California Competes Tax Credit Program

Committee Meeting

Thursday, June 18, 2020
1:00 p.m.

In response to the Governor’s Executive Order N-29-20 authorizing public bodies to take necessary action to protect the public from the spread of Coronavirus (COVID-19), the California Competes Tax Credit (CCTC) Committee Meeting will not have a physical presence to follow state guidelines on social distancing until further notice. The Committee Meeting will be live streamed and open to the public on Zoom. Meeting minutes will available on the GO-Biz publications website.

Members of the public are encouraged to submit public comments or requests to make public comment during the meeting through email at CalCompetes@gobiz.ca.gov. GO-Biz requests that public commenters provide their full name, organization (if applicable), and the agenda item number. If you are unable to email a request to make public comment, please call the CalCompetes hotline at 916-322-4051 prior to 12:00 p.m. on June 18, 2020 for assistance. Additionally, Members of the public may submit a request to make comments during the meeting using the Question and Answer (Q&A) tool through the Zoom toolbar at the bottom of the screen. Please submit your full name, organization (if applicable), and the agenda item prior to the vote for the particular item. Your name and organization are optional and for identification purposes only, so that we may introduce you.

AGENDA

OPEN SESSION

A. Call to Order and Roll Call

B. Approval of Minutes from April 23, 2020, Committee Meeting

C. Assistant Deputy Director’s Report
   • Agenda Overview – Agreements with 22 Businesses, Total Tax Credits $73,542,333

D. Discussion and Approval of California Competes Tax Credit Agreements
   Total Recommended Tax Credits: $72,309,000
   Total Recommended Tax Credits after Adjusting for S-Corporation Law1: $73,542,333

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. NBCUniversal LLC
   Industry: Online Streaming Media Service Provider
   Primary Location(s): Los Angeles
   Employee Net Increase: 800
   Investment: $132,000,000
   Amount of Tax Credit: $20,000,000
   Link to Tax Credit Agreement

2. Atieva USA, Inc.
   Industry: Electric Automobile Research & Development and Headquarters Expansion
   Primary Location(s): Newark
   Employee Net Increase: 1,858
   Investment: $46,400,000
   Amount of Tax Credit: $18,000,000
   Link to Tax Credit Agreement

3. Better Nutritionals LLC
   Industry: Health Supplement Manufacturing
   Primary Location(s): Gardena and Carson
   Employee Net Increase: 1,098
   Investment: $45,000,000
   Amount of Tax Credit: $5,000,000
   Link to Tax Credit Agreement

4. BW Industries, Inc
   Industry: Custom Computer Programming Services
   Primary Location(s): Fresno, Bakersfield, Oakland, and Merced
   Employee Net Increase: 807
   Investment: $24,000,000
   Amount of Tax Credit: $5,000,000
   Link to Tax Credit Agreement

5. CTC Global Corporation
   Industry: Electricity Conductor Engineering and Manufacturing
   Primary Location(s): Irvine and Santa Ana
   Employee Net Increase: 149
   Investment: $10,966,500
   Amount of Tax Credit: $5,000,000
   Link to Tax Credit Agreement
6. Fortress North America, Inc.
   Industry: Fire Suppression and Flood Containment Product Manufacturing
   Primary Location(s): Rocklin and Unknown
   Employee Net Increase: 113
   Investment: $10,685,000
   Amount of Tax Credit: $2,400,000
   [Link to Tax Credit Agreement]

7. BFTV LLC
   Industry: Video Production
   Primary Location(s): Los Angeles
   Employee Net Increase: 76
   Investment: $612,500
   Amount of Tax Credit: $2,000,000
   [Link to Tax Credit Agreement]

8. L3 Applied Technologies, Inc.
   Industry: Defense Contracting
   Primary Location(s): San Leandro
   Employee Net Increase: 154
   Investment: $16,800,000
   Amount of Tax Credit: $1,500,000
   [Link to Tax Credit Agreement]

9. Piercan USA, Inc.
   Industry: Polymer Products Design and Manufacturing
   Primary Location(s): San Diego County
   Employee Net Increase: 62
   Investment: $7,525,000
   Amount of Tax Credit: $1,500,000
   [Link to Tax Credit Agreement]

    Industry: Software Development
    Primary Location(s): Culver City
    Employee Net Increase: 70
    Investment: $971,000
    Amount of Tax Credit: $1,364,000
    [Link to Tax Credit Agreement]
11. AS America, Inc.
   Industry: Plumbing and Building Products Distribution
   Primary Location(s): San Bernardino County or Riverside County
   Employee Net Increase: 43
   Investment: $12,775,000
   Amount of Tax Credit: $1,240,000
   Link to Tax Credit Agreement

12. J. Harris Industrial Water Treatment, Inc.
   Industry: Water Treatment Product Manufacturing and Service
   Primary Location(s): Oxnard and San Jose
   Employee Net Increase: 30
   Investment: $7,500,000
   Amount of Tax Credit: $1,150,000
   Link to Tax Credit Agreement

13. Swift Media Entertainment, Inc.
   Industry: E-Sports Technology, Training, and Marketing
   Primary Location(s): Los Angeles
   Employee Net Increase: 63
   Investment: $6,635,000
   Amount of Tax Credit: $1,125,000
   Link to Tax Credit Agreement

14. The Pape Group, Inc.
   Industry: Construction and Equipment Rental
   Primary Location(s): Fremont and other locations statewide
   Employee Net Increase: 99
   Investment: $44,507,880
   Amount of Tax Credit: $1,100,000
   Link to Tax Credit Agreement

15. ByFusion Global, Inc.
   Industry: Recycled Plastic Construction Product Manufacturing
   Primary Location(s): Compton, Lancaster, Stockton, and Vernon
   Employee Net Increase: 36
   Investment: $3,500,000
   Amount of Tax Credit: $1,000,000
   Link to Tax Credit Agreement
16. Cokeva, Inc.
   Industry: Electronic and Precision Equipment Repair Services
   Primary Location(s): Roseville and Northern California
   Employee Net Increase: 101
   Investment: $5,973,700
   Amount of Tax Credit: $1,000,000
   Link to Tax Credit Agreement

17. Redtail Technology, Inc.
   Industry: Software Development
   Primary Location(s): Sacramento
   Employee Net Increase: 56
   Investment: $190,000
   Amount of Tax Credit: $980,000
   Link to Tax Credit Agreement

18. Vision Fine Foods LLC
   Industry: Production of Packaged Bakery Goods
   Primary Location(s): Stockton
   Employee Net Increase: 91
   Investment: $15,721,895
   Amount of Tax Credit: $850,000
   Link to Tax Credit Agreement

19. 3DEO, Inc.
   Industry: 3D Steel Print Manufacturing
   Primary Location(s): Gardena or Torrance
   Employee Net Increase: 187
   Investment: $42,200,000
   Amount of Tax Credit: $800,000
   Link to Tax Credit Agreement

20. Hornet Animations, Inc.
   Industry: Motion Picture and Video Production
   Primary Location(s): Culver City
   Employee Net Increase: 23
   Investment: $110,000
   Amount of Tax Credit: $500,000
   Link to Tax Credit Agreement
21. Thermal Equipment Corporation
   Industry: Autoclave Manufacturing
   Primary Location(s): Rancho Dominguez
   Employee Net Increase: 13
   Investment: $760,000
   Amount of Tax Credit: $450,000
   Link to Tax Credit Agreement

22. Samet Privacy LLC
   Industry: Online Privacy Consulting and Compliance Services
   Primary Location(s): Los Angeles
   Employee Net Increase: 10
   Investment: $100,000
   Amount of Tax Credit: $350,000
   Link to Tax Credit Agreement

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: $22,585,200
Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law\(^2\): $23,499,533

1. Planet Labs, Inc.
   Industry: Earth Imaging Satellite Design, Manufacturing and Operation
   Primary Location(s): San Francisco
   Amount of Tax Credit Awarded: $4,340,000
   Amount of Tax Credit Recaptured: $4,340,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   GO-Biz has determined that Planet Labs, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Planet Labs, Inc. and recapture its CCTC.

2. Rockbot, Inc.
   Industry: Online Music Services
   Primary Location(s): Oakland
   Amount of Tax Credit Awarded: $3,500,000
   Amount of Tax Credit Recaptured: $3,500,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   Rockbot, 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. 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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\(^2\) 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. Axis Energy Partners LLC
   Industry: Commercial LED Lighting Wholesaler
   Primary Location(s): Sacramento
   Amount of Tax Credit Awarded: $2,000,000
   Amount of Tax Credit Recaptured: $2,000,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

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

4. BAE Systems Holdings, Inc.
   Industry: Ship Building and Repairing
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $1,550,000
   Amount of Tax Credit Recaptured: $1,550,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   BAE Systems Holding, 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

5. Information Governance Solutions LLC
   Industry: Software Development
   Primary Location(s): Irvine
   Amount of Tax Credit Awarded: $1,540,000
   Amount of Tax Credit Recaptured: $1,540,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   Information Governance Solutions 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.
6. Avasant LLC
   Industry: Administrative and Business Management Consulting Services
   Primary Location(s): El Segundo
   Amount of Tax Credit Awarded: $1,000,000
   Amount of Tax Credit Recaptured: $1,000,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   Avasant LLC'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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

7. Efficient Drivetrains, Inc.
   Industry: Automotive Parts Manufacturing
   Primary Location(s): Milpitas and Dixon
   Amount of Tax Credit Awarded: $750,000
   Amount of Tax Credit Recaptured: $750,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   Efficient Drivetrains, 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.

8. Urban Translations, Inc.
   Industry: Software Development
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $750,000
   Amount of Tax Credit Recaptured: $750,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   GO-Biz has determined that Urban Translations, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Urban Translations, Inc. and recapture its CCTC.
9. Thermal Technology LLC
   Industry: Industrial Furnace and Oven Manufacturing
   Primary Location(s): Windsor
   Amount of Tax Credit Awarded: $650,000
   Amount of Tax Credit Recaptured: $650,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

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

10. Arto Brick / California Pavers
    Industry: Tile and Brick Manufacturing
    Primary Location(s): Gardena
    Amount of Tax Credit Awarded: $500,000
    Amount of Tax Credit Recaptured: $500,000
    Link to Tax Credit Agreement to be Terminated
    Reason for Agreement Termination and Credit Recapture:

    GO-Biz has determined that Arto Brick / California Pavers is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Arto Brick / California Pavers and recapture its CCTC.

11. Faster Faster, Inc.
    Industry: Electric Motorcycle Manufacturing
    Primary Location(s): Brisbane
    Amount of Tax Credit Awarded: $500,000
    Amount of Tax Credit Recaptured: $500,000
    Link to Tax Credit Agreement to be Terminated
    Reason for Agreement Termination and Credit Recapture:

    GO-Biz has determined that Faster Faster, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Faster Faster, Inc. and recapture its CCTC.
12. Fresh Select LLC
   Industry: Large Scale Produce Refrigeration and Distribution
   Primary Location(s): Dinuba
   Amount of Tax Credit Awarded: $500,000
   Amount of Tax Credit Recaptured: $500,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

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

13. Pacific Pharmaceuticals USA, Inc.
   Industry: Pharmaceutical Product Development and Manufacturing
   Primary Location(s): Rancho Cucamonga
   Amount of Tax Credit Awarded: $400,000
   Amount of Tax Credit Recaptured: $400,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   Pacific Pharmaceuticals USA, 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.

   Industry: GPS Software Development and Integration
   Primary Location(s): Aliso Viejo
   Amount of Tax Credit Awarded: $350,000
   Amount of Tax Credit Recaptured: $350,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   GO-Biz has determined that Verizon Connect Telo, Inc. (Telogis, Inc.) is in material breach of the
   Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the
   Agreement between GO-Biz and Verizon Connect Telo, Inc. (Telogis, Inc.) and recapture its CCTC.
15. IFM Towing, Inc.
   Industry: Automotive Towing Service Provider
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $305,000
   Amount of Tax Credit Recaptured: $305,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   
   GO-Biz has determined that IFM Towing, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and IFM Towing, Inc. and recapture its CCTC.

16. Excelitas Technology Corporation
   Industry: Optical Instrument and Lens Manufacturing
   Primary Location(s): Fremont
   Amount of Tax Credit Awarded: $300,000
   Amount of Tax Credit Recaptured: $300,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   
   GO-Biz has determined that Excelitas Technology Corporation is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Excelitas Technology Corporation and recapture its CCTC.

17. Dockstader & Dockstader, Inc.
   Industry: Automotive Repair and Maintenance
   Primary Location(s): Fresno and Clovis
   Amount of Tax Credit Awarded: $280,000
   Amount of Tax Credit Recaptured: $280,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   
   GO-Biz has determined that Dockstader & Dockstader, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Dockstader & Dockstader, Inc. and recapture its CCTC.
   Industry: Public Relations
   Primary Location(s): Fresno
   Amount of Tax Credit Awarded: $250,000
   Amount of Tax Credit Recaptured: $250,000
   [Link to Tax Credit Agreement to be Terminated]
   Reason for Agreement Termination and Credit Recapture:
   GO-Biz has determined that Carter & Co. Communications, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Carter & Co. Communications, Inc. and recapture its CCTC.

19. Syte Logix, Inc.
   Industry: Human Resources Software Developer
   Primary Location(s): San Jose
   Amount of Tax Credit Awarded: $250,000
   Amount of Tax Credit Recaptured: $250,000
   [Link to Tax Credit Agreement to be Terminated]
   Reason for Agreement Termination and Credit Recapture:
   Syte Logix, 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.

   Industry: Software Developer
   Primary Location(s): Windsor
   Amount of Tax Credit Awarded: $250,000
   Amount of Tax Credit Recaptured: $210,000
   [Link to Tax Credit Agreement to be Terminated]
   Reason for Agreement Termination and Credit Recapture:
   Zero Link Markets, 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.
21. Sentry Control Systems LLC
   Industry: Technology-Based Parking Solutions
   Primary Location(s): Van Nuys
   Amount of Tax Credit Awarded: $200,000
   Amount of Tax Credit Recaptured: $200,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   GO-Biz has determined that Sentry Control Systems LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Sentry Control Systems LLC and recapture its CCTC.

22. South Bay Biomics
   Industry: Medical Laboratories
   Primary Location(s): Torrance
   Amount of Tax Credit Awarded: $200,000
   Amount of Tax Credit Recaptured: $200,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   GO-Biz has determined that South Bay Biomics is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and South Bay Biomics and recapture its CCTC.

23. Tempo Software LLC
   Industry: Human Resources and Timekeeping Software Developer
   Primary Location(s): Folsom
   Amount of Tax Credit Awarded: $172,000
   Amount of Tax Credit Recaptured: $172,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   GO-Biz has determined that Tempo Software LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Tempo Software LLC and recapture its CCTC.
24. TAMCO
   Industry: Iron and Steel Mills Manufacturing
   Primary Location(s): Rancho Cucamonga
   Amount of Tax Credit Awarded: $165,000
   Amount of Tax Credit Recaptured: $165,000
   Reason for Agreement Termination and Credit Recapture:

   TAMCO'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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

25. Farwest Steel Corporation
   Industry: Steel and Aluminum Product Manufacturing
   Primary Location(s): Stockton
   Amount of Tax Credit Awarded: $150,000
   Amount of Tax Credit Recaptured: $150,000
   Reason for Agreement Termination and Credit Recapture:

   Farwest Steel 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

   Industry: Diagnostic Imaging Centers
   Primary Location(s): Bakersfield
   Amount of Tax Credit Awarded: $150,000
   Amount of Tax Credit Recaptured: $150,000
   Reason for Agreement Termination and Credit Recapture:

   GO-Biz has determined that Kern Radiology Imaging Systems, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Kern Radiology Imaging Systems, Inc. and recapture its CCTC.
27. OmniUpdate, Inc.
   Industry: IT Digital Marketing and Communication Services
   Primary Location(s): Camarillo
   Amount of Tax Credit Awarded: $150,000
   Amount of Tax Credit Recaptured: $150,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   OmniUpdate, 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.

28. Lusive Decor
   Industry: Electric Lighting Fixture Manufacturing
   Primary Location(s): Los Angeles
   Amount of Tax Credit Awarded: $148,000
   Amount of Tax Credit Recaptured: $148,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

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

29. Stillwater Family Therapy Group, Inc.
   Industry: Mental Health Services
   Primary Location(s): Gardena
   Amount of Tax Credit Awarded: $145,600
   Amount of Tax Credit Recaptured: $145,600
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   GO-Biz has determined that Stillwater Family Therapy Group, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Stillwater Family Therapy Group, Inc. and recapture its CCTC.
30. Vista Valuations LLC  
   Industry: Industrial Real Estate Appraisers  
   Primary Location(s): Sacramento  
   Amount of Tax Credit Awarded: $120,000  
   Amount of Tax Credit Recaptured: $120,000  
   Link to Tax Credit Agreement to be Terminated  
   Reason for Agreement Termination and Credit Recapture:  
   GO-Biz has determined that Vista Valuations LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Vista Valuations LLC and recapture its CCTC.

31. Urban626 LLC  
   Industry: Electric Scooter Manufacturing  
   Primary Location(s): Pasadena and Southern California  
   Amount of Tax Credit Awarded: $115,000  
   Amount of Tax Credit Recaptured: $115,000  
   Link to Tax Credit Agreement to be Terminated  
   Reason for Agreement Termination and Credit Recapture:  
   Urban626 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.

32. Wing Inflatables, Inc.  
   Industry: Inflatable Boat Building  
   Primary Location(s): Arcata  
   Amount of Tax Credit Awarded: $130,000  
   Amount of Tax Credit Recaptured: $104,000  
   Link to Tax Credit Agreement to be Terminated  
   Reason for Agreement Termination and Credit Recapture:  
   Wing Inflatables, 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.
33. CenCal Solar, Inc.  
    Industry: Solar Installation Services  
    Primary Location(s): Clovis  
    Amount of Tax Credit Awarded: $100,000  
    Amount of Tax Credit Recaptured: $100,000  
    [Link to Tax Credit Agreement to be Terminated]  
    Reason for Agreement Termination and Credit Recapture:  
    CenCal Solar, 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.

34. Senior Operations LLC  
    Industry: Aircraft Engine Manufacturing  
    Primary Location(s): Burbank  
    Amount of Tax Credit Awarded: $100,000  
    Amount of Tax Credit Recaptured: $100,000  
    [Link to Tax Credit Agreement to be Terminated]  
    Reason for Agreement Termination and Credit Recapture:  
    Senior Operations LLC'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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

35. Connemara Converting West LLC  
    Industry: Cardboard and Fiber Box Manufacturing  
    Primary Location(s): Ontario  
    Amount of Tax Credit Awarded: $150,000  
    Amount of Tax Credit Recaptured: $90,000  
    [Link to Tax Credit Agreement to be Terminated]  
    Reason for Agreement Termination and Credit Recapture:  
    Connemara Converting West LLC'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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.
36. Du Fu Engineering LLC
   Industry: Industrial Machinery Manufacturing
   Primary Location(s): Rancho Palos Verdes
   Amount of Tax Credit Awarded: $100,000
   Amount of Tax Credit Recaptured: $80,000
   [Link to Tax Credit Agreement to be Terminated]
   Reason for Agreement Termination and Credit Recapture:
   Du Fu Engineering LLC’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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

37. Meissner Filtration Products, Inc.
   Industry: Pharmaceutical Filter and Container Manufacturing
   Primary Location(s): Camarillo
   Amount of Tax Credit Awarded: $375,000
   Amount of Tax Credit Recaptured: $75,000
   [Link to Tax Credit Agreement to be Terminated]
   Reason for Agreement Termination and Credit Recapture:
   Meissner Filtration Products, 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

38. Waterfi LLC
   Industry: Audio and Video Equipment Manufacturing
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $75,000
   Amount of Tax Credit Recaptured: $75,000
   [Link to Tax Credit Agreement to be Terminated]
   Reason for Agreement Termination and Credit Recapture:
   GO-Biz has determined that Waterfi LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Waterfi LLC and recapture its CCTC.
39. VSolvit LLC
   Industry: Custom Computer Programming Services
   Primary Location(s): Ventura
   Amount of Tax Credit Awarded: $57,000
   Amount of Tax Credit Recaptured: $45,600
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   
   VSolvit LLC’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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

40. Lock-N-Stitch, Inc.
   Industry: Bolt, Nut, Screw, Rivet, and Washer Manufacturing
   Primary Location(s): Turlock
   Amount of Tax Credit Awarded: $45,000
   Amount of Tax Credit Recaptured: $45,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   
   Lock-N-Stitch, 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

41. Rosemarie Drieslein
   Industry: Accounting Services
   Primary Location(s): Whittier
   Amount of Tax Credit Awarded: $40,000
   Amount of Tax Credit Recaptured: $40,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:
   
   GO-Biz has determined that Rosemarie Drieslein is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Rosemarie Drieslein and recapture its CCTC.
42. VT Pro Design, Inc.
   Industry: Video and Lighting Production Services
   Primary Location(s): Los Angeles
   Amount of Tax Credit Awarded: $100,000
   Amount of Tax Credit Recaptured: $40,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   VT Pro Design, 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

43. Tiffany Jorge, Inc.
   Industry: Apparel Manufacturer, Design and Distribution Services
   Primary Location(s): North Highlands
   Amount of Tax Credit Awarded: $30,000
   Amount of Tax Credit Recaptured: $30,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

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

44. Victaulic Company
   Industry: Pipe Manufacturing
   Primary Location(s): Redlands
   Amount of Tax Credit Awarded: $50,000
   Amount of Tax Credit Recaptured: $30,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   Victaulic Company’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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.
45. DJMC, Inc.
   Industry: Pest Control
   Primary Location(s): Santa Rosa
   Amount of Tax Credit Awarded: $25,000
   Amount of Tax Credit Recaptured: $25,000
   Link to Tax Credit Agreement to be Terminated

   DJMC, 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

46. Strato Communications, Inc.
   Industry: Information Technology Services
   Primary Location(s): Sacramento and Rancho Cordova
   Amount of Tax Credit Awarded: $25,000
   Amount of Tax Credit Recaptured: $25,000
   Link to Tax Credit Agreement to be Terminated

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

47. Geraldine A. Santellano-Bartsch dba Helios Document Solutions
   Industry: Office Equipment Supplier
   Primary Location(s): Fresno
   Amount of Tax Credit Awarded: $20,000
   Amount of Tax Credit Recaptured: $20,000
   Link to Tax Credit Agreement to be Terminated

   GO-Biz has determined that Geraldine A. Santellano-Bartsch dba Helios Document Solutions is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Geraldine A. Santellano-Bartsch dba Helios Document Solutions and recapture its CCTC.
48. Lancelot’s Plumbing Service LLC
   Industry: Plumbing Services
   Primary Location(s): Mira Loma
   Amount of Tax Credit Awarded: $20,000
   Amount of Tax Credit Recaptured: $20,000
   [Link to Tax Credit Agreement to be Terminated]
   Reason for Agreement Termination and Credit Recapture:

   GO-Biz has determined that Lancelot’s Plumbing Service LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Lancelot’s Plumbing Service LLC and recapture its CCTC.

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

Total Tax Credits Recommended to be Recaptured: $37,000
Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law:\(^3\): $37,000

1. Brian A. Boyd
   Industry: Wealth Management and Insurance Services
   Primary Location(s): Sacramento
   Amount of Tax Credit Awarded: $47,000
   Amount of Tax Credit Recaptured: $37,000
   Link to Tax Credit Agreement to be Terminated
   Reason for Agreement Termination and Credit Recapture:

   Brian A. Boyd's California Competes Tax Credit Agreement expired at the end of its 2018 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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3 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)).
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.