Moving Nevada Forward:

A Plan for Excellence in Economic Development

2012 - 2014

Nevada Board of Economic Development

Governor Brian Sandoval, Chairman
Lt. Governor Brian Krolicki
Secretary of State Ross Miller
Kathleen Drakulich
Heather Murren
Sam Rouston
Rob Roy
William Weidner
Benjamin Yerushalmi
Dan Klaich, Chancellor, Nevada System of Higher Education
Frank Woodbeck, Director, Nevada Department of Employment, Training, and Rehabilitation

Nevada Governor's Office of Economic Development
Empowering Success

Steve Hill, Executive Director

February 2012

Table of Contents

Vision and Mission 4

Objectives 5

Governor's Message 6

Objectives and Strategic Initiatives 8

A Checklist of Action for 2012 10

Assets 12

Where Nevada Leads 13

Liabilities 14

Making the Case 16

Establish a Cohesive Economic Development Operating System 20

Advance Targeted Sectors and Opportunities in the Regions 32

Expand Global Engagement 40

Catalyze Innovation in Core and Emerging Industries 48

Increase Opportunity through Education 52

Metrics and Accountability 60

A Living Document 62

Governor Brian Sandoval

Vision

A vibrant, innovative, and sustainable economy

Mission

High-quality jobs for Nevadans

Objectives

Establish a cohesive economic development operating system

Advance targeted sectors and opportunities in the regions

Expand global engagement

Catalyze innovation in core and emerging industries

Increase opportunity through education and workforce development

Governor's Message

Consider for a moment first-grade students across Nevada. They have their whole lives ahead of them; it's easy to imagine their bright young faces flushed with excitement about what they might be when they grow up. But as a practical matter, we cannot know what manner of careers will be available to them. The global economy now changes so dramatically, and so rapidly, that entire career paths will come and go by the time today's first graders graduate from high school.

This economic development plan is dedicated to those students.

For nearly 150 years, Nevada has seen more than its share of economic booms and busts. From mineral extraction to tourism and gaming entertainment to residential and commercial construction, our economic model has historically relied heavily on consumption-based industries. As a result, the recent Great Recession hit us harder than any other state. Our path out of the current economic reality will be long, and by necessity we, as one Nevada family, must walk that path together. It will not be easy – and the new Office of Economic Development cannot do this alone. All stakeholders, planning strategically and leveraging their resources, must work together to produce the thinkers, the dreamers, and the doers that Nevada needs.

This State Plan for Economic Development proposes a plan of action for the next three years, but as a living, dynamic document, it can and will be adjusted as circumstances demand. We will assiduously track and regularly report our progress, making periodic updates available as needed. We are pledged to refine and refocus our efforts as changing situations demand and as we move into the future.

We will always have certain strengths in Nevada, but we are also home to emerging opportunities previously unimagined. Health services, national defense research, aerospace industries, clean energy – these are the new frontiers that will beckon future generations of Nevadans. The new economy fosters entrepreneurs and rewards innovation. It requires that we be nimble and flexible. It recognizes that there are hundreds, if not thousands, of businesses in this State that are ready to expand. There are also dozens of good ideas in Nevadans' minds, ready to emerge as start-up enterprises. Attraction and relocation of out-of-state companies are still important – and we will vigorously pursue those opportunities – but Nevada has its own resources, ready for deployment. After all, the economic touchstones of our history – mining, gaming, entertainment – all were launched from businesses that started here. The Nevada family is no stranger to innovation.

Through a strong educational system that arms students with skill sets that will translate to jobs we haven't yet imagined, through careful review and modernization of our legal and regulatory systems, through global engagement, we must ensure that Nevadans can continue to answer the call of opportunity whenever it is heard. Whether a child's critical thinking skills are honed through a challenging curriculum, or a graduate student's intellect is tapped for cutting-edge research on futuristic patents, or a displaced worker obtains a new skill set, the needs of the future economy can and will be met by the groundwork we are laying through this plan.

We must maintain a sense of urgency. Nevada's unemployment rate is unacceptably high, yet there are many job openings in our State for which the current workforce is not prepared. Our entire education system and workforce development agencies must join forces with economic development agencies; we must address the need for employment, while at the same time creating the future careers for first-graders in every corner of Nevada. State government, across all agencies, must work hand-in-glove with local governments, regional development organizations, and the private sector to bring our economy into alignment with the current reality and the emerging global environment. We must have new job opportunities, and we must have a skilled workforce. We must, therefore, work on multiple tracks.

I have said that economic development is a journey, not a destination. On the horizon we can see the desired aim: a vibrant, innovative statewide economy based on the pillars of opportunity, innovation, hard work, and collaboration. The strategies and metrics proposed in this plan will move us ever closer toward our goals and will require the engagement of both the public and private sectors in innovative partnerships. By the end of 2014, the 150th anniversary of Nevada's admittance to the Union, our State will be traveling on the new path conceived in this document. With that in mind, this plan is not the end of the conversation about Nevada's new opportunity economy. Rather, it is the beginning.

Brian Sandoval
Governor of the State of Nevada

Objectives and Strategic Initiatives

1. Establish a Cohesive Economic Development Operating System.

Unify the Economic Development Effort.

-Implement the State Plan and communicate Nevada's economic advantage.

-Advocate on behalf of business and jobs.

Launch Regional Development Authorities.

-Prepare regional economic development plans.

Develop Data and Metrics That Matter.

-Establish a state clearinghouse of economic development information.

2. Advance Targeted Sectors and Opportunities in the Regions.

Develop Strong Working Knowledge about Targeted Opportunities.

-Work with industry to prepare sector acceleration plans.

Grow Sectors through Recruitment, Retention, and Expansion.

-Provide access to assistance with financing and incentives.

Support Sector Enhancement in the Regions.

-Convene targeted industry summits and continue to improve the business environment.

3. Expand Global Engagement.

Facilitate Export Growth.

-Assist Nevada businesses to engage in exporting goods and services.

Increase Foreign Direct Investment in Targeted Sectors.

-Promote investment opportunities to international visitors and through trade representatives.

Enhance Global Network.

-Boost Nevada's international representation and relationships.

-Support international business councils.

4. Catalyze Innovation in Core and Emerging Industries.

Develop Statewide Innovation and Commercialization Structure.

-Execute plan for technology-based economic development.

Increase Industry Collaboration with Universities and DRI.

-Connect R&D capacities with business needs.

Build Complete Entrepreneur Support Structure.

-Launch Spark Plug, a web-based resource center.

5. Increase Opportunity Through Education and Workforce Development.

Align Education, Career Training, and Workforce Development to Targeted Opportunities.

-Coordinate strategic planning efforts between education and economic development.

Reorganize the Workforce Investment System to Align with Targeted Sectors.

-Strengthen Sector Councils, partner with community colleges.

Improve Educational Achievement.

-Focus policies for high-quality instruction and student achievement.

A Checklist of Action for 2012

Advance effective regional economic development

- ❑ Designate Regional Development Authorities and allocate operating funds
- ❑ Complete regional economic development plans
- ❑ Hire and effectively embed Industry Specialists

Capitalize on near-term opportunities

- ❑ Manufacturing, especially gaming equipment, renewable components, advanced composite materials, food processing, and aerospace
- ❑ Customer service and back office operations
- ❑ Health care services
- ❑ E-commerce fulfillment operations and headquarters
- ❑ Warehousing, distribution, and air cargo
- ❑ National defense research

Build a business case for expansion

- ❑ Inventory current Nevada firms in targeted industries and determine their capacities
- ❑ Within targeted industries, inventory companies not currently located in Nevada
- ❑ Develop an inventory of unused or under-used facilities and assets

Focus marketing on targeted sectors

- ❑ Brand and communicate Nevada's economic advantage
- ❑ Formally establish Team Nevada
- ❑ Attend industry-specific trade shows and generate leads
- ❑ Reach out to site selectors who specialize in these industries

Grow new and existing businesses

- ❑ Conduct Governor's Expansion Assistance Tour
- ❑ Expand export opportunities
- ❑ Implement Catalyst Fund
- ❑ Create SBIR/STTR Resource Center
- ❑ Make loans available through State Small Business Credit Initiative

Advance knowledge-based industries through partnerships with higher education

- ❑ Gaming and hospitality in partnership with the Harrah's Hotel College at UNLV
- ❑ Mining in partnership with the Mackay School of Mines at UNR
- ❑ Health care in partnership with the Nevada School of Medicine and Health Sciences System in NSHE
- ❑ Geothermal energy in partnership with DRI
- ❑ Water in arid climates in partnership with DRI, UNLV, So. Nevada Water Authority
- ❑ Cyber security in partnership with UNLV
- ❑ Innovation and technology commercialization in partnership with NSHE
- ❑ An improved and highly-skilled workforce in partnership with our Community Colleges

Improve business environment

- ❑ Convene sector stakeholders to meet with Governor Sandoval
- ❑ Identify and remove obstacles to business growth and expansion
- ❑ Establish regulatory and business environment working group

Nevada's Assets

➥Nevada Is Connected

More than 40 million people from around the world visit Nevada each year
McCarran Airport is the nation's 7th busiest airport
Reno-Tahoe International Airport is an uncongested alternative to LAX and SFO
Adjacent to California, the world's 7th largest economy
Within a day's drive of 51 million potential customers
Over 1200 miles of rail line
More than 150 freight carriers

➥Nevada is Global

Leads nation in export growth
Proven destination for foreign direct investment
Center of global gaming policy and technology

➥Nevada is Technology

Location of the U.S. inter-cloud exchange
#1 disaster avoidance and recovery zone in the U.S.
Home to CORE, the world's leader in telecommunications pricing
Home to the SuperNAPs, the world's largest and most powerful data center ecosystem
Digital crossroads of the Western U.S.

➥Nevada is Culturally Diverse

Big city, small town, rural
World-class entertainment
World-class skiing, golf, and off-road racing
Centers for performing and visual arts
Incomparable locations for film, television, and other media with over 400 projects a year

➥Nevada is Resources

North America's largest producer of gold
Lithium, boron, vanadium mines
National leader in use of geothermal energy
National leader in use of solar energy

➥Nevada is National Defense

Home to Nellis Air Force Base and the Air Force Warfare Center
Home to Fallon Naval Air Station, the Navy's premier air warfare training center
Home to Creech Air Force Base, the first base to fly exclusively pilot-less aircraft
Home to Nevada National Security Site, formerly the Nevada Test Site

Where Nevada Leads

In 2011, Nevada ranked in the U.S.

#1 for economic development programs in terms of job creation, retention, and training (*Good Jobs First*)

#1 for production of nonfuel mineral commodities in 2010 (*U.S. Geological Survey*)

#1 for LEED-certified buildings (*U.S. Green Building Council*)

#1 in geothermal developments (*Geothermal Energy Association*)

#1 in export intensity and export growth (*U.S. Chamber of Commerce*)

#1 for new business launches (*Kaufman Index of Entrepreneurial Activity*)

#1 for export adaptability and growth (*Ball State University*)

#2 for tourist destination in the U.S. (*Forbes*)

#2 for creative class women (*Martin Prosperity Institute*)

#2 for small business survival (*U.S. Chamber of Commerce*)

#4 for business tax climate, and moved up to #3 for 2012 (*Tax Foundation*)

#4 part-time MBA program (*Business Week*)

#6 for personal and economic freedom (*George Mason University*)

#6 for growth prospects (*Forbes*)

#7 for business costs (*Forbes*)

#9 in U.S. for fastest internet access (*Akamai*)

#10 in best states for business (*Chief Executive Magazine*)

Liabilities

- An economy oriented toward consumption sectors
- Under-resourced and disjointed economic development strategy and structures
- Existing workforce skills not in alignment with job prospects
- Underperforming educational system
- Under-capacity health care system
- Higher energy costs than most neighboring states
- Innovation under capacity
- Risk capital under capacity
- State image does not reflect breadth of opportunities

"People say Nevada is at the top of all the bad lists, and the bottom of all the good lists. This perception cannot – and will not – be our reality."

Governor Brian Sandoval,
Inaugural Address,
January 3, 2011

Making the Case

During the past year, Nevada has embraced the need to strengthen and broaden the State's economy. There is no longer any doubt that future economic vitality must come through innovation in both our core industries and in emerging opportunities. There is a desire and commitment throughout the State to unify our efforts, focus our energy and resources, and grow a new economy, job-by-job, sector-by-sector, region-by-region.

With broad, bipartisan support, the Governor and the 2011 Legislature passed Assembly Bill 449 to re-structure and re-energize economic development in Nevada. By moving the State's economic development function into the Office of the Governor, placing an emphasis on regional economic development and innovation, and providing additional resources for the effort, this legislation laid the foundation for moving Nevada's economy forward.

To further spur this effort, the public and private sectors partnered to commission SRI International and the Brookings Institution to provide a clear-eyed look at Nevada's strengths and weaknesses and point out the State's best opportunities. Those studies, available for review on the website for the Governor's Office of Economic Development, chart a course to the future economic vibrancy of Nevada.

Building on the work done over the last year, Nevada's Plan for Excellence in Economic Development will bring focus, align resources, and engage economic development partners in regional collaboration that will catalyze cluster development within seven broad industrial sectors. The best way to build Nevada's prosperity is by working within its diverse, regional economies toward recognizable and measureable goals.

What We're Doing

The Plan for Excellence in Economic Development outlines the vision for Nevada's economic future and the path to job creation. It calls out targeted sectors and specific opportunities and provides the strategies and initiatives that will best capitalize on our assets and improve areas in which we must progress.

The Plan aligns the efforts of all of Nevada's economic development partners, bridges state and regional efforts, and assigns specific roles and responsibilities.

This Plan provides the means for accountability by establishing benchmarks. Future decisions about the allocation of state resources will be made based on data and results.

Why We're Doing It

With a three-year timeframe, this State Plan seeks to facilitate job growth and help speed the recovery from the current recession, but it also looks to the future. The ultimate goal is to foster a long-term vibrant and sustainable economy that features high-quality jobs in Nevada.

Economic development is a long term, continual effort to advance Nevada's economy. After this recession is over and Nevada's economy is again vibrant, we should remain as focused on economic development as we are now.

Who's Doing It

The responsibility for nurturing a thriving economy belongs to all of us, but there are certain people and groups who have specific and significant roles and responsibilities. In the public sector, policymakers must ensure an appropriate and balanced level of oversight that will cultivate industry, instill consumer confidence, and set the boundaries for the responsible conduct of business activities. Elected officials in both the executive and legislative branches, known here informally as Ambassadors, have a statutory duty to champion Nevada as a prime location for business.

The private sector will be dynamically involved in this new economic development effort as well. Business leaders will be active members of Regional Development Authorities, identify missing links in their supply chains, mentor entrepreneurs and business start-ups, and contribute to a positive business ecosystem. An engaged private sector is the key to establishing business connections, enabling technology commercialization, developing human capital, and building physical infrastructure.

Nevada's geographic regions are the hubs of the states's economy. Regions matter greatly because they contain critical assets, supply chain elements, workforces, educational institutions, and business networks. Regional Development Authorities will, therefore, be vital to growing our targeted sectors.

In the end, the Governor's Office of Economic Development certainly cannot do this work alone. Partners for the implementation of this State Plan include local and regional organizations for economic development, Chambers of Commerce, private businesses, local governments, education, investors, the federal government, nonprofit entities, and others. We must all work together.

How We're Going To Do It

We're going to do it by knowing what our assets are and how to help the private sector leverage them.

We're going to identify those areas in which we need improvement, developing and executing plans to do so.

We're going to establish a structure that nurtures collaboration and uses resources efficiently.

We're going to focus on target opportunities, building a business case for each and emphasizing Nevada's economic advantage.

We're going to capitalize on our global connectedness.

We're going to enhance innovation in core and emerging industries.

We're going to train and educate our citizens for future Nevada jobs.

We're going to understand and shape the environment that is necessary to attract, retain and expand the businesses that will drive our economy.

We're going to measure progress and hold ourselves accountable, making decisions and deploying resources in the direction indicated by the data.

How We'll Know We're Successful

Nevada will be home to high-quality jobs and thriving businesses of all sizes. Existing industries will grow stronger, and new sectors will feature knowledge-based, innovative opportunities.

We have an ambitious vision and an important mission, but much work is needed before Nevada can claim victory. This State Plan – a call to action for all Nevadans – launches our initiatives for the next three years and outlines a strategy to encourage the creation, expansion, and relocation of businesses, both small and large, in this State. It provides guideposts by which State agencies, partnered with local, regional, and federal organizations and the private sector, can determine if we are on the road to success. The State Plan is a living document with reality-based strategies that can and will be adjusted as circumstances demand.

Developing a vibrant economy will require hard work, but together, with a unified vision, a clear plan, and a commitment to execution, there is no doubt that Nevadans can do it.

Establish A Cohesive Economic Development Operating System

Nevada's first task is to create a strong, coherent organizational structure that is effective in delivering economic development throughout the state. During the first half of 2012, the Governor's Office of Economic Development (GOED) will fully establish its organizational structure and support the formation of the regional development authorities. Simultaneously, the Regional Development Authorities (RDAs) will focus on constructing practical, measurable economic development plans for their regions. By July 2012, the operating system will be in place.

Benchmarks

- State and regional economic development system in place.
- Accountability expressed in annual achievement reports.
- Presentation of cohesive economic development message.
- State and regional clearinghouses of economic development information established.

Strategic Initiatives

Unify the economic development effort
Launch Regional Development Authorities
Develop data and metrics that matter

Unify the Economic Development Effort

The publication of this first State Plan for Excellence in Economic Development marks an important step toward unifying Nevada's vision of a vibrant, innovative economy. Going forward, GOED will provide leadership and strategic direction with improved public accountability, transparency, and effectiveness, collaborating with a broad and unprecedented range of partners at the federal, state, and regional levels. The following tactics will implement this strategic initiative.

Key Tactic #1

During 2012, GOED will **structure an office** designed to execute its objectives. As a new member of the Governor's Cabinet, GOED's Executive Director will be closely involved in the overall administration of state government. The Executive Director will have a peer relationship with the directors of other state agencies and will be able to comment immediately on regulatory efforts that affect Nevada's business ecosystem. To facilitate implementation of the State Plan, Regional Directors will work closely with economic development partners, including local governments, educational institutions, and the private sector in each region throughout the State. The hiring of Industry Specialists will be an important step toward maximizing regional cluster development and is expected to produce measurable outcomes throughout the State. By July 1, 2012, GOED will hire at least five Industry Specialists.

Key Tactic #2

Beginning in 2012 and accelerating into 2013, GOED will focus on **branding and communicating** Nevada's economic advantage. To brand the State effectively and facilitate a cohesive message, GOED will work with the new Department of Tourism and Cultural Affairs to develop a brand that drives revenue through raising awareness of Nevada's distinctive business, recreation, and quality of life offerings. GOED's professional Communications Manager will concentrate on disseminating Nevada's message through traditional and innovative means. In addition, GOED's website will be reconstructed to provide a more user-friendly and useful portal to information about starting and maintaining a business in Nevada, to analyses of the targeted sectors, and to data about economic development progress in the regions and statewide. This interactive website will be launched in 2012.

Key Tactic #3

Two of GOED's most important tasks are the **retention and expansion of existing Nevada businesses**. As the champion of Nevada business, GOED will strive to ensure that the State's regulatory environment does not inappropriately hamper businesses or impede job-creation. **A regulatory and business environment working group** will be established to provide advice about proposed laws and existing regulations. In addition to advocating for streamlined, clear, and appropriate business regulation, GOED will reach out to existing companies with specific tools and offers of assistance. In particular, GOED and its partners will concentrate on supply chain enhancement and connecting Nevada businesses with potential customers both here and abroad.

The **Governor's Expansion Assistance Tour** will be conducted, in conjunction with Chambers of Commerce, development authorities, and other policymakers, throughout each year of the Plan. The tour will feature GOED's market-building programs, such as Global Business Development and Procurement Outreach, and new financial tools, such as the State Small Business Credit Initiative. This group of experts and advocates will travel throughout Nevada to meet personally with businesses over the next three calendar years and help them thrive.

The attraction of new businesses remains an important task to bring new jobs to the State of Nevada. GOED proposes to establish **Team Nevada** as a nonprofit marketing group consisting of public and private partners. This group will help fund business attraction through both national and international trade missions, often led by the Governor or one of the State Ambassadors. The necessary work to establish this formal organization will occur during 2012.

Key Tactic #4

A portion of GOED's biennial budget will be dedicated to awards and incentives designed to align the State's economic development efforts more quickly. The programs will be different each year, depending on the funds available and the outcomes desired. In 2012, the following awards will be offered:

- A fund of $50,000 will reward **innovation in regional economic development**. The GOED Executive Director will utilize these funds to reward compelling responses to GOED's 2012 request for proposals (RFP) for the provision of regional economic development services. Successful strategic initiatives will be the ones that promise to accelerate the growth and expansion of regional clusters and potentially serve as models for other regions. The first Most Compelling Strategies Award(s) will be announced in June 2012.

- Another award seeks to achieve one of the most important goals in Nevada's new economic development paradigm: **regional collaboration**. The Executive Director will manage a fund of $25,000 for one or more awards, also based on the RFP responses. A proposal that actively incorporates collaboration and inclusiveness is expected to have the highest chance to produce results and will be recognized. The first Collaboration Award(s) will be announced in June 2012.

- A fund of $150,000 will be utilized to incent entrepreneurship. Three **concept-to-company contests** will be conducted – one in the Las Vegas area; one in the Reno area; and one in the rural area – and the winning businesses will receive awards to help make their ideas a reality.

Key Tactic #5

Nevada's newest and most visible incentive program is the **Catalyst Fund**, which was proposed by Governor Sandoval and funded through a $10 million legislative appropriation, with the intended purpose of accelerating job creation in Nevada. Early in 2012, the Nevada Commission on Economic Development will promulgate the necessary regulations to allow GOED to allocate funds during the next 18 months.

In the form of allocations, grants, loans, or loan guarantees, Catalyst Funds will be utilized for projects that align with the State Plan and its focus on targeted opportunities and high-value job creation. State law requires that Catalyst Funds be used to provide such resources to businesses seeking to create or expand in Nevada or relocate to Nevada.

Upon receipt of a Catalyst Fund application, the Executive Director will determine whether its approval will promote the economic development of the State and aid the implementation of the State Plan. The Executive Director may allocate, grant, or loan Catalyst Fund resources for an application of less than $100,000. The Board of Economic Development must approve any allocation, grant, or loan that is $100,000 or more. Any allocation not used in accordance with the agreement between the pertinent RDA and GOED must be returned.

If the Catalyst Fund proves to be effective, the 2013 Legislature will be asked to ensure that this program remains fully funded.

Launch Regional Development Authorities

Regions are where economies really exist. They are where sectors are centered, critical assets are concentrated, and supply chain elements are congregated. Regions are home to our labor pools and our educational institutions. Regions are also where the solid execution of innovative ideas will lead to real jobs.

Nevada encompasses a diversity of communities whose economies vary by geography, size, and opportunities. Focusing on regionalization recognizes those varieties while engendering collaboration toward common goals.

Key Tactic #1

Nevada's economic development efforts will feature the **designation of RDAs**, which will have access to state resources, including funding for operations and administration. State law assigns the responsibility for designating RDAs to GOED's Executive Director.

As the central points of contact for economic development in the regions, RDAs must have the capacity to lead the regional economic development efforts and must collaborate with, and have the support of, their communities and pertinent economic development partners. In addition, an RDA must measure its performance and develop management decisions based on data and information identified in collaboration with GOED and the State Plan for Excellence in Economic Development.

Successful RDAs will be those that focus their efforts and activities on the three key aspects of economic development:

- The creation and development of new businesses;
- The retention and expansion of existing Nevada companies; and
- The attraction and relocation of companies from outside our state.

This three-pronged approach will significantly and effectively drive the establishment of high-quality jobs in Nevada.

GOED expects that each RDA will engage in programs and projects that will:

- Develop and execute an appropriate regional economic development plan aligned with the State Plan;
- Provide easily-accessible regional economic development information, including regional assets;
- Drive sector and cluster advancement that create jobs;
- Work with our community colleges and state agencies to know and meet the region's workforce development needs;
- Cooperate with research institutions to increase innovation commercialization and technology transfer;
- Increase exports and foreign direct investment;
- Foster regional incubation of start-ups;
- Effectively market the region and its pertinent sectors; and
- Advocate for necessary improvements to the region's business environment.

To be designated an RDA, an entity must be a local government, a private organization, or a combination of the two. If a local government, it must be an incorporated city, a county, or a local agency constituted for the purpose of economic development in the jurisdiction. If a private organization, it must be a nonprofit, domiciled in Nevada, registered with the Secretary of State, and constituted for the purpose of economic development. Consortia of local governments, private economic development organizations, or a combination thereof may apply for designation. GOED, however, encourages truly regional efforts aligned with real economies, with participation by all jurisdictions within the region. Where RDA territories abut, cross-border cooperation is a significant priority. Additional specific criteria for RDA designation will be included in requests for proposals issued by GOED.

The first round of designations will occur in the first half of 2012. The Executive Director is not limited in the number of RDAs that may be designated.

State law now requires that GOED utilize an RFP process to allocate administrative funds to RDAs for the provision of economic development services. For Fiscal Year 2013, approximately $2.4 million to $2.8 million will be made available to RDAs for operating and marketing.

Following is the RFP schedule to obtain operating funds for FY2013:

Task	Deadline
Issuance of RFP requesting economic development services	March 30
RDAs respond	April 30
GOED awards operating funds for FY2013	May 30
Execute contracts between GOED and RDAs	June 30

State law also requires that all entities responding to the RFP be RDAs; therefore, the Executive Director will grant temporary RDA designation to all entities that wish to respond to the RFP and that meet the basic criteria. Temporary designations will expire on June 1, 2012. Entities that receive administrative funds will be formally designated RDAs until the next application process for administrative funds.

At a minimum, state law specifies that a response to the RFP must include the following statements:

- The services to be provided by the regional development authority;
- The plans, projects, and programs for which the RDA is seeking to enter into the contract;
- The expected benefits of the contract; and
- The short-term and long-term impacts of the contract.

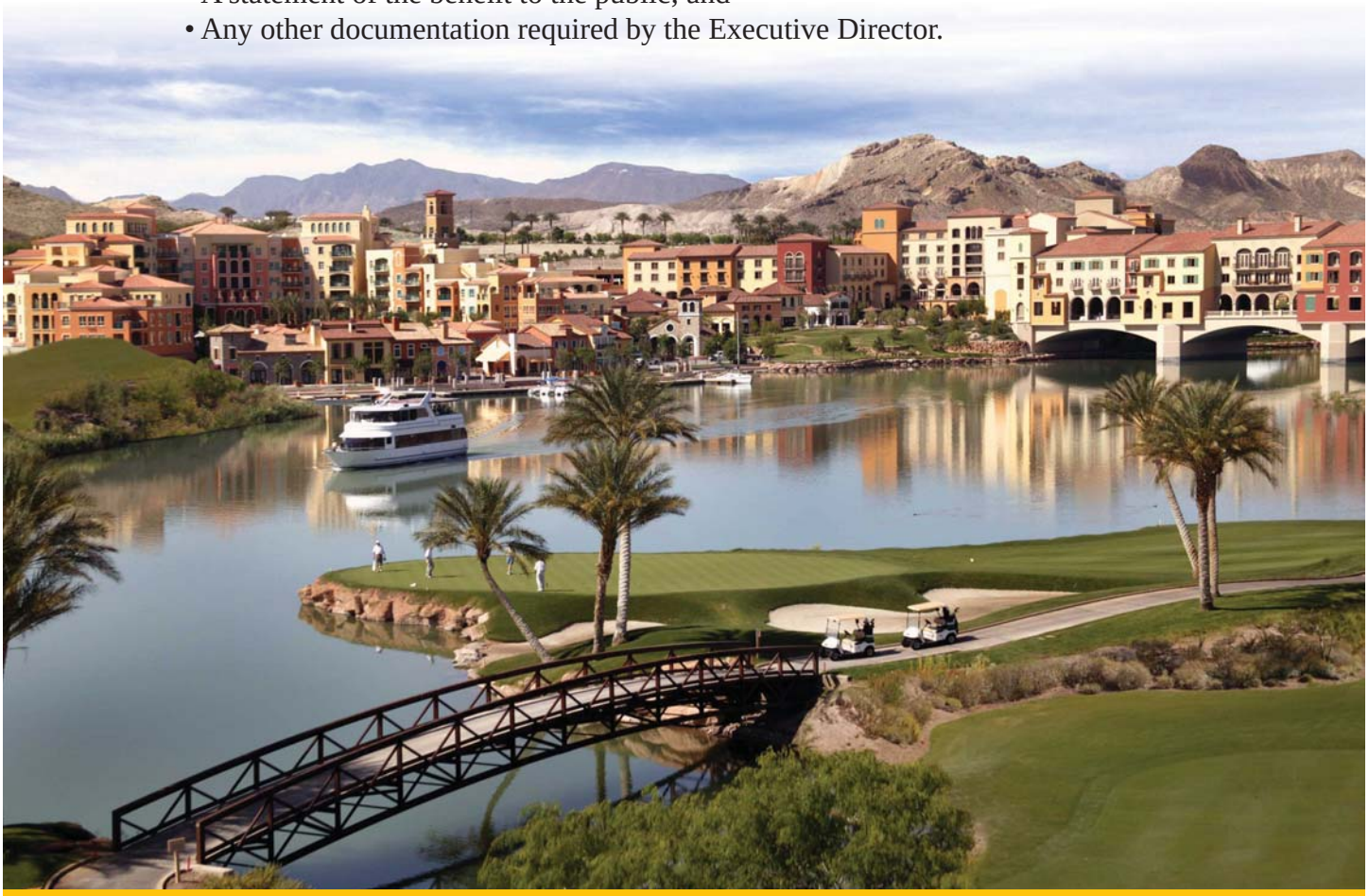
The criteria for evaluating RFP responses will include:

- Evidence of partner, stakeholder, and elected official support and collaboration;
- Financial commitment from public and private sector partners;
- Demonstration of depth and breadth appropriate for the region;
- Strength of proposed metrics and outcomes; and
- Alignment with State Plan for Excellence in Economic Development.

Funding will be provided on a quarterly basis and will be contingent on demonstrated progress toward achieving goals and performance targets. Quarterly reports, based on agreed upon performance measurements, will be due within 20 days of the end of each quarter.

State law requires that these reports include, but not be limited to, the following items:

- A description of each activity undertaken with funding provided pursuant to the contract and the amount of funding used for each such activity;
- The return on the funding provided pursuant to the contract;
- A statement of the benefit to the public; and
- Any other documentation required by the Executive Director.



Key Tactic #2

In preparing a **regional economic development plan**, a planning authority must consider the prior planning efforts for that region and incorporate broad community and private-sector outreach and participation. A regional economic development plan should include:

- A clear vision for regional economic development tuned to the State's objectives;
- Thorough assessments of regional conditions, assets, and obstacles;
- An action plan for the next three years to grow, expand, and attract businesses;
- Specific sector objectives and benchmarks, strategic initiatives, tactics, and performance measures;
- Strategic initiatives to strengthen the region's entrepreneurship, technology commercialization enterprises, global engagement, and workforce training capabilities;
- Potential funding sources;
- A discussion of the regional plan's intersections with the State Plan for Excellence in Economic Development;
- Development and maintenance of a regional information clearinghouse; and
- Benchmarks and performance measures that align with the State's accountability system.

A regional economic development plan will clearly demonstrate collaboration with the region's business community, government agencies, education system, workforce training programs, and community development efforts.

In addition, for those regions eligible for federal assistance from the U.S. Department of Economic Development, GOED strongly encourages regional development plans that meet the federal requirements for a Comprehensive Economic Development Strategy (CEDS).

Recognizing that Nevada's regions are currently in different stages of economic development planning, GOED will provide staff and funding assistance where they are most needed. A fund of $250,000 will offer matching funds not to exceed a third of the cost of producing the regional plan. No region may receive more than $150,000. If, however, the approved funding requests total more than $250,000, funding will be allocated proportionally, based on the total approved requests.

In addition, GOED will provide $50,000 for a program initiated by the U.S. Department of Agriculture titled "Stronger Economies Together" (SET) to assist with regional sector alignment in a rural environment. The SET process is expected to result in the production of a regional economic development plan for the participating rural counties.

Following is the schedule for producing regional economic development plans:

Task	Deadline
Apply for state funding assistance	March 30
State funding determination	April 15
Initial work product to GOED	June 30
Final plan to GOED	August 30

GOED recognizes that some regional plans, especially those seeking CEDS certification, might not be completed within this timeframe. At the discretion of the Executive Director, the planning cycle may be separated into two stages, with the above deadlines and funding support applicable to the first stage.

Develop Data and Metrics That Matter

Like any strong, successful business, GOED must demonstrate a measurable return on investment. In addition, solid data and correct metrics can help drive achievement at both the regional and state levels. As a result, data collection and management will be a crucial focus for GOED.

Key Tactic #1

GOED's data expert will be responsible for developing a useful matrix of regional and state metrics as the basis of a **state economic development information clearinghouse**. Working with economists in the Nevada System of Higher Education (NSHE) and the Department of Employment, Training, and Rehabilitation (DETR), GOED will conduct the following tasks:

- Evaluate data already being collected;
- Eliminate duplicative efforts;
- Identify gaps in the data;
- Ensure uniformity of data collection at both the regional and state levels;
- Develop data-based analysis about clusters, sectors, regions, and the state;
- Share data with economic development partners and interested businesses; and
- Disseminate information in an easily understandable format and on a regular schedule.

Certain data areas will be addressed immediately. For example, the focus on specific sector development requires data by sector and by region. To be determined in 2012 are standard definitions, firm lists and specialties, and key data concerned with workforce, occupations, and the market. Market variables include labor force dynamics, the occupational profiles of existing jobs, skill requirements, and skill gaps. In addition, time-series data will be essential to enhance our ability to evaluate changes, particularly longer-term changes in employment and unemployment. GOED will work closely with DETR to expand variables in the Nevada Workforce Informer.

A concentrated effort by RDAs will analyze the specific reasons that businesses ultimately choose to relocate to or expand in a state other than Nevada. This information will be included in GOED's annual report.

During the next three years, the expected outcomes include an improved, fully integrated, and interactive website, containing a user-friendly portal for business information, links to regional and private efforts, and a scorecard of our progress toward economic development goals. Other outcomes will include comprehensive and regular reports; the launch of an asset mapping function; and the integration of information management systems among economic development partners throughout the State.

Key Tactic #2

In addition to data collection and analysis, the robust development of Nevada's new economic development strategy requires thorough research into specific subject areas. During 2012, GOED will conduct the following studies:

- Pursuant to Assembly Bill 182 passed by the 2011 Legislature, GOED is required to conduct a study to examine the feasibility of, and develop a state plan for, **inland ports** in Nevada. GOED will develop an RFP to secure expert assistance in the conduct of this study. The outcome will be a master recommendation for specific inland port sites with the potential for federal approval and agreements from pertinent state agencies, affected local governments, and transportation service providers.

- GOED and the Governor's Office of Energy will partner to study the necessary business **model for energy exports** and Nevada's capabilities in that area. Also examined will be how Nevada might partner with neighboring states to improve Nevada's energy costs, including a consideration of project development, operations, and transmission.

- A study of the competitiveness and effectiveness of Nevada's tax **incentives and abatements** will be undertaken. In addition to evaluating the existing system, the study will consider the concept of creating regional innovation districts and the advisability of developing incentives for energy rates, research and development, and the production of feature films and television. Outcomes will include recommendations to the 2013 Nevada Legislature. With a nationwide comparison, this study will enable Nevada lawmakers to develop effective legislation to mobilize the specific clusters designated as Nevada's emerging industries.

In all, the research and data functions of GOED will provide important information that will be used by GOED and all of its economic development partners to accomplish the following:

- Evaluate the performance of GOED and its partners;
- Determine future designations of regional development authorities;
- Mutually define metrics and identify outcomes;
- Inform Catalyst Fund decisions;
- Drive accountability;
- Reward results;
- Correct or eliminate ineffective programs; and
- Share best practices.

Advance Targeted Sectors and Opportunities In the Region

Economic diversification does not mean abandoning our traditional sectors of tourism, mining, and agriculture. Rather, other industries will expand to establish a broader economic foundation. The Brookings/SRI report called out over 30 opportunities and categorized them across seven sectors. It is within these opportunities, and others that may be identified by the regions, that Nevada will realize its potential for producing high-quality jobs.

Nevada's challenges shaped by geography and climate – power, water, and air quality – can create limitations on efficient and effective economic development and deserve continued attention. The State's resources will be marshaled to assist regions to develop and execute sector-specific and cross-sector strategies toward capitalizing on targeted opportunities, especially through innovation.

The variety of opportunities is the linchpin for economic diversification in Nevada. GOED's industry specialists will work closely with the RDAs and the private sector as they maximize sector development. In the process, sector plans will be developed throughout 2012 and will be included in the next iteration of the State Plan.

Tourism, Gaming, and Entertainment

- Center for online gaming
- Intellectual capital of global gaming
- Gaming manufacturing
- Diversifying into niche tourism markets
- Retirees and second home owners
- Film and media

Clean Energy

- Renewable component manufacturing
- Expanding transmission capacity
- Advancing and internationalizing geothermal development
- Energy efficiency upgrading

Health and Medical Services

- Surgical specialties
- Geriatrics and related services
- Disaggregation of medical service delivery
- Leveraging a strong medical/health sector to build other emerging industries

Aerospace and Defense

- Unmanned Aerial Vehicle (UAV) supply, assembly, and testing
- Maintenance, Repair, and Overhaul (MRO) of aircraft systems

Mining, Materials, and Manufacturing

- Expanding participation in upstream mining activities
- Medium-value mineral supply chain development
- Manufacture of advanced composite materials
- Organizing and marketing of manufacturing base

Business IT Ecosystems

- Call centers/customer service and back office/BPO/shared services
- E-commerce operations/headquarters
- Corporate Data Centers
- Cloud computing/high-performance computing
- Cyber security

Logistics and Opertaions

- Warehousing and distribution
- Advanced logistics
- Air cargo
- Integrated manufacturing-distribution
- Assembly manufacturing
- Food processing operations
- Freight transportation (ground and rail)

Additional Promising Possibilities

- Agriculture
- Intangibles and Financial Enterprises
- Water technology

Benchmarks

- Increased job growth by sector.
- State share of national sector.

Strategic Initiatives

Develop strong working knowledge about targeted opportunities
Grow sectors through recruitment, retention, and expansion
Support sector enhancement in the regions

Develop Strong Working Knowledge About Targeted Opportunities

We will develop the necessary information about each of the sectors through stakeholder meetings, studying certain sectors in depth, and developing sector plans.

Key Tactic #1

Governor Sandoval announced that he will begin to **meet with various stakeholders** who will report on the status of their targeted sectors; identify any other possible targets of opportunity; and collaborate on initiatives to enhance existing clusters and cultivate emerging ones. Each meeting will end with the development of an action plan, assigned tasks, and reporting deadlines.

Key Tactic #2

GOED's industry specialists will work closely with the RDAs, the private sector, and other economic development partners to deepen our cluster-based knowledge of sectors and execute action plans to grow each sector. These **Industry Specialists** will be tasked with many sector-specific duties, such as:

- Carrying out proactive in-state outreach and problem-solving;
- Strategic business recruitment;
- Identify a sector's current dynamics, such as supply chain gaps, through dialogue with regional sector leaders, company officials, and local government representatives;
- Convene multi-departmental work groups or task forces to address internal state policy barriers;
- Work with state and local workforce training and educational staff to plan and execute a strategy to combat skill shortages;
- Participate as members of the appropriate DETR Sector Councils, which provide a conduit of information about workforce development needs; and
- Mount a solid business case to targeted businesses in proactive outreach marketing.

Key Tactic #3

GOED Industry Specialists will assist the regions to develop regionally-based **action plans for the targeted opportunities**. The expected outcome is the growth of these sectors through the expansion of businesses and the production of high-quality jobs.

Grow Sectors Through Recruitment, Retention, and Expansion

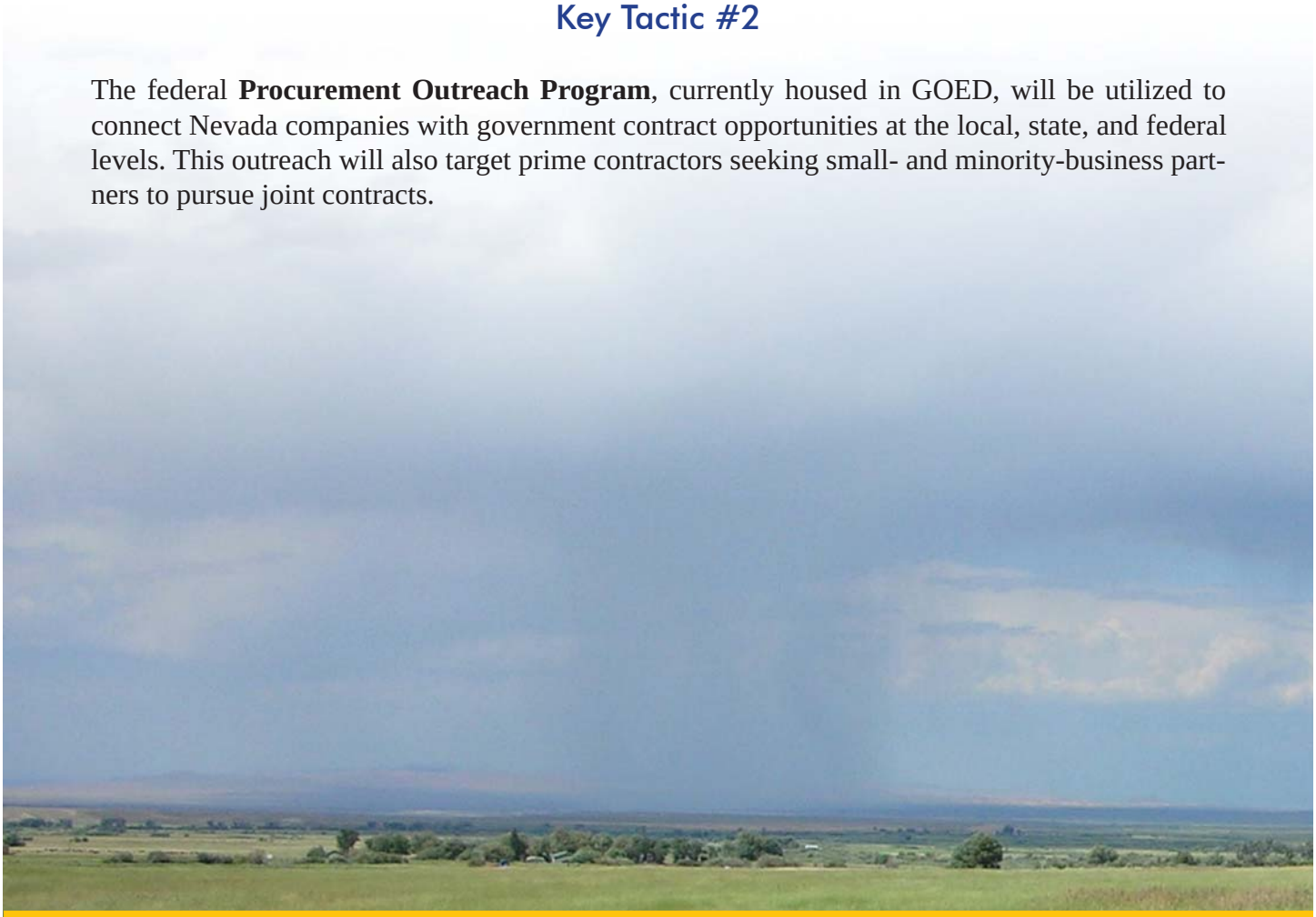
Several sector acceleration projects will be conducted over the next three years. At least two sectors will be subjected to a thorough analysis by experts, and Nevada businesses will have increased access to federal programs and certain funds that will help them grow.

Key Tactic #1

To stimulate the growth and activity within sectors, it is imperative to understand the presence of research institutions and the companies that make up the various supply chains. In 2012, two **pivotal studies** will be conducted: supply-chain mapping of the manufacturing sector and a situation and opportunity analysis of the defense sector.

Key Tactic #2

The federal **Procurement Outreach Program**, currently housed in GOED, will be utilized to connect Nevada companies with government contract opportunities at the local, state, and federal levels. This outreach will also target prime contractors seeking small- and minority-business partners to pursue joint contracts.



Key Tactic #3

In addition, $13.8 million in **State Small Business Credit Initiative** (SSBCI) proceeds will be made available to sector firms in 2012 and 2013. A two-pronged approach, SSBCI will provide collateral support to certain large, stable businesses and loans to low- and moderate-income entrepreneurs and microenterprises. The program is funded with federal dollars and was created in collaboration with the Small Business Administration and the Nevada banking industry. Nevada expects to generate about $10 in new private lending for every $1 in federal funding. GOED's website will track the names and locations of participating Nevada banks.

Key Tactic #4

Working with economic development partners in the public and private sectors over the next three years, GOED will ensure that its program objectives and offerings are tuned to cluster needs. In addition, GOED will utilize the Catalyst Fund and the Private Equity Investment Fund (managed by the Nevada Capital Investment Corporation) to **accelerate sector development**. As emphasized in other sections of the State Plan, sector enhancement will also be achieved through energetically working with community colleges to deliver a skilled workforce and dynamically linking higher education and industries in research collaboration.

Support Sector Enhancement In the Regions

Most of the work to grow and nurture sectors will occur at the regional level, and GOED will provide support to regional and sector-based organizations.

Key Tactic #1

GOED intends to support cluster development and enhance sector growth within the regions by **embedding the sector specialists** in the regions as appropriate and assisting the regions in a number of additional ways. Working with the pertinent economic development partners, GOED will communicate, nationally and internationally, sector opportunities and assets to attract, expand, and retain businesses; organize incoming federal resources to coordinate local sector-building efforts; provide assistance with meetings and conferences involving sector development within the regions; and develop sector data.

Key Tactic #2

During 2012 and 2013, GOED will conduct **familiarization tours** for site selectors who specialize in targeted industries, and these tours will provide important opportunities to display our assets to the professionals involved in decisions concerning business relocations and expansions. GOED will host two tours in FY2012 and four in FY2013.

Also in 2013, through the Team Nevada initiative, GOED will partner with Regional Development Authorities to visit key site selectors at their offices across the nation. Nevada requires an aggressive outreach program to gain the attention of this influential audience.

The expected outcome will be more new businesses, more expanded businesses, and more jobs that will also result in real, observable sector growth.

UNLV
CLARK

Expand Global Engagement

Enhancing Nevada's international presence will boost investment and job creation in Nevada. By focusing strategic initiatives toward targeted opportunities that align with world markets, Nevada will capitalize on an international business expertise that has already been developed. In 2011, Nevada was ranked the number one state in the country for export intensity and growth. The U.S. Chamber of Commerce ranks Nevada as the fastest growing export state in terms of both export value and as a share of the State's total economy.

Benchmarks

- Increased exports.
- Increased foreign direct investment.

Currently, Nevada businesses export billions of dollars of goods and services to 174 countries. We have been particularly successful in emerging markets, such as Brazil, Russia, India, and China, to which Nevada exports grew by 800 percent over the last decade.

In addition, Nevada has positioned its unique asset as a global tourist destination and welcomed foreign investment in Nevada businesses. Currently, there are more than 200 foreign-held firms with operations in Nevada.

Through the effective utilization of state and federal programs, global engagement in the targeted sectors and the regions promises to facilitate an increase in export activity and attract foreign investment. Strategic international events will result in new buyer and distributor contacts and improved trade relationships between Nevada and the rest of the world and will directly contribute to the establishment of high-quality jobs for Nevadans.

Strategic Initiatives

Facilitate export growth
Increase foreign direct investment in targeted sectors
Enhance global network

Facilitate Export Growth

Exports create new high-quality job opportunities for Nevada companies, especially small- and medium-sized firms. Export-related jobs typically pay an average of 13% more than the average domestic wage. When companies export, they gain access to a new customer base and also support additional domestic job creation in logistics, financial services, and other industries.

Nevada has a strong foundation from which to continue to grow its international trade efforts. A focus on enhanced globalization projects at both the state and regional levels will assist some Nevada companies to begin to export their products and services and many others to increase export sales.

Key Tactic #1

Collaborative action among regional representatives, sector specialists, and GOED's global experts will allow for a sharp focus on global opportunities within targeted sectors.

During regional economic development planning efforts, GOED staff will work closely with the RDAs to develop and execute **regional global engagement plans** that will enable local businesses to engage globally and empower their success internationally.

Improved partnerships will allow for the establishment of an **Export Assistance Council**. Consisting of representatives from Chambers of Commerce, the U.S. Commercial Service, pertinent business associations, and other interested parties, the Council will assist GOED and the RDAs in the strategic targeting of assets and resources toward increasing Nevada's exports in both goods and services.

Key Tactic #2

GOED will also aggressively assist local businesses to begin or expand their exports of goods and services.

Through the **Nevada Investment and Trade Revenue Opportunities (NITRO)** program, which includes a federal fund of $160,000, grants will be provided to qualifying small businesses to expand their export capabilities. Several new-to-export companies, many of which are in Las Vegas, have been specifically targeted for this assistance.

GOED will also work with the RDAs to implement **outreach marketing efforts** to small -and medium-sized Nevada companies to educate them on the benefits of exporting and provide them with access to assistance to launch or expand their exports. Such efforts, conducted in partnership with the chambers and other industry associations, will include seminars and support.

In September 2012, the **Governor's Conference on Exporting and Manufacturing**, produced under NITRO, will include representatives from at least 50 Nevada exporting companies, including those that have received federal grants. The conference will provide an opportunity to reinstate the **Governor's Exporter of the Year** award program.

Key Tactic #3

Nevada's international representation and relationships will also receive attention from GOED. Currently, Nevada's six **international representatives** do not receive direct compensation from GOED, which will review that strategy for effectiveness and build a business case for representation in specific countries. The designation of additional representatives, such as one in Korea, will also be considered, based on a determination of a positive return on investment. These representatives work diligently in their own countries to promote Nevada exports, explore business opportunities, and encourage foreign investment in this state. GOED will ensure that these international efforts align with the targeted sectors and this State Plan.

The **Governor's Diplomatic Luncheon with Consuls General** is scheduled for May 2012 and will include Consuls General who represent the countries with which Nevada has – and wants to build – mutually beneficial relationships. Located in Las Vegas, this luncheon is also under the auspices of NITRO and will provide a prime opportunity for businesspeople to meet international representatives. This important event is the first of its kind for Nevada and is expected to continue on regular basis. It is expected that building these relationships will lead toward the establishment of international trade offices here in Nevada and encourage trade missions from other countries to visit Nevada to develop business opportunities.

Another key factor in enhancing Nevada's role and stature in global relations is a presence at **international trade shows** and the conduct of trade missions. Federal grants ensure Nevada's representation in 2012 at trade shows in places such as Dubai, China, and India, and GOED staff will track the leads and deals that are generated at each of these trade shows. GOED will also coordinate a spring trade mission to Israel and a fall trade mission to Korea and China, both expected to be led by Governor Sandoval. In addition, NITRO provides for a renewable energy trade mission to Spain and Germany in June 2012. **Trade missions** will return to Nevada with concrete outcomes, such as new business leads, new investment possibilities, and important new reciprocal relationships.

Increase Foreign Direct Investment in Targeted Sectors

Foreign direct investment (FDI) provides a Nevada company with new markets and marketing channels and access to new technology, products, skills, and financing. On average, foreign-owned firms pay higher wages and have higher worker productivity than comparable domestic companies. For the foreign firm that makes a joint-venture investment, the relationship with a Nevada business also offers access to new technologies, products, organizational technologies and management skills.

Leveraging Nevada's unique assets and with close attention from GOED staff, it is expected that the economic impact of FDI in Nevada will measurably increase each year through 2014.

Key Tactic #1

Unlike most other states, Nevada is directly involved, through GOED, with **matching Nevada businesses with foreign investors**. This unique asset provides a competitive advantage for Nevada and will be leveraged through the development of regional global engagement strategies and sector plans. GOED will encourage strategic initiatives by region and by sector that will effectively utilize this asset.

In addition, GOED will ensure that Nevada's international representatives are deeply familiar with the state's targeted sectors and cluster opportunities. GOED's direct involvement with FDI will generate additional funding options for Nevada businesses seeking to expand and for new businesses that begin here or relocate from other states.

Key Tactic #2

Nevada's attraction as a major international tourist destination is another important asset for building our global presence. Each year, **major trade shows in Las Vegas**, such as CES (electronics), SEMA (automotive parts), and MAGIC (for textiles), attract thousands of international businesspeople. Beginning in 2013, GOED and the regions, working through Team Nevada, will showcase investment opportunities to visiting international business representatives in order to increase FDI in the state. Such activities may include:

- Staffing a booth at sector-specific trade shows;
- Providing opportunities for international CEOs to visit informally with Nevada CEOs; and
- Arranging for familiarization tours for targeted companies before or after pertinent trade shows.

Enhance Global Network

GOED will support the growth in exports and FDI through the development of pertinent data and strategic information, a collaboration with higher education, and the establishment of international business councils.

Key Tactic #1

During the next three years, GOED will develop a more robust **global information** system that will provide policymakers, economic development professionals, and the public with pertinent international market data. This analysis of Nevada's global efforts will be developed in partnership with Nevada's research institutions and disseminated on the website and in print. The system will measure performance and demonstrate the impact of Nevada's international initiatives.

Currently, however, the State does not track the actual number of Nevada businesses that export or what their exported goods and services are. This information is crucial for GOED to assist Nevada businesses most effectively. By 2013, GOED will develop, in conjunction with the Secretary of State, a process for collecting that information.

Key Tactic #2

Through existing academic and research programs, NSHE also provides a global presence for Nevada. GOED and NSHE will collaborate on developing and implementing mutually beneficial **international outreach** plans that promote Nevada business and education. In addition, GOED will continue to foster internship opportunities in its Nevada offices for NSHE students interested in global business development.

Key Tactic #3

International business councils offer an important global networking opportunity both here and abroad. With regional business leaders, GOED will support current, and facilitate the establishment of additional, **international business councils** that will:

- Provide Nevada business representatives to meet with international business leaders who are visiting here for business or pleasure;
- Host foreign trade missions that come to Nevada; and
- Advise GOED and the RDAs on the development of country-specific strategies.

Such interactions will produce leads for new investment, new businesses, and new jobs for Nevada.

Catalyze Innovation In Core and Emerging Industries

A significant factor in the success of Nevada's new economy will be the development and introduction into the market of new products, services, and business models. Working with our institutions of higher education, entrepreneurs, investors, and companies, Nevada will make technology-based economic development (TBED) a priority.

The Knowledge Fund was created by A.B. 449 for the purpose of spurring research, innovation, and commercialization in the State and is a key component for advancing TBED. Intended to provide funding to hire leading researchers, match research grants, and form innovation commercialization teams, the Knowledge Fund did not receive any allocations in 2011. During 2012, GOED and NSHE will work closely together to develop a strategy for generating private support for the Fund and plan to seek public investment in the Knowledge Fund during the 2013 session.

Benchmarks

- Increased licensing of intellectual property.
- Increased numbers of start-ups.
- Increased research funding.

Simultaneously, GOED will allocate initial funding for certain TBED projects and initiatives, both to spur the effort and to provide examples of how private and public funding could produce results. In addition, Nevada's research institutions will hire impact researchers with current funding to jump start this effort.

Generating entrepreneurial activity is a critical element in catalyzing innovation in Nevada's economy. It is imperative that Nevada cultivate a business environment that nurtures entrepreneurship.

Strategic Initiatives

Develop statewide innovation and commercialization structure
Increase industry collaboration with universities and DRI
Build entrepreneur support-structure

Develop Statewide Innovation and Commercialization Structure

The first steps toward developing a statewide structure for technology commercialization involve the identification of assets and needs. Once that inventory is complete, a thorough action plan is necessary and may result in the establishment of a statewide intermediary.

Key Tactic #1

GOED will hire a **Technology Commercialization Director** whose first duty will be to connect with NSHE to identify existing research and development (R&D) capacities. The University of Nevada, Las Vegas, is currently building a statewide database toward that effort. Simultaneously, this expert will identify Nevada companies that have R&D needs and match them with the pertinent NSHE researcher.

Key Tactic #2

By September 2012, the formal TBED plan, developed by the research institutions and GOED's Technology Commercialization Director, will be completed. Part of the planning function will be to explore the concept of a **statewide intermediary for technology commercialization**. As this process develops and impact researchers are attracted to Nevada, a fully-funded Knowledge Fund will support these efforts.

"We must have the optimism to remind each other that Nevada's long history is one of opportunities realized."

Governor Brian Sandoval

Increase Industry Collaboration With Universities and DRI

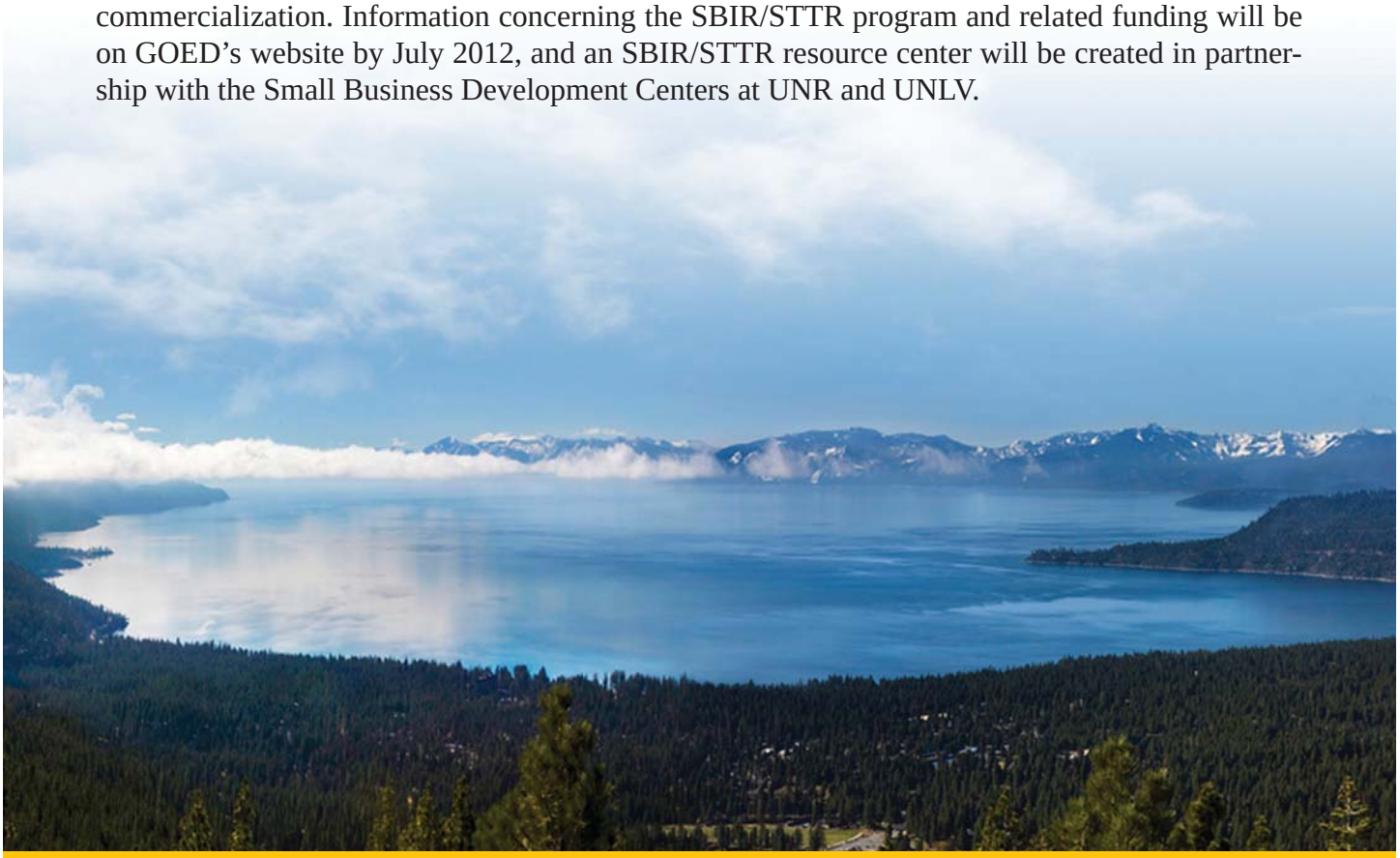
GOED can play an important role in facilitating, through the use of grants, the increased collaboration between NSHE research capacity and private industry.

Key Tactic #1

To incent technology transfer and the product/system development partnership between business and higher education, GOED will manage a fund of $50,000 to provide matching funds for **industry-sponsored research**. GOED's Technology Commercialization Manager will oversee the effort of connecting industry research needs to university research capacities.

Key Tactic #2

GOED will also assist small businesses in winning **SBIR/STTR grants**. The acronym stands for "Small Business Innovation Research/Small Business Technology Transfer," which is a federal program that seeks to encourage small businesses to engage in federal R&D with the possibility of commercialization. Information concerning the SBIR/STTR program and related funding will be on GOED's website by July 2012, and an SBIR/STTR resource center will be created in partnership with the Small Business Development Centers at UNR and UNLV.



Build Entrepreneur Support Structure

To jumpstart the process of building a support structure to help entrepreneurs flourish, GOED will provide $150,000 in matching funds to assist the Nevada Institute for Renewable Energy Commercialization (NIREC) in winning a grant from the federal Economic Development Administration.

Key Tactic #1

Entitled "**Spark Plug**," the program created by this grant will be operational through most of 2012 and will start the work of constructing an effective, sector-focused, private sector-connected infrastructure for spawning innovations in Nevada and efficiently helping them scale-up to the next level. The work will produce:

- An internet-based resource center that offers a self-guided tutorial focused on enabling ideas to get out of the lab and into the market faster;
- A central repository that will connect both university researchers and entrepreneurs;
- A program for 10 high-potential start-ups to compete in a proof-of-concept opportunity;
- Mentoring for high-potential companies by experienced serial entrepreneurs; and
- A statewide virtual business incubation process with access to the resources found in physical business incubators.

This initiative is based on a business start-up process that has proven successful at Stanford University's Entrepreneurial Center, which has been recognized globally as an effective tech-based economic accelerator.

Increase Opportunity Through Education and Workforce Development

All of Nevada's plans for economic development require a strong partnership with the State's educational system and workforce training programs. Nevadans must have the education and skills necessary to fill high-quality jobs. Our future success depends on developing and sustaining an excellent and efficient education system that is aligned with the programs that develop skill sets with the sectors that produce jobs.

Benchmarks

- Increased percentage of workforce training program participants who complete the training and are employed.
- Increased high school graduate rate.
- Increased job and graduate school placement rates for graduates throughout NSHE.

Nevada's renewed focus on the development of a knowledge-based and technologically-advanced economy presents great promise for good and sustainable jobs. To prepare our children for that future, educational leaders must be included in the State's economic development planning efforts in order to develop curriculum, programs of study, and internship opportunities that will best prepare students to work and to succeed in Nevada's most promising sectors and clusters. Simultaneously, economic development authorities and local business leaders must work collaboratively with local and state educational leaders to communicate their workforce needs.

In 2012, GOED will be a resource for, and a partner to, the relevant educational and training agencies as they advance workforce readiness, job training partnerships, and state goals through the development and implementation of their strategic plans. The process is already underway at Nevada's Department of Employment, Training, and Rehabilitation (DETR) and the Nevada System of Higher Education (NSHE) and will be undertaken at the K-12 level with the Department of Education after Governor Sandoval appoints a State Superintendent for Public Instruction.

Strategic Initiatives

Align education, career training, and workforce development to targeted opportunities
Reorganize the workforce investment system in line with targeted sectors
Improved educational achievement

Align Education, Career Training, and Workforce Development to Targeted Opportunities

GOED will work in collaboration with the Nevada Department of Education, NSHE, DETR, and other interested agencies to develop the foundational coursework necessary to prepare students for the industry sectors that will form the foundation of Nevada's economy of the future.

Key Tactic #1

School districts are **establishing career and industry-based programs**, such as Washoe County's Signature Academies, which focuses on specific programs, topics, and distinguishing themes to prepare all students for Nevada's future economy. These academies align with Nevada's key sectors, will help to prepare future teachers, and will also begin the process of School Choice.

There are many other such examples throughout Nevada. Two include the Clark County School District's Advanced Technologies Academy (high school) and the Academy of Mathematics, Science, and Technology (middle school).

Additionally, community college Tech Prep programs engage thousands of students in career readiness, with some programs offering dual credit for students.

Key Tactic #2

NSHE is also considering its programs in order to position the State to have the educated workforce required for supporting and maintaining economic development and diversification. The Board of Regents of NSHE recently adopted **an updated master plan** that is based on the critical role that public higher education must play if Nevada is to have a brighter economic future. This plan will build on the many partnerships and sector initiatives already underway. In NSHE's plan, the primary goal is student success, which is defined as significant increases in students completing academic and workforce programs with meaningful degrees and certificates.

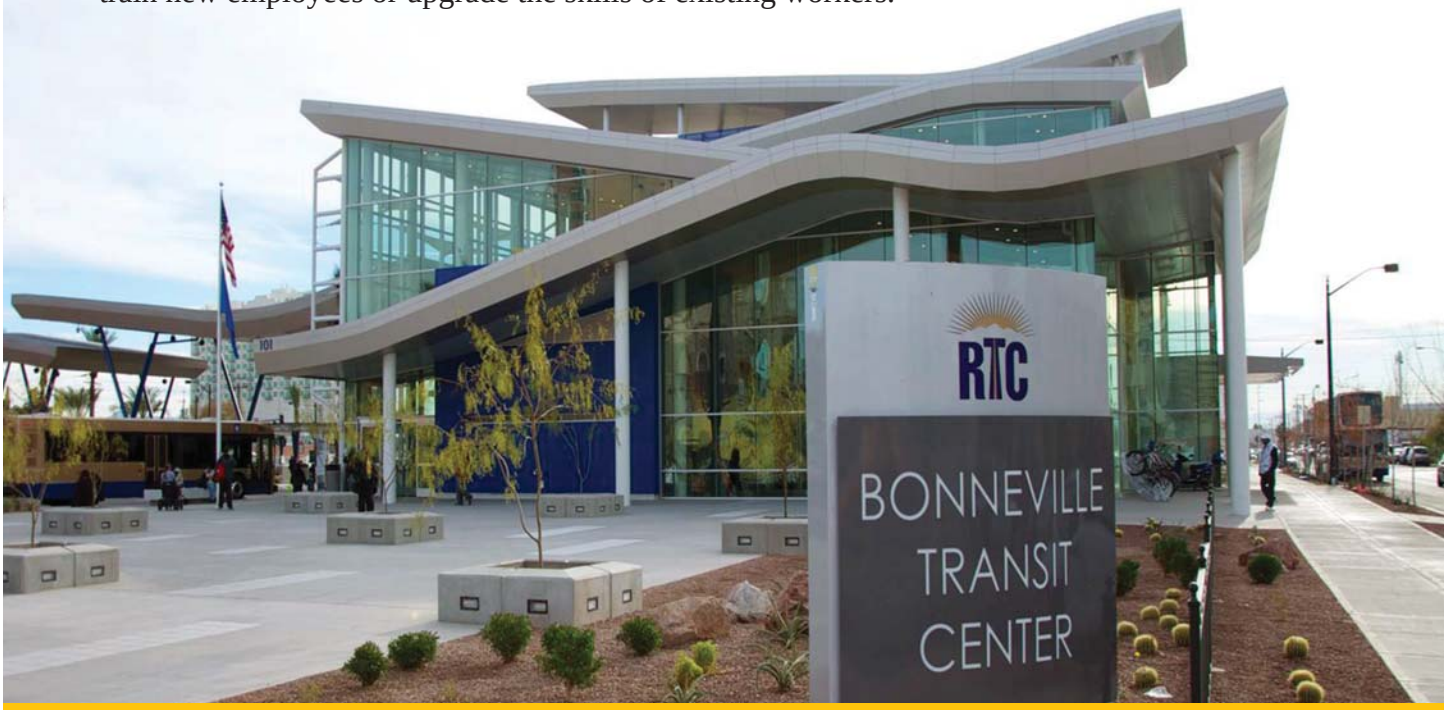
In the meantime, GOED and its RDA partners will help advance knowledge-based industries through partnerships between higher education and targeted sectors, such as:

- Gaming and hospitality in partnership with the Harrah's Hotel College at UNLV;
- Mining in partnership with the Mackay School of Mines at UNR;
- Health care in partnership with the Nevada School of Medicine and NSHE's Health Sciences System;
- Geothermal energy in partnership with the DRI;
- Water in arid climates in partnership with DRI, UNLV, and the Southern Nevada Water Authority;
- Cyber security in partnership with UNLV; and
- Innovation and technology commercialization in partnership with NSHE.

Key Tactic #3

GOED's partners in workforce training are DETR, our community colleges, and Nevada's private sector businesses. Both federal and state **training funds** are managed by DETR to accelerate the alignment of company skills requirements with Nevada's workforce availability. Training funds are available to new high-wage employers throughout the fiscal year.

DETR transfers between $500,000 and $750,000 in Train Employees Now (TEN) funding to GOED to make training funds quickly available to companies who are either new to Nevada or expanding in Nevada. The TEN funds require a minimum number of new jobs and can be used to train new employees or upgrade the skills of existing workers.



Reorganize the Workforce Investment System to Align with Targeted Sectors

GOED will collaborate with DETR to assure targeted industries and companies that a qualified workforce, suitable for their industries, is available in Nevada and that the workforce development system will be able to serve their needs for the long term.

Key Tactic #1

The **Governor's Workforce Investment Board** (GWIB) is appointed by the Governor and includes certain federally-mandated standing representatives of the State Legislature, labor, non-profits, and public sector. It is comprised of 35 members of whom 18 must represent the private sector. This board is tasked with oversight of the workforce development system, including disbursement of Workforce Investment Act (WIA) funds to local workforce investment boards and subsequently to program/training providers that will serve unemployed, under-employed, dislocated, and youth workers throughout the State. GWIB initiatives will be aligned with GOED and this State Plan.

Key Tactic #2

To ensure consistent ascertainment and flow of industry intelligence among GOED, and the GWIB, DETR will convene **Sector Councils** that are aligned with the industry sectors targeted by GOED. These Sector Councils will be comprised of private sector members who represent the companies within the various industry sectors and who can delineate the education, certifications, and experience necessary for employment in all aspects of the sector as well as the regulatory and other public sector support necessary for the industry to thrive. The Sector Council will also include representatives from the Legislature, labor, education and other pertinent segments of Nevada business sectors.

Each GOED Industry Specialist will be a member of the applicable Sector Council, and the Sector Council chair or other knowledgeable member will be a member of the GWIB. In addition, the GWIB will include at least one executive representative of each industry sector targeted by GOED.

Key Tactic #3

NSHE is aligning its education efforts with Nevada's workforce needs, too. **Community College Workforce Partnerships** with private business, industry advisory boards, and DETR are being built by all four community colleges:

- College of Southern Nevada,
- Great Basin College,
- Truckee Meadows Community College, and
- Western Nevada College.

They will respond to specific workforce needs, provide training in critical fields, particularly for unemployed workers displaced by global competition, and create curricula to match the identified focus areas in the State's economic development plan. Key to these partnerships is a clear and timely route to employment through established learning outcomes and internships tied to job skills. These partnerships are already being formed and strengthened with a number of grants and contracts, enabling Nevada citizens to be ready for new industry and employment. For example, the Dream It Do It career certification program is already being developed in concert with businesses, particularly the manufacturing sector, and the community colleges workforce centers.

Improve Educational Achievement

With the expectation that many of the jobs of the future will be technology-based, school districts throughout Nevada have raised curriculum standards in science, technology, engineering and mathematics. This enhancement comports with state and regional economic development efforts.

Key Tactic #1

GOED will contract with specialists to focus on one or two of Nevada's targeted sectors to determine the **workforce skills** necessary for businesses within that sector to be successful. The first study will examine the manufacturing sector and will take place in 2012. The expected outcomes include the identification of education and training programs that will produce job candidates who will best fill available positions in Nevada's rapidly-growing manufacturing sector.

Key Tactic #2

In 2011, Governor Sandoval and the Legislature, through a bipartisan, statewide process, adopted a number of education reforms that are bringing national attention to our state. Under the stewardship of a Superintendent of Public Instruction appointed by the Governor, Nevada's primary and secondary education system features rigorous teacher evaluation, pay for performance, an alternative route to teacher licensure, tenure reform, the elimination of the last-in-first-out process for workforce reductions, and the establishment of a charter school institute.

An important part of Nevada's business ecosystem is a quality educational system to prepare students for college, graduate school, career, and some combination of the three. GOED will work closely with the State Department of Education and local districts to focus policies and efforts for **high-quality instruction and student achievement** with the intent that all Nevada children have the opportunity to be educated to the highest level of excellence.

Key Tactic #3

Complete College America is a national consortium of states dedicated to increasing their college-educated citizenry to meet workforce needs and to be nationally competitive. Under the leadership of Governor Sandoval, Nevada was one of the first states to join this consortium and has set annual goals for **significant increases in students receiving certificates, associate degrees, and baccalaureate degrees**. Additionally at UNLV and UNR, there are anticipated increases in master's and doctoral degrees, particularly in areas identified by Nevada as needed for economic growth. Areas identified as critical to the State's needs, such as science, engineering, and health care fields, will be given particular attention at all institutions.

Partnerships for Public Reporting and Accountability are hallmarks of NSHE's new strategic plan. Under Governor Sandoval's leadership, Nevada was selected to participate in the National Governor's Policy Academy to establish State Goals and Accountability Metrics. The development of these goals and metrics is still in progress, anticipated to be completed in 2012. The two goals identified to date are increasing the number of students graduating with a high-quality degree or credential in accordance with the goals of Complete College America and aligning degree productivity with the State's economic development goals to meet the needs of Nevada's workforce in the new economy. Metrics will be publicly reported and will include number of graduates, productivity measures, return on investment data, and quality assessment for NSHE.

Metrics and Accountability

The expectation is that this State Plan will generate discernible signs of improvement and measurable points of progress toward creating Nevada's vibrant, innovative, and sustainable economy. In the meantime, there are real needs for job growth in Nevada during the next three years. Perhaps the most important benchmarks for the overall effectiveness of Nevada's Plan for Excellence in Economic Development are job growth and sector diversification.

Additional metrics are necessary, however, to determine the effectiveness of the various strategic initiatives detailed in this Plan and provide for the enhancement or deletion of any particular tactic as necessary. Performance-based decision-making will be required. If it doesn't work, we're going to stop doing it.

For each of the seven sectors, then, GOED will determine the return on investment by tracking and reporting the following performance measures:

- Job growth;
- Business formation;
- Wages and salaries;
- Economic impact growth; and
- State share of national sector.

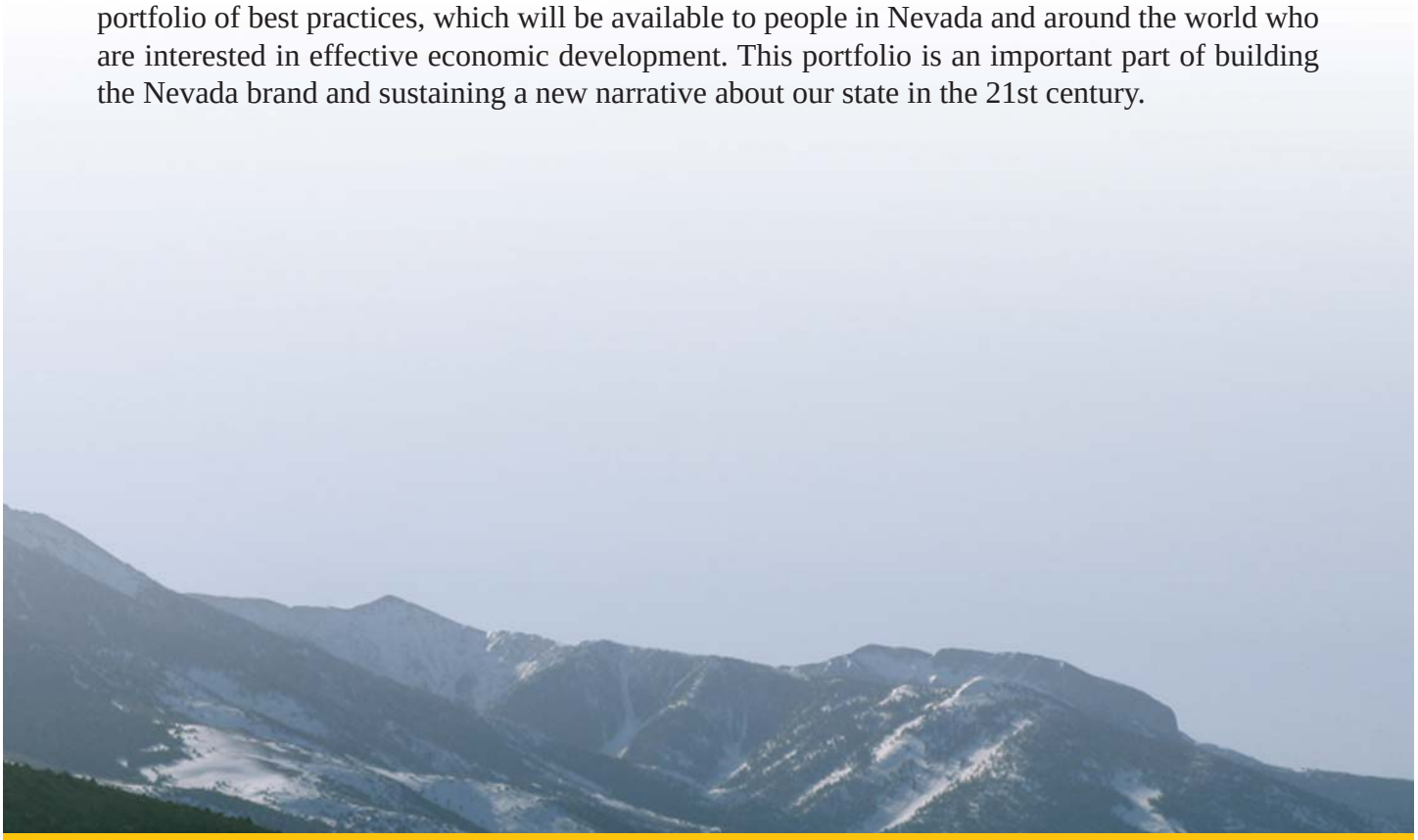
GOED will provide a full report to Nevadans on an annual basis about the progress of this new economic development system. In addition, GOED will provide online tools that can be accessed at any time. Including a data dashboard or scorecard, these tools will provide accountability to this plan and suggest new routes of action.

Most of our economic development efforts will be measured at the regional levels and then reported to GOED for inclusion in this statewide report card. GOED will work collaboratively with the RDAs to ensure that all economic development partners are collecting and tracking the same data in the same way.

In collaboration with DETR and pertinent research institutions within NSHE, GOED will first determine which economic data are being collected currently and then work with DETR and others to fill in the gaps. This information will address topics such as research and development, business recruitment and retention, exports, and job skills.

In 2012, DETR will organize its research unit around this Plan for Excellence in Economic Development, aligning economists and analysts with the seven sectors. Together, GOED and DETR will regularly track and report data-based information on a statewide and sector-specific basis. By June 30, 2012, a more robust system for measuring progress and ensuring accountability will be established and announced.

Whenever there is a success in economic development, and there will be many, the State will join with the pertinent region to announce and celebrate the new collaborative programs, the new businesses, and the new jobs. In addition to numbers and ratios, stories about real people and real companies will be embedded in our accountability system. These case studies will build Nevada's portfolio of best practices, which will be available to people in Nevada and around the world who are interested in effective economic development. This portfolio is an important part of building the Nevada brand and sustaining a new narrative about our state in the 21st century.



A Living Document

No strategy is perfect at the moment of its announcement. Rather than culminating a conversational process, however, Nevada's Plan for Excellence in Economic Development intends to begin one.

At various times during the next three years, meetings and workshops will be coordinated by GOED in collaboration with regional economic development authorities and representatives from business, workforce development, the various sectors, and education at all levels. Statewide tours may include participation by Governor Brian Sandoval and any number of State Ambassadors.

The State Plan will be on GOED's website and will include a comment section.

The strategic plans for other state agencies will indicate where their programs enhance state and regional economic development efforts. The regional economic development plans will also intersect with the State Plan. Documents will be linked together on the websites of the Governor's Office and pertinent state and regional organization.

As we move forward as regions and as a state, we will celebrate our successes and learn from each other. The Plan for Excellence in Economic Development will respond to input from the RDA's and will be revised as often as changing circumstances demand. With a renewed commitment to collaboration, state and local partners will move forward, with enthusiasm, toward the vision of a vibrant, innovative, and sustainable economy for Nevada.

Timeline of Next Steps

Feb 2012	Spring 2012	Fall 2012	Nov 2012	Dec 2012	Feb-May 2013
Launch statewide tour to gather public feedback on the State Plan	Conduct workshops in the regions to launch regional planning efforts	Conduct regional visits to observe progress in regional planning efforts	Report on state and regional progress	Publish refined State Plan based on the year's work. Include strategies for 2015	Participate in legislative session

Sept 2013	Nov 2013	Dec 2013	Spring 2014	Oct 2014	Nov 2014
Statewide tour to execute any legislative amendments (if necessary)	Report on state and regional progress	Publish refined State Plan based on the year's work. Include strategies for 2016	Statewide tour to observe progress and discuss refinements to State Plan	Join statewide celebration of Nevada's sesquicentennial by commemorating regional economic development successes	Report on state and regional progress

Legend

CEDS .....Comprehensive Economic Development Strategy

DETR .....Nevada Department of Employment, Training, and Rehabilitation

DRI.....Desert Research Institute

FDI .....Foreign Direct Investment

GOED .....Governor's Office of Economic Development

GWIB .....Governor's Workforce Investment Board

MRO .....Maintenance, Repair, and Overhaul

NIREC.....Nevada Institute for Renewable Energy Commercialization

NITRO .....Nevada Investment and Trade Revenue Opportunities

NSHE .....Nevada System of Higher Education

R&D .....Research and development

RDA .....Regional Development Authority

RFP.....Request for Proposals

SBIR/STTR....Small Business Innovation Research/Small Business Technology Transfer

SET .....Stronger Economies Together

TBED .....Technology-based economic development

TEN.....Train Employees Now

UAV .....Unmanned Aerial Vehicle

UNLV .....University of Nevada, Las Vegas

UNR .....University of Nevada, Reno

WIA.....Workforce Investment Act

Nevada Governor's Office *of* Economic Development

Empowering Success

Carson City
808 W. Nye Lane
Carson City, NV 89043
800.336.1600

Las Vegas
555 E. Washington Ave., Suite 5400
Las Vegas, NV 89101
702.486.2700

DiversifyNevada.com