Southern Nevada Enterprise Community Board
City of Las Vegas City Hall, 495 S. Main St.
Council Chambers
City of Las Vegas Internet Address: www.lasvegasnevada.gov

MINUTES
December 19, 2022
3:30 PM

1. **Call to Order and Roll Call**

Minutes:
CHAIR McCURDY called the meeting to order at 3:33 p.m.

PRESENT: CHAIR McCURDY and MEMBERS NEAL, GOYNES-BROWN (via teleconference), HORSFORD (via teleconference), MONROE-MORENO, STEELE (via teleconference), SCOTT, and McNEAL

EXCUSED: MEMBER CREAR

ALSO PRESENT: KAREN SCHNOG, Management Analyst II for the City of Las Vegas, JEFF GALLIHER, Assistant Deputy City Attorney for the City of Las Vegas, and ASHLEY FOSTER, Deputy City Clerk for the City of Las Vegas

2. **Announcement Regarding: Compliance with Open Meeting Law**

Minutes:
ANNOUNCEMENT MADE: This meeting has been properly noticed and posted at the following locations in accordance with the noticing standards as outlined in NRS 241.020: City Hall, 495 South Main Street, 1st Floor; The City of Las Vegas website – www.lasvegasnevada.gov; and The Nevada Public Notice website – notice.nv.gov.

3. **Public Comment:** Comment during this portion of the agenda must be limited to matters on the agenda for action. If you wish to be heard, come forward and give your name for the record. The amount of discussion, as well as the amount of time any single speaker is allowed, may be limited.

Minutes:
M. CHRISTOPHER BROWN II, Ph. D., Interim President of Nevada Partners, Inc., (NPI), wished to speak to Item 8 and said at the last Southern Nevada Enterprise Community (SNEC) Board meeting, he shared that the agency would be moving forward with the CCSD (Clark County School District) grant, as the lead agency for SNEC, and that they would hire a new Director of the West Las Vegas Promise Neighborhood. Since that time, they have hired VICTOR ROSS, formerly of SENATOR CATHERINE CORTEZ MASTO'S office, and he requested to provide an update at the January or February meeting.

CHAIR McCURDY welcomed MR. ROSS.

4. For possible action to approve the Final Minutes by reference of the Regular Meeting of September 12, 2022

Motion made by Dina Neal to Approve

Passed For: 8; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

For-Dina Neal, Pamela Goynes-Brown, Steven Horsford, William McCurdy II, Daniele Monroe-Moreno, Nic Steele, Dontae Scott, Janice McNeal; Excused-Cedric Crear;

5. Report by Karen Schnog, Management Analyst II for the City of Las Vegas, regarding the Summary Budget Status Report for the Southern Nevada Community Project Fund

Minutes:
KAREN SCHNOG, Management Analyst II for the City of Las Vegas, stated that the Southern Nevada Community Project Fund balance is $6,818. There were no questions or comments from the Members.

6. Presentation by Leah Hendricks, Vice President, and Darian Z. Harris, Associate, Advantage Capital, on state and federal New Market Tax Credits providing capital to businesses in distressed neighborhoods in Southern Nevada

Minutes:
Through a PowerPoint presentation, a copy of which was submitted and attached as backup, LEAH HENDRICKS, Vice President, and DARIAN Z. HARRIS, Associate, Advantage Capital, shared in presenting about Flexible Growth Capital and Advantage Capital's participation in the Nevada New Markets Job Act. MR. HARRIS said the firm has been investing since 1992 and has invested in over 800 investments totaling $3.6 billion helping underserved communities and businesses to create and retain over 66,000 jobs in over 20 different states. In Nevada, they have invested over $155 million into 31 different portfolio companies through the Silver State Growth and Recovery Capital Initiative.

Currently, with the Nevada New Market Tax Credits program, the qualification for the program is driven by location, which is determined by census tracts. MS. HENDRICKS referred to the PowerPoint slide and explained that the eligible areas are identified in red. Since the program has a basis in the Legislature, there are certain sin industries that are not allowed, and there are limits within the Nevada program based upon SBA (size/sector/abatement) to target and drive capital to smaller businesses. The program is used to make investments of $2 to $10 million, and they primarily serve two audiences. One audience includes businesses that are growing and recovering and that have historically worked with banks and creditors. Advantage Capital provides a debt product to these companies, and for that, they receive an interest rate and a return of capital. She noted that a traditional bank is usually low cost and low risk; however, they take more risks, allowing more companies to grow. Most businesses that consider working with Advantage Capital are seeking longer interest periods, which allow them to pay off equipment over a longer period of time. They also allow for other creative solutions, such as flexible collateral, and are realistic and realize that businesses need time to grow.

The firm also serves founders, start-ups, and unicorns, which include businesses that may have an idea but need additional coaching. Once the idea is developed, the business will test the market. Once there is traction, the business must consider capital or a Series A round, and this is where the firm comes in to assist. MS. HENDRICKS noted they usually invest in industrial companies that are solving problems.

With the capital they have through the Nevada New Market Tax Credits program, they utilize funds with a debt and equity pairing and have a return of capital, which allows for constant new investments. Generally, they are looking for companies that will create and maintain quality jobs, and they like to work with companies that do not meet traditional bank requirements. They also work with impactful organizations, such as those with a training or healthcare component. An image was shown of the companies they have worked with, and she shared a story about Tortillas, Inc.

MR. HARRIS said through their experience, they have noticed that a lot of the demographics of businesses that should be helped by programs such as the Nevada New Markets Job Act are not receiving the needed capital. Advantage Capital likes to ensure that capital is going into communities that are underserved while also allowing the firm and investors to make a return. They have decided to restructure the New Market Tax Credits program, and instead of it being a $200 million allocation, $170 million will be allocated towards the existing program. The remaining $30 million will go into an impact allocation and be designated for impact businesses, which are minority-, women-, veteran- and lesbian, gay, bisexual, and transgender-owned businesses or a business engaged in advanced manufacturing. This allocation would have a separate application with less stringent requirements and open to any active CDE (Community Development Entity) in Nevada.

MEMBER NEAL commented that KAREN SCHNOG, Management Analyst II for the City of Las Vegas, helped with this bill in significant ways. The Member noted that it was part of her 2013 legislation and 2019 re-authorization, and she will return with a third re-authorization. This has been a good program, and she encouraged the presenters to speak on the other CDEs eligible to apply for the $200 million in tax credits that the State of Nevada issued. MS. HENDRICKS believed there were eight applicants who received funds as part of the first round, naming a few. She noted that Advantage Capital tends to perform smaller transactions than its peer group and has more portfolio companies.

MEMBER SCOTT asked for more information regarding the $30 million impact allocation. MR. HARRIS said they realize the size of the traditional program is larger than a lot of the demographics they are trying to serve. For that impact allocation, there would be a deal cap of $1 million.

See Item 8 for related discussion.

7. Discussion for possible action regarding City of Las Vegas staff being given direction to submit the biennial report for the Southern Nevada Enterprise Community (SNEC) Board to the Legislative Counsel Bureau

Minutes:
CHAIR McCURDY believed the Board should work with the State on a direct allocation to the Board, as he thought a direct allocation would be beneficial and advantageous. MEMBER MONROE-MORENO wondered if this would be a one-time or ongoing allocation and asked for the ideal amount. CHAIR McCURDY thought a strong negotiation start would be requesting $10 to $20 million and believed those funds could be leveraged by the municipalities as well as there being synergy among the municipalities in accessing those funds.

MEMBER HORSFORD added that the SNEC (Southern Nevada Enterprise Community) Board can receive and apply for grants, and he believed the Members should position themselves to bring resources into the community and to partner with agencies that can be leveraged against already identified priorities. He liked the idea of identifying a priority in each jurisdiction that the Members can support and leverage funds from different sources. He realized that currently, there is a lead agency that oversees the implementation of initiatives within the Promise Neighborhoods, but the SNEC Board can also serve as a grant recipient and grantmaker.

Because this is a multi-jurisdiction Board, MEMBER NEAL thought there should be amendments in terms of purposes derived so that, statutorily, the municipalities can be constrained in what or how they address issues in alignment with the SNEC mission. She asserted that it is about ensuring that the Legislature, in its capacity to address draft policies affecting municipalities, sets the perimeters about expectations, if that allocation was to be manifested. If there are grants that are leveraged, she wished to be careful about municipality behavior so that it falls in line with the community the Board seeks to serve as well as the census tracts.

MEMBER MONROE-MORENO said she has not been on the SNEC Board for long but noticed there is an amazing staff that does a lot of work in addition to their regular day job. She suggested the idea of a SNEC employee to help coordinate between the jurisdictions. CHAIR McCURDY believed it would be beneficial to consider what a fully funded staffing model would look like and to include it with whatever consideration is sent to the Legislature in the next session. KAREN SCHNOG, Management Analyst II for the City of Las Vegas, acknowledged that she understood the Members' request. JEFF GALLIHER, Assistant Deputy City Attorney for the City of Las Vegas, advised that this request would require a change to the enabling statute and asked that that be addressed. MEMBER NEAL said she has an open chapter, and the statutory change could be worked out.

Motion made by NOTE: A motion was not made and no action was taken on this item; however, direction was given to staff to work with the State on a direct allocation to the Board, for staff to conduct research into a fully-funded staffing model to support the Board, and necessary statutory changes related thereto.

For: 0; Against: 0; Abstain: 0; Did Not Vote: 8; Excused: 1

Did Not Vote-Dina Neal, Pamela Goynes-Brown, Steven Horsford, William McCurdy II, Daniele Monroe-Moreno, Nic Steele, Dontae Scott, Janice McNeal; Excused-Cedric Crear;

8. **Discussion regarding topics for future agenda items.** Comments made during this portion of the agenda by individual members shall refer solely to proposals for future agenda items and any discussion shall be limited to

whether or not such proposed items are within the purview of the Board and/or whether such proposed items shall be placed on a future agenda. No discussion regarding the substance of any such proposed topic shall occur and no action shall be taken.

Minutes:
CHAIR McCURDY acknowledged the request for an item from Nevada Partners, Incorporated (NPI), at the next regularly scheduled meeting. He noted that the number of presentations has been limited unless they are pertinent to what the Board is doing. The Chair appreciated the presentation by LEAH HENDRICKS and DARIAN Z. HARRIS, Advantage Capital, and said it would be helpful to the Board when putting forward certain considerations.

MEMBER NEAL confirmed with KAREN SCHNOG, Management Analyst II for the City of Las Vegas, the next meeting will be held in January. She asked for RBAG (Regional Business Advisory Group) to present on their procurement to minority businesses, as she wished to know about their future procurement opportunities with federal and regular allocations, which tie into future legislation.

See Item 3 for related discussion.

9. **Citizens Participation:** Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the Board. No subject may be acted upon by the Board unless that subject is on the agenda and is scheduled for action. If you wish to be heard, come forward and give your name for the record. The amount of discussion on any single subject, as well as the amount of time any single speaker is allowed, may be limited.

Minutes:
KATHERINE DUNCAN requested an item be placed on the next agenda regarding a presentation by BRAD CARSON, founder of United Hood Nation, an organization similar to Nevada Partners, Incorporated, in Los Angeles. She spoke of MR. CARSON'S participation in the creation of the California Community Corrections Performance Incentives Act of 2009, which she wished to see duplicated in Nevada in order to create a set-aside for those challenged by the correctional system.

10. **Adjournment**

Minutes:
The meeting was adjourned at 4:07 p.m.

Respectfully submitted:

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Ashley Foster, CMC, Deputy City Clerk
City of Las Vegas

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William McCurdy II, Chair

THIS MEETING WAS PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS
IN ACCORDANCE WITH THE NOTICING STANDARDS AS OUTLINED IN NRS 241.020:
The City of Las Vegas website – www.lasvegasnevada.gov
The Nevada Public Notice website – notice.nv.gov
City Hall, 495 South Main Street, 1st Floor