

Board Summary

Ryze Renewables Reno, LLC

Date: September 15, 2016
Main Location: Carson City, Nevada

TBD
Chris Dancy - Senior Analyst
Biofuels

Business Type: New County: Storey County Development Authority Representative: Stan Thomas - EDAWN

APPLICATION HIGHLIGHTS

- Ryze Renewables Reno, LLC plans to acquire and repurpose an existing petrochemical processing facility located in Storey County.
- The company will be making an \$11.3 m investment in land and construction.

PROFILE

Ryze Renewables Reno, LLC manufactures 100% renewable diesel which is converted from distiller's corn oil, esters, fatty acids or other non-food renewable feedstock. The company plans to purchase a facility in McCarren, NV to produce 2,000 barrel of diesel fuel per day. Renewable diesel is a 100% drop-in replacement fuel requiring no modifications to the existing fuel distribution infrastructure or a vehicle's fuel system. Ryze Renewables Reno, LLC is committed to using renewable resources, starting with the recycling of materials that are left over from its other divisions to manufacture other products. *Source: Ryze Renewables Reno, LLC*

SIGNIFICANCE OF ABATEMENTS IN THE COMPANY'S DECISION TO RELOCATE/EXPAND

A critical factor, in deciding to expand operations to McCarran, NV is the availability of the State Incentive Program. Ryze Renewables Reno, LLC's consideration to establish their new facility in McCarren is based upon several factors including the business environment, cost of living and logistical advantages offered by the region. *Source: Ryze Renewables Reno, LLC*

REQUIREMENTS	Statutory	Application	Sufficient	% Over / Under
Job Creation	10	117	Yes	1070%
Average Wage	\$20.07	\$26.00	Yes	30%
Equipment Capex (SU & MBT)	\$250,000	\$66,560,612	Yes	26524%
Equipment Capex (PP)	\$1,000,000	\$66,560,612	Yes	6556%

INCENTIVES	Requested Terms	Estimated \$ Amount
Sales Tax Abmt.	Abated to 2%	\$3,727,394
Modified Business Tax Abmt.	50% for 4 years	\$163,898
Personal Property Tax Abmt.	50% for 10 years	\$2,239,302
Real Property Tax Abmt.	50% for 10 years	\$869,492
Total		\$7,000,086

JOB CREATION	Contracted	24-Month Projection	5-Year Projection
	50	117	117

OTHER CAPITAL INVESTMENT	Land	Building Purchase	BTS / Building Improvements
	\$0	\$11,000,000	\$3,730,000

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)	Total	Construction
Total Jobs Supported	173	33
Total Payroll Supported	\$93,398,050	\$1,950,478
Total Output Estimate	\$303,570,570	\$5,324,097

Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses.

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)	Direct	Indirect	Total
Local Taxes			
Property	\$3,182,350	\$1,942,457	\$5,124,807
Sales	\$0	\$601,800	\$601,800
Lodging	\$0	\$52,936	\$52,936
State Taxes			
Property	\$199,111	\$373,533	\$572,644
Sales	\$1,379,702	\$579,068	\$1,958,770
Modified Business	\$655,590	\$402,072	\$1,057,662
Lodging	\$0	\$1,985	\$1,985
Total	\$5,416,753	\$3,953,851	\$9,370,604

IMPACT ASSESSMENT	Economic Impact per Abated Dollar	New Total Tax per Abated Dollar
	\$43	\$1.34

EMPLOYEE BENEFITS

- Percentage of health insurance covered by company: 100%.
- Health care package cost per employee - \$5,940 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Retirement Plan, Merit Increases, Bonus, Tuition Assistance, COLA Adjustments .

NOTES

- Percentage of market outside of Nevada: 100%.
- The company is also considering Mississippi as a potential location.

August 12, 2016

Director Steve Hill
Governor's Office of Economic Development
808 West Nye Lane
Carson City, NV 89703

Re: Ryze Renewables Reno, LLC

Dear Steve:

EDAWN hereby supports the application of Ryze Renewables Reno for the Sales & Use Tax Abatement, Modified Business Tax Abatement, Personal Property Tax Abatement, Recycling Real Property Tax Abatement and training incentives.

Ryze Renewables Reno manufactures 100% renewable diesel which is converted from distiller's corn oil, esters, fatty acids or other non-food renewable feedstock. They are planning to purchase a facility in McCarran, NV to produce 2,000 barrels of diesel fuel per day.

The company will be establishing their headquarters here and investing approximately \$48,040,000 capital equipment in the first 2 years and plans to hire 117 employees within the first 2 years at an average wage of \$26.00 per hour.

The company's compensation package includes overtime, merit increases, PTO/sick/vacation, bonus, retirement plan /401K, tuition assistance, and COLA adjustments.

EDAWN supports this application as the company meets three of three incentive requirements. Your consideration and support of the incentive application for Ryze Renewables Reno 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



CAPITAL

OFFICE (949) 812-7000
EMAIL info@ryzecap.com

8/11/2016

Governor's Office of Economic Development
808 West Nye Lane
Carson City, NV 89703

Dear Commission Members:

Ryze Renewables Reno is a maker of 100% drop in renewable diesel. The plan is to purchase and repurpose a mothballed facility in McCarran, Nevada. We plan to hire and train employees from the local Reno area, and begin processing at the McCarran facility. The target date for the physical move is Quarter 1, 2017 with commercial production and operations to commence Quarter 1, 2018.

The decision to purchase another operation in McCarran was due to several factors, including the business tax structure, cost of living and logistic advantages offered by the region. In addition, Ryze Renewables Reno is aware of the benefits of the State Incentive Program, and this was also a critical factor in deciding to locate the production operation to McCarran.

The plan to locate in McCarran involves internal expansion of the existing facility and investments in additional equipment. In order to staff and operate our operations, the plan is to hire a total of 117 employees. The average hourly rate of the employees is projected to be \$26.00.

We are excited about the market opportunities presented by this location and the advantages that locating this facility in McCarran will offer our company. In conjunction with Nevada's business-friendly environment, we see this as a first step towards increased growth for Ryze Renewables Reno.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Pearson", written over a horizontal line.


Matthew Pearson

REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to Assembly Bill No. 17, 78th (2015) Session of the Nevada Legislature, and upon the request of applicant Ryze Renewables Reno the Executive Director of the Office has determined the:

- (i) The proposed site location
- (ii) The detailed schedule of Employment List, 5(B), and
- (iii) The detailed schedule of Capital Equipment List, 5(A),

are confidential proprietary information of the business, are not public records, and shall be redacted in its entirety from the copy of the application that is disclosed to the public.



Steven D. Hill
Executive Director



Date

September 9, 2016

Mr. Steve Hill
Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington Avenue, Suite 5400
Las Vegas, NV 89101

RE: APPLICATION FOR INCENTIVES – REQUEST FOR
CONFIDENTIALITY OF RECORDS AND DOCUMENTS

Dear Director Hill:

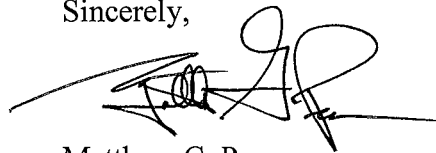
On August 10th, 2016, Ryze Renewables Reno LLC submitted an application to you as the Executive Director of the State of Nevada Governor's Office of Economic Development ("GOED") requesting approval of economic incentives for the acquisition and repurposing of a renewable diesel facility in Storey County, Nevada. The purpose of this letter is to request that any and all records and other documents in GOED's possession concerning initial contact with, research and planning for Ryze Renewables Reno, including but not limited to certain information in that application, and if amended, all be kept confidential pursuant to Section 4 of Assembly Bill No. 17 (2015 Regular Session) as codified in NRS 231.069.

Please be advised that Ryze Renewables Reno specifically deems the following information proprietary and confidential:

1. The detailed schedule of Employment List
2. The detailed schedule of Capital Equipment List
3. The site address

Thank you for your consideration. If you have any questions or require any further information, please do not hesitate to contact me.

Sincerely,



Matthew G. Pearson
Managing Director
Ryze Capital Partners

ECONOMIC DEVELOPMENT

Incentive Application

Company Name: Ryze Renewables Reno LLC
 Date of Application: August 10, 2016

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>Ryze Renewables Reno LLC</u>			FEDERAL TAX ID # <u>TBD</u>
CORPORATE ADDRESS <u>TBD</u>	CITY / TOWN <u>Reno</u>	STATE / PROVINCE <u>Nevada</u>	ZIP <u>89521</u>
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above) <u>TBD</u>	CITY / TOWN <u>TBD</u>	STATE / PROVINCE <u>TBD</u>	ZIP <u>TBD</u>
TELEPHONE NUMBER <u>TBD</u>	WEBSITE www.ryzecap.com		
COMPANY CONTACT NAME <u>Chris Dancy</u>	COMPANY CONTACT TITLE <u>Senior Analyst</u>		
E-MAIL ADDRESS cdancy@ryzecap.com	PREFERRED PHONE NUMBER <u>9498127065</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 criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following the quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase the 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 urban 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. For in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).

Section 4 - Nevada Facility

Type of Facility:

- Headquarters Service Provider
 Technology Distribution / Fulfillment
 Back Office Operations Manufacturing
 Research & Development / Intellectual Property Other: _____

PERCENT OF COMPANY'S MARKET OUTSIDE OF NEVADA <u>100%</u>	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) <u>Q1 2018</u>		
NAICS CODE / SIC <u>325100</u>	INDUSTRY TYPE <u>Biofuels, Drop In Renewable Diesel</u>		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS <u>Facility creating 100% drop in renewable diesel fuel, propane and naphtha</u>			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS <u>TBD</u>	CITY / TOWN <u>TBD</u>	COUNTY	ZIP <u>TBD</u>
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? <u>Mississippi</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

Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up - Plans Over the Next <u>Ten</u> Years	Expansions - Plans Over the Next <u>10</u> Years
<p>Part 1. Are you currently/planning on leasing space in Nevada? _____ If No, skip to Part 2. If Yes, continue below: What year(s)? _____ How much space (sq. ft.)? _____ Annual lease cost of space: _____ Do you plan on making building tenant improvements? _____ If No, skip to Part 2. If Yes *, continue below: When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? Yes If No, skip to Part 3. If Yes *, continue below: Purchase date, if buying (month, year): <u>March, 2017</u> How much space (sq. ft.)? <u>435,600</u> Do you plan on making building improvements? Yes If No, skip to Part 3. If Yes *, continue below: When to make improvements (month, year)? <u>March, 2017</u></p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? Yes If Yes *, continue below: When to break ground, if building (month, year)? <u>March, 2017</u> Estimated completion date, if building (month, year): <u>June, 2018</u> How much space (sq. ft.)? <u>NA</u></p>	<p>Part 1. Are you currently leasing space in Nevada? _____ If No, skip to Part 2. If Yes, continue below: What year(s)? _____ How much space (sq. ft.)? _____ Annual lease cost at current space: _____ Due to expansion, will you lease additional space? _____ If No, skip to Part 3. If Yes, continue below: Expanding at the current facility or a new facility? _____ What year(s)? _____ How much expanded space (sq. ft.)? _____ Annual lease cost of expanded space: _____ Do you plan on making building tenant improvements? _____ If No, skip to Part 3. If Yes *, continue below: When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? _____ If No, skip to Part 3. If Yes, continue below: How much space (sq. ft.)? _____ Current assessed value of real property? _____ Due to expansion, will you be making building improvements? _____ If No, skip to Part 3. If Yes *, continue below: When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? _____ If Yes *, continue below: Purchase date, if buying (month, year): _____ When to break ground, if building (month, year)? _____ Estimated completion date, if building (month, year): _____ How much space (sq. ft.)? _____</p>
<p>* Please complete Section 7 - Capital Investment for New Operations / Startup.</p>	<p>* Please complete Section 7 - Capital Investment for Expansions below.</p>

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):
 Ryze Capital Partners, LLC, and Encore DEC, LLC have formed Ryze Renewables Reno, LLC to convert Distiller's Corn Oil, Esters & Fatty Acids and other sustainable non-food feedstocks into Renewable Drop-in Diesel Fuel ("DDF") for the California fuel market. The company plans to acquire and repurpose an existing petrochemical processing facility located close to California in Storey County, Nevada to produce 2,000 barrels per day ("bpd") – i.e. 84,000 gallons per day ("gpd") of Renewable Drop-in Diesel Fuel.

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>\$11,000,000</u>	Building Purchase (if buying): _____
Building Costs (if building / making improvements): <u>\$3,730,000</u>	Building Costs (if building / making improvements): _____
Land: <u>cluded in Building Purchas</u>	Land: _____
Equipment Cost: <u>\$66,560,612</u>	Equipment Cost: _____
Total: <u>\$81,290,612</u>	Total: _____
	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>117</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>\$26.00</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):

- | | | | |
|---|--|---|---|
| <input checked="" type="checkbox"/> Overtime | <input checked="" type="checkbox"/> Merit increases | <input checked="" type="checkbox"/> Tuition assistance | <input checked="" type="checkbox"/> Bonus |
| <input checked="" type="checkbox"/> PTO / Sick / Vacation | <input checked="" type="checkbox"/> COLA adjustments | <input checked="" type="checkbox"/> Retirement Plan / Profit Sharing / 401(k) | <input type="checkbox"/> Other: _____ |

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

NA

Section 9 - Employee Health Insurance Benefit Program

Is health insurance for employees and an option for dependents offered?: Yes (copy of benefit plan must be attached) No

Package includes (check all that apply):

- | | | | |
|---|--|--|--|
| <input checked="" type="checkbox"/> Medical | <input checked="" type="checkbox"/> Vision | <input checked="" type="checkbox"/> Dental | <input checked="" type="checkbox"/> Other: <u>Principal Like \$25,000 Policy</u> |
|---|--|--|--|

Qualified after (check one):

- | | | | |
|--|---|---|---|
| <input type="checkbox"/> Upon employment | <input type="checkbox"/> Three months after hire date | <input type="checkbox"/> Six months after hire date | <input checked="" type="checkbox"/> Other: <u>1st Calendar Month after 30 days of employment.</u> |
|--|---|---|---|

Health Insurance Costs:	Percentage of health insurance coverage by:
Cost of health insurance for company (annual amount per employee): <u>\$ 5,940.00</u>	Company: <u>100%</u>
Health Plan annual out-of-pocket maximum (individual): <u>\$ -</u>	Employee: <u>0%</u>

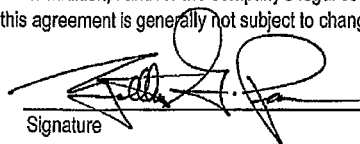
[SIGNATURE PAGE FOLLOWS]

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.

Matthew Pearson
Name of person authorized for signature


Signature

Managing Director
Title

August 10, 2016
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: Ryze Renewables Reno LLC

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:	<u>4</u>	Transportation infrastructure:	<u>5</u>
Labor costs:	<u>3</u>	Transportation costs:	<u>5</u>
Real estate availability:	<u>1</u>	State and local tax structure:	<u>5</u>
Real estate costs:	<u>1</u>	State and local incentives:	<u>5</u>
Utility infrastructure:	<u>4</u>	Business permitting & regulatory structure:	<u>4</u>
Utility costs:	<u>4</u>	Access to higher education resources:	<u>3</u>

OTHER FACTORS & RATINGS:

Equipment Schedule, Detailed

The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Ryze Renewables Reno, and is not a public record.

Employment Schedule, Detailed

The Office has determined the detailed employment schedule as described in this application constitutes confidential proprietary information of Ryze Renewables Reno, and is not a public record.

5(C) Evaluation of Health Plans Offered by Companies

Company Name: Ryze Renewables Reno County: Storey

Total Number of Full-Time Employees: 117

Average Hourly Wage per Employee \$26.00
 Average Annual Wage per Employee (implied) \$54,080.00

Annual Cost of Health Insurance per Employee \$5,940.00

Percentage of Cost Covered by:
 Company 100%
 Employee 0% 2400000

Health Plan Annual Out-of-Pocket Maximum \$0

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 0.0% MMQ

Annual Out-of-Pocket Maximum not to exceed \$6,600 (2015) \$0 MMQ

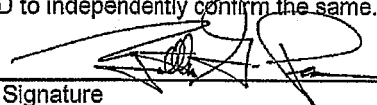
Minimum essential health benefits covered (Company offers PPO):

- (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 sufficient plan information for GOED to independently confirm the same.

Matthew Pearson
 Name of person authorized for signature


 Signature

Managing Member
 Title

8/10/2016
 Date