

**STATE OF NEVADA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
BOARD MEETING
March 19, 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
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
Mr. Bob Potts, Research Director, GOED
Ms. Maria Guideng, Business Development Analyst, GOED
Ms. Jennifer Cooper, Communications Director, GOED
Mr. Mike Skaggs, Deputy Director, GOED
Mr. Karsten Heise, Director, Technology Commercialization
Mr. Cesar Melgarejo, ESB Program Administrator, GOED
Ms. Susan Moore, Sr. Policy Analyst, NV Lieutenant Governor's Office
Ms. Ann Pongracz, Office of the Attorney General
Ms. Christine Guerci-Nyhus, Office of the Attorney General
Ms. Lezlie Helget, Department of Taxation
Ms. Melanie Brooks, Department of Taxation

GUESTS PRESENT

Mr. Michael Walsh, LVGEA
Mr. Andrew Doughman,
LVGEA
Mr. Joel Grace, EDAWN
Mr. Joe Magliozzi, Sutherland
Global Services

Mr. Ren`e Lafferty, Sutherland Global Services
Mr. Daniel Cady, Sutherland Global Services
Mr. Stan Thomas, EDAWN
Mr. Scott Gunnell, Deceuninck NA
Ms. Kathy Halbardier, NVIE

2. PUBLIC COMMENT

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

3. GOVERNOR SANDOVAL'S COMMENTS

Governor Sandoval had no public comments.

4. APPROVAL OF THE JANUARY 22, 2015 BOARD MEETING MINUTES

MS. DRAKULICH REQUESTED TO HAVE THE MINUTES REFLECT THAT SHE WAS AVAILABLE FOR THE MEETING BUT WAS UNABLE TO PARTICIPATE FULLY DUE TO TECHNICAL ISSUES WITH THE TELECONFERENCE SYSTEM. A MOTION WAS MADE BY SECRETARY OF STATE CEGASKE TO APPROVE THE JANUARY 22, 2015 MEETING MINUTES; THIS MOTION WAS SECONDED BY MR. BARRETT. ALL OTHER BOARD MEMBERS PERSENT VOTED IN THE AFFIRMATIVE AND THE MOTION WAS PASSED.

5. ABATEMENT AND INCENTIVE APPLICATION FOR BOARD APPROVAL:

A. GREENU COMMODITIES, LLC

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

Governor Sandoval advised the Board that the application for Greenu Commodities, LLC has been removed from the today's agenda.

Director Hill further explained that some affected jurisdictions did not receive the proper thirty (30) day notifications due to some confusion related to Greenu's proposed facility location. Director Hill stated that Greenu Commodities, LLC's application would be brought before the Board at a future meeting.

B. SUTHERLAND GLOBAL SERVICES, INC.

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

Mr. Michael Walsh with LVGEA presented Sutherland Global Services, Inc's abatement applications for tax incentives. Sutherland Global Services ("Sutherland") is applying for Sales Tax, Modified Business Tax and Personal Property Tax abatements. The company meets statute for job creation and capital investment levels. Sutherland Global will make a capital investment of \$3,347,475 with an additional capital investment of over \$2 million for tenant improvements of the proposed facility located on the second floor of the Boulevard Mall on Maryland Parkway in Las Vegas. This location is considered severely distressed and will also qualify for New Market Tax Credits. Sutherland Global Services plans to hire 230 full time employees for their new facility with an average hourly wage of \$14.43 and will provide a full benefits package.

Mr. Walsh introduced Mr. Joe Magliozzi, Sr. Accounting Manager, Rene' Lafferty, ADP Human Resources and Daniel Cady, Talent Acquisition and Recruitment for Sutherland Global Services. Mr. Magliozzi provided a brief history of the company. Established in 1986, Sutherland Global Services is a global provider of business process outsourcing (BPO) and technology management services offering an integrated portfolio of analytics-driven back-office and customer solutions that support the entire customer lifecycle. Sutherland services multiple industries including Technology, Retail, Financial Services, Insurance, Healthcare, Travel, Transportation & Logistics and Government. Mr. Magliozzi advised that the company has narrowed their list of potential options to two (2) states. Mr. Magliozzi stated that Nevada has separated itself from its competition with its extremely motivated workforce, educated talent pool and offering a fresh and exciting atmosphere. Sutherland Services is confident that they can reach their goal of hiring the 230 employees outlined in their application. Mr. Magliozzi stated that the company has developed partnerships with Nevada Job Connect, Silver State Works and UNLV to ensure this goal is reached. The approval of these incentives will enhance the company's decision making process.

Governor Sandoval asked based on a favorable outcome today, how soon will the company make its decision.

Mr. Magliozzi responded the company would make a final decision within a month's time.

Governor Sandoval clarified his question by asking directly where Nevada stands relative to other states and the company's decision.

Mr. Magliozzi stated that Sutherland has done its due diligence and Nevada ranks high among the company's options.

Secretary of State Cegaske asked what type of renovation the company anticipates for the Boulevard Mall location.

Mr. Magliozzi advised the question would be better answered by their developer. However, the expectation is that this would be a complete renovation of the property.

A MOTION WAS MADE BY MR. ROUTSON TO APPROVE THIS APPLICATION FOR TAX ABATEMENTS FOR SUTHERLAND GLOBAL SERVICES, INC.; THIS MOTION WAS SECONDED BY SECRETARY OF STATE CEGASKE. THE MOTION PASSED BY ALL MEMBERS PRESENT.

6. ABATEMENT APPLICATION FOR DIRECTOR APPROVAL:

A. DECEUNINCK NORTH AMERICA

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

Mr. Stan Thomas with EDAWN presented Deceuninck North America's abatement applications for tax incentives. Deceuninck North America (Deceuninck) is applying for Sales Tax, Modified Business Tax and Personal Property Tax abatements. Mr. Thomas introduced Mr. Scott Gunnell, Sr. Supply Chain & Export Manager for Deceuninck.

Mr. Gunnell advised the board that Deceuninck is well into their site selection process and Storey County has made the cut. Deceuninck feels the business tax structure, cost of living and the logistic advantages offered by the area is what makes it an attractive location for manufacturing operations. The company is adding a manufacturing, warehouse and distribution facility in the western U.S. and has targeted Reno as a strong area of interest. Another location under consideration by the company is in Utah. Deceuninck cites the state's incentive program as a critical factor in its decision to expand manufacturing operations into Reno. Mr. Gunnell gave a brief history of the company. Deceuninck North America is a fully integrated design, compounding, tooling and extrusion company that produces vinyl window and door systems and composite applications for the building and construction industry. Deceuninck has a network of more than 500 distribution points across the country. Deceuninck North America is part of the Deceuninck Group, an integrated global organization that is active in more than 75 countries, has 35 subsidiaries and is supported by more than 3,400 personnel worldwide. Deceuninck North America holds more than 150 patents on designs, processes, technologies and material science.

Governor Sandoval asked based on a favorable outcome from the Director today, how soon will the company make its decision.

Mr. Gunnell advised that the company's International Board will be visiting their Monroe, Ohio location for the first time next month and a decision will most likely be made at that time.

Governor Sandoval asked whether the proposed location was Reno, as stated on the application or Storey County.

Mr. Gunnell stated that the company has looked in the Reno area. However, the existing buildings they've looked at have since become unavailable. The company and their developer are continuing to look for an existing facility and possibly land for new construction in the Reno, Fernley and Tric areas. The company is looking for a facility of about 100K – 200K square feet.

DIRECTOR HILL APPROVED THIS APPLICATION FOR TAX ABATEMENTS FOR DECEUNINCK NORTH AMERICA.

7. PERFORMANCE MEASURES REPORT

The Performance Measures Report was presented by Bob Potts, Research Director, Governor's Office of Economic Development. Mr. Potts' review provided the following:

Mr. Potts stated that in the fourth quarter of last year, economic development agencies across the state closed out the year by helping 23 companies add 1,943 jobs to the economy. This brought the 2014 total assisted job count to 5,478. The average hourly wage paid by assisted Nevada companies improved by \$2.09 in 2014. For the year, average hourly earnings came in at \$20.75 and were highest in the fourth quarter at \$24.15. Capital investment by assisted companies came in at \$5.3 billion in the fourth quarter. This is a very large jump from any previous investment activity and highlights the \$5.0 billion investment by Tesla.

Mr. Potts also provided additional job and sector data as well as information on Knowledge Fund, Nevada Film Office, Procurement Technical Assistant Center and the Emerging Small Business Program.

8. DIRECTOR'S COMMENTS

Director Hill advised Board members on the current status of the six (6) GOED sponsored or GOED engaged bills before the legislature. Director Hill stated that all bills are ahead of the April 10th deadline and are moving out of the Senate and Assembly. 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. Mr. Hill briefly made references to the bills AB 17, AB 47 and SB 74, noting that modifications have been made to SB 74 to change abatements due to feedback from the Board. There were no questions or comments from the Board.

9. PUBLIC COMMENTS

Mr. Klaich thanked Mr. Roy for his Switch's partnership with UNR relative to the opening of the InNEVation center in downtown Reno.

9. ADJOURNMENT

A MOTION WAS MADE BY SECRETARY OF STATE CEGASKE TO ADJOURN THE BOARD MEETING; THIS MOTION WAS SECONDED BY MR. ROUTSON. THE MOTION PASSED UNANIMOUSLY. THE MEETING ADJOURNED AT 2:41 P.M.