

**Gavin Newsom**  
*Governor*

**Dee Dee Myers**  
*Director*

**Emily Desai**  
*Chief Deputy Director*

**Scott Dosick**  
*Deputy Director,  
California Competes  
Tax Credit Program*

**Jee Liyanage**  
*Assistant Deputy Director,  
California Competes  
Tax Credit Program*

Governor's Office of  
Business and Economic  
Development  
1325 J Street, 18<sup>th</sup> Floor  
Sacramento, CA 95814  
[CalCompetes@gobiz.ca.gov](mailto:CalCompetes@gobiz.ca.gov)  
(916) 322-4051

**California Competes**

**Committee Meeting**

**Thursday, May 1, 2025, 1:00 p.m.**

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

And (via teleconference)  
Jobs to Move America

525 South Hewitt Street, Los Angeles, CA 90013

The meeting will also be available for viewing only, with no  
option for public comment, via live stream at:

[https://us02web.zoom.us/webinar/register/WN\\_W-1zef9xRI-TfZxNMm\\_m4w](https://us02web.zoom.us/webinar/register/WN_W-1zef9xRI-TfZxNMm_m4w)

**MEMBERS:**

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

**Fiona Ma**  
*State Treasurer*

**Joe Stephenshaw, 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 November 14, 2024, Committee Meeting**

**C. Deputy Director's Report**

- Agenda Overview - Agreements with 7 Businesses, Total Tax Credits: **\$29,350,000**

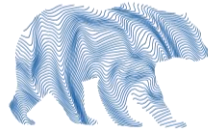
**D. Discussion and Approval of California Competes Tax Credit Agreements**

**Total Recommended Tax Credits: \$29,350,000**

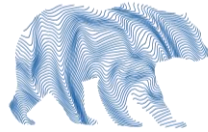
**Total Recommended Tax Credits after Adjusting for S-Corporation Law<sup>1</sup>: \$30,516,667**

---

<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)).

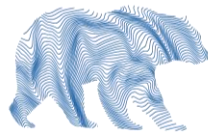


1. Fuse Energy Technologies Corp  
Industry: Fusion Energy Research and Development  
Primary Location(s): San Leandro and Greater East Bay  
Employee Net Increase: 266  
Aggregate Investment: \$152,484,000  
Amount of Tax Credit Awarded: \$10,000,000  
[Link to Tax Credit Agreement](#)
  
2. Legendary Foods LLC  
Industry: Food Manufacturing  
Primary Location(s): Bell and Santa Monica  
Employee Net Increase: 210  
Aggregate Investment: \$70,350,000  
Amount of Tax Credit Awarded: \$10,000,000  
[Link to Tax Credit Agreement](#)
  
3. Rural Power Systems, Inc.  
Industry: Water Pump Manufacturing  
Primary Location(s): Davis  
Employee Net Increase: 76  
Aggregate Investment: \$9,150,000  
Amount of Tax Credit Awarded: \$3,500,000  
[Link to Tax Credit Agreement](#)
  
4. Ariat International, Inc.  
Industry: Clothing Design and Headquarters Expansion  
Primary Location(s): San Leandro  
Employee Net Increase: 128  
Aggregate Investment: \$19,000,000  
Amount of Tax Credit Awarded: \$3,000,000  
[Link to Tax Credit Agreement](#)



5. Element Lancaster 1 LLC  
Industry: Hydrogen Fuel Manufacturing  
Primary Location(s): Lancaster  
Employee Net Increase: 32  
Aggregate Investment: \$1,850,000,000  
Amount of Tax Credit Awarded: \$1,500,000  
[Link to Tax Credit Agreement](#)
  
6. Marine Terminals Corporation  
Industry: Port Operator  
Primary Location(s): Port Hueneme  
Employee Net Increase: 16  
Aggregate Investment: \$8,000,000  
Amount of Tax Credit Awarded: \$800,000  
[Link to Tax Credit Agreement](#)
  
7. Cloacina LLC  
Industry: Wastewater Treatment Equipment Manufacturing  
Primary Location(s): Arroyo Grande  
Employee Net Increase: 24  
Aggregate Investment: \$3,900,000  
Amount of Tax Credit Awarded: \$550,000  
[Link to Tax Credit Agreement](#)

Remainder of this page is intentionally left blank.



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

<b>Total Tax Credits Recommended to be Recaptured:</b>	<b>\$31,539,120</b>
<b>Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law<sup>2</sup>:</b>	<b>\$32,382,453</b>

1. Samsara Networks, Inc.

Industry: Sensor Research and Development

Primary Location(s): San Francisco

Amount of Tax Credit Awarded: \$20,000,000

Amount of Tax Credit Recaptured: \$20,000,000

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

Reason for Credit Recapture:

Samsara Networks, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2023 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. Exelixis, Inc. (2nd Award)

Industry: Pharmaceutical Research and Development

Primary Location(s): Alameda

Amount of Tax Credit Awarded: \$7,000,000

Amount of Tax Credit Recaptured: \$3,472,000

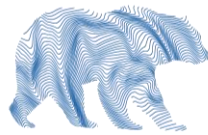
[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Exelixis, Inc. (2nd Award)'s California Competes Tax Credit Agreement expired at the end of its 2024 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.

---

<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. Liberated Brands USA LLC

Industry: Clothing Design and Headquarters Expansion

Primary Location(s): Costa Mesa and Orange County

Amount of Tax Credit Awarded: \$3,000,000

Amount of Tax Credit Recaptured: \$3,000,000

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

Reason for Credit Recapture:

Liberated Brands USA 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.

4. Ernie Ball, Inc.

Industry: Musical Instrument Accessory Manufacturing

Primary Location(s): Coachella

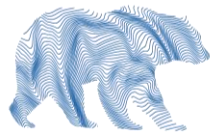
Amount of Tax Credit Awarded: \$2,000,000

Amount of Tax Credit Recaptured: \$2,000,000

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

Reason for Credit Recapture:

Ernie Ball, 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. Eddy Pump Corporation

Industry: Construction Equipment Manufacturing

Primary Location(s): El Cajon

Amount of Tax Credit Awarded: \$900,000

Amount of Tax Credit Recaptured: \$900,000

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

Reason for Credit Recapture:

Eddy Pump Corporation's California Competes Tax Credit Agreement expired at the end of its 2022 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.

6. Hulu LLC

Industry: Online Streaming Media Service Provider

Primary Location(s): San Francisco, Santa Monica, and Novato

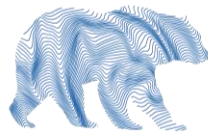
Amount of Tax Credit Awarded: \$4,260,600

Amount of Tax Credit Recaptured: \$852,120

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

Reason for Credit Recapture:

Hulu LLC'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.



7. Retrophin, Inc.

Industry: Biopharmaceutical Research and Development and Manufacturing

Primary Location(s): San Diego

Amount of Tax Credit Awarded: \$2,000,000

Amount of Tax Credit Recaptured: \$400,000

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

Reason for Credit Recapture:

Retrophin, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 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.

8. GoodRx, Inc.

Industry: Mobile Device Application and Software Developer

Primary Location(s): Santa Monica, San Francisco, and Los Angeles

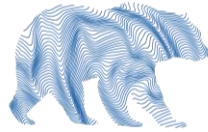
Amount of Tax Credit Awarded: \$2,000,000

Amount of Tax Credit Recaptured: \$345,000

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

Reason for Credit Recapture:

GoodRx, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2024 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. M & R Engineering Co.

Industry: Aerospace Component Manufacturing

Primary Location(s): Orange

Amount of Tax Credit Awarded: \$385,000

Amount of Tax Credit Recaptured: \$220,000

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

Reason for Credit Recapture:

M & R Engineering Co.'s California Competes Tax Credit Agreement expired at the end of its 2024 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. Sage Goddess, Inc. (2nd Award)

Industry: Bath and Body Product Manufacturing

Primary Location(s): Torrance

Amount of Tax Credit Awarded: \$300,000

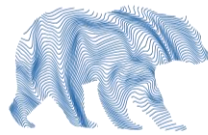
Amount of Tax Credit Recaptured: \$180,000

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

Reason for Credit Recapture:

Sage Goddess, Inc. (2nd Award)'s California Competes Tax Credit Agreement expired at the end of its 2023 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.





11. San Francisco Spice Company

Industry: Food Manufacturing

Primary Location(s): Woodland

Amount of Tax Credit Awarded: \$650,000

Amount of Tax Credit Recaptured: \$130,000

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

Reason for Credit Recapture:

San Francisco Spice Company'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.

12. Stretch Solutions LLC

Industry: Fabricated Metal Product Manufacturing

Primary Location(s): Corona

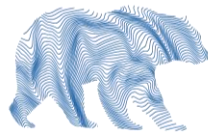
Amount of Tax Credit Awarded: \$100,000

Amount of Tax Credit Recaptured: \$40,000

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

Reason for Credit Recapture:

Stretch Solutions LLC's California Competes Tax Credit Agreement expired at the end of its 2021 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.



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

<b>Total Recommended Tax Credits to be Recaptured:</b>	<b>\$780,000</b>
<b>Total Recommended Tax Credits to be Recaptured after Adjusting for S-Corporation Law<sup>3</sup>:</b>	<b>\$793,333</b>

1. Sila Nanotechnologies, Inc.

Industry: Battery Manufacturing

Primary Location(s): Alameda

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

Previous Amount of Tax Credit Recaptured: \$1,000,000

Additional Amount of Tax Credit Recaptured: \$500,000

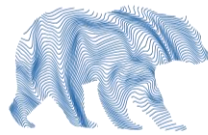
[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Sila Nanotechnologies, 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 \$1,000,000. Sila Nanotechnologies, 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. Accordingly, GO-Biz recommends that the CCTC Committee recapture the remaining \$500,000.

---

<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)).



2. Torrid Merchandising, Inc.

Industry: Clothing Design and Headquarters Expansion

Primary Location(s): City of Industry

Amount of Tax Credit Awarded: \$800,000

Previous Amount of Tax Credit Recaptured: \$600,000

Additional Amount of Tax Credit Recaptured: \$200,000

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

Reason for Credit Recapture:

Torrid Merchandising, 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 \$600,000. GO-Biz has determined that Torrid Merchandising, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and recapture \$200,000.

3. Sonoma Springs Brewing LLC

Industry: Brewery

Primary Location(s): Sonoma and Vacaville

Amount of Tax Credit Awarded: \$200,000

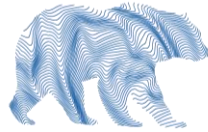
Previous Amount of Tax Credit Recaptured: \$120,000

Additional Amount of Tax Credit Recaptured: \$40,000

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

Reason for Credit Recapture:

Sonoma Springs Brewing LLC'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 April 21, 2022, the Committee recaptured \$120,000. 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 \$40,000.



4. Opti-Fit International, Inc.

Industry: Health and Fitness Center Business Management Services

Primary Location(s): Rancho Cordova and Folsom

Amount of Tax Credit Awarded: \$90,000

Previous Amount of Tax Credit Recaptured: \$20,000

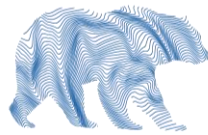
Additional Amount of Tax Credit Recaptured: \$40,000

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

Reason for Credit Recapture:

Opti-Fit International, 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 17, 2021, the Committee recaptured \$20,000. The Franchise Tax Board has determined that the business did not achieve or maintain some or all of its milestones for years in which it was previously approved to claim the credit. Any credit not earned by the completion of the agreement or 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 \$40,000.

Remainder of this page is intentionally left blank.



**G. Discussion and Approval of Recommendations for California Competes Grant Recapture**

**Total Grant Recommended to be Recaptured: \$25,000,000**

1. Humane, Inc.

Industry: Artificial Intelligence Software Research and Development

Primary Location(s): San Francisco

Amount of Grant Awarded: \$15,000,000

Amount of Grant Recaptured: \$15,000,000

[Link to Grant Agreement to be Recaptured](#)

Reason for Grant Recapture:

Humane, Inc. has indicated that it will not be carrying out its business as contemplated in its approved California Competes Grant Agreement and has requested the termination of its agreement.

2. Universal Hydrogen Co.

Industry: Aircraft Engine Manufacturing

Primary Location(s): Hawthorne

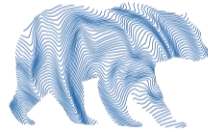
Amount of Grant Awarded: \$5,000,000

Amount of Grant Recaptured: \$5,000,000

[Link to Grant Agreement to be Recaptured](#)

Reason for Grant Recapture:

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



3. Viridos, Inc.

Industry: Biofuel Research and Development

Primary Location(s): Calipatria and La Jolla

Amount of Grant Awarded: \$5,000,000

Amount of Grant Recaptured: \$5,000,000

[Link to Grant Agreement to be Recaptured](#)

Reason for Grant Recapture:

Viridos, Inc. has indicated that it will not be carrying out its business as contemplated in its approved California Competes Grant Agreement and has requested the termination of its agreement.

## H. Public Comment

## I. 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.