

IMPROVING YOUR BUSINESS.

IMPROVING OUR COMMUNITY.



**EDAWN ANNUAL REPORT**  
FISCAL YEAR 2005-2006





Reno Riverwalk



Montreux Golf Club



Reno Balloon Races



Nevada State Capitol





## EXECUTIVE SUMMARY

Creating a positive economic impact on the quality of life in our region is the heart of the Economic Development Authority of Western Nevada's (EDAWN's) mission. For the third straight year, EDAWN broke its own records by 24 percent in creating economic impact for the region: \$330 million which was represented by 46 companies that generated 1,890 new jobs.

Half of those companies assisted by EDAWN in 2005-06 were expanding local businesses. EDAWN's business expansion and retention efforts are key to assisting these companies and ensuring economic prosperity in the region.

EDAWN's Business Builders program is respected as one of the most successful business retention programs in the country.

In fiscal year 2005-06, EDAWN's Business Builders conducted three industry surveys of top executives in Washoe County and published the findings. Executives representing eight key industries - finance, insurance, transportation, logistics, manufacturing, technol-

ogy, health, and information services - reported they plan to add 3,173 jobs, 2.3 million square feet of real estate and \$600 million in capital investments over the next three years.

The key to EDAWN's success lies with the involvement of our investors representing both the public and private sector. Our investors understand that improving our community's economy and quality of life requires the collaboration and participation from leaders across all industries. Without our investors' financial support and ongoing participation EDAWN could not have reached a third record-breaking year of economic impact. For every dollar spent, EDAWN created a return of \$119 in economic impact.

Support from the private sector increased by 25 percent over the year from just over \$1 million to more than \$1.3 million. Eighty-eight percent of EDAWN investors retained their membership from the previous year. They were joined by many new investors bringing the total number of organizations supporting EDAWN to nearly 400 - the largest showing of private sector support to date.

**EDAWN assisted 46 companies. These companies will:**

- **Generate 1,890 new jobs**
- **Occupy 2.3 million square feet of real estate**
- **Pay an average wage of \$20.09/hr**



This year, Nevada Governor Kenny Guinn and the Nevada Legislature invested \$1.7 million in EDAWN and northern Nevada's economy. This investment allowed EDAWN to make significant long-term investments in shaping our economic future in three key areas:

1. Target2010, an independent study of northern Nevada to shape future growth and quality of life by recruiting, expanding and starting-up key businesses in sectors that will bring high-paying jobs and opportunities;
2. California marketing campaign, a collaborative marketing campaign to increase awareness in California of the benefits of doing business in Nevada; and
3. Operational enhancements and adding key positions at EDAWN contributing to the organization's increased capacity and expanded mission.

EDAWN's events are known as premier business events in the region and this year was no exception. EDAWN and our partners presented three exceptional events with timely topics to the business community. The 21st Annual Governor's Industry Appreciation Awards, the 14th Annual Directions 2006 Economic Forum and EDAWN's 5th Annual Luncheon were well-attended and discussed current issues such as attracting the younger generation workforce and corporate

citizenship as well as recognizing the area's leading new and existing businesses.

Northern Nevada has economic strength that is the envy of many regions. EDAWN's leadership seized this opportunity to plan for the future in the region from a position of strength launching the Target2010 project.

With our community partners, EDAWN has spent this year analyzing the area's strengths and planning for the future to ensure a sustainable regional economy and high quality of life in our region. In the upcoming year, EDAWN takes on an additional challenge: to cultivate companies within the key business sectors of Advanced Logistics, Advanced Manufacturing, Business and Financial Services, Clean Energy, Life Sciences and Software that will bring high wage, technology-based jobs and opportunities to our citizens.

**RETURN ON INVESTMENT  
FY 2005-2006**

**EDAWN Expenses  
\$2.8 million**

**EDAWN Economic Impact  
\$330 million**

**Return on Investment  
\$119: \$1**



## INTRODUCTION

Economic development is the recruitment, retention and start-up of businesses and the growth of new jobs and wealth in a community. Gone are the days when economic development meant just attracting a large plant or company that created hundreds of new jobs. Economic development has taken on a holistic, community development role, creating a strong community in which businesses can thrive. More focus is now placed on growing existing businesses and assisting entrepreneurs. For businesses to expand and new companies to emerge, the region must be strong on many fronts, such as:

- An effective and innovative educational and workforce development system will ensure that high quality employers can find the talent they need.
- A competitive business climate will ensure that companies can afford to start-up and be located within the region.
- Appropriate sites and high quality infrastructure allow businesses to expand and keep operations running efficiently.
- Maintaining a high quality of life attracts talented workers and the companies who employ them.

- Finally, a smart, partnership-driven, results oriented, economic development team and marketing effort is necessary to let people know that the region is open for business.

Northern Nevada scores high in many of these areas as evidenced by our recent growth and increased diversification of the economy.

Quality economic growth has always been the basis of all EDAWN's endeavors. Quality growth is defined as attracting those businesses that offer high wages with good benefits and are a primary industry that import new dollars into an economy as they sell the majority of their products and services outside of the region.

The recent growth in northern Nevada has brought about a new understanding that the region should pursue continued economic vitality while making sure that the region's high quality of life is maintained for future generations. To achieve this, the region must have a greater focus on targeting quality companies that offer top jobs with high wages, that do not strain our natural environment, and that give back to the community.

## Target2010

To proactively identify and pursue those industries that will create the quality growth envisioned by the board of trustees and staff, EDAWN enlisted the assistance of AngelouEconomics. AngelouEconomics first studied industries that will fit within our community's way of life and have high-growth potential and then crafted an action plan for attracting and cultivating these industries to the region. Through this study and extensive community input the following key business sectors and niches within these industries have been selected to focus EDAWN's future efforts:

- Advanced Logistics
- Advanced Manufacturing
- Business & Financial Services
- Clean Energy
- Life Sciences
- Software

As this next year unfolds our path and goals will become more defined but the momentum toward our region's future economy has already begun.



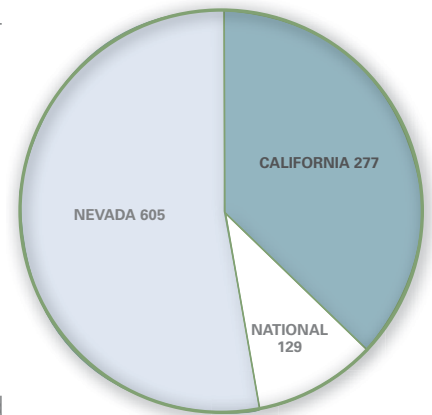
Our region has enjoyed unprecedented national, regional and local coverage this fiscal year. More than 1,000 stories appeared in various news publications such as the Los Angeles Times, Associated Press, The New York Times, Wall Street Journal and USA Today. These stories resulted in an advertising value of \$4.8 million and excellent exposure for the region as a great place to do business.

This was the third year of the regional advertising collaboration that became known as the "California Marketing Campaign" targeting key California cities to raise awareness of Nevada's advantages as a place to do business. This light-hearted campaign created a buzz and a bit of controversy as California's icons such as the bear on the state flag and the Golden Gate bridge "disappeared" only to be found doing business in Nevada.

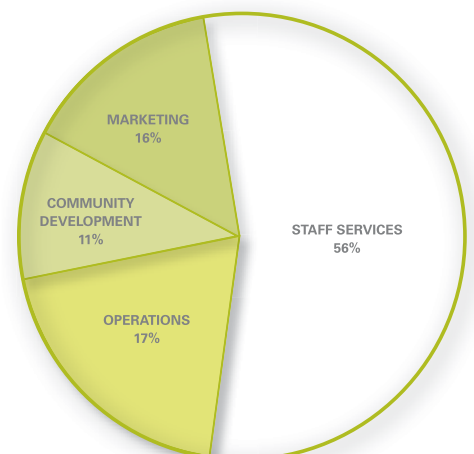
EDAWN ended the fiscal year with a strong financial position. As a not-for-profit organization, EDAWN exercises strong fiscal responsibility. Total expenditures for the year were \$2,764,730, more than \$200,000 under budget. It is important to note that economic development is driven by relationships and sales and therefore tends to have a greater portion of expenditures on staffing.

This includes business development, public relations and investors development. For every dollar spent, EDAWN created \$119 in economic impact in the next year for the region's economy.

### Where Stories Appeared



### EDAWN EXPENSES FY 2005-06

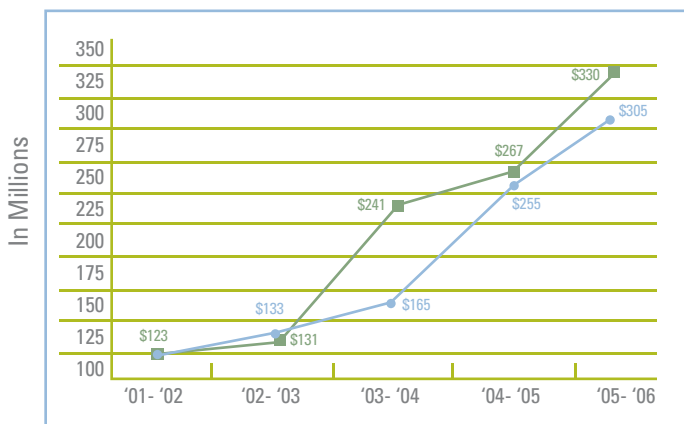




## ECONOMIC IMPACT

Creating a positive economic impact on the quality of life in our region is the heart of EDAWN's mission. For the third straight year, in 2005-06 EDAWN broke its own records in creating economic impact for the region. Economic impact represents the amount of new dollars that are generated in our region's economy based on the businesses EDAWN has assisted to locate or expand in our region.

### EDAWN's Five Year Economic Impact



A portion of this figure is comprised of new jobs, related payroll and the capital investment the EDAWN-assisted companies

will create.

This year, EDAWN-assisted companies will:

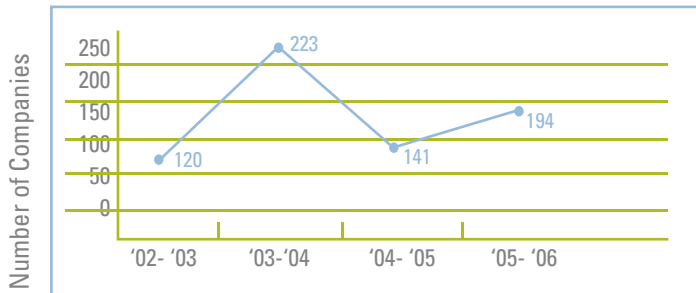
- Generate 1,890 new jobs
- Occupy 2.3 million square feet of real estate
- Pay an average wage of \$20.09/hour

EDAWN assisted 20 businesses in the manufacturing industry, 13 businesses in the service industry and 13 businesses in the distribution industry. The majority of businesses assisted were new to the area (25) and five of those were start-up businesses. Twenty-one businesses were able to were able to expand their business due to EDAWN's assistance. These businesses generate at least half of their income from exporting products or services and pay higher than average wages.

Business retention and expansion efforts are a large portion of EDAWN's daily work. EDAWN's Business Builders program is respected as one of the most successful business retention programs in the country. Business Builders promotes job growth and economic prosperity in northern Nevada by identifying both opportunities for expansion and the barriers facing local businesses through annual surveys and consulting.

In 2005-06, EDAWN's Business Builders conducted three local industry-focused surveys of top executives. These surveys ensure EDAWN is assisting the quality companies, that contribute significantly to our local economy, remain competitive. Executives within the eight key industries - finance, information services, insurance, health, logistics, manufacturing, technology and transportation - reported they plan to add 3,173 jobs, 2.3 million square feet of real estate and \$600 million in capital investment purchases over the next three years. Their responses reflect a positive outlook on the local economy and continued growth. The three full reports for the fiscal year can be viewed at [www.edawn.org/bb/msr.cfm](http://www.edawn.org/bb/msr.cfm).

### Business Builders Number of Companies Interviewed



Fifty-six new Business Builder volunteers were certified throughout the year, bringing the total number of certified volunteers to more than 200. These volunteers ensured EDAWN's Business Builder program reached many businesses for interviews. EDAWN estimates the value of these volunteers' time to be \$55,800.

EDAWN's new strategic plan, Target2010, will refocus EDAWN's business development efforts in the coming years. New targeted business sectors will

focus EDAWN's activities to the highest impact for the longest-term benefit of our economic quality of life. EDAWN will continue to track its success using the economic impact figure composed primarily of jobs, wages, capital investment and real estate investment.



Next fiscal year, 2006-07, EDAWN's goal is to create \$355 million in economic impact for the region. EDAWN will also unveil new performance measures more closely tied to community contributions and our region's quality of life. These indicators are currently in development.

Changes in the Business Builders program will be more immediate as this next year phase reports will take on a new look and focus. The key business sectors surveyed have been realigned to reflect the new target industries selected in strategic planning efforts. As some of these industries are just emerging in the region, Business Builder reports will undoubtedly uncover new strengths and challenges in our region as a place to do business.





## EDAWN INVESTORS

The support of EDAWN's investors is the key to EDAWN's success. Our investors represent both public and private sectors and cross all industries. As investors, they understand that improving our community's economy and quality of life requires the participation of all leaders.

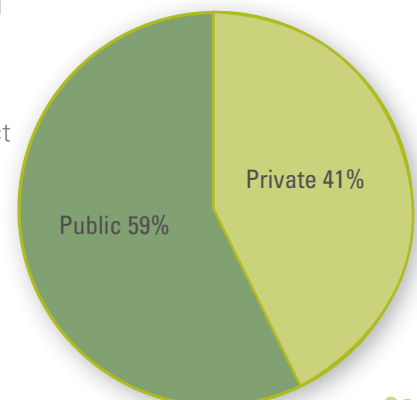
Each year, EDAWN has grown in membership and support from the community. Since 1999, investments from the private sector in EDAWN have increased more than 200 percent. This year, nearly 400 organizations joined EDAWN in support of economic development. Our investors clearly find value, as EDAWN retained 88 percent of investors from the previous fiscal year. A quarter of our investors have supported EDAWN for a decade or more.

Number of Organizations	Level	Investment Amount
11	President's Investor	\$25,000 +
25	Platinum	\$12,500
5	Gold	\$7,000
42	Silver	\$3,500
226	Bronze	\$1,250
49	Friend/Non-Profit	\$650
33	Honorarium	NA

In 2005-06, EDAWN utilized both private and public sector funding to grow the economy. This year, Nevada Governor Kenny Guinn and the Nevada Legislature invested \$1.7 million in EDAWN and northern Nevada's economy. This investment allowed EDAWN to make significant long-term investments in shaping our economic future with three key projects:

1. Target2010, an independent study of northern Nevada to shape future growth and quality of life by recruiting, expanding and starting-up key businesses in sectors that will bring high-paying jobs and opportunities;
2. California marketing campaign, a collaborative marketing campaign to increase awareness of the benefits of doing business in Nevada; and
3. Key positions at EDAWN contributing to the organization's increased capacity and economic impact goals.

### Composition of EDAWN Support



EDAWN's events continue to be the premier business networking events in the region.



The 21st Annual Governor's Industry Appreciation Awards was held on November 8, 2005. Each year, EDAWN partners with Northern Nevada Development Authority and the Nevada Commission on Economic Development to present this event honoring new and expanding companies in northern Nevada. More than 700 attended this year's event honoring ORMAT Technologies, Inc. with the Distinguished Business of the Year Award.

The 14th Annual Directions 2006 Economic Forum was held on January 25 with great success. This annual event, co-hosted by the Reno-Sparks Chamber of Commerce, addresses national trends and their impact on northern Nevada as well as strategies pertaining to business vitality, and expansion and retention efforts. The 2006 event featured keynote speaker Rebecca Ryan, a national consultant on young professional trends. Ryan challenged the entire region to empower young professionals to get involved in and more importantly, contribute to the success of the business community. More than 900 people attended this event.

On May 2, EDAWN held its 5th Annual Luncheon with more than 800 attending. This signature event is an opportunity to recognize outstanding businesses and special community-enhancing projects. This year's event honored Full Circle Compost and Western

Nevada Supply as best businesses of the year and ReTrac as the outstanding special project of the year. Steven Wright of Salesforce.com shared the innovative charitable giving model established by his company.

In line with EDAWN's new strategic plan, Target2010, and our mission to maintain and improve our region's quality of life, EDAWN has become involved in key community development issues, such as:

- Sustainable Growth – EDAWN helped convene the Truckee Meadows Growth Task Force;
- Workforce - EDAWN supports the creation of a Young Professionals Network; and
- Affordable Housing – EDAWN brought attention to this issue at a Morning Business Buzz and a leadership summit.

It is important to get the strength and participation of the business community behind these issues that are essential to the success of the region and our quality of life.



The outlook for the next fiscal year is positive as EDAWN aims to grow the investor support to a new record of \$ 3.4 million. New and continuing efforts in community development will be the strategic focus for EDAWN, enhancing our economic development activities.

**President's Investor Members 2005-2006**

- |                                 |                    |                  |
|---------------------------------|--------------------|------------------|
| • AT&T Nevada                   | • Sierra Pacific   | • Washoe County  |
| • Hire Dynamics, LLC            | • Power Company    | • City of Reno   |
| • International Game Technology | • U.S. Bank        | • City of Sparks |
| • Reno-Tahoe Airport Authority  | • Renown Health    |                  |
|                                 | • Wells Fargo Bank |                  |



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