AGENDA

OPEN SESSION

A. Call to Order and Roll Call

B. Approval of Minutes from June 18, 2018, Committee Meeting

C. Deputy Director’s Report
   • Agenda Overview – Agreements with 17 Businesses, Total Tax Credits $70,000,000

D. Discussion and Approval of California Competes Tax Credit Agreements
   Total Recommended Tax Credits: $68,216,667
   Total Recommended Tax Credits after Adjusting for S-Corporation Law1: $70,000,000

1 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. Lockheed Martin Corporation
   Industry: Aircraft Development and Manufacturing
   Primary Location(s): Palmdale, Beale Air Force Base, Buellton, Helendale, Santa Rosa, Valencia, and Vandenberg Air Force Base
   Employee Net Increase: 450
   Number of Employees Retained: 2,429
   Investment: $100,000,000
   Amount of Tax Credit: $39,500,000
   Link to Tax Credit Agreement: http://bit.ly/lockheedmartincorporation

2. Allogene Therapeutics, Inc.
   Industry: Biotechnology Research and Development
   Primary Location(s): South San Francisco, Alameda, Fremont, Milpitas, and Newark
   Employee Net Increase: 256
   Investment: $106,000,000
   Amount of Tax Credit: $9,000,000
   Link to Tax Credit Agreement: http://bit.ly/allogenetherapeutics

3. Foster Poultry Farms
   Industry: Poultry Processing
   Primary Location(s): Livingston
   Employee Net Increase: 7
   Number of Employees Retained: 2,039
   Investment: $67,500,000
   Amount of Tax Credit: $3,200,000
   Link to Tax Credit Agreement: http://bit.ly/fosterpoultryfarms

4. SkySlope, Inc.
   Industry: Software Development
   Primary Location(s): Sacramento
   Employee Net Increase: 230
   Investment: $4,777,500
   Amount of Tax Credit: $3,000,000
   Link to Tax Credit Agreement: http://bit.ly/skyslopeinc

5. PrinterPrezz, Inc.
   Industry: Medical Device Manufacturing
   Primary Location(s): Fremont, Tracy, or Patterson
   Employee Net Increase: 75
   Investment: $121,235,500
   Amount of Tax Credit: $2,730,867
   Link to Tax Credit Agreement: http://bit.ly/printerdezz
6. Turner Techtronics, Inc.
   Industry: Information Technology Management Services
   Primary Location(s): Burbank
   Employee Net Increase: 221
   Investment: $1,600,000
   Amount of Tax Credit: $2,000,000
   Link to Tax Credit Agreement: http://bit.ly/turnertechtronics

7. Digital Map Products, Inc.
   Industry: Mapping Software Development
   Primary Location(s): Irvine
   Employee Net Increase: 83
   Investment: $1,733,333
   Amount of Tax Credit: $1,690,000
   Link to Tax Credit Agreement: http://bit.ly/digitalmapproducts

8. Patagonia Works
   Industry: Clothing Manufacturing
   Primary Location(s): Ventura
   Employee Net Increase: 100
   Investment: $12,310,000
   Amount of Tax Credit: $1,480,000
   Link to Tax Credit Agreement: http://bit.ly/patagoniaworksmulti

9. Buck Design LLC
   Industry: Marketing and Advertising
   Primary Location(s): Los Angeles
   Employee Net Increase: 145
   Investment: $4,600,000
   Amount of Tax Credit: $1,100,000
   Link to Tax Credit Agreement: http://bit.ly/buckdesign

10. Endless Entertainment, Inc., which will do business in California as Endless Entertainment Group, Inc.
    Industry: Online Video Game and Animated Story Developer
    Primary Location(s): Oakland, San Francisco, or Los Angeles
    Employee Net Increase: 77
    Investment: $5,202,500
    Amount of Tax Credit: $1,060,800
    Link to Tax Credit Agreement: http://bit.ly/endlessentertainment
11. Vivotein LLC  
   Industry: Animal Food Manufacturing  
   Primary Location(s): Los Angeles and Riverside County or San Bernardino County  
   Employee Net Increase: 65  
   Investment: $17,378,000  
   Amount of Tax Credit: $1,000,000  

   Industry: Child Learning Product Manufacturing  
   Primary Location(s): Mountain View and Lathrop  
   Employee Net Increase: 107  
   Investment: $4,307,583  
   Amount of Tax Credit: $825,000  

13. Upwork, Inc.  
   Industry: Software Development  
   Primary Location(s): Bay Area  
   Employee Net Increase: 91  
   Investment: $3,950,000  
   Amount of Tax Credit: $800,000  

14. Nexstar Plastics Corporation  
   Industry: Plastic Recycling  
   Primary Location(s): Stockton  
   Employee Net Increase: 93  
   Investment: $11,456,000  
   Amount of Tax Credit: $350,000  

15. Nutriag USA Ltd.  
   Industry: Fertilizer Manufacturing  
   Primary Location(s): Biola  
   Employee Net Increase: 7  
   Investment: $1,625,000  
   Amount of Tax Credit: $180,000  
16. Infratech LLC
   Industry: Heating Equipment Manufacturing
   Primary Location(s): Gardena
   Employee Net Increase: 20
   Investment: $4,300,000
   Amount of Tax Credit: $150,000
   Link to Tax Credit Agreement: http://bit.ly/infratechllc

17. Lamvin, Inc.
   Industry: Acoustical Products Manufacturing
   Primary Location(s): Oceanside
   Employee Net Increase: 4
   Investment: $140,000
   Amount of Tax Credit: $150,000
   Link to Tax Credit Agreement: http://bit.ly/lamvin

Remainder of this page is intentionally left blank.
E. Discussion and Approval of Recommendations for California Competes Tax Credit Agreement Termination and Credit Recapture

Total Tax Credits Recommended to be Recaptured: $10,930,500
Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law\(^2\): $11,323,167

1. Pabst Brewing Company LLC
   - Industry: Breweries
   - Primary Location(s): Northern or Central California
   - Amount of Tax Credit Awarded: $3,047,500
   - Amount of Tax Credit to be Recaptured: $3,047,500
   - Link to Tax Credit Agreement to be Terminated: http://bit.ly/pabstbrewing
   - Reason for Agreement Termination and Credit Recapture:
     
     Pabst Brewing Company LLC 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. Samsung Research America, Inc. (formerly known as Samsung Information Systems America, Inc.)
   - Industry: Electronic Device Research and Development
   - Primary Location(s): Mountain View
   - 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/1o6pfQ2
   - Reason for Agreement Termination and Credit Recapture:
     
     Samsung Research America, 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.

\(^2\) 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. Diyotta, Inc.
   Industry: Software Development
   Primary Location(s): Unknown
   Amount of Tax Credit Awarded: $1,000,000
   Amount of Tax Credit to be Recaptured: $1,000,000
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/diyotta
   Reason for Agreement Termination and Credit Recapture:
   Diyotta, 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. T2e Energy Holdings LLC
   Industry: Organic Chemical Manufacturer
   Primary Location(s): Vista
   Amount of Tax Credit Awarded: $1,000,000
   Amount of Tax Credit to be Recaptured: $1,000,000
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/T2eEnergy
   Reason for Agreement Termination and Credit Recapture:
   T2e Energy Holdings LLC 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. Viacom International, Inc.
   Industry: Motion Picture and Video Production
   Primary Location(s): Burbank and Los Angeles
   Amount of Tax Credit Awarded: $1,000,000
   Amount of Tax Credit to be Recaptured: $1,000,000
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/ViacomInternational
   Reason for Agreement Termination and Credit Recapture:
   Viacom International, 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. Chamness Biodegradeables LLC  
   Industry: Food and Beverage Packaging Design and Manufacturing  
   Primary Location(s): Camarillo  
   Amount of Tax Credit Awarded: $750,000  
   Amount of Tax Credit to be Recaptured: $750,000  
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/ChamnessBiodegradables  
   Reason for Agreement Termination and Credit Recapture:  
   GO-Biz has determined that Chamness Biodegradeables LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Chamness Biodegradeables LLC and recapture its CCTC.

7. Split Decision Holding Company LLC  
   Industry: Custom Computer Programming and Background Check Services  
   Primary Location(s): San Jose and San Diego  
   Amount of Tax Credit Awarded: $725,000  
   Amount of Tax Credit to be Recaptured: $725,000  
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/SplitDecisionHoldingCo  
   Reason for Agreement Termination and Credit Recapture:  
   GO-Biz has determined that Split Decision Holding Company LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Split Decision Holding Company LLC and recapture its CCTC.

8. Remark Enterprises LLC  
   Industry: Cryotherapy Services  
   Primary Location(s): Davis  
   Amount of Tax Credit Awarded: $400,000  
   Amount of Tax Credit to be Recaptured: $400,000  
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/remarkenterprises  
   Reason for Agreement Termination and Credit Recapture:  
   GO-Biz has determined that Remark Enterprises LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Remark Enterprises LLC and recapture its CCTC.
   Industry: Oil and Gas Field Machinery and Equipment Manufacturing
   Primary Location(s): Bakersfield
   Amount of Tax Credit Awarded: $240,000
   Amount of Tax Credit to be Recaptured: $240,000
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/ForoEnergy
   Reason for Agreement Termination and Credit Recapture:
   Foro 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.

10. Sirens Java & Tea LLC
    Industry: Coffee, Tea, and Baked Goods Cafe
    Primary Location(s): San Pedro and Long Beach
    Amount of Tax Credit Awarded: $200,000
    Amount of Tax Credit to be Recaptured: $200,000
    Link to Tax Credit Agreement to be Terminated: http://bit.ly/sirensjavaandtea
    Reason for Agreement Termination and Credit Recapture:
    GO-Biz has determined that Sirens Java & Tea LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Sirens Java & Tea LLC and recapture its CCTC.

11. Plan Tierra LLC
    Industry: Environmental Consulting Services
    Primary Location(s): Davis
    Amount of Tax Credit Awarded: $150,000
    Amount of Tax Credit to be Recaptured: $150,000
    Link to Tax Credit Agreement to be Terminated: http://bit.ly/plantierra
    Reason for Agreement Termination and Credit Recapture:
    Plan Tierra LLC 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. EW Corporation Industrial Fabricators
   Industry: Fabricated Metal Product Manufacturing
   Primary Location(s): El Centro
   Amount of Tax Credit Awarded: $115,000
   Amount of Tax Credit to be Recaptured: $115,000
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/ewcorporation
   Reason for Agreement Termination and Credit Recapture:

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

13. SMB Industries, Inc.
   Industry: Steel Fabrication and Product Manufacturer
   Primary Location(s): Oroville
   Amount of Tax Credit Awarded: $80,000
   Amount of Tax Credit to be Recaptured: $80,000
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/SMBIndustries
   Reason for Agreement Termination and Credit Recapture:

   SMB Industries, 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.

14. Design Swagg, Inc.
   Industry: Apparel and Accessory Manufacturing and Distribution
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $72,000
   Amount of Tax Credit to be Recaptured: $72,000
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/designswagg
   Reason for Agreement Termination and Credit Recapture:

   Design Swagg, 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.
15. David S. Filippi, M.D., Inc., A Medical Corporation  
   Industry: Biotechnology Research and Development  
   Primary Location(s): Pismo Beach  
   Amount of Tax Credit Awarded: $66,000  
   Amount of Tax Credit to be Recaptured: $66,000  
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/DavidSFilippi  
   Reason for Agreement Termination and Credit Recapture:  

   GO-Biz has determined that David S. Filippi, M.D., Inc., A Medical Corporation, is in material  
   breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate  
   the Agreement between GO-Biz and David S. Filippi, M.D., Inc., A Medical Corporation, and  
   recapture its CCTC.

16. Physiologic Instruments, Inc.  
   Industry: Medical Instrument Manufacturing  
   Primary Location(s): San Diego  
   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/physiologicinstruments  
   Reason for Agreement Termination and Credit Recapture:  

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

17. BNI Central Valley LLC  
   Industry: Business Networking  
   Primary Location(s): Sacramento  
   Amount of Tax Credit Awarded: $35,000  
   Amount of Tax Credit to be Recaptured: $35,000  
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/BNICentralValley  
   Reason for Agreement Termination and Credit Recapture:  

   BNI Central Valley LLC 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.
F. Public Comment

G. 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. For additional information regarding this notice and agenda, please contact Scott Dosick, Assistant Deputy Director, at 916-322-0676 or scott.dosick@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 Scott Dosick no later than five calendar days before the meeting.