



# STAFF REPORT

**Report To:** Board of Supervisors                      **Meeting Date:** March 18, 2021

**Staff Contact:** Nancy Paulson, City Manager

**Agenda Title:** For Possible Action: Discussion and possible action regarding a request to acknowledge an application from Redwood Materials, Inc. for state incentives through the Governor's Office of Economic Development ("GOED"). (Nancy Paulson, npaulson@carson.org and Andrew Haskin, Northern Nevada Development Authority)

Staff Summary: Northern Nevada Development Authority will present an overview of Redwood Materials and its application for state incentives.

**Agenda Action:** Formal Action / Motion                      **Time Requested:** 10 Minutes

**Proposed Motion**

I move to acknowledge the application and authorize the Mayor to sign the letter of acknowledgement to GOED.

**Board's Strategic Goal**

Economic Development

**Previous Action**

On November 1, 2018, the Board of Supervisors acknowledged an application from Redwood Materials for state incentives through GOED.

**Background/Issues & Analysis**

**Applicable Statute, Code, Policy, Rule or Regulation**

NRS 360.757

**Financial Information**

**Is there a fiscal impact?** No

**If yes, account name/number:**

**Is it currently budgeted?**

**Explanation of Fiscal Impact:**

**Alternatives**

Do not acknowledge that application.

**Attachments:**

[Redwood Materials.pdf](#)

[DRAFT - Redwood Materials Inc. - GOED Board Packet.pdf](#)

[NRS 360.757.docx](#)

[GOED Letter from Mayor.pdf](#)

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

2/26/2021

Ms. Nancy Paulson  
City Hall/201 N. Carson Street, #3  
Carson City, NV 89701

RE: Sales & Use Tax, Modified Business Tax and Personal Property Tax Abatement  
**Redwood Materials, Inc.**

Dear Ms. Paulson,

This is a notification of and a request for a Letter of Acknowledgment regarding Redwood Materials, Inc.'s application to the Governor's Office of Economic Development for Sales & Use Tax Abatement, Modified Business Tax Abatement and Personal Property Tax Abatement for their operations planned in Carson City.

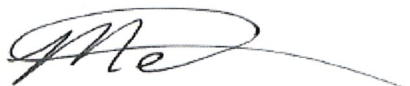
This will result in at least 39 new full-time jobs for at least five years. The company is planning to invest \$5,137,352 in capital equipment. The ten-year total economic impact is estimated to be \$321,804,171 and new tax revenue generated over ten years is estimated to be \$3,738,092.

We are under a statutory requirement to notify affected local governments prior to the public hearing where the application will be considered (NRS 360.757). We estimate the total Sales & Use Tax Abatement to be \$154,121; the total Modified Business Tax to be \$68,804; and the Personal Property Tax Abatement is estimated to be \$188,674 over 10 years.

A virtual board meeting is scheduled to review this application on March 31, 2021 at 1:00 p.m. If you'd like to provide feedback about this project, we encourage you to attend this meeting and come forward during public comment.

Thank you for your attention and consideration of this request. If you have any questions, please feel free to contact this office at your convenience.

Sincerely,



Melanie Sheldon  
Director of Business Development

**Redwood Materials, Inc.**

2801 Lockheed Way, Carson City, NV 89706

Robin Brown, Director of Finance, Planning &amp; Analysis

Date: March 31, 2021

**Application Facts:**

Industry **Manufacturing /Recycling Technology**  
 NAICS **562219**  
 Type of App **Expansion**  
 Location **Carson City**  
 RDA NNDA, Andrew Haskin

**Company Profile**

Redwood Materials, Inc. (Redwood Materials) is considering an expansion of its existing Carson City facility. The company moved from California to Nevada in late 2018. Since moving to Nevada, Redwood Materials has hired and trained employees from the local northern Nevada area, and began producing new materials at its Carson City facilities. Redwood Materials was developed to address the growing problem of electronic waste ending up in landfills. The company has developed new chemical, metallurgical, and mechanical technologies for recovering materials from post-consumer and post-industrial electronics, and deploying these technologies in high-tech processing facilities. In addition, Redwood is exploring applications in related industries such as mining that have a long history in Nevada. Redwood Materials is also considering various locations across the US and Europe for this expansion. *Source: Redwood Materials, Inc.*

<b>Tax Abatement Requirements:</b>	<b>Statutory</b>	<b>Company Application</b>	<b>Meeting Requirements</b>
Job Creation	6	<b>39</b>	<b>Yes</b>
Average Wage	\$24.16	<b>\$30.77</b>	<b>Yes</b>
Equipment Capex (SU & MBT)	\$30,829	<b>\$5,137,352</b>	<b>Yes</b>
Equipment Capex (PP)			
<b>Additional Requirements:</b>			
Health Insurance	65%	<b>75%</b>	<b>Yes</b>
Revenues generated outside NV	51%	<b>100%</b>	<b>Yes</b>
Business License	<input checked="" type="checkbox"/> Current	<input type="checkbox"/> Pending	<input type="checkbox"/> Will comply

**Total Tax Liability** (without tax abatements) **\$4,149,691**

<b>Tax Abatements</b>	<b>Contract Terms</b>	<b>Estimated Tax Abatement</b>
Sales Tax Abmt.	4.6% for 2 years	\$154,121
Modified Business Tax Abmt.	50% for 4 years	\$68,804
Personal Property Tax Abmt.	50% for 10 years	\$188,674
<b>Total Estimated Tax Abatement over 10 yrs.</b>		<b>\$411,599</b>

<b>Net New Tax Revenues</b>	<b>Direct</b>	<b>Indirect</b>	<b>Taxes after Abatements</b>
<b>Local Taxes</b>			
Property	\$800,558	\$809,367	\$1,609,925
Sales	\$133,571	\$497,068	\$630,639
Lodging	\$0	\$134,103	\$134,103
<b>State Taxes</b>			
Property	\$40,028	\$94,112	\$134,140
Sales	\$102,747	\$412,847	\$515,594
Modified Business	\$537,022	\$171,936	\$708,958
Lodging	\$0	\$4,733	\$4,733
<b>Total Estimated New Tax Revenue over 10 yrs.</b>	<b>\$679,797</b>	<b>\$3,058,295</b>	<b>\$3,738,092</b>

<b>Economic Impact over 10 yrs.</b>	<b>Total</b>	<b>Construction</b>	<b>Total</b>
Total Jobs Supported	138	0	138
Total Payroll Supported	\$66,588,244	\$0	\$66,588,244
Total Economic Value	\$321,804,171	\$0	\$321,804,171

**IMPORTANT TERMS & INFORMATION**

**Tax Abatements are reduction or discount of tax liability and companies do not receive any form of payment.**

**Total Estimated Tax Abatement** is a tax reduction estimate. This estimated amount will be discounted from total tax liability.

**Estimated New Tax Revenue** is amount of tax revenues local and state government will collect after the abatement was given to applying company.

**Economic Impact** is economic effect or benefits that this company and it's operations will have on the community and state economy measured by total number of jobs, payroll and created output.

December 18, 2020

Mr. Michael Brown  
Executive Director  
Governor's Office of Economic Development  
555 E. Washington Ave., Suite 5400  
Las Vegas, NV 89101

Dear Director Brown:

Northern Nevada Development Authority (NNDA) is pleased to provide this letter in support of Redwood Materials' application for the Sales & Use Tax Abatement, Modified Business Tax Abatement, and Personal Property Tax Abatement, as stated on the attached incentives application.

We have reviewed the application submitted by Redwood Materials and we are working with them in support of their efforts to expand their facility in Carson City, Nevada. The company intends to invest over \$5.1 Million in capital equipment and add 39 new jobs with an average wage of \$30.77 per hour.

NNDA respectfully requests this application be considered by the Governor's Office of Economic Development and be placed on the March 2021 board agenda for review and action.

Best Regards,

Andrew Haskin  
Deputy Director  
Northern Nevada Development Authority

# REDWOOD MATERIALS

December 16, 2020

Michael Brown  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Ave., Suite 5400  
Las Vegas, NV 89101

Dear Director Brown:

Redwood Materials, Inc. is a company that uses sustainable processes to recover technology materials from post-consumer and post-industrial electronics. The Appendix to this letter provides a brief corporate profile that describes the company's background and operations.

Redwood moved from California to Nevada in late 2018. The decision to move to Nevada was due to several factors, including the supportive state tax abatement, availability of a qualified workforce, cost of living, and logistic advantages offered by the region.

Since moving to Nevada, we have hired and trained employees from the local northern Nevada area, and began producing new materials at our two Carson City facilities.

The expansion plan over the next two years involves the purchase and installation of processing equipment for several production lines and hiring additional engineers and technical staff. In order to staff and operate our operations, the plan is to hire a total of 39 employees over the next two years of operations. The average hourly rate of the employees is projected to be \$30.77.

We are excited about the market opportunities presented by this expansion and the advantages that locating in Carson City will continue to offer our company. In conjunction with Nevada's business-friendly environment, we see this as a continuation in what will be increased growth for Redwood Materials.

Sincerely,

*Jason Thompson*

Jason Thompson  
Head of Finance  
Redwood Materials, Inc.



December 16, 2020

Michael Brown  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Ave., Suite 5400  
Las Vegas, NV 89101

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

Dear Director Brown:

On December 16, 2020, Redwood Materials 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 new operation in Carson City, 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 Redwood Materials, 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 Redwood Materials specifically deems the following information proprietary and confidential:

1. Incentive Application Employment Schedule
2. Incentive Application Equipment List

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

Sincerely,

*Jason Thompson*  
Jason Thompson  
Head of Finance  
Redwood Materials

## REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to NRS 231.069, and upon the request of applicant Redwood Materials, Inc. the Executive Director of the Office has determined the:

- (i) The detailed schedule of Capital Equipment List, 5(A)
- (ii) The detailed schedule of Employment List, 5(B)

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.



Michael Brown  
Executive Director

February 9, 2021

Date



## Appendix: Corporate Profile

Redwood Materials was founded in 2017 by a team of engineers and scientists who saw the growing problem of electronic waste ending up in landfills, and the need for expanding the infrastructure for processing this waste in a sustainable manner into useful materials for the technology industry. With the long-term decrease in ownership cycles for consumer electronics, this problem is only expected to grow. The United Nations University estimates that 44.7 million metric tons of used electronics are generated each year – only 20% of which is recycled – with a recoverable commodity value of \$63.6 billion<sup>1</sup>.

The Redwood team set out to solve this problem by developing new chemical, metallurgical, and mechanical technologies for recovering materials from post-consumer and post-industrial electronics, and deploying these technologies in high-tech processing facilities. In addition, Redwood is exploring applications in related industries such as mining that have a long history in Nevada.

Redwood is led by CEO JB Straubel. JB was the CTO and co-founder of Tesla, and was a key leader in the development of the Gigafactory in Nevada. The Redwood team includes chemical engineers and PhD chemists with decades of experience in electronic waste processing technology, as well as corporate support staff.

Redwood's current operations consist of three major functions: 1) procurement of feedstock, including different types of post-consumer and post-industrial electronics, 2) primary processing of those technology materials, and 3) marketing those new materials to specialty refiners.

For procurement, Redwood partners with electronics collectors and aggregators and manufacturing companies, including companies with operations in Nevada. These companies deal directly with post-consumer and post-industrial sources, and perform disassembly, categorization, and packaging based on Redwood's specifications.

Next, Redwood takes in clean, organized bins of electronics from these suppliers and sends them through different processes depending on the grade and target recovery. The technologies that Redwood has developed allow the company to conduct this extract valuable technology materials with a lower environmental footprint than competing approaches.

Finally, Redwood sells these materials to specialty refiners who produce products for industry and consumers. The intention is to sell the materials to go into new electronics, creating a fully "closed loop" refining system. Many of these companies are seeing increased demand from their customers for greater amounts of recycled materials in their supply chains.

Redwood is headquartered in Carson City, Nevada.

<sup>1</sup>See United Nations University, 2017: [https://collections.unu.edu/eserv/UNU:6341/Global-Ewaste\\_Monitor\\_2017\\_\\_electronic\\_single\\_pages\\_.pdf](https://collections.unu.edu/eserv/UNU:6341/Global-Ewaste_Monitor_2017__electronic_single_pages_.pdf)

**ECONOMIC DEVELOPMENT**

**Incentive Application**

Company Name: Redwood Materials, Inc.  
 Date of Application: December 16, 2020

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:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Sales & Use Tax Abatement       | <input type="checkbox"/> Sales & Use Tax Deferral              |
| <input checked="" type="checkbox"/> Modified Business Tax Abatement | <input type="checkbox"/> Recycling Real Property Tax Abatement |
| <input checked="" type="checkbox"/> Personal Property Tax Abatement | <input type="checkbox"/> Other: _____                          |

**Section 2 - Corporate Information**

COMPANY NAME (Legal name under which business will be transacted in Nevada) <u>Redwood Materials, Inc.</u>		FEDERAL TAX ID # <u>82-1226508</u>	
CORPORATE ADDRESS <u>2801 Lockheed Way</u>	CITY / TOWN <u>Carson City</u>	STATE / PROVINCE <u>NV</u>	ZIP <u>89706</u>
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)	CITY / TOWN	STATE / PROVINCE	ZIP
TELEPHONE NUMBER <u>703-283-0827</u>	WEBSITE <a href="http://www.redwoodmaterials.com">www.redwoodmaterials.com</a>		
COMPANY CONTACT NAME <u>Robin Brown</u>	COMPANY CONTACT TITLE <u>Director of FP&amp;A</u>		
E-MAIL ADDRESS <a href="mailto:robin@redwoodmaterials.com">robin@redwoodmaterials.com</a>	PREFERRED PHONE NUMBER <u>703-283-0827</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):

Sales and Use Tax Abatement, Modified Business Tax Abatement and Personal Property Tax Abatement; All approved as of December 7, 2018.

**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 where the population is 100,000 or more or a city where the population is 60,000 or "urban" area), or if the business is in a county where the population is less than 100,000 or a city where the population is less than 60,000 (i.e., "rural" area).

**Section 4 - Nevada Facility**

Type of Facility:

- |   |   |
|---|---|
| <input type="checkbox"/> Headquarters                                   | <input type="checkbox"/> Service Provider           |
| <input checked="" type="checkbox"/> Technology                          | <input type="checkbox"/> Distribution / Fulfillment |
| <input type="checkbox"/> Back Office Operations                         | <input checked="" type="checkbox"/> Manufacturing   |
| <input type="checkbox"/> Research & Development / Intellectual Property | <input type="checkbox"/> Other: _____               |

PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA <u>100%</u>	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) <u>Dec-2020</u>		
NAICS CODE / SIC <u>562219</u>	INDUSTRY TYPE <u>Recycling Technology</u>		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS <u>Producing new technology materials from post-consumer and post-industrial electronics.</u>			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS <u>2801 Lockheed Way</u>	CITY / TOWN <u>Carson City</u>	COUNTY <u>Carson City</u>	ZIP <u>89706</u>
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? <u>Various locations across the US and Europe</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, with supporting documents to show the employer paid portion of plan meets the minimum of 65%.
- 5 (D)  Company Information Form

**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? _____</p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p style="padding-left: 40px;">What year(s)? _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Annual lease cost of space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><b>If No, skip to Part 2. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">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? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? _____</p> <p><b>If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p>	<p>Part 1. Are you currently leasing space in Nevada? <u>Yes</u></p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p style="padding-left: 40px;">What year(s)? <u>2019-2027</u></p> <p style="padding-left: 40px;">How much space (sq. ft.)? <u>175,000</u></p> <p style="padding-left: 40px;">Annual lease cost at current space: <u>\$745,340.00</u></p> <p>Due to expansion, will you lease additional space? <u>Yes</u></p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p style="padding-left: 40px;">Expanding at the current facility or a new facility? <u>New</u></p> <p style="padding-left: 40px;">What year(s)? <u>2021+</u></p> <p style="padding-left: 40px;">How much expanded space (sq. ft.)? <u>TBD</u></p> <p style="padding-left: 40px;">Annual lease cost of expanded space: <u>TBD</u></p> <p>Do you plan on making building tenant improvements? <u>Yes</u></p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? <u>TBD</u></p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? <u>No</u></p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">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? <u>Yes</u></p> <p><b>If Yes *, continue below:</b></p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): <u>TBD</u></p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? <u>TBD</u></p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): <u>TBD</u></p> <p style="padding-left: 40px;">How much space (sq. ft.)? <u>TBD</u></p>
<p><b>* Please complete Section 7 - Capital Investment for New Operations / Startup.</b></p>	<p><b>* Please complete Section 7 - Capital Investment for Expansions below.</b></p>
<p>BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):</p>	

**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): _____	Building Purchase (if buying): <u>\$0</u>
Building Costs (if building / making improvements): _____	Building Costs (if building / making improvements): <u>\$0</u>
Land: _____	Land: <u>\$0</u>
Equipment Cost: _____	Equipment Cost: <u>\$5,137,352</u>
<b>Total: <u>\$0</u></b>	<b>Total: <u>\$5,137,352</u></b>
	Is the equipment purchase for replacement of existing equipment? <u>No</u>
	Current assessed value of personal property in NV: <u>\$154,144</u>
	(Must <b>attach</b> 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?: _____	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: <u>39</u>
Average hourly wage of these <u>new</u> employees: _____	Average hourly wage of these <u>new</u> employees: <u>\$30.77</u>
	How many FTE employees prior to expansion?: <u>60</u>
	Average hourly wage of these <u>existing</u> employees: <u>\$51.71</u>
	Total number of employees after expansion: <u>99</u>

\* 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 type="checkbox"/> Tuition assistance	<input checked="" type="checkbox"/> Bonus
<input checked="" type="checkbox"/> PTO / Sick / Vacation	<input type="checkbox"/> COLA adjustments	<input 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):

**Section 9 - Employee Health Insurance Benefit Program**

Is health insurance for employees and is an option for dependents offered?:  Yes (attach health plan and quote or invoice)  No

Package includes (check all that apply):

Medical     Vision     Dental     Other: \_\_\_\_\_

Qualified after (check one):

Upon employment     Three months after hire date     Six months after hire date     Other: \_\_\_\_\_

Health Insurance Costs:	Percentage of health insurance premium by (min 65%):
Plan Type: _____	
Employer Contribution (annual premium per employee): <u>\$ 9,450.00</u>	Company: <u>75%</u>
Employee Contribution (annual premium per employee): <u>\$ 3,150.00</u>	Employee: <u>25%</u>
<b>Total Annual Premium: <u>\$ 12,600.00</u></b>	

[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.

Jason Thompson  
Name of person authorized for signature

*Jason Thompson*  
Signature

Head of Finance  
Title

December 16, 2020  
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](http://www.diversifynevada.com)

DRAFT

## Site Selection Factors

Company Name: Redwood Materials, Inc.

County: Carson City

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### Section I - Site Selection Ratings

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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.

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

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Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):

The abatement program was an important factor that determined our decision to relocate the company to Nevada and to expand in the state. Additional factors include the availability of a qualified local workforce, labor costs, and a favorable business permitting and regulatory structure. Abatements provided a benefit above these already strong factors that pointed in the direction of Nevada.

DRAFT

## **Equipment Schedule, Detailed**

**The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Redwood Materials, Inc. 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 Redwood Materials, Inc. and is not a public record.**



## 5(C) Evaluation of Health Plans Offered by Companies

Company Name: Redwood Materials, Inc. County: Carson City

Total Number of Full-Time Employees: 39

Average Hourly Wage per Employee \$30.77

Average Annual Wage per Employee (implied) \$64,000

### COST OF HEALTH INSURANCE

Annual Health Insurance Premium Cost: \$12,600

Percentage of Premium Covered by:

Company 75%

Employee 25%

### HEALTH INSURANCE PLANS:

#### Base Health Insurance Plan\*: **Anthem Silver PPO 2000/40%/7500**

Deductible - per employee \$ 2,000

Coinsurance 40%

Out-of-Pocket Maximum per employee \$ 7,500

#### Additional Health Insurance Plan\*: **Anthem Gold PPO 1000/20%/5500**

Deductible - per employee \$ 1,000

Coinsurance 20%

Out-of-Pocket Maximum per employee \$ 5,500

#### Additional Health Insurance Plan\*:

Deductible - per employee \$ -

Coinsurance 0% / 0%

Out-of-Pocket Maximum per employee \$ -

\*Note: **Please list only "In Network" for deductible and out of the pocket amounts .**

### 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 6.6% MMQ

Annual Out-of-Pocket Maximum not to exceed \$8,550 (2021) \$7,500 NQ

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 a qualified plan with information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

Jason Thompson  
Name of person authorized for signature

Jason Thompson  
Signature

Head of Finance  
Title

12/16/2020  
Date

## 5(D) Company Information

Company Name: Redwood Materials, Inc.

County: Carson City

### Section 1 - Company Interest List

Directions: Please provide a detailed list of owners and/or members of the company. *The Governor's Office of Economic Development strives to maintain the highest standards of integrity, and it is vital that the public be confident of our commitment. Accordingly, any conflict or appearance of a conflict must be avoided. To maintain our integrity and credibility, the applicant is required to provide a detailed list of owners, members, equity holders and Board members of the company.*

(a) Name	(b) Title
JB Straubel	CEO

### Section 2 - Company Affiliates and/or Subsidiaries

Are there any subsidiary or affiliate companies sharing tax liability with the applicant company? No  Yes

**If Yes, continue below:**

Directions: In order to include affiliates/subsidiaries, under the exemption letter, they must to be added to the Contract. Per standard practice GOED requires a corporate schematic to understand the exact relationships between the companies. Please populate the below table to show the exact relationships between the companies and include:

1. The names as they would read on the tax exemption letter.
2. Which entity(ies) will do the hiring?
3. Which entity(ies) will be purchasing the equipment?

Name of Subsidiary or Affiliate Entity, Role and Legal Control Relationship

Please include any additional details below:

# SECRETARY OF STATE



## NEVADA STATE BUSINESS LICENSE REDWOOD MATERIALS, INC.

**Nevada Business Identification # NV20181554977**  
**Expiration Date: 08/31/2021**

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

**License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which, by law, cannot be waived.**



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on 06/26/2020.

*Barbara K. Cegavske*

Certificate Number: B20200626884204  
You may verify this certificate  
online at <http://www.nvsos.gov>

BARBARA K. CEGAVSKE  
Secretary of State

**NRS 360.757 Notice and meeting required for Office of Economic Development to take action on any application for abatement.**

1. The Office of Economic Development shall not take any action on an application for any abatement of taxes pursuant to [NRS 274.310](#), [274.320](#), [274.330](#), [360.750](#), [360.753](#) or [360.754](#) or any other specific statute unless the Office:

(a) Takes that action at a public meeting conducted for that purpose; and

(b) At least 30 days before the meeting, provides notice of the application to:

(1) The governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the pertinent business is or will be located;

(2) The governing body of any other political subdivision that could be affected by the abatement; and

(3) The general public.

2. The notice required by this section must set forth the date, time and location of the meeting at which the Office of Economic Development will consider the application.

3. The Office of Economic Development shall adopt regulations relating to the notice required by this section.

(Added to NRS by [2009, 2541](#); A [2011, 3465](#); [2013, 27th Special Session, 14](#); [2015, 2331, 3048](#))



# CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

March 18, 2021

Michael Brown  
Executive Director  
Nevada Governor's Office of Economic Development  
808 West Nye Lane  
Carson City, NV 89703

Dear Mr. Brown:

At their March 18, 2021 meeting, the Carson City Board of Supervisors took action to acknowledge an application from Redwood Materials, Inc. for State incentives through the Governor's Office of Economic Development.

Please feel free to contact me if you have any questions or need additional information.

Sincerely,

Lori Bagwell  
Mayor

C: Andrew Haskin, Director of Business Development, Northern Nevada Development Authority

**Lori Bagwell, Mayor**

201 N. Carson Street, Suite 2 • Carson City, Nevada 89701

(775) 887-2100 • Fax: (775) 887-2286

E-mail: [lbagwell@carson.org](mailto:lbagwell@carson.org)