

Board Summary

Zazzle, Inc.
 1800 Seaport Blvd. Redwood City, CA 94063
 Charles Ohiaeri, Chief Fulfillment Officer
 E-commerce

Date: November 17, 2016
 Main Location: Carson City, Nevada

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

APPLICATION HIGHLIGHTS

- Zazzle, Inc.'s business platform allows customers, designers, and manufacturers to easily engage in global commerce. The company is looking to open a manufacturing distribution and technology operation in the Reno area.
- Zazzle, Inc. operates multiple facilities in the State of California, Texas and internationally. The company plans to relocate to Nevada from their current locations in San Jose and San Diego, CA.

PROFILE

Zazzle, Inc. is an online marketplace operating a platform for custom products. The company's technology enables individuals, professional artists, and brands to create and offer products in various categories, including accessories, art and posters, cards and postage, clothing, electronics, home and pets, craft supplies, office products, and miscellaneous products to customers worldwide. In 2010, Zazzle was recognized as one of the "Hottest Silicon Valley Companies" by Lead411. *Source: Zazzle Inc.*

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

The company's thesis behind relocating several divisions of business to Reno is due to several factors including the business tax structure, cost of living and logistic advantages offered by the region. In addition, Zazzle, Inc. is aware of the benefits of the State Incentive Program and this will be critical factor in the final decision to establish an operational presence in Reno. *Source: Zazzle, Inc.*

REQUIREMENTS	Statutory	Application	Sufficient	% Over / Under
Job Creation	50	50	Yes	0%
Average Wage	\$21.35	\$22.52	Yes	5%
Equipment Capex (SU & MBT)	\$1,000,000	\$4,740,000	Yes	374%
Equipment Capex (PP)	\$1,000,000	\$4,740,000	Yes	374%

INCENTIVES	Requested Terms	Estimated \$ Amount
Sales Tax Abmt.	Abated to 2% for 2 years	\$271,365
Modified Business Tax Abmt.	50% for 4 years	\$58,248
Personal Property Tax Abmt.	50% for 10 years	\$77,772
Total		\$407,385

JOB CREATION	Contracted	24-Month Projection	5-Year Projection
	50	50	80

OTHER CAPITAL INVESTMENT	Land	Building Purchase	BTS / Building Improvements
	\$0	\$0	\$850,000

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)	Total	Construction
Total Jobs Supported	169	9
Total Payroll Supported	\$64,577,481	\$377,432
Total Output Estimate	\$273,192,181	\$1,350,068

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	\$1,091,059	\$2,020,573	\$3,111,632
Sales	\$31,631	\$927,467	\$959,098
Lodging	\$0	\$98,970	\$98,970
State Taxes			
Property	\$53,146	\$121,624	\$174,770
Sales	\$105,850	\$400,380	\$506,230
Modified Business	\$329,619	\$452,282	\$781,901
Lodging	\$0	\$2,749	\$2,749
Total	\$1,611,305	\$4,024,045	\$5,635,350

IMPACT ASSESSMENT	Economic Impact per Abated Dollar	New Total Tax per Abated Dollar
	\$671	\$13.83

EMPLOYEE BENEFITS

- Percentage of health insurance plan covered by company: 90%.
- Health care package cost per employee - \$7,004 annually with options for dependents.
- Overtime, PTO/Sick, Merit increases, Tuition assistance, Retirement Plan/Profit sharing / 401(k), Bonus.

NOTES

- Percentage of market outside of Nevada: 99%.
- The company is considering Las Vegas, NV, Phoenix, AZ and San Jose, CA as potential locations.

October 6, 2016

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

Re: Zazzle, Inc.

Dear Steve:

EDAWN hereby supports the application of Zazzle, Inc. for the Sales & Use Tax Abatement, Modified Business Tax Abatement, and Personal Property Tax Abatement incentives.

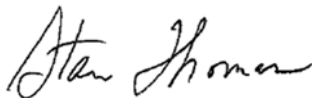
Zazzle's business platform allows customers, designers, and manufacturers to easily engage in global commerce. The company is looking to open a manufacturing "Make Center", distribution and technology operation in the Reno area.

The company will be investing approximately \$4,740,000 for capital equipment in the first 2 years and plans to hire 50 employees within the first 2 years at an average wage of \$22.52 per hour.

The company's compensation package includes medical, vision and dental benefits, overtime, PTO/sick/vacation, bonus, retirement plan /401K, merit increases, and tuition assistance. Additional benefits include long term disability, life insurance, AD&D coverage, EAP, and health advocate. Employee health insurance is covered 90% by the company and commences on the first of the month after the date of hire.

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

Zazzle

October 6, 2016

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

Dear Commission Members:

Zazzle Inc. is a platform that enables customers, designers and manufactures to engage in meaningful commerce across the globe. The plan is to relocate from our current locations in San Jose and San Diego, California, to Reno, Nevada. We plan to hire and train employees from the local Reno area, and begin manufacturing in a new "Make Center" in Reno. The target date for the physical move is March of 2017, with operations to commence no later than June of the same year.

Zazzle has multiple facilities in the state of California, Texas and internationally. The thesis behind relocating several divisions of our business to Reno was due to several factors, including the business tax structure, cost of living and logistic advantages offered by the region. In addition, Zazzle is aware of the benefits of the State Incentive Program, and this also was a critical factor in deciding to establish an Operations presence in Reno.

The expansion plan to Reno involves building an advanced manufacturing and technology center including investments in additional equipment, technical training and materials. In order to staff and run our operations, the plan is to hire in excess of 50 employees. The average hourly rate of the employees is projected to be on the order of \$22.52 and we anticipate a capital investment on the order of \$4.7MM to establish the operation.

We are excited about the market opportunities presented by this new frontier and the advantages that locating this "Make Center" in Reno will offer our company. In conjunction with Nevada's business-friendly environment, we see this as a first step in what will be increased growth for Zazzle.

Best,

Charles Ohiaeri
Chief Fulfillment Officer
Zazzle Inc.

ECONOMIC DEVELOPMENT

Incentive Application

Company Name: Zazzle Inc.
 Date of Application: October 5, 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
- Modified Business Tax Abatement
- Personal Property Tax Abatement
- Sales & Use Tax Deferral
- Recycling Real Property Tax Abatement
- Other: _____

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada) Zazzle Inc.			FEDERAL TAX ID #	
CORPORATE ADDRESS 1800 Seaport Blvd.	CITY / TOWN Redwood City	STATE / PROVINCE CA	ZIP 94063	
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)	CITY / TOWN	STATE / PROVINCE	ZIP	
TELEPHONE NUMBER 650.872.8000	WEBSITE zazzle.com			
COMPANY CONTACT NAME Peggy Beaver	COMPANY CONTACT TITLE Chief People Officer			
E-MAIL ADDRESS peggy.beaver@zazzle.com	PREFERRED PHONE NUMBER 650.261.3344			

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 quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase 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 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
- Technology
- Back Office Operations
- Research & Development / Intellectual Property
- Service Provider
- Distribution / Fulfillment
- Manufacturing
- Other: _____

PERCENT OF COMPANY'S NEVADA LOCATION MARKET OUTSIDE OF NEVADA 99%	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) Jun-2017		
NAICS CODE / SIC TBD	INDUSTRY TYPE E-commerce		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS Operations, Customer Service, Technology			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS TBD	CITY / TOWN TBD	COUNTY	ZIP
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? Las Vegas, NV; Phoenix, AZ; San Jose, CA			

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? <u>Yes</u></p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p>What year(s)? <u>2017 -</u></p> <p>How much space (sq. ft.)? <u>200,000</u></p> <p>Annual lease cost of space: <u>\$0.45</u></p> <p>Do you plan on making building tenant improvements? <u>Yes</u></p> <p>If No, skip to Part 2. If Yes *, continue below:</p> <p>When to make improvements (month, year)? <u>Mar-2016</u></p> <hr/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? <u>No</u></p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>Purchase date, if buying (month, year): _____</p> <p>How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? <u>No</u></p> <p>If Yes *, continue below:</p> <p>When to break ground, if building (month, year)? _____</p> <p>Estimated completion date, if building (month, year): _____</p> <p>How much space (sq. ft.)? _____</p>	<p>Part 1. Are you currently leasing space in Nevada? _____</p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p>What year(s)? _____</p> <p>How much space (sq. ft.)? _____</p> <p>Annual lease cost at current space: _____</p> <p>Due to expansion, will you lease additional space? _____</p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p>Expanding at the current facility or a new facility? _____</p> <p>What year(s)? _____</p> <p>How much expanded space (sq. ft.)? _____</p> <p>Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? _____</p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p>How much space (sq. ft.)? _____</p> <p>Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? _____</p> <p>If Yes *, continue below:</p> <p>Purchase date, if buying (month, year): _____</p> <p>When to break ground, if building (month, year)? _____</p> <p>Estimated completion date, if building (month, year): _____</p> <p>How much space (sq. ft.)? _____</p>
* Please complete Section 7 - Capital Investment for New Operations / Startup.	* Please complete Section 7 - Capital Investment for Expansions below.

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

TBD

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> \$0 </u>	Building Purchase (if buying): <u> \$0 </u>
Building Costs (if building / making improvements): <u> \$850,000 </u>	Building Costs (if building / making improvements): <u> \$0 </u>
Land: <u> \$0 </u>	Land: <u> \$0 </u>
Equipment Cost: <u> \$4,740,000 </u>	Equipment Cost: <u> \$0 </u>
Total: <u> \$5,590,000 </u>	Total: <u> \$0 </u>
	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> 50 </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> \$22.52 </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 type="checkbox"/> COLA adjustments | <input checked="" type="checkbox"/> Retirement Plan / Profit Sharing / 401(k) | <input checked="" type="checkbox"/> Other: <u>See attached</u> |

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

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>Long term disability, Life & AD&D, EAP, Health Advocate</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 of the month after the date of hire</u> |
|--|---|---|---|

Health Insurance Costs:	Percentage of health insurance coverage by:
Cost of health insurance for company (annual amount per employee): <u> \$ 7,004.00 </u>	Company: <u> 90% </u>
Health Plan annual out-of-pocket maximum (individual): <u> \$ 1,500.00 </u>	Employee: <u> 10% </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.

Charles Ohiaeri
Name of person authorized for signature


Signature

Chief Fulfillment Officer
Title

October 5, 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: Zazzle Inc

County: TBD

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>5</u>	Transportation infrastructure:	<u>3</u>
Labor costs:	<u>5</u>	Transportation costs:	<u>3</u>
Real estate availability:	<u>2</u>	State and local tax structure:	<u>5</u>
Real estate costs:	<u>4</u>	State and local incentives:	<u>5</u>
Utility infrastructure:	<u>3</u>	Business permitting & regulatory structure:	<u>5</u>
Utility costs:	<u>3</u>	Access to higher education resources:	<u>4</u>

OTHER FACTORS & RATINGS:

5(B) Employment Schedule

Company Name: Zazzle Inc.

County: TBD

Section I - Full-Time Equivalent (FTE) Employees

Directions: Please provide an estimated list of full time employees [columns (a) through (d)] that will be hired and employed by the company by the end of the first eighth quarter of new / expanded operations. For example, if the effective date of new / expanded operations is April 1, 2015, the date would fall in Q2, 2015. The end of the first eighth quarter would be the last day of Q2, 2017 (i.e., June 30, 2017). Attach this form to the Incentives Application.

A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 per week, if offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position of a "primary job" as set forth in NAC 360.474.

(a) New Hire Position Title/Description	(b) Number of Positions	(c) Average Hourly Wage	(d) Average Weekly Hours	(e) Annual Wage per Position	(f) Total Annual Wages
Device Operator	12	\$18.00	40	\$37,440.00	\$449,280.00
Site Director/GM	1	\$100.00	40	\$208,000.00	\$208,000.00
Manufacturing Mgmt.	4	\$40.00	40	\$83,200.00	\$332,800.00
Assistant Managers	6	\$24.00	40	\$49,920.00	\$299,520.00
Supervisors	12	\$18.00	40	\$37,440.00	\$449,280.00
Device Technicians	6	\$18.00	40	\$37,440.00	\$224,640.00
IT Support	4	\$20.00	40	\$41,600.00	\$166,400.00
Human Resources	4	\$20.00	40	\$41,600.00	\$166,400.00
Inventory Control	1	\$22.00	40	\$45,760.00	\$45,760.00
TOTAL	50			\$22.52	\$2,342,080.00

Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete [columns (b) through (c)]. These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of employment.

(a) Year	(b) Number of FTE(s) Projected	(c) Average Hourly Wage	(d) Payroll
3-Year	60	\$22.52	\$2,810,496.00
4-Year	70	\$22.00	\$3,203,200.00
5-Year	80	\$21.50	\$3,577,600.00

5(C) Evaluation of Health Plans Offered by Companies

Company Name: Zazzle Inc. County: TBD

Total Number of Full-Time Employees: 50

Average Hourly Wage per Employee \$22.52
 Average Annual Wage per Employee (Implied) \$46,841.60

Annual Cost of Health Insurance per Employee \$7,004.00
 Percentage of Cost Covered by:
 Company 90%
 Employee 10%

Health Plan Annual Out-of-Pocket Maximum \$1,500

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 1.7%

Annual Out-of-Pocket Maximum not to exceed \$6,600 (2015) \$1,500

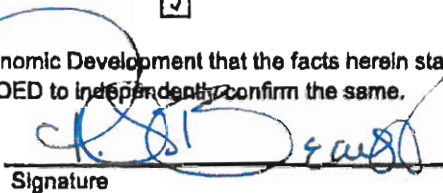
Minimum essential health benefits covered (Company offers PPO):

- (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.

Peggy Beaver
 Name of person authorized for signature


 Signature

Chief People Officer
 Title

October 5, 2016
 Date



Robert Beaver, Co-Founder and CEO



Jeff Beaver, Co-Founder and Chief Product Officer



Bobby Beaver, Co-Founder and Chief Technology Officer



Jason Kang, Chief Financial Officer



Peggy Beaver, Chief People Officer



Nizzi Karai Renaud, Chief Marketing Officer



Charles Ohiaeri, Chief Fulfillment Officer



Melanie Sherk, Chief Legal Officer and Vice President, Business Development