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Tax Credit Program*

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California Competes Tax Credit Program

Committee Meeting

Monday, June 18, 2018
10:30 a.m.

Department of Food and Agriculture
Auditorium
1220 N Street
Sacramento, CA 95814

And (via teleconference)
Fontana City Hall
Executive Conference Room
8353 Sierra Avenue
Fontana, CA 92335

MEMBERS:

Panorea Avdis, *Chair*
Director
*Governor's Office of Business
and Economic Development*

John Chiang
State Treasurer

Michael Cohen, *Director*
Department of Finance

Denise Zapata, *Appointee of
the Senate Committee on Rules*

Madeline Janis, *Appointee of
the Speaker of the Assembly*

AGENDA

UPDATE: The California Competes Tax Credit Committee APPROVED the following agreements on

June 18, 2018

1. Dreamworks Animation LLC
Industry: Motion Picture and Video Production
Primary Location(s): Glendale
Employee Net Increase: 306
Investment: \$60,500,000
Amount of Tax Credit: \$10,000,000
Link to Tax Credit Agreement: <http://bit.ly/dreamworksanimationllc>



2. Kattera, Inc.
Industry: Prefabricated Building Manufacturing
Primary Location(s): Tracy, Stockton, or Manteca
Employee Net Increase: 648
Investment: \$55,846,136
Amount of Tax Credit: \$10,000,000
Link to Tax Credit Agreement: <http://bit.ly/katerrainc>

3. US Foods, Inc.
Industry: Wholesale Food Manufacturing and Distribution
Primary Location(s): McClellan Park
Employee Net Increase: 216
Investment: \$71,600,000
Amount of Tax Credit: \$7,000,000
Link to Tax Credit Agreement: <http://bit.ly/usfoodsinc>

4. MightyHive, Inc.
Industry: Software Development
Primary Location(s): San Francisco and Los Angeles
Employee Net Increase: 162
Investment: \$1,232,250
Amount of Tax Credit: \$5,700,000
Link to Tax Credit Agreement: <http://bit.ly/mightyhive>

5. Niantic, Inc.
Industry: Mobile Device Application and Software Development
Primary Location(s): San Francisco, Los Angeles, and Sunnyvale
Employee Net Increase: 255
Investment: \$7,274,500
Amount of Tax Credit: \$3,000,000
Link to Tax Credit Agreement: <http://bit.ly/nianticinc>

6. Argo AI LLC
Industry: Autonomous Vehicle Software Development
Primary Location(s): Palo Alto and Mountain View
Employee Net Increase: 158
Investment: \$15,230,244
Amount of Tax Credit: \$2,170,202
Link to Tax Credit Agreement: <http://bit.ly/argoaiiic>



7. **Ontic Engineering and Manufacturing, Inc.**
Industry: Aerospace Component Manufacturing
Primary Location(s): Los Angeles
Employee Net Increase: 52
Investment: \$5,000,000
Amount of Tax Credit: \$2,000,000
Link to Tax Credit Agreement: <http://bit.ly/onticengineering>

8. **California Natural Products**
Industry: Nutrition and Health Food Manufacturing
Primary Location(s): Lathrop
Employee Net Increase: 157
Investment: \$22,027,500
Amount of Tax Credit: \$1,975,000
Link to Tax Credit Agreement: <http://bit.ly/californianatural>

9. **Information Governance Solutions LLC**
Industry: Software Development
Primary Location(s): Irvine
Employee Net Increase: 44
Investment: \$791,800
Amount of Tax Credit: \$1,540,000
Link to Tax Credit Agreement: <http://bit.ly/informationgovernancesolutions>

10. **Lance Camper Mfg. Corp.**
Industry: Travel Trailer and Camper Manufacturing
Primary Location(s): Lancaster
Employee Net Increase: 104
Investment: \$9,500,000
Amount of Tax Credit: \$1,500,000
Link to Tax Credit Agreement: <http://bit.ly/lancecamper>

11. **Our Babylon LLC**
Industry: Cosmetics Manufacturing
Primary Location(s): Patterson
Employee Net Increase: 40
Investment: \$8,400,000
Amount of Tax Credit: \$1,500,000
Link to Tax Credit Agreement: <http://bit.ly/ourbabylon>



- 12. Chawk Technology Intl., Inc.
Industry: Plastic Component Manufacturing
Primary Location(s): Hayward
Employee Net Increase: 154
Investment: \$10,000,000
Amount of Tax Credit: \$1,200,000
Link to Tax Credit Agreement: <http://bit.ly/chawktechnology>

- 13. AirMap, Inc.
Industry: Unmanned Flightplan Software Development
Primary Location(s): Santa Monica
Employee Net Increase: 60
Investment: \$245,000
Amount of Tax Credit: \$1,000,000
Link to Tax Credit Agreement: <http://bit.ly/airmapinc>

- 14. Conduent Commercial Solutions LLC
Industry: Call Center
Primary Location(s): Bakersfield
Employee Net Increase: 400
Investment: \$2,100,000
Amount of Tax Credit: \$1,000,000
Link to Tax Credit Agreement: <http://bit.ly/conduentcommercial>

- 15. S&E Gourmet Cuts, Inc.
Industry: Food Manufacturing
Primary Location(s): San Bernardino
Employee Net Increase: 50
Investment: \$15,325,000
Amount of Tax Credit: \$950,000
Link to Tax Credit Agreement: <http://bit.ly/sandegourmet>

- 16. EMD Millipore Corporation
Industry: Biopharmaceutical Research and Development and Manufacturing
Primary Location(s): Visalia
Employee Net Increase: 26
Investment: \$6,040,000
Amount of Tax Credit: \$945,000
Link to Tax Credit Agreement: <http://bit.ly/emdmilliporecorp>



17. Cairn Biosciences, Inc.

Industry: Biopharmaceutical Research and Development

Primary Location(s): San Francisco

Employee Net Increase: 26

Investment: \$2,138,400

Amount of Tax Credit: \$900,000

Link to Tax Credit Agreement: <http://bit.ly/cairnbiosciences>

18. Urban Translations, Inc.

Industry: Software Development

Primary Location(s): San Diego

Employee Net Increase: 61

Investment: \$144,000

Amount of Tax Credit: \$750,000

Link to Tax Credit Agreement: <http://bit.ly/urbantranslations>

19. Drink, Inc.

Industry: Beverage Distribution

Primary Location(s): Richmond

Employee Net Increase: 20

Investment: \$20,000,000

Amount of Tax Credit: \$700,000

Link to Tax Credit Agreement: <http://bit.ly/drinkinc>

20. Ergostech Renewable Energy Solution LLC

Industry: Hydrogen Fuel Manufacturing

Primary Location(s): Fresno

Employee Net Increase: 15

Investment: \$12,000,000

Amount of Tax Credit: \$525,000

Link to Tax Credit Agreement: <http://bit.ly/ergostech>

21. Integrity Bio, Inc.

Industry: Biopharmaceutical Research and Development and Manufacturing

Primary Location(s): Camarillo

Employee Net Increase: 45

Investment: \$4,200,000

Amount of Tax Credit: \$500,000

Link to Tax Credit Agreement: <http://bit.ly/integritybio>



22. XRSciences LLC

Industry: Cement Analysis Equipment Manufacturing

Primary Location(s): Carlsbad

Employee Net Increase: 11

Investment: \$247,000

Amount of Tax Credit: \$385,000

Link to Tax Credit Agreement: <http://bit.ly/xrsciences>

23. LoungeBuddy, Inc.

Industry: Mobile Device Application and Software Development

Primary Location(s): San Francisco

Employee Net Increase: 10

Investment: \$1,339,000

Amount of Tax Credit: \$350,000

Link to Tax Credit Agreement: <http://bit.ly/loungebuddyinc>

24. Taurus Fabrication, Inc.

Industry: Fabricated Metal Product Manufacturing

Primary Location(s): Grass Valley

Employee Net Increase: 16

Investment: \$3,102,390

Amount of Tax Credit: \$300,000

Link to Tax Credit Agreement: <http://bit.ly/taurusfabrication>

25. Syte Logix, Inc.

Industry: Human Resources Software Development

Primary Location(s): San Jose

Employee Net Increase: 20

Investment: \$500,000

Amount of Tax Credit: \$250,000

Link to Tax Credit Agreement: <http://bit.ly/sytelogix>

26. P&Y T-Shirts and Silk Screening Co., Inc.

Industry: Apparel Design and Manufacturing

Primary Location(s): Vernon

Employee Net Increase: 33

Investment: \$1,100,000

Amount of Tax Credit: \$150,000

Link to Tax Credit Agreement: <http://bit.ly/pandytshirts>



27. Userwise, Inc.

Industry: Medical Device Design and Testing Services

Primary Location(s): San Jose

Employee Net Increase: 5

Investment: \$125,000

Amount of Tax Credit: \$125,000

Link to Tax Credit Agreement: <http://bit.ly/userwise>

28. Golden Eye Media USA, Inc.

Industry: Reusable Grocery Bag Manufacturing

Primary Location(s): Carlsbad

Employee Net Increase: 6

Investment: \$135,000

Amount of Tax Credit: \$110,000

Link to Tax Credit Agreement: <http://bit.ly/goldeneyemedia>

29. Frontier Aerospace Corporation

Industry: Aerospace Research and Design Services

Primary Location(s): Simi Valley

Employee Net Increase: 5

Investment: \$185,570

Amount of Tax Credit: \$20,000

Link to Tax Credit Agreement: <http://bit.ly/frontieraerospace>

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The California Competes Tax Credit Committee also APPROVED the following recommendations for California Competes Tax Credit agreement termination and credit recapture:

1. Interra Energy, Inc.
Industry: Biofuel and Fertilizer Manufacturing
Primary Location(s): National City
Amount of Tax Credit Awarded: \$2,000,000
Amount of Tax Credit to be Recaptured: \$2,000,000
Link to Tax Credit Agreement to be Terminated: <http://bit.ly/InterraEnergy>
Reason for Agreement Termination and Credit Recapture:

Interra Energy, Inc. has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

2. El Centro Lanes, Inc.
Industry: Bowling Alley
Primary Location(s): El Centro
Amount of Tax Credit Awarded: \$100,000
Amount of Tax Credit to be Recaptured: \$100,000
Link to Tax Credit Agreement to be Terminated: <http://bit.ly/elcentrolanes>
Reason for Agreement Termination and Credit Recapture:

El Centro Lanes has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

3. 3 Heads, Inc.
Industry: Web Design and Marketing
Primary Location(s): El Dorado Hills
Amount of Tax Credit Awarded: \$90,000
Amount of Tax Credit to be Recaptured: \$90,000
Link to Tax Credit Agreement to be Terminated: <http://bit.ly/3HeadsInc>
Reason for Agreement Termination and Credit Recapture:

3 Heads, Inc. has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.



4. KOAZ, Inc.

Industry: Commercial Printing and Mailing Center

Primary Location(s): National City

Amount of Tax Credit Awarded: \$70,000

Amount of Tax Credit to be Recaptured: \$70,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/KOAZInc>

Reason for Agreement Termination and Credit Recapture:

GO-Biz has determined that KOAZ, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and KOAZ, Inc. and recapture its CCTC.

5. Todd Sloat Biological Consulting, Inc.

Industry: Environmental Consulting Services

Primary Location(s): McArthur

Amount of Tax Credit Awarded: \$50,000

Amount of Tax Credit to be Recaptured: \$50,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/toddsloatbiologicalconsulting>

Reason for Agreement Termination and Credit Recapture:

Todd Sloat Biological Consulting, Inc. has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

6. TRobertson Consulting LLC

Industry: Information Technology Consulting Services

Primary Location(s): Rancho Cordova and Cameron Park

Amount of Tax Credit Awarded: \$50,000

Amount of Tax Credit to be Recaptured: \$50,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/trobertsonconsulting>

Reason for Agreement Termination and Credit Recapture:

TRobertson Consulting has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.



- 7. Technicon Design Corporation
Industry: Vehicle Interior/Exterior Design Services
Primary Location(s): San Juan Capistrano
Amount of Tax Credit Awarded: \$45,000
Amount of Tax Credit to be Recaptured: \$45,000
Link to Tax Credit Agreement to be Terminated: <http://bit.ly/Technicon>
Reason for Agreement Termination and Credit Recapture:

Technicon Design Corporation has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

- 8. Peterberg Construction, Inc.
Industry: Construction Services
Primary Location(s): Los Angeles
Amount of Tax Credit Awarded: \$40,000
Amount of Tax Credit to be Recaptured: \$40,000
Link to Tax Credit Agreement to be Terminated: <http://bit.ly/PeterbergConstruction>
Reason for Agreement Termination and Credit Recapture:

Peterberg Construction, Inc. has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

- 9. SMT, Inc.
Industry: Translation and Interpretation Services
Primary Location(s): Sacramento
Amount of Tax Credit Awarded: \$20,000
Amount of Tax Credit to be Recaptured: \$20,000
Link to Tax Credit Agreement to be Terminated: <http://bit.ly/SMTIncorporated>
Reason for Agreement Termination and Credit Recapture:

SMT, Inc. has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.