

**STATE OF NEVADA  
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT  
BOARD MEETING MINUTES  
September 19, 2017**

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

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

**VOTING BOARD MEMBERS PRESENT**

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  
Ms. Dana Bennett, President, Nevada Mining Association  
Mr. Dan Klaich, Voting Member At-large

**BOARD MEMBERS ABSENT AND EXCUSED**

Governor Brian Sandoval, State of Nevada  
Lieutenant Governor Mark Hutchison, State of Nevada  
Mr. Rob Roy, Chief Executive Officer /Founder, Switch

**NON-VOTING BOARD MEMBERS PRESENT**

Mr. Don Soderberg, Director, Department of Employment Rehabilitation and Training  
Mr. Thom Reilly, Chancellor and Chief Executive Officer, Nevada System of Higher Education

**STAFF MEMBERS PRESENT**

Steve Hill, Executive Director, GOED, Secretary of Board  
Cory Hunt, Deputy Director, GOED  
Brian Baluta, 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, Business Development Assistant, GOED

## **GUESTS PRESENT**

Henna Rasul, Attorney General's Office  
Scott Anderson, Secretary of State's Office  
Cathy Erskine, Lieutenant Governor's Office  
Shelli Long, Department of Taxation  
Lezlie Helget, Department of Taxation  
Lea Carwright, Attorney General's Office  
Frank Woodbeck, NSHE  
Chris Ault, EDAWN  
Stan Thomas, EDAWN  
Perry Ursem, LVGEA  
Morgan Bunker, LVGEA  
Michael Walsh, LVGEA  
Nicole Santero, LVGEA  
Kevin Bessey, LVGEA  
Steve Phillips, Advanced Aviation Reno, Inc.  
Samantha Dragoli, Advanced Aviation Reno, Inc.  
Mitchell Hall, ERG Aerospace Corporation  
Dara Keomany, PODS Enterprises, LLV  
Dan Kafo, PODS Enterprises, LLC  
Sean Garrett, PRA Group, Inc.  
Tim Rees, PRA Group, Inc.  
Chad Ronholdt, Tissue Life, LLC  
Steve Devir, Virtual Guard, Inc.  
Dror Soref, Virtual Guard, Inc.  
Keith Wade, Xtreme Manufacturing, LLC  
Bob Russell, DFA LLC and Ahern Family Office  
Zachary Poppel, CWU Local 226  
Nelson Lucero, CWU Local 226  
Jodi Gilliland, UNLV  
Joe Miera, UNLV  
Fernando Romero, Hispanics in Politics  
Chris Reilly, Tesla  
Steve Fisher, DWSS

## **2. PUBLIC COMMENT**

Mr. Zachary Poppel, Research Analyst, Culinary Workers Union, advised he was raising awareness regarding the Fertitta Capital's \$500 Million fund. The brothers behind, Station Casinos and the UFC, announced in May 2017 their new investment firm has an initial \$500 million available to startups and entrepreneurs across the tech, media, and entertainment sectors, including sports, e-sports, hospitality, and food and beverage. Mr. Poppel stated business groups and state agencies, charged with supporting Nevadan,

startups and entrepreneurs, should champion the local investment of these funds. Mr. Poppel also noted local startup accelerators and incubators, and economic development agencies across the state should reach out to Fertitta Capital to inquire how many Nevada businesses they are considering partnering with and how best to keep the investment capital in Nevada. Mr. Poppel thanked the Board and reiterated the importance of these funds staying within the community and the state.

**3. GOVERNOR SANDOVAL’S COMMENTS**

Governor Sandoval was not present at the meeting therefore, there were no comments.

**4. APPROVAL OF THE JULY 17, 2017 BOARD MEETING MINUTES**

**A MOTION WAS MADE BY SECRETARY OF STATE CEGAVSKE TO APPROVE THE JULY 17, 2017 MEETING MINUTES; THIS MOTION WAS SECONDED BY MR. DAN KLAICH. THE MOTION PASSED UNANIMOUSLY.**

**5. ABATEMENT APPLICATIONS FOR BOARD APPROVAL:**

**A ADVANCED AVIATION RENO, INC.**

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

Mr. Chris Ault Jr., Vice President of Business Development, Economic Development Authority of Western Nevada (EDAWN), presented Advanced Aviation Reno Inc. (AARI), and provided an overview of the company and abatements sought. AARI is an aircraft maintenance shop and flight school. The company's maintenance shop currently focuses on servicing piston aircraft. The company’s flight school offers flight training from introductory flight lessons to advanced certifications and biannual reviews. Mr. Ault was joined by Mr. Steve Phillips, Vice President, Advanced Aviation Reno, Inc.

Mr. Phillips advised AARI is owned and operated by aviation experts local to northern Nevada. The company opened its facility at the Reno-Tahoe International Airport in July 1, 2017. Mr. Phillips expressed his gratitude to Tina Iftiger, Vice President of Airport Economic Development, for her instrumental assistance and guidance throughout the company’s establishment process.

Secretary of State Cegavske asked about the company’s recruitment plans and current workforce. Mr. Phillips advised the company currently had three certified mechanics, two apprentice mechanics, three contract pilots, and a flight examiner. The company was also in the process of taking applications for an additional certified mechanic. Mr. Phillips noted the company would continue to provide apprentice opportunities to enable young

people to gain qualifications and certifications to work on aircraft. The company anticipated growing its trainee workforce to align with its hire of qualified mechanics.

Secretary of State Cegavske asked about the company's planned operations going forward. Mr. Phillips noted the company anticipated adding an FAA certified testing center to its facility. He also noted the company's maintenance shop currently focuses on servicing piston aircraft. However, as the company expands it intends to accommodate larger turbo-prop aircraft and light jets.

**A MOTION WAS MADE BY DR. WELDON HAVINS TO APPROVE THE APPLICATION FOR AN AVIATION SALES AND USE TAX ABATEMENT, AND AVIATION PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 5A. THIS MOTION WAS SECONDED BY MR. KLAICH. THE MOTION PASSED UNANIMOUSLY.**

**B. ERG AEROSPACE CORPORATION**

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

Mr. Ault Jr., EDAWN, presented ERG Aerospace Corporation and provided an overview of the company and abatements sought. ERG Aerospace Corporation is a leading manufacturer of open-celled metal foam, carbon foam, and ceramic foam materials. The company manufactures cutting edge components for the aerospace, national defense, semiconductor manufacturing, biotech, and other high technology industries. Mr. Ault was joined by Mr. Mitchell Hall, Chief Executive Officer, ERG Aerospace Corporation.

Mr. Hall noted ERG Aerospace Corporation's planned expansion was due to increased product demand particularly since the company branched into the commercial market in conjunction with its government contract work.

Secretary of State Cegavske asked about the company's next steps, should the company be awarded the abatements sought. Mr. Hall advised the company planned to build a new facility at the Tahoe Reno Industrial Center (TRIC). The company would also relocate its current operations in Oakland, CA, to the new facility, and subsequently make Nevada its headquarters. It is anticipated the move would occur in the second quarter 2018, with operations to commence in the same quarter.

Secretary of State Cegavske asked about the company's recruitment plans. Mr. Hall noted the company was experiencing a high workforce demand and planned to hire staff and acquire equipment as swiftly as possible.

Secretary of State Cegavske noted the company had been considering various locations and asked what led to the company's final decision to expand in Nevada. Mr. Hall stated Nevada's incentives and opportunities were too advantageous to overlook.

**A MOTION WAS MADE BY MR. JAMES BARRETT TO APPROVE THE APPLICATION FOR AN AVIATION SALES AND USE TAX ABATEMENT, AND AN AVIATION PERSONAL PROPERTY TAX ABATEMENT AS DESCRIBED IN AGENDA ITEM 5B. THIS MOTION WAS SECONDED BY MR. KLAICH. THE MOTION PASSED UNANIMOUSLY.**

**C. PODS ENTERPRISES, LLC.**

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

Mr. Stan Thomas, Executive Vice President Marketing and Competitive Expansion, EDawn, presented PODS Enterprises, LLC, and provided an overview of the company and abatements sought. PODS Enterprises, LLC is a leader in moving and self-storage container solutions. The company services both residential and commercial services in forty-six US states, Canada, Australia, and the UK. The company plans to relocate a service center, to Nevada, from Clearwater, Florida. Mr. Thomas was joined by Ms. Dara Keomany, Senior Leader for Project Management Facility Services, and Mr. Dan Knafo, Director of Franchise Sales, PODS Enterprises, LLC.

Ms. Keomany noted the company had commenced plans to expand its corporate operation approximately one year earlier. The company narrowed its search to three metro areas. Reno, NV emerged as a leading choice due to its growing workforce, business climate, and economic incentive opportunities.

Secretary of State Cegavske asked about the operations and workforce requirements at the company's planned northern Nevada facility. Ms. Keomany advised the facility would house the company's sales and service center. The majority of positions would be sales and services associates and leadership roles. A small group of IT, commercial, accounting, and corporate team members would also be located at the facility. Within the forthcoming few years the company planned to introduce approximately three hundred jobs to the local area. Ms. Keomany added the company planned to hire and train as early as January 2018, with first calls taking place in February - March 2018.

**A MOTION WAS MADE BY DR. 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 MR. KLAICH THE MOTION PASSED UNANIMOUSLY.**

**D. PRA GROUP, INC.**

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

Mr. Michael Walsh, Vice President of Economic Development, Las Vegas Global Economic Alliance (LVGEA) presented PRA Group, Inc., and provided an overview of the company and abatements sought. PRA Group, Inc. is a global leader in acquiring and collecting non-performing loans. Its primary business is the purchase, collection, and management of portfolios on non-performing loans that have been charged-off by the credit grantor. Mr. Walsh was joined by Mr. Tim Rees, Senior Vice President – Core Collections, and Mr. Sean Garrett, Vice President of Operations, PRA Group, Inc.

Mr. Rees noted PRA Group Inc. currently had six call centers nationwide. Due to significant growth, there was a need to open additional call centers and the company had selected Henderson, NV as the location for its newest facility. Mr. Rees advised the call center had capacity to house 300 employees. As the company does not outsource or offshore work, it planned to hire locally. Positions at the new facility would include frontline call center staff, Human Resource professionals, support staff, supervisors, and senior level management. Mr. Rees noted Mr. Garrett was a local Nevadan resident and had been selected for the Vice President role of the Henderson site.

Secretary of State Cegavske asked if the company had already identified a suitable location in Henderson. Mr. Rees, advised the company had selected a facility and noted the City of Henderson had been of great assistance in identifying and acquiring the building. The company anticipated commencing operations in the fourth quarter of 2017.

**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 ABATMENT AS DESCRIBED IN AGENDA ITEM 5D. THIS MOTION WAS SECONDED BY DR. HAVINS. THE MOTION PASSED UNANIMOUSLY.**

**E. VIRTUAL GUARD, INC.**

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

Mr. Morgan Bunker, Vice President, Community and Economic Development, LVGEA, introduced Virtual Guard, Inc. and provided an overview of the company and abatements sought. Virtual Guard, Inc. is a video monitoring company and leading developer of technology in the perimeter security sector. The company's security solutions have been verified by national testing laboratories and are being used throughout the United States and Canada by auto dealerships, scrap yards, construction sites, government facilities, warehouses, commercial buildings, industrial, and manufacturing sites. Mr. Bunker was

joined Mr. Steve Devir, Chief Executive Officer, and Mr. Dror Soref, Director of Public Relations and Marketing, Virtual Guard, Inc.

Mr. Soref advised the company anticipated operations commencing at its new southern Nevada facility in January of 2018. The company planned to re-locate from its Los Angeles, CA location to Las Vegas. The relocation would include the company's interactive command and control center, and the entire headquarters of Virtual Guard, Inc.

Secretary of State Cegavske asked about the company's planned southern Nevada facility. Mr. Soref noted the company was still selecting a building and would rent an executive suite while it selected an appropriate facility to purchase and renovate. Mr. Devir advised the company had already engaged a Las Vegas based employee to assist with its Real Estate requirements.

**A MOTION WAS MADE BY DR. 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 5E. THIS MOTION WAS SECONDED BY MR. KLAICH. THE MOTION PASSED UNANIMOUSLY.**

#### **F. XTREME MANUFACTURING, LLC**

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

Mr. Perry Ursem, Vice President of Business Retention and Expansion, LVGEA, introduced Xtreme Manufacturing, LLC and provided an overview of the company and abatements sought. Xtreme Manufacturing, LLC is a leading manufacturer of heavy equipment and construction machinery including lifts, loaders, and telehandlers. The company's entire product line is designed, fabricated, and assembled in the USA. The company's headquarters, based in Las Vegas, NV, is home to its Engineering, Fabrication, and Assembly departments. Mr. Ursem was joined by Keith Wade, Economic Development Manager, Xtreme Manufacturing, LLC and Mr. Robert Russell Executive with DFA LLC (Real Estate Holding Company) and Chief Operating Officer for the Ahern Family Office.

Mr. Russell advised the company planned to build a new fabrication facility adjacent to the company's Henderson corporate headquarters. Mr. Wade noted the company's owner, Mr. Ahern, is a native of Las Vegas and highly invested in ensuring the success of Southern Nevada.

Secretary of State Cegavske asked about the company's next steps, should the company be awarded the abatements sought. Mr. Russell advised the proposed expansion project would comprise the construction of a brand new 79,000 square foot building at the

company's existing Henderson campus. The majority of the facility would be manufacturing and fabrication space.

**A MOTION WAS MADE BY DR. 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 5F. THIS MOTION WAS SECONDED BY MR. KLAICH. THE MOTION PASSED UNANIMOUSLY.**

**G. XTREME MANUFACTURING, LLC**

- **CATALYST FUND**

Xtreme Manufacturing, LLC Catalyst Fund application was for a total of \$600,000 and would equate to \$3,000 per incremental primary job over a three-year period. Mr. Russell stated the company anticipated hiring over 200 employees within the next 24 months as part of its expansion. This would almost double the company's existing headcount in Henderson. Ninety percent the jobs created would be fabrication and manufacturing jobs.

**A MOTION WAS MADE BY DR. HAVINS TO APPROVE THE APPLICATION FOR A CATALYST FUND AS DESCRIBED IN AGENDA ITEM 5G. THIS MOTION WAS SECONDED BY MR KLAICH. THE MOTION PASSED UNANIMOUSLY.**

**H. XTREME MANUFACTURING, LLC**

- **ECONOMIC DEVELOPMENT RATE RIDER**

Xtreme Manufacturing, LLC's Economic Rate Rider (EDRR) pre-approval application requested NV Energy's recommendations regarding implementing energy efficiency measures on the existing buildings at its Henderson Campus, or energy efficiency recommendations as the company designs and constructs its new 79,000 square foot fabrication facility.

**A MOTION WAS MADE BY DR. HAVINS TO APPROVE THE APPLICATION FOR THE ECONOMIC DEVELOPMENT RATE RIDER, AS DESCRIBED IN AGENDA ITEM 5H. THIS MOTION WAS SECONDED BY MR KLAICH. THE MOTION PASSED UNANIMOUSLY.**



**6. ABATEMENT APPLICATIONS FOR DIRECTOR APPROVAL:**

**A. TISSUE LIFE, LLC.**

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

Mr. Bunker, LVGEA, presented Tissue Life, LLC, and provided an overview of the company and abatements sought. Tissue Life, LLC is a joint venture between a private American investment firm and a private Australian biotechnology company. The company's mission is to improve clinical outcomes of patients who suffer from injured, diseased or degenerative orthopedic conditions through musculoskeletal cell and tissue donation. Mr. Bunker was joined by Mr. Chad Ronholdt, Chief Executive Officer, Tissue Life, LLC.

Mr. Ronholdt advised Tissue Life, LLC currently has over 30,000 successful allograft cases in Australia, and planned to bring this proven technology to the United States.

Secretary of State Cegavske asked about the company's next steps should it be awarded the abatements sought. Mr. Ronholdt advised the company has recently signed a lease on a building located near the Las Vegas Airport. The project will also have a significant construction component.

**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. WORKFORCE INNOVATION FOR THE NEW NEVADA (WINN) FUND PROGRAM**

**A. FOR BOARD APPROVAL - NORTHERN NEVADA ADVANCED MANUFACTURING – REQUEST ADDITIONAL FUNDING FOR EXISTING PROGRAM NOT TO EXCEED \$340,000**

Mr. Cory Hunt, Deputy Director, Governor's Office of Economic development (GOED) presented the WINN Northern Nevada advanced manufacturing program request for additional funding not to exceed \$340,000. Mr. Hunt explained Tesla, Truckee Meadows Community College (TMCC), and Western Nevada College (WNC) had partnered to create a pathway to help prepare Nevadans for key roles within advanced manufacturing. The coursework is delivered in a flexible training format that allows students to learn at their own pace, gives students the ability to maintain a full-time position while gaining credentials, and blocks out ample time for innovative lab-based learning that is key to real world application. The initial response to this program has been overwhelmingly positive and it was anticipated all previously approved WINN scholarship funds would be expended by the end of Fall 2017. To support the continued high demand for the

program, additional funding is requested to support further scholarships and purchase of equipment.

**A MOTION WAS MADE BY DR. HAVINS TO APPROVE THE REQUEST FOR ADDITIONAL FUNDING FOR THE NORTHERN NEVADA ADVANCEMENT MANUFACTURING, NOT TO EXCEED \$340,000 AS DESCRIBED IN ITEM 7A. THIS MOTION WAS SECONDED BY MR. KLAICH. THE MOTION PASSED UNANIMOUSLY.**

**B. FOR DIRECTOR APPROVAL - SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) RECIPIENT PILOT – REQUEST FUNDING FOR PILOT PROGRAM, NOT TO EXCEED \$40,000**

Mr. Hunt introduced Mr. Frank Woodbeck, Vice Chancellor, Workforce Development, Nevada System of Higher Education (NSHE) and Mr. Steve Fisher, Administrator of the Division of Welfare and Supportive Services, to provide an overview of the SNAP Pilot Program and funding sought.

Mr. Woodbeck advised the Pilot Program will provide career development opportunities to SNAP recipients in Nevada, through technical skills stackable certificate training programs at Nevada community colleges, leading to gainful employment at family-sustainable wages in emerging industries. The program is intended to target those who are under-employed and seeking opportunities to begin a new career at higher wage levels that will also provide an opportunity for career advancement. These trainings would focus on entry level skills, in demand by companies in industries such as advanced manufacturing; and allow for participants to continue their education, acquiring additional skill certifications leading to an associate's degree and beyond. The levels of employment and wage attainment would grow based on the participants' desire and ability to advance. The initial geographic area targeted for this pilot will be the northern Nevada area near the participating companies, and the initial participants will be chosen by the NV Department of Health & Human Services, Division of Welfare and Supportive Services.

The pilot will serve up to twenty (20) participants, and launch in January 2018. The tuition and fees for each participant will be \$1,785 (including ACT exam fee and NCRC certification), for a total of \$35,700; and the cohort will have a Teaching Assistant (in addition to the college instructors) who will provide individual support for each participant. The Teaching Assistant will cost \$2,580, and the total estimated program cost will be \$38,280.

**DIRECTOR HILL APPROVED THE REQUEST FOR SNAP RECIPIENT PILOT FUNDING NOT TO EXCEED \$40,000 AS DESCRIBED IN ITEM 7B.**

**8. REVIEW AND POTENTIAL DETERMINATION ON FARDAY FUTURE'S STATUS AS A QUALIFYING PROJECT**

Director Hill noted this agenda item had originally been posted for possible action. However, in the interim Faraday Future had issued a letter voluntarily relinquishing its qualified project status.

Director Hill advised GOED would work with the Department of Taxation to dissolve the project trust fund and issue checks to the entities that would normally have received tax payments. Therefore, the project had been dissolved with no cost to the state and without receipt of incentives from the state or local government.

**9. PERFORMANCE MEASURE REPORT- DIRECTOR HILL**

Director Hill presented the Performance Measures report covering economic development activity in the second quarter of 2017.

Director Hill highlighted the jobs and wage information reflected a shift from quantity to quality. The number of jobs has reduced however the average wage has risen. This is due to the changes made at the July 2017 legislative session. These changes raised the abatement thresholds and subsequently focused the incentive program on the creation of quality, high wage jobs.

There has been significant progress in international research and development cooperation in the Global Recruitment area. Nevada is in the process of signing several agreements with countries around the world. An agreement was recently signed between Italy, GOED, the Desert Research Institute (DRI), and various Italian research institutions to collaborate on a project in Botswana.

The state signed an agreement with Israel which increases cooperation, between the two states, in water technology. Israel's expertise in water technology is highly sought around the world and the agreement benefits both Nevada and Israel by broadening research and development collaboration in the critical area of water management and conservation.

The state is also discussing agreements with the Australia, Poland, and Finland.

In fiscal year 2017 the Procurement Technical Assistance Center (PTAC) showed a significant increase in the amount of contract awards in comparison to the past three years. There are 69,000 companies in Nevada and 1,570 are PTAC clients. In addition, PTAC's Emerging Small Business Program (ESB) has 1,014 companies as clients. These two programs are significantly and positively impacting a large portion of businesses in Nevada.

The Nevada Film Office (NFO) is at approximately \$30 million in revenue for productions currently in Nevada. If this trend continues it will greatly surpass revenue of prior years.

GOED has focused on turning Community Development Block Grants (CDBG), into projects with an economic development purpose. This also aligns significantly with the Nevada Main Street Program launched in August 2017. Many of these projects involve buying historic Nevadan properties in centers and towns and rehabilitating these for the benefit of the community and companies considering locating or expanding in Nevada's rural areas.

Over 7,500 jobs have been added to Nevada's manufacturing industry since 2011. This equates to an approximate 20% increase.

## **10. SEPTEMBER 2017 DIRECTORS REPORT**

Director Hill advised, as an extension of Agenda Item 8., there had been significant interest in the Apex site since Faraday Future had announced its plans to move out of the state. It is likely a significant project would move forward in the near future and infrastructure subsequently be installed.

Director Hill noted he was currently participating in State of Nevada (STNV) Fall Bond Sale-Rating presentations and highlighted the difference in content GOED was currently able to present as opposed to five years prior. Five years ago, discussions were centered on weathering the recession. Today's discussions focused on the strength of Nevada's current economy and the advances made in the areas of job growth and creation, wage growth, and gross state product. New construction projects such as the Las Vegas Convention Center expansion and Las Vegas Stadium will continue to drive job creation. Additionally, Las Vegas has seen a steady increase in airport passengers, visitor volume, tax rate revenue, and room occupancy.

Director Hill stated, five years ago, the only data center in Nevada was Switch. Switch has now grown significantly to become an international presence. Since then, Apple, Rackspace and ViaWest have located in Nevada, eBay has a significant presence in the state, and Google has recently purchased 1200 acres in northern Nevada.

Director Hill highlighted the new University of Nevada, Las Vegas (UNLV) School of Medicine is the first school to grant the Doctor of Medicine (MD) degree in southern Nevada. The school will also have a sports medicine focus area. This aligns with Las Vegas' emerging identity as a sporting capital.

The renewable energy industry is making significant progress and Nevada is developing a wide array of renewable energy resources. Nevadan companies are being provided with multiple options for providing and utilizing renewable energy on their sites.

## **A. UPDATE ON THE CURRENT STATUS OF INCENTIVIZED COMPANIES**

Director Hill noted the report provided an overview of incentivized companies within Nevada and their current status. Since March 2016, fifty-seven companies were incentivized. With the exception of two, all companies remained committed to their plans of expanding or locating in the state.

### **11. STATE OF NEVADA UNEMPLOYMENT RATE UPDATE**

Director Hill highlighted the September 2017 Unemployment Rate Report showed all counties with an unemployment rate of 7% or below.

### **12. PUBLIC COMMENTS**

There were no public comments.

### **13. ADJOURNMENT**

Due to a lack of a quorum, Director Hill adjourned the meeting without a vote.

## Public Comment

Nevada Governor's Office of Economic Development, Tuesday, September 19

Good morning. My name is Zachary Poppel. I live here in Las Vegas with my family and I'm here today representing the Culinary Workers and Bartenders Union. You may already be aware that the brothers behind Station Casinos announced in May that their new investment firm has an initial \$500 million available to startups and entrepreneurs across the tech, media, and entertainment sectors. While it is unknown if any investments have been made to date, we think Fertitta Capital's \$500 million should be invested locally, and that you might help keep this \$500 million of capital in our state. Although Fertitta Capital has opened an office in West Hollywood, and the firm's CEO now has a home in Los Angeles, we hope Fertitta Capital will not overlook investment opportunities in Nevada.

I'm appreciative of efforts made thus far to see that Fertitta Capital has Nevada's economic development on its mind. I know that staff at Governor's Office of Economic Development has tried contact Fertitta Capital, but as of September 5<sup>th</sup> they have yet to hear back. I believe Fertitta Capital was invited to the Nevada Economic Development Conference at UNLV last week, but they were not listed in the program. And I believe that the Lt. Governor's Entrepreneurship Task Force, the LVGEA, and UNLV helped map the so-called "ecosystem" of funds available to Nevada entrepreneurs, but I haven't seen a map or a directory that includes Fertitta Capital.

Keeping Fertitta Capital investment dollars in Nevada matters because southern Nevada residents have been essential to the success of Fertitta-controlled businesses, specifically Station Casinos. As the company has said, they "depend on Las Vegas locals," and nearly all of us live

within five miles of a Station Casino property. And where would Station Casinos be without our neighbors who clean, cook, and keep the company operating on a daily basis?

It is Las Vegas locals who have made the company successful over the years, and at the Culinary Union, we've been working with Station Casinos workers to ensure they see meaningful improvements in their lives as the company succeeds. Last year, the company saw more than \$1.3 billion in revenue from its Las Vegas operations. Stretch that back a decade to 2006, and Station Casinos saw \$14 billion in revenue from customers in the Las Vegas locals market.

That is why we ask you try to see that Fertitta Capital invests back in Clark County. Locals have allowed the financiers behind Fertitta Capital to be successful, and the success of Station Casinos, a company that depends on locals, has generated substantial benefits over the past decade for its owners and executives. From 2006 to 2016, Station Casinos paid \$2.85 billion in cash to the Fertittas, other owners, other top executives and directors, and that is not including salaries and other benefits. The \$2.85 billion was paid through stock options, a buyout, a related party transaction, an IPO, and LLC distributions, including a \$43.6 million distribution last year to pay the income tax of the Fertittas and other owners.

So, when it comes to the \$500 million at Fertitta Capital, we see this new investment firm as an opportunity for Nevadans whose time and hard-earned dollars have been critical to the success of Station Casinos to benefit from the success they have ensured. It is an opportunity to keep \$500 million invested in Clark County and throughout the state. And if you haven't already, we ask you to consider where that \$500 million might be going and consider how it might be used.

Thank you.

## Public Comment – Nevada Governor’s Office of Economic Development

Good afternoon. My name is Casiano Corpus. I work at Palace Station. I live here in Las Vegas with my family.

My understanding is that you have a goal of building an economy that is fair. And that this office shapes the economic agenda for Nevada.

So when the owners of Station Casinos announced a five-hundred million dollar investment fund, I hope you see this as an opportunity. We have already delivered comments about Fertitta Capital to a Clark County business development council as well as at the State Board of Finance. So I’m grateful to have the opportunity today to raise this issue with you.

The fund run by Fertitta Capital could invest in technology and companies that could help Las Vegas and Nevada. Fertitta Capital could invest to ensure an economy that is fair, and they could invest in businesses that make sure economic development in Nevada moves our community forward.

I assume you think five-hundred million dollars is a lot of money. It sure seems like a lot to me. At Palace Station, where I work, we see millions going into construction projects. And we hear about how successful the owners of Palace Station are.

I think the company can afford investment because the team-members make it a successful company. I think the owners of <sup>Palace</sup>~~Boulder~~ Station can afford to make a five-hundred million dollar investment fund because of our hard work.

So that’s why it’s important to me that you contact Fertitta Capital. I want these dollars to stay in our community. I want Fertitta Capital dollars to go back to the communities that Station Casinos depends on.