

A Review of the Western Nevada Development District's *Stronger Economies Together: An Economic Development Blueprint for Western Nevada*

The Western Nevada Development District (WNDD) won an Innovation Award from the National Association of Development Organizations in October 2012 for its efforts in developing its *Economic Development Blueprint* (plan). The Stronger Economies Together process was used to produce the plan. This document provides a review of the plan with the intention of highlighting the various factors (from fundamental plan elements to formatting) that matter when producing the written document. Following the overall review below is the WNDD Blueprint with embedded comments provided by a national review team of economic development specialists (hover over the bubble icons). The blue comments identify areas that strengthen the plan, and the yellow comments identify areas that can be improved.

Summary

Overall the Review Team considered this plan to be strong with several elements considered to be particularly robust. Among those were the analysis of the situation (demographics and economics) and the engagement of a broad set of stakeholders from early on in the process. The use of diagrams and bar charts were useful in conveying both data and process for developing the plan and they were useful in breaking up the text. The basic concept of having working groups for each of the plan goals was also deemed strong, but would benefit from additional explanation. Additionally, more concise SMART goals that outlined benchmarks and timelines with clearly connected strategies would strengthen the plan.

Note: WNDD's working groups are each designing their own Plans of Action as part of SET Module 8. While these were not submitted with the plan, the working groups have presented some drafts of their work. Had the Plans of Action been submitted with their Blueprint, many of the weaknesses identified by the review team would have been eliminated.

Strengths	Related High Quality Plan Element
<ul style="list-style-type: none"> • Good connections between economic development and community development (Page 36-37 provides a great list) • Good connections with existing groups, working smarter not harder is a great idea • Strong regional participation early on (Think about how to keep this energy and engagement going forward.) • Extensive background analysis • Clear focus on regional and economic development 	<ul style="list-style-type: none"> • Assets & Challenges • Broad Participation • Public Input • Comparative Advantage • Economic Development Focus, Regional Development Focus
Areas Needing Improvement	Related High Quality Plan Element
<ul style="list-style-type: none"> • Better explanation of the work groups including: <ul style="list-style-type: none"> ○ How structured (leadership, meeting schedule, how groups will be integrated or connected to each other's work, etc.) ○ List of who is on each group ○ Plan of work showing what they will do and who will be responsible for each step. (see Module 8) ○ Foundation of what has already been accomplished, if anything • Clearer connections between background analysis, vision, goals, and strategies. Readers found it difficult to see how these were all connected. • Development of goals into SMART goals, specifically needing benchmarks, timeframes, and specifics on what will be accomplished (See Modules 4, 8,9) • More narrow set of goals – plan seemed too broad with too many facets to gain traction. One approach may be to separate the list into tiers showing what will be the first round of goals, followed by ones to be tackled later. 	<ul style="list-style-type: none"> • Initial Tasks, Responsibility • Logical, Connected • Targets, Time Periods, Initial Tasks • Overarching heading of Practical

Stronger Economies Together

An Economic Development Blueprint for Western Nevada

November 2012

Western Nevada Development District

WNDD



Nevada Governor's Office of
Economic Development
— Empowering Success —



United States Department of Agriculture
Rural Development
Committed to the future of rural communities

“I was at a training in Illinois and all of the economic development professionals from the Midwest had blinders on and were only thinking about their town or county, but because of the SET we’re thinking regionally in Northern Nevada and I am already seeing that frame of mind lead to economic development projects that are good for Pershing County—and the region.”

~ Heidi Lusby-Angvik, Executive Director, Pershing County Economic Diversification Authority

Stronger Economies Together: An Economic Development Blueprint for Western Nevada

Stronger Economies Together (SET) is a collaboration launched in 2010 by USDA Rural Development along with the nation’s Regional Rural Development Centers (RRDCs) and their land-grant university partners. SET is a strategic planning program designed to help communities in rural America work together on a regional basis to create economic development plans based on current and emerging economic strengths in each region.

Partners in economic development in Nevada adapted the SET program to create this Economic Development Blueprint for Western Nevada. It is the outcome of a nine month planning process. The Nevada SET Executive Committee included: Tom Harris, UNR Center for Economic Development; Carl Dahlen, University of Nevada Cooperative Extension (UNCE) and Nevada Rural Development Council Director; Buddy Borden, Steve Lewis, and Marlene Rebori, UNCE; Des Craig, Governor’s Office of Economic Development; Ron Radil and Michael Guss, Western Nevada Development District; Sarah Adler, David Foster, and Kelly Clark, USDA Rural Development; Lindsey Niedzielski, Connect Nevada, and Winnie Dowling, the UNR Small Business Development Center. Many thanks to these individuals, and their organizations, who made real commitments of time, effort, and resources to supporting SET.

Deep appreciation is due to the Governor’s Office of Economic Development for providing a grant to support the SET process. Even greater appreciation is due to the more than 200 individuals who participated in the SET workshops as members of the SET Regional and Partner Teams. With pride, this Blueprint was unveiled on November 28, 2012, in Fallon, Churchill County, Nevada.



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— Empowering Success —



University of Nevada
Cooperative Extension



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Nevada Small Business Development Center
College of Business
University of Nevada, Reno



University of Nevada, Reno
Center for Economic Development



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Executive Summary

Stronger Economies Together (SET) is a nationally recognized program developed in collaboration between USDA Rural Development and the four Regional Development Centers around the country. The purpose of SET is to help people in rural communities work together as a Regional Team to develop and implement an economic development plan that builds on the current and emerging economic strengths of their region.

The Western Nevada Development District (WNDD) was selected to be a region for SET training in Nevada. SET meetings occurred over nine months in all nine counties in the region. Attendance and sustained participation was excellent, varying from 25 to 70 people per session. The Regional Team consisted of a good mix of private business owners and chamber organizations, private citizens, elected officials, government staff, workforce development and education professionals, and economic development professionals. Over the nine months from February to October 2012 more than 200 individuals attended SET workshops held across the 33,781 square miles of the Western Nevada Development District region.

A partnership was formed (see inside front cover) to implement the SET program. The SET process was launched at a conference in February 2012 in Fallon, Nevada with representatives of multiple economic development authorities, tribes, cities, and counties in attendance. Prior to the launch, SET was introduced in Carson City to potential partners from federal, state and regional agencies and institutions both in the public and private sectors. The Nevada Governor's Office of Economic Development (GOED) supported the development of this plan with a \$50,000 grant.

The SET Regional Team identified economic sectors present in the region. The sectors identified were largely in line with GOED's *Moving Nevada Forward: A Plan for Excellence in Economic Development*, released in early 2012. The economic sectors present in the region include Tourism, Gaming and Entertainment; Health and Medical Services; Clean Energy; Aerospace and Defense; Mining and Materials; Manufacturing; Business IT Ecosystems; Logistics and Operations; Agriculture; and others (federal and state government offices and installations). The team also examined characteristics or habits crucial to successful regional economic development; these have served as a guiding framework for the SET plan and network development.

The team followed SET's highly collaborative process to develop a vision statement that recognizes the importance of individual communities while at the same time endorsing a regional approach:

Western Nevada is an innovative, regional economy, rooted in sustainable development and enriched by the area's abundant natural resources and the collaboration of its independent unique communities. Region-wide these prosperous communities demonstrate a forward-moving commitment to quality of life and to opportunity for all residents.

The SET Regional Team examined regional demographic and economic trends. Demographic data shows the effects of the current recession as well as population, education, and workforce trends that have been apparent in Nevada for some time. Employment levels relative to the population are low due to job loss caused by the recession and due to the relative aging of the region's population. Educational attainment showed a need to enhance workforce education and skill training. Location quotients were used as the tool to measure the relative strength of economic sectors present within the region.

The regional team looked at Export Enhancement and Import Substitution as economic development strategies. Export Enhancement identifies economic sectors in which the region has a comparative advantage relative to other regions and seeks to increase exports from the region by building on those strengths. Import Substitution seeks to reduce money outflows from the region by matching demands for goods and services by regional businesses and institutions to those businesses in the region able to supply those demands. In addition the team participated in a Network Mapping Exercise that identified the strength and diversity of the networks of various forms of expertise present in the region. This analysis showed that although collaborative potential was strong within the region, specific areas such as health and human services had little presence within the networks identified by Team members. This information will be used to develop effective implementation workgroups to achieve the vision and goals set by the team. The value of networking and communication to reduce the negative aspects of distance across this region cannot be understated.

Based on economic sector data, the team examined the following sectors for possible inclusion in this Blueprint: Business and Financial Services, Energy, Mining, Agriculture, Defense, Manufacturing, Biomedical, Transportation and Logistics, and Arts, Entertainment, and Recreation (Tourism). Goals were developed for each economic sector and for a range of capacity development issues. Suggested goals ranged from specific, individual projects to broad regional initiatives. Team members also examined regional assets and barriers in order to develop asset-based strategies to implement established sector goals. Barriers to economic development were relatively consistent across the sectors and included distance, the lack of water and broadband, heavy federal land ownership and regulations that accompany it within the region, and a need to invest further in education and workforce development initiatives, especially for older adults.

Towards the end of the planning process, Washoe County joined WNDD and participated in the final stages of the SET Program. At a special session the team focused on an additional examination of refined data and how it should influence decisions on goals and strategies. The group delved into NAICS Codes and economic sector analysis. Potential refinements to the goals and new strategies based on this data examination were forwarded to Regional Team members. After extensive group work and a number of workshop sessions, the Regional team prioritized five economic sectors and four capacity development issues, established goals, selected strategies for the goals, and created measurements for the strategies. The five economic sectors and four capacity development issues selected for detailed planning are:

Capacity Building Goals:

- Access to Capital
- Communication and Networking
- Infrastructure Improvement
- Workforce Development

Economic Sector Goals:

- Agribusiness
- Energy
- Manufacturing
- Tourism
- Transportation and Logistics



The Regional Team has chosen to use working groups to implement this plan. The groups will function under the direction of WNDD. Each group will create action steps to carry out a specific goal and set of strategies. The team will meet at least three times a year to update members on the activities of the working groups. These meetings will also allow groups to coordinate their actions as the need arises.

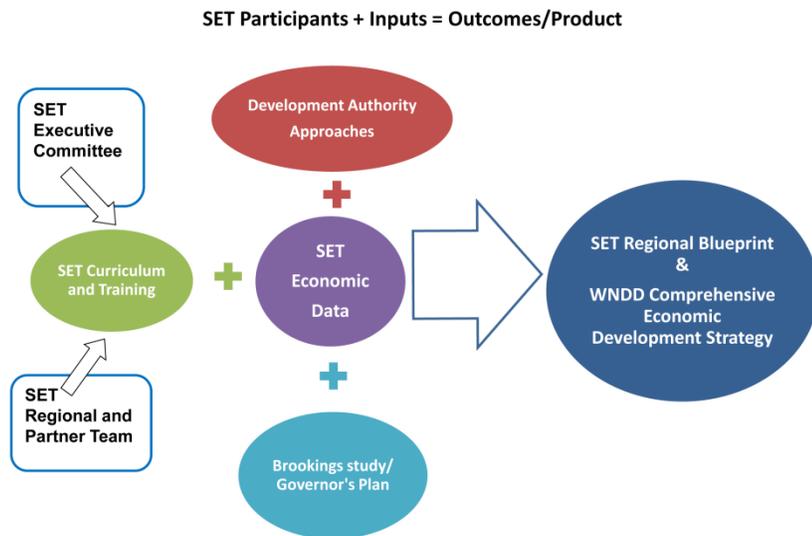
Part A. The SET Blueprint for Economic Development

1. Cornerstones of the SET Process: Partners and Tools for Analysis and Economic Development

Western Nevada Development District (WNDD), Nevada’s sole planning district recognized by the U.S. Department of Commerce Economic Development Administration, is comprised of the governing bodies of the nine counties of western Nevada, stretching from Humboldt County in the north to Mineral County in the south. WNDD is required to maintain a current Comprehensive Economic Development Strategy, or CEDS. The opportunity to engage in Stronger Economies Together (SET) arose in November 2011 at the same time as WNDD’s CEDS had to be updated, and at the same time as the Governor’s Office of Economic Development (GOED) issued its directive that Nevada’s economic development authorities were to adopt a more regional approach. In addition, the GOED plan, *Moving Nevada Forward: A Plan for Excellence in Economic Development*, was scheduled to be released in February 2012.

Realizing key opportunities for alignment had arrived, WNDD and its contingent of economic development partners (see inside front cover, known as the Executive Committee) engaged the tool of the SET process to lay the foundation for its CEDS. By open invitation to economic development authorities, chambers of commerce, and local governments within the region, a Regional Team was formed of economic development professionals, private business owners, local government staff, and private citizens from throughout the region. Further, a Partner Team was created of representatives from regional, state, and federal agencies, and educational institutions that are aligned with the capacity and economic sectors of interest.

Figure 1.
The national SET curriculum was customized to align with Nevada economic development partners, plans, and approaches.



At the outset of the SET program, the seven economic sectors identified in the Governor’s 2012 plan were recognized. These, and agri-business, were the starting points for the SET economic analysis. As the SET process unfolded, it became apparent the plan should include not only goals and strategies related to specific economic sectors, but also those related to increasing the capacity of the region to support economic growth and entrepreneurship, such as workforce development; thus, tools were adopted in both areas.

The primary economic sector analysis tool utilized is the location quotient. Simply stated, location quotients (LQ) show which industrial sectors within a region are more strongly represented than they are in the nation as a whole. A sector's location quotient of greater than one indicates the region is more specialized in that sector than the nation and is likely producing for export as well as local consumption. The change in LQ year over year identifies sectors that are becoming stronger, or more specialized, over time. The analysis of the SET region data identified economic sectors that are critical to the region's future either because they already comprise a significant component of the area's employment or because they are predicted to be growth sectors in the future.

The two economic development strategies that most guided the work of the Regional Team are the concepts of Export Enhancement and Import Substitution. Export Enhancement identifies economic sectors in which the region has a comparative advantage relative to other regions, and seeks to increase exports from the region by building on those strengths. Import Substitution seeks to reduce money outflows from the region and staunch leakages by matching demands for goods and services by local businesses and institutions to those businesses in the region able to supply those demands.



The primary capacity analysis tool utilized was a network map, developed by Future iQ Partners, an economic development consulting firm with specific expertise in the role (human) networks play in the ability of a region to share expertise to meet development needs. The map identified individuals by various areas of expertise who are "go to" people within the region. It identified where communication, and transfer of knowledge and of resources is strong, but also where additional network development is needed to create seamless webs of expertise and capacity to support all facets of business development.

The SET demographic, economic, and network analyses are described in further detail in Part B.

2. SET Regional Vision

The group formulated three visions that were refined into a common vision at the May 9th session. This highly collaborative process created a vision that recognizes the importance of individual communities while at the same time endorsing a regional approach:

Western Nevada is an innovative, regional economy, rooted in sustainable development and enriched by the area's abundant natural resources and the collaboration of its independent unique communities. Region-wide these prosperous communities demonstrate a forward-moving commitment to quality of life and to opportunity for all residents.

3. The Set Blueprint: Strengthening the Foundation for Economic Success in Western Nevada

The Regional and Partner Team prioritized and worked as groups on four capacity development and five economic sector goals, with three additional economic sector goals and two capacity development goals at a secondary level of priority. Each group established a goal, strategies directed at achieving the goal,



related projects and initiatives, and performance measures. **Note:** regarding performance measures it is assumed that the reader will be able to intuit whether an increase or decrease in the measure is the desired outcome. Also, it is acknowledged that performance measures at this stage lack refinement and baselines.

It is recognized that the strategies, projects, and initiatives will change over time based upon changes in economic factors and as opportunities for collaboration emerge through the Blueprint’s implementation. Additional projects and initiatives will be drawn from economic development authorities and local governments from within the region as the final CEDS is established.

Regional Capacity Building Goals: Foundation elements necessary to support growth



<p>Access to Capital</p>	<p>Goal: Increase the access to financial capital that is available for the development and expansion of business throughout the region</p>
<p>Strategies</p>	<ul style="list-style-type: none"> • Match available sources of capital with needs for capital through connecting existing alternative loan funds and other sources of capital with businesses throughout the region • Develop and expand alternative loan funds throughout the region • Develop a web-based matrix of available business funding/capital opportunities • Examine capital access with community matching model
<p>Projects and Initiatives</p>	<ul style="list-style-type: none"> • Continued development of public alternative lending sources within the region through assisting qualified, eligible entities in accessing programs such as SBA, USDA, HUD CDBG, and EDA, that will capitalize alternative lending projects • Development of private alternative lending or equity sources within the region • Information gathering meetings with traditional lenders to ascertain, and then publicize, their criteria for business lending within the region (e.g. collateral requirements, pricing and terms offered) • Continue to conduct loan clinics co-sponsored by chambers of commerce with all financial partners throughout the region, to match capital availability with capital need
<p>Performance Measures</p>	<ul style="list-style-type: none"> • The number of businesses that have gone through business counseling or training programs and have developed a business plan being funded after five years • The amount of capital available to rural and urban areas for alternative lending through WNDD— by 2018 the percentage should be close to equal between urban and rural • The number of institutions, businesses, and individuals attending Access to Capital meetings in the first year • The documented financing gaps that remain in five years



<p>Communication/Networking</p>	<p>Goal: Improve communication between government, business, and the general community on what is needed to implement sustainable growth </p>
<p>Strategies</p>	<ul style="list-style-type: none"> • Share information between and among jurisdictions on development actions occurring (what, when, where, who), at least quarterly • Understand differences between urban and rural needs • Simplify development process <ul style="list-style-type: none"> ○ Regulatory flexibility ○ Cooperation and collaboration on planning and permitting processes between jurisdictions ○ Transparency in communication ○ Communication between management and front-line permitting staff to understand the impact of positive customer relations on overall economic development • Create one-stop business resource centers • Make development information readily available to businesses and stakeholders, e.g. through the internet • Demonstrate commitment to regional sustainability by governments, businesses and individuals buying local and regional
<p>Projects and Initiatives</p>	<ul style="list-style-type: none"> • A regional review of local regulations to evaluate regulations' impact on economic development, paralleling the regulatory review process implemented at the state level by Governor Brian Sandoval • Identify point persons to work on and communicate about specific regulatory issues at the local, state and federal level to report back to and support Goal Champions • Continued use of the WNDD Board of Directors meeting as a forum for the discussion of inter-jurisdictional issues • Identify professionals throughout the region with expertise in the goal areas as well as professionals in infrastructure, business financing, workforce development, human resources, health care, and economic development and reach out to engage them in implementation working groups • Investigate the possibility of a Buy Nevada website
<p>Performance Measures</p>	<ul style="list-style-type: none"> • The time it takes, on average, to go through the permitting and licensing process in the region in two years • The number of Washoe County residents who participate in SET implementation • The number of locally owned businesses that expand as a result of buy local/regional initiatives 

<p>Infrastructure Improvement</p>	<p>Goal: Increase improvements and investments in infrastructure, transportation, water, wastewater systems and broadband to make the region more business-ready and to attract, retain, and expand business</p>
<p>Strategies</p>	<ul style="list-style-type: none"> • Encourage local and regional collaboration in providing water and wastewater systems to meet community needs and enable business growth • Create common infrastructure funding application to ease access to best cost funding packages for infrastructure • Establish Trans-Sierra Coalition to regionalize transportation assets to create interconnectivity for western Nevada to Northern California for rail, water borne, airports, public transit and trails for the safety and commerce (Streamline permitting and regulatory processes for improvements to all public use related infrastructure (including but not limited to water, transportation and broadband)) • Increase direct flights into Reno-Tahoe International Airport • Increase access to public transit to create more community (hubs, walk-able, bike-able areas to increase interaction) • Increase access for connectivity of rail, road, air and public transit for commerce to maximize safety, efficiency and environment • Improve road safety • Integrate broadband planning into infrastructure and development planning <ul style="list-style-type: none"> ○ Increase access to broadband for residents and businesses • Increase speed in broadband for residents and businesses <ul style="list-style-type: none"> ○ Ensure adequate broadband speeds for current use and for projected economic growth (10 years) around current and potential industrial/commercial centers ○ In collaboration with local providers, map middle mile access of current and potential industrial/commercial areas ○ Conduct a survey of local businesses to ensure access to broadband speeds, identify gaps in service, and work with providers to develop strategies for increased band-width • Enable all “downtown” businesses with hot spot capabilities for increased residential and visitor access to high speed broadband • Host a business town hall to determine reasoning for secure networks Additionally, address security concerns and create incentives for participation • Increase mobile footprint to cover all major roads and tourism locations, along with increased economic presence through mobile devices <ul style="list-style-type: none"> ○ Identify gaps in service areas, create business plans, collaborate with local providers, and build towers ○ Host workshops for local businesses and tourism entities on ways to effectively use mobile platforms for marketing and engagement of



	<p>clients. Also, connect regional app developers with potential clients</p> <ul style="list-style-type: none"> • Create opportunities for a technology “think tank” to attract and retain tech entrepreneurs and professionals <ul style="list-style-type: none"> ○ Create a technology based certification program with local educational entities, which aides in creating a technology niche (i.e. more than just how to use software or create a website) ○ Encourage technology businesses to collaborate with each other via sponsored events and other initiatives (see the INEVation Center)
<p>Projects and Initiatives</p>	<ul style="list-style-type: none"> • Completion of the Infrastructure for Nevada Communities (INC) common project proposal for infrastructure funding • Completion of USA Parkway between the Tahoe-Reno Industrial Center (TRI) and Silver Springs, Nevada • Feasibility study on a Rural Regional Transportation Planning Organization being established within the region • Working with the Washoe County-based Regional Transit Commission to institute Rural-Urban bus service on a scheduled basis, enabling people who, for example, want to live in Sparks and work in Fernley to commute at a lower cost and reduce the impact on the region’s roads and air quality • Continued development of airports in Hawthorne, Minden, Reno, Silver Springs, and Stead to support the Transportation and Logistics and Defense sectors • Continued development of broadband connections to rural areas—including both wireless and fiber optic technologies per individual community’s discretion. • Pursuing of federal grants to pay for high profile enforcement of Nevada’s ‘no handheld cell phones while driving law’ to improve regional road safety
<p>Performance Measures</p>	<ul style="list-style-type: none"> • The number of water and wastewater projects receiving funding through the INC common application over a period of five years • The amount of time it takes from application to start of construction in infrastructure projects • The amount of competitive grant dollars attracted to infrastructure investments of all kinds • The number of direct flights into Reno-Tahoe International Airport over a year period in five years • The amount of freight flown out of the region in five years • The percentage of regional citizens and businesses that have access to broadband in five years • Ridership numbers for mass transit in five years • The number of fatalities and minutes lost in traffic jams in five years 

<p>Workforce Development</p>	<p>Goal: Increase knowledge and understanding of existing worker skills, knowledge and experience, and present and future business workforce needs across the WNDD region. Develop a workforce that is well educated and with the appropriate skills to meet the demands of businesses today and in the future, per the sectors identified as important to the region</p>
<p>Strategies</p>	<ul style="list-style-type: none"> • Assure workforce development agencies and units throughout the region are collaborating on needs identification and services delivery • Assure workforce development and economic development networks are integrated throughout the region and that they collaborate effectively in creating workforce development solutions that meet the needs of business within the region and of the targeted economic sectors • Assemble as needed and maintain current knowledge of occupations and associated skill sets within target economic sectors • Conduct analysis of gap between available skills within the region and desired skills to support workforce needs of targeted sectors • Optimize use of technical training centers and technical training capability • Support linking workforce development and certification programs directly with internship placements in local firms • Implement the Career and Technical Education (CTE) 21 Job (Readiness) Skills throughout the K-12 curriculum for all students and create expectation that all students will sit for and pass the National Career Readiness Certification Exam • Reinstate Career Pathways program K-12 in a regionally integrated fashion • Create a regional Young Professionals Development Network • Accurately and positively depict K-12 data to aid in business attraction • Focus on early identification of students at risk of requiring remediation upon entry to higher education; provide tutoring and other services to assure readiness for advanced education as well as employability upon high school graduation
<p>Projects and Initiatives</p>	<ul style="list-style-type: none"> • An asset map of the region’s workforce • Coordinate community college training techniques with major employer entry tests • Use existing DETR, JOIN, JobConnect and Nevadaworks offices to collaboratively plan for and deliver workforce development services in rural and urban locations • Work to create career entry points and pathways through Career Pathways, Dream It Do It, Nevada Manufacturer’s Association, and other career pathway programs • Continue support for computer literacy training for existing and re-entering

SET Economic Development Blueprint for WNDD Region

	<p>workforce members</p> <ul style="list-style-type: none">• Coordinate with UNR and UNLV to assure that Bachelor’s degree curriculum and recipients align with skills identified by target sectors as necessary for career success
Performance Measures	<ul style="list-style-type: none">• The number of community college graduates passing entry level exams at major employers within the economic sectors identified in this plan• The number of individuals who are placed in jobs through workforce development and support programs• The number of career pathway programs that exist at the K-12 and Community College level• The number of individuals in the region who pass the National Career Readiness Certificate Exam• The number of four year degree recipients staying in the state of Nevada • The number of high school graduates that enter college and do not need remediation

Regional Economic Sector Goals: Both the sectors or clusters and their supply chains are targets for growth

<p>Agribusiness</p>	<p>Goal: Increase the production, processing, local consumption, and export of food products such as produce, fish, and milk and dairy products, from farming and value-added activities within the region</p> 
<p>Strategies</p>	<ul style="list-style-type: none"> • Celebrate success of agriculture in Nevada; through education and support bring about culture change that values Nevada growers and Nevada grown food.  • Encourage producers to engage in collaborative networks and cooperatives • Accomplish more detailed mapping of production and agribusiness assets and gaps to enable partnerships and efficiencies that lead to import substitution and export enhancement • Assess where food consumed in Nevada comes from and gauge demand for agricultural products grown in Nevada (import substitution) • Map marketing and distribution networks; create collaboration to increase efficiencies and lower costs • Support the streamlining of food sales, processing, and health regulations to lower cost of transactions for producers within the region and increase their potential markets • Increase markets for locally grown foods by linking Nevada institutions (e.g. schools, senior centers, hospitals) to local producers. • Educate producers on availability of capital through USDA and other programs • Increase use of technology and alternative growing techniques to produce a reliable supply of agricultural products year round • Increase income for local agricultural businesses <ul style="list-style-type: none"> ○ Establish “Buy Nevada Grown” initiative to increase demand for local and regionally grown products ○ Encourage Nevada institutions (schools, hospitals, prisons) to purchase Nevada grown foods ○ Provide access to information and resources related to improved / alternative growing methods, short season crops, low water use crops ○ Assist with diversification to higher value crops and value added processing • Given proper environmental protection, be open to providing locations for agribusiness being regulated out of California
<p>Projects and Initiatives</p>	<ul style="list-style-type: none"> • Strengthen and grow large and small agriculture related cooperatives throughout the region, including Great Basin Food Cooperative, Fallon Cooperative, and Silver Stage Co-op

SET Economic Development Blueprint for WNDD Region

	<ul style="list-style-type: none"> • Support the development of the dry milk plant to be located in Fallon, Nevada; build out the value chain in the region • Continue to support projects aimed at reducing transport-to-market costs and insulate farmers from rising fuel prices • Continue to increase the number of stores and restaurants that sell locally grown food in urban centers in the region • Support the diversification of the Nevada agriculture industry through research conducted by the Specialty Crop Institute in Fallon, the University of Nevada, Reno College of Agriculture, and the University of Nevada Cooperative Extension (UNCE) • Coordinate activities with the regional Agriculture Committee started by Northern Nevada Development Authority • Coordinate activities with the local plans of the Economic Development Authority of Western Nevada, the Highway 95 Regional Development Authority, the Pershing County Economic Diversification Authority, the Mineral County Economic Development Authority, and the Churchill Economic Development Authority • Support activities identified in the Agriculture Cluster Study produced by NNDA that focus on building a sustainable regional food system and /or have the most positive impact on jobs and incomes in the region • Engage collaboratively in pursuit of the GROW Nevada strategies in the Nevada Food Security Plan when finalized • Support infrastructure development for food processing plants, contingent upon water availability • Continue to support expansion of the growing season through hoop house installations in partnership with the USDA Natural Resources Conservation Service and UNCE • A H group products and processing <ul style="list-style-type: none"> ○ Look at cost/benefit ratio ○ Encourage specialty (Alternative) crops (low water use crops)
<p>Performance Measures</p>	<ul style="list-style-type: none"> • The value of the crops produced in the region • The percentage of the crop that is consumed locally • The number of months that farmers can grow consumable products • The number of food processing facilities in the region • The number of respondents to Demand Surveys on the demand for locally grown products

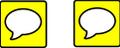
<p>Energy</p>	<p>Goal: Expand the production and use of alternative/clean energy within the region and increase the export of such energy outside the region and across state lines. Continue the development of the clean energy research, innovation, and consulting services and export such services </p>
<p>Strategies</p>	<ul style="list-style-type: none"> • Create broad-based communication among NIREC, UNR, DRI, and SET to determine value-chain opportunities in the energy sector and within other business sectors for clean energy resource development, clean energy production, and clean energy specialized services • Improve regulatory processes that affect both producers and users • Educate and demonstrate the viability of clean energy through programs for residents and businesses • Investigate production component manufacturers (e.g. solar thermal water heater manufacturers) and their potential for Nevada (linkage to manufacturing); in addition, identify associated occupations and workforce skill needs, communicate them to workforce training providers • Infrastructure enhancement for transmission of our clean energy resources to the marketplace (linkage to infrastructure investment) • Research innovative practices for development of region’s clean energy resources through incentives • Leverage UNR and the SET region as geothermal hot bed  
<p>Projects and Initiatives</p>	<ul style="list-style-type: none"> • Continued support of technology commercialization through the efforts of the Desert Research Institute, the University of Nevada--Reno, the Nevada Institute for Renewable Energy Commercialization, NVEnergy, and other interested stakeholders • Conduct a study regarding the impact of energy regulations on development projects and present the findings to the Nevada Public Utilities Commission • Support for projects that will increase the number of miles of transmission lines in Nevada—including projects that transmit energy from Nevada to California • Support for clean energy technologies curriculum and certification programs at K-16 levels • Continued support for geothermal well development in the region • Encourage the use of alternative energy at the site where it is generated (distributed use, community/site scale)
<p>Performance Measures</p>	<ul style="list-style-type: none"> • The number of new patents with commercial application in Nevada • The number of regulations which can be streamlined to facilitate energy development projects in Nevada • The number of miles of transmission lines in Nevada • The number of geothermal plants in operation in five years 

<p>Manufacturing</p>	<p>Goal: Increase manufacturing capacity and output across the SET Region</p>
<p>Strategies</p>	<ul style="list-style-type: none"> • Support creation of an agile and collaborative linkage between K-12, higher education, workforce development professionals and services and manufacturers that produces a readily accessible, skilled, certificated workforce • Provide information on capital availability to manufacturers throughout the region, emphasizing the Catalyst Fund • Support manufacturing networks, replacing fear of competition with culture of collaboration <ul style="list-style-type: none"> ○ Manufacturing peer group ○ Training and educational opportunities for professionals ○ Workforce skill development and training collaborative such as Western Nevada College work with manufacturers ○ Information sharing on new markets – local to global • Accomplish an infrastructure capacity analysis to determine locations within the region having adequate water, wastewater, transit, and broadband capacity for manufacturing growth • Continue to identify the manufacturing capabilities of the region and match them with demand for those products within the supply chains of manufacturers and other economic sectors within the region; create supplier databases and distribute to manufacturers’ networks • Increase production of current manufacturers through developing new customers for firms’ products • Diversify product lines of current manufacturers through connecting their manufacturing capacity with new customers and markets • Attract new manufacturers to this high-functioning region • Grow new manufacturing entrepreneurs through providing access to incubation, technology, and capital • Create access to advancements in technology • Continue Nevada manufacturing support resources
<p>Projects and Initiatives</p>	<ul style="list-style-type: none"> • The Business Science Park Feasibility Study • Regional adaptation of the Douglas County Business Park database funded by WNDD • Coordination with and among the Nevada Manufacturers Initiative, Dream It Do It, Western Nevada College, Great Basin College, and Truckee Meadows Community College to ensure the workforce has competitive skills • Use Regional Development Authorities—such as EDawn, Highway 95 RDA, Humboldt Development Authority and NNDA Work to create business to business relationships that reduce leakages of purchases of goods and services

	<p>(import substitution)</p> <ul style="list-style-type: none"> • Target Catalyst funding to expand the sector • To encourage Nevada business, industry, and consumers to “buy local”, conduct a public outreach campaign to create awareness of the wide range of products made by Nevada manufacturers and of manufacturers’ abilities to grow and diversify their product lines • Work with manufacturers on alternative financing to facilitate expansion to meet the demand of large customers within the region
<p>Performance Measures</p>	<ul style="list-style-type: none"> • The percentage of manufactured goods that are imported from out of the region • The number of individuals leaving the educational system with workplace certificates empowering them to work within the manufacturing sector  • The number of manufacturers that supply other manufacturers or businesses within the region • The number of manufacturers expanding within the region 

SET Economic Development Blueprint for WNDD Region

Tourism	<p>Goal: Create a world-class destination for state, national, and international visitors that highlights the cultural, recreational, and entertainment amenities of the region </p>
Strategies	<ul style="list-style-type: none"> • Integrate SET implementation work group with rural and urban tourism and visitor authority leaders throughout the region • Create and maintain an effective regional brand for tourism that integrates rural and urban tourism strategies • Enhance existing and create new regional special events • Promote cultural, recreational, and entertainment options within the region to lessen leakage of region’s residents leisure dollars • Develop additional recreation amenities including wildlife related activities, and trails of multiple forms (hiking, mountain bike, equestrian) • Develop regional itineraries and packages • Create a mobile device app that is comprehensive of the cultural, recreation, and entertainment amenities of the region • Apply for state, local, federal tourism grants • Provide adequate transportation into and out of the region
Projects and Initiatives	<ul style="list-style-type: none"> • Support the continued expansion of the Reno-Sparks Convention and Visitors Authority special events programs • Work with rural and urban visitors authorities to create travel brochures that focus on the region, and sites that can be seen within a day’s drive of Reno • Develop an iPhone- type app to deliver content about the region’s tourist sites to a broader audience • Build upon the success of the SET process in obtaining a National Endowments for the Arts grant for “Big Art in Small Towns,” by continuing to apply for federal, state, local, and private grants that will support the development of the tourism sector within the region • Work to continue to expand the number of flights into Reno-Tahoe International Airport • Promote cultural, recreational, and entertainment options within the region to lessen leakage of region’s residents leisure dollars
Performance Measures	<ul style="list-style-type: none"> • The number of room nights in the region • Number of tickets sold for cultural and entertainment (sports) events from inside and from outside the region • The percentage of sales tax being generated by tourists • Casino winnings in the region • Number of visitors at region’s parks and campsites <div style="text-align: right;">   </div>

<p>Transportation/Logistics</p>	<p>Goal: Increase the reputation and knowledge of the region as a central location for logistical efficiency and as an effective transportation hub</p> 
<p>Strategies</p>	<ul style="list-style-type: none"> • Recognize the region as a centralized transportation hub <ul style="list-style-type: none"> ○ Advertise and promote the region as a logistics and transportation leader ○ Make companies aware of the benefits of using this district as a transportation hub of the region, given assets such as capacity to host warehouses, traffic flow, time to destination efficiencies, access to rail ○ Increase the knowledge of elected officials at all levels on transportation and logistics issues and the importance of retaining competitive advantage in this sector • Address challenges logistics and transportation sector face <ul style="list-style-type: none"> ○ Examine price of fuel opportunities and challenges ○ Improve internet presence of resources (e.g. Google location searches of addresses) ○ Examine California port fees issue • Collaborate more with Nevada Department of Transportation <ul style="list-style-type: none"> ○ ConnectingNevada.org transportation visioning ○ Participate in stakeholder meetings ○ Use www.connectingnevada.org website to drill into transportation support for economic development • Improve, improve access to, and develop more rail resources • Continuously access new technology • Bring back UNR logistics program • Continue to work with FAA and other entities responsible for airports and make sure airport potential is protected • Plan for how can to serve people and their transportation needs (in consideration of access to jobs)
<p>Projects and Initiatives</p>	<ul style="list-style-type: none"> • WNDD convene a half-day meeting with all stakeholders to enhance understanding of benefits and competitive advantages of the WNDD region as a centralized transportation hub, and to further collaboration among stakeholders • Hold an information session for elected officials during the 2013 Legislative Session on transportation and logistics issues • Completion of the USA Parkway between the Tahoe-Reno Industrial Center and Silver Springs • Work with the Reno-Tahoe Airport Authority to continue expansion of freight flights in and out of the Reno-Tahoe International Airport and Stead Airport • Feasibility study on establishing a Rural Transportation Planning Organization

	<p>within the region</p> <ul style="list-style-type: none"> • Work with the Governor’s Office of Economic Development to support the testing and expansion of the drone industry within the state of Nevada • Work with Regional Development Authorities—including EDAWN, Highway 95 RDA, Humboldt Development Authority, and NNDA—to recruit new transportation and logistics businesses and expand existing businesses within the region • Work with the FAA on regulatory issues related to airports in region (Reno-Tahoe International Airport and Stead Airport, Hawthorne, Minden, and Silver Springs) • Protect and expand the region’s five airports with paved runways • Develop rural airports through locally identified projects in Hawthorne, Minden and Silver Springs
<p>Performance Measures</p>	<ul style="list-style-type: none"> • Number of transportation and logistics firm that locate or expand in the region • Number of road miles built in five years related to sector • Number of rail miles built or improved in five years • Number of yards of paved runway improved or added in five years • Number of flights or amount (lbs.) of air freight transported into or out of region

4. Implementation – Invitation to Participate



For any plan to be effective, the goals and strategies in it must be implemented. The Regional Team has chosen to use working groups to implement this plan. The groups will function under the direction of WNDD. Each group will create action steps to carry out a specific goal and set of strategies. The team will meet at least three times a year to participate in “value added” workshops and update members on the activities of the working groups. These meetings will also allow groups to coordinate their actions as the need arises.

Private sector business owners and citizens, and public sector experts from all levels of government are invited to engage in implementation of this Regional Blueprint and of the WNDD Comprehensive Economic Development Strategy that will follow it. It is anticipated that WNDD staff and member entities, and economic development authorities, will be primary forces in the work; however, a diverse network of experts participating in pursuing these goals and strategies will bring about greater and more sustainable success. To participate, contact the Western Nevada Development District at 775.883.7333.

Part B. Development of the SET Blueprint: Highlights of a Team Investment in the Future Success of Western Nevada

Stronger Economies Together (SET) is a program developed in collaboration between USDA Rural Development and the four Regional Rural Development Centers (RRDC) and their land-grant university partners. The purpose of SET is to help rural communities/counties to work together as a regional team in developing and implementing an economic development blueprint that builds on the current and emerging economic strengths of their region. In July 2011 Nevada sent three representatives to a USDA-RRDC training to learn about SET. In November 2011, a workshop was held in Carson City to introduce SET to rural development authorities and other interested parties. As a result of the workshop, Ron Radil, Executive Director of the Western Nevada Development District (WNDD), requested that the district be considered a region for SET training in Nevada.

WNDD is a voluntary association of local governments that consists of nine counties and seven cities. The counties cover a broad 33,781 square mile region that shares a high desert, arid environment. The WNDD region consists primarily of rural jurisdictions, though there are significant metropolitan areas in the Reno/Sparks portion and Carson City portion of the region. In December 2011 the WNDD Board of Directors voted to join the SET process and use the information developed to strengthen the update of WNDD's Comprehensive Economic Development Strategy (CEDS) and to build regional citizen-level support for the CEDS. In part due to the collaborative nature of SET, Washoe County and the Cities of Reno and Sparks joined WNDD in September 2012.

WNDD formed a partnership with Nevada USDA Rural Development, the Nevada Governor's Office of Economic Development, the University of Nevada Center for Economic Development, the University of Nevada Cooperative Extension, the Nevada Rural Development Council, the Nevada Small Business Development Center, and ConnectNevada to implement the SET program. The SET Launch Conference was held in February 2012 in Fallon, Nevada. Prior to the launch, SET was introduced in Carson City to potential partners from federal, state and regional agencies and institutions both in the public and private sectors. The Nevada Governor's Office of Economic Development supported the development of this plan with a \$50,000 grant.

SET meetings occurred over nine months in all nine counties that are part of the region. Attendance varied from 25 to 70 people per session. The Regional Team consisted of a good mix of private business owners and chamber organizations, private citizens, elected officials, government staff, workforce development and education professionals and economic development professionals. More than 200 individuals attended SET meetings held throughout the nine-county region. This intensive, bottom-up planning process served as a guide to improving Western Nevada's economy. Information on all sessions is on the Nevada SET website at www.unce.unr.edu/programs/sites/set/ under Nevada Team Access.

1. Identifying Regional Economic Clusters



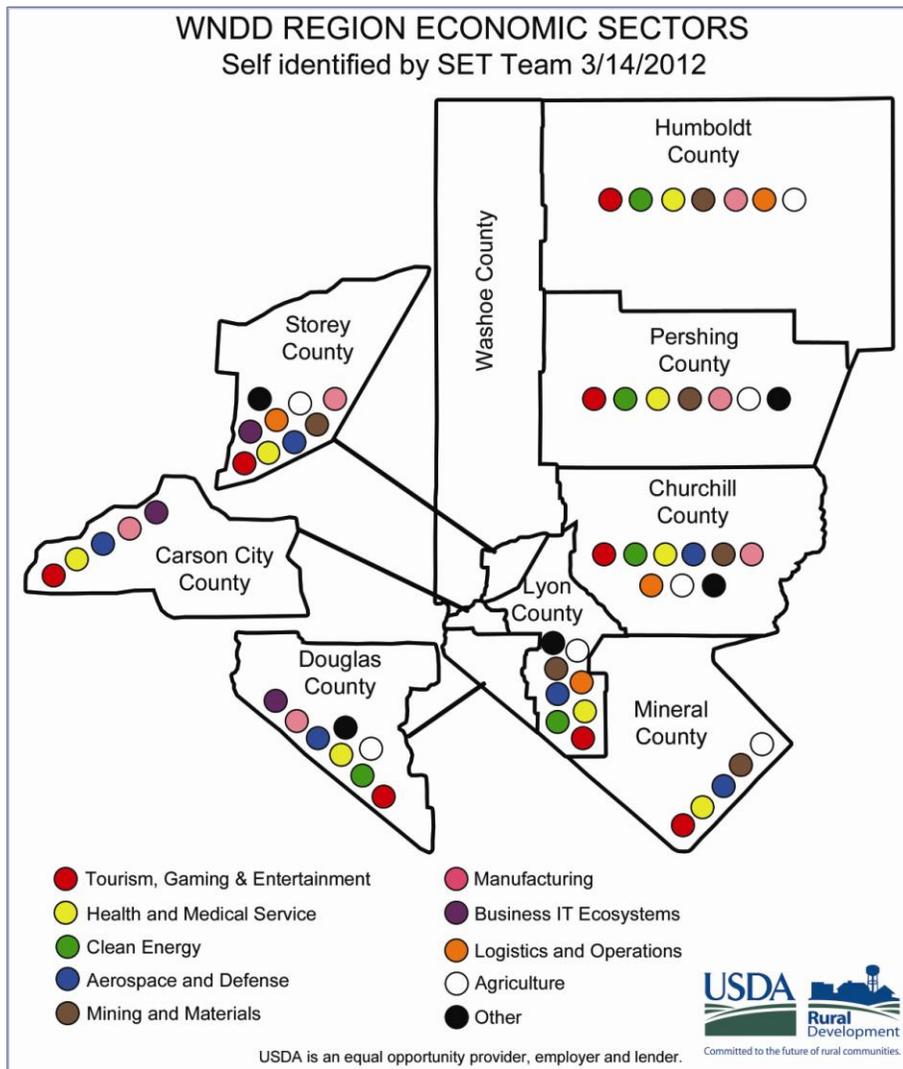
Early in the SET process the SET Regional Team was asked to identify what economic sectors were present in the region. The sectors identified were largely in line with the Governor's Plan for Economic Development released in early 2012.

SET Economic Development Blueprint for WNDD Region

The economic sectors present in the region include:

- Tourism, Gaming and Entertainment
- Manufacturing
- Business IT Ecosystems
- Logistics and Operations
- Health and Medical Services
- Clean Energy
- Aerospace and Defense
- Mining and Materials
- Manufacturing
- Business IT Ecosystems
- Logistics and Operations
- Agriculture
- Other (Federal and State Government Offices and Installations)

The Regional Team then identified which of the above clusters were located in their county. A map showing the clusters' location by colored dot was developed by USDA-Rural Development



SET Economic Development Blueprint for WNDD Region

Regional Strengths of the WNDD Region include:

- Available space for development.
- A friendly, low-regulation, low tax business environment.
- Good regional infrastructure for roads, rail, and airports.
- Abundant natural resources.
- An active, engaged citizenry, elected officials, business people, and government staff that is committed to economic development.

Regional Weaknesses of the WNDD Region include:

- Lack of water throughout the region.
- Distance between towns, and transportation to market costs, especially as it relates to agriculture.
- A workforce that does not necessarily have 21st Century workforce skills.
- A lack of access to financial capital—especially for smaller businesses.
- An economy that is too heavily reliant on mining and tourism.
- Gaps of broadband access and competitive speeds

In addition to the network mapping exercise, it was proposed that value-added workshops would also be held in conjunction with the SET training workshops. Suggested themes were Workforce Development, Entrepreneurship, Broadband Development, and Economic Sector Development. In the end only two were convened: one on Broadband Development and the other on Economic Sector Development. The Broadband meeting was used to inform and update the SET Regional Team on the Connect Nevada program and advise them on the future development of rural broadband connectivity. The Economic Sector Development workshop brought together the SET Regional and Partner Teams and the GOED Sector Specialists. The Sector Specialists provided updates on their progress to date and their plans, intentions and the opportunities within each of the presented sectors. The sectors presented and discussed included Aerospace and Defense, Clean Energy, Business IT Systems, Health and Medical Services and Logistics.

2. Eight Building Block Issues Crucial to Economic Development

The SET national curriculum identified eight key features of successful regions. The SET participants reviewed those features (in bold below) and identified and discussed the following issues as challenges to regional development:

- **Competitive Advantage** – the team felt that Nevada and the region have competitive advantages in relation to other states on taxes, business climate, physical climate, and the natural environment.
- **Infrastructure Investments** – was broadly defined to include physical, organizational and human infrastructure; the team felt that infrastructure was lacking, especially in areas related to education, transmission lines, workforce and broadband development.

- **Worker Skills** – the team felt that there was not a solid understanding of the base workforce within the region; they would like to develop a profile of the regional workforce, its skills, and the gaps between the skills and the types of economic development strategies being pursued by local jurisdictions.
- **Cross Jurisdictional Collaboration** – the team felt that there was the basis of a solid Regional Team, and that there were instances of cooperation between jurisdictions for the good of the regional economy; but they also felt that there were still disputes over turf and that there are still entities within the region (not necessarily governmental) that do not cooperate effectively on a regional basis.
- **Global View** – there was a feeling that the region does not have a sufficiently global view or pay enough attention to the mega-trends; that Nevada had been too comfortable with its unique position vis-à-vis legalized casino-style gambling to effectively diversify and understand how the actions of others affect the region.
- **Assessment of Current Strengths/Limitations** – most of the jurisdictions in attendance had conducted local planning exercises, community assessments, futures planning, vitality planning, local cluster analyses, etc. and that if these plans were taken in total that there is a pretty good snapshot of current regional conditions available to the team; this was the feature with the most positive rating.
- **Flexibility/Adaptability** – difficult to get people to change the way they do business when constituents have made a living doing something—like farming alfalfa—for so long that the need for change isn't readily apparent; the team also felt it was very difficult to communicate changes to constituents, and regionally, partly because of the vast distances in the region.
- **Comprehensive Approaches** – the team felt that there was effort to take comprehensive approaches, sometimes with success, but that those efforts came and went and that there isn't yet an overall direction that the entire region is moving in.

These building blocks served as a guiding framework for the Regional Team in evaluating goals to be established and addressing sector needs as part of this plan.

3. Examining Other Successful Regions, Goal Setting, and Visioning

The Regional Team was introduced to Valley Vision, a Sacramento-based regional collaborative, which is a decentralized alliance of individuals committed to regional development through the use of workgroups on topics of interest. Valley Vision has addressed broadband issues, agricultural enhancement and is now engaging in comprehensive regional planning. In addition the team was introduced to a goal setting and formulation process known as SMART Goals.

The SMART acronym reflects characteristics goals should have:

- ✓ **S – Specific**
- ✓ **M – Measurable**
- ✓ **A – Attainable**
- ✓ **R – Relevant**
- ✓ **T – Time framed**



Using this process the team wrote broad capacity development goals relating to the challenges and opportunities found in the exploration of the eight building blocks for successful regional economic development. These covered such areas as: information on workforce skills and needs, improved infrastructure, improved communications, availability of workforce housing, workforce development, regional branding and marketing.

The team also formulated a Vision Statement for Nevada SET:

Western Nevada is an innovative, regional economy, rooted in sustainable development and enriched by the area’s abundant natural resources and the collaboration of its independent unique communities. Region-wide these prosperous communities demonstrate a forward-moving commitment to quality of life and to opportunity for all residents.

A paper on successfully implementing regional visions is included in this document as Appendix A¹.

4. Regional Data Analysis²



The SET Regional Team examined regional demographic and economic data on three separate occasions. The demographic data showed high unemployment with pockets of high poverty levels—especially in Mineral and Pershing Counties. Pershing County’s data is affected by the presence of the Lovelock Nevada State Prison. The regional data also showed educational attainment levels that were higher for younger individuals and lower for older individuals. The nine-county region that participated in the SET process is also below Nevada’s average on Bachelor’s degrees and well below Nevada’s average on Graduate and Advanced degrees.

This data is particularly relevant to the region’s workforce needs, as 43% of the regional population was over the age of 45. This fact reflects Nevada’s past lack of emphasis on education as an economic development tool. It also confirms the Regional Team’s desire to work on workforce development strategies for older adults. And it shows mild evidence of a “brain drain” where individuals obtain great education at Nevada’s secondary schools and colleges and then leave the state to seek job opportunities elsewhere. This plan, under the action steps section, will seek to address these issues.



The chart and graphs on the following page shows demographic data for the region. The region’s current population is 637,254, with expected growth to 659,508 by the year 2016.

¹ Appendix A can be found in the SET Economic Blueprint section of the SET website www.unce.unr.edu/programs/sites/set/.

² All data used for this plan are available in the Regional Data section of the SET website www.unce.unr.edu/programs/sites/set/.

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The following table details how dividends, interest and rents make up a significant portion of income in the region. The Region’s income from dividends, interest, and rents is 3% higher than the State of Nevada’s, and 8.1% higher than the nation’s. This indicates a large base of residents whose incomes are derived from investments. This also indicates opportunities for venture capital funding and other types of locally-based investment and loan funds. This chart makes it clear that capital exists within the WNDD region. Great strides have been made in access to capital in the region recently; however the Regional Team still felt that there were gaps, especially in the realm of alternative loan financing.

Proportionate Shares of Sources of Income for the U.S., Nevada, & WNDD from 1969 to 2010

Income Sources	United States		Nevada		WNDD	
	1969	2010	1969	2010	1969	2010
	(%)	(%)	(%)	(%)	(%)	(%)
Earnings by Place of Work	78.3	64.8	80.7	62.7	76.9	57.7
Dividends, Interest, & Rents	13.6	16.8	13.6	20.9	16.5	23.9
Transfer Payments	8.1	18.5	5.7	16.4	6.6	18.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

The median household income for the region is \$52,397—below Nevada’s statewide median household income of \$55,726. Forty-seven percent of the region’s households are below the median household income threshold of the region. This reflects the region’s economic downturn, and the reduced income for Western Nevada families that has come with it. There are also 21.2% of households in the region which have an income of less than \$25,000—this reflects significant and growing regional poverty caused by high unemployment rates. The percentage of households with income less than \$50,000 is expected to decline to 38% by the year 2016—this shows the region’s strong potential for economic growth over the next four years.

The region’s racial composition is largely—79%--white, with a significant Hispanic population of 20% (it should be noted that the Hispanic population is counted as a subset of the white population). There are also significant African American, Asian American, Native American, and multi-racial households in the region. Most racial and ethnic groups, with the exception of Hispanics, are forecasted to remain relatively steady over the next four years; the Hispanic population is expected to rise by 3% by the year 2016.

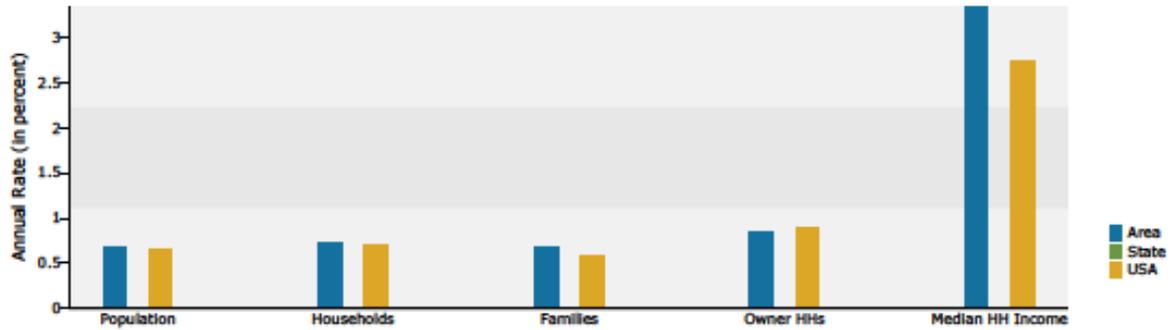
The region is an aging region—41.6% of the region is over the age of 45. This shows mild evidence of a “brain drain” where young adults who were educated at schools and institutions of higher learning in the region leave to other, more prosperous regions. The percentage of adults older than 45 is forecast to grow to 43.6% by the year 2016. The long-term health of the region depends upon successful economic development strategies that make the region a more competitive place for young professionals.



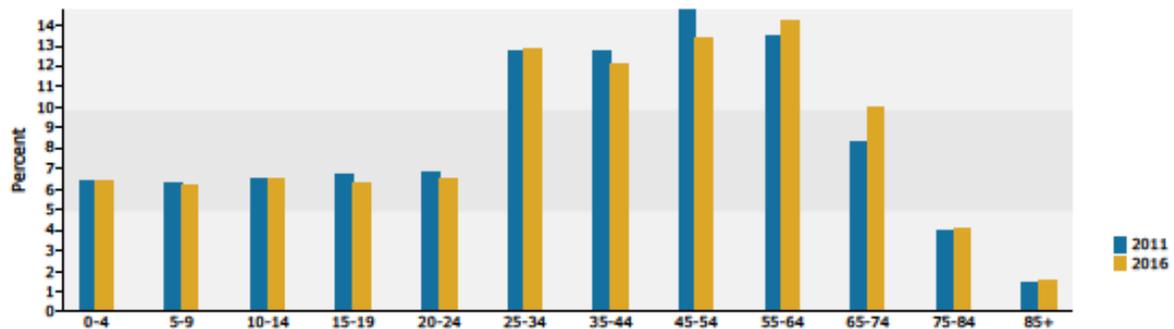
Demographic and Income Profile

9 Counties_1
 Churchill County, NV (32001) et al.
 Geographies: 9 Counties

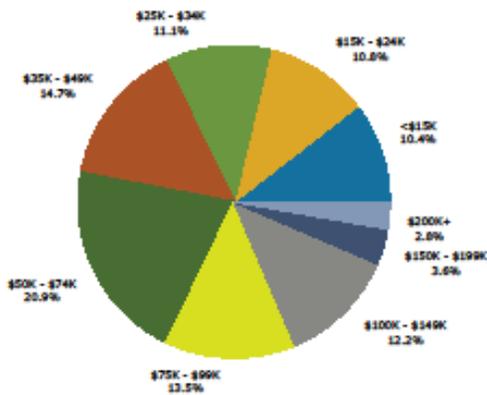
Trends 2011-2016



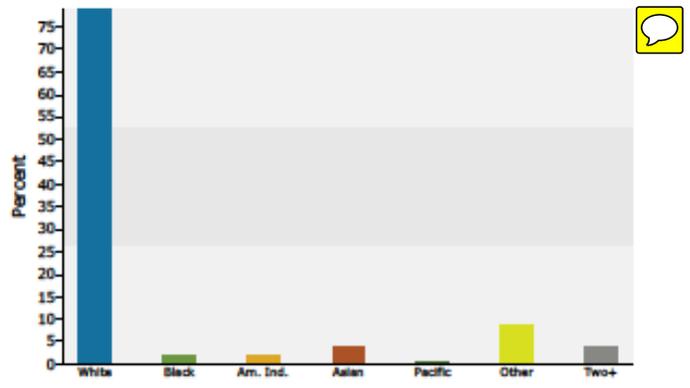
Population by Age



2011 Household Income



2011 Population by Race



2011 Percent Hispanic Origin: 20.5%

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

October 25, 2012

Made with Esri Business Analyst

5. Exploring Economic Development Strategies

The Regional Team then looked at Export Enhancement and Import Substitution as economic development strategies.

Export Enhancement seeks to find economic sectors which the region has had relative success in attracting and nurturing during the past.

An example of a project that builds upon a present and mature economic cluster by enhancing regional exports is the Dairy Farmers of America Dry Milk Plant that announce its intention to locate in Fallon during the SET Process. This plant will build upon the existing mature agricultural sector to enhance exports by providing additional market outlets for local dairies and farm operations that sell feed such as alfalfa to dairies.

Import Substitution seeks to reduce money outflows from the region by creating economic development opportunities to fill the demands for goods and services by regional businesses and institutions.

An example of import substitution that occurred during the SET process is a need uncovered during a feasibility study on a business science park in Douglas County. The contracted consultant discovered that a company located in Douglas County purchases a particular type of threaded pipe from a factory located in Georgia. The transportation cost for this pipe is not insignificant. The company was unaware that a manufacturer also in Douglas County could produce the pipe with minor modifications to its manufacturing process. A meeting between the company and the local manufacturer was held and they now purchase the threaded pipe locally.

6. Regional Implementation Strategies—Export Enhancement

The Regional Team then examined regional economic data by sector and location quotient to select sectors that are present in the region. The regional sectors were placed into four groups based on their location quotient as derived from groupings of six digit NAICS codes produced by the Southern Regional Development Center at Mississippi State University for the SET Region. The NAICS codes that were used to define these economic sectors are in Appendix B³. The chart below categorizes each economic sector.

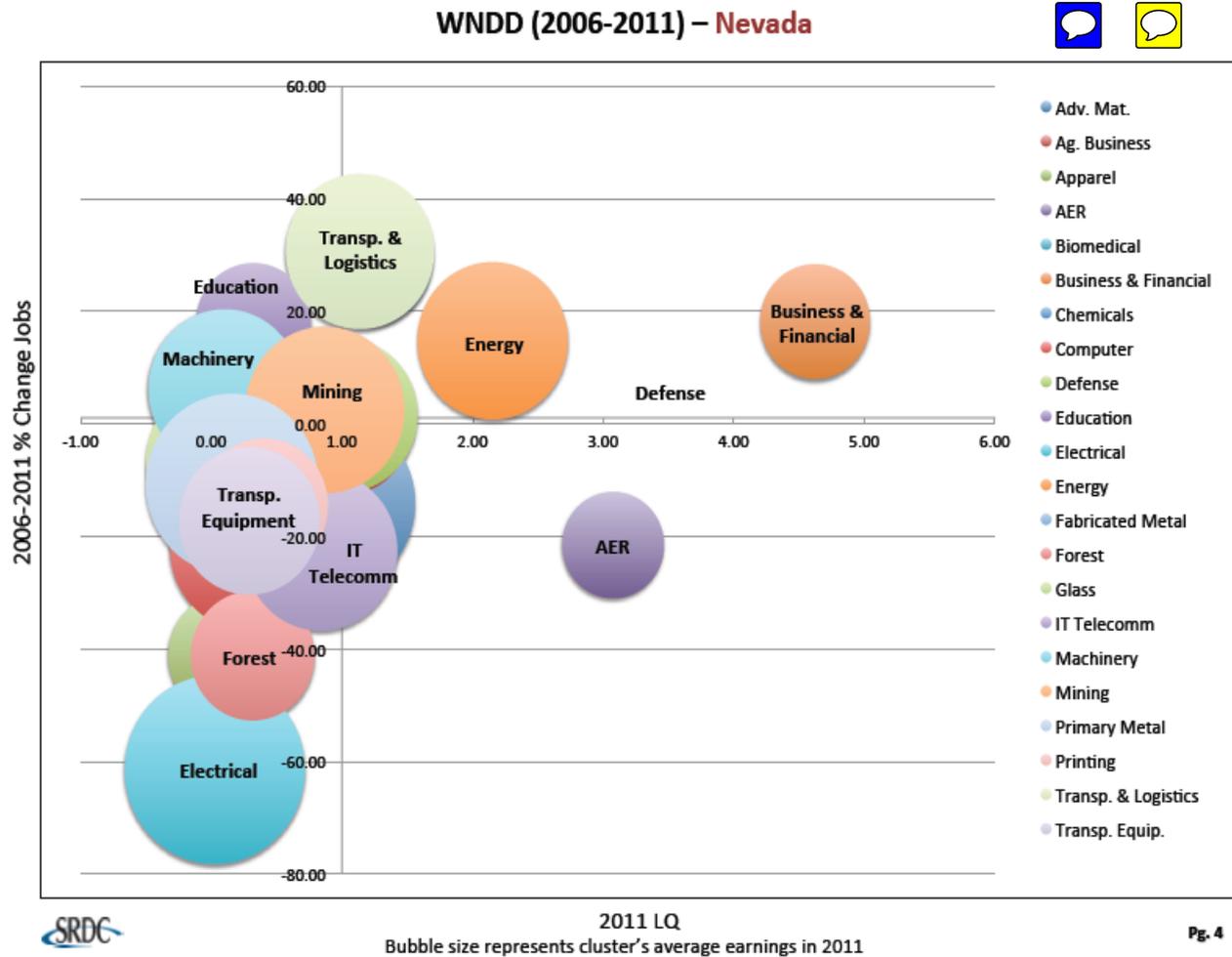
Categorization of Economic Sectors by Location Quotient

Emerging: Advanced Materials Education Machinery	Star: Business/ Financial Services Energy Biomedical Transportation/Logistics Defense Mining	Transforming: IT/Telecommunications Computer Printing Fabricated metal Forest Primary Metal Chemicals Apparel Glass Electrical Transportation Equipment	Mature: AER(Tourism) Agriculture
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³ Appendix B can be found in the SET Economic Blueprint section of the SET website www.unce.unr.edu/programs/sites/set/.

The location quotient bubble chart prepared by the Southern Rural Development Center (SRDC), is shown below. The more a bubble appears towards the upper right of the chart, the stronger the potential for economic growth in the future. The larger the bubble is, the larger the economic sector.

The chart reflects the divide between Nevada’s traditional economy that is based on gaming and mining and subject to booms and bust and an emerging new economic core consisting of transportation and logistics firms, business and financial services firms, and energy development.



High growth sectors within the region are Business and Financial Services, Biomedical, and Transportation and Logistics. This reflects the region’s strong financial services base in the Reno/Sparks Metropolitan Area, transportation and logistics firms in Storey and Lyon Counties, and the University of Nevada Medical School, Carson/Tahoe Health System, Banner Health System, Renown Health System, and St. Mary’s Health System, which are present throughout the region.

Though these sectors must be focused on, as they are where job creation in the future will occur, the Regional Team also recognized the importance of Mining and Arts, Entertainment and Recreation as the

SET Economic Development Blueprint for WNDD Region

traditional economy within Nevada. Economic growth requires expansion the economic base while protecting the economic foundation.

The Regional Team then examined the number of jobs and average income in each economic sector within the region. That data is reflected in the chart is shown below. The largest sectors, from an employment perspective, are Business/Financial Services and Arts, Entertainment, and Recreation.

The highest paying sectors were Electrical, Primary Metal Manufacturing and Advanced Manufacturing. The largest sectors by number of employment were, in order, Business/Financial Services, Arts/Entertainment/Recreation (Tourism), Energy, Biomedical, and Transportation and Logistics. Combined, these five sectors accounted for 73% of regional employment. The chart showing average wages and employment by sector from 2006 to 2011 is below:

Average Wages and Employment by Sector from 2006 to 2011



WNDD	2011 LQ	2006 Jobs	2011 Jobs	06-11 Job Change	2011 Avg. Earnings
Business & Financial	4.84	46,012	51,957	12.92%	\$33,933
AER	3.42	44,999	36,721	-18.40%	\$27,580
Energy	1.99	22,705	21,359	-5.93%	\$59,843
Biomedical	1.70	16,787	18,264	8.80%	\$44,805
Transp. & Logistics	1.36	14,523	14,640	0.81%	\$56,989
IT Telecomm	0.97	12,395	10,414	-15.98%	\$62,459
Defense	0.83	9,296	8,956	-3.66%	\$56,965
Adv. Mat.	0.71	9,391	7,647	-18.57%	\$76,819
Ag. Business	0.51	5,305	5,429	2.34%	\$37,218
Printing	0.50	6,135	5,333	-13.07%	\$44,002
Mining	0.42	4,289	4,541	5.88%	\$68,076
Education	0.40	3,635	4,291	18.05%	\$33,797
Forest	0.32	8,051	3,428	-57.42%	\$41,173
Fabricated Metal	0.27	3,876	2,862	-26.16%	\$55,403
Chemicals	0.26	4,147	2,844	-31.42%	\$70,712
Computer	0.22	2,577	2,357	-8.54%	\$67,112
Apparel	0.16	1,823	1,705	-6.47%	\$36,476
Transp. Equip.	0.11	1,463	1,150	-21.39%	\$53,005
Machinery	0.09	1,082	983	-9.15%	\$62,786
Primary Metal	0.06	726	647	-10.88%	\$79,741
Glass	0.03	388	324	-16.49%	\$53,681
Electrical	0.02	355	218	-38.59%	\$82,393

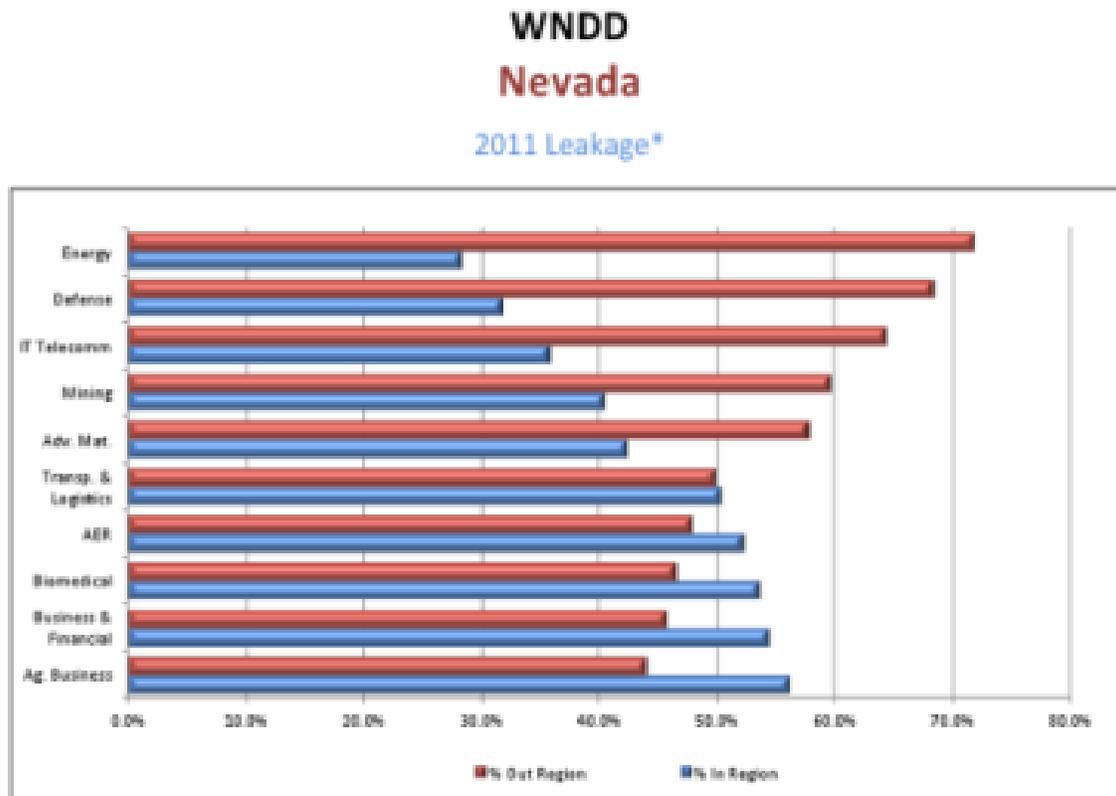
The SET Regional Team used this data and other considerations to compile a list of industries present in the WNDD area and with potential for growth:

- Business and Financial Services
- Energy
- Mining
- Agriculture
- Biomedical
- Defense
- Manufacturing
- Transportation and Logistics
- Arts, Entertainment, and Recreation (Tourism)

With the exception of Agriculture all of these sectors were identified in the 2012 Governor’s Plan for Economic Development: *Moving Nevada Forward: A Plan for Excellence in Economic Development*. This showed an alignment of economic development efforts within the region and state.

7. Regional Implementation Strategies—Import Substitution/Supplier Discovery

The Regional Team also examined regional leakage as a barrier facing the WNDD region. A presentation on this subject may be found in Appendix C⁴. The following chart prepared by the Southern Rural Development Center shows regional leakage by sector in millions of dollars.



⁴ Appendix C can be found in the SET Economic Blueprint section of the SET website www.unce.unr.edu/programs/sites/set/.

This chart shows nearly \$1.8 billion in leakage from the top four sectors within the region out of a \$4.7 billion economy. Nearly 38% of the economic activity within the region leaves the region, and enriches residents of other regions, states, and nations.

When a good or service that can be produced or provided within the region is produced or performed outside of the region, the economic impact is lost within the region. That impact includes but is not limited to: regional sales taxes, regional purchases, property values, gaming winnings, and service industry jobs. For the WNDD region to be sustainable over the next five years, leakage within the top-performing economic sectors needs to be reduced.

The first step in reducing regional leakage is to identify the needs of large consumers. Local industrial purchases of goods and services should be surveyed to give the region an understanding of the potential demand for locally produced goods. The next step is to survey whether local supplies can meet the demands of the local market. Some local companies may be able to produce a part needed by another local industry but are unaware of the demand for that part or because of fears about whether the market will be stable enough to justify the capital investment required to change manufacturing processes.

By aggregating the information from the surveys of consumers and suppliers, enhanced networking can be facilitated, regional linkages can be developed, and regional leakages can be reduced. This principle applies to all leakage not just manufactured products. For example a farmer who needs to purchase corn for a herd of cattle could purchase from a local supplier instead of from an out-of-state farmer.

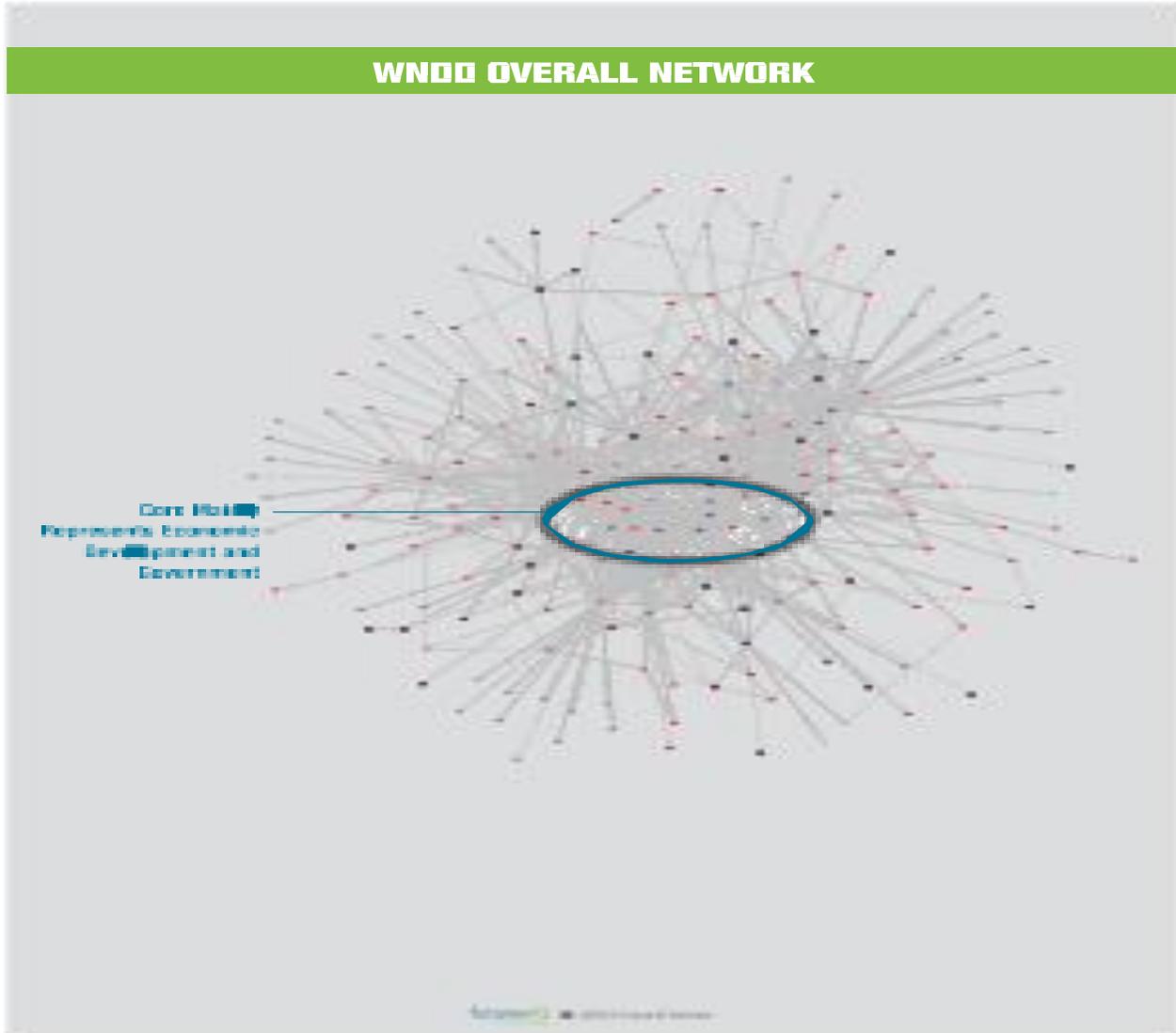
8. Regional Network Mapping

As part of the SET process, an on-line network map survey was commissioned from Future iQ partners that showed how communication happens (and in some cases does not did happen) within the region.

Research has shown that a region needs communication and collaboration networks that contain diverse types of expertise, diverse membership from the private and public sectors across the region, and diverse representation of expertise and skill sets. Networks also need not only the ‘doers’ that accomplish projects, but connectors that communicate new ideas into the network and convey the results of activities to other sectors and networks within the region. The network map resulting from the survey will be used to facilitate the development of more effective implementation workgroups to achieve the vision and goals set by the SET Regional Team. The report prepared by Future iQ Partners is included as part of the SET Regional Blueprint as Appendix D⁵; highlights are below the overall Network Map.

⁵ Appendix D can be found in the SET Economic Blueprint section of the SET website www.unce.unr.edu/programs/sites/set/.

WNDD SET Network Map Overview



Summary results from the report are noted below:

- Response Rate at 67% gives a fairly good indication of the network. In this case, the main focus was on one-way connections (Asymmetric where one respondent indicates a connection to another, but it is not reciprocal). The report also included several two-way connections (Symmetric where both the respondents indicate each other to be connected).
- A database of potential respondents was created with representation from across the region and key areas, but was used after the SET program was initiated which may have impacted the results to reflect that the region might already be more connected by the connections created in the SET process. Responses were not equal to each key area. The database was heavy towards government and light in health care, human services and workforce development; this may indicate self-selection among a government and economic development group. SET meetings are all open to the public, but

government and economic development professionals have attended in a disproportionate share.

- “Betweenness” Centrality and Development of the core: There is an overall need to develop an innovative core network. The network core is suggested to contain the key region members and have developed strong ties between themselves. These strong ties are limited at the moment and new ways of partnership are key to bringing together a core network. This may be reflective of the interagency partnerships that have been fostered by the SET Executive Committee’s activities.
- In addition, projects bring together various “connectors”, people who connect the otherwise unconnected to the central core of people. Connectors develop the potential for gate-keeping, brokering, controlling the flow, and also of liaising otherwise separate parts of the network. Connectors have the power and access to what information flows and the potential for synthesizing and interpreting messages.
- Clustering coefficient indicates that groups are less willing to go outside of their own organizations for connections. In other words, each key area is consistently more likely to connect with others in the same key area. This is a disadvantage for region-wide initiatives, as people need key area cross connections and the experience of working together.

Bonding & Bridging network connections are two very important kinds of community connectivity. Bonding connections are close-knit trusted groups. Bridging network connections are across bonded networks and create the environment to access new resources and an opportunity for innovation and creative thinking. WNDD SET Program’s network maps indicate strong clusters of bonding networks and illuminate a need for bridging networks. This shows a mild tendency towards silos within the region.

9. Regional Assets and Barriers:

Regional assets and barriers to economic development were examined by the Regional Team and strategies to build on the assets and mitigate the barriers were discussed.

For example, as assets the team considered regional voluntary associations which could be useful partners in implementing economic development strategies. These types of organizations can enhance a regional message, provide resources such as political, financial, and human resources, to help implement the regional plan, identify regional challenges, and promote regional assets. A non-exhaustive list of regional organizations identified by the Regional Team is shown below.

Types of Voluntary Associations

- | | |
|--|---------------------------------|
| • Healthy Communities Coalition | • Rotary |
| • Great Basin Arts and Entertainment | • Arts and Culture Commission |
| • Shooting the West | • Northern Nevada Project Linus |
| • Arts Street | • Planning Commission |
| • Arts and Cultural Center (Hawthorne) | • Winnemucca Futures |
| | • American Red Cross |
| | • Lions Club |

- Kiwanis Club
- Douglas County Suicide Prevention
- Tahoe Youth Organization
- Chambers of Commerce
- VFW/VVA
- Farmers Markets

The Regional Team examined each identified sector in the region and evaluated assets and barriers for each sector. A strategy to advance each sector was identified, followed by identification of key people in the region, identification of key voluntary associations, and a list of physical resources that are assets and barriers to regional development. This work became the basis of developing strategic goals, strategies and actions; projects, initiatives, and metrics for each economic sector. An example of this work using the Energy Sector is shown below

Energy: Assets and Barriers



<p>Development Strategy: Diversify the regional energy portfolio to meet the regional needs while exporting energy to meet larger geographic demand.</p>
<p>Assets, People: California residents, qualified operators and installers.</p> <p>Barriers, People: Lack of specialized drillers for geothermal wells due to competition from Midwest oil and gas boom.</p>
<p>Assets, Voluntary Associations: Local chambers, local steering committees, local economic development authority offices.</p> <p>Barriers, Voluntary Associations: Nay-Sayers, activist organizations, not-in-my-backyard groups</p>
<p>Assets, Formal Institutions: Governor’s Office of Economic Development USDA-RD, USDA-FSA, UNR, DETR, Great Basin Community College, Western Nevada College, Truckee Meadows Community College, University of Nevada Cooperative Extension, WNDD.</p> <p>Barriers, Formal Institutions: Conflicting regulations on energy development at the federal, state and local levels.</p>
<p>Assets, Physical Resources: Water, sun, wind, geothermal, biomass (pinion/juniper), clean air, bio-fuels, railroads, interstate highways.</p> <p>Barriers, Physical Resources: Poor secondary roads, remote sites, lack of local land ownership can impede development, lack of transmission lines, lack of motivation for NV Energy to expand because their renewable energy portfolio standard is already met</p>

10. Prioritizing Goals and Strategies

After some early goal-setting (mainly around capacity development issues), the establishment of the economic sectors prevalent in the region, and discussion on the assets and barriers facing the development of those sectors, the Regional Team met to prioritize the preferred action areas and to set final goals, strategies and performance measures for each area. Initially there were 14 such areas listed below:

Economic Sectors

- Accommodations/Entertainment/Recreation
- Agricultural Business
- Biomedical
- Business/Financial Sector
- Defense
- Energy
- Mining
- Transportation/Logistics

Capacity Building Areas

- Communication/Networking
- Infrastructure Investment
- Regional Marketing/Branding
- Workforce Housing
- Workforce Development – Education
- Workforce Information on Skills and Needs



The team added Manufacturing to the list of economic sectors, moved the Business/Financial sector to the Capacity Building column, and merged Workforce Development and Workforce Information. The team then selected 5 areas from the economic sectors and 4 areas from the capacity development areas for immediate consideration. The nine prioritized action areas are as follows:

Economic Sector

- **Agricultural Business**
- **Energy**
- **Manufacturing**
- **Transportation/Logistics**
- **Accommodations/Entertainment/Recreation**

Capacity Building Areas

- **Communication/Networking**
- **Infrastructure Investment**
- **Workforce Development – Information and Education**
- **Business/Financial**

The economic sectors Biomedical, Defense and Mining will continue to be monitored to identify projects and initiatives within those sectors that have the potential to grow the region’s economy. As opportunities are identified, they will be considered for inclusion in future activities. The same consideration will be given to Regional Marketing and Workforce Housing. The team divided into work groups to for each of the priority areas. Each group came up with a goal, strategies aimed at achieving the goal, and performance metrics aimed at evaluating the economic development strategies. Those goals, strategies, projects and initiatives and performance measures are listed in Part A of this blueprint.

11. Plan Implementation

As stated above on page 23, the Regional Team has chosen to use working groups to implement this plan. The groups will function under the direction of WNDD. Each group will create action steps to carry out a specific goal and set of strategies. Participation in the groups is open to private and public sector representatives with interest or expertise from throughout the region. The Regional Team will meet at least three times a year to update members on the activities of the working groups. These meetings will also allow groups to coordinate their actions as the need arises. For updates, or to participate, please contact Western Nevada Development District at 775.883.7333.

