

Board Summary

Sephora USA, Inc.
 531 Chelsea Drive, Perryman, MD 21130
 Jeff Ritacco, Vice President
 Warehouse and Distribution Center

Date: May 17, 2018
 Main Location: Carson City

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

APPLICATION HIGHLIGHTS

- Sephora USA, Inc. is considering opening a 715,000 square foot facility in southern Nevada.
- The proposed project will be a new regional distribution center shipping products to stores and customers located in 11 western states.
- In March 2018, FastCompany named Sephora USA, Inc. to the number 36 spot (of 50) on their list of 'World's Most Innovative Companies', citing its expanded offering of broadly diverse and inclusive product lines.

PROFILE

Sephora USA, Inc. is a French chain of cosmetics stores founded in 1969. Featuring nearly 300 brands, along with its own private label, Sephora offers beauty products including makeup, skincare, body, fragrance, nail color, and haircare. Sephora is owned by luxury conglomerate Moët Hennessy Louis Vuitton as of 1997. Sephora USA, Inc. operates approximately 1,900 locations in 33 countries worldwide, with an expanding base of over 430 stores across the Americas. The company also has 590 Sephora locations in JCPenney stores across the US. In addition to the company's number of stores, Sephora offers its products for sale on its website. The U.S. website launched in 1999, and the Canadian version followed in 2003. The Sephora Americas headquarters and Innovation Lab are located in San Francisco, with corporate offices in New York, Mexico City, Montreal, Toronto and São Paulo. Sephora's sustainable development initiatives were recognized in December 2015. The company received the Sustainable Brand label, as well as the 2015 R Award for eco-design by the Génération Responsible association. Global Cosmetic News reported that Sephora's newly launched display cases have a 30% lighter metal frame that will reduce CO2 emissions by 220 metric tons. *Source: Sephora USA, Inc.*

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

Recent strategic planning has Sephora USA, Inc. considering creating a presence in Nevada. A significant factor in the decision making process is the economic incentives offered by the State. Sephora USA, Inc. has evaluated multiple locations throughout the western states and ultimately, after much due diligence and economic feasibility analysis, Nevada is being considered for its overall incentive package and pro business climate. *Source: Sephora USA, Inc.*

REQUIREMENTS	Statutory	Application	Sufficient	% Over / Under
Job Creation	50	60		20%
Average Wage	\$21.95	\$24.05	Company meets	10%
Equipment Capex (SU & MBT)	\$1,000,000	\$36,000,000	abatement eligibility	3500%
Equipment Capex (PP)	\$1,000,000	\$36,000,000	requirements	3500%

INCENTIVES	Requested Terms	Estimated \$ Amount
Sales Tax Abmt.	2% for 2 years	\$2,250,000
Modified Business Tax Abmt.	50% for 4 years	\$190,695
Personal Property Tax Abmt.	50% for 10 years	\$688,013
Total		\$3,128,708

NEVADA BUSINESS LICENSE

Current Pending Will comply before receiving incentives

JOB CREATION	Contracted	24-Month Projection	5-Year Projection
	50	60	460

OTHER CAPITAL INVESTMENT	Land	Building Purchase	BTS / Building Improvements
	\$9,900,000	\$0	\$56,300,000

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)	Total	Construction
Total Jobs Supported	690	563
Total Payroll Supported	\$191,517,409	\$25,765,910
Total Output Estimate	\$522,401,928	\$88,801,893

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

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)	Direct	Indirect	Total
Local Taxes			
Property	\$7,241,562	\$9,065,971	\$16,307,533
Sales	\$2,287,188	\$3,485,542	\$5,772,730
Lodging	\$0	\$379,598	\$379,598
State Taxes			
Property	\$396,070	\$527,879	\$923,949
Sales	\$1,451,900	\$1,187,408	\$2,639,308
Modified Business	\$1,465,966	\$892,956	\$2,358,922
Lodging	\$0	\$128,114	\$128,114
Total	\$12,842,686	\$15,667,468	\$28,510,154

EMPLOYEE BENEFITS

- Percentage of health insurance covered by company: 75%.
- Health care package cost per employee - \$6,000 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Merit Increases, Retirement Plan / Profit Sharing / 401(k).

NOTES

- Percentage of revenue generated by the new jobs contained in this application from outside Nevada: 97%.
- The company is also considering Fresno, California as a potential location.



April 18, 2018

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

Dear Mr. Anderson:

Sephora USA is applying to the State of Nevada for tax abatement incentives to include the Sales and Use Tax Abatement, Personal Property Tax Abatement and Modified Business Tax Abatement. We request that Sephora USA be placed on the agenda for the May 17, 2018 GOED Board meeting.

Sephora USA will hire 60 new employees in the first 24 months of operations, making an average hourly wage of \$24.05. The company will make a capital investment of \$37,000,000 dollars in equipment.

The Las Vegas Global Economic Alliance has reviewed Sephora USA's application and found it to be in compliance to receive incentive abatements. Sephora USA has the full support and endorsement of the Las Vegas Global Economic Alliance.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Walsh", is written in a cursive style.

Michael Walsh
VP Economic Development



SEPHORA

531 Chelsea Road
Perryman, MD 21130

April 2, 2018

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

Dear Mr. Anderson:

By way of this letter and the attached application, Sephora USA, Inc. is requesting tax incentives to assist with our planned operation in the state of Nevada. Recent strategic planning has the company focused on creating a presence in Nevada. A big part of this consideration is the economic incentives offered by the State. An evaluation of our long-term operating costs has shown that we will have higher operating costs in Nevada without incentives than we expect to have in a feasible alternative location in Fresno, California. We anticipate hiring 60 full-time employees at an average wage of \$24.05 in the first two years of operations. Over a 5-year period, employment is expected to reach a total of 400 new jobs.

Sephora USA, Inc. is a privately-held global luxury consumer products company. The Company has about 3,000 worldwide employees among 1,900 locations in 29 countries. During 2017, the Company generated approximately \$827 million in gross revenue. A brief history of our company along with an overview of our products is attached.

The economic development incentives offered by the State of Nevada will be an integral factor in our decision making process to locate our operation here in the state. Sephora USA, Inc. was evaluating multiple locations throughout the western states and ultimately, after much due diligence and economic feasibility analysis, Nevada was chosen for its overall incentive package and pro business climate. We are considering opening a ~715,000 sq. ft. facility by July 2019.

Our experience with 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 to locate in your state. If you have any questions, please feel free to call me.

Thank you for your time and consideration.

Sincerely,

Jeff Ritacco
Vice President
Enclosures.

Mayor
John J. Lee

Acting City Manager
Ryann Juden

Council Members
Isaac E. Barron
Pamela A. Goynes-Brown
Scott Black
Richard J. Cherchio



Your Community of Choice

Office of the Mayor and City Council

2250 Las Vegas Boulevard, North · Suite 910 · North Las Vegas, Nevada 89030
Telephone: (702) 633-1007 · Fax: (702) 649-1302 ·

March 21, 2018

John Lenio
Executive Vice President
CBRE | Advisory & Transaction Services
2575 E. Camelback Road, Suite 500
Phoenix, AZ 85016

Dear Mr. Lenio,

As Mayor of North Las Vegas, it is with great pleasure that I offer my full support to you and your client Project Aspen. The City of North Las Vegas, our development community and City staff are all well positioned to meet your client's needs and operational timeline.

North Las Vegas would be honored to have your client's regional distribution center at the Speedway Industrial Park as well as create 400 new employment opportunities for our community.

Project Aspen would greatly impact our community and with the support of my office, City Council and City development staff, we welcome any and all opportunities to interact with you and your clients to co-create a future together and welcome you to North Las Vegas.

If I can ever be of assistance to you, please do not hesitate to call my office at (702) 633-1007.

Sincerely,

John J. Lee
Mayor

A handwritten signature in blue ink, appearing to read "John J. Lee", is written over the typed name and title.



SEPHORA

531 Chelsea Road
Perryman, MD 21130

Mr. Paul Anderson
Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington 808 W. Nye Lane
Carson City, NV 89703

RE: REQUEST FOR CONFIDENTIALITY OF RECORDS AND DOCUMENTS

Dear Director Anderson:

On 3/30/2018, Sephora USA, Inc. submitted an application to you as the Executive Director of the State of Nevada Governor's Office of Economic Development ("GOED") requesting approval of economic incentives for their new operation in Nevada. The purpose of this letter is to request confidentiality pursuant to Section 4 of Assembly Bill No. 17 (2015 Regular Session) as codified in NRS 231.069.

Please be advised Sephora specifically deems the following information proprietary and confidential:

- 1) The detailed schedule of Employment List
- 2) The detailed schedule of Capital Equipment List

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

Very truly yours,

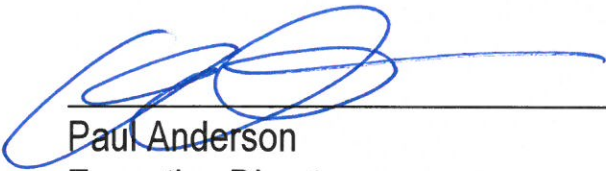
Jeff Ritacco
VP of Logistics – Sephora USA, Inc.
jeff.ritacco@sephora.com
651-216-68959

REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to NRS 231.069, and upon the request of applicant Sephora USA, Inc. the Executive Director of the Office has determined the:

- (i) The detailed schedule of Capital Equipment List, 5(A)
- (ii) The detailed schedule of Employment List, 5(B)

are confidential proprietary information of the business, are not public records, and shall be redacted in its entirety from the copy of the application that is disclosed to the public.



Paul Anderson
Executive Director

4/20/2018

Date

ECONOMIC DEVELOPMENT

Incentive Application

Company Name: Sephora USA, Inc.
 Date of Application: April 2, 2018

Company is an / a: (check one)
 New location in Nevada
 Expansion of a Nevada company

Section 1 - Type of Incentives

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

- Sales & Use Tax Abatement
- Modified Business Tax Abatement
- Personal Property Tax Abatement
- Sales & Use Tax Deferral
- Recycling Real Property Tax Abatement
- Other: _____

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada) <u>Sephora USA, Inc.</u>		FEDERAL TAX ID # <u>94-3322407</u>	
CORPORATE ADDRESS <u>531 Chelsea Drive</u>	CITY / TOWN <u>Perryman</u>	STATE / PROVINCE <u>MD</u>	ZIP <u>21130</u>
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)	CITY / TOWN	STATE / PROVINCE	ZIP
TELEPHONE NUMBER <u>410-273-3841</u>	WEBSITE <u>www.sephora.com</u>		
COMPANY CONTACT NAME <u>Jeff Ritacco</u>	COMPANY CONTACT TITLE <u>Vice President</u>		
E-MAIL ADDRESS <u>jeff.ritacco@sephora.com</u>	PREFERRED PHONE NUMBER <u>651-216-6895</u>		

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):

Section 3 - Program Requirements

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).

Section 4 - Nevada Facility

Type of Facility:

- Headquarters
- Technology
- Back Office Operations
- Research & Development / Intellectual Property
- Service Provider
- Distribution / Fulfillment
- Manufacturing
- Other: _____

PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA <u>97%</u>	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) <u>Jan-2019</u>
NAICS CODE / SIC <u>Operations: NAICS 424</u>	INDUSTRY TYPE <u>Merchant Wholesalers</u>

DESCRIPTION OF COMPANY'S NEVADA OPERATIONS
 The Company currently operates 5 retail stores and no distribution centers in the State of Nevada. The proposed project will be a new regional distribution center shipping products to stores and customers located in 11 western states. These states include Washington, Oregon, California, Nevada, Arizona, Idaho, Montana, Wyoming, Utah, Colorado, and New Mexico.

PROPOSED / ACTUAL NEVADA FACILITY ADDRESS <u>Vacant land located south of I-215 and I-15</u>	CITY / TOWN <u>North Las Vegas</u>	COUNTY <u>Clark County</u>	ZIP <u>TBD</u>
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WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?
 The Company is evaluating North Las Vegas and Fresno, California for the proposed distribution center. These communities were short listed because they minimize transportation costs to expected customers located in the 11 western states the facility is expected to service.

Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)

Check the applicable box when form has been completed.

- 5 (A) Equipment List
- 5 (B) Employment Schedule
- 5 (C) Evaluation of Health Plan, with supporting documents to show the employer paid portion of plan meets the minimum of 65%.

Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up - Plans Over the Next Ten Years	Expansions - Plans Over the Next 10 Years
<p>Part 1. Are you currently/planning on leasing space in Nevada? <u>Yes</u></p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p style="padding-left: 40px;">What year(s)? <u>2018</u></p> <p style="padding-left: 40px;">How much space (sq. ft.)? <u>715,000</u></p> <p style="padding-left: 40px;">Annual lease cost of space: <u>\$4,700,000.00</u></p> <p>Do you plan on making building tenant improvements? <u>Yes</u></p> <p>If No, skip to Part 2. If Yes *, continue below:</p> <p style="padding-left: 40px;">When to make improvements (month, year)? <u>Aug-2018</u></p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? <u>No</u></p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below: _____</p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? <u>Yes</u></p> <p>If Yes *, continue below:</p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? <u>Apr-2018</u></p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): <u>Jan-2019</u></p> <p style="padding-left: 40px;">How much space (sq. ft.)? <u>715,000</u></p>	<p>Part 1. Are you currently leasing space in Nevada? _____</p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p style="padding-left: 40px;">What year(s)? _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Annual lease cost at current space: _____</p> <p>Due to expansion, will you lease additional space? _____</p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p>Expanding at the current facility or a new facility? _____</p> <p style="padding-left: 40px;">What year(s)? _____</p> <p style="padding-left: 40px;">How much expanded space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p style="padding-left: 40px;">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 Nevada? _____</p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? _____</p> <p>If Yes *, continue below:</p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p>
<p>* Please complete Section 7 - Capital Investment for New Operations / Startup.</p>	<p>* Please complete Section 7 - Capital Investment for Expansions below.</p>

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

The Company engaged CBRE, Inc. to conduct an economic & fiscal impact study on the proposed construction of a ~715,000 square foot distribution center. The facility is expected to cost approximately \$56.3 million to construct between April 2018 and January 2019. The planned construction activity is expected to generate 522 construction & support jobs with a total payroll of \$32.9 million. Total economic activity (or GDP) is estimated at almost \$98.5 million with approximately \$38.7 million in retail sales during the construction period. The State of Nevada is estimated to collect approximately \$3.1 million in new tax revenues. Clark County is expected to collect \$1.0 million in new tax revenues. The City of North Las Vegas will have a significant tax revenue benefit once the facility is fully operational.

Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up	Expansions
How much capital investment is planned? (Breakout below):	How much capital investment is planned? (Breakout below):
Building Purchase (if buying): <u> \$0 </u>	Building Purchase (if buying): <u> </u>
Building Costs (if building / making improvements): <u> \$56,300,000 </u>	Building Costs (if building / making improvements): <u> </u>
Land: <u> \$9,900,000 </u>	Land: <u> </u>
Equipment Cost: <u> \$36,000,000 </u>	Equipment Cost: <u> </u>
Total: <u> \$100,200,000 </u>	Total: <u> </u>
	Is the equipment purchase for replacement of existing equipment? <u> </u>
	Current assessed value of personal property in NV: <u> </u>
	(Must attach the most recent assessment from the County Assessor's Office.)

Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up	Expansions
How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: <u> 60 </u>	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: <u> </u>
Average hourly wage of these <u>new</u> employees: <u> \$24.05 </u>	Average hourly wage of these <u>new</u> employees: <u> </u>
	How many FTE employees prior to expansion?: <u> </u>
	Average hourly wage of these <u>existing</u> employees: <u> </u>
	Total number of employees after expansion: <u> </u>

* FTE represents a permanent employee who works an average of 30 hours per week or more, 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 apply):

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

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

Section 9 - 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 apply):

<input checked="" type="checkbox"/> Medical	<input checked="" type="checkbox"/> Vision	<input checked="" type="checkbox"/> Dental	<input type="checkbox"/> Other: <u> </u>
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Qualified after (check one):

<input type="checkbox"/> Upon employment	<input checked="" type="checkbox"/> Three months after hire date	<input type="checkbox"/> Six months after hire date	<input type="checkbox"/> Other: <u> </u>
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Health Insurance Costs:	Percentage of health insurance coverage by (min 65%):
Cost of health insurance for company (annual amount per employee): <u> \$ 6,000.00 </u>	Company: <u> 75% </u>
Health Plan annual out-of-pocket maximum (individual): <u> \$ 1,500.00 </u>	Employee: <u> 25% </u>

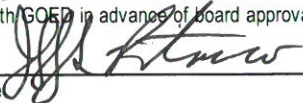
[SIGNATURE PAGE FOLLOWS]

Section 10 - 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 company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, 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. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Jeffrey L. Ritacco
Name of person authorized for signature


Signature

UP of Logistics - Sephora
Title

3/30/2018
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

Site Selection Factors

Company Name: Sephora USA, Inc.

County: Clark County

Section I - Site Selection Ratings

Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

Availability of qualified workforce:	<u>4</u>	Transportation infrastructure:	<u>5</u>
Labor costs:	<u>4</u>	Transportation costs:	<u>5</u>
Real estate availability:	<u>3</u>	State and local tax structure:	<u>2</u>
Real estate costs:	<u>3</u>	State and local incentives:	<u>2</u>
Utility infrastructure:	<u> </u>	Business permitting & regulatory structure:	<u>5</u>
Utility costs:	<u> </u>	Access to higher education resources:	<u> </u>

Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):

The Company engaged CBRE, Inc. to conduct an economic gap analysis which compares total operating & capital costs between North Las Vegas and Fresno. According to CBRE over a 10-year period, the gap analysis includes transportation costs, labor costs, construction costs, equipment costs, lease costs, sales taxes, real estate taxes, personal property taxes, and incentives. Over 10 years, the net present value of total costs in North Las Vegas are estimated at \$187.4 million. By comparison, total costs in Fresno are estimated at \$179.7 million. North Las Vegas has a \$7.7 million cost disadvantage compared to Fresno. The primary contributors to the cost disadvantage for North Las Vegas include higher transportation costs, higher sales taxes, higher real estate taxes, lower personal property taxes, and incentives available in California.

Overall, potential abatement of Nevada sales taxes, personal property taxes, and modified business taxes will help close some of the significant economic gap with a Fresno, California option.

Equipment Schedule, Detailed

The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Sephora USA, Inc., and is not a public record.

Employment Schedule, Detailed

The Office has determined the detailed employment schedule as described in this application constitutes confidential proprietary information of Sephora USA, Inc., and is not a public record.

5(C) Evaluation of Health Plans Offered by Companies

Company Name: Sephora USA, Inc. County: Clark County

Total Number of Full-Time Employees: 60

Average Hourly Wage per Employee \$24.05
 Average Annual Wage per Employee (implied) #####

Annual Cost of Health Insurance per Employee \$6,000.00
 Percentage of Cost Covered by:
 Company 75%
 Employee 25%

Health Plan Annual Out-of-Pocket Maximum \$1,500

Generalized Criteria for Essential Health Benefits (EHB)

[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]

Covered employee's premium not to exceed 9.5% of annual wage	4.0%	MMQ
Annual Out-of-Pocket Maximum not to exceed \$7,150 (2017)	\$1,500	MMQ

Minimum essential health benefits covered (Company offers PPO):

- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein are true, and that I have attached sufficient plan information highlighting where our plan reflects meeting the minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

Jeffrey L. Ritacco
 Name of person authorized for signature

UP of Logistics - Sephora
 Title

[Signature]
 Signature

3/30/2018
 Date

SECRETARY OF STATE



NEVADA STATE BUSINESS LICENSE

SEPHORA USA, INC.

Nevada Business Identification # NV20051615823

Expiration Date: September 30, 2018

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on April 10, 2018

Barbara K. Cegavske

Barbara K. Cegavske
Secretary of State

You may verify this license at www.nvsos.gov under the Nevada Business Search.

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