To: GOED Board Members
From: Steve Hill
Date: January 22, 2016
Subject: Director’s Report

1. Governor Sandoval announced that GOED, in partnership with UNLV and the NSHE Institutions, NDOT, DMV, and the Regional Transportation Commissions, will launch the Center for Autonomous Vehicles (CAV). CAV will be a division of the Nevada institute for Autonomous systems.

2. While several CAV initiatives are underway, the first Request for Proposal will be a partnership with the Regional Transportation Commission of Southern Nevada to test technology that can be used by busses to enhance pedestrian safety. That RFP will be released by early February.

3. In December, Hyperloop Technologies announced it would locate its Propulsion Open Air Test Facility at Apex, in North Las Vegas. This facility will allow testing of the company’s electric propulsion system. Construction of this facility has begun.

4. In December, the GOED Learn and Earn Advanced Career Pathway program (LEAP) for manufacturing received its first national award: the submission by LEAP-partner Washoe County School District was awarded the Optimas Silver Award for Managing Change. GOED’s Technology Commercialization Director Karsten Heise, who devised LEAP, is currently working on broadening the concept to other industries.

5. Vance Farrow, Healthcare Industry Specialist and Karsten Heise co-hosted a Telemedicine Strategic Planning Event at the UNR Redfield campus. The event had the following purpose: “To share statewide project updates in Telehealth with a specific emphasis on utilizing advances in technology for the removal of barriers to quality healthcare in Nevada’s rural communities.” The Telemedicine Event was attended by representatives of the U.S. Army,
Nevada National Guard and key stakeholders in broadband, information technology and health care. Information gathered is being used to create pilot projects to address access to quality healthcare in Nevada rural communities. As a result, next steps in Nevada’s Telemedicine effort should be defined, including issues relating to next year’s legislative session.

6. Mike Skaggs, Advanced Manufacturing Industry Specialist, attended Area Development Magazine’s Consultant’s Forum in December where 6 new consultants were engaged and briefed on Nevada. In addition, GOED conducted overviews of Nevada’s new incentives for 4 existing consultants. GOED and NV Energy secured Las Vegas as the site for the next Area Development Magazine Consultant’s Forum in April of 2016. The focus will be on Advanced Technologies and will showcase several of Nevada’s newest industry locations to a national audience.

7. In December, the first regional Certified Sites program was unveiled by the Northern Nevada Development Authority. The program is intended to assure site selectors that potential sites have been reviewed and determined to be “shovel-ready,” with utilities, roads and municipal infrastructure in place.

8. On December 18, 2005, the Nevada Institute for Autonomous Systems executed a 5-year Memorandum of Understanding (MOU) with the Korea Civil UAS Civil research Consortium (K-CURC). The purpose of the MOU is to “facilitate and implement opportunities for a long term collaborative relationship to advance the export development, investment attraction, solution oriented research, commercialization and global competitiveness of advanced Unmanned Aerial System (UAS) and Unmanned Vehicle Systems (UVS) technologies.” The Korean leader for this effort is Dr. David Hyunchul Shim, Director, Intelligent UAV National Defense Laboratory, Korea Advanced Institute of Science and Technology. On December 7, GOED and NIAS representatives met with their Korean counterparts to identify opportunities for collaboration.

9. For the fourth quarter of CY15, the Nevada UAS Test Site effort conducted 56 UAV flights under the Nationwide COA, a 500% increase from the 3rd qtr. (10 previously) for a total of 66 COA flights, plus 8 flights in restricted airspace, for a yearly total of 74 flights.

10. On December 10-11, Nevada UAS Test Site personnel partnered with the Hawthorne Army Depot to conduct a 2-day joint UAV demo. The event was made possible through an agreed-upon extension of HWAD airspace to include all 230 sq. mi of the HWAD. NIAS
executed a new operating agreement to be the exclusive representative for sponsoring flights at the Depot.

11. In December of 2015, Mining Industry Specialist, Sheldon Mudd, established a relationship with Canada’s Ontario Ministry of Northern Development & Mines in order to deliberate on each other’s unique mining environment and capitalize on the expertise represented from each region. Currently, underground mining is the primary means of mineral extraction in Ontario with hopes of expanding open-pit projects in the future. Conversely, Nevada has several well-established open-pit operations while witnessing an increase of underground projects in the last two years. Collaboration between GOED and the OMNDM should strengthen the mining supply chain infrastructure, increase knowledge base of extraction methods, and attract new business to both regions.

12. Mr. Mudd has completed the final draft of the Nevada Mine Permitting and Approval Process Flow Chart. The chart is currently being prepared for publication and should be available for public viewing in the near future.

13. In conjunction with the Nevada Mining Association and the Northeastern Nevada Regional Development Authority, GOED has organized the “1st Annual Elko Reverse Mining Expo” set to be held in Elko on March 17th. This event is designed to attract new business to the state of Nevada by establishing relationships between Nevada Mining operators and prospective vendors.

14. Winnemucca Farms became a member of the Nevada Center of Excellence (NvCOE), establishing an agricultural test bed partner. Additionally, GOED, NvCOE, NIAS, DRI, and Winnemucca Farms are collaborating on a drought monitoring project this year. The collaboration will engage the UAS industry to monitor crop health and water distribution to maximize efficiency in production and resource management.

15. The NvCOE issued a RFP for Round 2 of the Center’s Commercialization Fund and is reviewing the 31 applications submitted. These applications are the result of continued follow-up in Europe and Israel from the Governor’s Trade Missions and GOED led initiatives. The Commercialization Fund was created as part of the NvCOE’s 2016-2017 Knowledge Fund grant from GOED. It is expected to leverage additional public funding and private investment.
16. Productions participating in the Film Tax Incentive Program and their status as of January 11, 2016:

<table>
<thead>
<tr>
<th>Production Title</th>
<th>Total Budget</th>
<th>NV Direct Expenses</th>
<th>Out of State Payroll in NV</th>
<th>NV Resident Payroll</th>
<th>Total Payroll</th>
<th>Total Nevada</th>
<th>Total FTEs</th>
<th>Approved Incentive</th>
<th>Estimated Incentive</th>
<th>Variance to Approved</th>
<th>Current Status</th>
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</thead>
<tbody>
<tr>
<td>Lake Mead</td>
<td>$1,853.738</td>
<td>$491.190</td>
<td>$523.938</td>
<td>$590.811</td>
<td>$1,114.749</td>
<td>$1,605.939</td>
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<td>$257.291</td>
<td>$188,484</td>
<td>$70,807</td>
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<tr>
<td>GNG Untitled Project</td>
<td>$2,392.220</td>
<td>$772.020</td>
<td>$477.750</td>
<td>$581.377</td>
<td>$1,059.077</td>
<td>$1,831.097</td>
<td>17</td>
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<td>-</td>
<td>Audit in process</td>
</tr>
<tr>
<td>CBS in the Spotlight</td>
<td>$1,094.612</td>
<td>$226.220</td>
<td>$399.704</td>
<td>$140.106</td>
<td>$539.810</td>
<td>$786.030</td>
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<td>$102.913</td>
<td>$102,913</td>
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<tr>
<td>The Trust</td>
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<td>$1,247.049</td>
<td>$1,139.157</td>
<td>$2,078.311</td>
<td>$3,217.468</td>
<td>$4,864.517</td>
<td>23</td>
<td>$792.793</td>
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<td>Entering Audit</td>
</tr>
<tr>
<td>Scientific Games</td>
<td>$11,337.305</td>
<td>$14,444.556</td>
<td>$7,763.763</td>
<td>$2,246.067</td>
<td>$9,966.830</td>
<td>$24,441.386</td>
<td>67</td>
<td>$3,432.685</td>
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<tr>
<td>Frans &amp; Leo</td>
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<td>$489.577</td>
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<td>$399.125</td>
<td>$1,038.425</td>
<td>$1,528.002</td>
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<td>Audit in process</td>
</tr>
<tr>
<td>Scientific Games 2</td>
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<td>$6,917.011</td>
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<td>$3,514,516</td>
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<td>Currently filming</td>
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</tbody>
</table>

Total: $111,900,563 $34,949,861 $29,167,973 $15,381,453 $44,549,426 $70,499,287 393 $11,394,059 $10,000,000 $1,394,059

17. The Nevada Film Office (NFO) has worked with the production JB5 since March of 2015. The project is very exciting due to the size and scope; no tax credits will be involved. Matt Damon mentioned in the press that the film will culminate in Las Vegas. Filming began this month.

18. The NFO is currently developing a film tourism program to highlight famous locations featured in films and will look to work with NCOT and LVCCVA in these efforts. You can see the film tourism page at [https://www.nevadafilm.com/film-tourism/](https://www.nevadafilm.com/film-tourism/)

19. Sign-ups for the annual Nevada Production Directory (NPD) are completed with over 250 production professionals. The NFO made significant changes in 2015 and continue to improve the directory for 2016. The NPD is currently under final review and should be available by the end of January.

20. The NFO continues to expand their marketing efforts using social media and their website. In the past 90 days, since improvement efforts began, website page views have increased over 15%, the bounce rate has dropped over 61% (meaning people are staying on our website longer and viewing more content). All project registration forms are now live on website increasing by 43%, and traffic to the website from social media channels has increased. The NFO social media marketing efforts are experiencing overall positive results.

21. GOED's International Division hosted a seminar in conjunction with CES entitled Technology and the “New Nevada,” co-sponsored with the Consumer Electronic Association. The seminar focused on autonomous technology, robotics, water technology, and gaming innovation. The audience consisted of 125 individuals from the Nordic block and
representatives of 5 countries including the Swedish Ambassador to the United States, Bjorn Lyrvall.

22. As part of the State Trade Export Promotion initiative, GOED’s International Division is leading a delegation to Poland and the Hannover Messe Industrial Fair in April. GOED will have a booth highlighting High-Tech manufacturing in Nevada, located in the United States Investment Pavilion during the fair.

23. Nevada Procurement Technical Assistance Center (PTAC), in association with VDEC and the southern Nevada SBA office, presented a seminar entitled “8(a) Business Development Overview”. This event was held on November 18th, 2015 and was attended by five businesses that were able to network with resource partners from Nevada Microenterprise Initiative, SBA, as well as PTAC staff. As a result of the event, two of the businesses are working on their 8(a) certification.

24. Nevada PTAC in association with the National Contract Management Association (NCMA) southern Nevada chapter hosted a training event entitled “Contract Administration: Hot Button Issues and Solutions” on December 2, 2015 at PTAC’s training room. The event was attended by thirteen individuals representing several industries in southern Nevada. The event also included a successful toy drive to benefit the US Marine Corps “Toys for Tots” program. Attendees as well as members of PTAC and the Nevada Film office contributed to the toy drive.

25. Nevada PTAC Client, WOW Cleaning Corporation, located in Reno, NV was recently awarded their largest contract to date, totaling over $450,000, to provide janitorial services across 21 facility locations for the City of Reno over the next 2 years. In addition, the company was awarded a federal prime contract with the U.S. Department of Agriculture totaling over $19,000 to clean the Truckee Ranger District Office for 12 months. The company provides commercial and residential cleaning services (NAICS code 561720). Locally owned and operated since 2007 with a staff of 15 employees, the company has experienced tremendous growth over the past year. WOW Cleaning Corporation is certified through GOED as a Nevada Emerging Small Business (ESB).

26. The workforce demand analysis that Bob Potts, GOED’s Research Director, has developed is now being used by a number of education and workforce development initiatives in the state. These include: baseline evaluation of Career and Technical Education grant proposals; review of STEM Workforce Challenge Grant applications to the Governor’s Office of Science Innovation and Technology; and, most recently, by the Board of Education’s
Graduation Committee in their efforts to ensure students graduate “College, Career, and Community ready.”

27. Peter Wallish, Director of Rural Community and Economic development, closed $761,705 in CSP loans in December under the SSBCI Program, and has $1M pending for Q1 of 2016. The program also encumbered $350,000 in the Battle Born Growth Escalator Fund (“BBGEF”) with two companies under due diligence at the recommendation of the advisory committee. To date, the SSBCI Program has $6,021,090 in collateral support deposits and $1,950,000 in venture capital investments.

28. The Community Development Block Grant (CDBG) staff issued an RFP in November for an on-line grant management system. ZoomGrants was selected based on cost and expertise of the firm in working with federal pass-through funding. The goal is to streamline the grant application and review processes, as well as project management. Annual cost savings is estimated at $24,800.

29. CDBG staff members concluded working with cities and counties in the preparation of applications for the 2016 CDBG grant process. Applications were due January 7, 2016. GOED received 32 applications from the 26 eligible entities, for a total ask of $6.3M. During the next two months, applications are reviewed by staff for eligibility and fundability before submitting to the CDBG Advisory Council for review and rating. The CDBG Staff also monitored eight CDBG projects in Mineral County, Yerington, Pershing County and Winnemucca. Grantee project monitoring is required before formally closing projects with the Department of Housing and Urban Development (HUD). The CDBG Program currently has 37 open grants, with 9 of those having expended all funds. 19 total grants were closed out in the 2015 calendar year.