



# STAFF REPORT

**Report To:** Board of Supervisors

**Meeting Date:** November 1, 2018

**Staff Contact:** Nancy Paulson, Interim City Manager

**Agenda Title:** For Possible Action: To acknowledge and support applications from Berkley International and Redwood Materials for State incentives through the Governor's Office of Economic Development (GOED). (Andrew Haskin, NNDA)

**Staff Summary:** Northern Nevada Development Authority (NNDA) will present Berkley International and Redwood Materials and their applications for State incentives.

**Agenda Action:** Formal Action/Motion

**Time Requested:** 15 mins

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## **Proposed Motion**

I move to acknowledge and support an application from Berkley International and Redwood Materials for State incentives through the Governor's Office of Economic Development (GOED).

## **Board's Strategic Goal**

Economic Development

## **Previous Action**

N/A

## **Background/Issues & Analysis**

N/A

## **Applicable Statute, Code, Policy, Rule or Regulation**

N/A

## **Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number:

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact:

## **Alternatives**

Do not support application(s).

**Board Action Taken:**

Motion: \_\_\_\_\_

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

October 16, 2018

Nancy Paulson  
Carson City Manager  
201 North Carson Street, Suite 2  
Carson City, Nevada 89701

Subject: Agenda Request – Economic Incentives for Berkley International

Dear Ms. Paulson,

NNDA is requesting to be placed on the agenda for the Carson City Board of Supervisors' meeting to be held on Thursday, November 1st, 2018.

NNDA will be presenting Berkley International and their application for State incentives through the Governor's Office of Economic Development (GOED), which should take between five and ten minutes total. NNDA will be requesting a letter of acknowledgement and support for the application following the presentation.

Berkley International is a family owned business that manufactures environmentally friendly molded fiber products. Molded fiber consists of taking 100% recycled paper, breaking down the paper, blending it with water, and reforming and drying the part. The most common example of this process is an egg carton. In addition to supplying much of the wine packaging to Northern California, our company supplies protective packaging for numerous products in Utah and California.

Berkley International is seeking approval of their incentive application for their planned relocation to the Carson City. A company overview, and supporting documents are attached.

If you have any questions, please let me know.

Best Regards,



Andrew Haskin  
Director of Business Development  
Northern Nevada Development Authority

## Summary of Information for Economic Incentives for Carson City Supervisors

Meeting on November 1, 2018

Business Name:	Berkley International
Business Category:	Headquarters, Research and Development, and Manufacturing
Type:	Relocation to Carson City
Incentives Requested:	Sales and Use Tax Abatement; Personal Property Tax Abatement; Modified Business Tax Abatement; Real Property Tax Abatement for Recycling
Number of New Jobs:	28
Average Wage:	\$22.96
Equipment Investment:	\$1.6 Million
Estimated Annual Payroll:	\$1,337,440.00



September 17, 2018

Mr. Paul Anderson  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Ave., Suite 5400  
Las Vegas, NV 89101

Re: Berkley International Incentive Application

Dear Mr. Anderson:

Please find the attached application for economic development incentives for Berkley International as a part of our potential relocation to Nevada. Berkley International is applying for the sales & use tax abatement, modified business tax abatement, personal property tax abatement, and the real property tax abatement for recycling. The availability of these incentives are a significant factor and one of the main reasons our company has selected this area.

Berkley International is a family owned business that manufactures environmentally friendly molded fiber products. Molded fiber consists of taking 100% recycled paper, breaking down the paper, blending it with water, and reforming and drying the part. The most common example of this process is an egg carton. In addition to supplying much of the wine packaging to Northern California, our company supplies protective packaging for numerous products in Utah and California.

Berkley International has been in business for 5 years and has chosen to move our manufacturing operation to Nevada as the state offers incentives and utility rates that will help us to grow. We are looking to make the Nevada location our manufacturing hub and will seek to grow our company locally.

As part of this project Berkley International will hire 28 employees initially, with an average wage of \$22.96 per hour. All hiring for this facility will be done within the state of Nevada. Hiring will have a peak during the first 2 years as a whole new staff will be required, followed by steady growth in the years to follow. Berkley International plans to invest over \$1.6 million in new capital equipment and begin operations by Q4 of 2019.

We Appreciate your consideration of our application and are available to answer any questions.

Sincerely,

Sean Berkley  
Vice President, Berkley International



## MOLDED FIBER - MADE IN THE USA

**W**e offer our customers the entire spectrum of molded fiber.

Berkley has in-house manufacturing capabilities to make traditional egg carton style molded fiber, after-pressed fiber as well as thermoformed fiber.

### What is molded Fiber?

Molded fiber is the result of combining water and recycled papers - in a vat resembling a large blender to create a slurry. Custom designed tools, which are lined with a thin steel mesh screen, are submerged into the pulp slurry. A vacuum is turned on and the slurry is drawn into the molds and paper fibers accumulate on the screen to a desired thickness.



Now you are ready to dry the part, and how you dry determines the type of fiber produced.

What type is best for your product?

Let us help you navigate the complicated world of fiber packaging.



Type 2- or Traditional Fiber is as timeless as the egg carton. Custom molded to your product in every contour, this simple yet effective packaging medium can reduce assembly time and is a clear choice when protection matters.



Type 2- Pressed Berkley has inline automated after-pressing available as well. This significant advancement in manufacturing allows us to provide customers parts with an improved surface.



Type 3- or Thermoformed Fiber The latest advancement in the molded fiber arena and is a true technical achievement. This type of fiber is dried in multiple heated pressing molds which gives us dense walls, minimum draft angles and remarkably smooth finishes.



Top Manufacturing Companies



Top California Companies

Berkley ranked as the 17th fastest growing company, and #1 Manufacturer in America on the Inc. 5000 list.

## LOS ANGELES BUSINESS JOURNAL

Berkley was awarded the honor of the #1 fastest growing private company in Los Angeles for 2016.

Contact Us:

Berkley International  
2725 E El Presidio St  
Carson, CA 90810  
[www.goberkley.com](http://www.goberkley.com)  
619-931-3003

**Ask about our stock wine trays!**

Minimums starting around 25,000pcs



# CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

November 1, 2018

Paul Anderson  
Executive Director  
Nevada Governor's Office of Economic Development  
808 West Nye Lane  
Carson City, NV 89703

Dear Mr. Anderson:

At the November 1, 2018 meeting, the Carson City Board of Supervisors took action to support an application for Berkley International for State incentives through the Governor's Office of Economic Development.

Please feel free to contact me if you have any questions or need additional information.

Sincerely,

Robert L. Crowell  
Mayor

c: Andrew Haskin, Director of Business Development, Northern Nevada Development Authority

**Robert L. Crowell, Mayor**

201 N. Carson Street, Suite 2 • Carson City, Nevada 89701

(775) 887-2100 • Fax: (775) 887-2286

E-mail: [bcrowell@carson.org](mailto:bcrowell@carson.org)



October 16, 2018

Nancy Paulson  
Carson City Manager  
201 North Carson Street, Suite 2  
Carson City, Nevada 89701

Subject: Agenda Request – Economic Incentives for Redwood Materials

Dear Ms. Paulson,

NNDA is requesting to be placed on the agenda for the Carson City Board of Supervisors' meeting to be held on Thursday, November 1st, 2018.

NNDA will be presenting Redwood Materials and their application for State incentives through the Governor's Office of Economic Development (GOED), which should take between five and ten minutes total. NNDA will be requesting a letter of acknowledgement and support for the application following the presentation.

Redwood Materials, Inc. is a company that uses sustainable processes to recover technology materials from post-consumer and post-industrial electronics. Redwood plans to expand from its current location in California to Carson City, Nevada. They plan to hire and train employees from the northern Nevada area, and begin producing new commodity materials at their new Carson City facility. The target date for the physical move is November 15, 2018 with operations to commence shortly thereafter.

Redwood Materials is seeking approval of their incentive application for their planned relocation to the Carson City. A company overview, and supporting documents are attached.

If you have any questions, please let me know.

Best Regards,



Andrew Haskin  
Director of Business Development  
Northern Nevada Development Authority



## Summary of Information for Economic Incentives for Carson City Supervisors

Meeting on November 1, 2018

Business Name:	Redwood Materials
Business Category:	Technology and Advanced Manufacturing
Type:	Out of state expansion to Carson City
Incentives Requested:	Sales and Use Tax Abatement; Personal Property Tax Abatement; Modified Business Tax Abatement; Real Property Tax Abatement for Recycling
Number of New Jobs:	31
Average Wage:	\$27.42
Equipment Investment:	\$3.8 Million
Estimated Annual Payroll:	\$1,768,00.00



10/15/2018

Paul Anderson  
Executive Director  
Nevada Governor's Office of Economic Development  
808 West Nye Lane  
Carson City, NV 89703

Dear Director Anderson:

Redwood Materials, Inc. is a company that uses sustainable processes to recover technology materials from post-consumer and post-industrial electronics. The Appendix to this letter provides a brief corporate profile that describes the company's background and operations.

Redwood plans to expand from its current location in California to Carson City, Nevada. We plan to hire and train employees from the local northern Nevada area, and begin producing new commodity materials at our Carson City facility. The target date for the physical move is November 15, 2018 with operations to commence shortly thereafter.

Redwood Materials currently has its sole facility in California. The decision to expand our operations into Carson City was due to several factors, including the business tax structure, availability of a qualified workforce, cost of living and logistic advantages offered by the region. In addition, Redwood Materials is aware of the benefits of the State Incentive Program, and this also was a critical factor in deciding to expand our processing operations to Carson City.

The expansion plan to Carson City involves the purchase and installation of several new pieces of processing equipment, which requires hiring additional engineers and technical staff. In order to staff and operate our operations, the plan is to hire a total of 31 employees over the first two years of operations. The average hourly rate of the employees is projected to be \$27.42.

We are excited about the market opportunities presented by this expansion and the advantages that locating this facility in Carson City will offer our company. In conjunction with Nevada's business-friendly environment, we see this as a first step in what will be increased growth for Redwood Materials.

Sincerely,

*Andrew Stevenson*

Andrew Stevenson  
Chief Financial Officer

Redwood Materials, Inc.  
308 Sango Court  
Milpitas, CA, 95035

## Appendix: Corporate Profile

Redwood Materials was founded in 2017 by a team of engineers and scientists who saw the growing problem of electronic waste ending up in landfills, and the need for expanding the infrastructure for processing this waste in a sustainable manner into useful materials for the technology industry. With the long-term decrease in ownership cycles for consumer electronics, this problem is only expected to grow. The United Nations University estimates that 44.7 million metric tons of used electronics are generated each year – only 20% of which is recycled – with a recoverable commodity value of \$63.6 billion<sup>1</sup>.

The Redwood team set out to solve this problem by developing new chemical, metallurgical, and mechanical technologies for recovering materials from post-consumer and post-industrial electronics, and deploying these technologies in high-tech processing facilities. In addition, Redwood is exploring applications in related industries such as mining that have a long history in Nevada.

Redwood is led by CEO JB Straubel and CFO Andy Stevenson. JB is CTO and co-founder of Tesla, and was a key leader in the development of the Gigafactory in Nevada. Andy has previously worked as an investor and operator in the clean technology and education industries. The Redwood team also includes chemical engineers and PhD chemists with decades of experience in electronic waste processing technology, as well as corporate support staff.

Redwood's current operations consist of three major functions: 1) procurement of feedstock, including different types of post-consumer and post-industrial electronics, 2) primary processing of those technology materials, and 3) marketing those new materials to specialty refiners.

For procurement, Redwood partners with electronics collectors and aggregators, including companies with operations in Nevada. These companies deal directly with post-consumer and post-industrial sources, and perform dis-assembly, categorization, and packaging based on Redwood's specifications.

Next, Redwood takes in clean, organized bins of electronics from these suppliers and sends them through different processes depending on the grade and target recovery. The technologies that Redwood has developed allow the company to conduct this extract valuable technology materials with a lower environmental footprint than competing approaches.

Finally, Redwood sells these materials to specialty refiners who produce products for industry and consumers. In some cases the materials go into new electronics, creating a fully "closed loop" refining system. Many of these companies are seeing increased demand from their customers for greater amounts of recycled materials in their supply chains.

Redwood currently has its operations Milpitas, California, and is planning to open a new facility in Carson City, Nevada. In addition to processing material at the Carson City facility, future plans may also include relocation of headquarters and research and development staff.

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<sup>1</sup> See United Nations University, 2017: [https://collections.unu.edu/eserv/UNU:6341/Global-E-waste\\_Monitor\\_2017\\_\\_electronic\\_single\\_pages\\_.pdf](https://collections.unu.edu/eserv/UNU:6341/Global-E-waste_Monitor_2017__electronic_single_pages_.pdf)

October 16, 2018

Ms. Nancy Paulson  
City Hall/201 N. Carson Street, #3  
Carson City, NV 89701

RE: Sales & Use Tax, Modified Business Tax and Personal Property Tax Abatements  
**Redwood Materials, Inc.**

To Ms. Paulson,

This is a notification of and a request for a Letter of Acknowledgment regarding Redwood Materials, Inc.'s application to the Governor's Office of Economic Development for Sales & Use Tax Abatement, Modified Business Tax Abatement, Personal Property Tax Abatement and Real Property Tax Abatement for their operations planned in Carson City.

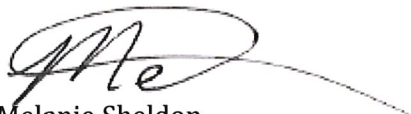
This will result in at least 31 new full-time jobs for at least five years. The company is planning to invest \$3,841,720 in capital equipment. The ten-year total economic impact is estimated to be \$121,900,587 and new tax revenue generated over ten years is estimated to be \$2,342,890.

We are under a statutory requirement to notify affected local governments prior to the public hearing where the application will be considered (NRS 360.757). We estimate the total Sales & Use Tax Abatement to be \$215,136; the Modified Business Tax Abatement is estimated to be \$39,760 which constitutes a 50% abatement of the tax due for 4 years; the Personal Property Tax Abatement is estimated to be \$137,714 which constitutes a 50% abatement over 10 years; and the Real Property Tax Abatement is estimated to be \$50,000 which constitutes a 50% abatement over 10 years.

A board meeting is scheduled to review this application on November 15, 2018 at 1:00 p.m. in Las Vegas, Nevada and via video conference to Carson City, Nevada. If you'd like to provide feedback about this project, we encourage you to attend this meeting and come forward during public comment.

Thank you for your attention and consideration of this request. If you have any questions please feel free to contact this office at your convenience.

Sincerely,



Melanie Sheldon  
Program Manager  
Governor's Office of Economic Development



# CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

November 1, 2018

Paul Anderson  
Executive Director  
Nevada Governor's Office of Economic Development  
808 West Nye Lane  
Carson City, NV 89703

Dear Mr. Anderson:

At the November 1, 2018 meeting, the Carson City Board of Supervisors took action to support an application for Redwood Materials for State incentives through the Governor's Office of Economic Development.

Please feel free to contact me if you have any questions or need additional information.

Sincerely,

Robert L. Crowell  
Mayor

c: Andrew Haskin, Director of Business Development, Northern Nevada Development Authority

**Robert L. Crowell, Mayor**

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