

## **Executive Summary- Reno**

*Entrepreneurial Communities LLC. assessed the Reno ecosystem during the winter of 2022-23.*

*Reno economic and community data were aggregated and benchmarked against the entrepreneur ecosystems in five major U.S. cities, including Salt Lake City, Boise, Kansas City (MO), and Colorado Springs. Stakeholder interviews and roundtables were hosted in November and December 2022. A nine-person national roundtable of entrepreneurship researchers and practitioners was convened in February 2023 to provide insight and recommendations for this report.*

The Reno/Tahoe region has emerged as one of the most vibrant places in the West, attracting founders, talent, and remote workers in unprecedented numbers to Nevada's Biggest Little City. The Reno/Tahoe ecosystem as assessed in 2023 is the strongest ecosystem in the state of Nevada, with key infrastructure, culture and stakeholder engagement built out over the past ten years. The city offers dense startup connections and an innovation-focused entrepreneurial culture. It is a welcoming community of independent thinkers who value natural resources, small city life, and the arts. The region is anchored by multiple entertainment districts quickly evolving for this generation of founders. Much of this good work has been supported by a small number of local champions and organically rising community assets.

The Reno/Tahoe ecosystem can continue its steady growth into the coming decade by doing more of the same community building that brought it here, however the region also has an opportunity to become much more. With a bold future-focused vision that engages many more champions, Reno/Tahoe can lead the nation as Boulder, Portland and Kansas City have done in creating new economy jobs, businesses and economic growth. Reno is positioned to be the city of the future, attracting an entirely new generation of knowledge workers and innovators in equal measure with large corporations, resulting in an exceptional workforce, a center of gravity for independent American startups and a vibrant, wealthy city that will flourish in the new economy.

### **Envision a National Brand**

Entrepreneurs interviewed for this report repeatedly shared that they 'just didn't know what they didn't know' about the Reno experience until they arrived. Once here, entrepreneurs discover a wide array of benefits that support both business growth and community life in this mountain city. This report recommends unifying regional energy around the exemplary lifestyle and peer community of the Reno/Tahoe region. The arts and eclectic retail experience of Midtown, the vibrancy and entertainment of downtown and the year around natural resources of Tahoe and the northern deserts contribute to a community experience unlike any other in the West. Within the ecosystem, resources abound, Reno/Tahoe entrepreneurs give as much as they receive, broadband is improving, and statewide public policy is shifting to support the innovation-led economy. The creation and national marketing of a unified Reno/Tahoe brand will invite like-minded innovators to explore the Reno/Tahoe entrepreneurial life and propel this part of Nevada onto a national stage, rivaling the acclaimed Boulder experience.

### **Ignite Ecosystem Resources**

Reno/Tahoe ecosystem builders have made great strides in bringing the ecosystem to life in Northern Nevada over the past decade. Multiple groups regularly meet up and dense connections exist between dozens of ecosystem support organizations. Now these partners should ignite the network around a regional ecosystem vision where business startup and expansion is celebrated and supported for all residents. This will require purposeful inclusion of more entities to reflect the region's demographic changes. Leaders will need to set a larger table to make room for those who serve minorities, women, LBGTQ and other disadvantaged entrepreneurs. They will need to coach traditional organizations to

reimagine how they contribute to this ecosystem. Young leaders are emerging, people like Ania Calvillo-Mason, Jessica Phillips, Brent Freeman, Rachel Macintyre and Jake Carrico. These champions will be pivotal to the evolution of the ecosystem around youth and women entrepreneurship, incoming Silicon Valley tech startups and small business development. Among the many benefits resulting from expanded collaboration, an informed cross-organization and community supported funding strategy can be developed around an endowment fund to sustain the next phase of ecosystem growth.

This larger network can be tasked to address multiple current ecosystem needs as well, including gaps in flexible housing, especially near Midtown and downtown Reno and work together to fill gaps in the Reno/Tahoe capital stream supporting pre-seed and angel investments.

### **Fill the Pipeline**

Reno has developed benchmark metrics which can guide the growth of the Reno/Tahoe ecosystem in the coming decade. The entrepreneur community has grown by 4.5% on average since 2016 in spite of record-breaking business closures during the pandemic. Reno entrepreneurs are contributing 3% of employment and compensating employees at 65.8% of the average wages paid at all firms across the country. They create 5.6 more jobs than they shed in their first year of operations. These are strong metrics that compete well against most similarly sized cities, but Reno has the capacity to lead these metrics going forward.

Pushing energy toward the top of the stack in support of technology transfer and corporate partnerships will increase the numbers of growth companies and jobs in the region and raise average wages over time. This can be accomplished through streamlining the technology transfer processes at UNR and DRI and empowering EDAWN and Tahoe Regional Prosperity to support licensing opportunities among regional corporations. Improving connections between the startup community and corporations will foster greater co-investments, sponsored research and SBIR/STTR co-applications, reaping benefits across the economy. Empowering the nearly 15,000 regional Reno microbusinesses to utilize technology innovation will result in more breakout growth companies, local wealth and new businesses, moving Reno toward a place where side gigs, small business and scaling companies alike are all welcomed, ubiquitous and expected.

2023 will likely be remembered as the year ChatGTP was introduced to the world, marking another disruptive milestone in our movement toward fully engaging in the innovation economy. From here, change will come fast and furious to cities and communities throughout Nevada and the world. With state support and bold local action, Reno/Tahoe is poised to get ahead of these trends and build the economic future of the region by creating a center of gravity supporting American startups working at the edge of these innovations.

## Reno/Tahoe Action Plan

### Envision A National Brand

The Reno/Tahoe region will unify energy around its exemplary assets to create a national brand to attract like-minded innovators from across the country and within the state to experience the Reno/Tahoe entrepreneur life and many benefits of this ecosystem.

**Potential Owners: EDAWN, Tahoe Prosperity, Midtown District, Downtown Reno, the City of Reno, Tourism Nevada, GOED**

1. Convene economic development and place-based organizations
  - a. Develop a shared vision to unify the unique culture, place amenities and resources of Reno.
    - i. Develop an outward facing national brand
    - ii. Co-market across entities nationally and regionally

**Key Performance Indicators:** Greater numbers of entrepreneurs are attracted and connected to the Reno/Tahoe region as evidenced by Dealroom.com and ESO's tracking systems. The region's employment in key new economy sectors and the numbers of businesses throughout the stack grow competitively as compared to similar MSAs.

### Ignite Ecosystem Resources

A larger network of ESOs, engaging more organizational resources, energy and perspectives will create dense connections and build strong metrics around the economic value of entrepreneurship.

**Potential Owners: All ESOs**

1. Develop a unified message to advocate for state priorities, including increasing the Knowledge Fund, reimagining the administrative rules and the creation of a Governor's Office of Entrepreneurship
2. Set a bigger table, engaging a greater share of the region's EDOs
  - a. Recast ESO meetups into open door roundtables
  - b. Hold up and empower emerging leaders
  - c. Craft a shared set of principles/values to guide the work of all
  - d. Collaborate on a shared calendar
3. Improve entrepreneur feedback loops to the ESO community
  - a. Institute feedback loops at all events and activities
  - b. Create an entrepreneur advisory board at every ESO
  - c. Get ESOs out of offices/complexes/campus and into the communities
    - i. Office at coworking spaces part-time, including Tahoe/Reno/Sparks
    - ii. Develop an accessible one-stop hub for multiple ESOs to office
4. Collaborate on a stand-alone annual entrepreneurship report to the community

**Key Performance Indicators:** Entrepreneurs from throughout the state and across culture, ethnicities and stage of business are better served by ESOs, resulting in accelerated access to resources, more overall businesses and a community-wide supportive culture around innovation.

**Potential Owners: EDAWN, Tahoe Prosperity, Midtown District, Downtown Reno, the City of Reno**

### Develop Entrepreneur-Centric Housing Options

The development of novel short-term and entrepreneur specific housing alternatives will ease a housing shortage that has precluded the attraction of founders and the talent they hire into Reno.

1. Survey entrepreneurs, creatives, small business to confirm their housing needs
2. Investigate the opportunity for ADUs, co-living, e-villages
  - a. Call for the city to prioritize novel housing development in and near Midtown/Downtown
  - b. Collaborate with City Center for needed resources (coworks, short-term living)

**Key Performance Indicators:** New housing aligned with the unique needs of entrepreneurs is developed in the region, specifically near the Midtown and downtown hubs.

**Potential Owners: EDAWN, Tahoe Prosperity**

### Instill Innovation Across Industry

Engaging corporate businesses and their talent in the ecosystem will seed collaboration between startups and corporations in key industries. Brokering corporate access to emerging IP at UNR, UNLV and DRI will result in local licensures and the creation of new venture companies.

1. Engage and involve corporate partners in the Reno/Tahoe ecosystem
  - a. Encourage the appointment of internal innovation officers at corporations
  - b. Cohost or support 'ideate' pitch contests to improve corporate operations, products
  - c. Create industry specific accelerators in alignment w/local industry sectors
  - d. Organize casual coworking Jellys at corporate facilities
2. Foster technology transfer and commercialization
  - a. Build capacity of EDAWN team to market and broker licensing of IP
    - i. Certify EDAWN team in technology transfer
    - ii. Conduct outreach to VP's of Innovation and Research at UNR, UNLV and DRI
  - b. Develop a tech-led strategy

- i. Add IP commercialization questions to surveys/site visits
- ii. Build a portfolio of companies poised for tech-led growth
- iii. Develop a marketing plan to connect emerging IP with regional corporations/startups

**Potential Owners: EDAWN, Community Foundation of Northern Nevada, all ESOs**

**Key Performance Indicators:** Corporations throughout Northern Nevada will foster innovation in their internal operations, engage with the Reno/Tahoe ecosystem in meaningful ways, and have access and support to commercialize IP emerging from UNR, UNLV and DRI.

### **Institutionalize Ecosystem Funding**

Reno will develop sustainable funding for ecosystem support in the form of a regional endowment to build capacity to embrace the next wave of economic growth.

1. Raise an endowment to support the Reno ecosystem
  - a. Identify dollars needed to support startup continuity in conjunction with regional ESOs
  - b. Identify fund administrative partners
  - c. Build, Share Campaign

**Potential Owners: EDAWN, Tahoe Prosperity, NSBDC, Wandering Wylde, Audacity Institute, Latino Research Center**

**Key Performance Indicators:** The Reno Fund will be launched in early 2024 with a goal of a \$2M-\$3M endowment.

### **Fill the Pipeline**

Introducing highly customized programs to level up the experience of all founders will result in more businesses throughout the stack, and globally inclusive approaches to innovation across industry. Ensuring that the capital needs of entrepreneurs are met and evolve with the ecosystem will be an ongoing priority.

1. Fill the Reno region pipeline
  - a. Seed the launch of new programs and resources serving women, minorities and international entrepreneurs.
  - b. Incent entrepreneurs to develop ‘high signal’ and other novel events and resources to better serve specific segments of the stack.

**Key Performance Indicators:** New programs and capital in place during 2024

1. Expand the angel capital offerings
  - a. Launch a Fund II for the Reno Seed Fund
  - b. Explore alternative fund development

**Key Performance Indicators:** The Reno Seed Fund will launch a second fund and/or a new angel fund will be launched in northern Nevada. Introducing highly customized programs to level up the experience of all founders will result in more businesses throughout the stack, and globally inclusive approaches to innovation across industry. Ensuring that the capital needs of entrepreneurs are met and evolve with the ecosystem will be an ongoing priority.