To: GOED Board Members
From: Steve Hill
Date: November 19, 2015
Subject: Director’s Report

1. GOED partnered with the Chinese People’s Association for Friendship with Foreign Countries, and the Council of State Governments, to facilitate Governor Sandoval’s October trade mission to China (Beijing, Nanjing, Xi’an, and Shanghai). The focus of the mission was pollution mitigation, technology commercialization and water technology. The delegation met with the Governors of Shaanxi Province and Jiangsu Province, the Ministry of Water Resources, the Ministry of Environment, the United States Ambassador to China and the President of HoHai University. Governor Sandoval signed an MOU with Jiangsu Province and an LOI with Shaanxi Province aimed at promoting greater collaboration and business exchanges with the provinces.

2. As a result of the Governor’s July mission to Poland, a delegation of over 45 individuals representing 25 companies, 2 regions, and the Polish national government are visiting Nevada this week. GOED is holding a ribbon cutting ceremony for the Polish Silicon Bridge Office that will be collocated in the new UNR innovation center in Reno. This is the first market access and expansion office opened by a foreign government in Nevada.

3. GOED has extended the application deadline for companies seeking grant funds through the State Trade Export Promotion Grant until December 31st. The grants will support their participation on the GOED sponsored trade missions to China and Poland in 2016. Applications can be found at: http://diversifynevada.com/documents/STEP_GRANT_Application_2015_updated.pdf

4. Bob Potts, Research Director, and Karsten Heise, Director Technology Commercialization have both been appointed by the Nevada Superintendent of Public Instruction to serve as part of the state’s Career Readiness Initiative Group. This group is a cross-sectoral team of leaders from the K-12, employer, government, and postsecondary communities. The State of Nevada, together with 16 other states, and the Council of Chief State School Officers (CCSSO) signed an MOA to design and implement policies and practices that can help advance the recommendation of CCSSO’s Career Readiness Task Force. As part of Nevada’s Career Readiness Initiative Group, Karsten Heise attended a cross-state
strategy meeting in Austin, TX in October from which the Group developed its Career Readiness Principles and Strategic Plan to be submitted to CCSSO later this month.

5. GOED has provided Knowledge Fund grants totaling $16.2 million to the state’s 3 research institutions as follows:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
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<tbody>
<tr>
<td>UNLV Center for Gaming Intellectual Capital</td>
<td>$2.0 Million</td>
</tr>
<tr>
<td>Nevada Institute for Personalized Medicine</td>
<td>$2.5</td>
</tr>
<tr>
<td>UAV Hybrid Power Source</td>
<td>$0.1</td>
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<tr>
<td>UAV Flying Orchestra</td>
<td>$0.1</td>
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<tr>
<td>UNR Nevada Center for Applied Research</td>
<td>$3.1</td>
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<tr>
<td>Nevada Adv. Autonomous Systems Innovation Center</td>
<td>$2.6</td>
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<tr>
<td>UAV Vehicle Safety – Detect and Avoid</td>
<td>$0.1</td>
</tr>
<tr>
<td>DRI Applied Innovation Center</td>
<td>$3.0</td>
</tr>
<tr>
<td>Water Center of Excellence</td>
<td>$2.1</td>
</tr>
<tr>
<td>UAV Market Expansion</td>
<td>$0.2</td>
</tr>
<tr>
<td>UAV Cloud Seeding</td>
<td>$0.4</td>
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6. GOED issued a Request for Information (RFI) to the UAV industry, asking for proposals for projects that would develop UAV technology in water management. 11 proposals were received. The above mentioned cloud seeding project was the first project approved. Discussions currently continue with applicants regarding 3 additional proposals. It is anticipated that a successful conclusion will be reached with all 3 and approximately $400,000 will be granted to research institutions for these projects.

7. Similarly, GOED and the Nevada Water Center of Excellence (NvCOE), issued an RFI to the water industry in Europe, following the Governor’s Trade Mission to Ireland and the UK. 13 responses were received. The NvCOE is in negotiations with four companies and anticipate cumulative grants of approximately $500,000.

8. As a result of efforts by GOED, NvCOE, and the Southern Nevada Water Authority; two innovative Israeli water companies (OutLocks and Ayyeka) have established agreements to enter the US market and be based in Nevada. OutLocks is an Israeli start-up venture that provides specialized physical security solutions. A pilot installation will begin in Las Vegas in 2015 and OutLocks has agreed to launch their sales and distribution for US water operations in Nevada. Ayyeka is an Israeli start-up venture that provides remote monitoring solutions for use in control of water facilities. Ayyeka completed installation of a demonstration project in Las Vegas in September 2015 and has agreed to base their US water operation in Nevada in the first year. Within the first three years Ayyeka will establish physical operations for business development, marketing, product development, and manufacturing.
9. As a follow up on introductions made as part of the Trade Mission, the NvCOE has signed an International Cooperation Agreement with The Water Cluster based in the United Kingdom. The agreement will foster collaboration, development, and innovation in water efficient technologies and urban water management between Nevada and the UK. The UK Water Cluster unites and coordinates both regional efforts in the UK and across the European Union through the Water Efficiency in European Urban areas (WE@EU). Through this agreement, the NvCOE is connected to a group of six European water clusters.

10. The State of Nevada, through GOED, was the recipient of two new NASA UAV work programs.
   a. As a follow-up to Nevada’s successful award of an Indefinite Delivery/Indefinite Quantity (IDIQ) master service agreement with NASA, Nevada was subsequently awarded a second $336K task order for the creation and operation of a Live, Virtual Constructive (LVC) UAV flight simulation center. The LVC center will incorporate both live and simulated UAV flights to allow NASA to test elements of their cutting edge UAV Air Traffic Management (UTM) program. The LVC center will be housed and operated out of Reno-Stead Airport.
   b. Nevada was also the recipient of the second agreement, via an award of $1.25M five-year Cooperative Agreement, between Nevada and NASA-Ames to support NASA’s UTM build schedule for supporting an additional flight testing infrastructure (such as safety-case analysis, environmental considerations) at Reno-Stead Airport.
   c. On November 2, 2015, GOED and NIAS personal met with NASA UAS Program managers at the NASA Armstrong Flight Research Center located at Edwards AFB to discuss program status of and to ascertain NASA’s long-term vision for UAS programs.

11. GOED is pleased to report that the number of GOED-supported UAV flights increased considerably in the last reporting period. Between August 18th and September 24th, ten separate UAV air missions were conducted in support of, and reported to, the FAA. Two missions were conducted to determine proof of concept for conducting UAV surveys of NDOT gravel pits, three additional flights were conducted to further determine the efficacy of the technology in support of mining techniques, and five flights were conducted in support of UNR’s research into delivery-by-UAV modalities.

12. On September 17th, 2015, GOED and NIAS arranged for and conducted the FAA-sponsored UAS Public meeting in Las Vegas. Presentations on the status of the FAA’s regulation of UAVs were given by the FAA Regional Administrator, Mr. Glen Martin, and the Deputy Director of the FAA’s UAV Program Office in Washington DC, Mr. William Crozier.
13. On October 26th-28th GOED personnel represented Nevada at the Aerospace States Association Foreign Direct Investment (FDI) Expo in Los Angeles. The intent of the FDI expo was to showcase ASA member states to numerous foreign aerospace and aviation corporations. GOED showcased Nevada’s aerospace capabilities three ways:
   a. Nevada booth on the trade show floor
   b. With the Lt. Gov., co-presented Nevada aerospace capabilities during a State-specific presentation.

In addition to meeting with representatives from foreign aerospace entities, GOED personnel also met with various international trade commissioners; most notably, from South Africa, Belgium and the UK. Ten separate inquiries were fielded during this event.

14. Healthcare Industry Specialist Vance Farrow assisted Roseman University of Health Sciences to secure a three-year $1,050,000 grant from the U.S. Department of Health and Human Services, Health Resources and Services Administration, to support military Veterans’ transition into high-demand, professional nursing careers. Roseman University is the only institution to be awarded the grant in the Intermountain West region.

15. Mr. Farrow, who also serves as the Executive Commissioner for WICHE, previously initiated the expansion of four postdoctoral internship positions in clinical psychology to serve Nevadans suffering with mental and behavioral health issues. The Nevada Clinical Psychology Postdoctoral Internship Program has been approved by the Association of Psychology Postdoctoral and Internship Center (APPIC), which is the first step in the full accreditation process through the American Psychology Association (APA) Commission on Accreditation. The four interns began treating patients in August, 2015.

16. Mr. Farrow, a member of the Nevada Action Coalition Executive Committee, worked with NSHE and DETR to secure a $225,000 Robert Wood Johnson grant to continue funding for the Nevada Action Coalition through 2017. The Coalition serves to address workforce development pipeline issues within the field of nursing by implementing nurse residency programs, removing scope of practice barriers and increasing the proportion of nurses with a baccalaureate degree to 80% by 2020.

17. In September of 2015 Mining Industry Specialist, Sheldon Mudd, completed final details on Nevada’s Mining International Investment Portfolio. Featuring five specific aspects of the industry; exploration, precious metals, base metals, industrial minerals, and fluid minerals, this marketing tool highlights the various opportunities that exist within Nevada’s oldest industry.
18. Mr. Mudd has completed the preliminary draft of the Nevada Mine Permitting and Approval Process Flow Chart. Former Director of the Nevada Department of Conservation and Natural Resources, Dr. Allen Biaggi, recently described Mr. Mudd’s efforts in the Nevada Mining Association’s November 2nd edition of Nevada Mining Minute as “Breathtaking!” Printed, the process flow chart encompasses a three by twelve foot banner; twenty of the prints are currently being prepared and sent to various regulatory agencies and industry professionals to review for accuracy. Final delivery of the product is anticipated by the end of the year.

19. Mr. Mudd has also initiated procedures that allow GOED to respond to the economic impacts associated with a mining project during the public comment periods established by the National Environmental Policy Act. To date, GOED has provided remarks for the scoping process of two major expansion projects - Rossi Mine – Elko County and Greater Phoenix Mine – Lander County - and a review of the Twin Creeks Vista VIII Expansion – Humboldt County preliminary environmental assessment.

20. The Community Development Block Grant (CDBG) staff completed the CDBG performance report (CAPER) and it was submitted to the Department of Housing and Urban Development (HUD). GOED is the lead partner in the development and submission of the CAPER. Partners include the Department of Business & Industry: Nevada Housing Division, and the Department of Health & Human Services: Division of Public & Behavioral Health.

21. Peter Wallish, Director of Rural Community and Economic Development, hosted the annual CDBG Forum in Virginia City on September 16th & 17th. 26 rural communities and seven regional development agencies participated in this year’s Forum. Topics focused around national best practices of CDBG funding, how rural communities can redevelop historic downtowns, and project funding. Future conferences or trainings will focus on issues that rural Nevada cities and counties identify as priorities.

22. Jean Barrette, CDBG Program Administrator, was elected as the Western Region Representative for the Council of State Community Development Agencies (COSCDA). The primary purpose of COSCDA is to promote the common interests and goals of the states, with major emphasis on community development, housing, homelessness, local economic development, and state-local relations. Meetings and training opportunities provide a forum for discussion of, and action on, national issues of common interest.

23. Mr. Wallish assisted the U.S. Treasury as a member of the working group to revise the SSBCI National Best Practices. The U.S. Treasury document produced is for reference by other states on how to effectively use and administer SSBCI funding. Mr. Wallish works closely with U.S. Treasury senior staff on the SSBCI Program, and the administration of
the Nevada Allocation. To date, Nevada has disbursed $1.6M in venture capital, $4.6M in collateral support of Nevada businesses, and $200K in microloans.

24. Bob Potts, Research Director, participated in the Governor’s Office of Science, Innovation and Technology STEM Workforce Challenge Grant review committee. The purpose of the funding was to develop lasting partnerships between industry and workforce training providers that align with economic development priorities. In total, eight applications competed for the $1 million appropriated, and $335,975 was awarded to three Nevada Community Colleges.

25. Nevada PTAC, in partnership with the U.S. Small Business Administration, hosted a Small Business Matchmaker on October 20th at the Fallon Convention Center. A total of 55 small business participants and had the opportunity to meet with 16 government buyers/primes at the event and 13 small business resource partners. Participating buyers included four large construction prime contractors located in California that do work at NAS Fallon and sought to connect with local Nevada subcontractors and vendors.

26. Mike Skaggs attended the Site Selector’s Guild Fall Conference in Philadelphia where 4 new consultants were engaged and briefed on Nevada. In addition, GOED conducted overviews of Nevada’s new incentives for 11 existing consultants. The Guild is a professional association made up entirely of active site selectors who have located a minimum of three new or expanded facilities in the past 12 months.

27. As previously reported, GOED is leading an effort to maximize the benefit to the state resulting from the Department of Energy’s search for a new contractor to manage and operate the Nevada National Security Site (NNSS). In September 2015 GOED was successful in having the following included in the RFP: “The plan shall describe the Contractor’s planned activities as to how it will be a constructive partner to the communities in the State of Nevada. The Contractor is encouraged to consider specific performance goals around maximizing subcontracting to business within Nevada and Strategic Partnerships with Nevada’s system of higher education.” The impact of this will be a partner at the NNSS engaged with the priorities of Nevada leading to more opportunities for local business and greater access to federal research funding.