

March 8, 2022

Mr. John Edmond, Regional Representative
Economic Development Administration
U.S. Department of Commerce
Seattle Regional Office, Jackson Federal Building
915 Second Avenue, Room 1890
Seattle, WA 98174-1001

RE: FY 2021 American Rescue Plan Act Build Back Better Regional Challenge Notice of Funding Opportunity EDA-HDQ-ARPBBS-2021-2006976- Phase 2

Dear Mr. Edmond:

It is my pleasure to write this letter in support of the Las Vegas Global Economic Alliance (LVGEA) and the Southern Nevada Build Back Better Coalition's grant proposal.

To recover from the Great Recession, the Nevada Governor's Office of Economic Development was formed in 2011 to ensure economic recovery through diversification of Nevada's labor market and to prevent the heavy reliance on a tourism-driven economy. Nevada was catastrophically affected during the Great Recession and jobs in tourism, gaming and construction were eliminated at alarming rates. As a result, the Silver State was highest in the nation for foreclosures, bankruptcies, uninsured citizens and unemployment.

With the creation of GOED, work to diversify the Silver State and reduce its dependence on tourism, hospitality and gaming has been done in earnest. GOED worked with Regional Development Authorities and stakeholders across the state to attract new, and grow existing, companies that are ready for the 21st Century. These efforts also extended to the attraction of emerging industries and middle to high-skilled employers.

However, the work is still nascent and the most populous county, Clark County (Las Vegas), where over 70% of Nevada's population resides, still has inroads to make to protect the region and state from economic downturns. The COVID-19 pandemic exposed this when Nevada again had the highest unemployment rate in the country.

The Nevada Recovery and Resiliency Plan, a report commissioned by GOED, found the statewide economic lockdown early in the pandemic especially affected the tourism industry (still 23% of Nevada's economy), and found seasonally adjusted jobs in the industry dropped by 43%, or by 152,800 jobs from 356,400 to 203,600, between April 2019 and April 2020 as result of the lockdown that began on March 17.

Though 90,200 of those jobs had been regained several months later, the need to diversify the state's largest region and provide high-paying, high-quality jobs, is paramount to ensuring that Nevada is no longer susceptible to extreme economic conditions. I believe the projects in this grant will allow southern Nevada, and the state, to invest in clusters that will provide stability.

Manufacturing is a top industry GOED has been expanding in the state, and the Nevada Recovery and Resiliency Plan calls for the further diversification of southern Nevada. Fortunately, the region has successfully attracted new medium- and high-tech industries in sectors in logistics and advanced manufacturing, but the report found that future growth in these industries is contingent upon the communities of southern Nevada being able to meet the needs of employers. It further found that though there has been considerable work done, more industry specific infrastructure development throughout southern Nevada is necessary for this potential to materialize. GOED has existing initiatives that can be leveraged through this grant, including:

- State Small Business Credit Initiative: GOED has administered Nevada's \$13.8 million State Small Business Credit Initiative (SSBCI) Program since 2012 under its '1.0' model and is in the process of launching Nevada SSBCI 2.0, which has the potential to bring in \$113 million until an expected SSBCI sunset date of 2030. However, such as GOED has been continuing its 1.0 Program, SSBCI 2.0 is also being structured with an evergreen objective in mind. There are four thematic areas SSBCI 2.0 will focus on, two of which are directly relevant to the BBRC grant activities: 1) Technology and Entrepreneurship, which provides venture capital through direct investments through a matching program structure (for pre-seed; seed; expansion; growth;) and which will include accelerator-linked investments (the two accelerators in Southern Nevada will be based at the City of Las Vegas Innovation Center, and we work closely with CLV). It is the hope that companies that go through an accelerator will be qualified to receive SSBCI 2.0 funds, and any startup in the ecosystem will be able to apply for SSBCI venture capital funds; and 2) Industry 4.0 Transition which is comprised of a loan participation program for both small (<\$250k) and standard loans, revenue-based financing under the venture capital program, and collateral support. Companies will be able to upskill workers and purchase robotics equipment and other technology for Industry 4.0 and the capital providers/ lenders would be working with the SSBCI Program.

The main goals of these vehicles are to reduce collateral requirements, lower lending costs, and provide new equity investments in private companies, using public dollars to leverage substantial private investment. Importantly, this version of SSBCI includes new funding provisions that take aim at long-standing systemic gaps in equitable access to capital as part of the nation's response to the economic challenges of the pandemic. Serving small businesses owned by socially and economically-disadvantaged individuals (SEDI) will be a major focus of Nevada's SSBCI 2.0 Program and will cover all of the four focus themes. \$13.6 million will go directly to SEDI plus an additional \$7.26 million SEDI incentive allocation as targets are met. In addition, the forthcoming Technical Assistance (TA) allocation under SSBCI is expected to contain a SEDI focus as well as potential eligibility to provide TA to manufacturers.

- ARPA EDA Statewide Planning Grant: GOED is updating the Recovery and Resiliency plan to focus on resiliency. Among projects from this grant, a statewide CEDS and workforce analysis of existing assets, industry intelligence and opportunities to foster growth of manufacturing and logistics sector workforce with equity and inclusion will be

done. Outcomes include a roadmap with short, mid- and long-term strategies to identify specific infrastructure and/or workforce investments to facilitate and sustain anticipated expansion of the industry cluster.

- WINN Funds: Designed as a commitment to businesses to arm them with the skilled employees they need. The program is administered by GOED in coordination with the Nevada System of Higher Education, the Governor's Office of Workforce Innovation, the Department of Employment, Training and Rehabilitation, and the Nevada Department of Education. Since its inception, WINN has made more than \$11 million in strategic investments to enable accelerated on-ramps to high-skill and high wage jobs in a New Nevada.
- Regional Development Authority Grants: GOED provides grants to support the activities of Nevada's eight Regional Development Authorities (RDAs) and was allocated \$2.5 million a year from the state general fund. LVGEA is one of the eight supported by the state funded RDA infrastructure. GOED supports LVGEA's mission and leadership objectives.

Since its creation in 2011, GOED worked with Regional Development Authorities and stakeholders across the state to attract new, and grow existing, companies ready for the 21st Century. This work has been done with diligence. GOED hosts a bi-weekly call with all of the RDAs where we work on policy issues and each RDA provides updates on their work to attract new and diverse employers. LVGEA and GOED also regularly work with business chambers and representatives for communities of color.

- Southwest Supply Chain Coalition: GOED is partnering with OnTrackNorthAmerica (OTNA) to create the Southwest Supply Chain Coalition that will better connect markets and lower costs, while at the same time addressing urgent climate change, safety, and congestion issues. Launched in August 2021, the purpose of the Coalition is to develop a regional approach to coordinating planning of and investment in the supply chain transportation infrastructure that serves the commercial activities of each jurisdiction, which are mutually dependent for the production, import, export, delivery, and utilization of goods. GOED and OTNA will work with counterparts in California, Utah, and Arizona. Landowners, developers, realtors, transportation and energy service providers, government agencies, economic development professionals, shippers, ocean carriers, legislators, regulators, planners, and local elected leaders are all expected to participate.
- Diversity FTE: The 2021 Legislative Session brought a couple diversity and equity requirements to executive agencies to create an inclusive environment at the State. Senate Bill 318 required each agency to designate an employee responsible for developing and biennially revising a language access plan for the agency. Senate Bill 222 designated requirements for each agency who interacts or communicates with minority groups to establish a Departmental Diversity and Inclusion Liaison. Each agency has a responsibility of cultivating effective communication with minority groups. Required task examples include: promoting cultural competency in providing effective services to

minority groups; serving as a contact person who shall maintain ongoing communication between the state agency and members of minority groups; and providing technical assistance to the State on programs and services offered by the state agency that are intended to increase accessibility and inclusivity for members of minority groups.

GOED has a designated employee to meet these requirements and is in the process of hiring an additional diversity and inclusion employee who can dedicate their efforts in assisting external entities with diversity and inclusion. Diversity and inclusion are paramount to GOED, and we will work with the Southern Nevada Build Back Better Coalition on strategies instituted by the state's executive branch, and the internal diversity and inclusion team will work directly with applicants on equity activities and through and with the local identity chambers.

This grant will help diversify the state's largest economy, and I am committed to GOED working with LVGEA and the Southern Nevada Build Back Better Coalition to ensure this success. They have the full support of our agency.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Brown', with a long horizontal flourish extending to the right.

Michael Brown
Executive Director