

September 29, 2023

The Honorable Joe Lombardo  
Office of the Governor  
One Hundred One North Carson Street  
Carson City, Nevada 89701

Ms. Brenda Erodes, Director  
Legislative Counsel Bureau  
401 South Carson Street  
Carson City, Nevada 89701

**Re: Annual Report  
Projects with Capital Investments of \$1.0 Billion  
Pursuant to NRS 360.895**

Dear Governor Lombardo and Director Erdoes:

Pursuant to NRS 360.895 the Governor's Office of Economic Development is submitting its annual report for the Qualified Project commonly known as Redwood Materials, Inc. (the "Project"). The attached report is based on information provided by the Lead participant, Redwood Materials, Inc., and addresses the following statutory questions:

- (a) For the immediately preceding fiscal year;
- 1) The number of applications submitted pursuant to NRS 360.889
  - 2) The number of qualified projects for which an application was approved;
  - 3) The amount of transferable tax credits approved;
  - 4) The amount of transferable tax credits un-used;
  - 5) The amount of transferable tax credits transferred;
  - 6) The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified project;
  - 7) The number of abatements approved;
  - 8) The dollar amount of the abatements;

- 9) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in a qualified project who are residents of Nevada;
  - 10) The number of qualified employees employed by each participant in a qualified project and the total amount of wages paid to those persons; and
  - 11) For each qualified project, an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project
- (b) For each abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years, 6 fiscal years, 10 fiscal years and 20 fiscal years immediately preceding the submission of the report:
- 1) The dollar amount of the abatement;
  - 2) The value of infrastructure included as an incentive for the qualified project;
  - 3) The economic sector in which each participant in the qualified project operates, the number of primary jobs related to the qualified project, the average wage paid to employees employed by the participants in the qualified project and the assessed values of personal property and real property of the qualified project; and
  - 4) Any other information that the Office determines to be useful.

This report does not include an audit document as Redwood Materials' Abatement Agreement was executed in April 2023. Therefore, the abatements had been active for approximately 8 weeks by the end of the FY23 reporting period. A full audit report will be provided with the FY 2024 Annual Report.

If further information is required, please contact me at your convenience.

Respectfully yours,

*Melanie Sheldon*

Melanie Sheldon  
Senior Director of Business Development, GOED

cc: Thomas J. Burns, Executive Director, GOED

**Annual Report**  
**Projects with Capital Investments of \$1.0 Billion**  
Pursuant to NRS 360.895  
(FY 2023)

(a) For the immediately preceding fiscal year, the NRS requirements and responses are as follows:

- 1) The number of applications submitted pursuant to NRS 360.895: **One (1) application was submitted by Redwood Materials, Inc.**
- 2) The number of qualified projects for which an application was approved: **One (1) project, Redwood Materials, Inc., was approved by the GOED Board on December 2, 2022;**
- 3) The amount of transferable tax credits approved: **\$2,137,500**
- 4) The amount of transferable tax credits used: **No transferable tax credits have been used as of the issuance of this report;**
- 5) The amount of transferable tax credits transferred: **No transferable tax credits have been transferred as of the issuance of this report;**
- 6) The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total for each qualified project: **No transferable tax credits have been allocated as of the issuance of this report;**
- 7) The number of abatements approved: **Four (4) abatements were approved by the GOED Board: Real Property, Personal Property, Modified Business, and Sales and Use Tax Abatements;**
- 8) The dollar amount of the abatements: **The dollar amount of the abatements for the immediately preceding fiscal year was zero (0). Over the 15-year life of the incentive agreement, GOED estimated abatements would total \$80.7 million based on an investment of \$1.1 billion. Also, 100 percent claw-back plus interest provisions are contractually activated if the project fails to reach the required minimum 10-year investment of \$1 billion.**
- 9) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in a qualified project who are residents of Nevada:
  - a. **Total number of construction employees that are Nevada residents: 41 in-house construction employees and 36 are Nevada residents.**

**b. Total number of employees of participant that are Nevada residents: 87%**

**10) The number of qualified employees employed by each participant in a qualified project and the total amount of wages paid to those persons:**

**c. There were 415 qualified employees and 97% were Nevada residents.**

**d. The average wage was \$44.70 for qualified employees.**

**11) For each qualified project, an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project: **Through FY 23, GOED has determined Redwood Materials, Inc. is making satisfactory progress towards meeting the investment requirements necessary to support the determination of the Project as a qualified project.****

**a.** Redwood has invested over \$300 million in the outlined abatement district between April 7th, 2022, and June 30th, 2023.

**b.** To date, Redwood has been preparing and developing the 175 acres at our Battery Materials Campus 1 to support the growth and development of our recycling, refining, and battery materials manufacturing. We currently have just under 200,000sf under roof of constructed buildings with five separate additional facilities in active design that will bring the site to nearly 4,000,000sf.

**c.** We completed construction of our Copper Foil building in November of 2022 and produced our first sample of copper foil in December of 2022, now up and running commercially.

**d.** The Hydrometallurgy facility finished construction in early 2023 and completed commissioning this past April, producing its first product for delivery in May 2023.

**e.** Our recycling facility has just recently finished construction in June and will be ready for full commissioning this Fall.

**f.** Redwood is actively building out our Precursor and Cathode Active Material (>55,000sf), focusing on mechanical and electrical design and installations.

**g.** The Electrical Switchyard will total 140MW at its final state and covers roughly 2 acres, the currently built and contracted portion is 90MW and will be commissioned in October of this year.

**h.** Our central location for both security and fire command secured its certificate of occupancy in the summer of 2023.

**i.** Over one million cubic yards of earth moved on our original 100-acre property to relocate the wash and build out the seven separate pads.

**(b) For each abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years, 6 fiscal years, 10 fiscal years and 20 fiscal years immediately preceding the submission of the report:**

- 1) The dollar amount of the abatement: **No qualified project has been in existence for the immediately preceding three fiscal years.**
- 2) The value of infrastructure included as an incentive for the qualified project: **No qualified project has been in existence for the immediately preceding three fiscal years.**
- 3) The economic sector in which each participant in the qualified project operates, the number of primary jobs related to the qualified project, the average wage paid to employees employed by the participants in the qualified project and the assessed values of personal property and real property of the qualified project: **No qualified project has been in existence for the immediately preceding three fiscal years.**