



STATE OF NEVADA

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Commission on Economic Development

## **Nevada Investment Guide for Japanese Companies**

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NEVADA COMMISSION ON ECONOMIC DEVELOPMENT

# **Nevada Investment Guide for Japanese Companies**

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## Introduction

*The state of Nevada conducted a survey of all Japanese companies doing business in the state. This Investment Guide is the finding of the survey. It is also an overview of the many benefits offered by the state of Nevada not found in any other state.*

**T**he Nevada Commission on Economic Development is proud to promote Nevada to Japanese executives and their families. The state of Nevada wants to increase the level of Japanese investment in our state and is taking dynamic steps to encourage Japanese businesses to locate their U.S. operations to Nevada.

Nevada wants to share our wealth of resources with the Japanese people, young and old alike. Living in the “Silver State” offers the excitement and sophistication of urban areas without the high expense and the long commute to work. Nevada also offers peaceful, hometown living and affordable, low cost housing. Nevada offers spectacular mountains, lakes, streams, lush valleys and high desert scenery – a perfect backdrop for world-class outdoor recreational opportunities and a higher quality of life.

## Acknowledgements

We would like to thank the following people and organizations for their dedicated work in researching the material, conducting the surveys and preparing the final report:

- Ms. Donna Artz
- Kaji & Associates, Mr. Jonathan Kaji
- Nevada Commission on Economic Development:
- Ms. Gayle Anderson, Mr. Alan Di Stefano, Ms. Jeanie Ashe, Ms. Kimberly Elliott
- University of Nevada-Las Vegas:
- Dr. Richard Flaherty, Professor Mel Jameson, Dr. Alexander Nill
- The MBA Class 375, Spring Semester, 2002

## Survey, Purpose & Research Method

The Nevada Commission on Economic Development (NCED) determined that about thirty percent of all the foreign companies with operations in Nevada are Japanese owned. This seems to be a high percentage for a single country. Since there has been no prior research about Japanese companies in Nevada, NCED's contractor, Kaji & Associates, recommended a survey of existing Japanese-affiliated companies. The purpose of this survey is to determine specifically why Japanese companies chose Nevada for their U.S. operations. With this information in hand, the NCED can better target its future efforts to attract more Japanese companies to consider Nevada as a location for a U.S. base of operations.

### Methodology

NCED contacted the Dean of the Business School at the University of Nevada, Las Vegas (UNLV), Dr. Richard Flaherty, and Finance and Marketing instructors Professor Mel Jameson and Dr. Alexander Nill. This group generously agreed to engage the spring 2002 MBA students in conducting the research project. In cooperation with NCED, the MBA class developed a survey questionnaire for the project. (See Page 18.)

In February 2002, a letter was sent to Japanese companies doing business in Nevada. Nevada Lt. Governor Lorraine T. Hunt, and Richard E. Flaherty, Dean, College of Business-UNLV, issued this letter jointly. It introduced the Japanese businesses to the research project and solicited their cooperation with the students who would be contacting them. The letter was issued in both English and Japanese.

In the March-May 2002 timeframe, the MBA class, now divided into five survey teams, contacted all of the Japanese companies identified in Nevada (See Table 1). They set up appointments and personally visited the companies to discuss the survey questions with each company and obtain the necessary data. The summary of this data is listed in the Executive Summary and Sections II-VI.

At the conclusion of the project, each Japanese company in Nevada will receive a copy of this report in Japanese and English.

### Japanese Companies

The survey included: headquarters of Japanese owned U.S. subsidiaries, branches of Japanese-owned U.S. subsidiaries, branches of Japanese companies, and companies established and run by Japanese. Retail businesses, such as stores and restaurants, were not included.

**Area**

The survey included all of Nevada. Four of the survey teams concentrated on Southern Nevada and one team focused on Northern Nevada due to the dispersion of the Japanese companies in the state.

**Topics**

The survey was divided into two sections: factual and qualitative questions. The factual questions focused on hard data such as: ownership, sales, number of employees, payroll, investment, expansion plans, etc. The qualitative questions focused on: why is the company here, cultural differences, likes and dislikes, decision making, expectations, etc. The charts and graphs used in this document are derived from the answers to these questions.

## Executive Summary

Following, is a summary of statistical information obtained from the survey of Japanese companies currently located in Nevada.

### Profile of the Japanese Companies Located in Nevada

- Of the twenty-three Japanese companies located in Nevada in 2002, more than fifty percent participated in this survey.
- Thirty percent of all foreign companies in Nevada are either Japanese owned or have parent companies in Japan. A reference list of 48 companies in 2006 is found in the following section on Table 1.
- Seventy-five percent of the reporting companies indicated they started operations in Nevada during the past 12 years. Two of the companies indicated their operation had started 14 to 18 years ago.

### Business Sector Data

- The largest business sector is manufacturing – sixty-nine percent of all Japanese companies are in this sector. Chart 1 summarizes the company breakdown by sector.
- Thirty-nine percent of the Japanese companies located to Nevada specifically because their products or services rely on the gaming industry. This information is summarized in Chart 2.

### Location Data

- The majority of the Japanese companies (seventy-nine percent) are located in Southern Nevada. See Chart 3.
- One company reported they originally moved from Japan to California but relocated to Nevada because of Nevada's lower cost of living and better tax incentives.
- Twelve percent of the companies reported plans for future expansion in Nevada, including one company with plans to relocate their Texas distribution center to Nevada for tax reasons.

### Financial Data

- Total Investment reported by the companies ranged from \$200,000 to more than \$20 million.

**Employment  
Data**

**Why Japanese  
Companies  
Chose Nevada**

- Of the reporting companies, thirty-three percent indicated they expect sales increases of ten percent to seventy-five percent in the near future with one company projecting a six fold increase.
- Of the reporting companies, only five percent reported less than \$10 million in worldwide sales.
- Most companies indicated three or more of their management employees located from Japan to Nevada.
- The number of employees in these Nevada companies ranged from one to 120.
- The top two reasons Japanese cited for locating their business to Nevada were tax benefits and gaming. See Table 2 for the reasons.



## Profile of Japanese Companies in the State

Name of Japanese corporation, location, key contacts, business sector. There are currently 48 Japanese corporations in Nevada reported in 2006.

**Table 1: Japanese Corporations in Nevada**

<b>JAPANESE CORPORATIONS IN NEVADA</b>		
<b>Corporation</b>	<b>Contact</b>	<b>Business Sector</b>
AB Tube Processing, Inc 4980 Statz St., Ste. 150 North Las Vegas, NV	Rick Daniels Phone #702-639-1904 Fax #702-633-6852	Manufacturer of Automotive Parts – airbag parts and tubing
AMON, INC. 7630 Spencer Street Las Vegas, NV	President: Seiko Miyamori Phone # 702-736-2666 Fax #702-633-6852	Trading Medical, Hand Tool, Magnetic Tape, etc.
Aruze America 745 Grier Drive Las Vegas, NV	President: Kazuo Okada Phone #702361-3166 Fax #702-361-3403	Manufacturer of Gaming Equipment
Asahi Seiko 6644 Paradise Rd Las Vegas, NV	President: Kazuya Abe General Manager: Roy Hollister Phone #702-260-6666 Fax #702-260-6486	Manufacturer of Coin Hoppers & Mechanisms
Ebara International 350 Salomon Circle Sparks, NV	Everett Hykon Phone #775-356-2796 Fax #775-356-2884	Manufacturer of Cryodynamic Pumps
Fuji Japanese Restaurant 3430 E. Tropicana Avenue, # 30 Las Vegas, NV	President: Poh Ha Low Phone #702-435-8838 Fax # 702-435-3679	Restaurant
Geisha Steak House 3751 E. Desert Inn Road Las Vegas, NV	Phone#702-451-9814	Restaurant
H.I.S. Tours USA, Inc. 6363 South Pecos Road, Suite 211 Las Vegas, NV	Owner: Akihiro Arao Phone #702-789-3777 Fax #702-789-7792	Travel

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Hikari Kanko Guide Service 5904 Edrene Avenue Las Vegas, NV	Phone #702-734-1414 Fax #702-791-0726	Japanese Weddings in Las Vegas; tours – Grand Canyon, golf; convention translation services
Hamada of Japan 3900 Paradise Rd., Ste.233 Las Vegas, NV	Owner: Jay Hamada Phone #702-733-1504 Fax #702-733-7708	Restaurant
Hooters Casino Hotel 115 East Tropicana Ave. Las Vegas, NV	CEO: Neil Kiefer Phone #866-522-7366	Service Industry/Gaming/Hotel & Casino
Iace Travel 4632 S. Maryland Pkwy, Suite 5 Las Vegas, NV	President: Keiko Ishida Phone #702-310-4224 Fax #702-3104228	Travel
Japan Travel Bureau International Inc. 101 Convention Center Drive Las Vegas, NV	General Manager Mr. Himeno Phone #702-893-4040 Fax #702-893-3303	Service Industry/Travel Agency
JCM American Corporation 925 Pilot Road Las Vegas, NV	President: Akiyoshi Isoi Phone #702-651-0000 Fax #702-651-0343	Manufacturer of Currency Validators
JCM American Corporation 9410 Prototype Drive, Suite 22 Reno, NV	President: Akiyoshi Isoi Phone#775-852-9244	Manufacturing & Distribution of Money Handling Equipment
JCTS, INC. 535 E, Saint Louis Avenue Las Vegas, NV	President: Fumio Sato Phone#702-734-6757 Fax#702-734-8503	Publishing (Japanese-English Translation)
JPI Tour Service 275 East Tropicana Avenue, Suite 170 Las Vegas, NV	President: Kazutoshi Yoshino Phone#702-458-0006 Fax#702-458-1119	Travel
Konami Gaming Inc. 7140 Industrial Road Las Vegas, NV	President: Steve Sutherland Phone #702-367-0573 Fax #702-367-0007	Manufacturer of Video Gaming Devices
Las Vegas V.I.P. Service 3720 Howard Hughes Pkwy., #120 Las Vegas, NV	Owner: Akemi Irie Phone#702-794-3400 Fax#702-794-3404	Travel and Event Coordination
Makita USA 3375 S. Decatur Blvd. Las Vegas, NV	Service Manager: Mark Arrington Phone#702-368-4277 Fax#368-1815	Manufacturer of Power Tools & Repair Center
Master-Halco Inc. 14331 Lear Blvd. Reno, NV	Scott Marrin Phone #775-972-5522 Fax #775-972-5543	Manufacturer of Chain Link Fences
MIKOHN Gaming Corp. 920 Pilot Road Las Vegas, NV	President: Dave Thompson Phone #702-896-3890 Fax #702-896-2461	Manufacturer of Slot Machine Games/Repair
Mizuno's Teppan Dining 3801 Las Vegas Boulevard Las Vegas, NV	Tropicana Casino Phone#702-739-2713	Restaurant

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Molten USA 742 Spice Island Drive Sparks, NV	Craig Parker Phone #775-353-4000	Manufacturer of Athletic Equipment/Sporting Goods
Nevada Japan Conference, Inc. 1349 Galleria Drive, Suite 200 Henderson, NV	President/CEO: Shusuke Ogihara Phone #702-433-9696 Fax #702-434-0615	Service Industry/Consulting, Marketing Research, Accounting
Nevada Redi-Mix 601 West Bonanza Las Vegas, NV	President: Darrell Thornton Phone #702-457-1115 Fax #702-457-9070	Manufacturer of Concrete/Coal
Nikkiso Cryo Inc. 4661 Eaker Street North Las Vegas, NV	President: Charles Molina Office Administrator: Karen Lukish Phone #702-643-4900 Fax #702-643-0391	Service/Test Facility for Cryogenic Pumping Equipment
Nippon Travel Agency Pacific, Inc 275 East Tropicana Avenue Las Vegas, NV	President: Hirofumi Oda Phone#702-791-7665 Fax#702-792-2157	Travel
Nishimoto Trading Co., LTD 1660 Helm Drive, Suite 300 & 400 Las Vegas, NV	President: Masamichi Muraoka Phone#702-262-6111 Fax#702-262-6222	Trade of Japanese/Asian Food Products
Panasonic Corporate Systems Co. 6860 Bermuda Road Las Vegas, NV	Director of Sales: John Bently Phone #702-732-2225 Fax #702-732-2120	Electronic Design/Installation
Panasonic Systems Integration 4045 S. Spencer St., Suite A-62 Las Vegas, NV	President: Yoshihiko Yamada Phone#877-438-7881	Electronic Design/Installation
Sankyo U.S.A. Corp. 2512 Ashley Rose Terrace Henderson, NV	Vice President: Tom Kawai Phone #702-270-9163 Fax #702-270-9233	Manufacturer of Electronic Games & Research
Sega Gaming Technology, Inc. 5125 West Oquendo Rd., Suite 6 Las Vegas, NV	CFO: Allan Legator Phone #702-914-9900 Fax #702-914-9911	Manufacturer of Computer/Video Games
Sigma Game 3566 S. Polaris, Suite 3-A Las Vegas, NV	President: Jim Jackson Phone #702-260-3100 Fax #702-260-0677	Manufacturer/Distributor of Gaming Devices
Super-hair Salon 1112 E. Fremont St. Las Vegas, NV	Sam Kumar Phone#702-384-4145	Beauty/Hair Salon
Starr Travel, Inc 6330 S. Eastern Avenue, Suite 1-A Las Vegas, NV	President: Yoko Delp Phone#702-798-3555 Fax#702-260-0677	Travel
Taiyo America 2675 Antler Drive Carson City, NV	President: David Rund Phone #775-885-9959 Fax #775-885-9972	Manufacturer of Coating for Circuit Boards
Teroson, Inc. 860 S. Margaret Pahrump, NV	Paul Yaka Phone #775-727-1917 Fax#775-727-1228	Manufacturer of Clearcoat Automotive Paint

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**NEVADA INVESTMENT GUIDE  
FOR JAPANESE COMPANIES**

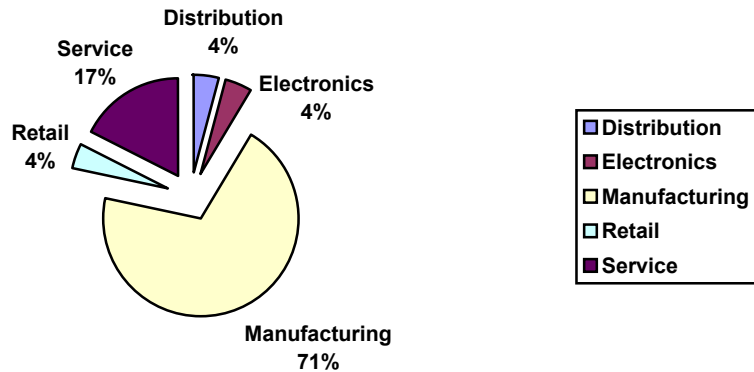
Tokyo Restaurant 953 East Sahara Avenue, E-14 Las Vegas, NV	Phone#702-735-7070 Fax#702-735-7636	Restaurant
Trans Orbit USA 3057 Las Vegas Blvd. Suite 21-S Las Vegas, NV	Joe Hashimoto Phone#702-735-8157 Fax#702-735-8057	Travel
Tsuda Surface Technologies, Inc. 1060 Mary Crest Road Henderson, NV	CFO: Kazushige Shiose Phone #702-948-2030	Manufacturer of Plastic Components/Surface Treatment
Universal Distributing of NV, Inc. 745 Grier Drive Las Vegas, NV	R&D Planning Mgr: Yoshiharu Kawaji Phone #702-361-3166 Fax #702-361-3403	Manufacturer/Distributor of Gaming Devices
USA Tsubaki 990 North hills Blvd., Suite 102, Golden Valley, NV	President: Yoshinobu Miyazaki Phone#775-972-6400 Fax#775-972-6446	Manufacturing Industrial Conveyor Chains
Vegas Tourist Service, Inc. 275 east Tropicana Avenue Suite 220 Las Vegas, NV	President: Tadashi Wakayama Phone#702-733-1501 Fax#702-739-0973	Travel
Viva Services LLC. 8170 S. Eastern Avenue., #4-163 Las Vegas, NV	Kenji Yamaoto Phone#702-893-9401 Fax#702-9402	Travel
Watabe USA 3900 Paradise Road, Suite 135 Las Vegas, NV	President: Yasushi Yoshizawa Phone#702-893-4700 Fax#702-893-4007	Event Planning/Wedding Services
Yahiro Tour Services Inc. 4032 S. Pecos Road Las Vegas, NV	President: Kunio Yahiro Phone#702-739-0332 Fax#702-739-7626	Travel
Yokohama Okadaya Corp. Polo Tower Plaza 3743 Las Vegas Blvd. South Suite #116-117 Las Vegas, NV	General Manager: Yuji Miyamae Phone #702-262-9622 Fax #702-262-9625	Retail/Watches, Clothing, American Gifts

## Business Sector Data

Sixty-nine percent of Japanese companies in Nevada are manufacturers. Nevada's tax structure and incentive programs are a major attraction in addition to the state's dynamic and diversified labor force invaluable to manufacturers.

**Chart 1: Business Sectors of Japanese Companies Currently in Nevada**

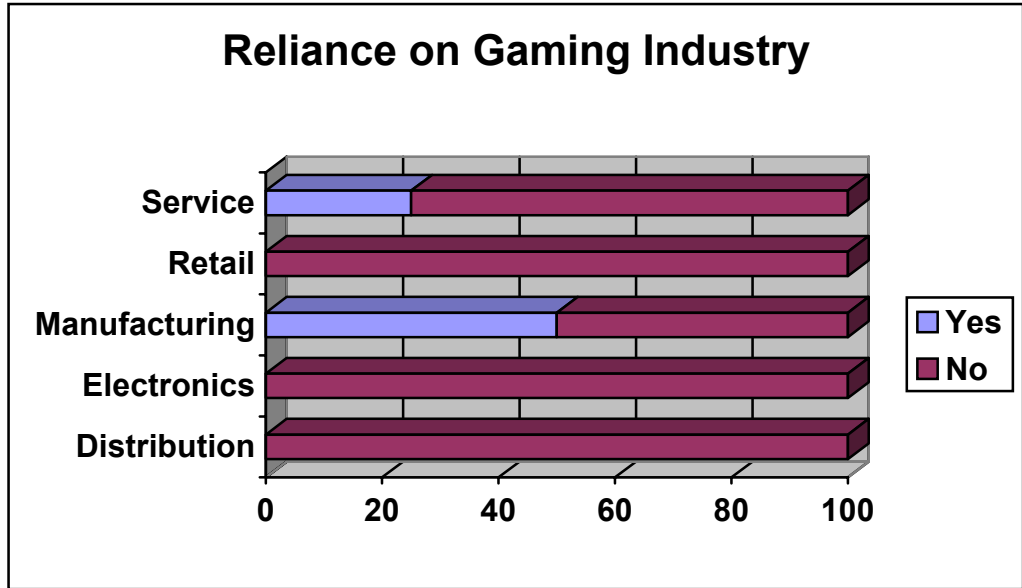
### Business Sectors in Nevada



## Gaming

Legalized gaming and the fact that the epicenter for gaming is Las Vegas is the primary reason thirty-nine percent of Japanese companies chose Nevada. These companies' product or services rely on the gaming industry.

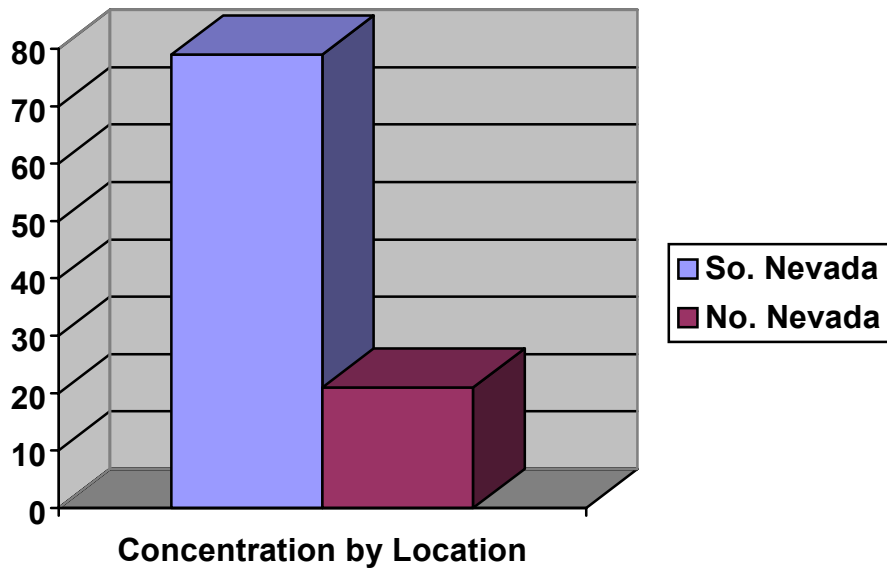
Chart 2: Japanese companies that rely on the gaming industry



## Location Data: Concentration of Japanese Companies in Southern Nevada Versus Northern Nevada

Seventy-nine percent of the Japanese companies are located in Southern Nevada, mostly in Las Vegas or the surrounding area. The population of Las Vegas is more than 1.5 million people (more than one-half of Nevada's population). Las Vegas is experiencing vast growth and is spreading out in every direction. The University of Nevada, Las Vegas has one of the best-known hotel management programs in the country. Accordingly, Las Vegas produces a huge pool of trained service professionals.

**Chart 3: Concentration of Japanese Companies in Southern Nevada versus Northern Nevada**



## Financial Data

Doing business in Nevada has been lucrative and successful for the Japanese companies. Thirty-three percent of the companies expect a ten percent to seventy-five percent increase in the near future, and twelve percent of the companies plan to expand their businesses in Nevada. One company anticipates a “*six-fold*” increase in sales. It is safe to say Nevada is a wise choice for a lucrative business venture.



## **Employment Data**

The size of Japanese companies located in Nevada range from one to 120 employees. Despite Nevada's plentiful workforce, Japanese companies choose to relocate three or more employees from Japan to fill key management positions.

## The Survey: Why Japanese Companies Choose Nevada

A company's bottom line is the most important item every businessman must pay attention to! As part of the survey, the question was asked, "*Why did your company locate in Nevada?*" *Excellent tax benefits* were the number one reason cited. The top ten responses to this question are summarized in Table 2

Other questions included "*What do you like about doing business in Nevada?*" and "*What do you dislike about doing business in Nevada?*" because we want to understand the complete perspective of the Japanese businessman. The responses to these questions are found in Table 3. The State of Nevada is also concerned about what it can do in the future to attract more business investors from Japan. Therefore, the question was asked "*What suggestions can you give that would make Nevada more attractive to Japanese companies?*" These suggestions are listed in Table 4.

The state tax structure and the Nevada state tax incentives were the most popular reasons the Japanese companies gave for choosing Nevada. The tax climate in Nevada clearly differentiates Nevada from all other states. Nevada offers a tax environment most other states cannot match. There are several unique tax advantages that contribute to the attractiveness of incorporating in Nevada. The biggest incentive is there is no corporate income tax. Nevada also does not impose personal income tax, franchise tax on income, or taxes on corporate shares. Further, there is no IRS information sharing agreements, nominal annual fees and no estate or inheritance tax. Nevada also allows minimal reporting and disclosure requirements along with minimal business tax for its corporation. Companies who choose to do business in Nevada, do so wisely.

The most common reason among Japanese companies who were either manufacturers for gaming products and devices, or service-related industries that benefited from a high volume of tourism, was that they chose Nevada as a location because the success of their business was tied to gaming. For the gaming related companies, one company put it quite clearly, "Nevada would be the *only* state to be considered." However, some of the other industries that prosper because of gaming

are the tourism industry, the service industry and the retail industry. Over 45 million tourists travel to Las Vegas every year. (Approximately 500,000 of those tourists are Japanese.) Tourism in turn fuels the service industry. Tourists need and utilize hotels to stay in, they demand a variety of foods, and tourists enjoy good entertainment. Recently, many casinos have focused large sums of capital on amusement parks for families. Not only do they offer adult entertainment, but now it is becoming popular for entire families to visit what was once known as “*The Adult Disneyland*”! The retail industry thrives as well, as tourists love to take home souvenirs, clothing and toys that remind them of their fun-filled vacation.

Another reason that makes Nevada a “smart move” is the low cost of living. One company who located to California later relocated the business to northern Nevada. The spokesperson for the company stated the cost of living was much more affordable in Nevada than it was in California. He said he liked the tax incentives and tax benefits very much. He also mentioned the “hospitable weather.” He also cited *the business atmosphere for the inventory-based business was something he saw as a strong core competency factor of Nevada, and a significant reason that he will soon be relocating his Texas distribution center to Nevada.*

There are numerous reasons Japanese companies came to the “Silver State”. Business executives remarked upon the high quality of the labor force and the convenient location of Nevada. The dense concentration of population in Las Vegas lends itself to proffering a large labor force endowed with skills of all ranges. Japanese companies also liked the fact that Nevada is situated at the hub of the 11-state western region (See map page 22). Nevada is an ideal location for companies seeking cost-effective, rapid access to major markets both domestic and international. Japan Airlines maintains direct air service from Tokyo’s Narita International Airport to Las Vegas, providing convenient access for Japanese company executives and their families. The Japanese communities in Southern California are less than a one-hour flight from Las Vegas.

With a market area of 51 million people within a day’s drive, firms can take advantage of Nevada’s low costs of taxation and operation, and easily ship to a multitude of destinations. Nevada provides great access to West Coast markets such as Los Angeles and San Francisco without the high cost associated with being located there. Nevada is also home to the West’s fastest growing warehousing and distribution center industry, providing Nevada businesses with unsurpassed access to advanced logistical services.

Another reason companies chose Nevada are the established Foreign Trade Zones in Las Vegas and Reno. This allows firms to transport goods and materials for manufacturing into the U.S. without customs entry, payment of duties, and government excise tax. These two Trade Zones allow for a wide range of

merchandise to be in various stages or processes – assembled, destroyed, mixed, processed, re-labeled, stored, and tested. Once the final product is ready for delivery, it is exported abroad without any customs or excise taxes being levied.

**Table 2: Survey Responses to the question “Why did your company locate in Nevada?”**

<b>TOP 10 REASONS JAPANESE COMPANIES LOCATE IN NEVADA</b>	
<b>1</b>	<b>Tax Benefits</b>
<b>2</b>	<b>Las Vegas is the Epicenter of the Gaming Industry</b>
<b>3</b>	<b>Tax Incentives</b>
<b>4</b>	<b>Low Cost of Living</b>
<b>5</b>	<b>Nevada has a good business atmosphere</b>
<b>6</b>	<b>Convenient Location of Nevada</b>
<b>7</b>	<b>Las Vegas &amp; Reno have designated Free Trade Zones</b>
<b>8</b>	<b>Nevada Government Officials are “straight forward,” easily accessible and Pro-active in growing business</b>
<b>9</b>	<b>High Quality of Labor</b>
<b>10</b>	<b>Excellent Quality of Life</b>

**Table 3: Survey responses to “What do you like and dislike about doing business in Nevada?”**

<b>WHAT JAPANESE COMPANIES LIKE AND DISLIKE ABOUT NEVADA</b>		
	Like	Dislike
Lower Taxes	●	
Nevada should have an office in Japan		●
Las Vegas is the Epicenter of Gaming	●	
Tax Incentive Programs for New & Existing Companies	●	
Nevada should have Social Support Programs for Japanese people		●
Northern Nevada is remote to customers		●
Lower Operational Costs	●	
Nevada does not have a strong Technical Image		
Some people do not take business in Nevada seriously because of gambling, prostitution, etc.		●
Too far from main population hub		●
Geographic Location	●	
Too much federally controlled land		●
Lower Cost of Living	●	
Prosperous Economy	●	
Synergy with the gaming industry	●	
Booming population growth	●	
Large pool of inexpensive labor	●	
Foreign Trade Zones in Las Vegas & Reno	●	
Las Vegas is a Convention Capital	●	
Weather	●	
Great Quality of Life	●	
Simple, Fast, Less Costly to Incorporate	●	
Business Atmosphere	●	
Better Educated Employment Resources	●	
Nevada has easy accessibility of Government Officials	●	
Nevada does not have “black-outs” (power shortages)	●	

**Table 4: Survey responses to “What suggestions can you give that would make Nevada more attractive to Japanese companies?”**

**RECOMMENDATIONS UNDER CONSIDERATION  
FOR FUTURE IMPLEMENTATION**

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**Nevada needs to work with Japanese community in Nevada to form business relations**

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**Nevada needs to translate business information in Japanese**

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**Nevada needs to promote more of it’s advantages to the Japanese companies**

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**Nevada needs to develop a Japanese business park**

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**Nevada needs to provide social support programs for easier assimilation into U.S. culture**

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**Nevada needs to develop better networking into Japan**

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**Nevada needs a better awareness of the Japanese Business Culture**

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# Survey of Japanese Companies

**MBA 735**

**Spring 2002–Group Project**

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**FACTUAL  
QUESTIONS**

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1. What is the Nevada Company?
  - 1.1. Who owns it?
  - 1.2. How many officers do you have and what is their cultural background?
  - 1.3. When did it start? Primary or Secondary Relocation?
  - 1.4. What type of investment was it? (Greenfield, Acquisition, Merger...)
  - 1.5. Annual sales 1998–2001
    - 1.5.1. Nevada
    - 1.5.2. United States
    - 1.5.3. World
  - 1.6. Projected sales
  - 1.7. Number of employees
    - 1.7.1. How many employees have been relocated from Japan
  - 1.8. Value of annual payroll
  - 1.9. Total investment
  - 1.10. Expansion plans for the next 5 years
  - 1.11. Which banks and insurance companies does the company use?
    - 1.11.1. Local Nevada Banks and Insurance companies:
    - 1.11.2. Japanese Banks and Insurance companies based in California:
    - 1.11.3. Other Banks and Insurance companies
2. What is the main company?
  - 2.1. Who owns it?
  - 2.2. Annual sales 1998–2001
  - 2.3. Number of employees world wide
  - 2.4. Other locations
    - United States
    - World

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**QUALITATIVE  
QUESTIONS**

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1. Why is the company in the United States?
  - 1.1. How important is the United States for the whole company?
  - 1.2. Likes and dislikes of doing business in the United States
    - infrastructure
    - political environment
    - legal environment, taxes
    - social environment, life style, ...
    - access to skilled labor, capital, supplier,
    - ?

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**NEVADA INVESTMENT GUIDE  
FOR JAPANESE COMPANIES**

1.3 Cultural differences

- perceived as problems and obstacles
- perceived as irrelevant for doing business
- perceived as advantageous

2. Why did the company locate in Nevada

2.1 How important is the Nevada for the company?

2.2 Likes and dislikes of doing business in Nevada

- infrastructure
- political environment
- legal environment, taxes
- social environment, life style, ...
- access to skilled labor, capital, supplier,
- ?

2.3. If the company moved to Nevada as a primary relocation, what other states were considered? What were the key reasons why these other states did not meet the final selection criteria?

2.4. If the company moved to Nevada as a secondary relocation, which state(s) did they go to first? Why did they leave that state? What other states did they consider besides NV and why? Was relocation decision made by the US entity or by corporate parent in Japan?

2.5 Who made the decision to locate in Nevada?

2.5.1 How long did it take them to make the decision to move to Nevada? What were the reasons that it took this length of time?

2.5.2 What business sectors do the companies see as the best for future investment by Japanese companies in Nevada? Why?

2.5.3 Was the site selection information and decision made by an internal team or an outside consultant or both? If a consultant was involved, what is their name/location?

2.6 What were the expectations before coming to Nevada?

- Which expectations have been exceeded?
- Which expectations have been met?
- Which expectations have not been met?

2.7 What is Nevada's "core competency" that it has to offer to businesses considering relocation?

2.8 If they had to make the relocation to NV decision all over again would they make the same decision? Why?

2.9 Suggestions for making Nevada more attractive to Japanese companies



## A Case Study

The following is a case study by a Japanese company regarding their process in choosing a U.S. location for their operation. The text is changed slightly and the name or business of the company was not used for confidentiality purposes. The italicized sections are done for emphasis and were not part of the original study.

During their strategic planning process for establishing a presence within the United States, the company consulted with various experts to determine a feasible location for their facility. *Particular attention was placed on location, employment resources, and favorable tax incentives obtainable from local, state and Federal tax authorities*

After considering a variety of U.S. sites, Nevada was chosen for their facility. Consultants revealed *Nevada offered tax incentive programs for new and expanding businesses*. The tax incentives described by the consultants consisted of *abatements for property taxes for invested capital, tax abatement for business license as well as abatement in sales tax for purchase of capital investments*. The company projected their capital investment in processing equipment would range from five to six million dollars and *anticipated a significant reduction in the cost of taxes attributed to the invested capital*. In addition, the *State of Nevada did not assess taxes on income generated at the corporate level*.

Further research revealed *lower fixed cost related to expenditures in rents, benefits, shipping and wages*. The company projected to employ 75 to 100 employees in the processing facility at an average hourly rate of approximately fifteen to eighteen dollars. Additionally the *state offers a better-educated workforce the company wishes to utilize to expand their presence in the U.S.* This will allow the company to minimize their cost in educating and training the personnel in operating their processing equipment.

Additionally *Nevada provides an ideal location for the company's personnel to contact their customers within the expanding U.S. market*. They anticipate soliciting customers from both coasts of the U.S.

Currently, the company is applying their technology to the IT industry. The company plans to expand their processing capability by entering the automotive and cosmetics markets during the end of the year 2001.

The company is committed to developing and expanding their presence in the U.S. and has entered into a lease agreement for their Nevada facility for a period of five years commencing in October 2001.

## Why Locate in Nevada

Nevada's population is approximately 2,066,831 people, with more than half residing in Las Vegas and the surrounding areas.<sup>1</sup> Without comparison, the Las Vegas area has seen the state's most explosive growth. One of the main reasons is Southern Nevada has become the *epicenter* for the gaming and hospitality industry. Gaming regulators and industry personnel have traveled to Las Vegas from around the world to participate in educational classes that focus on the legal aspect of gaming and the unique management skills required to monitor gaming activities. The University of Nevada, Las Vegas has a world-renowned hotel management program and place many of their graduates in top-notch positions, not only in properties in Las Vegas, but around the country.

**Nevada's  
unemployment  
rate is lower than  
the national  
average.**

Nevada's labor force is approximately 1,045,900 as of March of 2002.<sup>2</sup> The unemployment rate in Nevada is 5.5% compared to the national average of 5.9%.<sup>3</sup> The job growth rate in Nevada for 2002 is 0.7%, as compared with -0.9% nationally.<sup>4</sup> By and large, these statistics indicate a strong economic growth in Nevada. The low unemployment rate and the job growth rate have been fueled by either direct or secondary connection to Nevada's tourism and service industry, and by Nevada's favorable pro-business environment.

According to the annual Forbes-Milken Institute study that ranks the top 200 large metro areas in order of the best places to do business, advance a career or provide entrepreneurial opportunities, Las Vegas ranked 3<sup>rd</sup>, and Reno ranked 22<sup>nd</sup> nationally in 2002. The list shows where growth is most predominant in the United States economy today – and where business is booming! In Southern Nevada, emphasis is being focused on diversification. This is creating an environment that welcomes high-tech businesses, light industrial businesses, distribution centers and other industry to balance our economy, promulgating exuberant growth.

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<sup>1</sup> Source: Nevada State Demographer, [www.nsbdc.org/demographer](http://www.nsbdc.org/demographer)

<sup>2</sup> Source: Nevada Dept. of Employment, Training & Rehabilitation, <http://detr.state.nv.us/lmi/index.html>

<sup>3</sup> Source: Nevada Dept. of Employment, Training & Rehabilitation, <http://detr.state.nv.us/lmi/index.html>

<sup>4</sup> Source: Nevada Dept. of Employment, Training & Rehabilitation, <http://detr.state.nv.us/lmi/index.html>

According to the annual Cognetics ranking of Entrepreneurial Hot Spots, Nevada is the #1 state in the nation to start and grow a company. In the ranking of the Top 25 Small Metro Areas for Entrepreneurs, Las Vegas scored #1 and Reno scored #4.<sup>5</sup> There are many reasons why Nevada is well suited for entrepreneurs. Those reasons start with the low cost of starting a business, the entrepreneur-friendly government and the business-friendly tax incentives. Nevada welcomes new businesses, and its tax structure clearly distinguishes Nevada as offering a business environment very few states can match. Nevada's state incentive programs also encourage diverse economic growth. All of these factors lend credibility to the fact that Nevada is transforming its image to not only being a resort destination, but to also being one of the best places to do business in the country!

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<sup>5</sup> Source: Nevada Development Authority Website, [www.nevadadevelopment.org/newbusiness.cfm](http://www.nevadadevelopment.org/newbusiness.cfm)

## Location

Map 1: Western Region



## Business Assistance Programs

### Nevada Tax Structure

Nevada's tax structure continues to be one of the least burdensome in the country, allowing both business and employees to flourish.

Nevada has NO:

Corporate Income Tax	Personal Income Tax
Unitary Tax	Franchise Tax
Inventory Tax	Inheritance Tax
Estate and/or Gift Tax	Special Intangible Tax

### Sales & Use Abatement

An abatement of sales & use tax on eligible machinery and equipment is available to businesses with operations consistent to Nevada's state plan for economic diversification and development. Qualifying criteria include a commitment to doing business in Nevada, minimum job creation, employee health plans, and wage requirements.

### Sales Tax Deferral

The state of Nevada offers a sales & use tax deferral program to qualified industries that purchase specific types of capital equipment in excess of \$100,000. Taxes can be deferred interest-free for five years.

### Sales Tax Exemptions

Certain aircraft engaged in air transportation are exempted from taxes imposed on gross receipts from the sale of aircraft and major components of aircraft.

### Business Tax Abatement

Partial abatement from business tax may be obtained by new and expanding businesses that meet the overall objectives of the state plan, Unlocking Nevada's Future. Statutory requirements, which must be met to qualify, include a minimum number of jobs created, a minimum capital investment, and wage and fringe benefit requirements.

### Personal Property Tax Abatement

An abatement of personal property tax is available to businesses with operations consistent to Nevada's state plan for economic diversification and development. Qualifying criteria include a commitment to doing business in Nevada, minimum job creation, employee health plans, minimum capital investment, and wage requirements.

### **Property Tax Abatement**

Real and personal property tax abatement is available to qualified recycling businesses. At least 50% of the material or product must be recycled on site. Fifty percent of real and personal property tax can be abated for up to ten consecutive years. A five-year commitment on behalf of the company is required as well as acknowledgement from local government.

### **Property Tax Exemptions**

The following are exempt from property tax:

- All personal property stored, assembled or processed for interstate transit;
- All raw materials and supplies utilized in the manufacturing process;
- Inventories held for sale within Nevada;
- All real and personal property that qualifies and is used for the purpose of air and/or water pollution control.

### **Job Training**

Nevada offers a customized job-training program to qualified businesses that meet established criteria. This program may be used prior to a plant opening and up to 90 days following.

### **Industrial Development Bonds**

Nevada is authorized to use tax-exempt IDB's to provide low-interest financing of new construction, improvements, rehabilitation, or redevelopment of qualified projects, which include manufacturing facilities and certain other projects organized under Section 501 of the Internal Revenue Service.

### **Renewable Energy Abatements**

For those companies involved in the production of energy from renewable sources such as wind, solar, and others, there is a package of abatements available including sales/use tax and property tax.

### **Technical & Support Services**

The Procurement Outreach Program provides bid information and direct technical assistance to businesses selling goods and services to the government.

## Information on Southern Nevada

### Business

Clark County, like the rest of the nation, experienced a slow down following the tragic events of September 11, 2001. From an unemployment rate of 5.4 percent, the rate rose to 7.3 percent in October — the highest unemployment rate since October 1993 — before ending the year at 7.1 percent. Total employment for 2001 rose three percent over the prior year to 680,100.

During FY 2000-01, Nevada Development Authority, the area's premier economic development agency, assisted 62 new companies in locating in southern Nevada and aided six local businesses with significant expansions. One-year outcome: an additional 6,900 new primary jobs and an impact of \$704 million on the local economy.

No state corporate income tax or personal income tax; an educated, expanding, cost effective workforce; location and lifestyle lead the list of reasons why companies choose southern Nevada.



**Employment**

**Table 5: Southern Nevada Employment Statistics**

<b>Employment Status</b>	
Self-Employed Professional	8.9%
Employed Full Time - Hotel/Gaming	14.4
Employed Full Time - Non-Hotel/Gaming	33.6
Employed Part Time	5.5
Currently Not Employed	6.0
Retired with Part-Time Employment	2.1
Retired without Employment	19.9
Student	3.6
Homemaker	5.8

<b>Working Women</b>	
Number of Working Women 357,479	
Age	
18-24	9.3%
25-34	20.7
35-44	27.4
45-54	24.5
55-64	13.8
65+	4.3
Median Age	41.6

<b>Call Centers 50 + Employees</b>
1st National Bank of Marin
American Airlines
Avery Dennison
Bank of America
Citibank/Citigroup Nevada
Client Logic
Credit Acceptance Corp.
CSAA
Cyberbills.com
EdisonADTSecurity Systems
Expedia
Fairfield Acceptance Corp.
First Performance Corp.
First USA
Ford Motor Co.
Household Credit
IMPAC Medical Systems
Miles Kimball
Nextel Partners
NOS Communications
PEC-Ramada Vacation Resorts
RMA
Sallie Mae
SITEL Corp
Sunterra
UPS Teleservices
Williams-Sonoma

**Labor**

Southern Nevada has an abundant, skilled labor force that's ready and willing to work. All levels of government maintain a pro-business attitude as exemplified in Nevada's right-to-work legislation. The following numbers are based on 1999 statistics.

**Table 6: Comparative Annual Labor Costs**

<b>Comparative Annual Nonexempt Labor Costs* Job Description</b>	<b>Denver</b>	<b>Las Vegas</b>	<b>Los Angeles Long Beach</b>	<b>Phoenix</b>	<b>Reno</b>	<b>Salt Lake City</b>	<b>San Diego</b>	<b>San Francisco</b>
General Helper	13.20	<b>12.00</b>	13.24	12.33	<b>13.68</b>	12.31	13.32	14.10
Material Handler	15.17	<b>13.78</b>	15.26	14.16	<b>15.73</b>	14.17	15.34	16.26
Order Filler / Light Assembly	14.29	<b>10.64</b>	16.52	13.10	<b>13.54</b>	13.39	16.02	18.00
Maintenance	13.26	<b>11.85</b>	13.42	11.74	<b>15.10</b>	12.86	12.24	11.43
Security / Traffic	7.93	<b>8.04</b>	8.85	8.82	<b>11.72</b>	8.31	8.12	9.19
Driver / Tractor Trailer	17.62	<b>19.59</b>	18.25	17.32	<b>19.37</b>	19.05	19.86	19.28
Secretary / Clerical	15.51	<b>13.21</b>	17.18	14.44	<b>15.00</b>	14.39	15.16	17.07
Computer Support	16.04	<b>14.03</b>	16.02	15.05	<b>13.39</b>	15.99	14.72	16.36
Order Processing Clerks	13.90	<b>12.27</b>	13.90	13.00	<b>13.98</b>	13.09	13.78	14.66
<b>Average Hourly Earnings</b>	14.34	<b>12.52</b>	15.21	13.33	<b>14.62</b>	13.63	14.42	15.44
<b>Annual Base Payroll</b>	3,413	<b>2,980</b>	3,620	3,173	<b>3,480</b>	3,244	3,432	3,675
<b>Fringe Benefits (\$1000)</b>	1,229	<b>1,073</b>	1,303	1,142	<b>1,253</b>	1,168	1,236	1,323
<b>Total Annual Nonexempt Labor Costs (\$000)</b>	4,642	<b>4,053</b>	4,923	4,315	<b>4,733</b>	4,412	4,668	4,998

**Table 7: Manufacturing Employment in Southern Nevada**

Manufacturing Employment - Clark County* SIC	Title	# Firms	Employment	Payroll (000)
20	Food Products	46	2,156	\$19,526
21	Tobacco Products	2	N/A	N/A
22	Textile Mill Products	3	15	84
23	Apparel/Textile	65	585	3,467
24	Lumber/Wood	56	2,100	16,362
25	Furniture/Fixtures	43	546	3,811
26	Paper & Allied Products	13	597	5,459
27	Printing/Publishing	223	3,626	34,444
28	Chemicals & Petroleum	35	894	11,068
30	Rubber/Plastics	42	1,520	12,135
31	Leather/Leather Products	2	N/A	N/A
32	Stone/Clay/Glass	75	2,940	31,872
33	Primary Metals	5	N/A	N/A
34	Fabricated Metals	94	1,384	11,598
35	Machinery	58	887	7,196
36	Electronic & Electrical Equipment	47	1,084	11,534
37	Transportation Equipment	31	211	1,735
38	Instruments & Related Products	36	464	4,045
39	Misc. Manufacturing	116	2,540	28,545

*Source: State of Nevada, Department of Employment, Training & Rehabilitation*

**Business Transportation**

**Air Cargo Service**

The Las Vegas International Air Cargo Center opened in April, 1993 with one 76,000 square-foot warehouse. Currently, the 160-acre site is a first-rate cargo handling area consisting of three buildings totaling more than 170,000 square feet.

**Common Carrier Service**

Southern Nevada is served by more than 50 motor carriers, including several specialized carriers. The area provides a number of warehousing and manufacturing-related support services including specialized contract haulers, full-service public warehousing, U.S. customs service, foreign trade zone and sub-zone accommodations, assembly and packaging support.

**Rail Service**

Southern Nevada's Class I rail service is provided by Union Pacific Railroad. The line runs northeast/southwest through Clark County providing access to several industrial sites. The railroad provides intermodal service with daily switching frequency as well as standard boxcar and tank-car service.

**Taxes**

**Table 8: Selected Taxes Imposed by Western States**

<b>State</b>	<b>Franchise</b>	<b>Corp. Income %</b>	<b>Personal Income %</b>	<b>Sales &amp; Use %</b>
Arizona	No	6.968	2.87 - 5.04	6.10 - 9.60
California	Yes	8.84	1.00 - 9.30	7.00 - 8.75
Colorado	No	4.63	4.63	2.90 - 7.40
Idaho	No	7.60	1.60 to 7.80	5.00 - 8.00
<b>Nevada</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>6.50 - 7.25</b>
New Mexico	Yes	4.80 - 7.60	1.60 - 7.80	5.0 - 7.1875
Oregon	No	6.60	5.00 to 9.00	No
Utah	Yes	5.00	2.30 - 7.00	5.00 - 10.975
<i>Source: Commerce Clearing House, State Tax Guide</i>				

**Alcoholic Beverage** Excise tax on importation, processing, storing or selling of all liquor (including beer). Malt beverages are taxed at 9 percent per gallon and liquor is taxed from 40 cents to \$2.05 per gallon depending on the alcohol content. Sales tax is collected on the retail price.

**Business** A one-time state license fee of \$25 applies. Tax is paid quarterly and is \$25 per each full-time equivalent employee. Businesses must file a tax return and pay the state business tax within 30 days following the end of the quarter.

**Car Rental** Known officially as Government Services Fee for Car Rental, the fee is 6 percent and is imposed on the short-term rental of a passenger car.

**Cigarette/Tobacco Products** Excise tax on cigarettes is 0.175 cents per cigarette, which equates to 35 cents per package of 20. Other tobacco products are taxed at 30 percent of the wholesaler's cost. Sales tax is also collected on the retail price.

**Corporate Fees** Fees for filing articles of incorporation or agreements of consolidation providing for shares apply in Nevada. The rate is based on the value of the shares with a minimum fee of \$175 and a maximum fee of \$25,000. (Example: total value of shares - \$25,000 or less the fee is \$125; \$75,000 or less the fee is \$175; total value of shares over \$1 million is \$425 plus \$225 for each additional \$500,000 or fraction thereof not to exceed \$25,000.) Non-par value stock is assigned a value of \$1 per share for the purpose of computing the fee. Fees are the same for domestic and foreign corporations.

**Gaming** There are five principle types of gaming taxes. Gross gaming revenue tax, table tax, and slot taxes are levied by the state. In addition, gaming fees are levied by the county and local governments. For more information contact the Gaming Control Board.

**Industrial Insurance** Industrial insurance is obtained through private insurance carriers, self insurance or group self insurance. For more information about self insurance or group self insurance contact the Nevada Insurance Division.

**Insurance Premium** Insurers pay 3.5 percent of the total direct premiums written for the preceding calendar year covering property and other risks in the state. The tax is due on actual premiums received in the quarter with payment due 25 days following the end of the quarter.

**Lodging** A statewide tax of 1 percent of gross receipts is imposed on the rental of hotel and motel rooms. This is in addition to any locally imposed room taxes which range from 3 to 13 percent.

**Motor Vehicle Fuel** Gasoline and gasohol are taxed at 23 cents per gallon. Additional county taxes range from 5 cents to 10 cents per gallon. Diesel, butane and kerosene are 27 cents per gallon, liquid petroleum is 22 cents per gallon, compressed natural gas is 21 cents per gallon and water-phased fuel is 19 cents per gallon.

**Motor Vehicle** Fees are annual and must be paid on all vehicles at the time of registration.

**Government Services Tax** This tax is in lieu of personal property tax. The valuation of the vehicle is determined at 35 percent of the manufacturer's suggested retail price, without accessories. Vehicle value is depreciated to 85 percent after the first year and graduated down to 5 percent after nine years. Buses, trucks and truck trailers depreciate down to 75 percent after the first year and down to 13 percent after 10 years. The rate imposed by the state is 4 cents on each \$1 valuation. Counties may levy up to one cent on each dollar of valuation, but the total tax imposed cannot exceed 5 cents on each dollar of valuation.

**Registration** Passenger cars, motorcycles, travel trailers, low speed and electric vehicles and trucks with a gross weight of 6,000 pounds or less pay \$33 per year. Rates on trucks vary from a low of \$33 for a truck with a gross weight of 6,000 pounds or less to a maximum of \$1,360 for a truck with a gross weight of 80,000 pounds.

**Property** State statutes limit the property tax rate to a total of \$3.64 per \$100 of assessed valuation. Assessment is at 35 percent of taxable value. The tax is applied to the assessed value. Property tax rates may vary within the city and county, due to special districts or general improvement districts such as fire control districts, library districts and television districts.

**Real Property** (land, buildings and improvements not normally removable) The taxable value for land is full cash value. The value for improvements is replacement costs less depreciation at 1.5 percent per year up to 50 years.

**Personal Property** (property not permanently affixed to land, such as business equipment and mobile/manufactured homes not converted to real property) Assessment is 35 percent of original cost less depreciation.

**Sales and Use** Sales tax is charged at the retail level on the sale of tangible personal property unless exempt by statute. A companion use tax is charged on property purchased outside of Nevada and brought into the state for use. The maximum rate is 6.5 percent. Counties are allowed various options to pay for items such as transportation, roads, flood control and water. In Clark County the

rate is 7.25 percent.

**Unemployment Insurance** Paid by employers of one or more persons with total wages paid of \$225 or more during a calendar quarter. For the first 14 quarters as an employer in Nevada, the total rate is 3 percent. Thereafter, it may vary from 0.3 percent to 5.4 percent depending on the number of employees and the firm's unemployment record. The maximum wage base upon which the rate is applied changes annually. For 2002, the maximum wage base is \$20,900.

**Growth**

The Las Vegas Valley contains 96.3 percent of the households and population surveyed in Clark County. Excluded are persons in group quarters, such as Nellis Air Force Base and populations in institutions.

The outlying areas of Clark County not surveyed include the communities of Blue Diamond, Bunkerville, Cal Nev Ari, Calico Basin, Cold Creek, Glendale, Goodsprings, Indian Springs AFB, Indian Springs Prison, Indian Springs, Jean Prison, Laughlin, Lone Mountain, Mesquite, Moapa, Moapa Reservation, Moapa Valley, Mt. Charleston, Mountain Springs, Nelson, Sandy Valley, Searchlight, Sloan and rural residents, for a total of 11,754 households. The primary area contains 41 zip codes. This year's survey includes nine zip codes not previously reported. Those zip codes are 89032, 89052, 89141, 89144, 89145, 89146, 89147, 89149 and 89156. Five relatively new zip codes - 89011, 89135, 89141, 89143, and 89148 are not listed, as the response rates were too low.

**Table 9: Southern Nevada Newcomer Demographics**

**NEWCOMERS DEMOGRAPHICS**

<b>Household Income</b>	
Under \$15,000	16.1%
\$15,000 - 19,999	6.6
\$20,000 - 24,999	9.4
\$25,000 - 34,999	13.8
\$35,000 - 49,999	18.7
\$50,000 - 74,999	17.5
\$75,000 - 99,999	10.5
\$100,000 & over	7.4
Median Income \$35,289	

<b>Marital Status</b>	
Never Married	19.1%
Married	52.8
Divorced	20.7
Widowed	3.4
Separated	4.0

<b>Age</b>	
18 - 24	12.3%
25 - 34	21.8
35 - 44	20.8
45 - 54	19.0
55 - 64	19.4
65+	6.7
Median Age 41.8	

<b>Children (under 18) per Household</b>	
0	61.4%
1	18.3
2	11.8
3	5.0
4+	3.5

<b>Education of Adults</b>	
Some High School	9.5%
High School Degree	21.7
Some College	29.6
College Degree	20.5
Some Graduate	5.4
Graduate Degree	13.3

<b>Reason for Relocation</b>	
Job transfer	26.0%
Find a Job	21.2
For better lifestyle	20.4
Retirement	13.2
Like the area	8.9
Other	5.4
Live near relatives	4.9



### **Living**

Southern Nevadans have always looked beyond the present and focused on the future. This progressive community, home to one of the most diverse populations in the world, is poised and ready to embrace the challenges of the future.

The pioneer spirit, exemplified by early settlers, remains alive and well in Southern Nevada as more and more people call the Las Vegas Valley home. The area continues to lead the nation in population growth with a more than 40 percent increase during the last decade. Those relocating to the area, in search of a better life, are richly rewarded as they discover the many benefits of living and working in Southern Nevada.

Along with the record-breaking population growth, Southern Nevada continues to outpace the nation in a number of economic barometers, including new job creation, housing and business growth. While gaming remains the number one industry, Southern Nevada's economic diversification efforts continue to attract record numbers of non-gaming business to the area.

Southern Nevada's thriving economy makes it possible for the community to continue building and improving its infrastructure and offer more recreational and cultural opportunities for its residents. Parks, golf courses, museums, libraries, sports and cultural activities are plentiful and readily available for residents to enjoy.

The Southwest climate, with mostly sunny days and mild winters, facilitates year-round outdoor activities. The area's active lifestyle and mild climate have made it among the nation's favorite communities for retirement. Consequently, a number of housing developments, built exclusively for retirees, have sprung up throughout the community. The area touts large and successful master-planned communities and countless housing developments that provide home buyers with a wide range of affordable options.

The relatively low cost of living, mild climate and abundant job opportunities all contribute to Southern Nevada's continued growth. Newcomers arriving from every part of the globe blend into the community and ensure the area's position as one of the world's most diverse metropolitan areas. Long-time residents and newcomers alike are proud to call Southern Nevada home. Together, they support hundreds of non-profit organizations and contribute their time and resources, making the Las Vegas Valley's lifestyle and economy among the best in the world.

Southern Nevada is poised to embrace new challenges and opportunities. Businesses, organizations, elected officials and private residents will continue working together to make the Las Vegas Valley an even better place to live and work.

**Lifestyle**

Southern Nevada, recognized throughout the world as a Mecca for entertainment, offers recreational opportunities second to none. The Southwest location is within a few hours drive from the Grand Canyon in Arizona as well as the many attractions found in Southern California. Additionally, within the borders of Southern Nevada, an abundance of recreational opportunities are found.

## Information on Northern Nevada

### Quality of Life

Northern Nevada offers an unmatched quality of life. Nestled at the entrance to the Sierra the region offers a year round outdoor playground. From skiing, golf, hiking, biking, camping, climbing, or just plain lounging we offer a lot of something for everyone.

Getting around here is easy. The extra time you save in the work commute can be made up on loved ones. The overall lower cost of living also makes buying a home in reach with a multitude of options available in almost everyone's price range. With an environment that attracts millions of visitors every year there's a special event here almost every weekend. Everything from balloon races to watching a Shakespeare play on the sandy beaches of Lake Tahoe. Northern Nevada offers an escape from big city hassles and surprises almost everyone with just how much there is here to keep you busy.

### Recreation

When you live in northern Nevada bring your imagination and your nine iron. The region enjoys a mild climate with an average of more than 300 sunny days a year. A quick escape is easy with more than 18 major ski resorts and more than 39 golf courses within a 45-minute drive from Reno. The outdoor opportunities are as diverse as the terrain you will encounter here. From mountain biking to trail hiking and rock climbing to exploring the desert: northern Nevada encourages you to go as extreme or easy as you like.

### Real Estate

Is it nearly impossible to afford a home where you live now? Northern Nevada offers over 100 residential subdivisions offering homes in the price range of \$120,000-\$500,000, all within 20 minutes of the airport.

The Reno housing market is the 6th most affordable in the entire West. According to the most recent data released by the National Association of Home Builders a staggering 63% of people can afford to buy an average priced home in the market. Compare that to most of the San Francisco Bay Area where the percentage stands below 10%.

The average-price of a single-family home (4 Bedrooms, 2.5 Baths, approximately 2200 sq. ft.) in Reno-Sparks is approximately \$224,000.

### Getting Around

Normal commute times in the Reno-Sparks-Tahoe area are 15 minutes. The latest survey of the Silicon Valley Transportation Authority showed that only 12% of

households in the Bay Area could reach their jobs in a commute of 45 minutes or less. You'll also appreciate all the time to take a deep breath. Reno-Tahoe is currently included in the list of metropolitan areas that have the best record of low ozone air pollution in the nation.

### **Education**

Northern Nevada offers a strong public and private educational system focused on the needs of families. The state's average student/teacher ratio is 22:1 in the primary grades (K-5) and 29:1 in secondary grades (6-12). Reno High School and McQueen High School ranked in the top 200 best high schools in the nation. There are over 31 private educational facilities in Washoe County alone. 25 serve kindergarten, 18 serve elementary students, 14 serve middle school students and 8 serve high school students.

Nevada is investing in the future. Nevada's Governor has proposed \$20 million be spent in K-12 technology improvements statewide. We are also the first state to offer the Millennium Scholarship. This entitles any Nevada student that graduates with at least a 3.0 GPA to qualify for tuition vouchers of up to \$2500 a year for a free college education.

Northern Nevada enjoys a strong network of public community colleges and universities as well as private colleges that work together. U.S. News and World Report continues to rank the University of Nevada, Reno as one of America's Best Colleges.

### **Arts and Culture**

From the Nevada Opera to the Reno Philharmonic and Nevada Festival Ballet, the performing arts thrive in northern Nevada and exceed expectations for a region our size. The annual summer ArtTown festival has won numerous national awards and brings a wide array of arts to the streets of Reno. The Nevada Museum of Art features a range of exhibits from Rodin to features on the role environment plays in history and culture. Numerous classes are offered for adults and children year-round. The area's tourist draw also ensures visits from acts as diverse as Tony Bennett and Ray Charles to Chris Isaak and Sting.

### **Lower Costs**

Northern Nevada offers a favorable business climate that creates a quicker path to profitability. Commercial real estate rates are much lower than in other West Coast markets and best of all space is available now. Our tax structure is favorable both to your company and your personal wealth. Nevada consistently ranks as one of the best places to start and grow a business. Tech companies have come to Nevada to escape unresponsive government, red tape, and an accelerated "*burn rate*".

### **Low Employee Turnover**

Northern Nevada's wonderful quality of the life is the perfect way to attract and retain a quality workforce. Companies here have found a skilled and trainable base of employees to choose from. Reno-Tahoe also boasts a growing base of highly skilled tech workers, including an emerging army of Silicon Valley "refugees". According the latest study by the American Electronics Association Nevada ranked 2nd in the United States in high tech job growth.

You may not know that the second highest number of companies in northern Nevada is in the Professional, Scientific and Technical industries. We are also larger than you think. Northern Nevada offers a population base of 471,102 and a workforce numbering 236,260.

Plus companies rave about the work ethic of people in Nevada, comparing it to the old-fashioned mid west. You can also tell your employees that their salaries will go farther here with no personal income tax and a lower cost of living.

### **California Technology Partner**

California is just a few minutes away. Northern Nevada is strategically positioned to allow you to stay tapped in to the vast technology resources of other western states while escaping the barriers of doing business. Technology companies like Cisco, Microsoft, Intuit, and Oracle all have divisions in northern Nevada that allow them to stay tapped into their main headquarters on the West Coast.

Nevada is perfectly situated as the hub of the 11-state western region, with a market area of 51 million people within one day's drive.

This central location ensures that your products will reach your key customers the next day. Reno-Tahoe can boast lightning fast product distribution with strong air cargo and ground transportation alternatives. The Reno/Tahoe International Airport cargo activity and service has increased steadily over the last few years.

Air passenger service is better than what many metro areas larger than Reno can boast. The Reno/Tahoe International Airport is the major air hub for western Nevada and eastern California offering commercial, scheduled, charter, and cargo flights. The rapid passenger and air freight growth over the last ten years has made Reno/Tahoe International one of the top 50 air carrier airports in the U.S.

### **Map2: Passenger Service Markets**



*"Reno is a great location for us. It's a short flight to our corporate headquarters in the Bay Area and more importantly, it's been a big selling point in our recruitment efforts. Many of the 150 people we've hired in the last six months are thrilled to be here simply because of the great lifestyle Reno offers."*

**Larry King, Vice President & General Manager  
Intuit's Payroll Services Group in Reno**

Rapidly Growing Tech Industry Northern Nevada's technology industry is booming. Need proof? The Milken Institute named Reno as an emerging center for technology in its 2001 report: "Knowledge-Value Cities in the Digital Age!"

The report cited Reno's proximity to Silicon Valley, quality of life, and lower cost of doing business as major attributes that helped earned the ranking. Research by the Economic Development Authority of Western Nevada shows there are more than 850 technology companies in northern Nevada. In Reno-Sparks-Tahoe the number to tech companies grew a whopping 27% in only 3 years from 1997-1999.

#### **Excellent Infrastructure**

The demand for fiber optic networks is growing daily and northern Nevada is already ahead of the curve. The region adopted fiber optics, ISDN, and digital switching technologies early on in the game.

Reno is a Network Access Point for Internet traffic. We sit as the Telecommunications Gateway for California and offer service that is comparable to anywhere else on the West Coast. In most cases local service providers can install and upgrade services much faster than in other major Metropolitan areas. Several long-haul fiber routes from Salt Lake City Utah to Sacramento run through the heart of northern Nevada and more routes are scheduled to be completed in the coming months.

**The Bottom Line**

Northern Nevada has an advanced and integrated telecommunications infrastructure which translated into a competitive edge for companies expanding or locating in Nevada that need to stay connected to the world.

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## WEBSITES

- |  |  |
|--|--|
| <b>Nevada Commission on Economic Development</b>           | <a href="http://www.expand2Nevada.com">www.expand2Nevada.com</a>         |
| <b>Nevada Development Authority.....</b>                   | <a href="http://www.nevadadevelopment.org">www.nevadadevelopment.org</a> |
| <b>Economic Development Authority of Western NV</b>        | <a href="http://www.edawn.org">www.edawn.org</a>                         |
| <b>TechAlliance .....</b>                                  | <a href="http://www.newnevada.com">www.newnevada.com</a>                 |
| <b>Nevada State Demographer .....</b>                      | <a href="http://www.nsbdc.org/demographer">www.nsbdc.org/demographer</a> |
| <b>Dept. of Employment, Training &amp; Rehabilitation.</b> | <a href="http://detr.state.nv.us">http://detr.state.nv.us</a>            |





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