

**STATE OF NEVADA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
BOARD MEETING MINUTES
Thursday, November 14, 2024**

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

VOTING BOARD MEMBERS PRESENT

Governor Joe Lombardo, State of Nevada
Secretary of State Francisco Aguilar, State of Nevada
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada
Ms. Debra Jacobs, Chair Emeritus, MJS packaging
Ms. Sasha Stephenson, President, SSS Public Affairs
Mr. Raymond Specht, Founder & CEO, Specht Leadership Consulting

VOTING MEMBERS ABSENT

Lieutenant Governor Stavros Anthony, State of Nevada
Ms. Yolanda King, President, Chief Executive Officer, Chief Financial Officer, Y. King Strategies
Mr. James A. Barrett, Jr., President & Founder, The JABarrett Company

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. 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
Carli Smith, Director of Communications, GOED
Danette Tull, Deputy Director, Nevada Film Office, GOED
Danny 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
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

Amy Respini, LVGEA
Brian Bolz, Tesla, Inc.
Chris Kovalcik, Ryan
Estella Gutierrez, TMCC
Hayden Poinier, NNDA
Heather Wessling Grosz, EDAWN
Kimberly Harrell, TMCC
Lindsey York, Vantage Data Centers NV12, LLC
Madeline Burak, Office of the Governor, State of Nevada
Michael Falleroni, Ryan
Shelli Long, NV Department of Taxation
Sonny Vinuya, Office of the Governor, State of Nevada
Tatjana Vukovic, NNDA

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 OCTOBER 3, 2024, BOARD MEETING MINUTES

A MOTION WAS MADE BY MRS. SASHA STEPHENSON TO APPROVE THE OCTOBER 3, 2024, BOARD MEETING MINUTES. SECRETARY OF STATE FRANCISCO AGUILAR SECONDED. MR. RAY SPECHT ABSTAINED. THE MOTION PASSED.

4. EXECUTIVE DIRECTOR UPDATE AND DIRECTOR'S REPORT

Mr. Tom Burns, Executive Director, GOED provided the Executive Director Update and advised that GOED Business Development has seen a surge in new project inquiries and progress on existing projects. Current leads include a hyperscale data center as well as four others. Additionally, the division is in negotiations with two major warehousing and distribution centers, six manufacturing companies, a military defense project and three recycling and clean energy projects. They have conducted three site visits with our RDA partners since the previous board meeting and have been shortlisted for six new facilities.

In October, a top German polymer manufacturing company working with Mr. Alex Bacchus, Northern Regional Director, GOED, visited a site in Fernley to conduct late-stage negotiations for its North American entry. The potential job creation for these projects is 1,785 new jobs and a capex of over \$3.7 billion.

On Oct. 4, the SBA announced that it selected Nevada and UNLV as one of six new states to win a Federal and State Technology Partnership Program (FAST) grant. FAST provides funding to organizations to execute state/regional programs that increase the number of Small Business Innovation Research and Small Business Technology Transfer awards to technology intensive small businesses.

Mr. Karsten Heise, Senior Director Strategic Programs & Innovation, GOED, architected the FAST grant application, which builds upon the Sierra Accelerator for Growth and Entrepreneurship, a

Knowledge Fund-supported program housed at UNR and UNLV. This is the first time that Nevada has won a FAST grant since 2019 and only the third time since GOED's inception.

On Oct. 24, the National Science Foundation (NSF) announced that it advanced 71 teams to the proposal stage for the second-ever Regional Innovation Engines. Nevada's project, the "Recharge Nevada Initiative, A Coalition for Energy Innovation" led by UNR, will now be competing for \$160M in seed funding over a 10-year period. It had been one of only 44 recipients of an NSF Engines Development Award in 2023, and the team is now preparing for a full application submission by Feb. 11, 2025.

GOED has been an integral part in the Recharge Nevada Initiative and Karsten Heise is a co-principal investigator in the NSF Engines project. The inclusion of Nevada among the 71 teams is essential progress towards building an innovation-based circular lithium economy in our state.

Strengthening the sustainability and new energy tech sector further, Nevada has already been part of the 10 first-ever awarded Engines with UNLV and DRI as main partners and SouthWest Sustainability Innovation Engines led by Arizona State University. Nevada's DRI is also part of the FutureFood Engines proposal led by UC Davis, which was among the 71 selected projects.

The Individual Career Mapping (ICM) Program, developed by GOED and led by Senior Workforce Librarian in Residence Ms. Tammy Westergard, is expanding career services across Nevada, focused initially on the North Las Vegas Library District 3-branch system and the Carson City Library as GOED's featured 'residency' libraries. This initiative is guided by the ICM External Advisory Board, which evaluates program impact through reviewing virtual reality simulation feedback, research instruments, and providing guidance based on frameworks like Experiential Learning Theory. The advisory board will meet quarterly, starting on Dec. 31, 2024, to assess progress on trainer preparedness, participant satisfaction, and overall program impact.

The Workforce Librarian-in-Residence role, supporting VR-based career mapping, collaborates with an extensive network of partners: UNLV College of Education, Domestic Violence Resource Center, College of Southern Nevada, Elko County School District, Western Nevada College, Truckee Meadows Community College, Great Basin College, and Middle Tennessee State University, among others.

Additionally, GOED is coordinating with Friends in Service Helping and the Veterans Hospital in Washoe County to foster career readiness through integrated VR tools and practical learning experiences across various libraries. Through these efforts, the ICM program aims to expand VR career services statewide by mid-2026, with structured reporting to GOED and the Attorney General's Office.

The Nevada APEX Accelerator and the Governor's Office hosted a "Doing Business with the Navy and Marine Corps" event on Oct. 18, at the Clark County Government Center. There were over 40 attendees, most being small business owners or employees.

The Nevada APEX Accelerator Director and team members attended the National APEX Accelerator Alliance conference in Washington, D.C. from Oct. 28 – 31.

For the period from Sept. 1, 2023 – Sept. 1, 2024, about 210 businesses registered to receive Nevada APEX Accelerator services for the first time.

Ms. Elaine Silverstone, GOED's Director of Workforce Development, continues to strengthen relationships with partners in the education and workforce ecosystem across our state. October was Manufacturing Month, a time to celebrate the manufacturing industry and inspire the next generation of workers. GOED's representation at events across Nevada System of Higher Education institutions and Nevada Department of Education workshops was notable.

Similarly, our workforce development leadership presence was impactful at start-up events in partnership with colleagues from start-up and entrepreneurship teams.

GOED Healthcare Industry Specialist Vance Farrow hosted a full house event with representatives from the National Institutes of Health. We were fortunate to have executive leadership from the National Institute on Aging, National Institute of General Medical Services, National Institute on Minority Health and Health Disparities, and the Office of Small Business Support for Innovative Technology. The presenters also shared insights on leveraging resources from each of the other 27 different institutes within NIH.

The half-day program included 16 one-on-one meetings for Nevada companies and researchers, with an additional 19 meetings scheduled throughout the HLTH Conference week, providing tailored guidance in addition to the community sessions on growing our state's bioscience infrastructure. There were many valuable ecosystem takeaways, such as how to incorporate 'best practices' from other communities, workforce development, internship opportunities, tech transfer programs, utilizing conventions for economic development, participation in NIH ecosystem calls, engagement with Congressional representatives, grant writing and continued collaboration with NIH offices. We are optimistic about this opportunity and will continue to work with the NIH for mentorship and additional resources to grow our biosciences sector.

GOED worked with the principals of the North East Medical Services, a federally qualified health center based in San Francisco to expand services to southern Nevada. The launch of the new clinical facility, Go East Medical Services, will focus on the monolingual Chinese population and create a medical home for this vulnerable population. With over 50 years of expertise in this field, we welcome their expertise to our community and will support their growth moving forward.

GOED continues to work with the principals of Intermountain Health and celebrates the recent site unveiling of Nevada's first stand-alone children's hospital at UNLV Harry Reid Research and Technology Park. This effort will fortify our comprehensive subspecialty care for children in Nevada and greatly reduce the strain on families already burdened by emotionally and physically challenging health conditions.

GOED partners with the Nevada Action Coalition to provide Certified Nursing Assistant training programs for Nevadans interested in a career in nursing, which is funded through AARP and the Robert Wood Foundation. Thus far in 2024, we graduated 69 certified nurse assistants, yielding 32 directly into employment, with another 17 pending their final clinical exams. Other graduates are currently undergoing interviews with clinical providers or have opted to continue pursuing their education towards their registered nursing degree.

In October, the film office hosted a production resource fair to connect individuals and businesses who offer goods and services to the film and television industry. Over 100 crew members and vendors attended to network and connect with other professionals already established and working in the industry locally.

The Nevada Film Office (NFO) attended the American Film Market (AFM) during the first week of November at the Palms in Las Vegas. AFM is a business event for the independent film industry that brings together filmmakers, sales agents and distributors where more than \$1 billion in distribution and financing deals are closed. The NFO had a booth as part of AFM's LocationEXPO, which connects film commissions, government agencies and production services together with AFM's filmmaker community. As the first AFM event in Vegas, NFO capitalized on the captive audience that traveled into the region and had productive meetings.

GOED proudly sponsored three major events showcasing Nevada's thriving entrepreneurial ecosystem. Reno Startup Week and Las Vegas Startup Week, where we engaged through panels and discussions and the fifth annual Launch Rural Nevada pitch competition hosted by Regional Development Authority NNRDA in Elko where our own Alex Bacchus served as a judge.

Kicking off national entrepreneurship month (November), Nevada was named the next national destination for the ecosystem builders conference. Winning the competitive bid, the Startup Champions Network will be hosted by the Office of Entrepreneurship in Las Vegas during May 2025.

The grant eligibility process for the 2025 Community Development Block Grant (CDBG) cycle closed on October 18. The CDBG program received 26 proposed projects requesting \$13 million. CDBG staff reviewed the proposed projects and of the 26 proposed projects 15 will be moving forward to the application stage.

The 15 moving forward with a total of \$7,550,996 in requested funds. CDBG is estimating receiving around \$3 million in CDBG funds. Applications for the 2025 Grant Cycle will be due February 2025.

Conducted site visits with Nevada Main Street organizations that will be applying for national accreditation. Becoming nationally accredited with Main Street America is an honor, and shows the organizations are following best practices and have created sustainable and impactful organizations.

5. APEX ACCELERATOR OVERVIEW

Ms. Joan Rueben, Director, APEX Accelerator, GOED, explained that APEX Accelerator (APEX) is a division with GOED and is a taxpayer-funded resource; helping Nevada businesses pursue local, state & fed. govt. contracting and subcontracting pursuits.

APEX is funded in part through a coop. agreement with the U.S. Department of Defense (DoD).

Governor Lombardo asked if the DoD funds Ms. Rueben's salary.

Ms. Rueben confirmed the DoD does fund 65 percent of the funding to the state's 35-percent match.

Ms. Rueben next noted that there is a nationwide community of APEXes, and it is the federal government's intent to make sure that the respective states in the US have a very strong and capable industrial base, noting that following the great recession, APEXes were elevated all the way from the Defense Logistics Agency up to the Pentagon level.

Governor Lombardo asked for an explanation as to why it identified as APEX.

Ms. Rueben indicated that APEX is not an acronym, but rather named after APEX High Point Summit, to ensure that everyone knows that the federal government is accelerating the mission.

Ms. Rueben noted the APEX team can counsel businesses on a one-on-one basis, help teach webinars, hold in-person events, provide guidance on navigating through govt. solicitation and contractual processes and assist its client to forging networks w/ govt. procurement officers or other professionals, prime contractors, and fellow businesses.

When APEX clients secure government contracts, they can not only help with a government's mission, but also their own mission, and APEX Accelerator is helping to make sure the federal government's industrial base is sustained and continues to grow. Many clients have shared that if it was not for their government contracts, they may not have sustained through the Great Recession or COVID. APEX Clients have indicated that when they win these government contracts and are awarded those deals, they are able to create jobs as well as keep jobs.

Ms. Rueben advised the federal government provides encouragement to work on any of 21 U.S. critical & emerging technologies and DoD-critical technology areas such as advanced manufacturing, microelectronics, to semiconductors, the latter two of which are powered by lithium.

Ms. Rueben highlighted the federal government's direction to ensure diversity, equity, and inclusion, and stressed the importance of business diversity in government contracting. Federal government agencies have goals regarding these areas, and they are graded by the Small Business Administration (SBA) on their annual performance. The Nevada APEX manages a business certification program called the Emerging Small Business (ESB) Program. A public list of certified businesses is maintained on GOED's website and purchasing agents/ buyers from state and local

government agencies are encouraged to refer to the list of certified businesses when purchasing opportunities arise to contact vendors directly for quotes or bids.

Ms. Deborah Jacob questioned if prior to spending resources, potential clients are taken at face value or go through a background process of some sort.

Ms. Rueben indicated that clients are taken at face value as long as they're a for-profit Nevada business with a Nevada address.

Governor Lombardo asked if there is a common type of business that APEX helps to facilitate.

Ms. Rueben indicated that businesses that are helped come from every industry.

Ms. Jacob noted a high number of contracts appear to be going to small, disadvantaged businesses, and asked if this was a specific focus area.

Ms. Rueben confirmed the Pentagon is focused on four specific areas of disadvantaged businesses with certain SBA certifications which comprised 8(a), Historically Underutilized Business Zone (HUBZone), Service-Disabled-Veteran-Owned Small Business (SDVOSB), and Woman-Owned Small Business (WOSB).

Director Burns added that the mission behind the target market is as it relates to that, and they are inherently, by their mission, asked to serve small and medium sized businesses to attach them to the federal contract and as a result, data will be skewed in that space.

6. METRICS REPORT

Mr. Steve Scheetz, Research Manager, GOED, provided the quarterly performance report update.

In the third quarter of 2024, sixteen companies committed to adding 391 jobs to Nevada's economy in the next two years. Once these companies are fully staffed, the build-out job estimate is 682 employees. Of the 391 additional jobs, 157 were incentivized and 234 jobs were non-incentivized.

The average hourly wage paid by all assisted companies came in at \$32.56 in the third quarter of 2024, down five percent from the \$34.50 reported for the same quarter a year prior.

Capital investment by assisted companies (excluding non-standard projects*) totaled \$94 million in the third quarter, \$22 million of which is attributed to incentivized companies.

Non-standard projects pledged capital investments of over \$1 Billion in the third quarter of 2024.

There were sixteen wins in the third quarter of 2024. This remains flat from the second quarter and is up 45.5 percent when compared to the same quarter a year prior. New leads were down by 37.7 percent from last quarter and up nine percent from the same quarter a year ago. Prospects also

increased by 14.5 percent over last quarter, but down 12.5 percent compared to the same quarter in 2023.

Of the 299 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 fifteen companies abated so far in 2024, ten plan to have fewer than 50 employees in two years.

For the past ten years, the fiscal Return on Investment is 261%, meaning for every dollar abated the State and local governments receive \$2.61 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 number of awards of 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 time last year.

The NFO processed one application for the film tax incentive program, a home renovation television series to air on HGTV.

The NFO attended the American Film Market at the Palms in Las Vegas, the industry's largest business-focused event of the year and hosted a resource fair for crew members and vendors who work in the film and television industry to connect with each other and market their goods and services.

In July, awards were announced for CBDG funds to local municipalities equaling approx. \$2.9M, which is relatively flat from prior year funding. During the 4th quarter of the federal fiscal year 2024 (July, August, September) \$1.72M was paid to 8 communities.

There are currently 16 open grants. For the standard CDBG program, there is still one grant from 2020, one grant from 2021, eight grants from 2022, and six grants from 2023. CDGB closed 11 grants in July through September 2024.

Governor Lombardo asked what is considered a production under the NFO.

Ms. Kim Spurgeon, Director, NFO confirmed a production is considered: a feature film; short film; television series; commercial music video; still photography; or corporate events.

Governor Lombardo questioned why a corporate event would go through a film office.

Ms. Spurgeon advised that because Las Vegas is a convention town, a lot of contentions use their own video crew.

Governor Lombardo asked about the parameters of photography as a production.

Ms. Spurgeon explained that still photography would include primarily professional print campaigns, not casual or personal ones. Ms. Spurgeon added the NFO does get election registration shoots, election shoots, and promotional videos as registrations, and those are classified as productions.

7. UNEMPLOYMENT RATE UPDATE

Mr. Scheetz advised that as of right now, September numbers are available, and that October unemployment information should be publicly released the day following the November Board Meeting.

As of September 2024, Nevada employment stands at 1,582,000 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 September.

Nevada's unemployment rate is 5.6 percent as of September, 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.

Mr. Scheetz reminded the Board of the state statute which states that if any county in Nevada exceeds 7 percent unemployment, there is a reduced requirement on the wage criteria component to qualify for tax abatements. From August to September 2024, a couple of counties have slight increases, but all continue to present less than 7 percent. As a result, any company looking to currently apply for abatements must meet 100 percent of the wage requirement.

Governor Lombardo asked if the unemployment rate needed to be above 7 percent, for 12 months, before triggering the abatements.

Director Tom Burns confirmed that this was correct, as it would then show a systemic unemployment rate.

8. ABATEMENT APPLICATIONS FOR BOARD APPROVAL

Governor Lombardo took this item out of order.

A. VANTAGE DATA CENTERS NV12, LLC

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

Ms. Heather Wessling-Grosz, Senior Vice President of Business Development, Economic Development Authority of Western Nevada (EDAWN) introduced Vantage Data Centers NV12, LLC (Vantage).

Vantage plans to build a colocated data center facility in Storey County. The proposed data center will likely serve 1-2 tenants, who are usually some of the largest technology companies in the country. The Company is a U.S. based technology development company that was established in Nevada on September 17, 2024. The Company offers products and services that power, cool, protect, and connect the technology of the world's well-known hyperscalers, cloud providers, and large enterprises.

The company will have a total capital equipment investment of approximately \$254m and will generate 10 full-time jobs within the first five years of operation with an average hourly wage of \$64.20. Ms. Wessling Grosz was joined by Ms. Lindsey York, Director of Construction – NV, Vantage

Ms. Brooke Hergott, Vice President, Tax, Vantage, Mr. Tim Denenberg, Development Manager, Vantage, Mr. Michael Falleroni, Principal, Site Selection and Business Incentives, Ryan, Mr. Chris Kovalcik, Director, Credits and Incentives Consulting, Ryan

Mr. Falleroni thanked the state, the regional partners, and Storey County, noting that he has worked in more than 41 states, and commended Nevada for having one of the best economic development teams from the state level to the local level.

Mr. Falleroni next discussed the environmental approach of Vantage, noting the planned data center will deploy a system that uses minimal to no water outside of running sinks and flushing toilets. This project is planned to be operations in 2026.

Ms. York explained that leases are in place and the design is moving forward. The project is anticipated to employ approximately 500 construction workers onsite.

Mr. Specht asked if the company's plans to locate this data center in Nevada would be confirmed should the abatements be approved at today's meeting.

Mr. Falleroni explained that this approval would be one of the last steps needed to wrap up the continuation of the design process. Mr. Falleroni noted that the constructions potentially living in the area would be a real indirect economic benefit outside of the benefit of the jobs and the investment.

Mr. Specht indicated his understanding that the plan is basically solidified, and that the word preliminary means in case the abatements don't come through as expected today.

Dr. Havins asked about the company's direct planned job creation.

Ms. York advised that, within the first five years of operation, Vantage would create 10 new permanent full-time jobs. In addition to this, the project would require approximately 500 construction employees.

Dr. Havins inquired if Vantage planned to locate any further data centers, in Nevada.

Ms. York indicated the company would like to explore the option of another data center project, in Storey County, if power requirements could be met.

Governor Lombardo asked about the current status of project's power requirements.

Ms. York confirmed the status of power is secure and great and that Vantage has been working very cooperatively with NV Energy.

A MOTION WAS MADE BY MR. SPECHT TO APPROVE THE DATA CENTER SALES TAX ABATEMENT, AND DATA CENTER PERSONAL PROPERTY TAX ABATEMENT FOR VANTAGE DATA CENTERS NV12, LLC. DR. HAVINS SECONDED. THE MOTION PASSED UNANIMOUSLY.

9. WORKFORCE INNOVATION FOR A NEW NEVADA (WINN) FUND PROGRAMS FOR BOARD APPROVAL

A. REQUEST APPROVAL TO ENTER INTO AN AGREEMENT WITH TRUCKEE MEADOWS COMMUNITY COLLEGE (TMCC) FOR A LITHIUM LOOP MANUFACTURING PROGRAM - FUNDING NOT TO EXCEED \$1,029,884.00

Ms. Silverstone indicated that it has been an exciting period for the WINN program, as 16 programs have been awarded a total of \$8.9 million. These projects across all four Nevada System of Higher Education (NSHE) community colleges are designed to fill almost 1,500 jobs across target industry sectors and geography in the state.

Ms. Silverstone introduced the Application on today's Agenda. The application includes the collaboration of Truckee Meadows Community College (TMCC), Tesla, Panasonic Energy of North

America (PENA), and Hamilton Company. This proposal, designed to support Nevada's Lithium Loops ecosystem, recognizes that growth in employment trends from manufacturing jobs in Nevada is outpacing the US 17 percent to 3 percent. The current workforce programs in the state are not yet sufficient to meet the accelerated workforce demand. Ms. Silverstone was joined by Dr. Dorian Stonebarger, Deputy Director, GOED, Dr. Kimberly Harrell, Dean of Technical Sciences, TMCC, Ms. Estella Gutierrez, Vice President of Student Services, TMCC, and Mr. Brian Bolz, Senior Site Electrical Systems Engineer, Tesla, Inc.

Dr. Stonebarger read remarks prepared by Dr. Natalie Brown, Assistant Vice Chancellor for Workforce Development and Community Colleges. Dr. Brown's remarks stated that the Winn fund has been pivotal in fostering new training programs and offering full support of TMCC's WINN Fund application for the Lithium Loop Manufacturing Apprenticeship Program. The demand for highly skilled workforce in lithium manufacturing and related fields is urgent; this program will not only prepare students with the expertise needed to excel in the lithium sector, but also address a critical need within the local economy by supporting the state's growth in the energy storage sector; students will engage in curriculum specifically aligned with industry requirements and will contribute directly to Nevada's lithium manufacturing ecosystem upon completion; the program will create accessible career pathways for Nevadans, offering high wage, high demand job opportunities that aligned with GOED's strategic priorities.

Ms. Silverstone noted the \$1,029,884 is part of a larger project cost totaling almost \$3.45 million. This proposal is turnkey as the curriculum is already developed and operating, though at an inconsistent pace with workforce demand.

Dr. Harrell explained that the TMCC Lithium Loop Manufacturing Apprenticeship Program is an industry led initiative that aligns with Nevada's Tech Hub designation. The program will onboard new hires for work as production operators with 11 college credits of training and will support training for smaller manufacturing companies with registered apprenticeships in Northern Nevada. Dr. Harrell reiterated that the projected rate of growth for industrial engineering technologists and technicians through 2032 is 17 percent in Nevada as compared to 3 percent nationwide. The median income for technicians in Nevada is \$63,170 per year, higher than the national median income of \$62,610

Dr. Harrell advised the application proposal is supported with investments and leveraged resources from partners, noting that Tesla has committed to providing two full-time trainers to accelerate the training, and TMCC is hiring three state-funded advanced manufacturing faculty, as well as providing their labs for training. Dr. Harrell added that the Panasonic Energy North America Advanced (PENA) Manufacturing Training Center will also be used for training, and TMCC's DOL grant dollars will continue to be used to offset tuition costs to local businesses with eligible registered apprenticeships. The full cost of this proposal is just under \$3.4 million, However, as Tesla has the largest scale of need, they will be paying tuition costs to keep training at scale when dollars are no longer available, and that the tuition dollars provided by this WINN application will jump start this training for all companies and allow Tesla time to budget for tuition dollars to sustain the training at scale.

Mr. Bolz explained that Tesla's manufacturing development program is focused on jump-starting the careers of Nevada's graduating high school students in advanced manufacturing. Tesla is currently engaged with 10 counties in Nevada and over 650 Nevada students in 2024. During September of 2024, Tesla welcomed over 800 students from Washoe County to the opportunities offered at Tesla and was able to provide transportation to and from its facilities to students, faculty, and administration. Tesla continues to expand its manufacturing development program and its outreach efforts to multiple counties in Nevada, engaging students all throughout the state through additional programs made in the greater Reno area, a destination for starting a career in advanced manufacturing. Tesla is removing transportation barriers by covering costs of transportation for northern Nevada high schools to allow students the opportunity to visit the Gigafactory and learn about advanced manufacturing, as well as creating a wider net of accessibility by providing virtual monthly information sessions. The goal is to develop the next generation of advanced manufacturing by providing training, and hands-on experience. To support students coming from other counties, Tesla provides relocation stipends, and once students become full-time employees, they are offered full medical, dental, and vision benefits, a 401k with an employer match, and equity. Tesla seeks to continue engaging the community by bringing counselors, administrators, and faculty to share the opportunities, and would like to show educators, the community, and students how NDP can be an exceptional career path after high school.

Ms. Sasha Stephenson noted this is an important sector for the state and questioned, given the request today is just for the establishment of the program, if there are funds sufficient to cover the ongoing cost of the program moving forward.

Ms. Silverstone indicated that the curriculum does already exist, much of the infrastructure is in place, and this investment will allow scaling for Year 1. There is also a Year 2 and Year 3 plan to continue to meet the workforce need.

Ms. Stephenson asked if future requests, for additional WINN funds, are anticipated.

Mr. Bolz indicated that Tesla has committed nearly \$400,000 for 2025, and then an additional 1.1 million dollars for years '26 and '27. As such, any future requests before this Board would likely be for additional facility growth rather than tuition.

Governor Lombardo indicated that the total dollar per hour of the design of the WINN program is at \$17 per hour, whereas the minimum wage is in the ballpark of 15. As such, the Governor questioned making a significant investment in training with a threshold of only \$17 per hour and asked if it would be appropriate to carry a bill to raise that to raise the ability of the people to qualify for jobs that are going to sustain quality of life.

Director Burns noted that while moving through training programs, there is a need to accommodate entry level jobs for people to progress, and this provides the beginning training for those entry level jobs that ultimately will pay well over the average.

Mr. Specht agreed that people need to be trained for these \$17 jobs but raised the concern of having a limited WINN fund allocation of \$10 million. If this full WINN allocation is committed to \$17 jobs, there would not be any additional funding for higher paying jobs down the road. Mr. Specht requested the possibility of some analysis, particularly given the fact that the state is about to go into a session.

Ms. Patty Charlton advised that many of these entry level positions will scale up over time and as such, this program will help to front load on the front end of those positions so understanding that the goal is to increase wages over time.

Ms. Stephenson concurred that if a request is made for an abatement from the state, that perhaps the wage threshold should be raised above the base requirement.

Governor Lombardo noted that in December of 2021, the Board approved the minimum wage threshold, so it did not require legislative action.

Ms. Silverstone referred to the first page of the WINN Application, noting that it is tied back to statute.

The Governor asked if this was codified.

Ms. Silverstone confirmed that it was.

A MOTION WAS MADE BY MS. STEPHENSON TO APPROVE THE WINN REQUEST TO ENTER INTO AN AGREEMENT WITH TMCC FOR A LITHIUM LOOP MANUFACTURING PROGRAM. SECRETARY OF STATE AGUILAR SECONDED. THE MOTION PASSED UNANIMOUSLY.

10. BOARD MEMBER COMMENTS

Ms. Jacob noted her support for future workforce development, and noted her company donated a great deal of capital equipment to a program at Michigan State University as opposed to offering grant funding. When it comes to capital equipment, such as that requested in the WINN Application, companies benefitting from these programs might consider a similar approach. As there are limited funds available, those funds should be spread out where they are best used.

Dr. Kris Sanchez noted that the original intent behind the program was to close the gaps at NSHE when a company was looking at coming into Nevada but there was a reduced capacity to train the workforce. AS it takes time for NSHE to develop curriculum and go through an internal process to develop the necessary training curriculum, the WINN Funding was designed to circumnavigate that gap, with the idea that if the capital expenditures for equipment would be brought in by the company and WINN program could backfill the cost for the program.

Ms. Patty Charlton highlighted the original intent behind WINN. In many cases, GOED has come forward with the request for initial seed money for faculty and for equipment and noted that NSHE has many times benefited from private or industry support in scholarships and funding of the tuition, in conjunction with WINN funding. Ms. Charlton indicated NSHE would be happy to work with Director Burns on highlighting business philanthropic support of the programs.

Mr. Specht stated that each time there is a GOED Board meeting, the WINN program is discussed in one aspect or another and commended the program, noting that it is a great starting point for a platform, but sometimes every program needs refreshing, and perhaps now is the time to refresh this one to ensure that it is ready for 2025.

Dr. Havins concurred, noting that things work well with WINN, but it would not hurt to put minds together and determine how it can be improved.

Ms. Stephenson noted that if the Board is going to get a list of the philanthropic activity of companies supporting these programs, she would like to know which companies have also received abatements.

Director Burns indicated GOED could provide information.

11. GOVERNOR LOMBARDO COMMENTS

Governor Lombardo requested Director Burns begin looking into the potential of refreshing the WINN program, parameters, ideas, and support, noting that this could be done outside of a public meeting as this falls under the purview of the GOED Executive Director, and requested that the new form or fashion of the program be brought back to the Board as an agenda item for discussion and approval.

12. PUBLIC COMMENT

There was no public comment.

13. ADJOURNMENT

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