

The attached document was submitted to the
Washoe County Board of Commissioners during
the meeting held on May 4, 2015.
by EDAWN
for Agenda Item No. 5
and included here pursuant to NRS 241.020(7) as
amended by AB65 of the 2013 Legislative Session.

"ELECTRIFYING NEW GROWTH: WHAT DOES THIS MEAN?"

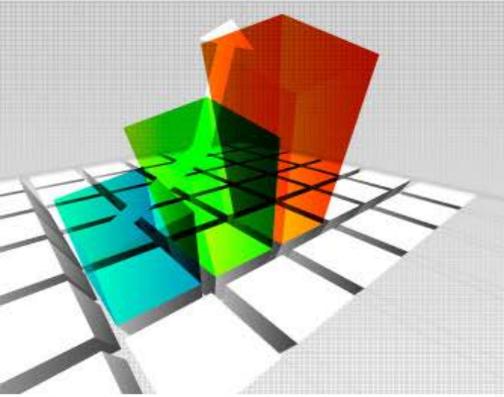
Interim Report

Presented to the :
Concurrent City, County
& Washoe County School
District Meeting
May 4, 2015

May 4, 2015

Presented by:

**RCG
ECONOMICS**



PART 1: THE NEW NORTHERN NEVADA ECONOMY

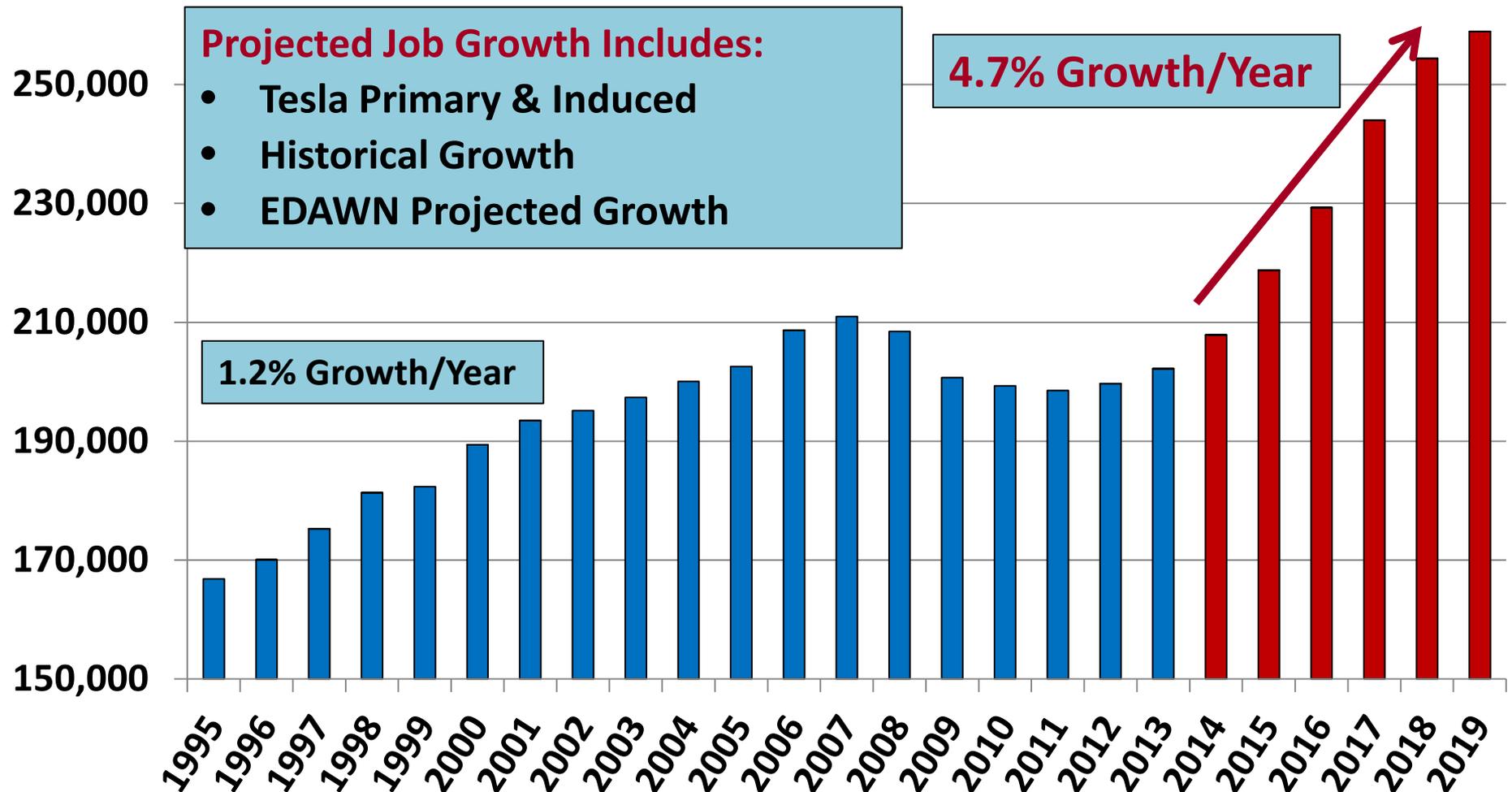


Background

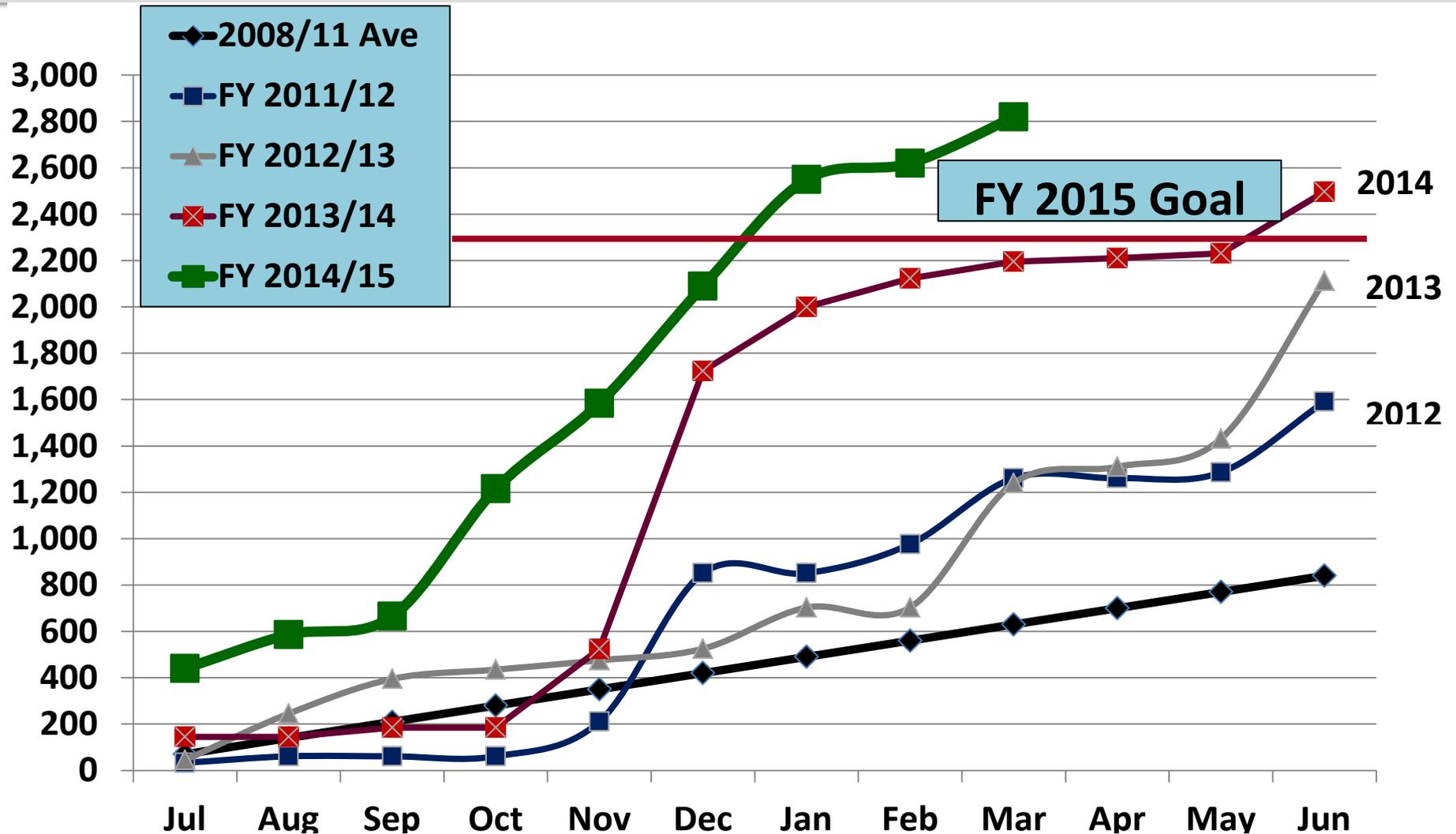
- ❑ **Unprecedented Growth Is Projected** For The Region: Tesla/Switch & Nearly 100 Other Announcements
- ❑ **What Are The Impacts** Of This Growth On: Housing, Transportation, Workforce, Public Service Etc.?
- ❑ Multiple Planning Organizations Were Providing **Varying Projections** On Job & Population Growth
- ❑ **Oct '14 EPIC Formed To Initiate** The Coordination Of (Public / Non-profit / Private) Agencies To Develop A Single Consensus Report – RCG Was Commissioned
- ❑ EPIC **Technical Committee** Met **Weekly** With RCG Economics To Gather Data & Provide Feedback

Significant Growth is Coming

Reno-Sparks MSA Projected Employment Growth: 2015-2019



EDAWN Jobs Announced: Ahead of 2015 goal



EDAWN Hot Prospects! (Very Likely)

Industry	Job Count	HQ	Confidence	Relocation State
Manufacturing	100		Very Likely	TAIWAN
Service	200		May 13 th	CA
Distribution	80		Very Likely	FL
Manufacturing	100		Very Likely	CA
Distribution	50		Very Likely	UT
Manufacturing	50		Very Likely	OH
Service	100	X	Very Likely	CA
Distribution	50		Very Likely	NV
Distribution	100		Very likely	MN
Service	300		Very likely	NY
Total	1,130	1		

EDAWN Hot Prospects! (Probable)

Industry	Job Count	HQ	Confidence	Relocation State
Service	500		Finalist	OH
Manufacturing	1,000		Top Two	IL
Distribution	800		Top Two	PA
Manufacturing	2,800		Finalist	PA / VA
Data Center	80		Finalist	TX
Manufacturing	500		Finalist	NJ
Manufacturing	700		Finalist	SC
Manufacturing	4,000		New	IL
Manufacturing	200		New	IN
Total	10,580			

Assumptions

- ❑ Detailed Assumptions Provided In The Report
- ❑ In Developing The Ranges For Job Growth **Conservative Numbers** Were Used
- ❑ **Job Growth**, In Addition To Tesla, Was Included Based On EDAWN's Estimates
- ❑ Transportation Projects Projected To Be Completed In The Next 5 Years Were Considered
- ❑ **Study Area** Based On Area Around Tahoe Reno Industrial Center & Reno / Sparks / Carson City

EPIC Members

Organizations	
City of Reno	Economic Development Authority of Western Nevada
City of Sparks	Truckee Meadows Regional Planning Agency
City of Fernley	Center of Regional Studies, UNR
Washoe County	Regional Transportation Commission of Washoe County
Storey County	NV Department of Employment, Training & Rehabilitation
University of Nevada, Reno	Truckee Meadows Community College
NV Energy	Truckee Meadows Water Authority
State Demographer	Northern Nevada Development Authority
Washoe County School District	Western Nevada Development District
Reno Tahoe Airport Authority	
RCG Economics, LLC	
Governor's Office of Economic Development	

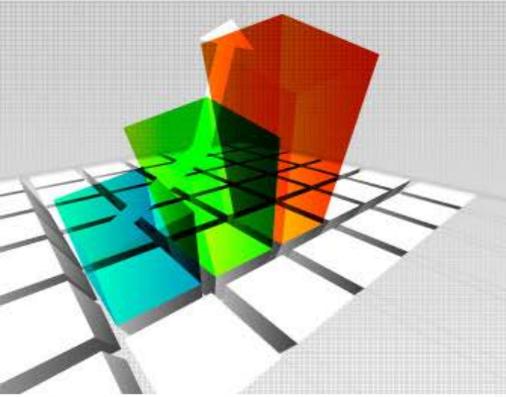
Scope of Work

- ❑ Address The Community Growth Impacts On:
 - Fiscal (Public Revenues)
 - Socio-Economic / Housing / Schools
 - Traffic
- ❑ Address 3 Scenarios High – Med - Low
- ❑ Address A 5-Year Period 2015-2019
- ❑ Provide Data On 5 Counties & 18 EPIC Zones
- ❑ Collate Data From State & Local Agencies Addressing Planning & Projections
- ❑ An Updated Report Is Projected in 18-24 Months

RCG Economics & John Restrepo

36 Years of Experience

- ❑ RCG economics is one of the most authoritative sources of **research & market trend analysis**
- ❑ They offer objective, independent strategic advice on **economics, demographics**, gaming, hospitality, real estate, & public policy issues
- ❑ Research based on urban & regional modeling & economic / demographic projections
- ❑ **RCG clients include:** Bank of Nevada, City of Las Vegas, Clark County, LVGEA, Wells Fargo, Washoe RTC, The Howard Hughes Corp., NDOT, UNLV, GOED



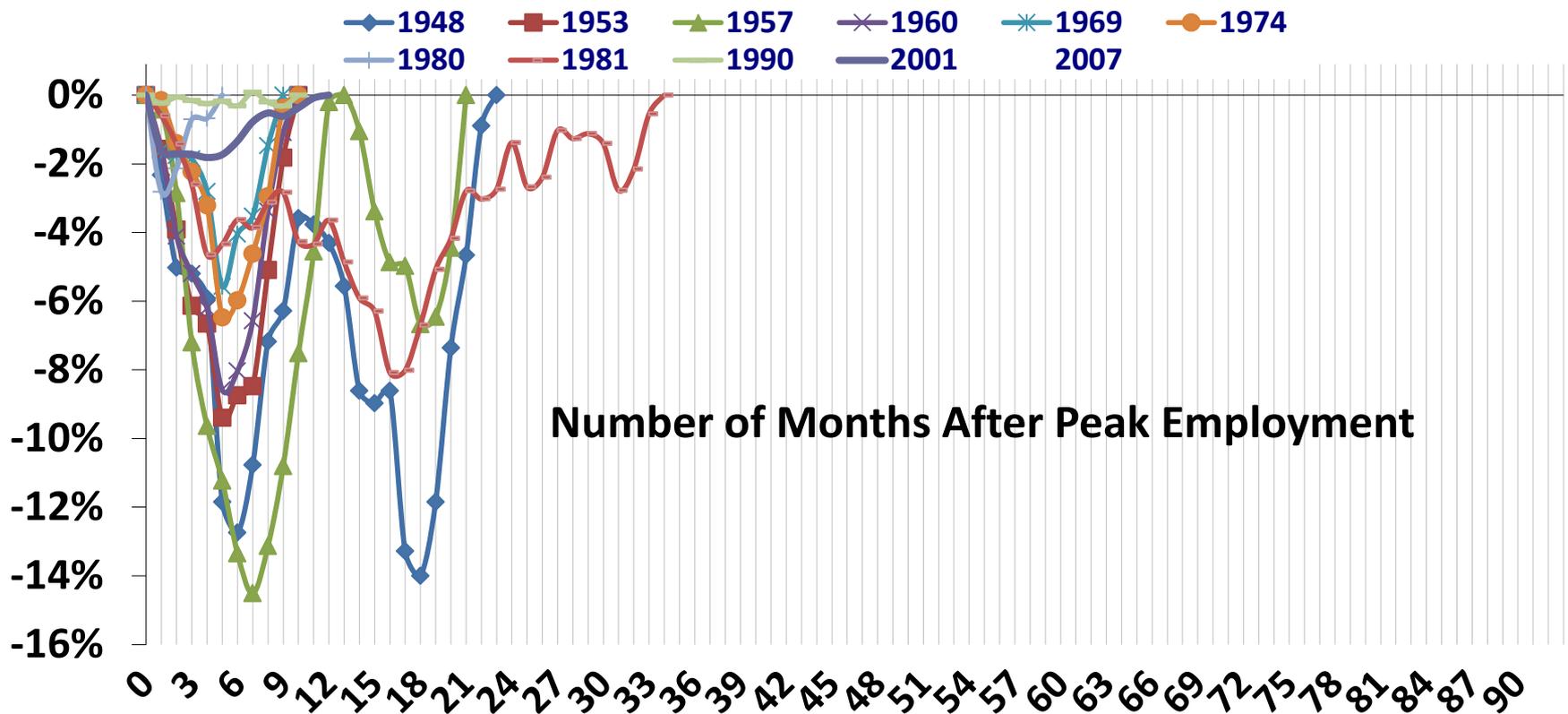
PART 2: THE NEVADA ECONOMIC REALITY



Nevada job recoveries pre-Great Recession

Nevada Recession Recoveries: 1948-2001

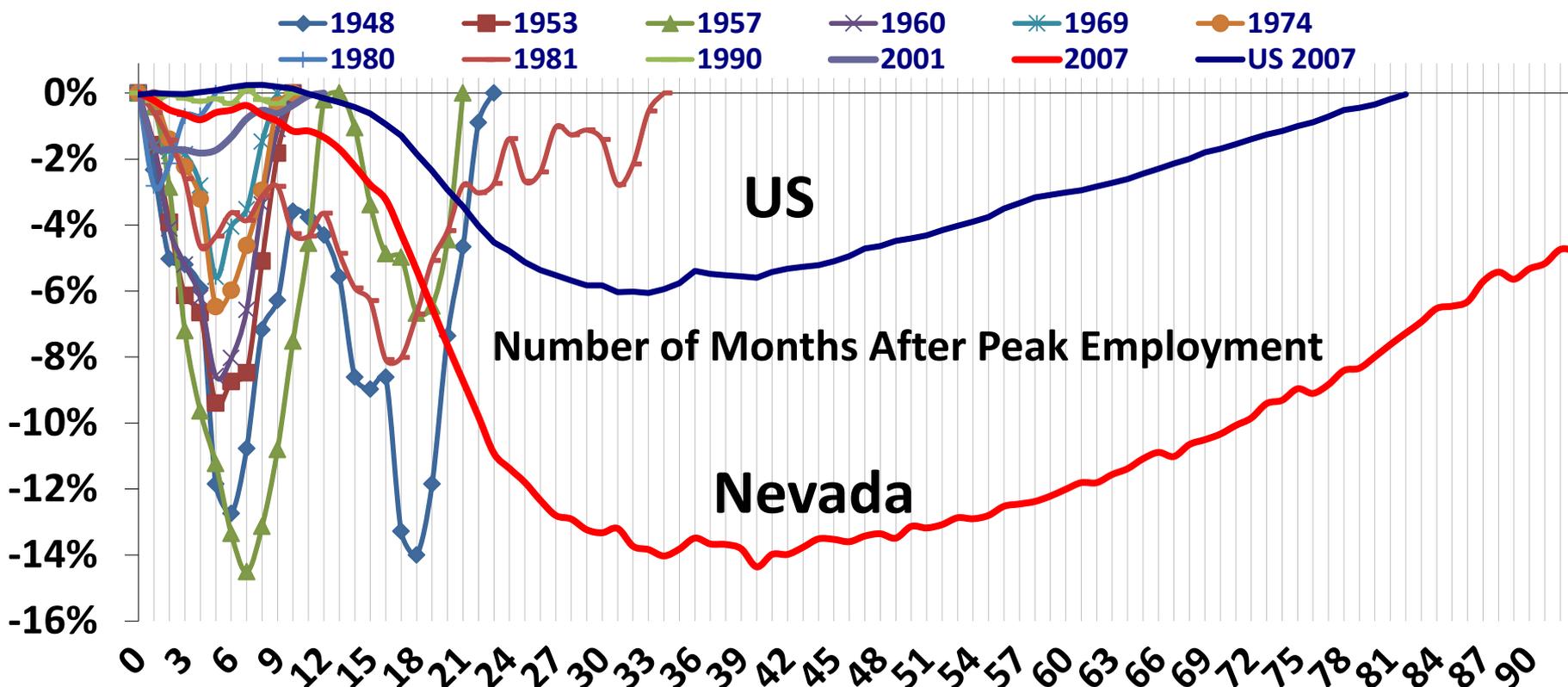
Comparison of Recession Job Growth Recoveries
% Job Losses Relative to Peak Employment Month



Nevada job recovery from Great Recession (after 94 months)

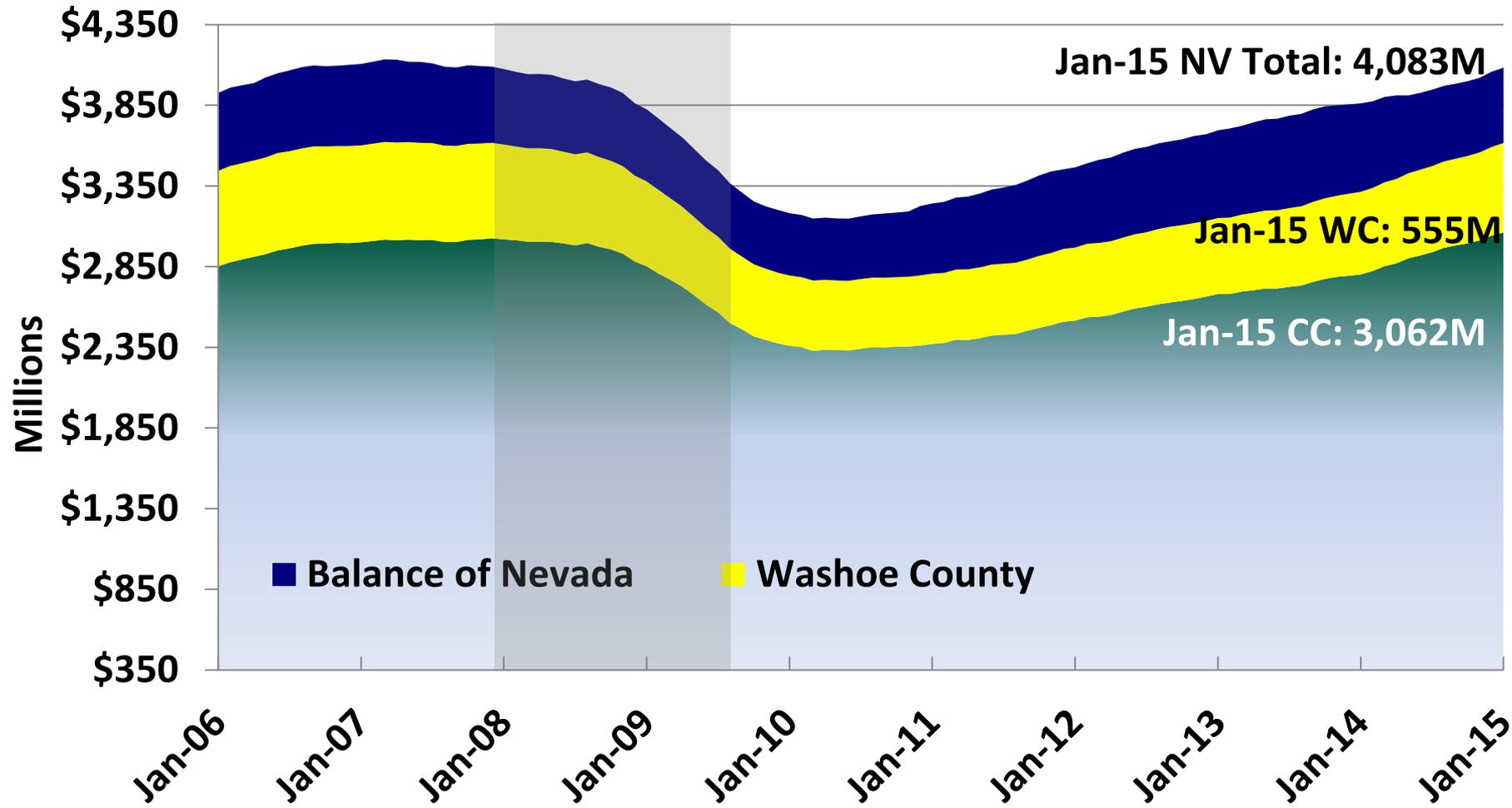
Nevada Recession Recoveries: 1948-Present

Comparison of Recession Job Growth Recoveries % Job Losses Relative to Peak Employment Month



State taxable sales near all-time high thanks to economic recovery & visitors

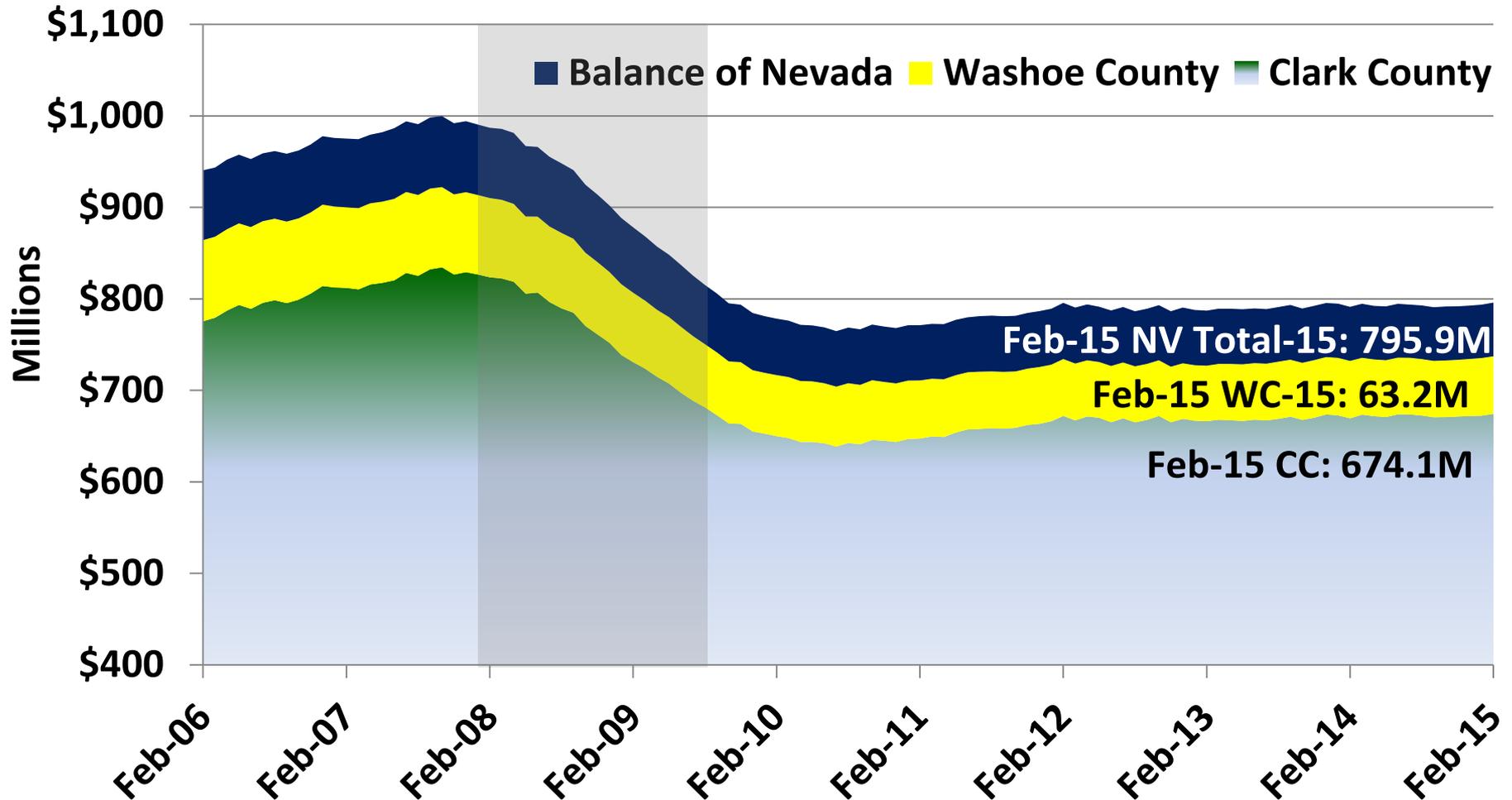
Nevada, Clark & Washoe Counties Taxable Retail Sales: Jan-06 to Jan-15



Source: Nevada Department of Taxation.

Gaming revenues returned moderately due to baccarat; slot revenues stagnant

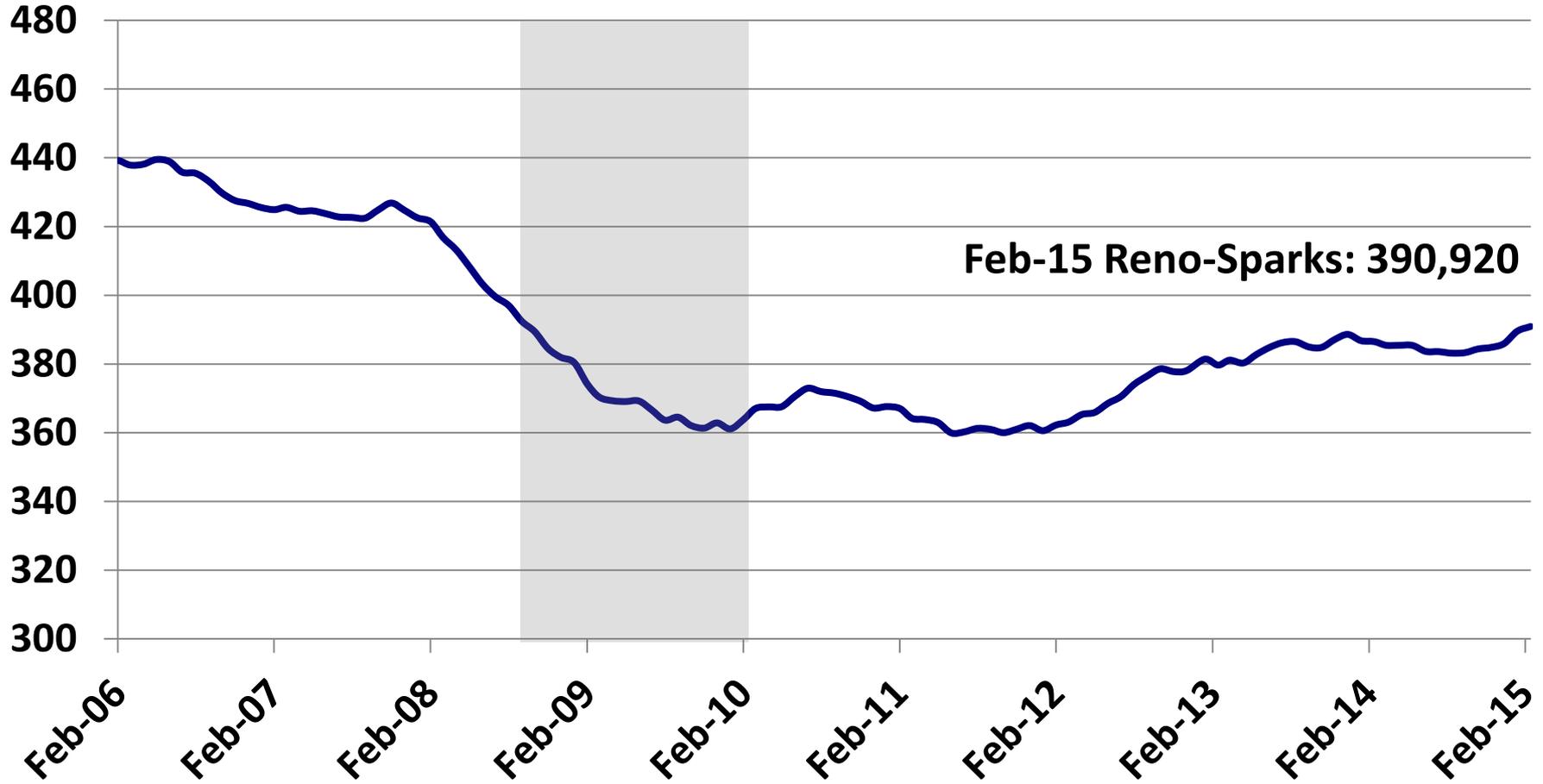
Nevada, Las Vegas & Reno Gaming Revenues-W/O Baccarat: Feb-06 to Feb-15



Reno visitor volume up modestly

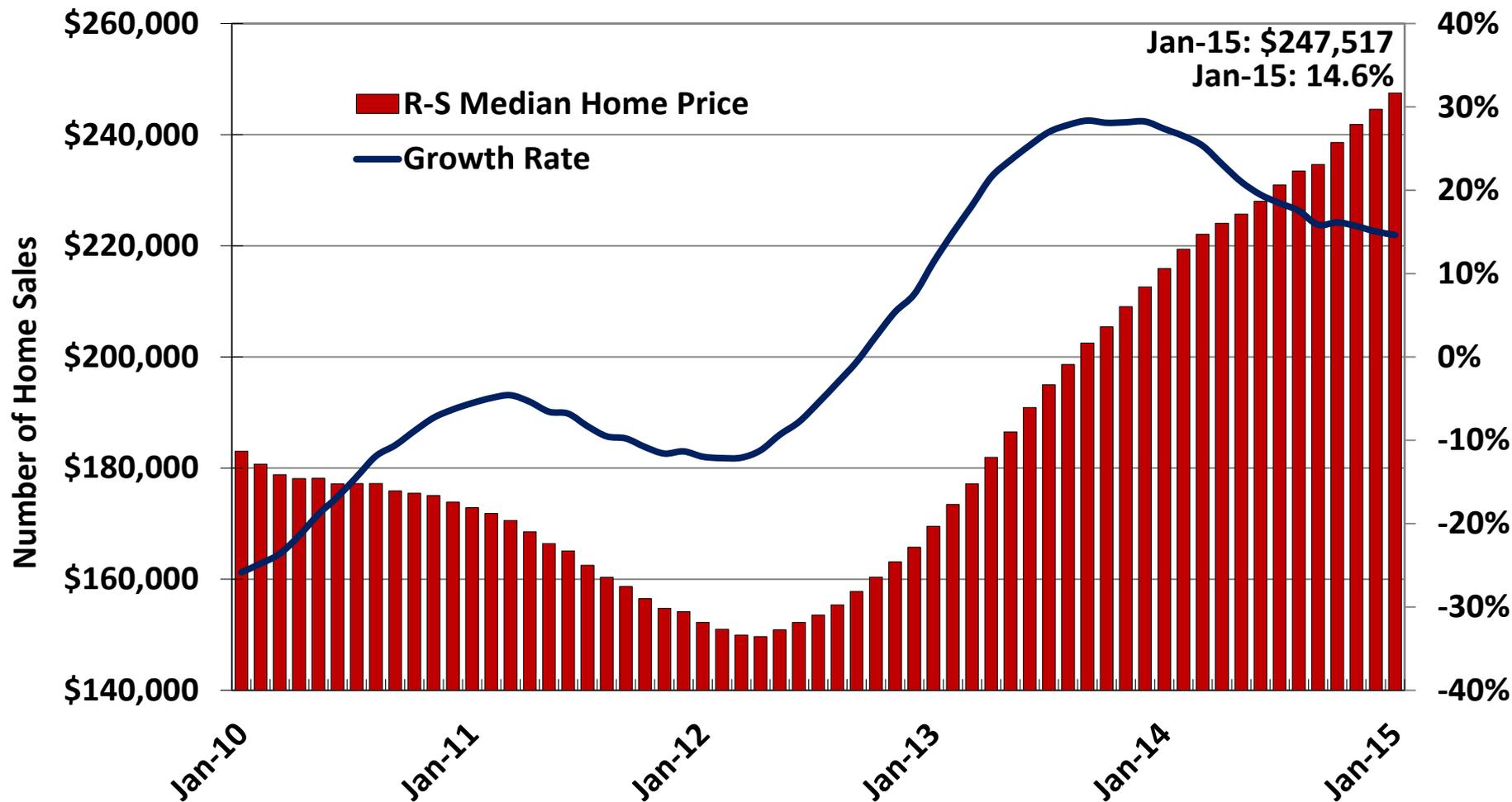
Reno-Sparks Monthly Visitor Volumes: Feb-06 to Feb-15

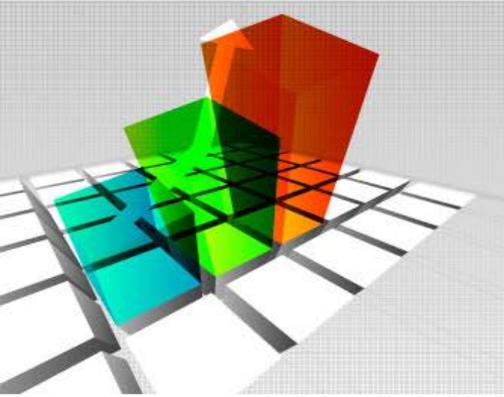
Thousands



Home affordability suffered during Great Boom, now near US avg, but??

Reno-Sparks MSA Home Prices: Jan-10 to Jan-15



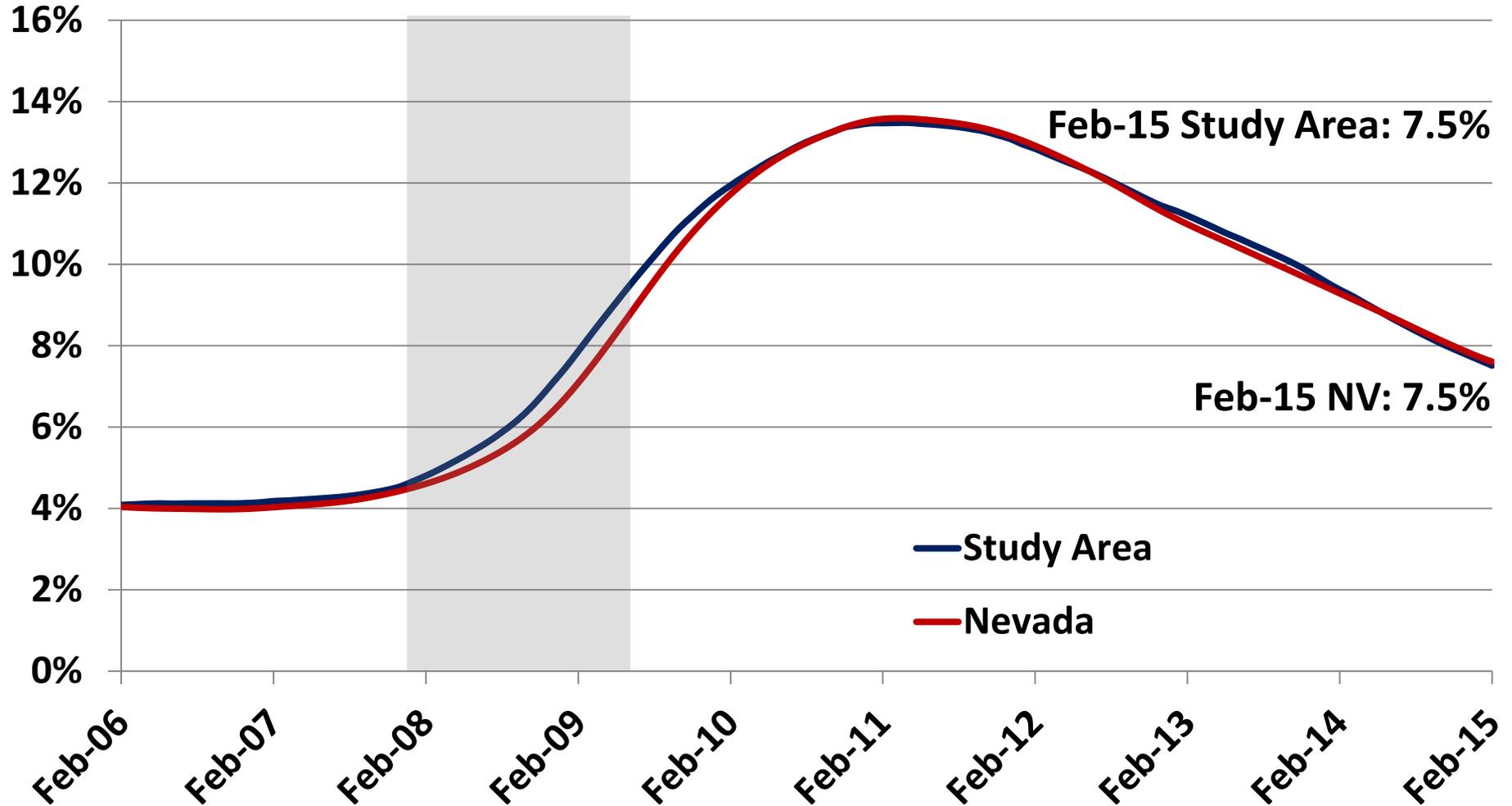


THE REALITY: NEVADA POPULATION & JOBS



The "headline" unemployment rate continues to drop

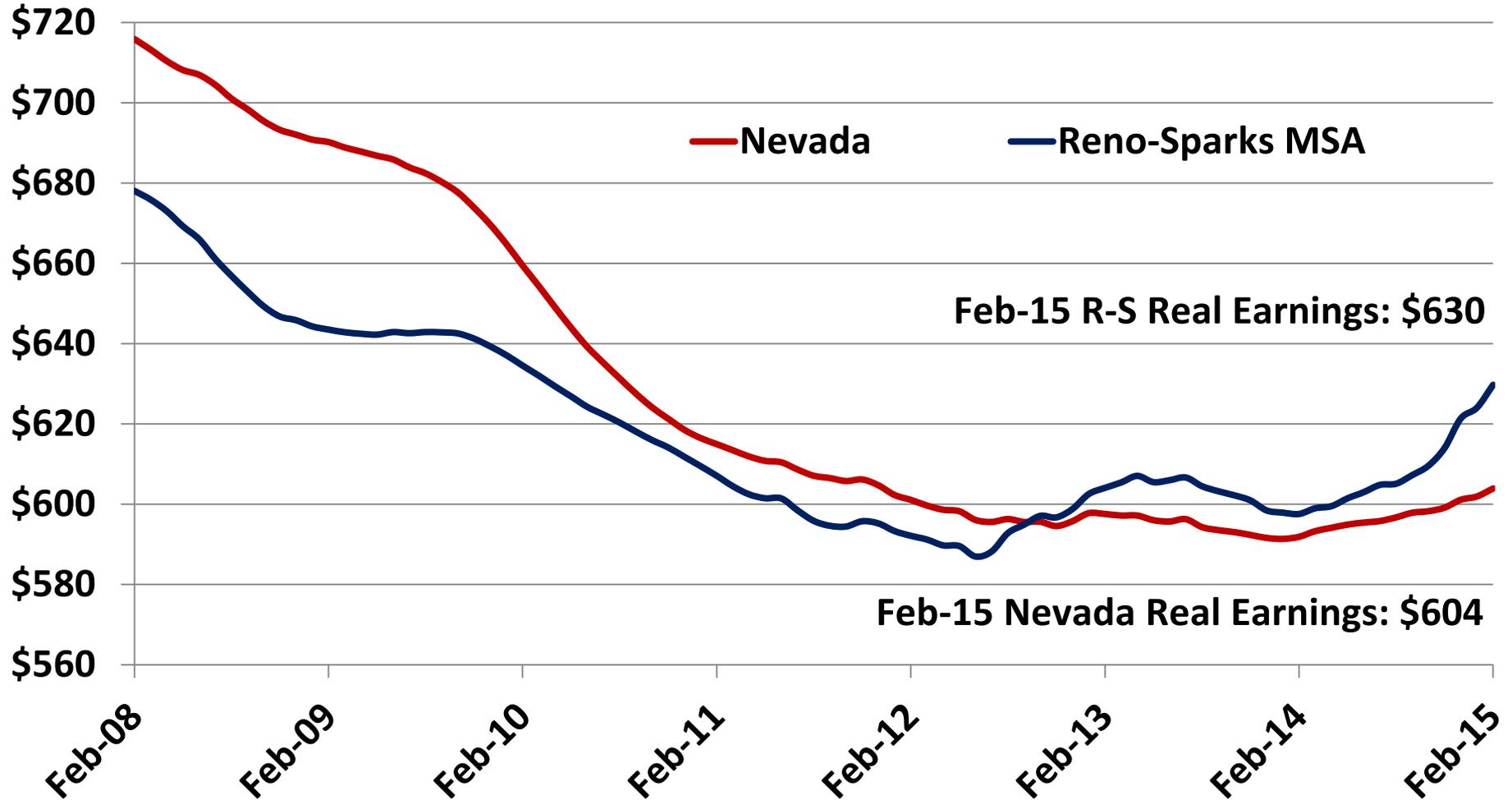
Nevada & Study Area Unemployment Rate: Feb-06 to Feb-15



Source: Bureau of Labor Statistics.

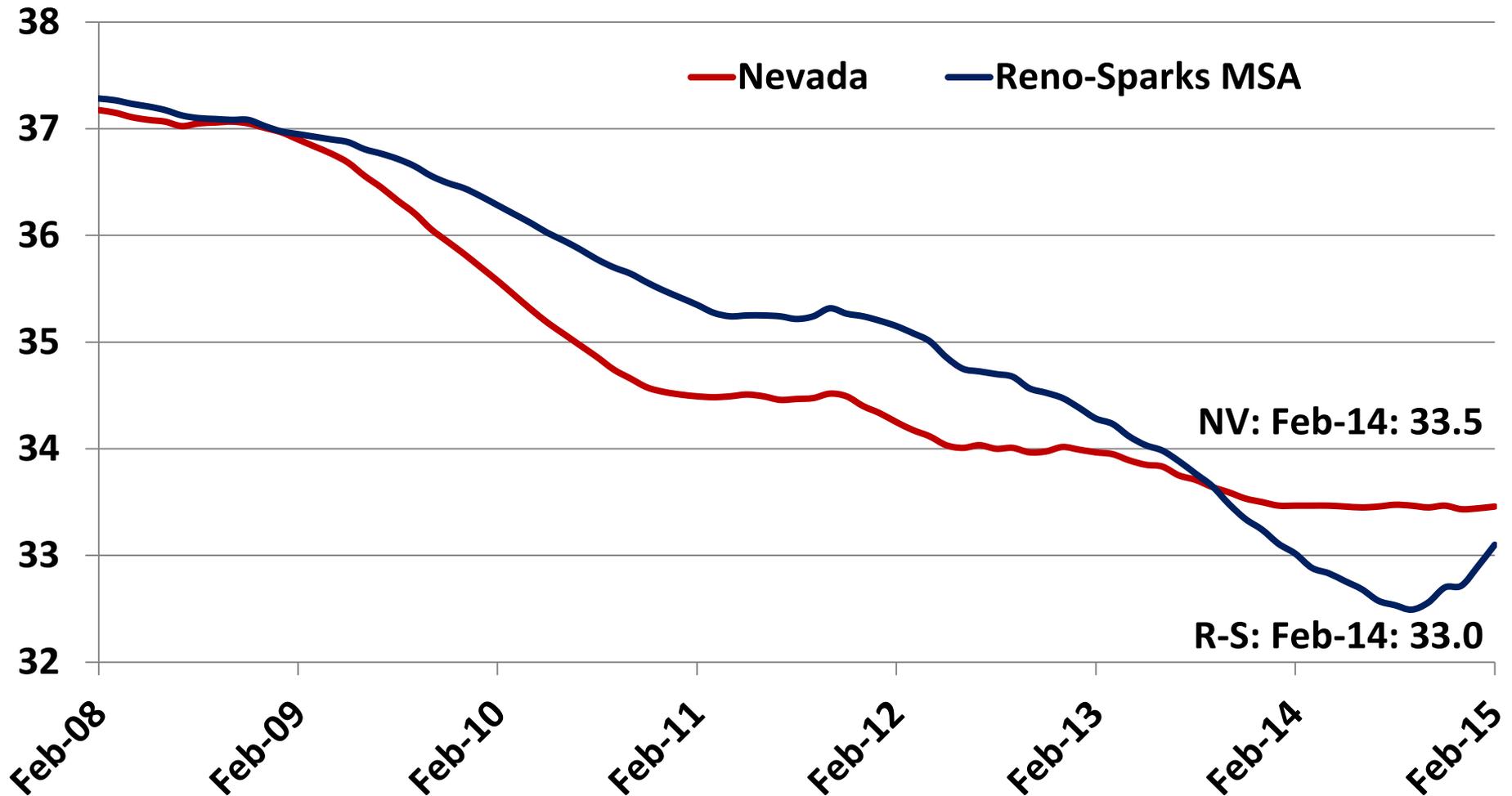
& "real" wages in Nevada finally rising Reno-Sparks doing even better

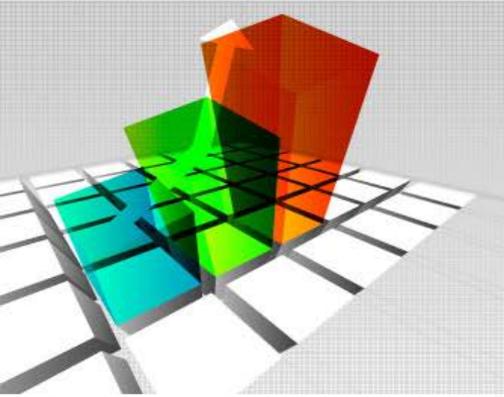
Real Average Weekly Earnings (\$2007): Feb-08 to Feb-15



Slack remains in Nevada job market but Reno-Sparks is improving significantly

Nevada & Reno MSA Average Weekly Hours: Feb-08 to Feb-15





NORTHERN NEVADA GROWTH FORECAST: TESLA & NATURAL GROWTH

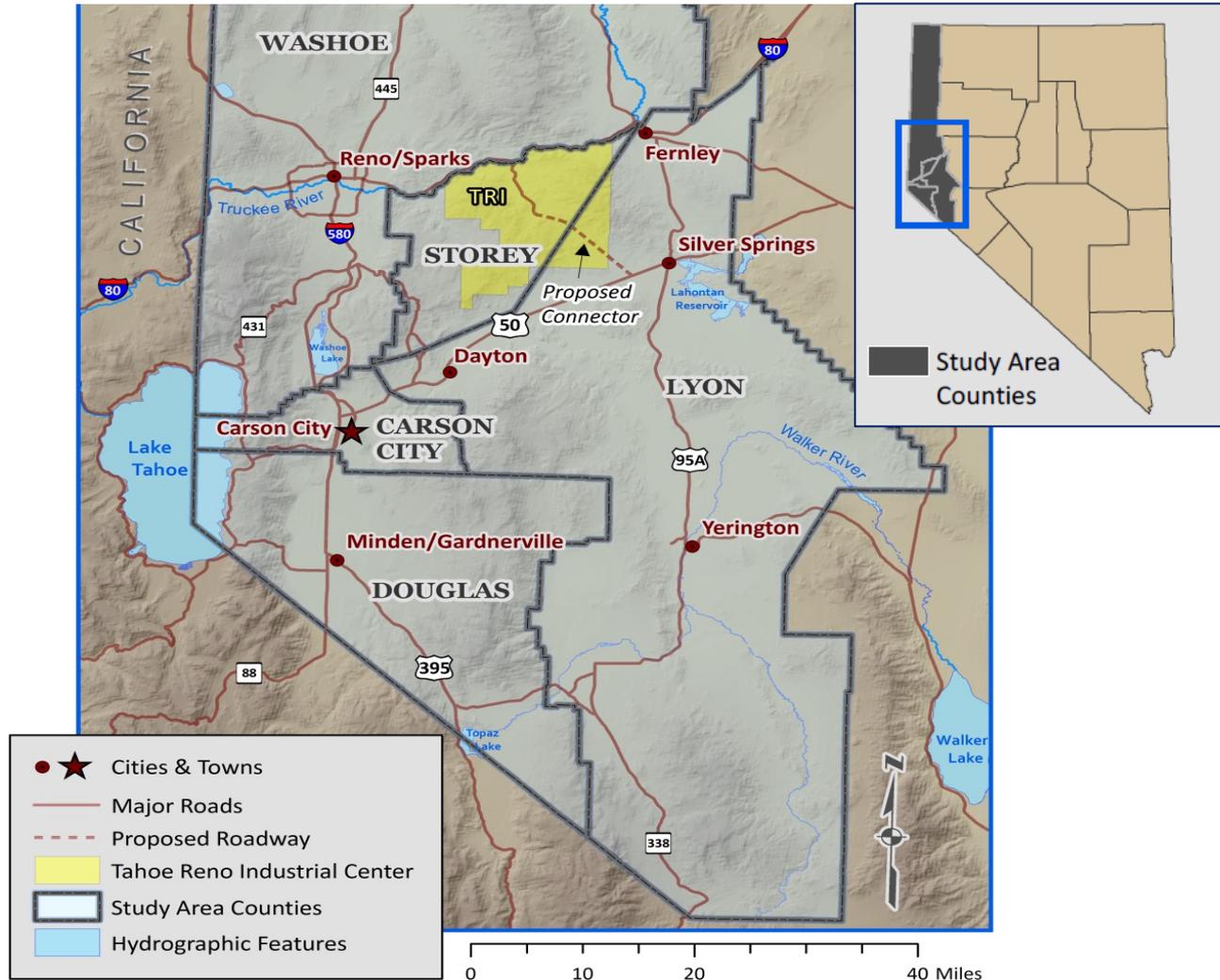
New Tesla battery plant will help bring thousands of needed jobs to Nevada

Tesla Gigafactory Facts:

- ❑ Goal: Produce batteries for cars /homes / others
- ❑ 6,500 jobs at buildout; 7,646 indirect & induced jobs
- ❑ Nucleus of new economic cluster for the state
- ❑ Factory to use economies of scale to reduce costs of lithium-ion batteries
- ❑ By 2020, should more than **double the world production** of lithium-ion battery production of 2013
- ❑ Tesla Just Announced the **"Powerwall"** stackable battery system to store electricity for homes, businesses and the grid

Study Area consists of 5 counties

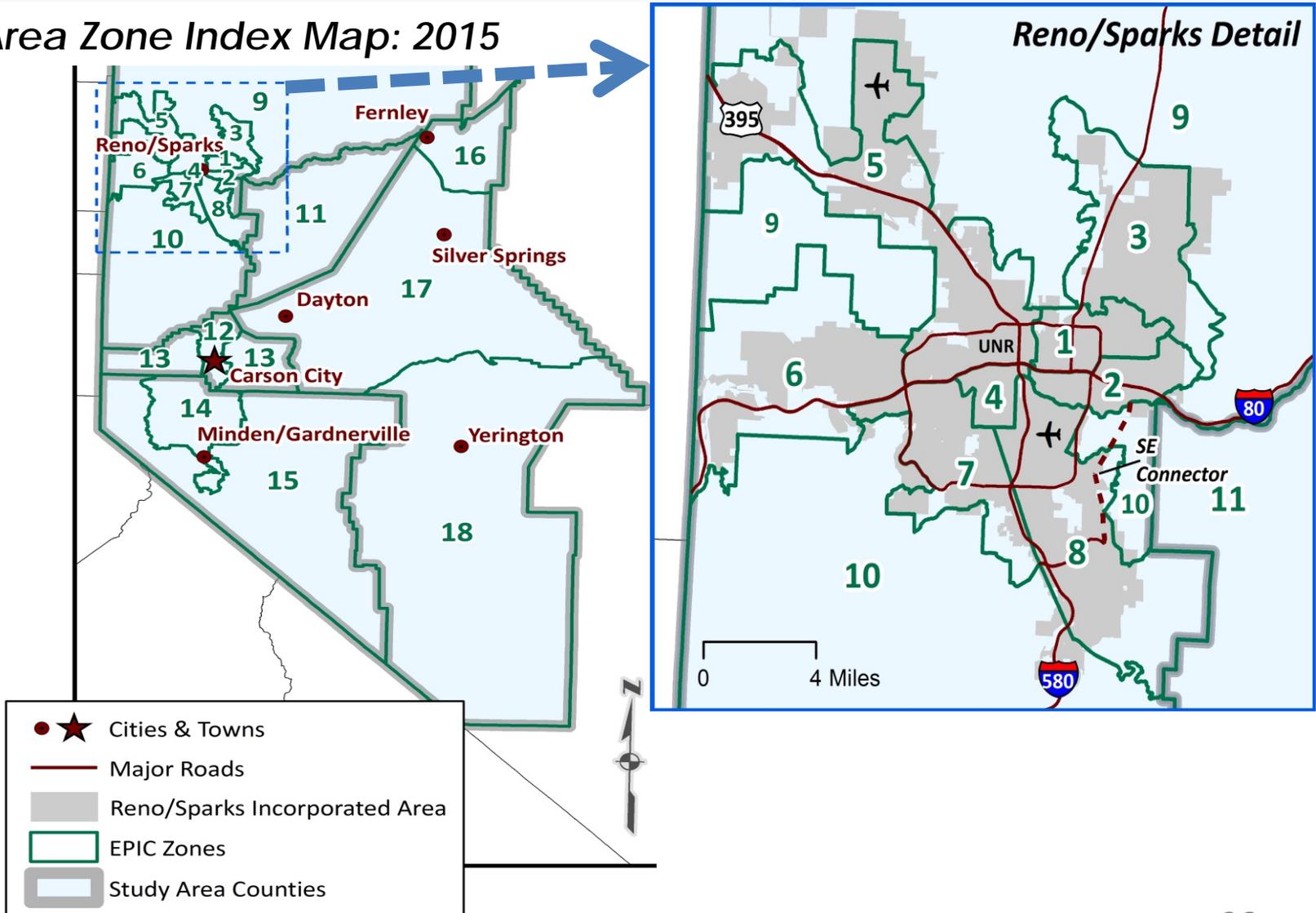
Study Area Map – Study Period: 2015-2019



Source: Nevada Economic Planning Indicator Committee (EPIC).

Study Area also divided into 18 "EPIC Zones"

Study Area Zone Index Map: 2015



Source: Nevada Economic Planning Indicator Committee (EPIC).

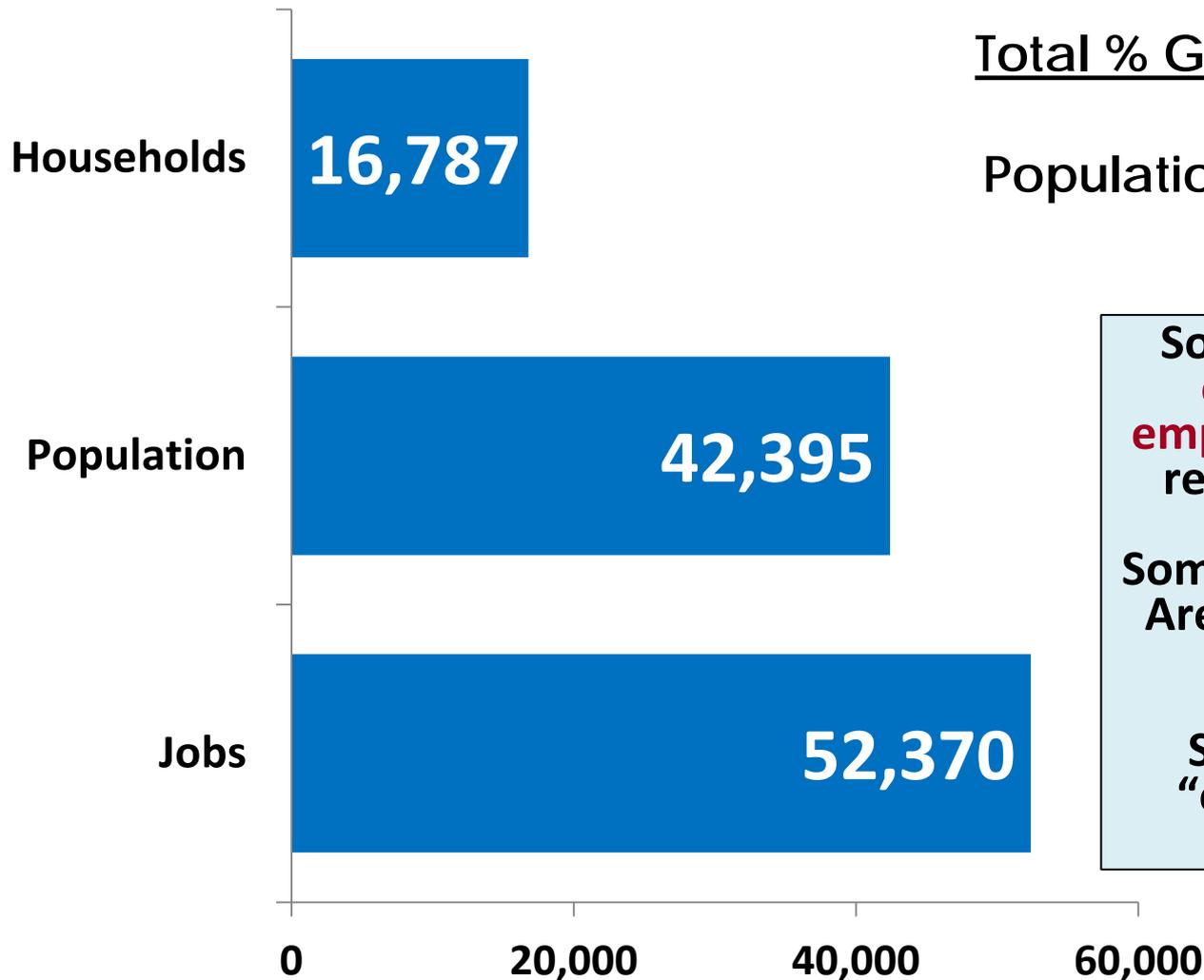
18 EPIC Zones called . . .

Study Area Zone Index IDs

ID	EPIC Zone
	<u>Washoe County</u>
1	Sparks
2	Sparks Industrial
3	Sparks Suburban
4	Downtown Reno
5	North Reno
6	West Reno
7	Southwest Reno
8	Southeast Reno
9	North Washoe
10	South Washoe

	<u>Storey County</u>
11	Storey
	<u>Carson City County</u>
12	Carson City
13	Carson City - Rural
	<u>Douglas County</u>
14	Douglas
15	Douglas – Rural
	<u>Lyon County</u>
16	Fernley Area
17	Central Lyon
18	South Lyon

Scenario B 5-Yr growth: 52K jobs, 42K persons & nearly 17K households



Total % Growth in Study Area:

Jobs: 16.2%

Population/Households: 7.8%

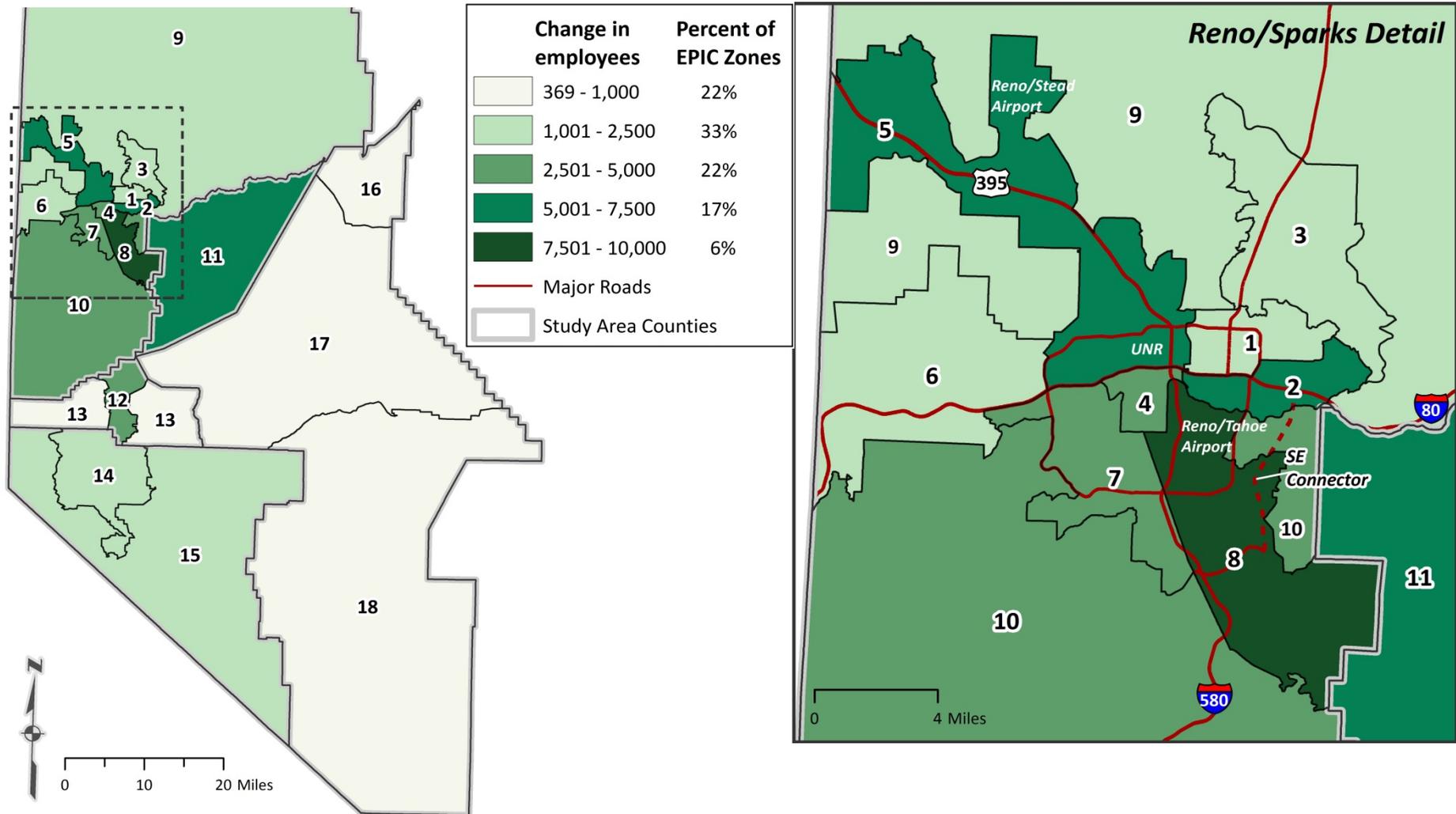
Some of jobs will go to **current Study Area employed & unemployed** residents in workforce

Some jobs will go to Study Area residents currently in school

Some jobs will go to "economic" migrants

Scenario B job growth concentrated in 4 Zones

Total Projected Employment Growth Map-Scenario B, by EPIC Zone: 2015-2019



Scenario B employment growth concentrated in 4 Zones

Projected Employment Growth Conclusions: 2015-2019

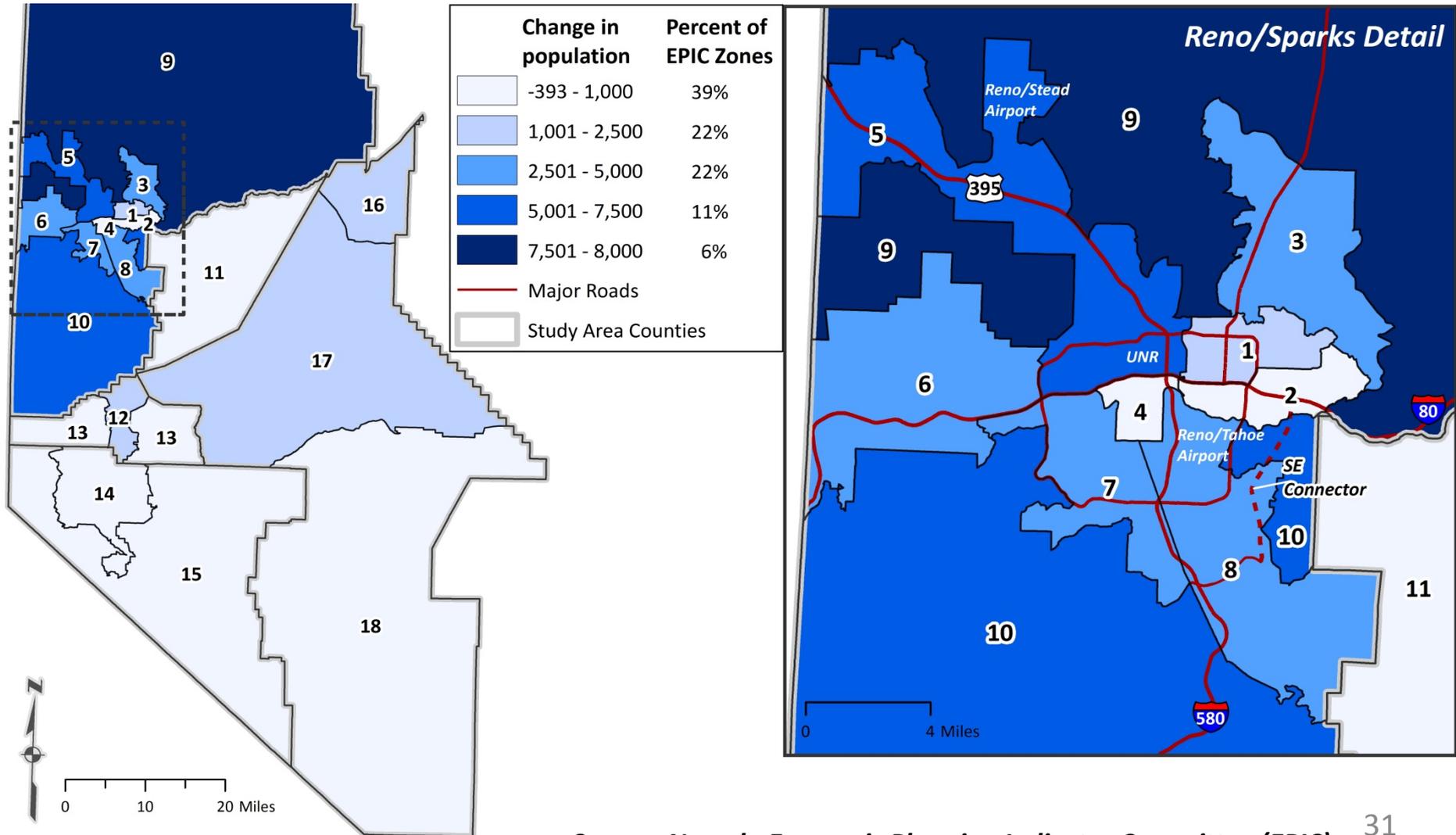
- ❑ 4 zones contain over half of the growth
 - Zone 2: Sparks Industrial – 6,107 jobs
 - Zone 5: North Reno – 5,585 jobs
 - Zone 8: Southeast Reno – 9,104 jobs
 - Zone 12: Storey County – 5,478 jobs

- ❑ Other notable gains
 - Zone 4: Downtown Reno – 4,143 jobs
 - Zone 7: Southwest Reno – 3,762 jobs
 - Zone 10: South Washoe – 3,009 jobs

- ❑ All zones gain jobs over study period

Scenario B population growth centered around Reno-Sparks MSA

Total Projected Population Growth Map-Scenario B, by EPIC Zone: 2015-2019



Source: Nevada Economic Planning Indicator Committee (EPIC).

Scenario B population growth concentrated in 3 Zones

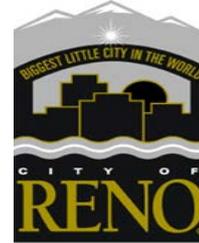
Projected Population Growth Conclusions: 2015-2019

- ❑ 3 zones encompass nearly half of the population growth
 - Zone 5: North Reno – 6,738 persons
 - Zone 9: North Washoe – 7,608 persons
 - Zone 10: South Washoe – 5,765 persons

- ❑ Rest of population growth spread out
 - Zone 3: Sparks Suburban – 4,242 persons
 - Zone 6: West Reno – 2,632 persons
 - Zone 7: Southwest Reno – 3,323 persons
 - Zone 8: Southeast Reno – 4,016 persons
 - Zone 12: Carson City – 2,176 persons

- ❑ Douglas County expected to lose 393 persons, but will start growing in 2017

Questions?



Contact Us



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