

THE NEVADA BATTLE BORN GROWTH ESCALATOR, INC.

On September 27, 2010, President Obama signed into law the Small Business Jobs Act of 2010. The Act created the State Small Business Credit Initiative, which was funded with \$1.5 billion to strengthen state programs that support lending to small businesses and small manufacturers. The State Small Business Credit Initiative is expected to help spur up to \$15 billion in lending to small businesses.

In November of 2011, the State of Nevada was awarded \$13.8M in SSBCI funding by U.S. Treasury. The Nevada SSBCI Program was moved to GOED to assist with economic development throughout the state. As part of the SSBCI Program, GOED created three sub programs: Micro Loan, Collateral Support and the Battle Born Venture Capital.

1. The Nevada Micro Loan Program was established by providing a \$500,000 loan to the Nevada Microenterprise Initiative for companies wishing to startup new operations or expand existing micro businesses in the State.
2. The Collateral Support Program (“CSP”) was established to support small business lending by using SSBCI funds to fill a collateral gap for otherwise strong businesses. In evaluating a loan, lenders may find that the value of a business’s collateral is deficient. Using funds from a CSP, Nevada makes a cash deposit at the financial institution lender to cover a portion of the collateral gap for the loan. The Nevada SSBCI CSP has allocated \$8,303,176 toward this program.
3. The Battle Born Venture Capital Program (“VCP”) supports small businesses by injecting equity in emerging businesses that might not otherwise obtain financing. Nevada has allocated \$5,000,000 of SSBCI funding toward this program.

During the 2015 Legislative session, AB17 was passed to allow GOED to continue the SSBCI Programs past the sunset of the allocation agreement with U.S. Treasury. AB17 allows for the creation of a Corporation for Public Benefit, called the Nevada Battle Born Growth Escalator, Inc. (“NBBGE”). NBBGE will hold SSBCI funded equity investments on behalf of GOED, and transition the Nevada SSBCI Program into NBBGE to act as an evergreen economic development fund for the continuation of the programs.

GOED has worked extensively with U.S. Treasury on the NBBGE transition and received approval in October. The Nevada model has been used as an example by U.S. Treasury for other states wanting to continue the SSBCI programs for economic development. GOED currently has \$2.6M in recycled SSBCI funding and \$3.1M in equity investments to transition to NBBGE over the next two fiscal years. Eventually all \$13.8M will be under NBBGE for continued economic development programs throughout the state.

On December 20, 2016, the NBBGE Board held its first meeting and approved several items allowing GOED to move forward with the SBBCI transition. Beginning this month, GOED staff will start moving all equity investments to NBBGE. The current NBBGE Board Members are:

Steven D. Hill, Chairman

Executive Director
Governor's Office of Economic Development
Appointed under AB17

Alan Sklar, Vice Chairman

Sklar Williams PLLC
Appointed By: GOED

Kate Gilman, Secretary and Treasurer

Gilman & Londot CPAs
Appointed By: GOED

Andrew Artusa

Managing Director
Zions Public Finance
Appointed By: Senate Majority Leader Michael Roberson

Gina Bongiovi

Bongiovi Law Firm
Appointed By: Assembly Speaker John Hambrick

Kendra S. Follett

Member, Sherman & Howard L.L.C
Appointed By: GOED

Jerrie Merritt

Senior Vice President and Community Development Manager
Bank of Nevada
Appointed By: GOED