

November 10, 2015

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: SB1, Sec. 17 Tesla Gigafactory Quarterly Activity Report (Q3 2015)

Gentlemen:

Pursuant to uncodified Sec. 17 of Senate Bill No. 1, 28th (2014) Special Session of the Nevada Legislature, the Governor's Office of Economic Development is submitting the first of a quarterly series of activity reports for the Qualified Project commonly known as the Tesla Gigafactory (the "Project"). The attached report is based on information provided by the Lead participant, Telsa Motors, Inc., in response to the following questions:

- (a) The dollar amount of the abatements approved for the lead participant in the qualified project;
- (b) The number of employees engaged in construction of the qualified project who are residents of Nevada and the number of employees employed by each participant in the qualified project who are residents of Nevada;
- (c) The number of qualified employees employed by each participant in the qualified project and the total amount of wages paid to those persons; and
- (d) For the 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.

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

Respectfully yours,



Brad Mamer
Director of Business Development

cc: Steve Hill

Tesla Gigafactory Quarterly Activity Report
(Q3 2015)

a. The dollar amount of the abatements approved for the Lead participant in the Project:

Pursuant to NRS Chapter 271B, Tesla prepared a refund claim to Storey County for the refundable portion of the sales and use tax that has been paid by participants and contractors. As of the end of Q3 2015, and for the project-do-date (“PTD”), the total property amount claimed for reimbursement totaled \$30.7 million for a total sales and use tax reimbursement of \$0.8 million.

The first “SB No. 1 Audit” for the project is still being completed. On or around the end of June 2015, Tesla requested and GOED granted an extension from the anticipated completion date of July 1, 2015. GOED anticipates receipt by the end of November, and will issue the first annual report for the Gigafactory after certification of this examination.

b. The number of employees engaged in construction of the Project who are residents of Nevada:

During Q3 2015, there was a weekly average of 847 construction workers, of which 74% were residents of Nevada. For the project-to-date (“PTD”), there has been a weekly average of 583 construction workers, of which 73% were residents of Nevada.

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

Tesla and PENA began hiring Gigafactory operational workforces in Q1 2015 and Q2 2015, respectively. As of the end of Q3 2015, Tesla and PENA have 50 and 32 Gigafactory employees, respectively. Total Q3 wages paid to these employees were \$1.9 million and \$1.0 million by Tesla and PENA, respectively.

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:

In Q3 2015, Tesla reports an investment of \$49 Million, for a PTD investment of \$232 Million. PENA reports an investment of \$3 Million for a PTD investment of \$6 Million. This combined PTD investment represents an estimated 22% of the Tesla provided building and site infrastructure budget of \$1.1 billion.

Through Q3 2015, GOED has determined Tesla is making satisfactory progress towards meeting the investment requirements necessary to continue the support of the Project as a qualified project.

