

August 17, 2016

The Honorable Brian Sandoval
Office of the Governor
One Hundred One North Carson Street
Carson City, Nevada 89701

Mr. Richard Combs, Director
Legislative Counsel Bureau
401 South Carson Street
Carson City, Nevada 89701

Re: FF Inc. Quarterly Activity Report (Q2 2016)

Dear Governor Sandoval and Director Combs:

The Governor's Office of Economic Development (the "Office") hereby submits this quarterly activity report pursuant to NRS 360.895, Subsection 2 for the Qualified Project known as FF Inc. (the "Project"), formerly known as Faraday Future,. The attached report is based on information provided by the Lead Participant, FF Inc. pursuant to the following requirements of NRS 360.895 subsection 2:

- (a) The dollar amount of the partial abatements approved for the lead participant in each qualified project;
- (b) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in each qualified project who are residents of Nevada;
- (c) The number of qualified employees employed by each participant in each qualified project and the total amount of wages paid to those persons;
- (d) For each qualified project an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project; and
- (e) Any other information requested by the Legislature.

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

Sincerely,



Mike Dang
Director of Business Operations

cc: Steve Hill, Ryan Smith

FF Inc.

Quarterly Activity Report (Q2 2016)



Faraday Future, aka FF Inc., has set up offices in the City of North Las Vegas tower while their manufacturing plant and offices are under construction at the APEX Industrial Park.

General information

- This is FF Inc.'s first required quarterly report.
- SB1 was passed on December 19, 2015.
- The application for incentives required by SB1 was filed on December 21, 2015.
- The application for incentives was approved by the Board of the Governor's Office of Economic Development ("GOED") on January 22, 2016.
- Nevada Department of Taxation, in coordination with GOED, issued Faraday a special exemption letter on June 30, 2016, effective January 22, 2016, which implemented the sales and use tax abatement contemplated in SB1.
- GOED issued Faraday an order and associated certificates of eligibility on July 28, 2016, effective January 22, 2016, which granted the property tax, sales and use tax, and modified business tax abatements as well as the other incentives authorized by SB1 and AB1, and approved by the Board of GOED.
- Faraday and GOED are close to finalizing the agreement for abatements and incentives which will govern the abatements (and the other incentives authorized by SB1 and AB1).
- GOED, the City of North Las Vegas, the local utility companies, engineers, consultants, and attorneys have been meeting regularly to ensure the project's successful development.

SB1 Quarterly Reporting

The following information is provided pursuant to **NRS 360.895**. It is provided "for the immediately preceding calendar quarter" constituting the months of April, May and June 2016. The NRS requirements are presented in bold and the responses follow.

(a) The dollar amount of the abatements approved for the lead participant in the Project:

GOED approved a set of abatements and incentives for FF Inc. as lead participant. The transferable tax credits were approved in a dollar amount and the other incentives were allocated in percentage abatements, a training grant, and NV Energy rate rider for project totals as follows:

1. Property taxes, real and personal. A ten (10) year, seventy five percent (75%) abatement;
2. Employer excise taxes. A ten (10) year, seventy five percent (75%) abatement;
3. Local Sales and Use Taxes. A fifteen (15) year, one hundred percent (100%) abatement;
4. Transferable tax credits. For a maximum of 4,000 Qualified Employees, up to \$9,500 for each Qualified Employee, up to \$38,000,000 in total tax credits;
5. Workforce Innovations for a New Nevada (“WINN”) grants. A training grant for up to 4,000 automobile assembly workers. An application for grant funds by the College of Southern Nevada to purchase capital equipment for the first part of the training program was approved for \$500,000;
6. Economic Development Rate Rider. Up to the maximum southern Nevada service territory allocation rate discount.

(b) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in each qualified project who are residents of Nevada;

No employees were engaged in construction for Q2. During Q2 2016, there was one new Nevada resident employee working in California until workspace is available at the Project Site. PTD, there are two Nevada residents working in California until workspace is available.

(c) The number of Qualified Employees employed by each Participant in the Project and the total amount of wages paid to those persons

There were no NRS 360.955 qualified employees employed during the Q2 reporting period and, therefore, there were no wages paid to such employees.

(d) For the Project an assessment of whether the Participants in the Project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the Project is a qualified project:

Through Q2 2016, GOED has determined Faraday is making satisfactory progress towards meeting the investment requirements necessary to support the determination of the Project as a qualified project.

1. Faraday has invested over \$6,000,000 for infrastructure design work for the project area.
2. Faraday has set up an interim office site in North Las Vegas.
3. Demolition and Grading were set to begin in early Q3 2016

(e) Any other information requested by the Legislature.

No additional information requested.