To: GOED Board Members
From: Steve Hill
Date: May 19, 2016
Subject: Director’s Report

1. On April 28-29, 2016, GOED, through its FAA Test Site designation, flew the first fixed-wing UAV carrying a cloud-seeding payload in the history of flight. The test flights were flown in Hawthorne, NV with GOED partners DRI, and two Nevada based UAV corporation, Drone America, and AviSight. The Drone America Savant™ aircraft reached an altitude of 400 feet and flew for approximately 18 minutes. The aircraft successfully test-deployed two silver-iodide flares, demonstrating its capability to perform cloud seeding operations. Reno-based Drone America performed the flight under an FAA UAV designation to GOED. Further, this flight was the first use by DRI of the Nevada Test Site’s Certificate of Authorization (COA), which grants authority to operate the Savant at altitudes up to 1200 feet. Las Vegas-based AviSight performed aerial support for the test flight with their manned aircraft, recording both infrared and HD video of the flight to support future system refinements and plans to conduct UAS flights beyond visual line-of-sight.

2. As was noted in the prior report to the Board, Flirty, in partnership with NIAS, GOED, the Commanding Officer of Hawthorne Army Depot, and HWAD contractor SOC, conducted the first-in-the nation COA flight to test the ability to drop emergency supplies in an urban environment. We are very pleased to report that the Smithsonian Museum has requested the UAV that performed this test be sent to the Smithsonian for inclusion in the National Air & Space Museum.

3. On April 19, 2006, GOED sponsored and managed the Nevada UAS Test Site’s successful participation in NASA’s National Campaign whereby 24 UAVs were simultaneously launched and flown in the National Air Space and tracked by NASA’s pioneering UAS Traffic Management (UTM) system. GOED, through the recently-dedicated NUANCE Lab located at Reno Stead Airport, launched four quadcopter UAVs at NASA’s designated time. The other five FAA Test Sites also launched four UAVs each, comprising 24 simultaneous UAV flights being tracked by NASA. The Nevada team has set the pace among the Test Sites by the integration of even more enhanced visual and data situational awareness screens than the NASA’s first phase UTM software and...
management would normally provide. These achievements and the exceptional relationship building efforts have positioned Nevada as a top NASA partner in this area.

4. NIAS supervised the successful completion of 139 UAS flights in the first quarter of 2016, more than double the number of flights that occurred during the fourth quarter of 2015. During the month of April, 156 flights were recorded. These flights occurred at various sites around the state as well as in Florida. NIAS has the authority to grant Certificates of Authority for flights anywhere in the US.

5. During the month of April, east-coast based UAV consultants, RedConsultants, expanded in to Nevada and opened up an office at Silver Springs Airport. RedConsultants immediately created and filled two new positions and are in the process of hiring a third Nevadan. GOED, aided by NIAS, assisted Silver Springs Airport in discussions with BLM and other federal entities who’s approvals were critical in expanding airspace opportunities. These opportunities were critical in facilitating RedConsultant’s expansion. RED’s expertise is in providing UAS services for Search and Rescue operations.

6. GOED solicited and hosted the Advanced Technology Forum which was held in Las Vegas and featured 8 national site selection consultants and some 200 attendees. This was a collaborative effort with Area Development Magazine, LVGEA, EDAWN, and NV Energy.

7. Karsten Heise, GOED’s Technology Commercialization Director, devised and conducted the first two out of a series of four review work sessions with Reno-Sparks-TRIC based manufacturers to review and endorse GOED’s flagship career pathway program ‘LEAP Manufacturing’. Turnout and feedback exceeded expectations. Review & endorsement of the Framework’s respective qualifications as ‘preferred hiring qualifications’ for manufacturing cluster members will conclude at the end of May. Industry input and support is vital for the success of the Framework.

8. GOED’s Director of International Trade, Kris Sanchez, led a trade mission to Warsaw, Wroclaw, and Rzeszow, Poland comprised of 8 Nevada companies seeking to expand into the European market. The mission was funded through the State Trade Export Promotion Grant through the Small Business Administration.

9. As a result of the Governor’s Mission to Italy in July of 2015, the Desert Research Institute (DRI) launched a new project in partnership with Catholic Relief Services (CRS) and the University for Development Studies (UDS) in Ghana. The project addresses the unmet needs for adequate water, sanitation and hygiene (WASH) services in schools that hinder girls access to education, significantly limiting their longer-term options for educational and economic attainment. This partnership resulted from a
meeting that took place during the mission between GOED, DRI, and the Papal Council for Peace and Justice of the Vatican.

10. GOED’s International Division is in the planning stages for a July mission to Melbourne, Sydney, and Brisbane, Australia. The mission will focus on: water technology commercialization, mining, research and educational collaboration, tourism, and unmanned technology development/best practices.

11. The Nevada Film Office has launched the 1st annual Video Contest to promote Nevada as a film destination. With a first place award of $1,000 we are encouraging Nevadans to submit videos under 60 seconds that are “commercials” for why Nevada is a perfect place for film. We will use all the entries to share on social media and create additional interest in Nevada Film.

12. The Nevada Procurement Technical Assistance Center (PTAC), in association with the U.S. Small Business Administration, Nevada Small Business Development Center and the Nevada System of Higher Education, conducted an in-person workshop entitled, “New Important Federal Laws and Small Business Program Updates for Federal Contractors,” on April 1, 2016 in Las Vegas. The presentation was also simulcast live to Reno. There were 27 attendees representing diverse businesses in the state.

13. Fidelis Sustainability Distribution LLC (FSD) based in Carson City, NV was awarded a $4.32 million prime contract by the U.S. Army. Under the deal, FSD will be providing medical and dental supplies. The contract was secured with the help of FSD’s 25-year experienced medical device sales team. Based on the win, and in terms of job creation, FSD has been able to hire one full-time equivalent and two part-time employees. As for job retention, FSD has been able to retain one full-time equivalent and five part-time employees. FSD is a certified Service-Disabled, Veteran-Owned Small Business (SDVOSB), that distributes medical and dental supplies, implants and capital equipment. The company also sells computers, computer peripheral equipment and software. Nevada PTAC, POP Government Contract Advisors Steve Yates and Maggie Neidigh helped FSD with this contract win.

14. Vance Farrow, Healthcare Industry Specialist, is assisting to create a student diversity plan for health professional students in Nevada. This plan will involve all state educational institutions that prepare students for fields in the health professions. It will improve the health of communities in Nevada by educating competent, caring and ethical health professionals from diverse backgrounds, with a focus on primary care and other needed specialties, and conducting biomedical, translational, and clinical research that will advance solutions to Nevada’s most critical healthcare needs.

15. Mr. Farrow was invited to present before the annual conference of the National Council for Behavioral Health. His presentation focused on the development of Nevada’s efforts
to expand graduate medical education in psychiatry, create post-doctoral clinical internships in clinical psychology, an advanced nursing pilot program in psychology as well as expedited health professional licensure for health professionals looking to relocate to Nevada. The audience consisted of board members, executives and behavioral health professionals representing the nation’s latest innovators in science, business and clinical best practices in behavioral health.

16. Soon after the March release of the Governor’s Executive Order Regarding Workforce Development, Bob Potts, GOED’s Research Director, worked with staff from the Department of Employment, Training, and Rehabilitation to identify and recruit appropriate members to the reorganized target sector industry councils. That final list of companies and company representatives was made public on April 21st at the Governor’s Workforce Development Board meeting.

17. Earlier this month Mr. Potts represented GOED in Chicago at the Council of Chief State School Officers’ Career Readiness Initiative Cross State Meeting. One of the main purposes of this meeting was to receive technical support and direction in leveraging the previously awarded $100,000 phase one New Skills for Youth Initiative (NSFY) grant in order to be awarded the next round of $2,000,000 in phase two funding. This award will be based on the strategic plan developed to reduce the skills gap in high-wage, high-demand fields and how those recommendations will be put into practice. A key component of Nevada’s plan will include recommendations that align with economic development priorities. These are private grants made available through the support of JPMorgan Chase & Co.

18. WaterStart developed a water technology needs list with both the Truckee Meadows Water Authority (TMWA) and MGM. These needs will be the focus of the next commercialization RFP, which will be released in May. Developing these lists expands WaterStart’s capacity to test new technologies and increase the number and type of companies to recruit. In addition to recruiting water technology companies, WaterStart is actively recruiting testing partners within the state’s energy, mining, and wastewater sectors.

19. Matt Tuma began work on the New Energy Industry Task Force and Distributed Generation/Storage subcommittee. He led initial discussions on proposals to grandfather existing rooftop solar units and net metering. The Committee will make preliminary recommendations in May and finalize proposals by September.

20. Work continues on the development of the Workforce Innovations for a New Nevada (WINN) program, and specifically, the recruitment and training program we are developing for Faraday Future. GOED led a meeting with Faraday Future at their facility in Southern California, with representation from the Nevada Legislature, the Nevada System of Higher Education (NSHE), the College of Southern Nevada (CSN), the
Department of Employment, Training and Rehabilitation, the Governor’s Office of Science, Innovation and Technology, and the Clark County School District. Based on this meeting and additional follow-up, the team has identified the skills, certifications and assessments that will best meet Faraday Future’s workforce needs. The team is currently completing the full workforce development proposal, to include necessary equipment, curriculum, staff and other resources that are necessary to implement the program.

21. GOED has completed a first draft of regulations for Nevada Administrative Code chapters 231 and 360 for discussion at a May 12th public workshop. The current draft of the regulations will address policy and procedures for program areas including standard abatements, transferrable tax credits, WINN program, catalyst fund, and other key program areas. GOED will make revisions based on public comment and input from the Board, then submit the draft regulations to the Legislative Counsel Bureau (LCB) for drafting. Once the drafts are returned from LCB, GOED will hold a public hearing to formally solicit additional public comment prior to adopting the regulations, and submitting to the Legislative Commission for final approval.

22. GOED continues to play an active role in workforce development initiatives. In particular, GOED is assisting with implementing the Governor’s recent Executive Order 2016-08 which established the Governor’s Office of Workforce Innovation, established an Executive Committee of the Governor’s Workforce Development Board (GWDB), and reorganized and focused the GWDB Industry Sector Councils. We are supporting these efforts by providing information related to career pathways using GOED’s Learn and Earn Advanced career Pathways (LEAP) framework, supplying information related to workforce demand in growing industries, and assisting with recruiting industry leaders to serve on the reorganized Industry Sector Councils.

23. The Knowledge Fund supported UNLV Global Gaming Capital Initiative started their Hospitality Lab this semester. The inaugural class has 29 students (14 graduate and 15 undergraduate) and is designed to generate new innovative solutions to hospitality problems.

24. In March of 2016, Sheldon Mudd, Mining Industry Specialist, completed the Nevada Mining Supply Chain Optimization project where he identified Nevada’s top 25 highest demand goods/services needs within the state. The overall objective of the Optimization project is to minimize costs, increase production, and maximize profits for Nevada mines. Mr. Mudd is actively recruiting companies that are associated with the Supply Chain Optimization list; two underground mining/development companies have already committed to doing business in Nevada in order to meet the needs of Nevada’s 40% increase in underground operations in the last 5 years.
25. Since going public with the Nevada Mining Permitting Process map, Mr. Mudd’s flow chart has been requested by multiple mining companies, U.S. Congressman, the National Mining Association, foreign mining interests, and many others. Mr. Mudd has compiled a team of experts and is currently reviewing the map in order to provide a concept version equipped with reasonable alternatives and possible solutions that reduce permitting obstacles and overall time frames.

26. Peter Wallish, Director of Rural Community and Economic development, closed a $505,000 CSP loan in April under the SSBCI Program. This project will provide a SBA 504 Bridge loan to Xbit Solutions LLC for the construction of a new facility located in North Las Vegas. As a result of the project, Xbit will retain 14 jobs and create 17 within six months of opening the new facility. The SSBCI Program has approximately $1M pending projects for the remaining of Q2 2016.

27. The Community Development Block Grant Program (CDBG) held its annual allocation meeting March 22nd through March 24th. The CDBG Advisory Committee recommended that $2,239,406 be awarded in 14 grants to 11 rural communities (five cities and six counties). The recommendations are for: Creating Economic Opportunity for $1,686,411.00, Creating Suitable Living Environments for $302,995.00 and Providing Decent Housing for $250,000.00.

28. CDBG staff members are working on the implementation of an online grant application and management system that allows for a pre-application process. This step will help ensure that cities, counties, and regions are working collaboratively to develop projects that have greater economic impact. Only those projects that promise economic impact will proceed to the application phase. The application training for 2017 and the CDBG Grant Administration Training for the 2016 projects will occur in computer labs in rural Nevada colleges during the months of May, June and early July.

29. In April, GOED welcomed Michael Dang as Director of Business Operations to our Las Vegas office. Mr. Dang has extensive working experience with infrastructure planning, financing and development, as well as managing large governmental and private projects. He was previously Chief of Affordable Housing Finance Programs with the Nevada Department of Business and Industry, and, in addition to other positions in state and local government, previously worked as regional director for a large land developer. Mr. Dang received his Master of Business Administration and Juris Doctorate degrees from Brigham Young University.