

**STATE OF NEVADA
GOVERNOR'S OFFICE of ECONOMIC DEVELOPMENT
BOARD MEETING
March 16, 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. Benny Yerushalmi, Owner, The Jewelers of Nevada
Mr. Sam Routson, Chief Administrative Officer, Winnemucca Farms
Ms. Kathleen Drakulich, Attorney, McDonald Carano Wilson

VOTING BOARD MEMBERS ABSENT AND EXCUSED

Mr. James Barrett, Jr., President and Founder, The JABarrett Company
Mr. Rob Roy, CEO/Founder, Switch

NON-VOTING BOARD MEMBERS PRESENT

Mr. Don Soderberg, Director, Department of Employment Rehabilitation and Training
Mr. John White, Chancellor and CEO, Nevada System of Higher Education

STAFF MEMBERS PRESENT

Mr. Steve Hill, Executive Director, GOED, Secretary of Board
Cory Hunt, Deputy Director, GOED
Michael Dang, Director of Business Operations, GOED
Jenn Cooper, Communications Director, GOED
Bob Potts, Research Director, GOED
Brian Baluta, Project Manager, GOED
Michelle Sibley, Executive Assistant / HR Coordinator, GOED
Melanie Sheldon, Executive Assistant / Business Development Specialist, GOED
Nichole Anderson, Business Development Assistant, GOED

GUESTS PRESENT

Henna Rasul, Attorney General’s Office
Barbra Coffee, City of Henderson
Terri Sheridan, City of North Las Vegas
Sallie Doebler, Las Vegas Metro Chamber of Commerce
Nicole Raz, Review Journal
Michael Walsh, LVGEA
Morgan, Bunker, LVGEA
Perry Ursem, LVGEA
Kevin Bessey, LVGEA
Nicole Santero, LVGEA
Anthony Ruiz, LVGEA
Nancy McCormick, EDAWN
Stan Thomas, EDAWN
Kyle Dalpe, Truckee Meadows Community College
Alma Cuevas, Cushman & Wakefield Commerce
Jason Griffis, Cushman & Wakefield Commerce
Emil Khalili, Highland Industrial Park, LLC
Yong Kee Chun, Daehan Solution
Randy Holleschau, Elemental LED, Inc.
Ashley Frantz, Moen Incorporated
Heath Schneider, Moen Incorporated
Mike Leaser, Moen Incorporated
Kevin Morgan, Astound Group
Tom Power, Sunshine Minting, Inc.
Ronald Reed, Sunshine Minting, Inc.
Jason Trubey, Sunshine Minting, Inc.

2. PUBLIC COMMENT

There was no public comment.

Mr. Sam Rouston announced his term on the Board was due to end in May 2017. Mr. Rouston expressed his appreciation regarding the work of the GOED Board and acknowledged the efforts of the Governor’s Office of Economic Development (GOED) and the Regional Development Authorities.

Governor Sandoval stated he wanted to publicly thank Mr. Rouston for his service to the Board and the State of Nevada. He noted Mr. Rouston had been an incredible asset and his insights and contributions would be difficult if not impossible to replace.

3. GOVERNOR SANDOVAL’S COMMENTS

Governor Sandoval highlighted the recent Polish delegation reception held at the Governor’s Mansion. This was a follow-up to recent Polish trade missions conducted by the GOED International Trade Division. The delegation comprised high level representatives from government and education who also attended meetings at the University of Las Vegas (UNLV), The University of Reno (UNR), Western Nevada College (WNC), and Truckee Meadows Community College (TMCC).

Governor Sandoval commented that Nevada’s positive relationship with Poland demonstrates the effectiveness of the trade mission process. Relationships such as these continue the narrative of the new Nevada and support diversification of the economy. Governor Sandoval expressed his thanks and appreciation to Kris Sanchez, GOED’s Director of International Trade, and his staff in the International Division.

4. APPROVAL OF THE JANUARY 19, 2017 BOARD MEETING MINUTES

A MOTION WAS MADE BY MS. KATHLEEN DRAKULICH TO APPROVE THE JANUARY 19, 2017 MEETING MINUTES; THIS MOTION WAS SECONDED BY SECRETARY OF STATE BARBARA CEGAVSKE. THE MOTION PASSED UNANIMOUSLY.

5. ABATEMENT APPLICATIONS FOR BOARD APPROVAL:

A. DAEHAN SOLUTION NEVADA, LLC

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

Mr. Stan Thomas, Executive Vice President of Business Development, Economic Development Authority of Western Nevada (EDAWN) commenced by recognizing Mr. Andrew Haskin, Northern Nevada Development Authority (NNDA) and Mr. Johnny Hargrove, Association of Energy Professionals, for their integral work on Daehan Solution Nevada, LLC’s relocation project.

Mr. Thomas presented Daehan Solution Nevada, LLC and provided a brief overview of the company and abatements sought. Daehan Solution Nevada, LLC is a subsidiary of Daehan Solution. The parent company was established in 1983 and is headquartered in Incheon, Korea. Daehan Solution is an award-winning company specializing in the design, engineering and manufacturing of Noise, Vibration and Harshness (NVH) products and other automotive components for Automakers. The company’s new 323,520-square foot Lyon County facility will produce automotive components. Mr. Thomas was joined by Mr. Yong Kee Chun, President, Daehan Solution.

Mr. Chun advised Daehan Solutions Nevada, LLC will primarily be supporting Tesla's Model 3, Model S and Model X products. Components manufactured at the company's new Fernley facility will be shipped to Tesla's assembly plant in Fremont, California.

Governor Sandoval asked what made the company consider Nevada. Mr. Chun listed the proximity to Tesla and the positive reports regarding Fernley's work force, labor supply and logistical advantages.

Governor Sandoval asked if the company had commenced hiring for the new facility. Mr. Chun confirmed this and stated the company's objective was to hire predominantly in the Lyon County region. The 24-month projection is 230 employees, with the objective of increasing this to 300-500 in forthcoming years.

Lieutenant Governor Hutchinson asked about the certification and training the company required for their equipment operators. Mr. Chun confirmed training was often done onsite and delivered by supervisors and engineers. Current employees of existing US facilities will deliver training in the new Fernley facility. The company also plans to send newly hired operatives to the company's Georgia and Alabama plants for training.

Governor Sandoval inquired about the company's opportunities for advancement and wage increases. Mr. Thomas and Mr. Chun confirmed the company provided professional growth opportunities and advancement trajectories into management.

Governor Sandoval noted Chancellor John White, Chancellor & CEO, Nevada System of Higher Education, was currently in attendance and keen to assist the company with any educational and curriculum needs.

Governor Sandoval highlighted the significance of having a company of this stature decide to locate in Nevada and the positive impacts on the Fernley community.

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 5A. THIS MOTION WAS SECONDED BY LIEUTENANT GOVERNOR HUTCHISON. THE MOTION PASSED UNANIMOUSLY.

B. ELEMENTAL LED, INC.

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

Mr. Thomas, EDawn, presented Elemental LED, Inc. and provided a brief overview of the company and abatements sought. Elemental LED, Inc. is a leading U.S. engineering and technology company that creates, develops, manufactures, markets and sells,

configured and integrated LED lighting solutions. Elemental LED, Inc. is considering relocating their Corporate Headquarters from Emeryville, California to Reno, Nevada. The relocation would involve the purchase of a 60,000 square foot warehouse and office facility. Mr. Thomas was joined by Mr. Randy Holleschau, President.

Governor Sandoval asked about the company's next steps, should the company be awarded the abatements sought. Mr. Holleschau confirmed a suitable building would be identified and purchased, building improvements would be made and the company would commence transitioning staff to Nevada. The company plans to hire 80 initial staff. Approximately half of these positions will be filled by existing staff relocating from California.

Secretary of State Cegavske asked about company's recruitment requirements for the new facility. Mr. Holleschau advised the company planned to hire research and development staff, engineers, marketing, accounting and administrative staff. Mr. Holleschau also highlighted the need for strong customer service staff as Elemental LED, Inc. is known for having the best customer service in its industry.

Due to the technological nature of the company's operations Governor Sandoval asked about the company's plans to partner with Nevadan universities. Mr. Holleschau confirmed the company has experienced great success with interns from UC Berkeley and plans to establish an intern program in Nevada. Chancellor White highlighted UNR's strong engineering program and the technical workforce development programs being deployed by TMCC and WNC.

Governor Sandoval thanked the company for a strong and credible application.

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 MS. DRAKULICH. THE MOTION PASSED UNANIMOUSLY.

C. MOEN INCORPORATED

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

Mr. Morgan Bunker, Vice President, Community and Economic Development, LVGEA, presented Moen Incorporated and provided a brief overview of the company and abatements sought. Moen Incorporated designs and manufactures kitchen and bath faucets, showerheads, accessories, bath safety products, and kitchen sinks for residential and commercial applications in the United States and internationally. The company is considering updating the conveyer and automation equipment, in its existing 219,068

square foot North Las Vegas facility, to better optimize the existing warehouse footprint and support growth projections. Mr. Bunker was joined by Mr. Mike Leaser, Director of Global Distribution and Transportation, Mr. Heath Schneider, Distribution Center Manager, and Ms. Ashley Frantz, Senior Global Commodity Specialist for Sourcing.

Governor Sandoval asked about the company's next steps, should the company be awarded the abatements sought. Mr. Leaser highlighted Moen Incorporated's preference to remain in Nevada and continue its 37 year-long presence in North Las Vegas. Mr. Leaser noted the company's employees have significant involvement in community activities and the company is viewed as an integral part of the local community.

Mr. Leaser explained the current site is not large enough to accommodate a building expansion however, there is scope to expand vertically. The company is considering building a two-story mezzanine and updating existing conveyer and automation equipment. This will make the distribution center viable for the next 10 years. Mr. Leaser advised local labor would be hired for construction of the mezzanine. He noted the excellent labor pool in North Las Vegas, and Clark County, and advised the majority of the company's staff are also hired locally.

Mr. Benny Yerushalmi highlighted the importance of retaining a company of Moen Incorporated's reputation and history in Nevada and mitigating the loss of existing jobs.

Governor Sandoval echoed Mr. Yerushalmi's comments and noted the Board's role was to both support companies new to Nevada and retain quality companies already located in the state.

A MOTION WAS MADE BY DR. WELDON HAVINS 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 SECRETARY OF STATE CEGAVSKE. THE MOTION PASSED UNANIMOUSLY.

D. SUNSHINE MINTING, INC.

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

Mr. Perry Ursem, Vice President of Business Retention and Expansion, LVGEA presented Sunshine Minting, LLC and provided a brief overview of the company and the abatements sought. Sunshine Minting, Inc. is the leading manufacturer of products for the Minting industry, providing blanks, bullion, custom minted products, exclusive security, and special feature products. Sunshine Minting, Inc. is considering expanding its existing Henderson operations to include a world-class, state-of-the-art, 144,000 square foot minting facility. The company is also considering relocating corporate,

administrative, and operational functions, from Coeur d'Alene, Idaho, to the State of Nevada. Mr. Ursem was joined by Mr. Tom Power, President and Chief Executive Officer, Mr. Ronald Reed, Chief Financial Officer, and Mr. Jason Trubey, Nevada Operations General Manager.

Mr. Power advised the new Henderson facility would have capacity to produce and provide more than 100 million ounces of silver, gold, platinum and palladium products to some of the largest national mints and sovereign governments.

Governor Sandoval asked about the company's plans, should the abatements be awarded. Mr. Power advised the company currently has a contingent deal, on a building in Henderson, with a deadline of April 1, 2017 to make its final decision. If the company decides to move ahead the first move would be to relocate existing staff to the new Henderson facility. Following this the company would incrementally phase out its Coeur d'Alene operations and focus on building its Nevada workforce.

Lieutenant Governor Hutchinson asked how many of the company's 170 new jobs would be filled by existing staff from the company's Idaho location. Mr. Power stated approximately 20 to 30 staff are anticipated to relocate.

Lieutenant Governor Hutchinson inquired about the company's growth projections. Mr. Power advised the company currently has 130 employees and anticipates increasing to 250-300 employees total within the forthcoming 3 years.

Lieutenant Governor Hutchinson thanked the company for its application and expressed his appreciation the company was considering a Nevada expansion.

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 5D. THIS MOTION WAS SECONDED BY SECRETARY OF STATE CEGAVSKE. THE MOTION PASSED UNANIMOUSLY.

6. ABATEMENT APPLICATIONS FOR DIRECTOR APPROVAL

A. ASTOUND GROUP

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

Mr. Perry Ursem, LVGEA, presented Astound Group and provided a brief overview of the company and the abatements sought. Astound Group is an award-winning design and fabrication house. The company's primary business is manufacturing and installation of both permanent and temporary structures with a focus on the tradeshow industry. The

company is considering expanding its existing Nevada facility from 140,000 square feet to approximately 240,000 square feet within the forthcoming 16 months. Mr. Ursem was joined by Mr. Kevin Morgan, Chief Financial Officer. Mr. Ursem also acknowledged the presence of Ms. Alma Cuevas, Director, Cushman and Wakefield Commerce (CWC) and Mr. Jason Griffis, Director, CWC. CWC is a national industrial brokerage firm and its representatives were responsible for the introduction between Astound Group and LVGEA.

Governor Sandoval noted the company's operations in the state commenced in 2014. He inquired about the company's experience in Nevada thus far. Mr. Morgan advised the experience had been positive from a location and workforce perspective.

Governor Sandoval asked about the company's next steps, should the company be awarded the abatements sought. Mr. Morgan advised the company were considering other locations however, the company's preference was to remain in Nevada. Mr. Morgan confirmed the next steps would involve lease negotiations and expansion plans for their current facility.

Ms. Drakulich asked about the company's employment projections. Mr. Morgan stated the company plans to hire approximately 18-24 employees in the next 24 months however, due to the company's rapid growth, this number could increase. The company has experienced approximately 40% average growth the last three years.

Mr. Ursem highlighted the company's plans to explore apprenticeship and internship opportunities and noted this would help the company create synergies with the Department of Employment, Training and Rehabilitation, the Department of Labor, and the Nevada Office of Workforce Innovation.

Director Steve Hill thanked Astound Group for a strong application and its continued investment in Nevada.

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.

B. CALIFORNIA BUSINESS ENVIRONMENTS, INC. DBA FRANKLIN ARMORY.

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

Mr. Haskin, Director of Business Development, Northern Nevada Development Authority presented California Business Environments, Inc. DBA Franklin Armory

(Franklin Armory) and provided an overview of the company and abatements sought. Franklin Armory is a majority woman-owned firearms manufacturer specializing in producing firearms for sporting, defensive and tactical applications. The company has acquired further space to expand their Minden, Nevada facility. Mr. Haskin was joined by Mr. Jay Jacobson, President.

Governor Sandoval asked how the company initially selected Nevada as a business location. Mr. Jacobson advised the company selected Nevada in 2013 due to several factors including the regulatory environment, proximity to the company's existing facility in California, price of industrial space, energy costs, housing for personnel, and the availability of labor.

Mr. Don Soderberg commended the company's utilization of programs such as JobConnect, the State of Nevada Workforce 60 and Silver State Works Program. Mr. Soderberg noted Silver State Works is a program assisting Nevadans, who find themselves out of the employment market, to re-join the workforce. Mr. Soderberg expressed his appreciation the company were providing these employment and training opportunities.

Director Hill noted the company's substantial growth since locating in Nevada and highlighted its continued innovation and contribution to the Nevada economy.

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 6B.

C. HORIBA INSTRUMENTS, INC.

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

Ms. Nancy McCormick, Vice President Retention, Expansion and Workforce, EDAWN, presented HORIBA Instruments, Inc. and provided an overview of the company and abatements sought. HORIBA Instruments Inc. is a global company and a world leader in gas and chemical analysis and process control. The company specializes in measuring technologies which span five business segments: Automotive, Process and Environmental, Medical, Scientific and Semiconductor. The company is considering expanding its existing Nevada operations by building a world class research center, in Reno, to support its clients in the Silicon Valley. Ms. McCormick was joined by Mr. Brian Ebert, Research and Development Program Manager.

Chancellor White commended HORIBA Instruments, Inc.'s relationship with UNR. The company works with UNR for the purposes of hiring new graduates, the promotion and

sponsorship of post- graduate research, and potentially collaborative innovation/ revenue generation.

Governor Sandoval inquired about the company's expansion plans. Mr. Ebert advised the expansion will more than double the company's existing northern Nevada footprint in both facilities and employees. Mr. Egbert noted the company's commitment to research and development investment in Reno will be continuous, and result in even more growth, as the micro-electronics industries continues to grow with cloud computing, autonomous vehicles and the internet.

Mr. Ebert noted, over the forthcoming five years, the company would increase its staff to 40 people. The majority of these key hires will be world-class semiconductor engineering experts from around the world with additional young, scientific professionals recruited from Nevada and Japan.

Director Hill thanked the company for their continued commitment to the state and commended its integral work with UNR.

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 6C.

7. WORKFORCE INNOVATION FOR THE NEW NEVADA FUND PROGRAM (WINN) - P3 EXTENSION - REQUEST ADDITIONAL FUNDING FOR THE P3 OR OTHER PROGRAMS NOT TO EXCEED \$300,000

Mr. Cory Hunt, Deputy Director, GOED and Mr. Kyle Dalpe, Dean of Technical Sciences, TMCC presented a status update for the WINN P3 Program (the Program) and a request for additional funding.

Mr. Hunt noted the Program was off to a strong start. All agreements are in place with TMCC, DETR, and the participating companies. Agreements are also in place with Panasonic and Hamilton regarding screening of candidates, conditional offers of employment, agreeing to track wages, and diversity.

Mr. Hunt advised there are over 236 people on the interest list with 31 attending an orientation session, 29 applying for admission and 26 enrolling in the program. Many of the people on the program interest list have been waiting for the WINN funding processes to be developed and launched. The process design is complete and WINN candidates are starting to be routed through the screening processes for interviews with Panasonic and training approval. Fourteen candidates are expected to be interviewed in the next week.

Mr. Dalpe noted the first P3 Participant completed M1 & M2 on March 2, 2017 and will start work at Panasonic on April 2. This participant enrolled in the program on Jan. 20 and paid out-of-pocket to attend. While he was not WINN funded, he completed the course in only 6 weeks and is launching a new career. Both TMCC and Panasonic are excited about the first success and beginning intake for WINN funding.

Mr. Hunt noted the success and popularity of the P3 program has generated an increasing level of interest within the northern Nevada Region among individuals and manufacturers and additional companies have come forward to begin developing their pathways to employment using the same approach. GOED is also reaching out to other educational providers (GBC, WNC and CSN) to encourage the development of similar workforce initiatives.

Mr. Hunt and Mr. Dalpe presented an additional funding request covering the following areas: scholarships, equipment, Personnel and variable expense, and discretionary funds.

Governor Sandoval congratulated all parties for their hard work and noted the Program encompasses important economic development objectives such as attracting and retaining great companies, creating quality jobs, and building curriculums to match and support workforce requirements.

A MOTION WAS MADE BY MS. DRAKULICH TO APPROVE THE WORKFORCE INNOVATION FOR THE NEW NEVADA FUND PROGRAM NORTHERN NEVADA ADVANCED MANUFACTURING IN THE AMOUNT OF \$300,000. THIS MOTION WAS SECONDED BY LIEUTENANT GOVERNOR HUTCHISON. THE MOTION PASSED UNANIMOUSLY.

8. PERFORMANCE MEASURES REPORT - BOB POTTS, RESEARCH DIRECTOR

Mr. Bob Potts presented the GOED Performance Measures report covering economic development activity in the fourth quarter of 2016.

In the fourth quarter of 2016 there were 2,153 assisted jobs. This is an increase of 444% over the fourth quarter of 2015. Those jobs were brought in by 15 companies with half of them tied to logistics and operations companies. Approximately 25% of them were IT related companies. Of the 15 companies, six were incentivized. The six incentivized companies accounted for approximately 2,000 of the 2,153 jobs.

The average hourly wage was down almost \$4.75 to \$16.03 from the previous quarter and \$4.00 from the same quarter a year ago. This is largely due to approximately 1,800, of the 2,153 companies, having lower wages however still meeting the capital equipment and employment criteria for abatements.

Regarding distribution of companies, the largest one for 2016 was logistics and operations at 31%. This is followed by 30% manufacturing, 13% information

technology, 8% Aerospace and defense, 6.6% Health and Medical, 3.3% Tourism and Gaming, and 1.6% Mining.

Capital investment is listed at \$61.4 million. This is a decrease of \$111.4 million against the third quarter of 2016 and an approximate 60.5% decline from the fourth quarter of 2015. These numbers do not include large scale projects such as Tesla, Apple, Faraday, and aviation and data center abated companies.

All pipeline activity slowed in the fourth quarter which is normal during the holiday season. Prospects and leads were up in the fourth quarter in comparison to the fourth quarter of 2015. Leads were up 39% and prospects are up 35%. These numbers were provided by GOED's Regional Development Authority Partners.

The International Team made two trips, one to Poland and the other to Finland. These trips combined generated 31 leads and 8 prospects. Overall, there are currently 124 active leads in the international pipeline and 20 active prospects.

There has been an increase in the Procurement Technical Assistance Center's (PTAC) active client base from 540 to 1,471. This is due to the Defense/Logistics Agency recently changing their requirements for a client to be considered active. The results are also affected by a client data base review PTAC undertook in the third quarter of 2016 where PTAC removed all inactive clients from their data base.

There were 107 new companies certified as Emerging Small Businesses under the ESB Program. There is currently a total of 807 in the state.

In the first two quarters of Financial Year 2017, the Film Office reported 153 productions generating \$21.8 million in locally spent revenue. When compared to the same period last year, it was down 33%. This is due to a number of big projects in the previous period.

There were five more grants awarded with the second round of the Community Development Block Grant Program (CDBG) funding. The number of grants increased from 14 to 19 with an average grant award of \$132,000. Over half of those are specifically allocated for economic development related projects.

In September 2016 Nevada exceeded the May 2007 pre-recession high of 1.29 million workers in the State. As of December 2016, there are 1.3 million workers in the state. The unemployment rate has dropped 8.6 points down to 5.1% in December, from the high recorded in September 2010.

9.

DIRECTOR'S REPORT - REVIEW AND DISCUSSION

A. Legislative Presentation - Presentation to The Joint Senate Revenue & Economic Development & Assembly Taxation Committees

B. Legislation Review - Ab 6, Ab 69, Ab 143, Ab 170, Ab 231, Sb 126, Sb 179, 360 Bill Draft

Director Hill commended the recent work undertaken by GOED's International Division and the leadership of Kris Sanchez, Director, International Trade and the work of his team.

Director Hill highlighted the success of the March 14, 2017 Polish reception and the strong relationship Nevada is building with the country. The recent Polish delegation comprised 15 Polish companies, and representatives from 5 universities and 4 regions.

Director Hill noted it was currently Canada Day and a reception would be held that night, in Carson City, to honor this. The reception would be hosted by Richard Perkins, CEO of the Business Council of Canada and Nevada and Canada Consul General James Villaneuve

Director Hill noted the work being done in partnership with WaterStart had now become a prominent feature of all trade missions. In March, 2017 the International Division led an exploratory mission to Namibia and South Africa in partnership with the Las Vegas Urban Chamber of Commerce. Subsequently GOED is now working on a joint effort between Spain's Basque Country, the Country of Italy, the Desert Research Institute, and WaterStart, to address water issues in Namibia. Additionally, GOED recently signed a water technology agreement with the Italian Ministry for Environment Land and Sea.

Director Hill raised the marketing and advertising of the WINN Fund and the importance of getting the word out. He suggested creative concepts to generate discussion such as billboards on I-80 and 395.

Lieutenant Governor Hutchinson requested an update on the Las Vegas Stadium. Director Hill advised the Raiders had secured financing from Bank of America and would now await the NFL owners 27 March vote regarding their move to Las Vegas.

A. Legislative Presentation - Presentation to the Joint Senate Revenue & Economic Development & Assembly Taxation Committees

Director Hill advised GOED developed two presentations for the Legislative Session. These presentations were delivered across the two days (2/21 and 2/23) to the Joint Meeting of the Senate Committee on Revenue and Economic Development and the Assembly Committee on Taxation.

These extensive presentations are essentially a complete download of all work GOED is undertaking and covers business development, tax incentives, audit compliance, the Catalyst Fund, transferrable tax credits, Regional Development Authorities, updates on Faraday Future, Tesla, the Las Vegas Convention Center expansion, the Las Vegas Stadium project, the Knowledge Fund, Learn and Earn Advanced Career Pathways, the WINN Fund, and more.

B. Legislation Review - AB 6, AB 69, AB 143, AB 170, AB 231, SB 126, SB 179, 360 Bill Draft

AB 6 – GOED Bill. Revises provisions governing exemptions from the requirement to obtain a state business registration.

AB 69 – GOED Bill. Authorizes the use of an autonomous vehicle to transport persons or property in certain circumstances.

AB 143 – Primary Sponsor is Assemblywoman Bustamante-Adams. Creates a Legislative Committee on Tax Expenditures and Incentives for Economic Development.

AB 170 – Primary Sponsor is Assemblyman Hanson. Extends the requirement for the Office of Economic Development to submit quarterly reports relating to certain economic development incentives. This would require quarterly reports, for all major projects, throughout the life of the abatements.

AB 231 – Primary Sponsor is Assemblywoman Bustamante-Adams. Revises provisions relating to economic development.

SB 126 – Primary Sponsor is Senator Ford - Establishes a program to provide loans to certain small businesses owned by minorities and women. It was originally intended that GOED would administer this program. If this Bill passes it is likely this will become a Grant program administered by GOED.

SB 179 – Primary Sponsor is Senator Dennis - Expands the eligibility for tax abatements for certain businesses related to airplanes. This is an expansion of the current Aviation Abatement qualifications.

Draft Bill 360 – GOED has worked closely with Senator Ratti on reviewing its abatement statute. There will be some clarification and cleanup of language. Abatement wage thresholds and healthcare requirements are being reviewed. Changes to the Apex infrastructure are also being reviewed and discussed.

10. DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF THE CLARK COUNTY 6% UNEMPLOYMENT RATE - as established by the Research and Analysis Division of the Nevada Department of Employment, Training and Rehabilitation

The March 16, 2017 Unemployment Rate Report showed an unemployment rate of 5.2% in Clark County with a 6.0% rolling average. An official Board Determination of the unemployment rate will result in a change on the wage criteria for abatement applications.

Governor Sandoval highlighted the vast advancements Nevada has made in terms of unemployment numbers and noted this should be recognized.

A MOTION WAS MADE BY MS. DRAKULICH TO MAKE A BOARD DETERMINATION THE UNEMPLOYMENT RATE IN CLARK COUNTY IS BELOW 6%. THIS MOTION WAS SECONDED BY MR. ROUSTON. THE MOTION PASSED UNANIMOUSLY.

11. PUBLIC COMMENTS

There was no public comment.

12. ADJOURNMENT

A MOTION WAS MADE BY SECRETARY OF STATE CEGAVSKE TO ADJOURN THE BOARD MEETING. THIS MOTION WAS SECONDED BY LIEUTENANT GOVERNOR HUTCHISON. THE MOTION PASSED UNANIMOUSLY.