



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

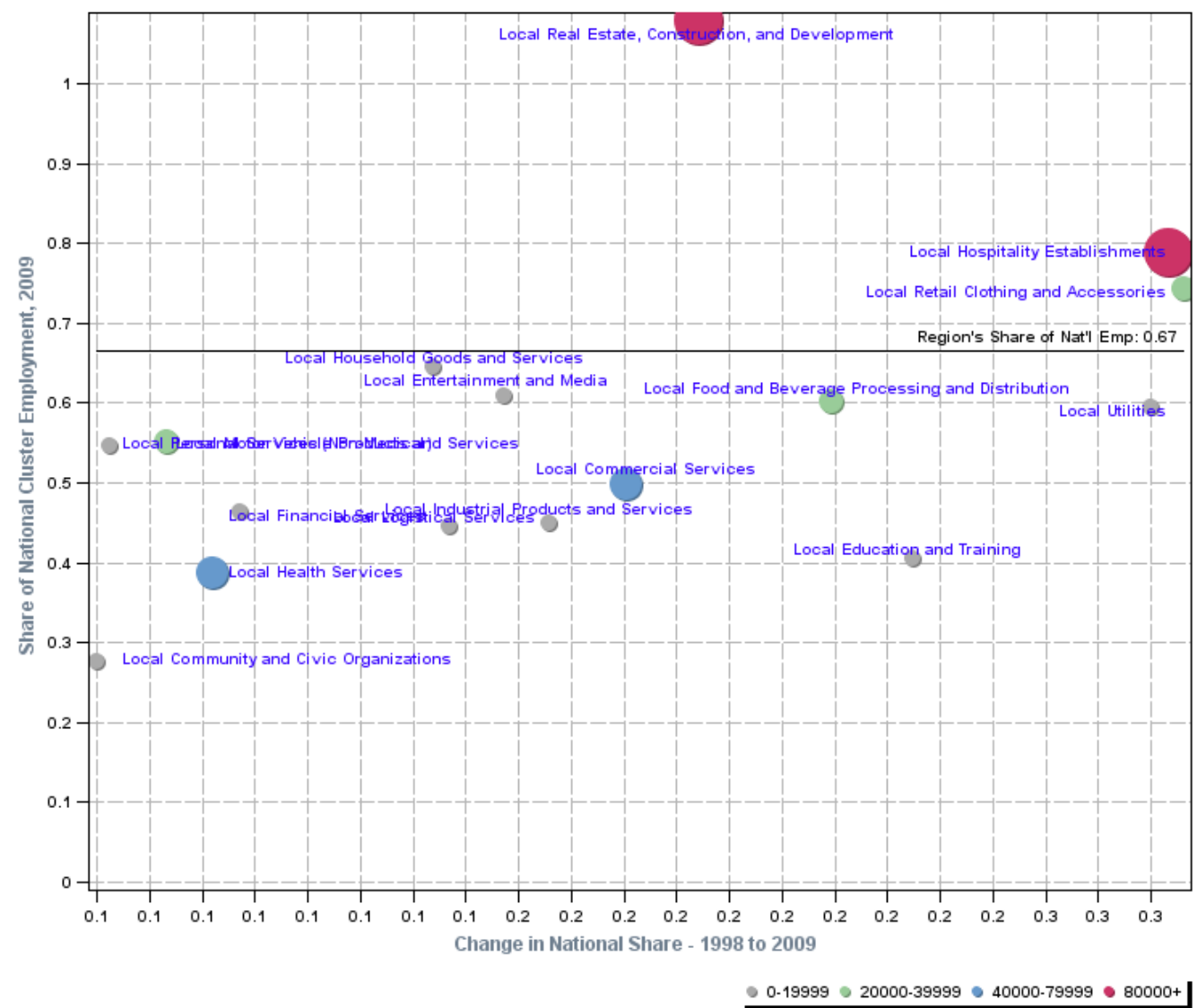


Cluster analysis tells us
where we've been ...
(compared with the U.S.)



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
☐
☐
☒

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“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.

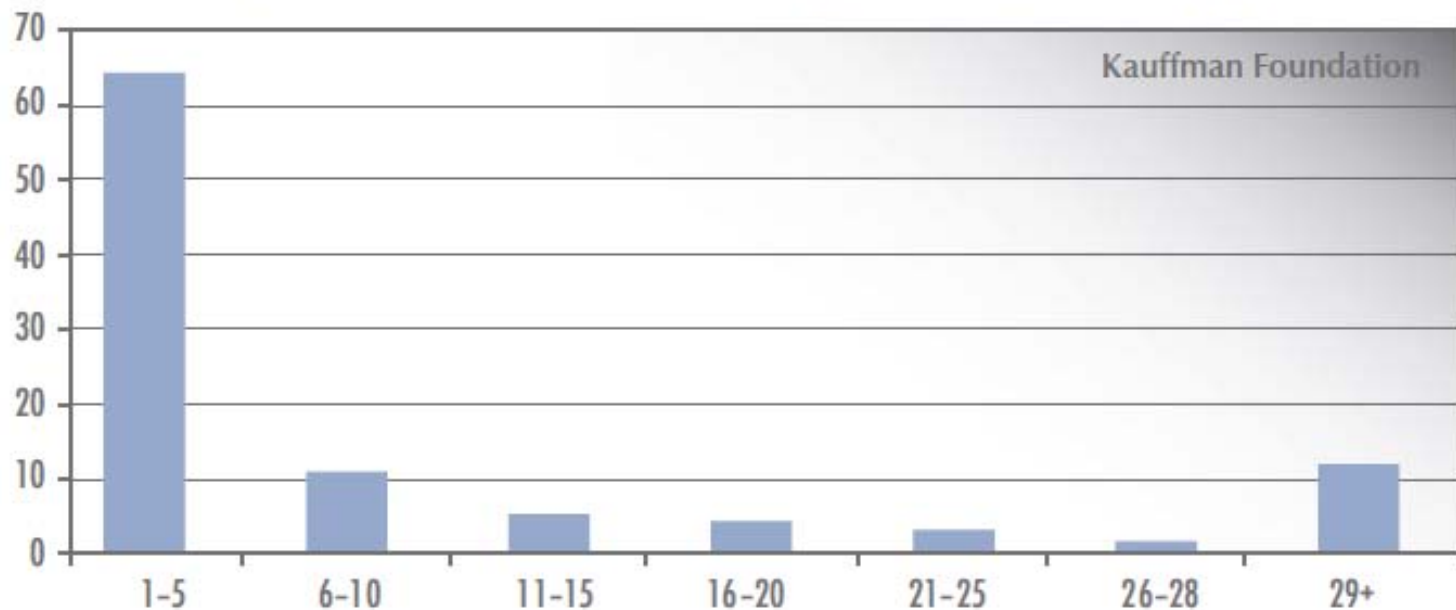
Every minute, another entrepreneur takes a risk to start a company. That number is constant, even during a recession.”

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



Venture Debt



Growth Equity



Private Equity / Buyout



Venture Capital Stage Agnostic



West Coast



East Coast



Hedge Fund / Alternative





Time to bend the trend line!



Place
Matters.

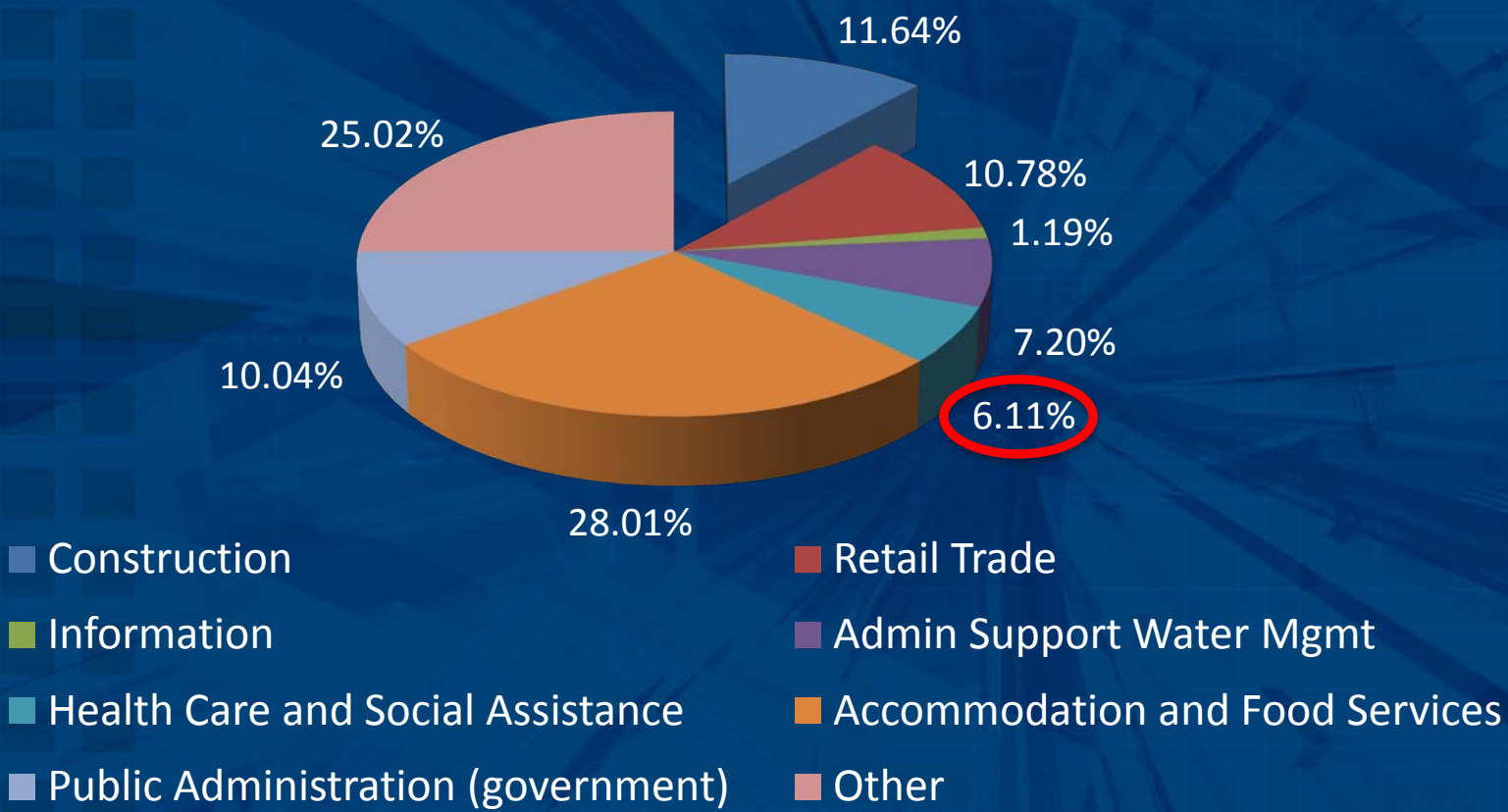


In the past 5 years
health care has grown from 6%
to 8% of our local economy



Las Vegas MSA Industry Mix, 2005

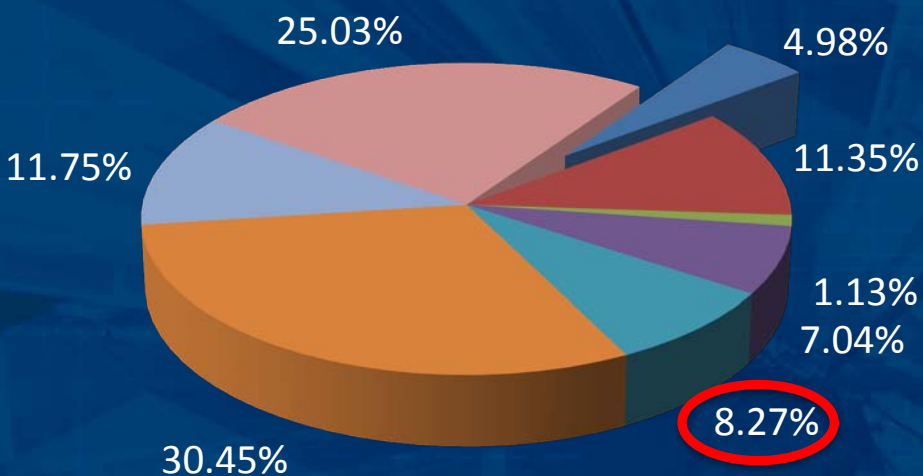
(Source: DETR)





Las Vegas MSA Industry Mix, 2011

(Source: DETR)



- Construction
- Information
- Health Care and Social Assistance
- Public Administration (government)
- Retail Trade
- Admin Support Water Mgmt
- Accommodation and Food Services
- Other





... and has been growing,
but not rapidly enough.

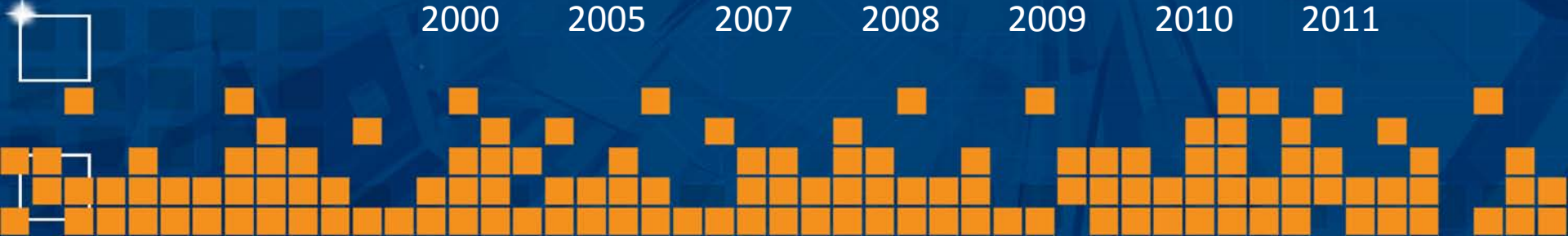
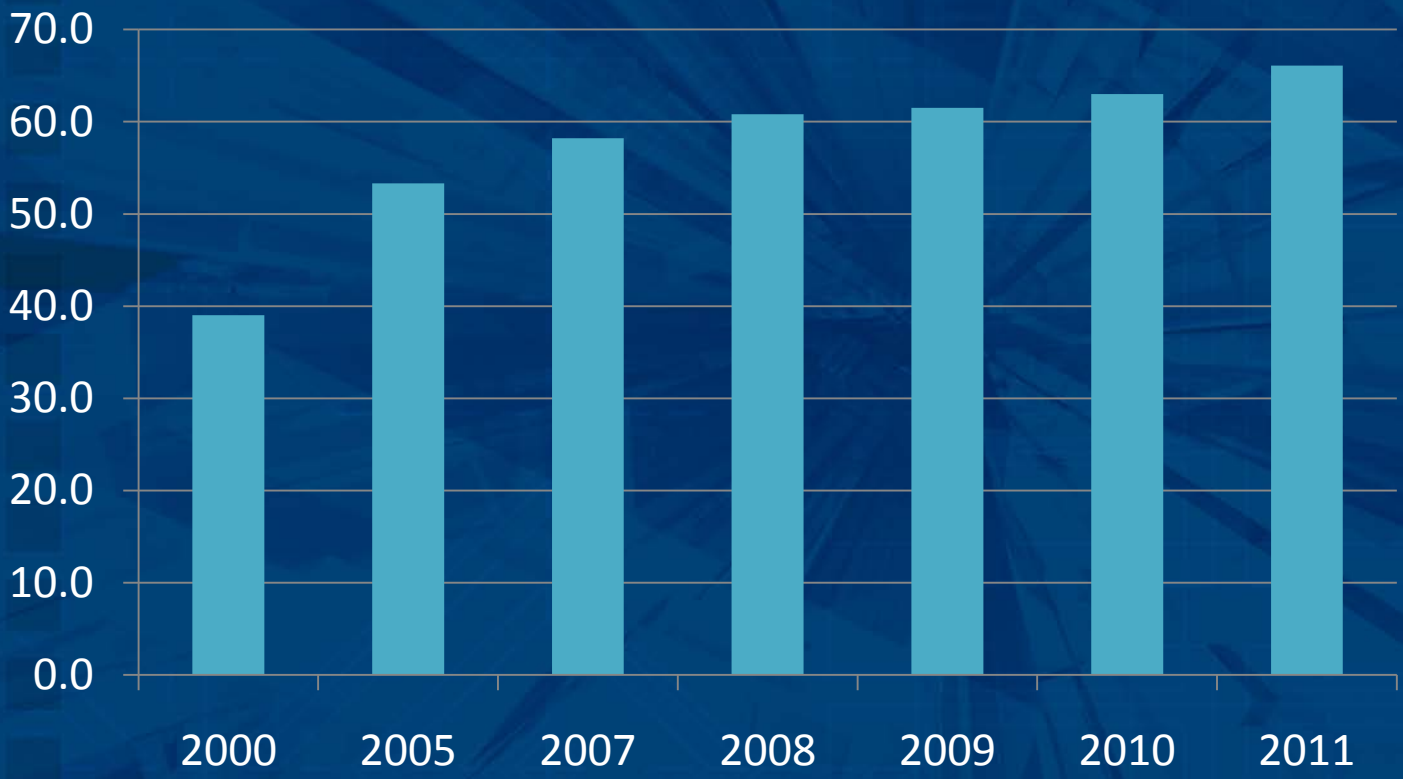


Health Care and Social Assistance Sector Job Growth, Las Vegas MSA

(Source: DETR)



Employment
(Thousands)





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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