

To: GOED Board Members  
From: Steve Hill *SDH*  
Date: January 19, 2017  
Subject: Director's Report

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1. **HyperloopOne named Nevada as one of 35 finalists** in HyperloopOne's Global Challenge. The company received 2600 responses to its RFP, which sought proposals for location of the first 3 hyperloop installations in the world. GOED teamed with NDOT and RTCSN to prepare the proposal, which was submitted in October.
2. **HyperloopOne also announced that Apex will be its permanent location for all research and development testing.**
3. In 2016, GOED's Mining Industry Specialist, Mr. Sheldon Mudd, partnered with Great Basin Community College and Barrick Gold Corporation to introduce "**Operation Bravo**" a **Veteran Internship Program designed to reduce demand for rural Nevada's top priority occupations by introducing highly skilled, motivated, and well-rounded Veteran graduates into rural Nevada's labor pool.** In addition, Operation Bravo will provide guidance to both students and participating employers to ensure that a smooth transition between military and civilian cultures can take place. Although Operation Bravo is designed to include multiple participating employers, Barrick Gold Corporation has championed the program by providing support and an initial donation of nearly \$75,000 to kick start the initiative. As a result, Barrick Gold Corporation has been awarded the designation of "Military Friendly Employer" by GI Jobs and MilitaryFriendly.com, Nevada's only mining company that carries this distinction. Operation Bravo was made public on November 4th, 2016 and is dedicated in honor of Elko native, Marine Lance Cpl. Raul Bravo, who was killed in action in 2007 in Iraq.
4. Mr. Mudd produced and published the **Nevada Mining Supply Chain Optimization** digest. This information and documentation will be used to attract companies to Nevada to capitalize on the market opportunities identified in the report. The report is attached for review.
5. As a result of the Supply Chain Optimization digest, in November Mr. Mudd **successfully facilitated the expansion of MINEX to Elko, Nevada.** MINEX is a borehole survey company headquartered in Virginia, Minnesota. Mr. Mudd initially made contact with MINEX last year in

an effort to augment and provide options to operators who are restricted to a single borehole survey company in northeastern Nevada. As a result, Marcus & Marcus Drilling (a subsidiary of IDEA Drilling, also from Virginia, Minnesota) have expanded their operations into northern Nevada and are sharing a facility with MINEX.

6. Mr. Mudd also produced and published the **Nevada Exploration Portfolio**, outlining all reported mine exploration and development opportunities in the state. 53 potential projects are contained in the report.
7. Mr. Kristopher Sanchez, GOED's Director of International Trade and Ms. Gina Rodriguez, GOED's International Business Manager traveled to Guadalajara, Mexico City, and Queretaro, Mexico with the Latin Chamber of Commerce President, Mr. Peter Guzman, and the Chamber's Chairwomen of the Board, Ms. Maggie Arias Petrel. **The delegation focused on establishing partnerships with Mexico's National Water Commission (Conagua), the Autonomous University of Guadalajara, and the city of Queretaro.**
8. On January 22, Mr. Sanchez and Mr. Jarad Van Wagoner in partnership with Mr. Ken Evans, President of the Las Vegas Urban Chamber of Commerce, will be **traveling to South Africa and Namibia on an exploratory mission**. The Nevada team will be joined by an Africa expert from the Corporate Council on Africa. The purpose of the mission is to determine what opportunities may exist for Nevada companies and to aide Nevada's institutions of higher education as they seek partnerships in the region.
9. GOED's International Division **received the Small Business Administrations State Trade Expansion Program Year 5 Grant** in the amount of \$283,000. The grant's purpose is to provide funding for small to medium enterprises (SME) seeking to export products globally. The Division is accepting applications from Nevada SMEs and will grant qualified companies funds to assist with their expansion efforts.
10. **The Nevada UAS Test Site conducted and/or sponsored over 800 flights in 2016**. The flights ranged from shorter duration events for Embry-Riddle Aeronautical University, Hyperloop and Microsoft to larger, multi-day flights operations for entities such as NASA, Lockheed Martin, Flirtey and the FAA.
11. Nevada/NIAS was the **first to be designated the lead "Air Boss"** with two UAS test sites (Nevada and North Dakota) simultaneously conducting the very visible FAA's Drone Detection Pathfinder Project at the Denver International Airport in mid-November 2016 and demonstrating drone-detection to multiple Federal Agencies. FAA senior personnel stated that this was the most well-orchestrated UAS flight operation to date. NIAS/Nevada UAS Test Site was the **first in the nation** to fly in Class B Airspace - the most heavily FAA controlled for U.S. and International Airlines - to fly multiple aircraft day and night, and to fly multiple aircraft operations at night in severe cold weather on behalf of the FAA.

12. In early December, NIAS negotiated and **signed an agreement bringing nationally-recognized drone manufacturer Arcturus** ([www.arcturus-uav.com](http://www.arcturus-uav.com)) into Nevada to conduct yearlong tests. Silver Springs Airport will be the northern (summer) test site and Mesquite will be the southern (winter) test site.
13. **NDOT, RTCSNV, and the Nevada Center for Advanced Mobility (NCAM) hosted GO-NV in conjunction with CES.** GO-NV was designed to raise Nevada's profile in the mobility industry. Attendees included Lt. Governor Hutchison, Mayor Goodman, and speakers from Local Motors, Hyperloop One, Keolis, Ehang, Lyft and the Directors of the Michigan, Colorado and Utah DOT's. Over 300 people were in attendance.
14. NCAM hosted the **first 'Highway to Innovation' event** on January 3, 2017 aimed at promoting Nevada as a relocation destination for foreign mobility technology companies. The event was attended by nearly 100 investors and mobility startups. Presenters included Jaguar Land Rover, BP/Castrol, Banjo, Ford, and RTCSN's Tina Quigley.
15. **NCAM announced a partnership with GENIVI**, a non-profit driving the broad adoption of open source, In-Vehicle Infotainment (IVI) software, with members such as Volvo, Jaguar Landover, Delphi and Harman. The year long project will bring advanced connected vehicle technology to Las Vegas to help increase awareness for pedestrian safety and improve traffic flow.
16. Mr. Randy Walden, Advanced Manufacturing Industry Specialist, and Mr. Karsten Heise, Technology Commercialization Director, quickly **responded to Panasonic's urgent and immediate hiring needs by creating the Panasonic Preferred Pathway (P3) Program** in collaboration with Truckee Meadows Community College (TMCC). This Program represents an accelerated pathway for individuals looking to start 2017 with a new career in a fast-growing industry. P3 is designed as an employment credential for workers with no manufacturing experience. Students can train for a new career while working through TMCC's flexible training format. This program will form the basis of a WINN Fund grant.
17. **Battle Born Growth Escalator participated in Fandevor's, second seed round.** This is Battle Born's second investment in Fandevor. Total investments made by the State Venture Program is now above \$3M. The non-profit Battle Born Growth Escalator Inc. (BBGEI) also held its inaugural Board Meeting and is now fully operational.
18. During the last three months, recent productions registered or completed filming in Nevada include; **America's Got Talent, Top Gear, feature film Kin**, and various commercial productions leading up to the CES show in Las Vegas.
19. For the previous 90 day period, the NFO online statistics included nearly 21,000 page views, 35,000 Twitter impressions and 4200 Facebook video views.
20. The Nevada PTAC collaborated with the Nova Group, Inc. (Nova), a general engineering contractor with headquarters in CA, to meet with prospective Nevada small business suppliers and subcontractors on December 6, 2016 at the Clark County Government Center. Nova won a

**\$32.8 million federal government contract to replace the hydrant fuel system at Nellis Air Force Base.** There were approximately 25 attendees at the event, many of which were women, minority or veteran-owned small business owners.

21. The Nevada PTAC worked with the U.S. Army Corps of Engineers-Los Angeles District Office and the U.S. Small Business Administration (SBA) for Nevada small businesses to meet with federal government procurement as well as project management personnel at an open house on December 12, 2016 at the SBA office in downtown Las Vegas. There were at least 25 attendees at the event, **nine of which signed up to receive PTAC services.** Nevada PTAC Director, Ms. Joan C. Rueben, was an invited speaker for the event.
22. Mr. Vance Farrow, Healthcare Industry Specialist, **hosted several meetings throughout the annual conference of the American Society of Health-System Pharmacists.** As a result of the meetings, the principals of Acroda Pharmaceuticals are interested in creating a Regulatory Consulting Firm in Las Vegas. This company would employ twenty five (25) highly trained pharmaceutical regulatory professionals with an average salary of \$200K+. The services provided would focus on establishing the regulatory guidelines for drugs seeking approval from the Food and Drug Administration.
23. Mr. Farrow secured the retention of CellMedics (<http://www.cellmedics.net/>) in Nevada and assisted in negotiating a **partnership and subsequent lease agreement between CellMedics and Roseman University School of Medicine.** CellMedics is a specialty biopharmaceutical company based in Henderson and produces an advanced topical pain relief cream. The manufacturing of their product was to be exported but has been retained in Nevada in a new agreement with Roseman. A joint announcement will be issued in January, 2017.
24. Along with a number of other state, local, and private sector representatives, Mr. Bob Potts and Mr. Heise played key roles in **Nevada being one of the 10 states awarded the Phase II New Skills for Youth Grant funding.** This is a private grant of \$1.95 million awarded over three years for the execution of a strategic career path initiative for job opportunities into high-wage, high-demand fields that align with economic development priorities.
25. During the first week of November, 2016 Mr. Potts partnered with Oregon's Labor Economist to teach a three day Council for Community and Economic Research Applied Analyst course in Arlington, Virginia. The **focus of this course was to teach economic development and labor market researchers advanced skills** in collecting, analyzing, and presenting regional economic and labor market information. Post-training feedback was very positive.
26. **Last month Mr. Potts assisted the Governor's Office of Workforce Innovation (OWINN) with summary workforce demand analysis for each of Nevada's target industry sectors.** This

information was presented to all Industry Sector Councils for review and summarization by OWINN for final priority workforce development funding recommendations to the Executive Committee of the Governor's Workforce Investment Board.

27. The Community Development Block Grant Program (CDBG) scheduled the CDBG Advisory Committee (AC) for a November meeting to review eight applications that were eligible to apply for a second round of 2016 funding. The AC **recommended five of the eight projects**. Grant agreements in the amount of \$289,458 were prepared and sent to grantees with a project start date of January 1, 2017. The projects primarily were initial planning grants that will lay the foundation for larger economic development projects.
28. Over the past two months, Mr. Pete Wallish, Director of Rural Community and Economic Development and CDBG staff members **worked with cities and counties on submitting potential projects to determine eligibility for 2017**. Of 38 projects submitted, 16 were eligible and moved forward to the application stage. This is the first full year for submitting grant applications electronically in ZoomGrants. Staff members continued to work with the applicants in the development of the on-line applications.
29. In December, Ms. Jean Barrette, CDBG Program Administrator, **attended the Council of State Community Development Agencies (COSDA) Board Meeting in D.C.** The focus of the meeting was to review and update strategic planning goals. The goals will be refined as direction is provided by the new administration for the Department of Housing and Urban Development (HUD). The revised strategic plan will be completed and presented at the COSDA training conference held in September, 2017. Ms. Barrette is the Western Regional Board Member for COSDA.
30. In December, Mr. Wallish administered the **Nevada Battle Born Growth Escalator, Inc. ("NBBGE")** Board Meeting. Mr. Wallish will continue to work with the NBBGE to transition GOED's State Small Business Credit Initiative ("SSBCI") from a U.S. Treasury federal program to 100% state control. NBBGE is designed to be an evergreen economic development non-profit to assist in the continuation of the State's venture capital and small business lending programs.
31. The Legislative Counsel Bureau was not able to complete drafting of GOED's proposed **regulations** to NAC 231 and NAC 360 in time for consideration at a Public Hearing and eventually by the Legislative Commission. As a result, GOED intends to adopt the regulations temporarily. Following the legislative session, GOED will conduct a Public Hearing and present them to the Legislative Commission for permanent adoption.
32. In November, the Nevada PTAC welcomed team member **Mr. John Rice** as a Government Contracts Advisor. Mr. Rice is a former federal government contracting officer and is a U.S.

military veteran. His past employers include the City of Las Vegas, the Department of the Interior and the Defense Contract Management Agency. He has a bachelor's degree in management-finance from Park University, MO and an associate's degree from St. Leo College, FL. Mr. Rice is based in Las Vegas.

# Nevada Mining

## Supply Chain Optimization

### **Large Capacity Pumping**

The Nevada mining industry requires large capacity pumps for multiple applications; milling, dewatering, etc. Unfortunately there are no manufacturers or distribution centers supplying these products in Nevada, resulting in extended periods of downtime when products fail.

### **Industrial Plumbing & Irrigation**

One of the prominent aspects of mine production is fluid transmission. Dewatering, mill processing, and heap leaching all require an effective and efficient way to transport solution. We are looking for manufacturers who can supply our industry locally to ensure rapid delivery.

### **Industrial Coating (Corrosion / Wear Protection)**

It is no surprise that mining is generally conducted in very rugged environments. In Nevada we often struggle to protect our parts and equipment from the elements. We are looking for companies that can help extend the life of our mining structures, equipment, and wear parts. Fortunately, for companies interested in Nevada, there are many other industries within our state that also will require your services.

### **Underground Networking & Communications**

Underground mine production is on the rise in Nevada. Because safety is paramount here, we are looking for companies willing to set up shop in Nevada to provide fast and effective communications/tracking solutions in an underground environment.

### **Geo-Science Software Solutions**

Nevada mines utilize a variety of software applications developed around the world. Unfortunately, many software companies are unable to provide adequate training or support that allows users to integrate or operate the software at maximum efficiency. We are looking for companies willing to customize their products for use in our unique environment while providing local support to reduce disruptions in productivity.

### **Blasting Agents**

At one point Nevada was home to an Ammonium Nitrate producer that supplied the state with its required blasting products. With their departure we have found that our southern mines struggle, at times, to acquire the agents needed to maintain production. We are looking for a company willing to manufacture and distribute efficiently to Nevada mines.

### **Electrical Companies**

Nevada Mines are major consumers of energy. In order to maintain productive and efficient electrical systems, we are looking for electrical manufacturers or supply companies who can provide fast and reliable low to high voltage capacity parts/equipment to rural mining operations throughout the state.

### **Industrial Chemicals**

Nevada mines require a substantial amount of chemicals to process ore. We are looking for companies who can manufacturer locally in order to deliver a pure product safely and quickly. Primarily , we are interested in Sulfuric Acid, Sodium Hydroxide, and Lead Nitrate producers.

### **Custom Fabrication for Existing Applications**

There are multiple manufacturers represented among the various pieces of mine equipment, attachments, parts, etc. Often times mines require that these various elements come together in order to accomplish a task. We need companies who can engineer parts, pieces, or attachments that allow assembly of various elements that were not necessarily designed or intended by the manufacturer.



### **Performance Additives**

Mine operators are always looking for a way to extend the life of their equipment and make their processes more efficient. We are looking for companies willing to manufacture or locate a distribution center that specializes in parts performance, i.e. fuel additives, polyurethane lining, brake lining, filtration, emissions, etc.

### **Elevator / Conveyor Supply**

In this business, we move a lot of material. A mine in Lander county operates the largest overland conveyor in the state (10 miles long). We need companies who can provide immediate parts and support should one of these systems fail. We are looking for elevator/conveyor manufacturers or parts suppliers who can enhance the mining industry by making Nevada home

### **Gasket, Hose, and Coupler Manufacturers**

Mining in Nevada requires a constant supply of industrial hoses, fittings, and gaskets. If your company can provide a vast range of products associated with liquid or dry bulk transmission, thermal movement, pipeline maintenance and installation, fire protection, etc. we encourage you to consider relocation or establish a distribution center in Nevada to meet the needs of the multiple industries.

### **Large Scale Fabrication**

Everything within Nevada mining is big. We are looking for companies who are able to accommodate the massive scale projects that are often undertaken by Nevada mines.

### **Water Management Solutions**

Nevada is a dry state; therefore, Nevada mines look for every opportunity to ensure quality of water and reduce consumption. Any company that can contribute to these objects are encouraged to establish a presence within the our state.

### **Baghouse Services**

The Nevada mining industry is adamant about air pollution control. We are looking for baghouse service companies who are committed to increasing an operators production, reducing unscheduled downtimes, unnecessary wear and tear, and overall emissions.

### **Fastener Manufacturers and/or Distributors**

We are looking for manufacturers and distributors of both ferrous and non-ferrous threaded fasteners. The company should be able to provide specialized threading, bending and forming services. Fortunately, for companies interested in Nevada, there are many other industries within our state that also will require your services.

### **Contractors (Civil, Mechanical, Construction, Electrical)**

Several Nevada mining operators are planning various construction and/or expansion projects on their site in the near future. We need safe and reliable contractors who can offer the mining industry a wide range of building solutions in order to meet their needs and exceed their expectations.

### **Dust Depression Solutions**

Nevada is dry—therefore, we struggle with dust. We are looking for companies who can provide an affordable, effective, and non-toxic dust suppression solution that will help reduce water consumption and evaporation on the mine site. Furthermore, the company that can provide an underground solution that will reduce diesel particulates while maintaining a safe non-slick surface will likely enjoy a high volume of sales within Nevada's underground mining industry.

### **Deep Well Equipment, Parts, and Diagnostic Systems**

Nevada mines often drill water wells several thousand feet below the surface. Operating in these naturally harsh environments, Nevada mines are looking for companies who can manufacture quality parts that are able to withstand the enormous demand, tension, and pressures that are required of them. Furthermore, when problems arise, operators are seeking companies who specialize in deep well diagnostics that will allow troubleshooting without having to increase downtime and manpower costs by pulling equipment thousands of feet from a well every time a problem arises.

### **Light Vehicle Parts**

Although we have light vehicle parts suppliers in rural Nevada, they are often unable to meet the demand of Nevada mine's extensive light vehicle fleets. We are looking for parts suppliers who can quickly deliver a wide variety of specialty parts for a multitude of light vehicle makes and models throughout the state.

### **Underground Drilling Equipment**

Underground mining operations in Nevada have increased 40% in the last five years and is anticipated to increase another 40% within the next five. To accommodate the needs of this development, we are looking for manufacturers of underground drilling equipment that can quickly deliver quality equipment to underground mining operators throughout the state.

### **Construction / Structural Companies**

Nevada mining remains in a state of development and expansion. Rural Nevada will require qualified, safety oriented companies who are dedicated to sustaining and enhancing mine site infrastructure.

### **Railroad Logistics & Consulting**

Fortunately many Nevada Mines are situated relatively close to the Union Pacific Railway. In recent years there has been an interest in developing rail spurs that will allow access from the rail directly to the mine. We are looking for companies with established Union Pacific relationships who can make this desire a reality.

If your company is prepared to meet the needs of Nevada's mining industry, contact our mining industry specialist at the Governor's Office of Economic Development for more details:



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