

IMPROVING YOUR BUSINESS.

IMPROVING OUR COMMUNITY.



CHARTING THE COURSE





Reno Riverwalk



Montreux Golf Club



Reno Balloon Races



Nevada State Capitol





EXECUTIVE SUMMARY

The 2006-07 fiscal year was a year of great success and planning for the Economic Development Authority of Western Nevada (EDAWN). While exceeding annual and five-year goals for economic impact and membership, EDAWN was also 'charting the course' for the next five years.

In 2006-07, by assisting companies locate and expand in the region, EDAWN exceeded its goals with a record \$402 million in economic impact. The 38 companies assisted by EDAWN this fiscal year bring 1,657 new jobs and occupy three million square feet of real estate.

EDAWN assisted 38 companies. These companies will:

- **Generate 1,657 new jobs**
- **Occupy 3 million square feet of real estate**
- **Pay an average wage of \$19/hr**

This year also was the culmination of EDAWN's five-year goals set in 2002. Since that time EDAWN assisted 171 companies who generated \$3.5 billion in economic impact and created 7,600 new jobs. A great boost to the local economy.

New five-year goals have been set this year in accordance with economic development plus (ED+) - the

concept of attracting businesses in key business sectors that pay higher than average wages and benefits in addition to having environmental values and give back to the community. In addition to the traditional economic impact and job creation goals, EDAWN will aim to create an image of the Greater Reno-Tahoe region as a center of excellence in one of the region's new targeted business sectors.

For the first time in EDAWN history, the number of local companies assisted with expansion or retention projects exceeded the number of businesses relocating to the area. A key component to identifying these businesses is the Business Builders program. Business Builders, EDAWN's volunteer program that identifies and assists local key businesses with challenges and successes, also broke records year. Volunteers conducted 181 interviews with area executives and added 54 new certified volunteers. This year, Business Builders combined the efforts of volunteers for EDAWN and Northern Nevada Development Authority (NNDA) to produce the first region-wide industry reports. This is an important step in gaining a greater understanding of the area business climate as business challenges and successes do not change at county lines. Two industry surveys of top executives in the region were conducted and the resulting findings were



published. Executives representing the region's eight key industries - advanced logistics, advanced manufacturing, business and financial services, clean energy, life sciences and bio-agriculture, regional health systems and software - reported they plan to add almost 4,000 jobs, 3.5 million square feet of real estate and almost \$2 billion 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 \$108.50 in economic impact.

Support from the private sector increased by 12 percent over the year from \$1.3 million to just under \$1.5 million. Eighty eight percent of EDAWN members 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 sup-

port to date.

Perhaps the most important undertaking EDAWN completed this year was 'charting the course' for the region's new economy. EDAWN began important tasks prescribed by the Target2010 strategic plan thus positioning the region to attract a nationwide business audience.

This year, marked the second half of the initial \$3.4 million investment Nevada Governor Kenny Guinn and the Nevada Legislature granted to EDAWN on behalf of the Greater Reno-Tahoe economy. This investment significantly shaped the course of the region's economic future by making possible the completion of Target2010, EDAWN's strategic plan, and the creation of the Can Do business brand - a regional business brand to increase the region's ability to attract top companies in key business sectors with a single marketing message.

**RETURN ON INVESTMENT
FY 2006-2007**

**EDAWN Expenses
\$3.7 million**

**EDAWN Economic Impact
\$402 million**

**Return on Investment
\$108.50: \$1**



INTRODUCTION

Charting the course for Can Do Economy

Critical to reaching these key business sectors and skilled professionals is to promote an image of the region as a desirable place to live and do business. A key Target2010 initiative was the creation of a regional business brand to market northern Nevada to prospective businesses and employee's out-of-market. That brand tagline, Greater Reno-Tahoe: Welcome to Can Do, was launched locally in April 2007 and provides four reasons to believe the promise that Greater Reno-Tahoe is a terrific place to live, work and do business: an emerging new business dynamic; a meaningful sense of community, four vibrant seasons of recreation, arts and culture; and a balanced life pace.

While the initial goal was to implement a national brand image campaign, EDAWN has reassessed its marketing plans due to recent cutbacks in legislative funding for economic development, and is pursuing a targeted out-of-market workforce recruitment campaign that will support companies' search for highly skilled workers.

Building the region's image as a great place to do business and live is driven by EDAWN's national public

relations campaign. Working with top public relations firm, Development Counsellors International, EDAWN is spearheading efforts to secure media coverage in top-tier media outlets and industry trade publications. While Greater Reno-Tahoe has enjoyed its share of national and regional coverage over the past five years, EDAWN is looking to grow that coverage with targeted stories that promote the region's business assets and enviable lifestyle. It will accomplish this by partnering with entities including the Cities of Reno and Sparks, the Reno-Sparks Convention & Visitors Authority among others.

Target2010

In November 2006, EDAWN and our key partners culminated a year-long strategic economic planning process, Target2010, to help elevate regional economic diversification and ensure future economic growth sustains our community's high quality of life.

As economic developers we work with companies considering locating, expanding or starting up here that has a positive impact on our community. Our focus is to expand the base of high paying, knowledge-based jobs that bridge the gap between the cost of living and average wages, contributing to our region's measurable quality of life (we refer to these types of companies as "high-yield"). Additionally, we will increase the number of companies who give back to the community where they do business, a concept we refer to as Economic Development Plus. Based on the findings from Target2010, key business sectors EDAWN will pursue are:

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

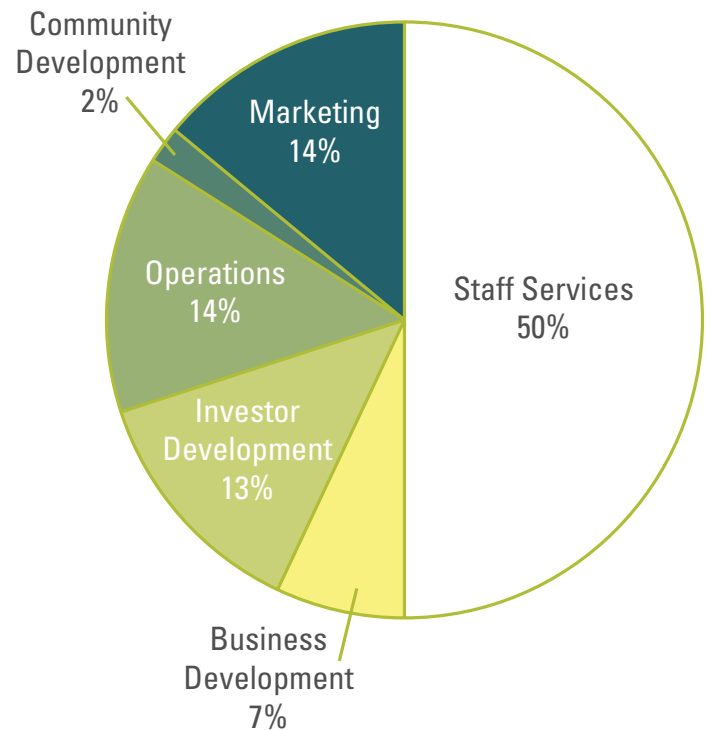


EDAWN will pursue these high-yield companies, and the much sought after skilled professionals needed to fill these jobs by outbound sales and marketing/public relations and working with our industry advisors – specialists who are connected within the industry nationwide – who will provide leads to companies considering relocating and venues to reach these

corporate decision makers.

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 \$3,721,531, more than \$100,000 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. For every dollar spent, EDAWN created \$119 in economic impact in the next year for the region's economy.

EDAWN EXPENSES FY 2006-2007

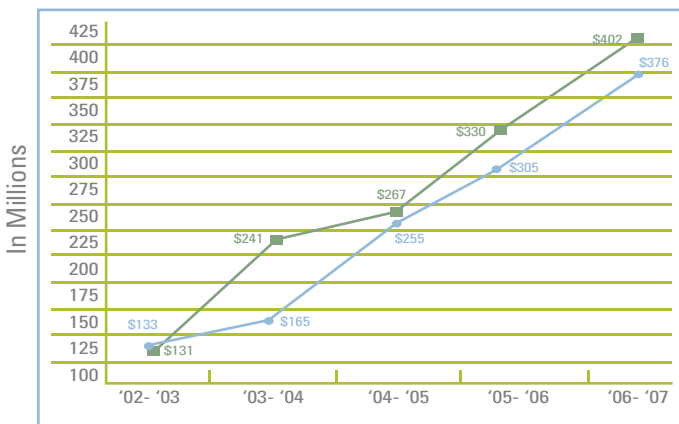




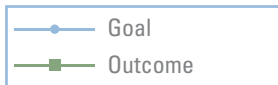
ECONOMIC IMPACT

Creating a positive economic impact on the quality of life in our region is the heart of EDAWN's mission. For the fourth straight year, in 2006-07 EDAWN exceeded its goals by \$26 million in economic impact for the region. Economic impact represents the amount of new dollars that are generated in our region's economy based on the primary 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 1,657 new jobs
- Occupy 3 million square feet of real estate
- Pay an average wage of \$19/hour

EDAWN assisted 22 businesses in the manufacturing industry, 12 businesses in the distribution industry and four businesses in the service industry. The majority of businesses (20) assisted were existing-companies who were able to expand or stay in the region with EDAWN's assistance. This is the first time in EDAWN's history that expansion and retention projects exceeded relocation projects. Fourteen businesses were recruited to the area by EDAWN and four were start-up companies. All of these businesses generate at least half of their income if not more from exporting products or services thus importing new dollars into the regional economy and pay higher than average wages.

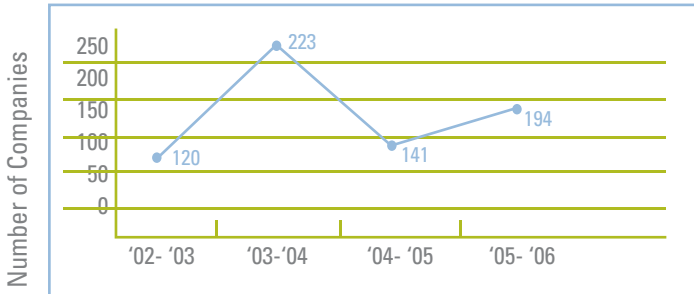
EDAWN's Business Builders program is a volunteer-driven program that assists EDAWN staff efforts by helping survey existing companies to find retention and expansion opportunities.

In 2006-07, EDAWN and Northern Nevada Development Authority (NNDA) combined the efforts of their Business Builder volunteers and reporting. This change provides an expanded regional view of the business climate. This proactive approach ensures EDAWN and NNDA are assisting the quality existing companies that contribute significantly to our regional economy. Executives surveyed within the eight key industries - advanced logistics, advanced manufacturing, business and financial services, clean energy, life science and regional health services, software, and tourism and hospitality - reported they plan to add almost 4,000 jobs, 3.5 million square feet of real estate and \$1.8 billion in capital investment purchases over the next three years. Their respons-

Next fiscal year, 2007-08, EDAWN will begin measuring its success based on new performance measures. These new measures focus EDAWN's goal to create \$200 million in high yield economic impact comprised of companies who meet the Economic Development Plus criteria. Criteria include a combination of high wages, benefits offered, community contributions, headquarters and target industries.



Business Builders Number of Companies Interviewed



es reflect a positive outlook on the local economy and continued growth. The two full reports for the fiscal year can be viewed at www.edawn.org/bb/msr.cfm.

Fifty-four new Business Builder volunteers were certified throughout the year, bringing the total number of certified volunteers to more than 250. EDAWN estimates the value of these volunteers' time to be \$54,000.

Changes in the Business Builders program will focus on selected surveys for existing companies the the six industry sectors. 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 members is a key component to EDAWN's success. Our members represent both public and private sectors and cross all industries. As members, they understand that improving our community's economy, diversity and quality of life requires the participation of all leaders.

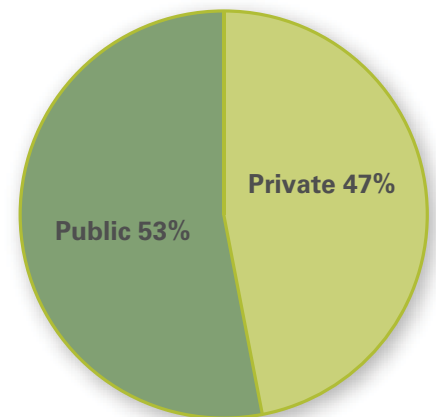
Each year, EDAWN has grown in membership and support from the community. Since 1999, investments from the private sector in EDAWN have increased more than 200 percent. This year, nearly 400 organizations joined EDAWN in support of economic development. Our investors clearly find value, as EDAWN retained 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
14	President's Investor	\$25,000 +
23	Platinum	\$12,500
4	Gold	\$7,000
42	Silver	\$3,500
223	Bronze	\$1,250
40	Friend/Non-Profit	\$650
25	Honorarium	NA

In 2006-07, 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. This investment allowed EDAWN conduct research and to create new programs and initiatives to help achieve our economic impact goals.

This investment allowed the completion of Target2010, an independent study of northern Nevada to shape future growth and quality of life by recruiting, expanding and starting-up key industry sectors that will bring high-paying jobs and opportunities. The investment allowed for local and national market research that developed the basis of the regional business brand. The "Can Do" business brand was also made possible by this significant investment, an investment that the regional economy will reap benefits for many years to come.

Composition of EDAWN Support



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



The 22nd Annual Governor's Industry Appreciation Awards was held in October 2006. 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 Greater Reno-Tahoe. More than 700 attended this year's event honoring Charles River Laboratories with the Distinguished Business of the Year Award. Keynote speaker Jerry Greenfield of Ben & Jerry's Homemade, Inc. ice cream shared his inspiring story of entrepreneurship and philanthropy.

The 15th Annual Directions 2007 Economic Forum was held in February with great success. This annual event, co-hosted by the Reno-Sparks Chamber of Commerce, addresses national trends and their impact on the region as well as strategies pertaining to business vitality, and expansion and retention efforts. The 2007 event featured keynote speaker Carolyn Martin of Rainmaker Thinking, Inc. Martin discussed workforce and generational trends as they relate to the aging workforce. More than 900 people attended this event.

In April, EDAWN held its 6th Annual Luncheon. This signature event is an opportunity to network with the region's outstanding businesses. This year's event featured the unveiling of the "Can Do" business brand to the local public. Sean Adams of AdamsMorioka

shared his branding expertise with the crowd of 600 attendees.

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

- Sustainable Growth – EDAWN helped convene the Truckee Meadows Growth Task Force who have completed their study on growth issues;
- Workforce - EDAWN worked to successfully launch the Reno-Tahoe Young Professionals Network.

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 2006-2007

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|--------------------------|---------------------------------|--------------------|
| • AT&T Nevada | • Hire Dynamics, LLC | • Sierra Pacific |
| • Charter Communications | • International Game Technology | • Power Company |
| • City of Reno | • Reno-Tahoe Airport Authority | • SunCal Companies |
| • City of Sparks | • Renown Health | • W.I.N. |
| • Dermody Properties | | • Washoe County |
| | | • Wells Fargo Bank |



EDAWN
201 W. Liberty, Suite 200
Reno, NV 89501

775-829-3700

www.edawn.org

