

## Local Bounti Corporation

490 Foley Lane, Hamilton, MT 59840

Laura Hann, Government and Community Affairs Manager

Date: December 2, 2021

### Application Facts:

Industry **Manufacturing**  
 NAICS **311991**  
 Type of App **New**  
 Location **Douglas County**  
 RDA **NNDA, Amy Miller**

### Company Profile

Local Bounti Corporation (Local Bounti) plans to establish a Controlled Environment Agriculture (CEA) facility in Douglas County. The project consists of an approximately 200,000 s.f. glass and steel greenhouse. The company utilizes sustainable agriculture techniques to grow fresh greens and herbs 365 days a year in its facilities, using 90% less water and land than traditional agriculture. The perfect environmental greenhouse conditions ensure the highest possible nutritional value and taste, and products are non-GMO and pesticide/herbicide free. Its sustainable, root-on living products result in less environmental impacts, carbon footprint, and waste. Local Bounti prides itself in being an engaged community partner and employer of choice. Its team takes pride in working with local organizations, schools and non-profits to provide education and training to new generations about the nutritional and environmental benefits of innovative indoor farming. The company also presents a new full-time, year round and indoor career option to many residents of small communities and rural areas. The company is also considering Colorado, Utah, and California as potential locations. *Source: Local Bounti Corporation*

### Tax Abatement Requirements:

	Statutory	Company Application	Meeting Requirements
Job Creation	10	65	Yes
Average Wage	\$26.67	\$26.69	Yes
Equipment Capex (SU & MBT)	\$250,000		Yes
Equipment Capex (PP)	\$1,000,000	\$10,478,987	Yes

### Additional Requirements:

Health Insurance	65%	80%	Yes
Revenues generated outside NV	51%	80%	Yes
Business License	<input type="checkbox"/> Current	<input type="checkbox"/> Pending	<input checked="" type="checkbox"/> Will comply

### Total Tax Liability (without tax abatements)

#### Direct (company)

\$1,691,408

#### Total

\$11,757,240

### Tax Abatements

#### Contract Terms

#### Estimated Tax Abatement

Sales Tax Abmt.	2% for 2 years	\$534,428
Modified Business Tax Abmt.	50% for 4 years	\$79,148
Personal Property Tax Abmt.	50% for 10 years	\$394,552

### Total Estimated Tax Abatement over 10 yrs.

\$1,008,128

### Net New Tax Revenues

#### Direct

#### Indirect

#### Taxes after Abatements

#### Local Taxes

Property	\$5,081,444	\$1,822,876	\$6,904,320
Sales	\$1,326,000	\$362,667	\$1,688,667
Lodging	\$0	\$110,626	\$110,626

#### State Taxes

Property	\$247,520	\$193,029	\$440,549
Sales	\$729,580	\$309,178	\$1,038,758
Modified Business	\$353,041	\$209,865	\$562,906
Lodging	\$0	\$3,286	\$3,286

### Total Estimated New Tax Revenue over 10 yrs.

\$10,749,112

### Economic Impact over 10 yrs.

#### Direct

#### Construction

#### Total

Total Jobs Supported	99	309	408
Total Payroll Supported	\$49,867,528	\$16,518,398	\$66,385,926
Total Economic Value	\$318,888,025	\$50,230,727	\$369,118,752

### IMPORTANT TERMS & INFORMATION

**Tax Abatements are reduction or discount of tax liability and companies do not receive any form of payment.**

**Total Estimated Tax Abatement** is a tax reduction estimate. 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.

October 7, 2021

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

Dear Mr. Brown

Northern Nevada Development Authority (NNDA) is pleased to provide this letter of support of Local Bounti application for the Sales Tax Abatement, the Modified Business Tax Abatement and the Personal Property Tax Abatement as stated on the attached expansion incentive application.

We have reviewed the application submitted by Local Bounti and we are working with them in support of their efforts to locate a new facility in Douglas County Nevada. The company will add 65 new jobs in the first two years with an average wage of \$26.69 per hour.

NNDA respectfully request this application be considered by the Governor's Office of Economic Development and be placed on the next available GOED Board agenda to review and action.

Best Regards,



Amy Miller  
Director of Business Development  
Northern Nevada Development Authority

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

November 3<sup>rd</sup>, 2021

Mr. Brown:

This letter is in regards to an Application for Incentives submitted to the Governor's Office of Economic Development ("GOED") by Local Bounti (the "Company"). Local Bounti is an innovative indoor farming technology company committed to providing local communities with access to the highest quality and freshest produce available. Using a combination of vertical and greenhouse growing methods, Local Bounti has implemented Controlled Environment Agriculture (CEA) technology to simulate ideal growing conditions for each crop. The Company's facilities are thoughtfully located to meet regional produce demands and reduce the transportation impacts and costs associated with traditional produce grown thousands of miles from consumers.

Local Bounti uses sustainable agriculture techniques to grow fresh greens and herbs 365 days a year in its facilities, using 90% less water and land than traditional agriculture. The Company's greenhouse conditions ensure the highest possible nutritional value and taste, and its products are non-GMO and pesticide/herbicide free. Its sustainable, root-on living products result in less overall environmental impact, carbon footprint, and waste.

The Company is headquartered in Hamilton, Montana and is now considering an expansion of its greenhouse operations in several markets across the Western United States. If Nevada is chosen for this project, the Company would serve markets throughout the state as well as neighboring states such as California, Utah, and Oregon. It is estimated that approximately 80% of this project's revenue would be derived from outside the State of Nevada.

This project involves the purchase of developable land and the construction of a 300,000 square foot greenhouse facility. Approximately 65 new employees would be hired at an average wage of approximately \$55,500 per year, plus benefits. Subject to identifying a suitable site for the project, conducting due diligence, and successfully navigating the process for obtaining economic development incentives, the Company would close on the land purchase by the end of 2021 and begin construction of the facility in Q1 2022, with the goal of being operational by the end of 2022.

Local Bounti is interested in further evaluating the State of Nevada due to its competitive tax and regulatory environment; however, the Company is requesting support from the State for this project in the form of economic development incentives to offset significant capital

investment and ongoing operational expenditures. In particular, the availability of personal property tax abatement, sales and use tax abatement, and a modified business tax abatement would assist the Company by defraying capital costs, allowing the Company to focus on workforce development and hiring professional talent to operate its facilities. Local Bounti considers the availability of such incentives to be material to its location decision, and respectfully requests the consideration and approval of these programs for the project.

Local Bounti prides itself in being an engaged community partner and employer of choice. Its team takes pride in working with local organizations, schools and non-profits to provide education and training to new generations about the nutritional and environmental benefits of innovative indoor farming. The Company also presents a refreshing new full-time, year round and indoor career option to many residents of small communities and rural areas as compared to traditional agriculture industry opportunities. Technicians receive benefits and are supported by technology in their work environment. Local Bounti further backs its commitment to its employees and the community by participating in a reportable Environmental, Social, and Governance (ESG) program with targets for each market in which it operates a grow facility.

Thank you for your consideration of our application for incentives. We look forward to learning more about the benefits of locating our next greenhouse facility in Nevada.

DocuSigned by:

*Kathleen Valiasek*

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11/12/2021

Kathleen Valiasek  
Chief Financial Officer  
Local Bounti

**ECONOMIC DEVELOPMENT**

**Incentive Application**

Company is an / a: (check one)

- New location in Nevada
- Expansion of a Nevada company

Company Name: Local Bounti Corporation

Date of Application: October 7, 2021

**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>Local Bounti Corporation</u>		FEDERAL TAX ID # <u>83-3686055</u>	
CORPORATE ADDRESS <u>490 Foley Lane</u>	CITY / TOWN <u>Hamilton</u>	STATE / PROVINCE <u>Montana</u>	ZIP <u>59840</u>
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)	CITY / TOWN	STATE / PROVINCE	ZIP
TELEPHONE NUMBER <u>406-361-3711</u>	WEBSITE <u><a href="https://localbounti.com">https://localbounti.com</a></u>		
COMPANY CONTACT NAME <u>Laura Hann</u>	COMPANY CONTACT TITLE <u>Government and Community Affairs Manager</u>		
E-MAIL ADDRESS <u><a href="mailto:lhann@localbounti.com">lhann@localbounti.com</a></u>	PREFERRED PHONE NUMBER <u>903-422-5639</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 in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase 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 both urban and rural 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 wage.

Note: Criteria is different depending on whether the business is in a county where the population is 100,000 or more or a city where the population is 60,000 or more "urban" area), or if the business is in a county where the population is less than 100,000 or a city where the 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: Agriculture

PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA <u>80%</u>	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) <u>Dec-2022</u>		
NAICS CODE / SIC <u>311991</u>	INDUSTRY TYPE <u>Agriculture</u>		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS <u>Controlled Environment Agriculture</u>			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS <u>Heybourne Road and Johnson Lane</u>	CITY / TOWN <u>Minden</u>	COUNTY <u>Douglas County</u>	ZIP <u>89423</u>
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? <u>Colorado, Utah, and California</u>			

**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%.
- 5 (D)  Company Information Form

**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>No</u></p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p>What year(s)? _____</p> <p>How much space (sq. ft.)? _____</p> <p>Annual lease cost of space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><b>If No, skip to Part 2. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p>	<p>Part 1. Are you currently leasing space in Nevada? _____</p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p>What year(s)? _____</p> <p>How much space (sq. ft.)? _____</p> <p>Annual lease cost at current space: _____</p> <p>Due to expansion, will you lease additional space? _____</p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p>Expanding at the current facility or a new facility? _____</p> <p>What year(s)? _____</p> <p>How much expanded space (sq. ft.)? _____</p> <p>Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p>
<p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? <u>No</u></p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>Purchase date, if buying (month, year): _____</p> <p>How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p>	<p>Part 2. Are you currently operating at an owner occupied building in Nevada? _____</p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p>How much space (sq. ft.)? _____</p> <p>Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p>
<p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? <u>Yes</u></p> <p><b>If Yes *, continue below:</b></p> <p>When to break ground, if building (month, year)? <u>Mar-2022</u></p> <p>Estimated completion date, if building (month, year): <u>Dec-2022</u></p> <p>How much space (sq. ft.)? <u>300,000</u></p>	<p>Part 3. Do you plan on building or buying a new facility in Nevada? _____</p> <p><b>If Yes *, continue below:</b></p> <p>Purchase date, if buying (month, year): _____</p> <p>When to break ground, if building (month, year)? _____</p> <p>Estimated completion date, if building (month, year): _____</p> <p>How much space (sq. ft.)? _____</p>
* Please complete Section 7 - Capital Investment for New Operations / Startup.	* Please complete Section 7 - Capital Investment for Expansions below.

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

The project consists of an approximately 200,000 s.f. glass and steel greenhouse that has 10 bays approximately 39' x 478' long. Each bay contains approximately 107,000 gallons of water. There will also be a 78K s.f. packhouse made from concrete tilt-up panes.

**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): _____
Building Costs (if building / making improvements): <u>  \$40,000,000  </u>	Building Costs (if building / making improvements): _____
Land: <u>  \$6,800,000  </u>	Land: _____
Equipment Cost: <u>  \$10,478,988  </u>	Equipment Cost: _____
<b>Total:</b> <u>  \$57,278,988  </u>	<b>Total:</b> _____
	Is the equipment purchase for replacement of existing equipment? _____
	Current assessed value of personal property in NV: _____
	(Must <b>attach</b> 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>    65    </u>	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: _____
Average hourly wage of these <u>new</u> employees: <u>  \$26.69  </u>	Average hourly wage of these <u>new</u> employees: _____
	How many FTE employees prior to expansion?: _____
	Average hourly wage of these <u>existing</u> employees: _____
	Total number of employees after expansion: _____

\* 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 type="checkbox"/> Other: _____ |

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 is an option for dependents offered?:  Yes (**attach health plan and quote or invoice**)  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: \_\_\_\_\_

Health Insurance Costs:	Percentage of health insurance premium by (min 65%):
Plan Type: <u>  \$2000 Deductible Employee + Spouse Coverage  </u>	
Employer Contribution (annual premium per employee): <u>  \$ 10,288.88  </u>	Company: <u>  80%  </u>
Employee Contribution (annual premium per employee) <u>  \$ 2,651.48  </u>	Employee: <u>  20%  </u>
<b>Total Annual Premium:</b> <u>  \$ 12,940.36  </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.

Kathleen Valiasek

DocuSigned by:  
*Kathleen Valiasek*  
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\_\_\_\_\_  
Name of person authorized for signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
CFO

\_\_\_\_\_  
10/6/2021

\_\_\_\_\_  
Title

\_\_\_\_\_  
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



## 5(A) Capital Equipment List

Company Name: Local Bounti Corporation

County: Douglas

### Section I - Capital Equipment List

Directions: Please provide an estimated 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. Add an additional page if needed. For guidelines on classifying equipment, visit: [tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Personal\\_Property\\_Manuals](http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Personal_Property_Manuals). Attach this form to the Incentives Application.

(a) Equipment Name/Description	(b) # of Units	(c) Price per Unit	(d) Total Cost
Cup De-nesting *Assumes Cups compatible with Denesting*	1	\$36,803.70	\$36,803.70
Root Cutting	1	\$38,700.00	\$38,700.00
Quality Grading Belt	1	\$25,800.00	\$25,800.00
Transplanting Line	1	\$387,000.00	\$387,000.00
Packing Line	1	\$193,500.00	\$193,500.00
Cup Date Coding	1	\$15,480.00	\$15,480.00
Tray Filler (Fill Tray with Cups+Lids) * Need more Details*	1	\$516,000.00	\$516,000.00
Tray Indexing	1	\$51,600.00	\$51,600.00
Metal Detector	1	\$71,645.31	\$71,645.31
Metal Detector Reject Waste Bin	1	\$488.91	\$488.91
Case Erector	1	\$120,163.50	\$120,163.50
Case Sealer	1	\$24,938.28	\$24,938.28
Case Labeler	1	\$113,698.02	\$113,698.02
Case Coder	1	\$28,380.00	\$28,380.00
Manual Quality Grading Table	1	\$9,739.50	\$9,739.50
Quality Grading Waste Bin	1	\$488.91	\$488.91
Manual Stretch Wrap Machine	1	\$12,900.00	\$12,900.00
Manual Pallet Label Machine - Print and Apply	1	\$2,580.00	\$2,580.00
Manual Packaging Grading/Sleeving Table	1	\$9,739.50	\$9,739.50
Packaging Grading Waste Bin	1	\$488.91	\$488.91
Manual Case Packing Table	1	\$9,739.50	\$9,739.50
Tray Disposal Bin	1	\$488.91	\$488.91
Conveyance for cups and trays	1	\$38,700.00	\$38,700.00
Case Conveyance	1	\$154,800.00	\$154,800.00
Dirty Raft Return Conveyor	1	\$51,600.00	\$51,600.00
Root Cut	1	\$38,700.00	\$38,700.00
Manual Quality Grading Table	1	\$19,350.00	\$19,350.00
Manual Quality Grading Green Waste Bin	1	\$488.91	\$488.91
Living Head Vacuum Pre-Cooling	1	\$161,250.00	\$161,250.00
Packing Line	1	\$193,500.00	\$193,500.00
Protray Denesting	1	\$81,110.04	\$81,110.04
Protray Indexing	1	\$103,200.00	\$103,200.00
Tray Topsealer	1	\$193,500.00	\$193,500.00
Tray Labeler	1	\$89,425.38	\$89,425.38
Tray Date Coder	1	\$18,705.00	\$18,705.00
Metal Detector	1	\$71,645.31	\$71,645.31
Case Sealer	1	\$24,938.28	\$24,938.28
Case Labeler	1	\$113,698.02	\$113,698.02
Case Erector	1	\$120,163.50	\$120,163.50
Case Coder	1	\$18,705.00	\$18,705.00
Palletizer (Shared with both Salad Lines)	1	\$1,290,000.00	\$1,290,000.00
Stretch Wrapper (Robotic? Shared with both Salad Lines)	1	\$25,800.00	\$25,800.00
Manual Tray Packing Table	1	\$9,739.50	\$9,739.50
Manual Case Packing Table	1	\$9,739.50	\$9,739.50
Manual Pallet Labeler	1	\$2,580.00	\$2,580.00
Metal Detection Reject Bin	1	\$488.91	\$488.91
Salad Line A Salad Feed	1	\$51,600.00	\$51,600.00
Raft Return Conveyor	1	\$51,600.00	\$51,600.00
Salad Line A Top Cut + Root Cut	1	\$154,800.00	\$154,800.00
Salad Line A Vacuum Pre-Cooling	1	\$161,250.00	\$161,250.00
Salad Line A Manual Quality Grading Table	1	\$9,739.50	\$9,739.50

(a) Equipment Name/Description	(b) # of Units	(c) Price per Unit	(d) Total Cost
Salad Line A Manual Quality Grading Green Waste Bin	1	\$488.91	\$488.91
Salad Line A Elevator conveyor	1	\$103,200.00	\$103,200.00
Salad Line A Selection Conveyor	1	\$51,600.00	\$51,600.00
Salad Line A Product Metering Conveyor	1	\$103,200.00	\$103,200.00
Salad Line A Product Mixing Shakers	1	\$206,400.00	\$206,400.00
Salad Line A Multihead Weigher	1	\$259,081.02	\$259,081.02
Salad Line A Tray Denesting	1	\$81,110.04	\$81,110.04
Salad Line A Filler (Includes Indexing and Tamping)	1	\$516,000.00	\$516,000.00
Salad Line A Bulk Weigher	1	\$154,800.00	\$154,800.00
Salad Line A Bulk Weigher Fill	1	\$252,195.00	\$252,195.00
Salad Line A Tray Top Sealer	1	\$193,500.00	\$193,500.00
Salad Line A Tray Labeler	1	\$89,425.38	\$89,425.38
Salad Line A Tray Date Coder	1	\$18,705.00	\$18,705.00
Salad Line A Metal Detector (+ Checkweigher)	1	\$71,645.31	\$71,645.31
Salad Line A Metal Detector Reject Bin	1	\$488.91	\$488.91
Salad Line A Checkweigher Reject Bin	1	\$488.91	\$488.91
Salad Line A Case Erector	1	\$120,163.50	\$120,163.50
Salad Line A Case Labeler	1	\$113,698.02	\$113,698.02
Salad Line A Case Sealer	1	\$24,938.28	\$24,938.28
Salad Line A Case Coder	1	\$28,312.92	\$28,312.92
Salad Line A Manual Packaging Grading Table	1	\$9,739.50	\$9,739.50
Salad Line A Packaging Grading Reject Bin	1	\$488.91	\$488.91
Salad Line A Manual Case Packing Table	1	\$9,739.50	\$9,739.50
Salad Line B Salad Feed	1	\$51,600.00	\$51,600.00
Raft Return Conveyor	1	\$51,600.00	\$51,600.00
Salad Line B Top Cut + Root Cut	1	\$154,800.00	\$154,800.00
Salad Line B Vacuum Pre-Cooling	1	\$161,250.00	\$161,250.00
Salad Line B Manual Quality Grading Table	1	\$9,739.50	\$9,739.50
Salad Line B Manual Quality Grading Green Waste Bin	1	\$488.91	\$488.91
Salad Line B Elevator conveyor	1	\$103,200.00	\$103,200.00
Salad Line B Selection Conveyor	1	\$51,600.00	\$51,600.00
Salad Line B Product Metering Conveyor	1	\$103,200.00	\$103,200.00
Salad Line B Product Mixing Shakers	1	\$206,400.00	\$206,400.00
Salad Line B Multihead Weigher	1	\$259,081.02	\$259,081.02
Salad Line B Tray Denesting	1	\$81,110.04	\$81,110.04
Salad Line B Fill 1	1	\$516,000.00	\$516,000.00
Salad Line B Bulk Weigher	1	\$154,800.00	\$154,800.00
Salad Line B Bulk Weigher Fill	1	\$252,195.00	\$252,195.00
Salad Line B Tray Top Sealer	1	\$193,500.00	\$193,500.00
Salad Line B Tray Labeler	1	\$89,425.38	\$89,425.38
Salad Line B Tray Date Coder	1	\$18,705.00	\$18,705.00
Salad Line B Metal Detector (+ Checkweigher)	1	\$71,645.31	\$71,645.31
Salad Line B Metal Detector Reject Bin	1	\$488.91	\$488.91
Salad Line B Checkweigher Reject Bin	1	\$488.91	\$488.91
Salad Line B Case Erector	1	\$120,163.50	\$120,163.50
Salad Line B Case Labeler	1	\$113,698.02	\$113,698.02
Salad Line B Case Sealer	1	\$24,938.28	\$24,938.28
Salad Line B Case Coder	1	\$28,312.92	\$28,312.92
Salad Line B Manual Packaging Grading Table	1	\$9,739.50	\$9,739.50
Salad Line B Packaging Grading Reject Bin	1	\$488.91	\$488.91
Salad Line B Manual Case Packing Table	1	\$9,739.50	\$9,739.50
Pallet Racking	1	\$300,000.00	\$300,000.00
<b>TOTAL EQUIPMENT COST</b>			<b>\$10,478,987.52</b>

Is any of this equipment\* to be acquired under an operating lease?

Yes  No

\*Certain lease hold equipment does not qualify for tax abatements

## 5(B) Employment Schedule

Company Name: Local Bounti Corporation

County: Douglas

### Section 1 - Full-Time Equivalent (FTE) Employees

Directions: Please provide an estimated list of full time employees [columns (a) through (d)] that will be hired and employed by the company by the end of the first eighth 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 eighth quarter would be the last day of Q2, 2017 (i.e., June 30, 2017). Attach this form to the Incentives Application. A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 per week, if offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position of a "primary job" as set forth in NAC 360.474.

Please use the Bureau of Labor Statistics Standard Occupational Classification System (SOC) link to populate section (b): [https://www.bls.gov/soc/2018/major\\_groups.htm#11-0000](https://www.bls.gov/soc/2018/major_groups.htm#11-0000)

(a) New Hire Position Title/Description	(b) Position SOC Code	(c) Number of Positions	(d) Average Hourly Wage	(e) US Bureau of Labor Statistics Average Hourly Wage	(f) Average Weekly Hours	(g) Annual Wage per Position	(h) Total Annual Wages
General and Operations Managers	11-1021	3	\$65.00	\$60.19	40	\$135,200.00	\$405,600.00
Financial Managers	11-3031	1	\$55.00	\$52.96	40	\$114,400.00	\$114,400.00
Food Scientists and Technologists	19-1012	3	\$35.00	\$32.90	40	\$72,800.00	\$218,400.00
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	37-2011	1	\$17.50	\$16.62	40	\$36,400.00	\$36,400.00
First-Line Supervisors of Farming, Fishing, and Forestry Workers	45-1011	5	\$35.00	\$31.11	40	\$72,800.00	\$364,000.00
Farmworkers and Laborers, Crop, Nursery, and Greenhouse	45-2092	14	\$20.00	\$21.16	40	\$41,600.00	\$582,400.00
Maintenance Workers, Machinery	49-9043	6	\$36.00	\$33.35	40	\$74,880.00	\$449,280.00
Cleaners of Vehicles and Equipment	53-7061	1	\$17.50	\$13.01	40	\$36,400.00	\$36,400.00
Laborers and Freight, Stock, and Material Movers, Hand	53-7062	10	\$20.00	\$19.22	40	\$41,600.00	\$416,000.00
Packers and Packers, Hand	53-7064	16	\$17.50	\$12.72	40	\$36,400.00	\$582,400.00
Sales Managers	11-2022	1	\$40.00	\$60.41	40	\$83,200.00	\$83,200.00
Public Relations and Fundraising Managers	11-2031	2	\$32.00	\$57.62	40	\$66,560.00	\$133,120.00
Construction Managers	11-9021	1	\$45.00	\$40.96	40	\$93,600.00	\$93,600.00
Marketing Managers	11-2021	1	\$45.00	\$47.77	40	\$93,600.00	\$93,600.00
<b>TOTAL</b>		<b>65</b>	<b>\$26.69</b>	<b>\$25.75</b>			<b>\$3,608,800.00</b>

### Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete columns (b) and (c). These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of employment. **Please enter the estimated new full time employees on a year by year basis (not cumulative)**

(a) Year	(b) Number of New FTE(s)	(c) Average Hourly Wage	(d) Payroll
3-Year	0	\$0.00	\$0.00
4-Year	0	\$0.00	\$0.00
5-Year	0	\$0.00	\$0.00

\* Column (e) determines if wage is commensurate to current wage ranges in the region the company plans to locate/is located. For these purposes the mean average hourly wage for the location has been used.

U = Unknown / data set for region is not currently available.

Source: US Bureau of Labor Statistics

## 5(C) Evaluation of Health Plans Offered by Companies

Company Name: Local Bounti Corporation

County: Douglas

Total Number of Full-Time Employees: 65

Average Hourly Wage per Employee \$26.69

Average Annual Wage per Employee (implied) \$55,515.20

### COST OF HEALTH INSURANCE

Annual Health Insurance Premium Cost: \$12,940.36

Percentage of Premium Covered by:

Company 80%

Employee 20%

### HEALTH INSURANCE PLANS:

#### Base Health Insurance Plan\*: 500 Deductible - Emp. + Spouse

Deductible - per employee \$ 500

Coinsurance 90% / 10%

Out-of-Pocket Maximum per employee \$ 4,364

#### Additional Health Insurance Plan\*: 2000 Deductible - Emp. + Spouse

Deductible - per employee \$ 2,000

Coinsurance 100% / 0%

Out-of-Pocket Maximum per employee \$ 4,708

#### Additional Health Insurance Plan\*: 2500 Deductible - Emp. + Spouse

Deductible - per employee \$ 2,500

Coinsurance 70% / 30%

Out-of-Pocket Maximum per employee \$ 3,548

\*Note: *Please list only "In Network" for deductible and out of the pocket amounts .*

### 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 5.7% MMQ

Annual Out-of-Pocket Maximum not to exceed \$8,700 (2020) \$4,364 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 stated are true, and that I have attached a qualified plan with information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for COB to independently confirm the same.

Kathleen Valiasek

*Kathleen Valiasek*

Name of person authorized for signature

Signature

CFO

10/6/2021

Title

Date

## 5(D) Company Information

Company Name: Local Bounti Corporation

County: Douglas

### Section 1 - Company Interest List

Directions: Please provide a detailed list of owners and/or members of the company. *The Governor's Office of Economic Development strives to maintain the highest standards of integrity, and it is vital that the public be confident of our commitment. Accordingly, any conflict or appearance of a conflict must be avoided. To maintain our integrity and credibility, the applicant is required to provide a detailed list of owners, members, equity holders and Board members of the company.*

(a) Name	(b) Title
Craig Hurlbert	Co-Chief Executive Officer
Travis Joyner	Co-Chief Executive Officer
Mark McKinney	Chief Operating Officer
Kathleen Valiasek	Chief Financial Officer
Josh White	Chief Marketing Officer
B. David Vosburg	Chief Innovation Officer
Gary Hilberg	Chief Sustainability Officer

### Section 2 - Company Affiliates and/or Subsidiaries

Are there any subsidiary or affiliate companies sharing tax liability with the applicant company? No  Yes

**If Yes, continue below:**

Directions: In order to include affiliates/subsidiaries, under the exemption letter, they must to be added to the Contract. Per standard practice GOED requires a corporate schematic to understand the exact relationships between the companies. Please populate the below table to show the exact relationships between the companies and include:

1. The names as they would read on the tax exemption letter.
2. Which entity(ies) will do the hiring?
3. Which entity(ies) will be purchasing the equipment?

Name of Subsidiary or Affiliate Entity, Role and Legal Control Relationship

Please include any additional details below:

## Project Sunshine

### **PROJECT SUMMARY**

Project Sunshine is an innovative indoor farming technology company committed to providing local communities access to the highest quality and freshest produce available. Using a combination of vertical and greenhouse growing methods, Project Sunshine uses Controlled Environment Agriculture (CEA) technology to simulate ideal growing conditions for each crop. These facilities are carefully located to meet regional produce demands and reduce the transportation impacts and costs associated with traditional produce grown thousands of miles from consumers.

Project Sunshine utilizes sustainable agriculture techniques to grow fresh greens and herbs 365 days a year in its facilities, using 90% less water and land than traditional agriculture. The perfect environmental greenhouse conditions ensure the highest possible nutritional value and taste, and products are non-GMO and pesticide/herbicide free. Its sustainable, root-on living products result in less environmental impacts, carbon footprint, and waste.

As part of an ongoing commitment to decreasing overall waste and achieving the lowest possible carbon footprint, Project Sunshine will also implement several key initiatives related to its water usage and waste management practices. The company will capture rainwater, where allowable, and utilize grey water, if available, reducing the amount of commercial water required for operational needs. In addition, the company will consider compost on site as a part of its highly structured approach to solid waste management. Another potential solid waste reduction vehicle would be to partner with local governmental entities and private businesses to construct and use an anaerobic digester to manage waste.

The company's controlled growing environment allows for control over temperature, humidity, carbon dioxide, light, nutrient concentrations and water pH. Project Sunshine has developed a hybrid growing system that reduces the growing cycle dramatically. The entire process focuses on leveraging space, labor, water, and energy to maximize results and limit impact.

### **TARGETED EXPANSION AREAS IN UNDERSERVED FRESH PRODUCE MARKETS**

Project Sunshine has launched proof-of-concept operations in the Mountain region of the United States (U.S.) and has targeted the Western half of the U.S. for further expansion. These areas have shortened grow seasons, the longest transport paths, and the highest-cost produce. By establishing greenhouses in locations that are closer to the intended markets and distribution channels, Project Sunshine reduces emissions and the overall carbon footprint associated with food production and market transport. A 365-day growing season, shortened food miles, and cost-efficient food production techniques will allow these areas to have the affordable, consistent access to fresh produce they desperately need and desire. The company's products also offer consumers high nutritional value, fresh flavor and a longer shelf life translating into less waste.

In addition, Project Sunshine prides itself in being an engaged community partner and employer of choice. Its team takes pride in working with local organizations, schools and non-profits to provide education and training to new generations about the nutritional and environmental benefits of innovative indoor farming. The company also presents a refreshing new full-time, year round and indoor career option to many residents of small communities and rural areas as compared to traditional agriculture industry opportunities. Technicians also receive benefits and are supported by leading edge technology in their work environment. Project Sunshine further backs its commitment to its employees and the community by participating in a reportable Environmental, Social, and Governance (ESG) program with targets for each area.

## **TOTAL ADDRESSABLE MARKET (TAM): \$10.57B**

Project Sunshine's total addressable market (TAM) covers a 17-state region across the Northwest and Mountain regions, with expansion targeting the Central and South-Central United States. The states of Washington, Oregon, California, Nevada, Arizona, New Mexico, Texas, Oklahoma, Utah, Colorado, Kansas, Nebraska, North Dakota, South Dakota, Montana, Wyoming, and Idaho represent targeted locations of interest for the company's next 4 to 5 farms. The total TAM for the vegetable and herb market in the United States is approximately \$25B in 2021, growing to \$30B by 2025.

Project Sunshine's expansion footprint includes approximately 35% of the US population, and using data obtained from S2G analysis and population information from the United States Census Bureau, the company's TAM for future expansion is \$10.57B.

## **FOOD INDUSTRY TRENDS**

Due to the significant impact of COVID-19 on the population's physical and mental well-being, there is growing desire to eat local, sustainable foods with quality nutritional value. The pandemic shutdowns also gave many people a renewed appreciation of their local community, especially the food purveyors such as grocery stores, farmers markets, and restaurants that kept the food supply chain going at a critical time.

Moving forward, there will be a continued and rapidly growing interest in purchasing locally grown food by consumers and the major grocery chains. It not only supports the local economy or an area, but also is fresher, and has less of an environmental impact as compared to more traditional agriculture production. Many consumers are also interested in learning a company's backstory, such as a strong commitment to sustainability and community engagement. Consumers will look for the meaning behind their products to purchase their products over those of their competitors. Major grocery chains have specific goals to meet in finding local vendors as well as mitigating risks found on relying too heavily on the global supply chain.

Many people focus on foods that have the lowest climate impact. Consumers will seek products from companies that strive for sustainable, affordable, and nonrestrictive approaches to health, such as

eating a varied diet comprising whole, nutrient-dense foods. Moving forward, consumers will demand food that has a purpose, an origin story, and serves both society and personal health.

*Source: Top 10 Food and Nutrition Trends on the Horizon for 2021*

## **INDOOR FARMING MARKET**

The global indoor farming market was valued at \$121.26B in 2019 and is expected to reach \$167.45B by 2025, growing at a compound annual rate of 5.4% over the forecast period.

The segmentation of the global indoor farming market based on the type of product includes vegetables, fruits, microgreens and herbs, medicinal crops and others. The vegetable segment dominated the global indoor farming industry in 2018 and is presumed to maintain its dominance throughout the forecast period.

The growing concern for food security around the world is one of the main trends that should stimulate the global indoor farming market. In addition, the scarcity of land for agriculture favors the indoor agriculture market in the world.

*Source: Market Data Forecast for Indoor Farming Market, February 2020*

## **PROJECT PROJECTIONS**

**CAPITAL INVESTMENT:** (within 24 months)

Land Acquisition: 20 – 40 acres to facilitate development of indoor farming facility.

**REAL PROPERTY:**

Building Construction: Approximately \$40 million (depending on the final size of the facility) to construct approximately 300,000 square feet of space. At full buildout, the finished facility will include 10 greenhouses, in addition to office, storage, nursery, transplant, harvesting and cooler space.

**PERSONAL PROPERTY:**

Approximately \$10 million to include automation and IT equipment, storage racking, and production equipment.

**EMPLOYMENT:** (within 24 months of launch of operations)

New Jobs: 65

Payroll: Average wage levels to be determined based on market selected; based upon existing facilities, the average annual wage level is projected to be \$55,500 in addition to benefits by the end of year three.