

January 23, 2020



**Reno
Sparks
Tahoe**

ECONOMIC DEVELOPMENT AUTHORITY
OF WESTERN NEVADA

2020 & BEYOND

THE FUTURE WE ARE BUILDING

The New York Times

Are You Ready
for the Financial
Crisis of 2019?

December 10, 2018

**The
Guardian**

Things to Watch
Out for in 2019?
Doom and
Plenty of Gloom

December 30, 2018



Clouds
Gathering Over
Global Economy

January 3, 2019



There's More Than
60% Chance of a
Global Recession
Within the
Next 18 Months,
Economist Says

April 10, 2017

The New York Times

Are You Ready
for the Financial
Crisis of 2019?

December 10, 2018

**The
Guardian**

**Years Ending in
'9' Always Seem
to Bring
Upheaval...and it
Looks Like We
Are in for a Hot
One in 2019**

December 30, 2018



Clouds
Gathering Over
Global Economy

January 3, 2019



There's More Than
60% Chance of a
Global Recession
Within the
Next 18 Months,
Economist Says

April 10, 2017

Things are
never as bad
(or as good)
as they seem...



Source: *Men at Lunch, New York City, 1932*

Perhaps a Little Bit of Perspective

Extreme Poverty



Democracy



Basic Education



Vaccination



Literacy



Child Mortality



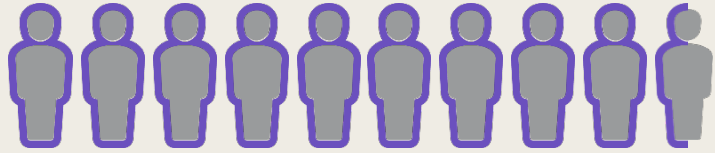
Source: Our World in Data

Perhaps a Little Bit of Perspective



1820

Extreme Poverty



1820 94%

Democracy



1820 1%

Basic Education



1820 17%

Vaccination



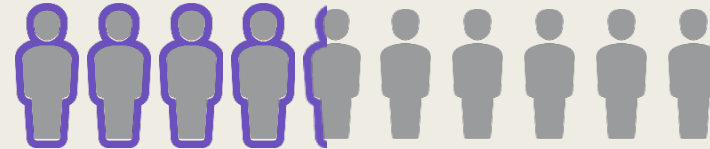
1820 0%

Literacy



1820 12%

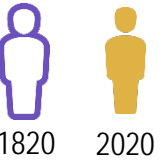
Child Mortality



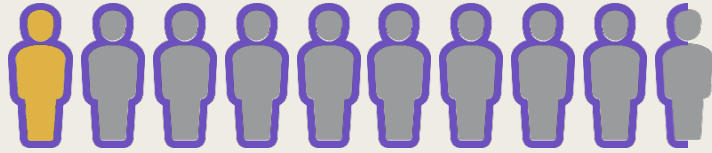
1820 43%

Source: Our World in Data

Perhaps a Little Bit of Perspective



Extreme Poverty



| | |
|------|-----|
| 1820 | 94% |
| 2020 | 10% |

Democracy



| | |
|------|-----|
| 1820 | 1% |
| 2020 | 36% |

Basic Education



| | |
|------|-----|
| 1820 | 17% |
| 2020 | 86% |

Vaccination



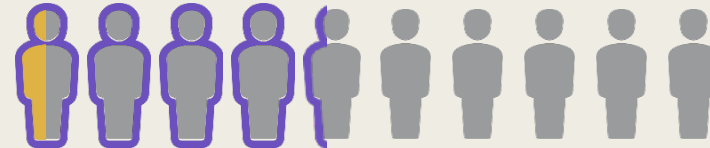
| | |
|------|-----|
| 1820 | 0% |
| 2020 | 86% |

Literacy



| | |
|------|-----|
| 1820 | 12% |
| 2020 | 85% |

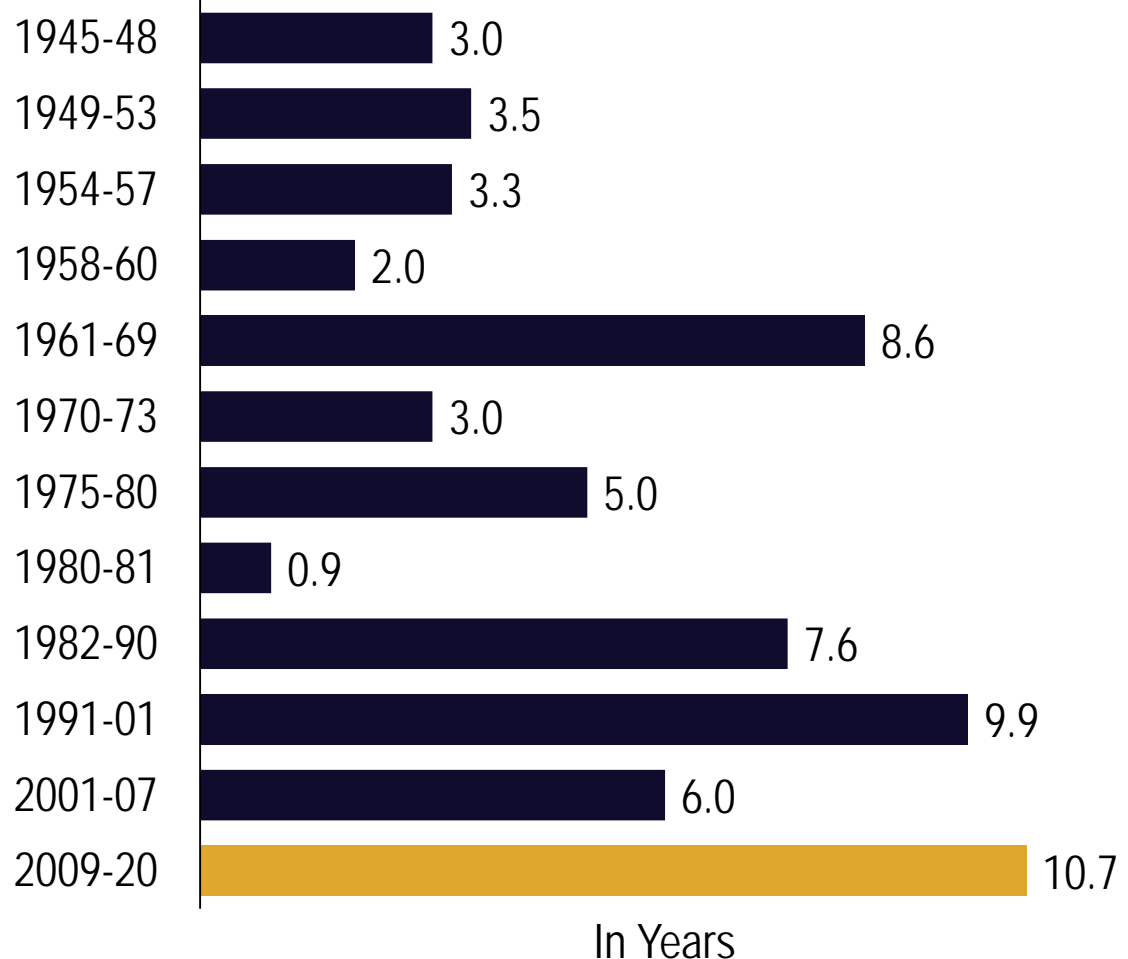
Child Mortality



| | |
|------|-----|
| 1820 | 43% |
| 2020 | 4% |

Source: Our World in Data

Welcome to the Longest, *and Slowest*, Economic Expansion in U.S. History



| Start | End | Duration (Qtrs.) | Real GDP Annual Growth Rate |
|----------------|----------------|------------------|-----------------------------|
| Q4 1949 | Q2 1953 | 15 | 7.6% |
| Q2 1958 | Q2 1960 | 9 | 5.5% |
| Q4 1970 | Q4 1973 | 13 | 5.1% |
| Q1 1961 | Q4 1969 | 36 | 4.9% |
| Q1 1975 | Q1 1980 | 21 | 4.3% |
| Q3 1980 | Q3 1981 | 5 | 4.3% |
| Q4 1982 | Q3 1990 | 32 | 4.3% |
| Q2 1954 | Q3 1957 | 14 | 4.0% |
| Q1 1991 | Q1 2001 | 41 | 3.6% |
| Q4 2001 | Q4 2007 | 25 | 2.9% |
| Q2 2009 | To Date | 42 | 2.3% |
| <i>Average</i> | | 23 | 4.4% |

Source: National Bureau of Economic Research, U.S. Bureau of Economic Analysis and Applied Analysis

National Economic Snapshot

Year-Over-Year Growth



Real GDP

\$19.1 Trillion

▲ 2.0%



Employment

151.2 Million

▲ 1.6%



Total Wages

\$2.1 Trillion

▲ 5.1%



Real Investment

\$3.4 Trillion

▲ 0.4%



Consumer Price Index

257.2

▲ 2.1%



Home Price Index

448.0

▲ 4.6%



Industrial Production

109.7

▼ -0.8%



Consumer Confidence

125.5

▼ -8.0%

National Economic Snapshot

Year-Over-Year Growth



Real GDP

\$19.1 Trillion

▲ 2.0%



Employment

151.2 Million

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Industrial Production

109.7

▼ -0.8%



Consumer Confidence

125.5

▼ -8.0%

1



Debt

2



End to
Aggressive
Monetary
Policies

3



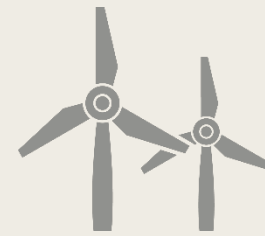
Prolonged
Government
Shutdown

4



International
Trade
Instability

5



Global
Energy
Crisis

6



Global
Conflict

// Global growth is forecast at 3.0 percent for 2019, its lowest level since 2008 - 09 and a 0.3 percentage point downgrade from the April 2019 World Economic Outlook. Growth is projected to pick up to 3.4 percent in 2020... //

INTERNATIONAL MONETARY FUND

WORLD ECONOMIC OUTLOOK

Global Manufacturing Downturn,
Rising Trade Barriers

2019
OCT





World Economic Situation and Prospects Monthly Briefing

No. 130

1 September 2019

Global issue: Trade conflict a threat to global growth

Trade tensions between China and the United States re-escalated in August, following the announcement by the United States that it will impose tariffs on a further \$300 billion of Chinese imports. In retaliation, China introduced additional tariffs on \$75 billion of imports from the United States. These developments triggered sharp movements in global equity markets, a decline in global oil prices and higher capital outflows from the emerging economies. As the trade disputes threaten to become even more pervasive, the global growth outlook has darkened.

The protracted period of high trade tensions is exacerbating an ongoing cyclical slowdown in global economic activity. In tandem with slowing industrial production, world trade growth has decelerated sharply over the past year. For most developed and developing regions, trade growth has not only weakened compared to 2018, but has also fallen well below the average growth rate between 2012 to 2017 (Figure 1). Alongside recent monetary policy shifts by major central banks, persistent uncertainty surrounding trade actions has induced heightened investor risk aversion and financial market

Summary

- Prolonged trade tensions exacerbating the cyclical slowdown in the global economy
- Global automobile production contracts amid higher tariffs and policy uncertainty
- Further easing of macroeconomic policies as external headwinds to growth rise

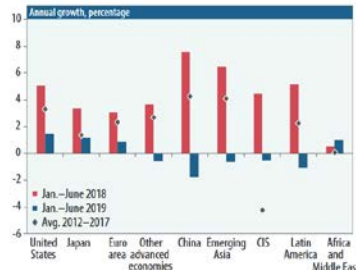
volatility. In many countries, there are signs that the deterioration in business confidence has started to dent investment growth.

Given inconclusive trade negotiations, there is a growing risk that trade tensions will further intensify going forward. If the United States expands trade restrictive measures, for example by imposing blanket tariffs on automobile imports, affected countries will likely respond with retaliatory measures. Such a spiral of further tariffs and retaliations would spread beyond the involved parties, impacting the developing economies through both direct and indirect channels.

Higher tariffs and prolonged weak sentiments could significantly dampen domestic demand growth in the major economies, namely China, the United States and Europe. This will directly affect economies with a high *final demand*¹ exposure to these large markets. Figure 2 shows that China is the main source of final demand for many East Asian exporters today, including Malaysia, the Republic of Korea, and Thailand. For these economies, this reflects a marked change in the trade structure compared to a decade ago, when a larger share of exports was catered towards demand in the United States and Europe. In contrast, countries such as Costa Rica and Mexico remain much more vulnerable to a growth slowdown in the United States, while the Russian Federation and Turkey are more sensitive to changes in European demand. In addition, slower growth in China and the United States would also weigh on global demand for commodities, adversely impacting commodity-dependent countries, including in Africa and Latin America.

A worsening of trade tensions will also have an indirect effect on third countries through *disruptions to global value chains (GVCs)*. Countries that are deeply integrated into GVCs would be the most affected by a decrease in demand for intermediate inputs, as the imposition of tariffs not only hurts assembling countries, but also

Figure 1
Merchandise import volume growth by region



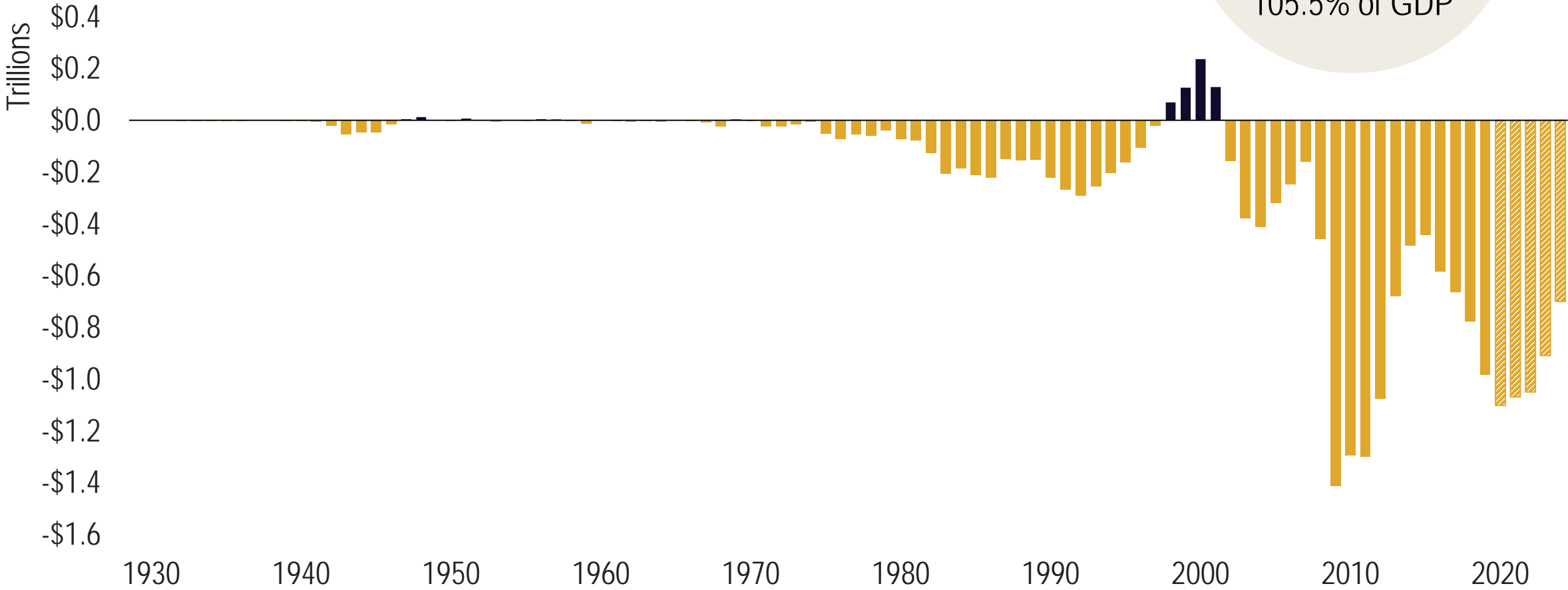
Note: Emerging Asia includes China. Regional groupings are not strictly comparable to those in the World Economic Situation and Prospects but are illustrative of regional tendencies. Source: UN DESA, based on data from CPB Netherlands Bureau for Economic Policy Analysis.

1 Captures a country's exports of goods or services, both through direct exports and indirectly via a third market, that are consumed in a final destination country.

“ As the trade disputes threaten to become even more pervasive, the global growth outlook has darkened. ”

The United States has Operated at a Deficit Every Year Since 2001

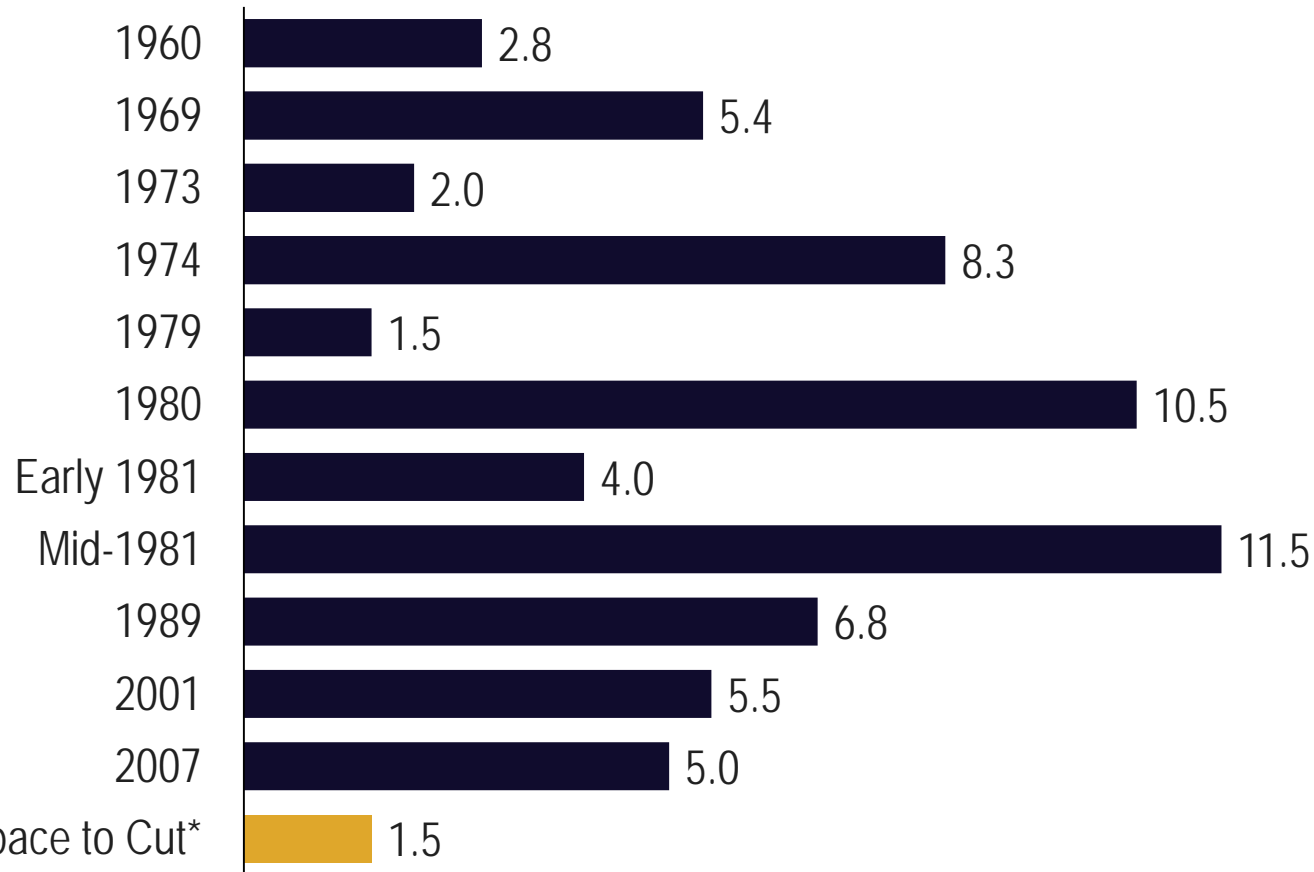
National Debt
is Currently
\$22T
105.5% of GDP



Source: U.S. Office of Management and Budget

Diminishing Firepower

Federal Reserve Interest Rate Cuts In Prior Downturns



Ahead of the Great Recession, interest rates hovered around 5%, leaving ample room to reduce rates

Source: Bloomberg Economics

*Assumes minimum target range for the federal funds rate of 0-0.25%. Years denote start of easing cycles

Economic Snapshot

Ten-Year Growth

Reno MSA

| Indicator | Current Period | | Prior Period | | Growth | | |
|--|----------------|------------------|--------------|------------------|-----------------|-----------|---|
| | | | | | | | |
| Population | 2018 | 469,764 | 2008 | 418,892 | 50,872 | 12.1% | ▲ |
| Employment ¹ | Nov '19 | 256,525 | Nov '09 | 196,142 | 60,383 | 30.8% | ▲ |
| Unemployment Rate | Nov '19 | 2.7% | Nov '09 | 11.5% | -8.8 pts. | -8.8 pts. | ▼ |
| Average Weekly Hours Worked (Private) | Nov '19 | 35.7 | Nov '09 | 36.2 | -0.5 | -1.4% | ▼ |
| Average Weekly Wages (Private) | Nov '19 | \$950.69 | Nov '09 | \$668.25 | \$282.44 | 42.3% | ▲ |
| Existing Home Closings ^{1,2} | Nov '19 | 7,751 | Nov '09 | 6,150 | 1,601 | 26.0% | ▲ |
| Existing Home Median Closing Price ^{1,2} | Nov '19 | \$358,233 | Nov '09 | \$182,450 | \$175,783 | 96.3% | ▲ |
| New Home Closings ^{1,2} | Nov '19 | 1,832 | Nov '09 | 569 | 1,263 | 222.0% | ▲ |
| New Home Median Closing Price ^{1,2} | Nov '19 | \$453,989 | Nov '09 | \$244,116 | \$209,873 | 86.0% | ▲ |
| House Price Index | Q3 '19 | 268.8 | Q3 '09 | 148.7 | 120.1 | 80.8% | ▲ |
| Cost of Living Index | Q2 '19 | 114.4 | Q2 '09 | 108.6 | 5.8 | 5.4% | ▲ |
| Initial Unemployment Insurance Claims ^{1,3} | Nov '19 | 9,933 | Nov '09 | 28,601 | -18,668 | -65.3% | ▼ |
| Private Businesses ² | Q2 '19 | 15,088 | Q2 '09 | 14,332 | 756 | 5.3% | ▲ |
| Gross Domestic Product | 2018 | \$28,155,797,000 | 2008 | \$20,154,000,000 | \$8,001,797,000 | 39.7% | ▲ |
| Reno-Tahoe International Airport Passengers ¹ | Nov '19 | 4,410,059 | Nov '09 | 3,773,885 | 636,174 | 16.9% | ▲ |
| Visitor Volume ¹ | Nov '19 | 4,831,689 | Nov '09 | 4,336,144 | 495,545 | 11.4% | ▲ |
| Gross Casino Gaming Revenue ^{1,2} | Nov '19 | \$858,723,377 | Nov '09 | \$811,651,657 | \$47,071,720 | 5.8% | ▲ |
| Taxable Retail Sales ^{1,2} | Oct '19 | \$9,024,933,319 | Oct '09 | \$5,359,960,781 | \$3,664,972,538 | 68.4% | ▲ |

[1] Figures expressed as trailing 12-month values; [2] Indicator is the value for Washoe County, NV; [3] Indicator is the value for Nevada

Economic Snapshot

Year-Over-Year Growth

Reno MSA

| Indicator | Current Period | | Prior Period | | Growth | | |
|--|----------------|------------------|--------------|------------------|-----------------|-----------|---|
| | | | | | | | |
| Population | 2018 | 469,764 | 2017 | 461,336 | 8,428 | 1.8% | ▲ |
| Employment ¹ | Nov '19 | 256,525 | Nov '18 | 242,725 | 13,800 | 5.7% | ▲ |
| Unemployment Rate | Nov '19 | 2.7% | Nov '18 | 4.5% | -0.5 pts | -0.5 pts. | ▼ |
| Average Weekly Hours Worked (Private) | Nov '19 | 35.7 | Nov '18 | 36.2 | -0.6 | -1.4% | ▼ |
| Average Weekly Wages (Private) | Nov '19 | \$950.69 | Nov '18 | \$925.63 | \$25.06 | 2.7% | ▲ |
| Existing Home Closings ^{1,2} | Nov '19 | 7,751 | Nov '18 | 7,869 | -118 | -1.5% | ▼ |
| Existing Home Median Closing Price ^{1,2} | Nov '19 | \$358,233 | Nov '18 | \$347,973 | \$31,042 | 7.3% | ▲ |
| New Home Closings ^{1,2} | Nov '19 | 1,832 | Nov '18 | 1,809 | 23 | 1.3% | ▲ |
| New Home Median Closing Price ^{1,2} | Nov '19 | \$453,989 | Nov '18 | \$422,947 | \$10,260 | 2.9% | ▲ |
| House Price Index | Q3 '19 | 268.8 | Q3 '18 | 256.1 | 12.7 | 5.0% | ▲ |
| Cost of Living Index | Q2 '19 | 114.4 | Q2 '18 | 109.1 | 5.3 | 4.6% | ▲ |
| Initial Unemployment Insurance Claims ^{1,3} | Nov '19 | 9,933 | Nov '18 | 10,429 | -496 | -4.8% | ▼ |
| Private Businesses ² | Q2 '19 | 15,088 | Q2 '18 | 14,567 | 521 | 3.6% | ▲ |
| Gross Domestic Product | 2018 | \$28,155,797,000 | 2017 | \$26,631,400,000 | \$1,524,397,000 | 5.7% | ▲ |
| Reno-Tahoe International Airport Passengers ¹ | Nov '19 | 4,410,059 | Nov '18 | 4,195,801 | 214,258 | 5.1% | ▲ |
| Visitor Volume ¹ | Nov '19 | 4,831,689 | Nov '18 | 5,018,953 | -187,264 | -3.7% | ▼ |
| Gross Casino Gaming Revenue ^{1,2} | Nov '19 | \$858,723,377 | Nov '18 | \$866,790,179 | -\$8,066,802 | -0.9% | ▼ |
| Taxable Retail Sales ^{1,2} | Oct '19 | \$9,024,933,319 | Oct '18 | \$8,634,981,525 | \$389,951,794 | 4.5% | ▲ |

[1] Figures expressed as trailing 12-month values; [2] Indicator is the value for Washoe County, NV; [3] Indicator is the value for Nevada

Spectrum of Stability



Spectrum of Stability

We Are Here

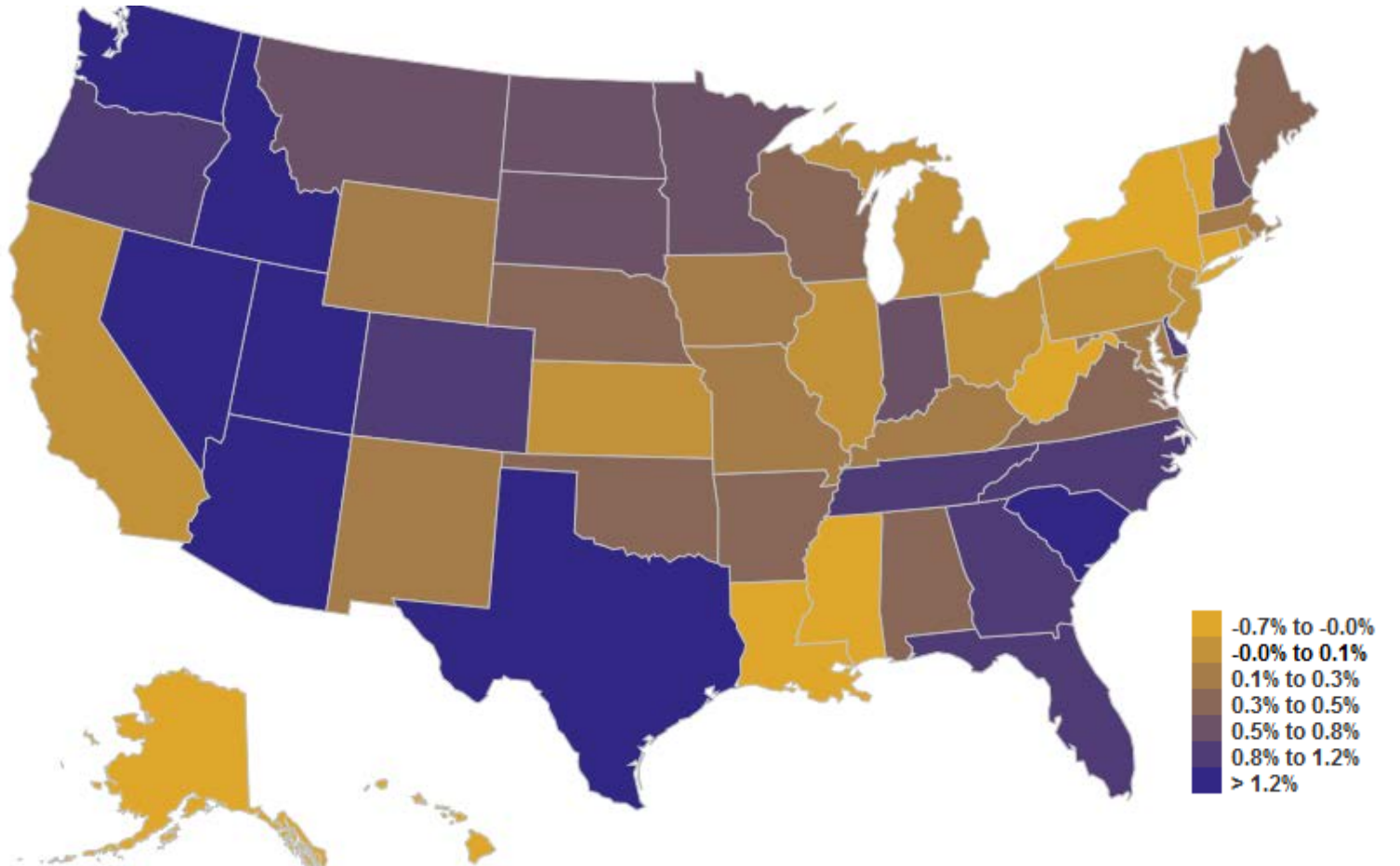


Our Biggest Risk is Not Recession; It is Complacency



Population Growth by State 2017 vs. 2018

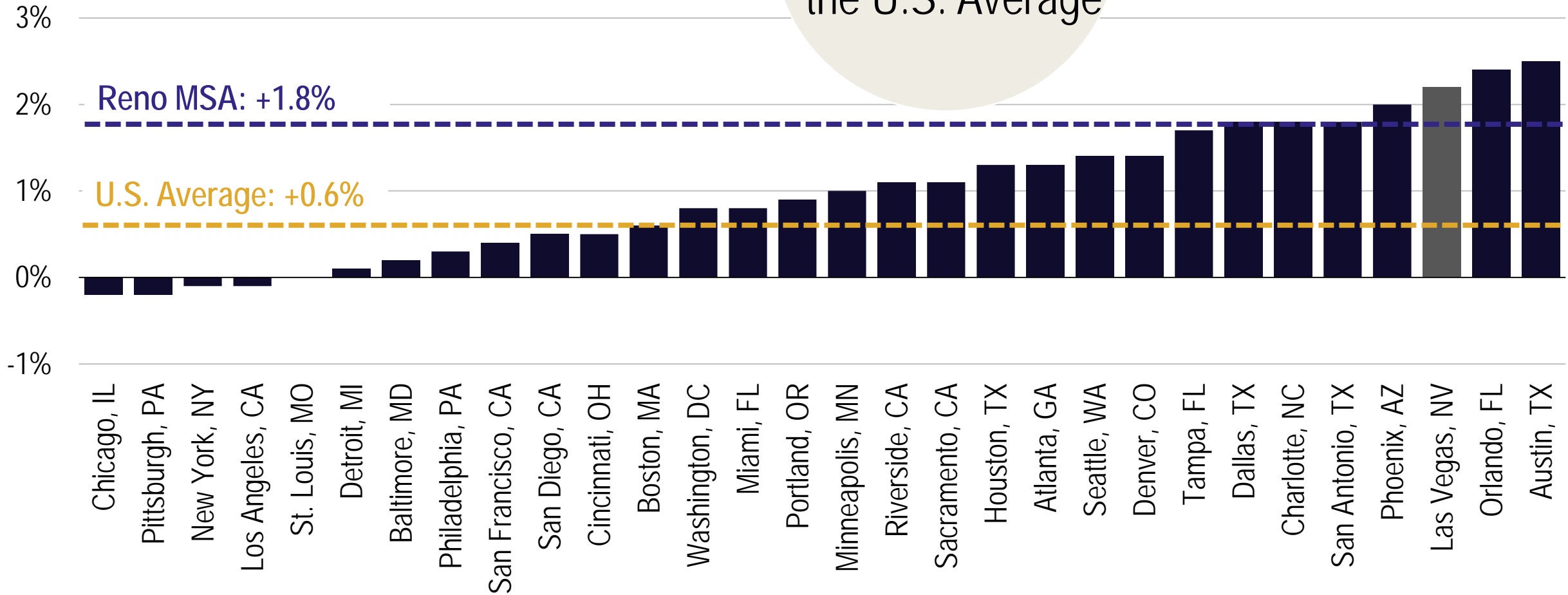
| Rank | State | Annual Growth |
|------|---------------------|---------------|
| 1 | Nevada | +2.09% |
| 2 | Idaho | +2.05% |
| 3 | Utah | +1.87% |
| 4 | Arizona | +1.74% |
| 5 | Florida | +1.54% |
| 6 | Washington | +1.48% |
| 7 | Colorado | +1.42% |
| 8 | Texas | +1.34% |
| 9 | South Carolina | +1.25% |
| 10 | North Carolina | +1.10% |
| | U.S. Average | +0.62% |



Source: U.S. Census Bureau

Population Growth Largest 30 MSAs and Reno MSA

Reno MSA Grew
3x Faster Than
the U.S. Average



Source: U.S. Census Bureau (2017 vs. 2018)

U-Haul Moving Prices

Truck for 3 to 4 Bedroom Home



**SAN JOSE TO
Reno**

\$1,232

U-Haul Moving Prices

Truck for 3 to 4 Bedroom Home

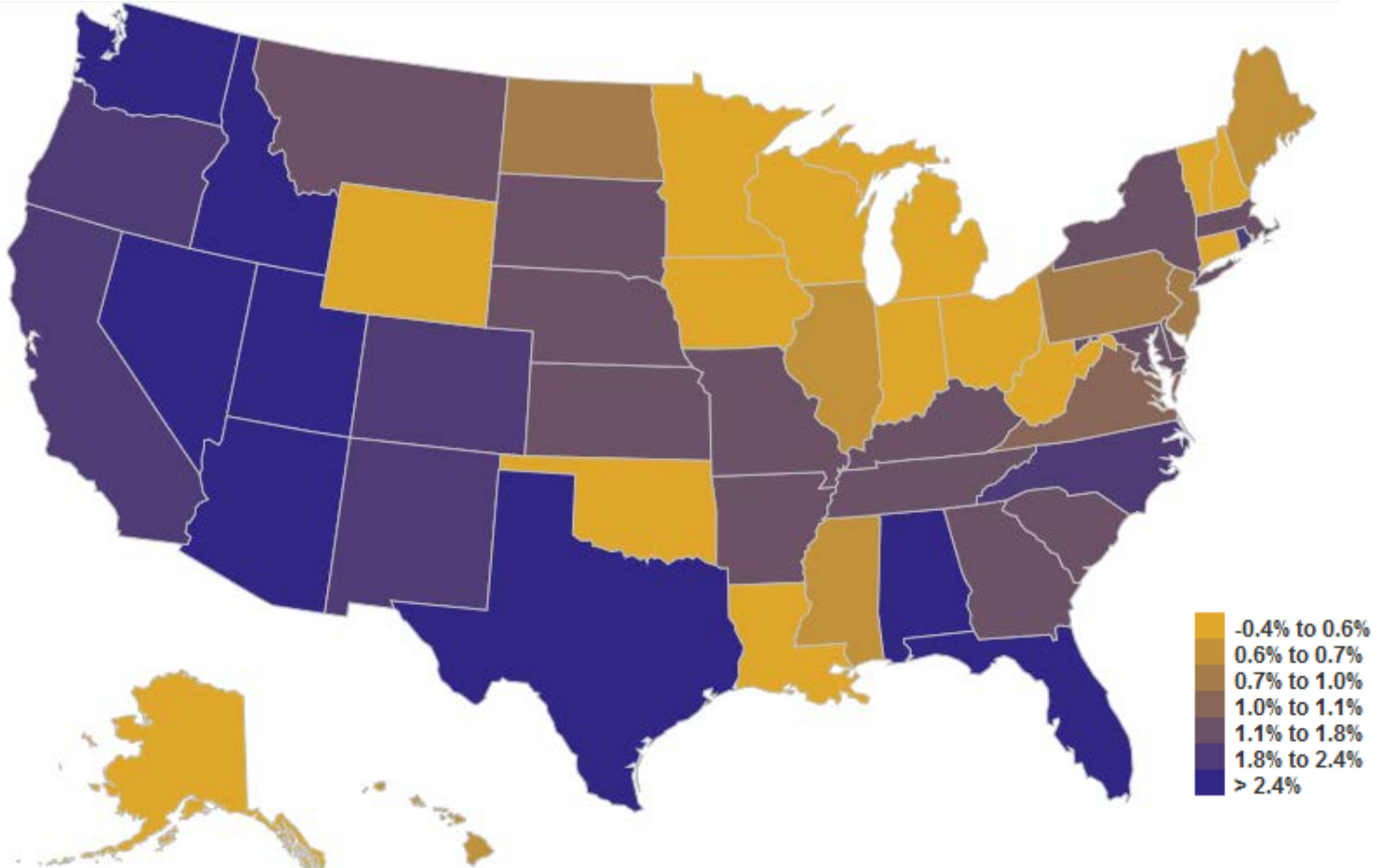


**RENO TO
San Jose**
\$182

Employment Growth by State

November 2018 vs. November 2019

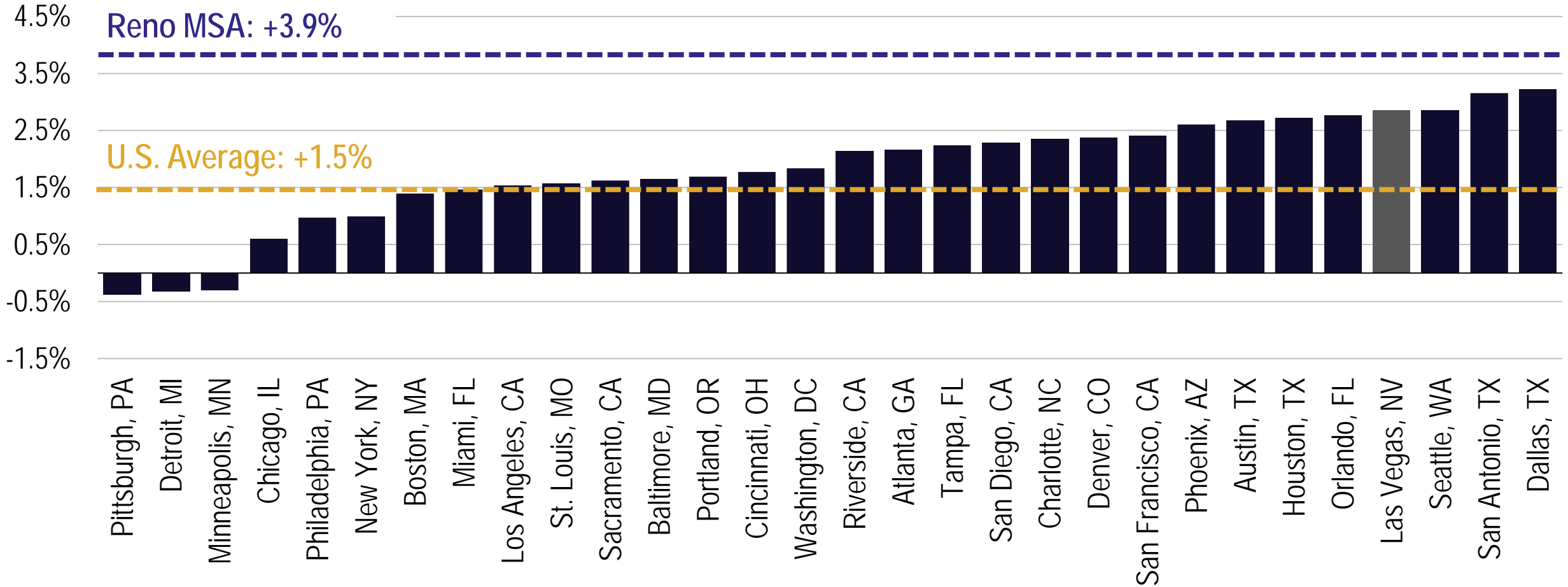
Why does Nevada Rank Among the Nation's Highest in Terms of Job Formation?



Source: U.S. Bureau of Labor Statistics

Employment Growth

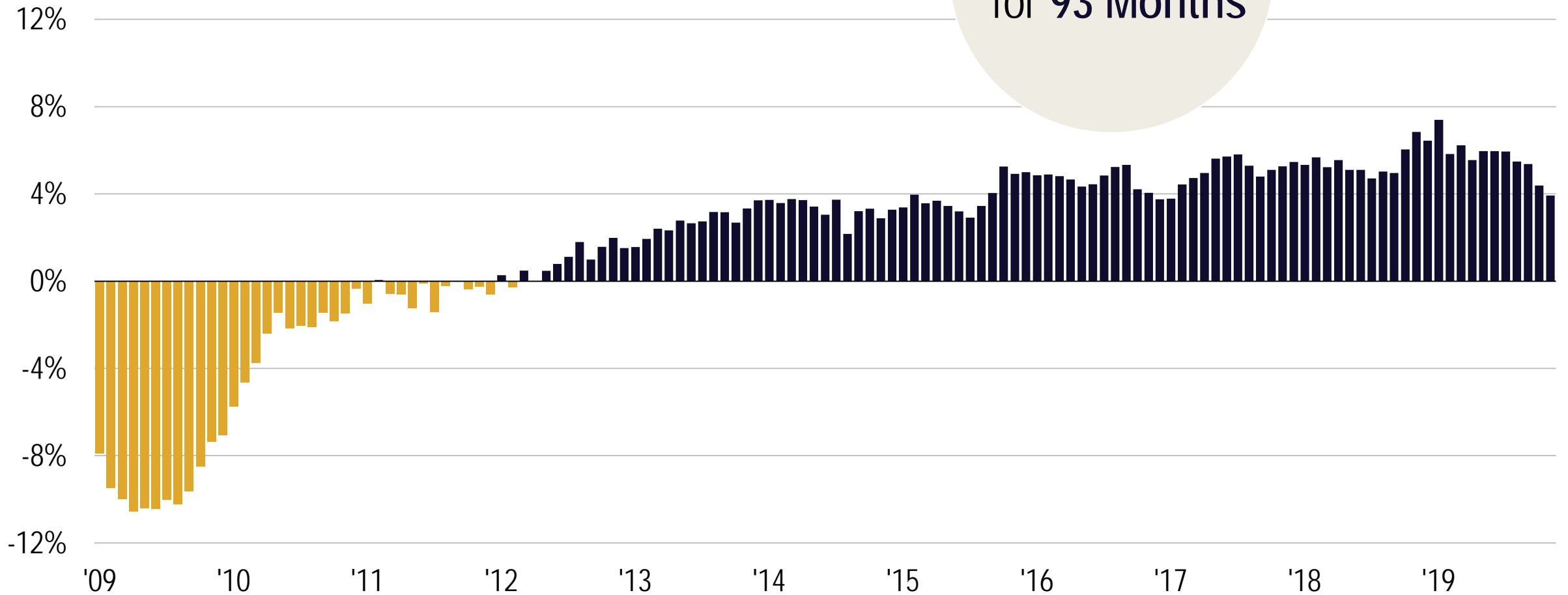
Largest 30 MSAs and Reno MSA



Source: U.S. Bureau of Labor Statistics

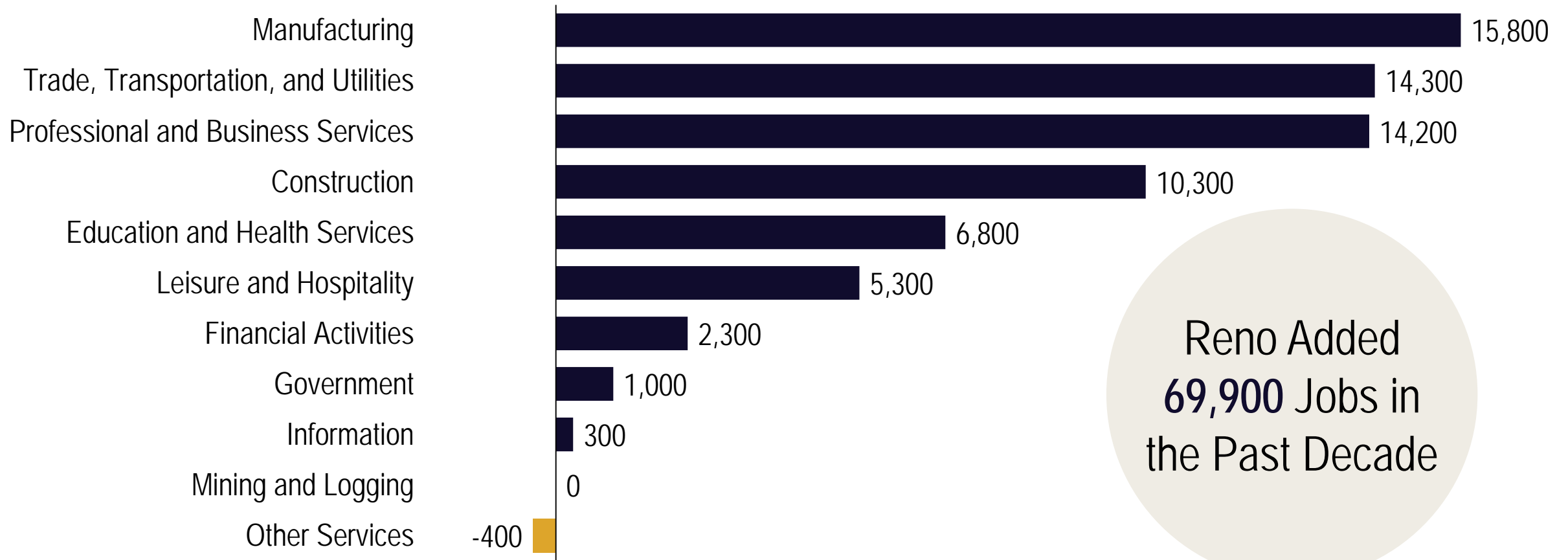
Employment Growth Reno MSA | Year-Over-Year

Positive Growth
for **93 Months**



Source: U.S. Bureau of Labor Statistics

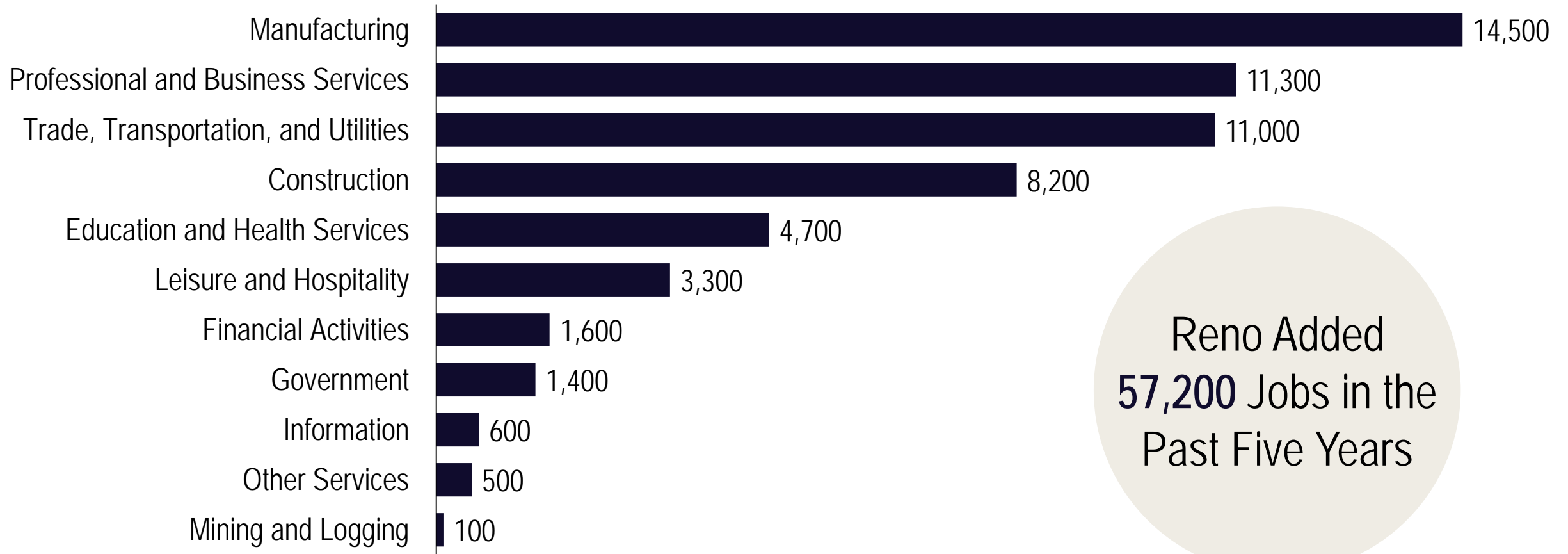
Employment Growth Reno MSA | Last 10 Years



Reno Added
69,900 Jobs in
the Past Decade

Source: U.S. Bureau of Labor Statistics (November 2009 vs. November 2019)

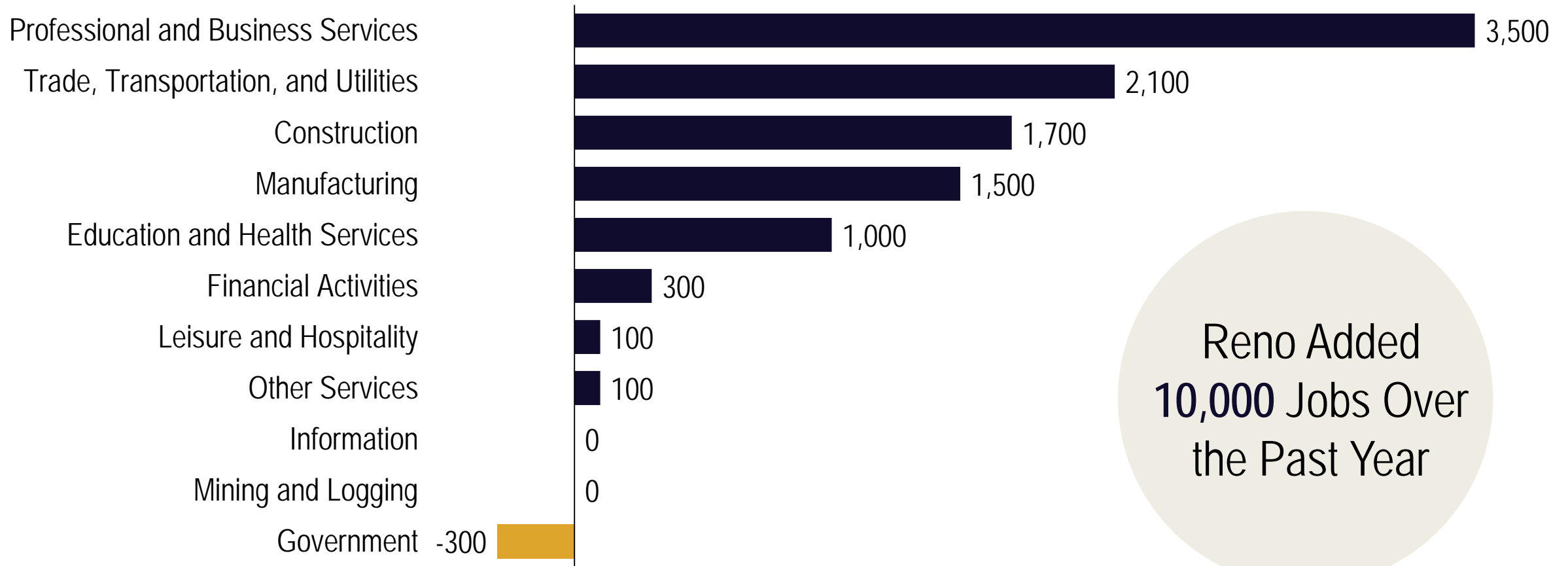
Employment Growth Reno MSA | Last 5 Years



Reno Added
57,200 Jobs in the
Past Five Years

Source: U.S. Bureau of Labor Statistics (November 2014 vs. November 2019)

Employment Growth Reno MSA | Last 12 Months

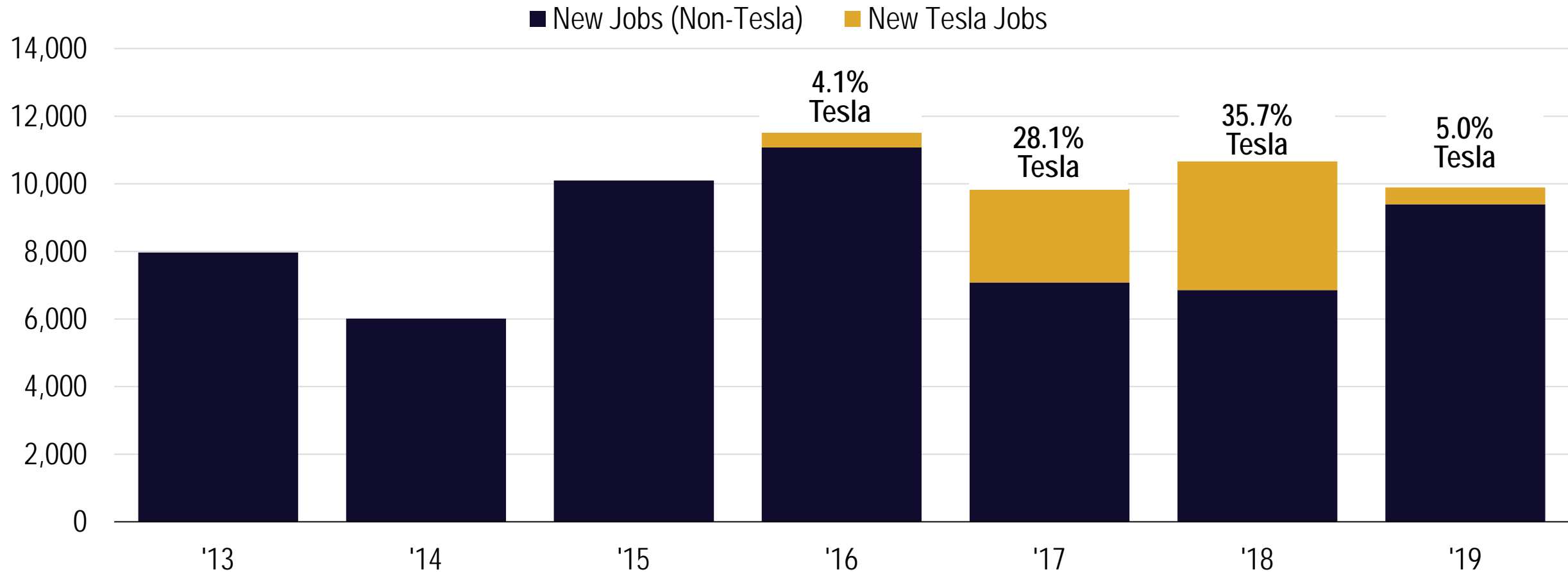


Reno Added
10,000 Jobs Over
the Past Year

Source: U.S. Bureau of Labor Statistics (November 2018 vs. November 2019)

Job Growth: More Than Just Tesla

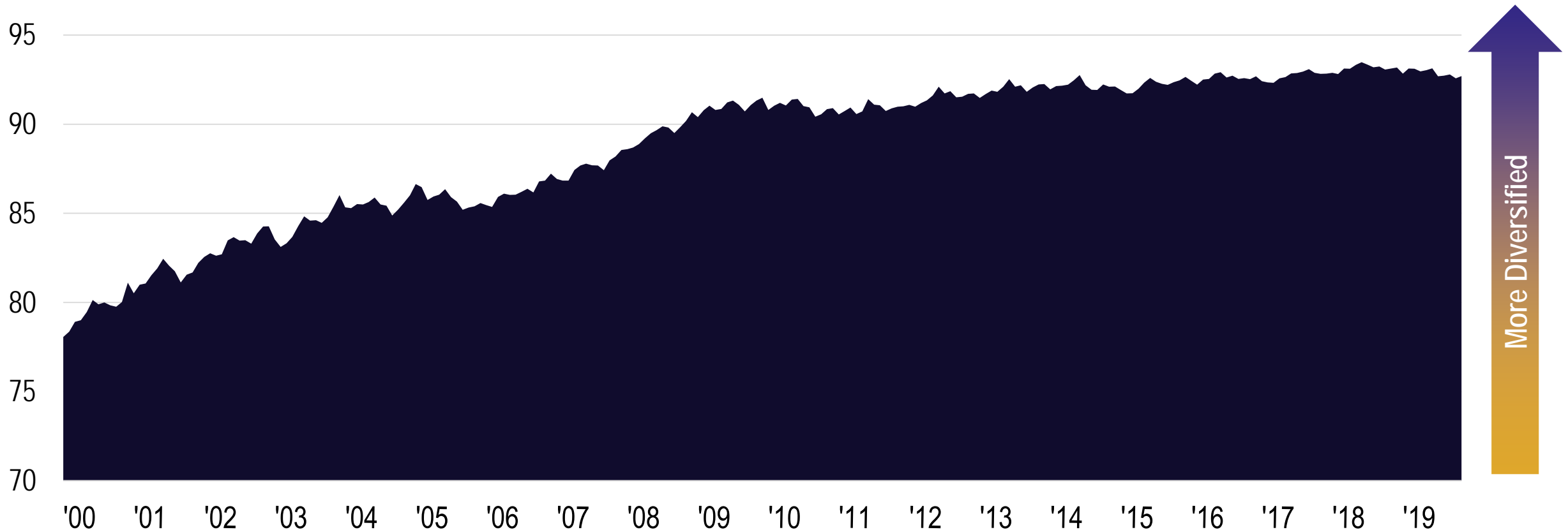
Total Employment Increase



Source: EPIC Report, Governor's Office of Economic Development

Diversifying the Employment Base

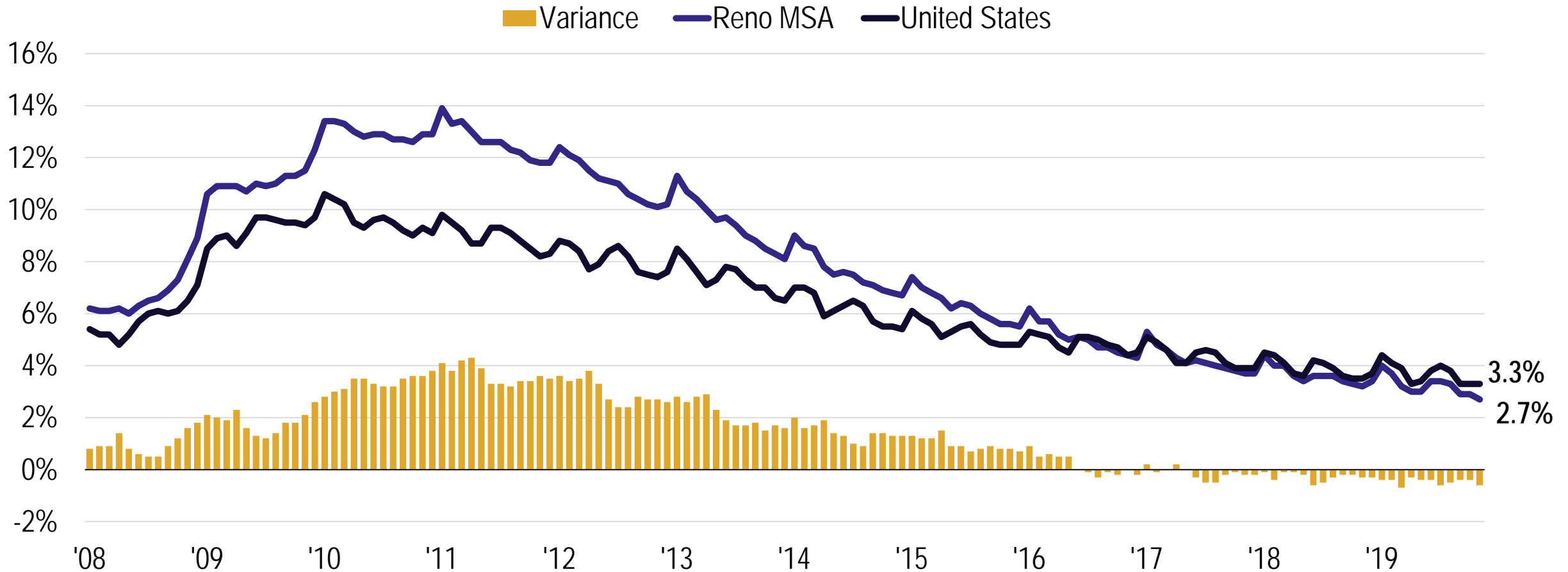
Reno MSA Hachman Index



Source: U.S. Bureau of Labor Statistics and Applied Analysis

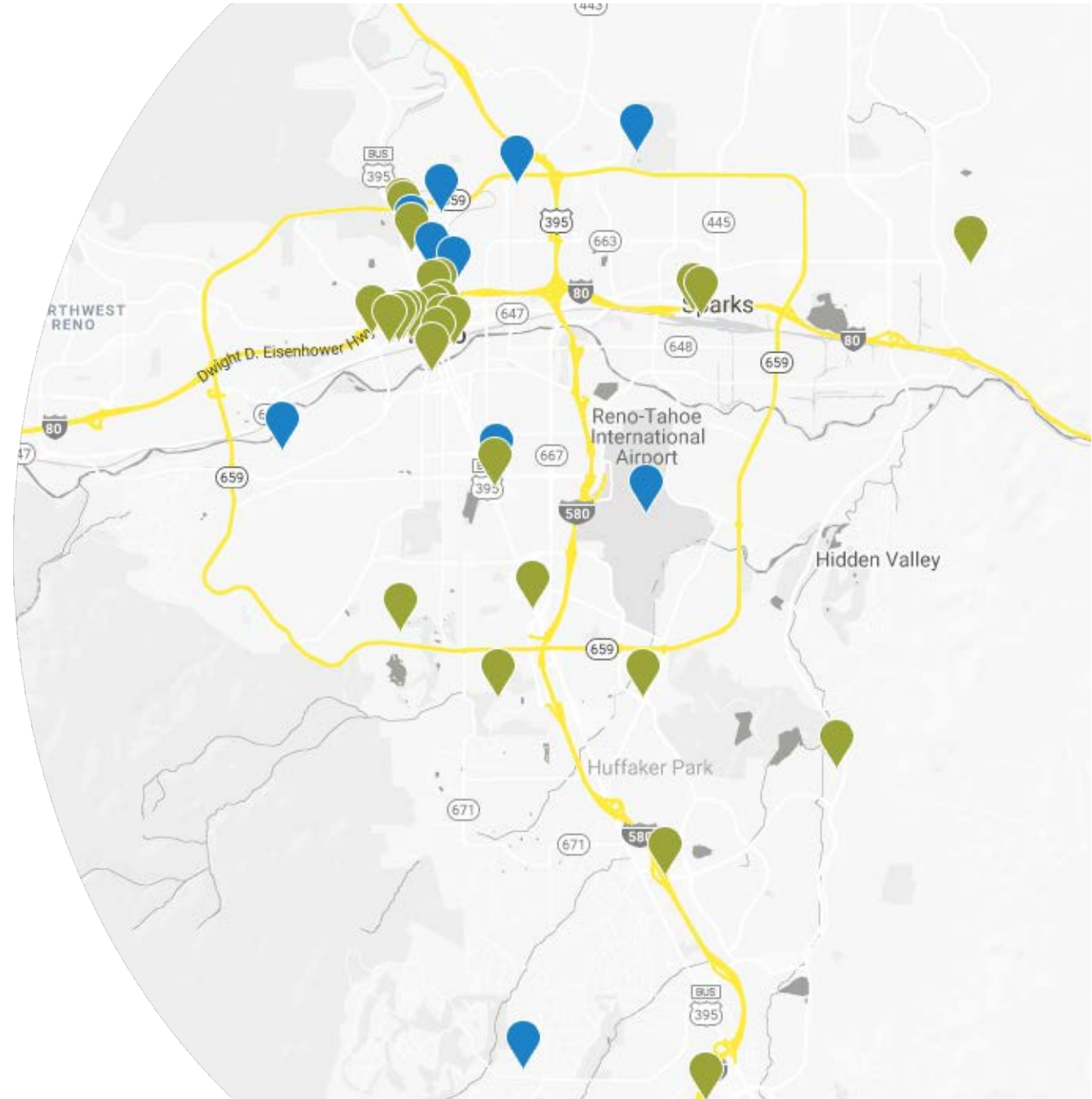
Unemployment Rate Comparison

United States vs. Reno MSA



Source: U.S. Bureau of Labor Statistics

RENO'S DEVELOPMENT PIPELINE \$15.5B



Source: RenoDevMap.com



Tesla Gigafactory



Switch Citadel





Google Campus



Park Lane





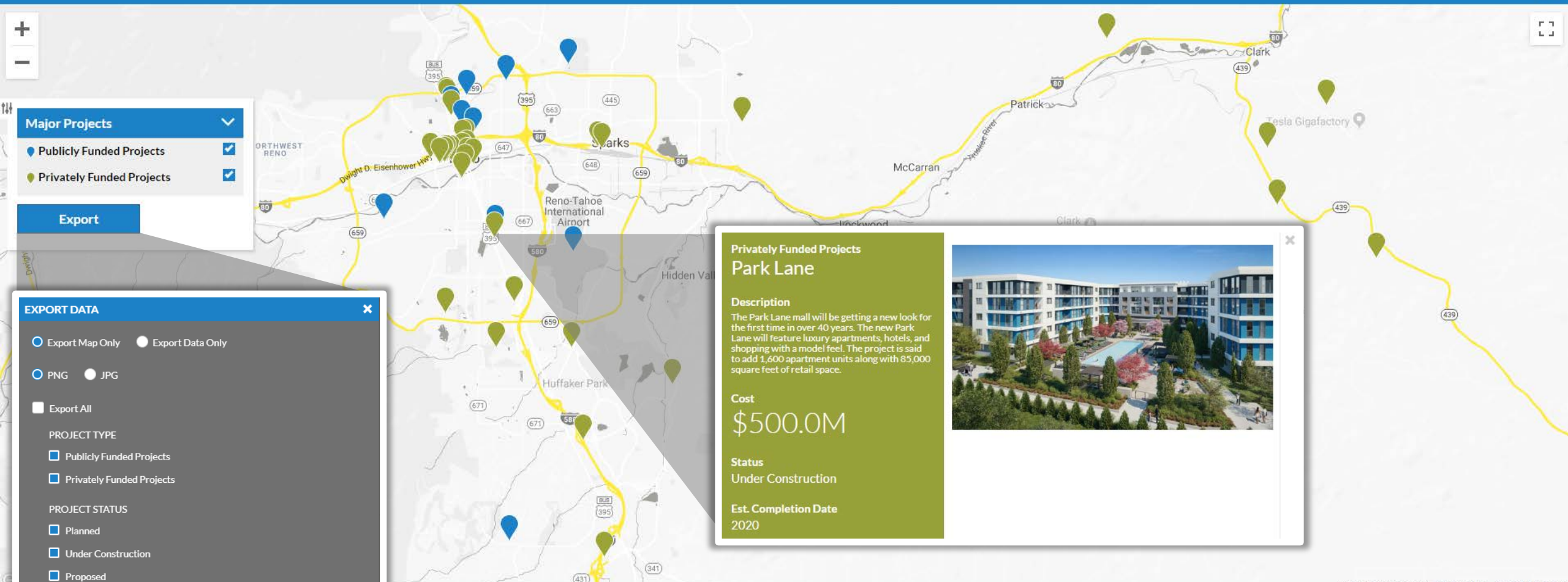
Northern Nevada Sierra Medical Center

Reno City Center



For Further Information, Visit RenoDevMap.com

NORTHERN NEVADA COMMUNITY DEVELOPMENT MAP



Privately Funded Projects

Park Lane

Description
The Park Lane mall will be getting a new look for the first time in over 40 years. The new Park Lane will feature luxury apartments, hotels, and shopping with a model feel. The project is said to add 1,600 apartment units along with 85,000 square feet of retail space.

Cost
\$500.0M

Status
Under Construction

Est. Completion Date
2020

EXPORT DATA

Export Map Only Export Data Only

PNG JPG

Export All

PROJECT TYPE

Publicly Funded Projects

Privately Funded Projects

PROJECT STATUS

Planned

Under Construction

Proposed

[Export Data](#)

\$15.5B Currently Invested in Major Projects Within Northern Nevada*
**Not all projects have disclosed costs*

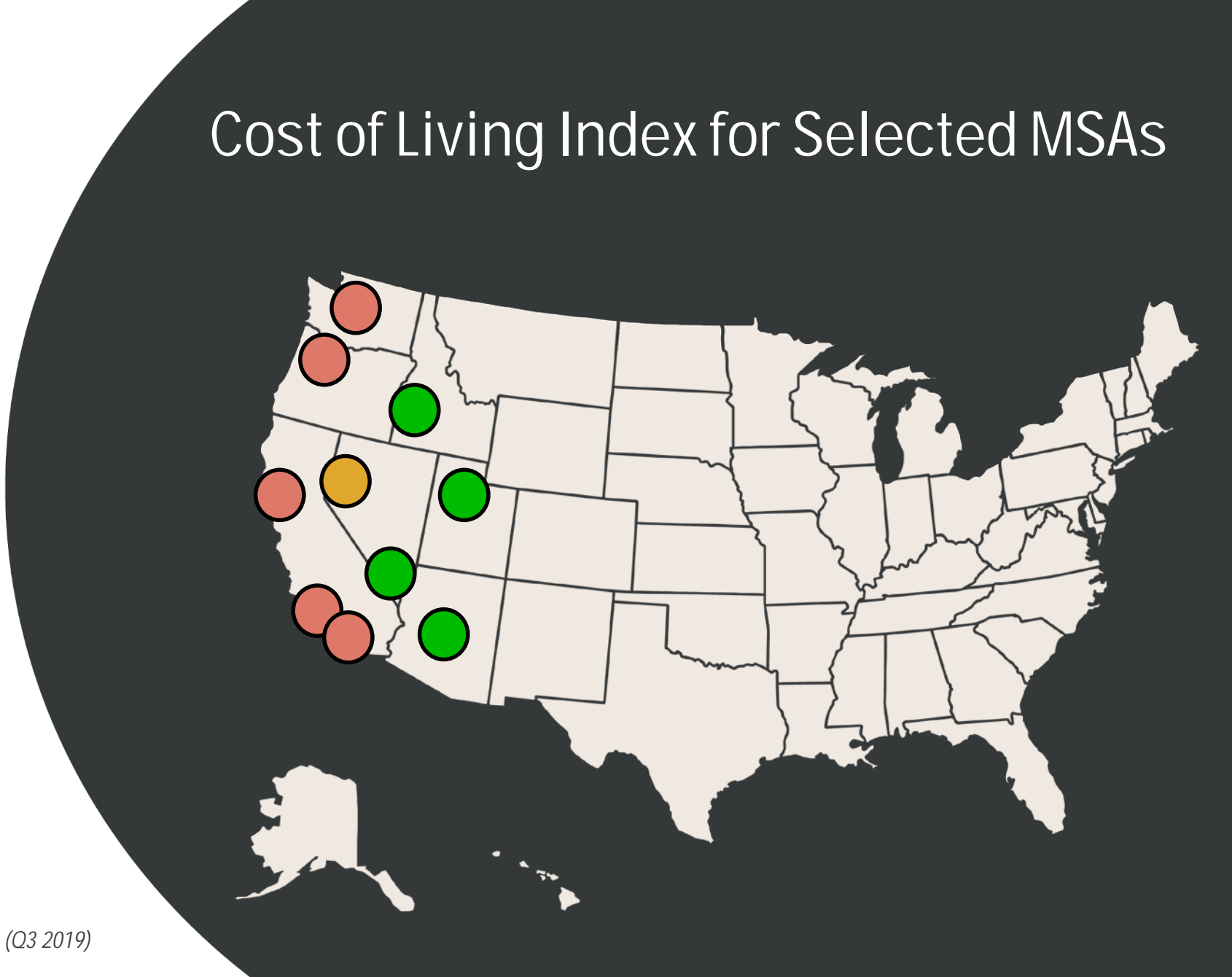
Challenges on the Horizon



Housing Market Affordability

| Selected MSAs | COLI |
|--------------------|--------------|
| San Francisco, CA | 200.1 |
| Seattle, WA | 159.4 |
| Los Angeles, CA | 148.0 |
| San Diego, CA | 143.3 |
| Portland, OR | 137.0 |
| Reno, NV* | 114.4 |
| Las Vegas, NV | 102.8 |
| Salt Lake City, UT | 101.5 |
| Boise, ID | 100.5 |
| Phoenix, AZ | 99.4 |

Cost of Living Index for Selected MSAs



Source: C2ER: The Council for Community and Economic Research (Q3 2019)

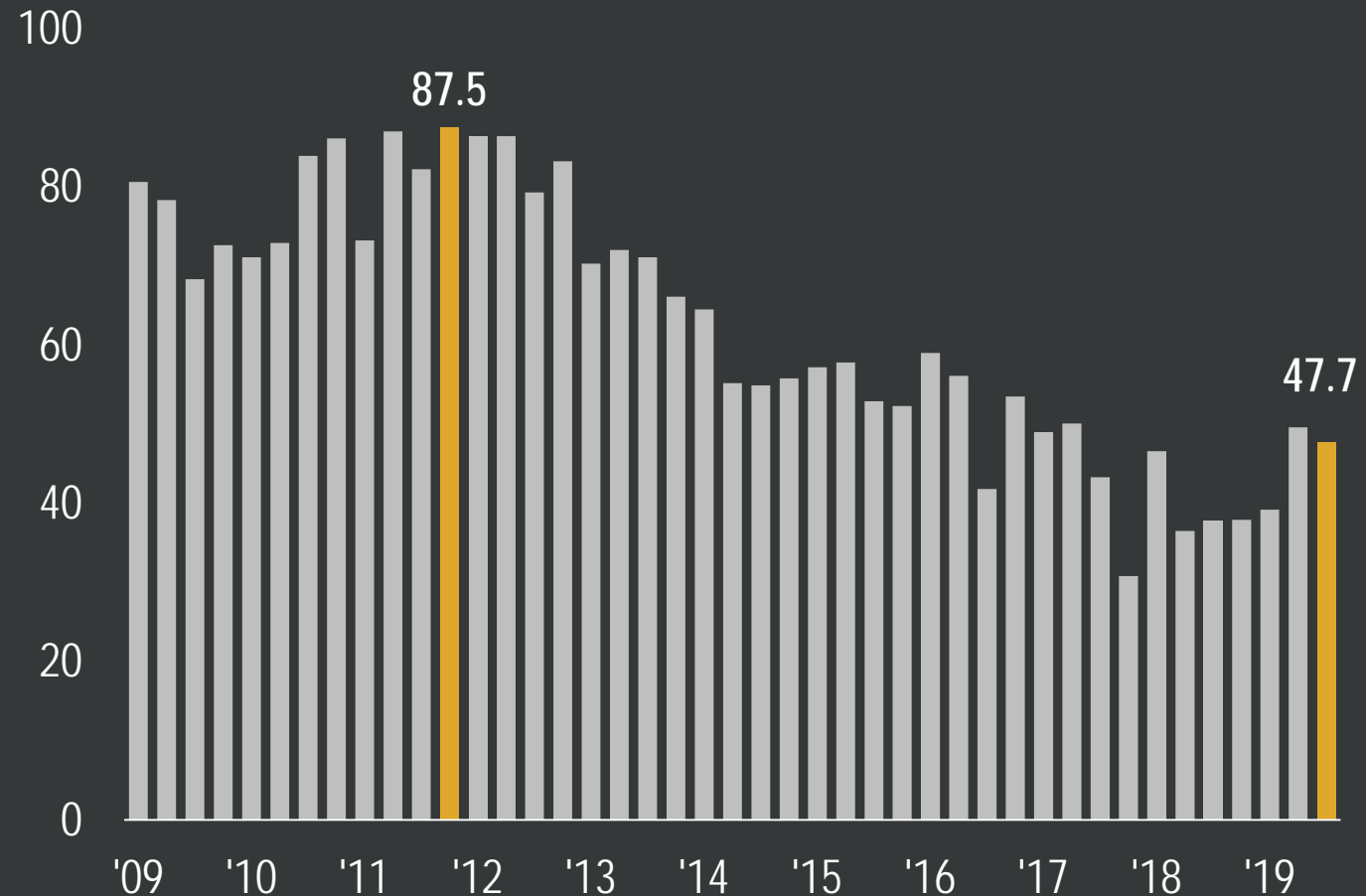
*Latest Available

Housing Market Affordability

Wages Have Not Kept Pace with the Growing Cost of Living

Source: National Association of Homebuilders

Housing Opportunity Index Reno MSA



// The "1,000 Homes in 120 Days" initiative aims to spur housing development by deferring development costs such as sewer connection and traffic impact fees for projects approved under the program. //

1,600 units proposed so far for city of Reno's '1,000 Homes in 120 Days' initiative

Jason Hidalgo, Reno Gazette Journal Published 12:20 p.m. PT Dec. 9, 2019

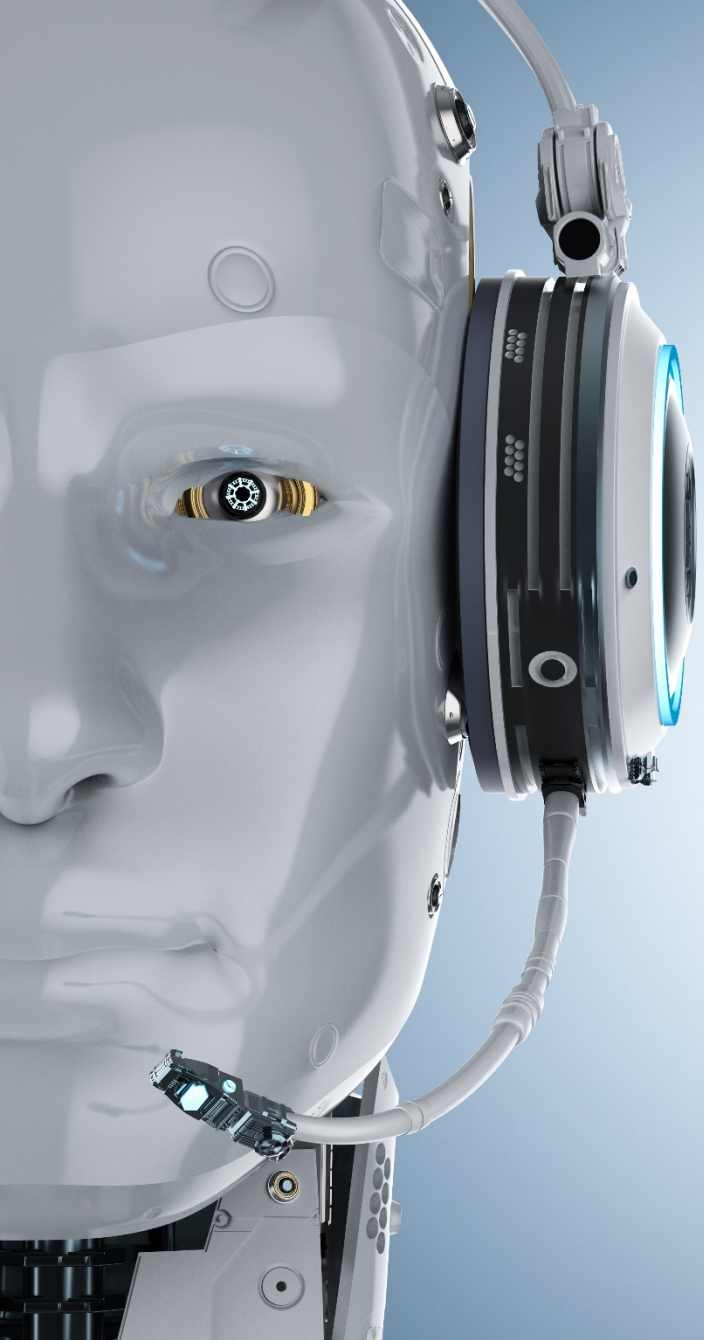


[f](#) [T](#) [in](#) [C](#) [E](#) [M](#)
CONNECT TWEET LINKEDIN COMMENT EMAIL MORE

With its January deadline looming, applications for Reno's "1,000 Homes in 120 Days" initiative have exceeded the initial goal, according to the city.

The city of Reno has received more than a dozen applications for housing developments under the program so far. The number of housing units proposed by the applicants total more than 1,600. The program's goal is to add 1,000 townhouse, apartment or condominium units within designated opportunity zones.

"We know housing is the leading challenge in our city," Mayor Hillary Schieve said in a statement. "Our staff created this bold plan that helps speed up new housing, but also makes sure the city gets every dime it's owed."



50%
**Northern Nevada
Jobs at Risk of
Automation**

Workforce

The Fourth Industrial
Revolution is Making
Companies Look at
Retraining the
Incumbent Workforce

Public Safety

A Homicide Costs a
Community Between
\$10 to \$20 Million

Source: Thomas Abt





The Economic-Fiscal Divide

Nevada is Not a Low-Tax State; It is a **Low Personal Tax Burden State**

Poverty

83.8%

Nevada Has the Highest
Rate of Unsheltered
Unaccompanied Homeless
Youth in the Nation

13.3%

Washoe County's Share
of Population that Lives
in Poverty

Source: U.S. Census Bureau; U.S. Department of Housing and Urban Development

I-80 VISTA BLVD
EAST



©flowplayer



Transportation Infrastructure

Traffic Increases
Along the I-80 are
Slowing Down
Mobility



Transportation Infrastructure

More Electric Vehicles
on the Road are
Resulting in **Funding
Challenges** for a
Highway System that is
**Dependent on
Gasoline Taxes**

Healthcare

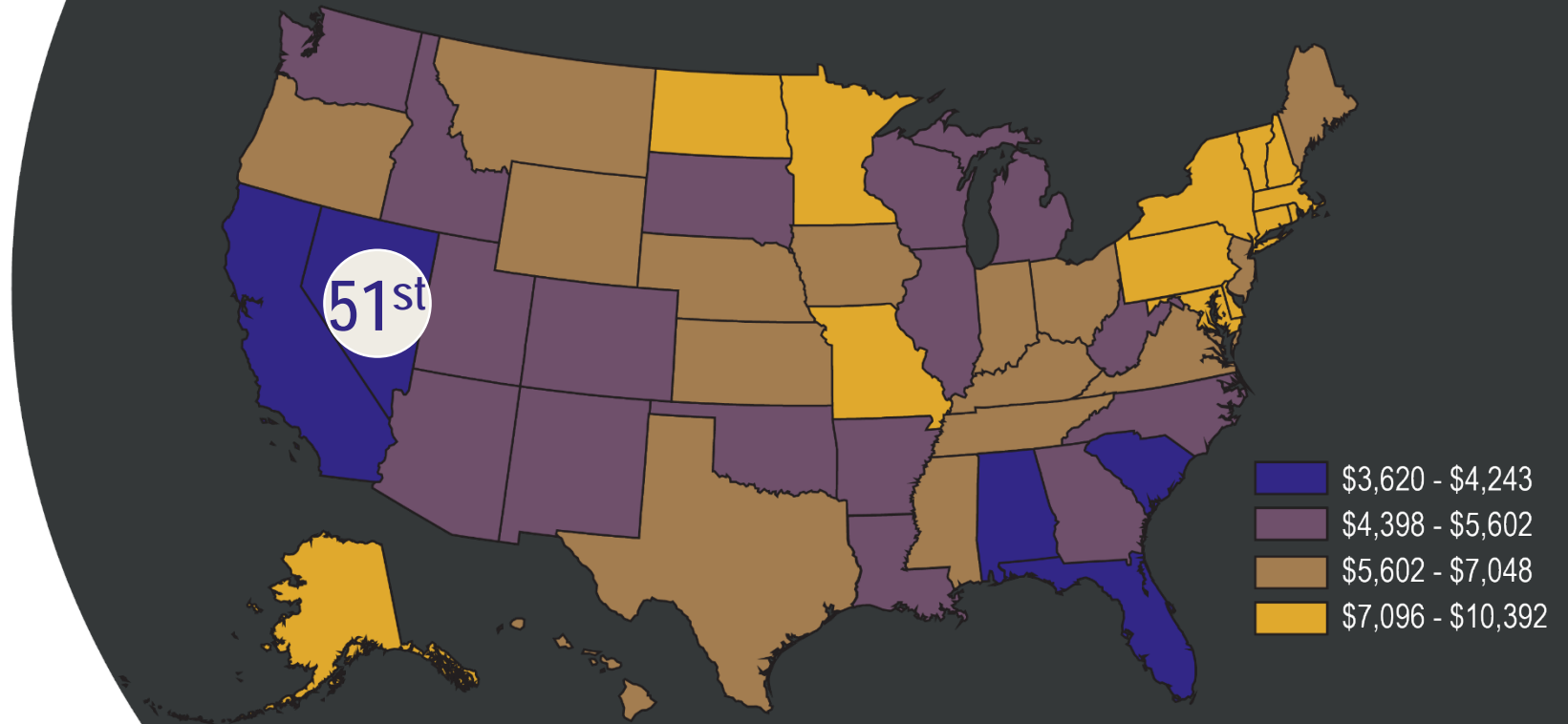
1,952

Active Physicians Needed to Meet National Standard

2,328

Active MDs Needed to Meet National Standard

Medicaid Spending Per Enrollee State Rankings



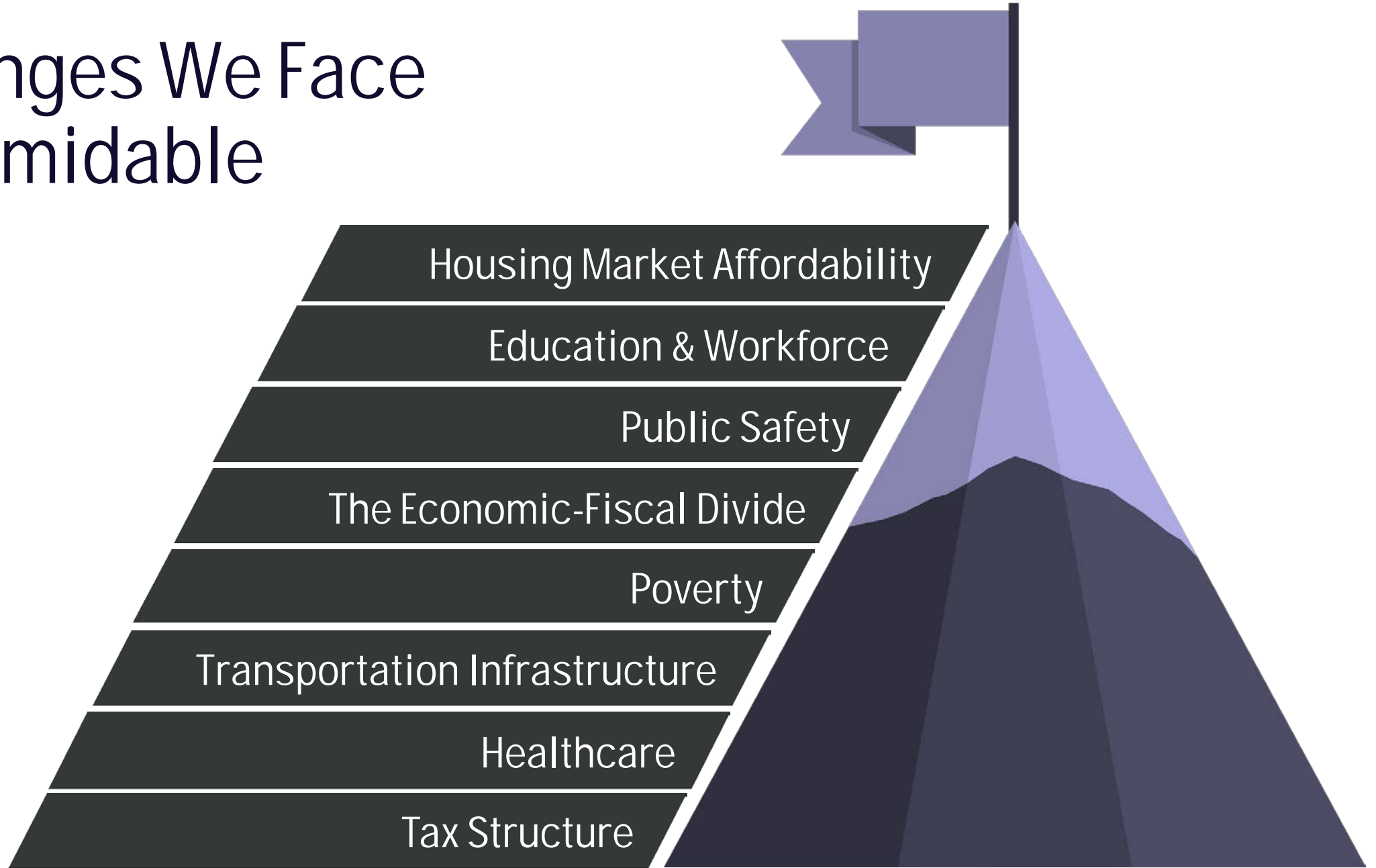
Source: Kaiser Family Foundation; Association of American Medical Colleges

Tax Structure

Due to **Property Tax Caps** and **Dated Assessment Formulas**, the Property Tax Structure is Not Keeping Pace with the Need for New Infrastructure Spending



Challenges We Face are Formidable



The Great Expansion

January 23, 2020



**Reno
Sparks
Tahoe**

**ECONOMIC DEVELOPMENT AUTHORITY
OF WESTERN NEVADA**

2020 & BEYOND

THE FUTURE WE ARE BUILDING