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NEVADA VISION STAKEHOLDER GROUP

Summary of SWOT Analysis For Economic Development

Strengths / Weaknesses / Opportunities / Threats

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EXHIBIT C NevadaStakeholder Document consists of 3 pages.

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Economic Development

Strengths

- » Natural resources: minerals, solar and geothermal
- » Climate, recreational and entertainment opportunities
- » Quality airports and rail corridor in northern NV
- » Small town feel leads to easy contact between businesses and policymakers, policymakers in north and south, and fosters cooperation among local governments
- » Location in center of West, and proximity to CA
- » Lack of inventory tax and CA environmental regulations give advantages to local transport/warehousing industries
- » Much less overall regulation than CA
- » IT infrastructure, data transmission and storage capacity (Switch Communications)
- » Existing electrical infrastructure from Hoover Dam, and future north-south investment by NV Energy and L-S Power.
- » NV is largest convention city with considerable tourism infrastructure
- » Yucca mountain and Nellis test site infrastructure.
- » Strong representation in Washington DC, and strong ties to federal government due to BLM
- » Low taxes
- » Flexible and growing labor supply
- » Open government
- » Entrepreneurial spirit

Weaknesses

- » "Sin-city" image: deters relocating firms and households
- » Low share of technology and knowledge-based jobs.
- » Barriers to green construction due to building codes
- » Lack of economic diversity leads to pronounced business cycles
- » High energy costs (despite supplies)
- » Lack of collaboration across regional development agencies
- » Little venture capital
- » Sales tax on rolling stock hurts transport/distribution industries
- » Volatile tax revenues and lack of stable funding for development
- » Hard to free up BLM land in rural areas for development
- » Constitutional restrictions on lending limit use of some development incentives
- » Small town tradition creates reluctance to embrace the growing urban economy
- » Conflict between regions of the state due to differing industrial structures and needs
- » Challenges faced by education system deter firms and households from relocating to NV

Opportunities	Threats
<ul style="list-style-type: none"> » Additional transportation infrastructure (e.g. high speed rail corridors, highway to Phoenix, local public transport) » Vacancy rates have led to low housing and rent costs » Flexible education system has the ability to structure training programs for growth industries » Warehouse roofs are good candidates for solar panels » Industry-specific tax incentives could attract industries such as banking/investment firms » Enterprise districts can be used to fund investments (e.g. Reno trench) » Vertical integration of currently successful industries (e.g. manufacturing of rare earth metals or products used by hospitality and gaming firms) » Tax policies can encourage clean energy innovations and help constrain energy costs (Feed-in tariffs) » Can leverage waste in to products » Marketing recreational opportunities (Olympic bid) » Attract health services and research » Develop a cluster of design firms » Leverage role as tourism/convention capital » Water storage/use arrangements with other states » Use business improvement districts to provide relocation incentives » Continue NVSG project into future years » Potential online gaming hub (legal reforms) 	<ul style="list-style-type: none"> » Threats » Health of the population » Out-migration » Downgraded bond rating » Future unemployment insurance rates will rise due to claims during recession » Loss of manufacturing base » Low water supplies (perception and reality) » Underfunded PERS system and federal entitlement reforms » Low educational attainment constrains growth » Aging infrastructure and public transport » Future federal regulations for air quality