

Welcome to a **brighter** nevada.

Founded on innovation, sustainability and inclusiveness.

Driven by renewable energy and human ingenuity.



NEVADA

**COMMISSION ON
ECONOMIC DEVELOPMENT**

EXHIBIT J - LOGISTICS
Meeting Date: January 25, 2010
Document consists of 10 pages.
Entire Exhibit Provided.



Prepared For:
Interim Committee on Logistics

Table of Contents

- Strengths
- Weaknesses
- Issues
- Why Have Companies Come to Nevada?
- Why Have We Lost Deals?
- What Can We Do?
- Questions

Strengths

- Business Climate: Regulatory Environment and Tax Structure
- Market Proximity: The Western State Growth Rates will Continue

Weaknesses

- Lack of an Experienced Manufacturing 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: The City of 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 hr.

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.

Why Have Companies Come to Nevada?

- Market Proximity
- Lack of Government Bureaucracy (Taxes)

Why Have We Lost Deals?

- No Financial Assistance to Companies
- Lack of Skilled Workforce

What Can We 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. Consider sales tax.

Questions?