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## California Competes Tax Credit Program

### Committee Meeting

**Thursday, June 16, 2022**

**1:00 p.m.**

CalEPA Headquarters Building  
Sierra Hearing Room  
1001 I Street  
Sacramento, CA 95814

And (via teleconference)  
Jobs to Move America  
525 S Hewitt Street  
Los Angeles, CA 90013

And (via teleconference)  
The Westin Denver International Airport  
8300 Peña Blvd, Room 1306  
Denver, CO 80249

And via Live Stream at:

<https://video.calepa.ca.gov>

### MEMBERS:

**Dee Dee Myers, Chair**  
*Director*  
*Governor's Office of Business*  
*and Economic Development*

**Fiona Ma**  
*State Treasurer*

**Keely Bosler, Director**  
*Department of Finance*

**Todd Walters, Appointee of the**  
*Senate Committee on Rules*

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

## AGENDA

### OPEN SESSION

**A. Call to Order and Roll Call**

**B. Approval of Minutes from April 21, 2022, Committee Meeting**

**C. Deputy Director's Report**

- **Agenda Overview – Agreements with 16 Businesses, Total Tax Credits \$178,257,469**

**D. Discussion and Approval of California Competes Tax Credit Agreements**

**Total Recommended Tax Credits: \$175,957,469**

**Total Recommended Tax Credits after Adjusting for S-Corporation Law<sup>1</sup>: \$178,257,469**

<sup>1</sup> One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).



1. Relativity Space, Inc.  
Industry: Aerospace Research and Development and Manufacturing  
Primary Location(s): Long Beach and Long Beach  
Employee Net Increase: 1,044  
Aggregate Investment: \$100,000,000  
Amount of Tax Credit: \$30,712,469  
[Link to Tax Credit Agreement](#)
  
2. Discord, Inc.  
Industry: Online Communications Service Provider  
Primary Location(s): San Francisco  
Employee Net Increase: 1,434  
Aggregate Investment: \$85,000,000  
Amount of Tax Credit: \$27,900,000  
[Link to Tax Credit Agreement](#)
  
3. Microsoft Corporation  
Industry: Software Development  
Primary Location(s): Mountain View, Carpinteria, Irvine, San Francisco, Sunnyvale  
Employee Net Increase: 1,789  
Aggregate Investment: \$400,000,000  
Amount of Tax Credit: \$25,650,000  
[Link to Tax Credit Agreement](#)
  
4. Astra Space Operations, Inc.  
Industry: Aerospace Research and Development and Manufacturing  
Primary Location(s): Alameda, Fairfield, Vandenberg Air Force Base  
Employee Net Increase: 664  
Aggregate Investment: \$300,000,000  
Amount of Tax Credit: \$25,000,000  
[Link to Tax Credit Agreement](#)
  
5. Epirus, Inc.  
Industry: Power Efficiency Hardware and Software Development  
Primary Location(s): Torrance, Hawthorne, and Unknown  
Employee Net Increase: 603  
Aggregate Investment: \$36,300,000  
Amount of Tax Credit: \$20,000,000  
[Link to Tax Credit Agreement](#)



6. USWTE-CA1 LLC  
Industry: Recycled Plastic and Rubber Biofuel Manufacturing  
Primary Location(s): Redding, Adelanto, Unknown  
Employee Net Increase: 383  
Aggregate Investment: \$610,500,000  
Amount of Tax Credit: \$15,000,000  
[Link to Tax Credit Agreement](#)
  
7. Luminous Computing, Inc.  
Industry: Semiconductor Engineering and Manufacturing  
Primary Location(s): Santa Clara  
Employee Net Increase: 895  
Aggregate Investment: \$108,600,000  
Amount of Tax Credit: \$13,000,000  
[Link to Tax Credit Agreement](#)
  
8. System1 OpCo LLC  
Industry: Online Advertising  
Primary Location(s): Marina Del Rey  
Employee Net Increase: 197  
Aggregate Investment: \$7,000,000  
Amount of Tax Credit: \$5,500,000  
[Link to Tax Credit Agreement](#)
  
9. Convoso, Inc.  
Industry: Software Development  
Primary Location(s): Los Angeles County and Woodland Hills  
Employee Net Increase: 195  
Aggregate Investment: \$5,650,000  
Amount of Tax Credit: \$2,400,000  
[Link to Tax Credit Agreement](#)
  
10. Fireclay Tile, Inc.  
Industry: Glass, Tile, and Brick Manufacturing  
Primary Location(s): Aromas  
Employee Net Increase: 148  
Aggregate Investment: \$18,535,000  
Amount of Tax Credit: \$2,000,000  
[Link to Tax Credit Agreement](#)



11. Global Algae Holdings, Inc.  
Industry: Commercial Algae Farm  
Primary Location(s): Shandon  
Employee Net Increase: 52  
Aggregate Investment: \$46,169,849  
Amount of Tax Credit: \$2,000,000  
[Link to Tax Credit Agreement](#)
  
12. Re-Match USA, Inc.  
Industry: Artificial Turf Recycling  
Primary Location(s): Unknown  
Employee Net Increase: 44  
Aggregate Investment: \$40,500,000  
Amount of Tax Credit: \$2,000,000  
[Link to Tax Credit Agreement](#)
  
13. Response Envelope, Inc.  
Industry: Paper Straw and Envelope Manufacturing  
Primary Location(s): Ontario  
Employee Net Increase: 35  
Aggregate Investment: \$10,000,000  
Amount of Tax Credit: \$1,500,000  
[Link to Tax Credit Agreement](#)
  
14. Communaute LLC  
Industry: Apparel Design and Manufacturing  
Primary Location(s): Van Nuys and Los Angeles  
Employee Net Increase: 101  
Aggregate Investment: \$3,800,000  
Amount of Tax Credit: \$1,325,000  
[Link to Tax Credit Agreement](#)
  
15. Golden State Foods Corp.  
Industry: Food Manufacturing  
Primary Location(s): City Of Industry  
Employee Net Increase: 29  
Aggregate Investment: \$10,000,000  
Amount of Tax Credit: \$1,000,000  
[Link to Tax Credit Agreement](#)



16. Hanger, Inc.

Industry: Prosthetics Manufacturing

Primary Location(s): Fresno and Westminster

Employee Net Increase: 25

Aggregate Investment: \$3,750,000

Amount of Tax Credit: \$970,000

[Link to Tax Credit Agreement](#)

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**E. Discussion and Approval of Recommendations for California Competes Tax Credit Recapture**

<b>Total Tax Credits Recommended to be Recaptured:</b>	<b>\$23,281,100</b>
<b>Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law<sup>2</sup>:</b>	<b>\$24,225,600</b>

1. Magic Leap, Inc.  
 Industry: 3D Technology Development  
 Primary Location(s): Mountain View and Santa Monica  
 Amount of Tax Credit Awarded: \$3,300,000  
 Amount of Tax Credit Recaptured: \$3,300,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
 Reason for Credit Recapture:

Magic Leap, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

2. NuVasive, Inc.  
 Industry: Medical Device Manufacturing  
 Primary Location(s): San Diego  
 Amount of Tax Credit Awarded: \$3,000,000  
 Amount of Tax Credit Recaptured: \$2,400,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
 Reason for Credit Recapture:

NuVasive, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

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<sup>2</sup> One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).



3. The Trade Desk, Inc.  
Industry: Software Development  
Primary Location(s): Ventura  
Amount of Tax Credit Awarded: \$3,100,000  
Amount of Tax Credit Recaptured: \$1,860,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
Reason for Credit Recapture:

The Trade Desk, Inc. 's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

4. Digital Map Products, Inc.  
Industry: Mapping Software Development  
Primary Location(s): Irvine  
Amount of Tax Credit Awarded: \$1,690,000  
Amount of Tax Credit Recaptured: \$1,690,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
Reason for Credit Recapture:

Digital Map Products, 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.

5. Medidata Solutions, Inc.  
Industry: Research and Development in Biotechnology  
Primary Location(s): San Francisco  
Amount of Tax Credit Awarded: \$2,000,000  
Amount of Tax Credit Recaptured: \$1,600,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
Reason for Credit Recapture:

Medidata Solutions, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



6. Prolacta Bioscience, Inc.  
Industry: Biological Product Manufacturing  
Primary Location(s): Duarte, City of Industry, and Unknown  
Amount of Tax Credit Awarded: \$2,000,000  
Amount of Tax Credit Recaptured: \$1,600,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
Reason for Credit Recapture:

Prolacta Bioscience, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

7. Califia Farms LLC  
Industry: Beverage Manufacturing  
Primary Location(s): Bakersfield, Los Angeles, and Central Valley  
Amount of Tax Credit Awarded: \$2,450,000  
Amount of Tax Credit Recaptured: \$1,500,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
Reason for Credit Recapture:

Califia Farms LLC's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

8. Procore Technologies, Inc.  
Industry: Software Developer  
Primary Location(s): Carpinteria, San Jose, and San Diego  
Amount of Tax Credit Awarded: \$2,500,000  
Amount of Tax Credit Recaptured: \$1,500,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
Reason for Credit Recapture:

Procore Technologies, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.





- 9. Charge Bliss, Inc.  
 Industry: Electric Systems Manufacturing and Installation Services  
 Primary Location(s): Richmond and Carson  
 Amount of Tax Credit Awarded: \$1,250,000  
 Amount of Tax Credit Recaptured: \$1,250,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
 Reason for Credit Recapture:

Charge Bliss, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

- 10. Macy's.com LLC (Macy's.com, Inc.)  
 Industry: E-Commerce Technology  
 Primary Location(s): San Francisco  
 Amount of Tax Credit Awarded: \$1,000,000  
 Amount of Tax Credit Recaptured: \$1,000,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
 Reason for Credit Recapture:

GO-Biz has determined that Macy's.com LLC (Macy's.com, Inc.) is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Macy's.com LLC (Macy's.com, Inc.) and recapture its CCTC.

- 11. Teletrac Navman US Ltd.  
 Industry: GPS Software Development and Integration  
 Primary Location(s): Garden Grove and Pleasanton  
 Amount of Tax Credit Awarded: \$850,000  
 Amount of Tax Credit Recaptured: \$850,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
 Reason for Credit Recapture:

Teletrac Navman US Ltd. 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.



12. Drink, Inc.

Industry: Beverage Distribution

Primary Location(s): Richmond

Amount of Tax Credit Awarded: \$700,000

Amount of Tax Credit Recaptured: \$700,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Drink, 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.

13. IDEO LP

Industry: Web Design and Marketing Services

Primary Location(s): San Francisco and Palo Alto

Amount of Tax Credit Awarded: \$700,000

Amount of Tax Credit Recaptured: \$560,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

IDEO LP's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

14. Chef Works, Inc.

Industry: Apparel Manufacturer, Design, and Distribution Services

Primary Location(s): Poway

Amount of Tax Credit Awarded: \$330,000

Amount of Tax Credit Recaptured: \$330,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Chef Works, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



15. Signature Analytics LLC

Industry: Accounting Services

Primary Location(s): San Diego, Irvine, and Long Beach

Amount of Tax Credit Awarded: \$550,000

Amount of Tax Credit Recaptured: \$330,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Signature Analytics LLC's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

16. Huhtamaki, Inc.

Industry: Food and Beverage Packaging Design and Manufacturing

Primary Location(s): Sacramento

Amount of Tax Credit Awarded: \$310,000

Amount of Tax Credit Recaptured: \$310,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Huhtamaki, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

17. UB, Inc.

Industry: Commercial Bakery

Primary Location(s): West Sacramento

Amount of Tax Credit Awarded: \$400,000

Amount of Tax Credit Recaptured: \$300,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

UB, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



18. ALOM Technologies Corp

Industry: Supply Chain Management Services

Primary Location(s): Fremont, Milpitas, San Leandro, and Unknown

Amount of Tax Credit Awarded: \$1,000,000

Amount of Tax Credit Recaptured: \$225,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

ALOM Technologies Corp's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

19. DDs Bakery, Inc.

Industry: Commercial Bakery

Primary Location(s): Fresno

Amount of Tax Credit Awarded: \$200,000

Amount of Tax Credit Recaptured: \$200,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

DDs Bakery, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

20. J. Moraga Construction, Inc.

Industry: Commercial and Institutional Building Construction Services

Primary Location(s): Merced

Amount of Tax Credit Awarded: \$250,000

Amount of Tax Credit Recaptured: \$200,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

J. Moraga Construction, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



21. Kinkisharyo (USA), Inc.

Industry: Light Rail Vehicle Manufacturing

Primary Location(s): Palmdale

Amount of Tax Credit Awarded: \$450,000

Amount of Tax Credit Recaptured: \$180,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Kinkisharyo (USA), Inc.'s California Competes Tax Credit Agreement expired at the end of its 2018 tax year. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses.

22. All-Weather Architectural Aluminum, Inc.

Industry: Metal Window and Door Manufacturing

Primary Location(s): Vacaville

Amount of Tax Credit Awarded: \$275,000

Amount of Tax Credit Recaptured: \$172,500

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

All-Weather Architectural Aluminum, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

23. Civitas Advisors, Inc.

Industry: Consulting Services

Primary Location(s): Sacramento

Amount of Tax Credit Awarded: \$200,000

Amount of Tax Credit Recaptured: \$160,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Civitas Advisors, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



24. Kinkisharyo (USA), Inc. (2nd Award)

Industry: Light Rail Vehicle Manufacturing

Primary Location(s): Palmdale

Amount of Tax Credit Awarded: \$417,600

Amount of Tax Credit Recaptured: \$117,600

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Kinkisharyo (USA), Inc. (2nd Award)'s California Competes Tax Credit Agreement expired at the end of its 2019 tax year. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses.

25. Burrell Consulting Group, Inc.

Industry: Engineering Consulting Services

Primary Location(s): Roseville

Amount of Tax Credit Awarded: \$270,000

Amount of Tax Credit Recaptured: \$108,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Burrell Consulting Group, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

26. 23 Bottles of Beer LLC

Industry: Craft Brewing

Primary Location(s): Windsor

Amount of Tax Credit Awarded: \$1,500,000

Amount of Tax Credit Recaptured: \$100,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

23 Bottles of Beer LLC's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



27. North Star Sensors LLC

Industry: Thermometer Manufacturer

Primary Location(s): Oceanside

Amount of Tax Credit Awarded: \$100,000

Amount of Tax Credit Recaptured: \$100,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

North Star Sensors LLC's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

28. West Kern Environmental Consulting LLC

Industry: Environmental Consulting Services

Primary Location(s): Bakersfield

Amount of Tax Credit Awarded: \$150,000

Amount of Tax Credit Recaptured: \$90,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

West Kern Environmental Consulting LLC's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

29. Fleet Guy LLC

Industry: Vehicle Refurbishing Services

Primary Location(s): Sacramento

Amount of Tax Credit Awarded: \$100,000

Amount of Tax Credit Recaptured: \$80,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Fleet Guy LLC's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



30. Newomics, Inc.

Industry: Biotechnology Research and Development

Primary Location(s): Emeryville

Amount of Tax Credit Awarded: \$100,000

Amount of Tax Credit Recaptured: \$80,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Newomics, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

31. Sentek Consulting, Inc.

Industry: Cyber Security Consulting and Services

Primary Location(s): San Diego

Amount of Tax Credit Awarded: \$125,000

Amount of Tax Credit Recaptured: \$75,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Sentek Consulting, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2020 tax year. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses.

32. Globizz Corporation

Industry: Business Management Consulting Services

Primary Location(s): Gardena

Amount of Tax Credit Awarded: \$100,000

Amount of Tax Credit Recaptured: \$60,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Globizz Corporation's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.





33. John Hawley Wines, Inc.

Industry: Winery

Primary Location(s): Healdsburg

Amount of Tax Credit Awarded: \$70,000

Amount of Tax Credit Recaptured: \$45,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

John Hawley Wines, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

34. Symphony Financial Planning LLC

Industry: Financial Planning and Management Services

Primary Location(s): Davis

Amount of Tax Credit Awarded: \$100,000

Amount of Tax Credit Recaptured: \$40,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Symphony Financial Planning LLC's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

35. Just Say Music

Industry: Musical Instrument Instruction and Repair Services

Primary Location(s): Sacramento

Amount of Tax Credit Awarded: \$60,000

Amount of Tax Credit Recaptured: \$36,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Just Say Music's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



36. Mazzei Injector Company LLC

Industry: Water Treatment Technology Research and Development

Primary Location(s): Bakersfield

Amount of Tax Credit Awarded: \$90,000

Amount of Tax Credit Recaptured: \$36,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Mazzei Injector Company LLC's California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

37. Riskalyze, Inc.

Industry: Software Developer

Primary Location(s): Auburn

Amount of Tax Credit Awarded: \$85,000

Amount of Tax Credit Recaptured: \$34,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Riskalyze, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2019 tax year. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses.

38. Williams + Paddon/Architects + Planners, Inc.

Industry: Architectural Services

Primary Location(s): Sacramento and Roseville

Amount of Tax Credit Awarded: \$40,000

Amount of Tax Credit Recaptured: \$32,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Williams + Paddon/Architects + Planners, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



39. Flight Light, Inc.

Industry: Industrial Lighting Manufacturing

Primary Location(s): Sacramento

Amount of Tax Credit Awarded: \$30,000

Amount of Tax Credit Recaptured: \$30,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Flight Light, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

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**F. Discussion and Approval of Recommendations for Modified California Competes Tax Credit Recapture**

<b>Total Recommended Tax Credits to be Recaptured:</b>	<b>\$2,290,000</b>
<b>Total Recommended Tax Credits to be Recaptured after Adjusting for S-Corporation Law<sup>3</sup>:</b>	<b>\$2,555,000</b>

1. Millennium Space Systems, Inc.  
 Industry: Aerospace Component Manufacturing  
 Primary Location(s): El Segundo  
 Amount of Tax Credit Awarded: \$1,800,000  
 Previous Amount of Tax Credit Recaptured: \$1,080,000  
 Additional Amount of Tax Credit to be Recaptured: \$720,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
 Reason for Credit Recapture:

Millennium Space Systems, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2019 tax year which was the final year to achieve the milestones and claim any corresponding credit. On June 17, 2021, the Committee recaptured \$1,080,000. Any credit not maintained for three subsequent years after the year in which the milestones are achieved must be recaptured in order to be made available to other California businesses. Accordingly, GO-Biz recommends that the CCTC Committee recapture \$720,000.

2. Macy's.com LLC (Macy's.com, Inc.) (2nd Award)  
 Industry: E-Commerce Technology and Marketing  
 Primary Location(s): San Francisco  
 Amount of Tax Credit Awarded: \$2,700,000  
 Previous Amount of Tax Credit Recaptured: \$2,000,000  
 Additional Amount of Tax Credit to be Recaptured: \$700,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
 Reason for Credit Recapture:

Macy's.com LLC (Macy's.com, Inc.) (2nd Award)'s California Competes Tax Credit Agreement expired at the end of its 2019 tax year which was the final year to achieve the milestones and claim any corresponding credit. On April 22, 2022, the Committee recaptured \$2,000,000. GO-Biz has determined that Macy's.com LLC (Macy's.com, Inc.) (2nd Award) is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee recapture the remaining \$700,000.

<sup>3</sup> One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).



3. The Gill Corporation

Industry: Fabricated Metal Product Manufacturing

Primary Location(s): El Monte

Amount of Tax Credit Awarded: \$1,000,000

Previous Amount of Tax Credit Recaptured: \$125,000

Additional Amount of Tax Credit to be Recaptured: \$625,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

The Gill Corporation's California Competes Tax Credit Agreement expired at the end of its 2019 tax year which was the final year to achieve the milestones and claim any corresponding credit. On April 22, 2022, the Committee recaptured \$125,000. Any credit not maintained for three subsequent years after the year in which the milestones are achieved must be recaptured in order to be made available to other California businesses. Accordingly, GO-Biz recommends that the CCTC Committee recapture \$625,000.

4. Hunter Industries Incorporated

Industry: Irrigation and Sprinkler Manufacturing

Primary Location(s): San Marcos

Amount of Tax Credit Awarded: \$850,000

Previous Amount of Tax Credit Recaptured: \$340,000

Additional Amount of Tax Credit to be Recaptured: \$170,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Hunter Industries Incorporated's California Competes Tax Credit Agreement expired at the end of its 2020 tax year which was the final year to achieve the milestones and claim any corresponding credit. On June 17, 2021, the Committee recaptured \$340,000. Any credit not maintained for three subsequent years after the year in which the milestones are achieved must be recaptured in order to be made available to other California businesses. Accordingly, GO-Biz recommends that the CCTC Committee recapture \$170,000.



5. Blazer and Flip Flops, Inc. dba The Experience Engine, Inc.  
Industry: Custom Computer Programming Services  
Primary Location(s): San Diego  
Amount of Tax Credit Awarded: \$200,000  
Previous Amount of Tax Credit Recaptured: \$125,000  
Additional Amount of Tax Credit to be Recaptured: \$75,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
Reason for Credit Recapture:

Blazer and Flip Flops, Inc. dba The Experience Engine, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2019 tax year which was the final year to achieve the milestones and claim any corresponding credit. On November 4, 2021, the Committee recaptured \$125,000. Any credit not maintained for three subsequent years after the year in which the milestones are achieved must be recaptured in order to be made available to other California businesses. Accordingly, GO-Biz recommends that the CCTC Committee recapture \$75,000.

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## G. Public Comment

## H. Adjournment

The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon the request of the California Competes Tax Credit Committee Chair or Committee Members. This notice and agenda can be obtained at: [www.business.ca.gov/CalCompetes.aspx](http://www.business.ca.gov/CalCompetes.aspx). For additional information regarding this notice and agenda, please contact Jee Liyanage, Assistant Deputy Director, at 916-322-2669 or [jeevani.liyanage@gobiz.ca.gov](mailto:jeevani.liyanage@gobiz.ca.gov). The Governor's Office of Business and Economic Development complies with the Americans with Disabilities Act by ensuring that the facilities are accessible to persons with disabilities, and by providing this notice and agenda and related information in alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact Jee Liyanage no later than five calendar days before the meeting.