

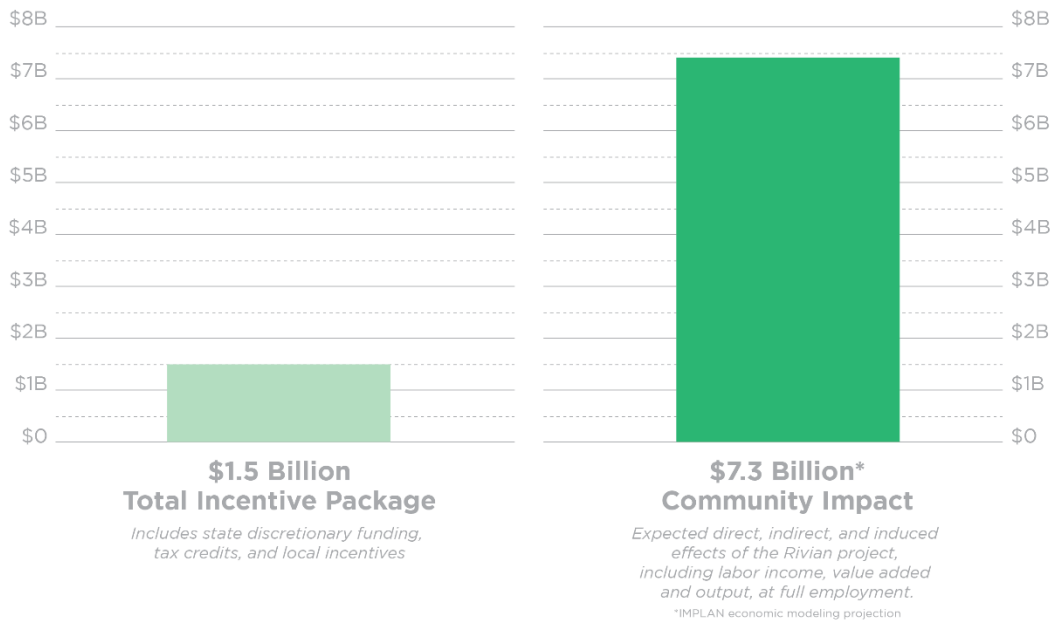


## Rivian Agreement Basics

*Updated September 26, 2023*

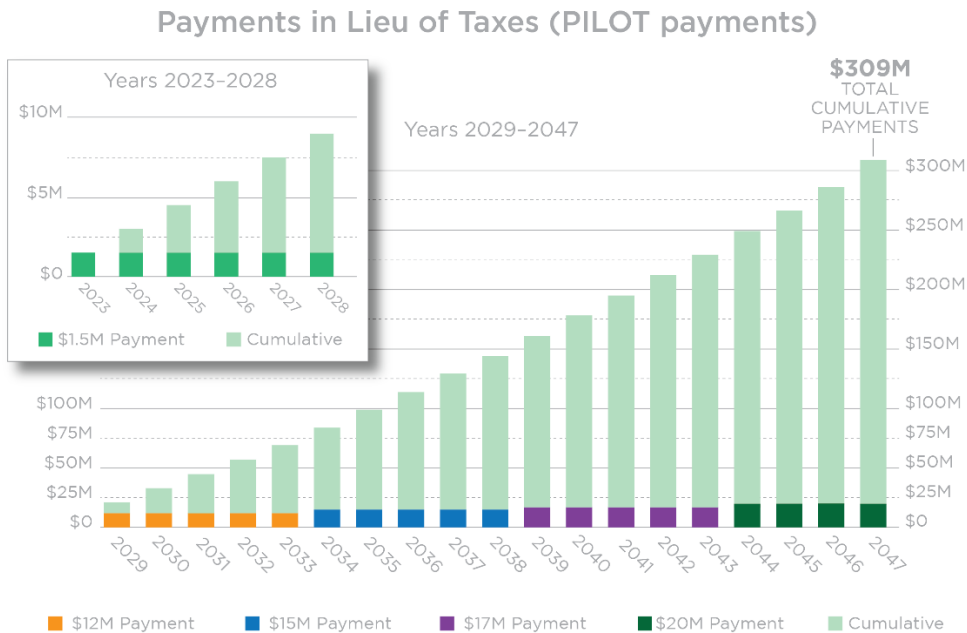
### Benefits for Local Communities

#### Rivian Facility in Stanton Springs North



- **7,500 new jobs with an average annual salary of \$56,000**
  - o In addition to the 7,500 direct jobs created, an additional 7,978 indirect jobs will result from the Rivian project.
  - o Collectively, these 15,478 jobs are expected to generate over **\$1 billion in labor income annually.**  
*\*Based on an economic impact analysis conducted in 2021 by IMPLAN*
  
- **\$5 billion direct investment**
  - o Rivian will make PILOT and personal property tax payments in an amount equal to the greater of the two over a 25-year period with payments beginning this year (2023). After the 25-year abatement period, Rivian will pay 100% of property taxes.
    - It is unique for a development of this scale to begin providing an immediate financial benefit to the community. Typically, PILOT payments do not begin for three or more years.
  - o Rivian’s PILOT payment in 2023 of \$1.5 million is 18 times more than the property taxes that were generated under private ownership on the 2,000 acres
    - **\$1.5 million (2023) versus \$80,000 (2021)**

- **Over the 25-year abatement period, Rivian will pay over \$300 million in PILOT/personal property tax payments. The exact amount paid will depend on the tax assessor’s valuation of machinery and equipment each year and the millage rate.**
- The PILOT schedule represents the minimum amounts that will be paid. The annual payments increase after the first six years, and then increase every five years thereafter. By year seven, the minimum annual payment will be \$12 million. By year 12, the minimum annual payments will be \$15 million.



**- Direct Return on Rivian investment**

- **Over the 25-year abatement, the project will result in a 12-fold return on the JDA’s investment through pilot payments alone with the initial investment being recouped by year eight.**
- The JDA contributed approximately \$25 million to the project.
- In addition to payments in lieu of taxes, the local communities will see revenues flow through sales tax and job-related benefits

**- Impact to region from Stanton Springs and Stanton Springs North, collectively (existing companies + Rivian)**

- Revenues are flowing. Takeda began generating tax revenues in 2019 and continues to ramp up each year. Revenues for 2022 were approximately \$4.51 million.
- The counties have been paid back in full for their original investments.
- Tax and PILOT revenues are estimated at \$900 million over the next 25 years using the most conservative estimates.
- Schools receive approximately 60% of the net total.
- The net balance will go to the four Counties and the City of Social Circle for continuation of their government functions including police, fire, roads, parks, and other public services.

## **Economic Development Agreement**

*Update: The EDA was amended on September 26, 2023, to reflect developments since the EDA was originally signed. Work continues on this state-of-the-art manufacturing facility, which will bring historic job and investment opportunities benefiting the local community and State. The closing date is expected to be on or around November 1, 2023.*

The Economic Development Agreement (EDA) is similar to previous major projects such as Kia, Takeda (formerly Baxter), and SK Innovation, in which state and local incentives focused on speed-to-market solutions. However, this EDA is more stringent on clawbacks than any of those earlier projects.

Taxpayers are protected by Georgia's transparent economic development process. Georgia's Constitution requires that there be a balanced budget every year, and unlike some competitor states, does not allow cash grants directly to companies. Instead, the state puts dollars into project solutions to aid in speed-to-market for companies.

The EDA requires that the Rivian project follow locally required standards which are outlined in greater detail below. Additional state and federal permitting must be fulfilled in the months ahead, along with other site development factors.

### **Rivian Commitments**

- *Update: When the updated EDA was signed on September 26, 2023, the performance period date was extended from December 31, 2028, to December 31, 2030, to account for changes to the construction timeline due to pending litigation.*  
Minimum of **\$5 billion investment** and creation of **7,500 full-time** jobs by December 31, 2030, and continued maintenance of the jobs through 2047. Rivian has to make repayments to the state and JDA in any year in which its maintenance is below 80%.
- PILOT payments (see above).
- Payment for overages on costs relating to additional grading work.
- Adherence to environmental regulations (local, state and federal), as well as compliance with local and county ordinances and development requirements, including:
  - Stanton Springs Business Park Zoning ordinance.
  - Walton County Tree Ordinance.
  - Stormwater designed to meet 100-year flood.
  - No buildings constructed within 500 feet of Old Mill Road.
  - 50% impervious surface limit, plus perform additional hydrology studies.
  - Consideration of outdoor lighting design in coordination with Hard Labor Creek Observatory.

### **A note on Assurances and Clawbacks**

**The signed agreement requires Rivian to comply with a 25-year claw back period and is among the strongest the state has ever secured.**

**Within Five Years:** Rivian agreed to collectively meet 80% of its \$5 billion investment commitment and 7,500 job commitments by December 31, 2030, and maintain those commitments through 2049.

**Annual compliance reports are required.** In the event that Rivian's combined job and investment performance fell below 80% of its commitments, Rivian will be required to make a proportional, pro-rata repayment of the total JDA property, state property, and state land improvements, and estimated real and personal property tax savings. If Rivian is below 20% performance in any single year then an acceleration provision kicks in and Rivian must repay everything.

**Updated: Security.** If Rivian obtains third-party financing on the project, it must provide a letter of credit payable to the State and JDA so that clawback funds are immediately available if the performance requirements are not met. The amount starts at \$45 million and then reduces to \$30 million and finally \$25 million until commitments are attained.

## **Benefits to Rivian**

### **Rivian’s long-term job creation & capital investment benefits (“statutory” incentives):**

As with any economic development project, a majority of the incentives are part of Georgia’s tax code and based on job creation. These existing “statutory” incentives are available to any qualifying new or expanding Georgia business, which include tax credits on creating new jobs, machinery, construction development, R&D, sales tax and use, and raw materials, and will also be available to Rivian.

Values are generally projected estimates of maximum possible tax savings, based on specific projected capital investment totals. **Companies only earn the full dollar value from the state once long-term, full-time jobs are created and maintained.**

Tax Credits for Job Creation, Retraining, Sales & Use Tax: The vast majority of incentives in Georgia require the creation of long-term jobs. Where companies don’t create the jobs, they cannot earn the credits, so there’s nothing to claw back.

The Mega Project Tax Credit allows companies to proactively claim credits based upon future jobs created. However, once a company reaches the statutory threshold number of jobs and capital investment, it must maintain those jobs for at least 5 years. If it fails to maintain, then it has to repay the credits.

### **Rivian’s State & Local Speed-to-Market Solutions (“discretionary” incentives):**

To aid in speed-to-market solutions for companies, Georgia and communities consider long-term value of the project and jobs created when they structure agreements.

- **Site Acquisition and Development, Road Improvements**
  - The State and the JDA will partner with Rivian to deliver a site ready for accelerated development. This approach provides Rivian the solution it needs to meet its speed-to-market and vehicle production goals.
  - This includes:
    - A 1,978-acre site with all due diligence completed.
    - Wetlands permitting and mitigation.
    - Grading work.
    - Improvements to roadways and access routes at the site to ensure any increase in truck or car traffic resulting from the project will move safely and efficiently.
- **REBA (Regional Economic Business Assistance) Grants**
  - **Updated:** Construction cost increases and plan modifications necessitated an increase in the amount of the initial grant to the JDA. Additionally, a portion of Rivian’s site development grant was reallocated to the JDA grant to pay the cost to construct a second pad site.
  - A grant of **\$11,320,000** to assist with site development or building construction and for assistance funding a rail spur connecting existing CSX line to the site.

*\*This is a higher estimate than in the original offer letter, due to price increases since the offer was made.*

- A grant of approximately **\$141,807,760.00** to the JDA to pay for land acquisition, wetlands mitigation costs, and grading of a 500-acre pad on the site.
  
- **Georgia Department of Transportation**
  - The Georgia Department of Transportation (GDOT) will fund road infrastructure improvements at an estimated **\$51,546,000**.
  - This will include:
    - New I-20 interchange.
    - Site access road.
    - Widening of Hwy. 278 & Old Mill Road.
    - Construction of new frontage road.
  
- **Workforce Recruitment and Training**
  - The State of Georgia will provide a dedicated Quick Start Training Center, the cost to design, construct and equip which is estimated at **\$62,500,000\***, and a customized workforce training program, estimated at **\$26,914,520**, through Georgia Quick Start to provide workforce training solutions for Rivian. Quick Start will ensure that Rivian’s production needs are met via a trained and skilled workforce.

*\*This is a higher estimate than in the original offer letter, due to price increases since the offer was made.*

The Technical College System of Georgia will provide customized workforce recruitment assistance, estimated at **\$600,000**, to ensure Rivian is able to find and hire employees.

*Note: These figures are not a financial commitment and represent the in-kind estimated cost of the anticipated training services if purchased on the open market.*

- **Two Dedicated State Liaisons for Six Years**
  - To ensure Rivian is able to construct their facility and hire employees as efficiently as possible, the State will hire for two positions: a government liaison and a workforce position.

### **Local JDA Offer**

#### **Land/Site Development:**

- The JDA is contributing 665 acres of land it purchased in 2021 for \$24 million.
- The JDA funded (\$575,000) and managed due diligence work on the entire site including:
  - Phase 1 Environmental Site Assessment.
  - Threatened and Endangered Species Report.
  - Cultural Resource Study & Literature Review.
  - Wetland Delineation.
  - Wetland Permit.
  - Buffer Variance.
  - Preliminary Geotech Report.
  - Engineering Services.

#### **Property Taxes and PILOT Payments “Payment in Lieu of Tax”:**

The JDA will receive payments in lieu of property taxes from Rivian starting in Year One that are **more than 18 times more than the taxes generated when the property was privately owned** (\$1.5 million versus \$80,000).

The JDA will distribute Rivian's net PILOT payments to the four counties, their school districts, and the City of Social Circle and its school district and the Walton County Tax Commissioner will collect and distribute personal property tax revenues in accordance with the Revenue Sharing Agreement last adopted in 2021.

**Utilities:**

- Local utility providers are working independently with Rivian to negotiate terms of service and required infrastructure. Georgia Transmission and the Newton County Water and Sewerage Authority has commenced infrastructure improvements necessary to serve the site.

**Updated: Status:**

- **As of the date hereof, the following is complete:**
  - *The State and JDA have acquired and assembled all of the individual properties for the Project Site, consisting of approximately 1,943 acres.*
  - *The JDA and the Company have completed the due diligence activities on the Project Site.*
  - *The JDA has completed the abandonment of certain roads on the Project Site.*
  - *The State and the JDA have entered into the State Lease.*
  - *The JDA is managing the clearing and grading work for the Project Site, which is expected to be complete in 2023.*
  - *Required permits have been obtained.*
  - *All mitigation credits have been purchased.*
  - *Local advisory committees were formed, met, and provided input.*
  - *The Project Bonds have been judicially validated.*
  - *The Company is internally preparing to commence construction on a timeline to meet its job and investment obligation.*
  - *The Project Site has been assembled into a single parcel and further subdivided and accordingly the Project Site is now approximately 1,744 acres; this accounts for acreage retained by the State of Georgia for the access road and the new interchange and the training center.*