

STATE OF NEVADA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
BOARD MEETING MINUTES
Thursday, June 17, 2021

The meeting of the Board of Economic Development was called to order by Governor Steve Sisolak on the Zoom platform and the Capitol Building, Guinn Meeting Room, 101 N. Carson Street, Carson City, Nevada, 89701.

VOTING BOARD MEMBERS PRESENT

Governor Steve Sisolak, State of Nevada
Lieutenant Governor Kate Marshall, State of Nevada
Mr. Alex Dixon, President, West Region - PureStar
Mr. Dan Klaich, Voting Member at Large
Mr. Raymond Specht, Chief Executive Officer, Specht Leadership Consulting
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada

NON-VOTING BOARD MEMBERS PRESENT

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

VOTING BOARD MEMBERS ABSENT

Secretary of State Barbara Cegavske, State of Nevada
Mr. James Barrett, Jr., President and Founder, The JABarrett Company
Dr. Dana Bennett, Chief Executive Officer, Midas Strategies

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
Carli Smith, Digital Media Manager, GOED
Chelsea Walburg, Research Manager, GOED
Christine Guerci, Special Counsel to the Colorado River Commission and GOED
Danny Miller, Technical Support Specialist, GOED
Dayna Dale, CDBG Program Specialist, GOED
Dijana Mitrovic, International Business Development Coordinator, GOED
Greg Bortolin, Director of Communications, GOED
James Humm, Director of Compliance & Regulatory Affairs, GOED
Jeanette Holguin, Business Development Specialist, GOED
Karsten Heise, Director of Strategic Programs, GOED
Kristopher Sanchez, Deputy Director, GOED
Leandra Diossa, Director of Administration, GOED

Michael Brown, Executive Director, GOED
Michelle Sibley, Human Resources Manager & Executive Assistant of Operations, GOED
Melanie Sheldon, Director of Business Development, South, 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, Director of Business Development North, GOED

GUESTS PRESENT

Alexander Frei, CBRE, Inc.
Andy Martz, Spreetail, LLC
Annie Baxter, CBRE, Inc.
Ashley Freudenheim, Derris
Audrey Ramsaran, Ernst & Young
Audrey Owens, Warby Parker
Ava Rojo, Warby Parker
Axel King, Warby Parker
Barry Pisano, ADP, Inc.
Blake Garcia, Ernst & Young
Breanna Bensoua, LVGEA
Brittany West, City of Henderson
Carmen Arocho-Blanco, Tapestry, Inc.
Casey Fahrnbruch, Spreetail, LLC
Chris Zunis, LVGEA
Cindy Kendall, State of Nevada, DETR
Debbie Bowman, Office of the Secretary of State
Derek Johnson, Pitney Bowes Presort Services
Diane Clark, Tapestry Inc.
Doug Bene, City of Henderson
Gustavo Perez, Ernst & Young
Hayward Williams, Tapestry, Inc
Irene Adams, Workforce Connections
Jared Smith, LVGEA
Jason Trubey, Sunshine Minting, Inc.
Jeff Brigger, NV Energy
Joe Rau, Warby Parker
Jonas Peterson, LVGEA
Joseph Gillespie, Tapestry, Inc.
Julie Gordon, Warby Parker
Kelly Bitter, TCP Global Corporation
Ken Lawson Sunshine Minting, Inc
Kenneth Sanders, Tapestry, Inc.

Laureen Asseo, Nutrition Corp, Inc. dba Fresh N' Lean
Lauren Forrest, Warby Parker
Malik Williams, Workforce Connections
Marcel Schaerer, Nevada Department of Business, and Industry
Matt Zangeneh, Tapestry Inc.
Michael Walsh, LVGEA
Mindy Eihusen, Spreetail, LLC
Nancy McCormick, EDAWN
Nick Clason, LVGEA
Perry Ursem, LVGEA
Randal Miller, SPWD
Robert Repack, Foot Locker Retail, Inc.
Ronald Reed, Sunshine Minting, Inc.
Ruth Ben-Zvi, Warby Parker
Shannon Silva, State of Nevada
Shelli Long, Department of Taxation
Stan Thomas, EDAWN
Taylor Reeves, Spreetail, LLC
Todd Greener, Foot Locker Retail, Inc.
Tom Welch, City of Henderson
Tom Power, Sunshine Minting, Inc
Tony Esposito, Warby Parker
Vinay Gandhi, Pitney Bowes Presort Services
Wendi Gruskin, Pitney Bowes Presort Services

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

Mr. Jared Smith, Chief Operating Officer, Las Vegas Global Economics Alliance (LVGEA), commented on his region's possible job expansion of over 1500 jobs and commended the board on their hard work.

3. APPROVAL OF THE MARCH 31, 2021, BOARD MEETING MINUTES

Ms. Elisa Cafferata asked for correction to the minutes of portraying her as a voting member when she is a non-voting member. Also, she had been officially appointed and was no longer interim.

Ms. Holguin confirmed she would make the adjustments.

A MOTION WAS MADE BY MR. DAN KLAICH TO APPROVE THE MARCH 31, 2021, BOARD MEETING MINUTES WITH THE SUGGESTED CORRECTIONS. MR. ALEX DIXON SECONDED WITH CORRECTIONS. THE MOTION PASSED UNANIMOUSLY.

4. EXECUTIVE DIRECTOR UPDATE

Director Michael Brown, Executive Director, Nevada Governor's Office of Economic Development (GOED), began his update by stating, after the long months of the pandemic, GOED was moving into working full-time in its traditional space on the recovery and resiliency effort, creating good jobs today, and better jobs tomorrow.

Mr. Terry Reynolds, Executive Director, Nevada Department of Business, and Industry (B&I) would officially be joining the GOED Board as a non-voting member at the September 23, 2021, meeting, which would strengthen engagement, with the business community, across the board.

Regarding the recent 2021 Legislative Session, Director Brown advised GOED had strengthened its compliance and oversight in audit provisions and updated the Film Office statutes. Additionally, five million dollars in new resources for the Knowledge Fund had been secured and GOED was provided with flexibility for deployment of the Workforce Innovations for New Nevada (WINN) funds. In the jobs' session, several state matters were addressed, including the landmark legislation sponsored by Senator Brooks. In addition, GOED had stepped forward on the eviction legislation championed by former speaker Ms. Barbara Buckley. GOED continued to work with the Nevada Treasurer's Office on the deployment of the Pandemic Emergency Technical Support (PETS) grants for small businesses.

Director Brown stated that currently there were a record number of companies looking at Nevada, and all leads are being pursued. Nevada's position as a Pacific Time Zone state adjacent to the Pacific Rim put the state in a very competitive position. However, Nevada faced stiff competition from Arizona and southern Utah. Director Brown noted all companies looking at Nevada were interested in workforce, infrastructure, and transportation and advised he had a personal priority to ensure the viability of the APEX Industrial Park in North Las Vegas.

Director Brown advised there were eight abatement applications under consideration for the meeting today, many of which were in the operations and logistics sector, where Nevada is well positioned geographically. Director Brown noted some of the applications started at the depths of the pandemic and congratulated the RDAs for shepherding these applications all the way through to the current meeting. Director Brown advised that, as part of the application process, GOED was seeking background on community engagement, diversity, supply chain, and education partnerships and all companies at the meeting had distinguished records in these areas.

Director Brown advised that, as part of compliance review, GOED checked all of today's applicants against relevant state regulatory agencies and a national violators database and found that all of the applications are in good standing.

Director Brown addressed the issue of applicants obtaining business licenses as this had arisen at several board meetings. Director Brown advised that, after the Board grants approval of an application, a formal contract was signed between the applicant and GOED. The contract stated that a company must have a business license in place and is unable to move forward with abatements until this was addressed. Additionally, the Department of Taxation ensured all relevant licenses and registrations were in place prior to issuing its Taxation Abatement Packet.

Director Brown advised that GOED's Director of Minority and Business Support, Ms. Sonja Joya, was leaving the agency after many years of state service. Ms. Joya worked for Governor Guinn, Governor Sandoval, and Governor Sisolak and was now moving east to join her family.

5. NEVADA BATTLE BORN GROWTH ESCALATOR INC. (NBBGEI) - NON-PROFIT RE-APPOINTMENT OF DIRECTORS

Director Brown introduced Mr. Karsten Heise, Director of Strategic Programs, GOED, and Manager of the Knowledge Fund and State's Small Business Credit Initiative (SSBCI). Director Brown explained Board approval was needed on an in-house nonprofit that administered venture capital portion of the SSBCI.

Mr. Heise advised he oversees the venture capital portion of SSBCI. In 2015, GOED was given authority to create the Nevada Battle Born Growth Escalator nonprofit program as an external agency. Four appointed members of the Board were approved by the GOED Board and two members were appointed by the speaker and Senate majority leader of the legislature. SSBCI would be submitting a state application, to the federal government, by the end of 2021 as a result of being relaunched as part of the American Rescue Act. Due to the broadness of SSBCI, a large portion would be managed through this nonprofit. Currently, all members of the Board had termed out and, as a result, Board approval was being sought for candidates to re-appoint the Board members with a formal vote.

LIEUTENANT GOVERNOR KATE MARSHALL MOVED TO APPROVE THE APPOINTMENT OF DIRECTORS PER AGENDA ITEM 5. THE MOTION PASSED UNANIMOUSLY.

6. METRICS REPORT

Ms. Chelsea Walburg, Research Manager, GOED, stated the overall data story was largely positive. The number of assisted companies, approved during the first quarter of 2021, was up 160 percent over the first quarter of 2020. The number of initial jobs was also up 91 percent with 1500 added jobs from assisted companies. Their average wage rose 5.3 percent over the first quarter of 2020.

Ms. Walburg reported the number of leads, prospects, and wins from Regional Development Authorities (RDAs) were almost all completely positive: leads were up 11.4 percent over the prior quarter and 45.5 percent over the prior year; prospects were up 43.6 percent over the prior quarter,

which was 21.1 percent below the same quarter of last year; wins were up 30 percent over the prior quarter and 160 percent over the prior year. Ms. Walburg anticipated this rise would continue through much of 2021.

GOED's International Trade Division had two wins in the first quarter of 2021.

The state's Emerging Small Business (ESB) program only had data for the second half of 2020 but indicated a rise of 16.1 percent.

The rural Community Development Block (CBDG) grants were down 20 percent in the number of grants but indicated this was not necessarily negative because the value of those grants has actually increased. The total available funding for allocation was up 22.1 percent.

The Nevada Procurement Technical Assistance Center's (PTAC) number of clients was approximately 1,325. The total award amount won, by clients, was down 32.3 percent over the prior year.

The Nevada Film Office (NFO) was down 6.3 percent over the prior year for the third quarter of the fiscal year, which would line up with the first quarter of the year. The film office would likely continue to see some of the COVID drag that is still affecting the state's economy. However, it was anticipated this would improve as the state continued to recover.

7. ABATEMENT APPLICATIONS FOR BOARD APPROVAL

A. FOOTLOCKER RETAIL, INC.

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

Mr. Stan Thomas, Executive Vice President, Economic Development Authority of Western Nevada (EDAWN) introduced Footlocker Retail, Inc. (Footlocker). Footlocker was evaluating plans to establish a distribution center in northwest Nevada. The company led the celebration of sneaker and youth culture around the globe through a portfolio of brands including Foot Locker, Lady Foot Locker, Kids Foot Locker, Champs Sports, Eastbay, Footaction, and Sidestep. In the first two years of operation, the project would make a projected capital equipment investment of \$28 million and create 185 new jobs with an average hourly wage of \$21.49.

Mr. Thomas introduced Mr. Todd Greener, Senior Vice President of Global Supply Chain, Footlocker. Mr. Greener advised Footlocker intended to establish a 460,000 square-foot distribution center in the Spanish Springs area. Mr. Greener highlighted that this was the largest investment the company had planned to make in its 47-year history and would include a significant amount of equipment, as well as 185-plus positions at competitive wages. Mr. Greener noted this was a strategic investment for the company as this would be one of three regional distribution centers in the US to service customers and stores. Mr. Greener stated, when evaluating locations, a comprehensive search was performed in a number of metro markets and west-coast states. The Nevada location was prioritized based on a number of factors, including: the favorable geographic

and logistics dynamics; the business and regulatory environment, including incentives; the strong talent availability and infrastructure; and the mature distribution center industry.

Mr. Greener noted the company's role in corporate citizenship and community partnership. In 2020, the company announced a \$200 million, five-year investment titled 'Leading in Education and Economic Development'. In 2021, the first impact report was launched, highlighting a number of initiatives and key indicators, including: how communities are leveraged to strengthen the sustainability of the supply chain; efforts on reducing environmental impacts; and implementation of programs that offer scholarships to employees through the Footlocker foundation, including a scholar athlete program offering 20 scholarships per year.

Mr. Raymond Specht noted Nevada was one of four states under consideration for Footlocker and questioned if the company would be select the state of Nevada if approved today. Mr. Greener confirmed the company would locate in Nevada if approved.

Lieutenant Governor Marshall asked if any of the jobs, in the abatement application, were seasonal and if the employees would have set permanent hours. Mr. Greener advised the company had a seasonality component. However, 185 positions, in the abatement application, were permanent full-time positions. Seasonal and part-time opportunities would be provided on top of base full-time roles.

Lieutenant Governor Kate Marshall queried if the business was in conflict with GOED's Recovery and Resiliency plan and the direction northern Nevada was heading. Director Brown confirmed the company aligned with the Recovery and Resiliency plan and it was anticipated the logistics and distribution sector would continue to grow in Nevada. Additionally, Footlocker was a competitive employer, had a great name, and was a quality company.

A MOTION WAS MADE BY LIEUTENANT GOVERNOR MARSHALL TO APPROVE FOOTLOCKER RETAIL, INC. FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 7A. THE MOTION. THE MOTION PASSED UNANIMOUSLY.

B. JAND, INC. DBA WARBY PARKER.

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

Mr. Chris Zunis, Vice President of Economic Development, Las Vegas Global Economic Alliance (LVGEA), introduced JAND Inc. dba Warby Parker (Warby Parker). Warby Parker plans to open a state-of-the-art optical lab manufacturing facility in southern Nevada. In the first two years of operation, the project would make a projected capital equipment investment of \$6.1 million and create 136 new jobs with an average hourly wage of \$18.42. Mr. Zunis introduced Mr. Joseph Rau, Supply Chain Manager, Warby Parker.

Mr. Rau advised the facility would manufacture eyeglasses and sunglasses using the latest optical equipment and technology. Mr. Rau advised the company was founded in 2010 with the objective

of providing high-quality glasses at affordable prices while demonstrating the good that for-profit businesses can do in the world. Mr. Rau noted that social impact and sustainability had been core to the business since its founding, and that the company partners with domestic and international communities on several initiatives, most notably the Buy-a-Pair/Give-a-Pair program, in which a pair of glasses is distributed for every pair sold. Since launching this program, more than eight million pairs of glasses had been distributed through Warby Parker's Buy-a-Pair/Give-a-Pair program. During COVID, this program temporarily transitioned to distribute personal protective equipment to a variety of communities. Additionally, the company produced annual reports on social and racial equity and sustainability. For the third year in a row this year, the human rights campaign had named Warby Parker a best place to work for LGBTQ+ employees.

Lieutenant Governor Marshall noted the company had already announced the opening of its lab and advertised for open positions. As such, the abatements were potentially unnecessary, as a business attraction tool, in this case. Mr. Rau stated the abatement would support the company's further growth. Warby Parker was looking to utilize the tax abatement to invest in facility growth and job creation. Mr. Rau advised the company was looking to have a strong partnership with Nevada and the tax abatements were one of those facets.

A MOTION WAS MADE BY MR. KLAICH TO APPROVE JAND, INC. DBA WARBY PARKER FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 7B. THE MOTION PASSED UNANIMOUSLY.

C. NUTRITION CORP, INC. DBA, FRESH N' LEAN

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

Mr. Zunis, LVGEA introduced Nutrition Corp, Inc. dba Fresh N' Lean (Fresh N' Lean). Fresh N' Lean was considering establishing a 150,000 to 170,000 sq. ft. food manufacturing facility, and Corporate Headquarters, in southern Nevada. In the first two years of operation, the project would make a projected capital equipment investment of \$7.3 million and create 500 new jobs with an average hourly wage of \$22.42. Mr. Zunis introduced Ms. Laureen Asseo, Founder and Chief Executive Officer, Fresh N' Lean.

Ms. Asseo advised the company was founded in 2010 and over the last five years, the company had grown significantly. Fresh N' Lean had seen 100 percent growth in California through primarily direct-to-consumer meals as well as through branching out into retail. Ms. Asseo stated Fresh N' Lean was excited to bring its business to Nevada to expand and enhance its manufacturing capabilities reach.

Ms. Asseo advised the mission and the purpose of Fresh N' Lean had always been to feed as many Americans as possible with nutrient-dense, organic meals. Additionally, the company was looking

for second chance hiring opportunities and its employee benefits included English as a Second Language (ESL) classes.

Dr. Weldon Havins questioned the company's projected wages. The abatement application listed 370 food preparation workers at \$18 an hour and 130 food preparation employees at \$35 an hour, a substantial difference in the average wage per person. Ms. Asseo advised there were different types of food preparation workers, throughout the plant, such as sous chefs, chefs, and line cooks. The facility would comprise numerous departments and specializations.

Mr. Specht commended Ms. Asseo for the company's focus on a second chance program opportunities and questioned if the company would locate to Nevada if approved. Ms. Asseo confirmed it would.

A MOTION WAS MADE BY LIEUTENANT GOVERNOR MARSHALL TO APPROVE NUTRITION CORP, INC. DBA, FRESH N' LEAN FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 7C. THE MOTION PASSED UNANIMOUSLY.

D. PITNEY BOWES PRESORT SERVICES

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

Mr. Michael Walsh, Vice President of Economic Development, LVGEA, introduced Pitney Bowes Presort Services (Pitney Bowes). Pitney Bowes was considering establishing a 175,000 sq. ft. facility in southern Nevada. The company prepared, sorted, and collected mail, as well as offering fast forwarding, metering, remote video encoding, and transportation of mail. In the first two years of operation, the project would make a projected capital equipment investment of \$5 million and create 50 new jobs with an average hourly wage of \$24.61. Mr. Walsh introduced Mr. Vinay Gandhi, Chief Financial Officer, Pitney Bowes, Mr. Derek Johnson, Regional Vice President Director of Corporate Real Estate, Pitney Bowes, and Mr. Alex Frei, Senior Vice President, Coldwell Banker Richard Ellis (CBRE).

Mr. Johnson advised Pitney Bowes currently operated 37 facilities nationwide. The new facility would serve clients in five states, including California, Nevada, Washington, Oregon, and Utah. Mr. Johnson noted the company was a quality employer offering various benefits for employees and covering 89 percent of their employees' healthcare costs. In addition, the company focused on philanthropy, literacy, education in conjunction with supporting innovation and effective programs in underserved school districts.

Lieutenant Governor Marshall queried the companies projected wages. The company's abatement application listed an average wage of \$24.61. However, the 13 mail room supervisors would be making a little over half the County average wage for that position. The technician operations would be making \$22.44 for a position the Bureau of Labor Statistics identified to be \$34.17. Mr. Johnson assured the Board that the company paid competitive wages across all positions.

Lieutenant Governor Marshall referenced a settlement between the company and the federal government for not paying the correct price on postage. This resulted in Pitney Bowers paying a significant settlement. Lieutenant Governor Marshall stated she was not interested in giving tax abatements to a company that had to settle with the federal government for not paying what they should be paying. Additionally, the Lieutenant Governor was concerned the company did not align with target sectors in the Nevada Recovery and Resiliency Plan. As such, the Lieutenant Governor indicated her vote would be a 'no'.

Director Brown confirmed the company's application did align with the Nevada Recovery and Resiliency Plan. The pandemic disrupted just-in-time inventories and caused a massive shift to e-commerce. Director Brown highlighted that Nevada was well positioned as a Pacific Time Zone state and emphasized Nevada's logistic and geographical advantage in terms of supporting these kinds of logistics and operations projects.

With respect to the federal settlement, the issue occurred in one sorting center where it was discovered that the company was using the wrong standard for a postage situation. This was a business-to-business dispute between the company and the postal service, which was settled and did not reveal any type of pattern of practice. Director Brown further explained that it was not seen that this would in any way complicate business as the issue did not rise to an investor relations level or disclosure under Sarbanes-Oxley.

Mr. Specht indicated the topic, of the Recovery and Resiliency Plan alignment, required further discussion outside of the GOED board meetings, and perhaps a further review of the abatement eligibility criteria going forward. Mr. Specht noted that, looking at the application holistically, there were positive points. Additionally, the tax abatements were estimated to be half-a-million dollars. However, Nevada's new tax revenue, over 10 years, would be a 16-fold increase.

A MOTION WAS MADE BY MR. SPECHT TO APPROVE PITNEY BOWES PRESORT SERVICES FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 7D. LIEUTENANT GOVERNOR MARSHALL OPPOSED THE MOTION. THE MOTION PASSED.

E. SPREETAIL, LLC

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

Mr. Nick Clason, Economic Development Analyst, LVGEA, introduced Spreetail, LLC (Spreetail). Spreetail was considering expanding its existing 400,000 sq. ft. southern Nevada facility. Spreetail was an ecommerce growth partner focused on accelerating brands and channels to compete for tomorrow's e-commerce customer. Spreetail's ecommerce experts purchased products from world-class vendors, listed these top brands on marketplace giants such as Amazon, Walmart, Target, and eBay, and fulfilled orders with next-day speed. In the first two years of expansion, the project would

make a projected capital equipment investment of \$2.1 million and create 110 new jobs with an average hourly wage of \$26.66. Mr. Clasen was joined by Mr. Taylor Reeves, Assistant Controller, Spreetail, Ms. Mindy Eihusen, Controller, Spreetail, Mr. Andy Marks, Senior Director of Corporate Finance, Spreetail, and Ms. Casey Fahrnbruch, Senior Tax Manager, Spreetail.

Mr. Reeves stated Spreetail was an e-commerce growth partner focused on accelerating brands and channels to compete for tomorrow's e-commerce customer. The company owns its own fulfillment centers, and fulfill orders to customers with free, one-to-two-day shipping. The company does this using homegrown software. Due to the growth of the e-commerce industry, there was a need for expansion of Spreetail's existing space as the company saw a 90-percent increase in sales from 2019 to 2020 and continued to see high shipping volumes.

Mr. Reeves highlighted that Spreetail offered its employees donation matching, community time off, and bi-annual volunteer weeks and was proud of its equity, diversity, and inclusion. In addition, there were resource groups such as Spreetail Professionals of Color; Spreetail Pride Alliance; and Professional Women Rising.

Mr. Reeves advised the company operated a program called "New Beginnings" and this was being launched into all cities where the company had operations, including Las Vegas. The New Beginnings program provides new beds, bed frames, and bedsheets to individuals experiencing homelessness. The program has serviced over 5,000 individuals and was currently in the process of sourcing local community partners within Las Vegas.

A MOTION WAS MADE BY MR. SPECHT TO APPROVE SPREetail, LLC FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 7E. THE MOTION PASSED UNANIMOUSLY.

F. SUNSHINE MINTING, INC. / SUNSHINE MINTING NEVADA, LLC

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

Mr. Perry Ursem, Vice President of Business Retention and Expansion, LVGEA, introduced Sunshine Minting, Inc. / Sunshine Minting Nevada, LLC was considering expanding its existing 142,000 sq. ft. state-of-art, southern Nevadan minting facility. The company is a world class supplier of precious metal products and is known as a supplier of silver plachets to the United States Mint and as the manufacturer of the private Liberty Dollar coins. Sunshine Minting's customers include governments, financial institutions, corporations, major marketing companies, other businesses, and private groups. In the first two years of expansion, the project would make a projected capital equipment investment of \$3.1 million and create 142 new jobs with an average hourly wage of \$21.38. Mr. Ursem was joined by Mr. Tom Power, President and Chief Executive Officer, Sunshine Minting.

Mr. Power informed the company's objective was to make it southern Nevadan facility the flagship operation globally for the minting industry, producing gold, silver, and platinum products for sovereign governments around the world, with a goal of continuing to employ a highly skilled labor pool and to utilize industry best practices. Mr. Power noted the approval of the abatements were critical to the commitment of relocating corporate, administrative, engineering, and quality functions to Henderson.

Director Brown highlighted his involvement with this company for approximately 30 years and informed the Board he had served as assistant to the director of the United States Mint for eight years, during which time, he encountered the company frequently. Director Brown felt this company was a great asset for Nevada.

Lieutenant Governor Marshall advised she was impressed with the company and pleased at the idea of corporate, administrative, and operational functions locating in Nevada.

A MOTION WAS MADE BY LIETENANT GOVERNOR MARSHALL TO APPROVE SUNSHINE MINTING, INC. / SUNSHINE MINTING NEVADA, LLC FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 7F. THE MOTION PASSED UNANIMOUSLY.

G. TAPESTRY INC./COACH SERVICES, INC.

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

Mr. Zunis, LVGEA, introduced Tapestry Inc./Coach Services, Inc. (Tapestry) is considering establishing a distribution and fulfillment center in southern Nevada, in order to grow its presence in the western United States. Tapestry is an American multinational luxury fashion company and operates three major brands – Coach, Kate Spade and Stuart Weitzman. In the first two years of operation, the project would make a projected capital equipment investment of \$31 million and create 108 new jobs with an average hourly wage of \$26.88. Mr. Zunis was joined by Ms. Elizabeth Leete, Senior Vice President of Tax and Statutory Reporting, Tapestry.

Ms. Leete advised that Tapestry was heavily leaning towards a site in Southern Nevada and while the company had to consider many factors, during the site selection process, the potential value of the tax incentives did play a critical role in helping to offset costs of the project. Ms. Leete highlighted that Tapestry was looking for the most operationally efficient and cost-effective location to accommodate its business needs, future capital investment, and hiring commitments.

Ms. Leete noted Tapestry was proud to have achieved a score of 100 on LGBTQ equality by the Human Rights Campaign for the seventh year in a row. Tapestry has also earned the Forbes Best Employer for Diversity Award three years in a row for 2019, 2020, and 2021.

A MOTION WAS MADE BY DR. HAVINS TO APPROVE TAPESTRY INC./COACH SERVICES, INC. FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 7G. THE MOTION PASSED UNANIMOUSLY.

H. TCP GLOBAL CORPORATION

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

Chris Zunis, LVGEA, introduced TCP Global Corporation (TCP Global) which is considering establishing a national distribution center in southern Nevada. Additionally, the company is considering relocating its headquarter operations from California. The company is an online direct to consumer retail company in the industry of Home Improvement & Hardware Retail. Amongst other items the company provided paints, varnishes, wallpaper, air tools, blowers, and compressors. TCP Global has approximately 30 exclusive private brands that it owns and serves customers worldwide. The company is the largest Amazon 3rd party merchant utilizing the Amazon FBA Shipping System on the West Coast. In the first two years of expansion, the project would make a projected capital equipment investment of \$2.5 million and create 80 new jobs with an average hourly wage of \$38.90. Mr. Zunis was joined by Mr. Dean Faucet, President, TPC Global and Kelly Bitter, Vice President of Operations, TPC Global.

Ms. Bitter advised that that company was looking to expand with its growth and had concluded that Nevada’s business atmosphere, among other aspects, would make Nevada the best selection for its national distribution center. Ms. Bitter indicated approval of the company’s abatement application would allow the company to move its corporate headquarters to the state. Ms. Bitter explained the business environment, the warehouse space, the logistics, and a strong employee pool were all reasons Nevada was selected, and the company had come to understand that Nevada has a great culture as well as employees that fit their needs.

Ms. Bitter highlighted the company’s involvement with the community during the height of the pandemic. TCP Global donated over \$100,000 of its safety equipment to frontline workers and continued to donate in many ways, citing the example of excess art supplies that are often placed in baskets and donated to schools and homeless shelters in hopes of helping the community.

A MOTION WAS MADE BY MR. SPECHT TO APPROVE TPC GLOBAL CORPORATION FOR A SALES & USE TAX ABATEMENT, A MODIFIED BUSINESS TAX ABATEMENT, AND A PERSONAL PROPERTY TAX ABATEMENT AS PRESENTED IN AGENDA ITEM 7H. 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*

Mr. Bob Potts, Deputy Director, GOED advised that the current unemployment rate in the state, on an adjusted basis, is at 8 percent, Las Vegas is at 9 percent, and the Reno Metropolitan Statistical Area (MSA) is at 4.9 percent. Mr. Potts stated a resolution was in place to encourage job creation in counties with higher unemployment rates. All county unemployment rate numbers were unadjusted numbers and not seasonally adjusted. Mr. Potts further explained that when there are major swings in the unemployment rate in these unadjusted numbers, this can lead to poor decision making when trying to encourage job creation in areas with a higher employment rate. As such, the 12-month average on the unemployment rate is used.

9. BOARD MEMBER COMMENTS

Lieutenant Governor Marshall stated that Nevada was at a crossroads and thanked Mr. Ray Specht for indicating the need for a larger conversation.

Mr. Specht noted that after studying today's eight applications, four of the eight applications were under the criteria on average wage, one was at average wage, and only three of the eight were above the average wage criteria. Mr Specht asked for insight from GOED regarding the trend in applications moving forward. Director Brown advised that a statutory provision is triggered when unemployment surpasses 7 percent in a location. For the purposes of applying for abatements this provision allows for a lower wage criteria, to be met, if a company plans to locate or expand in an area of higher unemployment (above 7 percent). Mr. Brown indicated his support of continuing to review this provision.

Lieutenant Governor Marshall raised the concern that a discrepancy exists between the guidelines of the Resiliency and Recovery report and the statutes, which could potentially force RDAs to bring forward companies that meet the statutory requirements but will not ultimately help Nevada to properly diversify and/or add resiliency and structure to its economy. Lieutenant Governor Marshall indicated she and Director Brown had discussed this issue in the past and would continue to do so moving forward.

Mr. Alex Dixon requested that a member of GOED include a report that updates progress regarding the infrastructure bank in future meetings in the interest of keeping the Board apprised. Mr. Dixon indicated his interest in understanding the economic development impact to the state general fund and the impact these lotteries have on vaccinations and vaccine education as a result of state vaccine lotteries in other states in the event of future pandemics.

10. GOVERNOR SISOLAK'S COMMENTS

No further comments made.

11. PUBLIC COMMENT

There was no public comment.

12. ADJOURNMENT

DR. HAVINS MADE A MOTION TO ADJOURN THE MEETING. THE MOTION PASSED UNANIMOUSLY.