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Nevada scores even if Tesla passes on Gigafactory

Jason Hidalgo, Reno Gazette-Journal, August 5, 2014



(Photo: Scott Sonner AP)

RENO — Though Nevada is not assured of landing Tesla Motors' "Gigafactory," experts say the area is already a winner even if Tesla CEO Elon Musk decides to drive his prized \$5-billion battery factory elsewhere.

Tesla officially announced Nevada as a finalist for the Gigafactory as part of a letter to shareholders on last week. He said that it had "broke ground" on an unspecified site near Reno,

but that it was withholding naming it as the site of the Gigafactory pending action on incentives from the state government.

The announcement confirmed work at a Tahoe Reno Industrial Center site first identified by the *Reno Gazette-Journal* in June following a search of Storey County, Nev., records.

The fact that Nevada managed to make it as the first finalist named out of heavyweight semifinalists such as money-rich Texas and a resurgent California is sure to get it noticed among industrial circles nationwide, said John Boyd, a principal of New Jersey-based site-selection firm the Boyd Co.

"I think the focus now for Gov. (Brian) Sandoval and the economic development folks is to put Reno and Northern Nevada on the map as a major player in the auto industry," Boyd said. "The way to do that is job training."

New Mexico and Arizona are the other semifinalists. Tesla plans to break ground in one or two other finalists before picking a winner.

The Tesla announcement builds on northern Nevada's growing portfolio of industrial projects.

The area is already known as an e-commerce hub thanks to facilities from Amazon.com, Barnes & Noble and Zulily, said Dave Simonsen, vice president of NAI Alliance's industrial properties group in Reno. The arrival of an Apple facility at the Reno Technology Park also solidified Northern Nevada's reputation as a data center location.

When you get entities at the scale of an Amazon or Apple building projects in an area, it can cause a domino effect as other companies piggyback on their research and start looking at the region as well, Simonsen said.

Though Tesla's Gigafactory is unlikely to attract similar projects, it still will have wide-ranging influence if it gets built in the Reno area, according to Simonsen. The indirect benefits combined with the estimated employee count of 6,500 will also be a boon for the retail sector and businesses tied to housing. These can range from shops and restaurants to sheetrockers, landscapers, electricians and plumbers, Simonsen said.