

# Local economic development effort adopts new name, new philosophy

By KRISTY TOTTEN LAS VEGAS REVIEW-JOURNAL

November 16, 2013 - 6:57pm

New name, new philosophy.

That's the word in local economic development.

Since its inception in 1954, Southern Nevada's primary economic development organization has had three names.

First it was the Nevada Development Authority, then briefly the Las Vegas Regional Development Council. In February of this year, it was rebranded the Las Vegas Global Economic Alliance.

But the new name isn't the only change the group hopes to bring about.

Creating, attracting and keeping jobs are the most basic functions of economic development engines, but the newly named alliance wants to take its efforts a step further by uniting community organizations, fostering targeted industries and shifting its focus from California to the world.

Unlike previous iterations, the organization takes stances on legislative issues. In February, the executive committee endorsed Assembly Bill 443, which would allow the Clark County Commission to raise fuel taxes based on inflation and use the revenue for transportation projects.

It also plans to take sides on education.

The organization focuses on developing the economies of Las Vegas, Clark County, Henderson, North Las Vegas, Boulder City, Mesquite and Nye County. It works closely with the Governor's Office of Economic Development to deliver business incentives including tax abatements and training and hiring grants.

"The spirit of cooperation we've been able to create is unprecedented in this community," Las Vegas Global Economic Alliance CEO Tom Skancke, CEO said. "There literally isn't an organization we haven't touched or talked to."

In creating an economic development strategy, the alliance consulted more than 300 organizations, ranging from government agencies to private businesses to universities and nonprofits, with whom it maintains ongoing conversations.

The alliance is a public-private partnership with an annual budget of \$5.4 million. Of that, \$1.5 million comes from the state and \$1.4 million comes from existing members. The group is working to raise the final \$2.5 million.

Switch is the alliance's largest donor, with notable supporters including Bank of America, Wells Fargo, NV Energy, the Regional Transportation Commission, The Capitol Co., Fennemore Craig Jones Vargas attorneys, Originate, Velstand Investments LLC, The Howard Hughes Corp., the city of Las Vegas and Clark County. Switch also provides the alliance's office space.

From talks with community partners, the alliance was able to set goals and identify seven target industries: technology; renewable energy; gaming, tourism and conventions; logistics, manufacturing and assembly; health care and life sciences; international business; and aerospace, defense and unmanned aerial vehicles.

Skancke said Las Vegas' greatest obstacles are developing an educated work force and fostering jobs in science, technology, engineering and math.

Among the alliance's 12-month goals is to directly recruit 42 businesses to the state. Skancke said the organization is on track. The alliance reports regularly to the Governor's Office of Economic Development, created during the the 2011 Legislature to lead economic expansion and diversification.

These goals contrast with the operations of Nevada Development Authority, which was the region's economic development organization for decades before the Legislature called for the restructuring of the state's economic development systems in 2011.

"The Nevada Development Authority wasn't dynamic in terms of setting an agenda and pushing for particular industries," said Bill Robinson, assistant professor of economics at University of Nevada, Las Vegas.

The authority's attitude was, "if you want to come to us, we'll help you," Robinson said, but the "anyone, any place, anytime" modus operandi didn't produce desired results.

That's not to say the authority lacked major successes. Zappos, Switch Data Center, Levi Strauss & Co., Bank of America and Ken's Steakhouse Dressing are among its noted catches.

UNLV President Neal Smatresk, who sat on the board of the authority before it became the executive committee of the alliance, said the new organization was created with an expanded mission and the goal of bringing together groups such as chambers of commerce, the cities of Las Vegas and Henderson, Clark County and other efforts.

"We needed a broader organization that included more stakeholders and could speak for the entire metro region," Smatresk said. "LVGEA is genuinely a broad-based stakeholder group. NDA was not configured that way."

Smatresk said the Nevada Development Authority was mostly focused on relocating companies, but the Las Vegas Global Economic Alliance's goals include research, attracting global business, research and broadening the state's economic base.

In a plan released in early October, the organization identified four imperatives: to achieve operational excellence, elevate Southern Nevada as a global business hub, to lead economic development efforts in the region and become an economic development engine.

The alliance's operations team totals 17, with room for a few more positions with the current budget. By the end of 2014, the group plans to increase its staff to 20, including economic affairs experts, public affairs experts and administrative positions.

Skancke, a transportation expert, was hired to lead the rebranded organization one year ago. He began his career in Las Vegas in the late 1980s as a political fundraiser and later worked as the Lied Discovery Children's Museum's development director before starting The Skancke Co. There he advised Congress on transportation policy, boosting the Interstate 11 project between Las Vegas and Phoenix, a project the alliance supports.

The alliance recruited Jonas Peterson, former president and CEO of the Santa Clarita Valley Economic Development Corp. to be its chief operating officer. In three years, Peterson and his team became the most productive economic development organization in California on a per capita basis.

Besides the traditional work of securing jobs, Peterson said marketing, research, outreach and building connections worldwide are priorities.

“Our organization is undergoing revolutionary change,” Peterson said. “We’re in the middle of it right now. We’re greatly increasing our scope of work and becoming the community and economic development organization we believe this valley needs us to be.”

Global initiatives so far have focused on Mexico and China, and the organization plans to expand its contact with Asia in 2014.

Public-private partnerships are sometimes accused of misusing taxpayer money or creating conflicts of interests by becoming beholden to private interests. But the way of doing business is still a growing trend.

Nevada is one of several states in which governors have outsourced development to public-private partnerships. Other states include Arizona, Texas, Indiana, Michigan and Florida.

“It’s the competitive way the world works now,” Robinson said of public-private partnerships. “It’s a really seriously rising way of doing business.”

He said Asian and European countries engage in public-private partnerships often. For America not to participate, he added, would be a disadvantage to business in the country.

Utah’s USTAR Economic Development Initiative is one well-funded regional competitor. In 2006, the Utah Legislature funded the program with \$179 million, along with \$15 million in annual funding to attract science, technology and research.

In Phoenix and Denver, economic efforts are funded at \$4 million to \$5 million annually.

Though the Las Vegas Global Economic Alliance is working to compete with regional recruiting efforts, neighboring states aren’t the only sights the group is set on.

“Our competition is not each other,” Skancke said. “It is the rest of the world.”

Contact reporter Kristy Totten at [ktotten@reviewjournal.com](mailto:ktotten@reviewjournal.com) or 702-477-3809. Follow [kristy\\_tea](#) on Twitter.