

May 2, 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: Tesla Gigafactory Quarterly Activity Report (Q1 2016)

Gentlemen:

Pursuant to NRS 360.975 the Governor's Office of Economic Development (the "Office") is submitting a quarterly activity report 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;
- (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 the number of employees employed by each participant in the qualified project who are residents of Nevada; 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
(Q1 2016)

- (a) The dollar amount of the abatements approved for the Lead participant in the Project:**

Transferable Tax Credits

During Q1 2016, the Office issued the first transferable tax credit certificate for \$9.6 million relating to credits earned during the period covering October 17, 2014 through June 30, 2015.

- (b) The number of employees engaged in construction of the Project who are residents of Nevada:**

During Q1 2016, there was a weekly average of 599 construction workers, of whom 458, or 76% were residents of Nevada.

For the project-to-date (“PTD”), there has been a weekly average of 638 construction workers (and a total of 2,600 unique construction workers), of whom 471, or 74% have been residents of Nevada.

- (c) The number of Qualified Employees employed by each Participant in the Project, the number of these employees who are residents of Nevada, and the total amount of wages paid to those persons:**

As of the end of Q1 2016, Tesla and PENA have 317 and 52 Gigafactory employees, respectively; or a combined total of 369 employees which represents a 36% increase of total employees from the previous quarter. Of the 369 total employees, 334, or 90% are residents of Nevada.

Total Q1 2016 wages paid to these employees were \$ 5.5 million and \$1.3 million by Tesla and PENA, respectively. For the PTD, cumulative wages were \$11.3 million and \$3.4 million by Tesla and PENA, respectively.

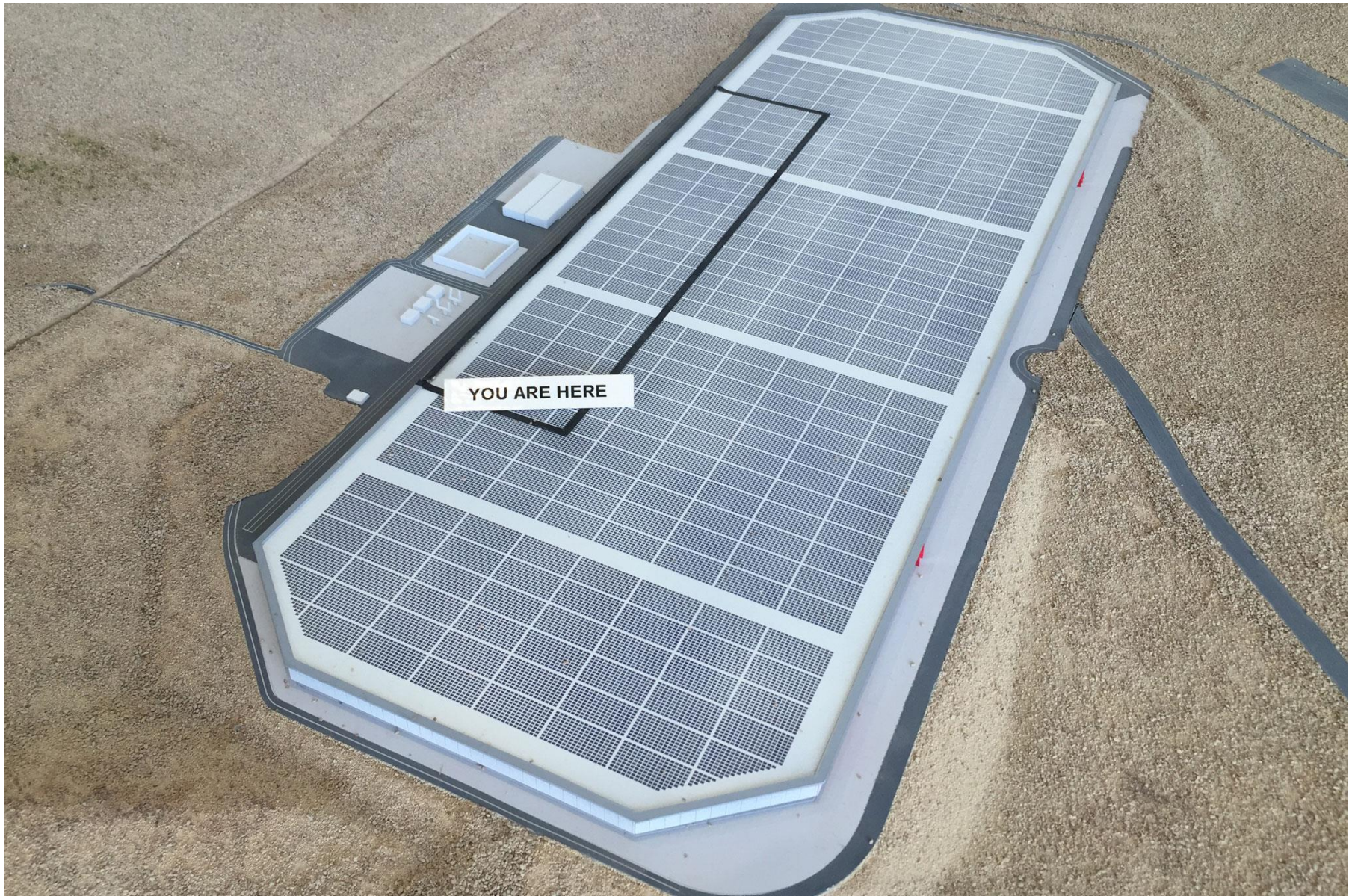
- (d) For the Project, an assessment of whether the Participants in the Project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the Project is a Qualified Project:**

In Q1 2016, Tesla reports an investment of \$67 million, for a PTD investment of \$380 million; PENA reports an investment of \$64 million for a PTD investment of \$128 million; or a combined PTD investment of \$508 million through Q1 2016. That \$131 million invested in Q1 2016 is 35% greater than the amount invested in Q4 2015.

To date, the Gigafactory has a footprint of approximately 800,000 sq. ft., which includes approximately 1.9 million square feet of manufacturing space.

Based on the reported total investment and tours of the Gigafactory by GOED during Q1 2016, GOED has determined Tesla is making satisfactory progress.





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