CLV Economic Development Strategy

Roadmap 2012

What's happening at the State …

- State has hired SRI to conduct top-down study
- Study's Interim Report identified 7 industry clusters:
  - *Tourism, Gaming and Entertainment*
  - ***Health and Medical Services***
  - ***IT and Business Services***
  - *Renewable Energy*
  - *Mining, Materials, and Manufacturing*
  - *Logistics/Distribution/Transportation*
  - *Aerospace and Defense*

What's happening in the region …

- Stakeholder discussions among NCED, NDA, CC, CLV, NLV, Henderson, LV Chamber, and BC Chamber
- Desire from State ED to have SRI's Study finalized by November 2011
- NAIOP, NSHE, and CCSD engaging in discussion
- **Problem**: no actionable strategies which will help city of Las Vegas compete for new business and jobs

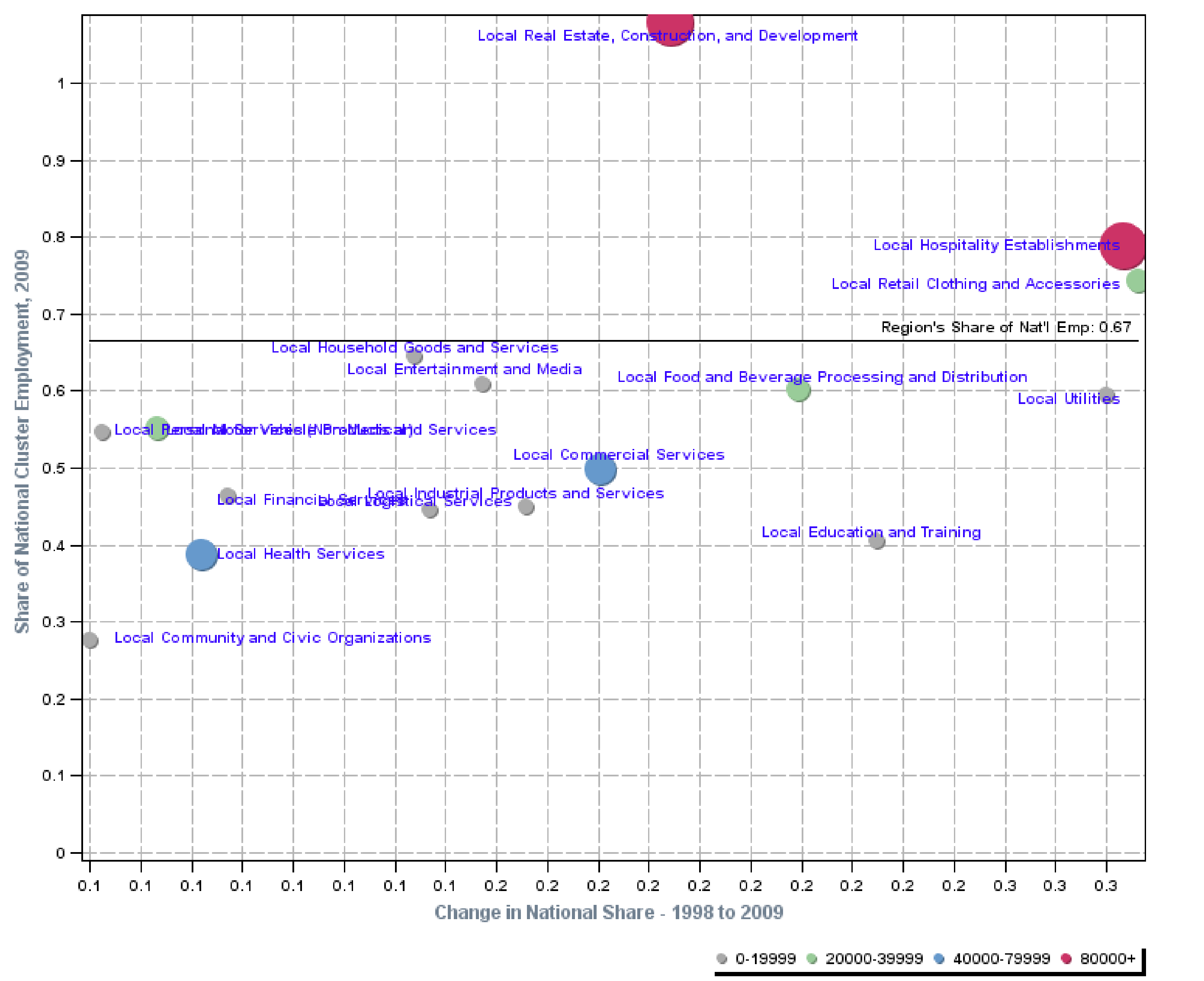
Why the City needs its own strategy

- Build upon what is already working
- The City is NOT the region
  - *City has 10% of industrial space in valley*
  - *Gaming/hospitality is important, but not the driver for future business growth and job growth in the city*
  - *City ED clusters may not mirror State ED clusters*
- Our cluster studies (SRI, TRI) are not strategies

Cluster analysis tells us where we've been … (compared with the U.S.)

Las Vegas MSA Clusters vs. U.S.

(Source: http://clustermapping.us, Harvard Business School & EDA)



But cluster analysis alone won’t tell us
where we should go,
where we could go,
or where we **need** to go

"Entrepreneurs are still the primary engine of job creation in the U.S.

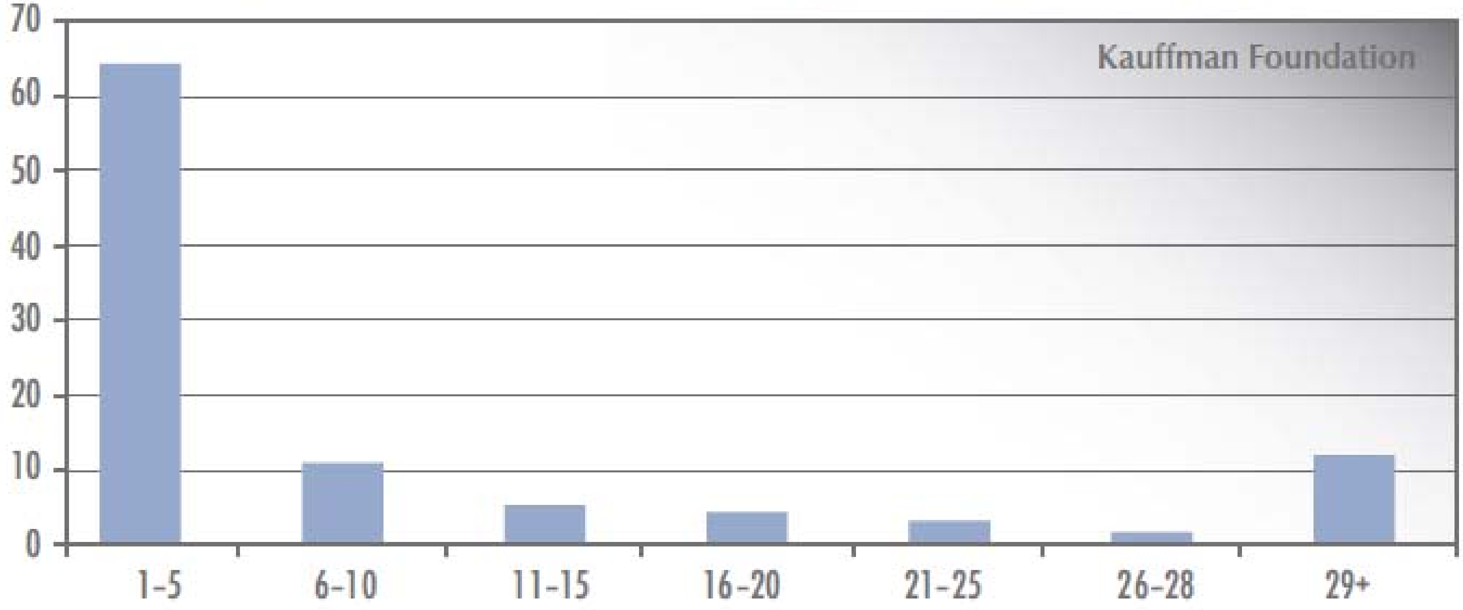
In the last 30 years, all net new jobs have come from firms less than five years old.

Every minute, another entrepreneur takes a risk to start a company. That number is constant, even during a recession."

Carl Schramm, President & CEO, Kauffman Foundation
during his 2010 State of Entrepreneurship address at the
National Press Club, Washington, D.C.

Every year entrepreneurs create 6 out of 10 new jobs

Figure 9:
Net Job Creation in Continuing Firms by Firm Age, 2007



Annualized Lifetime Net Job Creation for Firms in 2007. Source: Special Tabulation performed by U.S. Census Bureau from Business Dynamics Statistics. See also Dane Stangler and Robert E. Litan, "Where Will the Jobs Come From?" Kauffman Foundation Research Series: Firm Formation and Economic Growth, November 2009.

Yet only 1 LV company received VC funding ($7m) in 1st half of 2011

Compared with $14B nationwide.

(Source: Dow Jones VentureSource)

DIGITAL CAPITAL LUMAscape

Super Angel / Incubator

Y Combinator, gnrlassembly, SV Angel, dogpatch labs, CommonAngels, 500 startups, techstars, betaworks, social leverage, Launchpad, Innovation Works, FOUNDER COLLECTIVE, ff Venture Capital, Tech Coast Angels, New York Angels, ROSE Tech Ventures, band of angels, Lerer Ventures, Founder Institute, idealab, FIRSTSTEPS

Venture Debt

Silicon Valley Bank, Hercules, Pinnacle Ventures, Western Technology Investment, BlA Digital Partners, ORIX, Vencore Capital, Agility Capital, Eastward, Lighthouse Capital Partners, VSS

Growth Equity

TA Associates, Summit Partners, General Atlantic, Spectrum Equity Investors, TCV, FTV Capital, BainCapital, Great Hill Partners, ICG, Tudor Ventures, JMI Equity, Goldman Sachs, Investor, Halyard Capital, HLG Capital, Shamrock, ABS Capital Partners, 3i, zelnickmedia, Stripes Group, Trident Capital, Columbia Capital, Clarion, NEP Norwest Equity Partners, Staley Capital, Crossline Capital, GGV Capital, FOGCITY Capital, Alta, WWC, TPG, Constellation, DST, bridgescale, Symmetric Capital, Avista, Adams Street Partners, TZP, North Bridge Growth Equity, Bertram Capital

Private Equity / Buyout

KKR, Apollo Investment Corporation, BainCapital Private Equity, The Carlyle Group, GTCR, Warburg Pincus, THL Partners, Hellman & Friedman, Cerberus, Lindsay Goldberg, TPG, Investcorp Technology Partners, Golden Gate Capital, LEE Equity Partners, Apax Partners, Clayton Dubilier & Rice, NMC New Mountain Capital LLC, GENSTAR, Weston Presidio, LG&P, Lake Capital, Millennium, Diamond Castle, MidOcean Partners, Teachers' Private Capital, Welsh, Carson, Anderson & Stowe, Castanea, Gryphon Investors, Elevation Partners, FP Francisco Partners, SilverLake, bv, Providence Equity, Abry Partners, Clarity Partners LP, Saban, Thoma Bravo, Vector Capital, Quadrangle, Accel-KKR, Spire Capital

Hedge Fund / Alternative

Legg Mason, Angelo Gordon & Co, glg, Och-Ziff, T. Rowe Price, Capital Group Companies, Maverick Capital, Fortress, Tudor, Marathon Asset Management, Tiger Asia, MSD Capital, PAR Capital Management

Venture Capital

Stage Agnostic

KPCB, Sequoia Capital, greylock partners, Bessemer Venture Partners, Benchmark Capital, Union Square Ventures, BV Battery Ventures, Andreessen Horowitz, Redpoint Ventures, Accel Partners, NEA, Insight Venture Partners

West Coast / East Coast — Later Stage / Earlier Stage

khosla ventures, iw Intersouth Partners, Sutter Hill Ventures, maveron, AustinVentures, Westwood, BEV Capital, StarVest Partners, Globespan Capital Partners, matrix, MC, Vantage Point, Scale, shelter capital partners, Tenaya, IVP Institutional Venture Partners, FUSE, Valhalla Partners, rho, Polaris, Volition, Greenspring Associates, Azure, DAG Ventures, Emergence, GRP, Mission Ventures, Metamorphic Ventures, updata, Edison Ventures, FirstMark, Meritech Capital Partners, Storm, Sierra Ventures, Trinity, Meritage, New World Ventures, Oak Investment Partners, Index Ventures, Bain Capital Ventures, North Bridge, Menlo Ventures, El Dorado Ventures, Morgenthaler, Madrona, CMEA Capital, MK Capital, Foundation Capital, Mohr Davidow Ventures, Ascend, Masthead, North Atlantic Capital, General Catalyst Partners, Avalon Ventures, dcm, Lightspeed, Voyager, Accretive Partners LLC, Draper Richards, NVP Norwest Venture Partners, Kepha Partners, SJF Ventures, Lowercase, crossbar capital, longworth venture partners, August Capital, ignition, OATV, OVP, Highland Capital Partners, Novak Biddle, High Peaks, Southern Capitol, Draper Fisher Jurvetson, Mayfield Fund, KPG Ventures, Leapfrog Ventures, Hummer Winblad Venture Partners, Blue Chip Venture Company, Nextview Ventures, Sigma Partners, prism, Spark, ATV, Rembrandt, Labrador Ventures, Granite Ventures, Epic, Charles River Ventures, Grandbanks, Novia, Focus Ventures, Bay Partners, Founders Fund, Canaan Partners, New Atlantic Ventures, SoftBank Capital, Inspiration, NYC Seed, SoftTech VC, Trinity, i2A, Clearstone, baseline, Rustic Canyon, Allegis Capital, Court Square, GSA, JLA, DFJ Gotham, Contour, Felicis Ventures, Harris & Harris, K9, Foundry Group, Grotech Ventures, Venrock, Enlace, Genacast, kodiak, Great Oaks, Founder's Co-op, Floodgate, Pelion, Tomorrow Ventures, Village Ventures, Coriolis, neu, Veronis, Firstmark, Rincon Venture Partners, Jafco Ventures, BlueRun, Arcturus, freestyle, First Round Capital, Revel Partners, .406 Ventures, Carmel, Altos Ventures, Onset, Bullpen Capital, CrunchFund, true ventures, Greycroft, Boldstart, Flybridge, Cue Ball, Hudson Ventures, pitango

Strategic

Google ventures, Cisco Capital, Intel Capital, IDG Ventures, Time Warner, AOL Ventures, SAP Ventures, Comcast Ventures, Highline, symphony, Ventures, BDMI, SK telecom ventures, Tribune Strategic Investments, Hearst interactive media, Steamboat Ventures

LUMA partners

lumapartners.com

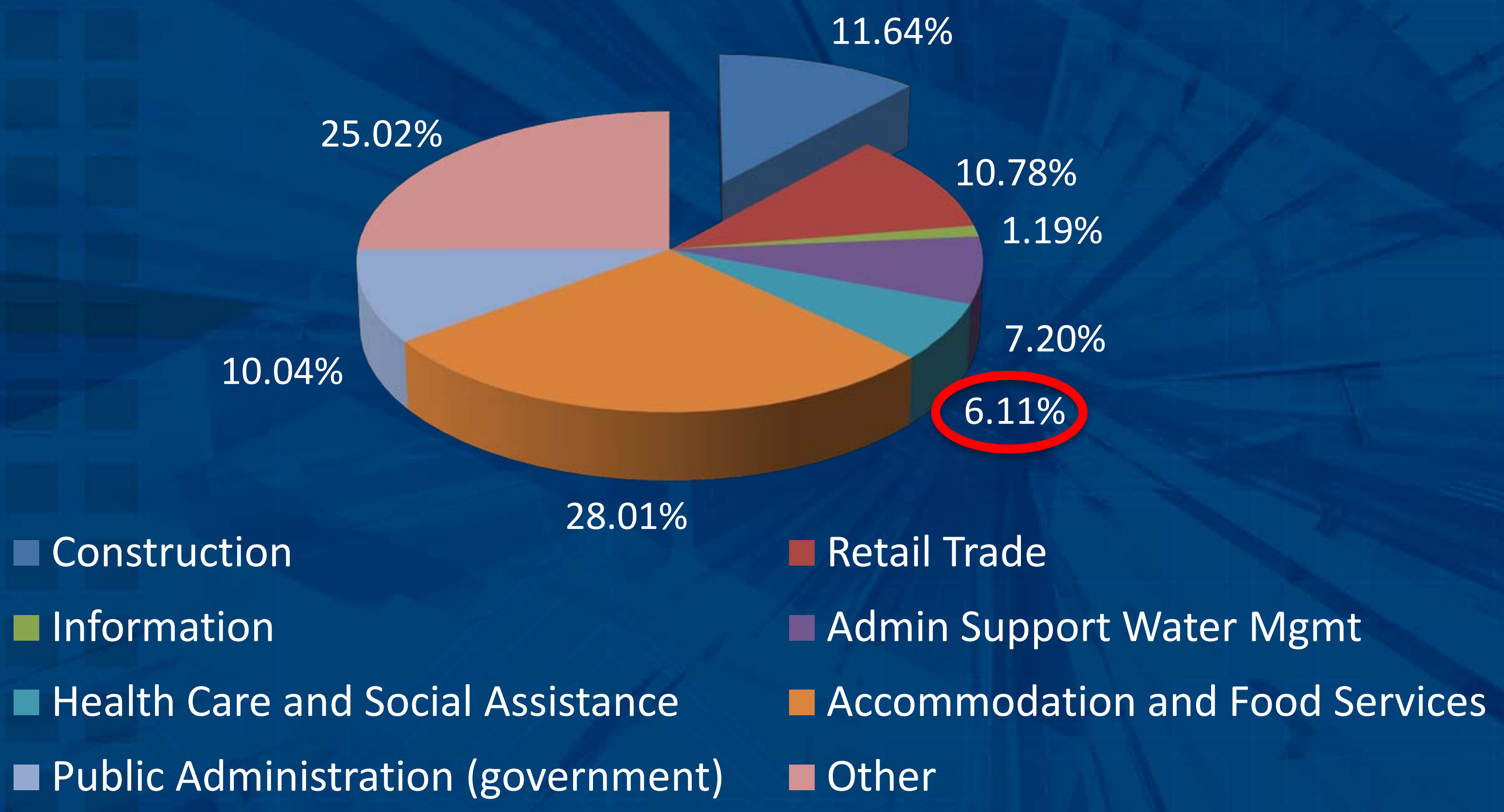
Time to bend the trend line!

<u>Place</u>
Matters.

In the past 5 years
health care has grown from 6%
to 8% of our local economy

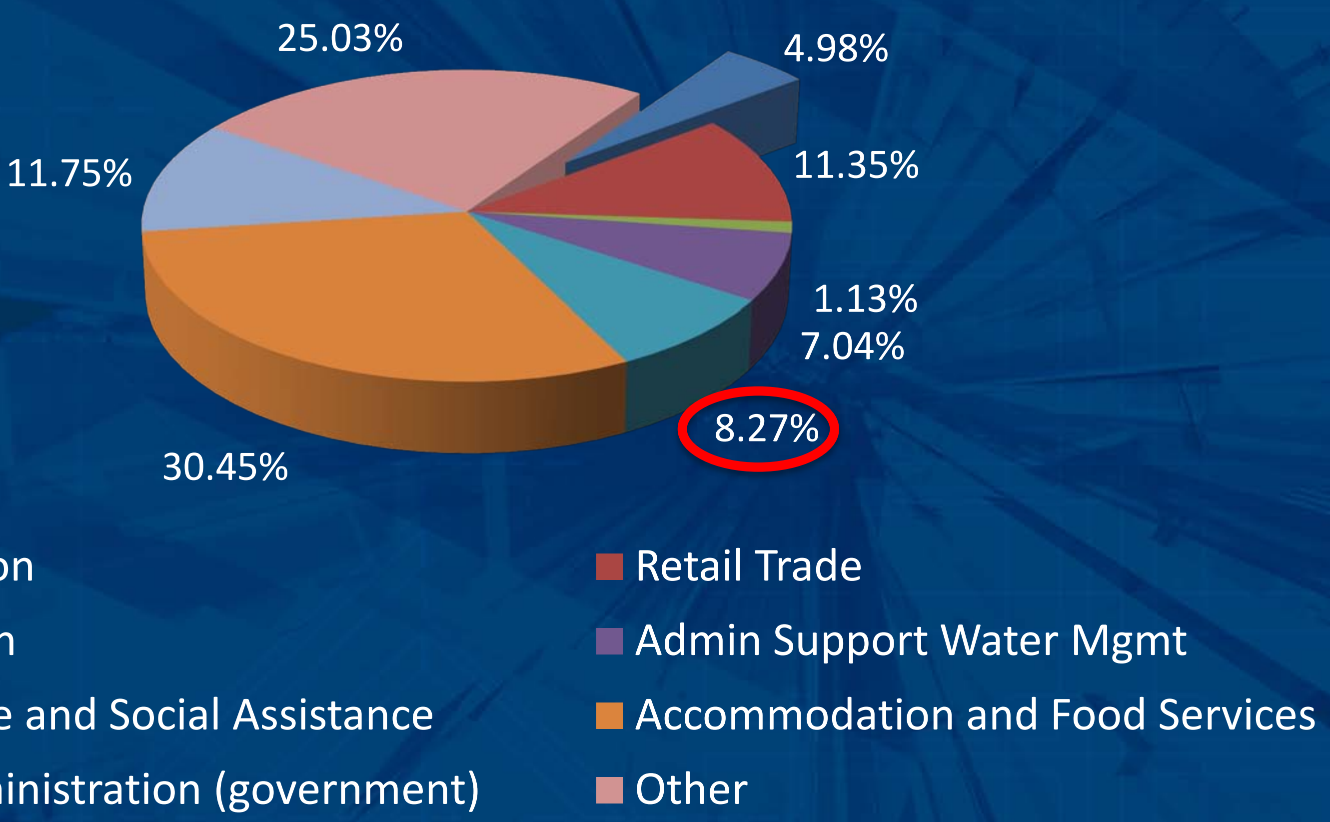
Las Vegas MSA Industry Mix, 2005

(Source: DETR)



Las Vegas MSA Industry Mix, 2011

(Source: DETR)



… and has been growing,
but not rapidly enough.

Health Care and Social Assistance

Sector Job Growth, Las Vegas MSA

(Source: DETR)

Time to bend the trend line!

Next steps

- EUD Staff has conducted a situational assessment and data review to help summarize what we already know
- Hire an ED consultant through a RFQ to help City Team -
  - *Complete City-specific SWOT analysis*
  - *Lead focus-group discussions with private industry leaders*
  - *Prepare business strategy to foster entrepreneurship*
  - *Prepare business strategies in ICT, Health Care, and other industries in which we should compete*
- Final ED Strategy will have goals with meaningful metrics

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