

NNDA | Northern Nevada
Development Authority

Quarterly Report – Carson City Board of Supervisors

May 7, 2015

Plan Metrics

(Attachment #1) is a copy of the tasks and timelines agreed upon for review.

Overall Plan Goals:

1. To create a one-stop resource, as outlined above, for existing Carson City manufacturers for all issues attached to growth, expansion and retention of their business.
2. Continue to monitor impacts beyond plan completion and provide annual updates.

Update 5-7-15

To date NNDA has mailed, emailed, or called all known manufacturers in Carson City for the purpose of securing in person meetings with executives representing Carson City manufacturers and to communicate the resources and programs available to local manufacturers. The campaign is now on the second phase of outreach in an attempt to gain additional meetings with local manufacturers. To date, NNDA has completed 30 interviews with targeted representatives. Available resources and assistance has been communicated to all executives interviewed. Aligned with expectations outlined above, all companies interviewed are now aware that NNDA can facilitate assistance, offer incentives for expansion and is a one-source contact for most resources available to them. This message will continue to be promoted ongoing through the entire duration of the contract and beyond.

Three two person interview teams have been formed and all have been trained on the process for interviews and reporting. In the next quarter NNDA has set a total interview goal of 60 plus manufacturers, doubling that of the first full quarter of the contract period.

Recruitment Goals:

1. Increase total manufacturing jobs by 5% through new relocations/expansions from out of the region by plan completion
2. Increase jobs using a multiplier of 1.8 of manufacturing jobs created

Update 5-7-15

It is too early in the program for notable increases. Since the start of the recruitment campaign, NNDA has completed one out of state recruitment trip to southern California. A consulting group based in San Diego, CA was contracted to set a minimum of ten meeting for NNDA with companies seeking options for expansion outside of California. To date, NNDA met with the executive teams of

twelve companies looking at Nevada as an option for expansion. Carson City is now the focus of five of those companies.

In addition to the fee based recruitment, NNDA has launched a mailer/email campaign focused on high probability geographical areas of California. The campaign to date has produced three solid leads with one company close to securing a building in Carson City. Once committed, the company will offer approximately 35 new direct jobs with an average wage of \$21 per hour. The indirect and induced jobs created are estimated at 28 (using the 1.8 multiplier) for a total of 63 new jobs to Carson City in the first full year of operation.

To Date (since approval date of contract):

- 24 leads (generated by all sources)
- 12 leads through contracted fee based consultants
- 3 leads generated through ongoing mailing campaign
- 24 total site visits (includes multiple visits from same company)

Retention Goals:

1. Create ad-hoc teams for 10% of interviewed companies focused on increasing revenues and profitability to address issues such as:
 - a. Workforce development/education
 - b. Succession planning
 - c. Legislative issues
 - d. Obsolete technology/processes
 - e. Debt/equity financing requirements
 - f. Marketing/sales assistance
 - g. Business plan review
2. Complete the launch of at least one career pathway in partnership with Carson City manufacturers and Western Nevada College.

Update 5-7-15

As mentioned above, NNDA has successfully formed three two person teams for the manufacturers interviewing process. During the first full quarter of the contract period NNDA used one designated staff member to conduct all interviews to ensure that the process was launched. As of April 15, 2015 a total of 34 interviews have been conducted. Initiated through the manufacturer interviews, NNDA staff has identified 22 assistance opportunities and is in the process of assisting manufacturers with various items such as finance, workforce, HUB Zones and Foreign Trade Zones (FTZ). A full report on results from all interviews is attached (attachment #2). The interview forms, procedures and data base have all been completed and are currently in use.

In partnership with Western Nevada College, Carson High School and various Carson City manufacturers, two manufacturing related career pathway programs have been launched and are currently operating: a series of manufacturing courses

targeted at high school students and two job skills certificate programs offered to all residents. The high school offered courses include Fundamentals of Applied Industrial Technology, Applied Industrial Technology Hands-On Lab, Applied Industrial Technology Projects and Electrical Control Systems. The Job Skills Certifications offered are Manufacturing Technician and Industrial Electronics Technician. Detailed information on all courses and certifications are attached (attachment #3).

Expansion Goals:

1. Increase total manufacturing jobs by 5% through new expansion projects by plan completion
2. Increase jobs using a multiplier of 1.8 of manufacturing jobs created
3. Assist 10% of interviewed companies with expansion projects focused on increasing revenue and profitability by creating ad-hoc teams by plan completion with issues such as:
 - a. Exporting
 - b. New market development
 - c. Facility expansion
 - d. Workforce recruitment/development
 - e. Business plan review

Update 5-7-15

Through NNDA's general market campaigns, manufacturing interviews and ongoing activities, staff has been able to identify eight manufacturers in need of assistance with expansion plans and are currently in various stages of assistance. In addition, NNDA is working with local manufacturers in areas such as HUB Zone/Foreign Trade Zone designation, financial assistance options, and New Market Tax Credit opportunities and in several other areas of need.

- (Attachment # 4) is the current employment statistics for manufacturing in Carson City, which has been level over the past six months. The information was updated and is supplied by the US Department of Labor.

Sources

The baseline measurement for jobs in Carson City will be from the US Department of Labor's Bureau of Labor Statistics (http://www.bls.gov/eag/eag.nv_carsoncity_msa.htm). The job metrics will be calculated using the standard economic development definitions for direct, indirect and induced jobs as used by the State of Nevada. The source for estimated economic impact of job changes will be economic models as developed by Applied Economics, Inc.

Attachment #1

Copy – Original Tasks and Timelines



Northern Nevada Development Authority

Carson City Proposed Economic Development Plan – Retention & Expansion

September 1, 2014 – August 31, 2016

This is an overview outlining the Objectives and Strategies for the Carson City Economic Development Plan. Each Strategy will be expanded to include Scope of Work, Timelines, Metrics, and Expected Results. The main focus of this plan is on retaining and expanding existing Carson City manufacturers.

Goal: To create a one-stop resource for existing Carson City manufacturers for all issues attached to growth, expansion and retention of their business.

Objective 1: Support the creation of an economic development environment to foster positive and dynamic growth within the targeted industries for Carson City.

Objective 2: Identify challenges that face the existing businesses, create a solution based network that will assist and find solutions for retention and expansion.

PHASE 1

Action 1. Fully understand all aspects of the identified targeted industry clusters.

1. Markets
2. Supply chain
3. Workforce availability, education and training needs
4. Land use/issues
5. Infrastructure/issues (water, sewer, utilities, roads, rail, broadband, etc.)
6. County and City Challenges
7. General challenges
8. Long Term Opportunities

TIMELINE: Q1 – Q3 of year 1 - contract period

Action 2. Develop program metrics required to manage process and to provide quarterly reports to city officials.

TIMELINE: End of Q1 of year 1 - contract period

PHASE II

Action 1. Utilize the State of Nevada (Governor's Office of Economic Development) and other State and Federal partners to provide resources and assistance in expansion efforts to include financial assistance and programs, export education and assistance, incentives, workforce training and consulting.

TIMELINE: Entire duration of contract period

Action 2. Develop, market and implement Career Pathways to support workforce development with Western Nevada College and other qualified entities. Engage Career & Technical Education (CTE).

TIMELINE: Q1 through Q4 of year 2 - contract period

Action 3. Identify potential companies through targeted marketing efforts that are prime candidates for expansion, or in need of retention assistance.

- a. Purchase complete contact lists for all Carson City businesses identified as being targeted industry

TIMELINE: Q1 of year 1 – contract period

- b. Meet with all companies willing to participate to gain information for Action 1 in Phase 1.

TIMELINE: Q1 through Q4 of year 1 – contract period

- c. Email, mail and phone campaigns to get the word out of opportunity and assistance

TIMELINE: Entire duration of contract period

- d. Develop comprehensive marketing and outreach materials specific to Carson City manufacturers outlining options for growth and retention

TIMELINE: Q1 – Q2 of year 1 – contract period

- e. Recruit research consultants to assist with creating leads for face to face meetings with out of state C level executives and attend Carson City specific targeted trade shows (new business recruitment).

TIMELINE: Q1 and Q4 of year 1 and 2 – contract period

- f. Modify a portion of NNDA's current Advisory Committee System to create front end and back end assistance for companies in need.

TIMELINE: Q1 through Q4 of year 1 – contract period

PHASE III

Action 1. Client Engagement and Follow Up

- a. Deliver a customized package specific to individual company needs, assist with implementation and expert assistance utilizing committee system and regional expertise.

- b. Utilize NNDA's Feasibility Committee to conduct analysis on potential projects and make recommendations

TIMELINE: Entire duration of contract period

Plan Metrics

Overall Plan Goals:

1. To create a one-stop resource, as outlined above, for existing Carson City manufacturers for all issues attached to growth, expansion and retention of their business.
2. Continue to monitor impacts beyond plan completion and provide annual updates.

Recruitment Goals:

1. Increase total manufacturing jobs by 5% through new relocations/expansions from out of the region by plan completion
2. Increase jobs using a multiplier of 2.8 of manufacturing jobs created
3. Connect 5% of interviewed companies with new strategic partners.

Retention Goals:

1. Create ad-hoc teams for 10% of interviewed companies focused on increasing revenues and profitability to address issues such as:
 - a. Workforce development/education
 - b. Succession planning
 - c. Legislative issues
 - d. Obsolete technology/processes
 - e. Debt/equity financing requirements
 - f. Marketing/sales assistance
 - g. Business plan review
2. Complete the launch of at least one career pathway in partnership with Carson City manufacturers and Western Nevada College.

Expansion Goals:

1. Increase total manufacturing jobs by 5% through new expansion projects by plan completion
2. Increase jobs using a multiplier of 2.8 of manufacturing jobs created
3. Assist 10% of interviewed companies with expansion projects focused on increasing revenue and profitability by creating ad-hoc teams by plan completion with issues such as:
 - a. Exporting
 - b. New market development
 - c. Facility expansion
 - d. Workforce recruitment/development
 - e. Business plan review

Reporting Method

NNDA will provide city officials a written progress report at the end of every quarter. A representative from NNDA will attend the county supervisors meeting to give an oral review of each quarterly report. The oral report will take place once per quarter at the meeting immediately following the end of each quarter.

Sources

The baseline measurement for jobs in Carson City will be from the US Department of Labor's Bureau of Labor Statistics (http://www.bls.gov/eag/eag.nv_carsoncity_msa.htm). The job metrics will be calculated using the standard economic development definitions for direct, indirect and induced jobs as used by the State of Nevada. The source for estimated economic impact of job changes will be economic models as developed by Applied Economics, Inc.

Attachment #2

Written Report for Manufacturer Interviews

NNDA CARSON CITY MANUFACTURERS INTERVIEW PROGRESS REPORT 1, MAY 7, 2015

STATISTICS:

- 192 Manufacturers Identified to date
- 161 2nd Request for interview participation letters mailed out (4/10/15)
- 35 Manufacturers Interviewed
- 35 Would like to see the published results of the Interviews
 - 8 Expansion Opportunities
- 35 Assistance Opportunities
 - 5 Financial
 - 28 Workforce/Education
 - 1 Foreign Trade Zone
 - 1 Possibly 2 interested in selling their business
- 18 Participation Declines
 - 4 Moved out of Carson City
 - 4 Closed Business

Most of these manufacturers can be anywhere in the world, yet they call Carson City home. They are very responsible about their decisions and proud of their companies. They would like to see some changes to the aesthetics of the area to compete with other States as well as Reno. However, the biggest concern is the workforce issues, i.e., the lack of skilled, experienced workforce, lack of basic work life skills, the aging skilled workforce, and the inability to expand due to the lack of workforce. Their second biggest concern is lack of high speed internet access out in the Airport Business Park.

TRENDS:

- 1) **Workforce:**
 - 28 Manufacturers expressed major concerns of the area lacking workforce and lacking a skilled workforce.
 - a) Concept Automation Systems president, David Midboe, said he has to turn business away because he does not have the skilled, experienced workforce to produce more product. He is considering moving out of Nevada to remedy the issue.
 - b) CINC President, Bret Sheldon, states he could double his production if he had the skilled workforce.
 - c) Aloha Medicinal's President, Dr. John Holliday, states he needs Mycologist and plant mycology taught locally in the high schools and colleges.
 - d) PCC Specialty Products Manager, Mike McBride, states they considered closing their San Leandro Plant and merge it with the CC Plant but decided not to because they feel the work force shortage due to the Tesla Effect would cause such a drain on the workforce that they would not be able to fill PCC's positions and would not be able to compete with Tesla's salary wage.
 - e) Most manufacturers interviewed thus far are concerned about their current CNC Programmer's are aging and looking to retire in the next few years. There is no one

trained or experienced to replace the current CNC Programmers.

2) **Education:**

28 Manufacturers stated the need for Vocational Training. 23 Manufacturers specifically requested Vocational Training for CNC Programmers. Manufacturer, PCC Specialty Products Manager, Mike McBride suggests Carson City should attract a technical school like WYO Tech School in Seattle, WA. PCC in Oregon hires students directly from this school. PCC does internships, and co-ops with UNR. Carson City needs a technical pipeline, technical mechanical, technical engineering, technical sales, management development, financial development, etc.

3) **Infrastructure:**

a) 28 manufacturers expressed their dissatisfaction with their lack of High Speed Internet Access for a business/industrial park. A few have stated that if they relocated business even to Douglas or Washoe County, their industrial parks have the infrastructure they need in place already.

b) 19 manufacturers stated dissatisfaction with the roads north and south of Arrowhead. The roads are disintegrating and the traffic flow from 3:30-4:30 PM is backed up for

c) 7 manufacturers stated they have flooding/erosion issues due to poor drainage even after the smallest of storms. The silt clogs the drains.

d) Graham-White Manager, Jesse Fajayan, said his shipping docs flood with every storm because of his location, the slope of his shipping docks and his lower proximity on the hill to other manufacturers higher on the hill.

4) **Governmental/Legislation:**

23 of the manufacturers stated that they feel they pay enough taxes and license fees already. Many stated interest in expanding their business but are waiting to see what the legislature will pass as far as business taxes.

a) CGI President, Mike Madison, stated a 5% tax increase actually ends up being a 10% price increase to his customer. This concerns him because his competitors aren't raising their prices by 10%.

5) **Expansion:**

8 manufacturers stated interest in expanding locally, domestically and abroad.

6) **Obsolete Equipment:**

3 of the manufacturers interviewed stated that they are working with obsolete equipment.

a) B and C Cabinets President, Alex Bullentini, would like to donate his older equipment to the high school for vocational training.

b) Aztec Manufacturing would like to sell his CNC machines and lathes.

7) **Capital Needs:**

5 manufacturers stated interest in business loans through alternative lenders.

8) **Foreign Investment:**

Identified 1 manufacturer, referred to the EB5 Program for possible funding help for the Faiveley, a European train company, interested in expanding in America, in Carson City in particular.

9) **Urgent Critical Issue:**

Two (2) companies (Taiyo-America & Triangle Labs on Deer Run Road) are very concerned about the V&T railroad plans to come down along their south property fence line. This

would cause their highly motion sensitive, highly sophisticated and very costly machines to miscalculated and recalibrate requiring costly daily maintenance and very costly to profitability. Plus the grease, oil and dust would run their machines.

- 10) Many of these manufacturers have expressed they "feel isolated out in the Arrowhead area and just the lack of upkeep and neglect of the area is visual proof."

SUMMARY:

Most of the manufacturers are basically satisfied with Carson City's business environment. They understand the need for taxes and don't mind paying the ones they have now. They just want to run their businesses and ask for no more tax increases. Of the 35 manufacturers interviewed thus far, they are in Carson City because they love the area and are close enough to California without being in California. Many have stated that they "left California to flee California's hostile business environment."

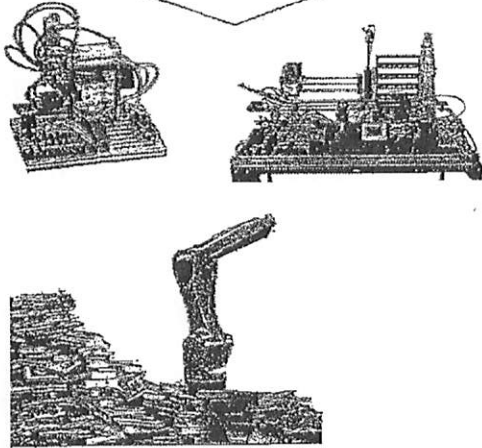
On a heavier note, the Manufacturers that have been here 20+ years have stated that they were promised many things to relocate to Carson City, i.e., signage, sidewalks, curbs, lighting, paved roads. According to several of the manufacturers interviewed, to date, none of these offers have come to fruition. Several of the Manufacturers are aware of the Governor's Tax Incentive Programs, but "choose to not participate because they do not want to be beholding to anyone."

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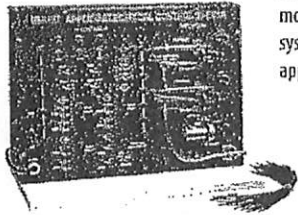
Attachment #3

Manufacturing Career Pathways – Western Nevada College

**HANDS-ON LABS
FOR PROJECT
BASED LEARNING**

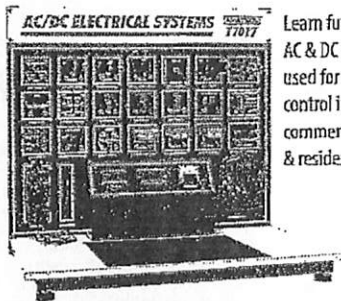


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ELECTRONIC LEARNING SYSTEMS



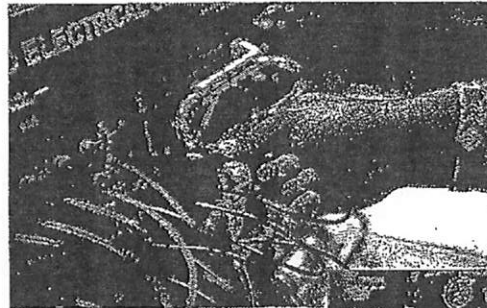
Learn fundamentals of AC & DC electrical systems used for power and control in industry, commercial, agricultural, & residential applications.

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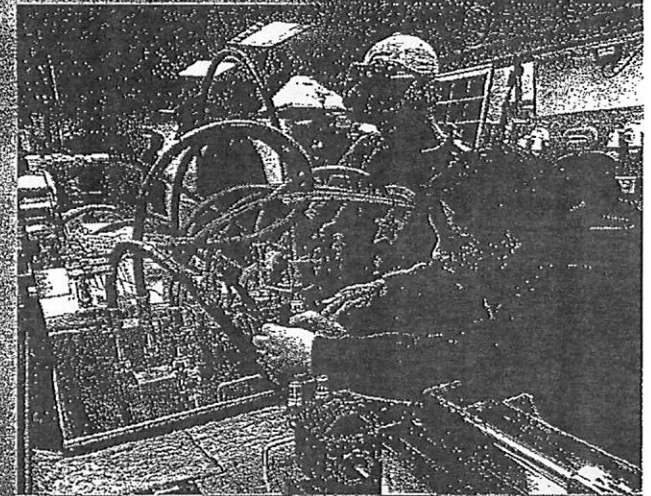
INFORMATION

Western Nevada College
Career and Technical Education
775-445-4272
IndustrialTech@wnc.edu

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Manufacturing Courses for
High School Students

**Automated
& Industrial
Systems**



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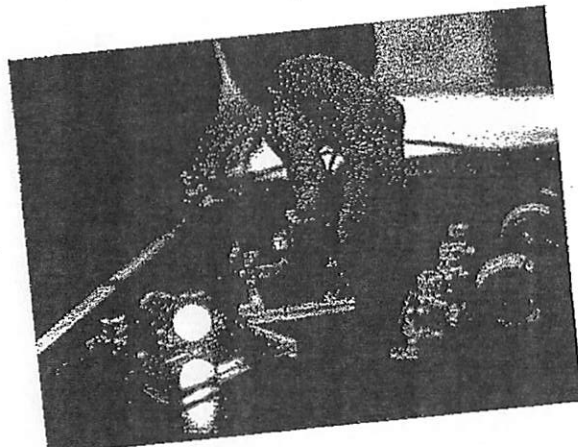


IMAGINE . . .

an automated assembly line: a large conveyor system moves unfinished parts down a line. Giant robotic welding arms bond different parts together, hydraulic lifts move the parts, and giant presses stamp the parts from flat sheets of steel.

All these complex machines require talented workers to install them and service them, to make sure they function properly. Today's automated workplace needs technicians with electrical, electronics and computer programming skills to repair sophisticated equipment.

WNC's two-year degree program in General Industrial & Automated Systems will provide good preparation for entering the workplace. According to the U.S. Bureau of Labor Statistics, the national median hourly wage for industrial machinery mechanics is \$20.99.



START NOW... Just \$50 in tuition per class for two college classes (AIT 101 & 121) in this sequence while in high school.

By enrolling while in high school, you are eligible for huge savings that are not available to traditional college students!

Learning includes:
 Online Multimedia Simulation
 Hands-on Training

The AIT 101 & 121 courses offer an online learning, multimedia simulation experience. Hands-on labs verify competency with the industry language and application.

BE IN DEMAND!
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TODAY'S JOBS OFFER:

Estimated Annual Salary:

Electrical Engineers.....	\$85,920
Electronics Engineering Technicians.....	\$56,900
Electronics Repairers, Commercial & Industrial	\$52,320
Industrial Machinery Mechanics	\$46,270

COURSE SEQUENCING

FALL SEMESTER

----- 8-11 am -----

AIT 101: Fundamentals of Applied Industrial Technology
 Units (Credits): 4; (\$50, Online)

Explains the fundamental concepts of electricity used in many applications, especially control systems. Ohm's Law and Kirchoff's voltage and current laws will be applied both in theory and through lab experiments. Mechanical concepts of basic levers and forces, friction and pulleys and gears are introduced, as well as their effects on a system. Covers fundamental operation of electric relay controls and explains basic logic circuits which are used to provide automated control of many types of machines. Simulated tools and test equipment are utilized.

AIT 155: Applied Industrial Technology Hands-On Lab M/W
 Units (Credits): 1-6; (Full Tuition, Face to Face)

Allows students of Applied Industrial Technology to use hands-on trainers and equipment for the study of various topics.

AIT 200: Applied Industrial Technology Projects T/Th
 Units (Credits): 1-6; (Full Tuition, Face to Face)

Studies & develops hands-on special projects in Applied Industrial Technology.

SPRING SEMESTER

----- 8-11 am -----

AIT 121: Electrical Control Systems
 Units (Credits): 2; (\$50, Online)

Covers the function and operation of logic control circuits used in industrial, commercial and residential applications. Relays, limit switches and time-delays are introduced for a variety of uses. Automation with electrical control is common in many settings, using components wired together in specific configurations that form the logic needed to determine the sequence of machine operations.

AIT 155: Applied Industrial Technology Hands-On Lab M/W
 Units (Credits): 1-6; (Full Tuition, Face to Face)

Allows students of Applied Industrial Technology to use hands-on trainers and equipment for the study of various topics.

AIT 200: Applied Industrial Technology Projects T/Th
 Units (Credits): 1-6; (Full Tuition, Face to Face)

Studies & develops hands-on special projects in Applied Industrial Technology.



Western Nevada College

Job Skills Certificate: **Manufacturing Technician**

Completion of the three-course Manufacturing Technician Job Skills Certificate program yields a WNC certificate and provides students with the skills and knowledge to sit for the Manufacturing Skills Institute's (MSI) Manufacturing Technician Level 1 certification. The MSI is the education and workforce development unit of the National Association of Manufacturers.

The Manufacturing Technician 1© (MT1) certification program was developed to meet the growing employment demands of the manufacturing industry. The MT1 program addresses the core industry-wide skills standards required for skilled production occupations in all sectors of manufacturing. The core competency areas certified are: (1) Math and Measurement, (2) Spatial Reasoning and Manufacturing Technology, and (3) Business Acumen and Quality. The purpose of the MT1 certification program is to document individuals' mastery of the critical competencies required for modern manufacturing production and production-related occupations.

Job Skills Certificate: **Industrial Electronics Technician**

A 12-credit course of study yielding a Western Nevada College Job Skills Certificate and the skills and knowledge required to sit for the Associate Certified Electronics Technician (CET-A) certification issued by the International Society of Certified Electronics Technicians (ISCET).

ISCET promotes technical certification worldwide, and provides a place for certified technicians to band together for professional advancement. ISCET's main function is the direction and administration of the CET program. ISCET members are employed as technicians, educators, and in a number of other occupations related to electronics servicing.

Attachment #4

US Department of Labor – Carson City Manufacturing Statistics

State and Area Employment, Hours, and Earnings

Original Data Value

Series Id: SMU32161803000000001
 Not Seasonally Adjusted
 State: Nevada
 Area: Carson City, NV
 Supersector: Manufacturing
 Industry: Manufacturing
 Data Type: All Employees, In Thousands
 Years: 2005 to 2015

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	3.1	3.1	3.2	3.1	3.1	3.2	3.1	3.1	3.1	3.1	3.1	3.1
2006	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
2007	3.1	3.2	3.2	3.1	3.1	3.2	3.2	3.2	3.1	3.1	3.1	3.1
2008	3.1	3.1	3.1	3.0	3.1	3.1	3.2	3.2	3.1	3.1	3.0	2.9
2009	2.8	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.5	2.5	2.5	2.5
2010	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.7	2.7
2011	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.7	2.6	2.7	2.6	2.6
2012	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6
2013	2.5	2.6	2.6	2.6	2.6	2.7	2.6	2.7	2.7	2.7	2.7	2.7
2014	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.6
2015	2.5	2.6	2.6									