

**STATE OF NEVADA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
BOARD MEETING MINUTES
Thursday, November 20, 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 Capitol Building, Old Assembly Chambers, 101 N. Carson Street, Carson City, Nevada, 89701.

VOTING BOARD MEMBERS PRESENT

Governor Joe Lombardo, State of Nevada
Lieutenant Governor Stavros Anthony, 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
Ms. Yolanda King, President, Chief Executive Officer, Chief Financial Officer, Y. King Strategies
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada

VOTING BOARD MEMBERS ABSENT

Secretary of State Francisco Aguilar, State of Nevada

NON-VOTING BOARD MEMBERS PRESENT

Mr. Chris Sewell, Director Department of Employment, Training and Rehabilitation
Mr. Kristopher Sanchez, Executive Director, Nevada Business and Industry
Ms. Patricia Charlton, Officer in Charge, Nevada System of Higher Education

NON-VOTING BOARD MEMBERS ABSENT

Ms. Jhone Ebert, Superintendent of Public Instruction

STAFF MEMBERS PRESENT

Amanda Flocchini, Senior International Trade Manager
Alex Bacchus, Director of Business Development, GOED
Avrey Callis, International Trade Manager
Bob Potts, Deputy Director, GOED
Carli Smith, Digital Media Manager, GOED
Danette Tull, Production & Communications Manager, Nevada Film Office

David Newton, Special Counsel to the Colorado River Commission and GOED
Dorian Stonebarger, Director of Special Projects, GOED
Elaine Silverstone, Director of Workforce Development, GOED
Gregory Bortolin, Director of Communications, GOED
James Humm, Director of Public Policy and Government Affairs
Jessica Murillo, Accounting and Administrative Assistant, GOED
Kim Spurgeon, Director Nevada Film Office, GOED
Kristen Spencer, Business Development Coordinator, GOED
Michelle Sibley, Director of Human Resources, Diversity and Inclusion, GOED
Melanie Sheldon, Senior Director of Business Development, GOED
Rosalie Bordelove, Office of Attorney General, State of Nevada, GOED Open Meeting Law
Attorney
Susan Skaggs, Executive Assistant, GOED
Thomas J. Burns, Executive Director, GOED

GUESTS PRESENT

Amber Stidham, LVGEA
Amanda Berry, EDAWN
Amy Barnes, NNDA
Andrew Hoang, Alka Products, LLC
Bill Arent, LVGEA
Bill Hockstedler, Alka Products, LLC
Bill Stern, Private Citizen
Carolyn Kresser, LVGEA
Denise Forehand, Agru America
Donna Corey, SWCREDA
Fatema Hamdani, Kraus Hamdani Aerospace, Inc.
Jenny Truong, Alka Products, LLC
Katie Riccio, Thill One Events LLC
Kyle Wagner, City of Henderson
Michael Dayton, Office of the Lieutenant Governor, State of Nevada
Michael Walsh, LVGEA
Mitch Keenan, LVGEA
Morgan Reed, Chameleon Beverage Company
Nancy McCormick, EDAWN
Nick Clasen, City of Henderson
Paul Miller, SWCREDA
Perry Ursem, LVGEA
Rafaela Carvalho Marangoni, Warby Parker, Inc.
Shelli Long, NV Department of Taxation
Tatjana Vukovic, NNDA
Terri Sheridan, City of North Las Vegas
Terry Selb, Elite Sales Solutions

Tina Quigley, LVGEA

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

Governor Joe Lombardo, State of Nevada called the meeting to order. Ms. Melanie Sheldon, Senior Director of Business Development, 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 SEPTEMBER 12, 2023, BOARD MEETING MINUTES

Ms. Yolanda King noted that some grammatical and name corrections needed to be made, specifically on pages 7 and 8.

Ms. Sheldon indicated she would make the relevant adjustments.

A MOTION WAS MADE BY MR. JAY BARRETT TO APPROVE THE SEPTEMBER 12, 2023, BOARD MEETING MINUTES WITH THE SUGGESTED CORRECTIONS. DR. WELDON HAVINS SECONDED. THE MOTION PASSED UNANIMOUSLY.

4. EXECUTIVE DIRECTOR UPDATE AND DIRECTOR'S REPORT

Director Tom Burns, Executive Director, GOED, began his report with a discussion of Governor Lombardo’s first trade mission to Canada, which allowed Nevada to showcase GOED's economic development strategy regarding an Electric, Innovative, and Connected Future. Director Burns noted he signed a declaration of intent with Ms. Martine Birone, Minister of International Relations and La Francophonie, of Quebec. Director Burns further noted that the Governor and Ontario Premier Doug Ford signed an economic cooperation memorandum of understanding related to critical minerals and green energy projects.

Director Burns advised Deputy Director Bob Potts is the featured panelist in Northern Nevada Development Authority (NND) luncheon in Reno. Additionally, Deputy Director Potts and Ms. Sheldon gave a presentation on economic development to the Nevada Association of Counties (NACO) and Deputy Director Potts also addressed the Nevada Mineral Exploration

Coalition Annual Summit in Reno, the Lithium Rare Earth Critical Element Business Conference at UNR, was a panelist on the Nevada Housing Conference moderated by John Ralston in Southern Nevada and spoke at the Department of Education regarding the Perkins v. State Plan. Ms. Sheldon was also a panelist at the United State Department of Agriculture (USDA) Rural Development Forum in Pahrump.

Director Burns noted his recent meeting with the Nevada Department of Transport (NDOT) and Senator Jacky Rosen to discuss topics including securing the high-speed rail for the state and increasing federal projects throughout the state.

Director Burns noted GOED's Community Development Block Grant (CDBG) program played a key role in developing the city of Tonopah's Union Plaza events parking lot project, a project for which GOED's Jessica Sanders was able to get Tonopah \$350,000. GOED will host this year's Council of State Community Development agencies meeting in Reno, a testament to the work of Ms. Shari Davis, Director of Rural Economic and Community Development, GOED and Jessica Sanders, CDBG Program Administrator, GOED have done in rural and community development.

Director Burns next commended Mr. Karsten Heise, Senior Director of Strategic Programs and Innovation, GOED, for championing the state to receive grants and opportunities presented by the federal government. Executive Director Burns indicated that the EDA Tech Hub designation is a true testament to Nevada's current momentum in the critical economy of lithium batteries. Working alongside Karsten, Ms. Kyeema Peart has been appointed as GOED's Director, Office of Entrepreneurship, reinforcing the Governor's commitment to empowering individuals and young growing companies, with Nevada being the inaugural state to endorse the right to start legislation which underwrites the economic and vocational force that entrepreneurs present n diversifying jobs and enhancing the resilience of key business centers and industry sectors.

Director Burns highlighted the recognition of Valley Bank of Nevada at the State Small Business Credit Initiative (SSBCI) Legacy Lender award. Mr. James York, Chief Executive Officer, Valley Bank, embraced the GOED program and leveraged SSBCI funding early on. Over the past decade Valley Bank extended 22 loans totaling \$30 million by leveraging \$9 million in SSBCI funds.

Director Burns noted the GOED Communications team supported Northeastern Nevada Regional Economic Development Authority (NNRDA) Executive Director Sheldon Mudd conduct the fourth Launch Rural Nevada small and entrepreneur pitch competition. Contestants from all over Nevada descended upon Elko both in person and virtually to participate in the event on November 3, 2023. Out of the seven competitors vying for a portion of the \$15,000 in prize money, four were 17 years old or under.

Director Burns advised Ms. Joan Rueben Director, NV APEX Accelerator, GOED to be appointed Chair of the Nevada National Committee of Association of Procurement and Technical Assistance Centers.

Ms. Rosa Moreno has joined GOED as a Government Contract Advisor and Emerging Small Business (ESB) Program Manager, who will assist Nevada businesses in growing their government contracts, as well as manage and help preside over GOED's ESB program.

Ms. Elaine Silverston has been named GOED's new Director of Workforce Development, Mr. Alex Bacchus has been hired as a Director of Business Development, and Ms. Kim Spurgeon has been promoted to Director of the Nevada Film Office (NFO).

Director Burns noted Dr. Kris Sanchez, former GOED Deputy Director has commenced a new role as Executive Director of Nevada Business and Industry (B&I).

Director Burns advised Ms. Hayley Owens, former GOED Research Manager, to accept an external role with the Nevada Legislative Counsel Bureau (LCB).

METRICS REPORT

Deputy Director Potts presented the metrics report.

Deputy Director Potts presented the data regarding incentivized and non-incentivized companies, noting that not every company with whom GOED works receives tax abatements. Deputy Director Potts noted the 34 companies, with whom GOED has worked through the first three quarters of calendar year 2023, was down slightly from the 36 companies at the same period last year. Deputy Director Potts indicated that initial jobs are at 2,342, down slightly from 2,409 during the same period last year. These are initial jobs are two-year jobs. Regarding the five-year build-out jobs, this number has increased from 4,844 in Q3 last year to 5,616 in Q3 this year. The average hourly wage has also seen a large bump, moving up from \$27.85 to \$34.50 over the nine months of 2023. Capital investment has seen a 426 percent increase from \$786 million to \$4.1 billion, a reflection in large part on the commitment by Tesla in the March 2023 special board meeting.

Deputy Director Potts next discussed the pipeline, which includes leads, prospects, and wins. This data reflects only the third quarter of this calendar year, and shows leads were at 118 a year ago, 101 last quarter, and currently stand at 67; that prospects are up from 51 during the second quarter of 2023 and are on par with the third quarter of 2022 at 73.

Deputy Director Potts next discussed the CDBG program, explaining that both the number and total value of contracts are down, largely because of structural change as Carson City has taken over their own program and GOED is now managing only the rural portion. Deputy Director Potts indicated that there has been a shift in the number of grants from 14 last year to six now, with a drop in funding from 3.1 million to 2.9 million, which amounts to fewer but greater value grants for those awarded. Deputy Director Potts indicated that the Procurement Technical Assistance Center has been renamed the Apex Accelerator, which helps small businesses in the

state and government contracts and has also undergone structural change as they have moved from being supported through the Defense Logistics Agency to the Department of Defense.

Deputy Director Potts next discussed the NFO, noting that the number of productions is up about 3% (three percent) over the same quarter last year, from 102 to 105, and client assistance is down about 15% (fifteen percent) from 196 to 167.

Deputy Director Potts indicated the active clients, and the actual number of jobs are tied to the contract jobs. Over time, the companies GOED works with, that are given a reduction in tax liability, end up hiring more people than the initial Abatement Application projections. Approximately 41 percent of these companies are manufacturers, followed closely by logistics – distribution/warehousing, and IT companies. The majority of companies GOED assists are small businesses of 100 workers or less.

Deputy Director Potts next discussed the total tax of payments approved by year, pointing out Tesla abatements at 1.1 billion in 2014, Data center abatements in 2017, the \$330 million Tesla abatement in March, and the Redwood abatement in 2022. Deputy Director Potts explained that GOED does not offer exemptions as these are abatements, a reduction in tax liability, and noted that even during the abatement period, companies still end up paying \$2.48 for every dollar abated.

Deputy Director Potts referenced sector metrics, explaining that the numbers of Nevada jobs and the unemployment rate noted on the Board's report are the September numbers and that the October numbers just came out the week prior to this meeting. There was not a lot of change in the 5.4 percent unemployment rate and Nevada still holds its position of fastest job growing state at 3.4 percent year-over-year growth. There are currently 1.57 million workers in the state which is 120,000 workers above the pre-pandemic peak. The labor force participation rate is coming back as is engagement/re-engagement with the labor force.

Mr. Ray Specht commended GOED for the continuous improvement enhancements being made to the performance report, noting that this report provides great insight into how economic development is working for the state. Mr. Specht emphasized Deputy Director Potts' point regarding abatements, indicating that it is important to note that the abatement programs are working and that the state is benefiting from these abatements.

Governor Lombardo questioned if the decrease in leads is of concern and whether this is caused by inflation and interest rates.

Deputy Director Potts indicated inflation does play a role, along with a tight labor market. The metrics combine all Regional Development Authorities (RDAs), and not just solely GOED's metrics. Deputy Director Potts offered to break down the data by the different regions in the state should the Board wish to see if a particular region is experiencing more slowdown than others.

Ms. Tina Quigley, President and Chief Executive Officer, Las Vegas Global Economic Alliance (LVGEA), concurred with Deputy Director Potts' and indicated that the LVGEA team has been talking with peers across the nation, particularly in Phoenix and the greater Sacramento area, and noted that these areas are also reducing their anticipated wins for next year for the same reasons as those quoted by Deputy Director Potts.

Governor Lombardo questioned if there is a draft that shows changes in the mix as far as percentages, and asked if adjustments need to be made.

Deputy Director Potts explained that those numbers are available and can be presented to the Board but are not included in this report. This has held relatively steady throughout in terms of the different companies being helped in the different industries but noted that this has to do with the number of companies rather than the number of jobs, which tends to shift.

Governor Lombardo discussed the positive trend in wage increase, noting that this is a significant factor in measurement, and indicated his support for GOED and other development agency authorities.

Ms. Quigley added that peer agencies are starting to measure themselves on higher-wage jobs as opposed to jobs in general.

Governor Lombardo questioned if it would be advisable for Director Burns to reevaluate the minimum dollar per hour requirements when looking at incentives.

Executive Director Burns indicated that GOED is statutorily built into the metric currently being used, but this could certainly be updated legislatively.

Ms. Quigley explained there are certain statutory criteria to meet the minimum qualifications, to apply for State Abatement Packages, but a report on the requested metrics could be included as an informational item for this Board.

Governor Lombardo questioned what the best way was to hold a formal discussion regarding this subject.

Director Burns noted that this could be agendaized for a future meeting and advised GOED met with LVGEA the week prior to begin discussion regarding a legislative agenda and these discussions and suggestions could be brought forward to the Board.

UNEMPLOYMENT RATE UPDATE

Deputy Director Potts explained that the unemployment rate resolution is in place to encourage job creation in counties with high unemployment rate. The unemployment rate in every county in the state has been below 7 percent for more than two years, and until the rate goes above 7

percent again, all companies applying for abatements will have to meet all abatement requirements, including wages, capital investment, jobs, healthcare with 65 percent of healthcare coverage, 50 percent of goods and services to be sold outside the region, and paid family medical leave. Deputy Director Potts reminded the Board that at the September Board meeting, GOED was asked to revisit whether 7 percent was the best number to use. Deputy Director Potts explained that the 7 percent number is in NRS 360 statute and in order to change it, statutes would need to be opened up and changed, and that this could be done should it be determined to be the right thing to do. Deputy Director Potts explained that he and Chief Economist Dave Schmidt discussed this, along with structural unemployment, which is 5 percent or nickel unemployment, noting that this is the sweet spot because if unemployment goes too far below the 5 percent, the labor market becomes very tight with very little wiggle room and if it goes too far above the 5 percent, people begin losing jobs. Deputy Director Potts confirmed that Mr. Dave Schmidt, Chief Economist, Nevada Department of Employment, Training, & Rehabilitation (DETR), and he, agreed that the 7 percent number is still the right benchmark regarding the abatement wage criteria and as a tool to encourage job creation in high unemployment regions.

5. ABATEMENT APPLICATIONS FOR BOARD APPROVAL

A. AGRU AMERICA, INC.

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

Ms. Amy Barnes, Director of Business Development, Northern Nevada Development Authority Introduced Agru America, Inc. (Agru America). The company plans to expand its current Lyon County manufacturing operations. Agru America is a plastics manufacturer and the company's Fernley facility produces premium geomembrane liners which are synthetic membrane liners, or barriers, used to control fluid migration in a manmade project, structure, or system. Since 1988 Agru America has been the world's leading manufacturer of flat die extrusion geomembrane liners, geonets, geocomposites, and geotextiles. Agru America also supplies geosynthetic clay liners, concrete protective liners, vertical barrier systems, and pipe and fitting systems for the U.S. and international civil/environmental markets.

The company will have a total capital equipment investment of approximately \$1.3m and will generate 17 full-time jobs within the first 24 months of operation with an average hourly wage of \$28.62. Ms. Barnes was joined by Ms. Denise Forehand, Costing & Pricing Coordinator, Agru America.

Mr. Specht questioned how much water consumption will be involved, and how Nevada beat out South Carolina, where the company is headquartered, for this expansion.

Ms. Forehand advised the estimated water usage for the new facility will be 823 gallons per day.

Ms. Forehand next explained that Nevada was targeted for the expansion predominately for transportation purposes to the west coast to reduce impact on customers' delivery purposes.

Mr. Josh Reid questioned if transportation would be by road or by trailer, and how the materials come into Fernley.

Ms. Forehand stated the Fernley facility transportation will be by truck whereas in South Carolina transportation also comprises water and rail.

A MOTION WAS MADE BY MS. SASHA STEPHENSON TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR AGRU AMERICA, INC. DR. HAVINS SECONDED. THE MOTION PASSED UNANIMOUSLY.

B. ALKA PRODUCTS, LLC

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

Mr. Paul Miller, Executive Director, Southwest Central Regional Economic Development Authority (SWCREDA) introduced Alka Products, LLC (Alka Products). Alka Products plans to establish a Personal Protective Equipment (PPE) manufacturing facility in Pahrump, Nye County. Alka Products plans on building a 107,000 sq. ft., ground-up, state-of-the-art surgical glove manufacturing plant specializing in nitrile gloves.

The company will have a total capital equipment investment of approximately \$22.8m and will generate 240 full-time jobs within the first 24 months of operation with an average hourly wage of \$28.62. Mr. Miller was joined by Mr. Bill Hockstedler, Senior Advisor, Mr. Andrew Hoang, President/Founder and Ms. Jenny Truong, President/Co-Founder, Alka Products.

Mr. Hockstedler explained the company produces FDA-approved Nitrile gloves, and that this was born out of a desire to ensure that manufacturing is repatriated to the United States, a need particularly evident following the PPE supply-chain shortage during the pandemic. Additionally, the company reclaims over 70 percent of its water in the manufacturing process of these gloves, predominately to cool the latex, and indicated that more water will be used for drinking and for toilets than in the actual manufacturing process.

Mr. Reid noted the fact that even a small amount of water usage can be an issue in Nye County.

Mr. Hockstedler explained the company has put a significant deposit in through Great Basin Water Company for a feasibility study, and they will be publicly supplying the water, for which the company will purchase water rights just like any other business would.

Dr. Havins commended this company and the project, noting Nye County's high unemployment rate and asked about how many individuals from Vietnam the company anticipates bringing over given the company's E-5 visa program.

Mr. Hockstedler advised that this amount is not yet determined as first the company needs to begin laying ground and looking at the final project numbers.

Ms. King noted that neither merit nor COLA increases are listed on the plan and questioned whether the company intended to offer increases to employees.

Mr. Hockstedler indicated that there will definitely be merit increases. However, COLA increases have not yet been considered.

Ms. Stephenson commended the GOED team for pursuing this leap because it is playing into a larger conversation that has been taking place about attracting a piece of the supply chain into Nevada and North America to resolve this issue in the long term.

Chancellor Patty Charlton noted that Pahrump has just established its first Manufacturing Center of Excellence and that the Nevada System of Higher Education (NSHE) is looking seeing these high-skill, high-wage jobs in that area.

Mr. Hockstedler advised the company is also looking into other programs, such as the second chance program, that encourages hiring of previously incarcerated individuals.

A MOTION WAS MADE BY DR. HAVINS TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR ALKA PRODUCTS, LLC. MR. SPECHT SECONDED. THE MOTION PASSED UNANIMOUSLY.

C. BAUDERER PACKAGING LLC

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

Mr. Perry Ursem, Senior Vice President of Business Development, LVGEA, introduced Bauderer Packaging LLC (Bauderer). The company plans to establish a new production facility in North Las Vegas. Bauderer is a co-packer that packages its client's products with the utmost quality, speed, and care. Bauderer is a newly created division of Contract Packaging Associates, with a primary focus on food packaging. The new southern Nevada facility will be a co-packing operation consisting of 2-3 canister filling lines of snack products for a major CPG manufacturer.

The company will have a total capital equipment investment of approximately \$13 m and will generate 89 full-time jobs within the first 24 months of operation with an average hourly wage of \$29.33. Mr. Ursem was joined by Mr. Robert Kuepfer, President, Bauderer.

Mr. Kuepfer explained that the company's customers, many of whom are Fortune 500 companies, requested that the company establish operations to package their goods for distribution in the Western United States, and as such, much of the company's production will be shipped out of Nevada. Three states were investigated with Nevada, and one other, offering the best opportunity for investment and future expansion. In addition, Nevada offers a welcoming business climate, a high-quality workforce, and economic development incentives. The company prides itself on being an employer of choice not only for employees, but also for the communities in which employees live, noting that food insecurity is a major focus of the company's charitable efforts. The company hopes to create a collaboration with the local food pantry, as well as with educational and training institutions to offer training and education at the high school and secondary level for future employees. Mr. Knuepfer indicated that assuming the project incentive application is granted, Nevada would be the company's first location choice.

Mr. Barrett commended the company for its community involvement, participating with education, and 100-percent match on health insurance.

Governor Lombardo asked about the origin of the company's name.

Mr. Kuepfer indicated that Bauderer is his wife's maiden name. As she is the last to carry on the name her son opted to honor the surname as the company name.

A MOTION WAS MADE BY MR. BARRETT TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR BAUDERER PACKAGING, LLC. MS. KING SECONDED. THE MOTION PASSED UNANIMOUSLY.

D. CHAMELEON BEVERAGE COMPANY

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

Mr. Ursem, LVGEA, introduced Chameleon Beverage Company (Chameleon). The company plans to establish a 20,000-25,000 sq. ft. plastic bottle manufacturing facility in southern Nevada. Chameleon was started in 1995 in a small warehouse in Culver City, CA. Since that time, Chameleon has grown substantially and is now one of the largest private label bottle manufacturing companies in California, operating multiple filling lines, 24 hours a day, in a modern plant in Commerce, CA. Mr. Ursem explained the opportunity, for the company to consider Nevada as a potential location, was generated through an out-down marketing initiative spearheaded by LVGEA through LinkedIn.

The company will have a total capital equipment investment of approximately \$5.6 m and will generate 20 full-time jobs within the first 24 months of operation with an average hourly wage of \$29.58. Mr. Ursem was joined by Mr. Morgan Reed, President, Chameleon.

Mr. Reed advised Chameleon will not be bottling water in Nevada. It would solely manufacture the bottles. Mr. Reed explained that Nevada is a great location for the company, noting that he does a lot of business at the casinos already. As a lot of the material is currently outsourced, the goal is to create more of a vertical integrated company with a local supply chain. The company believes in high quality standards for its facility and is always inspection-ready and indicated that because of its partnership with vendors, the facility can also serve as a showroom, particularly in the second-phase plan, which is to sell the preforms of caps to the western US, where there has been a massive shortage.

Ms. King questioned the exclusion of merit or COLA increases on the application.

Mr. Reed indicated that the program does include wage growth in the form of merit raises.

Mr. Reid noted that the application indicated that headquarters in California will be moved.

Mr. Reed explained that that is the eventual goal.

A MOTION WAS MADE BY MS. KING TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR CHAMELEON BEVERAGE COMPANY. MR. REID SECONDED. THE MOTION PASSED UNANIMOUSLY.

E. KRAUS HAMDANI AEROSPACE, INC.

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

Ms. Amanda Berry, Director of Business Development, Economic Development Authority of Western Nevada (EDAWN) introduced Kraus Hamdani Aerospace, Inc. (Kraus Hamdani). The company plans to establish operations and testing in its location within Reno Stead Airport. The company was founded in 2016 with the vision of saving lives through Unmanned Aerial Vehicles and associated technologies. The company develops the world's longest endurance fully electric Group-2 Unmanned Aerial Systems (UAS). Kraus Hamdani's world-leading technology mimics birds flying long distances, manages battery systems, uses onboard AI and specialized autopilot technology to enhance flight performance.

The company will have a total capital equipment investment of approximately \$7.3m and will generate 5 full-time jobs within the first 12 months of operation with an average hourly wage of

\$55.37. Ms. Berry was joined by Ms. Fatema Hamdani, Co-Founder and Chief Executive Officer Kraus Hamdani.

Ms. Hamdani advised the company works with US Department of Defense (DOD) and federal governments, essentially bringing in 100-percent US industrial-based assets to provide technology that is critical for national security. Additionally, the company hires veterans, as and has a focus on bringing high tech job opportunities to indigenous communities. People, planet, and prosperity are all equally important to the company and in addition to aviation, Kraus Hamdani is also an Artificial Intelligence (AI) company.

Mr. Specht noted the application only adds five positions within a 12-month projection, and asked Ms. Hamdani about future growth.

Ms. Hamdani confirmed the company is in its growth phase but noted that the co-founder and Chief Technology Officer (CTO) intends to relocate to Nevada full-time with the plan to grow up to 1,200 people within 24 months, nationwide, 25 to 30 percent of whom would be hired in Nevada.

A MOTION WAS MADE BY MR. SPECHT TO APPROVE THE AVIATION SALES TAX ABATEMENT AND AVIATION PERSONAL PROPERTY TAX ABATEMENT FOR KRAUS HAMDANI AEROSPACE, INC. MR. BARRETT SECONDED. THE MOTION PASSED UNANIMOUSLY.

8. ABATEMENT APPLICATIONS FOR DIRECTOR APPROVAL

Director Burns advised there are three Abatement Application for Director approval. Pursuant to S.B. 181, GOED's Executive Director can approve partial tax abatements with a projected value up to \$500,000. Therefore, Director Burns has approved Elite Sales Solutions, Inc., Thrill One Events LLC and Warby Parker, Inc. for a Sales and Use Tax Abatement, a Modified Business Tax Abatement and a Personal Property Tax Abatement.

Director Burns noted Arcadia Cold Reno, LLC is also on the Agenda. This is essentially for the purpose of ratification.

A. ARCADIA COLD RENO, LLC (RATIFICATION)

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

Arcadia Cold Reno, LLC was approved at the September 12, 2023, GOED Board Meeting. However, the project location listed 'Washoe County' and the company will actually be located

in 'Storey County'. Through Open Meeting Law processes GOED has made Storey County aware of the location change. The process is now complete, and this application remains approved.

B. ELITE SALES SOLUTIONS

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

Mr. Ursem, LVGEA, introduced Elite Sales Solutions (Elite Sales). The company plans to expand its existing headquarters and back-office operation in Las Vegas. The construction project involves the expansion and improvement of office space, increasing its size from 2,700 sq. ft. to 12,000 sq. ft. Elite Sales is a full-service Tax Boutique Law Firm concentrating on all areas of tax throughout the nation. The company specializes in custom Tax Relief Resolution, IRS & State Audit Presentation, and Tax Preparation with a staff of CPAs, enrolled agents, and tax attorneys.

The company will have a total capital equipment investment of approximately \$374,000 and will generate 80 full-time jobs within the first 24 months of operation with an average hourly wage of \$36.22.62. Mr. Ursem was joined by Mr. Terry Selb, Senior Partner, and Mr. Greg Paragh, Vice President of Operations, Elite Sales.

Ms. Selb explained that the primary brand of the company is called American Tax Services and handles all things tax related. The company has approximately 105 employees, most in Los Angeles, some of whom will be relocated to Nevada, and others of whom will be replaced by Nevadans. The company chose to relocate to Nevada because it is more cost effective than southern California.

Mr. Reid indicated that the Nevada State Bar does not allow non-attorney ownership of law firms as is advertised on the Elite Sales company website.

Mr. Selb confirmed that this would be rectified as the company is a tax firm and not a law firm.

C. THRILL ONE EVENTS LLC

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

Mr. Michael Walsh, Vice President of Business Development, LVGEA, introduced Thrill One Events LLC (Thrill One).

Thrill One Thrill One Events, LLC (Thrill One) is considering the state of Nevada for its new corporate headquarters. The Thrill One portfolio collectively hosted more than 70 live events, delivered roughly 100 hours of live sports content, and produced over 300 episodes of linear television. Thrill One boasts a massive social audience with more than 40 million followers across its various channels.

The company will have a total capital equipment investment of approximately \$1.3m and will generate 52 full-time jobs within the first 24 months of operation with an average hourly wage of \$55.37. Mr. Walsh was joined by Mr. Katie Riccio, Controller, Thrill One.

Ms. Katie Riccio, advised the company was formed in 2020 by uniting industry leading brands Nitro Circus, Nitro Rallycross (Nitro RX), Street League Skateboarding (SLS) and Thrill One Media (formerly Superjacket Productions) to become the world's leading producer of action sports events and original content.

D. WARBY PARKER, INC.

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

Mr. Mitch Keenan, Vice President of Business Development, LVGEA, introduced Warby Parker, Inc. (Warby Parker). The company plans to expand its state-of-the-art optical lab /manufacturing facility in Las Vegas - home to the company's West Coast manufacturing and customer experience operations. Warby Parker was founded with a mission: to inspire and impact the world with vision, purpose, and style. This means providing its customers affordable access to eyewear and vision services, designing remarkable customer experiences, disrupting an industry, developing innovative technology that helps the world see, and addressing the 2.5 billion people in the world that don't have access to eyecare.

The company will have a total capital equipment investment of approximately \$1.3m and will generate 30 full-time jobs within the first 24 months of operation with an average hourly wage of \$25.37. Mr. Keenan was joined by Ms. Rafaela Carvalho Marangoni, Vice President of Manufacturing, Warby Parker.

Ms. Carvalho Marangoni advised the company's first Nevada facility was opened at the end of 2021, at which time there were approximately 20 team members, and has to date expanded to approximately 80 team members.

Governor Lombardo asked about the location of the current facility and if the expansion will take place in the same location.

Ms. Carvalho Marangoni indicated that the expansion will be in the company's existing Suset Road, Las Vegas location with projections to double the volume delivered last year.

Governor Lombardo asked if the company was affiliated with any 501 C3s in Las Vegas.

Ms. Carvalho Marangoni indicated that this is an avenue the company is exploring.

Ms. Reid commended companies like Warby Parker, that make glasses affordable for people as even as recently as 10 years ago, glasses were very expensive.

Ms. Carvalho Marangoni reiterated that Warby Parker's focus is vision for all.

9. BOARD MEMBER COMMENTS

Mr. Specht requested further discussion regarding criteria for the abatements, specifically looking at water as a resource in the state as it may be worthwhile to see, within the Board summaries, the water consumption of companies seeking abatements. Mr. Specht further suggested talking with water authorities or experts to determine if there is a way to look at water consumption versus economic development effects.

Director Burns confirmed GOED has been working with the Southern Neva Waster Authority (SNWA), who has a tool in process that does exactly the work Mr. Specht identified in his comments. The tool will have a green, yellow, and red rating system and that ultimately the Board will need to make the decision as to give the go-ahead regardless of the rating.

Ms. Quigley suggested that the water authority come and provide the presentation of the tool, which is called the Water Investment Rating Metric.

Governor Lombardo asked for confirmation that this is already considered in the evaluation given the discussions regarding open loop versus closed loop, and reconstitution of the water, and asked for confirmation from Mr. Specht that his request is to quantify that on this document for the benefit of the Board.

Mr. Sanchez confirmed the Governor is correct.

Mr. Specht noted that he would appreciate the Board members having an understanding of the impact on a critical resource prior to moving to approve.

Director Burns concurred and noted that in conversations with the water authority, the model is still a work in progress, and deferred to others regarding the presentation of the model at a future meeting given Open Meeting laws (OML).

Governor Lombardo noted that if it is agendized, the presentation can happen but inquired why the model was in development.

Mr. Sanchez advised SNWA has been working on the tool for a little over a year now, and the framework is still in the testing phase. There is also review as to how it will be applied consistently across statewide economic development.

Mr. Specht noted that there is nothing now that calls for it to be addressed in the Board's review of applications.

Mr. Sanchez confirmed that this is correct, and would be an addition to statute, should the Board make that choice.

Mr. Reid indicated that this is a jurisdictional issue as one area of the state may have water issues whereas another area of the state does not.

Ms. Quigley pointed out that while the GOED Board could deny a tax abatement the company can still negotiate with the municipality to move forward.

Director Burns reiterated that while water is a tremendous concern in southern Nevada, this is more heightened than in other parts of the state, and therefore the same metric should probably not be used statewide.

Mr. David Newton, Senior Deputy Attorney General, Colorado River Commissions of Nevada (CRC) recommended tabling this discussion and agendaizing it for a future meeting as it has moved beyond Board comments and more into non-agendaized items.

10. GOVERNOR LOMBARDO COMMENTS

Governor Lombardo thanked Mr. Sanchez and wished him well on his recent promotion.

11. PUBLIC COMMENT

Bill Stern, Private Citizen, indicated that he is a member of a group of businesspeople and nuclear scientists, and discussed the large and growing problem of the more than 90,000 metric tons of used nuclear fuel stored in 36 states. This used nuclear fuel contains enough energy to provide electricity to the US for 50 to 200-plus years. Mr. Stern opined that the problem can be solved by Nevada consenting to receive the spent nuclear fuel for recycling into fast reactors and arrangements can be made for a visit to Argon National Laboratory, which has developed this technology. Mr. Stern explained that Nevada is currently the only state that can, under federal law, accept that spent, used fuel.

There was no additional public comment.

12. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING. THE MOTION PASSED UNANIMOUSLY.