

**STATE OF NEVADA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
BOARD MEETING MINUTES
Thursday, March 16, 2023**

The meeting of the Board of Economic Development was called to order by Governor Joe Lombardo at the Grant Sawyer Building, Governor's Conference Room, 555 E. Washington Avenue, Room 5100, Las Vegas, Nevada, 89101 and the Governor's Office of Economic Development, Main Conference Room, 808 W. Nye Lane, Carson City, 89703

VOTING BOARD MEMBERS PRESENT

Governor Joe Lombardo, State of Nevada
Lieutenant Governor Stavros Anthony, State of Nevada
Secretary of State Francisco Aguilar, State of Nevada
Mr. James A. Barrett, Jr., President & Founder, The JABarrett Company
Mr. Josh Reid, Director of National Resources, Fennemore Law
Mr. Raymond Specht, Founder & CEO, Specht Leadership Consulting
Ms. Sasha Stephenson, President, SSS Public Affairs
Mr. Tyre Gray, President, Nevada Mining Association
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada

NON-VOTING BOARD MEMBERS PRESENT

Mr. Chris Sewell, Director Department of Employment, Training and Rehabilitation
Mr. Dale Erquiaga, Acting Chancellor, and Chief Executive Officer, Nevada System of Higher Education
Mr. Terry Reynolds, Director of Business and Industry

STAFF MEMBERS PRESENT

Bob Potts, Northern Deputy Director, GOED
Chelsea Walburg-Estep, Director of Business Development, GOED
Hayley Owens, Research Manager, GOED
Gregory Bortolin, Director of Communications, GOED
James Humm, Director of Public Policy and Government Affairs
Jeanette Holguin, Business Development Coordinator & ESB Program Manager
Jessica Murillo, Accounting and Administrative Assistant, GOED
Kristopher Sanchez, Southern Deputy Director, GOED
Michelle Sibley, Director of Human Resources, Diversity and Inclusion, GOED
Melanie Sheldon, Senior Director of Business Development, South, GOED
Stacey Bostwick, Director of Workforce Development, GOED

Susan Skaggs, Executive Assistant, GOED
Thomas J. Burns, Executive Director, GOED
Henna Rasul, Office of Attorney General, State of Nevada, GOED Open Meeting Law Attorney
David Newton, Special Counsel to the Colorado River Commission and GOED

GUESTS PRESENT

Alan Jurkonis, AVK Elastomer Technology, Inc.
Amber Stidham, LVGEA
Amanda Berry, EDawn
Amy Barnes, NNDA
Bill Arent, LVGEA
Carolyn Kresser, LVGEA
Craig Statucki, Department of Education
Edward B. Kangeter IV, Sparks NV, LLC.
Oksana Komarnyckyj, Lotus Broadcasting
Greg Grabau, Monin, Inc.
Heather Wessling Grosz, EDawn
Michael Dayton, Office of the Lieutenant Governor, State of Nevada
Michael Walsh, LVGEA
Nancy McCormick, EDawn
Natalie Marsh, Lotus Broadcasting
Perry Ursem, LVGEA
Peter Lorentzen, AVK Elastomer Technology, Inc.
Randy Looney, American AVK Technology, Inc.
Shane Simpson, United Parcel Service, Inc.
Shelli Long, NV Department of Taxation
Sunaina Shekhawat, Sparks NV, LLC.
Tatjana Vukovic, NNDA
Tina Quigley, LVGEA
Tom Simpkins, Manufacture Nevada
William Lombardo, Monin, Inc.

1. CALL TO ORDER, ROLL CALL, AND ESTABLISH QUORUM

Governor Joe Lombardo, State of Nevada called the meeting to order. Ms. Jeannette Holguin, Business Development Coordinator & ESB Program Manager, Nevada Governor's Office of Economic Development (GOED) called roll and quorum was established.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE DECEMBER 1, 2022, BOARD MEETING MINUTES

Mr. Josh Reid, Board Member, asked for correction to the spelling of his name on pages 8 and 11. Chancellor Dale Erquiaga noted that he was not present for the meeting, and although referred to as a doctor in the minutes, does not have a PhD.

Ms. Holguin confirmed she would make the adjustments.

A MOTION WAS MADE BY LIEUTENANT GOVERNOR STAVROS ANTHONY TO APPROVE THE DECEMBER 1, 2022, BOARD MEETING MINUTES WITH THE SUGGESTED CORRECTIONS. MS. SASHA STEPHENSON SECONDED. THE MOTION PASSED UNANIMOUSLY.

4. EXECUTIVE DIRECTOR UPDATE AND DIRECTOR'S REPORT

Director Tom Burns, Executive Director, Nevada Governor's Office of Economic Development (GOED), began his report with an update of the activity of the agency since December's meeting. Director Burns noted GOED has closed two of the three largest deals in Nevada's history between Tesla, Inc., and Redwood Materials, Inc. issued a five-year strategic plan, released a 2022 Annual Report, received \$113 million for the State Small Business Credits Initiative (SSBCI), and is preparing for the 2023 legislative Session. Director Burns commended the GOED staff and its dedication to the people of Nevada.

Director Burns highlighted the great working relationship GOED maintains with the Regional Development Authorities (RDAs) throughout the state.

Director Burns discussed the training facilities Ms. Stacey Bostwick, Director of Workforce Development, GOED has been developing in conjunction with Western Nevada College (WNC) and Truckee Meadows Community College (TMCC) and its impact on workforce development, specifically as it relates to the Panasonic and Tesla training centers.

Director Burns discussed Mr. Karsten Heise, Director of Strategic Programs, GOED, the Knowledge Fund and the work being done to bring funds to the state, particularly as Nevada has historically fallen behind in terms of bringing in federal funds. On February 9, 2023, Mr. Heise and Ms. Mendy Elliott, Senior Vice President, Public Policy Director, Flynn Giudici Government Affairs, highlighted the Battle Born Growth Microloan Program in a presentation to the Federal Reserve Bank of San Francisco. The Microloan program services economically disadvantaged businesses and individuals throughout the state, targeting businesses with employees of less than 500.

Director Burns next discussed rural and economic community development, noting that there has been significant outreach via the Community Development Block Grants (CDBG). Director Burns indicated that the Recovery Housing Program (RHP) provides housing for those that are

subject to substance abuse, and that GOED has been awarded approximately \$3.3 million, nearly half-a-million of which needs to be deployed by May of this year. Director Burns explained that the Board has identified three projects throughout the state to provide stable housing for those addressing substance abuse.

Governor Lombardo asked if the specific projects are identified in the report.

Director Burns indicated that they are not, but that GOED can provide the Board with additional information. Director Burns noted that Shari Davis, Director of Rural Economic and Community Development, GOED, and her team have been reaching out to the rural RDAs to bridge the gap between the rural RDAs and federal programs as they become available.

Director Burns highlighted the Nevada Apex Accelerator, formerly known as Nevada Procurement Technical Assistance Center (PTAC), has been reaching out with the mission of bridging local state businesses and the federal government and noted the Director's Report, in the Board Members binders, identifies five specific successes, citing one example of Live Electric of Las Vegas, a small women-owned small business in southern Nevada, which has been awarded two contracts for the city of Las Vegas and significant subcontractors, as well as SHF International.

Director Burns next acknowledged the Nevada Film Office (NFO), which has been very active and has some upcoming productions, including The Family Plan starring Mark Wahlberg and a reality show for Germany's Next Top Model hosted by Ms. Heidi Klum. The legislative session could include significant conversation around film tax credits and potential for the film sector to grow within the state,

Director Burns informed the Board that within the healthcare industry, there is work in progress with the United Arab Emirates Investors mission to bring venture capital into Nevada, for investments in the life sciences and to build out infrastructure related to mental and physical health. Partnership opportunities would be sought with entities such as the Nevada System of Higher Education (NSHE), Roseman University, the City of Las Vegas, and Nevada State College

Mr. Reid asked what the first paragraph of the report means in terms of restructuring and bringing the fiscal and business office into compliance.

Mr. Bob Potts, Deputy Director, GOED, explained that GOED has been undergoing an audit and while going through this process, has been streamlining and updating its procedures and protocols so as to get everything into compliance that aligns the Legislative Counsel Bureau (LCB) requirements.

Governor Lombardo asked what GOED has done to change the way Nevada solicits federal money.

Director Burns advised GOED is now being more aggressive in terms of grant analysis and determination of opportunities based on the demographics within the state.

Mr. Jay Barrett, GOED Board Member, referenced a newly formed entity called Nevada Grant Lab, which is based in Las Vegas, and the purpose of which is to educate the community of accessing grants, including federal grants. The Chief Executive Officer is Miles Dixon. Governor Lombardo asked if this organization is privately funded.

Mr. Kris Sanchez, Deputy Director GOED, confirmed the Nevada Grants Lab is privately funded through donations and that GOED is working closely with them on several upcoming big grants, including a Hydrogen Hub grant offered by the Department of Energy (DOE). Nevada is partnering with the state of Arizona in this grant that should bring about \$350 million into southern Nevada if successful. Mr. Sanchez discussed the Innovation Hub Program through the Department of Commerce (DOC) and the Economic Development Administration (EDA), noting that GOED is working with the Grants Lab and the stakeholders in southern Nevada to provide input into the registry process. It is anticipated the Notice of Funding Opportunity (NOFO) will come out within the next 90 days.

Mr. Potts discussed the strategic plan, noting that GOED ensured the plan was a comprehensive economic development strategy by the standards of the EDA. Mr. Potts noted that anybody in the state is now able to apply for EDA grants, which was not the case prior to the implementation of this strategic plan.

5. METRICS REPORT

Ms. Hayley Owens, Research Manager, GOED, discussed the quarterly performance report, which includes a full calendar year of economic development stats, but with a focus on the second quarter of the state fiscal year, which was September through December of 2022.

Ms. Owens explained that most of the stats refer to assisted companies and specified that these are comprised of both incentivized and non-incentivized companies. In addition to incentivizing economic development in the form of tax abatements and tax credits, the GOED team, and, RDAs, also assist companies in establishing or expanding via assistance with building permits, finding real estate, or workforce issues. Ms. Owens provided the Board with the specific statistics from the 46 total assisted companies.

Ms. Owens noted that although each of the metrics are down in 2022 from the prior year, the average wage paid by assisted companies in 2022 broke the \$30 mark for the first time, up just over 14 percent from the prior year. In addition, investments pledged by assisted companies were also up significantly over the year, noting that this is mainly due to the \$1.1 billion investment pledged by Redwood Materials, Inc. in the December quarter.

Governor Lombardo commented on the significant drop in the number of leads and asked if this is due to something that has changed or if there is something that Nevada needs to do differently.

Ms. Owens indicated that this is likely due to the holding pattern in which a lot of businesses have been due to the recent economic conditions. These definitions can be somewhat fluid as sometimes a company can go straight from a lead to a win and skip the prospect stage altogether.

Director Burns added that some of this drop comes from the pent-up demand that came out of COVID, which led to a spike as to the availability of opportunities, which then leveled out, causing that spike to drop. GOED's will employ new tactics to be more forward-thinking about contacting people rather than waiting for people to come to GOED.

Mr. Reid asked about data relating to water and the changes in ordinances in southern Nevada that might affect manufacturing and some of the tech industry.

Mr. Sanchez indicated that GOED has been working with the Southern Nevada Water Authority (SNWA), the Las Vegas Global Economic Alliance (LVGEA) and several organizations in southern Nevada to consider potential solutions, including quantifying job growth and capital investment opposed with water consumption, and different technology identification as the state moves away from evaporative cooling to use dry cooling. Historically, the state has been a good steward of water, providing it with a bit of runway compared to the southwest in general.

Ms. Owens reiterated Director Burns' point that there was a lot of activity in 2021, which makes a year-over-year comparison especially difficult. There are specific callouts for four of the major divisions within GOED: the Emerging Small Business Program (ESB); the rural CDBG Program; the Nevada Apex Accelerator, and the Nevada Film Office (NFO).

Ms. Owens highlighted the business development and economic development activity by GOED and its RDAs, noting that actual jobs over the last 11 years have exceeded the pledge jobs by over 7,000. The largest category, in Nevada, for assisted companies is manufacturing, followed by logistics operations and information technology, and noted that these are consistently GOED's target sectors.

Ms. Owens next discussed the quarterly details regarding leads, prospects, and wins, as well as the return on investment from standard abatements, which was \$5.00 in 2022, meaning that for every dollar abated, the state expects to receive \$5.00 of net new taxes both during the abatement periods and after they end.

Ms. Owens next discussed the Nevada job and sector data, beginning with overall Nevada jobs and unemployment. Ms. Owens pointed out that the five primary economic development target sectors in the state plan are as follows: advanced manufacturing; transportation and logistics; information technology/natural resources and technology; and hospitality, tourism, sports, and creative industries, noting that these are different than the target industries in the past. In advanced manufacturing, jobs have increased by almost half since 2012; transportation and logistics has nearly doubled in size since 2012 and had 12.8 percent year-over-year growth in

2021 and 4.6 percent growth in 2022; information technology is a smaller sector in terms of overall jobs, but has an average annual growth rate of 5.4 percent over the timeline, which outpaces overall job growth; natural resources and technology also has growing jobs and high wages; and in the hospitality, tourism, sports, and creative industry, the impact of the COVID pandemic has drastically affected jobs.

Governor Lombardo asked Mr. Tyre Gray, GOED Board Member, for his opinion regarding the low percentage of assisted companies in the mining industry over the last 11 years.

Mr. Gray noted that this is likely for three reasons: mining is an industry that requires a large amount of capital investment upfront, and the majority of mines have been present within the state for a number of years; mining has not always been a targeted sector, and so there is now more development in the green-energy space due to lithium; Nevada does not really have processing within the state and as such, the regulatory structure hasn't really permitted for that level of development. Mr. Gray advised that a lot of investments have gone on in the mining space in recent years and he believes belief that this will continue to trend upwards.

6. MARCH 2023 ECONOMIST MEETING HIGHLIGHTS

Mr. Potts discussed the slowdown in activity mentioned by Ms. Owens in her report and noted concerns within the general public regarding potential recession. In standard Board meetings, discussions involved the unemployment rate and being that Nevada is not in an above-7-percent unemployment rate situation, this was an opportunity for to discuss the state of the economy. Mr. Potts reiterated the inextricable tie between the pandemic and the state of the economy and explained that the focal points of conversation at the meeting included: the new job numbers; what's gone on with the benchmarking; what happened to the unemployment rate; why the state of Nevada has the highest unemployment rate of any state in the US; why Nevada moved up from 5.5 percent to 5.9 percent; the incongruity when all the jobs were added; and what is happening with labor force participants. Mr. Potts explained that this is very helpful for each of the agencies in economic development, including GOED, to develop strategies and opportunities to build out the pipeline and support the tie between economic growth and economic development. Mr. Potts explained that there is a one-page deliverable available to Board members in their packet, which is a consensus forecast of each economist's submission of proxy variables regarding the trend of the economy. These variables include unemployment rate; job growth, visitor volume; taxable sales; and how each of these will proxy what's happening with the economy as a whole. Each economist was asked to provide a margin or error with worst case and best case in mind and noted that the provided charts include the consensus of the most likely situation. Some of the highlights, including: the unemployment rate is expected to drop from 5.5 percent to 5 percent in June and then 4.5 percent by the middle of 2024; job growth is expected to slow down, but not appreciably, down to 2.5 percent by June of 2024; year-over-year growth is expected to experience a slight slowdown in terms of visitor volume and tourism; and the taxable-sales side of things is also expected to experience a slight slowdown. There was

little variance from one economist to another, with predictions that the bottom will not fall out of the economy, but rather will go from soft to flat, barring any major unforeseen events.

Governor Lombardo asked Mr. Chris Sewell his comfort level with the accuracy of the unemployment data provided.

Mr. Sewell noted that Mr. Dave Schmidt, Chief Economist, Nevada Department of Employment and Rehabilitation (DETR) concurs with the data Mr. Potts presented and indicated his agreement, as well.

Mr. Potts explained that Mr. Schmidt is also a part of the economist meetings.

Mr. Sewell pointed out that the big unknowns that can impact the economy right now are what will happen with the banking industry and the debt situation.

Mr. Potts indicated that the Federal Reserve regularly comes out of what's going on as far as total savings right now and that post-pandemic, the country is at roughly 2.2 trillion above pre-pandemic high in terms of consumer savings. Approximately \$1.8 trillion of that has been spent, leaving about \$800 billion.

Mr. Terry Reynolds, GOED Board Member, asked if there is a structural profile of the unemployed and whether there's any prediction of what it looks like in terms of who is unemployed, noting that the state has seen a tremendous inflow of people and questioned the data for the numbers for unemployment based on that inflow.

Mr. Potts explained that there is a long lag time to get the federal stats and the secondary data to come back, and the unemployment series is a small sample based on a household survey collected by the census. There is some anecdotal information, but it cannot be considered anything more than that. The current challenge exists due to the huge shock to labor markets by the pandemic.

Ms. Owens added that some interesting conversations took place with the chief economist at DETR because the January workforce data was so interesting. Job growth was very strong, at approximately 6 percent, but the unemployment rate remains stubbornly high compared to other states in the nation. GOED is asking similar questions, to that of Mr. Reynolds, regarding whether significant migration into the state is contributing to the large unemployment rate.

Lieutenant Governor Anthony questioned the potential of a 50-percent drop in visitor growth over the next year.

Mr. Potts noted the Lieutenant Governor was reading the data correctly and that right now so many things are going on that are outside of historical trends. The big discrepancy between best-case and worst-case scenarios over the most likely case is the lack of confidence in margin in

those numbers. The challenge is when there is an economy largely tied to the tourism, gaming, and entertainment industry, it is largely tied to discretionary dollars.

Lieutenant Governor Anthony questioned how it came to be that the number is a 50-percent drop from June to June.

Mr. Potts explained that the economists believe that year-over-year growth is going to still have enough velocity with these dollars that are out there that people are going to spend on discretionary to keep the state at a 10-percent year-over-year growth, but as those dollars get pulled back and savings start drying up, that number will drop down to only 5-percent year-over-year growth. There is a larger magnitude in visitors than is seen in some of the other series because it is more of an exponential formula than a linear one.

Mr. Reid asked if the gaming companies have the same perspective on visitors.

Lieutenant Governor Anthony explained that he did not know as this is the first, he is seeing this information.

Ms. Owens confirmed that although the gaming industry people are not part of these meetings, Mr. Mike Lawton from the Gaming Control Board is part of the meetings, and he is a contributor to the expectations and the conversation along with Mr. Kyle Schulz, Research Manager at the Division of Tourism. Ms. Owens further noted that this is not an actual decline in visitor volume, but rather a slowing of the growth rate.

Mr. Reid asked if there was any discussion on projections on population growth as well as whether there was any discussion about property tax and projections as to how that's fairing with any potential downturn in assessed valuations moving forward.

Mr. Potts explained that although it is not published here, the state is looking at similar growth going forward as it's seen up to now, approximately one-and-a-half percent. Property taxes have not been a high focus as property taxes largely go to the local government and the economist meeting predominately focuses on the state streams and abatements.

Mr. Ray Specht, GOED Board Member, commended GOED staff for the exceptional work they've done in developing the reports. Mr. Specht questioned if there is a way to track jobs brought to the state as well as jobs created organically within the state to note what is working well and what could use improvement.

Mr. Potts explained that here are data streams that can help to provide those answers and GOED would be happy to work with Mr. Schmidt and his team to try and provide at the very least some proxy numbers.

Chancellor Erquiaga noted that real-time enrollment numbers are starting to grow again and traditionally, particularly in community colleges, enrollment grows when the economy tips into

a recession. Chancellor Erquiaga questioned whether more data points could be added that provide what is being seen in enrollment in hopes of helping sort a long-term forecast for not only budget, but also workforce development.

Mr. Potts indicated that GOED would be happy to have more data points and more input.

ABATEMENT APPLICATIONS FOR BOARD APPROVAL

A. AVK ELASTOMER TECHNOLOGY, INC.

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

Ms. Amy Barnes, Director of Business Development, Northern Nevada Development Authority (NNDA), introduced AVK Elastomer Technology, Inc.

American AVK Company (American AVK) is currently planning to expand its existing Nevada water valve and fire hydrant factory that will cast ductile iron parts that will be used in valve and hydrant assemblies. American Company was established in Minden, in 2007, as a manufacturer of water valves and fire hydrants that are marketed throughout the United States, Canada, Mexico, and the Caribbean. The company's solutions reduce water loss, electricity consumption and CO2 emissions in production facilities all over the world.

The company will have a total capital equipment investment of approximately \$4m and will generate 12 full-time jobs within the first 24 months of operation with an average hourly wage of \$28.42. Ms. Barnes was joined by Mr. Randy Looney, Special Projects Manager, American AVK.

A MOTION WAS MADE BY SECRETARY OF STATE FRANCISCO AGUILAR TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR AVK ELASTOMER TECHNOLOGY, INC. LIEUTENANT GOVERNOR ANTHONY SECONDED. THE MOTION PASSED UNANIMOUSLY.

B. MONIN, INC.

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

Ms. Nancy McCormick, Senior Vice President Retention, Expansion and Workforce Development Economic Development Authority of Western Nevada (EDAWN) introduced Monin, Inc.

Monin, Inc. is a 3rd generation family owned and operated business and has been operating in Nevada since 2018 with plans to expand their syrup manufacturing facility in Washoe County by 106,387 sq. ft. The Monin Americas original Headquarters and Flavor Innovation Center are based out of Clearwater, Florida. The company is a premium flavoring choice for coffeehouse and foodservice operators around the world. The company offers 200 gourmet flavors free from artificial flavors, colors, preservatives, and sweeteners, available in over 145 countries.

The company will have a total capital equipment investment of approximately \$18.4m and will generate 26 full-time jobs within the first 24 months of operation with an average hourly wage of \$24.56. Ms. McCormick was joined by Mr. William Lombardo, Chief Operating Officer, Monin, Inc.

Mr. W. Lombardo noted that it had been exactly five years since the company came before former Governor Sandoval and that the company is thrilled to be continuing to invest in its growth in Nevada.

Governor Lombardo queried why the company is opting for Nevada versus its headquarter state of Florida.

Mr. W. Lombardo explained that the company started 110 years ago in France, expanded into Florida in the 1990s and then built out the whole business to ship to 50 states in 29 countries from its business unit in North America. Mr. W. Lombardo explained that as growth increases on the West Coast, the company needs a facility in this part of the country and indicated that Nevada has shown to be the best choice for the company for many different reasons.

A MOTION WAS MADE BY SECRETARY OF STATE AGUILAR TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR MONIN, INC. LIEUTENANT GOVERNOR ANTHONY SECONDED. THE MOTION PASSED UNANIMOUSLY.

C. SPARKS NV, LLC

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

Ms. Heather Wessling Grosz, Senior Vice President of Business Development, EDAWN, introduced Spark NV, LLC (Sparks NV). Sparks NV is in the process of bringing a 225,834 square foot state-of-art recycling, aluminum manufacturing, and warehousing facility online at the Tahoe Regional Industrial Center (TRIC). The project comprises a closed loop recycling and manufacturing operation focused on providing green recycling and manufacturing solutions for the domestic and international markets of the scrap metal industry.

The company will have a total capital equipment investment of approximately \$10.9m and will generate 32 full-time jobs within the first 24 months of operation with an average hourly wage of \$29.73. Ms. Wessling Grosz was joined by Edward B. Kangeter IV, Manager, Sparks NV, LLC.

Ms. Wessling Grosz noted that the company's objective is to recycle end-of-life and post-consumer metal products, reducing waste to landfill.

Mr. Kangeter mentioned the abatements application also includes two of Sparks NV's affiliate companies, CASS NV, LLC and CASS, Inc.

Governor Lombardo questioned if there were any legal or procedural issues requiring the Board to identify the two additional entities as part of the procedure.

Mr. David Newton, Deputy Attorney General (DAG) Colorado River Commission, indicated that there are no issues requiring the identification of Cass as part of the procedure.

A MOTION WAS MADE BY SECRETARY OF STATE AGUILAR TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR AVK SPARKS NV, LLC. LIEUTENANT GOVERNOR ANTHONY SECONDED. THE MOTION PASSED UNANIMOUSLY.

D. UNITED PARCEL SERVICE, INC.

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

Ms. Barnes, NNDA, introduced United Parcel Service, Inc. (UPS). UPS plans to expand its existing northern Nevada operations. The company is working with a developer to build a new 168K sq. ft. building with 10K package capacity / 120 package car facility. UPS plans to expand and automate its existing local sort and distribution hub (Hub) operation, in Sparks, into the City of Minden.

The company will have a total capital equipment investment of approximately \$19.7m and will generate 15 full-time jobs within the first 24 months of operation with an average hourly wage of \$34.96. Ms. Barnes was joined by Mr. Shane Simpson, UPS Region Tax Manager, UPS.

Mr. Simpson advised the intent of this expansion, to Minden, is to alleviate some of the package volume capacity concerns at the Reno hub in Sparks. Mr. Simpson indicated that the new facility would allow for a 10,000-package increase, noting that currently the northern Nevada hub runs extra shifts to accommodate the extra volume.

Lieutenant Governor Anthony questioned if UPS intended to use Nevada contractors and companies in the building of this new location.

Mr. Simpson confirmed that local businesses will be used everywhere possible but noted that the majority of the equipment inside the building will be a conveyor system which would be taken to national bid.

Dr. Weldon Havins asked if the health insurance policy covered at 100 percent by the company is for the 110 people that will be starting, if this policy applies to west coast only, or if it is applied nationally.

Mr. Simpson noted that part-time and full-time employees are members of the teamsters, and the 100-percent cost coverage is negotiated in the labor agreement.

Mr. Reid asked GOED staff asked about the ability to vary from the statutory requirements in terms of abatement eligibility criteria.

Mr. Potts clarified that applicants need to meet two of the three requirements to qualify.

A MOTION WAS MADE BY SECRETARY OF STATE AGUILAR TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR UNITED PARCEL SERVICE, INC. LIEUTENANT GOVERNOR ANTHONY SECONDED. THE MOTION PASSED UNANIMOUSLY.

8. BOARD MEMBER COMMENTS

Lieutenant Governor Anthony reminded the Board and applicants that when the abatements are approved, the Office of Small Business Advocacy is available to help companies with licensing requirements, fees, regulations and advocacy.

Governor Lombardo requested that the GOED Team provide this information as part of the application process.

9. GOVERNOR LOMBARDO COMMENTS

Governor Lombardo thanked GOED staff for their excellent work.

10. PUBLIC COMMENT

Ms. Michelle Hammond Allen, Executive Director, Nevada 95-80 RDA, complimented the new administration and the new staff for reaching out to the rural RDAs and opening the line of communication.

11. ADJOURNMENT

A MOTION WAS MADE BY SECRETARY OF STATE FRANCISCO AGUILAR TO ADJOURN THE MARCH 16, 2023, GOED BOARD MEETING. LIEUTENANT GOVERNOR ANTHONY SECONDED THE MOTION. THE MOTION PASSED UNANIMOUSLY.