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A COMPREHENSIVE EXAMINATION OF NEVADA'S TOURISM AND HOSPITALITY INDUSTRY SECTOR'S VALUE NETWORK AND SUPPLY CHAIN

UNIVERSITY OF NEVADA, RENO

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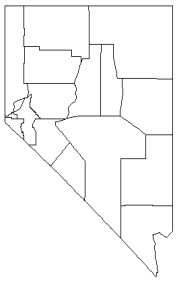

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1.0 Introduction and Overview

Overview

This University Center for Economic Development technical report presents a comprehensive summary of a value network and supply chain mapping project of Nevada's Tourism and Hospitality industry sector completed by graduate students in the Masters of Business Administration program in the College of Business at the University of Nevada, Reno. Eleven total graduate students participated in this semester-long project, completed during the Spring 2023 academic semester. This effort was divided into four separate parts. Part 1 focused on exploring the historical development and evolution of Nevada's Tourism and Hospitality industry sector, a general overview of the industry sector's regulatory environment, a broad county-by-county description of various Tourism and Hospitality industry sector activities throughout the state of Nevada including a general economic impact assessment of the sector, and a comprehensive Strengths, Weaknesses, Opportunities, and Threats of Nevada's Tourism and Hospitality industry sector.

Part 2 of this value network and supply chain mapping of Nevada's Tourism and Hospitality industry sector focused on evaluating existing supply chains and value networks in this industry sector in other parts of the United States and in other parts of the world including an identification of key 'hot spots' of tourism, hospitality, recreation, entertainment, and leisure activities in order to develop a comprehensive understanding and evaluation of the changing national and international nature of tourism and hospitality here in Nevada and across the globe. Part 3 involved completing a comprehensive value network and supply chain mapping project of Nevada's Tourism and Hospitality industry sector using Input-Output (I/O) Analysis in order to identify critical 'gaps' in the value network and supply chain of Nevada's Tourism and Hospitality industry sector. Part 4 of this effort included a comprehensive assessment of Nevada's Tourism and Hospitality industry sector in regard to the overall strength, balance, and resiliency found within the industry's value network and supply chain, evaluating the impacts that the COVID-19 global pandemic has had on the industry's value network and supply chain, and recommendations for closing identifying 'gaps' in the industry's value network and supply chain through targeted community and economic development strategies.

For each of the four individual parts of this comprehensive value network and supply chain mapping project of Nevada's Tourism and Hospitality industry sector, the eleven participating graduate students, working as one large group, prepared a separate white paper summarizing their analysis and results. For Part 1, Part 2, and Part 3 of the semester-long project, a separate in-class presentation was completed and, for Part 4, students facilitated a half-day Nevada Tourism and Hospitality industry sector value network and supply chain symposium held on

Monday, May 15, 2023. Section 2.0 of this University Center for Economic Development technical report presents an edited version of the first white paper for Part 1, *Historical Overview of Nevada's Tourism and Hospitality Industry Sector*, and Section 3.0 presents an edited version of the second white paper for Part 2, *Evaluating National and International Tourism and Hospitality Industry Sector Value Networks and Supply Chains*. Section 4.0 of this University Center for Economic Development technical report presents an edited version of the third white paper for Part 3, *Development of a Comprehensive Value Network and Supply Chain Map of the Tourism and Hospitality Industry Sector in Nevada*, and Section 5.0 presents an edited version of the fourth and final white paper for Part 4, *Identifying Value Network and Supply Chain Gaps and Developing Community and Economic Development Recommendations*.

While an analysis of the value network and supply chain for Nevada's Tourism and Hospitality industry sector is presented for the entire state of Nevada, this analysis was also presented for each of the existing eight regional economic development authorities in order to support community-level and regional economic development efforts. As of the time of publication of this University Center for Economic Development technical report, the eight existing regional economic development authorities in Nevada are:

- Economic Development Authority of Western Nevada (Washoe County)
- Churchill Fallon Economic Development (Churchill County)
- Lincoln County Regional Development Authority (Lincoln County)
- Las Vegas Global Economic Alliance (Clark County)
- Nevada 95-80 Regional Development Authority (Humboldt County, Pershing County)
- Northern Nevada Regional Development Authority (Carson City, Douglas County, Lyon County, Mineral County, Storey County)
- Northeastern Nevada Regional Development Authority (Elko County, Eureka County, Lander County, White Pine County)
- Southwest Central Regional Economic Development Authority (Esmeralda County, Nye County)

Funding for this comprehensive examination of Nevada's Tourism and Hospitality industry sector's value network and supply chain was provided as part of a U.S. Economic Development Administration University Center grant that the University Center for Economic Development received in 2022. The University Center for Economic Development is a U.S. Economic Development Administration recognized university center. It is the mission of the University Center for Economic Development, part of the College of Business at the University of Nevada, Reno, to foster economic development throughout state by making the extensive resources of the

University of Nevada, Reno available to organizations and areas that can benefit from job and income creation and job retention efforts.

2.0 Historical Overview of Nevada's Tourism and Hospitality Industry Sector

This section of this University Center for Economic Development technical report presents an edited version of the initial white paper developed for Part 1, *Historical Overview of Nevada's Tourism and Hospitality Industry Sector*. Part 1 of this initial analysis of the value network and supply chain of Nevada's Tourism and Hospitality industry sector included the following elements:

- A comprehensive timeline that shows the evolution of tourism and hospitality in Nevada. This timeline incorporates major advances in the types of tourism that have and currently exist throughout the state and even how individual communities and regions across the state approach tourism and hospitality development.

- A detailed overview of the regulatory environment of Nevada's *Tourism and Hospitality* industry sector. This includes a relatively high-level overview of relevant federal, state, and local government laws and regulations and overview of relevant fiscal and taxation policies that firms operating in this industry sector are subject to within the state of Nevada.

- An overview of county-by-county tourism and hospitality activity within the state. Included is a broad estimate of general economic impact (total estimated employment), the number and type of firms operating in the tourism and hospitality industry sector by county, and estimates of the type(s) of tourism that are present in each individual county.

- A comprehensive Strengths, Weaknesses, Opportunities, and Threats analysis of Nevada's *Tourism and Hospitality* industry sector.

Tourism has been an essential part of Nevada's history since the state's inception. Examining the history of tourism in Nevada from its establishment up to the present is crucial for understanding the changing nature of economic development across the state of Nevada as well as its evolving identity as a global travel destination. A broad understanding of the industry sector's regulatory environment provides a useful perspective for understanding the opportunities and limitations that individual firms face within this industry sector and a county-by-county assessment of different tourism and hospitality activity within the state provides a useful understanding of how important the industry sector to general levels of economic output and growth. The various strengths and weaknesses of the industry sector and the individual opportunities and threats that individual firms and the entire industry sector faces will each serve as important starting points in developing and identifying targeted new business creation and attraction and existing business retention and expansion economic development efforts. These targeted new business creation and attraction and existing business retention and expansion efforts could potentially be pursued

at a community, regional, or state level in order to close identified 'gaps' in the value network and supply chain of Nevada's broader Tourism and Hospitality industry sector.

2.1 Historical Timeline of Nevada's Tourism and Hospitality Industry Sector

The historical timeline and development of Nevada's Tourism and Hospitality industry sector can be divided into six general yet distinct periods beginning with the state's formation and early history through the first two decades and then into the second two decades of the 20th Century. By 1940, Nevada's Tourism and Hospitality industry sector fundamentally shifted due to the emergence of casino hotel resort property development, begun in the three decades between 1940 and 1970 and continuing into the two decades between 1970 and 1990. The final distinct historical period of the development of Nevada's Tourism and Hospitality industry sector, between 1990 and the present day, saw a major transformation of the industry sector driven by overall diversification of the Tourism and Hospitality industry sector in response to growing national and international pressures.

2.1.a Tourism and Hospitality in Nevada, 1864 to 1900

The emergence and growth of tourism in Nevada traces its roots to the period between 1864 and 1900, a period defined by the mining boom, the establishment of railroads and hotels, creation of the National Parks and Forests, and development of cultural tourism. Nevada became a state in 1864 and the discovery of silver within the Comstock Lode in what would become Lyon County and Storey County that same year brought thousands of people from across the United States to the region. This influx of miners and their families created a need for hotels, restaurants, and other services that led to the development of the state's earliest tourism supporting infrastructure. The mining boom of the Comstock Lode also attracted gamblers who contributed to the initial growth of Nevada's gaming industry. The continued development and establishment of hotels, card rooms, and casinos such as the Nevada Hotel in Virginia City contributed significantly to the early and initial growth of tourism within the state. The emergence of stagecoach lines and railroads in Nevada during the late 19th Century provided transportation to and from the mines and other settlements within the region and to other parts of the United States. Stagecoach lines were an essential mode of transportation for these early 'tourists' and visitors to Nevada during this time. The eventual completion of the transcontinental railroad in 1869 made travel to Nevada faster and more convenient, further increasing the number of visitors to the state and, subsequently, to communities that would be established along this railroad corridor and would eventually become major tourist and visitor destinations.

The establishment of various National Parks and National Forests in Nevada during the late 19th Century further drove tourism throughout the western United States and throughout the state of Nevada. The eventual creation of Yellowstone National Park in 1872 and Yosemite National Park in 1890 provided opportunities for naturalists, tourists, and early outdoor recreation enthusiasts to explore the natural beauty of the western and intermountain western United States. The establishment of national forests in Nevada, such as the Humboldt-Toiyabe National Forest, would eventually provide access to and opportunities for a wide variety of outdoor recreation

opportunities such as camping and hiking. As part of this early naturalists and outdoor recreation development, Lake Tahoe quickly emerged as a popular destination for tourism during the late 19th Century. The creation of the Lake Tahoe Railway and Transportation Company in 1898 made Lake Tahoe more accessible to tourists which, in-turn, supported the development of new luxury hotels and resorts, such as the Tahoe Tavern. These developments would help promote Lake Tahoe as a national and eventual international destination for wealthy travelers from across the United States and across the globe.

The development of cultural tourism has also played a crucial, if not at times controversial, role in the growth of Nevada's Tourism and Hospitality industry sector during the late 19th Century. The emergence of cowboy culture and Wild West shows such as those put on by 'Buffalo Bill' attracted visitors seeking an 'authentic western experience' to Nevada. The promotion of Nevada as a health destination, particularly for those suffering from tuberculosis, also played a role in the growth of cultural tourism throughout the state. The World's Columbian Exposition in 1893, which showcased the West and its distinctive culture, further increased the visibility of Nevada as a worldwide travel destination. The history of tourism and hospitality in Nevada during the late 19th Century was marked by discovery of precious metals and a resulting mining boom, the establishment of railroads and hotels, the creation of National Parks and National Forests, and the eventual development of cultural tourism. Each of these individual factors contributed significantly to the early growth of Nevada's economy during this time. This individual factors and this early growth has and continues to contribute to the evolving nature, growth, and diversification of Nevada's Tourism and Hospitality industry sector.

2.1.b Tourism and Hospitality in Nevada, 1900 to 1920

The early 20th Century saw the emergence of health resorts and dude ranches in Nevada. Nevada's typically dry climate was, at the time, believed to be beneficial for those suffering from tuberculosis and other respiratory ailments, leading to the establishment of health resorts in communities throughout the state. Dude ranches also began to emerge and open during this period, offering national and even international visitors the opportunity to experience an authentic 'cowboy lifestyle' and participate in activities such as horseback riding, hunting, and fishing. Concurrently, cultural tourism also continued to play an essential role in further developing and growing the state's emerging Tourism and Hospitality industry sector during this period. The popularity of Wild West shows, such as those by Buffalo Bill and his Wild West Show, continued to attract new visitors to the state and the promotion of Nevada as a destination for hunting and fishing appealed to tourists who sought to experience the state's natural beauty.

The outbreak of World War I in 1914 had a significant negative impact on the continued growth and development of the Tourism and Hospitality industry sector in Nevada. World War I significantly disrupted international travel, leading to a decline in the number of tourists visiting the United States and, subsequently, visiting the state of Nevada. Despite this, the war also led to an increase in domestic travel as Americans sought out distractions from the war. Nevada's proximity to California and the Pacific Coast made it a popular destination for Americans seeking escape vacations. Advertising played an essential role in promoting Nevada as a travel destination during this period. Nevada's Tourism and Hospitality industry sector was promoted

through the various media of the time, including newspapers, magazines, and travel brochures. The promotion of the state's natural beauty, outdoor recreation opportunities, and health resorts helped to attract tourists to the state and helped the state's emerging Tourism and Hospitality industry sector to survive the global impacts of the First World War.

2.1.c Tourism and Hospitality in Nevada, 1920 to 1940

The post-World War I period beginning in the 1920's saw the rise in adoption and use of the automobile and the investment in roads, highways, and related transportation infrastructure across Nevada opened the state to travel, aiding significantly in the growth of Nevada's Tourism and Hospitality Industry Sector. Various stereotypes of the time painted the land as one that was home to heroes, incredible topography, and rough American individualism. The personal automobile and Nevada's road and highway networks allowed tourists to individually travel and experience these western characteristics. Various media highlighted these qualities in their advertisements, attracting tourists to the west and the continued construction and openings of gas stations, restaurants, hotels and motels further aided in the increased attractiveness of western and intermountain western states as a tourist and visitor destination.

The 1930's was a highly formative decade for Nevada, particularly for the state's Tourism and Hospitality industry sector. The legalization of open gambling across the state in 1931, and with it, the opening of the first casino led to Nevada becoming the first state to legalize gambling. Nevada would remain the only state with such legalization for several decades. Although enacted in 1931, the more contemporary casino hotel resort properties that exist today would not arrive for another decade. In 1937, Bill Harrah opened a bingo parlor in Reno, Nevada, beginning his influential involvement in Nevada's gaming history and the eventual transformation of Nevada's Tourism and Hospitality industry sector into the industry that it is in the early part of the 21st Century. The 1930's also saw the construction of Hoover Dam and Lake Mead. Construction of the dam resulted in the establishment of Boulder City, originally settled to house workers over the multi-year timeframe of this extension public works project. At the time of its formation, Boulder City had originally prohibited many leisure activities determined to be distracting to the dam's builders, especially gambling and prostitution. Workers would travel the relatively short distance to Las Vegas, Nevada in order to seek out these recreational and leisure activities, eventually helping to mold Las Vegas into a major entertainment center.

2.1.d Tourism and Hospitality in Nevada, 1940 to 1970

The 1940's gave rise to the formation of much more luxurious casino hotel resort developments with an increased focus on customer service and more elaborate forms of live entertainment. Casino hotel resort development boomed during this decade, beginning in 1941, when the El Rancho Las Vegas became the first casino to be located on what would later be known as the Las Vegas Strip. Five years later, the Flamingo Hotel opened. The Flamingo Hotel is often mistakenly credited as being the first hotel on the Las Vegas Strip. While not technically first, it raised the standard for casino hotel resorts throughout Nevada. The Flamingo Hotel was the first to move away from a 'wild west' theme that had been popular with other hotels built, opened,

and operated during the time. Instead, the Flamingo Hotel offered a much more glamorous and resort-like experience that would eventually be repeated widely by other casino hotel resort properties developed after the successful opening of the Flamingo Hotel. Eventually, more casino hotel resorts would eventually open across the state, including in northern Nevada in Reno and around Lake Tahoe.

The 1950's saw continued growth of the casino hotel resort model, with over 13 major casinos opening across the state during this decade. Tourism, particularly gaming oriented and driven tourism, quickly became a major driver of economic activity and growth across Nevada, eventually surpassing both mining and natural resource extraction and agriculture. The Nevada Gaming Control Board was established in the 1950's and would be responsible for regulating gambling statewide in order to ensure that these operations were run legally. The early regulatory structure of Nevada's gambling sector would strive to ensure that the gambling sector of Nevada's Tourism and Hospitality industry sector would remain a legitimate and sustainable tourism attraction in the future. Continuing the new trend of casino hotel gambling that began in the 1940's and expanded throughout the 1950's, the 1960's saw the opening of several landmark casino hotel resort properties such as Harvey's Resort, Caesar's Palace, and the International (at the time, the largest casino hotel resort property in the world). Nevada's casino hotel resort properties eventually began to switch from privately owned corporations to publically owned and traded corporations, further incentivizing overall growth of Nevada's Tourism and Hospitality industry sector. Concurrently, live entertainment became an even greater part of the emerging gambling sector, featuring headliners such as Elvis Presley who began his residency at the International in Las Vegas.

2.1.e Tourism and Hospitality in Nevada, 1970 to 1990

The growth of Nevada's Tourism and Hospitality industry sector in the 1950's and 1960's was followed by the rise of the corporate era of Nevada's gambling sector in the 1970's. The Gaming Act of 1969 allowed for the corporatization of the gambling industry of Nevada, no longer requiring that all shareholders of a gambling establishment located within the state need to be licensed. This new corporate environment allowed for the eventual growth of the Las Vegas area and the Reno-Lake Tahoe region with the construction of resorts like the Flamingo Hilton in Las Vegas and the Eldorado in Reno. The 1960 Winter Olympics established Lake Tahoe as a winter recreation destination, and new casino hotel resort property development quickly followed. Reno-based casino mogul Bill Harrah opened several new properties on the eastern shore of Lake Tahoe and would eventual upgrade them to serve the growing tourism and visitor demand in the Lake Tahoe area.

In the late 1970's to early 1980's, Nevada's gambling sector experienced heightened competition from newly legalized gambling activities in Atlantic City, New Jersey. Atlantic City quickly outdrew the number of visitors of Las Vegas as Atlantic City benefited from its geographic location in the eastern United States and geographically closer to major population centers located east of the Mississippi River. Nevada's gambling sector evolved to meet this challenge with the establishment of the 'mega-resort', a feature of Nevada's gambling sector that still dominates Nevada's Tourism and Hospitality industry sector to this day. Nevada's various

casino hotel resort properties started to shift to a more family-oriented entertainment strategy, adding attractions such as arcades and fine dining. Pressure from out-of-state gambling activities forced Nevada to further diversify the state's Tourism and Hospitality industry sector and gambling sector away from sole dependence on gambling activities. Gambling and the eventual rise of the 'mega-resort' was not the only tourist attraction within Nevada during the late 20th Century as local communities and entire regions throughout the state began to invest in, develop, and promote special events as a way of attracting a broader of visitors to the state. In northern Nevada, special events such as Burning Man, the Great Reno Balloon Races, and Hot August Nights were all first created during this period. These initial special events provided a foundation for the further development of other special events that would attract hundreds of thousands of people to the Silver State annually for years to come.

2.1.f Tourism and Hospitality in Nevada, 1990 to the Present Day (2023)

The 'mega-resort' era of the 1970's through 1990's continued from the late 1990's into the early 2000's. Contemporary resort leaders like Steve Wynn transformed the landscape of tourism and hospitality in Nevada when Wynn opened the 3,000 room Le Reve (later known as Wynn Las Vegas) in 2005. Other mega-casino hotel resort properties followed like the Palazzo and Encore in Las Vegas. Despite the rapid rise of the mega-casino hotel resort property, many of these mega projects came to a sudden halt in 2008 and 2009 due to the simultaneous near collapse of America's real estate and financial sectors during the Great Recession. Projects like MGM's City Center were delayed while other projects were either canceled or sold off at a fraction of their initial construction cost estimates. In the years following the Great Recession, the recovery of Nevada's Tourism and Hospitality industry sector was characterized by further diversification that took advantage of the growth in renewed visitor demand for retail and dining experiences while traditional gambling activities and general demand for accommodations were much slower to recover.

The Great Recession forced Nevada's Tourism and Hospitality industry sector to shift once again. The Great Recession had proven that the long-standing belief that Tourism and Hospitality industry sector, and especially the gambling sector, was recession-proof. Nevada's Tourism and Hospitality industry section required further diversification to buffer against unforeseen impacts like a future sever national and even global recession. This resulted in the eventual development of a broad array of nightlife activities and entertainment events in the Nevada Tourism and Hospitality industry sector. In Las Vegas alone, celebrities like Celine Dion and Brittany Spears began long-term residencies at various venues throughout Las Vegas. These residencies would eventually provide long-term economic benefits to the hotels, dining establishments, and other associated elements of the value network and supply chain of Nevada's Tourism and Hospitality industry sector. At Lake Tahoe, large casino hotel resort properties like Harvey's and Mont Bleu held concerts to attract a broader array of tourists to the northern Nevada region during the traditionally slower summer months. These nightlife activities and live entertainment events would provide the necessary diversification to Nevada's tourism and Hospitality industry sector that had been lacking during previous other periods in the history of the sector.

Following the Great Recession, large sports venues and professional and semi-professional sports teams would move to the Silver State. In northern Nevada, a minor league baseball team, the Reno Aces, were established in 2009. The Reno Aces, affiliated with the Arizona Diamondbacks of Major League Baseball, would eventually complete construction of a 9,500-seat stadium in the heart of downtown Reno that hosts approximately 500,000 spectators every year. This single development has led to the development of new hotels, a revitalized nightlife, and new restaurants throughout downtown Reno that, in-turn, provided more attractions for tourists and visitors to visit northern Nevada. Las Vegas had two professional sports teams either start or move into the area. The Las Vegas Golden Knights of the National Hockey League played their inaugural season beginning in 2017 and the Las Vegas Raiders of the National Football League played their first season in 2020 in the new $1.9 billion Allegiant Stadium.

The Great Recession was unfortunately not the only major world event that would come to impact Nevada's Tourism and Hospitality industry sector in an unforeseen way. The COVID-19 global pandemic, that generally began in the United States in the early part of 2020, had a series of dramatic impacts on Nevada's Tourism and Hospitality industry sector. Many firms in this industry sector are still, to this day in 2023, only now recovering from these affects. In 2019, Las Vegas hosted an estimated 42.5 million total visitors. In 2020, the first year of the COVID-19 global pandemic, total visitation to Las Vegas declined dramatically to just an estimated 19.0 million total visitors. While lingering impacts of the pandemic continue to be felt across Nevada's Tourism and Hospitality industry sector, overall visitor counts across the entire state and in southern Nevada continue to rebound. In just the first four months of 2022, total visitor counts in southern Nevada was an estimated 12.0 million total visitors. Nevada's Tourism and Hospitality industry sector continues to develop a consensus regarding the long-term effects of the COVID-19 global pandemic as well as how best to prepare for future international disasters.

2.2 Regulatory Environment of Nevada's Tourism and Hospitality Industry Sector

This section provides a high-level overview of the regulatory environment regarding Nevada's Tourism and Hospitality industry sector. More specifically, the primary focus of this section is to discuss the fiscal and taxation policies that apply to the industry sector and to directly and indirectly industry sectors. Because only a high-level overview of the industry sector's regulatory environment is presented, it is important to distinguish among those seasons with varying levels of tourism and hospitality activity and between individual counties in order to optimize the impact of this study. Understanding these criteria allows for a determination of which laws and regulations should be prioritized (for example, specific county or the existence of a seasonal bias).

2.2.a Tax and Financial Regulatory Overview

An important aspect of the regulatory environment of Nevada's Tourism and Hospitality industry sector is an understanding of Nevada's fiscal system and the tax and finance environment in

which individual firms in this sector operate within. Table 2.1 and Table 2.2 detail the amount of money allocated to the state to promote tourism across Nevada by month between 2020 and 2021 and the amount of money allocated by county between 2021 and 2022 to promote tourism within each jurisdiction.

Table 2.1 – Dollars Allocated per Month for Statewide Tourism Promotion State of Nevada 2020 and 2021			
Month	**2020**	**2021**	**Percent Change**
July	$795,843	$2,332,308	193.1%
August	$874,384	$2,090,842	139.1%
September	$934,605	$2,067,919	121.3%
October	$939,378	$2,248,169	164.1%
November	$738,704	$2,147,724	190.7%
December	$612,257	$1,919,070	213.4%
January	$613,714	$1,727,531	181.5%
February	$724,683	$1,771,180	144.4%
March	$1,124,613	$2,406,633	114.0%
April	$1,371,825	$2,607,424	90.1%
May	$1,693,694	$2,675,882	58.0%
June	$1,839,501	$2,451,000	33.2%
TOTAL Rolling 12 Months	**$12,263,201**	**$26,678,682**	**117.6%**

Source: Nevada Department of Tourism and Hospitality, Quarterly Report from the Nevada Division of Tourism
NOTE: Dollars show represent 3/8 of 1.0 percent, the amount allocated to the state to promote tourism.

In addition to illustrating the seasonal nature of tourism and hospitality activities throughout the state of Nevada (with spring and summer months demonstrating significantly higher levels of allocated revenues than fall and winter months), the change between 2020 and 2021 also illustrates the impact that the COVID-19 global pandemic, begun in the United States in the early part of 2020, had on general tourism and hospitality economic activity throughout the state. Between 2020 and 2021, the 12-month rolling total dollars allocated per month for statewide tourism promotion increased significantly, increasing from an estimated $12.3 million in 2020 to an estimated $26.7 million in 2021, a net increase of approximately $14.4 million or by an estimated 117.6 percent. As global travel restrictions and policy decisions to close businesses in response to the COVID-19 global pandemic began in the summer of 2020, a noticeable decline in overall tourism and hospitality economic activity is evident in the change in dollars allocated between March 2020 and December 2020. In March 2020, the total number of dollars allocated

to promote tourism statewide was an estimated $1.1 million. This estimate, despite normal season volatility within the rolling 12-month calendar, had declined to just $612,257 by December 2020, a net decrease of $512,356 or by -45.6 percent. The economic affect that eventual improvement in national and international travel and the reopening of businesses between 2020 and 2021 had on the general level of tourism and hospitality economic activity is evident when comparing the total amount of dollars allocated to promote tourism statewide between December 2020 and December 2021. Within one year, the total amount of dollars allocated to promote tourism statewide increased by an estimated $1.3 million or by an estimated 213.4 percent.

Table 2.2 – Dollars Allocated by County to Promote Tourism
State of Nevada
Second Quarter, 2021 and 2022

County/Area	2021	2022	Percent Change
Carson City	$28,254	$29,970	6.1%
Clark County	$4,204,655	$6,969,402	65.8%
Douglas County	$100,671	$96,120	-4.5%
Elko County	$56,918	$55,33	-1.9%
Washoe County	$419,571	$470,354	12.1%
All Other Counties	$94,950	$112,629	18.6%
TOTAL Statewide	**$4,905,020**	**$7,734,306**	**57.7%**

Source: Nevada Department of Tourism and Hospitality, Quarterly Report from the Nevada Division of Tourism

Like Table 2.1, Table 2.2 demonstrates the affect that the COVID-19 global pandemic continued to have on the availability of financial resources that individual counties and communities across the state had at their disposal to promote tourism within their communities. Statewide, the total amount of dollars allocated by county to promote tourism increased from an estimated $4.9 million in 2021 to an estimated $7.7 million in 2022, a net increase of approximately $2.8 million or by 57.7 percent.

2.2.b Overview of Applicable Laws and Regulatory Requirements

Tourism and hospitality industries within the State of Nevada are generally subject to three broad layers of jurisdictional control, including policies, laws, and regulatory requirements at the federal, state, and local government levels. Adhering to these laws is vital for these industries for two reasons. First, following the law grants individual firms within the Tourism and Hospitality industry sector various opportunities for additional funding. Secondly, maintaining regulations keeps individual businesses from suffering possible consequences that could result from misconduct or illegal behavior. A relatively high-level overview of the three aforementioned jurisdictional levels of applicable laws and regulatory requirements, with an

emphasis on specific and applicable regulations that may affect different and specific parts of Nevada's Tourism and Hospitality industry sector, is presented here.

2.2.b.1 Laws and Regulatory Requirements Specific to Hospitality (Lodging)

Prior to the construction of any building that is intended to become a hotel or motel, a company must attain a construction permit. Construction plans must be submitted to the applicable local or state government public health and safety authority for review and approval. This must occur at least 30 days before the beginning of new construction or before the start of remodeling of an existing facility. Plans must include all construction schedules, floor layouts, rooms, elevators, plumbing and all other essential components of the constructed facility. Plans must be prepared by a professional engineer and an architect registered in the state of Nevada as well as a licensed contractor with a license issued by the State Contractors' Board. Before the facility can open, a final construction inspection must be conducted by the Environmental Health Section of the Nevada Division of Public and Behavioral Health. Fees include inspection fees of $145.00 plus $1.50 for each room above 30 total rooms. The Nevada Division of Public and Behavioral Health charges a $100.00 fee for the review of a model or remodel plans.

New businesses in Washoe County are generally assessed a fee of $77.75 for their first year of operations. After the first year of operations, business license fees are based on the companies' annual gross receipts. Fees can range from as low as $57.75 for businesses whose gross receipts add up to $25,000 or less and up to $657.75 for businesses whose gross receipts exceed $5.0 million. Clark County only issues a business license on a semiannual basis. Fees for renewal of these licenses in Clark County are based on the number of rooms, spaces, and units available for rent at the given location. Clark County Code 6.12.975 creates a fee scale based on the number of rooms present. Lodging facilities with eight or fewer rooms are assessed a fee of $25 per room. Facilities that are over 301 rooms pay a license fee of $900, plus $2.00 for every room over 300 total rooms. Clark County also requires a miscellaneous license for any other streams of revenue that are not directly generated from lodging activities. These activities may include vending machines, laundry, in-room entertainment, or any other activity or service that the lodging facility offers and directly manages. The Clark County Department of Business License assesses additional fees as a percentage of total gross revenue earned by the individual lodging facility.

In Clark County specifically, taxes must be paid on revenue that is directly generated from lodging activity. For the City of Las Vegas specifically, the following taxes and individual tax rates apply: Las Vegas Convention and Visitors Authority (5.12 percent to 6.12 percent); Nevada Department of Taxation (0.38 percent); City of Las Vegas (1.0 percent to 2.0 percent); Clark County Transportation ($1.00); Clark County Education (1.0 percent); Stadium District (0.5 percent to 0.88 percent), and State of Nevada (3.0 percent). Combined, this various individual tax rates amount to a general total tax rate range of approximately 13.0 percent to approximately 13.38 percent. In Washoe County specifically, Washoe County has a similar tax structure for hospitality and lodging related activities. Taxes for lodging range from 13.0 percent to 13.5 percent according to the Reno-Sparks Convention and Visitors Authority. Outside of both Clark County and Washoe County, the remaining counties and individual communities

throughout Nevada has a wide range of lodging tax structures and applicable rate ranges. For example, some of these applicable lodging tax rates outside either Clark County or Washoe County are as low as 5.0 percent in Lincoln County to others that are as high as 15.0 percent in Elko County.

2.2.b.2 Laws and Regulatory Requirements Specific to Gaming

There are generally two types of gaming license in Nevada, restricted gaming licenses and non-restricted gaming licenses. Non-restricted licenses are defined within the Nevada Revised Statutes (NRS) as belonging to an establishment that operates 16 or more slot machines. Non-restricted licenses are also for an establishment that has any slot machines in combination with other gaming devices, table games, sports pools, or race books. A restricted license is issued to the owners of businesses whose use of slot machines is incidental to the primary purpose of that business. This license permits that an establishment have no more than 15 slot machines. However, these laws are very specific as to what establishment types qualify for a restricted license. According to NRS 463.161 paragraph 2, in a county with a population of 100,000 total individuals or more, a restricted license can be granted if the establishment is at least 2,500 square feet in total size, has a bar and alcohol license, and contains a restaurant that serves food which is ordered by the operation's patrons. The operation must have a seating area for at least 25 people and a kitchen that operates for at least 12 hours a day. Under current state law, a restricted license is provided only to restaurants and bars. The requirements for obtaining a license to own a bar vary throughout the state and by county and by individual municipality. The Nevada Revised Statutes offers a variety of overarching guidelines and individual counties and municipalities tend to have additional requirements.

- *Restricted Gaming License Regulations*

  The State of Nevada requires that all restaurants have a license to operate. However, according to NRS 446.877, a license for a restaurant or bar first requires a permit to be issued by the applicable local health authority. At a minimum, a restaurateur must receive a permit by the Nevada Department of Health and Human Services Division of Public and Behavioral Health. Carson City, Clark County, Douglas County, and Washoe County each require that a restauranteur receive a health permit from their respective county health departments and that these health licenses be renewed on a yearly basis. For counties without their own health department requirements, a minimum fee of $200.00 annually is levied by the Nevada Division of Public and Behavioral Health. Washoe County's Environmental Health Division charges $400.00 per year for a bar and $348.00 per year for every food establishment. Clark County's Southern Nevada Health District charges $268.00 per beer bar or per restaurant. The Clark County Public Health Food Safety Program also charges additional fees for restaurants. This additional fee depends on the complexity of the restaurant, method of food preparation, and the annual gross revenue of the business. The annual fee charged by the Clark County Public Health Food Safety Program ranges between $471.00 and $2,365.00 per location.

The Nevada Revised Statutes outlines the requirements for a person to licensed as a licensee within the State of Nevada. According to NRS 369.190, all applications for a license to sell alcohol must be submitted to the applicable Board of County Commissioners of the county in which the business is to be located. The NRS further requires that the applicable Board of County Commissioners ensure that the applicant is of good moral character, has the legal ability to engage in alcohol sales, and has not had prior violations of the law that involve alcohol sales, acquisitions, or distribution. Each county has their own specific requirements to open a bar or lounge. The two counties with the most bar establishments are, unsurprisingly, Washoe County and Clark County. Within Washoe County, a liquor license is issued after the applicant applies for the liquor license, provides proof of a legitimate premise in which the business will be established, provides proof of registration with the Nevada Department of Taxation, provides proof of applicable business registrations with the state of Nevada, provides proof of insurance, and discloses partnership agreements. The business will have to include the business's fictitious firm name and the applicant will need to complete a thorough background check including personal history and child support statements. Licensure in Washoe County requires approval from any directed magistrate that the State of Nevada has deemed appropriate and payment of all applicable license fees. This includes a quarterly fee of $277.00 per year plus $1.00 for every $1,000.00 of reported annual gross liquor receipt that exceeds $25,000.00. Washoe County Code also requires $400.00 per year to be paid to Washoe County Environmental Health Services. The Clark County Department of Business License requires that an applicant must first apply for the privileged business license that totals $395.00. An applicant would then have to pay an additional $300.00 for a liquor license. Clark County's annual fee of $1,000.00 must be paid quarterly. The State of Nevada generally places the burden of liquor licensure on individual counties and, subsequently, each individual county has its own unique requirements.

According to NRS 463.373, before a person is issued a state gaming license for restricted gaming operations, that individual must pay for each operational slot machine within the establishment. Slot machines usually require that the licensee pay a fee on a quarterly basis. For the initial license, the licensee must pay for all slot machines for all four quarters of a given licensing year. The NRS requires that, if the establishment has less than five slot machines, the fee is $81.00 for each slot machine within the establishment. If the establishment has five or more slot machines but no more than 15 total slot machines, the licensee must pay $405.00 for the first five slot machines, and then $141.00 for each additional machine over five total slot machines.

- *Unrestricted Gaming License Regulations*

Anything that does not fit within the limitations outlined in NRS 463.161 is identified as a non-restricted gaming establishment and requires a non-restricted gaming license. These non-restricted gaming establishments must comply with an array of state laws that are both complex and specific. NRS 463.1605 states that in most cases, the only establishments that will be permitted to have gaming devices including slot machines,

any gambling game, race booking, and/or sport pools are resort hotels. Per NRS 463.01865, for an establishment to be considered a "resort hotel", the establishment must be maintained as a hotel. Hotels must include a minimum of 200 rooms with sleeping accommodations in counties that exceed 700,000 or more people.

For counties with 100,000 or more people but less than 700,000 people, these establishments must have more than 300 rooms available for sleeping accommodations. These establishments must also have a bar on site that seats up to 30 people, have at least one restaurant on site that is open 24 hours a day seven days a week to the public, and has a designated gaming area. Non-restricted licensed gaming is subject to the same initial licensing fees as restricted licenses. However, non-restricted gaming businesses are also subject to additional fees per individual gambling game that they have within their establishment. This fee increases depending on total game volume. Establishments may pay as little as $100.00 per game for the first two games. If the establishment has between 14 and 16 individual games, they establishment will pay $1,000.00 per game. NRS Chapter 43 requires that establishments with over 16 games will be charged a fee of $1,000.00 per game plus $200.00 for every game over 16 individual games. NRS 463.375 clarifies that all non-restricted gaming establishments must pay $80.00 per slot machine per year. These fees are collected at a rate of $20.00 per quarter. According to NRS 463.383, each gambling game also has an associated quarterly fee. These quarterly fees depend on the total gaming volume and may be as little as $50.00 for one game. Gaming fees are most cost prohibitive between eight to 35 games and then decrease on a per-game basis.

Both restricted and unrestricted gaming must pay taxes to the State of Nevada. NRS 463.385 requires all gaming establishments pay $250.00 per slot machine in operation. This yearly tax is prorated based on the number of operating months. Each gaming establishment must pay the to the State of Nevada 3.5 percent of all the gross revenue for the first $50,000.00 generated from gaming in a calendar month. Establishments must pay 4.5 percent for all revenue that exceeds $50,000.00 and 6.75 percent of gross revenue on any amount that exceeds $134,000.00 per calendar month. NRS Chapter 463 requires all revenue fees must be paid by the 15th day of the following month. Both restricted and non-restricted establishments are subject to a live entertainment tax if they offer live entertainment on their premises, charge admission or require a minimum food or drink purchase, and have a facility that can accommodate 200 or more persons. These venues must pay a tax of 9.0 percent for all admission-related charges. NRS Chapter 368A requires that restricted establishments must pay these taxes quarterly while unrestricted establishments must pay monthly.

2.2.b.3 Laws and Regulatory Requirements Specific to Outdoor Entertainment and Recreation

A variety of laws and regulatory requirements exist for outdoor entertainment and recreation including a variety of federal regulations across a variety of federal agencies and departments. The first of these that is particularly relevant to Nevada is the definition of a hunting license agent. In most cases, potential hunters must acquire tags and licenses before they can legally hunt in Nevada. These items can be directly purchased from the Nevada Department of Wildlife

or from another business that is a licensed agent of the Nevada Department of Wildlife. Nevada Revised Statute 502.040 requires a $100.00 fee to become a licensed agent and to grant the authority to execute assigned duties and collect applicable fees. NRS Chapter 502 also defines master guides. These individuals are legally licensed by the state of Nevada to aid hunters and anglers in their activities, serving as an expert. The fee to become a master guide is $750.00 for residents of Nevada while the non-resident fee is $1,500.00. All licenses must be renewed on an annual basis.

2.2.b.4 Laws and Regulatory Requirements Specific to Brothels

At the time of publication of this University Center for Economic Development technical report, there are 21 individual brothels operating within six individual counties in Nevada. Nevada Revised Statute 244.345 paragraph 8 allows all counties with a total population less than 700,000 individuals to issue prostitution licenses. Clark County and Washoe County have specifically prohibited prostitution within their applicable county ordinances. The six counties with active legal prostitution at the time of publication of this technical report are Elko County, Lyon County, Mineral County, Nye County Storey County, and White Pine County. NRS Chapter 244 requires that the licensing process and rules that apply to fees are regulated and controlled by the individual county that allows the operation of a brothel. Many individual brothels must pay both a room tax and a live entertainment tax to the applicable county government and assigned local regulatory agency.

2.2.b.5 Laws and Regulatory Requirements Specific to State Museums and Historic Districts

Individual firms or organizations that want to build or alter buildings within established historic districts for monetary purposes must apply for a Certificate of Appropriateness as per Nevada Revised Statute 384.110. If the individual firm or organization wants to excavate or remove anything from state land, NRS 381.197 requires additional permits. For nonprofit businesses or organizations that desire to maintain a historic landmark, financial aid is available in order to offset any expense relating to the preservation of the site. Individual firms and organizations seeking this reimbursement need to ensure that the criteria listed in NRS 383.852 are satisfied, including the promotion of state tourism and that the site remains accessible to the public.

2.2.b.6 Laws and Regulatory Requirements Specific to Air and Ground Transportation

Transportation vitally important to Nevada's Tourism and Hospitality industry sector. Without adequately provided and maintained transportation services and infrastructure, tourists and visitors are limited in their ability to visit individual communities and tourism and hospitality attractions. Air travel and ground transportation are the two most typical forms of transportation that facilitates travel to Nevada and between individual communities within the state used by tourists and visitors.

Ground transportation itself can generally be divided into three different types in Nevada. Tourists and visitors to the state and between individual communities throughout Nevada may either use their own automobile or rent a vehicle from a licensed rental company, use a service

such as a limousine or taxi, or utilization a 'transportation network company', or TNC, such as Uber or Lyft. Automobile rental companies must comply with a variety of regulatory requirements regarding the operation, upkeep, and maintenance of individual vehicles operated by the automobile rental company. For example, Nevada Revised Statute 482.315 requires that individual automobile rental companies provide insurance to their customers as well as have their own insurance for each individual vehicle. Automobile rental companies are subject to a service fee tax of 2.0 percent and a state sales tax of 6.85 percent per NRS 372.105. While these rented vehicles are driven, the vehicle renter must also pay applicable state fuel taxes on fuel that is purchased. NRS 372B.140 requires the levying of a tax equal to 3.0 percent of the fare if digital communication is used to connect the driver to their passenger. Industries that provide transportation services such as charter buses and taxis share the aforementioned legal requirements with the exception that passengers do not require insurance. Specific location fees can also exist for these types of services. For example, the Reno Tahoe Airport Authority charges a fee of $3.00 for every trip and pick-up made at the Reno-Tahoe International Airport located in Reno, Nevada. Air travel shares very similar taxation policies to ground transportation including a federal service tax, sales tax, and state gasoline tax. The U.S. Internal Revenue Service requires airlines travelling within and throughout the United States to pay a 7.5 percent tax on amounts paid for transportation.

2.3 County-by-County Overview of Tourism and Hospitality Activity across the State of Nevada

While the state of Nevada as a whole is one of the largest tourist and visitor destinations in the world, the nature of various tourism and hospitality activities available within and across the state varies greatly by county and by region. While gambling dominates tourism and hospitality activities across the state and in Nevada's largest urban and metropolitan areas, efforts to diversify Nevada's Tourism and Hospitality industry sector has led to the expansion of outdoor recreation, agritourism, convention and meetings, cultural heritage tourism, live events including amateur and professional sports and concerts, and special events across the state resulting in unique Tourism and Hospitality industry sector profiles at the county and regional levels. This subsection presents a general profile of tourism and hospitality activities for each of Nevada's 17 counties as well as a general economic impact assessment of Nevada's Tourism and Hospitality industry sector that will be expanded upon as part of the mapping of and identification of specific 'gaps' in the value network and the supply chain of this economic and industry sector.

2.3.a County-by-County Profile of Tourism and Hospitality Activity

A general understanding of the unique profile of tourism and hospitality activity for each county in Nevada is needed in order to fully understand the unique value network and supply chain characteristics of the Tourism and Hospitality industry sector in Nevada as a whole as well as the opportunities that exist to close identified 'gaps' that exist by county and by regional economic development authority across the state. The county-by-county profiles presented here are intended to provide only a general understanding of the unique set of tourism and hospitality activities that occur at the county level in order to inform future targeted new business creation

and attraction and existing business retention and expansion efforts designed to support further growth and diversification of the Tourism and Hospitality industry sector and potential closure of identified value network and supply chain 'gaps' in directly and indirectly related sectors.

2.3.a.1 Carson City

Carson City is the capital of Nevada and a popular tourist destination known for its historical landmarks and outdoor activities. One of the most famous attractions in Carson City is the Nevada State Capitol Building that offers visitors a glimpse into the state's political history. The nearby Nevada State Museum highlights the state's rich cultural and natural history. Outdoor enthusiasts can enjoy hiking, camping, and fishing in nearby areas such as Lake Tahoe, Spooner Lake, and the Sierra Nevada mountain range. The area is also home to several casino hotel resort properties such as the Carson Nugget and the Gold Dust West.

2.3.a.2 Clark County

Located in southern Nevada, Clark County is largely known for the City of Las Vegas, Nevada's largest residential population centers and a globally renowned top tourist destination. The Las Vegas Strip is one of the most famous attractions, boasting numerous casino resort properties, hotels, restaurants, and shopping centers. Besides the famous Vegas Strip, Clark County hosts other alluring attractions such as Valley of Fire State Park, Red Rock Canyon National Conservation Area, Lake Mead National Recreation Area, Gold Butte National Monument, and Sloan Canyon National Conservation Area. The Hoover Dam draws visitors from around the world to marvel at this engineering feat. Lake Mead National Recreation Area offers boating, swimming, and fishing opportunities. The Mob Museum in downtown Las Vegas offers a fascinating look at the history of organized crime in America. The Bellagio Fountains provide a spectacular water show set to music while the Stratosphere Tower offers breathtaking panoramic views of the city. With something vibrant to pique everyone's interest, Clark County is an exciting destination for visitors.

2.3.a.3 Churchill County

Among its reputation as a hub of agricultural and agritourism activities and opportunities, Churchill County is also known for its rich history and varied outdoor recreational activities. Tourists and visitors visiting Churchill County and the City of Fallon can view military aircraft and take guided tours at Fallon Naval Air Station. The Stillwater National Wildlife Refuge is another must-see destination for birdwatching, seasonal hunting, and fishing. Lahontan Hot Springs and Hot Springs Ranch each provide tourists and visitors the opportunity to soak in natural mineral water. Churchill County is a must-visit for those who love history, nature, and adventure.

2.3.a.4 Douglas County

Douglas County is well known among local visitors from other parts of Nevada, from throughout the United States, and from destinations from across the world for its scenic beauty, outdoor

recreational opportunities, and historical landmarks. Perhaps Douglas County's most famous attraction in is Lake Tahoe. The area's many parks and trails, including the Genoa Trail System and the Tahoe Rim Trail, provide visitors with endless opportunities to explore the great outdoors and engage in a wide variety of outdoor recreation activities. Other notable attractions include the Carson Valley Museum and Cultural Center, the Dangberg Home Ranch Historic Park, and the Minden Farmers Market.

2.3.a.5 Elko County

Elko County contains stunning natural landscapes, rich Western heritage, and unique cultural attractions. The historic California Trail Interpretive Center tells the story of the pioneers who traveled across the continent during the Gold Rush era. Visitors can also explore the many exhibits present and housed at the Northeastern Nevada Museum that highlights the region's history, art, and culture. Other popular activities include hiking in the Ruby Mountains, fishing in nearby rivers and lakes, and experiencing the thrill of gambling and live entertainment at local casino hotel resort properties in downtown Elko. The City of West Wendover, located on the border between the state of Nevada and the state of Utah in eastern Elko County, is also a major driver of tourism and hospitality activities in Elko County and boasts several large casino hotel resort properties, live entertainment venues, and direct access to a variety of outdoor recreation activities. The town of Jackpot, located on the border between the state of Nevada and the state of Idaho in northern Elko County also plays a major role in driving tourism and hospitality activities throughout Elko County. Additionally, Elko County is home to several annual festivals and events, such as the National Cowboy Poetry Gathering, the Elko Mining Expo, and the Silver State Stampede Rodeo that each attract visitors from all over the world.

2.3.a.6 Esmeralda County

Popular as a destination for outdoor enthusiasts and history buffs alike, one of Esmeralda County's most famous attractions is the historic town of Goldfield that offers visitors a unique glimpse into the town's rich mining and natural resource extraction history. The Goldfield High School Museum houses various artifacts and exhibits dating back to the early 1900s. The county also boasts natural wonders such as Boundary Peak, the highest point in Nevada, and Diana's Punchbowl, a unique geological formation. Outdoor recreational activities include hiking, camping, and fishing in the area's many mountain ranges, including both the Silver Peak Range and the Monte Cristo Range.

2.3.a.7 Eureka County

Eureka County offers tourists a mix of natural wonders and unique historical landmarks that date back to the formation of the state of Nevada. The Eureka Opera House, a beautifully restored historical theater, is a must-see attraction that has and continues to host a wide variety of life entertainment and performing arts activities and events. The area also shares direct access to the Ruby Mountains with other counties in northeastern Nevada, is home to the Diamond Valley Hot Springs, and offers several opportunities for a number of outdoor activities like hiking and

camping. Visitors can explore the historic town of Eureka, established in the late 1800's, with landmarks such as the Eureka Sentinel Museum and Jackson House Hotel.

2.3.a.8 Humboldt County

Humboldt County is centrally located in northern Nevada and provides direct access to the state of Idaho and Idaho's largest population center, the City of Boise, to the north. Humboldt County's unique geographic location makes it a central point of tourism and hospitality activities throughout northern Nevada and throughout the entire state. One of the most famous tourist attractions in Humboldt County is the historic city of Winnemucca. Winnemucca is home to a number of casino hotel resort properties and other independent hotel properties and serves as a major retail and service center in northern Nevada for residents and visitors alike. Additionally, Humboldt County hosts several large annual events such as the Basque Festival and the Winnemucca Wheels Car Show. These special events and activities offer visitors a chance to experience local culture and traditions.

2.3.a.9 Lander County

Lander County's major population centers include the county's largest community, the town of Battle Mountain in the northern part of Lander County, and the county's most historical community, the community of Austin and nearby Kingston in the southern part of the county. While Lander County's overall economic base is dominated by mining and natural resource extraction activities, both the town of Battle Mountain and the town of Austin are home to a variety of museums, shops, and restaurants that offer a glimpse into the area's past. Visitors may also explore the stunning Hickison Petroglyphs that feature ancient rock carvings dating back thousands of years. Lander County also hosts several unique annual events and traditions including the International Human Powered Vehicle Association's World Human Powered Speed Challenge and the Austin Fly-In.

2.3.a.10 Lincoln County

A charming destination known for its scenic beauty, rich history, and unique attractions, Lincoln County is perhaps the most famous nationally and internationally for its Extraterrestrial Highway, a remote stretch of desert road said to be a common spot for UFO sightings. Tourists and visitors in Lincoln County can also explore the historic mining town of Pioche to examine its well-preserved buildings and artifacts. Many choose to visit the stunning Cathedral Gorge State Park in order to participate in a wide variety of various outdoor recreation activities. Lincoln County hosts several annual events such as the Pioche Labor Day Celebration and the Lincoln County Fair, which allows local residents and visitors to the county from other parts of Nevada, from other parts of the United States, and from other places from across the world a chance to experience both local culture, history, and cuisine. Both Lincoln County and the City of Caliente continue to invest in these various annual events and in the broad array of existing outdoor recreation assets as a way of bolstering the Tourism and Hospitality industry sector within and throughout the county.

2.3.a.11 Lyon County

What could be classified as 'modern-day mining' began in 1849 after gold was found at the mouth of Gold Canyon in present-day Dayton, Nevada located in Lyon County. Tourists and visitors to Lyon County can take advantage of the opportunity to explore this important part of Nevada's history and founding by visiting Dayton State Park or can choose to engage in a wide variety of outdoor recreation and leisure activities at nearby Lahontan State Recreation Area, which offers opportunities for boating, fishing, and camping. Lyon County hosts events such as the Dayton Valley Days Festival and the Lyon County Fair. Communities such as the City of Fernley in northern Lyon County and the City of Yerington in southern Lyon County provide a unique mix of large scale retail and restaurant services while also providing opportunities for tourists and visitors to support locally owned and operated businesses in a wide variety of industry sectors.

2.3.a.12 Mineral County

Mineral County contains a distinctive blend of outdoor recreation and leisure activities and historical landmarks. Walker Lake is a natural lake offering fishing, boating, and other recreational opportunities. The Hawthorne Ordnance Museum is another popular destination, displaying a collection of military weapons and vehicles from various eras. The area also boasts several hot springs known for their healing properties, including the popular Buckland Station Hot Springs. Tourists and visitors can explore the historic town of Hawthorne, which was established in the late 1800's and has several landmarks including the Mineral County Courthouse and the El Capitan Casino.

2.3.a.13 Nye County

Nye County contains a unique mix of various attractions, stunning landscapes, and rich history across its various communities including the historic town of Tonopah in northern Nye County and in the more modern town of Pahrump located in southern Nye County. Pahrump, the town of Beatty, and the community of Amargosa also offer direct access to Death Valley National Park. One of the most famous tourist attractions in Nye County is Area 51, a secretive military base that has inspired countless conspiracy theories and is said to be a hub for alien-related activity. Visitors can explore the historic mining town of Tonopah, which is home to well-preserved buildings, museums, and artifacts that showcase the area's historic past. Nye County hosts noteworthy events such as the Pahrump Balloon Festival, Jim Butler Days, and Beatty Days Festival.

2.3.a.14 Pershing County

Truly one of Nevada's most unique rural destinations, one of Pershing County's most famous natural features is the Black Rock Desert. This extensive playa hosts the annual Burning Man festival and offers year-round stargazing, hiking, and photography activities and opportunities. Tourists and visitors can also explore the historic town of Lovelock, which is home to a variety of museums, shops, and restaurants that highlight the area's rich history and culture. Other

popular activities in Pershing County include visiting Rye Patch State Recreation Area, which offers opportunities for camping, boating, and fishing, or soaking in the natural hot springs at locations like Trego Hot Springs or Double Hot Springs. Pershing County is home to several annual events including Lovelock Frontier Days Rodeo and the Pershing County Fair, each of which offer visitors a chance to experience local traditions and customs.

2.3.a.15 Storey County

Even though Storey County has become a central warehousing, transportation and logistics, and advanced manufacturing hub in Nevada and throughout much of the western and intermountain western United States, Storey County has retained its identity as a small but historic destination that is known for its unique attractions and stunning natural scenery. One of the most famous tourist attractions in Storey County is the historic town of Virginia City, a well-preserved mining town that is home to a variety of museums, shops, and restaurants that offer a glimpse into the area's past as well as the state's past. Storey County hosts several annual events such as the International Camel and Ostrich Races and the Virginia City Grand Prix, which each offer visitors a chance to experience the local culture, history, and traditions.

2.3.a.16 Washoe County

Washoe County, Nevada's second largest county in-terms of total population, is a popular tourist destination that offers a variety of tourist and visitor attractions. Known as "The Biggest Little City in the World", the City of Reno is a hub for nightlife, casino hotel resort properties, and live entertainment and special events. Historical facilities such as the National Automobile Museum and the Nevada Museum Art are located in Reno and Reno hosts a wide variety of special events and activities including Hot August Nights (shared with the neighboring City of Sparks), the Great Reno Balloon Race, and the Reno National Championship Air Races. Lake Tahoe is another popular attraction located within Washoe County, with its crystal-clear waters and stunning mountain views. Visitors and outdoor recreational enthusiasts can enjoy hiking, skiing, and water sports across Lake Tahoe and the Sierra Nevada Mountains. Other notable attractions in Washoe County include the Animal Ark wildlife sanctuary, the Pyramid Lake Paiute Tribe Museum and Visitors Center, and the Truckee River Walk. With a wide range of attractions and activities, Washoe County is often considered a must-visit destination for those looking to experience the beauty and excitement of Nevada.

2.3.a.17 White Pine County

White Pine County is a hidden gem that is known for its stunning natural beauty, rich history, and unique attractions. One of the most famous tourist attractions in White Pine County and a major driver of outdoor recreation and tourism in White Pine County and within northeastern Nevada is Great Basin National Park, home to ancient bristlecone pine trees, spectacular mountain scenery, and fascinating underground caves. Visitors can explore the historic mining towns of Ely and McGill. White Pine County hosts several annual events such as the White Pine County Fair and Horse Races, the Nevada Northern Railway Train Robbery, and the Ely Shoshone Tribe Pow Wow. White Pine County was an early adopter and supporter of outdoor

recreation based tourism and cultural heritage tourism, a decision that has helped support the continued growth and diversification of the county's broader economic base.

2.3.b Initial Estimation of General Economic Impact by County

Table 2.3 presents the estimated economic impact of tourist and visitor spending for each of Nevada's 17 individual counties in 2021. The five counties with the greatest level of visitor spending in 2021 are highlighted.

Table 2.3 – Estimate of General Economic Impact by Nevada County Tourism and Hospitality Sector including Visitor Spending, Direct Employment, Direct Labor Income, Direct Local and State Taxes, Direct Federal Taxes 2021

County	Visitor Spending	Direct Employment	Direct Labor Income	Direct Taxes	Taxes Federal Direct
Carson City	$210.6 million	2,239	$76.3 million	$23.0 million	$26.0 million
Churchill County	$47.0 million	714	$22.3 million	$5.6 million	$7.6 million
Clark County	$34,668.6 million	186,466	$9,930.6 million	$2,705.3 million	$2,938.1 million
Douglas County	$626.1 million	4,863	$181.9 million	$68.2 million	$59.7 million
Elko County	$601.8 million	4,558	$154.2 million	$56.8 million	$50.2 million
Esmeralda County	$0.9 million	7	$0.2 million	$0.2 million	$0.1 million
Eureka County	$5.5 million	43	$1.3 million	$0.4 million	$0.4 million
Humboldt County	$80.0 million	748	$18.5 million	$9.3 million	$5.9 million
Lander County	$20.3 million	134	$3.7 million	$1.0 million	$1.2 million
Lincoln County	$6.8 million	55	$1.5 million	$0.5 million	$0.5 million
Lyon County	$78.2 million	1,221	$39.5 million	$9.8 million	$13.8 million
Mineral County	$7.8 million	131	$3.0 million	$0.9 million	$1.0 million
Nye County	$111.7 million	1,673	$44.9 million	$11.5 million	$14.8 million
Pershing County	$11.6 million	88	$2.1 million	$0.6 million	$0.7 million
Storey County	$9.3 million	106	$2.8 million	$0.8 million	$0.9 million
Washoe County	$2,838.8 million	24,309	$964.7 million	$286.5 million	$319.4 million
White Pine County	$50.9 million	415	$10.7 million	$4.0 million	$3.4 million

Source: Travel Nevada. https://travelnevada.biz/research-strategy/economic-impact/

Total visitor spending in Nevada in 2021 alone was an estimated t $39,375.9 million, which resulted in total direct employment of 227,772 individuals and generated $11,458.2 million in direct labor income. Direct taxes generated from visitor spending in Nevada in 2021 totaled $3,185.0 million that includes $3,444.0 million in federal direct taxes. In 2021, Clark County had the highest visitor spending at $34,668.6 million. Clark County also had the highest direct employment with 186,466 individuals employed in the Tourism and Hospitality industry sector, generating $9,930.6 million in direct labor income. Direct taxes generated from visitor spending in Clark County was estimated to be $2,705.3 million in 2021, including $2,938.1 million in federal direct taxes. Washoe County had the second-highest visitor spending at $2,838.8 million in 2021 with total direct employment of 24,309 individuals, generating $964.7 million in direct labor income. Direct taxes generated from visitor spending in Washoe County in 2021 was estimated to be $286.5 million, including $319.4 million in federal direct taxes. Tourism and hospitality economic activities were also significant in other counties including Carson City, Douglas County, and Elko County, with both Douglas County and Elko County generating over $600.0 million in visitor spending and Carson City generating approximately $210.6 million in total visitor spending in 2021.

2.3.c Number of Firms Operating in the Tourism and Hospitality Industry Sector

Table 2.4 presents the estimated total number of firms directly operating in the Tourism and Hospitality industry sector across the state of Nevada by county in 2021 as well as the estimated percentage of all firms operating across all industry sectors that firms in the Tourism and Hospitality industry sector accounted for by county. The five largest counties with the largest percentage of all firms are highlighted.

In 2021, Clark County had the highest total number of individual firms operating within the Tourism and Hospitality industry sector, with an estimated 256,302 total firms accounting for an estimated 24.7% of all individual firms operating throughout the county. Washoe County and Carson City also had a significant number of firms operating within the Tourism and Hospitality industry sector in 2021, with 34,452 total firms and 4,009 total firms in operation respectively. Other counties with a notable total number of firms operating within the Tourism and Hospitality industry sector in 2021 included Elko County, with an estimated 3,573 total individual firms, Douglas County, with an estimated 3,093 total individual firms, Nye County, with an estimated 2,939 total individual firms, and Lyon County, with an estimated 2,736 total individual firms operating in the Tourism and Hospitality industry sector.

In-terms of the representation that the Tourism and Hospitality industry sector has in the broader economic base of each individual county, Clark County's estimated 256,302 total individual firms accounted for an estimated 24.7 percent of all firms operating countywide in 2021. Nye County's 2,939 total individual firms operating in the Tourism and Hospitality industry sector accounted for 18.0 percent of all firms operating countywide and Storey County's 247 total individual firms operating in the Tourism and Hospitality industry sector accounted for 17.6 percent of all firms operating countywide. The 584 total firms operating in the Tourism and Hospitality industry sector industry in White Pine County accounted for an estimated 16.5

percent of all firms operating countywide in 2021 and the 3,093 total firms operating in the Tourism and Hospitality industry sector in Douglas County accounted for an estimated 14.4 percent of all firms operating countywide in 2021.

Table 2.4 – Number of Firms Operating in the Tourism and Hospitality Industry Sector by County State of Nevada 2021		
County	**Estimated Number of Firms**	**Percentage of All Firms**
Carson City	4,009	14.6%
Churchill County	964	9.3%
Clark County	256,302	24.7%
Douglas County	3,093	14.4%
Elko County	3,573	13.5%
Esmeralda County	16	4.1%
Eureka County	5	0.9%
Humboldt County	751	9.1%
Lander County	94	3.7%
Lincoln County	155	9.3%
Lyon County	2,736	11.0%
Mineral County	132	8.1%
Nye County	2,939	18.0%
Pershing County	154	7.2%
Storey County	247	17.6%
Washoe County	34,452	14.1%
White Pine County	584	16.5%

As a percentage of all firms operating countywide, Eureka County, Lander County, and Esmeralda County had the smallest percentage of all firms that were in the Tourism and Hospitality industry sector. In 2021, just 0.9 percent of all firms operating throughout Eureka County were in the Tourism and Hospitality industry sector. In Lander County, just 3.7 percent of all firms operating countywide were in the Tourism and Hospitality industry sector and, in Esmeralda County, just 4.1 percent of all firms operating countywide were in the Tourism and Hospitality industry sector. For each of these three counties, targeted new business creation and attraction and existing business retention and expansion efforts could be focused to ensure that there is additional business activity needed to support continued growth and diversification of each county's broader Tourism and Hospitality industry sector.

2.3.d Economic Activity by "Type" of Tourism and Hospitality Activity

Table 2.5 presents the estimated total amount of expenditures by retail and service sector related to the Tourism and Hospitality industry sector for each of Nevada's 17 counties in 2021. Related retail and service sectors included in this analysis include Retail, Transportation, Food and

Beverage, Recreation, Lodging, and Gaming. The five largest expenditure levels for each related retail and service sector are heighted.

Table 2.5 – Expenditure by Retail and Service Sector by County, State of Nevada 2021						
County	**Retail**	**Transportation**	**Food and Beverage**	**Recreation**	**Lodging**	**Gaming**
Carson City	$47.1 million	$11.8 million	$28.2 million	$37.9 million	$21.1 million	$64.5 million
Churchill County	$12.4 million	$7.0 million	$10.1 million	$11.2 million	$2.8 million	$3.5 million
Clark County	$7,726.2 million	$5,594.6 million	$4,289.0 million	$3,898.5 million	$5,288.1 million	$7,782.3 million
Douglas County	$87.9 million	$35.3 million	$82.3 million	$78.2 million	$142.9 million	$199.5 million
Elko County	$84.6 million	$66.3 million	$55.8 million	$45.9 million	$94.3 million	$255.0 million
Esmeralda County	$0.1 million	$0.0 million	$0.1 million	$0.4 million	$0.4 million	$0.0 million
Eureka County	$1.1 million	$0.3 million	$0.6 million	$1.0 million	$1.6 million	$0.9 million
Humboldt County	$21.3 million	$4.8 million	$19.4 million	$9.2 million	$23.1 million	$2.1 million
Lander County	$5.8 million	$5.6 million	$3.5 million	$2.5 million	$2.9 million	$0.0 million
Lincoln County	$1.6 million	$1.7 million	$1.2 million	$0.5 million	$1.9 million	$0.0 million
Lyon County	$24.2 million	$17.9 million	$8.6 million	$20.0 million	$5.0 million	$2.6 million
Mineral County	$1.4 million	$0.7 million	$1.3 million	$0.9 million	$2.6 million	$0.9 million
Nye County	$26.1 million	$13.2 million	$19.0 million	$23.2 million	$21.2 million	$9.0 million
Pershing County	$2.5 million	$3.3 million	$2.4 million	$1.1 million	$2.2 million	$0.0 million
Storey County	$1.9 million	$1.0 million	$2.4 million	$1.3 million	$1.8 million	$0.9 million
Washoe County	$552.7 million	$282.6 million	$448.9 million	$365.4 million	$490.9 million	$698.3 million
White Pine County	$11.4 million	$5.3 million	$10.2 million	$8.4 million	$12.2 million	$3.4 million

Source: Travel Nevada. https://travelnevada.biz/research-strategy/economic-impact/

The highest expenditure-generating county in-terms of related retail and service sector consumption to the Tourism and Hospitality industry sector in 2021 was in Clark County, with an estimated $7,726.2 million in total Retail expenditures, $5,594.6 million in total Transportation expenditures, $4,289.0 million in total Food and Beverage expenditures, $3,898.5 million in Lodging expenditures, and $7,782.3 million in total Lodging expenditures. Perhaps not surprising is that Nevada's other largest counties, in-terms of total population, experienced the next largest amount of related retail and service sector consumption including Washoe

County, Douglas County, Elko County, and Carson City. Other notable counties with relatively large amount of related retail and service sector consumption levels in 2021 included Humboldt County, Lyon County, and Nye County.

2.3.e Initial Estimation of General Economic Impact by Regional Development Authority

Table 2.6 presents the estimated economic impact of tourist and visitor spending for individual firms operating within the Tourism and Hospitality industry sector for each of Nevada's eight regional development authorities in 2021.

Table 2.6 – Estimate of General Economic Impact by Regional Development Authority Tourism and Hospitality Sector including Visitor Spending, Direct Employment, Direct Labor Income, Direct Local and State Taxes, Direct Federal Taxes 2021

Visitor Spending	Direct Employment	Direct Taxes	Estimated Number of Firms
Economic Development Authority of Western Nevada Washoe County			
$2,838.8 million	24,309	$286.5 million	34,452
Churchill Fallon Development Authority Churchill County			
$47.0 million	714	$5. million	964
Lincoln County Regional Development Authority Lincoln County			
$6.8 million	55	$0.5 million	155
Las Vegas Global Economic Alliance Clark County			
$34,668.6 million	186,466	$2,705.3 million	256,302
Nevada 95-80 Regional Development Authority Humboldt County, Pershing County			
$91.6 million	836	$9.9 million	905
Northern Nevada Regional Development Authority Carson City, Douglas County, Lyon County, Mineral County, Storey County			
$932.0 million	8,560	$102.7 million	10,217
Northeastern Nevada Regional Development Authority Elko County, Eureka County, Lander County, White Pine County			
$678.5 million	5,150	$62.2 million	4,256
Southwest Central Regional Economic Development Authority Esmeralda County, Nye County			
$112.6 million	1,680	$11.7 million	2,955

Source: Travel Nevada. https://travelnevada.biz/research-strategy/economic-impact/
Source: U.S. Census Bureau. https://data.census.gov/

The *Las Vegas Global Economic Alliance* region emerges as the leading regional development authority in-terms of general economic impact, with total visitor spending of $34,668.6 million in 2021 resulting in an estimated total direct employment of 186,466 individuals, and an estimated $2,705.3 million in direct taxes generated. These estimates underscore the significance that the Tourism and Hospitality industry sector plays in driving overall economic activity, growth, and job creation throughout the Las Vegas region. Tourism and Hospitality is also a significant driver of overall economic activity, growth, and job creation throughout the *Economic Development Authority of Western Nevada* region, with an estimated total visitor spending in 2021 of approximately $2,838.8 million, resulting in an estimated total direct employment of 24,309 individuals, and an estimated $286.5 million in direct taxes generated.

Other regional development authority regions with significant levels of total visitor spending and subsequent total direct employment and direct taxes generated in 2021 included the *Northern Nevada Regional Development Authority* region, with an estimated $932.0 million in total visitor spending resulting in an estimated total direct employment of 8,560 individuals, the *Northeastern Nevada Regional Development Authority* region, with an estimated $678.5 million in total visitor spending resulting in an estimated total direct employment of 5,150 total individuals, and the *Southwest Central Regional Economic Development Authority*, with an estimated $112.6 million in total visitor spending resulting in an estimated total direct employment of 1,680 total individuals. For each of these three additional regional development authorities, the Tourism and Hospitality industry sector is and remains a significant driver of both local countywide and regional economic activity and growth.

2.4 Strengths, Weaknesses, Opportunities, and Threats Analysis of Nevada's Tourism and Hospitality Industry Sector

This sub-section provides an assessment of the strengths, weaknesses, opportunities, and threats of Nevada's Tourism and Hospitality industry sector. Strengths and weaknesses are characteristics of the industry sector that are present and internal to the sector while opportunities and threats are future possible conditions that may positively or negatively impact the future of the sector as a whole. As has already been established, the Tourism and Hospitality industry sector is an important economic sector for the entire state of Nevada and is a critical driver of overall economic activity, source of private sector employment, and source of public revenues for several of Nevada's individual counties and for the state as a whole.

The analysis presented in this sub-sector identifies major internal and external factors that might affect the future performance and potential growth trajectory of Nevada's Tourism and Hospitality industry sector. Given the overall size, scale, and scope of Nevada's Tourism and Hospitality industry sector, the strengths, weaknesses, opportunities, and threats analysis presented here for the Tourism and Hospitality industry sector is divided into four critical components of the broader sector, including Attractions and Entertainment, Hospitality, Outdoor Recreation, and Transportation.

2.4.a Strengths, Weaknesses, Opportunities, and Threats for Attractions and Entertainment

Table 2.7 presents a summary of the strengths, weaknesses, opportunities, and threats identified for the Attractions and Entertainment part of the broader statewide Tourism and Hospitality industry sector.

Table 2.7 – Strengths, Weaknesses, Opportunities, and Threats for Attractions and Entertainment
Statewide Tourism and Hospitality Industry Sector

Strengths	Weaknesses	Opportunities	Threats
• Worldwide recognition as a leading destination for entertainment and attractions. • Industry-wide attention to providing excellence.	• High seasonality of tourism results in fluctuating revenue generation and employment. • Concentration of attractions, events, and airports around Las Vegas and Reno. • Dependence on visitors from neighboring states, especially California.	• Expansion of existing attraction and event offerings, especially to areas in the middle or northeastern parts of the state. • Expansion of non-gaming offerings. • Incorporation of new technological advances to enhance tourist experiences.	• Competition from outside locations for tourist visitation and gambling. • Decrease in desirability of gambling. • Economic downturns. • Terrorism and security concerns.

Nevada is home to rare destinations that are not easily duplicated elsewhere. These attractions are diverse and include the Las Vegas Strip, the Lake Tahoe area, and Hoover Dam just to name a few. A variety of entertainment options exist including artist residencies such as Santana at the House of Blues, magic shows by David Blaine at Resorts World, and rock music by Rod Stewart at Caesars Palace. Shows from plays to acrobatic stunts showcases the strength of casino resort nightlife. Sporting events include the National Football League's Las Vegas Raiders, the National Hockey League's Vegas Golden Knights, Formula 1 racing, and World Human Powered Speed Challenge. Shows, attractions, and events are certainly not limited to Las Vegas. Entertainment and live events include concerts, lake tours by boat, marathon events, skydiving, the Reno Rodeo, the Great Reno Balloon Races, the Reno National Championship Air Races, and Hot August Nights. Museums across the state display the early history of Nevada's mining and natural resource extraction sector and the formation of the state itself, arts and culture, and contemporary history. Unique offerings include Camel and Outhouse Races and the legendary Burning Man. These events and attractions draw millions of visitors yearly with typical peak visitation occurring during the winter and summer months.

The greatest strength of Nevada's Attractions and Entertainment sub-sector is the state's overall reputation and as a premier destination. Tourists worldwide are familiar with Nevada as a popular tourism locale. A high industry standard of excellence also leads to frequent repeat visitation. The Attractions and Entertainment piece of Nevada's Tourism and Hospitality industry sector is, however, not without its weaknesses. Tourism has high seasonality, leading to large fluctuations in sector revenues and creating staffing and broader employment issues and challenges that individual firms face on a yearly basis. Concentration of attractions, events, and airports around Las Vegas and Reno opens the sector to vulnerability. If a natural disaster or similar event were to affect Las Vegas, for example, economic activity generated from the Tourism and Hospitality industry sector for the entire state of Nevada might be cut by nearly half depending on the severity and length of the disaster. Another weakness is the great dependence on visitors from California that much of Nevada's Tourism and Hospitality industry sector depends upon, which typically make up the greatest number of tourists from across most other regions outside the state.

Opportunities for Nevada's Tourism and Hospitality industry sector in the Attractions and Entertainment area include the development of new entertainment and attractions. Nevada could potentially diversify revenue generation by focusing on its non-gaming sector. The state might shed the perception that gaming and Las Vegas style nightlife are the only available attractions by increasing tourist awareness of the abundant nature and natural amenities found and located within and throughout the state. Wildlife viewing, safari-style attractions, off-roading adventures, and others could be developed. Development might include new tourist attractions along the central and northeastern portions of the state where competition is minimal. Nevada should leverage technological advances to better serve its customers. Using augmented reality and/or mobile apps to enhance visitors' experiences could allow Nevada to gain an edge over competition.

Threats are equally diverse as the industry sector's opportunities in the area of Attractions and Entertainment. Predominately among these potential threats are potential future economic downturns and disruptions at a national and global level that could significantly decrease broad tourism and discretionary spending. Any changing consumer preference to avoid gambling could pose a significant danger to the Tourism and Hospitality industry sector and, specifically, to future Attractions and Entertainment activities. Competition from other destinations could potentially attract tourists away from Nevada. The state must continually invest and innovate in its Tourism and Hospitality industry sector and, especially, in the area of Attraction and Entertainment, in order to remain competitive. Terrorism and security concerns could potentially decrease overall visitation levels, as witnessed following the 2017 Route 61 mass-shooting event.

2.4.b Strengths, Weaknesses, Opportunities, and Threats for Hospitality

Table 2.8 presents a summary of the strengths, weaknesses, opportunities, and threats identified for the Hospitality part of the broader statewide Tourism and Hospitality industry sector. Hospitality generally includes lodging but also related activities including convention and conference activities hosted on site of large casino hotel resort properties or in separate convention and conference centers.

Table 2.8 – Strengths, Weaknesses, Opportunities, and Threats for Hospitality Statewide Tourism and Hospitality Industry Sector			
Strengths	**Weaknesses**	**Opportunities**	**Threats**
• Large number of conference and lodging rooms available statewide. • Interconnectedness of lodging facilities with other hospitality firms such as dining and concierge services.	• Decreased workforce numbers following COVID pandemic. • Recent dependence on resort hotels to draw crowds. • High start-up costs and regulatory oversight when starting new offerings.	• Development of new forms of lodging offerings. • Embracing digital technology to offer non-lodging revenue streams.	• Advertising competition from outside locations. • Economic downturns. • Global events that impact travel. • Sweeping regulatory changes that effect hospitality. • Transition to virtual conferences as means of gathering.

Nevada has an extraordinary amount of hotel room and conference space clustered into several condensed areas. Nevada is famous for its large casino hotel resort properties, standalone hotels, motels, lodges, dude ranches, and other places of temporary residence that can be found throughout the state. Dining opportunities support places of temporary residence and often work in tandem to support overall visitation. Many hospitality firms provide attractions at their venues, allowing tourists to remain within the same location yet feel as though all needs are met in one destination.

Strengths of the Hospitality area include the large number of rooms and conference spaces available throughout the state and, especially, in Nevada's largest populated urban and metropolitan geographic areas, a characteristics of Nevada that is largely unrivaled by other states. The close ties between hospitality firms and those in the Attractions and Entertainment area encourages tourists to spend locally without leaving the state. It may also lower overall overhead costs due to shared expenses. Weaknesses, however, do exist throughout the Hospitality area. One of the most notable of these weaknesses is the decline in the overall availability of workers following the COVID-19 global pandemic. Another weakness is the traditional emphasis on casino resort hotel properties, which require large cash flows to remain viable. Individual casino resort hotel properties experienced significant financial strain over the course of the COVID-19 global pandemic and even weakened supporting firms within the broader Tourism and Hospitality industry sector. Another weakness is the high start-up cost of

building new Hospitality offerings, both in terms of overall financial cost as well as the rather lengthy governmental approval processes.

Opportunities include the development of new types of lodging offerings. While casino hotel resort properties have dominated Nevada's Tourism and Hospitality industry sector over past 50 to 80 years, lodgings of the future might take a different form. For example, dude ranches and health hotels were once popular throughout the state and especially during the formative decades of Nevada's past. The Hospitality area of the state's Tourism and Hospitality industry sector should explore what evolving types of hospitality exist or begin to craft new hospitality developments in order to draw a more diverse set of visitors to the state in the future. Embracing new and emerging digital technology may generate alternative streams of revenue for Hospitality based firms. Potential threats to Hospitality specifically include any event which might impact global or regional tourism and travel. These include economic downturns as well as restrictions to travel in the event of regional or global conflict or the emergence of new global pandemics. Digital conferencing is also a potential threat to the future of the Hospitality area of Nevada's Tourism and Hospitality industry sector. Significant advertising competition from outside regions for tourism may lead to declining visitation in Nevada. Major regulatory changes could also impact Hospitality specifically and the broader Tourism and Hospitality industry sector in Nevada in general.

2.4.c Strengths, Weaknesses, Opportunities, and Threats for Outdoor Recreation

Table 2.9 presents a summary of the strengths, weaknesses, opportunities, and threats identified for the Outdoor Recreation part of the broader statewide Tourism and Hospitality industry sector.

According to the U.S. Bureau of Economic Analysis, Outdoor Recreation in 2021 accounted for approximately 2.5 percent of Nevada's state Gross Domestic Product, an estimated $4.9 billion. Economic activity within the Outdoor Recreation area can be broken into conventional (biking, hiking, camping, etc.), supporting (construction, travel, tourism, local trips, government expense, etc.), and other (outdoor concerts, events, etc.) activity types. In Nevada, conventional activities accounted for 35.1 percent of Outdoor Recreation's contribution to overall state Gross Domestic Product, supporting activities comprised 47.3 percent, and other was 17.6 percent. In-terms of popularity of activities, recreational vehicle use is greatest, followed by boating and fishing, then hunting, game area use, festival-concert-sports events, amusement park and water park, and finally, snow-related activities.

Nevada has 27 state parks. The Nevada Legislative Auditor found that just two parks (Valley of Fire and Sand Harbor) accounted for 45.2 percent of all annual state park visitors. Nevada encompasses a single national park completely within its boundaries, Great Basin National Park located in northeastern Nevada, though it shares Death Valley National Park with California. The state of Nevada also has three national forests, including Humboldt-Toiyabe, the largest national forest outside of Alaska. There are three national trails in Nevada, one national monument, and one national recreational area. The U.S. Bureau of Land Management facilitates use of many areas of open land throughout the state. Regional, county, and city parks are also

available to support a broad array of locally oriented outdoor recreation and leisure activities and special events enjoyed by locals and visitors alike.

Table 2.9 – Strengths, Weaknesses, Opportunities, and Threats for Outdoor Recreation Statewide Tourism and Hospitality Industry Sector			
Strengths	**Weaknesses**	**Opportunities**	**Threats**
• Vast volume of public lands, rivers, and lakes available for recreational use. • Numerous undeveloped or minimally developed areas permits expansion of recreational offerings.	• Ineffective or underutilized digital marketing to promote recreational opportunities. • Poor state park name recognition amongst outdoor enthusiasts • Lack of public airline travel throughout the state. • Necessity of multi-level government involvement to use public lands.	• Expansion of digital marketing campaigns. • Building name recognition among outdoor enthusiasts. • Development of new recreational opportunities.	• Competing marketing campaigns by other states to drive tourist visitation. • Any regional, national, or international event which prohibits recreation. • Climate change and seasonal weather variations. • Water rights disagreements between states and federal system.

Strengths of the Outdoor Recreation part of Nevada's Tourism and Hospitality industry sector include the vast volume of public lands, rivers, and lakes available for recreational use throughout Nevada. Additionally, many undeveloped or minimally developed areas exist statewide which offers many opportunities for expansion of recreational areas and activities. Several noteworthy weaknesses exist when evaluating Outdoor Recreation. At the forefront of these weaknesses is the potentially underutilized use of digital marketing to promote the state's current recreational opportunities. A quick internet search for popular states to visit or reside in for recreation fails to return many results for the state of Nevada. As a result, many of the state's current resources may be going unrecognized in the digital era. Nevada State Parks (with perhaps the exception of Valley of Fire and Sand Harbor) are relatively unknown by non-state residents. Another significant weakness is a general lack of high-volume airline travel near the state's only national park, Great Basin National Park, in northeastern Nevada. This results in the general failure to capitalize on an increasing trend amongst Americans and many international tourists and visitors to visit the nation's National Parks. Lack of public airline access to much of the state further weakens overall accessibility of other outdoor recreational assets to non-state resident visitors.

The greatest opportunity for Nevada's Outdoor Recreation part of the broader Tourism and Hospitality industry sector is potentially the expansion of digital marketing campaigns in order to promote its current outdoor recreation activities. This could potentially draw large volumes of new visitors from neighboring states as well as national and international tourists. Increasing visitation would also drive word-of-mouth notability, resulting in compounding growth. As mentioned above, areas of undeveloped land available for use could also permit expansion of additional outdoor recreational offerings. Threats to the Outdoor Recreation part of the Tourism and Hospitality industry sector include marketing campaigns by other states to drive competing visitation. Any national or international event which prohibits or significantly restricts travel could also potentially decrease overall outdoor recreational use, specifically in supporting and other activity sectors. During the COVID-19 global pandemic, Nevada's decision not to limit intra-state travel resulted in an increase in conventional outdoor recreational usage when other forms of entertainment were abruptly halted. However, support and other activities revenue decreased sharply due to mandatory workplace closures. Finally, long-term climate change and seasonal weather variation may alter recreational offerings significantly. Present examples in 2023 include historically low water levels of Lake Mead and unseasonably high summer 2022 temperatures in Northern Nevada. Water rights will also become increasingly important and may alter future outdoor recreation development opportunities.

2.4.d Strengths, Weaknesses, Opportunities, and Threats for Transportation

Table 2.10 presents a summary of the strengths, weaknesses, opportunities, and threats identified for the Transportation part of the broader statewide Tourism and Hospitality industry sector.

No analysis of Nevada's Tourism and Hospitality industry sector would be complete without an evaluation of the industry sector's Transportation area that supports visitation and movement within and across the state. In Nevada, the automobile is unrivaled when it comes to overall transportation volume. Private automobile travel is presently the primary means of travel to Nevada across all regions, followed thereafter by airplane travel. The Nevada Division of Tourism found that private automobiles account for approximately 61.0 percent to 76.0 percent of the overall means of travel to the state for all regions with the noteworthy exception of the Las Vegas region. There, private automobiles still generate greater than 50.0 percent of total travel to the state. Similarly, private automobiles and rented automobiles account for the majority of within-state travel. The Las Vegas region is, again, the notable exception, where shared economy rides (such as Lyft or Uber) account for approximately 24.3 percent of travel means, and related services such as taxicabs also carry a greater weight than elsewhere in Nevada.

Public airline travel within the state of Nevada is presently limited to just four major airport locations. In order of total enplanements, these are Las Vegas (LAS), Reno (RNO), Boulder City (BLD), and Elko (EKO). Travel access to Elko is limited by service of a single airline that requires travel to/from Salt Lake City, Utah. Travel access to Boulder City is similarly limited by service of a single airline, which predominantly offers sightseeing tours. Many general aviation and several small reliever airports also exist within the state, though each of these smaller airports and airfields provide a much smaller volume of total airline traffic to the state. Train, bus, recreational vehicle, and motorcycle transportation presently remain important

though significantly less impactful means of travel. Amtrak is the only inter-state provider of passenger train service with limited access along the U.S. Interstate-80 corridor. Charter and commercial buses provide more widespread regional and inter-state travel options for individuals not traveling along the U.S. Interstate-80 corridor.

Table 2.10 – Strengths, Weaknesses, Opportunities, and Threats for Transportation Statewide Tourism and Hospitality Industry Sector

Strengths	Weaknesses	Opportunities	Threats
• Two airports well positioned for drawing tourists to most heavily trafficked parts of state. • High influx of traffic along I-80 and I-15 corridors.	• Reliance on automobile for transportation throughout state. • Variable winter roadway conditions and long distances between drivable features. • Lack of state automobile and gasoline production. • Limited public airport locations.	• Vast open areas might permit high speed rail development. • Airport development in northeastern or central parts of state. • Increasing automobile and/or gasoline production. • Embracing electric car travel support.	• Increasing gasoline prices. • Events which impact regional, national, or global travel. • Increasing trends to travel by non-automobile or locally.

Current strengths of the Transportation area include two well-positioned public international airport locations in Las Vegas and Reno that maximize travel access to the highest visitation regions. Several significant weaknesses exist at present. Greatest of these weaknesses is that the Transportation area is largely dependent on the automobile as the primary means for travel to and within Nevada. This limits travel option variety and is further compounded by variable winter driving conditions, traffic congestion across critical corridors such as U.S. Interstate-15, and large mileage distances between drivable features and attractions located across the state. Given the general reliance on the automobile for transportation, this creates a further weakness, namely the lack of automobile production and gasoline production facilities within the state. As a result, much of the Transportation component of the broader Tourism and Hospitality industry sector loses overhead economic opportunities to automobile-producing or gasoline-producing states. Another primary weakness included the limited availability of public airline access to much of the state, restricting further growth in those specific regions.

Opportunities for transportation expansion do exist. Nevada possesses vast open and undeveloped spaces. These could permit new forms of successful travel infrastructure such as high-speed rail that is spatially constrained within other states. This would generate increased

visitation from neighboring states, if implemented, and might permit flow-through tourism if connected with a larger national network in time. Development of public airline travel to the eastern parts of the state, such as near Ely in White Pine County, could potentially result in increased visitation to areas that are currently limited to automobile traffic. Development of supporting economies to automobile travel, such as the recent and continued development of the Tesla Gigawatt factory in northern Nevada, could reduce out of state expenditures on automobiles. Expansion of the state's overall travel infrastructure assets in order to provide access for electric automobile travel could also result in higher visitation. Threats to the Transportation area include any major economic threats to its travel industry partners, such as major airline firms established in Reno and Las Vegas, or any threats to the automobile industry. For example, any drastic increase in gasoline prices is likely to decrease travel, and consequently affect the entire Tourism and Hospitality industry sector. Increasing trends to travel locally or by non-automobile also threaten the car-dependent nature of Nevada tourism.

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3.0 Evaluating National and International Tourism and Hospitality Industry Sector Value Networks and Supply Chains

This section of this University Center for Economic Development technical report presents an edited version of the initial white paper developed for Part 2, *Evaluating National and International Tourism and Hospitality Industry Sector Value Networks and Supply Chains*. Part 2 of this analysis of the value network and supply chain of Nevada's Tourism and Hospitality industry sector included the following elements:

- Development of a comprehensive overview of the existing and evolving nature of tourism and hospitality at the national and international level.

- Identification of 'hot spots' of tourism, hospitality, recreation, entertainment, and leisure and direct and indirect economic activity associated with tourism and hospitality activity and where they are located within the United States and across the globe.

- Development of a comprehensive evaluation of the changing national and international nature of tourism and hospitality here in Nevada and across the globe.

There are many different types of travel and hospitality with all different factors on what could fluctuate overall demand for it in general. Different types and reasoning for an individual to travel include holidays, niche experiences, adventure, wellness, work, and international purposes. Additionally, there are specific variables that can change the need for travel and tourism itself. For example, demographic, social, lifecycle, age, education, time and fashion itself. The greatest factor that has recently changed and fluctuated the desire for travel and hospitality nationally and internationally is the COVID-19 global pandemic that started at the end of the year 2019.

Regarding international tourism, the COVID-19 global pandemic has affected global travel activity significantly. Globally, a 58.0 percent increase occurred in international tourism in 2021 despite international tourism rates still being approximately 76.0 percent below 2019 levels. After analyzing the forecast for international tourism, the next few years are expected to stay between 70.0 percent and 75.0 percent below 2019 levels as well, meaning approximately $1.0 trillion lost in anticipated international travel revenue. A major supporting factor of why tourism has remained significantly low is because air travel in 2021 was down 60.0 percent from the year of 2019, the year before the COVID-19 global pandemic took place. In addition, approximately half of the global tourists that travel internationally take planes. This led to the majority of passengers taking flights falling to approximately 92.0 percent, international traffic dropped 98.0 percent, and domestic air travel was reduced to 87.0 percent.

Recent 2022 demands measured in September 2022 show that, nationally, there is only a 6.0 percent decrease relative to pre-pandemic levels for the demand and usage of hotels. International economies are in need of global travelers. Most countries internationally have significantly reduced or ended all travel restrictions in the hopes of increasing travel again after experiencing the devastating economic impact that came from low global travel over the course of the COVID-19 global pandemic. Recently, inflation is preventing national and international economic growth at full capacity as well. However, in comparison to pre-COVID-19 global pandemic levels, overall international interest for hospitality are growing at a great pace and should not decline. Overall, the total amount spent for tourism internationally was significantly less at just $40 million dollars, compared to the United States at $751 billion dollars in 2021. Greater amounts of capital spent on tourism in the United States, the year after the pandemic started, was because of the sudden restrictions on international travel restrictions and because of increases in the overall demand for recreation within the United States.

More specifically, overall demand in the Tourism and Hospitality industry sector in the United States had decreased substantially when the pandemic started between the end of 2019 and the beginning of 2020, an estimated decline in overall demand by 50.0 percent. Lockdowns and limitations on leisure and hospitality services have affected revenues permanently for the worse, impacting small businesses across the United States. While efforts to support the Tourism and Hospitality industry sector in the United States are underway, the recovery is generally slow relative to the recovery being experienced in other countries. Despite this trend, the COVID-19 global pandemic created an increase in the overall demand for outdoor recreation by approximately 20.0 percent. Individuals that tended to pursue outdoor recreation during the pandemic were white with a higher socioeconomic status. Comparatively, individuals that decreased overall participation in outdoor recreation were more diverse in-terms of ethnicity and earned less annually than existing or new recreationists. These results signify that managers and policy makers in the Tourism and Hospitality industry sector should continue to incentivize outdoor recreation for health benefits, be inclusive to all in order to increase overall diversity, and be aware of global outdoor recreation activities.

3.1 Nevada's Response to Changing Demand in the Tourism and Hospitality Industry Sector

In December of 2007, The United States economy entered a recession. According to the U.S. Bureau of Labor Statistics, this recession began with an unemployment rate of 5.0 percent in December of 2007 and then increased to 10.0 percent by the end of the recession in October of 2009. This recession was the longest recession in United States history since World War II. This recession proved devastating for Nevada's Tourism and Hospitality industry sector as the state experienced record low visitation rates. Prior to the start of the Great Recession in the early part of 2007, Nevada experienced record highs in visitor volume and, subsequently, airport volume, convention attendance, hotel occupancy rates, and gross gaming revenue. After the recession, Nevada visitation dropped by more than 5.0 million total visitors by 2009. Where Nevada saw nearly $13.0 billion in gross gaming revenues in 2007, by 2009 gross gaming revenues for the state fell below $11.0 billion. Although the Great Recession was catastrophic to

the state's economy, it is important to note that the landscape of the Nevada gaming economy was steadily declining before the 2007 recession. Today, the customer that Nevada serves is one that is no longer interested in gaming alone. The percentage of revenue that is derived from gaming has steadily declined since 1986. Visitor demand is clearly shifting and Nevada's Tourism and Hospitality industry sector must continue to innovate to meet this changing demand in order to sustain and increase overall state tourist and visitor visitation rates.

In 1986, approximately 62.0 percent of the state government revenue in Nevada was derived directly from gaming and gambling related activities within the state. By 1990, this percentage had dropped to approximately 60.0 percent. By 2001, despite aggressive investing in and further development of Nevada's casino hotel resort properties through expansion and remodeling, approximately 13,000 slot machines had been removed from existing casino floors statewide. By 2006, Nevada was deriving just 49.0 percent of stage government revenue from gaming and gambling related activities. Gambling habits of Nevada tourists, visitors, and patrons has shown a steady decline. In 2008, a survey found that nearly 85.0 percent of the participants reported that they had gambled during their visit to Nevada. By 2015, this figure had dropped to 73.0 percent. This large decline in gaming participation has promoted individual businesses to invest in more non-gaming amenities. The areas that have seen the most growth in Nevada have been hospitality and leisure, restaurants, and entertainment and retail.

Las Vegas is known worldwide for its offerings in entertainment. As gaming revenue has declined, entertainment has been an essential strategy used to lure consumers to existing casino hotel resort properties. For fiscal year 2019 through 2020, live entertainment in Nevada generated nearly $1.0 billion in total expenditures. A review of historical revenue trends shows that gaming income dollars have increased by over 180.0 percent since 1984 while entertainment and retail has increased by over 1,000.0 percent. A likely significant portion of this expenditure increase is likely due to inflation. However, what is demonstrated is that entertainment and retail have grown exponentially more than gaming. Additionally, entertainment and retail activities that are directly related to Nevada's Tourism and Hospitality industry sector have proved to be more resilient than gaming and gambling related activities. While the gaming and gambling related activities have declined and then fluctuated from the start of the 2007 Great Recession until its end, entertainment and retail gained with sustained growth. In recent years, Nevada has added many venues, sports teams, and developed new concert halls and performing arts centers that have all added to overall economic performance and further diversification of the state's Tourism and Hospitality industry sector.

In response to declining revenue generated by gaming, Nevada's Tourism and Hospitality industry sector has begun to diversify the casino hotel resort experience throughout the state. Rooms, hotel occupancy, and the revenue generated from such activities have also seen a steady increase over the past several years since the Great Recession despite the recent impacts of the COVID-19 global pandemic. The state government of Nevada received 36.8 percent of its revenue from gaming in 2020 while also collecting 25.7 percent of its revenue from room occupancy taxes. This is significant due to the impacts of the COVID-19 global pandemic that negatively and significantly affected Nevada tourism in 2020. Nevada's broader Tourism and Hospitality industry sector has been focused on growing and diversifying hospitality services for

decades. Between 1989 and 2000, total workforce participation in hospitality increased by nearly 69.0 percent, adding over nearly 88,000 new jobs. The Tourism and Hospitality industry sector in total is the only industry, over the last decade, to demonstrate a growth rate of more than 1.0 percent in total employment. The trend to invest in hotels, hospitality and leisure in general, is still a major focus of Nevada's Tourism and Hospitality industry sector. At the time of publication of this University Center for Economic Development technical report, there is currently nearly $15.5 billion being spent on 42 individual projects that are either planned or under construction. Roughly, 33.0 percent of these projects are for facilities that are hotel or resort only. The Workforce Innovation and Opportunity Act State Plan (2023) projects massive growth in the Tourism and Hospitality industry sector. By 2026, it is projected that Nevada will add an additional 52,766 jobs to this industry sector and these estimates appear to be in the right direction based on the investments currently made in the facilities for hotels and other casino hotel resort properties.

Up until the COVID-19 global pandemic in 2020, from 2010 until 2020, Nevada enjoyed a steady increase in overall room occupation rates. This is significant since the cost of staying in a Nevada-based hotel had risen on a yearly basis until the start of the COVID-19 global pandemic. Due to the Great Recession in 2007, hotel rates had dropped to a low of $90 on average per night. This rate increased year over year until 2019 when the average hotel room rate was $130 on average per night. Additionally, Nevada's total inventory of hotel rooms increased between 2008 and 2019. Even with this increasing inventory and the consistent increase in daily hotel room rates, the occupancy rates, which had declined to about 75.0 percent in 2010 as a result of the Great Recession, had grown to nearly 80.0 percent by 2015 and maintained an average of over 80.0 percent until the start of the COVID-19 global pandemic in 2020. During the first year of the COVID-19 global pandemic, Nevada's average occupancy hotel room rate fell to 62.5 percent in 2020. Despite this set back, overall expenditures on hotel and motel rooms grew by over $1.5 billion dollars between 2020 and 2022.

Various public sector agencies and organizations across the state, at both the state and local levels, have taken steps to offset continued disruptions in tourism-based economic activity and have tried to find opportunities to increase overall tourism in the face of continued national and international economic uncertainty. As previously mentioned, overall gaming and gambling related activities have been declining steadily since the 1980's while overall activity in the Tourism and Hospitality industry sector has steadily risen since that same time. Attempts at broader diversification of the Tourism and Hospitality industry sector have sought to capitalize on this slow shift in demand away from gaming and gambling related activities to non-gaming forms of tourism and hospitality by fighting for major professional sports teams. Nevada has become home to various minor league sports teams as well as the Women's National Basketball Association over the past several years. Despite the growth of amateur and even professional sports in Nevada, leagues such as the National Basketball Association and the National Football League had not previously chosen to operate in Nevada for quite some time.

The opportunity for one of the 'four major' professional sports leagues to enter Nevada began in September of 1999 when Oscar Goodman met with the Gary Bettman, Commissioner of the National Hockey League. Mr. Goodman had walked away from the meeting with the knowledge

of what it would take to get a National Hockey League team located in Nevada. Mr. Bettman concluded that Las Vegas needed to have a suitable arena for the sport, suitable owners for the team, and would need to demonstrate itself as a large enough market that could support an eventual National Hockey League team. This pioneering conversation eventually led to the creation of the Las Vegas Golden Knights in 2016. Mr. Goodman also successfully negotiated for the 2007 National Basketball Association's All-Star Game to be held in Las Vegas as well as orchestrating the permanent relocation of the National Basketball Association's Summer League which has occurred annually in Nevada since 2004. In 2016, a conglomerate of governing officials worked together to bring the Las Vegas Raiders to the State. After Nevada Assembly and the Nevada Senate approval, then Governor Brian Sandoval signed a bill that approved a hotel tax rate increase that would allow for the generation of up to $750 million dollars in revenue in order to support the construction of a new stadium for the relocation of the National Football League's Oakland Raiders to Las Vegas. Other funding was secured through the efforts of Las Vegas Mayor Carolyn Goodman, as well as University of Nevada, Las Vegas President Don Snyder, which aided in the successful relocation of the Oakland Raiders to Nevada and to Las Vegas.

Diversification and continued growth of Nevada's Tourism and Hospitality industry sector has also included diversification of other live entertainment and sporting activities and events. In 1992, the Las Vegas Convention and Visitors Authority purchased the Las Vegas Bowl, a college football championship game, in order to relocate the event to Las Vegas and boost overall tourism revenue. In 2018, the Nevada Commission of Tourism approved over $1.0 million dollars in marketing funding for rural communities. Such marketing events were instrumental during the 2020 COVID-19 global pandemic. The Nevada Department of Tourism and Cultural Affairs launched a marketing campaign, "Discover Your Nevada", during the pandemic. These efforts were correlated with hotel tax revenue that showed that Nevada's rural communities saw only a 57.0 percent decline in total revenue collected while Las Vegas and Reno saw more than an 85.0 percent decline.

A major adaptation forced on Nevada's Tourism and Hospitality industry sector has been the adjustment to the legalization of gaming on Native American lands throughout the United States. Native American, Indian, and Tribal gaming was legalized in 1988 with passage of the Indian Regulatory and Gaming Act in 1988. Tribally owned and operated casinos were allowed in California ten years later in November of 1998. In 1999, when the California bill was due to come into effect, the then California Governor, Gray Davis, brokered a deal which allowed for Nevada-based companies to aid Native American communities and Tribal Councils in California in developing and running casinos and even casino hotel resort properties operating within California. Today, there still exists strong relationships and partnerships between Native American and Tribally owned and operated casinos and Nevada-based businesses. For example, Stations Casinos has three casinos in California and one casino in Michigan. Caesars Entertainment Corporation has two casinos in North Carolina, one in California, and one casino in Arizona.

As Nevada firms have accepted and realized the need to diversify their offerings due to realized decline in overall gaming revenue in real terms and relative to the growth of other tourism and

hospitality related activities, they have started to invest in business ventures that capitalize on food, hospitality, and leisure. Even the nature of gaming has changed due to the legalization of online gaming. In 2018, the United States Supreme Court ruled in favor of individual state governments deciding for themselves if commercial online gaming would be legal within their jurisdiction. This ruling allowed companies like FanDuel and DraftKings to broadly introduce online sports betting to a national audience. Both companies are independent of Las Vegas and Nevada-based casinos. MGM Resorts, a Las Vegas conglomerate that owns multiple casinos on the Las Vegas Strip, launched their own online sportsbook app in March of 2020. This was advantageous as it enabled MGM to compete with other large online sports betting companies, as well as provide a service to gamblers who were not able to travel to Las Vegas due to the ongoing COVID-19 global pandemic. Caesars Entertainment has since launched their own online sportsbook app.

MGM Resorts has been at the center of many non-gaming projects that have been designed to bolster tourism within and throughout the larger Las Vegas Area. This firm is directly responsible for the construction of the Las Vegas City Center that includes new major casino hotel resort properties with condominiums, luxury hotels, and casinos. MGM Resorts was also one of several firms that had partnered to complete construction of T-Mobile Arena, home of the Las Vegas Golden Knights. Caesars Entertainment has also initiated a number of non-gaming initiatives and ventures. Currently, Caesars Entertainment is planning to further develop Caesars Forum, a $375 million conference center in Las Vegas. Caesars Entertainment has also begun to explore opportunities outside of Nevada by recently launching a new hotel brand called Caesars Republic with its first location in Arizona. The company had also opened a number of non-gaming facilities in Dubai in 2018 and is currently opening a $200 million dollar non-gaming facility in Cabo, Mexico.

3.2 New and Emerging Trends in the Tourism and Hospitality Industry Sector

There are a number of new and emerging trends within the broader Tourism and Hospitality industry sector locally, statewide, nationally, and internationally. The Tourism and Hospitality industry sector is a major contributor to and driver economic activity and growth for many communities throughout Nevada, across the United States, and in other parts of the world. As this industry sector continues to grow and evolve, new opportunities to further diversify Nevada's Tourism and Hospitality industry sector and continue to emerge in order to attract a broader and more diverse set of tourists and visitors to the state. Some of the more prominent emerging trends in the Tourism and Hospitality industry sector, summarized in this sub-section, including Sustainable Tourism, International Volunteer Tourism, Food Tourism, Medical Tourism, Digital Tourism, and New Platforms that are transforming the tourist and visitor experience.

3.2.a Sustainable Tourism

Sustainable tourism is crucial to limiting the potential and anticipated effects of global climate change and to address the adverse impacts that tourism has on the environment, local economies,

and cultures. As people become more aware of climate change, sustainable travel is becoming increasingly important, with nearly 81.0 percent of travelers worldwide considering it a crucial factor. Sustainable travel is crucial to address the adverse impacts of tourism on the environment, local economies, and cultures that requires considering the economic, social, and environmental impacts of tourism while satisfying the needs of visitors, communities, and the industry. The three pillars of sustainability, economic, social, and environmental, are the foundation of sustainable travel and tourism. Promoting sustainable travel is essential, as tourism is accountable for approximately 8.0 percent of worldwide greenhouse gas emissions. The sustainable tourism market is valued at an estimated $1.0 trillion in 2022. Sustainable tourism market will increase at an estimated and robust 23.4 percent compound annual growth rate, and the market is expected to be valued at $ 8.4 trillion by 2032. The sustainable tourism market in the United States alone has a share of nearly 7.5 percent of the global sustainable tourism market. The key trends driving the sustainable tourism market in the United States are awareness about organic food, willingness to explore local sites, outdoor recreational activities, ecofriendly resorts, and proactive communities.

3.2.b International Volunteer Tourism

Voluntourism is nearly a $2.0 billion industry worldwide that combines volunteering and tourism and is the fastest growing specific trend in the broader global Tourism and Hospitality industry sector. Voluntourism generally involves travelers volunteering in impoverished communities while enjoying authentic experiences and achieving hedonic value. Voluntourism focuses on a participants' experience rather than their impact on communities. It is characterized by short-term commitments, group-oriented programs, no expertise required, participation for a fee, and emphasis on the voluntourist experience. Volunteering abroad can last from weeks to a year and requires specialized skills to benefit the project. Longer stays can be more effective. According to a recent United Nations estimate, there are currently nearly 109 million volunteer workers traveling and volunteering their time globally. According to GeckoGo's survey, approximately 44.0 percent of voluntourists tend to prefer trips that are longer than one month in general and nearly 42.0 percent of voluntourists surveyed prefer between two weeks and a month for their desired voluntourism trip.

3.2.c Food Tourism

Food tourism largely focuses on food and beverage experiences as the primary reason as to why individuals engage in travel and tourism activities. Food tourism often includes different culinary tours with accompanying events and special activities, cooking classes, and even entire food festivals designed to feature and highlight local and regional food traditions and customs. Since 2021, food tourism began to enter the mainstream of the broader Tourism and Hospitality industry sector nationally and globally with the help of social media platforms and food television programs featuring world-renowned chefs, restaurants, and events. Americans alone spend nearly 44.0 percent of their estimated annual food budgets eating out instead of cooking and preparing their own meals at home. The global food tourism market has grown to an estimated size of $805.9 billion in 2022 lone. Looking forward, IMARC Group expects the food tourism market to reach a total economic valuation of nearly $ 2,114.2 billion by 2028, with an

expected compound annual growth rate of nearly 17.7 percent over the next five-year, 2023 through 2028, period.

3.2.d Medical Tourism

Medical tourism largely focuses on providing medical services to tourists and visitors using all-inclusive packages centered on access to quality healthcare services and hospitality services. In general, medical tourism often includes a wide array of medical procedures, tailored health and wellness programs designed specifically for the individual visitor and consumer in mind, and medical retreats in destination locations. According to Market.us, the global medical tourism market achieved an estimated total economic valuation of nearly $11.7 billion in 2022 and is projected to reach approximately $35.9 billion by 2032, growing at an expected compound annual growth rate of nearly 12.2 percent over the 2023 to 2032 period.

3.2.e Digital Tourism

Recent and exponential growth in new technologies have been increasingly incorporated into almost all aspects of the Tourism and Hospitality industry sector as a way of enhancing the tourist's and visitor's overall experience. Digital tourism, also known as virtual tourism or online tourism, refers to the use of digital technologies to explore and experience tourist destinations from the comfort of one's own home. This concept has gained popularity in recent years due to the increasing use of smartphones, tablets, and other digital devices. Digital tourism allows travelers to research and plan their trips, explore destinations using virtual reality technology, and even participate in interactive tours and experiences. It has become an important tool for destinations to highlight their attractions, culture, and heritage to potential visitors, especially during the COVID-19 global pandemic when physical travel has been restricted. Digital tourism not only provides a convenient and accessible way for travelers to explore the world but also offers opportunities for destinations to engage with visitors and promote sustainable tourism practices. According to data from research conducted by the Milan International Stock Exchange, digital tourism grew by nearly 43.0 percent between 2021 and 2022 alone.

3.2.f New Platforms

Another important trend has been the rise of the sharing or 'gig' economy with platforms such as Airbnb and Uber disrupting traditional tourism and transportation markets and the broader Tourism and Hospitality industry sector nationally and globally. These platforms have enabled travelers to access more affordable and flexible lodging, broader hospitality, and transportation options and services, while also providing opportunities for individuals to earn extra income through sharing their homes or providing transportation services. While many of the existing platforms such as Airbnb and Uber have an established presence throughout the broader Tourism and Hospitality industry sector, new platforms are starting to emerge in other new and emerging tourism and hospitality areas including medical tourism and digital tourism. Several new and emerging telehealth or telemedicine platforms, which began to rise to prominence during the

COVID-19 global pandemic, have expanded by combining virtual medical services with in-person medical services in destination locations.

3.3 National and International "Hot Spots" of Tourism and Hospitality outside the State of Nevada

This sub-section identifies several distinct "hot spots" of tourism and hospitality throughout the United States and around the world. These examples serve to identify similarities and differences relative to the Tourism and Hospitality industry sector in Nevada and its unique supply chain and value network configuration relative to the how supply chains and value networks are configured in other parts of the United States and in other parts of the world. Each example area is already considered a significant tourism destination for national and international tourists and visitors. The examples highlighted in this sub-section include New York, New York, selected parts of the state of Florida, Telluride, Colorado, Bar Harbor, Maine, the United Arab Emirates, and the Scottish Highlands in Scotland.

3.3.a New York, New York, United States of America

The most prominent tourism hot spot in North America is New York, New York (or New York City). In 2019 alone, New York hosted upwards of 70 million total visitors. The Tourism and Hospitality industry sector in New York generates billions of dollars in annual economic activity, including job creation, increased tax revenue, and new business creation opportunities. Statewide, New York state tourism generates a total annual economic impact of nearly $117.0 billion with direct visitor spending of approximately $73.0 billion annually. New York City offers many tourist attractions including various historical landmarks, like the Statue of Liberty, professional sporting events, and world-renowned art exhibits. Leisure travelers comprise approximately 79.0 percent of total visitors and account for nearly 71.0 percent of total visitor spending. Lodging and food and beverage are the top two expenditure categories for visitor spending in New York according to the New York Department of City Planning.

There are approximately 127,000 hotel rooms across New York City, the majority of which are located in Manhattan, along with countless restaurants. Food and beverage makes up the largest portion of total employment in the Tourism and Hospitality industry sector in New York City with approximately 190,000 jobs. Hotels and hospitality in general also makes up a large portion of tourism-related jobs in New York City, accounting for approximately 18.0 percent of all tourism related jobs. New York's close proximity to other large cities like Boston and Washington D.C. makes it a popular place for day trips as it allows individuals to travel to nearby northeastern tourism hot spots. The COVID-19 global pandemic had dramatic effects on the Tourism and Hospitality industry sector of New York City and on the entire state. Strict travel restrictions and social distancing guidelines created immense challenges for the industry. Air Travel declined nearly 71.0 percent because of the pandemic and New York City's Tourism and Hospitality industry sector was slower to recover than the rest of the nation. Despite these setbacks and challenges, New York City and the entire state of New York each remain the

nation's most visited city and state and each has many factors and tourism and hospitality related assets and strengths that continue to contribute to overall tourism success.

The Tourism and Hospitality industry sector in New York City and for the entire state of New York, like Nevada, is supported by many governmental and private institutions such as hotels, restaurants, transportation providers, and attractions. In contrast to Nevada, New York's Tourism and Hospitality industry sector is more diverse in its offerings while Nevada's Tourism and Hospitality industry sector is primarily reliant on gaming and live entertainment. One of the most important parts of New York's Tourism and Hospitality industry sector is transportation. The New York area is home to three large international airports, including John F Kennedy International Airport, LaGuardia International Airport, and Newark Liberty International Airport. While Newark Liberty International Airport is actually located in the neighboring state of New Jersey, it is extremely close to the New York City area. These three airports combined serve approximately 75.0 million passengers from around the globe on an annual basis.

Comparatively, Nevada has only two international airports and the Reno Tahoe International Airport has more limited international and direct flights. New York City also has a robust public transportation system which most, if not all, of Nevada's local communities generally lack. Buses, trains, and ferries provide transportation for people traveling within and outside of New York City. This transportation system allows New York City to better capture tourists and visitors from the large cities that are just short distances outside of the New York City area. New York City and Nevada's primary tourist and visitor destination cities and communities also differ in that New York City is a coastal city that allows the area to have one of the largest seaports in the United States. The Port Authority of New York & New Jersey moved approximately 120.0 million tons of cargo in 2020 alone. In addition to handling vital commodities for the city's and state's Tourism and Hospitality industry sector, the Port Authority of New York & New Jersey also allows cruise ships and other water travel into New York. New York City and Nevada's primary tourist and visitor destination cities and communities are, however, similar in that they both have large urban 'hot spots' for tourism. In Nevada, the state's Tourism and Hospitality industry sector is largely centered on the Reno-Sparks Metropolitan Statistical Area and the Carson City Metropolitan Statistical Area in the northern part of the state and on the Las Vegas Metropolitan Statistical Area in the southern part of the state. Comparatively, the state of New York's Tourism and Hospitality industry sector is primarily centered on New York City itself.

3.3.b State of Florida, United States of America

In 2019, approximately 137.0 million people visited the state of Florida. Florida has the second longest coastline in the continental United States, making it a prime destination for maritime-based tourism. The tropical climate of Florida allows it to operate as a year-round tourism destination. Florida is home to multiple amusement parks including the largest in the world, Walt Disney World. Walt Disney World alone hosts millions of visitors annually from across the United States and from across the world. South Florida is known for its beaches and nightlife and for hosting various sporting events throughout the year. Florida's close proximity to the Caribbean and Latin America allows it to attract many tourists from these nations and to serve as a 'jumping off point' for tourists and visitors travelling to various Caribbean and Latin American

destinations. The tourism industry across the entire state of Florida generated a total economic impact of approximately $96.5 billion in 2019 and visitor spending reached nearly $98.0 billion. The lodging and food and beverage parts of Florida's broader Tourism and Hospitality industry sector represent the largest portions of visitor spending, capturing approximately 51.0 percent of combined total visitor spending. These two areas, lodging and food and beverage, also represent the largest portion of tourism-related jobs in Florida, employing nearly 721,000 total individuals annually.

Florida's Tourism and Hospitality industry sector is unique when comparing it to the rest of the United States in that Florida is one of very few places in the United States that offers a tropical environment for recreation. This allows Florida to be a year-round tourism destination. Comparatively, in Nevada, tourism is more of a seasonal activity. Florida also offers a more robust transportation network and a broader array of transportation services and options than are present in Nevada. Florida has many international airports including the state's three most significant airports, Orlando International Airport, Miami International Airport, and Fort Lauderdale International Airport. Both the economies of Nevada and Florida rely heavily on the Tourism and Hospitality industry sector. While Nevada's Tourism and Hospitality industry sector is widely known for entertainment and gaming, Florida's tourism is more focused on maritime-based tourism and amusement parks. Nevada and Florida both rely heavily on many interconnected businesses and government services to support their respective Tourism and Hospitality industry sectors. Florida's geographic location makes it an ideal travel destination for international travelers. With the exception of Las Vegas, Nevada's Tourism and Hospitality industry sector draws more from domestic travelers. The coastal location of Florida also allows it to have many seaports that adds to the overall strength and resiliency of the supply chain and value network of Florida's Tourism and Hospitality industry sector. Nearly 10.0 million cruise ship passengers visit Florida on an annual basis making cruise ship activities a vital part in the overall success of Florida's Tourism and Hospitality industry sector.

3.3.c Telluride, Colorado, United States of America

Nestled within a box canyon in southwestern Colorado, the town of Telluride is a popular rural vacation destination. In 2017, Telluride hosted nearly 211,000 total tourists and guests during the average summer month. Founded as a mining town in 1878, Telluride struggled in the 1950's and 1960's as mining and natural resource extraction activities declined. Fortunes changed in 1972 with the opening of the Telluride Ski Resort, which quickly shifted the town's appeal and primary source of economic activity to that of a tourism destination. The town increased in overall popularity when it became a 'secret getaway' for Hollywood film stars. Today, Telluride boasts a vast array of activities including skiing, snowmobiling, ice skating, bike trails, hiking, fishing, off-roading, and camping. Telluride hosts a bluegrass festival, air balloon festival, marathons, a film festival, and a classic auto show.

Telluride's Tourism and Hospitality industry sector supporting infrastructure is similar to that found in Nevada's many non-metropolitan communities and counties. Telluride offers similar activities, natural splendors, and events. Because of Telluride's general geographic isolation, many goods that are consumed by tourists and visitors must be trucked long distances from cities

like Montrose. Telluride has shared economic ties with the adjacent ski resort of Mountain Village. The combined population of Telluride and Mountain Village is just over 4,000 total individuals. Visitation is bimodal, with approximately 69.8 percent of guests arriving during the winter and summer months. These periods generate an estimated 85.8 percent of total tourism revenues. Telluride is rather dependent on its Tourism and Hospitality industry sector to generate overall economic activity. Three of the top four employers in the Telluride area are ski resort and hotels.

Only 18.0 percent of accommodations are in hotel rooms, with an estimated 59.0 percent in managed properties and an additional 23.0 percent in short-term rental properties. Most marketing and tourism strategies are developed and promoted by the Telluride Tourism Board, a non-profit organization with an annual budget of over $3.0 million. Historically, the Telluride Tourism Board functioned as a marketing arm for the town of Telluride, promoting off-season tourism from outside the region. More recently, Telluride has suffered from a lack of marketing as well as overall overcrowding due to increased tourism rates. It is now challenging to find affordable housing for seasonal tourism and hospitality employees. Overcrowding of popular tourist sights has led to the increased application of technology use to direct traffic flows and prevent overcrowding. In addition to marketing, the Telluride Tourism Board has established ties with local city and county governments and the Colorado Restaurant Association on behalf of local business owners. Through the Colorado Restaurant Association, restaurateurs gain access to preferred vendors and legal resources. Telluride Ski Resort has partnered with Vail Resorts to offer itself as an option on the Epic Pass. Music events like jazz and blues festivals require partnerships with a multitude of local vendors and musicians. Restaurants throughout the community of Telluride are highly reliant on tourism.

Maintaining transportation access remains a critical part and concern for the Tourism and Hospitality industry sector in Telluride. Winter months are characterized by substantial snowfall and the closure of all but one road. Traffic congestion resulted in the building of a free gondola to permit travel without the use of automobiles. Telluride also requires permanent residents to purchase parking permits. Telluride has its own airport with flights to Denver and nearby Montrose Airport offers connecting flights that are operated by several United States based airlines.

3.3.d Bar Harbor, Maine, United States of American

Located on Mount Desert Island along the Atlantic coastline in Maine, Bar Harbor bears few geographical similarities Nevada although both Bar Harbor, Maine and most Nevada communities, especially Nevada's more rural and non-metropolitan communities and counties, do share a 'remoteness' that lends itself to a variety of outdoor recreation and leisure activities. Historically a summer resort for wealthy New Englanders, Bar Harbor is a well-known today as a major tourist destination, drawing over 7.0 million tourists to this town of just over 5,000 total permanent residents. Bar Harbor owes much of its success to the fact that Mount Desert Island is home to Acadia National Park, founded in 1919. According to the National Park Service, Acadia National Park draws an estimated 4.0 million visitors per year, placing it in the top ten of most-

visited national parks in the United States. In addition to the national park, Bar Harbor offers a wide variety of dining, live entertainment and events, and hotel accommodations.

Like much of Nevada, a significant portion on Mount Desert Island is owned by the United States federal government and managed by various federal government agencies that necessitates close economic ties with the federal government. Tourism and hospitality remain critical to the economic welfare of Bar Harbor, with accommodations and food services according for the majority of employment in the Tourism and Hospitality industry sector. Tourism is highly seasonal with most visitors arriving during the summer months and, to a lesser extent, between September and October. According to a University of Maine report on the impacts of the COVID-19 global pandemic on local tourism, hospitality generated approximately $225.0 million in tourist and visitor expenditures in 2019, with an estimated 46.0 percent of this total occurring in July and August. This closely matches peak visitation patterns for Acadia National Park. Dining generated $119.0 million with $41.0 million in other retail sales. Increased tourism draws seasonal employees, further increasing the community's residential population over the summer months. This results in increased traffic congestion, a higher burden on regional public services, and increasing housing shortages and rising rent price hikes.

The challenges and difficulties regarding transportation to and from Bar Harbor bears striking similarities to some of the transportation challenges and difficulties many of Nevada's more rural and non-metropolitan communities currently face. Maine State Route 3 connects Mount Desert Island to the mainland, forming the only means of automobile travel. Tourists and visitors can fly into nearby Hancock County-Bar Harbor Airport from Boston, though a greater number of guests land at Bangor International Airport located approximately one hour away. Uniquely, some Bar Harbor visitors arrive by cruise ships that visit the port that arrive from international destinations on an almost daily basis. A 2017 study by the University of Maine estimated that 138,285 cruise ship passengers visited Bar Harbor in 2016 and generated an annual economic impact of nearly $20.2 million in local spending. Additional tourist and visitor related spending is generated from servicing cruise ships that are docked in Bar Harbor. However, Bar Harbor residents voted in 2022 to reduce the total number of cruise ship passengers permitted to set foot in Bar Harbor, citing the need to encourage and increase hotel visitation by non-cruise ship guests.

3.3.e United Arab Emirates

In recent years, the United Arab Emirates has attempted to diversify its economy by investing heavily in the further growth and development of its Tourism and Hospitality industry sector. Because of these efforts, two tourism hot spots have emerged in the United Arab Emirates, Abu Dhabi and Dubai. In 2016, travel and tourism generated an estimated $43.3 billion in total economic impact, accounting for nearly 12.1 percent of the United Arab Emirates total Gross Domestic Product. By 2027, this economic impact is expected to reach nearly $72.0 billion and eventually accounting for nearly 12.4 percent of total Gross Domestic Product. Including existing jobs that indirectly support the United Arab Emirates Tourism and Hospitality industry sector, total industry-wide employment was an estimated 617,500 in 2016. This estimate is expected to increase to 770,000 jobs by 2027.

Abu Dhabi, the capital of the United Arab Emirates, is located on the coast and includes various islands located along the coastline, providing a tropical tourist experience. Abu Dhabi is the second most populated emirate within the United Arab Emirates, second only to Dubai. Abu Dhabi International Airport is the second largest airport in the United Arab Emirates and provides shuttles for visitors to easily travel throughout the city. Abu Dhabi offers a wide variety of activities for tourists and visitors ranging from outdoor recreation to sporting events and nightlife. Outdoor recreational activities within the emirate include Mangrove National Park, Yas Island water activities, sunset cruises, camel trekking, and desert safaris. The emirate has multiple sporting venues, hosting soccer, cricket, and mixed martial arts events. The Yas Marina Circuit hosts several racing events, including the Abu Dhabi Grand Prix. Aside from the emirate's efforts to directly attract tourists seeking leisure and recreation, Abu Dhabi also offers numerous activities for tourists looking to experience the region's cultural heritage as well. Abu Dhabi has numerous museums, places of religious and spiritual significance, and archaeological parks.

Like Abu Dhabi, Dubai is situated along the coast of the Persian Gulf. Dubai is known for its modern architecture and numerous skyscrapers, namely the Burj Khalifa, the tallest building in the world. It hosts the Dubai International Airport, the third busiest airport in the world in 2018. The emirate hosts several amusement parks with roller coasters and water rides. Retail shopping is an integral part of Dubai's Tourism and Hospitality industry sector as Dubai is home to the Dubai Mall, the largest mall in the world, and various other malls with distinct themes, stores, and restaurants that appeal to a wide variety of interests. The emirate hosts various festivals that tourists can experience and participate in, such as the Dubai Shopping Festival, Eid Al Fitr, and the Dubai International Jazz Festival. Beach side leisure and water activities are a popular attraction within the emirate. Land reclamation projects, like the Palm Jumeirah, have expanded coastal lodging options and market the emirate as a luxurious and tropical location through the palm tree shaped islands.

Much like Nevada, the United Arab Emirates' Tourism and Hospitality industry sector is largely centered around two 'hot spot' locations, Abu Dhabi and Dubai. The United Arab Emirates is an outlier in comparison to other popular tourist locations globally as it is heavily reliant upon international travelers and international workers to fill positions in the Tourism and Hospitality industry sector. This dependency was exposed during the COVID-19 global pandemic as international travel was heavily restricted, resulting in over a 70.0 percent decrease in total tourist and visitor spending over the course of the pandemic. From the domestic airlines, Emirates and Etihad, to the modern hotels, malls, event centers, and infrastructure, the United Arab Emirates crafts an image of luxury and exuberance as part of the tourist and visitor experience. The United Arab Emirates' 'hot spots' benefit from their general geographic proximity, as they are roughly 1.5 hours away from one another by automobile or roughly 3.0 hours away via public transportation. This enables tourists to easily visit both locations in a single trip. Airline infrastructure is continually being upgraded and expanded within the region, one of the key factors in growing tourism and hospitality throughout the country. As of 2016, Dubai was responsible for over 66.0 percent of the country's tourism and hospitality economy,

while Abu Dhabi made up an additional 16.0 percent of total tourism and hospitality economic activity.

The United Arab Emirates does not operate a countrywide tourism agency, instead leaving tourist planning and marketing up to the individual emirates. Because of this, each emirate views attracting tourists more as a competition than a collaborative effort, although the impacts of the COVID-19 global pandemic have pushed both Abu Dhabi and Dubai to reconsider this position and work more collaboratively on broader tourism and hospitality marketing and broader industry development efforts. This change in approach is also evident in the plans to invest more into other areas outside Abu Dhabi and Dubai in order to bolster those emirates that lack the infrastructure that Abu Dhabi and Dubai have developed over the past several decades. Because of scorching summer temperatures that can climb as high as 130° Fahrenheit, tourism within the region is mostly seasonal with peak tourism occurring between December and March. These harsh summer conditions often means that many outdoor activities cannot sustain consistent yearlong patronage. Efforts have been made to combat this through the further development of world-renowned shopping and recreation centers spanning thousands of acres of land that are indoors.

3.3.f Scottish Highlands, Scotland

The Scottish Highlands are located in the northwest region of Scotland. The Highlands have a total estimated population of approximately 230,000 permanent residents. However, the Highlands are sparse, with an estimated nine people per kilometer or 23 people per mile. By comparison, Nevada has around 28.3 people per mile or 11 people per kilometer. The Highlands are a popular rural destination. The Scottish Highlands are unique due to their culture and environment, which typically draw nearly 6.0 million visitors annually. The busy season for the Highlands are the summer months of May through September. The Highlands can be an unforgiving environment with erratic and harsh weather. Most tourists and visitors visit the region during the summer months to avoid the region's more harsh weather patterns. During the summer months, Scotland hosts the Highland Games, a tradition that dates back hundreds of years. These games highlight some of the most well-known aspects of Scottish culture such as kilts, stone put, and tug of war.

Scotland, like Nevada, has a large amount of publicly accessible land. Much of Scotland's land is publicly owned and the 2003 Land Reform Act makes most privately owned land open to public access. These land patterns create a unique opportunity for visitors to explore almost any part of the Highlands. Like Nevada, tourism and hospitality account for a large portion of the nation's total economy. According to the Scottish government, the Tourism and Hospitality industry sector contributes nearly $6.0 billion to national Gross Domestic Product, or around 5.0 percent. The Scottish government has brought together a number of stakeholders that work to further develop and diversity the nation's Tourism and Hospitality industry sector and to promote sustainable tourism. These stakeholders include groups like VisitScotland, the Scottish Beer and Pub Association, and a group called the Highlands and Islands Enterprise that carefully focuses on the region's economic welfare. Tourists and visitors to the region can enjoy a diverse range of activities with many options emphasizing nature and local history. One notable

destination is Loch Lomond, rumored to be the home of the legendary Loch Ness Monster. The Glenfinnan Viaduct, part of the West Highland Line railway, is also a famous tourist and visitor destination and appeared in the Harry Potter movie franchise. Additionally, the Isle of Skye in the western Highlands boasts stunning scenery that attracts many visitors on an annual basis.

Transportation is one area where Scotland possesses a significant advantage. With a land area of around 30,000 square miles, Scotland is geographically about three times smaller than Nevada. This makes across Scotland faster and more accessible to some of the more remote regions of Scotland. Larger airports in Scotland are within a two to three hour drive of the Scottish Highlands. Scotland also has a well-developed public transportation network that blends train and bus travel. For example, ScotRail offers train rides all over the Scottish Highlands with ride times varying between three and five hours depending on the location and destination. ScotRail also operates train services from major airports located in major population centers such as Glasgow. Stagecoach also has a large presence in Scotland, offering bus rides from major airports to the Highlands as well as with connecting major cities and other population centers. Inverness Airport, located in the Scottish Highlands, is another option for tourists and visitors visiting the region by air. While it is a smaller airport that only accepts intra-European flights, Inverness accepts many flights from Heathrow Airport located in London, one of the United Kingdoms' largest and busiest airports.

3.4 Key Trends in the Shifting Nature of National and International Tourism and Hospitality

This sub-section provides a comprehensive analysis of the national and international nature of tourism and hospitality. More specifically, this segment evaluates the evolving nature of the Tourism and Hospitality industry sector utilizing the results of the strengths, weaknesses, opportunities, and threats analysis presented in Section 2.0 of this University Center for Economic Development and input provided by representatives of the Nevada Department of Tourism and Cultural Affairs. Relevant innovations and disruptive elements that have affected tourism and hospitality both internal and external to Nevada are evaluated.

3.4.a Affects via Innovation in the Marketplace

Advances in digital technologies and use and advances in physical infrastructure are driving significant change in the nature of national and international tourism and hospitality. These advances and changes are also having direct impacts on the continued development and evolution of Nevada's Tourism and Hospitality industry sector, resulting in needed changes to how the industry sector's value network and supply chain is constructed and utilized to support further growth and diversification of the sector.

3.4.a.1 Digital Advances

Despite the reduction in, especially, international travel that occurred because of the COVID-19 global pandemic, the COVID-19 global pandemic resulted in increased domestic demand for

travel. During the course of the COVID-19 global pandemic, there was a significant increase in the total number of visitors exploring Nevada's tourism website, TravelNevada.com. Along with tourism, the pandemic has also increased total Internet traffic to an 'unprecedented rate', causing many individuals to continue to utilize the Internet. According to the Institute of Electrical and Electronics Engineers, the "Global internet bandwidth rose by 28 percent in 2022". Because of this increase in overall Internet usage, tourism will likely become more technologically oriented. Specifically, tourism-oriented companies may have to invest more in development and implementing websites that are designed to attract tourists and spread overall awareness. This observation is supported by the Nevada Department of Tourism and Hospitality that notes that tourism-oriented companies and organizations may struggle to grow tourism locally due to a "lack of usable tourism websites in destinations that are not particularly well-funded". Further developing and implementing websites is also effective on a global level, as these efforts have proven to be an effective strategy in other parts of the United States and in other parts of the world. Although the use of artificial intelligence is currently being explored via devices like ChatGPT to enhance and encourage tourism and visitation, these technologies may be more of a burden than a benefit due to limiting infrastructure assets and overall cost.

Another significant shift in the Tourism and Hospitality industry sector is the general rise of technology and the increased use of technical to provide a better overall guest experience. Advances in technology have enabled the ability for businesses to offer better customer experiences. For example, hotels can now give virtual walkthroughs of their facility and of the rooms that they provide. These hospitality and lodging firms can also utilize customer data to tailor their services and create a unique and more personalized experience. Customers want more information, more personalization, and more technology, including the incorporated use of a digital room key to online ordering, payment, and the ability to leave and read reviews of previous guests. Technology has the potential to reduce the overall need for labor and effectively reduce the strain on the current labor market for workers across the entire Tourism and Hospitality industry sector. This reduced need for labor can help ensure that hotels are cleaned on time. According to Wampler, "If visitors don't have a quality experience, or it doesn't match what they feel they are paying for, they will not be coming back". Technology as a whole will further enable the Tourism and Hospitality industry sector to take advantage of opportunities to strengthen the entire sector moving into the future.

3.4.a.2 Physical Infrastructure

The immediate and more long-term impacts of the COVID-19 global pandemic has encouraged individual communities to be more resilient in the face of future disruptions. Communities have been provided more funding as, according to White, "many governments quickly announced major infrastructure stimulus packages alongside a series of governance reforms to speed delivery". Continued investment in and modernization in physical infrastructure assets over the past several years, both during and before the pandemic, has been a strength across Nevada, particularly relating to enhanced modernization efforts, upgraded convention centers, and more personalized branding for individual regions across Nevada. Internationally, the enhancement of tourism-related infrastructure, including transportation, communications, and hotels, have had, according to Nguyen, a "positive and robust impact on attracting international visitor arrivals".

Although outdoor recreation and travel to more rural and non-metropolitan areas has become a growing part of the broader Tourism and Hospitality industry sector, modernization and continued improvement of critical infrastructure is still vital to the overall success and future resiliency of Nevada's Tourism and Hospitality industry sector.

3.4.b Affects via Disruptive Events

Disruptive events are events that have the potential to significantly alter, within a short period of time, the characteristics and long-term trajectory of the Tourism and Hospitality industry sector. Disruptive events examined as part of this mapping of the value network and supply chain of Nevada's Tourism and Hospitality industry sector include the COVID-19 global pandemic, shifting political beliefs and community attitudes toward tourism and hospitality, and other advancing technologies.

3.4.b.1 The COVID-19 Global Pandemic

The COVID-19 global pandemic has affected Nevada's Tourism and Hospitality industry sector in a number of critical ways. For instance, in the spring of 2020, domestic tourism experienced a sharp decline due to the pandemic. Even after the pandemic the pandemic has changed a majority of individual's perspective on tourism. Tourists are now more concerned about health and safety while traveling. Due to the public's heightened awareness of health and safety, there has been a surge in demand for destinations that prioritize health and safety measures such as social distancing, mask-wearing policies, and sanitization procedures.

In an effort to mitigate the spread of the COVID-19 virus, various traveling restrictions were implemented. These restrictions have been so damaging to the travel industry that pre-pandemic levels of international travel are not to return to pre-pandemic levels until 2025. An article from the Department of Management in New Zealand notes that decreased levels of tourism as a result of the COVID-19 global pandemic has also impacted tourism on a global level, stating that "international tourist arrivals globally for the period January to July 2022 was 43 percent in comparison to 2019". According to a report by the U.S. Travel Association, these travel restrictions have caused an increase in domestic travel. Lacking destination alternatives, many Americans participated in more road trips and visited landmarks located closer to their homes. This shift towards domestic travel has been attributed to several factors, including ongoing uncertainty surrounding international travel and a desire for less crowded areas.

Specifically, the COVID-19 global pandemic has created new preferences oriented around local and regional travel. The American Traveler Survey of February 2023 found that a primary driver regarding travel decisions was to "connect with nature and the outdoors". Researchers studying the pandemic's global impact on tourism tend to align with the American Traveler Survey's results, noting that "nature will be explored more in the post-COVID-19 era" and "free spaces, remoteness, air purity and water freshness will gain more value for tourists leading to a significant rise of domestic tourist flows to protected areas". Because of this shift in demand, community-based tourism has gained traction as a means of engaging local communities in

tourism development efforts. Community-based tourism involves working closely with local communities to create authentic and sustainable tourism experiences.

3.4.b.2 Shifting Political Beliefs and Attitudes Toward Tourism and Hospitality

Tourism has become more focused on travel to more rural and non-metropolitan regions. Wlla Obeidat, a researcher focusing on tourism and hospitality at the University of Mutah, notes that this shift in tourism is "linked to local efforts to mitigate the socio-economic impact of the COVID-19 pandemic and the series of lockdowns that accompanied it". Local efforts made by the Nevada Department of Tourism and Cultural Affairs align with this statement as shown through their implementation of the new "Destination Development Program" which emphasizes assisting "rural areas develop their tourism industry in ways that were not available to them". This emphasis on rural areas and communities may be difficult to implement on both a national and international level as different geo-political boundaries have made it difficult for both domestic and international tourists to feel welcomed. Sustainability has also become a primary concern for international tourists, especially younger travelers. This trend is driven by growing awareness of the environmental impact of tourism and the desire to minimize negative impacts. The Glasgow Declaration, launched by the United Nations World Tourism Organization and the One Planet Sustainable Tourism Program, exemplifies the global commitment to sustainable tourism.

3.4.b.3 Advancement in Technology

Typically, the advancement of technology is great for, as argued by Limna, "enhancing customer experience" and "improving corporate performance", however the rise of artificial intelligence could potentially negatively affect the broader Tourism and Hospitality industry sector. Despite several positive opportunities, the use of artificial intelligence is expected to, according to Limna, formulate "job loss in low-tech sectors, loss of control due to robot autonomy, and safety, security, and privacy concerns". Ultimately, these negative effects may result in reinforcing the current shift of tourism away from larger cities to more rural and nonmetropolitan communities as these rural areas tend to lack the technological infrastructure capable of supporting high tech systems.

Technologies such as virtual and augmented reality have the potential to profoundly alter the Tourism and Hospitality industry sector as a whole. Virtual or augmented reality has many uses, from experiential (digitally experiencing an event) to informational (displaying information for relevant items in local vicinity) in order to enhance the customer experience. This technology can either help or hurt the overall Tourism and Hospitality industry sector. Although there is a potential for wide spread disruption, the transition is not as simple as a transition from reality to virtual reality. There are joint efforts that can be undertaken to enable a better guest experience than before. An interesting perspective provided by Stephen Kaufer, CEO of TripAdvisor, is that "virtual experiences will flow back into a rediscovery of the value of real experiences. And beyond that, to a hunger for real experiences with clearer and more diverse purposes". There is the potential for both physical and digital worlds to form synergy and bring balance to the future of tourism and hospitality throughout Nevada and across national and international tourism and

hospitality markets. Given that virtual reality is here to stay, leveraging this new technology to pioneer new advantages for the state of Nevada is a significant opportunity to further diversify and grow the sector.

3.4.c Other Notable Affects and Trends

There have been significant changes throughout the global Tourism and Hospitality industry sector over recent years, both nationally and internationally. Like much of the rest of the world, there has been a shift toward sustainable tourism practices and an increased focus on diversity and inclusion in Nevada and across Nevada's own Tourism and Hospitality industry sector.

3.4.c.1 Sustainability

One of the main changes to the Tourism and Hospitality industry sector has been an increased focus on sustainability. The global ecotourism market, according to The Business Company Research, has "grew to $200.8 billion in 2023, with a compound growth rate of 5.8%". People in general are becoming increasingly aware of the impacts of pollution directly resulting in tourist and visitor activities. According to the National Tourism Organization, about 81.0 of tourists consider sustainability relevant in their own tourism and visitor decisions. As a result, many businesses and destinations have begun to adopt sustainable tourism practices such as conserving energy, reducing waste, and supporting their local communities. Among the most recent expectations in the United States by tourists is the exploration of nature and local culture. Part of this driving force is included under the umbrella of 'ecotourism', which seeks to satisfy the demand of tourists and visitors through responsible travel in conserved natural areas and promoting the well-being of the local population. This perspective emphasizes projects with greater environmental and social awareness as well as the promotion of the local economy.

3.4.c.2 Diversity and Inclusivity

Inclusion, diversity, and accessibility have become important elements of the broader Tourism and Hospitality industry sector. According to a recent study completed by TTG Asia, approximately seven out of every ten tourists and visitors are looking for inclusive travel plans. This trend and shift in tourism and hospitality consumer preferences and demand has produced greater social awareness among individual companies, generating more opportunities and approaches that create a suitable environment for the largest number of tourists, serving different cultures, in different languages, motor skills, religions, and dietary needs. Recent examples of how this trend has manifested itself in the evolution of the Tourism and Hospitality industry sector is, according to Amadeus in 2015, the investment made to appeal to travelers with special needs in the hotel market in Europe and the United States, approximately $70.0 billion in total investment. This is not only limited to the demand but also seeks to promote this same integration and acceptance within the workspaces or communities that offer these experiences. In this way, inclusive tourism promotes the joint benefit of workers involved in the Tourism and Hospitality industry sector and the tourists and visitors that they serve by creating a convenient, inclusive, and pleasant environment.

3.4.d Concluding Observations regarding the Shifting Nature of Tourism and Hospitality

Internationally, the COVID-19 global pandemic has played a significant role in affecting the global Tourism and Hospitality industry sector. As the pandemic spread across the world, widespread travel restrictions and physical lockdowns had a direct and negative economic impact on the sector. These lockdowns were unique to different parts of the United States, halting traffic from certain countries to different parts of the United States based on selected restriction approaches. One severe lockdown example which is only starting to change after nearly three years is the China-based 'Zero Covid-19 Policy' that, according to Sela in 2022, nearly led to a near and full collapse of the entire industry sector. The most recent Russian invasion of Ukraine, begun in in February 2022, is having significant impacts on the Tourism and Hospitality industry sector of eastern European. These impacts could be very costly according to the United Nations World Tourism Organization, noting that, "at least US $14 billion in tourism receipts could be lost as a consequence of a prolonged conflict". The effects of this war are international and include "economic factors which could affect travel demand include surging oil prices and overall inflation, as well as interest rate hikes and the continued disruption of supply chains". The rise in vacation for friends and relatives and multi-purpose or blended travel has also emerged as a trend in international tourism. This type of travel combines business trips with leisure activities, driven by the desire to maximize the time and resources spent on travel and to create a more fulfilling experience.

The Tourism and Hospitality industry sector in Nevada is currently confronting a multitude of challenges, stemming from both international and domestic tourism shifts. Nevada's Tourism and Hospitality industry sector continues to struggle with a shortage of labor, with hotel job opportunities exceeding pre-pandemic levels by approximately 20.0 percent to 30.0 percent, which could potentially affect service quality and customer experience negatively. Sustainability and continued and mounting supply chain concerns are expected to lead to increased operational expenses and escalated consumer prices, potentially causing tourists to refrain from visiting Nevada. To cope with these challenges, Nevada must tackle the issues of labor scarcity, sustainability, and adapt to the changing preferences of tourists. Nevada can attract more environmentally conscious tourists and build a more sustainable industry by emphasizing sustainable practices and community-based tourism. Technology and innovation can be harnessed to support digitization initiatives, optimize cultural resources, and address labor shortages in the sector. Although rural-based tourism is increasing in popularity, it is still vital to understand that Nevada's Tourism and Hospitality industry sector is largely center on gambling and gaming related activities. Post pandemic, total gaming wins and total gaming revenue collected by Nevada-based casinos and casino hotel resort properties continued to increase reaching a new record of approximately $14.8 billion in 2022. Understanding where and how to balance marketing between promotion of rural and non-metropolitan areas and more urban and metropolitan gaming and gambling related activities will be one of the main challenges for the state of Nevada moving forward.

For international, national, and local environments, the COVID-19 global pandemic highlighted the importance of adaptability and resiliency in facing future threats to the long-term viability and growth of the Tourism and Hospitality industry sector. During the global lockdown, many

tourism and hospitality firms employed digital means to promote their services and attractions, an innovation that appears to be lasting beyond the pandemic itself. The isolation and travel restrictions caused by the COVID-19 global pandemic encouraged travelers to focus their vacation time on more rural and non-metropolitan regions. Geopolitical barriers, lack of additional needed infrastructure, and an ever increasing demand for improved health and safety precautions each represent challenges that could derail future efforts to support, grow, and diversify tourism and hospitality throughout Nevada in Nevada's more rural and non-metropolitan communities and regions. Tourism and hospitality in Nevada can benefit from the various trends and shifts in national and international tourism and hospitality in a variety of ways. For example, deploying marketing campaigns oriented towards more rural areas, modernizing existing infrastructure to provide a tailored experience, and continuing to enhance public health and safety are ways in which Nevada's Tourism and Hospitality industry sector could potentially be benefited from. Recognizing the various trends and shifts in demand for tourism and hospitality activities and opportunities will ultimately strengthen the sector's overall resiliency in the face of future disruptive events.

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4.0 A Comprehensive Value Network and Supply Chain Map of the Tourism and Hospitality Industry Sector in Nevada

This section of this University Center for Economic Development technical report presents an edited version of the initial white paper developed for Part 3, *A Comprehensive Value Network and Supply Chain Map of the Tourism and Hospitality Industry Sector in Nevada*. Part 3 of this analysis of the value network and supply chain of Nevada's Tourism and Hospitality industry sector included the following elements:

- An analysis by regional economic development authority of key measures of economic performance of Nevada's *Tourism and Hospitality* industry sector including, but not limited to, employment compensation, total employment, and propriety income.

- Identification and discussion regarding existing and possible leakages amongst the value network and supply chain in Nevada's *Tourism and Hospitality* industry sector and directly and indirectly related industry and occupation sectors.

- Final development of comprehensive Input-Output model for Nevada's *Tourism and Hospitality* industry sector and an examination of how the results of this model apply to critical value network and supply chain management functions including, but not limited to, the building of a true value network and supply chain for Nevada's Tourism and Hospitality industry sector, the importance and types of relationships and partnerships that may exist within this industry sector, and the role that strategic planning plays in the growth and development of this industry sector.

This report presents a comprehensive map of the value network and supply chain of Nevada's Tourism and Hospitality industry sector. The analysis was performed using IMPLAN, a platform that combines different databases, economic factors, demographic statistics, and well-defined econometric models. Data used for this analysis included available data from 2021 since that was the most recent dataset available. For Nevada's Tourism and Hospitality industry sector as a whole, for each of the eight regional economic development authorities and for the entire state of Nevada, key measures of economic performance including, but not limited to, total output, total employment, gross inputs, and regional inputs were collected and analyzed. Analysis of Nevada's Tourism and Hospitality industry sector incorporated specific criteria including use of the Regional Purchase Coefficient (RPC) that measures the proportion of local demand for a commodity that is currently met by local production, and Regional Supply Coefficient (RSC) that measures the proportion of local supply of a commodity that goes to meet local demand. In general, gaps in a local or regional value network or supply chain exists when higher average RPC values and lower average RSC values are present, resulting in a scenario where local demand is well below the large quantities of the commodity produced.

Total economic output for the entire state of Nevada in 2022 was an estimated $326.0 billion with total employment of approximately 1.7 million individuals. Nevada relies heavily on the Tourism and Hospitality industry sector to drive economic activity and growth. An estimated 457 individual industry sector exist in Nevada with several of these sectors linked directly to the broader Tourism and Hospitality industry sector. One of the main industry sectors that supports overall tourism and hospitality is Hotels and Motels, Including Casino Hotels. Hotels and Motels, Including Casino Hotels rank third in-terms of total economic output with an estimated $12.34 billion in 2021 alone. Hotels and Motels, Including Casino Hotels is in the top 20 industry sectors in average proprietor income and this sector had the highest total employment in Nevada, employing an estimated 90,684 total individuals. Many industries and individual commodity sectors are not directly linked to tourism hospitality but support sectors such as Hotels and Motels, Including Casino Hotels in order to support broad tourism and hospitality activities.

The commodity most demanded by the Hotels and Motels, Including Casino Hotels is Food Service. Individual firms such as limited-service restaurants and full-service restaurants support the Hotels and Motels, Including Casino Hotels sector and are part of the Food Service sector. Limited-service restaurants and full-service restaurants had a combined economic output of approximately $12.29 billion. Limited-service restaurants rank third in total employment, employing an estimated 60,005 individuals, and full-service restaurants rank fourth in total employment, employing an estimated 56,941 individuals. Another industry which is in the top 20 industries in Nevada in 2021 is Gambling Industries (Except Casino Hotels) because it is directly connected to various hospitality functions. The Gambling Industries (Except Casino Hotels) sector employed an estimated 29,826 total individuals and a total economic output of approximately $5.32 billion in 2021. Appendix A of this University Center for Economic Development contains the resulting IMPLAN analysis performed for the statewide Tourism and Hospitality industry sector for the state of Nevada as a whole.

4.1 Analysis of Economic Performance by Regional Development Authority in Nevada within the Tourism and Hospitality Industry Sector

In order to better inform statewide new business development and attraction and existing business retention and expansion efforts across Nevada in order to close identified ‘gaps’ in the value network and supply chain of Nevada’s Tourism and Hospitality industry sector, an analysis of overall economic performance of the Tourism and Hospitality industry sector for each of Nevada’s eight regional economic development authorities was completed. Nevada’s eight regional economic development authorities, as of the publication of this University Center for Economic Development technical report are:

- Economic Development Authority of Western Nevada (Washoe County)
- Churchill Fallon Economic Development (Churchill County)

- Lincoln County Regional Development Authority (Lincoln County)
- Las Vegas Global Economic Alliance (Clark County)
- Nevada 95-80 Regional Development Authority (Humboldt County, Pershing County)
- Northern Nevada Regional Development Authority (Carson City, Douglas County, Lyon County, Mineral County, Storey County)
- Northeastern Nevada Regional Development Authority (Elko County, Eureka County, Lander County, White Pine County)
- Southwest Central Regional Economic Development Authority (Esmeralda County, Nye County)

Subsequent analysis regarding backward and forward linkages within the value network and supply chain of Nevada's Tourism and Hospitality industry sector is also performed at the regional development authority level and for the state of Nevada as a whole.

4.1.a Economic Development Authority of Western Nevada

Appendix B of this University Center for Economic Development technical contains the resulting IMPLAN analysis results including tables for the region's top industry sectors in-terms of total economic output, total employment and total output by commodity produced by industry sector, and backward linkages and forward linkages for the Economic Development Authority of Western Nevada within the Tourism and Hospitality industry sector. Washoe County is the second most populated county in Nevada with 493,392 residents and includes the City of Reno, the City of Sparks, and parts of Lake Tahoe. Washoe County follows some of the same trends as the whole state of Nevada in that Washoe County's Tourism and Hospitality industry sector is largely based on hotels and casinos and various related hospitality and gaming activities and services. Total employment in Washoe County is an estimated 296,000 total individuals and a total economic output is an estimated $59.0 billion.

There are 361 individual industry sectors represented within the Economic Development Authority of Western Nevada's region with some of the region's largest industry sectors tied directly to tourism and hospitality. Hotels and Motels, Including Casino Hotels is the region's seventh largest industry sector with total economic output of approximately $929.0 million in 2021 and is ranked sixth in-terms of total employment, employing an estimated 7,380 total individuals. Linked to Hotels and Motels, Including Casino Hotels as part of the region's value network and supply chain, limited-service restaurants is ranked 11th in-terms of total economic output (and 11th in-terms of total employment) and full-service restaurants is ranked 23rd in-terms of total economic output. All other food and drinking places, along with limited-service restaurants and full-service restaurants, are each in the top 20 of industry sectors in-terms of total employment within the Economic Development Authority of Western Nevada's region.

4.1.b Churchill Fallon Economic Development

Appendix C of this University Center for Economic Development technical contains the resulting IMPLAN analysis results including tables for the region's top industry sectors in-terms of total economic output, total employment and total output by commodity produced by industry sector, and backward linkages and forward linkages for the Churchill Fallon Economic Development region within the Tourism and Hospitality industry sector. Churchill Fallon Economic Development includes only Churchill County. Churchill County is the eighth most populated county in Nevada with an estimated 25,723 total residents. Total economic output in Churchill County and throughout the Churchill Fallon Economic Development region was an estimated $2.0 billion in 2021 with an estimated total employment of 13,024 individuals employed.

Churchill County's top two industries in 2021 were Employment and Payroll of Federal Government, Military and Owner-Occupied Dwellings, with a combined total economic output of approximately $277.0 million. Tourism and hospitality in Churchill County and throughout the Churchill Fallon Economic Development region is mostly centered on outdoor recreation. Sightseeing and transportation and support activities for transportation was the fifth largest sector with total economic output of approximately $81.6 million and the third largest sector in-terms of total employment, employing an estimated 663 total individuals. This sector contributes directly to the Tourism and Hospitality industry sector in Churchill County by providing critical transportation services to several outdoor recreation areas and destinations located throughout the county.

4.1.c Lincoln County Regional Development Authority

Appendix D of this University Center for Economic Development technical contains the resulting IMPLAN analysis results including tables for the region's top industry sectors in-terms of total economic output, total employment and total output by commodity produced by industry sector, and backward linkages and forward linkages for the Lincoln County Regional Economic Development Authority region within the Tourism and Hospitality industry sector. The Lincoln County Regional Economic Development Authority region includes only Lincoln County. As of 2020, the total population of Lincoln County was an estimated 4,525 total individuals with countywide Gross Domestic Product of approximately $185.0 million.

The top five industry sectors in the Lincoln County Regional Economic Development Authority region, in-terms of total economic output included Owner-Occupied Dwellings, Wholesale-Petroleum and Petroleum Products, Employment and Payroll of Local Government, All Other Crop Farming, and Beef Cattle Ranching and Farming, including Feedlots and Dual-Purpose Ranching and Farming. The total economic output of all industry sectors combined in Lincoln County and throughout the Lincoln County Regional Development Authority was an estimated $321 million, employing an estimated 1,940 total individuals. No sectors relating to Tourism and Hospitality were in the top 20 industry sectors for Lincoln County and for the Lincoln County Regional Development Authority.

4.1.d Las Vegas Global Economic Alliance

Appendix E of this University Center for Economic Development technical contains the resulting IMPLAN analysis results including tables for the region's top industry sectors in-terms of total economic output, total employment and total output by commodity produced by industry sector, and backward linkages and forward linkages for the Las Vegas Global Economic Alliance region within the Tourism and Hospitality industry sector. The Las Vegas Global Economic Alliance region includes only Clark County, which had a total combined economic output of approximately $226.7 billion, total employment of 1,293,905 total individuals, and a countywide Gross Domestic Product of approximately $136.2 billion. Owner-Occupied Dwellings was the largest industry sector in Clark County in-terms of total economic output, totaling an estimated $11.9.0 billion.

The second largest industry in-terms of total economic output was the other Real Estate industry sector with an estimated total economic output of approximately $11.2 billion. The third largest industry in Clark County and throughout the Las Vegas Global Economic Alliance region was Hotels and Motels, Including Casino Hotels, with a total economic output of approximately $10.7 billion and employing an estimated 77,794 total individuals. In the top 20 industries in Clark County and throughout the Las Vegas Global Economic Alliance region, tourism and hospitality play an important role, including Hotels, Motels, and Casino Hotels, Limited-Service Restaurants and Full-Service Restaurants in fifth and sixth place in-terms of total economic output, Gambling Industries (Except Casino Hotels) in the night position in-terms of total economic output, and Air Transportation in 19th place in-terms of total economic output.

4.1.e Nevada 95-80 Regional Development Authority

Appendix F of this University Center for Economic Development technical contains the resulting IMPLAN analysis results including tables for the region's top industry sectors in-terms of total economic output, total employment and total output by commodity produced by industry sector, and backward linkages and forward linkages for the Nevada 95-80 Regional Development Authority region within the Tourism and Hospitality industry sector. For the entire Nevada 95-80 Regional Development Authority, which includes both Humboldt County and Pershing County, the region's total population was an estimated 24,389 total individuals covering with an estimated 9,489 total households. Within this region, there were 185 individual industry sectors generating an estimated total employment of 12,174 total individuals and a regional Gross Domestic Product of approximately $1.9 billion. Total personal income earned was an estimated $1.2 billion.

The top five industry sectors in-terms of economic output for the entire Nevada 95-80 Regional Development Authority largely were centered on mining and natural resource extraction and agricultural production. Gold Ore Mining, Metal Mining, Owner-Occupied Dwellings, Crop Farming, and Silver Ore Mining were the five largest industry sectors for the Nevada 95-80 Regional Development Authority. Of the region's top 20 industry sectors in-terms of total economic output, only a few industry sectors directly support tourism and hospitality. These

tourism and hospitality related sectors included Hotels and Motels, Including Casino Hotels, Limited-Service Restaurants, and Retail-Gasoline Stores.

4.1.f Northern Nevada Regional Development Authority

Appendix G of this University Center for Economic Development technical contains the resulting IMPLAN analysis results including tables for the region's top industry sectors in-terms of total economic output, total employment and total output by commodity produced by industry sector, and backward linkages and forward linkages for the Northern Nevada Regional Development Authority region within the Tourism and Hospitality industry sector. The Northern Nevada Regional Development Authority consists of five counties, including Carson City, Douglas County, Lyon County, Mineral County, and Storey County. In 2021, this region had an estimated total combined population of 178,495 people, an estimated 72,864 total households, and total employment of 96,115 total individuals. There were an estimated 345 total industry sectors active throughout the Northern Nevada Regional Development Authority region, generating an estimated total region-wide Gross Domestic Product of approximately $10.2 billion generating nearly $10.5 billion in total personal income. The top five industry sectors in-terms of total economic output for the entire Northern Nevada Regional Development Authority included Owner-Occupied Dwellings, Other Real Estate, Petroleum Refineries, Employment and Payroll of State Government, and Warehouses and Storage. Within the top 20 industry sectors in-terms of economic output for the entire region, only Hotel and Motel, Including Casino Hotels and Limited-Service Restaurants were directly tied to tourism and hospitality.

While tourism and hospitality is generally important to the entire Northern Nevada Regional Development Authority, tourism and hospitality economic activity is unevenly distributed throughout the region among the five member counties. For example, Carson City significantly contributes to regional tourism and hospitality economic output as it has one of the largest concentrations of Hotels and Motels, Including Casino Hotels and Limited-Service Restaurants within the entire Northern Nevada Regional Development Authority region. Douglas County is also a significant contributor to regional tourism and hospitality economic output as Hotels and Motels, Including Casino Hotels is the third highest industry sector in Douglas County in-terms of economic output. Comparatively, various types of mining and natural resource extraction activities dominate Mineral County's top industry sectors in-terms of total economic output despite an array of various outdoor recreation and other tourism and hospitality related assets. For both Storey County and Lyon County, despite also having an array of various outdoor recreation and other tourism and hospitality related assets, industry sectors that tend to dominate the overall economic landscape of each county typically center on manufacturing, transportation and logistics, warehousing, mining and natural resource extraction, and agricultural production activities.

4.1.g Northeastern Nevada Regional Development Authority

Appendix H of this University Center for Economic Development technical contains the resulting IMPLAN analysis results including tables for the region's top industry sectors in-terms of total economic output, total employment and total output by commodity produced by industry

sector, and backward linkages and forward linkages for the Northeastern Nevada Regional Development Authority region within the Tourism and Hospitality industry sector. The Northeastern Nevada Regional Development Authority region consists of Elko County, Eureka County, Lander County, and White Pine County. Within the top 20 industry sectors in-terms of total economic output for this region, only three sectors pertain directly to tourism and hospitality. These three tourism and hospitality related industry sectors were Hotels and Motels, Including Casino Hotels, Gambling Industries (Except Casino Hotels), and Limited-Service Restaurants. Within the top ten industry sectors for the Northeastern Nevada Regional Development Authority region, only Hotels and Motels, Including Casino Hotels were present in-terms of total economic output. The sector with the top economic output was Gold Ore Mining. Gold Ore Mining employed over 9,300 total individuals with the highest average income of $136,289 per employee in Eureka County. Comparatively, tourism and hospitality employs only approximately 6,000 total individuals region-wide with the highest average income being of $34,607 per employee in Elko County. While various mining and natural resource extraction and even agricultural production activities dominate the Northeastern Nevada Regional Development Authority region's economic base, tourism and hospitality activities are significant contributors to overall regional economic activity, generating a combined total of approximately $400.0 million in total economic output.

When the Northeastern Nevada Regional Development Authority region is divided by county, Elko County and White Pine County drive a significant part of the region's overall Tourism and Hospitality industry sector. Hotel and Motels, Including Casinos and Gambling Industries (Except Casino Hotels) were among the top ten industry sectors, in-terms of total economic output, for Elko County. For White Pine County, Hotels and Motels, Including Casino Hotels was in the top 15 industry sectors in-terms of total economic output and Limited-Service Restaurants was within the top 25 industry sectors for White Pine County in-terms of total economic output. Given the presence of Great Basin National Park, Ruby Lake National Wildlife Refuge, and the Humboldt-Toiyabe National Forest in each of these counties, it makes sense that Elko County and White Pine County drive a significant portion of tourism and hospitality economic activities throughout the region as these outdoor recreation assets attract tourists and visitors for hiking, sightseeing, and various other outdoor recreation activities. Both Elko County and White Pine County have desirable natural resource assets that, along with the aforementioned assets and attractions, Lamoille Canyon in Elko County is a major outdoor recreation destination. While no significant value network or supply chain leakage is observed within the Tourism and Hospitality industry sector, there is an opportunity to further capitalize on these natural features. With regards to the Scenic and Sightseeing Transportation and Support Activities for Transportation sector in White Pine County, this sector was 81st in-terms of total economic output. This sector was also 84th in-terms of total economic output for Elko County. There is an opportunity to further develop the Scenic and Sightseeing Transportation and Support Activities for Transportation sector in both Elko County and White Pine County, and throughout the rest of the Northeastern Nevada Regional Development Authority region.

Both Eureka County and Lander County had few sectors in either the top ten or top 20 in-terms of total economic output that directly related to tourism and hospitality. However, the Gambling Industries (Except Casino Hotels) sector was in the top 20 sectors for Lander County in-terms of

total economic output. The town of Battle Mountain, located in the northern part of Lander County and along U.S. Interstate 80, is the primary contributor to economic output in the Gambling Industries (Except Casino Hotels) sector in Lander County and other key related tourism and hospitality sectors. The Hotels and Motels, Including Casino Hotels sector was in the top 20 sectors for Lander County in-terms of total economic output with Retail-Gasoline Stores and Limited-Service Restaurants in the top 25 sectors in-terms of total economic output. Truck Transportation, as a sector, was 27th in-terms of total economic output for Lander County.

4.1.h Southwest Central Regional Economic Development Authority

Appendix I of this University Center for Economic Development technical contains the resulting IMPLAN analysis results including tables for the region's top industry sectors in-terms of total economic output, total employment and total output by commodity produced by industry sector, and backward linkages and forward linkages for the Southwest Central Regional Economic Development Authority region within the Tourism and Hospitality industry sector. The Southwest Central Regional Economic Development Authority consists of Esmeralda County and Nye County. Only three sectors in the region's top 20 industry sectors, in-terms of total economic output, were presents for the entire southwest Central Regional Economic Development Authority. These three sectors were Hotels and Motels, including Casino Hotels, Gambling Industries (Except Casino Hotels), and Limited-Service Restaurants. These three tourism and hospitality related sectors had a combined total economic output of approximately $155.0 million. The top industry sector, in-terms of total economic output, for the entire Southwest Central Regional Economic Development Authority in 2021 was Gold Ore Mining, with an estimated total economic output of approximately $616.1 million.

Individually, Esmeralda County's total employment was an estimated 505 total individuals. Of these 505 estimated total individuals employed and working in Esmeralda County, less than ten total individuals worked in sectors related to the Tourism and Hospitality industry sector. In Nye County, however, total employment was an estimated 17,500 total individuals. Approximately 2,100 total individuals worked in sectors related to tourism, gaming, and entertainment. Hotels and Motels, Including Casino Hotels and Gambling Industries (Except Casino Hotels) are both in the top 20 sectors in-terms of total economic output for Nye County. The location of Nye County's largest population center, the town of Pahrump, is relatively close to Nevada's largest county, Clark County. The town of Pahrump also has the three closest brothels to Las Vegas, making the location an extension of broader tourism and hospitality activity in nearby Las Vegas in neighboring Clark County.

The opportunity to expand the Tourism and Hospitality industry sector in Nye County and throughout the entire Southwest Central Regional Economic Development Authority region is focused on expanding sightseeing activities, visitation to area nature preserves, and other related outdoor recreation activities and events. Nye County is home to Ash Meadows National Wildlife Refuge, the White River Valley, several Great Basin sky islands, and parts of Death Valley National Park. Despite these obvious outdoor recreation assets and opportunities to increase overall tourism and visitor rates, Scenic and Sightseeing Transportation and Support Activities for Transportation, as a tourism and hospitality related sector, is not even in the top

100 of industry sectors in-terms of total economic output for either Esmeralda County or Nye County and is not even in the top 100 of industry sectors for the entire Southwest Central Regional Economic Development Authority.

4.2 Identification of Linkages in the Value Network and Supply Chain of Nevada's Tourism and Hospitality Industry Sector

This sub-section provides three general levels of analysis in-terms of identifying gaps and linkages in the value network and supply chain of Nevada's Tourism and Hospitality industry sector. First, a general examination of the existing and possible linkages, including specific forward and backward linkages for the entire value network and supply chain, throughout Nevada's Tourism and Hospitality industry sector is provided. Second, the resulting mapping of the value network and supply chain of Nevada's Tourism and Hospitality industry sector identified certain industry sectors that both directly and indirectly impact overall performance of the sector and those industry sectors are explored in this sub-section. Third, and finally, an import-export analysis of directly and indirectly related industry sectors are presented.

The identification of forward and backward linkages were utilized because they reveal a variety of important characteristics for an industry such as Nevada's Tourism and Hospitality industry sector. For example, the identification and mapping of forward and backward linkages reveal critical suppliers and their general level of importance to a specific industry sector, helping further identify potential bottlenecks or areas of risk that may impact the overall strength, balance, and resiliency of a the industry sector in general. Analysis of the forward linkages are used to identify key customer segments and their needs, enabling individual businesses to cater to the preferences of key customer segments and improve overall competitiveness. Forward linkages also identify how a particular industry sector relies on other industry sectors, such as retail, real estate, and healthcare. This analysis helps policymakers and individual businesses to make more informed decisions regarding targeted economic development efforts, including the development and implementation of new business creation and attraction and existing business retention and expansion strategies. By examining backward linkages, it is possible to determine which directly and indirectly related industry sectors provide essential inputs to a particular industry sector such as Nevada's Tourism and Hospitality industry sector, including, for example, food and beverage suppliers, transportation providers, and entertainment providers. Analyzing both forward and backward linkages together enables the identification of contributing importers and exporters within the industry, allowing policymakers and businesses to identify potential trade partners and areas for growth while also anticipating and mitigating potential vulnerabilities.

Appendix J of this University Center for Economic Development technical report contains a summary of the resulting IMPLAN analysis for the forward linkages and backward linkages of five service sectors that drive a considerable portion of total economic output for Nevada's Tourism and Hospitality industry sector, including Hotel and Lodging Services, Food and Drink Services, Indoor Events and Recreation Services, Outdoor Recreation Services, and Transportation Services. These five service sectors were selected given their overall critical

importance to the net level of economic output that each service sector contributes to the state's broader Tourism and Hospitality industry sector. The 'gaps' in the larger value network and supply chain identified for each of these service sectors as part of this analysis are also significant enough to merit further consideration in-terms of targeted community and economic development policies designed to close those 'gaps' through additional new business creation and attraction and existing business retention and expansion efforts. For the analysis performed on the forward linkages for each selected service sector, two estimates were calculated. First, the ***Average Regional Purchasing Coefficient*** (RPC) is an estimation of the proportion of total local demand that is met by local production. Second, the ***Average Regional Supply Coefficient*** (RSC) is an estimation of the proportion of local supply that is used to meet local demand. For the analysis performed on the backward linkages for each service sector, both ***Gross Inputs*** (GI) and ***Regional Inputs*** (RI) are utilized and when Regional Inputs are subtracted from Gross Inputs (GI – RI), an estimation of how much money individual firms in a specific industry or service sector spend on purchasing a particular input of production or commodity from outside the defined region is estimated. Additionally, ***Regional Absorption*** is the estimated percentage of total economic output that is spent on ***State Intermediate Inputs*** of production. For the purposes of the forward and backward linkage analysis performed on Nevada's Tourism and Hospitality industry sector, the state of Nevada as a whole was selected as the targeted geographic area.

4.2.a Hotel and Lodging Services

Hotel and Lodging services was assessed by using data from two sectors, Hotels and Motels, Including Casino Hotels and Other Accommodation Services. For Hotels and Motels, Including Casino Hotels, the Average RPC was an estimated 9.6 percent and the Average RSC was an estimated 2.3 percent. For Other Accommodation Services, the Average RPC was an estimated 0.6 percent and the Average RSC was an estimated 2.7 percent. These results indicate that over 90.0 percent of industry demand is ***not*** being supplied by local supply. Both the Average RSC and Average RPC for the combined Hotel and Lodging services area are relatively low when compared to other sectors within the broader Tourism and Hospitality industry sector for the state of Nevada. Hotel and Lodging services is one of the largest service sectors in Nevada, generating over $12.4 billion of total economic output. Increasing RPC and RSC in both sectors, even marginally, by satisfying more local demand with local supply, could generate potentially significantly more economic value for Nevada's economy. Food and Drinking Place services had the single largest gross absorption throughout the Hotel and Lodging services area, with a gross absorption of approximately 5.52 percent and total gross inputs of approximately $459.0 million. Food and Drinking Place services had an RPC of 99.2 percent, indicating that the vast majority of local demand throughout the state of Nevada and throughout Nevada's Tourism and Hospitality industry sector is supplied locally. Management of Companies and Enterprises, Other Real Estate Services, and Services to Buildings all had relatively large gross absorption rates of 4.1 percent, 2.3 percent, and 1.7 percent respectively. All three of these areas also have high RPC's of greater than 95.0 percent.

Three backward linkage areas, Advertising, Public Relations, and Related Services, Electricity Transmission and Distribution, and Curtains and Linens, each had relatively high gross

absorption rates, 4.1 percent, 4.0 percent, and 1.0 percent respectively. These three backward linkage areas are identified as having significant gaps throughout Nevada's broader Tourism and Hospitality industry sector and within the Hotel and Lodging services area specifically. These three areas have relatively low RPC's when compared to other areas with relatively high gross absorption rates, with RPC's of 66.0 percent, 63.5 percent, and 0.1 percent respectively. All three areas are critical parts of the value network and supply chain for the Hotel and Lodging services areas but very little of local demand is satisfied by local supply. The Curtains and Linens area itself has a significant gap with over $76.0 million of gross inputs and with less than 1.0 percent of this gross input being satisfied by local suppliers located within the state of Nevada.

4.2.b Food and Drink Services

The value network and supply chain of the Food and Drink services, as part of the broader statewide Tourism and Hospitality industry sector, were was assessed using results for three areas, including Full-Service Restaurant Services, Limited-Services Restaurant Services, and All Other Food and Drinking Place Services. All three of these areas have relatively high RPCs, all over 99.0 percent, indicating that the vast majority of local demand is satisfied by local suppliers. Full-Service Restaurant Services, Limited-Services Restaurant Services, and All Other Food and Drinking Place Services have RSC's of 57.2 percent, 63.8 percent, and 81.7 percent respectively. The two largest inputs for all three of these areas combined, Management of Companies and Enterprises and Other Real Estate Services, had gross absorption rates of 19.0 percent and 14.9 percent respectively and RPC's of approximately 98.0 percent. These results indicate that almost all local demand throughout the state of Nevada for Management of Companies and Enterprises and Other Real Estate Services is satisfied by local suppliers. Both of these areas have a combined gross input of approximately $1.74 billion, comprising a significant portion of total inputs needed to support the Food and Drink Services area of the broader Tourism and Hospitality industry sector throughout Nevada.

The Advertising, Public Relations, and Related Services and Electricity Transmission and Distribution areas are the third and fourth largest backward linkage areas in the value network and supply chain of the Food and Drink services area. Advertising, Public Relations, and Related Services had an Average RPC of 66.0 percent and Electricity Transmission and Distribution had an Average RPC of 63.5 percent. Increasing local supply throughout and within the entire state of Nevada for both areas could potentially keep more of the over $701.0 million in total gross inputs within the state. Three other areas represent additional large gaps in the value network and supply chain of Nevada's tourism-related Food and Drink services area. Cheese, Meat (Except Poultry) Produced in Slaughtering Plants, and Beer, Ale, Malt Liquor, and Nonalcoholic Beer comprise nearly 4.8 percent of total gross absorption but have RPC's of just 0.5 percent, 0.3 percent, and 2.0 percent respectively.

4.2.c Indoor Events and Recreation Services

Six areas, including Performing Arts, Museum, Heritage, Zoo, and Recreational Services, Amusement Parks and Arcades, Gambling Recreation, and Bowling Activities, were used to

evaluate the value network and supply chain of the tourism-related Indoor Events and Recreation services area. These six areas had Average RPC's of approximately 99.0 percent, 84.1 percent, 60.0 percent, 100.0 percent, 90.0 percent, and 99.3 percent respectively. These six areas had Average RSC's of 31.9 percent, 98.9 percent, 95.0 percent, 25.0 percent, 48.8 percent, and 33.7 percent respectively. The Other Real Estate Services areas was the largest identified backward linkage for the tourism-related Indoor Events and Recreation services area with a gross absorption of 25.7 percent and with an Average RPC of 98.6 percent, indicating that almost all demand for Other Real Estate Services in the tourism-related Indoor Events and Recreation services area is satisfied by local suppliers. Legal Services and Other Insurance Services had combined gross inputs of $462.0 million, and RPC's of 79.7 percent and 86.1 percent respectively, with each combined making up a significant portion of total inputs and much of local demand for each area being satisfied by local suppliers.

Advertising, Public Relations, and Related Services and Electricity Transmission and Distribution make up a significant section of total inputs consumed in the tourism-related Indoor Events and Recreation services area but have RPC's of just 66.0 percent and 63.5 percent respectively. For the overall value network and supply chain of the tourism-related Indoor Events and Recreation services area, Food and Drinks are backward linkages with relatively large gaps. All Other Food Products and Beer, Ale, Malt Liquor, and Nonalcoholic Beer combined make up 10.8 percent of gross absorption but have RPC's of just 2.1 percent and 2.0 percent respectively. Increasing the amount consumed by the tourism-related Indoor Events and Recreation services area from new firms and existing firms in All Other Food Products and Beer, Ale, Malt Liquor, and Nonalcoholic Beer located within the state of Nevada could result in a significant capture of both area's combined $51.6 million in gross inputs.

4.2.d Outdoor Recreation Services

Outdoor Recreation services is a large part of the broader statewide Tourism and Hospitality industry sector in Nevada. For the Outdoor Recreation services area and as part of the forward linkages as part of this services area's value network and supply chain, Performing Arts had an Average RPC of 98.8 percent, Independent Artists, Writers, and Performers had an Average RPC of 98.1 percent, and Promotional Services for Performing Arts, Sports, and Public Figures had an Average RPC of 98.8 percent. These results indicated that there is relatively high demand by local consumers for these areas in the Outdoor Recreation services area and that a significant portion of local supply is consumed by local demand. However, the Average RSC for Performing Arts is relatively low with an estimated 32.0 percent. This indicates a significant and sizable gap in the value network and supply chain of the tourism-related Outdoor Recreation services area throughout the state of Nevada. The resulting analysis for Commercial Sports Except Racing also indicates a significant and sizable gap in the value network and supply chain related to the tourism-related Outdoor Recreation services area, with a reported Average RSC of just 37.7 percent and an Average RPC of 84.4 percent. The relatively high demand for Commercial Sports Except Racing is largely not satisfied by local suppliers located throughout and within the state of Nevada for this specific area. Promotional Services for the Performing Arts and Sports and Public Figures also had a significant and sizable gap in its relationship to the value network and supply chain of the tourism-related Outdoor Recreation services area. The

Average RPC for Promotional Services for the Performing Arts and Sports and Public Figures was 94.8 percent but the Average RSC was just 46.5 percent, indicating that there is not enough local supply statewide to satisfy and meet local demand across the state.

For the backward value network and supply chain linkages of the tourism-related Outdoor Recreation services area, Other Real Estate Services had total gross inputs of approximately $184.2 million, making it one of the largest suppliers to the tourism-related Outdoor Recreation services area. With a gross absorption rate 45.4 percent, the tourism-related Outdoor Recreation services area is heavily reliant on supplied real estate services which makes sense given the nature of outdoor recreation. The regional absorption rate for Other Real Estate Services was just 44.8 percent, indicating that nearly all local demand is supplied locally within the state. Promotional Services for Performing Arts and Sports and Public Figures had a gross absorption rate of 15.0 percent and the regional absorption rate was an estimated 14.8 percent, indicating that a significant portion of all local demand is supplied locally throughout Nevada. For Advertising, Public Relations, and Related Services, the estimated gross absorption was 18.1 percent and the estimated regional absorption was 11.9 percent. Subtracting total gross inputs, an estimated $61.2 million, by total regional inputs, an estimated $40.4 million, the value of the 'gap' in this portion of the value network and supply chain for the tourism-related Outdoor Recreation area was an estimated $20.8 million. Capturing a larger portion of local demand statewide in Advertising, Public Relations, and Related Services through new business creation and attraction and exiting business retention and expansion efforts could significantly increase the total economic impact of the broader statewide Tourism and Hospitality industry sector and of the tourism-related Outdoor Recreation services area specifically.

4.2.e Transportation Services

Transportation services is a critical part of the value network and supply chain of Nevada's Tourism and Hospitality industry sector. Based on the resulting mapping of this value network and supply chain, clear gaps are identified. Targeted new business creation and attraction and existing business retention and expansion efforts supported by strategic investments in the state's transportation infrastructure assets is needed to support further growth, development, and diversification of the Tourism and Hospitality industry sector throughout the state of Nevada.

The Air Transportation area had an Average RSP of 70.3 percent which is more than double of the Average RSC of 93.5, indicating that, while there is high demand for air transportation services within the state, very little of local demand is met by local supply. This further suggests that a significant portion of the demand for air transportation services in Nevada is being met through importation of air transportation services from outside the state. Based on the analysis of the backward linkages for Transportation services, it is evident that Other Aircraft Parts and Auxiliary Equipment are key backward suppliers to firms in the Air Transportation Services area. The relative low Average RCP estimate and significant difference between GI and RI for Other Aircraft Parts and Auxiliary Equipment suggests heavy reliance on imported intermediate inputs from outside the state that could have implications for the state's economy and the overall resiliency of the broader value network and supply. It is important to note, however, that the impact of Transportation services on Nevada's tourism and hospitality economy may depend on

other factors such as the availability of workers, wages paid to employees, taxes, and innovation, which requires a more thorough analysis beyond the scope of this particular study.

Transit and Ground Passenger Transportation in Nevada is also a source of significant gap in the specific value network and supply chain of Nevada's Transportation services component of the broader Tourism and Hospitality industry sector, with an Average RSC of 93.9 percent, indicating a high level of demand Transit and Ground Passenger Transportation among individual firms and individual consumers alike. Just like Air Transportation, the low Average RSC suggests that this value network and supply chain is heavily reliant on imports from other states to meet local demand. To optimize Nevada's Transportation services area, increasing statewide-based supply in this area may be necessary in order to minimize this gap. There are opportunities to close identified backward linkages between Scenic and Sightseeing Transportation Services and Transit and Ground Passenger Transportation in Nevada. By reducing dependence on overall transportation service imports from outside the state, such improvements in these backward linkages could potentially enhance Nevada's overall transportation system improve overall value network and supply chain resiliency.

The Automotive Equipment Rental and Leasing Services area is another identified gap that limits the overall economic efficiency and effectiveness of Transportation services that support the broader statewide Tourism and Hospitality industry sector. Automotive Equipment Rental and Leasing Services had an Average RSP is 94.6 percent and an Average RCP is only 60.5 percent. This suggests that there is high demand for Automotive Equipment Rental and Leasing Services throughout the state but there is limited local production or supply to meet this demand. A significant portion of the demand for Automotive Equipment Rental and Leasing Services in Nevada is met by imports from outside the state. The implications of this supply chain gap for Nevada's broader Tourism and Hospitality industry sector is fairly significant. Tourists and visitors to the state require rental cars and other transportation services to move around the state, making this industry critical to supporting tourism-based economic activity. The heavy reliance on imports from outside the state results in economic outflows from Nevada to other regions. Supply chain disruptions, such as those experienced during the COVID-19 global pandemic, could have severe consequences for the industry's overall resilience and ability to meet demand in the future should similar disruptive events happen again. In order to optimize the overall value network and supply chain for Automotive Equipment Rental and Leasing Services in Nevada. It is evident that Scenic and Sightseeing Transportation Services and Support Activities has high gross absorption and regional absorption rates, suggesting that a currently underserved market does exist for Automotive Equipment Rental and Leasing Services throughout the state. The resulting backward linkage analysis of Transportation services further identified an existing underserved market for Refined Petroleum Products that had relatively high gross inputs and regional inputs.

Rail Transportation Services, Truck Transportation Services, and Scenic and Sightseeing Transportation Services, and Support Activities for Transportation are three additional parts of the broader Transportation services value network and supply chain that represent opportunities for targeted new business creation and attraction and existing business retention and expansion strategies in order to close key gaps. Rail Transportation Services had an Average RSP of 66.6

percent and an Average RSC of 80.4 percent. This suggests that existing supply in Rail Transportation Services is generally meeting local demand across the state. As with Automotive Equipment Rental and Leasing Services, it may be worth considering the benefits of further investment in the development of additional Scenic and Sightseeing Transportation Services and Support Activities and for additional Refined Petroleum Products.

One of strongest parts of the value network and supply chain for Nevada's Transportation services component of the Tourism and Hospitality industry sector is, perhaps surprising, Truck Transportation Services. Robust logistics and transportation services ensure that needed goods and even services are efficiently and effectively transported to and from different parts of the state throughout that supports the continued growth of tourism and hospitality economic activity. The availability of reliable and efficient Truck Transportation Services also makes it easier for tourists and visitors to access various attractions and destinations located throughout the state, which further helps in growing and diversify the Tourism and Hospitality industry sector. Supporting current Truck Transportation Services throughout the state is essential to the overall strength and resiliency of the entire industry.

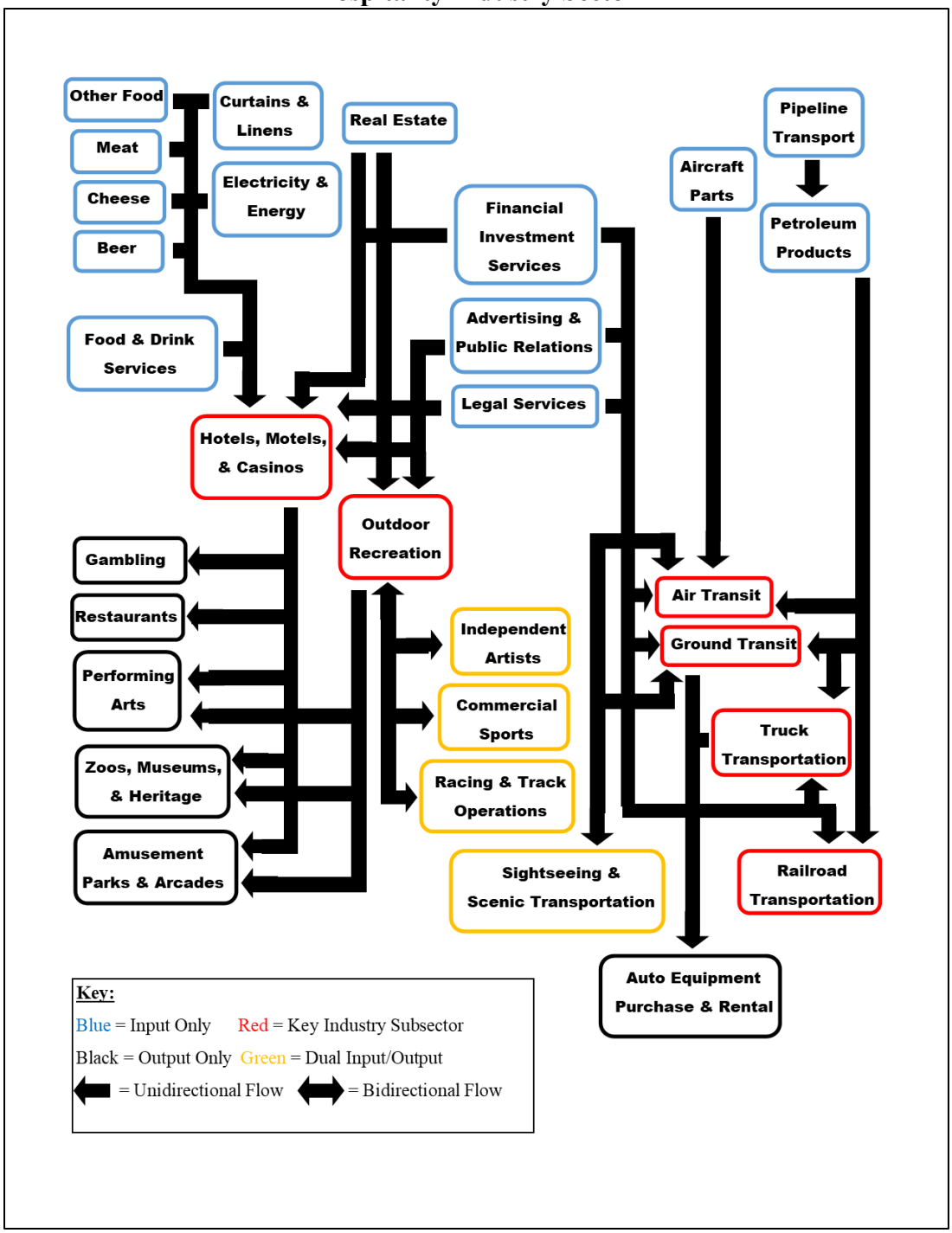
4.3 An Input-Output Model for Nevada's Tourism and Hospitality Industry Sector

Evaluation of the backward and forward linkages of different service areas of Nevada's statewide Tourism and Hospitality industry sector can be used to develop and comprehensive map of the various inputs and outputs that comprise flows of economic activity throughout the Tourism and Hospitality industry sector. These flows of economic activity produce a comprehensive input-output model of the broader Tourism and Hospitality industry sector that is presented in Figure 4.1.

Following these flows of economic activity, in-terms of the various inputs and outputs related to sectors and areas that comprise the various tourism-related service areas, there is clearly a high degree of interconnectedness across Nevada's entire Tourism and Hospitality industry sector. Some of these input and output flows of economic activity are unique to particular parts of the industry sector and to specific service areas. For example, Hotels and Motels, Including Casino Hotels are heaving dependent upon linens and bedding that is supplied by firms that are located outside the state of Nevada. Others input and output flows of economic activity are shared between the various tourism-related service areas, such as the shared need for advertising and public relations, by hotels and motels and other lodging accommodations, by outdoor recreation, and by transportation services that are comprise the value network and supply chain of Nevada's Tourism and Hospitality industry sector. These shared resources represent opportunities for otherwise unconnected input and output flows of economic activity to develop a cohesive set of shared strategies in order to maximize the value of their respective value networks. Evaluation of this comprehensive input-output model also identifies specific resource issues that need to be addressed in order to increase the overall economic value and impact that Nevada's Tourism and Hospitality industry sector generates, such as the lack of local beef that is provided to firms

operating throughout Nevada's Tourism and Hospitality industry sector despite significant statewide demand for beef.

Figure 4.1 – Visual Representation of the Input-Output Model of Nevada's Tourism and Hospitality Industry Sector



A value network is the interrelated connections that exist between firms and other stakeholders within a given industry that act interdependently but in the benefit of the entire industry sector. Crafting a true value network for Nevada's Tourism and Hospitality industry sector requires not only understanding of the flows of economic activities throughout and across the entire industry sector, but also the leveraging of strategic relationships to in order to produce maximum economic return. In the case of Nevada's Tourism and Hospitality industry sector, there are several firms and other stakeholders who interact to produce specific outputs. For example, a desire on the part of the casino hotel industry to increase the value created by their restaurants requires both an understanding of key suppliers and how to build lasting relationships that maximize value for the casino hotel property and for individual forward and backward suppliers. A true value network focuses on both efficiency and producing resiliency for firms and key stakeholders within the industry sector. Building a true value network for Nevada's Tourism and Hospitality industry sector should focus on maximizing shared relationship value in the short-term and over the long-term. Recent global events such as the COVID-19 global pandemic demonstrate the importance of supply networks that are based on achieving maximum efficiency and on ensuring that partners work collaboratively to maintain the overall reliability and resiliency of their value network and supply chain.

4.3.a The Importance of Tourism and Hospitality Industry Sector Relationships

The existing and identified forward and backward linkages across Nevada's Tourism and Hospitality industry sector reveals the importance of building and maintain strong relationships and partnerships across the sector. Forward linkages represent the ties between varying industries and services utilizing or depending upon the outputs of other areas. Backward linkages represent the connections between individual firms that supply needed inputs or materials to other firms in the same service area and throughout the broader industry sector. This mutual reliance between various firms, stakeholders, and partners underlines the influence that success in one part of the industry sector can have on other parts based upon identified input and output flows of economic activity. By reinforcing these connections, policymakers, economic development professionals, and individual firms can contribute to the long-term growth and evolution of the entire industry sector.

Hotels and Motels, Including Casino Hotels, had a low Average RPC (9.6 percent) and a low Average RSC (2.3 percent), indicating significant dependency upon suppliers located outside the state of Nevada. Nevertheless, the operation of individual Hotels and Motels, Including Casino Hotels firms are directly connected to other areas such as Food and Beverage Services, Performing Arts, Museums, and Amusement Parks as consumers who are from outside Nevada in these areas need places to stay. Full-Service Restaurants and Limited-Service Restaurants each had high Average RPC's, indicating strong local production and consumption relationships. The performance of firms in the Full-Service Restaurants area and the Limited-Service Restaurants has a direct impact on the Hotels and Lodging services area and on the broader Tourism and Hospitality industry sector for the entire state of Nevada.

Weak local relationships were evident for the supply of Cheese, Meat (Except Poultry) Produced in Slaughtering Plant, and Beer, Ale, Malt Liquor, and Nonalcoholic commodities in the tourism-

related Food and Drink services area. The Average RPCs for these input or commodity areas were just 0.5 percent, 0.3 percent, and 2.0 percent respectively. Moreover, the differences between gross inputs and regional inputs are substantial, indicating the potential for significant and positive economic impact if local production of these input or commodity areas were increased and the overall value network and supply chain of the tourism-related Food and Drink services area were strengthened through targeted new business creation and attraction and existing business retention and expansion efforts.

The high Average RPC values of Management of Companies and Enterprises and Other Real Estate Services indicate a strong dependency on local suppliers, resulting in a significant contribution to Nevada's economic base. Important too, regardless of the overall economic impact, is the role that Legal Services play in ensuring growth of Nevada's Tourism and Hospitality industry sector. Performing Arts also plays a critical part in offering demanded entertainment and experiences for tourists and visitors within and throughout the tourism-related Hotel and Lodging services area. The strong forward linkages for Performing Arts indicates nearly all demand consumed within the state for Performing Arts is supplied locally by Nevada-based firms. The Museum, Heritage, Zoo, and Recreational Service input and commodity area had an Average RSC of 98.9 percent. This indicates a strong local relationship between this input and commodity area and various parts of Nevada's Tourism and Hospitality industry sector, signifying that nearly all local, or statewide, supply goes towards meeting local, or statewide, demand generated by tourists and visitors.

For tourism-related Transportation services, the high Average RPC values of Transit and Ground Passenger Transportation Services and Scenic and Sightseeing Transportation Services and Support Activities for Transportation indicate strong forward linkages of this particular value network and supply chain across the entire state of Nevada. Conversely, the backward linkage of Refined Petroleum Products is substantial. Either improved relationships with key suppliers of these input and commodity area located outside Nevada or the development of new local production within the state of Nevada of these goods should be investigated as nearly $437.7 million left the Nevada economy in 2022 to meet the state's overall demand.

4.3.b The Role of Strategic Planning in the Growth and Development of the Tourism and Hospitality Industry Sector

As an input and commodity area, Curtains and Linens are a significant gap in the value network and supply chain of Nevada's Tourism and Hospitality industry sector, with over $76.0 million of gross inputs and less than 1.0 percent of statewide local demand being satisfied by local suppliers located throughout the state. The resulting 'gap' in the value network and supply chain comprised of Curtains and Linens highlights the critical role of strategic planning in the continued growth, development, and diversification of Nevada's Tourism and Hospitality industry sector

Strategic planning should be used to identify market opportunities for local suppliers to fill identified gaps throughout the value network and supply chain of Nevada's Tourism and Hospitality industry sector while increasing the overall local/statewide shared of the industry

sector's broader value network and supply chain. Each identified gap in the industry sector's value network and supply chain is an opportunity to further develop the state's overall economic base through targeted new business creation and attraction and existing business retention and expansion efforts. For example, the textile industry presents a unique opportunity to sell "green" products that can transform the wider Tourism and Hospitality industry sector into an environmentally conscious sector, a transformation that more and more tourists and visitors to Nevada expect and demand as sustainable tourism becomes increasingly popular. In general, textile manufacturing and production has a reputation of causing major negative environmental impacts such as water waste, water pollution, and microplastics that enter the broader food chain and drinking water sources. Customers are becoming more aware of these environmental impacts and have demonstrated a willingness to pay more for eco-friendly products that are recycled or organic. An opportunity exists for Nevada to become a major recycler of textile goods that could further the states reputation and reputation of the state's Tourism and Hospitality industry sector as truly sustainable and truly environmentally responsible.

Improving efficiency in the procurement process through better coordination and strategic mapping of the industry sector's value network and supply chain can help reduce overall costs and improve the overall economic effectiveness of the industry sector as a whole. For instance, incentivizing and collaborating with local companies to provide bed sheets to hotels and motels can improve the overall efficiency and effectiveness of the broader Tourism and Hospitality industry sector's value network and supply chain. By identifying and addressing critical suppliers and their importance to the industry, individual can better manage their own unique and individual value network and supply chain in order to ensure a consistent quality in the goods services they provide to their customers.

Managing risk is also a key part of strategic planning and is critical to the long-term balance, strength, and resiliency of Nevada's Tourism and Hospitality industry sector. By identifying potential bottlenecks or areas of potential risk that might affect the industry sector as a whole, policymakers, individual firms, and other stakeholders can take the necessary steps in order to mitigate those risks and improve the overall efficiency and effectiveness of the industry sector's value network and supply chain. The COVID-19 global pandemic underscored the importance of risk management. Having in-state sources of production that can supply statewide demand across the Tourism and Hospitality industry sector might produce more dependent supplies of inputs to production and key commodities used throughout the Tourism and Hospitality industry sector in Nevada. Continued innovation throughout Nevada's statewide Tourism and Hospitality industry sector is essential in filling these 'gaps' across the value network and supply chain. Nevada is a leader in research and development, with total research and development spending and investment statewide increasing nearly 126.0 percent between 2000 and 2018, significantly greater than the national increase of 55.0 percent across the entire United States between 2000 and 2018. Just in the production of textiles, innovation leaders in the broader textiles industry sector have proven to be extremely successful. By identifying emerging trends and technologies, individual firms can stay ahead of their competition by offering innovative products and services to their customers.

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5.0 Identifying Value Network and Supply Chain Gaps and Developing Community and Economic Development Recommendations

This section of this University Center for Economic Development technical report presents an edited version of the initial white paper developed for Part 4, *Identifying Value Network and Supply Chain Gaps and Developing Community and Economic Development Recommendations*. The fourth and final part of this analysis of the value network and supply chain of Nevada's Tourism and Hospitality industry sector included the following elements:

- Development of a set of criteria in order to determine the level of balance, strengths, and resiliency present in Nevada's *Tourism and Hospitality* industry sector.

- An evaluation of how balanced, strong, and resilient Nevada's *Tourism and Hospitality* industry sector is. This evaluation also includes an assessment of how the Tourism and Hospitality industry sector in Nevada has been either positively or negatively affected by the COVID-19 global pandemic.

- A series of regional and statewide community and economic development actions that the state of Nevada, each of the eight regional economic development authorities, and local government and industry and occupation sector representatives could potentially develop and implement in order to capitalize on identified 'gaps' in the value network and supply chain of Nevada's *Tourism and Hospitality* industry sector.

This section also provides a detailed discussion regarding three critical terms with respect to value network and supply chain management, including balance, strength, and resiliency. These three terms are often used as a measure of how an individual firm and an entire industry sector deals with uncertainties. Additional analysis on how balanced, strong, and resilient the value network and supply chain of Nevada's Tourism and Hospitality industry sector is, taking into account the COVID-19 global pandemic and related global supply chain disruptions, is also presented. Balance, strength, and resiliency are essential characteristics for sustainability and competitiveness in the broader Tourism and Hospitality industry sector.

Throughout Nevada's broader Tourism and Hospitality industry sector, achieving balance, strength, and resiliency requires individual firms across the sector's entire value network and supply chain to have a measured approach to defining, aligning, managing, and optimizing cross-functional metrics. This also requires both public sector and private sector in the investment of supportive infrastructure needed to facilitate economic flows of activity across the sector's entire value network and supply chain. The continued growth of tourism and hospitality across the world means that Nevada's Tourism and Hospitality industry continues to face increasingly levels of competitive pressures. By achieving balance, strength, and resiliency in these areas,

individual firms throughout Nevada can excel and remain competitive as tourism and hospitality activities and services continue to evolve nationally and internationally.

5.1 Defining Balance, Strength, and Resiliency in Relation to Value Networks and Supply Chains

Balance, strength and resiliency are terms used in supply chain management to describe how an industry can be sustainable and how individual companies can stay competitive and excel in a defined marketplace. According to Lora Cecere, the founder of Supply Chain Insights, obtaining balance, strength, and resiliency requires companies within an industry to mature in their ability to define, align, manage, and fine-tune cross-functional metrics. For Nevada's Tourism and Hospitality industry sector, several metrics matter, from maintaining a skilled workforce to bolstering other inputs of production that represent key 'gaps' in the sector's broader value network and supply chain. Definitions of balance, strength, and resiliency are provided in order to outline how the value network and supply chain of Nevada's Tourism and Hospitality industry sector may improve upon this foundation in the future.

5.1.a Defining Balance

Balance is how an individual firm performs overall in a complex type system through strategy execution. Individual firms throughout Nevada's Tourism and Hospitality industry Sector need to be flexible and adaptable in their capacity to satisfy demand as supply or demand shifts in the market and as overall levels of competition increase. Improved and increased use of data analytics is also needed as these shifting supply and demand conditions and increasing levels of competition becoming increasingly difficult to predict due to increased uncertainty in national and international markets. Measuring the balance of Nevada's Tourism and Hospitality industry Sector is a complex process due to the geographic and economic diversity of Nevada's Tourism and Hospitality industry sector as tourism throughout the state contributes to the sector's broader value network and supply chain in many different ways. The recent COVID-19 global pandemic also, perhaps permanently, changed the way in which individual firms conduct business, the ways in which supply and demand for inputs into production and for tourism-related products and services change, and the overall nature of competition the Tourism and Hospitality industry sector. These and many other characteristics have been permanently changed and disrupted because of the associated lockdowns, restrictions, and regulations that occurred due to the COVID-19 global pandemic.

The specific data and metrics used to evaluate the overall degree of balance throughout Nevada's Tourism and Hospitality industry sector and the sector's broader value network and supply chain are varied based upon the specific part of the value network and supply chain being analyzed. Firms operating in Retail, Hotels and Motels, Including Gaming Hotels, Limited-Service Restaurants, Full-Service Restaurants, and Scenic and Sightseeing Transportation each employ their own unique set of performance metrics related to the number of customers individual firms serve, seasonal variability impacts, and the amount spent per firm. Performance metrics analyzed for firms in each of these supporting areas before and after the COVID-19 global

pandemic should continue to be analyzed in order to continue the overall efficiency and effectiveness of the value network and supply chain of Nevada's Tourism and Hospitality industry sector.

Specifically, the data and performance metrics utilized in the analysis used in this study can also be collected at the county and regional economic development authority level through polls, examinations, and study's overtime and in different seasons. Once these metrics are organized by period, it is possible to identify emerging patterns, trends, and the relationships that exist between firms and areas of economic activity and neighboring geographic areas in order to identify external influencers that would not necessarily be noticed unless compared to one another. Informed assessments of Nevada's Tourism and Hospitality industry sectors and individual component parts of the sector's value network and supply chain can result in targeted improvements to the value network and supply, thereby enhancing overall flexibility and balance.

5.1.b Evaluating the Degree of Balance in Nevada's Tourism and Hospitality Industry Sector

The COVID-19 global pandemic has had a profound impact on the global economy, including on Nevada's Tourism and Hospitality industry sector. Imposed lockdowns, restrictions, and regulations have disrupted the value network and supply chain of individual businesses operating throughout this industry. Consequently, the balance of Nevada's Tourism and Hospitality industry sectors has become increasingly difficult to assess in-terms of overall balance. Increased complexity across the entire industry sector, throughout the state, nationally, and even internationally, highlights the growing importance of balance as it becomes increasingly difficult to recover from major disruptive events without balance across the entire value network and supply chain. Balance encompasses a combination of factors that influence the performance of an individual firm within a complex system, particularly in terms of its supply chain management and logistics strategies. Due to the COVID-19 global pandemic, at least initially, individual customers within Nevada's Tourism and Hospitality industry sector were advised to avoid crowded places where virus transmission was likely which lead many companies in this industry sector to significantly curtail their operations. This lack of normal business activities across the state, country, and the world resulted in a reduction in the provision of related goods and services as overall demand decreased.

Lockdowns and other COVID-19 global pandemic related policies and actions caused major disruptions to both direct customer-servicing businesses and to manufacturers and providers of various products and services. These impacts extended deep into the value network and supply chain of the Tourism and Hospitality industry sector, affecting manufacturers of component parts and providers of critical supplies and services that supplied individual firms further upstream in the value network and supply chain. Shipping ports, responsible for importing goods from overseas, experienced significant disruptions due to labor shortages caused by the pandemic. Other countries, facing their own COVID-19 global pandemic challenges, implemented business shutdowns, further affecting the provision of critical goods and services. This disruption to the value networks and supply chains that support global tourism and hospitality activity had a global impact, affecting businesses at every level. An industry with a well-balanced value

network and supply chain is more robust and resilient when facing a disruption like the COVID-19 global pandemic. Balance enables the industry to remain better prepared to weather any disruption, regardless of its scale. Nevada's Tourism and Hospitality industry sector exhibits a high degree of balance in certain areas of its supply chain, such as its diverse customer base. Tourists and visitors come to Las Vegas, the gambling capital of the United States, from all over the world as well as other parts of the state that offer a variety of entertainment, leisure, and recreation opportunities. This geographical diversity of the customer base and target market of Nevada's Tourism and Hospitality industry sector ensures that if any particular region throughout the world experiences a pandemic and subsequent travel interruptions or other type of major disruptive event, it would have a relatively small impact on the performance of this sector in the long-run. The food and beverage component of Nevada's Tourism and Hospitality industry sector is an area of vital importance of the sector as a whole yet very little of the goods and services consumed by tourists and visitors is produced in state. While outsourcing food and beverage inputs and services might be geographically balanced, a significant portion of the overall economic impact that the Tourism and Hospitality industry sector has is lost. A similar imbalance exists in the procurement of linens, with many of Nevada's hotels and other accommodation providers relying on out-of-state suppliers for this critical input into production. Considering the high demand for linens throughout Nevada, it would be more balanced to increase local production throughout the state.

Facing future disruptive events such as the COVID-19 global pandemic, individual firms in the Tourism and Hospitality industry sector of Nevada must have diverse options for buying and selling products or services, as operational changes are expected to continue to occur in different geographic locations across the world under such conditions. Diversification in sourcing and selling products strengthens the industry's overall ability to weather future disruptive events. The COVID-19 global pandemic had a profound impact on the value network and supply chain of the Tourism and Hospitality industry sector, both throughout Nevada and globally. For Nevada specifically, different balance points for the Tourism and Hospitality industry sector are evident at the county level and for each individual regional economic development authority depending on the goods and services each subdivision of the state of Nevada provides to different tourists and visitors. Each Nevada county and regional economic development authority will need to find its own level of balance based upon market realities and the availability and dependability of supporting infrastructure. Achieving balance involves ensuring a mix of suppliers that are geographically diverse in order to cater to the needs of Nevada's broader Tourism and Hospitality industry sector. This balance extends to backward linkages throughout the entire value network and supply chain, ensuring a reliable supply of products and services, as well as forward linkages, establishing a diverse customer base. Balance, along with strength and resiliency, is one of the three fundamental pillars of an efficient and effective supply chain or value network.

5.1.c Defining Strength

In order to establish strength throughout the value network and supply chain of Nevada's Tourism and Hospitality industry sector, the mission statement of individual firms must align with actionable business strategies and goals. The alignment of strategy to action improves

overall corporate performance, and, by doing so, individual firms can begin to excel in the market by being proactive and responsive to changes in the overall level of market competition. This requires individual firms to maintain close relationships with their partners throughout the value network and supply chain while remaining aware of individual competitors and responsive to shifting customer wants and needs. To achieve success, it is important for individual firms to remain focused on developing a skilled workforce. This requires executives, managers, and industry leaders to prioritize further developing the talent needed to fill open and vacant positions caused by continued growth and development of the broader Tourism and Hospitality industry sector.

Partnerships play a critical role in creating additional efficiency and effectiveness of the value network and supply chain across entire industry sectors. In today's global economy, companies rely on partnerships to access resources, share knowledge, and achieve a competitive advantage. Partnerships boost the strength of an organization by driving procurement, by improving supplier relations, sales, marketing, and customer relations across the entire value network and supply chain. The strength of a value network is improved when individual firms align cross-functionally with one another and by adhering to a shared business strategy. By working together, individual firms can establish more interconnected 'nodes' across the larger value network. Firms should focus on horizontal collaboration, in both the upstream and downstream direction, and pursue vertical collaboration across commodity and service areas, such as between hotel and accommodation services and outdoor recreation and sightseeing activities. It is also important for managers and industry representatives to understand the different types of partnerships that are possible each level of complexity for each type of partnership. Some partnerships are basic and transactional while others require more attention and effort in order to maximize the benefit of the partnership to each individual firm and to the broader industry sector.

Strength in the value network and supply chain of Nevada's Tourism and Hospitality industry sector is defined as the ability of any individual firm to effectively manage their supply chain and to remain competitive in the market by aligning mission statements with actionable business strategies and goals, by building strong partnerships, and being responsive to changing and shifting customer needs. Measuring the overall level of strength across the value network and supply chain of Nevada's Tourism and Hospitality industry sector is challenging but it is essential in ensuring that individual firms are meeting their objectives and remaining competitive. One way to measure this level of strength is by analyzing performance metrics by individual firm and by commodity and service level.

Another way to measure overall strength is by assessing the level of collaboration and integration that exists across the value network and supply chain. This can be done through surveys and interviews with stakeholders including suppliers, partners, and individual customers and consumers. By analyzing the feedback received through these efforts, individual firms can identify opportunities to improve their existing relationships, to create new relationships and partnerships, and to increase overall levels of collaboration in order to strengthen the value network and supply chain by closing identified gaps. It is also important to consider external factors that may affect the industry sectors' level of strength such as regulatory changes,

economic conditions, and technological advancements. By monitoring these factors, firms can anticipate changes and adjust their strategies accordingly in order to remain competitive. Continued measurement of the level of strength across the value network and supply chain of Nevada's Tourism and Hospitality industry sector requires a comprehensive approach that takes into account both internal and external factors. By continuously monitoring performance metrics and assessing collaboration and integration across the value network and supply chain, individual firms can identify opportunities to improve and remain competitive in the market.

5.1.d Evaluating the Degree of Strength in Nevada's Tourism and Hospitality Industry Sector

Nevada's Tourism and Hospitality industry sector has demonstrated varying levels of strength across its value network and supply chain and across different counties and regional economic development authority regions. The impacts of the COVID-19 global pandemic are varied based on the county or region and the industry's overall strength is dependent on the specific tourism and hospitality characteristics of each county and region. The regional economic development authority regions that have demonstrated the greatest value network and supply chain overall strength include the Economic Development Authority of Western Nevada and the Las Vegas Global Economic Alliance as both have demonstrated high levels of adaptability and resilience in response to shifts in the market caused by the pandemic. For example, individual firms in the Tourism and Hospitality industry sector specific to the Economic Development Authority of Western Nevada region that includes a concentration of hotels, motels, and casino hotels, have employed strategies that include heightened sanitation protocols, flexible reservation policies, and the promotion of local attractions to attract domestic and even international tourists and visitors. Firms within the Las Vegas Global Economic Alliance region, a region with the state's largest number and highest concentration of hotels, motels, limited-service restaurants, full-service restaurants, and gambling firms, have developed and employed a number of innovative methods to ensure customer safety, including contactless check-ins, virtual experiences, and the utilization of social distancing measures.

The Tourism and Hospitality industry sector present in the Churchill Fallon Economic Development region is centered on outdoor recreation, featuring attractions such as the Stillwater National Wildlife Refuge and Sand Mountain Recreation Area. Scenic and Sightseeing Transportation has remained strong for this particular region despite the effects of the COVID-19 global pandemic. This region's focus on outdoor recreational activities have provided a 'cushion' against the pandemic's negative effects due to the national and global increased interest in outdoor and socially distanced activities among potential tourists and visitors and general consumers of tourism and hospitality activities. Initiatives like promoting local businesses, offering discounted rates for activities, and ensuring overall visitor safety have helped maintain the overall strength of the Tourism and Hospitality industry sector within the Churchill Fallon Economic Development region.

The Northern Nevada Development Authority region has multiple supporting commodity and service areas that support the region's broader Tourism and Hospitality industry sector, including hotels, motels, gaming and gambling activities, and limited-service restaurants. However, the tourism-related value network and supply chain of the Northern Nevada Development

Authority's Tourism and Hospitality industry sector might not be as strong as it is in other regions throughout the state. Some counties within this region have a greater number and higher degree of diversity among commodity and service providers that support overall tourism and hospitality activities while existing value networks and supply chains at the county level within the region are geared more toward supporting other sectors such as mining and natural resource extraction and agricultural production. The impacts of the COVID-19 global pandemic on the broader Tourism and Hospitality industry sector in this region have been significant but those impacts are not uniformly distributed across individual counties within the region. For example, Carson City and Douglas County have a stronger tourism-related value network and supply chain because of their proximity to Lake Tahoe and concentration of historic sites, making Carson City and Douglas County more resilient to the pandemic's effects. In contrast, other counties within the region whose value networks and supply chains are more oriented toward mining and natural resource extraction and agricultural production lacked the overall strength to withstand and recovery from the initial and longer-term impacts of the COVID-19 global pandemic.

Other regional economic development authority regions across Nevada, such as the Lincoln County Regional Development Authority region and the Nevada 95-80 Regional Development Authority region, tend to have weaker value networks and supply chains in relationship to the broader Tourism and Hospitality industry sector and to the Tourism and Hospitality industry sector specific to each of these regions. This weakness has made both the Lincoln County Regional Development Authority region and the Nevada 95-80 Regional Development Authority region, and the tourism-related value network and supply chain for each region, more susceptible to the adverse effects of the COVID-19 global pandemic. The regional economy of the Lincoln County Regional Development Authority does not have a robust tourism-related value network and supply chain, lacking needed hotels and motels, additional retail establishments, and integrated transportation services, rendering it difficult to assess the direct impact of the pandemic on the Tourism and Hospitality industry sector within this region. The Nevada 95-80 Regional Development Authority region has a limited number of firms across a limited number of tourism-related commodity producers and suppliers that are needed to support travel and tourism. Both the Lincoln County Regional Development Authority region and the Nevada 95-80 Regional Development Authority region would benefit from fortifying their tourism-related value network and supply chains by diversifying tourism and hospitality offerings and investing in the infrastructure needed to support increased tourism and visitor activities.

The Northeastern Nevada Regional Development Authority region and the Southwest Central Regional Economic Development Authority region each display a more diverse tourism-related value network and supply chain and, thus, the overall Tourism and Hospitality industry sector's value networks and supply chains are considerably stronger for each region than other regions throughout the state with similar characteristics. Throughout the Northeastern Nevada Regional Development Authority region and the Southwest Central Regional Economic Development Authority region, certain counties and individual communities have a greater level of strength in their respective tourism-related value networks and supply chains. For example, the existence of and close proximity to natural attractions and larger tourism hubs offer increased levels of strength, especially in relation to the long-term impacts of the COVID-19 global pandemic. Elko County within the Northeastern Nevada Regional Development Authority region, for example, is

renowned for a wide variety of outdoor attractions and outdoor recreational activities such as the Ruby Mountains and Lamoille Canyon, both of which cater to tourists and visitors seeking socially distanced outdoor activities. Likewise, Nye County within the Southwest Central Regional Economic Development Authority region benefits from its proximity to Clark County and Las Vegas and the presence of natural and outdoor recreation attractions like the Ash Meadows National Wildlife Refuge located near the town of Pahrump in southern Nye County.

Nevada's broader Tourism and Hospitality industry sector exhibits a range of strength across its value network and supply chain. While the value network and supply chain of Nevada's Tourism and Hospitality industry sector is generally strong, that level of strength varies considerably by county and by regional economic development authority region and even between counties and communities located within individual economic regions. While the impacts of the COVID-19 global pandemic have varied and continue to vary by community, by county, and by economic region, several regional economic development authority regions have shown an ability to adapt and develop innovative approaches to these impacts.

5.1.e Defining Resiliency

Impactful supply chain disruptions are becoming increasingly common. Having a more resilient value network and supply chain can help mitigate the negative impacts of disruptions. A supply chain disruption is, according to Bode and Wagner, "the combination of an unintended and unexpected triggering event that occurs somewhere in the upstream supply chain (the supply network), the inbound logistics network, or the purchasing (sourcing) environment, and a consequential situation which presents a serious threat to the normal course of business operations of the focal firm". The world has become increasingly interconnected and the same is true for the value networks and supply chains that support national and global economic activity. A disruption may occur in any part of the world, and its impact on any given value network and supply chain is felt globally. The COVID-19 global pandemic was possibly the largest value network and supply disruptive event in recent history, with large portions of the world locked down and workforces dislocated from their source of employment.

Resilience, in the context of value network and supply chain efficiency and effectiveness, refers to the ability of individual firms in a value network and supply chain to plan and prepare for disruptions, respond and react to those disruptions, and recover in a relatively short period. Value networks and supply chains must operate horizontally with all other value network and supply chain partners to proactively identify and prepare for unexpected disruptions. Risk management systems are vital in order to identify potential disruptions before they can occur but they often can overlook the impacts associated with large scale and often-unforeseen disruptive events. All value network and supply chain partners must communication with each other in order to identify possible disruptions that can affect the entire value network. Reacting to disruption is crucial. Supply chains must be agile and have a built in level of redundancy in order to ensure a quick and efficient recovery. This capability improves the overall potential of the value network and supply chain system to absorb varying levels of volatility and improve overall levels of resiliency. Improved agility allows firms within a value network and supply chain to pivot to a new direction when a disruption occurs. This pivot might include finding

alternative suppliers and manufacturing locations. If the value network and supply chain is sufficiently resilient, it possess the ability to recover from disruption and return to a 'normal' state.

It can be difficult to measure just how resilient a value network and supply chain is as individual levels of resiliency can vary from business to business or from industry to industry. In the case of Nevada's Tourism and Hospitality industry sector, the most important commodities and areas of input in production that contribute to the overall resiliency of the sector are transportation services, food services, and hotels and other forms of accommodation. To measure the overall resiliency of value network and supply chain of Nevada's Tourism and Hospitality industry sector, leaders throughout the sector must identify the level of diversity that exists and the degree of importance that each supplier throughout the sector contributes to the overall resiliency of the entire sector. One disruption can render a specific geographic area or a supplier's entire commodity or input area incapable of delivering needed inputs and services to the rest of the value network or supply chain. Having a diverse set of suppliers allows a value network and supply chain to increase the overall level of agility and resiliency. Leader in and representatives of Nevada's Tourism and Hospitality industry sector should use the availability and occupancy rates at major hotel and accommodation properties throughout the state, before and after a disruption, as a key indicator of overall tourism and visitor levels. This will allow leaders to gauge how resilient the sector's value network and supply chain is by analyzing the overall degree of disruption and how it affected overall levels of demand for tourism. The faster tourism levels return to normal after a disruption, the more resilient the value network and supply chain is in supplying the products and services that tourists and visitors demand.

5.1.f Evaluating the Degree of Resiliency in Nevada's Tourism and Hospitality Industry Sector

Nevada's Tourism and Hospitality industry sector faced significant challenges in-terms of resiliency over the course of the COVID-19 global pandemic. The industry experienced major supply chain disruptions, and because of lockdowns and national and international travel restrictions, a significant decrease in the overall demand for travel, tourism, and hospitality services. The industry's ability to plan and prepare for disruptions, react to them, and recover to a state of normalcy is essential. One key measure of resiliency is the diversity of suppliers within the industry. By having a diverse set of suppliers that are spread across the state, the industry can increase its agility and overall resiliency by pivoting to other suppliers when a disruption occurs.

During the pandemic, Nevada's Tourism and Hospitality industry sector faced significant challenges in resiliency. The industry experienced several sudden and unexpected triggering events that occurred in the upstream supply chain, inbound logistics network, and the purchasing environment, leading to a serious threat to normal business operations. Many hotels, resorts, and restaurants had to close down temporarily, leading to a significant decrease in the availability of supply needed to satisfy demand for tourism and hospitality services. Despite the challenges, the industry has demonstrated overall resiliency. For example, some hotels and resorts have adapted by offering virtual experiences and online tours to attract customers. Additionally, individual firms throughout the industry have been actively exploring alternative suppliers and

manufacturing locations to mitigate the impacts of supply chain disruptions. However, it is difficult to measure the overall resiliency of Nevada's Tourism and Hospitality industry sector because the unique circumstances created by the COVID-19 global pandemic. It remains to be seen how quickly the industry as a whole will fully recover. Key indicators, such as room availability and occupancy rates, will need to be closely monitored in order to gauge the industry's long-term resiliency.

Based on the results of the mapping of the value network and supply chain of Nevada's Tourism and Hospitality industry sector, it is evident that certainly elements of the broader value network and supply chain exhibited more resiliency than other parts. Food and drink services that supply hotels, motels, and casino resort properties are almost completely dependent on food and alcoholic beverages produced outside of Nevada. This could be the result of a failure to anticipate domestic and global disruptions encountered by key suppliers, such as the disruptions that occurred during the early stages of the COVID-19 global pandemic and that have persisted in the post-pandemic period. Dependence on one single geographic source of critical suppliers, for example California that produces much of the food that is imported to Nevada and consumed by tourists and visitors to the state, could be disastrous in the event of a future disruptive event. Companies which sourced from multiple geographic regions, including locally, were more successful and more resilient during the pandemic.

Nevada's Tourism and Hospitality industry sector was especially hard-hit by the pandemic, much of which was due to domestic and international travel restrictions. In January 2019 alone, the Las Vegas area experienced 3.5 million total visitors and over 717,000 convention attendees. By January 2021, total visitor and total convention attendee levels had fallen to just 1.1 million total visitors and just over 7,600 total convention attendees. As of January 2023, 3.3 million total visitors and over 513,000 convention attendees are estimated to have visited the Las Vegas area. While tourism and hospitality activity is approaching pre-pandemic levels for the Las Vegas area, the overall recovery has been decidedly slow. This suggests that the hospitality industry in Nevada may be much less resilient than hoped for given the protracted dip in visitation and convention attendee levels. Outdoor recreation suffered from a similar lack of resiliency, specifically in the lack of contingency planning and overall adaptability to changing national and international economic conditions. Despite rising rates of park and outdoor visitation during the pandemic, total economic output in Nevada's Tourism and Hospitality industry sector derived directly from outdoor tourism decreased. This suggests a need to rethink the way that elements of the tourism-related value network and supply chain in Nevada are structured.

Individual companies and specific parts of the broader tourism-related value network and supply chain in Nevada have embraced change and have managed to find new ways to grow and expand their operations over the course of the COVID-19 global pandemic. Casino gaming revenue in the Las Vegas area returned to pre-pandemic levels by March 2021 and has been increasing. This suggests a measured degree of adaptability and resiliency throughout parts of the gaming and gambling related activities part of the state's Tourism and Hospitality industry sector as gaming firms are earning more revenue with fewer visitors. The Nevada Tourism and Hospitality industry sector has faced significant challenges in-terms of resiliency becasue of the

COVID-19 global pandemic. While the industry has demonstrated some resiliency by adapting and exploring alternative suppliers and market channels, resiliency for the entire value network and supply chain for the broader Tourism and Hospitality industry sector in Nevada is somewhat lacking. Monitoring key metrics through the increased use of new technology and focusing on improving the overall diversity of essential and missing suppliers will be critical in enhancing the industry's overall resiliency in the future.

5.2 Targeted Community and Economic Development Strategies to Support Growth and Diversification of Nevada's Tourism and Hospitality Industry Sector

Targeted community and economic development strategies recommended as part of this study, based on the results of the mapping of the value network and supply chain of Nevada's Tourism and Hospitality industry sector, are divided into two general areas. The first general area is focused on enhancing certain critical elements of the state's broader Tourism and Hospitality industry sector value network and supply chain. The critical elements of the state's broader Tourism and Hospitality industry sector and supporting value network and supply chain, for which individual community and economic development strategies have been developed, include hotels and accommodations, transportation services and related infrastructure, outdoor recreation, and food and beverages. The second general area of recommendations include suggested targeted community and economic development strategies, including new business creation and attraction and existing business retention and expansion efforts, for each of Nevada's eight existing regional economic development authorities.

5.2.a Recommendations by Critical Element of the State's Tourism and Hospitality Industry Sector

Successful implementation and achievement of the broad statewide recommendations for closing 'gaps' throughout the value network and supply chain of Nevada's Tourism and Hospitality industry sector are dependent upon a number of factors including, but not limited to, prevailing national and international economic and market conditions, the cost and political willingness to support policy initiatives needed to complete these recommendations, and the willingness of the private sector to pursue these opportunities. Taken together, the specific recommendations outlined for the broader value network and supply of the statewide Tourism and Hospitality industry sector represent ways in which overall balance, strength, and resiliency for the entire sector could potentially be enhanced.

5.2.a.1 Hotels and Accommodations

One of the largest identified gaps within the broader value network and supply chain of Nevada's Tourism and Hospitality industry sector is Curtains and Linens. Curtains and Linen had an Average RPC of just 0.1 percent. Total gross outputs, or the amount of money that individual firms in the Tourism and Hospitality industry sector and, specifically for hotels and

accommodations, for Curtains and Linens was an estimated $76.0 million. Of this $76. million in gross inputs, approximately only $107,000 is captured in state by Nevada-based firms producing curtains and linens, indicating that virtually all of the money spent on purchasing curtains and linens in the Tourism and Hospitality industry sector in Nevada is spent outside of state with non-Nevada based firms. The production of Curtains and Linens in Nevada is a primary economic development recommendation for the targeted creation and attraction of new businesses and the expansion of existing businesses.

The Reno-Sparks Metropolitan Statistical Area and the Las Vegas Metropolitan Statistical Area are the two largest generators of overall economic activity throughout the state's Tourism and Hospitality industry sector. This geographic centralization of tourism-related economic activity may be efficient but it makes the entire industry sector less resilient. Improving the entire value network and supply chain of Nevada's Tourism and Hospitality industry sector to focus on enhancing tourism-related activities and opportunities outside these two metropolitan statistical areas could potentially improve the ability of the entire industry sector to withstand future disruptive events on the scale of the COVID-19 global pandemic. The COVID-19 global pandemic severely limited the number of tourists and visitors traveling to Nevada's two largest tourist hubs of Nevada. Increasing the number of tourist guides and improving transportation infrastructure that connects Nevada's two largest population centers and tourist hubs with outdoor recreation opportunities throughout the state should be pursued in order to broaden the geographic reach of tourism-related activities across the state. These efforts will create better overall balance across the state's Tourism and Hospitality industry sector and make it more resilient to future disruptive events.

Another identified gap in the overall value network and supply of Nevada's Tourism and Hospitality industry sector and, specifically, the hotel and accommodations part Electricity Transmission and Distribution. Electricity Transmission and Distribution had and Average RPC of just 66.0 percent. With total gross inputs of over $455.0 million, this results in a total supply chain leakage of approximately $154.0 million. Improving state's electricity production and distribution infrastructure, as well as the state's ability to generate electricity, would capture additional economic impacts of the broader Tourism and Hospitality industry sector that are currently exported to firms outside Nevada. These recommended improvements to Nevada's electricity production and distribution infrastructure would allow for a much more balanced, stronger, and resilient tourism-related value network and supply chain throughout the state.

5.2.a.2 Transportation Services and Related Infrastructure

Transportation services and related supporting transportation infrastructure is vital to the long-term balance, strength, and resiliency of the value network and supply chain that supports Nevada's Tourism and Hospitality industry sector. Investments in electricity production and distribution and information technologies infrastructure is critical to the future of tourism and hospitality across the state. Electric vehicles are becoming increasingly common among consumers and several states placing bans on the sale of internal combustion engine vehicles over the coming years that will further increase the overall demand use of electric vehicles. Many of these states, California specifically, plan to ban the sale of internal combustion engine

vehicles as early as 2035. As a neighboring state, as a state that greatly depends on tourists and visitors from California, creating the infrastructure needed to support the charging and general maintenance of electric vehicles is an imperative improvement to the value network and supply chain of Nevada's Tourism and Hospitality industry sector. This recommendation is especially important for Nevada's more rural and non-metropolitan communities. Without the needed infrastructure to charge electric vehicles, Nevada's more rural and non-metropolitan communities, counties, and regions may be become less accessible by tourists and visitors who visit the state and travel by electric vehicle.

The investment in and creation of a high-speed rail system that would connect Nevada to other neighboring states is also an important part of enhancing transportation services and related infrastructure in the broader value network and supply chain of Nevada's Tourism and Hospitality industry sector. With a Los Angeles to Las Vegas high-speed rail system planned for future, Nevada must ensure to take advantage of this major transportation infrastructure investment by exploring ways to connect Nevada to other key markets, especially in California such as San Francisco and the wider San Francisco bay area and central valley, with potential connecting transportation infrastructure to smaller rural and non-metropolitan parts of the state. Travel times by car between communities throughout Nevada, as well as between Nevada and neighboring states can rise as high as an entire day. The creation of high-speed rail systems and connecting transportation services and infrastructure that connects Nevada's two metropolitan statistical areas and tourism and hospitalities to other parts of the state and to other major population centers throughout the western and intermountain western United States is essential to the future balance, strength, and resiliency of the state's Tourism and Hospitality industry sector. During the COVID-19 pandemic, international travel was largely halted. Strengthening transportation services and supporting infrastructure across the state will reduce the industry sector's dependency on wider domestic and international travel and minimize the impact that national and global disruptive events have the entire sector.

Improved transportation services and supporting infrastructure across the state will also lead to several indirect benefits. Investments into electricity production and distribution and information technologies infrastructure across the entire state, as well as an accessible and fast railway system, will increase the overall degree of interconnectedness throughout the entire state. Increased interconnectedness could potentially attract additional tourists and visitors to more rural and non-metropolitan parts of Nevada, helping grow and diversify the Tourism and Hospitality industry sector outside the state's existing two metropolitan tourist hubs. Investments in the expansion of airport and airline services in eastern Nevada is essential in order to provide increased access to tourism and outdoor recreation opportunities in other parts of the state that are currently underserved in-terms of airline transportation services. Expanding these existing services in eastern Nevada would support and bolster overall tourist and visitor rates to major outdoor recreation assets such as the Ruby Mountains, Great Basin National Park, and parts of the U.S. Highway 50 corridor that connects several communities through the north-central part of the state. New, improved, and expanded airline transportation services and the accompanying infrastructure needed to support growth in these services must ensure that multiple routes to major population centers throughout the western and intermountain western United States are provided by major airline carriers. While there are currently direct airline

services between the City of Elko in Elko County and Salt Lake City in Utah, this single route does not provide the level of interconnectedness between the eastern part of Nevada and other potential tourism and hospitality target markets needed to support additional growth and diversification of the state's Tourism and Hospitality industry sector.

5.2.a.3 Outdoor Recreation

The continued development of partnerships between the United States Bureau of Land Management, local and state government agencies in Nevada, and private industry in order to facilitate the ease of access to public events is essential in further developing the outdoor recreation part of Nevada's Tourism and Hospitality industry sector. These partnerships have helped to create unique outdoor recreation opportunities across the state that attract tourists, visitors, and recreation enthusiasts all parts of the state and in the promotion of sustainable tourism in Nevada. Additionally, insourcing opportunities for performing arts, commercial sports, and promotional services should be considered as part of the wider effort to close identified gaps in the outdoor recreation part of the broader statewide Tourism and Hospitality industry sector. These efforts can be achieved through enhanced collaboration with local businesses and talent agencies that can create additional employment opportunities and increase overall visitor satisfaction. Expanding outdoor recreation opportunities with additional investment in improving existing and creating new outdoor recreation assets in parts of the state lower levels of current demand can also help grow and diversify the entire industry sector. Developing a targeted plan focused on Nevada's outdoor recreation services and opportunities should be developed and implemented in order to reduce potential vulnerability to economic downturns, seasonality, and possible future disruptive events. Utilization of local advertising agencies, which might require selected new business creation and attraction efforts, can increase the regional absorption of advertising expenditures, helping to promote Nevada's unique offerings to a broader audience and driving tourism throughout the state.

5.2.a.4 Food and Beverages

A substantial amount of the agricultural products purchased and utilized by individual firms throughout Nevada's Tourism and Hospitality industry sector are purchased from producers located outside of the state. For example, Nevada's Tourism and Hospitality industry sector purchases and utilized a substantial amount of meat. However, less than 1.0 percent of meat consumed by tourists and visitors in Nevada is locally sourced through local Nevada-based producers. For a state that produces a significant amount of beef and other meat commodities, this suggests that Nevada ships out of state a significant amount of meat produced in state to slaughterhouses and distributors for processing then reimports the final goods to supply firms in the Tourism and Hospitality industry sector. Not only does this result in lost economic activity for the state, it also means that the final product consumed by tourists and visitors is inflated due to tacked on transportation and out of state processing costs. Moving forward, it is recommended that seek to significant increase domestic Nevada-based agricultural production activities in order to close this critical gap and to enhance the overall economic impact of Nevada's Tourism and Hospitality industry sector.

Firms throughout Nevada's Tourism and Hospitality industry sector also use a very small amount of beverages that are locally supplied by Nevada-based beverage producers. Tourists and visitors that visit the state consume only 2.0 percent of the total supply of beer and other malt beverages made by local Nevada-based breweries. Because of this significant gap in the broader Tourism and Hospitality industry sector, it is recommended that new partnerships between firms in the Tourism and Hospitality industry sector operating limited-service restaurants and full-service restaurants and Nevada-based breweries be established in order to enhance consumption of beer and other malt beverages produced in Nevada. This effort would also further reduce dependence on transportation and help further grow Nevada's emerging brewery industry.

5.2.b Recommendations by Regional Economic Development Authority

Similar to the broad statewide recommendations outlined above, the specific recommendations for closing 'gaps' throughout the value network and supply chain of the Tourism and Hospitality industry sector for each of the eight regional economic development authorities are dependent upon a number of factors including, but not limited to, prevailing statewide, national, and international economic and market conditions, the cost and political willingness to support policy initiatives needed to implement these recommendations, and the willingness of the private sector to pursue these opportunities at the community, county, or regional level. Taken together, the specific recommendations outlined for the tourism-related value network and supply for each individual regional economic development authority region represents ways in which overall balance, strength, and resiliency for each region's Tourism and Hospitality industry sector could potentially be enhanced.

5.2.b.1 Churchill Fallon Economic Development

The Churchill Fallon Economic Development region would greatly benefit from the continued development and promotion of the U.S. Highway 50 corridor and the continued marking of the larger Pony Express National Historic Trail. These efforts should be akin to other popular tourism routes throughout the United States such as California's Highway 1 or Blue Ridge Parkway across Appalachia. Improved tourism-based infrastructure and additional related new business creation and attraction and existing business retention and expansion efforts designed to satisfy tourist and visitor needed would improve the ability of tourists visiting Churchill County, the City of Fallon, and other parts of the U.S. Highway 50 corridor to visit the scenic wonders and local attractions along the route while enjoying dining and entertainment opportunities along the way. Further development of this route would greatly benefit from improved airline services along U.S. Highway 50, possible in White Pine County and in the City of Ely, which would encourage travelers to arrive at either the Reno-Tahoe International Airport or Ely and travel towards the other airport before flying out. Such a development would be a major opportunity for the Churchill Fallon Economic Development region and to the entire state of Nevada. This effort will require the combined efforts and partnership between cities such as Carson City, Ely, Fallon, Fernley, Reno, and Sparks, other communities such as Austin, Dayton, and Eureka, as well as government agencies like the United States Bureau of Land Management and various private sector Tourism and Hospitality industry sector leaders. The Churchill Fallon Economic

Development region would also benefit from increased promotion of local food options in efforts to build upon existing food tourism activities located within the region. Not only would these efforts support the continued growth and diversification of the region's local Tourism and Hospitality industry sector, but these efforts would also help grow and potentially diversify the region's already significant agricultural production sector.

5.2.b.2 Economic Development Authority of Western Nevada

The Economic Development Authority of Western Nevada region should strive to become a leader in the development and establishment of additional electric vehicle charging stations throughout Washoe County. While the economic return would not be instant, this investment could enhance Washoe County's status as a tourist and visitor destination for tourists and visitors arriving from other states where the popularity of electric vehicles has and continues to grow. As previously mentioned, the state of California has already passed legislation to support wide spread usage of electric vehicles throughout the state. The City of Reno, the largest city in Washoe County, the City of Sparks, Washoe County's second largest single population center, are located on U.S. Interstate 80, a major tourism and hospitality travel corridor that connects Washoe County and the Economic Development Authority of Western Nevada's region directly to major population centers in California, including the central valley and the San Francisco bay area.

In 2020, total market share of electric vehicles was approximately 4.0 percent. By 2023, total market share of electric vehicles in the United States is expected to grow to nearly 18.0 percent. This continued growth and widespread usage of electric vehicles throughout the United States means that consumer demand for sustainable modes of travel is likely to increase and will require the Tourism and Hospitality industry sector in the Economic Development Authority of Western Nevada's region to further develop supporting infrastructure to accommodate this demand. Stack Charge and Electrify America, two companies that specialize in the development and maintenance of electric vehicle charging stations, should be engaged with in order to develop this supporting infrastructure. Washoe County is prime for such a partnership given its proximity to California and existing traffic patterns that already utilize U.S. Interstate 80. Nearly 30,000 vehicles cross Donner Pass daily, of which approximately 6,200 are semi-trucks. With the continued rise of electric vehicle usage in California and the amount of vehicles that already travel along U.S. Interstate 80, Washoe County could become a critical recharge point for many travelers heading to and from California.

5.2.b.3 Las Vegas Global Economic Alliance

Clark County, and specifically the Las Vegas Metropolitan Statistical Area, is already a global destination with millions of tourists and visitors visiting Las Vegas annually. The Las Vegas Global Economic Alliance region should continue to build upon existing strong partnerships with domestic and international airlines that already serve the Las Vegas area as these partnerships are crucial for increasing and sustaining domestic and international tourism to Las Vegas and to other parts of the Las Vegas Global Economic Alliance region. These partnerships should be further used to promote the region's unique mix of tourism and hospitality offerings and attract a

broader audience. Marketing campaigns highlighting the region's many attractions and amenities can also effectively drive tourism, especially when targeted to specific demographic groups including families, couples, or business travelers.

Improving the visitor experience for, especially, international tourists and visitors in Las Vegas and throughout Clark County is vital to the industry sector's long-term viability and sustainability. This can be achieved by providing language support and cultural training to hospitality industry staff, enhancing transportation services, and expanding cultural offerings that cater to a wide range of tourists and visitors with a growing demand for authentic local cultural experiences. Digital marketing strategies can and should be used to promote the region's culinary experiences and unique food and beverage offerings, available at the many limited-service restaurants and full-service restaurants already in operation across the region. In order to better highlight the region's cultural heritage and the cultural heritage of the state, the Las Vegas Global Economic Alliance region should seek to better utilize and promote locally sourced food and beverage products that are produced in Nevada.

5.2.b.4 Lincoln County Regional Development Authority

For the Lincoln County Regional Development Authority region, it is essential that supporting infrastructure, including the creation and attraction of new tourism-oriented businesses and further retention and expansion of existing businesses that already serve tourists and visitors that visit Lincoln County, be made a top priority in-terms of growing and further developing the region's Tourism and Hospitality industry sector. This effort should involve increased partnership and collaboration between restaurants and hotels in order to promote traveler willingness to remain in the area overnight. Lincoln County is already a major destination for various bicycle races and other outdoor events, with multiple events held throughout the county and the region during the summer months.

However, Lincoln County and the Lincoln County Regional Development Authority region suffers from a significant lack of restaurant and hotel options that decreases the probability that racers or other tourists and visitors are likely to remain overnight. As new businesses are created and attraction and as existing business are expanded in order to satisfy the considerable demand that exists for increased accommodation and food services, the region should also pursue an aggressive advertising strategy, including the use of digital marketing. This digital marketing strategy should promote existing businesses that serve tourist and visitor needs and celebrate the opening of new businesses that fill identified gaps in the region's Tourism and Hospitality industry sector.

Lincoln County should also continue to pursue a strategy that is designed to increase the variety of attractions available to tourists and visitors. While the development of additional attractions, especially outdoor recreation focused assets, might expand the identified gaps in the county's and region's tourism-based value network and supply chain in the short-term, the creation of additional demand should support the continued development and expansion of new and existing firms that can begin to close these identified gaps and retain a greater portion of total tourism-related economic impact and output locally within the county. This effort will require

engagement between local and regional public sector leaders, private sector industry leaders, and state and federal government stakeholders.

5.2.b.5 Nevada 95-80 Regional Development Authority

Humboldt County and Pershing County, the two counties that comprise the Nevada 95-80 Regional Development Authority region, are situated along one of the most heavily traveled transportation corridors in the state, U.S. Interstate 80. The intersection of U.S. Interstate 80 and U.S. Highway 95 within the region also makes the Nevada 95-80 Regional Development Authority a central transportation hub within the state's broader Tourism and Hospitality industry sector and a must travel point for tourists and visitors seeking out a variety of outdoor recreation activities in the northern part of the state. Despite the region's idyllic positioning, no tourism-related sector was within the top ten economic sectors, in-terms of total economic output, for this region. This suggests that, while tourists and visitors might travel through this region, they are not stopping and staying in the region, resulting in lost economic activity in the region's Tourism and Hospitality industry sector.

Community leaders, private sector industry representatives, and other stakeholders in the region should seek out opportunities to develop attractions and tourism-related supportive infrastructure, including additional limited-service restaurants, full-service restaurants, and additional hotel and motel lodging establishments, to encourage tourists to remain for more than a single night. Building upon the popularity of major outdoor recreation assets in the region, including Rye Patch State Recreation Area located along U.S. Interstate 80 between the City of Lovelock in Pershing County and the City of Winnemucca in Humboldt County, should include the use of digital marketing and a focus on creating destinations that tourists will want to spend multiple days exploring. This effort should also focus on developing and promoting new and existing special events and activities that highlight local and regional culture and promote other existing industry sectors that make up a large part of the region's broader heritage and identity. Once tourists and visitors begin staying for longer, the Nevada 95-80 Regional Development Authority region should work collaboratively to encourage tourists and visitors to begin exploring other parts of the region that are not directly adjacent to U.S. Interstate 80. Outdoor recreation guides, ranches, and destinations to incentivize tourists to explore some of the region's natural assets and offerings should be pursued as a means of closing existing gaps in the value network and supply chain of this industry sector.

5.2.b.6 Northeastern Nevada Regional Development Authority

The Northeastern Nevada Regional Development Authority region is home to a wide variety of natural wildlife and landscapes that are visited by hundreds of thousands of tourists, visitors, and outdoor recreation enthusiasts every year. For this region, public sector and private sector stakeholders should work to capitalize on these natural assets by developing supportive tourism-related infrastructure and support the development of new businesses and the expansion of existing businesses that can more fully satisfy the demands and needs of tourists and visitors throughout the region. For Elko County and White Pine County specifically, four specific natural assets could be used to spur additional private sector development through targeted new

business creation and attraction and existing business retention and expansion efforts. These areas include Great Basin National Park, the Ruby Lake National Wildlife Refuge, Cave Lake State Park, and Willow Creek Recreational Area. For this region public sector and private sector interests should work to entice companies like Tough Mudder, Spartan Race, and GoRuck to host events in these areas. These events are outdoor competitions that require their participants to traverse rough terrain. Some of these events are survival competitions while others are ultra-hikes of up to 100 miles. The region's existing topography and geography would be perfect for such competitions.

As new outdoor recreation events and activities are created and as existing outdoor recreation and entertainment assets are continually improved upon, the region should aggressively employ new business creation and existing business retention strategies aimed at closing existing gaps in the region's tourism-related value network and supply chain. Chief among these gaps in the region's tourism supporting transportation infrastructure and services and businesses that can satisfy existing unmet demand for retail services, especially outdoor recreation oriented retailers, limited-service restaurants and full-service restaurants that highlight local agricultural production, and additional hotel and other accommodation services. The case of West Virginia is an example of how outdoor recreation events and entertainment such as Tough Mudder, Spartan Race, and GoRuck can have. The University of West Virginia conducted an analysis of a single Tough Mudder event that was held in West Virginia. This single Tough Mudder event attracted nearly 10,000 racers with over 8,000 of these participants coming from outside West Virginia. Participants came as far as California and New York. Ultimately, the University of West Virginia estimated that the event generated over $3.0 million in state government collected tax revenues in the form of increased taxable retail sales activity and additional hotel room and transient lodging tax revenue. Great Basin National Park is only approximately four hours from major population centers including Las Vegas, Nevada, and Salt Lake City, Utah. These areas could be targeted in the promotion of an outdoor recreation event such as a Tough Mudder event, Spartan Race, or GoRuck race held in White Pine County or another part of the Northeastern Nevada Regional Development Authority region.

5.2.b.7 Northern Nevada Development Authority

Promoting various unique outdoor recreational activities, such as hiking, fishing, and skiing, which can attract more tourists to the area and foster the growth of rural tourism and ecotourism, and promotion of the region's unique history and cultural assets should serve as the primary focus for the Northern Nevada Development Authority region. To do this, economic development and community leaders throughout the region should leverage existing social media platforms and online advertising campaigns to highlight the natural beauty, recreational opportunities, and unique history and culture of the entire region. Local tour operators, a key missing link in the region's broader Tourism and Hospitality industry sector value network and supply chain, should collaborate to create packaged experiences that highlight the region's best outdoor activities.

Leveraging technology through new platforms that tourists and visitors increasingly utilize can enhance the overall visitor experience throughout the region and improve overall tourist and

visitor satisfaction levels. Using mobile apps, virtual tours, and other digital tools that already exist can provide a more immersive experience for tourists and visitors and allow them to plan their trips more efficiently. These technological innovations can also gather feedback from visitors, enabling regional partners to improve overall tourism-based offerings and to better target business creation and attraction efforts in the areas of limited-service restaurants and full-service restaurants and in other parts of the region's Tourism and Hospitality industry sector value network and supply chain.

The continued development of tourism-related transportation infrastructure and other supporting private sector assets will be needed to further boost regional tourism levels and to ensure that a greater percentage of the industry sector's overall economic impact is retained within the region. This could include constructing new hotels, resorts, and restaurants and improving existing infrastructure such as transportation networks, parking, and visitor centers. Targeted incentives, used in less populated parts of the region, should be considered as a way of encouraging private sector development of these needed private sector assets. State and local government resources should also be focused on completing new tourism-related transportation infrastructure that connects major tourism destination locations within the region.

The rich and varied cultural heritage of the Northern Nevada Development Authority's region should be leveraged to attract additional tourists and visitors that are seeking authentic cultural experiences. Collaborating with local museums, historical sites, and cultural organizations to develop tours, exhibits, and festivals can highlight the unique cultural characteristics and history of the region and help visitors connect with local communities. While this effort can also contribute to preserving and celebrating the region's history and traditions, the region's existing manufacturing base is an ideal environment to potentially pursue the development and attraction of new firms that can produce and provide curtains and linens to the entire state's Tourism and Hospitality industry sector, a major gap in the statewide Tourism and Hospitality industry sector value network and supply chain.

5.2.b.8 Southwest Central Regional Economic Development Authority

The Southwest Central Regional Economic Development Authority has many culturally-based tourism assets and many outdoor recreation assets that could potentially drive increased levels of tourism and hospitality throughout the region and for both of the region's two counties, Esmeralda County and Nye County. Much of the region, including northern Nye County and the historical town of Tonopah and all of Esmeralda County including the historical town of Goldfield are centrally located in Nevada, providing tourists and visitors from across the state and from major population centers outside the state access to Nevada's outdoor 'frontier'. The town of Pahrump, the region's single largest population center, is located in southern Nye County and is approximately 60 miles from the Las Vegas Metropolitan Statistical Area in neighboring Clark County. The town of Pahrump hosts approximately 400,000 tourists and visitors per year, a surprisingly small amount given the community's proximity to Las Vegas and to major outdoor recreation assets including Death Valley National Park and Ash Meadows National Wildlife Refuge. Ash Meadows National Wildlife Refuge has an estimated average of 70,000 visitors per year and the town of Pahrump, as a possible extension of Las Vegas's

reputation of 'sin city', is home to the closest legal brothels to Las Vegas. In some ways, the town of Pahrump and parts of Nye County are extensions of the broader Tourism and Hospitality industry sector that exists in Clark County. Pahrump also boasts a robust and emerging beer, wine, and spirits sector as Pahrump is known for several wineries that have received national attention. One of these wineries, Symphony's Restaurant, reported having over 100,000 visitors in a single year.

Nye County's and Esmeralda County's unique mix of emerging sectors and existing outdoor recreation activities and assets is ideal for attracting tourists and visitors from Las Vegas and for providing tourism-related goods and services to the Tourism and Hospitality industry sector in Clark County. The Southwest Central Regional Economic Development Authority region should explore opportunities to integrate its tourism-related value network and supply chain more fully with the tourism-related value network and supply chain of Clark County and of the Las Vegas Metropolitan Statistical Area. The production of curtains and linens in Pahrump could service hotels and other accommodation facilities throughout the Las Vegas Metropolitan Statistical Area and the Southwest Central Regional Economic Development Authority region's growing beer, wine, and spirits sector, especially its growing wineries, could begin supplying bars and restaurants throughout the Las Vegas area. The Southwest Central Regional Economic Development Authority region should also seek to attract at least 3.0 percent of the tourist and visitors that visit Las Vegas annually. The goal of this target is to add to the experience that tourists and visitors visiting Las Vegas enjoy. This effort would require additional investments across the Southwest Central Regional Economic Development Authority region and the Las Vegas Global Economic Alliance region on improving tourism-supporting transportation infrastructure. A new advertising campaign for the region should also focused on the unique experiences available throughout the Southwest Central Regional Economic Development region, including day and overnight visits to region-based wineries and major outdoor recreation destinations.

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Appendix A: IMPLAN Results for the State of Nevada

Table A-1 – Top 20 Industry Sectors in-terms of Economic Performance State of Nevada 2021						
Code	**Description**	**Total Output**	**Total Employment**	**Employee Compensation**	**Proprietor Employment**	**Proprietor Income**
449	Owner-occupied dwellings	$16,705,242,235	0	$0	0	$0
447	Other real estate	$15,110,466,474	16,430	$1,234,303,152	57,780	$939,875,499
507	Hotels and motels, including casino hotels	$12,341,968,551	89,128	$4,705,762,148	1,557	$509,775,355
469	Management of companies and enterprises	$8,748,910,085	25,267	$4,907,001,604	5,983	-$310,479,396
24	Gold ore mining	$7,082,450,876	9,641	$1,308,883,818	1,360	-$4,541,054
490	Hospitals	$6,770,507,437	33,345	$3,210,090,121	95	$78,257,451
510	Limited-service restaurants	$6,431,776,008	53,934	$1,417,719,909	3,006	$181,416,231
509	Full-service restaurants	$5,858,514,980	56,376	$2,023,578,531	3,629	$209,542,298
444	Insurance carriers, except direct life	$5,753,101,653	4,679	$553,872,651	2,156	$15,859,177
448	Tenant-occupied housing	$5,393,743,658	3,555	$237,842,423	11,639	$213,113,543
503	Gambling industries (except casino hotels)	$5,318,158,056	27,493	$1,365,948,932	2,333	$228,983,766
439	Nondepository credit intermediation and related activities	$4,866,408,621	14,123	$2,004,142,345	1,611	$229,386,278
59	Construction of other new residential structures	$4,701,896,482	9,809	$698,918,527	1,583	$140,131,132
542	Employment and payroll of local govt, education	$4,644,948,386	52,803	$3,939,303,979	0	$0
413	Retail - Nonstore retailers	$4,570,623,769	6,148	$421,238,711	13,250	$144,009,974
544	Employment and payroll of local govt, other services	$4,485,955,246	32,865	$3,792,599,379	0	$0
445	Insurance agencies, brokerages, and related activities	$4,454,812,057	9,827	$889,649,082	3,183	$23,691,520
483	Offices of physicians	$4,418,435,987	23,293	$2,744,901,911	6,262	$406,193,878
422	Warehousing and storage	$4,261,945,042	40,404	$2,104,583,704	922	$19,246,788

Table A-1 Cont'd – Top 20 Industry Sectors in-terms of Economic Performance State of Nevada 2021						
Code	**Description**	**Total Output**	**Total Employment**	**Employee Compensation**	**Proprietor Employment**	**Proprietor Income**
441	Monetary authorities and depository credit intermediation	$4,214,008,520	8,045	$714,203,687	605	$76,653,474
Total		**$136,133,874,122**	**517,164**	**$38,274,544,613**	**116,955**	**$3,101,115,913**

Table A-2 – Total Employment and Total Output by Commodity Produced by Industry Sector Related to Tourism and Hospitality State of Nevada 2021			
Code	**Description**	**Total Employment**	**Total Output**
507	Hotels and motels, including casino hotels	90,685	$12,341,968,551
510	Limited-service restaurants	56,941	$6,431,776,008
509	Full-service restaurants	60,005	$5,858,514,980
503	Gambling industries (except casino hotels)	29,826	$5,318,158,056

Appendix B: IMPLAN Results for the Economic Development Authority of Western Nevada

Table B-1 – Top 20 Industry Sectors for the Economic Development Authority of Western Nevada 2021					
Description	**Total Output**	**Average Proprietor Income per Proprietor**	**Average Employee Compensation per Wage and Salary Employee**	**Total Labor Income**	**Total Employment**
Owner-occupied dwellings	$2,923,654,178	N/A	N/A	$0	0
Other real estate	$2,793,745,082	$781	$76,697	$229,904,375	15,256
Insurance carriers, except direct life	$1,680,654,673	$3,941	$163,205	$195,751,294	1,719
Hospitals	$1,383,843,424	$649,969	$88,008	$642,270,518	7,206
Management of companies and enterprises	$1,299,425,823	$11,282	$220,855	$733,296,871	4,157
Warehousing and storage	$994,729,423	$107,039	$68,986	$564,520,917	8,139
Hotels and motels, including casino hotels	$929,072,469	$240,361	$46,559	$370,577,766	7,380
Construction of other new residential structures	$926,327,385	$245,488	$70,593	$192,423,081	2,140
Employment services	$922,857,782	$37,105	$53,481	$403,159,328	7,925
Tenant-occupied housing	$879,710,165	$830	$53,802	$40,685,020	2,998
Limited-service restaurants	$875,178,569	$52,169	$27,363	$216,442,812	7,659
Offices of physicians	$863,901,848	$64,735	$140,401	$642,264,933	5,173
Retail - Nonstore retailers	$854,760,804	$5,091	$64,840	$101,702,921	3,306
Architectural, engineering, and related services	$848,785,634	$63,957	$107,299	$479,670,033	5,231
Truck transportation	$841,866,451	$178,192	$90,488	$377,614,950	3,768
Construction of new single-family residential structures	$806,149,281	$219,859	$70,302	$398,429,115	4,486
Wholesale - Household appliances and electrical and electronic goods	$799,796,222	$152,659	$85,462	$146,138,505	1,651
Other communication and energy wire manufacturing	$781,301,825	$41,636	$147,201	$214,405,070	1,466

Table B-1 Cont'd – Top 20 Industry Sectors for the Economic Development Authority of Western Nevada 2021					
Description	**Total Output**	**Average Proprietor Income per Proprietor**	**Average Employee Compensation per Wage and Salary Employee**	**Total Labor Income**	**Total Employment**
Employment and payroll of local govt, other services	$737,318,535	N/A	$116,001	$623,357,494	5,374
Employment and payroll of local govt, education	$720,405,366	N/A	$72,440	$610,963,887	8,434
Total	**$58,862,812,727**	**$36,935**	**$77,666**	**$20,496,142,654**	**296,004**

Appendix C: IMPLAN Results for the Churchill Fallon Economic Development

Table C-1 – Top 20 Industry Sectors for the Churchill Fallon Economic Development 2021					
Description	**Total Employment**	**Total Labor Income**	**Total Output**	**Average Employee Compensation per Wage and Salary Employee**	**Average Proprietor Income per Proprietor**
Employment and payroll of federal govt, military	1,220	$155,002,448	$146,735,198	$127,017	N/A
Owner-occupied dwellings	0	$0	$130,342,878	N/A	N/A
Secondary processing of other nonferrous metals	148	$16,312,371	$124,227,162	$115,528	-$11,509
Dry, condensed, and evaporated dairy product manufacturing	94	$7,311,252	$98,549,255	$88,569	$8,567
Scenic and sightseeing transportation and support activities for transportation	664	$76,878,762	$81,691,143	$115,710	$139,722
Hospitals	372	$35,052,801	$73,591,624	$94,139	$112,568
Facilities support services	425	$22,701,735	$71,270,085	$66,052	$13,272
Employment and payroll of federal govt, non-military	474	$41,997,598	$55,827,157	$88,604	N/A
Dairy cattle and milk production	58	$7,827,290	$55,516,127	$53,856	$345,800
Search, detection, and navigation instruments manufacturing	116	$15,863,256	$53,201,270	$142,652	$5,879
Employment and payroll of local govt, education	681	$44,712,379	$52,721,673	$65,672	N/A
Limited-service restaurants	430	$11,036,331	$47,024,957	$24,441	$52,972
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	138	$15,068,619	$46,616,527	$68,696	$112,986
Employment and payroll of local govt, other services	437	$35,231,078	$41,671,957	$80,679	N/A
Electric power transmission and distribution	31	$4,681,637	$41,670,662	$178,850	$1,488

Table C-1 Cont'd – Top 20 Industry Sectors for the Churchill Fallon Economic Development 2021					
Description	**Total Employment**	**Total Labor Income**	**Total Output**	**Average Employee Compensation per Wage and Salary Employee**	**Average Proprietor Income per Proprietor**
Gambling industries (except casino hotels)	251	$8,759,496	$36,409,622	$32,806	$68,799
Other real estate	199	$7,270,168	$36,136,878	$44,376	$35,162
Scientific research and development services	159	$15,028,919	$36,118,345	$109,944	$20,938
Construction of other new residential structures	91	$6,283,066	$35,564,252	$64,143	$101,353
Tenant-occupied housing	181	$6,223,739	$33,879,507	$22,383	$38,142
Retail - General merchandise stores	327	$12,192,745	$31,666,572	$37,171	$44,072
Total	**13,024**	**$893,988,640**	**$2,349,644,727**	**$74,472**	**$44,254**

Appendix D: IMPLAN Results for the Lincoln County Regional Development Authority

Table D-1 – Top 20 Industry Sectors for the Lincoln County Regional Development Authority 2021		
Description	**Total Output**	**Total Employment**
Owner-occupied dwellings	$21,547,933	0
Wholesale - Petroleum and petroleum products	$15,451,303	8
Employment and payroll of local govt, other services	$15,328,669	183
All other crop farming	$14,356,727	223
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	$14,191,140	24
Other nonmetallic minerals	$13,319,849	40
Wired telecommunications carriers	$12,323,716	30
Monetary authorities and depository credit intermediation	$11,553,943	29
Rail transportation	$11,328,303	18
Water, sewage and other systems	$9,970,037	22
Employment and payroll of local govt, hospitals and health services	$8,574,581	90
Petroleum refineries	$8,195,530	1
Employment and payroll of state govt, hospitals and health services	$8,075,080	79
Other real estate	$7,633,634	50
Retail - Gasoline stores	$7,447,664	53
Independent artists, writers, and performers	$7,002,107	25
Employment and payroll of local govt, education	$6,086,215	108
Retail - Food and beverage stores	$5,805,062	77
Electric power transmission and distribution	$5,693,271	5
Employment and payroll of federal govt, non-military	$5,349,378	37
Total	**$209,234,143**	**1,100**

Appendix E: IMPLAN Results for the Las Vegas Global Economic Alliance

Table E-1 – Top 20 Industry Sectors for the Las Vegas Global Economic Alliance 2021		
Description	**Total Output**	**Total Employment**
Owner-occupied dwellings	$11,858,044,239	0
Other real estate	$11,200,558,688	52,663
Hotels and motels, including casino hotels	$10,734,696,979	77,794
Management of companies and enterprises	$6,988,009,656	25,199
Limited-service restaurants	$5,036,183,440	44,594
Full-service restaurants	$4,873,507,235	49,237
Hospitals	$4,819,579,301	23,260
Tenant-occupied housing	$4,299,597,270	11,169
Gambling industries (except casino hotels)	$4,229,831,744	22,903
Insurance carriers, except direct life	$4,024,767,843	5,048
Nondepository credit intermediation and related activities	$4,005,674,097	13,331
Insurance agencies, brokerages, and related activities	$3,526,521,680	10,448
Employment and payroll of local govt, education	$3,413,564,900	38,072
Construction of other new residential structures	$3,364,565,114	8,170
Retail - Nonstore retailers	$3,327,619,436	14,201
Employment and payroll of local govt, other services	$3,245,162,737	22,479
Offices of physicians	$3,226,881,868	22,280
Monetary authorities and depository credit intermediation	$3,176,878,683	6,554
Air transportation	$3,098,470,372	7,804
Construction of new single-family residential structures	$2,751,917,747	17,157
Total	**$101,202,033,030**	**472,362**

Appendix F: IMPLAN Results for the Nevada 95-80 Regional Development Authority

Table F-1 – Top 20 Industry Sectors for the Nevada 95-80 Regional Development Authority 2021			
Description	**Total Output**	**Total Employment**	**Total Employee Compensation**
Gold ore mining	$1,482,272,710	2,109	$277,876,129
Metal mining services	$174,968,265	331	$34,165,138
Owner-occupied dwellings	$128,201,443	0	$0
All other crop farming	$98,908,655	412	$21,127,150
Silver ore mining	$96,484,787	152	$20,436,000
Electric power transmission and distribution	$86,744,858	58	$11,491,041
Iron ore mining	$70,869,694	80	$10,609,469
Employment and payroll of local govt, education	$66,496,908	762	$56,394,929
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	$65,731,866	10	$598,228
Employment and payroll of local govt, hospitals and health services	$64,250,934	473	$54,820,861
Construction of new power and communication structures	$59,152,277	158	$18,936,354
Other real estate	$39,852,012	64	$1,776,414
Limited-service restaurants	$39,061,850	339	$8,127,417
Retail - Gasoline stores	$37,098,101	235	$7,381,119
Hotels and motels, including casino hotels	$36,754,517	314	$10,454,327
Truck transportation	$34,200,745	133	$12,298,725
Other basic inorganic chemical manufacturing	$33,791,552	39	$5,839,078
Employment and payroll of local govt, other services	$32,743,569	317	$27,682,674
Natural gas distribution	$32,539,642	25	$4,851,725
Total	**$2,680,124,385**	**6,011**	**$584,866,778**

Appendix G: IMPLAN Results for the Northern Nevada Development Authority

Table G-1 – Top 20 Industry Sectors for the Northern Nevada Development Authority 2021			
Description	**Total Output**	**Total Employment**	**Total Employee Compensation**
Owner-occupied dwellings	$1,001,662,787	0	$0
Other real estate	$767,432,261	549	$37,054,485
Petroleum refineries	$712,680,541	75	$11,188,652
Employment and payroll of state govt, other services	$609,589,465	5,652	$521,113,194
Warehousing and storage	$524,015,383	4,657	$278,627,638
Storage battery manufacturing	$447,418,101	1,055	$193,318,401
Hospitals	$373,211,166	1,910	$156,382,949
Hotels and motels, including casino hotels	$322,012,324	2,346	$120,564,619
Management of companies and enterprises	$309,431,699	858	$143,942,514
Gambling industries (except casino hotels)	$293,607,260	1,794	$69,235,119
Nondepository credit intermediation and related activities	$261,891,396	556	$76,564,155
Limited-service restaurants	$260,251,298	2,206	$58,220,117
Construction of other new residential structures	$244,511,673	510	$33,659,041
Offices of physicians	$243,822,947	1,168	$157,315,940
Funds, trusts, and other financial vehicles	$238,962,368	258	$24,648,623
Data processing, hosting, and related services	$238,101,580	303	$47,210,133
Paint and coating manufacturing	$216,435,445	228	$24,187,853
Employment and payroll of local govt, other services	$214,285,855	1,899	$181,165,516
Total	**$7,279,323,548**	**26,026**	**$2,134,398,950**

Appendix H: IMPLAN Results for the Northeastern Nevada Regional Development Authority

Table H-1 – Top 20 Industry Sectors for the Northeastern Nevada Regional Development Authority 2021		
Description	**Total Output**	**Total Employee Compensation**
Gold ore mining	$4,842,624,013	$903,768,501
Metal mining services	$703,844,388	$157,582,140
Wholesale - Petroleum and petroleum products	$418,648,715	$23,743,204
Owner-occupied dwellings	$392,786,825	$0
Electric power transmission and distribution	$273,623,627	$31,929,519
Hotels and motels, including casino hotels	$262,552,333	$92,989,333
Copper, nickel, lead, and zinc mining	$247,526,267	$44,467,742
Wholesale - Machinery, equipment, and supplies	$220,192,785	$71,303,343
Construction of new power and communication structures	$213,084,544	$68,019,284
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	$147,968,316	$2,081,780
Other real estate	$143,171,928	$8,111,743
Employment and payroll of local govt, education	$142,496,953	$120,849,312
Management of companies and enterprises	$136,931,374	$83,425,966
Employment and payroll of local govt, other services	$128,447,326	$108,594,318
Gambling industries (except casino hotels)	$128,325,923	$31,239,465
Limited-service restaurants	$116,428,028	$25,750,994
All other crop farming	$93,738,474	$16,016,579
Monetary authorities and depository credit intermediation	$87,016,073	$13,908,516
Construction of other new residential structures	$82,525,836	$12,255,150
Retail - Nonstore retailers	$81,254,362	$6,500,983
Total	**$8,863,188,091**	**$1,822,537,869**

Appendix I: IMPLAN Results for the Southwest Central Regional Economic Development Authority

Table I-1 – Top 20 Industry Sectors for the Southwest Central Regional Economic Development Authority 2021		
Description	**Total Output**	**Total Employee Compensation**
Gold ore mining	$616,124,195	$113,652,883
Scientific research and development services	$395,404,304	$165,180,296
Electric power transmission and distribution	$265,772,297	$30,773,386
Owner-occupied dwellings	$249,001,951	$0
Other real estate	$121,935,990	$6,991,011
Facilities support services	$102,593,372	$40,522,217
Copper, nickel, lead, and zinc mining	$88,552,422	$16,250,192
Employment and payroll of local govt, other services	$70,996,598	$60,023,259
Retail - Nonstore retailers	$64,146,655	$5,511,056
Other clay, ceramic, refractory minerals mining	$62,813,069	$14,863,146
Limited-service restaurants	$55,891,619	$11,571,715
Hospitals	$54,988,290	$20,715,298
Employment and payroll of local govt, education	$53,395,459	$45,283,806
Gambling industries (except casino hotels)	$53,114,552	$10,625,264
Petroleum refineries	$47,519,492	$107,777
Hotels and motels, including casino hotels	$46,556,309	$13,589,767
Investigation and security services	$43,110,481	$28,614,824
Construction of new power and communication structures	$39,488,859	$11,548,078
Retail - General merchandise stores	$38,157,116	$14,199,435
Waste management and remediation services	$35,747,838	$10,541,344
Total	**$2,505,310,865**	**$620,564,755**

Appendix J: IMPLAN Results of the Forward and Backward Linkages of the Value Network and Supply Chain for Nevada's Tourism and Hospitality Industry Sector

Hotel and Lodging Services
Food and Drink Services
Indoor Events and Recreation Services
Outdoor Recreation Services
Transportation Services

Table J-1 – Forward Linkages for Hotel and Lodging Services Tourism and Hospitality Industry Sector, State of Nevada 2022		
Industry	**Average RPC**	**Average RSC**
Hotels and motel services, including casino hotels	9.6%	2.3%
Other accommodation services	0.6%	2.7%
Full-service restaurant services	99.3%	57.2%
Limited-service restaurant services	99.6%	63.8%
All other food and drinking place services	99.2%	81.7%
Performing arts	98.8%	31.9%
Museum, heritage, zoo, and recreational services	84.1%	98.9%
Amusement parks and arcades	59.6%	95.0%
Gambling recreation	99.9%	25.0%
Other amusement and recreation	89.6%	48.8%
Bowling activities	99.3%	33.7%

Table J-2 – Backward Linkages for Hotel and Lodging Services Tourism and Hospitality Industry Sector, State of Nevada 2022						
Industry	**RPC**	**Gross Absorption**	**Gross Inputs (GI)**	**Regional Absorption**	**Regional Inputs (RI)**	**GI-RI**
All other food and drinking place services	99.2%	5.5%	$459,483,423	5.5%	$455,891,294	$3,592,129
Advertising, public relations, and related services	66.0%	4.1%	$455,382,006	2.7%	$300,479,817	$154,902,188
Management of companies and enterprises	98.0%	4.1%	$433,354,452	4.0%	$424,581,437	$8,773,014
Electricity transmission and distribution	63.5%	4.0%	$315,820,508	2.5%	$200,608,055	$115,212,453
Other real estate services	98.6%	2.3%	$158,291,142	2.3%	$156,111,705	$2,179,436
Services to buildings	95.4%	1.7%	$121,366,218	1.6%	$115,829,865	$5,536,352
Curtains and linens	0.1%	1.0%	$76,101,380	0.0%	$107,831	$75,993,549

Table J-3 – Backward Linkages for Food and Drink Services Tourism and Hospitality Industry Sector, State of Nevada 2022						
Industry	**RPC**	**Gross Absorption**	**Gross Inputs (GI)**	**Regional Absorption**	**Regional Inputs (RI)**	**GI-RI**
Management of companies and enterprises	98.0%	19.0%	$905,009,051	18.6%	$886,687,657	$18,321,394
Other real estate services	98.6%	14.9%	$835,195,092	14.7%	$823,695,683	$11,499,408
Advertising, public relations, and related services	66.0%	7.8%	$461,963,773	5.1%	$304,822,738	$157,141,035
Electricity transmission and distribution	63.5%	4.2%	$240,278,327	2.7%	$152,623,932	$87,654,395
Cheese	0.5%	2.0%	$117,856,256	0.0%	$580,444	$117,275,812
Meat (except poultry) produced in slaughtering plant	0.3%	1.5%	$91,601,241	0.0%	$255,525	$91,345,715
Beer, ale, malt liquor and nonalcoholic beer	2.0%	1.2%	$64,413,456	0.0%	$1,299,030	$63,114,425

Table J-4 – Backward Linkages for Indoor Events and Recreation Services Tourism and Hospitality Industry Sector, State of Nevada 2022						
Industry	**RPC**	**Gross Absorption**	**Gross Inputs (GI)**	**Regional Absorption**	**Regional Inputs (RI)**	**GI-RI**
Other real estate services	98.6%	25.7%	$103,827,070	25.3%	$102,397,524	$1,429,546
Advertising, public relations, and related services	66.0%	11.5%	$180,633,537	7.6%	$119,189,453	$61,444,084
Legal services	79.7%	10.4%	$414,721,964	8.3%	$330,416,405	$84,305,558
All other food products	2.1%	6.8%	$10,381,036	0.1%	$216,433	$10,164,603
Other insurance	86.1%	5.5%	$47,395,544	4.8%	$40,788,919	$6,606,625
Electricity transmission and distribution	63.5%	5.1%	$27,898,071	3.2%	$17,720,755	$10,177,316
Beer, ale, malt liquor and nonalcoholic beer	2.0%	4.0%	$41,245,303	0.1%	$831,797	$40,413,506

Table J-5 – Forward Linkages for Outdoor Recreation Services Tourism and Hospitality Industry Sector, State of Nevada 2022		
Industry	**Average RPC**	**Average RSC**
Performing arts	98.8%	31.9%
Commercial sports except racing	84.4%	37.7%
Racing and track operation services	79.3%	59.0%
Independent artists, writers, and performers	98.1%	48.2%
Promotional services for performing arts and sports and public figures	98.8%	46.5%
Museum, heritage, zoo, and recreational services	84.1%	98.9%
Amusement parks and arcades	59.6%	95.0%
Other amusement and recreation	89.6%	48.8%
Fitness and recreational sports center services	97.2%	66.0%

Table J-6 – Backward Linkages for Outdoor Recreation Services Tourism and Hospitality Industry Sector, State of Nevada 2022						
Industry	**RPC**	**Gross Absorption**	**Gross Inputs (GI)**	**Regional Absorption**	**Regional Inputs (RI)**	**GI-RI**
Other real estate services	98.6%	45.4%	$184,171,443	44.8%	$181,635,673	$2,535,770
Promotional services for performing arts and sports and public figures	98.8%	15.0%	$113,961,810	14.8%	$112,636,710	$1,325,100
Advertising, public relations, and related services	66.0%	18.1%	$61,239,489	11.9%	$40,408,339	$20,831,150
Independent artists, writers, and performers	98.1%	10.4%	$75,676,266	10.2%	$74,210,324	$1,465,942
Commercial sports except racing	84.4%	9.6%	$55,410,942	8.1%	$46,780,831	$8,630,110
Racing and track operation services	79.3%	9.5%	$5,853,224	7.5%	$4,641,813	$1,211,411

Table J-7 – Forward Linkages for Transportation Services Tourism and Hospitality Industry Sector, State of Nevada 2022		
Industry	**Average RPC**	**Average RSC**
Transit and ground passenger transportation services	93.9%	48.3%
Air transportation services	70.3%	39.5%
Rail transportation services	66.6%	80.4%
Truck transportation services	84.4%	87.2%
Automotive equipment rental and leasing services	94.6%	60.5%
Scenic and sightseeing transportation services and support activities for transportation	97.2%	86.7%

Table J-8 – Backward Linkages for Transportation Services Tourism and Hospitality Industry Sector, State of Nevada 2022						
Industry	**RPC**	**Gross Absorption**	**Gross Inputs (GI)**	**Regional Absorption**	**Regional Inputs (RI)**	**GI-RI**
Refined petroleum products	15.0%	15.3%	$514,959,322	2.3%	$77,307,430	$437,651,892
Non Comparable imports	0.0%	9.6%	$321,176,927	0.0%	$0.00	$321,176,927
Other aircraft parts and auxiliary equipment	0.3%	1.4%	$45,231,299	0.0%	$111,189	$45,120,109
Securities and commodity contracts intermediation and brokerage	57.1%	1.6%	$54,501,580	0.9%	$31,111,494	$23,390,085
Wholesale services - Petroleum and petroleum products	66.7%	1.3%	$42,599,576	0.9%	$28,391,605	$14,207,970
Monetary authorities and depository credit intermediation	54.0%	0.7%	$24,553,399	0.4%	$13,268,279	$11,285,119
Scenic and sightseeing transportation services and support activities for transportation	97.2%	8.4%	$282,900,032	8.2%	$274,950,350	$7,949,682
Other financial investment services	50.9%	0.5%	$15,385,966	0.2%	$7,825,438	$7,560,527
Pipeline transportation services	21.1%	0.2%	$5,846,541	0.0%	$1,235,567	$4,610,974