



Storey County Commissioners' Office

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September 25, 2017

The Honorable Brian Sandoval
Office of the Governor
One Hundred One North Carson Street
Carson City, NV 89701

Mr. Richard Combs, Director
Legislative Counsel Bureau
401 South Carson Street
Carson City, NV 89701

Re: N.R.S. 360.896 for required annual report (fiscal year 2017)

Gentlemen:

This annual report is submitted pursuant to N.R.S. 360.896 and due on or before October 1st of this year. The report must contain:

- (a) The number of qualified projects located within the jurisdiction of the governing body for which a certificate of eligibility for transferable tax credits was approved, and
- (b) The number and dollar amount of the abatements granted by the governing body pursuant to subsection 1 of NRS 360.896 which pertains to abatements on permitting, plan review fees and licensing fees, and
- (c) The number of persons within the jurisdiction of the governing body that were employed by each participant in a qualified project and the amount of wages paid to those persons.

The attached report is based on information available to Storey County. If you have any questions or if any further information is required please let me know.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Pat Whitten", is written over a horizontal line.

Pat Whitten – County Manager
pwhitten@storeycounty.org

cc: Storey County Board of Commissioners
Storey County Clerk
Storey County Comptroller
Storey County District Attorney
Governor's Office of Economic Development
Tesla Motors, Inc.

Storey County Annual Report

N.R.S. 360.896 for required annual report (fiscal year 2017)

(a) The number of qualified projects located within the jurisdiction of the governing body for which a certificate of eligibility for transferable tax credits was approved.

There continues to be one qualified project, Tesla Motors, Inc. with an approved certificate of eligibility for transferable tax credits. Within the project, there are 2 qualified participants' those being Tesla Motors, and Panasonic Energy Corporation of North America (PENA). Additionally, Valeo North America, Inc. and H&T Nevada are being added as qualified participants but no additional information was available at the time of this report.

(b) The number and dollar amount of the abatements granted by the governing body pursuant to subsection 1 which pertains to abatements on permitting and licensing fees.

- Storey County approved Ordinance 15-263 (See attached Exhibit A) which abates, in part, permitting fees and plan review fees that the County is authorized to impose or charge pursuant to Chapter 244 of NRS. Fiscal results and impacts on local government services for fiscal year ending June 30, 2017 are:
 - Tesla paid total annual permitting and plan review fees of \$620,315. Total revenue, if unabated would have been \$6,454,225 resulting in a net incentive/abatement amount of \$5,833,910 for the reporting period. The total number of abatements is 8, which includes four quarterly payments for building permits and plan review fees and four quarterly payments for Fire District permit and plan review fees. Tesla also paid \$17,132 in unabated permit and plan review fees for work done outside the defined area of the Economic Diversification District.
- N.R.S. 360.896 also allows for full or partial abatements licensing fees. There are no abatements for licensing fees authorized or granted under Ordinance 15-263.

(c) The number of persons within the jurisdiction of the governing body that were employed by each participant in a qualified project and the amount of wages paid to those persons.

- Tesla Motors has provided Storey County the following information for the reporting period:

	<u>Actual (3/31/17)</u>	<u>Estimate 6/30/17</u>
○ Tesla Employees:	568	963
○ Panasonic Energy Corporation of North America (PENA):	<u>177</u>	<u>440</u>
○ Total Employees	745	1,403
○ Tesla Average Wage:	\$45.50	\$43.54
○ PENA Average Wage	\$45.75	\$34.03
○ Nevada Residency as a Percent Tesla: **	93%	93%
○ Nevada Residency as a Percent PENA: **	97%	99%

** Reporting not required by NRS 360.896 but reflects outstanding performance as measured against the mandatory 50% requirement established in NRS.

Ordinance No. 15-263Summary

An ordinance providing for a pilot project for granting partial abatements of permitting or licensing fees that the county is authorized to impose or charge pursuant to chapter 244 of NRS to participants in a qualified project in an Economic Diversification District.

Title

An ordinance adding section 3.50.200 to the Storey County Code providing for a pilot project for granting partial abatements of permitting or licensing fees to participants in a qualified project in an Economic Diversification District and providing for other properly related matters.

The Board of County Commissioners of the County of Storey, State of Nevada, does ordain:

SECTION I:**3.50.200 Title.**

This ordinance is known as the "Permitting Fee Abatement Ordinance".

3.50.210 Determinations of the board.

The board has determined that it intends to encourage local economic development by granting to any participant in a qualified project in an Economic Diversification District an abatement of all or any percentage of the amount of any permitting fee or licensing fee which the county is authorized to impose or charge pursuant to chapter 244 of NRS.

3.50.220 Definitions.

The definitions contained in the Economic Diversification Act and the Economic Diversification District are incorporated into and are adopted for use in this chapter.

3.50.230 Creation of the pilot project.

The board, for the purposes of encouraging local economic development, creates this pilot project for granting partial abatements of permits, plan reviews, and inspection fees. The board may determine, to the best of its ability, the amount of the abatement based on the anticipated local economic development that the qualified project would bring to the county.

3.50.240 Abatement of fees.

A. The board finds that Tesla Motors, Inc. ("Tesla") is a participant in a qualified project within the county's Economic Diversification District No. 1. The board has determined to grant an abatement of permitting fees it is authorized to impose pursuant to chapter 244 of NRS for a ten year period for building official and fire district permitting, plan reviews, and inspections for

the factory project by fixing the following annual fees for each of the following fiscal years ending June 30th:

Fiscal Year Ending June 30 th	Annual Fee
2015	\$556,268
2016	\$587,419
2017	\$620,315
2018	\$655,053
2019	\$230,579
2020	\$243,491
2021	\$257,126
2022	\$271,525
2023	\$286,731
2024	\$302,788

B. These fees are to be assessed on a fiscal year beginning on July 1, 2014.

C. The fees must be paid in advance on a quarterly basis (July 1, October 1, January 1, and April 1.

D. These fee payments do not include payments by Tesla for additional plan reviews and inspections that are performed by outside contractors.

E. During any year of the term of this abatement, the county may increase the annual fee charged to Tesla during such year, with Tesla's prior consent and approval, upon a showing by the county to Tesla that the permitting, plan review and inspection activities required by Tesla during such year have placed an extraordinary burden on county personnel.

F. Any abatement of fees by the County does not limit in any manner the discretion of the County in the permitting approval process, and does not relieve the participant from the obligation to obtain all necessary permits, entitlements and approvals for the construction of any Project.

3.50.250 Annual report.

The board, if it grants an abatement pursuant to this chapter, must submit an annual report to the governor and to the director of the Legislative Counsel Bureau for transmittal to the legislature that includes for the immediately preceding fiscal year:

A. The number of qualified projects located within the jurisdiction of the board for which a certificate of eligibility for transferable tax credits was approved.

B. The number and dollar amounts of the abatements granted by the board.

C. The number of persons within the jurisdiction of the board that were employed by each participant in a qualified project and the amount of wages paid those persons.

Proposed on March 3rd, 2015.

by Commissioner All

Passed on June 16th, 2015.

Vote: Ayes Commissioners

McBride

McGuffey

Abstain

~~Nays~~

Commissioners

Gilman

Absent

Commissioners

Marshall McBride

Marshall McBride, Chair

Storey County Board of County Commissioners

Attest:

Vanessa Stephens

Vanessa Stephens

Clerk & Treasurer, Storey County

This ordinance will become effective on 6/26/15