

February 01, 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 (Q4 2015)

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 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
(Q4 2015)

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

Tesla submitted its first compliance audit report for the period covering October 17, 2014 through June 30, 2015. In connection with the submission audit report, Tesla has claimed \$9.6 million of transferable credits, which is attributed to the amount of investment spent and employees hired at the Gigafactory during the same period. These credits are expected to be issued to Tesla by the Office by or around early February.

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

During Q4 2015, there was a weekly average of 894 construction workers, of which 74% were residents of Nevada. For the project-to-date (“PTD”) there has been a weekly average of 645 construction workers, of which 73% have been 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 Q4 2015, Tesla and PENA have 232 and 40 Gigafactory employees, respectively. Total Q4 wages paid to these employees were \$ 3.3 million and \$1.0 million by Tesla and PENA, respectively. For the PTD, cumulative wages were \$6.6 million and \$2.6 million by Tesla and Panasonic, again 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 Q4 2015, Tesla reports an investment of \$78 million, for a PTD investment of \$310 million; PENA reports an investment of \$58 million for a PTD investment of \$64 million; or a combined PTD investment of \$374 through year-end 2015. This total investment represents an estimated 57% increase from the reported Q3 2015 PTD total investment of \$238 million.

On January 7th, the Wall Street Journal reported Panasonic Corporation President Kazuhiro Tsuga statement the company would spend up to \$1.6 billion on the Tesla Gigafactory.

Based on the reported total investment and positive participant news, through Q4 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.