

**STATE OF NEVADA  
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT  
BOARD MEETING MINUTES  
SEPTEMBER 16, 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 JBarrett Company  
Mr. Raymond Specht, Chief Executive Officer, Specht Leadership Consulting  
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada

**VOTING BOARD MEMBERS ABSENT**

Dr. Dana Bennett, Chief Executive Officer, Midas Strategies

**NON-VOTING BOARD MEMBERS PRESENT**

Ms. Elisa Cafferata, Interim Director, Department of Employment Rehabilitation and Training

**NON-VOTING BOARD MEMBERS ABSENT**

Dr. Melody Rose, Chancellor and Chief Executive Officer, Nevada System of Higher Education

**STAFF MEMBERS PRESENT**

Bob Potts, Deputy Director, GOED  
Bonnie Long, Director of Administration, GOED  
Chelsea Walburg, Research Manager, GOED  
Christine Guerri, Special Counsel to the Colorado River Commission and GOED  
Dayna Dale, International Business Specialist, 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  
Michael Brown, Executive Director, GOED  
Mariah Heriman, Business Development Coordinator, GOED  
Melanie Sheldon, Director of Business Development, GOED  
Michelle Sibley, Human Resources Manager and Executive Assistant of Operations, 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**

Alan Ragsdale, City of North Las Vegas  
Alex Shulga, Lithium Nevada Corp.  
Alexi Zawadzki, Lithium Nevada Corp.  
Amy Miller, NNDA  
Amy Palmeri, Henderson Chamber of Commerce  
Andrew Haskin, NNDA  
Andrew Silvestri, Design, LLC  
Ashley Brune, The Abbi Agency  
Ben Kieckhefer, Nevada Legislature  
Bill Legere, City of North Las Vegas  
Bob Hastings, Western Nevada Development District  
Craig von Collenberg, OWINN  
Dave Mendiola, Humboldt County  
Derek Armstrong, City of Henderson  
Don Vetter, Western Nevada Development District  
Eduard Epshtein, Lithium Nevada Corp.  
Emily Creighton, The Ferraro Group  
Eli Segall, Las Vegas Review Journal  
Eric Steinmetz, Nevada Department of Taxation  
Gina Gavan, City of North Las Vegas  
Holly Silvestri, The Ferraro Group  
Hubert Hensen, College of Southern Nevada  
Irene Bustamante Adams, Workforce Connections  
Jan Morrison, NNRDA  
Jason Hidalgo, Reno Gazette Journal  
Jeff Brigger, NV Energy  
Jeff Sutich, NV Energy  
Johnathan Ng, Las Vegas Review Journal

Jordan Hosmer-Henner, State of Nevada  
John Restrepo, RCG Economics  
Josh Hicks, McDonald Carano  
Justin Zimmerman, Nye County  
Lauren Silverstein, The Ferraro Group  
Leandra Copeland, Nevada Legislative Counsel Bureau  
Lynn O'Mara, NNDA  
Martin Potnick, NVIE  
Michael Hillerby, Kaempfer Crowell  
Michael Walsh, LVGEA  
Michele Lindsay, NV Energy  
Nancy McCormick, EDAWN  
Nate Mackinnon, NSHE  
Nick Clason, LVGEA  
Nicole Raz, Las Vegas Review Journal  
Patrina McKinney, State of Nevada  
Perry Ursem, LVGEA  
Riley Snyder, The Nevada Independent  
Rob Benner, Northern Nevada Central Labor Council  
Roland Stephen, SRI International  
Scott Anderson, State of Nevada  
Sheryl Gonzales, Western Nevada Development District  
Shelli Long, Nevada Department of Taxation  
Sheldon Mudd, NNRDA  
Suzanne Benson, Workforce Connections  
Terri Sheridan, City of North Las Vegas  
Tia White, Bullpen Global  
Tim Crowley, Lithium Nevada Corp.

**1. PUBLIC COMMENT**

There was no public comment given.

**2. APPROVAL OF THE JUNE 16, 2020 BOARD MEETING MINUTES**

Governor Steve Sisolak asked for a motion to approve the minutes of the June 16, 2020 meeting. The minutes were approved and the motion passed unanimously.

**3. EXECUTIVE DIRECTOR UPDATE AND DIRECTORS REPORT**

Director Michael Brown, Executive Director, Governor's Office of Economic Development (GOED) introduced the newest member of the Board, Mr Alex Dixon, President, West Region – PureStar. Mr. Dixon would replace Mr. Adam Kramer, Executive Vice President of Strategy, Switch, Inc, on the GOED Board.

Director Brown reported that most of GOED's staff had been redeployed, between March and June, to assist with pandemic matters. Staff were now returning to regular work. However, additional responsibilities had been added regarding rollout of relief programs funded by CARES Act dollars such as the Commercial Rental Assistance Grant (CRAG) and the Pandemic Emergency Technical Support (PETS) Grant. In addition, Community Development Block Grant (CDBG) funds were being deployed to rural Nevada as part of the larger relief efforts.

Director Brown reported that GOED was working with the Department of Business and Industry (B&I) in advancing approval for the Brightline Train project which would provide considerable construction jobs in Las Vegas. Additionally, there appeared to be significant interest in the areas of energy, technology, and healthcare. GOED was working with businesses, in these sectors, that were looking to possibly locate in Nevada.

Director Brown reported on other departments within GOED. The Nevada Film Office (NFO) had three movies underway in northern Nevada and a television series in Las Vegas. The Nevada Technical Procurement and Assistance Center (PTAC) continued to help small and minority businesses win government contracts. PTAC had recently won a significant national award for their work. GOED's International Trade Division was assisting approximately 68 Nevada businesses, with international export, via its State Trade Expansion Program (STEP).

Director Brown reported that Dr. Roland Stephen, Director, Center For Innovation Strategy and Policy, SRI International, continued to work with GOED on the state economic development plan, with further discussion and updates to follow at the Board meeting on December 2, 2020.

In response to concerns about abatement applications barely meeting the statutory thresholds, Director Brown advised there had been companies turned away because they did not meet the criteria or required a more robust application. Director Brown expressed his belief that the abatement standards should be changed and, although he had limited authority to do so, he believed the Board should be involved in this process. This would be scheduled for discussion at

the December 2, 2020 GOED Board meeting so as to comply with Open-Meeting Law. Director Brown planned to undertake further research and analysis regarding the potential to raise the abatement wage criteria to 125 percent of Nevada's average wage rather than the current 100 percent. Additionally, there was a consideration around introducing a 90 percent Nevadan residency requirement. Director Brown reported that GOED was still consulting with experts in the area of healthcare and he did not yet have a recommendation. Director Brown had also considered project labor agreements for large projects. However, he lacked the legal authority to bring that forward. Director Brown planned to discuss these proposals further at the December 2, 2020 Board meeting. In the interim, GOED would continue to work with general counsel and invite comment in the public domain. Director Brown expressed his opinion that a company receiving public abatements should demonstrate a significant commitment to the state and its residents.

Director Brown discussed how the national public health crisis had ignited an economic recession that had produced a fiscal reversal. Although full recovery would not be possible until the hurdles of the pandemic had been cleared, GOED would remain focused on assisting with the health response, implementing the relief measures, and building resiliency through diversification.

#### **4. METRICS REPORT – BOB POTTS, DEPUTY DIRECTOR, GOED**

Mr. Bob Potts, Deputy Director, GOED, provided an overview of the metrics report. Deputy Director Potts reported that, on the business development side, all measures are down. However, he reminded Board members that comparing the second quarter of 2020 to previous quarters was like comparing apples and oranges.

Deputy Director Potts advised August job numbers had just been reported earlier that morning. There were currently 1.3 million workers statewide. This was up half a percent from the job report in July. The numbers indicated that Nevada was possibly approaching a bounce back. As re-openings slow down, job recovery appeared to be flattening. In August, 52 percent of the 287,000 jobs lost in April were recovered for a total of 151,000. Clark County was hit the hardest losing, 242,000 jobs for a total of 84 percent of the lost jobs state-wide. This was a direct result of the high percentage of Clark County's economy relying on leisure and hospitality. State-wide unemployment was at 14 percent in July and dropped down to 13.2 percent in August.

Deputy Director Potts reported that unemployment was currently the fifth highest it had been in Nevada's history and five times higher than pre-pandemic. The current number of unemployed was approximately 198,000. Payroll data, which does not include the self-employed, is approximately 134,000. This put current unemployment projections at approximately 160,000 to 180,000 down from pre-pandemic.

Deputy Director Potts discussed the Gross Domestic Product (GDP) and explained the shape of the recovery curve and how it would look under best, baseline, and worst-case scenarios. Under the best-case scenario, by the end of 2021, GDP would be about a percent below what it would have been had the pandemic not occurred. In order for the GDP to remain there, fall and winter health outbreaks would need to remain consistent with the outbreaks from the summer months. In addition, vaccination would need to be available to everyone, would need to be distributed, and would need to be affordable sometime around April 2021. Deputy Director Potts reported this would also mitigate some of the lingering fear and uncertainty regarding continued transmission. This best-case scenario is also dependent upon additional federal support, which would need to happen no later than October 2020.

Deputy Director Potts reported the baseline scenario indicated that, by the end of 2021, GDP would be about five percent of what it would have been had the pandemic not occurred. This scenario considered a minor surge in COVID patients, hospitalizations, and deaths, with the vaccine not widely available before July 2021. There would be a slight increase in self-isolation, and there would be some financial virus-related relief in November 2020 or December 2020.

Deputy Director Potts reported the worst-case scenario included infections, hospitalizations, and deaths, with a surge in the fall through the early spring, leading to additional lockdowns and no vaccine until 2022. Self-isolation would increase due to heightened fears and there would be no additional federal support for virus-related relief. This scenario would put GDP at about 20 percent down what it would have been had there been no pandemic. This was equal to GDP levels in 2015.

**6. NEVADA RECOVERY PLAN INFORMATIONAL UPDATE- DR. ROLAND STEPHEN, DIRECTOR, CENTER FOR INNOVATION STRATEGY AND POLICY, SRI INTERNATIONAL**

Dr. Roland Stephen, Director, Center For Innovation Strategy and Policy, SRI International provided an overview of Nevada's plan for the future, beyond the pandemic recovery. Dr. Stephen discussed Nevada's strong recovery following the great recession. Dr. Stephen also discussed the federal government's immediate, substantial relief that has come to an end for the moment, and noted GOED, and Local Government entities, had been making sure these resources were quickly and appropriately distributed.

Dr. Stephen discussed strategies for the medium term. The first strategy included thinking about the regionally designed industrial clusters of the major regions of the state and rural areas, including things like advanced manufacturing, renewable energy, and supply chain. The second strategy included statewide integration and connectivity. Dr. Stephen expressed his belief the time has come to connect the state digitally and through all the other standard infrastructure enhancements required for a 21st century economy. Dr. Stephen advised Nevada was on the way to becoming a world data hub and discussed the need to specialize in areas such as autonomy, automation, innovation, and entrepreneurship.

Dr. Stephen discussed the need for responsible and sustainable growth, citing that the reality of climate change could no longer be ignored. Furthermore, investors now expected to invest in low carbon, low emission, water-wise economies and to have renewable energy infrastructure in place. Dr. Stephen informed the Board that this must be in place as soon as possible for Nevada to take part successfully in the 21st century economy. Dr. Stephen noted Nevada was an obvious place for people to come, work, play and stay, and that steps needed to be taken to ensure that underserved communities were included. Dr. Stephen advised the economic shock associated with the pandemic had hit underserved communities the hardest and reiterated that the future for Nevada should be one that includes these communities by design.

Dr. Stephen noted now was the time to make capital investments and recommended that the sovereign wealth fund be put in place, a roadmap for infrastructure be developed, and an innovation fund be established. Dr. Stephen discussed the stresses faced by the governance mechanism state and regions in Nevada and emphasized the opportunity to modernize. Dr. Stephen discussed modernizing the institutional funding mechanisms, particularly the community college system.

Dr. Stephen addressed Nevada's seeming vulnerability because of its overbalanced reliance on the hospitality industry and highlighted northern Nevada's change in priorities following the great recession. Dr. Stephen noted southern Nevada should follow suit; hospitality, although still important, should not play the same kind of predominant role in the economy in the future and more focus should be placed on advanced logistics, manufacturing, and health services.

## **7. ABATEMENT APPLICATIONS FOR BOARD APPROVAL**

### **A. DESIGN, LLC**

- **DATA CENTER SALES AND USE TAX ABATEMENT**
- **DATA CENTER PERSONAL PROPERTY TAX ABATEMENT**

Director Brown introduced Design, LLC. Design, LLC (Design) plans to build a data center at the Tahoe Reno Industrial Center (TRIC) in Storey County. Design is a wholly-owned subsidiary of Google. Google was founded in 1998 and is a U.S.-based technology company that offers internet-related services and products. Google operates multiple data centers in the country and around the world. It had a diversified portfolio of internet-related services and products which included online advertising technologies, search engine, cloud computing, software, and hardware.

The Regional Development Authority (RDA) on this project was the Northern Nevada Development Authority (NNDA). The RDA representative was Mr. Andrew Haskin, Deputy Director. The company representative was Mr. Andrew Silvestri, Head of Data Center Public

Policy and Community Development, Design, LLC, and Mr. Michael Hillerby, Director of Legislative Affairs, Kaempfer Crowell.

Within the first 5 years of operation, the company planned to create 50 new jobs with an average wage of \$31.29 per hour. The company planned to make a \$600 million capital investment in the state. The project would generate an estimated total of \$94 million in taxes.

Director Brown informed the Board that the project would provide both professional and construction jobs for Nevadans. Director Brown discussed the uniqueness of Nevada as a data center location due to its proximity to Silicon Valley, cost of energy, availability of land, minimal latency, ever-growing supply of renewable energy, and minimal risk from natural disasters.

Governor Sisolak discussed the impact of the pandemic on unemployment in Nevada, which remained the highest in the country and nearly five percentage points higher than the national average. Governor Sisolak reiterated the proposed project would create a large economic impact over the next 20 years. The company had also announced its plans to make an additional \$600 million investment in its existing Henderson data center, doubling projected original investment, and bringing the total southern Nevada investment to \$1.2 billion. Governor Sisolak recommended the Board's vote be provisional on the company working with GOED to develop a comprehensive Corporate Social Responsibility (CSR) Plan for Nevada. Governor Sisolak noted his confidence that GOED and Design, LLC would come to an agreement that would be beneficial for Nevada.

Lieutenant Governor Kate Marshall asked about potential impacts, of the company's energy usage requirements, to other local businesses. Mr. Hillerby advised the company had been carbon neutral since 2007. It was now in the process of matching 100 percent renewable energy with all of its data centers. Mr. Hillerby advised the company had announced elimination of its carbon legacy and in 2019 filed an application with the Public Utilities Commission (PUC) and NV Energy to produce the largest corporate solar generation and battery backup facility in the world.

Lieutenant Governor Marshall asked about the impacts of the company's water usage and requirements. Mr. Hillerby advised the necessary water rights for the space in northern Nevada have been procured and were available. Mr. Hillerby advised the company continued to work with multiple parties to ensure that there was a long-term strategy in place to provide water not only for business expansion, but to be sure that the TRIC industrial complex had access to the water it needed.

Lieutenant Governor Marshall asked about using union labor for the construction of the data center facility. Mr. Hillerby advised the company was proud of its track record using union labor and union contractors.



Secretary Cegavske asked if the company would be purchasing through Nevada suppliers for the upcoming project. Mr. Hillerby explained that some items were unavailable from Nevada suppliers for a project of this magnitude. However, approximately 40 percent of the materials for the northern Nevada site would be purchased in Nevada.

**A MOTION WAS MADE TO PROVISIONALLY APPROVE THE APPLICATION OF DESIGN, LLC FOR A DATA CENTER SALES TAX ABATEMENT AND A DATA CENTER PERSONAL PROPERTY TAX ABATEMENT, SUBJECT TO DESIGN, LLC'S EXECUTING AN ABATEMENT CONTRACT WITH THE STATE THAT CONTAINS SPECIFIC EDUCATION AND COMMUNITY INITIATIVE. THE MOTION WAS SECONDED AND A ROLL CALL VOTE WAS TAKEN. THE MOTION PASSED UNANIMOUSLY.**

**B. LITHIUM NEVADA CORP.**

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

Director Brown introduced Lithium Nevada Corp. (Lithium Nevada). The company was currently designing and permitting one of the most advanced and environmentally sound facilities in the United States for chemical manufacturing of high purity lithium chemicals as a byproduct of mineral processing. These facilities would be located at Thacker Pass lithium project ("Thacker Pass") in northern Humboldt County in rural Nevada. The Thacker Pass complex had the potential to make Nevada a global leader in the lithium-ion battery processing business by fulfilling two of the four key steps in advanced manufacturing: mining the lithium mineral and manufacturing battery-grade lithium chemicals.

The RDA on this project was the Northern Nevada Regional Development Authority (NNRDA). The RDA representative was Mr. Sheldon Mudd, Executive Director. The company representative was Alex Shulga, Vice President, Finance, Lithium Nevada Corp.

Within the first 2 years of operation, the company planned to create 113 new jobs with an average wage of \$37.84 per hour. The company planned to make an \$103.8 million capital equipment investment in the state. The project would generate an estimated total of \$75 million in taxes over the life of the project.

Mr. Dan Klaich expressed his support for this project and highlighted the company's good treatment of employees, good wages, and the fact that Nevada would be supporting a national, strategic effort.

Mr. Raymond Specht expressed his support for the project, noted the projected job growth in that part of the state, and reiterated this project was not just good for the state of Nevada but for the country as a whole.

**A MOTION APPROVE LITHIUM NEVADA CORP. FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, A PERSONAL PROPERTY TAX ABATEMENT. THE MOTION PASSED UNANIMOUSLY.**

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

Deputy Director Potts gave an overview the 2017 legislative decision regarding unemployment, stating that anytime the unemployment rate fell below seven percent, companies needed to meet 100 percent of the state's average rate to ensure that during periods of high unemployment, more jobs were attracted to the region in question. Deputy Director Potts reported that three counties in Nevada were above the seven-percent threshold and, based on the unemployment rates during the pandemic, it was expected that more counties would move above that threshold as well. Deputy Director Potts added that this was a 12-month moving average all unemployment rates were unadjusted.

Secretary of State Barbara Cegavske asked if there were separate numbers for unemployment rates at the end of March, April, May, June, and July. Deputy Director Potts advised his department did receive the numbers for each month. However, they were unadjusted. Deputy Director Potts cautioned there would be a lot of benchmarking on this data because of the extreme swings in the labor market. Deputy Director Potts advised working with numbers, that were not seasonally adjusted or benchmarked, could be problematic.

Governor Sisolak asked Deputy Director Bob Potts to provide the monthly data to each of the Board members individually. Deputy Director Potts agreed.

**9. BOARD MEMBER COMMENTS**

Mr. Dixon advised he was pleased to be joining the GOED Board and looked forward to continuing work with Deputy Director Potts, the GOED team, and the GOED Board in general.

Secretary of State Cegavske thanked Director Brown and his staff for holding a pre-meeting call with her team and asked if it was possible to receive the Board packets earlier to allow ample time for review prior to the meeting. Governor Sisolak agreed and advised he would work with Director Brown on this.

Mr. Specht and commended GOED and the RDAs for a job well done during a time of crisis in the state.

Governor Sisolak agreed and also recognized and commended GOED, Director Brown, and the RDAs for their hard work during the COVID crisis.

**10. GOVERNOR SISOLAK'S COMMENTS**

Governor Sisolak stated that he did not have any more comments.

**11. PUBLIC COMMENT**

Ms. Irene Bustamante Adams, Deputy Director and Chief Strategy Officer, Workforce Connections, thanked Governor Sisolak in advance for participating in an upcoming ribbon-cutting ceremony for the opening of the Employ NV Business Hub. Ms. Bustamante-Adams informed the Board that Employ NV Business Hubs were designed to connect employers to free resources and help them create a plan for the future.

Mr. Hillerby thanked the Governor and the other Board members for their support of the Design, LLC application. Mr. Hillerby also thanked Director Brown, Ms. Melanie Sheldon, Director of Business Development, GOED, and Deputy Director Potts on behalf of the company and himself.

**12. ADJOURNMENT**

**A MOTION WAS MADE BY MR. SPECHT TO ADJOURN THE MEETING. THE MOTION PASSED UNANIMOUSLY.**