

Tesla, Inc.

1 Electric Avenue Sparks, NV 89434

Chris Reilly, Business Development and Policy

Date: March 2, 2023

Application Facts:

Industry **Manufacturing**
 NAICS **335910**
 Type of App. **\$3.5B Investment**
 Location **Storey County**
 RDA EDAWN, Heather Wessling Grosz

Company Profile

Tesla was founded in 2003 with a mission to accelerate the world's transition to sustainable energy. We work to achieve this mission by creating products customers love that generate, store, and utilize clean energy.

In 2014, Tesla made a commitment to invest \$3.5 billion in Nevada. The goal was to build a facility capable of producing 35 GWh of battery cells annually—enough to manufacture about 500,000 vehicles per year. This level of battery manufacturing was unprecedented for a single facility at the time, with the expected output being greater than all global battery production in 2013 combined.

Since 2014, Tesla has invested \$6.2 billion in Nevada and built a 5.4 million square foot Gigafactory, providing 17,000 local construction jobs. Gigafactory Nevada has also directly hired more than 11,000 team members, nearly double the initial employment commitment of 6,500.

To date, the teams at Gigafactory Nevada has successfully produced:

7.3 billion battery cells (37 GWh+ annually)

1.5 million battery packs

3.6 million drive units

1 million energy modules (14 GWh+ total)

Today, Tesla is proposing to invest over \$3.6 billion more to continue growing Gigafactory Nevada, adding 3,000 new team members and electric semi truck and battery manufacturing facility: a 100 GWh 4680 cell factory (with capacity to produce enough batteries for 1.5 million light duty vehicles annually), as well as the first high-volume Tesla Semi factory. The Tesla Semi is a fully electric combination truck, with 500 miles of range and energy consumption of less than 2 KWh per mile.
 Source: Tesla, Inc.

Tax Abatement and Incentive Requirements:

	Statutory	Company Application	Meeting Requirements
Job Creation	*Not an abatement requirement, but related to the former tax credit cap	3,000	N/A
Average Wage	*Not an abatement requirement, but related to the former tax credit cap	\$33.49	N/A
Capital Investment	\$3.5 billion over 10 years	\$3,600,000,000	Yes

**Transferrable Tax Credits are no longer available for the \$3.5B Investment Package*

Additional Requirements:

Health Insurance	65%	91%	Yes
Revenues generated outside NV	51%	>90%	Yes
Business License	<input checked="" type="checkbox"/> Current	<input type="checkbox"/> Pending	<input type="checkbox"/> Will comply

Tax Abatements

	Contract Terms	Estimated Tax Abatement
Sales Tax Abmt. (Local)	*Reduced down to 5.35% for 20 yrs	\$66,600,000
Modified Business Tax Abmt.	100% for 10 yrs	\$17,559,539
Personal and Real Property Tax Abmt.	100% for 10 yrs	\$246,090,827
Total		\$330,250,366

** This action would abate said local taxes from the prevailing county rate imposed pursuant to NRS chapter 377 resulting in an adjusted overall state and local sales and use tax rate reduced down to 5.35%.*

Capital Investment Breakout

	Land	BTS / Building Improvements	Equipment
	\$0	\$1,600,000,000	\$2,000,000,000

Economic Impact Estimates

	Stabilized Annual	20 Year Cumulative
Total Jobs Supported	6,655	Level
Total Payroll Supported	\$441.5 million	Level
Total Output Estimate	\$2.2 billion	\$38.0 billion

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

Key Fiscal Estimates (20 Year Cumulative) - for Abatements Approved by GOED Only

	Direct	Indirect	Total
Local Taxes			
Local Government	\$252,494,809	\$158,577,593	\$411,072,402
School District	\$49,378,332	\$108,599,477	\$157,977,809
State Taxes			
State of Nevada	\$93,631,371	\$103,372,029	\$197,003,400
Total Estimated Net New Tax Revenue	\$395,504,512	\$370,549,099	\$766,053,611

IMPORTANT TERMS & INFORMATION

- 50% of all employees engaged in construction on the project site must be Nevada residents
- 50% of all employees engaged at the project must be Nevada residents

IMPORTANT TERMS & INFORMATION CONTINUED

Tax Abatements are reduction or discount of tax liability and companies do not receive any form of payment. Any agreements entered into between Storey County, the Nevada Department of Taxation, and the Lead Participant pursuant to NRS 271B are not under the purview or authority of GOED or its Board.

Total Estimated Tax Abatement is a tax reduction estimate made pursuant to NRS 360.900-980. This estimated amount will be discounted from total tax liability.

Estimated New Tax Revenue is amount of tax revenues local and state government will collect after the abatement was given to applying company.

Economic Impact is economic effect or benefits that this company and it's operations will have on the community and state economy measured by total number of jobs, payroll and created output.

February 21, 2023

Tom Burns, Executive Director
Governor's Office of Economic Development
808 West Nye Lane
Carson City, NV 89703

Re: Tesla, Inc.

Dear Mr. Burns:

The Economic Development Authority of Western Nevada (EDAWN) hereby encourages the approval of the application from Tesla Inc. to pursue a tax abatement proposal to include Sales and Use Tax Abatement, Modified Business Tax Abatement, Personal and a Real Property Tax Abatement.

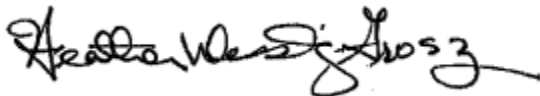
In exchange, Tesla Inc. commits to capital investments of approximately Three Billion, Six Hundred Million Dollars (\$3.6 Billion) which will support the addition of two new manufacturing facilities, including the first "high-volume" semi-truck and battery cell factory, at the Tahoe Regional Industrial Center in Storey County, Nevada. The project will employ at least three thousand (3,000) employees with an average hourly wage of \$33.49 per hour.

This project speaks favorably to the State of Nevada's business friendly culture Tesla Inc. has cultivated by its commitments in securing and operating its first multi-million square foot "Gigafactory 1." This new project will continue to drive increases in employment opportunities and enhance critical manufacturing skills state-wide.

The company's compensation package includes medical benefits, overtime, PTO/sick/vacation, bonus, retirement plan/401-K. Ninety one percent (91%) of the employee's health insurance is covered by the company.

EDAWN supports this application as the company meets all three incentive requirements and has recently exceeded its capital investment, employment, wage and benefits commitments on past projects. Your support of this application is a testament to Nevada's success in supporting cutting edge, innovative companies that not only invest, but double down on their commitments to benefit Nevada's long-term economic future.

Sincerely,



Heather Wessling-Grosz
EDAWN, Executive Vice-President
Business Development



February 23, 2023

Mr. Tom Burns, Executive Director
Nevada Governor's Office of Economic Development
808 West Nye Lane
Carson City, Nevada 89703

RE: New Application Pursuant to Senate Bill No. 1 (2014 Special Session)

Dear Mr. Burns:

Please accept this letter and accompanying incentive application as an expression of interest by Tesla to make a new, minimum investment of \$3.6 billion in Nevada. Tesla is planning to build approximately four million square feet of advanced manufacturing and supporting space to create the first high volume manufacturing center for the Tesla Semi and to scale production of Tesla's 4680 battery cells.

Nevada is a state with a get-things-done mindset. Back in 2014, the ambitious goal of accelerating the world's advancement of clean energy through the mass production of zero-emission electric vehicles and energy storage products faced many skeptics. The state of Nevada, however, not only believed in this mission but – in true Nevada fashion – bet on the future of clean energy and advanced manufacturing in alignment with its own economic development plan. As a result, the first-of-its-kind Nevada Gigafactory triggered a world-wide expansion of clean energy technologies, established a significant foothold for the development of a lithium supply chain in Nevada (lithium-ion batteries are now the 8th largest export from Nevada), and cemented the Silver State as a leader in clean energy technologies.

On behalf of Tesla and its 7,000+ Nevada team members, we are grateful to you and your team for your partnership on this critical project. While we believe Tesla has exceeded every promise it made to Nevada a decade ago, the same can be said of the promises Nevada made to Tesla. Nevada and Tesla are accelerating the world's transition to sustainable energy together.

THE PARTNERSHIP BETWEEN TESLA AND NEVADA HAS BEEN SUCCESSFUL

Before considering Tesla's future in Nevada, it is important to look back at the investments made at Gigafactory Nevada. Tesla, in conjunction with the State of Nevada and along with Tesla's supply chain vendors Panasonic Energy Corporation of North America, H&T Nevada and Valeo North America, have built and currently operate a 5.4 million square foot facility within the Tahoe Reno Industrial Center ("TRI-Center"). This facility produces enough batteries, electric motors, and storage products for over 500,000 light duty electric vehicles and 3GWh of energy storage annually. Investments made by Tesla and key strategic vendors have produced significant economic contributions to Nevada during the eight years since the Gigafactory commenced construction.



In 2014, Tesla committed to an investment of \$3.5 billion in a manufacturing plant in Storey County, Nevada by June 30, 2024, as part of a first-of-its-kind abatement package with the State of Nevada. This level of battery manufacturing was also a first-of-its-kind for a single facility, with the expected output being greater than all global battery production in 2013 combined. Since that time, this is what has actually taken place:

- **Tesla nearly doubled its minimum capital investments to date.** Since 2014, Tesla and its supply chain partners have invested \$6.2 billion in capital, which far exceeded the original minimum threshold of \$3.5 billion. The overall construction impacts sourced to this investment included a total of \$1.5 billion in wages and more than 21,000 local jobs (person-years of employment).
- **Employment sourced to Tesla has far exceeded the original targets.** At present, Gigafactory Nevada employs 10,521 employees, well beyond the minimum target of 6,000 established back in 2014. During 2022 alone, the company directly and indirectly supported \$5.3 billion in economic activity, \$1.2 billion in salaries and wages and employed 17,300 workers in Nevada. Since 2014, a total of \$17.1 billion in economic output has been generated as a result of the Gigafactory's operations.
- **While the job counts are impressive on their own, the wages being paid to local workers raises the bar for all Nevadans.** The target wage level of \$22 per hour was simply a starting point – Tesla's average wage over the course of the past eight years reached \$42.35 per hour. Total employee income supported by the Gigafactory equates to \$776.8 million, or approximately \$82,314 per worker.
- **When considering the public investment of Giga Nevada, the returns are clear.** The construction phase of the project generated approximately \$10 in economic activity for every \$1 in tax incentives to date. In addition, when the on-going operational impacts are considered, the state benefited an additional \$28 for every \$1 of incentives. When a number of the incentives from the 2014 agreement end in 2024, Tesla will be paying in excess of \$50 million per year in annual taxes toward state and local governments going forward. Tesla is not requesting any modifications to the term or amount agreed upon in 2014.
- **A global company focusing on local jobs.** Tesla made a commitment that at least 50 percent of the jobs during construction and operations would be sourced to Nevada residents. At present, approximately 90 percent of the Tesla team members at Giga Nevada are local residents from the Silver State.
- **Leading benefits for employees.** Tesla went beyond the statutory requirement of providing a health plan to its employees by offering multiple medical, dental and vision plans with \$0 paycheck deduction options, in addition to providing paid leave, paid disability benefits, free mental health services, adoption and surrogacy benefits, as well as a matching 401k plan and employee stock options.
- **Building education and workforce pipelines.** Tesla's \$37.5 million K-12 investment in science, technology, engineering, arts, and mathematics (STEAM) initiatives has produced robotics labs in public schools statewide, trained over 1,300 teachers and engaged over 130,000 students in robotics. Tesla built upon this foundational investment



by establishing workforce training programs through TMCC and WNC, partnering with UNR on new engineering minors in energy storage and production technologies, and investing \$1M with UNLV into research partnerships focused on battery recycling, construction automation, and wastewater treatment.

Tesla has far exceeded its commitments to the state of Nevada, and it intends to continue to do so.

TESLA IS MAKING A NEW COMMITMENT AND A NEW INVESTMENT IN NEVADA

The objective for this latest application is to bring forward a new project – one that expects to develop a manufacturing facility that will serve as Tesla's first high-volume Semi factory. Semi is Tesla's fully electric combination truck, with 500 miles of range and energy consumption of less than 2 KWh per mile. In addition, the new project is expected to include a 100 GWh 4680 cell factory with capacity to produce enough batteries for an additional 1.5 million light duty vehicles annually. Notably, unlike the 2014 application, Tesla's current submission does not include any request for transferrable tax credits.

Key attributes of the new project include the following:

- \$3.6 billion investment;
- 4 million square feet of new manufacturing space;
- 3,000+ new team members; and
- Over \$33 average hourly wage.

The following highlights the key economic impacts sourced to the new project.¹

Impact	Construction (2023 to 2027)	Operations (2023 to 2042)
Jobs ²		
Direct (Washoe/Storey Counties)	9,275	3,000
Indirect/Induced (Entire State of Nevada)	<u>5,858</u>	<u>3,655</u>
Total (Statewide)	15,133	6,655
Wages		
Direct (Washoe/Storey Counties)	\$0.9 Billion	\$3.6 Billion
Indirect/Induced (Entire State of Nevada)	<u>\$0.4 Billion</u>	<u>\$3.9 Billion</u>
Total (Statewide)	\$1.3 Billion	\$7.5 Billion
Output		
Direct (Washoe/Storey Counties)	\$1.6 Billion	\$25.3 Billion
Indirect/Induced (Entire State of Nevada)	<u>\$1.2 Billion</u>	<u>\$12.7 Billion</u>
Total (Statewide)	\$2.8 Billion	\$38.0 Billion

¹ Sourced to report by Applied Economics, *Economic Impact of Tesla Electric Semi Truck & Battery Manufacturing Expansion in Storey County, Nevada*, February 2023.

² Construction jobs are stated in person-years of employment. Operations jobs are the total at build-out (full operations).



TESLA IS CREATING HIGH QUALITY JOBS FOR NEVADANS

Roughly 90 percent of the people working for Tesla today were Nevada residents before taking their current job. Tesla not only pays well but also invests significantly in benefits for full-time employees. The average cost of benefits translates into over \$9,900 per employee, with approximately 91 percent paid by Tesla. The company essentially took what the leading benefits package programs are for high technology companies and applied it to all full-time employees, regardless of role. Key attributes include:

- **Healthcare:** Medical, dental, and vision plans all have \$0 out of pocket options, including:
 - 3 medical plans (2 with \$0 paycheck deduction) through Aetna;
 - 2 dental plans (1 with \$0 paycheck deduction) through Delta Dental;
 - 2 vision plans (1 with \$0 paycheck deduction) through VSP;
- **Family Planning:** Up to nine weeks of paid pregnancy and up to seven weeks of paid child bonding leave based on hire date, Care.com back-up childcare, as well as adoption and surrogacy benefits;
- **Life and Disability:** Company-paid benefits for life, short-term, and long-term disability benefits; and
- **Other:** Other benefits include 401k match, employee stock purchase plans, 25 free counseling/therapy sessions, commuter benefits and more.

TESLA IS INVESTING IN THE COMMUNITY

Northern Nevada is home to our facility and our employees, and we are focused on making investments in the community in the following areas:

- **Housing:** Tesla is committed to working with leading local developers on agreements to accelerate hundreds of incremental workforce housing units across the northern Nevada region.
- **Transportation:** Gigafactory Nevada operates shuttle and vanpool services to TRI-Center for over 4,000 employees daily from Reno, Sparks, Fernley, Fallon, and Carson City. Tesla is taking this further by piloting new carpool options where employees can carpool together with a Tesla vehicle at no cost to them. We will continue to work with our vendors on new ways to reduce transportation emissions and congestion on I-80, while increasing quality of life for our team members.
- **Education:** Over the past five years, Tesla has invested \$37.5M into K-12 education, supporting the acceleration of robotics and sustainability programs across our state. Tesla will continue to invest in K-12 education in Nevada, with a goal to continue supporting hundreds of robotics teams, building additional K-12 robotics labs across the state, hosting hundreds of teachers for tours/externships at Gigafactory Nevada, and hiring over 50 high school graduates every year through Tesla's Manufacturing Development Program.



- **Childcare:** Tesla is working with one of the top providers in the region to help open their first childcare facility at TRI-Center. This new facility will operate seven days per week with schedules that align to Gigafactory Nevada shifts, and offer discounted rates to Tesla employees.

Tesla recognizes its role in the community and the value of our partnership. We appreciate the opportunity to share more about our work in Nevada with you and your team.

* * * * *

We are hopeful this information provides a glimpse into who we are, why this increased commitment in the Silver State will be beneficial to both Nevada and Tesla, and reflect the strength of our continued partnership in advancing and diversifying Nevada's economy.

If you would like additional information or prefer to discuss the details of our application, please do not hesitate to reach out directly.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Chris Reilly', is located below the 'Sincerely,' text.

Chris Reilly
Policy and Business Development

Attachments



STOREY COUNTY COMMISSIONERS' OFFICE

Storey County Courthouse
26 South "B" Street
P.O. Box 176 Virginia City, Nevada 89440
Phone: 775.847.0968 - Fax: 775.847.0949
commissioners@storeycounty.org

Jay Carmona, Chair
Clay Mitchell, Vice-Chair
Lance Gilman, Commissioner

Austin Osborne, County Manager

February 21, 2023

Governor's Office of Economic Development
555 E. Washington Ave, # 5400
Las Vegas, Nevada 89101

Re: GOED Tesla "Gigafactory-2" SB1 Abatement Application for McCarran, Storey County, NV

GOED Board of Directors:

On or about January 31, 2023, Storey County received a letter from the Governor's Office of Economic Development (GOED) requesting from Storey County a "Letter of Acknowledgement regarding Tesla, Inc.'s application to the Governor's Office of Economic Development for Sales & Use Tax Abatement, Modified Business Tax Abatement, Real and Personal Property Tax Abatement for their operations planned in Storey County." See enclosed letter.

We appreciate the positive economic impacts and career opportunities that Tesla has brought to northern Nevada. According to GOED, Gigafactory-1 has contributed \$65 million annual indirect sales tax revenues to the Reno-Sparks area, and it has increased area annual household income, significantly increased assessed property valuation and taxable sales, and has caused increased skills and wages with advanced manufacturing, energy, and technology jobs in the region. Positive economic impacts are expected to continue in northern Nevada from Gigafactory activity.

Storey County resources will be needed to provide staffing, fire and EMS, law enforcement, equipment, and major infrastructure to meet demands of Gigafactories 1 and 2. Gigafactory-1 property tax abatements, set to expire at the end of 2024 and be directed to Storey County as established by the State of Nevada in 2014, will be considered in determining the county's ability to respond to, support, and cooperate with Gigafactory-2 development.

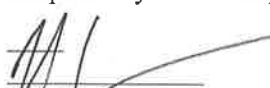
Storey County, enduring nearly 10-years of 100% tax abatements from Gigafactory-1, may need to rely on anticipated post-abatement property tax revenues, and potentially other revenues, from the first factory to meet the infrastructure and public safety needs of both factories, and provide other critical public service needs in the county for which it is responsible.

Nevertheless, Storey County is poised to accept and respond to the needs of a second Gigafactory and continue its positive working relationship with the Tesla team.


The tax abatement application under NRS 360 is subject to approval by the GOED board, and GOED's letter invites Storey County to speak on the application at the "public comment" portion of the March 2, 2023, GOED board meeting. GOED informed us this means at the beginning and end of the overall GOED board meeting agenda, not at the subject item itself.

To further Storey County's ability to prepare and be a partner in this process, we request that Storey County is invited to participate in discussions with the GOED board during its March 2 meeting on the subject agenda item(s). We also request that the Storey County Manager and/or Board Chairman be included in written and verbal discussions about the application materials thenceforth.

Respectfully submitted,


Jay Carmona
Commission Chairman


Clay Mitchell
Commission Vice-Chairman


Lance Gilman
Commissioner

C.c.: Joe Lombardo, Governor
Tom Burns, GOED Executive Director



A Forward Commitment to Provide Early Childhood Education and Quality Care for the Tesla Workforce and Businesses within the Tahoe Reno Industrial Park

**SMALL
STRIDES**

Small Strides is a privately owned 4-star rated Preschool through the NV Quality Rating and Improvement System (QRIS). Small Strides was founded in 2008 by Ryan Putzer.

Ms. Putzer has a B.S. in Business Administration from the University of Nevada, Reno with a minor in Early Childhood Education. She is ranked in the top 25% of Preschool Directors in the state of Nevada and is one of the top ranked Infant Toddler Directors¹. Moreover, she was an early adopter of the Quality Rating Improvement process in Northern Nevada.

Small Strides is excited to announce their expansion of operations to the Tahoe Reno Industrial Center. Small Strides at TRIC will provide quality care and education to children ages 6 weeks to 6 years old. Small Strides at TRIC will operate on a 7 day per week schedule, with expanded hours to meet the needs of Tesla and other innovative companies at TRIC.

Visit smallstridespreschool.com to get on the interest list and to see everything Small Strides has to offer.

¹ According to a Children's Cabinet report in 2018. <https://www.childrencabinet.org/2018-nevada-early-education-and-child-care-fact-sheet/>



University of Nevada, Reno

Brian Sandoval
President

February 17, 2023

Thomas Burns
Executive Director
Governor's Office of Economic Development
555 E. Washington Ave, # 5400
Las Vegas, NV 89101

Dear Director Burns and Board Members:

The University of Nevada, Reno is excited to support the growth of the Tesla operations in the region, which will continue to provide opportunities for Nevadans to pursue careers in the electric vehicle and battery technology fields. Tesla's operations provide a diversity of career pathways and have significantly expanded options for residents, students, and graduates to pursue careers in engineering, manufacturing, operational and automation technology, and other multi-skilled roles related to the Gigafactory.

Tesla has transformed the community, through investments and job creation, and we appreciate the partnerships provided to the University and the Nevada System of Higher Education. Their growth is creating many opportunities for students and graduates to learn new skills, to receive on-the-job training, and to develop an understanding of the roles and career possibilities that exist in the EV and Battery Tech industries.

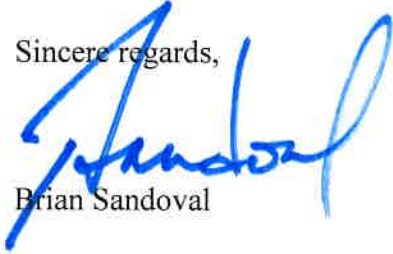
Tesla's current and future need for engineering and manufacturing talent will ensure a long-term, mutually beneficial collaboration with our College of Engineering, which is committed to "Train engineers to make a world of difference every day." This mission aligns perfectly with Tesla's commitment to accelerating the world's transition to sustainable energy.

Tesla's support for K-12 education has, and will continue to build an interest in STEM education throughout the community, and has inspired youth to pursue courses, certificates, and degrees that will feed into continuing education in STEM based fields, or employment. They have raised the awareness of advanced manufacturing, clean technology, and battery technology as career pathways for our younger population, who will become the engineers and innovators of the future.

Office of the President
Clark Administration, Room 201
University of Nevada, Reno/0001
Reno, Nevada 89557-0001
(775) 784-4805
brian@unr.edu
www.unr.edu/president

We are grateful that Tesla has chosen to make an additional investment in our state and we look forward to expanding our partnership as their presence in the region grows. We wholeheartedly support Tesla's application for assistance from the Governor's Office of Economic Development and the State of Nevada.

Sincere regards,

A handwritten signature in blue ink, appearing to read "Sandoval", is written over the typed name. The signature is fluid and cursive, with a large initial 'S'.

Brian Sandoval



Geoffrey Donahue
Executive Director
My Ride To Work
1416 Gentry Way
Reno, NV 89502

February 23, 2023

Thomas Burns
Executive Director
Governor's Office of Economic Development
555 E. Washington Ave, # 5400
Las Vegas, NV 89101

Dear Director Burns and Board Members:

We are writing in support of the Tesla expansion and their decision to build their Semi-Trucks in Northern Nevada, as well as the addition of a battery manufacturing operation. As a trusted vendor, we have had the privilege of supporting Tesla and Panasonic's employee transportation needs since 2015.

My Ride To Work has collaborated with the leadership teams of Tesla and Panasonic to design and develop a system to transport thousands of employees to the Tahoe Industrial Center from a variety of locations within a 100-mile radius of the Reno-Sparks metro area. This effort has helped both Tesla and Panasonic with their talent recruitment and retention and has presented an amazing opportunity for My Ride To Work to grow our business and create innovative solutions for other large employers.

This project with Tesla and Panasonic has removed an estimated 4000 cars from the highly travelled highway and has contributed to the reduction of an estimated 100K+ metric tons of Co2 since its inception. In addition, this partnership has allowed us to provide transportation to students to ACE High School, an important Charter School focused on Career and Technical education.

Tesla and Panasonic have not only driven industry diversification in the community and contributed to the creation of higher wage jobs in a variety of cutting-edge occupations, but they have also made a significant impact on suppliers and vendors like My Ride To Work who have greatly benefited from their presence, growth, and investment in our products and services. From coffee to concrete, operations maintenance to professional services, from cleaning services to transportation solutions, the ripple effect of their choice to locate here is broad reaching and will only continue to grow with this announcement.

We thank you for your consideration of their application for assistance from the State of Nevada to build on the great foundation that Tesla and Panasonic have established in Storey County, and we look forward to continuing to support this growth and success.

Sincerely,

Geoffrey Donahue
Executive Director
My Ride to Work, LLC



February 24th, 2023

Thomas J. Burns
Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington Avenue
Suite 5400
Las Vegas, NV 89101

RE: LETTER DESIGNATING CONFIDENTIAL ITEMS IN LEAD PARTICIPANT APPLICATION

Dear Director Burns,

Enclosed with this letter is the application to the State of Nevada Governor's Office of Economic Development (the "Office"), as required under Section 11 of S.B. No. 1 (2014 Special Session) (referred to herein as the "Act"), for certain incentives related to Tesla, Inc. proposed project to be developed in Storey County, Nevada (the "Project").

The purpose of this letter is to request that certain items of information as part of that application be deemed "a trade secret or other confidential proprietary information" pursuant to subsection 7 of Section 12 of the Act.

Tesla, Inc. deems the following information confidential:

1. The detailed schedule of operational employment labor and wages designated "Schedule D - Employment Schedule".
2. The detailed schedule of construction labor employment and wages designated "Schedule E – Construction Employment Schedule".

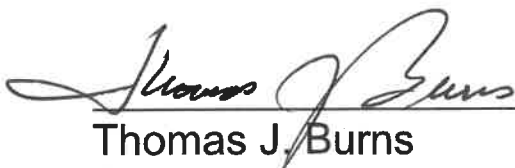
Thank you for your consideration. If you have any questions or require any further information, please do not hesitate to contact me.

Sincerely,

Chris Reilly
Policy & Business Development
Tesla, Inc.

REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to Senate Bill No. 1 - 28th (2014) Special Session of the Nevada Legislature, and upon request of the Lead Participant to this application, the Executive Director of the Office has determined the "Tesla, Inc. Detailed Schedule of Construction Employment – Schedule E", included with this application, is confidential proprietary information of the business, is not a public record, and shall be redacted in its entirety from the copy of this application that is disclosed to the public.



Thomas J. Burns
Executive Director

2/24/23

Date

REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to Senate Bill No. 1 - 28th (2014) Special Session of the Nevada Legislature, and upon request of the Lead Participant to this application, the Executive Director of the Office has determined the "Tesla, Inc. Detailed Schedule of Operational Employment Labor and Wages – Schedule D", included with this application, is confidential proprietary information of the business, is not a public record, and shall be redacted in its entirety from the copy of this application that is disclosed to the public.



Thomas J. Burns
Executive Director

2/24/23
Date

ECONOMIC DEVELOPMENT

Application pursuant to S.B. 1 No. 1 (2014 Special Session)

Company is an / a: (check one)

Company Name: Tesla, Inc.
 Date of Application: January 24, 2023

New Business in Nevada
 Expansion of Existing Nevada company

Section 1 - Type of Incentives

Please check all that the company is applying for on this application:

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Sales & Use Tax Abatement | <input checked="" type="checkbox"/> Real Property Tax Abatement | <input checked="" type="checkbox"/> Economic Diversification District ³ |
| <input checked="" type="checkbox"/> Modified Business Tax Abatement | <input type="checkbox"/> Economic Development Rate Rider (EDRR) ¹ | |
| <input checked="" type="checkbox"/> Personal Property Tax Abatement | <input type="checkbox"/> Transferable Tax Credits ² | |

¹ The EDRR program requires pre-approval authorization prior to application, is subject to program funding limitations, and may not be available for all applicants.

² The transferable tax credit program requires a minimum investment of \$3.5 billion over a ten year period.

³ Formation of an Economic Diversification District can only be completed through separate application to governing body of sponsoring municipality. Checked box is for information only.

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada) Tesla, Inc.		FEDERAL TAX ID # 91-2197729	
CORPORATE ADDRESS TO RECEIVE DOCUMENTS 1 Electric Avenue	CITY / TOWN Sparks	STATE / PROVINCE Nevada	ZIP 89437
TELEPHONE NUMBER (650) 681-5100	WEBSITE www.tesla.com		
COMPANY CONTACT NAME Chris Reilly	COMPANY CONTACT TITLE Business Development and Policy		
E-MAIL ADDRESS creilly@tesla.com	PREFERRED PHONE NUMBER (650) 681-5100		

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development? Yes No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

Tesla, Inc. SB 1 Approval October 17th, 2014

Section 3 - Nevada Facility

Type of Facility:

- | | |
|--|---|
| <input type="checkbox"/> Headquarters | <input type="checkbox"/> Service Provider |
| <input checked="" type="checkbox"/> Technology | <input checked="" type="checkbox"/> Distribution / Warehouse / Logistic |
| <input type="checkbox"/> Back Office Operations | <input checked="" type="checkbox"/> Manufacturing |
| <input checked="" type="checkbox"/> Research & Development / Intellectual Property | <input type="checkbox"/> Other: _____ |

PERCENT OF COMPANY'S MARKET OUTSIDE OF NEVADA over 90%	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) Jan-2023
NAICS CODE / SIC 335910	INDUSTRY TYPE Battery Manufacturing

DESCRIPTION OF COMPANY'S NEVADA OPERATIONS (COMPANY DECK IS ACCEPTABLE)

At Gigafactory Nevada, Tesla produces battery packs, battery modules, and drive units for our electric vehicles, as well as our energy storage products. Tesla has vehicle sales, service, charging and delivery operations, energy sales, and customer support throughout the state.

PROPOSED / ACTUAL NEVADA ADDRESS (Must be within designated project site) 1 Electric Avenue	CITY / TOWN Sparks	COUNTY Storey County	ZIP 89437
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WHAT OTHER STATES / REGIONS / CITIES ARE BEING, WERE CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?

Austin, Texas and multiple locations in California

Section 4 - Site Selection Factors

Please rate the following in order of importance to the company's business (1 = very low; 5 = very high):

Availability of qualified workforce: <u>4</u>	Utility infrastructure: <u>5</u>	State and local tax structure: <u>5</u>
Labor costs: <u>5</u>	Utility costs: <u>5</u>	State and local incentives: <u>5</u>
Real estate availability: <u>4</u>	Transportation infrastructure: <u>5</u>	Business permitting & regulatory structure: <u>5</u>
Real estate costs: <u>4</u>	Transportation costs: <u>3</u>	Access to higher education resources: <u>3</u>

OTHER FACTORS & RATINGS (N.A. IF INCLUDED IN PARTICIPANT LETTER)

NA

Section 5 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, *not both*.)

NEW OPERATIONS / STARTUP	EXPANSIONS
<p>Part 1. ARE YOU CURRENTLY / PLANNING ON LEASING SPACE IN NV? _____ <i>If No, skip to Part 2. If Yes, continue below:</i> What year(s)? _____ How much space (sq. ft.)? _____ Annual lease cost of space: _____ Do you plan on making building tenant improvements? _____ <i>If No, skip to Part 2. If Yes *, continue below:</i> When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. ARE YOU CURRENTLY / PLANNING ON BUYING OR BUILDING AN OWNER-OCCUPIED FACILITY IN NV? _____ <i>If Yes *:</i> 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.)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>* Please complete Section 6 - Capital Investment for New Operations / Startup. (Can be replaced by a completed Capital Investment form.)</p>	<p>Part 1. ARE YOU CURRENTLY LEASING SPACE IN NV? _____ <i>If No, skip to Part 2. If Yes, continue below:</i> What year(s)? _____ How much space (sq. ft.)? _____ Annual lease cost at current space: _____ Due to expansion, will you lease additional space? _____ <i>If No, skip to Part 3. If Yes, continue below:</i> Expanding at the current facility or a new facility? _____ What year(s)? _____ How much expanded space (sq. ft.)? _____ Annual lease cost of expanded space: _____ Do you plan on making building tenant improvements? _____ <i>If No, skip to Part 3. If Yes *, continue below:</i> When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. ARE YOU CURRENTLY OPERATING AT AN OWNER-OCCUPIED BUILDING IN NV? <u>Yes</u> <i>If No, skip to Part 3. If Yes, continue below:</i> How much space (sq. ft.)? <u>5.4M</u> Current assessed value of real property? <u>\$201,978,816</u> Due to expansion, will you be making building improvements? <u>Yes</u> <i>If No, skip to Part 3. If Yes *, continue below:</i> When to make improvements (month, year)? <u>May-2023</u></p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. DO YOU PLAN ON BUILDING OR BUYING A NEW FACILITY IN NV? <u>Yes</u> <i>If Yes *, continue below:</i> Purchase date, if buying (month, year): <u>N/A</u> When to break ground, if building (month, year)? <u>May-2023</u> Estimated completion date, if building (month, year): <u>May-2026</u> How much space (sq. ft.)? <u>4M</u></p> <hr style="border-top: 1px dashed black;"/> <p>* Please complete Section 6 - Capital Investment for Expansions below.</p>

Section 6 - Capital Investment (Fill in either New Operations/Startup or Expansion, *not both*.)

NEW OPERATIONS / STARTUP	EXPANSIONS
<p>HOW MUCH CAPITAL INVESTMENT IS PLANNED? (Breakout below):</p> <p style="text-align: right;">Land: _____</p> <p style="text-align: right;">Building Purchase (if buying): _____</p> <p style="text-align: right;">Building Hard Costs (if building / making improvements): _____</p> <p style="text-align: right;">Equipment Cost: _____</p> <p style="text-align: right;">Total: _____</p>	<p>HOW MUCH CAPITAL INVESTMENT IS PLANNED? (Breakout below):</p> <p style="text-align: right;">Land: <u>N/A</u></p> <p style="text-align: right;">Building Purchase (if buying): <u>N/A</u></p> <p style="text-align: right;">Building Hard Costs (if building / making improvements): <u>\$1,600,000,000</u></p> <p style="text-align: right;">Equipment Cost: <u>\$2,000,000,000</u></p> <p style="text-align: right;">Total: <u>\$3,600,000,000</u></p> <p style="text-align: right;">Is the equipment purchase for replacement of existing equipment? <u>No</u></p>

Section 7a - Operations Employment (Fill in either New Operations/Startup or Expansion, **not both**.)

NEW OPERATIONS / STARTUP	EXPANSIONS
How many qualified employees* are intended to be hired by the end of the allowable 10-year period?: _____ Average hourly wage of these employees: _____	How many qualified employees* are intended to be hired by the end of the allowable 10-year period?: <u>3,000</u> Average hourly wage of these <u>new</u> employees: <u>\$33.49</u> _____ _____ 7,000 *Tesla only- does not include any project participants How many full-time employees prior to expansion?: _____ Average hourly wage of these employees: <u>\$31.44</u> _____ _____ 10,000 *Tesla only - does not include any project participants Total number of employees after expansion: _____

* A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 hours per week, is offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that are projected to apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Overtime | <input checked="" type="checkbox"/> Merit increases |
| <input checked="" type="checkbox"/> PTO / Sick / Vacation | <input checked="" type="checkbox"/> COLA adjustments |
| <input checked="" type="checkbox"/> Bonus | <input checked="" type="checkbox"/> Tuition assistance |
| <input checked="" type="checkbox"/> Retirement Plan / Profit Sharing / 401(k) | <input type="checkbox"/> Other: _____ |

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

Attached

Section 7b - Construction Employment

GENERAL CONTRACTOR	SUBCONTRACTORS & OTHERS
How many employees are intended to be hired _____ 4,200 person years equivalent on-site (combined GC+Sub) by the end of the allowable 10-year period?: _____ Average hourly wage of these employees: <u>Dependant on contractor</u>	How many employees are intended to be hired _____ 4,200 person years equivalent on-site (combined GC+Sub) by the end of the allowable 10-year period?: _____ Average hourly wage of these employees: <u>Dependant on contractor</u>

* Each Construction Employer engaged in the construction at the Qualified project must offer a plan of health insurance to each construction employee employed at the Qualified project.

OTHER COMPENSATION (Check all that are projected to apply):

- | | |
|--|---|
| <input type="checkbox"/> Overtime | <input type="checkbox"/> Merit increases |
| <input type="checkbox"/> PTO / Sick / Vacation | <input type="checkbox"/> COLA adjustments |
| <input type="checkbox"/> Bonus | <input type="checkbox"/> Tuition assistance |
| <input type="checkbox"/> Retirement Plan / Profit Sharing / 401(k) | <input type="checkbox"/> Other: _____ |

This information will vary by contractor.

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

Section 8a - Operations Employee Health Insurance Benefit Program

Is health insurance for employees and an option for dependents offered?: Yes (copy of benefit plan must be **attached**)

Package includes (check all that are projected to 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):

\$9,900

PERCENTAGE OF HEALTH INSURANCE COVERAGE:

By Company: 91% By Employee: 9%

Section 8b - Construction Employee Health Insurance Benefit Program

Is health insurance for employees and an option for dependents offered?: Yes (copy of benefit plan must be attached) No

Package includes (check all that are projected to apply):

This information will vary by contractor.

Medical Vision Dental

Other: _____

Qualified after (check one):

This information will vary by contractor.

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:

By Company:

By Employee:

Section 9 - Certification

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned Lead Participant. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

If this application is approved, the Lead Participant will monitor and update the material information related to Participants, job creation and capital investment as needed to ensure the Lead Participant remains eligible for the incentives granted.

Being the Lead Participant, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations:

Chris Reilly

Name of person authorized for signature



Signature

Business Development and Policy

Title

January 24, 2023

Date

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

C - Description of the Nevada Facility's Location

Lead Participant: Tesla, Inc.

County: Storey

Directions: A detailed description of the location of the project, including a precise description of the geographic boundaries of the project site. An acceptable description is in the form of a registered professional land surveyor drawing and legal description stamped by a Nevada licensed engineer. This description can be used for purposes related to the creation of an economic diversification district by the governing body of a participating municipality. With pre-approval from the Office, an alternative facility location description will be considered provided it includes the necessary information.

Tesla's Semi factory and 4680 cell factory will be built on the 3,190.41 acres owned by Tesla and the 600,000+ sq ft of space leased by Tesla at 550 Milan Drive. See Addendum for additional survey detail, boundary lines, and rendering of the future factory expansion.

EXPAND AS NECESSARY OR CAN BE REPLACED BY SEPARATE DOCUMENT