

Welcome to a **brighter** nevada.

Founded on innovation, sustainability and inclusiveness.

Driven by renewable energy and human ingenuity.

EXHIBIT G NevadaStakeholder Document consists of 13 pages.

☒ Entire document provided.

A copy of the complete document is available through the Research Library (775/684-6827) or e-mail library@lcb.state.nv.us. Meeting Date: 2/25/10



Prepared For:
**Vision Stakeholder
Group**

Overview

Mission

The Nevada Commission on Economic Development promotes a robust, diversified and prosperous economy, enriching the quality of life for Nevada citizens by stimulating business expansion and retention, encouraging entrepreneurial enterprise, attracting new businesses and facilitating community development to enable economic growth and prosperity.

Vision

Founded on principles of innovation, sustainability and inclusiveness, Nevada's economic platform will be driven by renewable energy, future-based technology and human ingenuity to promote new business opportunity in every community.

Goals of Economic Development

- Diversify economy and create jobs
- Create an enabling environment
- Improve workforce training funds availability
- Foster entrepreneurship
- Improve perception of Nevada by national and global business
- Improve community capacity
- Increase collaboration
- Create awareness of NCED programs
- Improve effectiveness of NCED

NCED Accomplishments 2008 & 2009

- NCED helped to sustain, retain and create more than 12,736 jobs for Nevadans.
- Nevada gained \$1.34 billion in new capital investment through business incentive applications submitted to the Commission through Business Development & Research department.
- Procurement Outreach clients reported secured government contracts for products and services with a total new sales value of nearly \$565 million.

NCED Accomplishments 2008 & 2009

- Global Business Development activities including foreign trade shows, trade missions and inbound buying missions from other countries resulted in \$32 million in new sales for Nevada businesses.
- The Community Development Block Grant program infused \$6.6 million into rural Nevada for infrastructure and capacity building—resulting in 113 local contracts for engineering and construction contractors with a total value of \$4.9 million.
- The Nevada Film Office facilitated more than 900 film projects including *The Race to Witch Mountain* and *The Hangover*

Partnerships

- Network of regional development authorities
 - Each county designates their development authority (DA)
 - The DA acts as the local/regional expert on issues in that area including real estate, regulatory environment, workforce, etc.
 - The state focuses on higher level lead generation, relationship management, statewide marketing, policy guidance while the DAs ultimately close deals at the local level
- Other partners – NCED works closely with other agencies in key areas
 - Workforce – DETR and the other workforce development boards
 - Energy – Nevada State Office of Energy and the Nevada Energy Commissioner as well as private sector players like NIREC, NV Energy
 - Education – NSHE including DRI and Nevada Industry Excellence (formerly MAP)
 - Other – B&I, Insurance

Nevada – Current Environment

- Strengths:
 - Business Climate: Regulatory Environment and Tax Structure
 - Market Proximity: The Western State Growth Rates will Continue
 - Emerging Direct Investment Activity from Offshore
- Weaknesses:
 - Lack of an Experienced Skilled Workforce
 - Lack of “Job Creation” Fund Found in Other States
 - No Assistance for Companies in Relocation or Transition Costs

Issues

- We are not on the radar for site location consultants, lack of marketing funds
- We are not on most companies' radar, lack of marketing funds
 - Example: Abilene, Texas has an Economic Development Fund of \$3.5 million created by applying a percentage of Sales Tax Collections to Economic Development
- Competitive State Governments have a “Job Creation Fund” that can inject millions into a deal
 - Example: A solar manufacturer with 200 jobs at an average of \$25,000

Issues – Job Creation (cont.)

Summary of Tax and Other Incentives by Type Solar Manufacturing Project

	Clark County	Phoenix	Albuquerque	Salt Lake City
<u>Income Tax Credits</u>				
Modified Business Tax Abatement	(\$316,984)			
Renewable Energy Tax Incentive		(\$3,198,728)		
Renewable Energy Development Incentive				(\$3,193,199)
<i>NPV Income Tax Due After Credits (2010 – 2019)</i>	<i>\$1,383,316</i>	<i>\$1,251,314</i>	<i>\$4,706,460</i>	<i>\$0</i>
<u>Sales/Gross Receipts Tax Credits</u>				
Sales and Use Tax Abatement	(\$1,823,302)			
Alternative Energy Manufacturing Credit			(\$1,179,245)	
High Wage Jobs Credit			(\$7,290,844)	
Renewable Energy Development Incentive				(\$2,082,048)
<i>NPV Sales Tax Due After Credits (2010 – 2019)</i>	<i>\$8,666,190</i>	<i>\$7,709,567</i>	<i>\$529,206</i>	<i>\$6,619,747</i>
<u>Property Tax Abatements</u>				
Personal Property Tax Abatement	(\$182,522)			
Renewable Energy Tax Incentive		(\$2,397,996)		
Industrial Revenue Bond			(\$3,130,509)	
<i>NPV Property Tax Due After Abatements (2010 – 2019)</i>	<i>\$732,893</i>	<i>\$799,332</i>	<i>\$164,764</i>	<i>\$3,208,152</i>
<u>Withholding Tax Rebates</u>				
Renewable Energy Development Incentive				(\$6,588,225)
<i>NPV Withholding Tax Due After Abatements (2010 – 2019)</i>	<i>\$0</i>	<i>\$2,414,521</i>	<i>\$3,367,302</i>	<i>\$0</i>
<u>Training Cost Reimbursements</u>				
Train Employees Now	(\$359,265)			
Arizona Job Training Grants		(\$538,897)		
New Mexico Job Training Incentive			(\$14,957,375)	
Utah Custom Fit Training				(\$359,265)
<i>NPV Training Costs After Grants (2010 – 2019)</i>	<i>\$359,265</i>	<i>\$179,632</i>	<i>(\$14,238,846)</i>	<i>\$359,265</i>
Total Incentives	(\$2,682,072)	(\$6,135,621)	(\$26,557,973)	(\$12,222,737)
Total Taxes and Training Costs After Incentives¹	\$11,141,664	\$12,354,366	(\$5,471,114)	\$3,598,939

Note: Incentive totals may be for multiple years. See backup documents on each program for details.

Factors in Relocation – 2009 Top 10 from Area Development Magazine in a Corporate Survey

1. Labor Costs
2. Highway Accessibility
3. Tax Exemptions
4. Energy availability & Cost
5. Corporate Tax Rate
6. Availability of Skilled Labor
7. Occupancy or construction costs
8. State & Local Incentives
9. Availability of advanced Information/Communication Technology services
10. Inbound/Outbound shipping costs
11. Low Union Profile
12. Available land
13. Available buildings
14. Right to Work State
15. Proximity to major markets
16. Expedited permitting
17. Environmental regulations
18. Availability of long-term financing

Process of Relocation - example

1. Company determines need to relocate and/or expand based on market demand
2. Criteria and needs list for new location determined
3. Decide whether to use an in-house project manager or hire site selector/consultant
4. Initial Request for Information (RFI) distributed to wide variety of locations
5. NCED manages statewide site search in collaboration with regional development authorities.
6. NCED and partners build proposals to submit qualified locations for consideration
7. Project Manager receives initial proposals. Proposals are reviewed for compatibility and pro forma analysis completed
8. Company determines are short list of locations to pursue. Generally no more than 5 are selected
9. Company will conduct site visits to short list locations
10. More comprehensive and custom due diligence begins
11. Company begins negotiations with remaining viable locations
12. Relocation decision is made.

How do we generate leads?

- Renewable Energy
 - Unique production from trade shows
 - Gather intelligence to determine industry leader and pursue direct contact
 - Collaboration with NIREC, State Office of Energy and Development Authorities
- Manufacturing
 - Through data mining, we contact high growth companies that have:
 - Sales growth
 - Lack of new production investment at current site
 - Change in CEO, COO, CFO
 - Email contact offering specific solutions to their situation

What we can do

- We need to remove restrictions on local and state government that prohibits government investment and grants to companies that create quality jobs.
- Substantially increase marketing funding to tell more companies what we have to offer.