

**MINUTES OF THE
SENATE SELECT COMMITTEE ON ECONOMIC GROWTH AND EMPLOYMENT**

**Seventy-sixth Session
March 30, 2011**

The Senate Select Committee on Economic Growth and Employment was called to order by Chair Ruben J. Kihuen at 1:21 p.m. on Wednesday, March 30, 2011, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Ruben J. Kihuen, Chair
Senator Valerie Wiener
Senator Mark A. Manendo
Senator Don Gustavson
Senator Ben Kieckhefer
Senator Greg Brower

COMMITTEE MEMBERS ABSENT:

Senator John J. Lee, Vice Chair (Excused)

STAFF MEMBERS PRESENT:

Kelly Gregory, Policy Analyst
Bryan Fernley-Gonzalez, Counsel
Leslie Sexton, Committee Secretary

OTHERS PRESENT:

Chuck Alvey, Economic Development Authority of Western Nevada
Andy Levine, President, Chief Creative Officer, Development Counsellors
International
Wayne Burke, Tribal Chairman, Pyramid Lake Paiute Tribe
Scott H. Carey, Tribal Planner, Pyramid Lake Paiute Tribe

CHAIR KIHUEN:

We have two presentations. The first is by Andy Levine, the Chief Creative Officer for Development Counsellors International. He will be introduced by Chuck Alvey.

CHUCK ALVEY (Economic Development Authority of Western Nevada):

I have known Andy Levine from Development Counsellors International (DCI) for about 12 years. We serve together on the International Economic Development Council Board of Directors. We have participated on panels and in workshops around the country together. We have had a contract with his firm for approximately four years. The focus on getting national media stories about companies in Nevada doing renewables and manufacturing is one of the reasons we have our center of geothermal excellence. Mr. Levine recently helped us place a story in *The Wall Street Journal*. We have a local agency, Julie Ardito Public Relations, which prepares these stories, contacts and feeds for the national firm. Last week, I attended a roundtable discussion at Mr. Levine's firm with site consultants. In May, we will host a group of renewable energy writers for dinner at the Governor's Mansion. Mr. Levine has one of the brightest minds in the economic development field. He represents other states including North Carolina, Wyoming, North Dakota, Puerto Rico, Oklahoma and Utah.

ANDY LEVINE (President, Chief Creative Officer, Development Counsellors International):

My remarks are covered in my presentation, "What Other States are Doing To Attract Corporate Investment" ([Exhibit C](#)). I will also comment on what Nevada can learn from those states.

Page 2, [Exhibit C](#), tells you about Development Counsellors International (DCI). We have done one thing in 50 years. That is economic development and tourism marketing. We have a lot of experience and knowledge of what works in economic development marketing and what is working at the state level. I will talk about seven success strategies that other states are currently using: Step 1: Focusing on match rather than reach is covered on pages 3 through 5, [Exhibit C](#). Step 2: Related to step 1, adopting a "predictive model" to identify prospective investors, is covered on pages 6 through 8, [Exhibit C](#). Step 3: Building a brand, focusing on influencing what others say about their state, is covered on pages 9 through 12, [Exhibit C](#). Step 4: Building strong relationships with location advisors, is covered on pages 13 through 15, [Exhibit C](#). Step 5: Connecting with business travelers when they are in your

own backyard, is covered on pages 16 through 18, [Exhibit C](#). Step 6: Paying attention to retention, is covered on pages 19 through 20, [Exhibit C](#). Step 7: Committing the right financial resources to marketing the state, is covered on pages 21 through 23, [Exhibit C](#). The summary of these seven steps appears on page 24, [Exhibit C](#).

CHAIR KIHUEN:

Step 5, connecting with business travelers when they are in your own backyard, is a very important step. Nevada hosts some of the largest trade shows in the world. Some of the companies come from all over the world just to spend time in Las Vegas. What are your suggestions for reaching out to these businesses?

MR. LEVINE:

We worked very closely with New Orleans which also has a very strong conference history. A five-minute video is shown about the New Orleans business environment every hour on the in-hotel network, which is shared by all the major hotels. They also implemented a major program to educate the taxi and limousine drivers about the business climate and how to talk about it to travelers. They also attracted conferences that related to their target industries. When those conferences came to town, they would try to get speaking roles at the conferences and try to meet decision makers at the conferences.

There are tremendous opportunities in the Las Vegas and Reno-Tahoe areas.

SENATOR MANENDO:

If you have talked to businesses that might be interested in relocating to Nevada but they have not done so, what are the barriers for them to relocate here?

MR. LEVINE:

One of the challenges Nevada has is that the tourism and gaming images are strong in corporate America and America in general. That tends to overwhelm the business climate. They do not associate Nevada as something other than a tourism and gaming destination.

MR. ALVEY:

One of the comments we heard last week was, "Are you cost-effective in your State?" They also said, "My company is not going to have executives who want to move to your State because of the general image." We also were told that

they look for the top ten metropolitan statistical areas based on the highly educated workforce that is attracted there. We were able to videotape some of the people we talked to last week. I will bring them here and you can hear their comments. Their impressions are varied. That is why the imaging work we are doing with DCI is so important. I have provided a copy of a full-scale marketing program prepared by DCI for the Reno-Tahoe area ([Exhibit D](#)).

MR. LEVINE:

I think there is a more favorable impression of Nevada in the state of California right now. Nevada has invested some significant resources in the past that have borne fruit.

SENATOR MANENDO:

I do not know if we can ever shed our image as a tourist destination. There are a lot of things to see and do in Nevada. We have a lot of work to do. I want to know if education is a real issue or not.

MR. ALVEY:

Education is a real issue.

CHAIR KIHUEN:

Who are the location advisors? Are they located in Nevada? What is the cost of their services? Have we employed them?

MR. ALVEY:

There are no significant location advisors in Nevada. Most of them are in New York, Atlanta, Chicago, Dallas and Phoenix. We have visited with them and are developing relationships with them. We have hosted them on familiarization tours of small groups in Nevada. The cost to us has been the cost of airfare and lodging. We let them learn about the communities and enjoy the amenities Nevada has to offer.

WAYNE BURKE (Tribal Chairman, Pyramid Lake Paiute Tribe):

I appreciate Committee members who have taken time to meet with us prior to this meeting. We extend an invitation to all members of the Committee to visit Pyramid Lake and meet with us.

I have provided you with a copy of my presentation ([Exhibit E](#)). The Pyramid Lake Paiute Tribe (Tribe) has a membership of approximately

2,510 enrolled members. Our reservation is located approximately 35 miles east of Reno. We have approximately 750 square miles of reservation land. We neighbor Washoe County, Lyon County, Churchill County, Storey County and Pershing County. According to our permit data, approximately 160,000 people visited the Tribe last year.

Our reservation is home to the Lohanton cutthroat trout. We hold the world record for a 41-pound trout caught in 1964. Pyramid Lake has been named one of the top public fisheries in the world by *Fly Fishing and Fly Tying Magazine*. We also have the Cui-ui fish found only in Pyramid Lake. We are home to a Native-American arts and crafts market for the State of Nevada. We encourage and support our native artists.

SCOTT H. CAREY (Tribal Planner, Pyramid Lake Paiute Tribe):

We work closely with the Nevada Indian Territory, a territory of the Nevada Commission on Tourism, and it represents all of the tribes in the State. We are working on a statewide artists listing of all tribal members in Nevada. Nevada can be known for Native-American art forms. For example, New Mexico is now known as the Arts Capital of the Southwest.

MR. BURKE:

We have special events at Pyramid Lake including fishing derbies, the Pyramid Lake Sprint Triathlon and Sacred Visions Pow-Wow which brings in approximately 5,000 people from across the Country over three to four days. We are in close proximity to Burning Man, the third largest community of people in the State. In 2009, 51,454 people traveled on State Highway 447 which goes through the heart of the reservation. This year the Tribe will capitalize on that event.

MR. CAREY:

The Tribe works closely with the Nevada Commission on Tourism, the Reno Sparks Convention and Visitors Authority, the Indian Territory throughout the State and the Fernley Convention and Tourism Authority.

MR. BURKE:

On page 2, [Exhibit E](#), you will find information about our economic development plan.

MR. CAREY:

The plan focuses on seven elements: recreation and fishing; good governance and education; industrial and commercial development; energy, agriculture and ranching; promoting tribal enterprises; and promoting the entrepreneurial endeavors of individual tribal members. We negotiated with the federal government under the Truckee River Operating Agreement and Public Law 101-618 to establish a \$95 million Economic Development Fund.

The Tribe received a \$7.1 million broadband grant from the American Recovery and Reinvestment Act of 2009 (ARRA). With those funds we will construct a 40-mile broadband Internet fiber optic line that will connect the communities of Wadsworth, Nixon and Sutcliffe, which will be a huge boon to economic development for the Tribe.

We work with the Commission on Economic Development and the Economic Development Authority of Western Nevada. The Tribe is a member of Northern Nevada Chamber of Commerce, the Fernley Chamber of Commerce and the Greater Pershing County Chamber of Commerce.

The economic development plan focuses on using the energy resources that are on the reservation, especially geothermal and solar, to create revenue for the Tribe and jobs for the Tribe and to help the State meet its energy portfolio standards.

SENATOR MANENDO:

Is the broadband grant that you received the same allocation that the Governor included in the *Executive Budget*?

MR. CAREY:

No. The allocation in the Governor's *Executive Budget* is for the Nevada Broadband Task Force. The funding the Tribe received was directly from the federal government through a grant application for broadband infrastructure.

The Tribe is proud of our partnership with Black Rock Solar, the fund-raising arm of the Burning Man Festival. Using the solar demonstration systems program that the State Legislature approved, we have been able to construct eight solar projects on the reservation. This has led to substantial savings for the Tribe. For example, the community of Nixon has more solar panels per person than any

other community in the United States. State Route 447 has more solar panels per mile than any other road in the United States and has been declared "America's Solar Highway." We are looking to expand our solar projects into commercial-sized projects.

MR. BURKE:

We are looking at a possible 100-megawatt solar energy demonstration park which would be on the north end of the reservation, near Astor Pass. We hope to tie that into our geothermal project. We drilled to approximately 2,100 feet and the water temperature is approximately 250 degrees. We wanted it to be 220 degrees or higher, so we are moving forward with our green renewable-energy projects. We have the land base. We see this as an economic benefit to the State.

The direction of the Tribe impacts the whole State through tourism, green renewable energy, resources and economic development. My administration will aggressively pursue initiatives and apply self-governance and promote relationships at the federal, state and local levels that will provide revenue, education, tourism and jobs to our tribal community and to the citizens of the State.

CHAIR KIHUEN:

How will the \$7.1 million ARRA funds stimulate job creations, especially on your reservation?

MR. BURKE:

With the broadband infrastructure project, we will be able to bring our services up to standards. The construction of the network will provide jobs.

MR. CAREY:

We expect a lot of construction jobs to be created, and those jobs will be open to those on the reservation and those off the reservation.

CHAIR KIHUEN:

I know the Burning Man Festival is a huge tourist attraction. What ideas do you have to stimulate the economy in your area?

MR. BURKE:

Allowing Tribe members to become vendors to the Burning Man Festival will bring money into the Tribe. We can offer resources to assist Tribe members to do that. We are looking to have our current law and order code pass through the Tribal Council. When it is passed, we will be able to receive traffic citation fines.

SENATOR WIENER:

When you get to the optimal level of drilling for geothermal energy at 2,100 feet, do you have the expertise to extract and use the energy generated.

MR. BURKE:

Absolutely. Under federal and State laws, energy providers are required to purchase 30 percent to 40 percent renewable energy. Because of the way the law is written now, we are not able to provide those services directly to our communities. Our long-range goal is to become our own power company and provide energy to our own tribal community and at the same time be able to sell a service to NV Energy or the state of California. The geography of our reservation puts us in a position to take control of our own destiny and control our own resources in the land and water.

SENATOR WIENER:

Often we hear about the problems associated with transmission lines and cooperative agreements. Everyone would have to make a large investment. Have you done geological studies to assess the potential you have at Pyramid Lake to provide your own needs and beyond? Has anyone estimated your potential?

MR. BURKE:

Yes, that is why we are moving forward. We do not know the monetary value at this time. We are considered a sovereign nation, and we are potentially in a position to offer services. We would have to use existing power lines or infrastructures that are already in place. We need to rely on our relationships with our municipals so that we get positive results for all.

MR. CAREY:

The Tribe is working on studies with the University of Nevada, Reno and the Desert Research Institute. This spring, we did some modeling and some drilling. In the coming year, we will be finalizing the report on those efforts and generate

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a Proof of Resource Study that will say exactly what the resource is and its commercial potential. At that point we can negotiate with the power companies or developers to develop that resource commercially.

CHAIR KIHUEN:

Seeing no one wishing to make public comment, the meeting is adjourned at 2 p.m.

RESPECTFULLY SUBMITTED:

Leslie Sexton,
Committee Secretary

APPROVED BY:

Senator Ruben J. Kihuen, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda`
	B		Attendance Roster
	C	Andy Levine	What Other States Are Doing To Attract Corporate Investment
	D	Andy Levine	Letter regarding A National Marketing Plan on Behalf of the Nevada Development Authority and Rural Areas of the State.
	E	Wayne Burke	Tourism Pyramid Lake