

**STATE BOARD OF FINANCE**  
**November 10, 2020 – 1:00 PM**  
**Summary Minutes**

**Location:**

Via videoconference at the following locations:

Old Assembly Chambers	Governor’s Office Conference Room
Capitol Building, Second Floor	555 E Washington Avenue, Suite 5100
101 N. Carson Street	Las Vegas, NV 89101
Carson City, NV 89701	

Governor Sisolak called the meeting to order at 1:03 pm.

**Board members present:**

Governor Steve Sisolak – Las Vegas  
Treasurer Zach Conine – via telephone  
Controller Catherine Byrne – Carson City  
Teresa Courier – via telephone  
Brian Sagert – via telephone

**Others present:**

Tara Hagan: Treasurer’s Office  
Brandee Mooneyhan: Attorney General’s Office  
Terry Reynolds: Director, Business and Industry  
Stephen Aichroth: Business and Industry, Housing Division  
Michael Holliday: Business and Industry, Housing Division  
Fred Eoff: PFM Financial Advisors  
David Robertson: Lewis, Young, Robertson & Burningham, Inc.  
Ryan Warburton: Gilmore and Bell  
Jim Macias: Fulcrum BioEnergy  
Eric Pryor: Fulcrum BioEnergy  
Richard Barraza: Fulcrum BioEnergy  
Jim Stone: Fulcrum BioEnergy

**Agenda Item 2 – Public Comment.**

No public comment in Carson City or Las Vegas. No written public comment.

**Agenda Item 3 – For discussion and possible action** – Approval of the Board of Finance minutes from the meeting held on October 13, 2020.

**Treasurer Conine moved to approve the minutes. Motion passed unanimously.**

**Agenda Item 4 – For discussion and possible action:** on the request by the Director of the State of Nevada Department of Business and Industry to approve the Findings of Fact pertaining to the issuance of industrial development revenue bonds in one or more issues in an aggregate amount not to exceed \$20,000,000 for the purpose of assisting in the financing or refinancing of a portion of the costs of (i) constructing, improving, and equipping a facility to be used for converting municipal solid waste into renewable fuel products located on an approximately 19.4-acre site to be located at 3600 Peru Drive in the Tahoe-Reno Industrial Center, Storey County, Nevada and/or (ii) the improvements to and equipping of the facility used for preliminary sorting and processing of municipal solid waste located on an approximately 10.0-acre site at 350 Saddle Court in Mustang, Storey County, Nevada. The project will be owned by Fulcrum Sierra Holdings, LLC, and operated by Fulcrum BioEnergy, Inc. Approval of the Board of Finance is required pursuant to NRS 349.580(2).

Terry Reynolds with the Department of Business and Industry presented the details of the sixth installment of the Fulcrum project and stated that the bond funds in the amount of \$20,000,000 will be used for constructing, improving, and equipping a facility to be used for converting municipal solid waste into renewable fuel products, including the use of solar energy. Mr. Reynolds noted this volume cap will be part of the renewable energy cap in the amount of \$100,000,000 which was set aside in 2018. He noted that once completed, the project will be running on 100% of renewable energy which makes it the first in the State of Nevada. He noted proceeds of the bonds will be used to finance the improvements to the project, pay capitalized interest on the bonds, fund certain reserves relating to the bonds, and pay certain issuance expenses on the bonds. Mr. Reynolds noted Fulcrum will also make an additional equity contribution of ~\$15 million to assist in covering these costs.

Governor Sisolak inquired about the number of jobs related to this project, including types of jobs and average wages.

Mr. Reynolds noted detailed job information is provided on pages 28 and 29 of the materials. He stated the current number of construction jobs is 695 and permanent jobs is 123. The hourly wages are higher than Nevada averages and range between \$30 - \$46 before rates and benefits. He noted that construction wages are forecasted to be more than \$100,000 per day, and although they slowed during the initial days of the pandemic and other delays but is increasing toward ~\$3 million per month.

Mr. Macias thanked the Governor for his leadership during the pandemic and noted the clear, concise direction provided by him and his staff allowed work to continue safely.

Member Courier inquired about the \$15 million in equity provided by the firm and questioned if this amount would be primarily used toward interest cost expense, citing page 27 of the materials.

Mr. Reynolds stated Member Courier is correct these monies are expected to be used toward bond financing costs, including an increase in debt service amounts.

Controller Byrne inquired about the jobs and questioned whether the firm hired Nevada residents to fill these jobs or if persons were hired from other states, such as California.

Mr. Reynolds noted that the majority if not all construction jobs hired Nevada residents and the same for the permanent jobs with the exception of two or three positions.

**Controller Byrne moved to approve Agenda Item 4. Motion passed unanimously.**

**Agenda Item 5 – For discussion and possible action:** on the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$18,000,000 of Multi-Unit Housing Revenue Bonds (Lake Mead West Apartments), for the purpose of construction of a 156-unit affordable housing rental project in North Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Foresight Companies, Ltd. The Richman Group will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$18,000,000 of multi-unit housing revenue bonds for the construction of a 156-unit family apartment complex in North Las Vegas located at Coran Lane and Lake Mead Boulevard near the North Las Vegas airport. He noted that the bonds will be used for new construction of an affordable apartment complex in North Las Vegas. The rental housing will serve several hundred households across a spectrum of income ranging from 30% to 60% of the area medium income (AMI). The project will be developed by Foresight Companies which is a Nevada-based developer; he noted this is the firm’s first application before the Board although it has over 3,000 units of other multi-unit family housing. The Division will be the conduit issuer on the project and there will be no liability for the repayment of the bonds for the State of Nevada. The project will be structured in two phases; the construction phase and the permanent phase where they will pay down the full amount and use tax credit equity to reduce the permanent debt.

Mr. Holliday presented the financials noting both the permanent and construction phase will be placed directly with Red Stone Tax Exempt Funding and the Richman Group Affordable Housing Corporation will be the limited investor. Richman Group Affordable Housing Corporation will provide an equity investment of ~\$11.13 million in exchange for the right to receive nearly all of the tax benefits available on the project, including the four (4) percent low-income housing tax credits.

Governor Sisolak thanked the Housing Division representatives and the developer, Foresight Companies for bringing this important project to the Board for approval. He stated this area in North Las Vegas has a tremendous need for affordable housing.

Treasurer Conine echoed the Governor’s comments and thanked the developer for bringing desperately needed units to Nevada residents.

**Treasurer Conine moved to approve Agenda Item 5. Motion passed unanimously.**

**Agenda Item 6 - Receive and discuss a report on bond expenditures as of June 30, 2020.**

Ms. Kim Shafer presented the bond expenditure report for period ended June 30, 2020. She reviewed the current outstanding proceeds for all previous bond issuances with the exception of the 2019 issuances. She noted no significant concerns with agency spenddown of proceeds from prior issuances, stating all of calendar year 2015 and 2016 issuances have been exhausted. Ms. Shafer provided a high-level overview of the main using State agencies with outstanding proceeds. She noted that this process has been important to ensure the State complies with federal regulations regarding the spenddown of tax-exempt debt and allows the State not to issue debt when it's not needed.

Treasurer Conine noted this reporting and tracking process allowed his staff to work with the Governor's Finance Office to determine an additional \$4 million in bond proceeds was not needed in 2020 for a particular agency due to unspent proceeds from 2018 and 2019. He thanked his staff for the hard work and diligence on this report.

**This was not an action item and therefore did not require a vote of the members.**

**Agenda Item 8 – Public Comment**

No public comment in Carson City or Las Vegas. Public comment closed.

Meeting adjourned at 1:25 pm.