

September 2014

Our World Has Just Changed With Tesla!

Rarely in the world of economic development does a single event change a community so much, so quickly, but in the last week we experienced what could be that “once in a lifetime” event – “*Tesla picked Northern Nevada!*” The magnitude of this announcement will take years to understand and play out. Regardless of the final outcome, our world here in Reno-Sparks has just changed....dramatically.

So what does this announcement really mean for our region? First and foremost *we are not a "little city" or small region anymore*. This single event will likely move Reno–Sparks, as a metropolitan area, into the list of the top 100. We are currently ranked at, or near, 117.

Additionally, we will *no longer be the "best kept secret"* as a place to live, work and play. Getting on the radar of site selectors as a great place for business has been challenging, yet we win nearly all the projects that consider us, once we get a company to look past the less than flattering image of Reno-Sparks. These companies visit our region and experience the reality of what we are; a growing and diversified business community that is special. Many more projects will follow Tesla as they come to see the real Reno-Sparks.

The new Reno-Sparks image: Educated, smart and a growing hub of activity in technology, advanced manufacturing, logistics, entrepreneurship and the arts. The Apple announcement last year, the unmanned aerial vehicle state designation this year, the many recent advancements at our Tier 1 University, and now the Tesla announcement are changing our image. It won't happen overnight, but at some point the "new Reno-Sparks" image will be pervasive.

On the positive side of the ledger: If you own a home it is now worth more, maybe much more; the tax revenue associated with growth of this magnitude will help our local governments (the thousands of employees, construction workers, suppliers and secondary businesses will pay plenty of taxes); air service will improve, with more demand comes better air service; the construction industry, already on the rise will rebound; average wages will increase; and the 16,000 currently unemployed will have the ability to find work, not just with Tesla, as everyone will experience growth and there will be job opportunities in nearly every sector.

On the negative side of the ledger: Traffic will increase, not as much as most cities but more than the minimal traffic we now have; prices will go up with increases in demand, so the cost of living here will move up; employers will have difficulty keeping their employees if they are not paying above the industry average; our population will increase putting pressure on our school infrastructure; other government services may be impacted; and there will be some that lament the growth, forgetting how painful the recession and several years of no growth have been.

The coming change will happen if the Tesla deal comes even close to expectations. So hang on to your hat, focus on the positives and manage the negatives. Our world has changed - enjoy the exciting times ahead.