

**STATE OF NEVADA
GOVERNOR'S OFFICE of ECONOMIC DEVELOPMENT
BOARD MEETING MINUTES
July 17, 2017**

The meeting of the Board of Economic Development was called to order by Governor Brian Sandoval at the Capitol Building, 101 N. Carson Street, Carson City, Nevada, 89701; and via video conference at the Grant Sawyer Building, Governor's Conference Room, 555 E. Washington Avenue, Room 5100, Las Vegas, Nevada, 89101.

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
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada
Mr. James Barrett, Jr., President and Founder, The JABarrett Company
Mr. Rob Roy, CEO/Founder, Switch
Ms. Kathleen Drakulich, Attorney, McDonald Carano Wilson
Mr. Dan Klaich, Voting Member At-large

NON-VOTING BOARD MEMBERS PRESENT

Mr. Don Soderberg, Director, Department of Employment Rehabilitation and Training
Ms. Jane Nichols, Acting Chancellor and CEO, Nevada System of Higher Education

STAFF MEMBERS PRESENT

Steve Hill, Executive Director, GOED, Secretary of Board
Cory Hunt, Deputy Director, GOED
Jenn Cooper, Communications Director, GOED
Bob Potts, Research Director, GOED
Gillian Barclay, Industry Specialist, Healthcare, GOED
Ryan Smith, Business Development Manager, GOED
Michelle Sibley, Executive Assistant / HR Coordinator, GOED
Melanie Sheldon, Executive Assistant / Business Development Specialist, GOED
Mariah Heriman, Administrative Assistant, Business Development Division, GOED

GUESTS PRESENT

Henna Rasul, Attorney General's Office
Scott Anderson, Secretary of State's Office
Cathy Erskine, Lieutenant Governor's Office
Irma Fernandez, Office of Assemblywoman Irene Bustamante-Adams

Barbara Coffee, City of Henderson
Darren Adair, City of North Las Vegas
Pat Whitten, Storey County
Shelli Long, Department of Taxation
Lezlie Helget, Department of Taxation
Frank Woodbeck, NSHE
Cheree Boteler, Nevada Energy
Chris Ault, EDAWN
Perry Ursem, LVGEA
Morgan Bunker, LVGEA
Michael Walsh, LVGEA
Nicole Santero, LVGEA
Breanna Rawding, LVGEA
Andrew Haskin, NNDA
Brian Gordon, Applied Analysis
Justin Hacker, Applied Analysis
Jeremy Agüero, Applied Analysis
Neil Friedman, Aristocrat Technologies, Inc.
Mike Murphy, The Anthem Companies, Inc.
Clare Doyle, Masonite Corporation
Elena Medo, Medolac Laboratories
Adrienne Weir, Medolac Laboratories
Samantha Brendible, Vegas Sheets, LLC
Mark Southern, Vegas Sheets, LLC
Sarah Carmonia Zink, Reno Tahoe Realty Group
Richard Menchel, Reno Tahoe Realty Group
Brad Mamer, GSD NV
Elizabeth Gallagher, The Gallagher Group International
Dennis Riccio, The Gallagher Group International
Nicole Raz, Review Journal

2. PUBLIC COMMENT

Mr. Frank Woodbeck, Vice Chancellor for Workforce Development, Nevada System of Higher Education (NSHE), referenced the WINN Fund appropriations recently made to the College of Southern Nevada. Mr. Woodbeck highlighted the training was not all predicated on Faraday Future. A number of companies received the training, including Ocean Spray, Clearwater Paper, Unilever, TH Foods, Ethyl M Chocolates, Aquatics, VSR Industries, Flowers Baking, TIMET, and Snorkel Mfg. Mr. Woodbeck advised there is still great demand to further utilize these training funds.

3. GOVERNOR SANDOVAL’S COMMENTS

Governor Sandoval introduced Ms. Jane Nichols and advised Ms. Nichols was Acting Chancellor & CEO of NSHE until the arrival of appointed Chancellor Thom Reilly in August 2017.

Governor Sandoval introduced newly appointed Board Member Mr. Dan Klaich. Mr. Klaich stated he was looking forward to serving on the GOED Board as a public member.

Governor Sandoval advised the July 2017 meeting would be Ms. Kathleen Drakulich's last meeting as a member of the GOED Board. Governor Sandoval stated he wished to publicly thank Ms. Drakulich for her service to the Board and her contribution to the diversification of Nevada’s economy. He noted Ms. Drakulich had been a pleasure to work with. Ms. Drakulich expressed her appreciation regarding the work of the GOED Board.

Governor Sandoval stated he was honored to be chosen by his peers as the 2017-18 chair of the National Governors Association (NGA). Governor Sandoval’s chair initiative is called ‘Ahead of the Curve: Innovation Governors’ and will focus on new products and processes that improve quality of life or deliver new value. The initiative will examine six ways governors can help citizens, businesses, and the public sector prepare for the technological transformation of the economy.

Governor Sandoval noted the GOED South American Trade Mission would commence July 20, 2017 and he would have the opportunity to meet with the President of Chile and the President of Peru. Representatives from the Mining, Gaming, Healthcare and Water Sectors would also be joining the Mission.

4. APPROVAL OF THE MAY 18, 2017 BOARD MEETING MINUTES

A MOTION WAS MADE BY SECRETARY OF STATE BARBARA CEGAVSKE TO APPROVE THE MAY 18, 2017 MEETING MINUTES; THIS MOTION WAS SECONDED BY MS. DRAKULICH. THE MOTION PASSED UNANIMOUSLY.

5. ABATEMENT APPLICATIONS FOR BOARD APPROVAL:

A. MASONITE CORPORATION

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

Mr. Chris Ault Jr., Vice President of Business Development, Economic Development Authority of Western Nevada (EDAWN) presented Masonite Corporation and provided a brief overview of the company and abatements sought. Masonite Corporation manufactures interior and exterior doors, door components, and door entry systems. It is one of the world's largest manufacturers and merchandisers of commercial and residential doors. Masonite Corporation currently operates 64 manufacturing locations in 8 countries and sells to customers throughout the world, including the United States, Canada, and the United Kingdom. Mr. Ault was joined by Ms. Clare Doyle, Senior Vice President, Masonite Corporation.

Ms. Doyle noted the company is considering expanding its manufacturing operations to service the west coast of the United States.

Governor Sandoval asked what led the company to consider Nevada as a potential location. Ms. Doyle highlighted the state's proximity to the company's customer base and ease of access to materials used by the company. Ms. Doyle noted the company was also looking for a location with opportunities for long-term growth and partnerships with local communities and government.

Governor Sandoval asked about company's recruitment requirements for its potential new facility. Ms. Doyle advised there would be a wide range of career opportunities including automation engineering, equipment operation, and product handling. Ms. Doyle confirmed the company planned to recruit locally. Ms. Doyle noted the company's philanthropic activities focused on supporting and assisting high school students and new legal immigrants, within the local community, including the provision of employment opportunities.

Governor Sandoval asked about the company's next steps, should the company be awarded the abatements sought. Ms. Doyle advised the location decision process would be swift and it was likely a decision would be made prior to the end of July 2017.

A MOTION WAS MADE BY MS. DRAKULICH TO APPROVE THE APPLICATION FOR A SALES TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT AND A PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 5A. THIS MOTION WAS SECONDED BY SECRETARY OF STATE CEGAVSKE. THE MOTION PASSED UNANIMOUSLY.

B. MEDOLAC LABORATORIES

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

Mr. Morgan Bunker, Vice President, Community and Economic Development, Las Vegas Global Economic Alliance (LVGEA), presented Medolac Laboratories and

provided a brief overview of the company and abatements sought. Medolac Laboratories specializes in innovative, human donor milk products for clinical use (in the NICU), applying proprietary biopharmaceutical processing methods that preserve many of the immune components in human milk. The company was founded to address the shortage of human donor milk negatively impacting the growing number of preterm infants in the USA and abroad. Medolac Laboratories ships its product throughout all 50 states and serves a global market for 15 million preterm infants being cared for by neonatal intensive care units. The company will be expanding its product line to serve infants and children with immune and metabolic disorders. Mr. Bunker was joined by Elena Medo, Founder and CEO, Medolac Laboratories.

Ms. Medo advised the company was considering opening a corporate headquarters and central processing facility in Clark County.

Governor Sandoval asked what led the company to consider Nevada as a potential location. Ms. Medo advised Nevada had been shortlisted after a state by state comparison on economic indicators such as power and water. Ms. Medo also noted the state's business climate empowered companies without overregulation. The state's incentive programs were another critical factor in the decision-making process.

Governor Sandoval asked about the company's workforce requirements. Ms. Medo advised the company was a microbiology processing laboratory and food processing facility. Therefore, employment opportunities included laboratory technologists, microbiologists, metabolic engineers, retail pharmaceutical sales, retail over-the-counter sales, and office functions such as accounting.

Mr. Klaich noted the company would benefit from partnering with Nevadan learning institutions. Ms. Medo confirmed the company looked forward to exploring the opportunities and developing these relationships particularly as there was scope to develop more curriculum and training in this area.

A MOTION WAS MADE BY SECRETARY OF STATE CEGAVSKE TO APPROVE THE APPLICATION FOR A SALES TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT AND A PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 5B. THIS MOTION WAS SECONDED BY MR. KLAICH. THE MOTION PASSED UNANIMOUSLY.

C. STARBUCKS COFFEE COMPANY

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

Mr. Andrew Haskin, Director of Business Development, Northern Nevada Development Authority (NNDA), introduced Starbucks Coffee Company and provided a brief overview of the company and abatements sought. Starbucks Corporation is an American

coffee company and coffeehouse chain founded in Seattle, Washington in 1971. The company was named 'Business of the Year' for Douglas County in 2016, for a variety of reasons, including its growth, benefits programs, sustainability efforts and ongoing connection with the area. Mr. Haskin was joined by Mr. Todd McCullough, Regional Distribution Director, Starbucks Coffee Company, and Mr. Seth Martindale, Managing Director, CBRE Consulting.

Mr. McCullough noted the company is planning a 700,000 square-foot expansion of its existing Douglas County facility which services California, Nevada, and Utah, as well as parts of Arizona and Asia Pacific

Governor Sandoval asked about the company's experience with hiring and workforce development during its 14 years in Nevada. Mr. McCullough noted the company had positive experiences working with DETR, JobConnect and the State of Nevada regarding the company's inclusion program. Mr. McCullough advised the company reviews its salaries, pay scales and benefits constantly in order to remain an employer of choice in the market. Mr. McCullough noted one of the challenges in workforce development was employees being able to access public transport to the Minden facility. To address this issue the company is considering developing and funding its own ride share programs between Washoe County and its Minden location.

Lieutenant Governor Hutchison noted one-third of the Douglas County workforce holds tourism and leisure positions and asked how the company's wages compared to these industries. Mr. McCullough advised the company's wages compared favorably to these industries. Mr. McCullough also highlighted the company's excellent benefits package and ASU College Achievement program where all partners have the opportunity to attend college for free.

Chancellor Nichols noted the Company's existing partnership with Western Nevada College (WNC) and suggested the new Logistics Program, offered by Truckee Meadows Community College (TMCC), would also be a good partnership.

A MOTION WAS MADE BY MR. KLAICH TO APPROVE THE APPLICATION FOR A SALES TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT AND A PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 5C. THIS MOTION WAS SECONDED BY MS. DRAKULICH. THE MOTION PASSED UNANIMOUSLY.

D. STARBUCKS COFFEE COMPANY
• **CATALYST FUND**

Director Hill advised Douglas County had made a Catalyst Fund application on behalf of Starbucks Coffee Company. The application was for a total of \$250,000 and would equate to \$2,500 per incremental primary job up to 100 jobs over a three-year period.

Governor Sandoval noted the company's application would not only add 99 new jobs to its workforce, the planned 700,000 square-foot expansion of its existing facility would create a significant number of construction jobs and greatly benefit the construction industry.

A MOTION WAS MADE BY MR. KLAICH TO APPROVE THE APPLICATION FOR A CATALYST FUND IN THE AMOUNT OF \$250,000 AS DESCRIBED IN AGENDA ITEM 5D. THIS MOTION WAS SECONDED BY MS. DRAKULICH. THE MOTION PASSED UNANIMOUSLY.

E. SUNPREME, INC.

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

Mr. Morgan Bunker, Vice President, Community and Economic Development, LVGEA, introduced Sunpreme, Inc. and provided a brief overview of the company and abatements sought. Sunpreme Inc. is a privately owned, Silicon Valley based, cell and module manufacturer. The company has developed one of the most advanced solar cell technologies in the world and has been successfully manufacturing solar modules in its pilot plant. The company designs, develops, and manufactures hybrid cell technology products used primarily for commercial and industrial applications such as large rooftops and ground mounted power plants. The company's solutions are deployed Globally. Mr. Bunker was joined by Mr. Dennis Riccio, Vice President Sales, Global Semiconductor Manufacturer, The Gallagher Group International, and telephonically by Mr. Maurice Kori, Advisor to the CEO, Sunpreme, Inc.

Mr. Riccio advised Sunpreme, Inc. plans to open a 100,000 square-foot manufacturing facility in Clark County.

Governor Sandoval asked about the company's recruitment strategy for its Nevada based facility. Mr Riccio advised the company anticipated approximately 20 percent of staff would be hired internally. The company would seek to recruit the remainder locally including via Universities and Technical Schools.

Lieutenant Governor Hutchison asked about the types of roles the company would be seeking to fill. Mr. Riccio confirmed it was a combination of advanced engineers, engineers, technicians, well-trained operators, and entry level positions.

Lieutenant Governor Hutchison asked about the company's long term growth plans. Mr. Riccio noted the company's strategy is to expand its Nevada facility by 100 megawatts at a time. The long-term vision is to reach 1 Gigawatt. At that point, the estimated number of employees would be approximately 2,000.

A MOTION WAS MADE BY LIEUTENANT GOVERNOR HUTCHISON TO APPROVE THE APPLICATION FOR A SALES TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT AND A PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 5E. THIS MOTION WAS SECONDED BY DR. WELDON HAVINS. THE MOTION PASSED UNANIMOUSLY.

F. THE ANTHEM COMPANIES, INC.

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

Mr. Perry Ursem, Vice President of Business Retention and Expansion, LVGEA, introduced The Anthem Companies, Inc. and provided a brief overview of the company and abatements sought. The Anthem Companies, Inc. is a publicly traded health benefits company that serves over 74 million people in the United States. Anthem Companies, Inc. is one of the largest health benefits companies in the United States with approximately 53,000 employees as of December 2016. The Anthem Companies, Inc. is considering expanding its operations to establish a large-scale customer service facility, in Las Vegas, to better serve its clients in the western United States. Mr. Ursem was joined by Mr. Mike Murphy, Anthem Nevada Plan President.

Governor Sandoval asked about the types of roles the company was seeking to fill. Mr. Murphy advised the redesigned service center would seek employees with a unique skill sets. These skills would involve advanced customer service and computer skills. Bilingual or multilingual abilities were also desirable. Mr. Murphy confirmed the company planned to utilize the various workforce development programs, available in Nevada, to recruit for these positions. Mr. Murphy noted the company had experienced positive results regarding attraction and retention of workforce for its existing facilities in Nevada.

Lieutenant Governor Hutchison asked about the job training provided to the company's employees. Mr. Murphy confirmed the company offered extensive training to both new and existing employees.

Governor Sandoval asked about the company's next steps, should the company be awarded the abatements sought. Mr. Murphy confirmed the state's abatements were a critical factor in the company's final decision and noted the company planned to reach a determination in the forthcoming 3-4 weeks after completing the last stages of its due diligence.

A MOTION WAS MADE BY MR. KLAICH TO APPROVE THE APPLICATION FOR A SALES TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT AND A PERSONAL PROPERTY TAX ABATEMENT AS

DESCRIBED IN AGENDA ITEM 5F. THIS MOTION WAS SECONDED BY SECRETARY OF STATE CEGAVSKE. THE MOTION PASSED UNANIMOUSLY.

G. VEGAS SHEETS, LLC.

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

Mr. Morgan Bunker, Vice President, Community and Economic Development, LVGEA, presented Vegas Sheets, LLC and provided a brief overview of the company and abatements sought. Corrugated Synergies International, LLC (CSI), Vegas Sheets, LLC's parent company, was founded in 1982 and is headquartered in Renton, Washington. CSI is a Project Development and Operational Services Company Specializing in the Corrugated Packaging Industry. Mr. Bunker was joined by Mr. Mark Southern, Chief Financial Officer, and Ms. Samantha Brendible, General Manager, Vegas Sheets, LLC.

Mr. Southern advised, the company is considering leasing a 100,000 square-foot manufacturing facility in Henderson, NV. The company's Henderson facility is projected to have a service radius of 500 miles, servicing all western states and east to Colorado and Texas.

Governor Sandoval asked what had led the company to consider locating in Nevada. Mr. Southern noted Las Vegas' logistical advantages and proximity to Los Angeles were advantageous as over 90 percent of the company's product would be shipped outside the state.

Lieutenant Governor Hutchison asked if the company anticipated hiring the majority of its employees locally. Mr. Southern confirmed the company would seek to fill the majority of jobs with the local population.

Lieutenant Governor Hutchison asked about the company's long term growth plans. Mr. Southern advised the company would be installing innovative and state-of-the-art digital equipment at the planned Las Vegas facility. This would position the company to respond competitively to rapidly changing market demands. Mr. Southern confirmed, should the company's incentives request be granted, the company was prepared to focus the majority of its future growth in its new Henderson location.

A MOTION WAS MADE BY LIEUTENANT GOVERNOR HUTCHISON TO APPROVE THE APPLICATION FOR A SALES TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT AND A PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 5F. THIS MOTION WAS SECONDED BY SECRETARY OF STATE CEGAVSKE. THE MOTION PASSED UNANIMOUSLY.

6. ABATEMENT APPLICATIONS FOR DIRECTOR APPROVAL:

A. ARISTOCRAT TECHNOLOGIES, INC.

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

Mr. Michael Walsh, Vice President of Economic Development, LVGEA, presented Aristocrat Technologies and provided a brief overview of the company and the abatements sought. Aristocrat Technologies, Inc. is a leading global provider of land-based and online gaming solutions. The company designs, manufactures, and markets gaming machines, progressive systems, and casino management systems. Aristocrat Technologies, Inc. operates as a subsidiary of Aristocrat Leisure Ltd, one of the world's largest gaming companies, which is licensed in 240 gaming jurisdictions and operates in 90 countries around the world with a team of over 3000 employees. Mr. Walsh was joined by Mr. Neil Friedman, Deputy General Counsel, Aristocrat Technologies, Inc.

Mr. Friedman advised, in June 2017, the company expanded its Nevada operations by building a new 180,000 square foot facility in Clark County.

Governor Sandoval noted, having recently attended the company's southern Nevada ground breaking ceremony, he was familiar with the company's application and therefore did not have any questions. However, he did wish to highlight the company's average wage of \$94,000.

Governor Sandoval noted he was very proud of the fact Las Vegas is the gaming and entertainment capital of the world with an objective to also be the world's gaming thought-leader and innovator. To have a company, with the reputation of Aristocrat, decide to invest in Las Vegas is monumental and aligns with the state's objectives in the gaming industry sector.

Ms. Drakulich noted gaming was the core industry of Nevada, and IT was a development focus for the state. She commended the company's ability to combine the two industries and provide such notable job opportunities.

DIRECTOR HILL APPROVED THE APPLICATION FOR A SALES TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT AND A PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 6A.

7. REVIEW AND DISCUSSION REGARDING ECONOMIC DEVELOPMENT FINANCING PURPOSAL FROM STOREY COUNTY TO GOED.

Director Hill confirmed the Board would not be taking any action on this agenda item. The planned discussions would offer the opportunity for the Board to become more familiar with the Economic Development Financing Proposal (EDFP) process and Storey County's specific proposal. This item would be brought back to the Board at a future meeting for any potential action. Director Hill introduced Mr. Jeremy Aguero, Principal, Applied Analysis to deliver a presentation overview to the Board.

Mr. Aguero advised the presentation would provide an overview of Storey County's EDFP, and summarize the current status of the application and preliminary submittal.

Storey County has submitted an EDFP for the sourcing, construction and installation of an effluent water pipeline to ensure the long-run viability and build-out of the Tahoe Reno Industrial Center (TRIC) in Storey County. The proposed pipeline is expected to span approximately 13 miles from the Truckee Meadows Water Reclamation Facility (TMWRF) to TRIC. The project cost for the full scope of the project is currently estimated at approximately \$60 million. The financing proposal comprises a funding request of approximately \$35 million, which excludes the costs of on-site improvements at TRIC that are expected to be financed through other means. The plan of finance for these improvements involves the issuance of debt, as permitted by Senate Bill 1 (SB1) of the 2015 Special Session of the Nevada Legislature, along with supplemental funding on the part of TRIC, Switch and/or Storey County. The request is to maximize the use of state bond financing, secured by revenues generated through the creation of a Tax Increment Area encompassing (TIA) TRIC.

The Project is expected to resolve short and long term load and capacity issues for TMWRF, improve water quality in the Truckee River, and facilitate continued major future economic development benefitting all of northern Nevada, including the neighboring cities.

Mr. Aguero confirmed work was being undertaken to complete and finalize the application prior to the September Board meeting. The Board will be required to make a determination on the application within 45-days of receipt of the completed application.

8. DIRECTORS REPORT- REVIEW AND DISCUSSION

Director Hill advised he had attended the July 2017 NGA conference, held in Rhode Island. He noted he was honored to attend the event and congratulated Governor Sandoval on being selected as the 2017-18 chair of the NGA.

Director Hill referenced the 2017 Legislative Session and thanked the Governor and Nevada Legislature for their assistance and contributions. Director Hill provided a legislative update to the Board:

SB 442 passed. This Bill comprises a number of changes to GOED's abatement statute. It also provides an alternative path in meeting the billion-dollar tax abatement threshold.

AB 69 passed. This Bill revises provisions relating to autonomous vehicles and creates the opportunity for innovative companies to not only test and operate their autonomous vehicles in our state, but also to conduct the research and development.

AB 492 passed. This Bill provides \$10 million in transferrable tax credits to companies that make film, television or other media productions. \$5 million per year is allocated for the upcoming two-year budget cycle.

AB 143 passed. This Bill creates a Legislative Committee on Tax Expenditures and Incentives for Economic Development. GOED supported this Bill and anticipates it will provide legislators with further insight into the processes administered by GOED.

GOED received \$1 million through a Bill sponsored by Senator Ford. SB 126 Establishes a program to provide loans to small business enterprises, minority-owned business enterprises, women-owned business enterprises and disadvantaged business enterprises. Loans will not be granted directly through GOED and the agency will work with other organizations, such as banks, to administer this.

GOED received funding through a Bill sponsored by Assemblywoman Swank. Assembly Bill 417 Creates the Nevada Main Street Program, within GOED, and sets aside \$350,000 in funding for operation of the state program and to provide grants to local programs.

Director Hill noted, although it was disappointing to receive the recent news Faraday Future was putting its North Las Vegas project on hold, the installation of infrastructure at Apex Industrial Park remained a worth-while project. Director Hill noted he felt strongly the GOED Board and the legislature made the right decision by approving Faraday's abatement package. Director Hill highlighted the abatement package had been structured to fully protect the state, and the citizens of the state, from any outside risk. The agreement was also structured to ensure no funds would be released prior to the company making an investment, building a facility, and producing jobs. If the project is, at any stage, successful in Nevada it will create 4,500 jobs and support the diversification of the southern Nevada economy.

Director Hill noted two of GOED's long term staff members would be leaving over the summer. Ms. Jennifer Cooper, GOED's Communications Director, accepted the role of Internal Communications Director for Dignity Health. Director Hill noted his respect for Dignity Health and the work they do for Nevada. He thanked Ms. Cooper for her great work and significant contribution during her time with GOED.

Mr. Vance Farrow, GOED's Healthcare Industry Specialist, accepted a position as CEO of the FirstMed Health and Wellness Center. Director Hill expressed his appreciation for Mr. Farrow's excellent work during his time with GOED.

Director Hill welcomed Dr. Gillian Barclay as GOED's new Healthcare Industry Specialist. Director Hill advised Dr. Barclay has a Doctorate in Public Health from Harvard, a Doctorate in Dental Surgery from the University of Detroit Mercy, a Masters in Public Health from the University of Michigan, and an undergraduate degree from the University of the West Indies. Dr. Barclay was recently Vice President of the Aetna Foundation, which focuses on supporting and funding local, national, and international initiatives to improve health and wellness. Prior to her time with Aetna, she was with the Pan American Health Organization, the regional office of the World Health Organization.

9. DISCUSSION AND POSSIBLE ACTION TO DESIGNATE CERTAIN OR ALL OF NEVADA COUNTIES AS ABOVE OR BELOW 7% UNEMPLOYMENT

Director Hill stated as of July 1, 2017, the abatement eligibility thresholds had changed. Under the new criteria, if a county's unemployment rate is 7% or less a company must pay 100% of the of average statewide hourly wage (\$21.95) in order to receive full abatements. If a company's average hourly wage is 85%-99% of the average statewide hourly wage, then the company will receive 25% of the MBT and PPT, but the SUT abatement is only reduced to 4.6% instead of down to 2.0%.

Director Hill advised abatement application submissions prior to June 30, 2017 would still fall under the pre-July 1 criteria for the September 19, 2017 Board Meeting. Post September 19 all applications to the Board would fall under the new criteria.

Governor Sandoval noted this was the first time the report showed under 7% unemployment in all Nevada counties and although there was still work to be done in this area, it was a solid indication this was moving in the right direction. Governor Sandoval thanked Director Hill, the GOED staff and RDAs for their contributions to this result.

10. PUBLIC COMMENT

Ms. Lori Chatwood, Deputy Treasurer, Nevada State Treasurer's Office advised her statement was in relation to Agenda Item No. 7 and clarification on a report she would be forwarding to Director Hill's office.

With the state's general obligations bonds, there are two tests required. The first is the there must be capacity under the constitutional debt limit. The second is affordability to repay the debt. The report to Director Hill's office will show where the state's capacity under the debt limit is. Currently the project appears to relate to natural resources.

Natural resources are exempt from that debt limit and wouldn't affect the bonds that can be issued under that capacity. Affordability refers to the bonds the state would be paying with its current \$0.17 property tax assessment. As there are layers of revenues available to pay the bonds prior to it hitting the state's \$0.17, it is assumed the money would not be built into the affordability of the state. Therefore, the report will determine if there is capacity under the constitutional limit. This will not be a report on the affordability of the state.

11. ADJOURNMENT

A MOTION WAS MADE BY SECERTARY OF STATE CEGAVSKE TO ADJOURN THE BOARD MEETING. THIS MOTION WAS SECONDED BY MS. DRAKULICH. THE MOTION PASSED UNANIMOUSLY.