California Competes

Committee Meeting

Thursday, June 15, 2023
1:00 p.m.

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

And via Live Stream at:
https://us02web.zoom.us/webinar/register/WN_YRvBai_cTC2DZ9YQ-4Mhsw#
3. S. Martinelli & Company
   Industry: Beverage Manufacturing
   Primary Location(s): Watsonville
   Employee Net Increase: 7
   Aggregate Investment: $28,777,997
   Amount of Tax Credit: $1,000,000

[Link to Tax Credit Agreement]

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The California Competes Tax Credit Committee also APPROVED the following recommendations for California Competes Tax Credit recapture:

1. **Cubic Corporation**
   - Industry: Software Development
   - Primary Location(s): San Diego
   - Amount of Tax Credit Awarded: $8,500,000
   - Amount of Tax Credit Recaptured: $8,500,000
   - [Link to Tax Credit Agreement to be Recaptured](#)
   - Reason for Credit Recapture:

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

2. **Entekra LLC (formerly Entekra, Inc.) (2nd Award)**
   - Industry: Prefabricated Building Manufacturing
   - Primary Location(s): Ripon and Modesto
   - Amount of Tax Credit Awarded: $4,000,000
   - Amount of Tax Credit Recaptured: $4,000,000
   - [Link to Tax Credit Agreement to be Recaptured](#)
   - Reason for Credit Recapture:

   Entekra LLC (formerly Entekra, Inc.) (2nd Award) has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit Agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

3. **Diamond Mattress Company**
   - Industry: Mattress Manufacturing
   - Primary Location(s): Rancho Dominguez
   - Amount of Tax Credit Awarded: $1,673,979
   - Amount of Tax Credit Recaptured: $1,673,979
   - [Link to Tax Credit Agreement to be Recaptured](#)
   - Reason for Credit Recapture:

   Diamond Mattress Company 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. Sada Systems, Inc.
   Industry: Cloud-based Information and Data Evaluation Services
   Primary Location(s): Los Angeles
   Amount of Tax Credit Awarded: $2,800,000
   Amount of Tax Credit Recaptured: $1,625,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

   Sada Systems, Inc. ’s California Competes Tax Credit Agreement expired at the end of its 2022 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. Juvo Plus, Inc.
   Industry: E-Commerce Sales & Distribution
   Primary Location(s): Monrovia
   Amount of Tax Credit Awarded: $1,500,000
   Amount of Tax Credit Recaptured: $1,500,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

   Juvo Plus, 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. Momentive, Inc. (formerly known as SurveyMonkey, Inc.)
   Industry: Online Marketing & Surveying Services
   Primary Location(s): San Mateo
   Amount of Tax Credit Awarded: $1,500,000
   Amount of Tax Credit Recaptured: $1,500,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

   Momentive, Inc. (formerly known as SurveyMonkey, Inc.)'s California Competes Tax Credit Agreement expired at the end of its 2022 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. Conduent Commercial Solutions LLC  
   Industry: Call Center  
   Primary Location(s): Bakersfield  
   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:  
   Conduent Commercial Solutions LLC's California Competes Tax Credit Agreement expired at the end of  
   its 2022 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: Environmental Equipment Manufacturing  
   Primary Location(s): San Leandro  
   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:  
   Energy Recovery, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2022 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. Vivotein LLC  
   Industry: Animal Food Manufacturing  
   Primary Location(s): Los Angeles and Riverside County or San Bernardino County  
   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:  
   Vivotein LLC's California Competes Tax Credit Agreement expired at the end of its 2022 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. EMD Millipore Corporation
   Industry: Biopharmaceutical Research and Development and Manufacturing
   Primary Location(s): Visalia
   Amount of Tax Credit Awarded: $945,000
   Amount of Tax Credit Recaptured: $945,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:
   EMD Millipore Corporation's California Competes Tax Credit Agreement expired at the end of its 2022 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.

11. BMS Holdings LLC
   Industry: Software Development
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $906,159
   Amount of Tax Credit Recaptured: $826,159
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:
   BMS Holdings LLC's California Competes Tax Credit Agreement expired at the end of its 2022 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.

12. California Natural Products
   Industry: Nutrition and Health Food Manufacturing
   Primary Location(s): Lathrop
   Amount of Tax Credit Awarded: $1,975,000
   Amount of Tax Credit Recaptured: $825,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:
   California Natural Products’ 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.
13. Upwork, Inc.
   Industry: Software Development
   Primary Location(s): Bay Area
   Amount of Tax Credit Awarded: $800,000
   Amount of Tax Credit Recaptured: $800,000
   [Link to Tax Credit Agreement to be Recaptured]
   Reason for Credit Recapture:

   Upwork, Inc.’s California Competes Tax Credit Agreement expired at the end of its 2022 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. CPC Strategy LLC
   Industry: Digital Marketing Services
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $740,000
   Amount of Tax Credit Recaptured: $740,000
   [Link to Tax Credit Agreement to be Recaptured]
   Reason for Credit Recapture:

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

15. YouBar, Inc.
   Industry: Food Manufacturing
   Primary Location(s): Monterey Park
   Amount of Tax Credit Awarded: $1,750,000
   Amount of Tax Credit Recaptured: $700,000
   [Link to Tax Credit Agreement to be Recaptured]
   Reason for Credit Recapture:

   YouBar, Inc.’s California Competes Tax Credit Agreement expired at the end of its 2022 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. Planck Aerosystems, Inc.
   Industry: Unmanned Aerial Systems Manufacturing
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $600,000
   Amount of Tax Credit Recaptured: $600,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

   Planck Aerosystems, 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.

17. The Third Floor, Inc.
   Industry: Graphic Design Services
   Primary Location(s): Los Angeles
   Amount of Tax Credit Awarded: $1,000,000
   Amount of Tax Credit Recaptured: $470,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

   The Third Floor, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2022 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. Universal Meditech, Inc.
   Industry: Medical Device Manufacturing
   Primary Location(s): Fresno
   Amount of Tax Credit Awarded: $360,000
   Amount of Tax Credit Recaptured: $360,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

   GO-Biz has determined that Universal Meditech, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Universal Meditech, Inc. and recapture its CCTC.
19. Wonderstorm, Inc.
   Industry: Online Video Game Development
   Primary Location(s): El Segundo
   Amount of Tax Credit Awarded: $2,100,000
   Amount of Tax Credit Recaptured: $325,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

Wonderstorm, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2022 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. California Custom Fruits & Flavors, Inc.
   Industry: Food Product Manufacturing
   Primary Location(s): Irwindale
   Amount of Tax Credit Awarded: $350,000
   Amount of Tax Credit Recaptured: $285,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

California Custom Fruits & Flavors, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2022 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. Way To Be Designs LLC
   Industry: Apparel and Merchandise Manufacturing
   Primary Location(s): Atwater
   Amount of Tax Credit Awarded: $250,000
   Amount of Tax Credit Recaptured: $250,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

Way To Be Designs 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.
22. Raiven, Inc. (formerly known as Qmerit, Inc.)
   Industry: Software Development
   Primary Location(s): Irvine
   Amount of Tax Credit Awarded: $500,000
   Amount of Tax Credit Recaptured: $200,000
   [Link to Tax Credit Agreement to be Recaptured]
   Reason for Credit Recapture:

   Raiven, Inc. (formerly known as Qmerit, 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. Align Technologies LLC
   Industry: Medical Device Manufacturing
   Primary Location(s): San Mateo
   Amount of Tax Credit Awarded: $250,000
   Amount of Tax Credit Recaptured: $150,000
   [Link to Tax Credit Agreement to be Recaptured]
   Reason for Credit Recapture:

   Align Technologies LLC* California Competes Tax Credit Agreement expired at the end of its 2022 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. Mazontech LLC
   Industry: Medical Device Manufacturing
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $106,224
   Amount of Tax Credit Recaptured: $106,224
   [Link to Tax Credit Agreement to be Recaptured]
   Reason for Credit Recapture:

   Mazontech LLC* California Competes Tax Credit Agreement expired at the end of its 2022 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. Lyons Magnus, Inc.
   Industry: Fruit Product Manufacturing
   Primary Location(s): Fresno
   Amount of Tax Credit Awarded: $99,000
   Amount of Tax Credit Recaptured: $99,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

Lyons Magnus, 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.

26. Grauling Research Incorporated
   Industry: Semiconductor Engineering Services and Manufacturing
   Primary Location(s): Santa Rosa
   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:

Grauling Research Incorporated's California Competes Tax Credit Agreement expired at the end of its 2022 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. Seachrome Corporation
   Industry: Bathroom Fixtures Manufacturing
   Primary Location(s): Long Beach
   Amount of Tax Credit Awarded: $75,000
   Amount of Tax Credit Recaptured: $75,000
   Link to Tax Credit Agreement to be Recaptured
   Reason for Credit Recapture:

Seachrome Corporation's California Competes Tax Credit Agreement expired at the end of its 2022 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. Meritek Electronics Corporation
   Industry: Electrical Component Manufacturing
   Primary Location(s): Baldwin Park
   Amount of Tax Credit Awarded: $150,000
   Amount of Tax Credit Recaptured: $30,000
   Link to Tax Credit Agreement to be Recaptured

   Reason for Credit Recapture:

   Meritek Electronics Corporation'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.

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The California Competes Tax Credit Committee also APPROVED the following recommendations for modified California Competes Tax Credit recapture:

1. Vungle, Inc.
   Industry: Online Advertising
   Primary Location(s): San Francisco
   Amount of Tax Credit Awarded: $1,100,000
   Previous Amount of Tax Credit Recaptured: $550,000
   Additional Amount of Tax Credit to be Recaptured: $550,000
   [Link to Tax Credit Agreement to be Recaptured]
   Reason for Credit Recapture: Vungle, 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. On November 17, 2022, the Committee recaptured $550,000. Vungle, Inc. 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. Accordingly, GO-Biz recommends that the CCTC Committee recapture the remaining $550,000.

2. Urata & Sons Concrete LLC (formerly Urata & Sons, Inc.)
   Industry: General Contractors
   Primary Location(s): Rancho Cordova and Oakland
   Amount of Tax Credit Awarded: $90,000
   Previous Amount of Tax Credit Recaptured: $54,000
   Additional Amount of Tax Credit to be Recaptured: $36,000
   [Link to Tax Credit Agreement to be Recaptured]
   Reason for Credit Recapture: Urata & Sons Concrete 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. On November 17, 2022, the Committee recaptured $54,000. 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. Accordingly, GO-Biz recommends that the CCTC Committee recapture $36,000.
3. New City Executive Insurance Services LLC  
   Industry: Financial and Insurance Services  
   Primary Location(s): San Diego, Los Angeles, and San Francisco  
   Amount of Tax Credit Awarded: $100,000  
   Previous Amount of Tax Credit Recaptured: $69,000  
   Additional Amount of Tax Credit to be Recaptured: $23,000  
   [Link to Tax Credit Agreement to be Recaptured]  
   Reason for Credit Recapture:  
   
   New City Executive Insurance Services 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. On April 21, 2022, the Committee recaptured $69,000. 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. Accordingly, GO-Biz recommends that the CCTC Committee recapture $23,000.

4. Newomics, Inc.  
   Industry: Biotechnology Research and Development  
   Primary Location(s): Emeryville  
   Amount of Tax Credit Awarded: $100,000  
   Previous Amount of Tax Credit Recaptured: $80,000  
   Additional Amount of Tax Credit to be Recaptured: $20,000  
   [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. On June 16, 2022, the Committee recaptured $80,000. 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. Accordingly, GO-Biz recommends that the CCTC Committee recapture $20,000.
5. Primo Wind, Inc.
   Industry: Renewable Energy Services
   Primary Location(s): San Diego
   Amount of Tax Credit Awarded: $85,000
   Previous Amount of Tax Credit Recaptured: $51,000
   Additional Amount of Tax Credit to be Recaptured: $17,000
   [Link to Tax Credit Agreement to be Recaptured]
   Reason for Credit Recapture:

Primo Wind, Inc.’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 $51,000. 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. Accordingly, GO-Biz recommends that the CCTC Committee recapture $17,000.

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