

**STATE OF NEVADA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
BOARD MEETING MINUTES
Thursday, December 1, 2022**

The meeting of the Board of Economic Development was called to order by Governor Steve Sisolak at the Grant Sawyer Building, Governor's Conference Room, 555 E. Washington Avenue, Room 5100, Las Vegas, Nevada, 89101 and the Governor's Office of Economic Development Main Conference Room, 808 W. Nye Lane, Carson City, Nevada, 89701.

VOTING BOARD MEMBERS PRESENT

Governor Steve Sisolak, State of Nevada
Lieutenant Governor Lisa Cano Burkhead, State of Nevada
Secretary of State Barbara Cegavske, State of Nevada
Mr. Josh Reid, Director of National Resources, Fennemore Law
Mr. Raymond Specht, Founder & CEO, Specht Leadership Consulting
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada

NON-VOTING BOARD MEMBERS PRESENT

Ms. Elisa Cafferata, Director Department of Employment, Training and Rehabilitation
Mr. Terry Reynolds, Director of Business, and Industry

VOTING BOARD MEMBERS ABSENT

Mr. James A. Barrett, Jr., President & Founder, The JABarrett Company
Ms. Sasha Stephenson, Vice President of Gov. Affairs, MGM Resorts International
Mr. Tyre Gray, Nevada Mining Association

NON-VOTING BOARD MEMBERS ABSENT

Mr. Dale Erquiaga, Acting Chancellor, and Chief Executive Officer, Nevada System of Higher Education

STAFF MEMBERS PRESENT

Bob Potts, Deputy Director, GOED
Carli Smith, Digital Media Manager, GOED
Chelsea Walburg, Director of Business Development, GOED
Danette Tull, Production and Communications Manager
David Newton, Special Counsel to the Colorado River Commission and GOED
Hayley Owens, Research Manager, GOED
James Humm, Director of Public Policy and Government Affairs
Jeanette Holguin, Business Development Coordinator, GOED
Jessica Murillo, Accounting and Administrative Assistant, GOED

Jessica Sanders, CDBG Program Administrator, GOED
Kim Spurgeon, Incentive Program Manager, GOED
Michael Brown, Executive Director, GOED
Michele Lynn, Director of Administration, GOED
Melanie Sheldon, Senior Director of Business Development, South, GOED
Shari Davis, Director of Rural Economic and Community Development, GOED
Stacey Bostwick, Director of Workforce Development, GOED
Susan Skaggs, Executive Assistant, GOED

GUESTS PRESENT

Alan Tanchek, Silver State Government Relations
Alexis Georgeson, Redwood Materials
Amber Stishan, LVGEA
Amy Barnes, NNDA
Austin Osborne, Storey County
Bill Arent, LVGEA
Bill Regenhardt, LVGEA
Bob Ryser, Storey County
Brandon Akers, Akers Enterprises
Britney Wesley, Akers Enterprises
Brittany West, City of North Las Vegas
Carly Sauvageau, The Nevada Independent
Carolyn Kresser, LVGEA
Cecilia Heston, Secretary of State
Chris Brandon, WNDD
Cindy Kendall, DETR
Clayton Mitchell, Storey County
Dan Chia, Chia Strategies
Darrin Wilen, Wilen
Dave McMurtry, Aqua Metals
Don Tatro, Redwood Materials
Emily Nowlin, Nevada Department of Business, and Industry
Eric Steinmetz, NV Dept. of Taxation
Frank D'Amico, Wilen
Gabriel Di Chiara, Secretary of State
Henna Rasul, NV Office of Attorney General
Heidi Lusby-Angvick, NV95-80 RDA
Irene Bustamante-Adams, Workforce Connections
Jan Morrison, WCS NV
Janel Walsh, Atlantis
Jarrad Prida, UNR
Jason Hidalgo, Reno Gazette Journal

Jay Carmona, Storey County
Jay Johnson, DETR
JB Straubel, Redwood Materials
Jeff Mitchell, NV Dept. of Taxation
Jeff Sutich, NNDA
Jennifer Atlas, Griffin Company
Jennifer Baker, Guest
Jennifer McCain, Storey County
Joe Ungers, Redwood Materials
Joe Campos, Blockchains
John Parel, DETR
Katie Gilbertson, GOWINN
Keith Loomis, Storey County
Kevin Kassekert, Redwood Materials
Lara Mather, Storey County
Laureen Basso-Cerini, Pershing County
Lorna Quisenberry, NV Department of Taxation
Manual Gonzalez, Kodiak Trucking
Marcel Schaerer, Nevada Department of Business, and Industry
Marco Arambula, Kodiak Trucking
Mark Strauss, Aqua Metals
Martin Arambula, Kodiak Trucking
Meghin Delaney, NV Governor's Office
Michael Hardesty, DETR
Michael Walsh, LVGEA
Michelle Hammond Allen, Humboldt County
Nancy McCormick, EDAWN
Partha Bose, Redwood Materials
Paulina Adrian, DETR
Ralph Runge, West Coast Salmon Nevada
Raisis Runse, WCS NV
Randy Looney, AVK
Rhey Gustafson, NVIE
Sarah Adler, Silver State Government Relations
Sarah Murley, Applied Economics
Scott Anderson, Office of the NV Secretary of State
Shannon Silva, State of Nevada, Department of Taxation
Shelli Long, NV Department of Taxation
Sindy Scarce, NV Department of Taxation
Tatjana Vukovic, NNDA
Terri Sheridan, City of North Las Vegas
Usiel Teran, LVGEA

Victoria Salas, NV Department of Transportation
Wayne Thompson, NVIE

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

Governor Steve Sisolak, State of Nevada called the meeting to order. Ms. Jeanette Holguin called roll, and quorum was established.

2. PUBLIC COMMENT

No public comment was provided.

3. APPROVAL OF THE SEPTEMBER 22, 2022, BOARD MEETING MINUTES

A MOTION WAS MADE BY SECRETARY OF STATE BARBARA CEGAVSKE TO APPROVE THE SEPTEMBER 22, 2022, BOARD MEETING MINUTES. SECRETARY OF STATE BARBARA CEGAVSKE, ABSTAINED FROM THE VOTE. THE MOTION PASSED UNANIMOUSLY.

4. EXECUTIVE DIRECTOR UPDATE AND DIRECTOR'S REPORT

Mr. Michael Brown, Executive Director, Nevada Governor's Office of Economic Development (GOED), advised that Nevada continues to attract companies that are making significant investments, creating jobs, and expanding the tax base and that everything GOED does is possible because of the partnership with the Governor's Office and network of Regional Development Authorities (RDAs).

Director Brown noted that, thanks to Governor Sisolak, GOED was able to access American Rescue Plan (ARPA) funds to supplement the critical work of the RDAs and expressed appreciation for the support of the Governor's Finance Office and the Interim Finance Committee (IFC).

Director Brown highlighted the recent Las Vegas Global Economic Alliance (LVGEA) Board meeting, noting that Mr. Tina Quigley, President, and CEO, LVGEA, is doing a remarkable job of transforming the organization so that greater Las Vegas can truly compete with Greater Phoenix.

Director Brown advised that the final draft of the state economic development plan will be released in December 2022, noting that in his first State-of-the-State meeting, Governor Sisolak

had prioritized Tribal relations, which led to GOED securing funds for a Tribal economic development initiative. A meeting is scheduled for the following week with 27 tribes, in northern Nevada, to begin that process.

Director Brown addressed the challenge of water in southern Nevada, noting that GOED, LVGEA, and the Southern Nevada Water Authority (SNWA) are working jointly on addressing this issue. Mr. Kris Sanchez, Deputy Director, GOED had recently testified in support of SNWA evaporative cooling moratorium and GOED is continuing the SNWA partnership in relation to its economic development work. Additionally, Deputy Director Sanchez is continuing to work on trying to connect Las Vegas markets to the Los Angeles (LA) ports.

Director Brown and Mr. Bob Potts, Deputy Director GOED, have discussed with the Leadership, of the Bureau of Land Management (BLM), the massive transformation occurring in Nevada, particularly with the workforce, noting that at the last meeting, the state BLM director agreed to elevate economic development matters to his office. GOED is working with the state BLM Director, and NV Energy, on a utility plan and that item is progressing.

Director Brown highlighted the Advisory Subcommittee on Start-Ups and Venture Capital, chaired by Ms. Sasha Stephenson, GOED Board Member. Chair Stephenson recently appeared at an IFC meeting on behalf of the subcommittee recently to support an endeavor by the GOED office. Karsten Heise worked with Attorney General Aaron Ford's office, and GOED, to create a talent retention program to keep tech graduates in the state. Students that graduate in technology fields have been ending up in California due to a lack of an onboarding process into the local tech community in Nevada. However, funds have now been secured along with partnerships with University of Las Vegas (UNLV) and the University of Reno (UNR) to address this problem. This builds on the work done with Attorney General Ford's office to deploy funds for minority-based community development. These programs emphasize help toward minority, women and first-generation college students.

Director Brown noted today could be known as 'Lithium Day' in Nevada, reminding the Board that in 2021, the Governor challenged GOED to make Nevada the lithium capital of America, and today's actions will essentially close that loop and make Nevada the only state in the nation that has activity in each of the seven sectors needed to produce a lithium battery. Director Brown advised the Governor wishes to ensure all voices are heard as the lithium sector is developed and indicated that a round table took place with all stakeholders in order to better understand the wider sector's position and issues.

5. METRICS REPORT

Ms. Hayley Owens, Research Manager, GOED discussed highlights from the first quarter of FY'23, the Metrics Reports contains data on the 36 companies assisted for 2022, which is down 44 percent year to date. Ms. Owens reported that there was strong activity in 2021, which has slowed in recent quarters as overall national economic conditions have deteriorated somewhat amidst rising inflation and recession concerns. Ms. Owens next highlighted the number of jobs

pledged by GOED's assisted companies, which also show a year-to-date decline. However, the average wage of assisted companies has increased nearly four percent since the prior year. GOED uses a weighted average in order to better capture the distribution of the wages.

Ms. Owens advised capital investments pledged by assisted companies is up almost 30 percent year to date, which suggests that the companies, being recruited by and expanding with the state, are high-quality wins. In reference to the state's business development pipeline both leads and prospects are up from the prior quarter, with prospects up significantly from the prior year, while wins are slightly down.

Ms. Owens provided an overview from the different key offices in work areas of GOED, noting that GOED does more than just business recruitment and expansion.

Ms. Owens highlighted GOED's Emerging Small Business program (ESB), which certifies local, small businesses as emerging small businesses and assists them with obtaining state and local government contracts. The number of contracts was down in the first half of 2022 as compared to the first half of 2021 but was up slightly as compared to the second half of 2021, with the value of contracts awarded in the first half of 2022 totaling nearly \$10 million, nearly triple the number of contracts from the same period the prior year.

Fourteen rural Community Development Block Grants (CDBG) were awarded in program year 2022, which was a 75 percent increase over the prior year. although available funding was down, it does remain higher than all previous years with the exception of 2021.

GOED's Procurement Technical Assistance Center (PTAC), which helps connect Nevada businesses with government or public-sector contracts, worked with a little over 1,600 clients during the first quarter of the fiscal year. This is up 20 percent from the same quarter of the last fiscal year.

The Nevada Film Office (NFO) saw 79 productions in the first quarter of the fiscal year, which brought in nearly \$15 million in local production expenditures to the state.

Ms. Owens noted Governor Sisolak led the state through one of the most challenging periods in recent memory and since the Governor's administration took over in January of 2019, 96 companies have received abatements while pledging to make \$3.9 billion in capital investments, in the state, and are estimated to generate \$1.5 billion in net new tax revenues over the next 10 to 20 years as well as add 14,652 jobs within the first five years of operation.

6. STATE OF NEVADA UNEMPLOYMENT RATE UPDATE

Deputy Director Potts advised the unemployment rate, at the county level has now been below seven percent for more than 14 months. The seven percent break is important to encouraging job trade in areas where the unemployment rate is high. As such any companies now applying for abatements will have to meet all the full abatement requirements, which includes wages; capital investment; number of jobs; exporting; and benefits packages.

7. INTENT TO ADOPT PROPOSED REGULATION - NEVADA FILM OFFICE - DEPARTMENT OF ADMINISTRATION'S REQUIREMENTS PER NEVADA ADMINISTRATIVE CODES (NAC) 360.800 TO 360.865, FILM TAX INCENTIVE REGULATIONS

Ms. Kim Spurgeon, Incentives Program Manager, GOED NFO, noted that the statues for the film legislation have not been updated in nearly a decade. Because of the experience with auditing film productions in the 2021 legislative session, the NFO strengthened its regulatory hand to ensure that audits were more thorough and that directors had the right to reject projects they felt were not right for the state. As such, the NAC needs to be updated.

Ms. Spurgeon explained the NFO is responsible for administering the Transferable Tax Credit (TTC) program for film and other productions and noted that today will include a vote to adopt proposed regulation changes. On September 28, a public hearing was held to solicit input on the proposed draft, and as part of the approval process, the GOED Board is required to consider the public comment and vote as to whether or not to incorporate and adopt the proposed draft into regulation.

Kim Spurgeon provided a summary and recommendation around seven public comments for consideration. Ms. Spurgeon indicated that Mr. George Hritz identified a redundancy on page 13 regarding the requirement to report the total hours of work performed in the state. Both items 3 and 6 ask to report work performed by extras who are Nevada residents, and the recommendation is to update item 6 in this section to read extras who are not Nevada residents in order to clarify the difference and avoid redundancy. Ms. Spurgeon noted that Mr. Hritz also asked whether the Department of Taxation confirms if sales and use tax is received on purchases made by productions participating in the program and explained that Taxation does not currently perform this task and that a change of this nature would more appropriately be incorporated by the legislature during a change to the NRS.

Mr. Joshua Cohen objected to the inclusion of the term 'gratuitously violent' regarding certain instances in which the NFO can deny an application for TTCs, arguing that the term can be too broadly interpreted. Ms. Spurgeon explained that the recommendation is to update this section to match the language used in existing Nevada Revised Statutes (NRS) so that the NAC matches the NRS, which allows the office to deny an application due to obscene or sexually explicit materials and does not include the term gratuitously violent. Mr. Cohen also requested that bank fees, specified as nonqualified expenditure on page 20, and fees for the required audit, specified as non-qualified in the NRS, be changed to qualified expenses. Ms. Spurgeon explained that to remain consistent with industry standards and other tax incentive programs throughout the country, the NFO recommends keeping these expenses as non-qualified and cannot update the regulations to allow the cost of the audit to qualify per NRS. Mr. Cohen identified the language on page 21, regarding the amount of TTCs calculated on wages, in excess of \$750,000, to unclear as the current phrasing could be interpreted to read that if wages exceed \$750,000, none of the wages would qualify and recommended that this language be updated to avoid any

misinterpretation. Additionally, Mr. Cohen also requested that an escrow account be required for incentive productions with any unpaid debts to be able to receive their transferable tax credit.

Ms. Spurgeon indicated that productions with any unpaid debts would not be able to receive TTCs, thus rendering an escrow account unnecessary. The Nevada Film Office (NFO) feels this type of request is better suited to pass through the legislature should the state choose to consider it.

Mr. J. R. Reid requested that the NFO verify that every Nevadan vendor, hired by a qualified production, has a sign-off indicating that they received pay prior to the issuance of TTCs. Ms. Spurgeon explained this task is already performed by the third-party audit, which is required in order to participate in the program and to receive TTCs. The NFO believes a request of this nature would be more appropriately considered by the legislature as an NRS change rather than an NAC change.

Mr. Josh Reid, GOED Board Member asked for confirmation that the red-line version before the Board is the changes after the comments and redlined from the current NAC.

Ms. Spurgeon advised that it is redlined from the current NAC and has not incorporated any of the public comments as, they are not substantive enough to require a redraft and would not require a further red line.

Mr. Reid asked for clarification of the piece regarding rejection of anything obscene or sexually explicit.

Ms. Spurgeon noted that the NRS 360.759, which governs this program, addresses the ability of the NFO to deny an application based on obscene or sexually explicit material. Ms. Spurgeon clarified that the argument made by Mr. Cohen is that gratuitously violent could be broadly interpreted and as such, the definition could change based by who is in office. As such, Ms. Spurgeon noted that removing gratuitously violent simply matches what exists in the NRS, thus putting NAC and NRS in tandem.

Mr. Reid asked if having to reject certain films for content purposes has been an issue in the past.

Ms. Spurgeon confirmed that it has not and added that since this change was made last session, NRS was updated to allow the NFO to review an application before it was required to accept it.

A MOTION WAS MADE BY SECRETARY OF STATE CEGAVSKE TO APPROVE THE PROPOSED REGULATIONS. THE MOTION PASSED UNANIMOUSLY.

8. \$1B INVESTMENT ABATEMENT APPLICATIONS FOR BOARD APPROVAL:

A. REDWOOD MATERIALS, INC.

- **\$1B INVESTMENT SALES TAX ABATEMENT**
- **\$1B INVESTMENT MODIFIED BUSINESS TAX ABATEMENT**
- **\$1B INVESTMENT PERSONAL PROPERTY TAX ABATEMENT**
- **\$1B INVESTMENT REAL PROPERTY TAX ABATEMENT**
- **\$1B INVESTMENT TRANSFERRABLE TAX CREDITS**

Director Brown introduced Redwood Materials, Inc. (Redwood Materials) noting that this is the first application to ever come in under the law that was passed by the legislature for the Faraday Project that unfortunately did not manifest. The application is for a capital investment of over \$1 billion that has national economic and national security implications because it will be closing the lithium loop by providing Nevada with a Stage 3 presence, which currently exists in China alone. Director Brown further noted that the company has strong support from the Department of Energy (DOE) and explained that the social benefit of the company is that it is mining not just lithium, but also rare earths and minerals that often come from the Congo and are sometimes conflict minerals. Director Brown indicated that this is a ten-year abatement program, that GOED had been required to produce an independent economic assessment, which is included in the Board's documents. The Abatement NRS required the company to be audited yearly by an independent third party. Director Brown explained the application contains a TTC provision, which will require the IFC to also approve. The company will be required to provide an annual report to Legislature and enter into a community agreement with Storey County. Director Brown explained that this would be the second largest project, after Tesla, in the state.

Ms. Nancy McCormick, Senior Vice President Retention, Expansion and Workforce Development, Economic Development Authority of Western Nevada (EDAWN), followed on Mr. Brown's introduction and advised Redwood Materials was founded, in Nevada, in 2017. The plans to expand its current northern NV operations to comprise a large-scale battery materials facility. Redwood's mission is to build a circular supply chain to power a sustainable world and accelerate the reduction of fossil fuels. This focus is critical to the future of transportation and the electric grid. When the facility comes online, it will be the first time these critical battery materials, which account for 65 percent of the cost of a battery, have been manufactured at scale in the U.S. Today's supply chain requires critical materials move 50,000 miles before making their way into a cell, posing enormous environmental, economic, and geopolitical risks. Redwood is creating a closed-loop, domestic supply chain for lithium-ion batteries across collection, refurbishment, recycling, refining, and remanufacturing of sustainable battery materials. The company recovers more than 95% of the metals (including nickel, cobalt, lithium, and copper), from batteries, and uses these to remanufacture anode and cathode components. The company then supplies these components back to U.S. battery cell manufacturers without the metals ever leaving the country. This is the first operation of its kind, in the US.

The company will have a total capital investment of approximately \$1.1 billion and will generate 701 full-time jobs within the first 10 years of operation with an average hourly wage of \$32.03.

Ms. McCormick was joined by Mr. JB Straubel, Founder and Chief Executive Officer, Redwood Materials and Mr. Kevin Kasser, Chief Operating Officer, Redwood Materials.

Mr. Straubel highlighted the company's domestic fully closed loop supply chain for lithium batteries and advised this is done through the collection and recycling of batteries to remanufacture into usable battery components, with an end goal of ensuring that the final products can go directly back into US battery cell makers such as Panasonic. Mr. Straubel reiterated that these components are currently 100 percent imported from Asia and noted the benefits of having them made domestically. For this purpose, approximately \$1.1 billion needs to be invested in the Tahoe-Reno Industrial Center (TRIC) Campus. Although Redwood Materials has been approached by multiple states regarding this project, it wishes to build in Nevada.

Governor Sisolak discussed the factory and encouraged anyone who has not yet seen it to do so, noting that it is an amazing operation. Governor Sisolak noted that these jobs are extremely important to the state, the community and him.

Secretary of State Cegavske asked for an update on how much water usage the company's operations will require.

Mrs. Straubel noted that all processes have been engineered for extreme water efficiency and this is a zero-liquid discharge facility. All cooling facilities are non-evaporative and use radiative cooling rather than evaporative cooling. Most water is recycled internally via either condensation at the end of the process or through reverse osmosis to recover as much as possible from the waste stream. As such, Mr. Straubel indicated his belief that this does not put an extra burden on water consumption at TRIC.

Mr. Ray Specht, GOED Board Member, highlighted the importance of closing the lithium loop with companies and taking a leading edge as the country moves into this phase of the economy. Mr. Specht asked about the impact of the electrical infrastructure and questioned what type of pressure this puts on existing electrical infrastructure in the state.

Mr. Straubel advised that electric vehicles, when designed and controlled appropriately, generally make better usage of the existing infrastructure. While existing factories, and the proposed campus, do consume electricity for these operations, many have shifted their energy consumption to electricity only and do not use any natural gas whatsoever in part because the electric supply can be nearly zero carbon emissions.

Mr. Kassekert added that the campus is being designed as much behind the meter solar as possible and is also working with NV Energy on an offsite, larger-scale, renewable energy program.

Lieutenant Governor Lisa Cano Burkhead asked the company to expand on the types of initiatives planned in regard to STEM education and workforce development.

Mr. Straubel discussed the existing partnership with the UNLV UNR noting extensive curriculum development. Additionally, a partnership has begun with Western Nevada College (WNC) and Truckee Meadows Community College (TMCC) with the plan to continue to develop curriculum for different job classes. Mr. Straubel advised that, even at younger levels, the company has hosted a number of different field trips to capture the imagination of, and to engage, kids in the recycling conversation.

Mr. Reid asked about the TTC portion of the package.

Ms. Melanie Sheldon, Senior Director of Business Development, GOED, advised the TTCs are transferable and that the company will make an annual application receive these. Once approved, GOED will issue the company with a TTC Certificate for the approved amount after which the company can select to apply these to certain taxes internally or enter into a negotiation to sell them on to a third party. The TTCs are particularly attractive to the Gaming Sector because they can be applied against Gaming Percentage Fees.

Governor Sisolak asked for confirmation that all construction jobs will be at prevailing wage.

Mr. Kassekert confirmed this was correct.

DR. WELDON HAVINS MADE A MOTION TO APPROVE THE \$1B SALES TAX ABATEMENT, \$1B INVESTMENT MODIFIED BUSINESS TAX ABATEMENT, \$1B INVESTMENT PERSONAL PROPERTY TAX ABATEMENT, \$1B INVESTMENT REAL PROPERTY TAX ABATEMENT, AND \$1B INVESTMENT TRANSFERRABLE TAX CREDITS FOR REDWOOD MATERIALS, INC. THE MOTION PASSED UNANIMOUSLY.

9. ABATEMENT APPLICATIONS FOR BOARD APPROVAL:

A. KODIAK TRUCKING, INC

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

Mr. Michael Walsh, Vice President of Business Development, Las Vegas Global Economic Alliance (LVGEA) introduced Kodiak Trucking, Inc. (Kodiak Trucking) plans to establish a Truck Manufacturing, Hauling and Service Maintenance facility in North Las Vegas. Kodiak is a family-owned business established in 2014 in the city of Bakersfield, California. Kodiak hauls aggregate materials, including dirt, grindings, hot asphalt mix, wet cement, demo and other materials. The company's goal is to expand its network throughout Nevada and California, creating a high-quality haul service. After researching the favorable business climate in Nevada, the owners decided to relocate the corporate headquarters to North Las Vegas.

The company will have a total capital equipment investment of approximately \$13.7m and will generate 250 full-time jobs within the first 24 months of operation with an average hourly wage of \$58.58. Mr. Walsh was joined by Mr. Marco Arambula, President, Kodiak Trucking and Mr. Manny Gonzalez, General Manager, Kodiak Trucking

Mr. Arambula advised the company specializes in construction trucking, provides prevailing wage jobs, and manufactures its own trucks in order to provide necessary trucks for customers.

Mr. Gonzalez highlighted Nevada's desirable climate and workforce for the company. The company focuses and invests a lot in training and growth opportunities for employees. Additionally, the company provides a captive insurance program that enables it to hire people out of high school without commercial driver experience, train them, and then offer them employment and extends opportunities to agriculture workers to better their careers.

Governor Sisolak asked if the company's training program for unlicensed truckers provides them with a Commercial Driver's License (CDL).

Mr. Gonzalez advised most people hired have a commercial driver's license, but the company offers an additional week of training and pays them for further schooling.

Governor Sisolak asked what the company does in terms of outreach to make the community aware of these opportunities.

Mr. Gonzalez advised, historically, the company has approached local learning institutions to operate to extend job opportunities in addition to advertising on social media.

Secretary of State Cegavske asked about the use and recycling of oil, questioning what is done with the oil once it is no longer usable.

Mr. Gonzalez explained that diesel companies come to siphon the oil and recycle it.

A MOTION WAS MADE BY LIEUTENANT GOVERNOR CANO BURKHEAD TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR KODIAK TRUCKING, INC. THE MOTION PASSED UNANIMOUSLY.

B. AMERICAN AVK COMPANY

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

Ms. Amy Barnes, Director of Business Development, Northern Nevada Development Authority (NNDA) introduced American AVK Company (American AVK). American AVK is currently planning to expand its existing Nevada water valve and fire hydrant factory that will cast ductile iron parts that will be used in valve and hydrant assemblies. American Company was established in Minden, in 2007, as a manufacturer of water valves and fire hydrants that are marketed

throughout the United States, Canada, Mexico, and the Caribbean. The company's solutions reduce water loss, electricity consumption and CO2 emissions in production facilities all over the world.

The company will have a total capital equipment investment of approximately \$18.8 m and will generate 12 full-time jobs within the first 24 months of operation with an average hourly wage of \$28.25. Ms. Barnes was joined by Mr. Al Jurkonis, President, American AVK.

Mr. Jurkonis advised that in 2005, the company chose to relocate from Fresno, California to Minden, Nevada, described the good relationship with local communities, and indicated the company's commitment to being a good corporate citizen with the community. The company currently employs 103 people, 92 of whom work in the Minden Facility. Mr. Jurkonis indicated that 45 percent of the material purchased is ductal iron castings, 75 percent of which come from China and 25 percent of which come from Brazil. After several years of looking for competitive quality foundries in America, the company has determined that it needs to produce this material itself and that is the goal of the project for which it is seeking Board approval today. The process the company will be using is called 'lost foam'. This process is clean, and already used heavily in the auto and farming industries. Mr. Jurkonis concluded by informing the Board of the company's commitment to sustainability and intent to make use of things like solar energy.

A MOTION WAS MADE MR. BY SPECHT TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR AMERICAN AVK COMPANY. THE MOTION PASSED UNANIMOUSLY.

C. WEST COAST SALMON NEVADA, LP

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

Ms. Heidi Lusby-Angvick, Executive Director and Ms. Michelle Hammond, Executive Director, Nevada 95-80 Regional Development Authority West Coast Salmon Nevada, LP (West Coast Salmon). West Coast Salmon is currently designing and plans to build and operate an industrial scale land-based Atlantic salmon operation in Pershing County. The first phase will deliver 13,800 tons production capacity during the second half of 2025 which will serve fresh and sustainably raised Atlantic salmon to US west coast consumers. The facility's proximity to major markets will ensure a continuous local supply of a fresh high quality and environmentally sustainable product that has longer shelf life and significantly reduced CO2 footprint than conventionally farmed salmon transported by air from Chile and Europe.

The company will have a total capital equipment investment of approximately \$179.6 m and will generate 55 full-time jobs within the first 24 months of operation with an average hourly wage of \$35.96. Ms. Lusby-Angvick and Ms. Hammond were joined by Mr. Ralph Runge, Vice President of Development, West Coast Salmon.

Mr. Runge discussed the company's history of growing fish on land and advise this is an aquaculture project and discussed the company's intent to build a 60,000 ton-per-year, the equivalent of 175 million meals of salmon, facility to raise Atlantic salmon in three phases with Phase I being 15,000 tons.

Mr. Runge advised company bought an existing alfalfa hay farm and can raise 60,000 tons of salmon on the same amount of water that three crop circles use in a growing season, noting that this is a very efficient use of water. Mr. Runge discussed the appeal of Nevada as a location, noting the ability to quickly get the fish to market in other cities, a timely goal given the supply chain issues of the past few years as a result of the pandemic and the war in the Ukraine. The company is able to raise fish in the desert due to its use of Recirculating Aquaculture Technology (RAS), which uses water efficiently. The company recycles more than 99.9 percent of the water in the facility by separating the sludge from the fish growth, disinfecting the water, re-oxygenating it, and recirculating it back to the tanks. Any purge water from facility is treated and then recharged to the aquifer through rapid infiltration bases. Mr. Runge emphasized the company's understanding of how critical water is, particularly in the western states, and as such, noted that the company consistently works to reduce evaporative losses in its designs. Mr. Runge discussed the use of renewable energy, noting the plan to build behind a meter solar field that will produce half the company's power in Phase I. Mr. Runge indicated that in future phases, the company expects to be completely on solar power.

Mr. Runge next discussed workforce development, indicating an understanding of the housing situation in the state and noted that the company is working closely not only with the RDAs, but also with Lithium Nevada and other mining companies as they develop housing solutions.

The company plans to hire locally as much as possible. However, there may be some skill sets, such as fish veterinarians or biologists, who cannot be found locally and will be imported into the region. The company is working with Great Basin College (GBC) to develop technical programs for young adults coming out of high school to help prepare them for aquaculture careers. Currently five different research projects have been identified with UNR's science department on which the company will work with the university jointly. There have been discussions about setting up an intern program for the students in the biology and agriculture programs.

Governor Sisolak asked for confirmation that water rights from the alfalfa farm purchases are being used for the project.

Mr. Runge confirmed that this is correct.

Governor Sisolak asked if the sludge is sold as fertilizer.

Mr. Runge confirmed this occurs as the sludge be composted.

Secretary of State Cegavske asked if the company has held discussions with the Native Americans given that they are controlling this business in Oregon and part of Washington.

Mr. Runge advised there have been discussions with the community in general and the company has received no questions, or concerns, from the local tribes.

A MOTION WAS MADE BY SECRETARY OF STATE CEGAVSKE TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR WEST COAST SALMON NEVADA, LP. THE MOTION PASSED UNANIMOUSLY.

10. ABATEMENT APPLICATION FOR DIRECTOR APPROVAL:

A. WILEN LAS VEGAS, LLC

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

Director Brown advised that although this is under his authority to approve, in the interest of transparency, the information is being brought before the Board.

Mr. Walsh, LVGEA, introduced Wilen Las Vegas, LLC (Wilen). Wilen Las Vegas, LLC (Wilen) plans to expand its existing Las Vegas manufacturing facility. The expansion plan will comprise an additional 28,000 sq ft. Wilen is a subsidiary of Wilen New York, LLC, a company founded in 1971 and based in Melville, New York. Wilen provides direct marketing communications services. The company offers direct marketing strategy, direct mail production, data insights, digital direct marketing, marketing optimization, and creative services. It serves automotive, financial services, healthcare, non-profits, publishing, retail, telecommunications, and technology industries in the United States.

The company will have a total capital equipment investment of approximately \$2.3 m and will generate 25 full-time jobs within the first 24 months of expansion with an average hourly wage of \$28.96. Mr. Walsh was joined by Mr. Darrin Wilen, President, Wilen and Mr. Frank D'Amico, Controller, Wilen.

Mr. Wilen reported that because the Las Vegas operation was relatively small, it was able to remain working and testing through the COVID pandemic by shifting its direct mail production from Florida to Las Vegas, enabling the company to now reach the entirety of the United States with a direct-mail marketing message within one to two days.

Mr. D'Amico noted that these incentives are particularly important to the business' growth, direct marketing, and print advertising. Mr. D'Amico reported that as a result of the business-friendly climate in southern Nevada, the business is able to add capital equipment and employees at its manufacturing space. The company intends to hire locally from the Nevada

labor pool for all positions, and is committed to internal training and development of its employees. From its Las Vegas Facility, the company serves all of the United States west of the Mississippi River. In 2022 the company produced over 1 billion pieces of mail and is on pace to exceed that amount in 2023.

Dr. Havins asked how many of the 25 individuals for hire will be Nevadans.

Mr. D'Amico indicated that the target is for all 25 to be local Nevadans.

DIRECTOR BROWN APPROVED THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR WILEN LAS VEGAS, LLC.

11. BOARD MEMBER COMMENTS

Secretary of State Cegavske thanked GOED, indicating how much she has learned over the eight years she has been a member, and thanked the Governor for his leadership and friendship over the years.

Lieutenant Governor Cano Burkhead expressed her gratitude to the Governor, and Director Brown for their tremendous leadership and for helping the state to grow economically. Additionally, Lieutenant Governor Cano Burkhead thanked Secretary of State Barbara Cegavske for her leadership over the course of her time in office.

11. GOVERNOR SISOLAK COMMENTS

Governor Sisolak noted the importance to him personally of getting people to work, giving them the opportunity to support their families and themselves. Governor Sisolak commended the GOED staff for the job they've done bringing the state forward and informed the Board of his pleasure serving with them, noting that it has been a fun and educational experience.

Governor Sisolak presented two plaques, one to Secretary of State Cegavske and a second to Lieutenant Governor Cano Burkhead in grateful appreciation for their dedication and commitment to bettering Nevada.

12. PUBLIC COMMENT

Ms. Tina Quigley, President and CEO, LVGEA thanked Director Brown for his guidance and leadership.

13. ADJOURNMENT

Governor Sisolak adjourned the December 1, 2022, GOED Board Meeting.