic development as we are now.

Who's Doing It

The responsibility for nurturing a thriving economy belongs to all of us, but there are certain people and groups who have specific and significant roles and responsibilities. In the public sector, policymakers must ensure an appropriate and balanced level of oversight that will cultivate industry, instill consumer confidence, and set the boundaries for the responsible conduct of business activities. Elected officials in both the executive and legislative branches, known here informally as Ambassadors, have a statutory duty to champion Nevada as a prime location for business.

The private sector will be dynamically involved in this new economic development effort as well. Business leaders will be active members of Regional Development Authorities, identify missing links in their supply chains, mentor entrepreneurs and business start-ups, and contribute to a positive business ecosystem. An engaged private sector is the key to establishing business connections, enabling technology commercialization, developing human capital, and building physical infrastructure.

Nevada's geographic regions are the hubs of the states's economy. Regions matter greatly because they contain critical assets, supply chain elements, workforces, educational institutions, and business networks. Regional Development Authorities will, therefore, be vital to growing our targeted sectors.

In the end, the Governor's Office of Economic Development certainly cannot do this work alone. Partners for the implementation of this State Plan include local and regional organizations for economic development, Chambers of Commerce, private businesses, local governments, education, investors, the federal government, nonprofit entities, and others. We must all work together.

How We're Going To Do It

We're going to do it by knowing what our assets are and how to help the private sector leverage them.

We're going to identify those areas in which we need improvement, developing and executing plans to do so.

We're going to establish a structure that nurtures collaboration and uses resources efficiently.

We're going to focus on target opportunities, building a business case for each and emphasizing Nevada's economic advantage.

We're going to capitalize on our global connectedness.

We're going to enhance innovation in core and emerging industries.

We're going to train and educate our citizens for future Nevada jobs.

We're going to understand and shape the environment that is necessary to attract, retain and expand the businesses that will drive our economy.

We're going to measure progress and hold ourselves accountable, making decisions and deploying resources in the direction indicated by the data.

How We'll Know We're Successful

Nevada will be home to high-quality jobs and thriving businesses of all sizes. Existing industries will grow stronger, and new sectors will feature knowledge-based, innovative opportunities.

We have an ambitious vision and an important mission, but much work is needed before Nevada can claim victory. This State Plan – a call to action for all Nevadans – launches our initiatives for the next three years and outlines a strategy to encourage the creation, expansion, and relocation of businesses, both small and large, in this State. It provides guideposts by which State agencies, partnered with local, regional, and federal organizations and the private sector, can determine if we are on the road to success. The State Plan is a living document with reality-based strategies that can and will be adjusted as circumstances demand.

Developing a vibrant economy will require hard work, but together, with a unified vision, a clear plan, and a commitment to execution, there is no doubt that Nevadans can do it.