

MINUTES
LINCOLN COUNTY REGIONAL DEVELOPMENT AUTHORITY (LCRDA)
January 23, 2017
Teleconference Meeting

The meeting was called to order by Chairman Hurd at 4:33pm.

Determination of Quorum: The following Board members were on the teleconference:

Mr. Dave Hurd
Dr. Holly Gatzke
Commissioner Varlin Higbee
Mr. Kyle Donohue
Mr. Cody Christensen
Mayor Stana Hurlburt
Nolan Avery

It was determined that a quorum of the Authority was present on the teleconference.

Also present on the teleconference was Dr. Mike Baughman, LCRDA Executive Director and Ms. Jan Cole, local relator and land owner.

Public Comment: Jan Cole indicated that she and her husband were in the process of getting ready to reopen the Caliente Hot Springs Motel.

Discussion and Action on Minutes of November 14, 2016 Meeting: Mr. Hurd noted that draft minutes had been sent out for review and comment by Dr. Baughman and asked if there were any further revisions identified by LCRDA Directors. No suggestions for revisions were offered. Mr. Christensen Moved and Dr. Gatzke seconded a motion to approve the minutes of the November 14, 2017 LCRDA meeting as presented. The motion was approved unanimously.

Discussion and Action on Financial Matters: Dr. Baughman reviewed the January 11, 2017 financial report. He reported that expenditures through January 11, 2017, including invoices dated December 8, 2016 in the amount of \$9,047.85 and January 10, 2017 in the amount of \$3,985.00 from Intertech Services Corporation for Executive Director services totaled \$43,751.92. He explained that \$633.67 of the December 8, 2016 Intertech invoice should be included under the Trade Show Expenses (Contract Executive Director) expense category. In addition, Dr. Gatzke indicated that she would coordinate with Dr. Baughman to clarify the revenues and expenses this fiscal year associated with the NV Department of Agriculture grant. Commissioner Higbee moved and Mr. Christensen moved to approve the January 11, 2017 LCRDA financial report and to approve the invoices dated December 8, 2016 in the amount of \$9,047.85 and January 10, 2017 in the amount of \$3,985.00 from Intertech Services Corporation for payment. The motion was approved unanimously.

Discussion and Action on Industry Attraction and Marketing Initiatives: Dr. Baughman reported that he had been invited to speak as a panelist at the April 10-12, 2017 International

Biomass Conference to be held in Minneapolis. He will be participating in the biomass feedstock session of the conference on April 10th. Mr. Hurd noted that Dr. Baughman's acceptance as a speaker would result in him being comped for a portion of the conference registration fees. Dr. Baughman stated his intent to use the Conference social media site to pre-arrange meetings with select representatives of biomass using industries who will be attending the Conference.

There were no suggestions for targeted marketing at this time.

Discussion and Action on Building Lincoln County Revolving Micro Loans: Dr. Baughman reviewed the November 1, 2016 summary of micro loan payments as background on the status of all micro loans issued by LCRDA. Dr. Baughman reported that through November 1, 2016 total loan payments, including principal, interest and late fees were \$58,786.43 and that total funds loaned had been \$78,500.00. He then reviewed a summary of the payment status of the four loans referred to Clark County Collection Services noting that Mr. Randall Alfano had made a payment of \$100.00 of which \$65.00 had been remitted to LCRDA. Mr. Hurd reported that he had just learned that Mr. Alfano had made another \$100.00 payment to Clark County Collection Services and that another \$65.00 had been remitted to LCRDA. He asked if Dr. Baughman could contact Clark County Collection Services to have them send their payments to LCRDA to the Lincoln County Treasurer instead of to the LCRDA post office box.

Update on Industrial Clients: Chairman Hurd gave an overview of recent activities regarding the Vortex Power project in Caliente noting that the City Council recently considered but tabled a letter supporting the firm's efforts to secure Industrial Revenue Bond financing for the project. Mayor Hurlburt and Councilman Christensen noted that concerns were raised by a few members of the public at the recent City Council meeting regarding air quality impacts and related health concerns with the proposed project. It was generally agreed during discussion of the matter that better public information was needed to respond to concerns of a few of the Caliente residents who are opposing the project. Dr. Baughman pointed out that the project will be extensively vetted by the State of Nevada Department of Business and Industry with regard to the issuance of Industrial Revenue Bonds and the Nevada Division of Environmental Protection with regard to air quality and health risk issues. It was noted that rumor of the company perhaps having already purchased land for the project may have helped to stir up concern among some residents. Commissioner Higbee observed that many years ago a tire recycling company was proposing to establish a facility near Castleton and that local opposition eventually caused the project to be located outside of Lincoln County in the Henderson area. He noted that many potential jobs for Lincoln County residents were lost when this happened.

Dr. Baughman discussed his continuing coordination with Bainbridge Farms, an Australian firm seeking to find sites of 1,000 to 2,000 acres with water rights in Lincoln County to produce a specialty variety of plum for processing and consumption in the U.S. He noted that the firm holds the exclusive license from the Australian government to produce the product in the U.S. He has provided representatives of the company with information on various possible sites in south-central Lincoln County. He reported that company representatives are travelling to Nevada this week and will be meeting in the next few days with Ms. Jan Cole who represents the Gayle Green group of owners of the Lincoln Estates site in Rachel and Mr. Dan Stewart regarding his land and water holdings in the Pahrangat Valley area.

Dr. Baughman indicated that Enerparc continued to seek off-takers for the energy to be produced from its proposed utility-scale solar project near Rachel. He reported that Salt River Materials had acquired several thousand acres of mining claims in the Panaca area containing pozzolan and that the Arizona-based firm was proposing to mine the material, process it at a mill and then ship it from a site in Caliente on the Union Pacific Railroad. The company will be producing fly ash for use in cement. He reported that there are concerns by City officials regarding the possible location of the company's proposed truck to rail loading facility in the middle of Caliente. The Company has been encouraged by City officials to consider alternative sites for the loading facility.

Next, Dr. Baughman reported that a new date had not yet been established for the proposed tour of Lincoln County and meetings with BLM, Union Pacific Railroad and local elected and appointed officials by representatives of FRAM Renewable Fuels. Said tour and meetings will likely occur in late February or March 2017. He reminded the Board that the company is interested in investigating building and operating an industrial pellet mill in Lincoln County using pinyon and juniper biomass as a feedstock. The pellets would be shipped via rail to the Port of Los Angeles and exported to Asia.

Dr. Baughman indicated that Wilkin Trucking and Mining was planning to modernize and maintain operation of the existing perlite popping facility in Antelope Canyon. Mr. Hurd noted that thermal energy in the form of steam could be supplied by the Vortex Power project to the perlite popping plant which would significantly reduce the firm's reliance on propane as an energy source and significantly reduce operating costs.

In response to a question, Dr. Baughman indicated he had worked with to secure a letter from the Board of Lincoln County Commissioners requesting BLM to process the sale of two parcels of land adjacent to the Alamo Industrial Park for competitive sale. He reported that BLM had indicated to him that the sale of the parcels would be included in the Round 4 sales to occur in the Fall of 2017 or early Winter of 2018. There was a general discussion on the need for Lincoln County to nominate 3,000 acres each year to BLM for sale processing if the full 90,000 acres of BLM land sales in Lincoln County authorized by Congress were to be fully realized. Commissioner Higbee suggested that the extensive existing utility rights-of-way in the County be nominated for sale by BLM. Dr. Baughman noted that said lands would need to have been identified in a BLM land use plan as suitable for disposal before BLM would accept such a nomination for processing.

In response to questions Dr. Baughman reviewed his efforts to identify contact within Tesla concerning the company's utility-scale battery storage systems to be shared with Enerparc and Estuary Capital Partners. Also in response to a question, Dr. Baughman noted the final BLM rule for competitive leasing of solar and wind sites had been adopted by BLM however he had not been contacted by any firms interested in developing solar projects within the BLM-designated Dry Lake Valley North Solar Energy Zone (SEZ). Mr. Hurd commented that the per acre mitigation fee adopted by BLM for development within the Dry Lake Valley North SEZ was so high as to discourage solar developers from considering the area for projects.

Discussion and Action on Development of Mountain Bike Trail Related Visitor Services Business Cluster – The Board discussed a letter sent by Patrick Kell of the International Mountain Bicycling Association to the Nevada Commission on Tourism seeking to discuss a proposed \$100,000 grant from the Commission for marketing of mountain bike trails in the Caliente area. The expressed general agreement with the need for marketing but questioned whether IMBA should be the grant recipient and whether better coordination with Lincoln County entities such as the Lincoln Community Action Team (LCAT) by IMBA was needed. The Board also discussed a proposal submitted by IMBA affiliate Trail Solutions to complete planning and design on the next 50 miles of mountain bike trail system in Lincoln County. Mr. Hurd questioned the approximate \$100,000 cost noting that the design and flagging could be completed as a Phase II. This would reduce the initial planning cost to approximately \$40,000.

Dr. Gatzke and Mayor Hurlburt indicated they had been working with USDA Rural Development Administration staff on the development of an implementation framework for developing local capacity to host mountain bike related visitors in the Caliente area. Said framework may be available in a few weeks. Dr. Baughman suggested that any decision by LCRDA on what mountain bike related capacity building initiatives it might take the lead on should wait until the USDA plan is available for review. In addition, Dr. Gatzke indicated that USDA staff had suggested that the City might be eligible for a Rural Development Business Grant to establish enhanced broadband capacity in the area to support emergency medical communication needs of mountain bikers. Dr. Gatzke also indicated that Buddy Borden of Cooperative Extension is willing to undertake an assessment of what businesses may be needed in the Caliente area to support growing mountain bike related tourism to the area. She is hoping that work could be completed by Mr. Borden over the coming year.

Discussion and Action on Initiatives to Encourage Maximum Use by State of Nevada of Caliente Youth Center Facilities: Mr. Christensen reported on the outcome of meetings with Mr. Richard Whitley, Director of the Nevada Department of Health and Human Services, Division of Child and Family Services staff and Mr. Mike Willden, Chief of Staff to Governor Sandoval that he, Ms. Pam Teel, Superintendent of Lincoln County Schools and Dr. Baughman attended. Mr. Christensen observed that meeting exceeded his expectations and resulted in commitments by State officials to seek to expand use of Caliente Youth Center facilities and to resolve related short, intermediate and long term funding shortfalls experienced by the Lincoln County School District due to lower than expected enrollment at C.O. Bastian High School.

Discussion and Action on “2016 Annual Report: Lincoln County Comprehensive Economic Development Strategy”: Dr. Baughman described the need for the Authority to prepare an updated version of the document and submit same to the U.S. Economic Development Administration (EDA) for acceptance as a means for Lincoln County and the City of Caliente to remain eligible for EDA technical assistance and infrastructure grants. He noted that the City had used an EDA infrastructure grant of approximately \$700,000 in the past to construct improvements at the Meadow Valley Industrial Park. He asked the Authority Directors to review the Strategy section of the document and provide suggestions via email for revisions to said section. Mr. Hurd noted that reference to Abengoa in the document should probably be deleted given that firm’s financial problems. Dr. Baughman indicated that he will have a draft of the

“2016 Annual Report: Lincoln County Comprehensive Economic Development Strategy” available for review at the next LCRDA meeting.

Discussion and Action on FY 18 LCRDA Budget: Dr. Baughman presented the following proposed FY 2018 LCRDA budget for consideration:

**Proposed FY 2018 Budget
Lincoln County Regional Development Authority
1/23/17**

	<u>FY17 Adopted Budget</u>	<u>FY18 Proposed Budget</u>
<u>Revenues</u>		
Capital Projects/Grant Match Fund	\$ 89,620.05	\$ 73,000.00
Governor’s Office of Economic Development (Basic)	55,000.00	55,000.00
Lincoln County	10,000.00	10,000.00
Building Lincoln County Revolving Micro Loan Repayments	2,250.00	1,000.00
City of Caliente	1,000.00	1,000.00
NV Dept. of Ag Value Added Grant	32,450.00	0.00 ^a
Corporate Support	<u>3,000.00</u>	<u>3,000.00</u>
Total Revenue	\$193,320.05	\$143,000.00
<u>Expenditures</u>		
University of Nevada Small Business Development Center (small business counseling)	3,000.00	3,000.00
P.O. Box Rental	70.00	70.00
Travel	300.00	300.00
Contract Services (Exec. Director.)	70,000.00	70,000.00
Trade Show Expenses (Exec. Director)	2,000.00	2,000.00
Target Industry Analysis, Marketing and Prospect Development	10,000.00	10,000.00
Website Maintenance (NV Central Media)	1,200.00	1,200.00
Capital Projects/Grant Match Fund	73,800.05	58,930.00
Molly Roemer – Value Added Ag Contract	13,000.00	0.00
UNR Cooperative Extension-Value Added Ag Grant	19,450.00	0.00
Host Fund	<u>500.00</u>	<u>500.00</u>
Total Expenditures	\$193,320.05	\$143,000.00

a/ All work under this grant is anticipated to be completed by June 30, 2017.

In discussing the proposed budget, Mr. Hurd asked Commissioner Higbee if he would champion the Authority’s request for \$10,000 in funding from Lincoln County and Commissioner Higbee responded in the affirmative. Mr. Christensen moved to adopt the proposed FY 2018 LCRDA budget and the motion was seconded by Mayor Hurlburt. The motion was approved by all.

Board Member Reports: Chairman Hurd noted that he had sent the Board pictures of the new tourism related billboard to be erected at the junction of U.S. Highway 93 and State Route 318. The sign is being funded by LCAT and Lincoln County Room Tax monies. Mr. Hurd further reported that the Lincoln County Coalition was meeting January 24, 2017 and will feature Sheriff Lee talking about substance abuse. He further reported that a representative of Recology will be making a presentation in Reno during March 2017 regarding a world without waste.

Mayor Hurlburt reported that she had had a conversation with John Prescott of BLM who indicated that the Nevada Division of State Parks is proposing to develop an additional 7-10 miles of mountain bike trails on additional land just acquired from BLM to expand Kershaw Ryan State Park.

Mayor Hurlburt also indicated she had heard from BLM that IMBA affiliate Trail Solutions may not have a Nevada Contractors License and therefor may not be eligible to obtain a contract from BLM or State Parks to construct bike trails in Nevada. Dr. Baughman indicated he would check in with Patrick Kell of IMBA on this. Mayor Hurlburt also indicated that many good suggestions were offered at the recent BLM public meeting held to discuss development of additional trails of all types in Lincoln County. Finally, the Mayor indicated that the City would be going out to bid soon on parking for its bike park.

Commissioner Higbee reported that he would be attending the January 27th Nevada Association of Counties meeting and will be travelling to Washington, DC with Commissioner Phillips in February for various meetings including those with Nevada's congressional delegation.

Public Comment: None.

Next Meeting Date: The next meeting of the LCRDA Board of Directors will be held in the Mayor's Conference of the Caliente City Hall on February 27, 2017 at 4:30pm.

Adjournment: There being no further business to come before the Authority the meeting was adjourned at 6:44pm.