



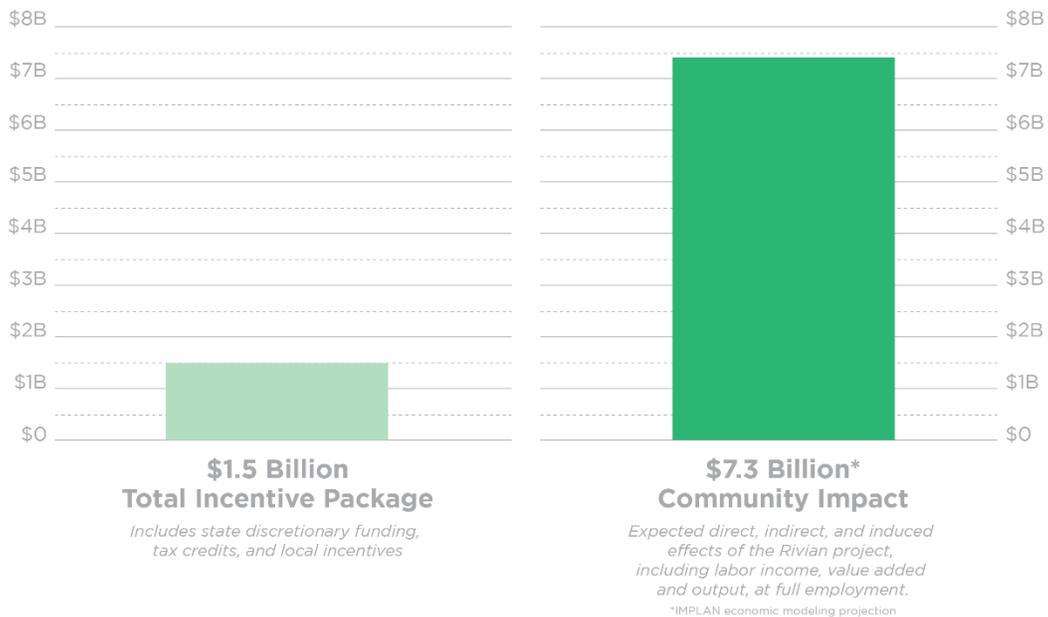
Rivian Agreement Basics



Figure 1 - A rendering of Rivian's future home at Stanton Springs North in Georgia. Courtesy: Rivian. (5-2-2022)

Benefits for Local Communities:

Rivian Facility in Stanton Springs North

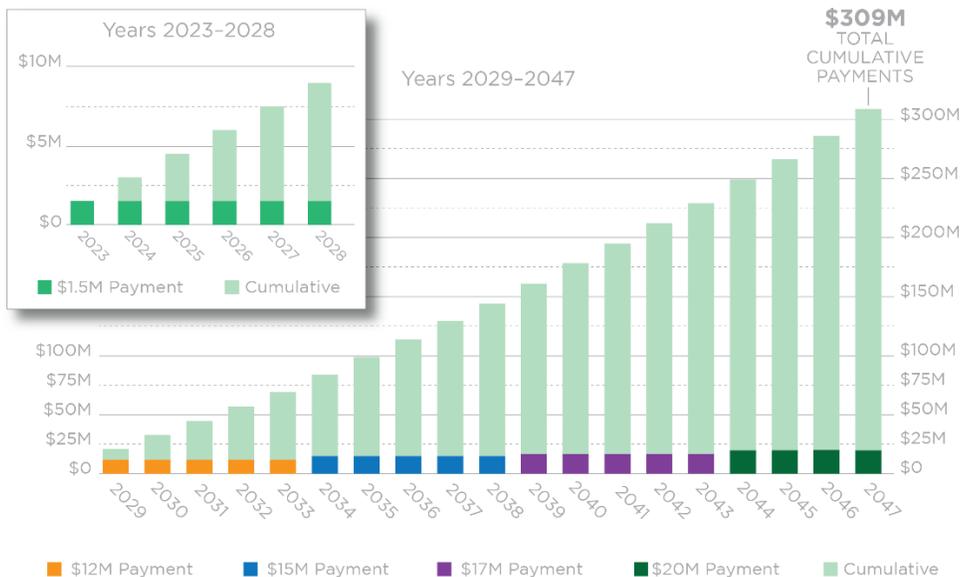


- **7,500 new jobs**
 - o In addition to the 7,500 direct jobs created, an additional 7,978 indirect jobs will result from the Rivian project.
 - o Collectively, these 15,478 jobs are expected to generate over **\$1 billion in labor income annually.**
- *Based on an economic impact analysis conducted in 2021 by IMPLAN*

- **\$5 billion direct investment**

- Rivian will begin making payments in lieu of taxes (PILOTs) to the JDA in Year One (2023).
 - This is unique for a development of this scale and is an immediate benefit to the community. Typically, PILOT payments do not begin for three or more years.
- Rivian’s PILOT payment in 2023 of \$1.5 million is 18 times more than the property taxes currently generated 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 payments.**
- The annual payment increase after the first six years, and then increase every five years thereafter. By year 7, the annual payment will be \$12 million. By year 12, annual payments will be \$15 million.

Payments in Lieu of Taxes (PILOT payments)



- **Direct Return on Rivian investment**

- **Over the 25-year abatement, the local communities will receive a 12-fold return on the JDA’s investment through pilot payments alone with the initial investment being recouped by year 8.**
- 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

- **7,500 jobs with an average annual salary of \$56,000**

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**Based on an economic impact analysis conducted in 2021 by IMPLAN*

- **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 2021 were approximately \$3.3 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:

The **average wage at Rivian will be \$56,000**. The Economic Development Agreement (EDA) is similar with previous major projects such as Kia Motors, 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

- Minimum of **\$5 billion investment** and creation of **7,500 full-time** jobs by December 31, 2028, 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 changes in site plan.
- 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, 2028, and maintain those commitments through 2047.

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.

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**
 - A grant of **\$21,300,000** 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 **\$111,000,000** will be provided 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 current taxes generated on the property** (\$1.5 million versus \$80,000). The JDA will distribute Rivian’s net payments to the four counties, their school districts, and the City of Social Circle and its school district, in accordance with the Revenue Sharing Agreement last adopted in 2021.

Utilities:

- Local utility providers (Newton County Water and Sewerage Authority and Stanton Springs Municipal Natural Gas) are working independently with Rivian to negotiate terms of service and required infrastructure.

Site Plan:



Figure 2 - An updated site plan for Rivian's future home at Stanton Springs North. Courtesy: Rivian.