

**STATE OF NEVADA  
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT  
BOARD MEETING  
September 20, 2018**

**The meeting of the Board of Economic Development was called to order by Governor Brian Sandoval at the Grant Sawyer Building, Legislative Counsel Bureau, Room 4412, 555 E. Washington Avenue, Las Vegas, Nevada, 89101 and via video conference to the Legislative Counsel Bureau, 401 South Carson Street, Room 3137, Carson City, Nevada, 89701**

**1. CALL TO ORDER, ROLL CALL AND ESTABLISH QUORUM**

**VOTING BOARD MEMBERS PRESENT**

Governor Brian Sandoval, State of Nevada  
Lieutenant Governor Mark Hutchison, State of Nevada  
Secretary of State Barbara Cegavske, State of Nevada  
Mr. James Barrett, Jr., President and Founder, The JABarrett Company  
Mr. Raymond Specht, Chief Operating Officer, Specht Leadership Consulting  
Mr. Adam Kramer, Executive Vice President of Strategy, Switch, Inc.  
Dr. Dana Bennett, President, Nevada Mining Association

**BOARD MEMBERS ABSENT AND EXCUSED**

Mr. Dan Klaich, Voting Member at Large  
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada

**NON-VOTING BOARD MEMBERS PRESENT**

Mr. Don Soderberg, Director, Department of Employment Rehabilitation and Training

**NON-VOTING BOARD MEMBERS ABSENT AND EXCUSED**

Dr. Thom Reilly, Chancellor and Chief Executive Officer, Nevada System of Higher Education

**STAFF MEMBERS PRESENT**

Paul Anderson, Executive Director, GOED, Secretary of Board  
Henna Rasul, Senior Deputy Attorney General, Board Counsel to GOED  
Derek Armstrong, Deputy Director, GOED  
Matt Moore, Deputy Director, GOED  
Bob Potts, Director of Research, GOED  
Brian Baluta, Director of Communications, GOED  
Karsten Heise, Director of Technology Commercialization, GOED  
Gillian Barclay, Healthcare Industry Specialist, GOED  
Stacey Bostwick, Workforce Development Program Coordinator, GOED  
Michelle Sibley, Human Resources Manager & Executive Assistant of Operations, GOED

Melanie Sheldon, Program Manager, GOED  
Mariah Heriman, Executive Assistant & Program Management Specialist, GOED

**GUESTS PRESENT**

Assemblywoman Irene Bustamante-Adams  
Sonia Mendez, Office of Assemblywoman Irene Bustamante-Adams  
Scott Anderson, Secretary of State's Office  
Christine Guerci, Special Counsel to the Colorado River Commission and GOED  
Shelli Long, Department of Taxation  
Lezlie Helget, Department of Taxation  
Manny Lamarre, OWINN  
Zachary Heit, OWINN  
Erin Hasty, OWINN  
Mark Anderson, NVIE  
Michelle Lindsey, NV Energy  
Dave Mendiola, Humboldt County  
Phil Klevorick, Clark County Economic Development  
Ryan Smith, City of Las Vegas  
Rachel Gradner, CBRE  
Amos Buhai, Endeavor Global Marketing  
John McKedricks, Reno Technology Academy  
Steve Andreano, Reno Technology Academy  
Phil Holland, Reno Technology Academy  
Bret Murphy, Great Basin College  
Vanessa Nicholas, Multnomah University  
Brian Wilcox, BlackRidge Technology and former  
Kim Kemmerer, Robinson Nevada Mining Company  
Robyn Ruelas, Eastridge Workforce Solutions  
Chris Ault, Jr., EDAWN  
Cynthia Eagan, EDAWN  
Nancy McCormick, EDAWN  
Stan Thomas, EDAWN  
Kylie Rowe, LVGEA  
Michael Walsh, LVGEA  
Sheldon Mudd, NNRDA  
Paul Miller, NCREDA  
Bob Fourie, Air Liquide Advanced Technologies, Inc.  
Pierre-Germain Marlier, Air Liquide Advanced Technologies, Inc.  
Chris Shepherd, Amami Systems, LLC  
Neal Hill, Amami Systems, LLC  
Howard Trott, ARES Nevada, LLC. Strategies 360  
Paul Rostek, Cyanco Company, LLC  
Justin Clark, Cyanco Company, LLC  
June Ou, Figure Technologies, Inc.  
Sara Priola, Figure Technologies, Inc.  
Tony Hnat, Figure Technologies, Inc.

Brian Bulgarelli, Fresenius Kabi, LLC  
Matt Kuhn, Fresenius Kabi, LLC  
Matt Riehl, Schlosser Forge Company dba Arconic  
Mark Quattrin, Schlosser Forge Company dba Arconic  
James Belosic, SendCutSend, LLC  
Drew Miles, SendCutSend, LLC  
Kevin Beaver, The Power-Sonic Corporation  
Craig Borsari, UFC

**2. PUBLIC COMMENT**

Governor Brian Sandoval asked if anyone from the public sought to make public comment. No public comment was provided.

**3. GOVERNOR SANDOVAL'S COMMENTS**

Governor Sandoval highlighted his recent tour of the Hyperloop One facility in southern Nevada and noted the company continued to develop technology that would revolutionize transportation, as we know it, in conjunction with attracting high quality experts and engineers to the state.

**4. APPROVAL OF THE JULY 11, 2018 AND AUGUST 14, 2018 BOARD MEETING MINUTES**

Lieutenant Governor Mark Hutchison advised he would be abstaining from the vote as he was absent from the July 11, 2018 GOED Board Meeting.

**A MOTION WAS MADE BY SECRETARY OF STATE BARBARA CEGAVSKE TO APPROVE THE JULY 11, 2018 MEETING MINUTES. THIS MOTION WAS SECONDED BY MR. JAMES BARRETT. THE MOTION PASSED**

Secretary of State Cegavske and Mr. Adam Kramer advised they would be abstaining from the vote as they were absent from the August 14, 2018 GOED Board Meeting.

**A MOTION WAS MADE BY LIEUTENANT GOVERNOR HUTCHISON TO APPROVE THE AUGUST 14, 2018 MEETING MINUTES. THIS MOTION WAS SECONDED BY MR. BARRETT. THE MOTION PASSED UNANIMOUSLY**

**5. NEW NEVADA ECONOMIC OVERVIEW**

Director Paul Anderson, Governor's Office of Economic Development (GOED), introduced Agenda Item 5 A and advised this presentation would be a review and recap of the past eight

years and the changes seen in relation to job creation, economic diversification, and Nevada's recovery from the great recession.

Mr. Bob Potts, Research Director, GOED, presented the New Nevada Economic Overview.

When 'Moving Nevada Forward: A Plan for Excellence in Economic Development' was rolled out in 2012, Governor Sandoval announced a goal to create 50,000 new jobs. Today, job creation stood at approximately 276,800 new jobs. The new jobs were more diverse and demonstrated a significantly increased quality in wage level. The number of workers in Nevada's economy continued to set record levels and currently stood at 1.4 million. The unemployment rate stood at 4.8 percent; which was 8.9 points below the recessionary high of 13.7 percent

The industry mix had also changed and diversified. The state's economic development focus had produced growth in health and medical logistics, natural resources, information technology, manufacturing, aerospace and defense. All of those emerging target sectors were part of the 2012 state plan.

Nevada currently led the nation in private-sector job growth. A list of the top hundred 'in demand' occupations and requirements had recently been developed. Approximately 25% required schooling or training only, and 75% required some level of experience. Mr. Potts noted the importance of encouraging employers to embrace internships, apprenticeships, and work-based learning. Surveys had shown the number one consideration for industry expansion was available workforce. The state had the ability to play a strategic role in developing an available and qualified workforce. During Governor Sandoval's term, the State of Nevada had seen record investments in STEM, Core, technical, and special needs education. The state should ensure it continued to be engaged with the employer demand for a qualified workforce, whether it be via workforce investment boards or sector councils. All parties should consider the development of the aligned and strategic work-based learning ecosystem.

Mr. Potts noted the importance of considering structural change and diversification when looking at economic growth. There was structural change within growth, and there were higher quality jobs within that structural change. Nevada's economic development entities had created a process where both the public and private sector worked together to create an environment where the economic capacity, quality of life, and overall well-being improved. It was important to continue these cohesive efforts for the purposes of ongoing economic diversification.

Governor Sandoval noted the positive economic development results highlighted in Mr. Potts' report and thanked the Regional Development Authorities (RDAs) of Nevada, and GOED for their contribution to this.

Governor Sandoval also thanked Assemblywoman Irene Bustamante-Adams for sponsoring legislation that had been integral to the state's recovery, The GOED Board, and GOED's Executive Director Anderson and Former Executive Director Mr. Steve Hill for their leadership.

## 6. ABATEMENT APPLICATIONS FOR BOARD APPROVAL

### A. AIR LIQUIDE ADVANCED TECHNOLOGIES US, LLC

- SALES TAX ABATEMENT
- MODIFIED BUSINESS TAX ABATEMENT
- PERSONAL PROPERTY TAX ABATEMENT
- REAL PROPERTY TAX ABATEMENT

Mr. Chris Ault, Jr., Vice President of Business Development, Economic Development Authority of Western Nevada (EDAWN) presented Air Liquide Advanced Technologies, Inc. (Air Liquide) and provided an overview of the company and abatements sought.

Air Liquide is a subsidiary of L'Air Liquide SA, a French multinational company which supplies industrial gases and services to various industries including medical, chemical, and electronic manufacturers. Air Liquide is present in 1,300 locations, with more than 20,000 employees. Currently, the company is working alongside major global car manufacturers to develop and implement environmentally responsible clean energy for transportation and other applications in the United States. Air Liquide's objective is to expand its business offering of hydrogen production, liquefaction, and distribution for hydrogen refueling stations for Fuel Cell Electric Vehicles (FCEVs) in the State of Nevada and California. Initially, the company plans to hire 16 employees at hourly wage of \$27.53 per hour and make an approximate capital investment of \$83 million. Mr. Ault was joined by Mr. Pierre-Germain Marlier, Business Development Manager, Air Liquide, and Mr. Bob Fourie, Vice President of Energy and Operations Management, Air Liquide.

Mr. Fourie advised Air Liquide's Nevada project would be a new concept for both the company and the industry. The development plan for the Nevada project involved the construction of a greenfield, industrial-scale hydrogen production, liquefaction, and distribution facility dedicated to the production of clean hydrogen for transportation. The state of California currently had between five and six thousand FCEVs on the road. These vehicles were powered by hydrogen running through a fuel cell and generating electricity. They differed from the normal battery electric vehicles as they had the range of a gasoline vehicle.

Governor Sandoval asked about the company's next steps should it be awarded the abatements sought. Mr. Fourie advised the company was looking at both northern and southern Nevada. The final decision would depend on where the company could soonest commence operations.

Governor Sandoval inquired about the company's recruitment plans and the specific skill sets sought in employees. Mr. Fourie noted the company would be seeking employees with technical skills. The management positions would require chemical and mechanical engineering degrees. There would also be electrical and instrumentation technicians requiring a two-year technical trade school education. The company would hire locally.

Lieutenant Governor Hutchison inquired about the market demand and future growth projections for the product. Mr. Fourie advised growth prospects were robust. It was

anticipated, by 2020, there would be over 100 FCEV fueling stations in California. Toyota and Honda had invested in additional fuel cell production and an additional production train for the vehicles themselves. FCEV growth was projected to go from approximately 5,500 vehicles to 20,000 by 2022.

Lieutenant Governor Hutchison asked if the company foresaw further growth for the project. Mr. Fourie advised the company already had plans for a second production facility of the same capacity.

Governor Sandoval thanked the company and noted this project helped put Nevada at the forefront of the latest renewable energy technologies.

Mr. Kramer advised he would be abstaining from voting on Agenda item 6A.

**A MOTION WAS MADE BY MR. RAYMOND SPECHT TO APPROVE THE ABATEMENT APPLICATION OF AIR LIQUIDE ADVANCED TECHNOLOGIES US, LLC FOR A SALES TAX ABATEMENT, MODIFIED TAX ABATEMENT, PERSONAL TAX ABATEMENT, AND REAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 6A. THIS MOTION WAS SECONDED BY DR. DANA BENNETT. THE MOTION PASSED UNANIMOUSLY.**

**B. AMAMI SYSTEMS, LLC**

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Ms. Kylie Rowe, Vice President of Economic Development, Las Vegas Global Economic Alliance (LVGEA) presented Amami Systems, LLC and provided an overview of the company and abatements sought.

Amami Systems, LLC is a subsidiary of HashRabbit, Inc., a company formed in March 2014 by two native Nevadans, utilizing blockchain technology via software development and cryptocurrency mining. Amami Systems, LLC enables companies and institutions to directly participate in the blockchain at the lowest settlement layer. This layer is built on hashing servers, which validate all transactions made through a globally distributed database. The company's operating system allowed customers to take advantage of this by being able to maintain their own hashing servers and facilities remotely. The initial stage of the company's Nevada project would comprise building and operating a fully automated, large-scale industrial cryptocurrency mining facility. The operation would attract customers from around the world and had the potential for further expansion. The company planned to hire 15 employees at an hourly wage of \$25.00 per hour and make an approximate capital investment of \$9.7 million. Ms. Rowe was joined by Mr. Christopher Shepherd, Chief Executive Officer, Amami Systems, LLC and Mr. Neal Hill, Director of Mining Operations, Amami Systems, LLC.

Mr. Shepherd advised the planned Nevada facility would be Amami Systems, LLC's headquarters and house the company's executive team and research and development department. The company had received investment from one of the largest manufacturers in the cryptocurrency space along with some top Silicon Valley investors. The company had also been working with different mining operations and assisting with their software needs.

Governor Sandoval inquired about the specific skill sets sought in employees. Mr. Hill advised the company would be seeking employees with a background in HVAC, data center or IT, software development, and building and systems management.

Mr. Kramer asked if the company felt there was an available workforce to grow in the specialized area of blockchains. Mr. Shepherd confirmed this was the case. The company realized the difficulties in finding employees with hands-on blockchain hardware experience. Therefore, the company was committed to hiring motivated, eager to learn individuals and investing in their education and training.

Mr. Kramer noted the College of Southern Nevada (CSN) had a great partnership program, with the Governor's Office of Science, Innovation & Technology (OSIT), specifically for data centers. He suggested Amami Systems, LLC look at that program's graduates for their workforce requirements particularly in the areas of mechanical engineering and HVAC systems.

Mr. Specht asked if the company's software was currently in development or production. Mr. Shepherd noted the software had been run in production with different firms and the goal was to use these partnerships, and tested technology, to expand operations.

Mr. Barrett inquired about the company's business model for recapturing investment. Mr. Shepherd advised, to date, Amami Systems, LLC had been focused on software services. Every device the company managed for a third party required payment of a flat service fee. As the company began to work with bigger wealth funds it would take a management fee until the client made its revenue back. Amami Systems, LLC would then use this as a test bed to continue expanding.

Governor Sandoval asked about the company's next steps should it be awarded the abatements sought. Mr. Hill noted the company had looked at other states. However, if the company was approved for incentives, and secured a competitive power rate with NV Energy, the project would move forward in Nevada.

Mr. Kramer noted Mr. Shepherd and Mr. Hill had played a large part in the tech aspect of revitalizing Downtown Las Vegas and commended their hard work on this.

**A MOTION WAS MADE BY MR. KRAMER TO APPROVE THE ABATEMENT APPLICATION OF AMAMI SYSTEMS, LLC FOR A SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 6B. THIS MOTION WAS SECONDED BY MR. BARRETT. THE MOTION PASSED UNANIMOUSLY.**

**C. ARES NEVADA LLC**

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Mr. Paul Miller, Executive Director, Nye County Regional Economic Development Authority (NCREDA) presented ARES Nevada, LLC and provided an overview of the company and abatements sought.

ARES Nevada, LLC's (ARES) mission was to enable the electric grid to integrate unprecedented amounts of clean, environmentally responsible, renewable energy while maintaining reliable electric service necessary to power growth and economic prosperity. ARES accomplished this through reliable, efficient, environmentally friendly energy storage. The ARES Nevada facility, which participated in the California Regulation market, utilized a single train track loaded with a central queue of heavy shuttle-trains. The electric trains travelled up and down a steep grade in response to commands from the California Independent System Operator (CAISO) consuming or producing electricity; balancing electric load with generation. In addition to its high charge / discharge efficiency it was extremely accurate and fast, taking only seconds to ramp up to full power. The project would provide 12.5 megawatt-hours (MWh) of fast response energy to assist the balancing of intermittent renewable energy (solar and wind) connected to the regional transmission grid, increasing renewable energy penetration while maintaining grid reliability. In partnership with Valley Electric Association (VEA), the project would access the regional electrical grid through VEA owned and operated transmission facilities. The company planned to hire 15 employees at an average hourly wage of \$37.84 per hour and make an approximate capital investment of \$25.5 million. Mr. Miller was joined by Mr. Howard Trott, Senior Advisor Strategies 360.

Mr. Trott advised ARES planned to implement a 50-megawatt project, covering 106 acres of land near Pahrump, NV. Nevada already had the best alternate energy signature in America and this project was a perfect fit for the New Nevada.

Governor Sandoval asked why ARES was not a primary generator of electricity. Mr. Trott advised this was due to the finite amount of train track. However, adding another track would double capacity without a new grid interconnect or substation. The second track would cost less than the first. The company had implemented a quarter scale in California to prove the concept.

Mr. Kramer asked how many additional tracks could be added and what total capacity could be achieved at a full buildout using the available space. Mr. Trott stated capacity could be well over 200 megawatts.

Governor Sandoval inquired about the cost of the electricity ARES would be producing. Mr. Trott advised the company believed it could deliver power with solar, in the State of Nevada, for under four cents.



Governor Sandoval inquired about the specific skill sets sought in employees. Mr. Trott noted the company would initially be seeking employees with skillsets in engineering, mechanics, safety, and tech staff with the skills to inspect and repair the trains. The company anticipated hiring locally.

Lieutenant Governor Hutchison thanked Mr. Trott and highlighted that the ARES Nevada, LLC project complemented renewable energy in a way that both important and cutting edge.

**A MOTION WAS MADE BY DR. BENNETT TO APPROVE THE ABATEMENT APPLICATION OF ARES NEVADA, FOR A SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 6C. THIS MOTION WAS SECONDED BY MR. SPECHT. THE MOTION PASSED UNANIMOUSLY.**

**D. CYANCO COMPANY, LLC**  
• **CATALYST FUND GRANT**

Director Paul Anderson advised this catalyst application had been presented at the July 11, 2018 Board Meeting. The application has since been revised. The GOED Board initially approved a Catalyst award of \$100,000. An increment had been added to the award which had changed the total to \$140,000.

Mr. Mudd, Executive Director, Northeastern Nevada Regional Development Authority (NNRDA) presented Cyanco Company, LLC. Cyanco Company, LLC manufactures and markets chemicals products. The company produces solid to liquid systems, cyanide control systems, peroxide assisted leaches, analyzers, and sodium cyanide for the gold mining industry. Cyanco Company, LLC would be expanding its Winnemucca NV, facility. This project would involve the establishment of a new solid sodium cyanide manufacturing facility with an annual production capacity of 60 million pounds. The company's expansion would generate 20 full-time jobs at an average of \$44.53 per hour and an approximate capital equipment investment of \$11 million. Mr. Mudd was joined by Mr. Paul Rostek, Consultant and Former president / General Manager, Cyanco Company, LLC.

Mr. Mudd advised the new catalyst application was reviewed and approved by the Humboldt County Board of Commissioners. The City of Winnemucca and Humboldt County are also full support.

Governor Sandoval stated the company's expansion project was an amazing long-term opportunity for the people of Winnemucca and Humboldt County.

Dr. Bennett advised she would be abstaining from voting on Agenda item 5D.

**A MOTION WAS MADE BY MR. BARRETT TO APPROVE THE CATALYST FUND GRANT IN AN AMOUNT NOT TO EXCEED \$140,000, AS DESCRIBED IN AGENDA ITEM 6D. THIS MOTION WAS SECONDED BY MR. KRAMER. THE MOTION PASSED UNANIMOUSLY.**

**E. FIGURE TECHNOLOGIES, INC.**

• **CATALYST FUND**

Director Anderson advised Figure Technology, Inc.'s abatement application had been presented and approved by the GOED Board on July 11, 2018. However, at that time, the company's catalyst application had not been finalized and approved by Washoe County. Therefore, this was being heard separately at today's meeting.

Mr. Thomas, EDawn, presented Figures Technologies, Inc. Figure Technologies, Inc. is a financial technology company with the mission of leveraging blockchain, AI, and advanced analytics to unlock new access points for consumer credit products that can transform the financial lives of its customers. The company provided home equity release solutions, including home equity lines of credit, home improvement loans and home buy-lease back offerings for retirement. Concurrently, Figure Technologies, Inc. was building a blockchain protocol for the origination, custody, trading, and securitization of whole loans and other assets. The company had significantly de-risked capital for equity release takeout, with participation from multiple leading buy and sell side firms who would transact using the blockchain. The company planned to hire 65 employees at \$30.01 per hour and make an approximate capital investment of \$264,615. Mr. Thomas was joined by Ms. June Ou, Chief Operating Officer, Figure Technologies, Inc.

Ms. Oh advised the company had commenced hiring in Nevada and had been working with the Secretary of State's Office to create the process required to bring the company's notaries online. This would further increase the company's hiring capacity.

Secretary of State Cegavske thanked the company for their interactions with her office thus far.

**A MOTION WAS MADE BY MR. SPECHT TO APPROVE THE CATALYST FUND GRANT IN AN AMOUNT NOT TO EXCEED \$600,000 FOR FIGURE TECHNOLOGIES, AS PRESENTED IN AGENDA ITEM 6E. THIS MOTION WAS SECONDED BY MR. BARRETT. THE MOTION PASSED UNANIMOUSLY.**

**F. SCHLOSSER FORGE COMPANY DBA ARCONIC**

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Ms. Cynthia Egan, Program Manager, Retention and Expansion, EDawn, presented Schlosser Forge Company dba Arconic (Arconic) and provided a brief overview of the company and abatements sought.

Arconic develops and manufactures high-performance, engineered products and solutions for the aerospace, industrial gas turbine, commercial transportation, defense and oil and gas markets. The company is headquartered in New York and has 157 locations in 25 countries. Arconic's Verdi, NV facility had been in operation since 1967 and manufactured large

seamless rolled rings for the aerospace gas turbine industry. Materials processed included a variety of titanium, steel, and nickel-based superalloys and size range spans from 36" to 150" diameter. The company's parts were used on a variety of commercial and military aircrafts. Arconic Verdi currently produced rings for all the major aerospace engine manufacturers and participates on most of the new commercial and military programs. The company planned to hire 15 employees at an average wage of \$26.57 per hour and make an approximate capital investment of \$13 million. Ms. Egan was joined by Matt Riehl, Director of Government Affairs and Business Development, Arconic and Mr. Mark Quattrin, Plant Manager, Arconic.

Mr. Quattrin advised Arconic was currently reviewing the possibility expanding its Verdi, NV operations by developing a world class leading heat treatment and machining facility. Phase one would comprise the construction of a 12,500-square-foot heat treatment building with groundbreaking anticipated in October 2018. Phases two - four would begin in 2019 with completion no later than 2022. These phases would include additional investment and workforce growth.

Governor Sandoval asked about the company's next steps should it be awarded the abatements sought. Mr. Quattrin advised it was likely the company would elect to locate its new heat treatment facility in Verdi as opposed to California. As the aerospace market is expanding, this expansion would firmly put Verdi on the map as far as an aerospace forger, heat treater, and machining center of these large structures. Arconic was currently the only aerospace forger in the State of Nevada.

Lieutenant Governor Hutchison inquired about phase two of the project. Mr. Quattrin stated phase two would be the addition of an approximate 30,000-square-foot machine building. It would also include the addition of six to eight large Computer Numerical Control (CNC) lathe turning centers. This would be a 24-7 operation and would add approximately 30 to 35 new employees.

Governor Sandoval highlighted his appreciation that a such longstanding, successful company would elect to expand in Nevada.

**A MOTION WAS MADE BY LIEUTENANT GOVERNOR HUTCHISON TO APPROVE THE ABATEMENT APPLICATION OF FORGE COMPANY DBA ARCONIC FOR A SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 6F. THIS MOTION WAS SECONDED BY DR. BENNETT. THE MOTION PASSED UNANIMOUSLY.**

**G. SENDCUTSEND, LLC**

- **AVIATION SALES TAX ABATEMENT**
- **AVIATION PERSONAL PROPERTY TAX ABATEMENT**

Mr. Ault, Jr., EDAWN, presented SendCutSend, LLC and provided a brief overview of the company and abatements sought.

SendCutSend, LLC is an aerospace manufacturer specializing in the fabrication of titanium, aluminum, and carbon steel using extremely high-power, fiberoptic lasers. The company's focus was the development of industry-leading production efficiencies for laser cutting titanium, aluminum and other aerospace materials. The company's capabilities were optimized to serve aerospace and robotics, as well as industries that required rapid prototyping such as automotive and defense. The company's primary market was United States and Canada. The company planned to hire 6 employees at an average wage of \$29.05 per hour and make an approximate capital investment of \$12.2 million. Mr. Ault Jr. was joined by Mr. James Belosic, President, SendCutSend and Mr. Drew Miles, Operations Manager, SendCutSend., LLC.

Mr. Belosic advised SendCutSend, LLC planned to operate a state-of-the-art manufacturing facility, for aerospace and industrial customers, in Reno, Nevada.

Governor Sandoval inquired about the specific skill sets sought in employees. Mr. Belosic noted highly skilled engineers could be found in Reno. In terms of culture and hiring, Reno was advantageous because the engineers had practical skills and real-life experience.

Governor Sandoval asked if the company was also considering other locations. Mr. Belosic advised Detroit and Atlanta had been considered. These locations were attractive as, in Detroit, the company would be close to an established metal manufacturing industry and Atlanta is a logistics hub for shipping. However, the incentives, lifestyle, and cost of living, had led the company to select Nevada as its location.

The Governor thanked Mr. Belosic for his presentation and noted the exciting opportunity for the State of Nevada.

**A MOTION WAS MADE BY MR. BARRETT TO APPROVE THE ABATEMENT APPLICATION OF SENDCUTSEND, LLC FOR AN AVIATION SALES TAX ABATEMENT AND AVIATION PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 6G. THIS MOTION WAS SECONDED BY MR. KRAMER. THE MOTION PASSED UNANIMOUSLY.**

**H. ZUFFA, LLC DBA ULTIMATE FIGHTING CHMPIONSHIP**

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Ms. Rowe, LVGEA, presented Zuffa, LLC dba Ultimate Fighting Championship (UFC) and provided a brief overview of the company and abatements sought.

UFC is a premium global sports and media brand and the fastest growing sports organization in the world. The company started in 1993 as a professional mixed martial arts (MMA) organization. UFC had revolutionized the fight business, and today stood as the world's leading MMA promoter, offering the premier series of MMA sports events that had sold out some of the biggest arenas and stadiums across the globe. Owned and operated by Zuffa,

LLC, headquartered in Las Vegas and with offices in London, Toronto and Singapore, UFC produced more than 40 live events annually and was the largest Pay-Per-View event provider in the world. UFC events were broadcast in over 129 countries and territories, to nearly 800 million TV households worldwide, in 28 different languages. The company planned to hire 30 employees at an average wage of \$37.12 per hour and make an approximate capital investment of \$7.9 million. Ms. Rowe was joined by Mr. Craig Borsari, Producer, UFC and Mr. Amos Buhai, Vice President of Government Relations, Endeavor Global Marketing.

Mr. Borsari advised the company was exploring the option to expand operations and relocate its California production facility to southern Nevada. Pending approval of the company's abatement application UFC was prepared to begin expansion efforts within the forthcoming few months. Mr. Borsari noted UFC's experience of doing business in Nevada has been a positive one and the company looked forward to a long-term mutually beneficial partnership.

Governor Sandoval inquired about the company's planned production operations. Mr. Borsari advised the company anticipated producing approximately 40% of its content in Nevada. The company was also entering a new media rights deal with ESPN in January 2019.

Lieutenant Governor Hutchison asked about the company's hiring and recruitment plans. Mr. Bosari advised approximately one third of UFC's employees would relocate from California with the remainder being sourced locally. Thus far, the company had been successful in finding talent in Nevada.

Lieutenant Governor Hutchison about the company's plans for growth in the state. Mr. Borsari noted the company's new media partnership with ESPN would provide a much bigger platform to produce more events and provide greater exposure.

Lieutenant Governor Hutchison inquired about UFC's partnership with the Cleveland Clinic. Mr. Borsari advised UFC's focus on fighter health and safety was paramount. UFC partnered with experts at the Cleveland Clinic and contributed to research to continually make the sport safer.

Mr. Kramer inquired about the secondary benefits of filming in southern Nevada. Mr. Bosari advised the production teams consistently focused on integrating Las Vegas into their broadcasts and, with future planned growth, the highlights would be seen by even more viewers. UFC had a long legacy in Nevada and would continue to look for opportunities to showcase this.

Lieutenant Governor Hutchison thanked the company for its application and noted the exciting opportunities associated with the company's expansion.

**A MOTION WAS MADE BY MR. KRAMER TO APPROVE THE ABATEMENT APPLICATION OF ZUFFA, LLC DBA ULTIMATE FIGHTING CHAMPIONSHIP FOR A SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT,**

**AND PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 6H. THIS MOTION WAS SECONDED BY MR. SPECHT. THE MOTION PASSED UNANIMOUSLY.**

**7. ABATEMENT APPLICATIONS FOR DIRECTOR APPROVAL**

**A. FRESENIUS KABI, LLC**

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Ms. Rowe, LVGEA, presented Fresenius Kabi, LLC and provided a brief overview of the company and abatements sought.

Fresenius Kabi, LLC was established in September 2017 and is a wholly-owned subsidiary of Fresenius Kabi USA, LLC (FK USA). FK USA is a global healthcare company that specializes in lifesaving medicines and technologies for infusion, transfusion, and clinical nutrition. FK USA's presence in the United States had significantly expanded in recent years with acquisitions in the fields of injectable medicines and transfusion medicine – two areas where the company was currently a U.S. leader. The company had substantial manufacturing and Research and Development centers in the U.S. supported by a global network. Fresenius Kabi, LLC manufactures, markets and/or distributes more than 148 drugs nationwide. The company offers a broad portfolio of injectable and specialty pharmaceutical products with a focus on oncology, anti-infective, anesthetic/analgesic, and critical care medicines for use in hospitals, long-term care facilities, alternate care sites, and clinics. The company planned to hire 20 employees at an average wage of \$28.44 per hour and make an approximate capital investment of \$1.8 million. Ms. Rowe was joined by Mr. Brian Bulgarelli, Senior Vice President, Fresenius Kabi, LLC, Mr. Matt Kuhn, Senior Director, Communications and Government Affairs, Fresenius Kabi, LLC and Ms. Rachel Gradner, Site Selection and Incentives Consultant, CBRE.

Mr. Kuhn advised the company was considering establishing a distribution and fulfillment center in southern Nevada. The proposed project would comprise a 120,000-square foot facility.

Governor Sandoval asked about the company's potential Nevada operations. Mr. Bulgarelli advised the company sought to build a western facility to provide both medicines and medical devices to service Arizona, Nevada, California, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington, and Wyoming. The company's primary manufacturing was based in North Carolina, New York, and Illinois. Products would be shipped to the western facility for rapid deployment to the hospital system. The proposed facility would have a large inventory in stock at all times

Governor Sandoval inquired about the higher than average wages of the company's distribution and warehouse staff. Mr. Bulgarelli advised the sensitive and life-determining

nature of the business required a very qualified and experienced workforce. The company was willing to pay a premium for this.

Lieutenant Governor Hutchison asked about the company's next steps should it be awarded the abatements sought. Mr. Bulgarelli noted the company had narrowed down a few sites in Clark County and hoped to finalize negotiations in the forthcoming weeks.

Governor Sandoval what had led the company to consider locating in Nevada. Mr. Kuhn advised the location, incentives, and the employable workforce were integral factors.

Governor Sandoval thanked the company and noted his support of its application.

**DIRECTOR ANDERSON APPROVED THE APPLICATION FOR A SALES TAX ABATEMENT AND A PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 7A.**

**B. THE POWER-SONIC CORPORATION**

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Mr. Thomas, EDAWN, presented The Power-Sonic Corporation (Power-Sonic) and provided a brief overview of the company and abatements sought.

Power-Sonic had been a leading force within the power storage industry for nearly 50 years, providing an innovative range of batteries and power storage solutions. Power-Sonic designs, manufactures, and markets rechargeable batteries and chargers, and offered a range of complete power storage solutions to help solve a wide array of power challenges. The company offered sealed lead acid batteries, powersport batteries, nickel-cadmium and nickel-metal hydride batteries and battery chargers. The company's range of batteries were designed and manufactured using the latest technology and state-of-the-art equipment to ensure they met the unique demands of each application. The company's battery products could be found in industries and applications in over 70 countries worldwide. The company would hire 50 employees at an average wage of \$40.52 per hour and make an approximate capital investment of \$448,700. Mr. Thomas was joined by Mr. Kevin Beaver, Director of Finance, Power-Sonic.

Mr. Beaver advised Power-Sonic was considering relocating from its current location in San Diego, California to Reno, Nevada. The Nevada facility would house the company's corporate headquarters, warehousing, and distribution center operations.

Governor Sandoval inquired about the company's hiring and recruitment plans. Mr. Beaver noted the company anticipated approximately 20 employees would be relocated from San Diego. The remainder would be sourced from the local Reno area.

Governor Sandoval inquired about the specific skill sets sought in employees. Mr. Beaver advised the company sought to hire employees with skill sets in warehouse shipping and receiving, quality control, engineering, supply chain, and office operations.

Governor Sandoval asked what had led the company to consider locating in Nevada. Mr. Beaver noted the company had been attracted to Nevada for its economic opportunities, favorable tax climate, the low cost of living, the available workforce, and the ability to service the western half of the United States. Additionally, Reno was well positioned to receive container shipments coming from the company's manufacturing facilities in China and Vietnam.

Director Anderson thanked the company for its application and noted the exciting prospect of having both the company's distribution and headquarter operations locate in Nevada.

**DIRECTOR ANDERSON APPROVED THE APPLICATION FOR A SALES TAX ABATEMENT AND A PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 7B.**

**8. WORKFORCE INNOVATION FOR NEW NEVADA (WINN) FUND PROGRAM FOR BOARD APPROVAL.**

**A. REQUEST APPROVAL TO ENTER INTO AGREEMENT WITH GREAT BASIN COLLEGE FOR DIESEL TECHNOLOGY PROGRAM EXPANSION IN ELY, NEVADA – Funding not to exceed \$500,000**

Ms. Stacy Bostwick, Workforce Development Program Coordinator, GOED, presented Agenda item 8A and provided an overview of the WINN Fund application.

Great Basin College (GBC) had been approached by area employers and community members to expand its workforce training program, in diesel mechanics, to the Ely, Nevada GBC Center. There was a great demand for trained diesel mechanics. Currently, due to the rural nature of Ely and the surrounding area, there was also a limited workforce pipeline from secondary education. According to the Nevada In-Demand Occupations report, 'Bus and Truck Mechanics and Diesel Engine Specialists would have additional anticipated total openings of 780 by 2024. Local employers, including KGHM's Robinson Nevada Mining Company, and Wheeler Machinery Co., had a combined need for over 36 professionals with this skill set and had expressed a need to grow their own talent pipeline. GBC must expand its existing program to its Ely Center in order to help meet the demand of area employers along with employers throughout the state. Ms. Bostwick was joined by Mr. Bret Murphy, Dean of Business and Technology, GBC and Ms. Kim Kemmerer, HR Manager, Robinson Nevada Mining Company

Lieutenant Governor Hutchison inquired about the certification time frames and starting salary. Mr. Murphy advised an Associate Degree in diesel technology was 69.5 credits. The high school would offer 32.5 credits. This would equip students with the necessary technical



skills to be employed. The students would then complete the final 16 credits over one additional semester. Mr. Kemmerer noted the average starting wage would be approximately \$60,000. Employees had potential to earn over \$100,000 after a ten-year working history.

Dr. Bennett asked about the placement record for the students graduating from the current program. Mr. Murphy advised these students were in the 91st percentile for placement.

Governor Sandoval noted this program was important to the economic development of White Pine County.

Dr. Bennett advised she would be abstaining from voting on Agenda item 8A.

**A MOTION WAS MADE BY SECRETARY OF STATE CEGAVSKE TO APPROVE THE REQUEST TO ENTER INTO AN AGREEMENT WITH GREAT BASIN COLLEGE FOR DIESEL TECHNOLOGY PROGRAM EXPANSION IN ELY, NEVADA, FUNDING NOT TO EXCEED \$500,000, AS PRESENTED IN AGENDA ITEM 8A. THIS MOTION WAS SECONDED BY LIEUTENANT GOVERNOR HUTCHISON. THE MOTION PASSED UNANIMOUSLY.**

**B. REQUEST APPROVAL TO ENTER INTO AGREEMENT WITH MULTNOMAH UNIVERSITY – RENO TECHNOLOGY ACADEMY FOR DEVELOPMENT OF CYBERSECURITY PROGRAM – Funding not to exceed \$500,000**

Ms. Bostwick, GOED, presented Agenda items 8B and provided an overview of the WINN Fund application.

With the growth of the Internet-of-Things (IoT), Smart Manufacturing, and Industry 4.0, the need for cybersecurity professionals would increase over the next two years and beyond. Blackridge Technologies and NV Energy had identified the need to hire cybersecurity professionals for their operations, over the next two years, at an average starting wage of \$41.52 per hour (over \$86,300 average annual salary). Additionally, the City of Reno and Click Bond supported an enhanced cybersecurity education focus to prepare Nevadans for current and future opportunities in this growing field. Reno Technology Academy, a program of the Multnomah University in Reno, NV, had worked with these employer partners, EDAWN and Nevada Industry Excellence (NVIE), to design a curriculum that addressed these needs and would prepare Nevada to be a destination-of-choice for this critical sector of the global economy. The program would prepare highly trained Cyber Security Specialists with detailed knowledge and experience across a wide landscape of industries. The capacity of the program could easily scale to meet increased job demand. The growth of Industry 4.0, and the decision of future high-tech companies to locate in Nevada, would largely be determined by the state's ability to develop a strong cybersecurity talent pipeline. Ms. Bostwick was joined by Mr. Brian Wilcox, Chief Information Security Officer (CSO), BlackRidge Technology and former CSO for the state of Nevada and Mr. Steve Andreano, Director of Technology Programs, Reno Technology Academy and Mr. Mark Anderson, Director, NVIE.

Mr. Andreano advised the IoT industry required a multi-faceted skill set across multiple disciplines. The new curriculum would comprise coursework developed in conjunction with Reno Technology Academy, NVIE, and a subsection of IoT companies in Nevada. This coursework would be revised, created, and finalized, through the collaboration of Reno Technology Academy, NVIE, and the entire group of companies supporting the WINN application. The initial training program would consist of 50 units, approximately 750 hours of curriculum, designed to produce candidates ready to immediately contribute to IoT companies.

Governor Sandoval asked how potential students could sign up for this program. Mr. Andreano advised this could be done via Reno Technology Academy's website.

Governor Sandoval inquired about the cost to students. Mr. Andreano advised it was \$100 per credit unit and an overall cost of \$5,000. The WINN funds would be used to provide scholarships for up to 40 students.

**A MOTION WAS MADE BY SECRETARY OF STATE CEGAVSKE TO APPROVE THE REQUEST TO ENTER INTO AN AGREEMENT WITH MULTNOMAH UNIVERSITY, RENO TECHNOLOGY ACADEMY FOR DEVELOPMENT OF A CYBERSECURITY PROGRAM, FUNDING NOT TO EXCEED \$500,000, AS PRESENTED IN AGENDA ITEMS 8B. THIS MOTION WAS SECONDED BY LIEUTENANT GOVERNOR HUTCHISON. THE MOTION PASSED UNANIMOUSLY.**

**C. REQUEST APPROVAL TO ENTER INTO AGREEMENT WITH MULTNOMAH UNIVERSITY – RENO TECHNOLOGY ACADEMY FOR DEVELOPMENT OF AN IOT PROGRAM – Funding not to exceed \$600,000**

Ms. Bostwick, GOED, presented Agenda item 8C and provided an overview of the WINN Fund application.

The global IoT economy was growing 29% annually and presented a tremendous opportunity for Nevada to position itself as a leader and key technology enabler for smart city, home automation, telemedicine, and a host of industrial applications including smart manufacturing and Industry 4.0. Over the past six months, Reno Technology Academy had partnered with GOED, EDRAWN, and NVIE to determine the training and development needs of IoT companies throughout the state. It has been determined a course of study does not exist to train and prepare Nevadans in the practical skills necessary for placement in high-paying IoT opportunities. The growth of existing companies and the decision of future IoT companies, to locate in Nevada, would be largely determined by the educational institutions' ability to develop and retain in-state IoT talent. To keep up with current growth, many Nevada companies are finding it necessary to recruit out of state (primarily Northern California) talent, increasing the cost of living and exacerbating existing housing shortages. In more extreme cases, companies were outsourcing work to remote employees in other states, causing concern that, if Nevada did not build a robust IoT pipeline, new and

expanding companies would locate where IoT talent is more plentiful. Several employer partners with current and projected IoT workforce needs were convened to develop a plan to address this skills gap and training pipeline. Currently Breadware, SimpleSense, GeoTraq, GroupGets, Filament, AMI Global, Elemental LED, and NevadaNano collectively anticipated hiring 124 IoT employees at an average salary of \$36.04 per hour (approx. \$75,000 average annual salary) over the next two years. Ms. Bostwick was joined by Mr. Andreano, Reno Technology Academy, and Mr. Anderson, NVIE.

Mr. Andreano stated that providing cybersecurity for the Nevadan employer base is essential to ensuring the state's economic development continues and employers can build products, services, and businesses in a secure way. The proposal met with the guidelines set forth by the state's apprenticeship program for a cybersecurity support technician. The course of study was 43 units, or 645 hours. Students who completed the instruction would have access to jobs across all of Nevada's industries, and have capabilities essential for supporting the IoT sector.

Governor Sandoval asked how many students would be involved. Mr. Andreano advised the initial grant application would support 25 students. Once the program was completely developed it would be expanded. There was also potential to take the completed program to the State Apprentice Council and make it available to all Nevada System of Higher Education (NSHE) schools.

Mr. Specht inquired about the graduation rate in this field. Mr. Andreano advised there was a 98% graduation rate.

Mr. Kramer noted the application would support economic development as cybersecurity is one of the biggest concerns facing the companies.

**A MOTION WAS MADE BY SECRETARY OF STATE CEGAVSKE TO APPROVE THE REQUEST TO ENTER INTO AN AGREEMENT WITH MULTNOMAH UNIVERSITY, RENO TECHNOLOGY ACADEMY FOR DEVELOPMENT OF AN INTERNET OF THINGS PROGRAM, FUNDING NOT TO EXCEED \$600,000, AS PRESENTED IN AGENDA ITEMS 8C. THIS MOTION WAS SECONDED BY LIEUTENANT GOVERNOR HUTCHISON. THE MOTION PASSED UNANIMOUSLY.**

## **9. DIRECTOR'S REPORT – Review and Discussion**

In August 2018, GOED conducted a Governor-led trade mission to Japan and Australia. The Japan portion of the visit had resulted in Nippon Telegraph and Telephone's (NTT) announcement to invest of \$4.5 million in the city of Las Vegas to further their efforts in smart communities and smart regions.

The Australia stop highlighted Nevada's partnership with the State of Queensland. The partnership brings urban water supply experts and technology company representatives from Queensland and Nevada together to share best practices and is a direct result of Nevada's

trade mission to Australia in 2016. The State of Queensland had pledged \$370,000 to match pilot projects with the DRI Knowledge Fund and WaterStart.

**10. STATE OF NEVADA UNEMPLOYMENT RATE UPDATE** – as established by the Research and Analysis Division of the Nevada Department of Employment, Training and Rehabilitation

Agenda item 10. was for information only. GOED is committed to providing this information for each Board meeting. There were no questions or comments regarding this item.

**11. PUBLIC COMMENT**

Governor Sandoval asked if anyone from the public sought to make public comment. No public comment was provided.

**12. ADJOURNMENT**

**A MOTION WAS MADE BY MR. SPECHT TO ADJOURN THE MEETING. THIS MOTION WAS SECONDED BY MR. BARRETT. THE MOTION PASSED UNANIMOUSLY.**