

Board Summary**Advanced Aviation Reno, Inc.**

659 S. Rock Blvd., Reno, NV 89502

Steve Phillips, Vice President

General Aviation Aircraft Maintenance and Flight School

Date: September 19, 2017

Main Location: Las Vegas

Business Type: New

County: Washoe County

Development Authority Representative: Chris Ault Jr. - EDAWN

APPLICATION HIGHLIGHTS

- Advanced Aviation Reno, Inc. opened its facility at the Reno-Tahoe International Airport in Reno, NV on July 1, 2017.
- The company has commenced operations and is now hiring and training employees from the local Reno area.
- The company is owned and operated by aviation experts local to northern Nevada.

PROFILE

Advanced Aviation Reno, Inc. is an aircraft maintenance shop and flight school. The company's maintenance shop currently focuses on servicing piston aircraft. As it expands the company intends to accommodate larger turbo-prop aircraft and light jets. The company's maintenance services include everything from simple oxygen services to annual inspections, and major engine repairs. Advanced Aviation Reno, Inc.'s flight school offers flight training from introductory flight lessons to advanced certifications and biannual reviews. Training is done in the company's rental aircraft or privately owned planes. An FAA certified testing center will also be added in the near future. *Source: Advanced Aviation Reno, Inc.*

SIGNIFICANCE OF ABATEMENTS IN THE COMPANY'S DECISION TO RELOCATE/EXPAND

The company notes operating in Reno provides an opportunity to serve the local aviation community at the Reno-Tahoe International Airport. It also provides an opportunity to invest in its community via employment and the purchase of equipment acquired locally. These factors in conjunction with the business tax structure, cost of living, logistic advantages offered by the region, and the benefits of the State Incentive Program were critical in the company's decision to locate its operation in Reno. *Source: Advanced Aviation Reno, Inc.*

REQUIREMENTS (TIER I)	Statutory	Application	Sufficient	% Over / Under
Job Creation (12 months)	5	9	Yes	80%

REQUIREMENTS (TIER II)	Statutory	Application	Sufficient	% Over / Under
Average Wage	\$21.95	\$26.22	Yes	19%

INVESTMENTS (NOT REQUIRED)	Description	Application
Equipment	20 yr (est)	\$796,831
Aviation Parts	20 yr (est)	\$4,631,667
Aircraft	20 yr (est)	\$0

INCENTIVES	Requested Terms	Estimated \$ Amount
Sales Tax Abmt. (Equip. & Parts)	Abated to 2% for 20 yrs.	\$340,095
Pers. Prop. Tax Abmt. (Eqp & Craft)	50% for 20 yrs.	\$16,097
Total		\$356,192

JOB CREATION	Contracted	12-Month Projection	5-Year Projection	10-Year Projection
	5	9	15	16

OTHER CAPITAL INVESTMENT	Land	Building Purchase	BTS / Bldg Imprv. (20 Yr)
	\$0	\$0	\$0

ECONOMIC IMPACT ESTIMATES (20-Year Cumulative)	Total
Total Jobs Supported	40
Total Payroll Supported	\$32,419,335
Total Output Estimate	\$116,941,896

Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses.

NEW TAX REVENUE ESTIMATES (20-Year Cumulative)	Direct	Indirect	Total
Local Taxes			
Property	\$118,157	\$1,074,831	\$1,192,988
Sales	\$0	\$509,527	\$509,527
Lodging	\$0	\$34,604	\$34,604
State Taxes			
Property	\$5,756	\$64,696	\$70,452
Sales	\$108,570	\$201,000	\$309,570
Modified Business	\$177,337	\$200,246	\$377,583
Commerce	NA	NA	NA
Lodging	\$0	\$11,535	\$11,535
Total	\$409,820	\$2,096,439	\$2,506,259

EMPLOYEE BENEFITS

- Percentage of health insurance covered by company: 65%.
- Health care package cost per employee - \$5,869 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Merit Increases.

NOTES

The company is not considering any other locations at this time.

July 28, 2017

Director Steve Hill
Governor's Office of Economic Development
808 West Nye Lane
Carson City, NV 89703

Re: Advanced Aviation Reno, Inc.

Dear Steve:

EDAWN hereby supports the application of Advanced Aviation Reno, Inc. for the Aviation Sales & Use Tax Abatement and Aviation Personal Property Tax Abatement.

Advanced Aviation Reno, Inc. is an aircraft maintenance shop and flight school. They are in the process of opening a new facility at the Reno-Tahoe International Airport in Reno, NV.

Advanced Aviation Reno, Inc. plans to hire 9 employees in the first year at an average wage of \$26.22 per hour.

The company is in the process of completing their compensation package which will include medical, dental, and vision benefits, overtime, PTO/sick/vacation, and merit increases.

EDAWN supports this application as the company meets two out of three incentive requirements (aviation only needing to meet one of the requirements). Your consideration and support of the incentive application for Advanced Aviation Reno, Inc. is a significant factor in their ability to have the means necessary to be successful in northern Nevada and speaks favorably to the State's business-friendly environment.

Sincerely,



Chris Ault, Jr.

EDAWN, Vice-President Business Development



Advanced Aviation Reno, Inc

July 25, 2017

Governor's Office of Economic Development
808 West Nye Lane
Carson City, NV 89703

Dear Nevada Commission Members:

Advanced Aviation Reno, Inc. is an aircraft maintenance shop and flight school. We recently opened this new aircraft maintenance shop and flight school at the Reno-Tahoe International Airport in Reno, NV commencing on July 1, 2017. We have begun aircraft maintenance at our new facility and are now hiring and training employees from the local Reno area.

Advanced Aviation, Reno, Inc. currently has only one facility at the Reno Tahoe International Airport. The decision to locate the operation here was due to several factors, including the business tax structure, cost of living, and logistic advantages offered by the region. In addition, Advanced Aviation, Reno, Inc. is aware of the benefits of the State Incentive Program. This was also a critical factor in deciding to locate the aircraft maintenance operation in Reno.

Operating in Reno provides an opportunity to serve the general aviation community at the Reno-Tahoe International Airport. It also provides an opportunity to invest in our community with additional employment as well as the purchase of equipment acquired locally. In order to staff and operate our business, we plan to hire initially (first year) a total of nine (9) employees with the average hourly rate of the employees projected to be \$26.22

We are excited about the market opportunities presented by our aviation business and the advantages that locating this facility at the Reno Tahoe International Airport will offer our company. In conjunction with Nevada's business-friendly environment, we see this as a first step in what will be increased growth for Advanced Aviation Reno, Inc.

Sincerely,

Steve Phillips
Vice President AARI
775-233-6517

655 S. Rock Blvd, Reno, NV 89502 * 775-742-7118
www.advancedaviationreno.com



Advanced Aviation Reno, Inc

Mr. Steve Hill, Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington Avenue, suite 5400
Las Vegas, NV 89101

Dear Mr. Hill,

We understand that a requirement for the tax abatements provided by the governor's office of economic development is the offering of 65% of the health care coverage for the eligible employees of the company. We fully intend on providing 65% of healthcare coverage for our eligible employees in the state by our 24th month of operation in Nevada.

Thank you,

Steve Phillips
Vice President
Advanced Aviation Reno, Inc.
Cell: 775-233-6517

ECONOMIC DEVELOPMENT

Aviation Tax Abatement Incentive Application

Company is an / a: (check one)

- New location in Nevada
- Expansion of a Nevada company

Company Name: Advanced Aviation Reno, Inc.
 Date of Application: July 25, 2017

Section 1 - Type of Incentives

Please check all that the company is applying for on this application:

- Aviation Sales & Use Tax Abatement: abated to 2% up to 20 years (aircraft excluded) Other: _____
- Aviation Personal Property Tax Abatement (Equip): 50% for 20 years
- Aviation Personal Property Tax Abatement (Aircraft): 50% for 20 years

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada) Advanced Aviation Reno, Inc			FEDERAL TAX ID # 1036280888
CORPORATE ADDRESS 659 S. Rock Blvd.	CITY / TOWN Reno	STATE / PROVINCE NV	ZIP 89502
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above) 655 S. Rock Blvd.	CITY / TOWN Reno	STATE / PROVINCE NV	ZIP 89502
TELEPHONE NUMBER 775-233-6517	WEBSITE advancedaviationreno.com		
COMPANY CONTACT NAME Steve Phillips	COMPANY CONTACT TITLE Vice President		
E-MAIL ADDRESS steve_ebd@hotmail.com	PREFERRED PHONE NUMBER 775-233-6517		

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development? Yes No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

Section 3 - Job Creation Requirement

Please check the applicable category the company intends to qualify under with this application:

- New business: Create 5 or more full-time employees within 1 year after approval
- Existing business: Increase the number of full-time employees by 3% or 3, whichever is greater, within 1 year after approval

Section 4 - Program Elective Requirement

Please check **one** of the boxes below; the company must meet at least one elective requirement:

- New capital investment of at least \$250,000 in Nevada within 1 year after receiving certificate of eligibility
- Maintain and possess in Nevada tangible personal property having a value of not less than \$5,000,000 during the abatement period
- Average hourly wage for employees of the business shall be at or above the average statewide hourly wage
- The business develops, refines or owns a patent or other intellectual property, or has been issued a FAA certificate (14 CFR Part 21)

Section 5 - Program Restrictions

**NEVADA REGISTERED COMMON CARRIAGE OPERATIONS DO NOT QUALIFY FOR THIS TAX ABATEMENT
UNLESS THE BUSINESS IS REGULATED UNDER 14 C.F.R. PART 125 or 135**

Section 6 - Nevada Facility

Type of Facility (Check all that apply):

- Headquarters
- Aviation Maintenance
- Air Tour Operators
- Business with Private Aircraft
- Aircraft Manufacturing (Non-UAS)
- Unmanned Aerial System Testing
- Unmanned Aerial System Manufacturing
- Other: Service Provider _____

EXPECTED DATE OF NEW OPERATION (MONTH/YEAR)	EXPECTED DATE OF EXPANDED OPERATION (MONTH / YEAR) N/A
NAICS CODE / SIC 488190/45810200	INDUSTRY TYPE Maintenance/ flight school
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS General aviation aircraft maintenance and flight school	

PROPOSED / ACTUAL NEVADA FACILITY ADDRESS 659 S. Rock Blvd	CITY / TOWN Reno	COUNTY Washoe County	ZIP 89502
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? N/A			

Section 10 - Certification

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Steve Phillips

Name of person authorized for signature


Signature

Vice President

Title

July 25, 2017

Date

Nevada Governor's Office of Economic Development

555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • www.diversifynevada.com

Site Selection Factors

Company Name: Advanced Aviation Reno, Inc.

County: Washoe County

Section I - Site Selection Ratings

Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

Availability of qualified workforce:	<u>5</u>	Transportation infrastructure:	<u>5</u>
Labor costs:	<u>4</u>	Transportation costs:	<u>4</u>
Real estate availability:	<u>5</u>	State and local tax structure:	<u>4</u>
Real estate costs:	<u>5</u>	State and local incentives:	<u>5</u>
Utility infrastructure:	<u>4</u>	Business permitting & regulatory structure:	<u>4</u>
Utility costs:	<u>4</u>	Access to higher education resources:	<u>4</u>

OTHER FACTORS & RATINGS:

7(A) Real Estate & Construction

Company Name: Advanced Aviation Reno, Inc.

County: Washoe County

Section I - Real Estate & Constructions Projections

Directions: please provide a 20 year projection of the real estate costs for current year (year-1) and future land and building procurement, as well as, current and future annual lease amounts and possible construction costs due to building improvements. Complete [columns (a) and (f)]. These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of real estate costs. Attach this form to the Incentives Application.

(a) Year	(b) Land Cost	(c) Construction Cost	(d) Building Purchase	(e) Annual Lease Amount	(f) Building SqFt
Year-1				\$60,000.00	11000
Year-2				\$60,000.00	11000
Year-3				\$60,000.00	11000
Year-4				\$60,000.00	11000
Year-5				\$60,000.00	11000
Year-6				\$60,000.00	11000
Year-7				\$60,000.00	11000
Year-8				\$60,000.00	11000
Year-9				\$60,000.00	11000
Year-10				\$60,000.00	11000
Year-11				\$60,000.00	11000
Year-12				\$60,000.00	11000
Year-13				\$60,000.00	11000
Year-14				\$60,000.00	11000
Year-15				\$60,000.00	11000
Year-16				\$60,000.00	11000
Year-17				\$60,000.00	11000
Year-18				\$60,000.00	11000
Year-19				\$60,000.00	11000
Year-20				\$60,000.00	11000

7(B) Capital Equipment List

Company Name: Advanced Aviation Reno, Inc.

County: Washoe County

Section I - Year One Detailed Projection: Capital Equipment List

Directions: please provide a detailed estimate of the company's year one capital investment [columns (b) through (d)]. This detailed estimate will be provided to the Department of Taxation to advise applicants on tangible property eligible for abatement under the aviation law (A.B. 161 (78th (2015) Session), and will also be used if the company selects "new capital investment" as one of the four optional abatement requirements. The actual new capital investment will replace this estimate, and therefore this estimate is for discussion purposes only, and the company will only be required to achieve the statutory investment level if this option is again selected. Attach this form to the Incentives Application.

(a) Equipment Name/Description	(b) # of Units	(c) Price per Unit	(d) Total Cost
AD Sub.	1	\$607.95	\$607.95
SR20/22 Jack Pad	1	\$95.95	\$95.95
Tire Bead Breaker	1	\$240.54	\$240.54
Tire & Wheel Balancer	1	\$399.95	\$399.95
Prop Tach	1	\$283.00	\$283.00
Battery Cap Tester	1	\$1,360.00	\$1,360.00
Differential Press. Tester	1	\$129.95	\$129.95
Battery Charger	1	\$862.00	\$862.00
Aircraft Jaks	1	\$2,486.81	\$2,486.81
Flammable Cabinet	1	\$1,007.95	\$1,007.95
Cart Transport 4 bottle- Oxygen/Nitrogen	1	\$3,212.84	\$3,212.84
ATP Library	1	\$17,756.00	\$17,756.00
52" Sheet Metal Shear	1	\$1,490.00	\$1,490.00
Jet Sheet Metal Roller	1	\$699.00	\$699.00
90 Deg. Air Drill	1	\$829.95	\$829.95
Blind Rivet Gun	1	\$938.95	\$938.95
Automatic A/C Recovery Unit	1	\$7,599.99	\$7,599.99
Tronair Hydraulic Mule	1	\$13,650.00	\$13,650.00
Tronair Hydraulic Servicing Unit 5606	1	\$1,180.00	\$1,180.00
Total			\$54,830.83

Section 2 - Year Two through Twenty Capital Equipment Estimated Projections

Directions: These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of capital investment.

(a) Estimated Dollar Amount of Capital Equipment Purchases	
Year-2	\$65,000.00
Year-3	\$45,000.00
Year-4	\$65,000.00
Year-5	\$20,000.00
Year-6	\$40,000.00
Year-7	\$25,000.00
Year-8	\$30,000.00
Year-9	\$55,000.00
Year-10	\$25,000.00
Year-11	\$20,000.00

(b) Estimated Dollar Amount of Capital Equipment Purchases	
Year-12	\$50,000.00
Year-13	\$35,000.00
Year-14	\$32,000.00
Year-15	\$45,000.00
Year-16	\$25,000.00
Year-17	\$60,000.00
Year-18	\$20,000.00
Year-19	\$25,000.00
Year-20	\$60,000.00
Total	\$742,000.00

Total Year 1-20	\$796,830.83
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Is any of this equipment to be acquired under an operating lease? Certain types of leases do not qualify as capital investments pursuant to state regulation. Yes No

7(C) Aviation Parts List

Company Name: Advanced Aviation Reno, Inc.

County: Washoe County

Section I - Aviation Parts Purchase and Sale Projections

Directions: please provide a 20 year projection of the aviation parts the company anticipates purchasing and selling, [columns (b) and (c)]. If there is a year where the company does not plan to purchase/sell aviation parts, please leave as \$0 amount. These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of aviation parts procurement/sales. Attach this form to the Incentives Application.

Note: If the company does not anticipate purchasing or selling aviation parts, please leave this page blank.

(a) Year	(b) Projected Dollar Amount of Purchases	(c) Projected Dollar Amount of Sales	(d) Total Amount
Year-1	\$52,000.00	\$18,200.00	\$70,200.00
Year-2	\$82,000.00	\$28,700.00	\$110,700.00
Year-3	\$89,000.00	\$31,150.00	\$120,150.00
Year-4	\$111,333.33	\$38,966.67	\$150,300.00
Year-5	\$129,833.33	\$45,441.67	\$175,275.00
Year-6	\$148,333.33	\$51,916.67	\$200,250.00
Year-7	\$166,833.33	\$58,391.67	\$225,225.00
Year-8	\$185,333.33	\$64,866.67	\$250,200.00
Year-9	\$203,833.33	\$71,341.67	\$275,175.00
Year-10	\$222,333.33	\$77,816.67	\$300,150.00
Year-11	\$240,833.33	\$84,291.67	\$325,125.00
Year-12	\$259,333.33	\$90,766.67	\$350,100.00
Year-13	\$277,833.33	\$97,241.67	\$375,075.00
Year-14	\$296,333.33	\$103,716.67	\$400,050.00
Year-15	\$314,833.33	\$110,191.67	\$425,025.00
Year-16	\$333,333.33	\$116,666.67	\$450,000.00
Year-17	\$351,833.33	\$123,141.67	\$474,975.00
Year-18	\$370,333.33	\$129,616.67	\$499,950.00
Year-19	\$388,833.33	\$136,091.67	\$524,925.00
Year-20	\$407,333.33	\$142,566.67	\$549,900.00
Total			\$6,252,750.00

7(D) Aircraft Procurement List

Company Name: Advanced Aviation Reno, Inc.

County: Washoe County

Section I - Future Aircraft Procurement List

Directions: please provide a 20 year projection of the aircraft the company anticipates purchasing, complete [columns (a) through (d)]. If there is a year where the company does not plan to purchase an aircraft, please list not applicable. These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of aircraft procurement. Attach this form to the Incentives Application.

Note: If the company does not anticipate purchasing aircraft, please leave this page blank.

(a) Year	(b) Aircraft Name/Description	(c) # of Aircraft	(d) Price per Aircraft	(e) Total Cost
Year-1		0	\$0.00	\$0.00
Year-2				
Year-3				
Year-4				
Year-5				
Year-6				
Year-7				
Year-8				
Year-9				
Year-10				
Year-11				
Year-12				
Year-13				
Year-14				
Year-15				
Year-16				
Year-17				
Year-18				
Year-19				
Year-20				
Total				\$0.00

Section 2 - Existing Aircraft List

Directions: Please provide the current market value of all existing aircraft the company currently owns. If additional space is needed, attach a separate list to the application.

(a) Aircraft/Description	(b) # of Aircraft	(c) Current Market Value	(d) Total Cost
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00

7(F) Evaluation of Health Plans Offered by Company

Company Name: Advanced Aviation Reno, Inc.

County: Washoe County

Total Number of Full-Time Employees:	9
Average Hourly Wage per Employee	\$26.22
Average Annual Wage per Employee (implied)	\$54,537.60
Annual Cost of Health Insurance per Employee	\$5,869.00
Percentage of Cost Covered by:	
Company (must be at least 50%)	65%
Employee	35%
Health Plan Annual Out-of-Pocket Maximum	\$4,400

Generalized Criteria for Essential Health Benefits (EHB)

[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]

Covered employee's premium not to exceed 9.5% of annual wage 5.8% MMQ

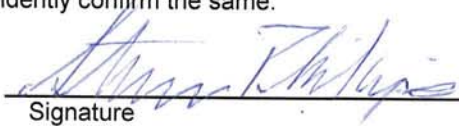
Annual Out-of-Pocket Maximum not to exceed \$6,600 (2015) \$4,400 MMQ

- Minimum essential health benefits covered (Company offers PPO):
- (A) Ambulatory patient services
 - (B) Emergency services
 - (C) Hospitalization
 - (D) Maternity and newborn care
 - (E) Mental health/substance use disorder/behavioral health treatment
 - (F) Prescription drugs
 - (G) Rehabilitative and habilitative services and devices
 - (H) Laboratory services
 - (I) Preventive and wellness services and chronic disease management
 - (J) Pediatric services, including oral and vision care (Plan does not include Pediatric dental.)

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached sufficient plan information for GOED to Independently confirm the same.

Steve Phillips
Name of person authorized for signature


Signature

Vice President
Title

8/26/2017
Date