

It is interesting to note that we are getting considerable interest from outside investors, developers and businesses that have watched the transition and amazing recovery of the Reno-Sparks economy, yet our local attitude continues to be restrained, business as usual and skeptical, if not cynical. The “we’ve been through this before”, “let’s not forget this is a boom-bust economy” or “EDAWN’s numbers are unrealistic” mentality will likely exacerbate the significant challenges we will face with this unprecedented growth.

I am often asked by potential investors or prospects, “what do you see as the greatest challenges associated with this growth,” 50,000 new jobs in just 5 years, and my answer is always the same. We need an adequate and trained workforce and workforce development, which we can address; adequate and affordable housing, which, while the need is substantial, is still attainable; capital funding for our schools, which we are working on; and to change the pervasive “attitude” locally, that this growth is exaggerated or unreal. The last one really concerns me! The many other challenges we will face may not be addressed, or even solvable, if we do not first as a community get our “head out of the sand” and embrace the reality that this growth is happening!

It is not possible to solve a problem until you believe there is a problem. The challenges associated with this extraordinary growth are very real. Yet for every day we “pretend” they will not happen, that they are overstated or will go away, the more difficult the challenge will be and the more likely the impacts of this growth will be negative and adverse, to not only the companies planning to come here, but to our incredibly bright economic future.

Why is this economic boom so different than others in our past? There are two main reasons:

First, it is not driven by a fleeting trend such as speculation in housing, nor is it based on disposable income, like tourism and gaming. This boom is a result of quality job growth; most of the new jobs we announced are in manufacturing and logistics. Many of these jobs do not go away when the national economy wanes because we still need food and many of the other products produced by these manufacturers and they still need their products to be delivered, so distribution will remain essential. While not recession-proof, we are now much more resilient to the ebbs and flows of the national economy.

Second, the word is out about Reno-Sparks. The top priority of EDAWN over the past 4 years has been to help others understand what a great place for business our community really is. From the messages you now see on the taxi-tops, to countless trips across the country to site selectors and other business decision makers, we’ve made it clear that Reno-Sparks is a great place for business, an up and coming business destination and an emerging College Town. Getting companies and the media to visit us was the key and this community is remarkable when it comes to telling others why we love it here. The results have been incredible. The Tesla competition and win, amplified this message and now, more than ever, we are on the radar nationally and even internationally as a great place for business with an amazing quality of life.

I can tell you that from our perspective, as the lead economic development agency in the region, it is not slowing down. Our growth last year was 3.3%, significantly more than our historic average of 1.2% and that is without any job impact from Tesla. We are averaging more than 11 site visits a month, up from 4

a month just 4 years ago (we had 14 last month) and our closure rate (companies that visit and make a decision to relocate) is up from 70 % last year to 80% this year. Currently we have more than a dozen pending announcements with more than 150 companies in our prospect pipeline and we are in the finals with 10 companies, totaling well over 6,000 new jobs. Many of the 33 companies announced last year have just begun their hiring process. 83% of our existing companies are reporting expected job growth and our entrepreneurial development and start-up activity is “rocking”. I was told by a media person in Texas that they are hearing that Reno-Sparks is the next Austin Texas. By the way, we are currently the same size as Austin was in 1970.

It is time to believe! The new Reno-Sparks is happening and it is happening in a big way. However, there are many things we must do as a community to get out in front of the numerous challenges associated with this once in a lifetime “Black Swan” event. Important actions and fundamental changes in the way we do our business will not happen until we acknowledge this growth, stop ignoring or downplaying the challenges, and together work to resolve the problems while they are still manageable. Our economic future depends on this action, not reaction.