

# Sandoval: Create 50,000 jobs in Nevada by 2014

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LAS VEGAS REVIEW-JOURNAL

Posted: Feb. 7, 2012 | 10:18 a.m.

It's a start.

After two decades of economic growth through sheer momentum, Nevada has its first-ever comprehensive diversification plan -- one calling for creation of 50,000 jobs by 2014.

Gov. Brian Sandoval and other state officials unveiled their initial 64-page road map for diversifying the recession-battered economy on Tuesday. The report, "Moving Nevada Forward," calls for identifying and removing obstacles to business growth and expansion and establishing a group to study the state's regulatory and business environment.

"This is a blueprint for building a vibrant, sustainable economy for all Nevadans," Sandoval said. "It puts us in a better position to succeed in the hypercompetitive push to champion a strong economy that creates good jobs."

The plan has ambitious elements -- Sandoval wants to create enough jobs to put about a third of the state's unemployed back to work within two years, or about 1.5 percent job growth, compounded annually over three years. But it's also a "living document" with dozens of small steps to be refined as state officials meet with business owners and local leaders.

"The plan is not intended to be a prescription telling regions what to do," said Steve Hill, executive director of the Governor's Office of Economic Development. "It will bring us together to structure economic development in a way that's collaborative."

Based on a November report from the Brookings Institution and SRI International, state leaders focused on seven industries for diversification. Some, such as gaming and mining, are already important to our economy, but still can grow. Others are clean energy, health and medical services, aerospace and defense, manufacturing, information technology and logistics and operations.

Consider geothermal development to see how the process might work. State, regional and business leaders would discuss what it would take to create, say, 500 new

geothermal jobs. They might find that the industry needs better supply chains, more transmission capacity or university help with more efficient drilling techniques, Hill said.

At least one economic-diversification expert gave the plan high praise.

John Boyd, a principal in The Boyd Co., a Princeton, N.J.-based site-selection company, called the proposal "very comprehensive," and said it was one of the most "far-reaching blueprints" he's seen in three decades in the industry.

He lauded strategies to leverage existing businesses, such as deploying Internet retailer Zappos.com to boost e-commerce or Microsoft Corp.'s software-licensing operation in Reno to bolster the data-center sector.

The plan's timing is critical too, Boyd said. Nevada is formulating diversification strategies later than many states, but it enjoys hindsight into what works best. What's more, the road map comes as the worst of the downturn has passed.

"The implementation of the plan will have the opportunity to work with growth trends, and not against them," Boyd said, adding a couple of examples where he said the plan could be improved.

Though Sandoval's plan cites the importance of workforce development through higher education, Boyd underscored the need for technology-preparation programs at community colleges. He pointed to programs to train Caterpillar workers in North Carolina and T-Mobile workers in Oregon as examples. And though the plan has an international component, Boyd said it could have used special emphasis on trade with Canada, which has ties to energy and mining in Alberta and furniture and film in Quebec.

Previous governors had task forces and commissions to study the topic, but they lacked this initiative's heft and to-do lists complete with benchmarks to measure progress for accountability.

The checklist has 32 items, such as designating regional development authorities and allotting them operating funds, as well as launching the state's \$10 million "catalyst fund" to finance expansion of businesses already here. Officials also aim to "brand and communicate" Nevada's economic advantages, attend trade shows to generate leads and reach out to site selectors who specialize in the targeted industries.

State government could also help diversify the economy by advocating for business, providing infrastructure to help business thrive and educating a workforce for the future, Sandoval said.

Performance benchmarks will include increased job growth by sector; the state's share of each sector compared with national shares; increased exports; higher direct foreign investment; increased licensing of intellectual property; growing business-startup numbers; expanded research funding; higher high school graduation rates; and

improved job-placement rates for graduates of colleges and universities within the Nevada System of Higher Education.

The plan received mixed reviews from local observers.

The Nevada Policy Research Institute, a free-market think tank, called it "a road map for crony capitalism" that would lead to less productivity, less growth and higher taxes.

"The plan calls for government officials to dole out direct state support and other subsidies in order to 'incent entrepreneurship,'" said Geoffrey Lawrence, the group's deputy policy director, in a statement. "The incentive for genuine entrepreneurship is profit from serving the public. Unfortunately, what this plan would encourage is corporatist rent-seeking."

But green-power advocates liked what they saw.

"Nevada can be the heartbeat of the West's clean-energy economy if we become an energy exporter in the region," said Lydia Ball, executive director of the Clean Energy Project, in a statement. "We are pleased this report calls for study of business models for energy exports and effective ways to partner with our neighboring states on this opportunity. Done correctly, regional energy export will create jobs, stabilize our energy bills and reduce our dependence on out-of-state energy by investing in Nevada's resources."

"Moving Nevada Forward" is online at [www.diversifynevada.com](http://www.diversifynevada.com).

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