#### VadaTech, Inc.

198 N. Gibson Road, Henderson, NV 89014 Tina Hacker, Controller Hi-Tech Manufacturing Date: September 17, 2015 Main Location: Las Vegas, NV

Business Type: Expansion County: Clark County Development Authority Representative: Michael Walsh - LVGEA

#### **APPLICATION HIGHLIGHTS**

- VadaTech, Inc. is applying for Sales Tax, Modified Business Tax, and Personal Property Tax abatements.
- Meets statutory average wage and capital investment levels.
- Existing 78 employees at an average hourly wage of \$26.17 prior to expansion plans.

#### **PROFILE**

VadaTech Incorporated has been in business since 2004 in Nevada. They are a "hi-tech" company that specializes in designing and manufacturing board level solutions for applications in the aerospace, military, and telecommunications markets. The company provides innovative embedded computing solutions from board-level products chassis level platforms, to configurable application-ready systems. *Source: VadaTech, Inc.* 

#### SIGNIFICANCE OF ABATEMENTS IN THE COMPANY'S DECISION TO RELOCATE/EXPAND

VadaTech has received prior incentives, from the State of Nevada, for expansion of their new state of the art corporate headquarters and manufacturing plant in Henderson. These incentives aided in their growth efforts and are recognized by the company as a key factor in their success. The company is now in need of additional capital equipment that will allow them to continue to grow, also keeping more processes in-house to avoid outsourcing, and to hire more employees. Their expansion will continue to promote and solidify the technology industry in Nevada. *Source: VadaTech, Inc.* 

REQUIREMENTS	<u>Statutory</u>	<b>Application</b>	<u>Sufficient</u>	% Over / Under
Job Creation	25	6	No	-76%
Average Wage	\$20.89	\$30.13	Yes	44%
Equipment CapEx (SU & MBT)	\$361,547	\$4,306,000	Yes	1091%
Equipment CapEx (PP)	\$361,547	\$4,306,000	Yes	1091%
INCENTIVES	Requested Terms	Estimated \$ Amount		
Sales Tax Abmt.	Abated to 2%	\$262 700		

Sales Tax Abmt.	Abated to 2%	\$262,700
Modified Business Tax Abmt.	50% for 4 years	\$4,500
Personal Property Tax Abmt.	50% for 10 years	\$138,100
Total		\$405,300

JOB CREATION	<u>Contracted</u>	24-Month Projection	5-Year Projection	
	6	6	0	
OTHER CAPITAL INVESTMENT	Land	Building Purchase	BTS / Building Improvements	

OTHER CAPITAL INVESTMENT	<u>Land</u>	Building Purchase	BTS / Building Improvements	
	\$0	\$0	\$0	
<b>ECONOMIC IMPACT ESTIMATES (10-Year</b>	Cumulative)	<u>Total</u>		
Tatal Jaha Oromanantani		40		

Total Jobs Supported 10
Total Payroll Supported \$5,660,930
Total Output Estimate \$23,535,230

Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses.

<b>NEW TAX REVENUE ESTIMATES (10-Year</b>	Cumulative)	<u>Direct</u>	<u>Indirect</u>	<u>Total</u>
Local Taxes				
Property		\$56,700	\$129,600	\$186,300
Sales		\$0	\$105,100	\$105,100
Lodging		\$0	\$2,200	\$2,200
State Taxes				
Property		\$3,300	\$7,900	\$11,200
Sales		\$86,100	\$35,100	\$121,200
Modified Business		\$16,700	\$25,500	\$42,200
Lodging		<u>\$0</u>	<u>\$600</u>	\$600
Total		\$16 <del>2,</del> 800	\$306,000	\$4 <mark>68,8</mark> 00
COST DENIETT ASSESSMENT From	omia Impact per Abated Dellar		New Total Tay per Abated Dellar	

COST-BENEFIT ASSESSMENT	Economic Impact per Abated Dollar	New Total Tax per Abated Dollar
	\$58	\$1.16

#### **EMPLOYEE BENEFITS**

- Percentage of health insurance covered by company: 89%.
- Health care package cost per employee \$3,798 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Bonus, Retirement Plan.

### **NOTES**

- Percentage of market outside of Nevada: 98%.
- Average hourly wage is significantly higher than statewide average hourly wage of \$20.89.
- Prior incentives were awarded to the company in 2012. The incentive package included: Personal Property Tax, Sales & Use Tax and Modified Business Tax. The company is currently compliant with all abatement audits.



August 4, 2015

Mr. Steve Hill Executive Director Governor's Office of Economic Development 808 W. Nye Lane Carson City, NV 89703

Dear Mr. Hill:

VadaTech, Inc., is submitting an expansion application to the state for all three tax incentives: Sales & Use, Modified Business Tax, and Personal Property Tax. We have requested this company be placed on the September 2015 board meeting agenda.

When VadaTech, Inc., expands operation in Henderson, they will employ 6 new employees and pay an average hourly wage of \$30.13. In order to accomplish this, they will make a capital investment of approximately \$4,306,000.00.

Las Vegas Global Economic Alliance (LVGEA) has reviewed the application for the tax abatements this company is seeking. The company's representatives became interested in these programs through discussion with the LVGEA.

LVGEA extends its support to VadaTech, Inc., and asks the Board to approve its request for this consideration.

Warmest regards,

Michael Walsh

Vice President of Economic Development



August 3, 2015

Mr. Steve Hill **Executive Director** Governor's Office of Economic Development 808 West Nye Lane Carson City, NV 89703

Dear Mr. Hill,

Please accept our application for incentive programs for expansion from the Governor's Office of Economic Development.

Our company, VadaTech Incorporated ("VadaTech"), has been in business since 2004 in Nevada. We are a "high-tech" company that specializes in designing and manufacturing board level solutions for applications in the aerospace, military, and telecommunication markets.

VadaTech has received prior incentives for expansion for our new state of the art corporate headquarters and manufacturing plant in Henderson. These incentives have aided our growth and are much appreciated. We are now in the need to purchase additional capital equipment that will allow us to continue our growth, keep more processes in-house eliminating out-sourcing, and to hire more employees. Our expansion will continue to promote and solidify the technology industry in Nevada. Since our application in December of 2011, we have hired an additional 22 full-time employees and our plan is to hire a minimum of an additional six more employees within the next twelve months.

Our experience with the representatives from the Las Vegas Global Economic Alliance has been positive and we look forward to your approval of our application to assist us with our efforts of expansion in Henderson. If you have any questions, please feel free to call me. Thank you for your time and consideration.

Sincere

Saeed Karamooz

President & CEO

VadaTech Incorporated

ECONOMIC DEVELOPMENT		Company is an / a: (check one)				
ncentive <b>A</b> p	plication		New location in Nevada			l
ompany Name:	VadaTech, Inc				ion of a Nevada	company
ate of Application:	Startup business in Nev		/ada			
ection I - Type	of Incentives					
Please check all that	the company is applying for on this	application:				
☑ Sales & U	Jse Tax Abatement	Sales &	Use Tax Deferral		Train Employee	s Now (TEN)
✓ Modified I	Business Tax Abatement	Recyclin	g Real Property Tax Abatement	t		
✓ Personal	Property Tax Abatement	☐ Economi	c Development Rate Rider			
ection 2 - Corp	orate Information					
	al name under which business will be transa	cted in Nevada)			FEDERAL TA	X ID #
VadaTech, Inc			Loury	07.175	20-1461611	7:0
CORPORATE ADDRES			CITY / TOWN	STATE	E / PROVINCE	ZIP 89014
198 N. Gibson Road	RECEIVE DOCUMENTS (If different from a	ahove)	Henderson CITY / TOWN		E / PROVINCE	89014 ZIP
WAILING ADDRESS TO	RECEIVE DOCOMENTS (II dillerent lioni)	above)	CITT / TOWN	SIAIE	- / FROVINGE	ZIF
TELEPHONE NUMBER			WEBSITE			
702-896-3337			www.vadatech.com			
COMPANY CONTACT N	NAME		COMPANY CONTACT TITLE	E		
T' 11 1			Controller			
Tina Hacker						
E-MAIL ADDRESS	atash sam		PREFERRED PHONE NUM	BER		
E-MAIL ADDRESS tina.hacker@vad. Has your company eve If Yes, list the program Approval Date 02/21/1	er applied and been approved for incent n awarded, date of approval, and status 2 (Expansion), Paresonal Property Tax	of the accounts (attacl	702-896-3337 Sovernor's Office of Economic En separate sheet if necessary):	Development?	✓ Yes I Business Tax (C	□ No
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NEW OPERATIONS / STARTUP - PLANS OVER THE NEXT 10 YEARS	EXPANSIONS - PLANS OVER THE NEXT 10 YEAR	<u>ARS</u>
Part 1. ARE YOU CURRENTLY / PLANNING ON	Part 1. ARE YOU CURRENTLY LEASING SPACE IN NV?	No
LEASING SPACE IN NV?	If No, skip to Part 2. If Yes, continue below:	
If No, skip to Part 2. If Yes, continue below:	What year(s)?	
What year(s)?	How much space (sq. ft.)?	
How much space (sq. ft.)?	Annual lease cost at current space:	
Annual lease cost of space:	Due to expansion, will you lease additional space?	
Do you plan on making building tenant improvements?	If No, skip to Part 3. If Yes, continue below:	
If No, skip to Part 2. If Yes *, continue below:	Expanding at the current facility or a new facility?	
When to make improvements (month, year)?	What year(s)?	
	How much expanded space (sq. ft.)?	
Part 2. ARE YOU CURRENTLY / PLANNING ON BUYING	Annual lease cost of expanded space:	
OR BUILDING AN OWNER-OCCUPIED FACILITY IN NV?	Do you plan on making building tenant improvements?	
If Yes *:	If No, skip to Part 3. If Yes *, continue below:	
Purchase date, if buying (month, year):	When to make improvements (month, year)?	
When to break ground, if building (month, year)?		
Estimated completion date, if building (month, year):	Part 2. ARE YOU CURRENTLY OPERATING AT AN	
How much space (sq. ft.)?	OWNER-OCCUPIED BUILDING IN NV?	Yes
	If No, skip to Part 3. If Yes, continue below:	
ase complete Section 6 - Capital Investment for New Operations / Startup.	How much space (sq. ft.)?	72,500
	Current assessed value of real property?	\$1,868,098.
	Due to expansion, will you be making building improvements?	No
	If No, skip to Part 3. If Yes *, continue below:	
	When to make improvements (month, year)?	
	Part 3. DO YOU PLAN ON BUILDING OR BUYING A	
	NEW FACILITY IN NV?	No
	If Yes *, continue below:	
	Purchase date, if buying (month, year):	
	When to break ground, if building (month, year)?	
	Estimated completion date, if building (month, year):	
	How much space (sq. ft.)?	
	* Please complete Section 6 - Capital Investment for Expansions	below.

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

Section 6 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)			
NEW OPERATIONS / STARTUP	EXPANSIONS		
HOW MUCH CAPITAL INVESTMENT IS PLANNED? (Breakout below):	HOW MUCH CAPITAL INVESTMENT IS PLANNED? (Breakout below)	:	
Building Purchase (if buying):	Building Purchase (if buying):		
Building Hard Costs (if building / making improvements):	Building Hard Costs (if building / making improvements):		
Land:	Land:		
Equipment Cost:	Equipment Cost:	\$4,306,000	
Total:	Total:	\$4,306,000	
	Is the equipment purchase for replacement		
	of existing equipment?	No	
	Current assessed value of personal property in NV:	\$1,807,733	
	(Must attach the most recent assessment from the County Assess	or's Office.)	

<b>Section 7 - Employment</b> (Fill in either New Operations/Star	tup or Expansion, not both .)
NEW OPERATIONS / STARTUP	EXPANSIONS
How many full-time equivalent (FTE*) employees will be created by the end of the first fourth quarter of new operations?:  Average hourly wage of these new employees:	end of the first fourth quarter of expanded operations?:  Average hourly wage of these new employees:  How many FTE employees prior to expansion?:  78  Average hourly wage of these existing employees:  \$26.17
	Total number of employees after expansion: 84
* FTE represents a permanent employee who works an average of 30 hours p set forth in NAC 360.474.	er week or more, is eligible for health care coverage, and whose position is a "primary job" as
OTHER COMPENSATION (Check all that apply):	
<ul> <li>Overtime</li> </ul>	☐ Merit increases
✓ PTO / Sick / Vacation	COLA adjustments
✓ Bonus	☐ Tuition assistance
Retirement Plan / Profit Sharing / 401(k)	Other:
BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGI	BILITY REQUIREMENTS (Attach a separate sheet if necessary):
Section 8 - Employee Health Insurance Benefit Prog	ram
Is health insurance for employees and an option for dependents offered	17: Yes (copy of benefit plan must be attached) No
Package includes (check all that apply):	
✓ Medical ✓ Vision ✓ Dental	☐ Other:
Qualified after (check one):	
Upon employment  Three months after hire date	☐ Six months after hire date ☐ Other:
COST OF HEALTH INSURANCE FOR COMPANY (annual amount per employee):	PERCENTAGE OF HEALTH INSURANCE COVERAGE:
\$3,798	By Company: 89% By Employee: 11%
Section 9 - Train Employees Now (TEN) (if applicable)	
Have you red	ceived preapproval from GOED? Yes No
Number of qualified employees to	participate in training program*:
Will these new hires be permanent, full-t	ime employees of the company? Yes No
Is the proposed training plan	developed by NVIE complete?**
* Employee must be paid at least 80% of statewide average wage at conclusion	on of the program. **Please attach the NVIE training program as part of this application.
All workforce training monies approved at a scheduled GOED Board meeting	will be granted to the appropriate educational institution.

I, the undersigned, hereby grant to the Governor's Office of Economic Development aforementioned company. I understand this requirement is necessary to qualify and pertaining to this application.	access to all pertinent and relevant records and documents of the to monitor for compliance of all statutory and regulatory provisions
Being owner, member, partner, officer or employee with signatory authorization for the that all licensing and permitting requirements will be met prior to the commencement SAEED KARAMOOZ	ne company, I do hereby declare that the facts herein stated are true and of operations:
Name of person authorized for signature	Signature
PRESIDENT & CEO	8/4/15
Title	Date

Section 10 - Certification

Nevada Governor's Office of Economic Development

555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • www.diversifynevada.com

### **Employment Schedule**

Company Name:	VadaTech, Inc	County:	Clark County
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Directions: Please complete columns (a) through (d) in Section 1 with information on all full time employees that will be hired and employed by the company by the end of the first fourth quarter of new / expanded operations. For example, if the effective date of new / expanded operations is April 1, 2015, the date would fall in Q2, 2015. The end of the first fourth quarter would be the last day of Q2, 2016 (i.e., June 30, 2016). Attach this form to the Incentives Application.

### Section I - Full-Time Equivalent (FTE) Employees

Full-time equivalent represents an employee who works an average of 30 or more hours per week, is eligible for health care coverage, and whose position is a "primary job" (defined in NAC 360.474). Audits of job creation and wage will be based on the information provided in this section.

(a)	(b)	(c)	(d)	(e)	(f)
New Hire Position Title/Description	Number of	Average	Average	Annual Wage	Total Annual
	Positions	Hourly Wage	Weekly Hours	per Position	Wages
Digital Design Engineer	1	\$43.27	40	\$90,001.60	\$90,002
Software Engineer	1	\$43.27	40	\$90,001.60	\$90,002
Hardware Engineer/Technician	1	\$31.25	40	\$65,000.00	\$65,000
Machine Operator/Technician	3	\$21.00	40	\$43,680.00	\$131,040
	+				
	+				
TOTAL	6			\$30.13	\$376,043

## **Equipment List**

Company Name:	VadaTech, Inc	County:	Clark County
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Directions: Please provide a list of the equipment [columns (a) through (c)] which the company intends to purchase over the two-year allowable period. For example, if the effective date of new / expanded operations begins April 1, 2015, the two-year period would be until March 31, 2017. Note: If approved, the company will monitor and update this list as needed to ensure the incentives granted are for eligible property actually purchased. For guidelines on classifying equipment, visit: tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Personal\_Property\_Manuals. Attach this form to the Incentives Application.

(a)	( b)	(c)	(d)
Equipment Name/Description	# of Units	Price per Unit	<b>Total Cost</b>
Security Camera System	1	\$20,000.00	\$20,000.00
Nitrogen Generator	1	\$60,000.00	\$60,000.00
SLA Machine	1	\$195,000.00	\$195,000.00
5 AXIS CNC Machine	1	\$350,000.00	\$350,000.00
Knoop Measuring Machine	1	\$80,000.00	\$80,000.00
Laser Cutter	1	\$180,000.00	\$180,000.00
Overlay Printer	1	\$44,000.00	\$44,000.00
T Hardware/Software	Multiple	TBD	\$200,000.00
Vector Network Analyzer	1	\$350,000.00	\$350,000.00
65GHz Scope	1	\$380,000.00	\$380,000.00
4GHz Scopes	Multiple	TBD	\$150,000.00
High Precision Volt Meters	Multiple	\$23,000.00	\$23,000.00
Precision Signal Generators	Multiple	TBD	\$140,000.00
Optical Comparator	1	\$170,000.00	\$170,000.00
Spectrum Analyzer	1	\$230,000.00	\$230,000.00
Power Meter	1	\$29,000.00	\$29,000.00
Soldering Stations/Rework Tools	Multiple	TBD	\$75,000.00
Appliances/Copiers/Scanners	Multiple	TBD	\$100,000.00
SMT Feeders	Multiple	TBD	\$200,000.00
Automated Trays	Multiple	TBD	\$100,000.00
RTV Machine	1	\$100,000.00	\$100,000.00
Packaging Machine	1	\$35,000.00	\$35,000.00
Test Equipment	Multiple	TBD	\$150,000.00
Desks/Benches/New Office Furniture	Multiple	TBD	\$165,000.00
Uninterrupted Power Supply	Multiple	TBD	\$350,000.00
Vehicle for transportation between manufacturing buildings	1	\$80,000.00	\$80,000.00
Sheet Metal Bending Machine	1	\$350,000.00	\$350,000.00
TOTAL EQUIPMENT COST			\$4,306,000.00



# STATE OF NEVADA DEPARTMENT OF TAXATION



# NEVADA STATE BUSINESS LICENSE

VADATECH INC 11540 S EASTERN AV HENDERSON NV 89052

IN ACCORDANCE WITH TITLE 32 OF NEVADA REVISED STATUTES, PURSUANT TO PROPER APPLICATION DULY FILED AND PAYMENT OF APPROPRIATE PRESCRIBED FEE, THE ABOVE NAMED IS HEREBY GRANTED A NEVADA STATE BUSINESS LICENSE FOR BUSINESS ACTIVITIES CONDUCTED WITHIN THE STATE OF NEVADA.

# BUSINESS LICENSE CITY OF HENDERSON, NEVADA

EXPIRATION DATE:

Scope:

October 31, 2015

MISCELLANEOUS

License Class/No.:

010C-GROSS REVENUE/2004304822

Business Name:

VADATECH INC.

Business Location:

198 N GIBSON RD

HENDERSON, NV 89014

Tennet Lowery

This document is not transferable and  $\underline{\rm IS\ NOT}$  issued in lieu of any locally required business license, permit or registration.







### **UNSECURED PROPERTY TAX BILL - SPECIAL USE PROPERTY**

### **Clark County Nevada**

### Michele W. Shafe, Assessor 500 S. Grand Central Pkwy, 2nd Floor, Las Vegas, NV 89155

Bill No .:

731747

Prior Acct. #:

99-128272

Phone: Date: (702) 455-3882 05/29/2015

			www.ClarkCoun	tyNV.gov/Assessor	Date: 0	5/29/2015
Fiscal Year	Account	Tax District	Tax Rate	Property Locati	on and Description	
2014/2015	132662	505	2.8976	198 N GIBSON RD		
	Assessed	l Valuation		HENDERSON		
Property Value			1,807,733	Miscellaneous Personal Property		
		Name			Exemption Values	
	VADATECH INC 198 N GIBSON HENDERSON I	RD	. 6	Economic		67,077
				Total Exemption	n 8	67,077

Sale or disposal of this property after July 1, 2014 does not relieve the obligation to pay this tax.

Property Value Ad Valorem Tax	165.02
Abatement Amount	0.00
*Abatement Applied Limits Increase	To 3.00%
Net Ad Valorem Tax	165.02
New Property Value Outside CAP	52,215.87
Adjusted Tax Amount	0.00
Exemption Amount	-25,124.43
Recapture Amount	0.00
Net Tax Amount	27,256.46
Penalties	0.00
Miscellaneous Fees	0.00
Veteran's Home Donation	0.00
Total Amount Billed	27,256.46
Less Payments Applied	0.00
Balance Remaining	27,256,46
Prior Year Delinquencies	0.00
Total Balance Owing	\$27,256.46

	of Amount Due	V
Description Tax Year 2014/2015	Total Due 27,256.46	Minimum Due 27,256.46
Total	27.256.46	27.256.46

Payments received will be applied to the oldest charge first. To avoid penalties, payments must be postmarked by due date. Penalties are 10% of the tax amount due.

All delinquent amounts are due immediately.

If property is protected by bankruptcy, this is for your information. Do not consider this an attempt to collect.

Agency	Rate	Amount
Clark County Capital	0.0500	470.33
Clark County Debt	0.0129	121.34
Clark County Family Court	0.0192	180.60
Clark County General Operating	0.4470	4,204.74
County School Debt (Bonds)	0.5534	5,205.60
County School Maintenance & Operation	0.7500	7,054.93
Henderson City	0.5608	5,275.20
Henderson City Debt	0.1500	1,410.98
Henderson City Library	0.0593	557.81
Indigent Accident Fund	0.0150	141.10
Medical Asst to Indigent Persons	0.1000	940.66
State Cooperative Extension	0.0100	94.06
State of Nevada	0.1700	1,599.11

Totals	2.8976	27,256.46

	Payment Installment(s)	
Description	<b>Due Date</b>	<b>Amount Due</b>
Installment 1	06/26/2015	27,256.46
Installment 2		0.00
Installment 3		0.00
Installment 4		0.00

Account has been amended. This tax bill reflects the correct amount of taxes due, please disregard any prior billing.

### Nevada Regional Project Assessment System - Project Summary

For the Years: 2015-2024

Jobs and Payroll		
New direct jobs created	6	
New direct payroll	\$376,043	
Average hourly wage for project	\$30.13	
Industry average wage	\$21.77	
Capital Investment		
Value of new construction	\$0	
Value of new equipment purchases	\$4,306,000	
Economic Impact*		
Total value economic impact	\$23,535,230	
Total new jobs supported	10	
Total new payroll supported	\$5,660,936	
Household spending supported	\$4,443,245	
Construction Impact		
Total value construction impact	\$0	
Total new jobs supported	0	
Total new payroll supported	\$0	
New Tax Revenue (direct and indirect)*		
Local Taxes		
Property	\$186,313	
Sales	\$105,140	
Lodging Tax	\$2,217	
Total Local Taxes	\$293,671	
State Taxes		
Property	\$11,113	
Sales	\$121,218	
Lodging Tax	\$554	
Modified Business Tax and Commerce Tax	\$42,153	
Total State Taxes	\$175,038	

<sup>\*</sup> Includes jobs, payroll, output and tax revenues of companies assisted by the Nevada Development Authorities as well as secondary impacts at other local businesses. Report includes only impacts created in 2015-2024. Additional impacts will be generated in future years.

14-Aug-15