

**STATE OF NEVADA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
BOARD MEETING
January 22, 2015**

The meeting of the Board of Economic Development was called to order by Governor Brian Sandoval at 1:05 p.m. in the Grant Sawyer Building, Gaming Control Board Room, 555 E. Washington Ave, Suite 2450, Las Vegas, Nevada, 89101, and the Nevada State Capitol Building, The Guinn Room, 101 S. Carson Street, Carson City, Nevada, 89701 via video conference.

1. ROLL CALL/CALL TO ORDER

VOTING BOARD MEMBERS PRESENT

Governor Brian Sandoval, State of Nevada
Lt. Governor Mark Hutchison, State of Nevada
Secretary of State Barbara Cegavske, State of Nevada
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada
Mr. Sam Routson, Chief Administrative Officer, Winnemucca Farms
Mr. Benny Yerushalmi, Owner, The Jewelers of Nevada
Mr. Rob Roy, CEO/Founder, Switch
Mr. James Barrett, JABarrett Company

VOTING BOARD MEMBERS ABSENT AND EXCUSED

Ms. Kathleen Drakulich, Attorney, McDonald Carano Wilson

NONVOTING BOARD MEMBERS PRESENT

Mr. Daniel Klaich, Chancellor, Nevada System of Higher Education (NSHE)
Mr. Don Soderberg, Department of Employment, Training and Rehabilitation (DETR)

STAFF MEMBERS PRESENT

Mr. Steve Hill, Executive Director, Governor's Office of Economic Development (GOED)
Mr. Brad Mamer, Director of Business Development, GOED
Ms. Lynne Taylor-Bullock, Executive Assistant, GOED
Ms. Shante Willis, Administrative Assistant, GOED
Ms. Maria Guideng, Business Development Analyst, GOED
Ms. Jennifer Cooper, Communications Director, GOED
Mr. Cesar Melgarejo, ESB Program Administrator, GOED
Ms. Christine Guerci-Nyhus, Office of the Attorney General
Ms. Lezlie Helget, Department of Taxation
Ms. Melanie Brooks, Department of Taxation
Mr. Judy Turgiss, DETR

GUESTS PRESENT

Mr. Chris Zunis, LVGEA
Mr. Michael Walsh, LVGEA
Mr. Gavin Isaacs, Scientific Games
Mr. Jack McNeill, Scientific Games
Mr. Daran Garmen, Scientific Games
Mr. Scott Schreweifurt, Scientific Games
Mr. Todd Clark, Scientific Games
Mr. Joseph Myers, NNDA
Mr. Joel Grace, EDAWN
Mr. Allan Creel Sr., Creel
Mr. Allen Creel, Creel
Mr. Gary Kasufkin, Creel
Mr. Steve Rockey, ECO Inter. Tech.

Mr. Jim Parker, Parker Plastics
Mr. Matt O'Neill, Parker Plastics
Mr. John Garland, Parker Plastics
Mr. Mike Muly, Parker Plastics
Ms. Karen Juenola, LVGEA
Ms. Cande Duden, EUL
Ms. Nancy McCormick, EDAWN
Mr. Gary Blosl, Clearwater Paper
Ms. Terri Sheridan, City of N. Las Vegas
Mr. Robert Purdalin, Cheltenham House Products
Mr. Carlo Luri, Bently Heritage
Ms. Susan Carbiemer, Bently Heritage
Mr. Gabe Nacht, Clear Capital
Mr. H. Hakari, Clear Capital
Mr. Sven Catt, Vineburg
Mr. Gerd Poppinga, Vineburg
Mr. Tim Clausen, Lewis Roca
Mr. Bob Graham, Black Ridge
Mr. Raymond Zaratta, United Construction

2. PUBLIC COMMENT

Governor Sandoval opened public comment. There was no public comment.

3. GOVERNOR SANDOVAL'S COMMENTS

Governor Sandoval welcomed the Board and guests in attendance to the meeting and wished everyone a Happy New Year. Governor Sandoval noted that the Board has three new members and welcomed LT Governor Mark Hutchison, Secretary of State Barbara Cegavske, and Mr. James Barrett to the Board.

4. APPROVAL OF THE NOVEMBER 20, 2014 BOARD MEETING MINUTES

A MOTION WAS MADE BY MR. ROY TO APPROVE THE NOVEMBER 20, 2014 MEETING MINUTES; THIS MOTION WAS SECONDED BY MR. YERUSHALMI. GOVERNOR SANDOVAL ABSTAINED FROM VOTING ON THE MOTION, AS HE DID NOT HAVE A COPY OF THE MINUTES TO REVIEW. GOVERNOR SANDOVAL ASKED THAT LT. GOVERNOR HUTCHISON, SECRETARY OF STATE CEGAVSKE AND MR. JAMES BARRETT ABSTAIN FROM APPROVAL, AS THEY WERE NOT PRESENT FOR THE NOVEMBER 20, 2014 BOARD MEETING. ALL OTHER BOARD

MEMBERS VOTED IN THE AFFIRMATIVE AND THE MOTION WAS PASSED.

5. ABATEMENT AND INCENTIVE APPLICATION FOR BOARD APPROVAL:

A. SCIENTIFIC GAMES & SCIENTIFIC GAMES PRODUCTION

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**
- **REAL PROPERTY TAX ABATEMENT**
- **TRANSFERABLE TAX CREDIT**
- **CATALYST FUND (SCIENTIFIC GAMES)**

Mr. Mike Walsh presented Scientific Games abatement application and Catalyst Fund application to the Board. Scientific Games is leading innovator in the global lottery and regulated gaming industry, beginning with the breakthrough technology in 1974 of the first secure instant lottery game. With the purchase of WMS and the recent acquisition of Bally Technology, Scientific Games is the second largest company in the gaming and lottery manufacturing industry. The company has been in the industry for over 40 years with over 300 customers on six continents. Scientific Games has a large manufacturing presence in Nevada with of 1400 employees. Scientific Games is ascertaining the availability of incentives when considering Nevada and other states for the relocation of their manufacturing base and corporate headquarters. Scientific Games Productions is producing a 69M nationally televised game show based on the iconic Monopoly brand. The Monopoly Millionaire's Club will create Nevada's largest sound stage a 40K square foot facility that will be available to outside productions when the game show is not in production. Scientific Games headquarters relocation will have a capital equipment investment of 4.85M. They will have 202 employees within the first 12 months of operations. These employees will have an average hourly wage of \$23.44. The company will have 250 employees in 3 years. Scientific Game is requesting a Catalyst Fund grant of 1.4M as part of its headquarters relocation. Scientific Games Productions is requesting abatements to be used in the construction of the sound stage. Scientific Games Productions will have a capital investment of 7.6M and will employ 10 employees with an average wage of \$21.21. Scientific Games Products previously applied and was granted 3.4B in preliminary Transferable Tax Credits through the Film Tax Credit Program for the first phase of this production. The abatement application is in addition to the tax credits and is for the permanent sound stage. The first seasons 63 episodes are expected to bring 8,200 guests to southern Nevada.

Mr. Walsh introduced Mr. Gavin Isaacs, President and CEO of Scientific Games. Mr. Isaacs thanked the board and mentioned that the last time he was before the Board was in 2000 when Aristocrat was licensed. Mr. Isaacs introduced Mr. Scott Schweinfurth, CFO, Todd Clark, who handles property and facilities and Dawn Hineman, general counsel. Mr. Isaacs stated that most people know that Scientific Games acquired WMS 12 months ago and recently closed on acquisitions of Bally and Shuffle Master. They would like to bring more employees to the state with those same high skills. Scientific Games in a lottery company and the game show is built around that concept. Participants would have a opportunity for a second chance to win by going online for the chance to win a trip to

Las Vegas to go on the game show. The sound stage that is being built is the largest in the world. Billy Gardell from Mike and Molly is the compare. The idea was to keep the production confidential, but with Twitter and YOUTUBE that has been impossible. Mr. Isaac concluded his presentation by stating that Scientific Games is proud to be headquartered in Las Vegas.

Governor Sandoval thanked Mr. Isaacs for his presentation and stated that he is very excited by the prospect of the company's headquarters relocation to Nevada. Governor Sandoval asked Mr. Isaacs where Scientific Games is in their decision making process relative to the relocation of their headquarters if the company's request is approved by the Board.

Mr. Isaacs stated that the plan is subject to the Board's approval, yes, the company will move its headquarters here.

Governor Sandoval asked Mr. Isaacs if the company considered other states when deciding to relocate its headquarters.

Mr. Isaacs said the company has a fairly large facility in Alpharetta, GA, with 1,500 employees, where tickets are printed and R&D is housed. The company has a stunning facility in Chicago, from the WMS side of the business. New York is where their chairman and board are located being the headquarters for the company. There was a small presence in Nevada with WMS, but much larger now with the acquisition of Bally. Their chairman is very much in favor of the relocation of headquarters to Nevada. Chicago was a very viable option also. So the choice was between Chicago and Las Vegas.

Governor Sandoval asked what percent of the 202 new jobs will be through relocation and what percentage will be hired here in Nevada.

Mr. Isaacs said that was a good question. Mr. Isaacs stated, based on things going well here today, we have a production facility for manufacturing games in Waukegan, IL and Bally manufacturing here in Las Vegas. We plan to shut down manufacturing in Waukegan and relocating it here along with the finance facility. So, more like 80% additional relocation in phase one.

Governor Sandoval pointed out that the 12 month projection is 202 new jobs and then 48 in within 3-5 years, but it sounds like it will be more robust.

Mr. Isaacs state that is the plan. We are initially working with the banks, we have a 2 year synergy figure. We plan expand and build a proper facility and R&D center for us. The plan is to exponentially grow the business here.

Lieutenant Governor Hutchison noted the equipment capital expenditure of 4.8M and the company's expectation that that will go up with the expansion and what the company intends to do with their headquarters.

Mr. Isaacs stated that is the initial plan with phase one to set this up. The company has 6 properties in Las Vegas. They are deciding how to build a global campus and this is just for phase one.

Secretary of State Cegaske asked if the company was connected with any local television studios.

Mr. Isaacs explained that the company's R&D developed its own studio for production of the game show. The show will air on certain networks but not on primetime networks. The company is hoping to expand to major networks if the show is successful.

Director Hill thanked the folks at Scientific Games for working so diligently with us for several months to reach this point. While we think this is a logical choice for Scientific Games to make, we know there were alternatives. We appreciate their decision to choose Nevada. Director Hill thanked Brad Mamer, GOED for his work on this effort. Director Hill pointed out that the 3 of our major gaming manufacturers are the 3 largest manufacturers in Southern Nevada. The idea of the alternative to the decision that Scientific Games made today, would be losing a real key part of what the Governor mentioned as Southern Nevada being the global center of the gaming industry as well as the most significant manufacturer in Nevada, is a situation that we did not want to see happen. We feel comfortable with working through this Catalyst Fund and Abatement agreements because Scientific Games is really important to have here. We appreciate their decision. For clarification for new Board members, the number of jobs listed on the summary, are the same that go into any agreement that we sign with any company before us. The number of jobs listed on that summary and on the application, are the number of jobs the company is committing to creating during the first 12 months and will ramp up from there. During this legislative session, we are proposing moving that number out to two years because we only audit after two and five years, so we don't know that number until after the first year. You will notice on the Catalyst Fund application the job number is for 250 jobs. Those are somewhat overlapping jobs but some there are differences in these number because Catalyst Fund last for several years whereas this is just a one year number.

Governor Sandoval thanked Scientific Games again for choosing Las Vegas for their corporate headquarters. This goes a long way for Las Vegas to continue being the global gaming center of the world. The game show will bring more exposure to Las Vegas and increase tourism for the area.

A MOTION WAS MADE BY MR. YERUSHALMI TO APPROVE THIS APPLICATION FOR ABATEMENTS FOR SCIENTIFIC GAMES AND SCIENTIFIC GAMES PRODUCTIONS AND CATALYST FUNDS FOR SCIENTIFIC GAMES; THIS MOTION WAS SECONDED BY LIEUTENANT GOVERNOR HUTCHISON. THE MOTION PASSED UNANIMOUSLY.

B. CLEAR CAPITAL.COM, INC.

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**
- **CATALYST FUND**

Mr. Joel Grace with EDAWN presented Clear Capital.Com, Inc's abatement applications for tax incentives. Clear Capital will be relocating its headquarters to downtown Reno with 400 employees over the next five years with an average wage of over \$30 an hour. The company will be investing an additional 1.7M in equipment and building improvements over in the first two years with total investment of 3M over the next five years. The company offers employees overtime pay, paid time off, sick pay, vacation pay, 401k plan as well as a comprehensive benefit package. Consideration to move the company's headquarters to Reno is based on Nevada's business tax structure and state incentives regulatory structures.

Mr. Grace introduced Mr. Gabe Nacht, CFO and Ms. Helgi Hakari, Legal Counsel, Clear Capital. Mr. Nacht explained that Clear Capital was founded in 2001 in Truckee, CA, the company was based on the principle of finding incredibly service oriented individuals and paring them with the best technology products in the mortgage industry. The company provides real estate valuation solutions, market data and analytics, appraisals and a platform to manage the entire real estate process. Today they have over 300 employees. Technology is the backbone of their business. The company is excited to relocating to downtown Reno and being a part of the renaissance taking place there and tapping into the pool of prospective employees in the area. They are also excited about partnering with UNR to provide career centered course content in valuations and technology and provide those graduates with careers and internships at Clear Capital.

Governor Sandoval asked if Clear Capital will be completely shutting down the current Truckee, CA location or will there still be some employees there.

Mr. Nacht advised that the company's commitment to the Truckee facility currently extends through August 2016. Mr. Nacht stated that 100 - 125 employees will relocate from the Truckee facility by March of 2015 with the remainder moving after the of the Truckee location in August 2016. Mr. Nacht stated that about 30% of those employees live in or around the Reno area.

Governor Sandoval asked if the company looked at other areas when considering the relocation of their headquarters.

Mr. Nacht stated the company had considered maintaining their headquarters in the state of California and had discussions the state's economic development team as well as Texas. But Reno was the logical move for the company.

Lieutenant Governor Hutchison asked what is expected capital investment over 5 years and what the company see happening in the next five years to justify the increase in employees and equipment expenditure.

Mr. Nacht state the company's anticipated investment will be 3 million over 5 years 1.7M coming in the first two years. Mr. Nacht stated that the company is experiencing an uptick in business. They are a technology based company that provides real estate valuation products. The company is always looking out for server space, storage and co-location facilities. Most of this investment is currently taking place in California. Once the company moves this investment will take place in Nevada.

Director Hill commented that we have been working on this project for over 2 years. Director Hill thanked Clear Capital for coming to Nevada and EDAWN for leading the effort to bring the company to the state.

A MOTION WAS MADE BY DR. HAVINS TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS AND CATALYST FUNDS FOR CLEAR CAPITAL.COM. INC; THIS MOTION WAS SECONDED BY SECRETARY OF STATE CEGASKE. THE MOTION PASSED UNANIMOUSLY.

C. PETCO

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Director Hill made introductory remarks and explained to those new to the Board that the Board has had significant interaction with Petco over the past 9 months. In the past we have provided abatement to Petco to help them make the decision to move to Northern Nevada. This has resulted in a very significant invest as well a significant number of jobs. During the past year 2014, Petco had talked to our office about the possibility of being awarded funding from the Economic Development Rate Rider program. That program was developed in the last legislative session and it provides a reduction in the energy portion of a company's utility bills in order to attract companies to Nevada. During that process there are 50 megawatts of energy available to provide that grant. 25 megawatts are available in Northern Nevada and 25 megawatts in Southern Nevada. Simultaneously, when Petco was applying for this grant Tesla was also applying for the entire 25 megawatts allocation for Northern Nevada. Due to confidentiality, we were unable to advise Petco of Tesla's application and that those megawatts would not be available if Tesla was successful with their project. In turn we calculated that the Rate Rider valuation would be worth One Hundred Thousand Dollars over the same time frame. So, the One Hundred Thousand Dollars in this Catalyst application is to replace the Economic Development Rate Rider funding that would have otherwise been available to Petco had Tesla's project not been successful.

Mike Furnstrum presented Petco Animal Supplies Stores, Inc's application for Catalyst Funds for Director's approval.

Governor Sandoval asked Mr. Furnstrum on the status of construction of their facility

Mr. Furnstrum advised that rain had caused delays in November but they are moving along well. They have begun poring slab and will be building walls and roofing soon. Employee hiring will begin in August, the first receipt of goods in early September with

shipping to begin in October with a ramp up of additional employees in November. They feel everything is on track.

Governor Sandoval asked where does the company anticipate seeking their future employees and for a reminder of the size of the facility.

Mr. Furnstrum stated they would offer relocation to employees at two existing facilities in Stockton and Southern California. The company expects a handful of current employees to accept relocation but the remainder of the workforce to be recruited locally and that the facility will be approximately Seven Hundred and Seventy square feet.

Secretary of State Cegaske asked how long will this ramp up take and if this facility would be a distribution center.

Mr. Furnstrum advised that they anticipate hiring of 150 new hires by mid next year and the remaining after their holiday season. Mr. Furnstrum confirmed that this facility would distribute to their retail store as well as online orders.

Director Hill advised that if the Catalyst Fund application is over One Hundred Thousand Dollars, the GOED Director has authority to approve and if over One Hundred Thousand dollars the application must be approved by the Board.

DIRECTOR HILL APPROVED THE CATALYST FUND APPLICATION FOR PETCO ANIMAL SUPPLIES STORES, INC.

D. PARKER PLASTIC NEVADA, LLC

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Mr. Michael Walsh with LVGEA presented Parker Plastics Nevada, Inc's abatement application. Founded in Tulsa, Oklahoma as a start-up injection molding company, Parker Plastics entered the blow molding industry in 1989 with the production of a line of honey bear bottles. Since then, the company has expanded its capabilities in custom plastic container and packaging production for a variety of customers across the United States in the food, beverage, and light industrial manufacturing industries. The company currently has three 100,000 sq. ft. plants in Oklahoma, Wisconsin and Maryland that can service the majority of the United States with next day delivery. The company will make a capital equipment investment of \$5,157,750 and anticipates hiring 26 full-time employees at a pay rate of \$21.07.

Mr. Walsh introduced Mr. James Parker, President and CEO of Parker Plastics. Mr. Parker provided the company's history and stated they have had more than 30 product lines which include the very popular honey bear for their customer Sue Bee Honey. The company is seeking to create a west coast manufacturing presence to service existing customer demand and new business opportunities in the western United States. Mr. Parker noted that Chelton House is one of their customers and that they had recently moved to Nevada. Mr. Parker stated that he visited Chelton House's facility and liked

what he saw here in Nevada. The company has also seen growth in their fresh juice container business. These products are being shipped to California. Parker Plastics plans to move 4 of these production lines to Nevada within 4 years and 4 additional product line within 8 years.

Governor Sandoval stated that part the company's application indicated that they has looked at California and Arizona as relocation options and whether the approval of these incentives were a determining factor in the company's final decision to relocate to North Las Vegas.

Mr. Parker responded yes, Nevada is a tax friendly state except for the upfront expense on capital expenditures, which for Parker Plastics is very substantial. Therefore, these incentives are very important for the company.

Mr. Parker was asked if the company would recruit locally for the 21 positions identified on their application.

Mr. Parker stated that all positions would be recruited and hired locally with the exception of a Plant Manager and Supervisor, who would be retained from their current workforce in Wisconsin.

Lieutenant Governor Hutchison asked Mr. Parker if the planned facility in North Las Vegas would be the company's west coast headquarters and if there would be an increase in capital investment and personnel in the future.

Mr. Parker responded that North Las Vegas would be the center of Parker Plastics west coast operations. The company expects to expand to 50 or 60 employees within 3 years.

A MOTION WAS MADE BY LIEUTENANT GOVERNOR HUTCHISON. TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS FOR PARKER PLASTICS, NEVADA, LLC; THIS MOTION WAS SECONDED BY MR. ROY. THE MOTION PASSED UNANIMOUSLY BY ALL MEMBERS PRESENT.

E. BENTLY HERITAGE, LLC

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Ms. Jojo Myers, Director of Business Development with the Northern Nevada Development presented Bently Heritage, LLC's abatement application for tax incentives. Bently Heritage is a new company developed as part of the Bently Enterprises family of companies. Bently Heritage expects to have 44 Million in capital expenditures with 7 Million being in equipment purchases. The company will create 13 new jobs with an average wage of \$51.90 with a full benefit package.

Ms. Myers introduced Ms. Susan Carbiener, VP of Operations and Mr. Carlo Luri, Director of Business Development for Bently Heritage, LLC. Bently Heritage will

develop, manufacture, store, and warehouse a variety of distilled liquors and spirits. The distillery will operate in several historic buildings in downtown Minden, including the Minden Flour Mill. Management, administration, and business support functions will be co-located near the manufacturing facility. The distillery will be open to the public for tours and tastings and is expected to draw visitors from the Tahoe Basin and beyond.

Governor Sandoval asked if Bently Heritage would have other employees other than the 13 identified in their application.

Mr. Luri responded that the company does plan to grow the staff over time.

Governor Sandoval asked when Bently Heritage plans to open and begin tours of the distillery.

Mr. Luri stated that restoration of the historic buildings that will house the distillery will take some time. The company plans to begin those restorations as early as spring of 2015 with a construction cycle of about one year. The company expects to begin tours and production as by mid-year 2016.

Governor Sandoval asked what percentage of raw materials used for production of spirits will be sourced locally.

Mr. Luri responded that the company's goal is to source 100% of the raw materials locally.

A MOTION WAS MADE BY SECRETARY OF STATE CEGASKE TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS FOR BENTLY HERITAGE, LLC; THIS MOTION WAS SECONDED BY MR. YERUSHALMI. THE MOTION PASSED UNANIMOUSLY BY ALL MEMBERS PRESENT.

F. BLACKRIDGE TECHNOLOGY

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Ms. Nancy McCormick with EDAWN presented BlackRidge Technology's, abatement application. BlackRidge is a privately held network and cyber-security company and was founded in 2010. BlackRidge's headquarters are in Santa Clara, CA, and also has a presence in Washington D.C. and New York City. BlackRidge anticipates a capital investment of 1.5 Million in equipment and to create 30 new jobs with an average hourly rate of \$49.83. Its technology cloaks and protects enterprise network and cloud resources from unidentified and unauthorized users. Primary customers include large financial institutions, large entertainment companies and the US Federal government. The company has five patents granted to date and additional patents pending.

Ms. McCormick introduced Mr. Bob Graham, CEO and Founder of BlackRidge Technology. Mr. Graham gave an overview of BlackRidge Technology. Mr. Graham

explained its technology cloaks and protects enterprise network and cloud resources from unidentified and unauthorized users. Primary customers include large financial institutions, large entertainment companies and the US Federal government. The company has five patents granted to date and additional patents pending. Mr. Graham stated that the company has had proposals from other states such as Virginia and New York, to relocate their company.

Governor Sandoval asked if with a favorable outcome today, where the company is in terms of making a decision to relocate to Nevada.

Mr. Graham stated that the company will be moving their headquarters to Nevada. He also stated that both he and his partner live in Nevada.

Governor Sandoval asked if the majority of the 30 new jobs will be current employees relocating from Santa Clara.

Mr. Graham responded that only three or four employees will be relocating from Santa Clara, the balance of the other jobs will be local hires.

A MOTION WAS MADE BY LIEUTENANT GOVERNOR HUTCHISON TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS AND FOR BLACKRIDGE TECHNOLOGY; THIS MOTION WAS SECONDED BY MR. YERUSHALMI. THE MOTION PASSED UNANIMOUSLY BY ALL MEMBERS PRESENT.

G. BURGESS INFORMATION SYSTEMS, INC. dba PROCARE RX

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Mr. Bunker with LVGEA presented Burgess Information Systems, Inc. dba ProCare Rx's application for abatements. Currently located in Georgia and Florida, the company plans to create their west coast operations center in Nevada. Burgess Information Systems plans to make a capital investment of 1.2 Million and create 47 new jobs with an average hourly wage of \$27.64.

Mr. Bunker introduced, Mr. Jerry Smith, Executive Vice President of Manufactures Programs for Burgess Information Systems. Mr. Smith gave an overview of Burgess Information Systems. ProCare was founded in 1987 and has celebrated year-over-year growth for more than 25 years. Until 1998, the company provided pharmacy claims processing, benefit administration, systems, and other management services throughout the United States. That year, the company expanded its product line to include full-service pharmacy benefit management through the acquisition of NextGen PBM. ProCare PharmacyCare was established in 2003 to provide mail order and specialty pharmacy services. In 2006, ProCare Rx completed the acquisition of Palliative

Therapeutics and created ProCare HospiceCare to offer hospice and on-demand clinical pharmacy services.

Governor Sandoval asked pending the approval of their application today, when would the company anticipate opening their doors for business in Nevada.

Mr. Smith stated that the time frame will be driven by the amount of time it take to obtain the pharmacy license but he anticipates that their offices will be open by April with full line of service by June.

Mr. Smith was asked if the company will provide controlled substances and if they have controls in place to prevent abuse.

Mr. Smith stated the company is fully compliant with dispensing requirements for controlled substances.

A MOTION WAS MADE BY DR. HAVINS TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS FOR BURGESS INFORMATION SYSTEMS, INC. dba PROCARE RX; THIS MOTION WAS SECONDED BY MR. ROY. THE MOTION PASSED UNANIMOUSLY BY ALL MEMBERS PRESENT.

H. CHELTEN HOUSE PRODUCTS

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Mr. Chris Zunis with LVGEA presented Chelten House Products, Inc.'s application for abatements. Chelten House Products is requesting incentives to assist with the expansion of the company in Southern Nevada. The company expects to have 4 Million in capital expenditures and hire 12 full time employees at an average hourly rate of \$20.71.

Mr. Zunis with LVGEA presented Robert Paradise, CFO, Chelten House Products, Inc. Mr. Paradise gave an overview of Chelten House Products, Inc. Chelten House is a privately held manufacturer of sauces and dressings with a focus on private label manufacturing for natural and organic retailers in the USA. In the past twelve years, the company has grown from only a handful of employees, two production lines and ten million in sales to a projected \$92 million in revenues with over 150 employees and five production lines in fiscal year 2014 ending 3/31/2014. We have constructed an 86,000 square foot facility during 2012-2013 in the City of North Las Vegas for food manufacturing and warehousing.

Governor Sandoval congratulated Mr. Paradise on Chelten House Products continued success and thanked him for his encouraging Parker Plastics in their decision to relocate to North Las Vegas.

A MOTION WAS MADE BY MR. YERUSHALMI TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS FOR CHELTEN HOUSE PRODUCTS, INC; THIS MOTION WAS SECONDED BY MR. BARRETT. THE MOTION PASSED UNANIMOUSLY BY ALL MEMBERS PRESENT.

I. CLEARWATER PAPER CORP

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Mr. Chris Zunis with LVGEA presented Clearwater Paper Corporations' application for abatements. Clearwater Paper is requesting these incentives to assist with their expansion of their North Las Vegas facility. The company expects to have a capital investment of 16 Million over a 24 month period and create 22 new full time jobs with an average hourly rate of \$20.69.

Mr. Zunis with LVGEA presented Gary Blosl, Plant Manager, Clearwater Paper Corp. Mr. Blosl gave an overview of Clearwater Paper Corp. Clearwater Paper started operations in North Las Vegas in 1993. Clearwater Paper manufactures quality consumer tissue, away-from-home tissue, hard-roll tissue, machine glazed tissue, bleached paperboard and pulp at 13 manufacturing locations in the U.S. and Canada. The company is a premier supplier of private label tissue to major retailers and wholesale distributors. This includes grocery, drug, mass merchants and discount stores. The company also produces bleached paperboard used by quality-conscious printers and packaging converters. Clearwater Paper's employees build shareholder value by developing strong customer partnerships through quality and service.

Governor Sandoval asked assuming approval of their application today, has a decision already been made by the company to expand its North Las Vegas facility.

Mr. Blosl stated that a big part of its consideration to move forward with growing its facility in Nevada is the economic incentives offered by the state. The incentives would assist the company with efforts to expand its existing warehouse facility in North Las Vegas. Additionally, the company favors Nevada over the company's other possible locations in Oklahoma, Illinois, and Idaho due to a more favorable operating cost advantage to expand here.

Governor Sandoval asked where the company recruits its employees from.

Mr. Blosl advised that all new employees will be recruited from the local area.

Sam Routson asked where the company sources their paper and tissue stock.

Mr. Blosl advised that some stock is sourced from Idaho, Canada and Brazil, but the majority is sourced from the United States.

A MOTION WAS MADE BY MR. BARRETT TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS FOR CLEARWATER PAPER CORP; THIS MOTION WAS SECONDED BY MR. ROUTSON. THE MOTION PASSED UNANIMOUSLY BY ALL MEMBERS PRESENT.

J. CREEL PRINTING & PUBLISHING CO., INC.

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Mr. Morgan Bunker with LVGEA presented Creel Printing & Publishing Co., Inc.'s application for abatements. Creel Printing & Publishing is applying for incentives to assist in their expansion at their Sunset Road facility. Creel Printing & Publishing Co. plans to make a capital investment of over 33 Million and create 13 new full time jobs with an average hourly wage of \$20.63.

Mr. Bunker introduced Allan Creel Sr., CEO and Allan Creel Jr., President of Creel Printing & Publishing. Allan Creel Jr. gave an overview of Creel Printing & Publishing. Creel Printing's Las Vegas facility, which encompasses over 300,000 square feet, is a full service facility with capabilities ranging from pre-media, printing, binding, mailing, distribution and fulfillment. Our facility operates 24 hours: 7 days a week and produces a wide variety of award winning printed media ranging from Direct Mail, Manuals, Catalogs, Publications, and Commercial products." The company was founded in Southern Nevada and celebrated 60 years in business in 2013. Throughout its 60 years, Creel Printing has grown to be the 46th largest printing company in North America. The company is poised for growth and is competing more on a national and international level. In planning its growth, Creel Printing has the option to start production in another part of the country by mirroring its Las Vegas facility in another state. Others options include Idaho, Arizona, Texas, Florida, Minnesota, Illinois, and Wisconsin.

Lieutenant Governor Hutchison asked Mr. Creel to provide more information on the future construction the company has planned.

Mr. Creel explained that the company's current facility is 250 thousand square feet on about 15 acres and they plan to add an additional 150 square feet.

A MOTION WAS MADE BY LIEUTENANT GOVERNOR HUTCHISON TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS FOR CREEL PRINTING & PUBLISHING CO., INC.; THIS MOTION WAS SECONDED BY MR. YERUSHALMI. THE MOTION PASSED UNANIMOUSLY BY ALL MEMBERS PRESENT.

K. ECO WASTE CONVERSION SOLUTIONS CORP

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**
- **RECYCLING REAL PROPERTY TAX ABATEMENT**

Mr. Chris Zunis with LVGEA presented ECO Waste Conversion Solutions Corp's application for abatements. ECO Waste Conversion Solutions Corp. is applying for incentives to assist in their new operations in Las Vegas. ECO Waste Conversion Solutions Corp. plans to make a capital investment of over 24 Million and create 58 new full time jobs with an average hourly wage of \$22.24

Mr. Zunis introduced Mr. Steve Rockey, President, ECO Waste Conversion Solutions. Mr. Rockey gave an overview of the company. EWC is a privately-held waste management solutions company established in 1994. Its patented Thermal Conversion of Organic Materials (TCOM) System converts waste and trash into by-products that can be sold and reused. The main by-products produced are synthetic fuels and carbon which can be used for air/water filtration and for manufacturing and agriculture uses. The conversion is performed with no environmental impact from the process itself and is a contained process with no ventilation or exhaust stack or emissions. EWC was examining multiple locations throughout the western states such as California and Hawaii and ultimately, after much due diligence and economic feasibility analysis, Nevada was chosen for its overall incentive package and pro-business climate.

Governor Sandoval asked if the company would be hiring exclusively in the local area.

Mr. Rockey confirmed that the vast majority of recruitment and hiring would be done locally.

Mr. Roy asked if ECO Waste Conversion Solutions handles scrap tires and if so what volume.

Mr. Rockey advised that scrap tires are their number one product. The company handles about 3 tons of scrap tires per hour.

A MOTION WAS MADE BY MR. YERUSHALMI TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS FOR ECO WASTE CONVERSION SOLUTIONS CORP.; THIS MOTION WAS SECONDED BY MR. BARRETT. THE MOTION PASSED UNANIMOUSLY BY ALL MEMBERS PRESENT.

L. VINEBURG MACHINING, INC.

- **SALES TAX ABATEMENT**
- **PERSONAL PROPERTY TAX ABATEMENT**

Ms. Jojo Myers with NNDA presented Vineburg Machining, Inc.'s application for abatements. Vineburg Machining, Inc. is applying for incentives to assist with their expanding operations in the Carson City region. Vineburg Machining, Inc. plans to make a capital investment of \$627,800 and create 10 new jobs with an average wage of \$18.09, matching the county's average wage.

Ms. Jojo Myers introduced Sven Catt and Gerd Poppinga as representatives of Vineburg Machining, Inc. Mr. Poppuluga and Mr. Catt gave an overview of the company. Vineburg is a veteran-owned, full service machine shop that was originally established in Sonoma, CA in 1977. The operations were moved to Carson City, NV in 2003 and hired 3 individuals, with the focus of providing quality machining services for various industries and sectors. They had to reinvent their company in the machining industry. About 4 years ago, they decided to invest in the latest equipment to ensure they remained competitive within the industry.

Governor Sandoval commented on the thoroughness of both the application and presentation. The Governor noted that he is pleased Vineburg, being a veteran-owned company has expressed interest in expanding in Lyon County, as there is a high unemployment rate and a manufacturing company would be beneficial.

Mr. Yerushalmi took the opportunity to commend the company on a story of perseverance, as he is supportive of the company continuing to stay and grow with our state.

A MOTION WAS MADE BY MR. ROY TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS FOR VINEBURG MACHINING, INC.; THIS MOTION WAS SECONDED BY SECRETARY OF STATE CEGASKE. THE MOTION PASSED UNANIMOUSLY BY ALL MEMBERS PRESENT.

6. GOED BILL DRAFT REVISIONS

Director Hill opened with inviting Board members to provide any commentary they may have in regards to the bill draft revisions. Director Hill briefly provided comments on the bill draft revisions. The first bill involves SB 68-Reciprocal Medical Licensing is a temporary license for medical professionals to obtain as they go through the standard board process for the State. Mr. Hill pointed out the Lt. Governor and former speaker Kirkpatrick have worked diligently on SB 93 to the point that it their #1 economic development priority going into the upcoming legislative session.

Mr. Hill briefly made references to the bills AB 17, AB 47 and SB 74, noting that modifications have been changes made to SB 74 to change abatements due to feedback from the Board. There were no questions or comments from the Board.

7. DIRECTOR'S COMMENTS

Director Hill discussed the tremendous progress that Tesla has made in Northern Nevada, with approximately 450 construction workers on site and approximately 80% of them being from Nevada. Mr. Hill complimented the Governor on his State of the State

address, as the Governor is moving forward with making the connection between education work force and economic development. Additionally, Mr. Hill commented that the business license fee proposal is tailored in a way that works for the effort of economic development.

Director Hill noted that he is pleased with a group that is looking into bringing a professional NHL franchise to Southern Nevada.

A trade mission is in progress to Europe in July focused on water, information technology, mining, manufacturing and hospitality.

The City of Henderson has withdrawn 2 of their Catalyst Fund applications for Cannon Safe and Pathion. The money will be used for alternative uses. Lastly, Mr. Hill noted that there are two positions open which include a Natural Resources Industry Specialist and Mining Industry Specialist.

Secretary of State Cegaske thanked Director Hill for taking time out to kindly go over all of the information pertaining to joining the GOED Board.

Governor Sandoval welcomed the new members to the Board and complimented the leadership of Director Hill and the GOED team. Mr. Rouston agreed with Governor Sandoval.

8. PUBLIC COMMENTS

There were no public comments.

9. ADJOURNMENT

A MOTION WAS MADE BY LT. GOVERNOR TO ADJOURN THE BOARD MEETING; THIS MOTION WAS SECONDED BY SECRETARY OF STATE CEGASKE. THE MOTION PASSED UNANIMOUSLY. THE MEETING ADJOURNED AT 4:35 P.M.