

**STATE OF NEVADA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
BOARD MEETING MINUTES
Thursday, October 3, 2024**

The meeting of the Board of Economic Development was called to order by Governor Joe Lombardo at the Capitol Building, Old Assembly Chambers, 101 N. Carson Street, Carson City, Nevada, 89701, the State of Nevada Building, 1 State of Nevada Way, 4th Floor, Las Vegas, NV 89119, and virtually.

VOTING BOARD MEMBERS PRESENT

Governor Joe Lombardo, State of Nevada
Secretary of State Francisco Aguilar, State of Nevada
Ms. Yolanda King, President, Chief Executive Officer, Chief Financial Officer, Y. King Strategies
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada
Mr. James A. Barrett, Jr., President & Founder, The JABarrett Company
Ms. Debra Jacobs, Chair Emeritus, MJS packaging

VOTING MEMBERS ABSENT

Lieutenant Governor Stavros Anthony, State of Nevada
Ms. Sasha Stephenson, President, SSS Public Affairs
Mr. Raymond Specht, Founder & CEO, Specht Leadership Consulting

NON-VOTING BOARD MEMBERS PRESENT

Mr. Chris Sewell, Director Department of Employment, Training and Rehabilitation
Dr. Kris Sanchez, Director, Department of Business and Industry
Ms. Jhone Ebert, Superintendent of Public Instruction
Ms. Patricia Charlton, Officer in Charge, Nevada System of Higher Education
Mr. Thomas Burns, Executive Director, GOED

STAFF MEMBERS PRESENT

Alex Bacchus, Northern Regional Director, GOED
Amanda Flocchini, International Business Development Director, GOED
Ashley Thompson, Film Incentive Program Coordinator, Nevada Film Office, GOED
Bob Potts, Research Director, GOED
Carli Smith, Director of Communications, GOED
Danette Tull, Deputy Director, Nevada Film Office, GOED

Danny B. Miller, ISO & Technical Support Specialist, GOED
Dorian Stonebarger, Deputy Director, GOED
Elaine Silverstone, Director of Workforce Development, GOED
Jeremiah Mesquita, Government Contracts Advisor, Nevada APEX Accelerator, GOED
Joan Rueben, Director, Nevada APEX Accelerator, GOED
John Rice, Government Contracts Advisor, Nevada APEX Accelerator, GOED
Kim Spurgeon, Director, Nevada Film Office, GOED
Kristen Spencer, Business Development Coordinator, GOED
Kyeema Peart, Director, Office of Entrepreneurship, GOED
Leandra Diossa, Director of Administration, GOED
Melanie Sheldon, Senior Director of Business Development, GOED
Michelle Sibley, Director of Human Resources, Diversity, and Inclusion, GOED
Nathan Jackson, Deputy Director, Nevada APEX Accelerator, GOED
Shari Davis, Director, Rural Economic & Community Development, GOED
Sherry Lloyd, Program Compliance Officer, GOED
Steve Scheetz, Research Manager, GOED
Stephen Wood, Director of Strategy & Public Policy, GOED
Susan Skaggs, Executive Assistant and Office Manager, GOED
Henna Rasul, Office of Attorney General, State of Nevada, GOED Open Meeting Law Attorney
David Newton, Special Counsel to the Colorado River Commission and GOED

GUESTS PRESENT

Amber Stidham, LVGEA
Amy Respini, LVGEA
Alex Tanchek, Silver State Government Relations
Brian Peters, Inneos, LLC
Brittany West, City of North Las Vegas
Glen Meyerowitz, Clarity Technology, Inc.
Hayden Poinier, NNDA
Josh Reid, Nevada Attorney General's Office
Madeline Burak, Office of the Governor, State of Nevada
Michael Buchanan, Valencia Pipe Company
Mitch Keenan, LVGEA
Michael Walsh, LVGEA
Nancy McCormick, EDAWN
Rachel Peterson, NV Department of Taxation
Shelli Long, NV Department of Taxation
Sonny Vinuya, Office of the Governor, State of Nevada
Tatjana Vukovic, NNDA
Tina Quigley, LVGEA

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

Governor Joe Lombardo, State of Nevada called the meeting to order. Ms. Melanie Sheldon, Senior Director of Business Development, Nevada Governor’s Office of Economic Development (GOED), called roll, and quorum was established.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE JULY 25, 2024, BOARD MEETING MINUTES

A MOTION WAS MADE BY DR. WELDON HAVINS TO APPROVE THE JULY 25, 2024, BOARD MEETING MINUTES. MS. YOLANDA KING SECONDED. THE MOTION PASSED UNANIMOUSLY.

4. EXECUTIVE DIRECTOR UPDATE AND DIRECTOR'S REPORT

Director Tom Burns, Executive Director, GOED(GOED), began his report by informing the Board that GOED has had an active period since the last Board meeting, beginning with the retirement of Deputy Director and founding member of GOED, Mr. Bob Potts.

Through his work, Mr. Potts helped broaden Nevada's economy, which resulted in diversification to complement the state's historic industries. For several years, Mr. Potts convened regular meetings with the state's economic leaders, universities, economic development authorities, political and community leaders, and industry.

Mr. Potts thanked the Board for allowing him the honor working with them, over the years, and noted today was his 56th Board meeting. Mr. Potts personally recognized and thanked Mr. Ray Specht, Dr. Havins, and Mr. Jay Barrett for their work on the GOED Board, and commended Dr. Kris Sanchez for all that had been accomplished during their time working together at GOED.

Dr. Sanchez highlighted Mr. Potts’ accomplishments since starting at GOED in 2012, when Nevada had 14.1 percent unemployment and the highest foreclosure rate in the country. Dr. Sanchez noted he and Mr. Potts worked closely together and thanked him for his years of service.

Director Burns announced recent leadership-level promotions that mark an exciting new chapter in the agency's future. Dr. Dorian Stonebarger, GOED's former director of strategy and public policy, has been appointed Deputy Director of the agency. Mr. Alex Bacchus, former Director of Business Development, has been promoted to northern regional director and will lead and manage economic and community development from GOED's Carson City office.

Mr. Stephen Wood, who served as Government Affairs Manager under Dr. Stonebarger, has assumed Dr. Stonebarger's former position as director of strategy and public policy for GOED.

Director Burns noted these promotions are not just well-deserved but a testament to the value they bring to GOED's team.

Business Development

Led by Senior Director of Business Development Ms. Sheldon, GOED's Business Development team closed out FY 2024 procuring more than \$1.2 billion in new business investment, 2573 new jobs, and 3424 build-out jobs from 33 companies for the state.

So far in FY 2025, GOED has assisted 19 companies creating 671 initial jobs, 847 build-out jobs and \$1.1 billion in capital investment. The team continues to work closely with the RDAs to attract, retain, and expand business in Nevada, including three site visits planned in the upcoming month, and 41 companies in our active pipeline.

Innovation Based Economic Development

The UNR Development Award Team submitted its pre-application for a full National Science Foundation (NSF) Engine on Aug. 9. The project is termed "Recharge Nevada -A Coalition for Energy Innovation."

On Sept. 10, the U.S. Department of the Treasury announced that GOED was awarded \$4.2 million to help small businesses in key sectors of the economy grow and hire through the State Small Business Credit Initiative (SSBCI) Investing in America Small Business Opportunity Program. Mr Karsten Heise, Senior Director of Strategic Programs and Innovation, GOED architected and wrote the grant application.

Nevada APEX Accelerator (APEX)

APEX continues to help small businesses win government contracts. Between April 16-July 15, APEX's women-owned business clients, service-disabled veteran business clients, disadvantaged business clients, and those business clients in economically depressed areas won a total of \$68.3 million in government contracts.

Ms. Joan Rueben, Director APEX Accelerator, GOED, advised on October 18, 2024, APEX will be working with the Office of Small Business Programs to provide programming on how to do business with the US Navy and Marine Corps.

Workforce Development

GOED's Director of Workforce Development, Ms. Elaine Silverstone, organized a panel of impactful education and workforce leaders at the inaugural Nevada Lithium Summit. Leaders from across the Lithium Loop workforce ecosystem joined the panel.

A Workforce Innovations for a New Nevada (WINN) award has been approved for Great Basin College for a geologic technician program in the amount of \$99,205. This funding will provide a

four-tiered geologic technician program that includes three skills certificates leading to an Associate of Applied Science degree. The program will begin in the fall 2024 semester and will continue indefinitely thereafter to train geologic technicians who can support scientists and engineers in exploring, extracting and monitoring natural resources such as rock, water, soil and natural gas. Employer partners include NewFields, Nevada Gold Mines and KG Mining, which report \$20 - \$43 hourly wage career pathways.

Rural & Community Economic Development

GOED's Community Development Block Grant (CDBG) program staff hosted the national Council of State Community Development Agencies conference in Reno Sept. 15- 18, 2024. Over 37 states participated in the three-day event.

The Nevada Main Street program, which revitalizes downtowns across urban and rural communities, funded 23 of the 40 requested projects as part of the 2024 Nevada Main Street Grant program. At least one project was approved in each of the 16 communities that applied, totaling \$662,955 in awarded funds. The projects include an historic landmark installation, facade improvement programs, high visibility crosswalks and more.

Healthcare

GOED's Healthcare Industry Specialist Mr. Vance Farrow worked with the leadership of College of Southern Nevada (CSN) to implement a nursing education pilot program to get practicing clinical nurses credentialed as adjunct faculty at CSN. The first cohort consisted of 44 nurses with 42 completing the bootcamp program. The next cohort is scheduled for Nov. 1, 2024.

GOED was invited to participate in the Roseman University of Health Sciences, College of Medicine Accreditation Site Visit with the Liaison Committee on Medical Education (LCME). The series of meetings went very well, and approval is anticipated for the next medical school in southern Nevada in February 2025. Special thank you to Governor Lombardo for a letter of support to the LCME on behalf of Roseman University School of Health Sciences.

International Business Development

GOED's International Division visited the Finnish clean tech company Hycamite at the beginning of September as a follow up to an initial meeting at SelectUSA in June. This trip was to discuss the potential of the company entering the U.S. market via Nevada, and to participate in a panel discussion at the opening of their first customer sample facility. The company specializes in methane-splitting hydrogen technology, producing battery grade graphite as a byproduct, which is a critical component in battery manufacturing and a growing industry in Nevada.

The International Division coordinated and planned networking events with three inbound delegations from Canada, Chile, and Australia for the 2024 Min Expo Convention in Las Vegas. These efforts, which will continue to promote Nevada as a leader in the mining industry, support our economic and technological strength.

GOED co-hosted the Nevada Lithium Summit, which was organized to advance the state's integral role in the lithium supply chain, foster collaboration across sectors, and much more. The two-day summit had several hundred attendees and was a huge success.

GOED has been working on a Global Startup Pilot Program in collaboration with the Incheon Startup Park in Seoul, South Korea and with UNLV and Zero Labs. This inaugural program will give up to three South Korean startups an opportunity to visit Las Vegas for 10-14 days to get exposure to U.S. markets for commercialization of their innovative technologies. This collaboration is a direct result of the outreach trip the international team led in February 2024.

Office of Entrepreneurship

The Office of Entrepreneurship in June undertook its focus group efforts with "underrepresented demographic segments and geographic areas of Nevada" as required by AB77 to achieve a best-efforts depiction of entrepreneurship in the state. Building on statewide community consultations in spring, deep-dive sessions were held over the summer with a diversity of groups from across the state.

A California-Nevada Future Food Engine pre-proposal was submitted to the National Science Foundation in early August, which was facilitated by the Office of Entrepreneurship, the Desert Research Institute and UNR Business Environmental Program. Focusing on strengthened economic opportunities and resilience for rural food-producing areas, this pre-proposal constitutes Nevada's third entry into the NSF Regional Innovation Engines program. If awarded, North-Central California and Northern Nevada stand to receive considerable economic, social, and environmental benefits.

GOED sponsored Reno Startup Week in September, which showcased several GOED divisions and areas of expertise. Ms. Kyeema Peart, Director, Office of Entrepreneurship, GOED, Ms. Tammy Westergard, Senior Workforce Development Librarian-In-Residence, GOED and Ms. Rueben, GOED all participated in panels discussing their respective roles at GOED and how their programs can assist entrepreneurs across the state.

Dr. Weldon Havins also took a moment to congratulate Mr. Potts, as well as the GOED Business Development Team, on the new business, job creation, and revenue generated for the state, in the last year, as per the Director's Report.

Governor Lombardo asked for more information regarding the Lithium Summit.

Director Burns noted that the Lithium Summit lasted two days and included over 300 people from across multiple industries. GOED received tremendous feedback about the quality of its panels and speakers, including the Governor. a number of visiting overseas attendees commented on the collaboration between government, higher education, and industries. Director Burns commended the team on their work pulling together this summit.

Secretary of State Fransico Aguilar asked about the relationship between Startup Reno, Startup Vegas, and GOED.

Director Burns noted that GOED works in concert with them but does not have a formal relationship. The Director noted there was scope to develop, and foster, the relationship further.

Governor Lombardo asked if there are dates for the NSF program.

Director Burns advised the pre-application was just filed and that prior to the governor signing off, the concept needs to be approved. The final application for the NSF engine will be February 11.

5. NEVADA FILM OFFICE (NFO)

Ms. Kim Spurgeon, Director, NFO, GOED, began with an overview of the NFO, noting its importance in economic development as film productions hire locals and contribute to both jobs and direct spending. The NFO is a free service provider and resource for the industry to operate within the state. The NFO maintains a locations database, on its website, of film friendly locations throughout the state. The NFO also maintains a crew and services directory on its website to assist productions make local staff connections.

Ms. Spurgeon next discussed the state's Film Tax Incentive Program, noting the current program was passed during the 2013 legislative session and went into effect on January 1, 2014. In order to apply, qualified production costs in Nevada must be greater than \$500,000. At least 60% of the production budget, including pre-production, production, and post-production, must be incurred in Nevada as qualified direct production expenditures. However, if all post-production is completed outside of Nevada, then post-production expenditures can be withheld from the 60% calculation. Pre-production, production, and post-production expenditures, including, but not limited to, compensation and wages to residents and non-residents and purchases and rentals of tangible personal property or services from a Nevada business. The Film Tax Transferrable Tax Credit (TTC) offers 15% of the cumulative qualified production costs, 15% on wages, salaries, and fringe benefits to all NV resident personnel, and 12% on wages, salaries, and fringe benefits to non-resident above the line personnel

Ms. Spurgeon next discussed the incentive process, noting that to start, an application needed to be submitted before the start of principal photography, and could consist of a basic application as well as a synopsis or a script, proof of financing, a summary budget, and an economic impact statement. Following submission of the application, the Film Office reviews all materials and then holds a public hearing that reads the application into public records. Following the hearing, the application is submitted to GOED's Executive Director for approval. As long as sufficient funds are available, applications tend to be approved. Once the productions are approved, they have 18 months to complete from the time they begin principal photography. Following this an audit must be completed by one of the six auditors approved by the NFO.

Governor Lombardo asked why the 18-month period.

Ms. Spurgeon indicated that there is only 10 million in funding available and as such, the Film Office wants to ensure that the funding is used timely and wisely to get the maximum benefit. Ms. Spurgeon explained that once the audit is completed and approved, the credit is then issued. Productions only receive credits for what they've earned, and those tax credits are then transferred to taxation or gaming control based on how they will be used. In Nevada, these tax credits can only be used towards certain taxes and these taxes are not paid by production companies earning the credits. Therefore, productions can choose whether to work with a broker to monetize their credit by selling it to an entity who can use the credit, usually at a rate of 90 cents on the dollar. The credit buyer can apply these taxes against their liability, and the production monetizes that credit by getting paid by the buyer. Once the credits are sold, they're redeemed by either the Department of Taxation or the Gaming Control Board (GCB). The credits expire four years after the date of issuance.

Ms. Spurgeon noted there are approximately 120 different programs worldwide, which vary based on the amount they offer and how they operate. Ms. Spurgeon discussed New Mexico specifically, explaining its program is funded at \$125 million a year, but also includes a separate pot of uncapped funds for those that they've designated as studio partners within the state, including Netflix, who made a significant investment in infrastructure in the Albuquerque studios back in 2019. As a result of these partnerships, New Mexico has taken a significant amount of business out of the state of Nevada, highlighting the fact that Nevada often competes with other states in terms of offered programs. There are two aspects that productions evaluate in deciding where they want to film: the creative, and the tax incentives.

Ms. Spurgeon informed the Board that the FY24 Annual NFO report was just published and includes a more detailed legislative history of the program and an overview as well as that fiscal year's application data and audit data, and a summary of the economic impact of the productions that filmed during that timeframe. An economic impact analysis model that was built by applied economics and uses in-plan economic multipliers to calculate the impact of the production spending is used, and based on the inputs, the model calculates the estimated return in tax revenue to the state, as well as the economic ROI, which includes the direct, indirect, and induced impacts of the production spend in the region. Ms. Spurgeon noted that when an application is received, the anticipated expenditure is noted, but the actual impact is unknown at that time. Sometimes smaller budgets can be processed faster and indicated that because larger productions can take longer, the report on the fiscal year audit data does not necessarily mean the production was filmed at that time, but that the audit and confirmation of numbers were received during that time.

Ms. King asked if there were years when some of the credits had expired.

Ms. Spurgeon advised that the credits do roll over to future fiscal years.

Ms. King asked if production is not completed within the 18-month criteria, could the TTCs be allocated for the first 18 months and forthcoming activity be rolled into a new 18-month period.

Ms. Spurgeon explained that if a production is approaching the 18-month deadline, the NFO makes sure to inform them that they cannot incur any further qualifying spending following that 18-month period, and that they would need to enter their audit.

Ms. King asked if the 18-month timeframe was a deterrent for productions wanting to come to Nevada.

Ms. Spurgeon indicated that this was not the case as most productions are completed within that timeframe.

Ms. King questioned the need to expand the 18-month timeframe.

Ms. Spurgeon indicated this could be useful if Nevada attracted larger productions that take longer.

Ms. Deborah Jacob asked about a series being filmed over several years.

Ms. Spurgeon explained that for a series, production would apply per season.

A speaker questioned why the lag between the production timeframe of 18 months and the TTC availability of four years.

Ms. Spurgeon explained that the four years is based on how long the user of the credit can redeem it within the state, and that they do not earn the actual credit until that audit has been approved.

Ms. King asked if the credits purchased during those four years are expiring.

Ms. Spurgeon indicated that they are not. Ms. Spurgeon added that within the annual report, there is a section that specifies the credits issued during the fiscal year, the credits used, credits issued in previous fiscal years, and credits previously issued and still outstanding.

Governor Lombardo questioned the status of the budget draft requests on modification of current tax credits.

Ms. Spurgeon explained that some minor changes have been drafted, but that the NFO does not intend to move forward with a Bill Draft Request (BDR).

6. METRICS REPORT

Mr. Steve Scheetz, Research Manager, GOED, explained that the RDAs report their metrics on a quarterly basis, but because the quarter just ended, the number presented today are not yet updated for the full quarter but rather the year to date through about July or August.

In the second quarter of 2024, sixteen companies committed to adding 786 jobs to Nevada's economy in the next two years. Once these companies are fully staffed, the build-out job estimate is 839 employees. Of the 786 additional jobs, 272 were incentivized and 514 jobs were non-incentivized.

The average hourly wage paid by all assisted companies came in at \$36.76 in the second quarter of 2024, up 19.2 percent from the \$30.84 reported for the same quarter a year prior.

Capital investment by assisted companies (excluding nonstandard projects*) totaled \$400 million in the second quarter, \$286M of which is attributed to incentivized companies.

There were sixteen wins in the second quarter of 2024. This marks a 45.5 percent increase from the first quarter and is up 33.3 percent when compared to the same quarter a year prior. New leads were down by 26.4 percent from the last quarter and down 47.5 from the same quarter a year ago. Prospects also declined by 24.7 percent over the last quarter, and up 7.8 percent compared to the same quarter in 2023.

Of the 301 companies that have been abated since 2012 (across all abatement types, excluding withdrawn and noncompliant), 52.5 percent have had fewer than 50 employees within two years of operation. For the seventeen companies abated so far in 2024, eleven plan to have fewer than 50 employees in two years.

For the past ten years, the fiscal Return on Investment is 253%, meaning for every dollar abated the State and local governments receive \$2.53 in new taxes over the life of the abatements.

During the last quarter of FY24 and the first quarter of FY25, APEX Accelerator began operating under their renewed operating agreement with the Department of Defense - Pentagon. This marks the third reporting period since performance measurements have changed.

From April through July 2024 the NV APEX Accelerator was successful in assisting NV small businesses in getting 425 Contracts amounting to \$68 million. This is an increase in the number of contracts and amount of awards by 151.1% and 1.5% respectively, when compared to the prior reporting period. Average Contract is \$228,395.

Small Disadvantaged Businesses (SDB) received 104 contracts for \$48.3 million. Historically Under-utilized Business Zones (HUBZones) received 133 government contracts for \$4.3 million.

Service-Disabled Veteran-Owned Small Businesses (SDVOSB) received 156 government contracts for \$10.3 million.

Women Owned Small Businesses (WOSB) received 32 government contracts for \$5.4

The number of Emerging Small Businesses (ESB's) certified in the first half of calendar year 2024 declined by ten percent from the same period last year and decreased by 19.6 percent when compared to the second half of 2023. The total number of ESBs that have been certified since 2014 now stands at 2,933. The average contract amount in the first half of 2024 was \$78,622; up 16.9 percent from the second half of 2023 and up 32.3 percent from the same period last year.

Ms. Rueben, GOED, clarified that when it comes to government contracts, Nevada APEX Accelerator helps the companies in Nevada go after local, state, and federal government contracts, not just those in the aerospace and defense industries.

The NFO Processed 7 applications for the film tax credit program, including 2 episodes of a new television show created by and starring Seth Rogen and a new game show hosted by Shaquille O’Neal.

Ms. Spurgeon, NFO and Ms. Danette Tull, Deputy Director, NFO also sat on a panel on the importance of working with film commissions for Chicano Hollywood’s Elevate Conference in Los Angeles.

In July of 2024, awards were announced for CBDG funds to local municipalities equaling approx. \$2.9M, which is relatively flat from prior year funding. The federal funding is expected to be received to the State CDBG program imminently, at which time, funds will be allocated and final amounts published. There are currently 28 open grants. For the standard CDBG program, there is still one grant from 2018, one grant from 2019, two grants from 2020, five grants from 2021, 10 grants from 2022 and six grants from 2023. For the CDBG-Covid program, there are only three left open grants from 2020.

In 2023 Carson City’s program reverted back to the entitlement program. Carson City had seven open grants with the State CDBG program that closed June 2024.

As of August 2024, Nevada employment stands at 1,584,000 jobs, a gain of 3.2 percent from the prior year. The most recent figures represent an increase of 141,900 jobs over the pre-pandemic high. Nationally, employment grew just 1.5 percent over the year in August. Nevada’s unemployment rate is 5.5 percent as of August, virtually unchanged from the prior month. The rising labor force participation rate suggests that more Nevadans are returning to the workforce, and Nevada continues to see steady job growth, led by Southern Nevada.

7. UNEMPLOYMENT RATE UPDATE

Mr. Scheetz, GOED, informed the Board that the statewide unemployment rate jumped by a 10th percent, landing at 5.5 percent. The state continues to see job growth at about 3 percent, as compared to the national growth rate of 1.5 percent. The sub-state unemployment rates are not seasonally adjusted, as a 12-month moving average is used to smooth out that seasonality. Mr. Scheetz further explained that all counties are currently below 7 percent unemployment, so at this time, any company throughout the state will have to satisfy 100 percent of the statewide average hourly wage.

8. ABATEMENT APPLICATIONS FOR BOARD APPROVAL

A. INNEOS, LLC

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

Mr. Hayden Poinier, Business Development Manager, Northern Nevada Development Authority (NNDA), introduced Inneos, LLC (Inneos).

Inneos plans to expand its existing northern Nevada operations. Inneos is a US-based company with component and module design and manufacturing, with operations in both Pleasanton, CA and Zephyr Cove, NV. Inneos specializes in designing and manufacturing fiber optic components for Original Equipment Manufacturers (OEMs) that need highly reliable solutions for their mission critical systems. This expansion project will include the addition of highly specialized equipment for the semiconductor manufacturing line and R&D processes. Inneos began as a start-up called Blaze Network Products in 1998, founded on the premise of inventing and commercializing a low-cost version of a high-bandwidth optical solution.

The expansion will create six new jobs at an average wage of \$39.50 and a capital equipment investment of almost \$12.5 million. Mr. Poinier was joined by Mr. Brian Peters, Chief Executive Officer, Inneos.

Mr. Peters explained that the name of the company is a blend of innovation and Eos, the goddess of light. The company builds laser-based products. Inneos' California facility assembles the products, and the Nevada facility builds the lasers. The Nevada expansion is intended to increase capacity by changing the style of wafers being currently built from three-inch wafers to four-inch wafers. As global supply chains face increasing disruptions, having a robust and advanced semiconductor wafer manufacturing capability within Nevada strengthens both the state and the nation's supply chain resilience.

This is especially important for critical industries that rely on semiconductor components, making III-V semiconductor wafer manufacturing a key sector for national security. Inneos' proposed manufacturing line enhancements will support the production of essential components for critical infrastructure, ensuring that these capabilities remain domestically available.

Governor Lombardo asked if it would be more economically advantageous to move the rest of the company from California to Zephyr Cove.

Mr. Peters noted that ideally, Minden could be a possible consolidation point in the future.

Mr. Chris Sewell questioned if the new hires would be coming from California or would be Nevada residents.

Mr. Peters advised the intent is to hire Nevada residents, and they are currently recruiting locally. Semiconductor technicians are the company's most valued resource, and they do not have enough of them. programs to develop these technicians would be very beneficial.

Mr. Sewell advised that EmployNV Offices could assist with workforce recruitment and training.

Secretary of State Aguilar asked about the Tahoe Regional Planning Agency's (TRPA) involvement as to the expansion of the business.

Mr. Peters confirmed TRPA has been very cooperative and that the company maintains a good relationship with them.

A MOTION WAS MADE BY SECRETARY OF STATE AGUILAR TO APPROVE THE SALES TAX ABATEMENT, MODIFIED BUSINESS TAX ABATEMENT, AND PERSONAL PROPERTY TAX ABATEMENT FOR INNEOS, LLC. MS. KING SECONDED. THE MOTION PASSED UNANIMOUSLY.

9. ABATEMENT APPLICATIONS FOR DIRECTOR APPROVAL

Director Burns advised there were two Abatement Applications for Director approval. 'Pursuant to S.B. 181, GOED's Executive Director can approve partial tax abatements with a projected value up to \$500,000. Therefore, he had approved Clairity Technology, Inc. and Valencia Pipe Company for a Sales Tax Abatement, Modified Business Tax Abatement and a Personal Property Tax Abatement

A. CLAIRITY TECHNOLOGY, INC.

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

Mr. Mitch Keenan, Las Vegas Global Economic Alliance (LVGEA), introduced Clairity Technology, Inc. (Clairity).

Clairity is looking to site its first commercial facility in Southern Nevada. Clairity was founded in 2022 and is headquartered in Culver City, California. Clairity develops systems for direct air capture of atmospheric CO2 for carbon dioxide removal. Clairity's technology is carbon negative and water positive, generating potable water for local communities. Clairity will deploy the first end-to-end direct air capture and carbon storage project that will cogenerate potable water for water-stressed communities, all operated by a single supplier. This will also be the first direct air capture facility in Nevada. With a nameplate capacity of 2,500 tons of CO2 removal per year and over 1,000 liters of water generation per day, the project is carbon negative and water positive. The project will demonstrate the energy efficiency of the Clairity process and its ability to scale quickly at a low-cost while being powered entirely by renewables. Clairity is actively working with regional partners to

advance its project goals, including NV Energy; the Southern Nevada Water Authority (SNWA); and the Southwest Sustainability Innovation Engine (SWSIE), led by ASU with partner institutions UNLV and DRI.

The project will create 15 new jobs at an average wage of \$34.27 and a capital equipment investment of almost \$2.5 million. Mr. Keenan was joined by Mr. Glen Meyerowitz, Chief Operating Officer Clarity.

Mr. Meyerowitz advised he is an engineer who transitioned to climate technology in 2021 and founded Clarity in 2022. The project has significant financial support from major corporations in conjunction with federal dollars. Mr. Meyerowitz indicated that this process works best in dry climates and can generate water, both benefits of being in Nevada. Nevada also has tremendous clean power potential, and access to clean energy is important to what the company is trying to build. In addition, Nevada is a leader in bringing in money from the Inflation Reduction Act (IRA), and as such, the company would like to be able to bring even more money into the state to create jobs and grow the new green economy.

Secretary of State Aguilar questioned if existing capital will be used to build the Nevada facility or if there is already revenue coming in for this project. Mr. Meyerowitz indicated that this first project will be developed from existing capital.

Secretary of State Aguilar asked about the timeframe for the facility to be operational.

Mr. Meyerowitz indicated 18 months.

Ms. Deborah Jacob noted that this is a field in which there are many competitors, many of whom have more seed money and questioned where the company is on the sliding scale of R&D to bring a product to market.

Mr. Meyerowitz advised the facility in North Las Vegas will be a commercial capture facility that will be generating revenue, and the first facility in the US that is independently certified and able to issue certified global carbon credits that can be sold to large companies.

Ms. Jacob asked about the ballpark cost on the per-ton carbon.

Mr. Meyerowitz confirmed for the first facility, it will be sold at a cost of approximately \$710 per ton.

Dr. Sanchez questioned how many acre feet of water would be produced or 500 tons of capture.

Mr. Meyerowitz explained that the first system will be doing a few hundred liters per day.

Ms. Jhone Ebert questioned if the company was already working with school districts in LA or if this would be a new adventure with K-12 in Nevada.

Mr. Meyerowitz explained that this would be a new focus in Nevada.

B. VALENCIA PIPE COMPANY

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

Mr. Poinier introduced Valencia Pipe Company (VPC).

VPC is moving operations from California to Wabuska, Lyon County. The company plans to establish a first-class commercial manufacturing facility producing plastic tanks for water and septic applications. VPC is a Division of VPC Global, specializing in manufacturing high quality products that meet or exceed plumbing standards. VPC Global supplies different types of pipes, tubing, water heater connections and other products. The company is committed to providing cutting-edge storage and containment solutions that meet the diverse needs of today's industries. A broad range of high-quality water tanks, storage containers, and plastic tanks, offers a premier source for reliable, durable storage solutions designed to serve the industrial, commercial, agricultural, and transportation sectors with unparalleled efficiency. VPC plans to use local contractors and laborers for much of the facility improvement work and will be purchasing materials locally.

The project will create 21 new jobs at an average wage of \$27.73 and a capital equipment investment of almost \$3.1 million. Mr. Poinier was joined by Mr. Michael Buchanan, Director of Research and Development, VPC.

Mr. Buchanan noted the company was founded around 2009; at which time different types of metal pipe were sold to Home Depot. Over the years, VPC has expanded and now sells many different plumbing supplies to Home Depot. The company expanded into the pipe extrusion business around 2018, and just one year ago, the pipe division was purchased by IPEX, Inc.

Mr. Buchanan explained that water is not being used as a resource, no emissions are being generated, and the hope is to expand the environmentally friendly process into other areas in the future. Mr. Buchanan indicated that once permits go through, demolition of some of the buildings will begin and construction of the new structure will follow and noted that over 90 percent of the employees will be from the local area.

Mr. Sewell encouraged the company to contact his workforce representatives in at the EmployNV Offices, in Lyon County for workforce assistance.

10. BOARD MEMBER COMMENTS

Secretary of State Aguilar asked if GOED verified financial statements regarding capitalization and runway, for Abatement Applicants, and asked if they are required to put up a bond.

Director Burns noted that there is no bond, but that there is a review of financial statements and financing.

11. GOVERNOR LOMBARDO COMMENTS

Governor Lombardo discussed the Lithium Summit, noting that it was a great opportunity to take advantage of economic drivers for future Nevada. The Governor noted the importance of fostering all sections of the Lithium loop including mining, refining, manufacturing, and recycling.

12. PUBLIC COMMENT

There was no public comment.

13. ADJOURNMENT

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