

Nevada spending millions on economic development office

By Sean Whaley, Nevada News Bureau

CARSON CITY – Efforts by Gov. Brian Sandoval and state lawmakers to encourage new business creation, relocation and expansion in Nevada took a major step forward this past week when the Legislature's Interim Finance Committee approved nearly \$3.5 million to fund an economic development office.

The funding will enable Steve Hill, executive director of the Governor's Office on Economic Development, to develop a state economic development plan and hire the staff needed to move forward on private sector job creation efforts.

The state plan, relying in part on research performed by the Brookings Institution and SRI International, is expected to be released in early February. The report identified seven economic sectors, some already in existence such as gaming and tourism, and some emerging, such as clean energy, where Nevada should focus its efforts.

Lawmakers peppered Hill with questions ranging from the measures that will be used to determine the success of his agency's efforts at job creation to the proposed salaries of the eight positions that will be filled with a portion of the funding.

Positions approved for his office include three industry specialists at a maximum salary of \$110,000 each, an industry analyst with a maximum salary of \$90,000, a communications manager with a maximum salary of \$80,000, and a technology commercialization director with a maximum salary of \$110,000. There are also two support positions with maximum salaries of \$40,000.

The new approach to economic development is the result of Assembly Bill 449, a measure sponsored by Assembly Speaker John Ocegüera, D-Las Vegas, and supported by Gov. Brian Sandoval and a bipartisan group of state lawmakers. The bill also established a \$10 million Catalyst Fund to help firms relocated or expand in Nevada. The money will be used to provide grants to local governments for economic development projects.

"I am in the process of finishing my 10th week on the job," Hill told lawmakers. "And I think I can provide very solid reasons for the request that we're making today. But we're also learning as we're going along. We understand that resources are tight, not only throughout Nevada but through the country, and we want to spend this money in the most effective and efficient way possible."

In response to lawmaker questions, Hill said the state plan will include ways to measure the success of the new effort.

"There will be a detailed description of how we will measure progress in economic development and in the development of our economy in the state," he said.

Assemblywoman Debbie Smith, D-Sparks, chairwoman of the IFC, asked Hill if the funding request is premature since the state plan has not yet been published.

"So I think the question is, without the state plan, where is the confidence level in moving forward with all of these positions and this work without the state plan being done, kind of relying solely on the Brookings report?" she asked.

Hill said the budget request will be in alignment with the state plan.

"And finally I think we all sense, the governor and the Legislature, everybody involved in economic development throughout the state, and the citizens of Nevada, an urgency

to get started on this," he said.

Nevada's unemployment rate is the highest in the nation.