



**DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR**

**Special Advisory Committee on Private Activity Bonds
Minutes from May 23, 2018 at 1:30 PM**

The following were in attendance:

C.J. Manthe, Director-Business & Industry
Marcel Schaerer, Deputy Director-Business & Industry
Bob Potts, Research Director-Governor's Office of Economic Development
Stephen Aichroth, Administrator-Housing Division-Business & Industry
Terry Reynolds, Deputy Director – Business & Industry
Peter Keegan, Deputy Attorney General – Attorney General's Office
Michael Holliday, Chief Financial Officer – Nevada Housing Division
Richard Jost, Fennemore Craig
Donna Daniels, Clark County
Jessica Colvin, Clark County
Tera Anderson, City of North Las Vegas
Pat Petrie, City of Las Vegas
Lourdes Perez – Nevada Rural Housing Authority
Jessica Stalnaker – Nevada Rural Housing Authority

Committee member(s) not in attendance:

Dagny Stapleton, Executive Director-Nevada Association of Counties
Wes Henderson, Executive Director-Nevada League of Cities

1. Call to order by Chair, Director C.J. Manthe

Carrie Foley took roll call of the committee members. Members of the public introduced themselves.

2. Public Comments – public comments may be limited to 3 minutes per speaker

No public comment.

3. Approval of the December 12, 2017 meeting minutes (for possible action)

Bob Potts requested a change to agenda item number 11, he has requested the word Wynn be changed to Winn.

Directed Manthe requested that in agenda item number 6 the word reverred be changed to reverted.

Bob Potts made a motion to approve the December 12, 2017 minutes with the changes discussed. Steve Aichroth seconded the motion. All members voted in favor. Motion passed unanimously.

4. Report on the allocation of 2018 State Volume CAP to local governments based upon pro rata share of State's population (for possible action)

Director Manthe said that Nevada's population has grown and we are no longer receiving the minimum allocation.

Carrie Foley provided a brief overview as to how the allocations are determined based on information received by the State Demographer and Internal Revenue Service. The total Nevada allocation is \$314,794,095.00 and the amount allocated to local jurisdictions is \$157,397,047.50.

Bob Potts said the U.S. Census Bureau came out with their population numbers and Nevada is the 2nd fastest growing state in the U.S. The U.S. Census Bureau figures are roughly 30,000 higher than the State Demographer's numbers.

Steve Aichroth made a motion to approve the 2018 Nevada allocations. Marcel Schaefer seconded the motion. All members voted in favor. Motion passed unanimously.

5. Report on usage, reversions, and requests for 2018 State Volume CAP by the Director, local governments and agencies receiving Volume CAP. Discussion by the Special Advisory Committee to the Director (for possible action)

Director Manthe discussed Resolution No. 158 received by the City of Henderson to transfer a portion of their allocation in the amount of \$12,500,000 to support a multi-family rental housing project to the Director of the Department of Business & Industry.

Richard Jost discussed the transfer from the City of Henderson to the Director of Business & Industry.

Michael Holliday said the money is going toward a 184 unit of senior affordable housing.

Bob Potts made a motion to approve the transfer. Steve Aichroth seconded the motion. All members voted in favor. Motion passed unanimously.

6. Suggestion of agenda items for next meeting

Bob Potts suggested a summary of the bond workshop that was offered earlier this year.

Director Manthe mentioned that we did hold a bond workshop on February 13, 2018 and it was well attended. She said that the Director's Office has seen a lot more interest

in our bond program since the workshop. Director Manthe said we may offer a bond workshop in Elko in the future.

7. Committee comments

Bob Potts discussed a recent board meeting he attended which was led by the Governor, and said this was the largest board meeting they've had, attended by 12 companies. These 12 companies will provide 700 new jobs, \$275 million in expected capital investment and the projects were spread across various sectors.

Bob Potts provided additional information regarding projects discussed at the recent board meeting.

Bob Potts brought up opportunity zones. The committee agreed to bring it up as a topic for our next meeting. Bob said opportunity zones sort of mirror the new market tax credit program. They looked at census tracts in low income communities where you could reinvest, similar to capital gains tax. The Treasury is currently reviewing each state and Nevada has not been approved just yet.

Director Manthe said that of the 61 tracts that were identified the average median income in those tracts was \$37K however the state median income is \$62K. The unemployment rate in those tracts from 2011-2015 was around 16% which is about twice the national average. This is an incentive to bring in capital for economic development.

There was additional committee discussion on opportunity zones.

Steve Aichroth talked about a new program for qualified zip codes in the Las Vegas area through the Treasury. We have \$36 million to use for down payment assistance from the hardest hit funds. The zip codes include North Las Vegas, Las Vegas, Henderson and Pahrump.

Michael Holliday said the Housing Division has 231 reservations which is about \$4.1 million in down payment assistance.

Steve Aichroth provided an update on a couple multi-family projects in the works.

Marcel Schaerer said May is small business week and discussed a business challenge that Business & Industry is working on with the SBA. Marcel also discussed the various workshops taking place at the Nevada State Business Center.

Marcel Schaerer mentioned that the Division of Industrial Relations moved to the Nevada State Business Center last week. He also reminded people to save the date for the next Governor's Conference on Business event taking place on October 18th.

Director Manthe provided an update on the Fulcrum project. Last week Director Manthe attended the groundbreaking for the Biorefinery and said it was a fantastic event. The Biorefinery will process 175,000 tons of household garbage and turn it into

jet fuel. They plan to be operational in January of 2020. The project is over a \$300 million dollar investment in Storey County. They plan to hire 500 construction workers, have 130 permanent workers and generate about 1,000 indirect jobs.

Director Manthe said Fulcrum has approached the Director's Office about doing one more phase of financing. Director Manthe said we will probably have another request to the committee to use volume cap. Part of it will be from the Director's share, but we may need to use some of the reverted funds this year as well to finance the Fulcrum expansion.

Director Manthe said there is another similar project that has completed a pre-application. It is EnviroPower and they have a renewable energy project they would like to start in North Las Vegas at Apex. They also have a similar business model as Fulcrum. They would take construction waste and turn it into electricity. They anticipate creating 160 new jobs over the next 3 years. Those jobs on average would pay around \$37.00 per hour.

Bob Potts said Fulcrum was one of the companies that came to his board meeting last week. Bob said they are pretty much recycling everything that Reno Sparks can produce, and the only things they can't take are big things like mattresses, tires and similar. Bob said Fulcrum has the ability to produce other types of fuel as well besides jet fuel.

Terry Reynolds talked about the Division of Industrial Relations move to the Nevada State Business Center. Ten of the 12 Business & Industry divisions are now located in one area. There was discussion about other agencies and resource partners using our meeting rooms.

8. Public comments – public comments may be limited to 3 minutes per speaker

Richard Jost asked to be provided with a brief explanation of opportunity zones at some point so he can provide information to folks contacting his office looking for information.

Donna Daniels discussed the application for Clark County and said they are expecting something by May 31st.

Pat Petrie said he started with the City of Las Vegas on Monday and does not have anything to add at this time.

Tera Anderson said the City of North Las Vegas intends to support the application for the Apex project.

Director Manthe thanked everyone for attending the meeting today.

9. Adjournment

The meeting was adjourned at 2:19 PM.