

**STATE OF NEVADA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
BOARD MEETING MINUTES
DECEMBER 2, 2020**

The meeting of the Board of Economic Development was called to order by Governor Steve Sisolak on the Cisco WebEx System.

VOTING BOARD MEMBERS PRESENT

Governor Steve Sisolak, State of Nevada
Lieutenant Governor Kate Marshall, State of Nevada
Secretary of State Barbara Cegavske, State of Nevada
Mr. Alex Dixon, President, West Region - PureStar
Mr. Dan Klaich, Voting Member at Large
Mr. James Barrett, Jr., President and Founder, The JABarrett Company
Dr. Dana Bennett, Chief Executive Officer, Midas Strategies
Mr. Raymond Specht, Chief Executive Officer, Specht Leadership Consulting
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada

NON-VOTING BOARD MEMBERS PRESENT

Ms. Elisa Cafferata, Interim Director, Department of Employment Rehabilitation and Training
Dr. Melody Rose, Chancellor and Chief Executive Officer, Nevada System of Higher Education

STAFF MEMBERS PRESENT

Bob Potts, Deputy Director, GOED
Chelsea Walburg, Research Manager, GOED
Christine Guerci, Special Counsel to the Colorado River Commission and GOED
Dijana Mitrovic, International Business Development Coordinator, GOED
Greg Bortolin, Director of Communications, GOED
Henna Rasul, Senior Deputy Attorney General, Board Counsel to GOED
James Humm, Director of Compliance & Regulatory Affairs, GOED
Jeanette Holguin, Business Development Specialist, GOED
Karsten Heise, Director of Strategic Programs, GOED
Kristopher Sanchez, Deputy Director, GOED
Leandra Diossa, Director of Administration, GOED
Michael Brown, Executive Director, GOED
Melanie Sheldon, Director of Business Development, GOED
Patty Herzog, Director of Rural Economic and Community Development, GOED
Pawel Pietrasienski, Director of International Trade, GOED
Samantha Cline, International Business Specialist, GOED

Stacey Bostwick, Workforce Development Program Coordinator, GOED
Susan Skaggs, Executive Assistant, GOED
Tatjana Vukovic, Business Development Manager, GOED

GUESTS PRESENT

Alaina Cowley, LVGEA
Allison Genco, Ferrari Public Affairs
Andrew Dennis, GigaCrete, Inc.
Andrew Haskin, NNDA
Andrew Zuro, ZLINE Kitchen and Bath
Bailey Schulz, Las Vegas Review Journal
Bob Hastings, Western Nevada Development District
Cheryl Lewis, Centerline Structural Innovations, Inc.
Chris Ault Jr., EDAWN
Chris Weiss, Department of Business & Industry
Christian Casanova, Workforce Connections, Inc.
Courtney McKimmey, Office of Nevada Lieutenant Governor
Craig von Collenberg, OWINN
Danielle Smith, LVGEA
David Doherty, Acorn Pulp Group, LLC
David Karr, Acorn Pulp Group, LLC
David Smith, Safe Life Defense, LLC
Douglas Cole, American Battery Technology Company
Drew Pearson, ZLINE Kitchen and Bath
Emily Creighton, The Ferraro Group
Eric Steinmetz, Nevada Department of Taxation
Erik Johnson, ZLINE Kitchen and Bath
Galen Bradford, ZLINE Kitchen and Bath
Gina Gavan, City of North Las Vegas
Greg Johnson, SAMSARG, Inc.
Hanish Patel, Eversheds Sutherland (US), LLP
Heidi Lusby-Angvick, Pershing County Economic Development Authority
Irene Bustamante Adams, Workforce Connections
Jack Kavanaugh, Nanotech Energy, Inc.
Jacob Little, Sonoma Creamery, LLC
Jan Morrison, NNRDA
Jared Smith, LVGEA
Jeff Brigger, NV Energy
Jessica Diss, NV Governor's Office
John Crean, Sonoma Creamery, LLC
John Krueger, GigaCrete, Inc.
Joseph Campos, Blockchains, LLC
Jonas Peterson, LVGEA
Josh Hicks, McDonald Carano

Khursheed Chaudhry, Sonoma Creamery, LLC
Kanani Espinoza, Rowe Law Group
Lauren Silverstein, The Ferraro Group
Lynn O'Mara, NNDA
Marcel F. Shaerer, Department of Business & Industry
Mark Anderson, NVIE
Martin Potnick, NVIE
Menka Sethi, American Battery Technology Company
Michael Walsh, LVGEA
Nancy McCormick, EDawn
Nate Mackinnon, NSHE
Nick Clason, LVGEA
Nick Groat, Safe Life Defense, LLC
Nicole Raz, Las Vegas Review Journal
Nnedi Stephens, Office of Senator Jacky Rosen
Perry Ursem, LVGEA
Phil Klevorick, Clark County
Randolph Yadao, Lithion Battery, Inc.
Rick Messner, Beyond Meat, Inc.
Rob Hooper, NNDA
Roland Stephen, SRI International
Russell Rowe, Rowe Law Group
Scott Anderson, State of Nevada
Scott Jolcover, American Battery Technology Company
Scott Laine, Nanotech Energy, Inc.
Shelli Long, Nevada Department of Taxation
Shannon Silva, Nevada Department of Taxation
Sheree Stringer, Nye County
Stan Thomas, EDawn
Stephanie Pullings Hart, Beyond Meat, Inc.
Susan Fisher, McDonald Carano

1. PUBLIC COMMENT

There was no public comment given.

Governor Sisolak advised the agenda would be taken out of order with items 5 and 6 to be moved to later in the meeting.

2. APPROVAL OF THE SEPTEMBER 16, 2020 BOARD MEETING MINUTES

Governor Sisolak asked for a motion to approve the minutes of the September 16, 2020 meeting. Ms. Dana Bennett abstained. The minutes were approved and the motion passed unanimously.

3. EXECUTIVE DIRECTOR UPDATE AND DIRECTORS REPORT

Executive Director Michael Brown, Nevada Governor’s Office of Economic Development (GOED) noted that each of the applications, on the agenda, had been reviewed for regulatory compliance by the Department of Taxation, the Department of Business and Industry (B&I), and the Nevada Division of Environmental Protection (NDEP) and Department of Conservation and Natural Resources. Each company had also been checked against a violations database by Good Jobs First in Washington D.C. No issues of significance were found. Director Brown informed the Board that there were several applications from companies in the lithium sector and this was an encouraging trend. GOED would like to see Nevada become home to a supply chain for lithium products. In order to ensure this work is aligned with environmental protection, and climate-change goals, GOED had formed a working group with the NDEP and the Governor’s Office of Energy (GOED).

Director Brown advised that, since the beginning of the pandemic, GOED had been developing and implementing economic relief programs for small businesses, working aggressively to distribute \$40 million in small business assistance grants and \$10 million in commercial rental assistance grants to thousands of small businesses.

Director Brown noted GOED recently had the opportunity to participate, and present at, a national Incentive Compliance conference convened by the Regional Economic Competitiveness (CREC). This workshop was designed to provide state agency staff, across the USA, with the skills and insights to implement best practices in incentive monitoring and management. While incentive programs varied greatly from state to state it appeared that Nevada’s non-discretionary, statutory abatements with audit requirements and claw- back provisions was one of the most conservative programs in the nation.

Director Brown further informed the Board that the work by SRI International, on of Nevada’s Plan for Recovery and Resilience, was nearly finished and the draft would be circulated to the Board later that month.

4. NEVADA RECOVERY PLAN INFORMATIONAL UPDATE

Dr. Roland Stephen, Director, Center For Innovation Strategy and Policy, SRI International, provided the Board with a brief overview of Nevada's Plan for Recovery and Resilience, including immediate recovery and longer-term visionary opportunities. Dr. Stephen explained the leadership in Nevada completely understood that the public health and economic crises, resulting from the pandemic, were tightly tied together. Dr. Stephen noted Nevada's economy was pro-cyclical, particularly in southern Nevada. Dr. Stephen discussed the work undertaken, with RCG Economics, on some future forecasts and advised the goal was to provide a range of possible outcomes to the Board. Dr. Stephen noted that outcomes depended upon action by the federal government. Dr. Stephen did not have a prediction for the outlook on action by the federal government and acknowledged that the prospect of a successful, highly effective vaccine had exceeded some of the fears of the earlier part of the year. Dr. Stephen reported the baseline prospect for Nevada's economy was that it would be below a non-pandemic estimate by approximately four-and-a-half percentage points by the end of 2021. Dr. Stephen noted this estimate was painful but not intolerable, and looking beyond that, there were potential tremendous opportunities for the state. Dr. Stephen reported the action plan had immediate recovery work that was already being done by GOED in conjunction with partners in southern and northern Nevada. Dr. Stephen next reported that Nevada's manufacturing, logistics, aerospace, natural resource sectors had shown the greatest recovery growth and were the sectors least impacted by the downturn. Dr. Stephen advised Nevada's economy was still struggling to diversify. However, there has been diversification progress in areas such as physical infrastructure. Dr. Stephen noted the importance of transforming through infrastructure investments. Dr. Stephen advised Nevada had struggled to keep up with the development of health services and the medical sector throughout the course of the pandemic. Dr. Stephen discussed the importance of Nevada's location as the center of metropolitan clusters in the west and southwest in relation to infrastructure investments.

Dr. Stephen touched upon the importance of supporting community colleges in recruiting and graduating students, aligning their funding with the need for certificates, and developing skills and competencies that were tightly aligned with the firms and communities they serve. Dr. Stephen next discussed the importance of new technologies and named Nevada as a technology-intensive region.

Dr. Stephen noted some short-and-long term recovery strategies included the introduction of an infrastructure bank, a potential sovereign wealth fund, build out of networks of innovation and venture funds, creating a single office for small to medium-sized businesses, partnerships with the community college system, and following the statewide climate plan.

Lieutenant Governor Kate Marshall noted the bill she and Governor Sisolak had drafted to create a small-business advocate one-stop shop and advised this would be brought forward in the forthcoming 2021 Legislative session.

Mr. Alex Dixon inquired about the appropriate mechanism to receive progress updates on funding the infrastructure bank, finding people to lead it, and starting to consider governance to get shovel-ready projects moving in the state. Director Brown advised Mr. Dixon's suggestions were a high priority the Nevada's Treasurer and he were working on this with the support of Governor Sisolak's office. Director Brown offered to connect Mr. Dixon with Treasurer Zach Conine for further updates.

Mr. Ray Specht commended Director Brown and GOED for taking a strategic approach to economic development.

6. NEW INCENTIVE POLICY STATUS UPDATE

Director Brown informed the Board that this item required more research and would be brought to a future meeting.

7. ABATEMENT APPLICATION FOR BOARD APPROVAL

A. ACORN PULP GROUP, LLC

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

Mr. Stan Thomas, Executive Vice President, Economic Development Authority of Western Nevada (EDAWN) introduced the Acorn Pulp Group, LLC (Acorn Pulp). Acorn Pulp is a manufacturing company which provides environmentally friendly and sustainable molded fiber packaging solutions to a myriad of end markets primarily within the western United States. The company is currently headquartered in Los Angeles, CA and has 250 employees with over 500,000 square feet of warehouse space. The company planned to establish a headquarters, distribution, and manufacturing facility in Washoe County. In the first two years of operation, the company planned to create 54 new jobs with an average hourly wage of \$24.33 and make a capital equipment investment of \$5.5 million. The company was represented, at the meeting, by Mr. David Doherty, Chief Strategy Officer.

Mr. Doherty explained that the company's products were environmentally friendly and helped improve the environment by utilizing post-consumer waste. One hundred percent of the material was made of post-consumer paper waste, which was recycled and turned into protective packaging. In addition, the company would be redirecting approximately 5,000 tons a year of paper waste out of landfills and back into the supply chain. Acorn Pulp is investing in state-of-the-art equipment, which will allow the company to reduce its energy footprint and recycle and reuse water as part of the process.

Secretary of State Barbara Cegavske asked if the Acorn Pulp Group had obtained a Nevada state business license and if not, when they planned to obtain one. Secretary of State Cegavske also asked if the company planned on purchasing its equipment from Nevada companies. Secretary of State Cegavske indicated these were questions she intended to pose to each applicant. Governor Sisolak requested that each applicant provide this information at the beginning of their presentation.

Mr. Doherty advised that the company did not yet have a Nevada state business license. However, pending application approval, this would be swiftly addressed. Mr. Doherty also advised some of the company's equipment was highly specialized and came from South African manufacturer. However, there would be racking and other types of ancillary products that would be bid out to businesses, and the company planned to open those bids to local Nevada businesses.

Dr. Melody Rose from the Nevada System of Education asked whether the representatives had made connection with higher-education entities within the region. Dr. Rose indicated this was a question she would like answered by each applicant.

Mr. Doherty advised the company had not yet connected directly with the higher-education entities. However, Acorn Pulp had been working closely with Mr. Thomas on this process. As the company was creating manufacturing jobs it was eager to begin working with local universities, colleges, and trade schools in the hiring process.

Mr. Thomas noted that, often companies first go through the abatement application approval process, and then pursue the appropriate business licenses. Additionally, post application process / application approval, Ms. Nancy McCormick, Senior VP, Business Retention, Expansion & Workforce, EDawn, connected companies with both universities and community colleges.

A MOTION WAS MADE, BY DR. DANA BENNET, TO APPROVE ACORN PULP GROUP, LLC FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT. DR WELDON HAVINS SECONDED, THE MOTION PASSED UNANIMOUSLY.

B. AMERICAN BATTERY TECHNOLOGY COMPANY

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

Mr. Chris Ault Jr., Vice President, Business Development, EDawn, introduced American Battery Technology Company (American Battery). American Battery is an American-owned lithium-ion battery recycling and advanced extraction technology company with valuable mineral resources in Nevada. The company is focused on meeting the soaring global demand for

lithium-ion battery technology and providing sustainable metals that will power the future of society. The company is aggressively building a no-waste, economical and environmentally sustainable system to recycle waste and end-of-life lithium-ion batteries from consumer electronics, electric vehicles, and energy storage applications and seeks to make a positive impact with a commitment to environmentally friendly operations. The company plans to construct a commercial battery recycling pilot plant in Fernley, NV. In the first two years of operation, the company plans to create 50 new jobs with an average hourly wage of \$45.47 and make a capital equipment investment of \$18.0 million. The company was represented, at the meeting, by Mr. Doug Cole, CEO, American Battery, and Ms. Menka Sethi, COO, American Battery.

Ms. Sethi advised the company's clean technology platform recycles lithium-ion batteries to increase supply for the increasing demand for electric cars and consumer preferences that ultimately shift energy use away from fossil fuels. Ms. Sethi explained that the company's process did not rely on traditional high heat smelting processes and instead sought to set a higher environmental standard for the emerging industry that would grow clean manufacturing jobs in the United States and Nevada. Ms. Sethi explained that currently 90,000 tons of batteries were recycled globally each year, which was only five percent of the market. The rest of the batteries currently end up in landfill.

Ms. Sethi advised that the company did have its Nevada business license and that as much equipment as possible would be purchased from Nevada companies, with the exception of a few specialized items that were manufactured by only one overseas based company. Additionally, the company had reached out to UNR regarding their workforce needs and would develop workforce development programs with local community colleges. Ms. Sethi highlighted the company's focus on the need to diversify the STEM talent pipeline and the impetus to do so locally.

Governor Sisolak noted the quality, high paying jobs were what Nevada was looking for, and the state certainly had the people to fill those jobs.

Mr. Specht noted he was pleased to see Nevada taking a lead in this explosive growth industry but expressed concern regarding the environmental impact and stated that he looked forward to Director Brown's conclusions following research of this subject. Mr. Specht further commented that he was pleased to see a company using techniques with a positive environmental impact. Governor Sisolak agreed with Mr. Specht and expressed the importance of needing to send the right message to the entire lithium industry. Governor Sisolak further noted the Lithium industry had a bright future in Nevada and the state needed to cultivate and encourage these jobs.

A MOTION WAS MADE, BY MR. DAN KLAICH, TO APPROVE AMERICAN BATTERY TECHNOLOGY COMPANY FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT. DR. WELDON HAVINS SECONDED. THE MOTION PASSED UNANIMOUSLY.

C. BEYOND MEAT, INC.

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

Mr. Thomas, EDawn introduced Beyond Meat, Inc. (Beyond Meat). Beyond Meat was founded in 2009 and is headquartered in El Segundo, California. The company believes there is a better way to feed the planet. Beyond Meat's mission is to create The Future of Protein®. By shifting from animal to plant-based the company aims to address four growing global issues: human health, climate change, constraints on natural resources and, animal welfare. Beyond Meat, Inc. (Beyond Meat) plans to build a 158,000 sq. ft. food manufacturing facility in the greater Reno area. In the first two years of operation, the company plans to create 135 new jobs with an average hourly wage of \$23.61 and make a capital equipment investment of \$42.2 million. The company was represented, at the meeting, by Ms. Stephanie Pullings Hart, Senior Vice Chair of Operations, Beyond Meat.

Ms. Pullings Hart advised Beyond Meat had not yet applied for a business license as they were still in the process of location evaluation. However, Nevada was a high consideration for the company. Ms. Pullings Hart noted the equipment, used by the company, was highly specialized and for that reason some of it was sourced from overseas suppliers. However, there would be items purchased from vendors in Nevada as the Reno facility was built.

Governor Sisolak asked if a Nevadan contractor would be used to build the company's facility. Ms. Pullings Hart confirmed a Nevada contractor would be used.

Mr. Specht asked, if approved today, would Beyond Meat commit to the state of Nevada. Ms. Pullings Hart indicated she would bring the GOED's Board's application decision back to her executive team. As the CEO of the company ultimately needed to sign off on the project, she was committed to delivering the message that Beyond Meat would be in good hands in the state of Nevada. Dr. Bennett asked if Beyond Meat had applied for incentives in any other locations. Ms. Pullings Hart confirmed Beyond Meat had not.

A MOTION WAS MADE, BY LT. GOVERNOR MARSHALL, TO APPROVE BEYOND MEAT, INC. FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT. MR. KLAICH SECONDED. THE MOTION PASSED UNANIMOUSLY.

D. CENTERLINE STRUCTURAL INNOVATIONS, INC.

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**

Ms. McCormick, EDawn, introduced Centerline Structural Innovations, Inc. (Centerline Structural). Centerline Structural is a Nevada-based full-scale truss and wall panel

manufacturing company and framing contractor with the goal of addressing the critical housing shortage in Nevada and surrounding states. The company planned to establish an 80,000 sq. ft. manufacturing, Headquarters, and Research and Development facility in Reno, NV. The company was highly committed to providing superior jobs for trades people, many of whom have never had a permanent position with a company, and rarely have benefit packages. In the first two years of operation, the company plans to create 55 new jobs with an average hourly wage of \$37.44 and make a capital equipment investment of \$3.3 million. The company was represented, at the meeting, by Ms. Cheryl Lewis, COO, Centerline Structural.

Ms. Lewis noted that she, every member of her team, and the company's investors were proud Nevadans, which was why Nevada was selected as a location for the project. Ms. Lewis discussed the desire to build a truss facility to aid contracts with large single-family and multifamily housing developers. The company would also have a great positive impact on the environment and reduce the amount of waste in the construction process.

Ms. Lewis advised the company was committed to the state and did have a state business license. Additionally, the company did have communication with both Truckee Meadows Community College (TMCC) and the UNR.

Governor Sisolak commended Ms. Lewis for the company's work with non-profits and with homeless housing.

Lieutenant Governor Kate Marshall commended EDAWN for bringing forward companies with women as office holders and shareholders.

Dr. Havins noted that the insurance package offered by Centerline Structural Innovations was the lowest-priced one of any of the companies applying for abatement at this meeting. Ms. Lewis noted this was due to the company currently only having three employees. Ms. Lewis indicated the company were moving to a silver plan, which provided greater healthcare options. Ms. Lewis noted historically, construction workers have not had access to quality benefits and vacation time, and it was a priority of the company to provide these to its employees.

A MOTION WAS MADE, BY LT. GOVERNOR MARSHALL, TO APPROVE CENTERLINE STRUCTURAL INNOVATIONS, INC. FOR A SALES & USE TAX ABATEMENT, AND A MODIFIED BUSINESS TAX ABATEMENT. DR. HAVINS SECONDED. THE MOTION PASSED UNANIMOUSLY.

E. GIGACRETE, INC.

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

Mr. Perry Ursem, Vice President of Business Retention and Expansion, Las Vegas Global Economic Alliance (LVGEA), introduced GigaCrete, Inc. (Gigacrete). GigaCrete is a Nevada

based company, incorporated in January of 2005. GigaCrete is a next generation 'green' building materials company. GigaCrete manufactures some of the most innovative, functional, high-performance coatings and high-speed house building systems on the market. The company prides itself as a recognized industry leader in Green building materials technologies. At the heart of GigaCrete's products is its proprietary binder that is derived from a combination of common natural and low carbon footprint materials. GigaCrete, Inc. (GigaCrete) plans to expand its existing North Las Vegas facility from 26,000 sq ft to 92,500 sq. ft. In the first two years of expansion, the company plans to create 25 new jobs with an average hourly wage of \$26.10 and make a capital equipment investment of \$5.0 million. The company was represented, at the meeting, by Mr. Andrew Dennis, Founder and Chairman, GigaCrete.

Mr. Dennis advised he had initially come Nevada for a seven-month contract to design the New York New York casino 28 years ago and had remained ever since. GigaCrete became the first environmental building company in Nevada in 2005. Mr. Dennis noted the business had escalated due to hurricanes and fires and the company had gone through rapid growth to a point where it now needed to move out of its current building, double its facility space, and hire more employees.

The company had worked with the Clark County School District (CCSD), College of Southern Nevada (CSN), and Workforce Connections for its hiring needs in conjunction with creating an installation company for veteran hires.

Governor Sisolak noted the company's consideration of other states and asked, if approved, would company remain in Nevada. Mr. Dennis confirmed the company would stay in Nevada.

A MOTION WAS MADE, BY MR KLAICH, TO APPROVE GIGACRETE, INC. FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT. MR. SPECHT SECONDED. THE MOTION PASSED UNANIMOUSLY.

F. LITHION BATTERY, INC.

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

Mr. Michael Walsh, Vice President of Economic Development, LVGEA, introduced Lithion Battery, Inc. (Lithion Battery). Lithion Battery is currently headquartered in Alberta, Canada. The company is a lithium-ion battery cell/module/pack manufacturer founded and financed in Q3 2020 by battery experts with decades of experience in the lithium market. The company is focused on providing North American made batteries for the North American and European markets. Targeted applications will include military, aerospace, healthcare, industrial, logistics/warehousing equipment, energy storage and lead acid replacement products. The company is considering opening a 42,406 sq. ft. design, manufacturing, and distribution facility

in Henderson. In the first two years of operation, the company plans to create 22 new jobs with an average hourly wage of \$30.41 and make a capital equipment investment of \$5.1 million. The company was represented, at the meeting, by Mr. Randolph Yadao, Controller, Lithion Battery.

Mr. Yadao advised the company was looking to build a better supply chain in America. The company planned manufacturing facility would produce battery cells and battery packs. Mr. Yadao explained the company is backed by a private equity firm called TriWest from outside the USA.

Mr. Yadao advised the company's state business license was in process and the company had an existing pilot facility in Henderson. Additionally, the company's chemical engineer was a PhD and had extensive relationships with the engineering departments at UNR and the University of Las Vegas, (UNLV). Mr. Yadao noted the company needed to purchase equipment from outside the US for battery-specific manufacturing but did intend to use local businesses for leasehold improvements and inventory. Mr. Yadao confirmed the company was already using local contractors to build and source equipment.

Governor Sisolak inquired why the job creation projections were 22 new hires as opposed to the statutory requirement of 50 new hires. Ms. Melanie Sheldon, Director of Business Development, GOED, advised that as per the 2015 December GOED Board Resolution, there was a two-out-of-three rule. If the statutory wage requirement and capital equipment investments were met, a company could still be deemed eligible, for abatements, with ten full-time permanent positions for an urban area and six full-time permanent positions for a rural area.

Mr. Yadao advised the company was working through an acquisition that had potential to create approximately 20 additional jobs to the ones listed in its application.

A MOTION WAS MADE, BY MR SPECHT, TO APPROVE LITHION BATTERY, INC. FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT. DR. HAVINGS SECONDED. THE MOTION PASSED UNANIMOUSLY.

G. NANOTECH ENERGY, INC.

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

Mr. Thomas, EDAWN, introduced Nanotech Energy, Inc. (Nanotech Energy). Nanotech Energy was formed in 2014 to move the world's leading-edge research on graphene-based energy storage devices from the laboratory to the marketplace. Nanotech Energy is a research/development company manufacturing the world's only non-flammable battery that is cost effective to mass produce. It is also the only company in the world that can mass produce

Graphene and Graphene Oxides and Graphene powered products. The company planned to establish a Manufacturing and Headquarters facility in Reno. In the first two years of operation, the company plans to create 57 new jobs with an average hourly wage of \$30.56 and make a capital equipment investment of \$260 million. The company was represented, at the meeting, by Mr. Jack Kavanaugh, CEO, Nanotech Energy.

Mr. Kavanaugh advised Nanotech Energy had been formed on the basis of technology, invented by Dr. Richard Kaner, called graphene. Based on this technology, Nanotech Energy had developed manufacturing capability in a number of different industries, including lithium-ion batteries.

Mr. Kavanaugh advised the company did purchase equipment from abroad. However, the bulk of the equipment was invented by Nanotech Energy. Mr. Kavanaugh noted the company currently hired people from local universities, where it was currently based, such as Chico State, UC Chico, and University of Los Angeles (UCLA). Therefore, he expected to also from Nevada universities.

Secretary of State Cegavske noted that there was a company named Nanotech Energy with a Nevadan business license registered in 2008. Mr. Jack Kavanaugh advised this was a different business as his company was formed was formed in 2014. Secretary of State Cegavske advised Mr. Kavanaugh to work with Nevada business licensing to address this issue and referred Mr. Kavanaugh to Mr. Scott Anderson, her Chief Deputy. Mr. Kavanaugh confirmed the company was not opposed to a name change.

Secretary of State Cegavske asked Mr. Kavanaugh how much of the equipment would be purchased from Nevada vendors. Mr. Kavanaugh responded that approximately 30 percent of the equipment would be built onsite and Nevada vendors would be supplying the materials needed.

Mr. Specht raised concern over the fact that, based on the application, the \$21 million of estimated net new tax revenues appeared to be a 'break-even' for the state rather than exponentially higher. Lieutenant Governor Marshall advised that the \$21 million in question is not offset and was, in fact, new tax revenues. Ms. Sheldon concurred the \$21 million was net of incentives. Mr. Specht asked if the tax revenue would be roughly \$42 million and the net benefit to the state would be \$21 million. Ms. Sheldon confirmed this is correct. Director Brown noted the new tax revenues generated from the establishment of this business were estimated to be \$13 million, and the estimated indirect taxes was \$8 million. Director Brown further explained that the Sales Tax could not be taken down to zero because of the constitutional provision. Therefore, much of the new revenue would come from the direct Sales Tax.

A MOTION WAS MADE, BY MR KLAICH, TO APPROVE NANOTECH ENERGY, INC. FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT. DR. DANA BENNETT SECONDED. THE MOTION PASSED UNANIMOUSLY.

G. SAFE LIFE DEFENSE, LLC.

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

Mr. Walsh, LVGEA, introduced the Board to Safe Life Defense, LLC (Safe Life Defense). Safe Life Defense, designs and manufactures industry changing body armor and duty gear. The company's mission is to protect people with quality body armor, to be used as a safety tool, and to provide protection to law abiding citizens. The company designs and manufacturers safety vests, tactical belts, hearing protection, and other safety accessories. The company plans to expand its current NV operations and establish a 137,225 sq. ft. headquarters, manufacturing and research and development facility in Henderson. In the first two years of expansion, the company plans to create 50 new jobs with an average hourly wage of \$24.59 and make a capital equipment investment of \$2.3 million. The company was represented, at the meeting, by Mr. Nick Groat, Founder and CEO, Safe Life Defense and Mr. Dave Smith, CFO, Safe Life Defense.

Mr. Groat advised the company was Nevadan founded business, grown in Nevada since 2016, beginning with inception in Mr. Groat's kitchen. Since then, Inc. 5000 had announced that Safe Life Defense was the 282nd fastest growing private company in the US with a three-year growth rate of 1,591 percent.

Mr. Groat explained that some of the company's large equipment was specialized with limited sources but the company did develop much of its own machinery and tools in-house in its R & D department. The company currently used local vendors on a daily basis and intended to continue this practice. The company was also currently using local contractors for the build-out of a 140,000 square-foot gray shell next to the Raiders practice facility.

Mr. Smith advised the company had been working with the Department of Employment, Training & Rehabilitation (DETR) to bring on a new workforce.

Dr. Havins noted the company's total cost of healthcare premium was the lowest of the companies on the Agenda. Dr. Havins noted his concern that an employee making a salary of \$31,000, with a deductible of \$4,500, could potentially spend a significant portion of their net income on medical needs. Mr. Smith explained the company utilized various health insurance plans and the company was currently in the process of setting up a new insurance plan with a better deductible and coverage. Mr. Smith explained that the company's current deductibles ranged from \$1,500 to \$2,000.

A MOTION WAS MADE, BY LT. GOVERNOR MARSHALL TO APPROVE SAFE LIFE DEFENSE, LLC FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT. MR KLAICH SECONDED. THE MOTION PASSED UNANIMOUSLY.

I. SONOMA CREAMERY, LLC

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

Mr. Thomas, EDAWN introduced the application of Sonoma Creamery, LLC (Sonoma Creamery). Sonoma Creamery was founded in 1931 in Sonoma, California. The company is a food manufacturer that sells fresh cheese and shelf-stable cheese snacks using simple, high quality ingredients. Sonoma Creamery is a dynamic company with new on-trend real cheese snacks with a heritage of quality and innovation. Sonoma Creamery, LLC (Sonoma Creamery) planned to relocate from its current location in Sonoma, California to Reno. In the first two years of operation, the company plans to create 50 new jobs with an average hourly wage of \$24.40 and make a capital equipment investment of \$6.2 million. The company was represented, at the meeting, by Mr. John Crean, CEO, Sonoma Creamery.

Mr. Crean explained the uniqueness of the company's products, citing the fact they are gluten-free, high-protein, contain no artificial ingredients, and use milk from cows that have not been treated with the artificial growth hormone recombinant bovine somatotropin (rBST).

Mr. Crean advised that the company had been looking for a new space for approximately two years based on the realization that Sonoma County would not meet their growth needs. At that time, the company learned the benefits of expanding its business to Nevada from Reno-based company, Pacific Cheese. Mr. Crean noted its existing plant would remain as the Sonoma headquarters. However, the company would like to expand to a new facility that could accommodate four separate production lines and earn upwards of \$200 million in revenue.

Lieutenant Governor Marshall asked if the wages being paid to Sonoma Creamery employees in Sonoma would differ from the wages being paid to company employees in Nevada. Mr. Crean confirmed wages would not be lower in Nevada as the company was not looking to make the move to save on wages. The company planned to pay well over the local Washoe county wage in order to attract and retain the best people. Mr. Crean advised the application wage was the minimum and the company had a profit sharing and matched four percent of an employee's base salary to their 401k. Additionally, employees with a certain amount of tenure were eligible to acquire stock in the company. Mr. Crean reiterated the company's belief in quality wages for the purposes of attracting quality employees.

Mr. Klaich asked Mr. Crean to identify the brand names Sonoma Creamery sold under. Mr. Crean explained that the main brand name was that of the company, Sonoma Creamery, in conjunction with vegetable snacks sold under the brand 'Sonoma Snacks'.

A MOTION WAS MADE, BY MR. SPECHT TO APPROVE SONOMA CREAMERY, LLC FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX

ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT. MR KLAICH SECONDED. THE MOTION PASSED UNANIMOUSLY.

8. ABATEMENT APPLICATIONS FOR DIRECTOR APPROVAL

A. SAMSARG, INC.

- **SALES TAX ABATEMENT**
- **MODIFIED BUSINESS TAX ABATEMENT**

Mr. Andrew Haskin, Deputy Director of Northern Nevada Development Authority (NNDA), introduced SAMSARG, Inc. (SAMSARG). SAMSARG is a new venture in the Northern Nevada Region. Founded by four individuals with decades of experience in the aerospace/aviation industry, the company plans to offer FAA certified aircraft maintenance, repair, and overhaul (MRO) capabilities. The company's new Lyon County facility would offer FAA certified aircraft maintenance, repair, and overhaul (MRO) capabilities to the aviation community. In the first two years of operation, the company plans to create 25 new jobs with an average hourly wage of \$53.88 and make a capital equipment investment of \$300,057. The company was represented, at the meeting, by Mr. Greg Johnson, President, SAMSARG.

Mr. Johnson advised the company was currently leasing five acres at the Silver Springs Airport and was in the process of building its first hangar with a construction company out of Reno. Mr. Johnson noted the company was looking to initially start with 25 niche employees, the majority of whom would have the FAA Aviation Mechanic certificate for Airframe and Powerplant (A&P). Therefore, the company planned to work with the education resources, in Nevada, to foster programs that would enable people to obtain A&P certificates.

Mr. Johnson advised that, although SAMSARG was purchasing some equipment, it would not be a huge amount as the majority of the kits put onto the aircraft are provided by the US government. Machine work would also be required and the company would use local machine shop facilities. SAMSARG was currently working within NNDA to establish the educational resources to initiate those conversations.

Mr. Dixon inquired about the threshold required for Board approval versus Director Approval. Ms. Sheldon advised that, for Board approval, the estimated incentives would be above \$250,000. Any estimations below this threshold would fall under Director Approval.

Dr. Bennett commended NNDA for an application, from a business in rural Nevada, with a more than respectable average wage and noted this provided great opportunities for Nevadans in the Silver Springs area.

DIRECTOR BROWN APPROVED SAMSARG, INC. FOR A SALES & USE TAX ABATEMENT, AND A MODIFIED BUSINESS TAX ABATEMENT.

B. ZLINE KITCHEN AND BATH, LLC

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

Ms. McCormick, EDAWN, introduced ZLINE Kitchen and Bath, LLC (ZLINE). ZLINE is a luxury kitchen and bath appliance brand producing industry leading designs in range hoods, ranges, dishwashers, microwaves and more. Due to the company's innovative approach to design, marketing, and logistics, ZLINE has experienced rapid growth in volume, workforce, and presence in its industry. The company currently has executive and distribution locations in Reno, NV, Ohio, and Tennessee. ZLINE began business in Nevada in 2011 with 5 employees, and currently employs 37 team members at its Reno location. The company is considering an expansion of its existing facility, or the potential construction of a new 600,000 square foot building to accommodate a new flagship executive headquarters. In the first two years of expansion, the company plans to create 25 new jobs with an average hourly wage of \$26.86 and make a capital equipment investment of \$593,894. The company was represented, at the meeting, by Mr. Drew Pearson, Director of Content Development, ZLINE.

Ms. McCormick noted ZLINE believed in creating careers and full-time employment for its teams in sales, operations, marketing, design, and customer service. The company plans to update its healthcare plans to meet or exceed state requirements.

ZLINE has also invested with multiple nonprofits and initiatives and has donated over 100,000 pieces of Personal Protective Equipment during the pandemic.

DIRECTOR BROWN APPROVED ZLINE KITCHEN AND BATH, LLC FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX.

9. STATE OF NEVADA UNEMPLOYMENT RATE UPDATE -as established by the Research and Analysis Division of the Nevada Department of Employment, Training and Rehabilitation

Mr. Bob Potts, Deputy Director, GOED, explained the Unemployment Rate Update was added, as an ongoing agenda item, in 2017 based on a resolution that companies could be incentivized to expand and relocate into areas where the unemployment rate was higher. Mr. Potts advised that an issue with the unemployment rate, at the County level, is that it is not seasonally adjusted and so seasonality shows up in the data. Mr. Potts explained that the downside of having a 12-month rolling average is that it does not necessarily reflect what is happening with unemployment at the current time, which really stands out, particularly now in the middle of a pandemic with such a large downturn. However, Mr. Potts explained, this does show what the true structural unemployment is in each county.

Mr. Potts discussed the reasoning for opting out of looking at only the most current three months by using the example of the increase in holiday season hiring, which forces the unemployment rate down, but can provide misleading numbers. For that reason, Mr. Potts recommends staying with the current 12-month average report so things like seasonal anomalies and one-time big events do not impact the long-term numbers.

10. BOARD MEMBERS COMMENTS

Secretary of State Cegavske reiterated her request that all applicants pursue their Nevada business license. In addition, Secretary of State Cegavske requested an update on previously approved businesses. Secretary of State Cegavske also requested that all meeting materials come to the Board, in one tranche, rather than piecemeal.

Governor Sisolak asked Director Brown if it is possible for the Board to receive an update on past approvals and also asked if the approved companies were audited. Ms. Sheldon confirmed that companies were audited, by the Department of Taxation, at the two-year and five-year mark. Director Michael Brown confirmed Ms. Sheldon's comments and added that a legislative report, regarding audit compliance, is provided every two years. Director Brown also confirmed periodic updates could be provided as there was often good news regarding these companies. Director Brown advised he would work with the staff to provide updates, positive and negative, regarding previously approved applicants.

11. GOVERNOR SISOLAK'S COMMENTS

Governor Sisolak thanked the Board for their time during today's long meeting.

12. PUBLIC COMMENT

Mr. Rob Hooper, President and CEO, NNDA, thanked the GOED Board and commended Director Brown and GOED staff, for their work. Mr. Hooper also thanked Mr. Roland Stephen and highlighted his inclusion of infrastructure in the Recovery and Resilience Plan. Mr. Hooper discussed the importance of infrastructure as a key to the state's economic future. Mr. Hooper discussed NNDA's collaboration with partners throughout the western part of the state and the creation of the Nevada Technology Corridor to connect north and south and to look at rail and natural gas. Mr. Hooper noted Nevada's frontier communities had not yet recovered from the great recession and required essential infrastructure to support educational systems, healthcare, IT, and essential services.

Ms. McCormick thanked LVGEA for their assistance in making it possible for her to attend the GOED Board meeting whilst travelling to Las Vegas and for helping her to set up safely in a conference room in order to virtually attend the meeting.

13. ADJOURNMENT

SECRETARY OF STATE CEGAVSKE MOVED TO ADJOURN THE MEETING. DR. HAVINS SECONDED. THE MOTION PASSED UNANIMOUSLY.