

Northern Nevada development challenged by poor perception, firm says



Written by

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Poor perception among out-of-state companies continues to be a key challenge for Northern Nevada, and limited resources and a bad economy have hampered the area's branding efforts, an international business consultant said Thursday.

Still, the area has done a relatively good job in promoting economic development in the past few years given its resource deficit and the tough economic environment, said Mark Sweeney, senior principal for Greenville, S.C.-based site-selection firm McCallum Sweeney Consulting.

Sweeney gave an assessment of the area's economic development efforts during the "Business BUZZ 'Beyond Target2010' Economic Forum" at the Atlantis Casino Resort Spa.

In particular, Sweeney analyzed the Economic Development Authority of Western Nevada's implementation of its Target2010 report, which outlined an ambitious plan in 2006 to spur economic development in the area.

"Implementing a strategic plan is a pretty big challenge in general," Sweeney said. "But you couldn't have picked a more difficult three-year period than the second half of 2008, 2009 and 2010 to try and maintain the momentum of a strategic plan."

Northern Nevada also needs to improve its image as a place for business. Despite its manufacturing assets, for example, the area-- not to mention the state -- isn't generally perceived as a location for manufacturing.

"The challenge for Nevada and Reno is that they just don't ring a bell with many of the diversified business interests they're trying to attract," Sweeney said. "The area really needs to get the message out that it's not

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just about gaming and tourism, but that it's also a good place to live and do business. Doing that takes a lot of communication, but communication also requires funding. So being able to get that message out is going to be a challenge when you have limited resources."

Holding back

Given the budget and staffing cuts, however, it makes sense to dial back and hold off on some of the goals laid out in the Target2010 plan, Sweeney said.

The initial report identified six key industries to target, such as manufacturing, clean energy, software, financial services, advanced logistics and life sciences.

EDAWN's decision now to focus on just a few of those, such as advanced manufacturing and clean energy, is a good way to maximize limited resources, Sweeney said.

"It's a difficult choice, but it's also similar to what a private business would do in tough times," Sweeney said.

Other good moves include the addition and cultivation of a Young Professional's Network, which has typically had a positive effect on long-term business attraction in areas that have implemented them, Sweeney said. Efforts to develop business incubators are a positive as well. Meanwhile, the attempt to consolidate EDAWN with the Reno Sparks Chamber of Commerce and Northern Nevada Chamber

of Commerce could prove to be a good call.

"Speaking from a site selector's perspective, a more regional approach is a very good way to go," Sweeney said. "It leverages scarce resources and creates a broader, more diverse set of assets to market opportunities. A lot of the factors we look at in site selection, such as the labor market, for example, are also examined on a regional basis."

Moving forward

Nevertheless, the area will have to make sure it eventually revisits some of the Target2010 measures that have been put on hold if it wants to truly make progress in economic development. With local governments currently strapped for revenue, it makes sense to put tax- and permitting-related incentives on the back burner for now. But such programs must be re-examined once the economy recovers, Sweeney said.

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As far as a time frame for recovery, 2011 should be better than previous years, but don't expect a boom period to occur this year, Sweeney added.

Although site inquiries have picked up nationwide in the first quarter of 2011, many of those likely won't turn into actual projects since companies still are cautious about making new investments.

After a six-month long series on the state of the economy, jobs, education and the tax system in Nevada, the Reno Gazette Journal's Reno 2020 project in February laid out steps to creating jobs and diversifying Nevada's economy. Read the full report and f

TARGET2010 FEEDBACK

The Economic Development Authority of Western Nevada is seeking community input ahead of its Target2010 update by April 22 and has set up four ways for the community to submit ideas: Visit www.edawn.org/feedback and fill out the Feedback Form; email input to info@edawn.org; go to EDawn's Facebook or LinkedIn pages; call 775-829-3737.

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