

Foot Locker Retail, Inc.

330 West 34th Street, New York, NY 10001

Todd Greener, Senior Vice President - Global Supply Chain

Date: June 17, 2021

Application Facts:

Industry	Retail Trade
NAICS	448140
Type of App	New
Location	Washoe County
RDA	EDAWN, Stan Thomas

Company Profile

Foot Locker Retail, Inc. (Foot Locker) is evaluating plans to establish a distribution center in northwest Nevada. The distribution center will service markets throughout the United States, particularly the western, southwest, and northwest United States. The company leads the celebration of sneaker and youth culture around the globe through a portfolio of brands including Foot Locker, Lady Foot Locker, Kids Foot Locker, Champs Sports, Eastbay, Footaction, and Sidestep. Foot Locker prides itself on community activism and contributions; and, this is often implemented through the Foot Locker Foundation, which aims to promote a better world for today's youth through educational programs and encouraging health and well-being through physical activity. The company is also considering California, Arizona, and Utah. *Source: Foot Locker Retail, Inc.*

Tax Abatement Requirements:

	<u>Statutory</u>	<u>Company Application</u>	<u>Meeting Requirements</u>
Job Creation	50	185	Yes
Average Wage	\$24.16	\$21.49	Yes (For the purposes of receiving full abatements if county unemployment is over 7%)
Equipment Capex (SU & MBT)			
Equipment Capex (PP)	\$1,000,000	\$26,784,306	Yes

Additional Requirements:

Health Insurance	65%	69%	Yes
Revenues generated outside NV	51%	94%	Yes
Business License	☐ Current	☐ Pending	☒ Will comply

Please note: the company does have business licences The license is specific to the retail operations. However, this is the first distribution center operation in Nevada.

Total Tax Liability (without tax abatements)

<u>Direct</u>	<u>Total</u>
\$4,251,465	\$16,479,147

Tax Abatements

	<u>Contract Terms</u>	<u>Estimated Tax Abatement</u>
Sales Tax Abmt.	2% for 2 years	\$1,678,037
Modified Business Tax Abmt.	50% for 4 years	\$228,872
Personal Property Tax Abmt.	50% for 10 years	\$789,999
Total Estimated Tax Abatement over 10 yrs.		\$2,696,908

Net New Tax Revenues

	<u>Direct</u>	<u>Indirect</u>	<u>Taxes after Abatements</u>
Local Taxes			
Property	\$3,168,540	\$4,702,828	\$7,871,368
Sales	\$88,831	\$2,205,617	\$2,294,448
Lodging	\$0	\$90,943	\$90,943
State Taxes			
Property	\$154,341	\$279,363	\$433,704
Sales	\$564,044	\$858,668	\$1,422,712
Modified Business	\$933,694	\$705,056	\$1,638,750
Lodging	\$0	\$30,314	\$30,314
Total Estimated New Tax Revenue over 10 yrs.			\$13,782,239

Economic Impact over 10 yrs.

	<u>Total</u>	<u>Construction</u>	<u>Total</u>
Total Jobs Supported	309	19	328
Total Payroll Supported	\$138,494,779	\$1,017,478	\$139,512,257
Total Economic Value	\$447,320,592	\$3,087,325	\$450,407,917

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.

April 13, 2021

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

Re: Foot Locker

Dear Michael;

EDAWN hereby supports the application of Foot Locker for the Sales and Use Tax Abatement, Modified Business Tax Abatement, and Personal Property Tax Abatement incentives.

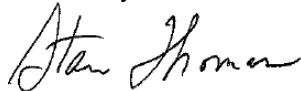
Foot Locker is a sportswear and footwear retailer for men, women, and children located in over 28 countries globally, including more than 2,000 stores in the United States. Some of its most recognized brands include Foot Locker, Lady Foot Locker and Kids Foot Locker. Corporate headquarters is in New York City. The company is evaluating real estate in the Washoe County area for a 450,000 square foot distribution facility with plans to start construction by January 2022.

Foot Locker will be creating 185 jobs by the end of Y2 with an average wage of \$21.49 per hour. Capital investments are estimated to be ~\$27,000,000 and includes a substantial amount of warehouse handling equipment and infrastructure.

69% of the employee medical, dental, and vision benefits are covered by Foot Locker and commences on the first day of the month, after 28 days from the date of hire. Compensation includes overtime, PTO/Sick/Vacation, merit increases, COLA and retirement plan/profit sharing/401K.

EDAWN supports this application as the company meets two of the three requirements. Your consideration and support of the incentive application for Foot Locker is a significant factor in their pending decision to expand in northern Nevada and speaks favorably to the State's business-friendly environment.

Sincerely,



Stan Thomas
EDAWN, Executive Vice-President, Business Development

FOOT LOCKER

Todd Greener
SVP, Global Supply Chain
D: 212.720.3798
E: todd.greener@footlocker.com

April 6, 2021

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

Dear Mr. Brown:

Foot Locker, Inc. leads the celebration of sneaker and youth culture around the globe through a portfolio of brands including Foot Locker, Lady Foot Locker, Kids Foot Locker, Champs Sports, Eastbay, Footaction, and Sidestep. The Company, headquartered in New York, has approximately 3,000 retail stores in 27 countries across North America, Europe, Asia, Australia and New Zealand, as well as websites and mobile apps. Approximately 2,000 of those stores are in the United States. Foot Locker's purpose is to inspire and empower youth culture around the world, by fueling a shared passion for self-expression and creating unrivaled experiences at the heart of the global sneaker community.

The Company's adherence to its core values of integrity, leadership, excellence, service, teamwork, innovation, and community have positioned Foot Locker as the industry leader and for continued long-term success.

The Company, through its wholly owned subsidiary Foot Locker Retail, Inc. is evaluating plans to establish a distribution center in northwest Nevada, and specifically within the City of Spanish Springs and Washoe County. The Company's business plan calls for a ten (10)+ year lease of a new 450,000 square foot facility. Foot Locker would take possession of the completed facility in calendar year 2022 with construction to start in January of 2022. Excluding the real estate component, the anticipated equipment budget approximates \$27 million plus an additional \$2 million for specific tenant improvements. The equipment will be inclusive of that which is necessary to operate and maintain a distribution center, and includes items such as balers, trash compactors, air compressors, material handling equipment, generators, security systems, office furnishings, communications equipment, information technology hardware, and integrated equipment (i.e., conveyor, control panels, racking).

The project currently calls for the creation of 185 net new employment positions with a corresponding average hourly wage of \$21.49. The positions are anticipated to be full-time status, working an average of forty (40) hours per week. And, the positions will include general and operational managers, facilities managers, computer & information technology support, human resource associates, training specialists, accountants, industrial engineers, supervisors, maintenance, and laborers. Each of the full-time positions will be eligible for overtime, PTO / sick / vacation time, merit increases, tuition assistance, 401(k), and health benefits. The benefits take effect the 1st of the month following an associate's initial 28 days of employment; and are inclusive of medical, vision, and dental coverages.

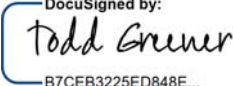
The distribution center will be able to service markets throughout the United States, but most especially the western, southwest, and northwest United States. As such, along with Nevada, the Company is considering California, Arizona, and Utah for the distribution center. The potential for the receipt of economic incentives, including the modified business tax abatement, sales & use tax abatement, and the property tax abatement, have played a material factor in the Company's decision making. Additionally, pertinent factors are inclusive of availability of qualified workforce; real estate costs; transportation costs; and, labor costs, transportation infrastructure, and business permitting & regulatory structure.

Foot Locker Retail, Inc. operates in Nevada under identification #NV19731000704 and is committed to augmenting its presence in and partnership with the State; this is evidenced in the aforementioned potential for a 10+ year lease in Washoe County. The Company prides itself on community activism and contributions; and, this is often implemented through the Foot Locker Foundation, which aims to promote a better world for today's youth through educational programs and encouraging health and well-being through physical activity. The Foot Locker Scholar Athletes Program has been a hallmark of the Foot Locker Foundation's efforts to support our communities since its launch in 2011. The Scholar Athletes Program awards \$20,000 college scholarships to 20 exceptional students who demonstrate academic excellence and exemplify strong leadership skills both in sports and within their communities, and

so far the program has invested almost \$2.5 million in the education and future of some of America's most promising scholar athletes. The Company's internal scholarship program, the Foot Locker Associate Scholarship Program (FLAS) has awarded more than \$600,000 in scholarships to its associates and anticipates an additional investment of \$250,000 within the next several years. The Company and the Foot Locker Foundation, are committed to diversity, scholarships, internships, leadership training and grants for the benefit of African American students and team members

The Company formally submits this request letter and accompanying application documents for your review and consideration. We look forward to discussing next steps on growing the Foot Locker brand in Nevada.

Sincerely,

DocuSigned by:

B7CEB3225ED848E...
Todd Greener
Senior Vice President

ECONOMIC DEVELOPMENT**Incentive Application**Company Name: Foot Locker Retail, Inc.Date of Application: April 5th, 2021

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☐ Sales & Use Tax Deferral☒ Modified Business Tax Abatement☐ Recycling Real Property Tax Abatement☒ Personal Property Tax Abatement☐ Other: _____**Section 2 - Corporate Information**

COMPANY NAME (Legal name under which business will be transacted in Nevada) <u>Foot Locker Retail, Inc.</u>			FEDERAL TAX ID # <u>13-1988404</u>
CORPORATE ADDRESS <u>330 West 34th Street</u>	CITY / TOWN <u>New York</u>	STATE / PROVINCE <u>NY</u>	ZIP <u>10001</u>
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)	CITY / TOWN	STATE / PROVINCE	ZIP
TELEPHONE NUMBER <u>(212) 720-3700</u>	WEBSITE http://www.footlocker-inc.com		
COMPANY CONTACT NAME <u>Todd Greener</u>	COMPANY CONTACT TITLE <u>Senior Vice President - Global Supply Chain</u>		
E-MAIL ADDRESS todd.greener@footlocker.com	PREFERRED PHONE NUMBER <u>(212) 720-3798</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 businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by 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 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 "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: _____

PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA <u>94%</u>	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) <u>Sep-2022</u>		
NAICS CODE / SIC <u>448140</u>	INDUSTRY TYPE <u>Family Clothing Services</u>		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS <u>Receiving, processing, and shipping of shoes and apparel merchandise to fulfill customer orders and replenish store inventories.</u>			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS <u>XXX Isidor Court</u>	CITY / TOWN <u>Spanish Springs</u>	COUNTY <u>Washoe County</u>	ZIP <u>89441</u>
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? <u>California Inland Empire, California Central Valley, Arizona, Utah</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>Yes</u></p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p>What year(s)? <u>2022-2032+</u></p> <p>How much space (sq. ft.)? <u>450,000</u></p> <p>Annual lease cost of space: <u>\$2,400,000.00</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>When to make improvements (month, year)? <u>Jun-2022</u></p> <hr/> <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>Purchase date, if buying (month, year): _____</p> <p>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>When to make improvements (month, year)? _____</p> <hr/> <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>When to break ground, if building (month, year)? <u>Jan-2022</u></p> <p>Estimated completion date, if building (month, year): <u>Jun-2022</u></p> <p>How much space (sq. ft.)? <u>450,000</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>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>If No, skip to Part 3. If Yes, continue below:</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>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr/> <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>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>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? _____</p> <p>If Yes *, continue below:</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):

Foot Locker will be leasing a space of approximately 450,000 square feet; the facility will be a distribution and fulfillment center. The Company anticipates implementing tenant improvements of approximately \$2.1 million, and will use reasonable best efforts to employ state-based vendors and contractors. Additionally, there will be an additional spend of approximately \$27 million specific to machinery and equipment. Both investments will create an incremental increase to the local property tax base, and result in increased revenues for property and sales & use taxes.

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>\$2,181,377</u>	Building Costs (if building / making improvements): _____
Land: <u>\$0</u>	Land: _____
Equipment Cost: <u>\$26,784,306</u>	Equipment Cost: _____
Total: <u>\$28,965,683</u>	Total: <u>\$0</u>
	Is the equipment purchase for replacement of existing equipment? _____
	Current assessed value of personal property in NV: _____
	(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>185</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>\$21.49</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):

- | | | | |
|---|--|---|---------------------------------------|
| ☒ Overtime | ☒ Merit increases | ☒ Tuition assistance | ☐ Bonus |
| ☒ PTO / Sick / Vacation | ☒ COLA adjustments | ☒ Retirement Plan / Profit Sharing / 401(k) | ☐ 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: <u>1st of month following 28 days of employment</u> |
|--|---|---|--|

Health Insurance Costs:	Percentage of health insurance premium by (min 65%):
Plan Type: <u>Standard Medical</u>	
Employer Contribution (annual premium per employee): <u>\$ 3,729.60</u>	Company: <u>69%</u>
Employee Contribution (annual premium per employee): <u>\$ 1,680.00</u>	Employee: <u>31%</u>
Total Annual Premium: <u>\$ 5,409.60</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.

Todd Greener

Name of person authorized for signature

SVP Global
Supply Chain

Title

DocuSigned by:
Todd Greener
B7CEB3225ED846E...

Signature

4/8/2021 | 12:26 PM PDT

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: Foot Locker Retail, Inc.

County: Washoe 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: 4

Labor costs: 3

Real estate availability: 3

Real estate costs: 5

Utility infrastructure: 2

Utility costs: 2

Transportation infrastructure: 3

Transportation costs: 5

State and local tax structure: 3

State and local incentives: 4

Business permitting & regulatory structure: 3

Access to higher education resources: 2

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

Foot Locker Retail, Inc. is considering a myriad of factors on where to locate the distribution center operation. The potential for receiving state & local incentives, and specifically, the various tax abatements, plays a material factor in the business decision. The potential savings over the next several years will help to mitigate the anticipated capital investment and operating costs.

5(A) Capital Equipment List

Company Name: Foot Locker Retail, Inc.

County: Washoe County

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. Attach this form to the Incentives Application.

(a) Equipment Name/Description	(b) # of Units	(c) Price per Unit	(d) Total Cost
Powered Industrial Truck: Order Picker, Charger, & Batteries	16	\$49,600.00	\$793,600.00
Powered Industrial Truck: Walkie Rider, Charger, & Batteries	4	\$23,040.00	\$92,160.00
Powered Industrial Truck: Forklift, Charger, & Batteries	4	\$44,300.00	\$177,200.00
Powered Industrial Truck: Powered Pallet Jack, Charger, & Batteries	4	\$10,000.00	\$40,000.00
Powered Industrial Truck: Battery Charger	1	\$200,000.00	\$200,000.00
Powered Industrial Truck: Manlifts & Golf Carts	6	\$25,000.00	\$150,000.00
Baler	1	\$400,000.00	\$400,000.00
Trash Compactor	1	\$250,000.00	\$250,000.00
Air Compressor	1	\$150,000.00	\$150,000.00
Misc. Material Handling Equipment (pallet jacks, portable conveyor, etc.)	1	\$603,891.00	\$603,891.00
Backup Generator & UPS	1	\$250,000.00	\$250,000.00
HVLS Fan	1	\$100,000.00	\$100,000.00
Equipment/Pedestrian Protection (Guardrails, Bollards, etc.)	1	\$75,000.00	\$75,000.00
Security Systems and Cameras	1	\$500,000.00	\$500,000.00
Maintenance Equipment (Tools, Machinery, Tool Chests, etc)	1	\$137,500.00	\$137,500.00
Office Furnishings	1	\$1,650,000.00	\$1,650,000.00
Communications Equipment (Radios, Walkies, Repeaters, etc.)	1	\$450,000.00	\$450,000.00
IT Hardware (Desktop Computers, Laptops, Printers, etc.)	1	\$152,600.00	\$152,600.00
IT Hardware (RF Devices, Batteries, & Fixed Scanners)	173	\$835.00	\$144,455.00
IT Hardware (Switches, Access Points, etc)	1	\$2,000,000.00	\$2,000,000.00
Integrated Equipment (Fixed Conveyor, Control Panels, Racking, etc.)	1	\$18,467,900.00	\$18,467,900.00
TOTAL EQUIPMENT COST			\$26,784,306.00

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: Foot Locker Retail, Inc.

County: Washoe County

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

(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	1	\$81.60	\$56.89	40	\$169,737.21	\$169,737.21
Managers, All Other	11-9199	1	\$51.01	\$48.75	40	\$106,096.79	\$106,096.79
Computer and Information Systems Managers	11-3021	2	\$45.91	\$60.33	40	\$95,482.70	\$190,965.39
Transportation, Storage, and Distribution Managers	11-3071	2	\$51.01	\$41.51	40	\$106,096.79	\$212,193.58
Human Resources Managers	11-3121	1	\$43.36	\$53.95	40	\$90,186.68	\$90,186.68
Human Resources Specialists	13-1071	1	\$28.05	\$27.17	40	\$58,344.41	\$58,344.41
Training and Development Specialists	13-1151	5	\$21.01	\$27.30	40	\$43,692.11	\$218,460.53
Business Operations Specialists, All Other	13-1199	8	\$21.01	\$37.81	40	\$43,692.11	\$349,536.84
Accountants and Auditors	13-2011	1	\$38.26	\$33.90	40	\$79,572.59	\$79,572.59
Computer Systems Analysts	15-1121	2	\$35.70	\$34.36	40	\$74,254.51	\$148,509.03
Computer User Support Specialists	15-1151	2	\$25.67	\$22.11	40	\$53,401.46	\$106,802.92
Industrial Engineers	17-2112	2	\$45.91	\$42.55	40	\$95,482.70	\$190,965.39
First-Line Supervisors of Office and Administrative Support Workers	43-1011	1	\$33.15	\$26.33	40	\$68,958.50	\$68,958.50
Shipping, Receiving, and Traffic Clerks	43-5071	8	\$18.04	\$17.67	40	\$37,513.42	\$300,107.39
First-Line Supervisors of Mechanics, Installers, and Repairers	49-1011	2	\$33.15	\$31.40	40	\$68,958.50	\$137,917.00
Maintenance and Repair Workers, General	49-9071	3	\$25.67	\$18.58	40	\$53,401.46	\$160,204.39
First-Line Supervisors of Production and Operating Workers	51-1011	10	\$33.15	\$26.88	40	\$68,958.50	\$689,585.00
Industrial Truck and Tractor Operators	53-7051	24	\$18.04	\$17.15	40	\$37,513.42	\$900,322.18
Laborers and Freight, Stock, and Material Movers, Hand	53-7062	109	\$18.04	\$14.16	40	\$37,513.42	\$4,088,963.22
TOTAL		185	\$21.49				\$8,267,429.05

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	11	\$18.58	\$425,110.40
4-Year	8	\$19.13	\$318,323.20
5-Year	8	\$19.70	\$327,808.00

* 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: Foot Locker Retail, Inc.

County: Washoe County

Total Number of Full-Time Employees: 185

Average Hourly Wage per Employee \$21.49

Average Annual Wage per Employee (implied) \$44,699.20

COST OF HEALTH INSURANCE

Annual Health Insurance Premium Cost: \$5,409.60

Percentage of Premium Covered by:

Company 69%

Employee 31%

HEALTH INSURANCE PLANS:

Base Health Insurance Plan*:

Deductible - per employee \$ 2,000

Coinsurance 70% / 30%

Out-of-Pocket Maximum per employee \$ 8,550

Additional Health Insurance Plan*:

Deductible - per employee \$ 750

Coinsurance 80% / 20%

Out-of-Pocket Maximum per employee \$ 7,950

Additional Health Insurance Plan*:

Elements Choice PPO 6000

Deductible - per employee \$ -

Coinsurance 0% / 0%

Out-of-Pocket Maximum per employee \$ -

*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 5.5% MMQ

Annual Out-of-Pocket Maximum not to exceed \$8,550 (2021) \$8,550 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 GOED to independently confirm the same.

Linda Gulbrandsen

Name of person authorized for signature

Linda Gulbrandsen

Signature F3EBFF53DC41461...

VP, North America Benefits

Title

4/8/2021 | 2:36 PM CDT

Date

5(D) Company Information

Company Name: Foot Locker Retail, Inc.

County: Washoe County

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
Richard A. Johnson	Chairman, President & Chief Executive Officer
Maxine Clark	Director
Guillermo G. Marmol	Director
Darlene Nicosia	Director
Ulice Payne, Jr.	Director
Tristan Walker	Director
Dona D. Young	Lead Director
Alan D. Feldman	Director
Matthew M. McKenna	Director
Steven Oakland	Director
Kimberly Underhill	Director

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:

FOOT LOCKER

Foot Locker, Inc. leads the celebration of sneaker and youth culture around the globe through a portfolio of brands including Foot Locker, Lady Foot Locker, Kids Foot Locker, Champs Sports, Eastbay, Footaction, and Sidestep. The Company, headquartered in New York, has approximately 3,000 retail stores in 27 countries across North America, Europe, Asia, Australia, and New Zealand, as well as websites and mobile apps. Approximately 2,000 of those stores are in the United States. Foot Locker's purpose is to inspire and empower youth culture around the world, by fueling a shared passion for self-expression and creating unrivaled experiences at the heart of the global sneaker community.

The Company, through its wholly owned subsidiary Foot Locker Retail, Inc. is evaluating plans to establish a distribution center in northwest Nevada, and specifically within the City of Spanish Springs and Washoe County. The Company's business plan calls for a ten (10)+ year lease of a new 450,000 square foot facility. Foot Locker would take possession of the completed facility in calendar year 2022 with construction to start in January of 2022. Excluding the real estate component, the anticipated equipment budget approximates \$27 million plus an additional \$2 million for specific tenant improvements. The equipment will be inclusive of that which is necessary to operate and maintain a distribution center, and includes items such as balers, trash compactors, air compressors, material handling equipment, generators, security systems, office furnishings, communications equipment, information technology hardware, and integrated equipment (i.e., conveyor, control panels, racking).

The project currently calls for the creation of 185 net new employment positions. The positions are anticipated to be full-time status, working an average of forty (40) hours per week. And, the positions will include general and operational managers, facilities managers, computer & information technology support, human resource associates, training specialists, accountants, industrial engineers, supervisors, maintenance, and laborers.

The distribution center will be able to service markets throughout the United States, but most especially the western, southwest, and northwest United States. The potential for the receipt of economic incentives, including the modified business tax abatement, sales & use tax abatement, and the property tax abatement, have played a material factor in the Company's decision making. Additionally, pertinent factors are inclusive of availability of qualified workforce; real estate costs; transportation costs; and, labor costs, transportation infrastructure, and business permitting & regulatory structure.