

**CALIFORNIA ALTERNATIVE ENERGY AND  
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

***Consideration of Orbital ATK, Inc.’s Request to Approve a Time Extension for the Three Year  
Term of the Master Regulatory Agreement<sup>1</sup>***

**Orbital ATK, Inc.  
Application No. 15-SM011**

**Tuesday, July 17, 2018**

Prepared By: *Xee Moua, Analyst*

**SUMMARY**

**Applicant** – Orbital ATK, Inc.

**Location** – Northridge, Los Angeles County

**Industry** – Defense and Aerospace

**Project** – Expansion of Aerospace Manufacturing Facility and Consolidation From Out of State  
Facilities (Advanced Manufacturing)

**Value of Qualified Property** – \$16,275,154

**Estimated Sales and Use Tax Exclusion Amount<sup>2</sup>** – \$1,370,368

**Amount of Time Requested** –

- Three years, until August 18, 2021, for the Term of the Master Regulatory Agreement (six years from the date of initial CAEATFA Board approval)

**REQUEST**

In August 2015, the CAEATFA Board approved a sales and use tax exclusion (“STE”) for Orbital ATK, Inc. (“Orbital” or the “Applicant”) for the purchase of up to \$16,275,154 in Qualified Property to expand manufacturing operations for advanced ballistics technologies at its facility in Northridge (the “Project”). The Master Regulatory Agreement (“Agreement”) initial term provided the Applicant with three years from the date of Board Approval to utilize its STE award. The initial term of the Agreement can be extended by the Board upon a finding that an extension is in the public interest and advances the purposes of the Program.<sup>3</sup>

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<sup>1</sup> All capitalized terms not defined in this document are defined in the Program’s statute and regulations.

<sup>2</sup> This amount is calculated based on the average statewide sales tax rate of 8.42%.

<sup>3</sup> The provision of the regulations allowing CAEATFA to waive the requirement that all purchases of Qualified Property be made within three years of Application approval is in Regulation Section 10035(b)(1)(A).

As of December 31, 2017, Orbital has used the STE to purchase \$7,202,294 of Qualified Property (44% of the total Qualified Property approved). Orbital is requesting to extend the Agreement initial term by three years to accommodate unforeseen circumstances that affected its timeline such as underestimating time needed for internal corporate reviews, unplanned facility expansion, limited staffing, and changes in material lead times. Orbital represents that Project changes can also be attributed to an acquisition involving the consolidation of Orbital and Northrop Grumman Corporation (NGC) that was executed in June 2018. According to the Applicant, Project purchases are prolonged through 2021 to allow the merger to combine the companies' product lines. Despite the delays in purchasing Qualified Property, Orbital has indicated that it has met its projected sales and employee growth for years 2015-2017.

**About the Applicant**

Orbital ATK, Inc. is a Delaware Corporation formed by the merger of Orbital Sciences, Inc. ("Orbital Sciences") and Alliant Techsystems, Inc. ("Alliant Techsystems"). Both companies had long histories in the defense and aerospace industries prior to the merger and, now that they are combined, are putting that experience toward advanced ballistics manufacturing at their existing Northridge facility.

**Project Description**

Orbital is expanding its manufacturing operations for advanced ballistics technologies at its facility in Northridge. Currently, the Northridge facility manufactures a limited array of missile components. As part of the proposed Project, these manufacturing programs would be retained in California. Additionally, the Applicant plans to bring new missile, munitions, and classified defense programs to the Northridge facility. Upgrades to the facility under the Project would accommodate the equipment necessary for these programs, and add equipment for design, manufacture, assembly, and testing of missile technology. Additionally, the Project is estimated to provide energy savings of 10%.

Manufacturing of modern ballistics technology requires sophisticated equipment, processes, and materials. As such, machining and assembly for the proposed Project will be done on state-of-the-art computer controlled equipment with exacting specifications. Diverse technological fields, such as composites, additives, nanotechnology, microelectronics, and integrated computational materials engineering will also be utilized in a holistic approach to improving safety and performance, and advancing beyond current industry standards. Examples of these technological areas include fiber-impregnated plastic resins that offer strength and weight savings and 3D printers used in prototype design.

**Agreement Term Extension Request**

Orbital has requested that the initial term of the Agreement be extended from August 18, 2018 to August 18, 2021 to accommodate Project delays caused by extensive internal corporate reviews, unplanned facility expansion, limited staffing, and changes in material lead times. To ensure the Project will be completed, the Applicant provided Staff an outline of its amended timeline, which

specifies updated acquisition timeframes and corresponding costs, as well as accounting for expenditures to be met by 2021.

**Staff Evaluation**

Orbital has indicated that although their Project experienced numerous delays, schedule amendments have been made to mitigate additional delays. According to Orbital, corporate reviews and approvals of new release agreements are complete, facility upgrades are scheduled to be completed by the end of 2018, a recruiter was hired to see that proper staffing was met, and the Applicant has built relationships and set expectations through negotiations for future Qualified Property purchases. Lastly, the Applicant reported that production and sales objectives were met, and its partnership with NGC will help expand business. Based on this information, Staff believes that extending the term of the Agreement will allow for the Project to be completed, and is therefore in the public interest and advances the purpose of the program.

**Fees**

In accordance with CAEATFA Regulations,<sup>4</sup> the Applicant will pay an Additional Administrative Fee of \$500 because extending the initial term requires a modification to the Applicant’s Master Regulatory Agreement.

**LEGAL QUESTIONNAIRE**

Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. The Executive Director, in consultation with legal counsel, has determined that the legal issues disclosed do not affect the financial viability or legal integrity of the Applicant.

**RECOMMENDATION**

Staff recommends that the Board approve Orbital ATK, Inc.’s request to extend the initial term of the Agreement by three years to August 18, 2021 as it is in the public interest and advances the purpose of the Program.

**Attachments**

- Attachment A: Orbital ATK, Inc.’s letter requesting waiver (May 23, 2018)
- Attachment B: Orbital ATK, Inc.’s staff summary at the time of approval

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<sup>4</sup> California Code of Regulations Title 4, Division 13, Section 10036

**RESOLUTION APPROVING A TIME EXTENSION FOR  
ORBITAL ATK, INC.’S INITIAL TERM FOR  
THE MASTER REGULATORY AGREEMENT**

**July 17, 2018**

WHEREAS, on August 18, 2015 the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”), a public instrumentality of the State of California, approved a Sales Tax Exclusion (“STE”) in the amount of \$16,275,154 of Qualified Property for **Orbital ATK, Inc.** (the “Applicant”); and

WHEREAS, within three years of the approval by the Authority, the Applicant must make all purchases of the total amount of Qualified Property listed in the approval resolution (Regulations Section 10035(b)(1)); and

WHEREAS, upon a finding that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that all purchases of Qualified Property be made within three years of Application approval (Regulations Section 10035(b)(1)(A)); and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase all of the Qualified Property within three years, due to unexpected delays in the Project timeline, extending the term by three years to August 18, 2021; and

WHEREAS, granting the waiver will allow the Project to proceed and the state to receive the anticipated environmental and economic benefits that justified the initial approval of the Project in accordance with the law, thereby advancing both the public interest and the purposes of the Program.

NOW THEREFORE BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority, as follows:

Section 1. The Authority finds that it is in the public interest and advances the purposes of the Authority to extend the initial term of the Agreement to August 18, 2021.

Section 2. This resolution shall take effect immediately upon its passage.

**Attachment A: Orbital ATK, Inc.’s Letter Requesting Waiver (May 23, 2018)**



Orbital ATK, Inc.  
Defense Electronic Systems  
9401 Corbin Avenue  
Northridge, CA 91324

May 23, 2018

To: California Alternative Energy and Advanced Transportation Financing Authority  
Attn: Xee Moua

**Subject:** Resolution No. 15-SM011

To Whom It May Concern:

Orbital ATK, Inc. - Defense Electronic Systems (OA-DES) is requesting a waiver for a three year extension (to August 18, 2021) of its Sales and Use Tax Exclusions agreement (set to expire on August 18, 2018). OA-DES expects to continue to expand its manufacturing and research operations for advanced ballistics technologies at its facilities in Northridge, CA and Ridgecrest, CA (the "Project"). This delay of the "Project" from the original timeline is due to several factors: timeliness of internal corporate reviews and processes, additional unplanned facility expansion, limited staffing, and material lead times. Please see the amendment to Exhibit B for an updated "Approximate Cost and Anticipated Purchase Date" of all qualified property.

Orbital ATK - DES intends to complete the "Project" by the dates provided in the revised Exhibit B Amendment. Although there has been a delay in the completion of the "Project", progress has been made in the following areas to mitigate any further delays: (1) corporate review and approvals of new lease agreements are now complete, (2) facility expansions are expected to complete this year, (3) an additional recruiter has been hired to expedite filling key roles, and (4) OA-DES has built relationships and set expectations through negotiations on the qualified property purchased to date which will assist with acquisition of material. These factors will enable OA-DES to continue with the remaining items contained within the "Project".

Orbital ATK, Inc. is being acquired by Northrop Grumman Corporation (NGC), a top defense contract manufacturing and engineering firm. As a result of this acquisition, OA - DES is expecting joint product lines to emerge which will require this "Project" to complete over the next three years in order to meet production needs.

Exhibit 1 below is a comparison of 2015-2017 historical capital expenditures versus 2018-2021 forecast to demonstrate how OA-DES is on track to meet or exceed the maximum qualified expenditures by August 2021.

Exhibit 2 below reflects the growth which our Division has enjoyed over the past couple years, which we are highly confident will continue over the next few years. The 2018 – 2021 timeframe aligns with the short range business plans we have communicated to our management at the Corporate level.



Orbital ATK - DES appreciates your approval of this request or extension of the Sales and Use Tax Exclusions agreement until August 15, 2021.

Accompanying this letter is our completed Legal Status Questionnaire, which are also being mailed with a \$500 check for the administrative fee.

Please contact me if you have any questions, or if any additional information is required to fulfill this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Mario Domico". The signature is fluid and cursive, with a prominent loop at the end.

Mario Domico  
Sr. Director of Finance  
Orbital ATK  
Defense Electronic Systems Division  
Mario.domico@orbitalatk.com  
(818) 887-8473



Exhibit A: Capital Expenditures

	ACT	ACT	ACT	FCST	FCST	FCST	FCST	
Year	CY15	CY16	CY17	CY18	CY19	CY20	CY21	Total
Qualified Expenditures	\$1.11M	\$4.33M	\$1.76M	\$2.24M	\$2.24M	\$2.61M	\$2.61M	\$16.90M
Total Expenditures	\$6.16M	\$9.36M	\$5.32M					
Budget	\$4.00M	\$8.50M	\$5.30M	\$6.00M	\$6.00M	\$7.00M	\$7.00M	\$43.80M

Exhibit B: Sales & Payroll Heads

	ACT	ACT	ACT	FCST	FCST	FCST	FCST
Year	CY15	CY16	CY17	CY18	CY19	CY20	CY21
Sales	\$222M	\$210M	\$266M	\$354M	\$330M	\$370M	\$390M
Payroll Heads	234	308	354	403	435	460	470



**Orbital ATK Defense Electronic Systems (Northridge) -- Exhibit B (5/23/18)**

Qualified Property Item	Approximate Cost	Anticipated Purchase Date	Description & Purpose
Item	\$XX,XXX,XXX	Month, Year	Description of Item and Purpose as Related to the Manufacturing Process
1. West Annex Refit (1,824sf @ \$64.37 a sq. ft.) (50% materials)	\$58,705	10 2015	Accommodate additional personnel and mfg. space for new programs
2. North Annex Refit (1,911sf @ \$70.78 a sq. ft.) (50% materials)	\$67,629	10 2015	Accommodate additional personnel and mfg. space for new programs
3. Elevator Refurbishment (50% materials)	\$62,341	10 2015	Accommodate increased material and personnel transport within the facility
4. Multiline Prod Facilitization (6,891sf @ 36.71 a sq. ft.) (50% mats)	\$126,479	11 2015	Modify production space to accommodate new programs
5. Ancillary Services retrofit (Parking, Dining, Office Accommodation)	\$75,000	8 2021	Provide additional dining and parking capacity as engineering pop expands
6. Thermatron Oven (Station One)	\$75,000	12 2019	Hot and cold testing of product
7. Thermatron Oven (Station Two)	\$75,000	12 2019	Hot and cold testing of product
8. Thermatron Oven (Station Three)	\$75,000	8 2020	Hot and cold testing of product
-- Project Permitting (permitting fees are not subject to S&U tax)	\$0	11 2015 – 6 2016	Soft costs related to above
-- Industrial Engineering (contract labor is not subject to SU tax)	\$0	11 2015 – 6 2016	Production line design
-- Electrical and Mechanical Engineering (contract labor is not subject)	\$0	11 2015 – 6 2016	Tool design and production integration
-- Project Design (Design services are not subject to S&U tax)	\$0	11 2015 – 6 2016	Systems level building design
-- Project Management (contract labor is not subject to S&U tax)	\$0	11 2015 – 6 2016	Management of initial facilities reconfiguration
9. Guidance Section Test Station (Station One)	\$249,996	3 2016	Functional test, assembled missile components
10. Guidance Section Test Station (Station Two)	\$250,004	12 2018	Functional test, assembled missile components
11. Guidance Section Test Station (Station Three)	\$250,000	12 2019	Functional test, assembled missile components
12. Thermatron Oven (Station Four)	\$75,000	6 2019	Hot and cold testing of product
13. Thermatron Oven (Station Five)	\$75,000	6 2020	Hot and cold testing of product





14.	Thermatron Oven (Station Six)	\$75,000	6 2021	Hot and cold testing of product
15.	Dynamic Solution Motion Table (Station One)	\$500,000	6 2021	Shock Testing
16.	Dynamic Solution Motion Table (Station Two)	\$500,000	6 2021	Shock Testing
17.	Anechoic Chamber/Fixture/Motion Simulation (Station One)	\$1,500,000	12 2018	RF design and test
18.	Anechoic Chamber/Fixture/Motion Simulation (Station Two)	\$1,500,000	12 2018	RF design and test
19.	Anechoic Chamber/Fixture/Motion Simulation (Station Three)	\$1,500,000	1 2020	RF design and test
20.	Various facility improvements (Program Support TBD) 2016-2019	\$2,755,924	1 2016 - 12 2019	Material handling and other miscellaneous production support equipment
21.	Replacement Workstations 2016-2019	\$1,000,000	1 2016 - 12 2019	Support manpower productivity
22.	Parking Lot Resurfacing and Improvement 2018 (50% materials)	\$0	-	Create available on-site parking for increasing staff
23.	Security Systems Upgrades 2017 (80% materials)	\$400,000	12 2019	Maintain state-of-the-art security perimeter and integrity of classified information and areas
24.	Power and Utilities Upgrades 2016 (70% materials)	\$350,000	6 2018	Accommodate power transmission to new equipment
25.	Chamber 6 Completion 2016	\$420,000	3 2019	RF design and test
26.	A2 Signal Processor IP	\$415,050	6 2016	RF design and test
27.	Chamber 2 Completion 2016	\$150,000	6 2019	RF design and test
28.	Ridgecrest Facility (50% materials)	\$35,000	12 2019	General materials supporting production modifications
29.	DCMA Offices Refurbishment (50% materials)	\$9,026	6 2017	Accommodate federal government oversight of operations
30.	Program Tooling (TBD) 2016-2019	\$3,650,000	1 2016 - 12 2021	Tooling replacements, spares, and rate tooling to support enlarged operation.
	<b>Total</b>	<b>\$16,275,154</b>		

**Attachment B: Orbital ATK, Inc.’s Staff Summary at the Time of Approval**

**CALIFORNIA ALTERNATIVE ENERGY AND  
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

*Request to Approve Project for Sales and Use Tax Exclusion (STE)<sup>5</sup>*

**Orbital ATK, Inc.  
Application No. 15-SM011**

**Tuesday, August 18, 2015**

Prepared By: *James Shimp*

**SUMMARY**

**Applicant** – Orbital ATK, Inc.

**Location** – Northridge, Los Angeles County

**Industry** – Defense and Aerospace

**Project** – Expansion of Aerospace Manufacturing Facility and Consolidation From Out of State Facilities (Advanced Manufacturing)

**Value of Qualified Property** – \$16,275,154

**Estimated Sales and Use Tax Exclusion Amount<sup>6</sup>** – \$1,370,368

**Application Score** –

Fiscal Benefits Points:	2,662
<u>Environmental Benefits Points:</u>	<u>30</u>
<b>Net Benefits Score:</b>	<b>2,692</b>

<u>Additional Benefits Points:</u>	<u>129</u>
<b>Total Score:</b>	<b>2,821</b>

**Staff Recommendation** – Approval

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<sup>5</sup> All capitalized terms not defined in this document are defined in the Program’s statute and regulations.

<sup>6</sup> This amount is calculated based on the average statewide sales tax rate of 8.42%.

**THE APPLICANT**

Orbital ATK, Inc. (“Orbital” or the “Applicant”) is a Delaware Corporation formed by the merger of Orbital Sciences, Inc. (“Orbital Sciences”) and Alliant Techsystems, Inc. (“Alliant Techsystems”). Both companies had long histories in the defense and aerospace industries prior to the merger and, now that they are combined, are putting that experience toward advanced ballistics manufacturing at their existing Northridge facility.

Orbital ATK, Inc. is a publicly traded company (NYSE: OA) with no major shareholders in excess of 10%

The corporate officers of Orbital ATK, Inc. are:

David W. Thompson, President and Chief Executive Officer

Blake E. Larson, Chief Operating Officer

Garrett E. Pierce, Chief Financial Officer

Frank L. Culbertson, Jr., Executive Vice President and President, Space Systems Group

Antonio L. Elias, Executive Vice President and Chief Technical Officer

Ronald J. Grabe, Executive Vice President and President, Flight Systems Group

Michael A. Kahn, Executive Vice President and President, Defense Systems Group

Thomas E. McCabe, Senior Vice President, General Counsel and Secretary

Christine A. Wolf, Senior Vice President, Human Resources

**THE PROJECT**

Orbital ATK, Inc. is seeking a Sales and Use Tax Exclusion in order to expand manufacturing operations for advanced ballistics technologies at its facility in Northridge (the “Project”). Currently, the Northridge facility manufactures a limited array of missile components. As part of the proposed Project, these manufacturing programs would be retained in California. Additionally, due to consolidation from the merger of Orbital Sciences and Alliant Techsystems, the Applicant plans to bring new missile, munitions, and classified defense programs to the Northridge facility. Upgrades to the facility under the Project would accommodate the equipment necessary for these programs, and add equipment for design, manufacture, assembly, and testing of missile technology. Additionally, the Project is estimated to provide energy savings of 10%.

Manufacturing of modern ballistics technology requires sophisticated equipment, processes, and materials. As the Applicant points out, at supersonic speeds even the slightest vibration or

misalignment can have devastating effects. As such, machining and assembly for the proposed Project will be done on state-of-the-art computer controlled equipment with exacting specifications. Diverse technological fields, such as composites, additives, nanotechnology, microelectronics, and integrated computational materials engineering will also be utilized in a holistic approach to improving safety and performance, and advancing beyond current industry standards. Examples of these technological areas include fiber-impregnated plastic resins that offer strength and weight savings and 3D printers used in prototype design.

**ANTICIPATED COSTS OF QUALIFIED PROPERTY**

The anticipated Qualified Property purchases are listed below:

West Annex Refit	\$58,705
North Annex Refit	67,629
Elevator Refurbishment	62,341
Multiline Production Facilitation	126,479
Ancillary Services retrofit	75,000
Thermotron Oven (Station One)	75,000
Thermotron Oven (Station Two)	75,000
Thermotron Oven (Station Three)	75,000
Guidance Section Test Station (Station One)	250,000
Guidance Section Test Station (Station Two)	250,000
Guidance Section Test Station (Station Three)	250,000
Thermotron Oven (Station Four)	75,000
Thermotron Oven (Station Five)	75,000
Thermotron Oven (Station Six)	75,000
Dynamic Solution Motion Table (Station One)	500,000
Dynamic Solution Motion Table (Station Two)	500,000
Anechoic Chamber/Fixture/Motion Simulation (Station One)	1,500,000
Anechoic Chamber/Fixture/Motion Simulation (Station Two)	1,500,000
Anechoic Chamber/Fixture/Motion Simulation (Station Three)	1,500,000
Various facility improvements	2,120,000
Replacement Workstations	1,000,000
Parking Lot Resurfacing and Improvement	750,000
Security Systems Upgrades	400,000
Power and Utilities Upgrades	350,000
Chamber 6 Completion	420,000
A2 Signal Processor	300,000
Chamber 2 Completion	150,000
“Ridgecrest” structural upgrades	35,000
Offices Refurbishment	10,000
Program Tooling	3,650,000
<b>Total</b>	<b><u>\$16,275,154</u></b>

*Note: The Qualified Property purchases reported in the Application and shown here in staff's report are estimated costs. At the termination of the master regulatory agreement a finalized project equipment list will be prepared detailing the value of the Project equipment acquired and detailing the actual tax benefit realized pursuant to Revenue and Tax Code Section 6010.8. Variance from the costs shown in the Application and in this report may occur prior to the closing due to increased costs of certain components (of the Project) over original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation, or for other reasons.*

## **TIMELINE**

Manufacturing and upgrades at the Northridge facility are currently underway. Consolidation from other out-of-state facilities is slated to begin in the third quarter of 2015, with the programs fully relocated and operational within a year.

## **PROJECT EVALUATION**

### **NET BENEFITS**

The total cost of the Qualified Property purchases is anticipated to be \$16,275,154. The Project received a Total Score of 2,821 points, which exceeds the required 1,000 point threshold and a total Environmental Benefits Score of 30 points, which exceeds the 20 point threshold.

- A. **Fiscal Benefits (2,662 points)**. The net present value of the total fiscal benefits over the lifetime of the Qualified Property is derived from the Applicant's anticipated sales taxes, personal income taxes paid by the firm's employees, firm taxes on profits, property taxes and other indirect fiscal benefits of the Applicant which amounts to \$3,648,303 resulting in a Fiscal Benefits score of 2,662 points for the Project.
- B. **Environmental Benefits (30 points)**. The Project will result in an Environmental Benefits Score of 30. The Applicant received points in the following categories:
  1. **Environmental Sustainability Plan (20 of 20 points)**. The Applicant will implement an environmental sustainability plan for its Project that will reduce the energy use and waste production of the manufacturing process by encouraging environmental stewardship through compensatory components of employee pay.
  2. **Energy Consumption (10 of 30 points)**. The Applicant's manufacturing process will result in a 10% reduction in energy consumption relative to the industry standard manufacturing process.
- C. **Additional Benefits (129 points)**. Applicants may earn additional points for their Total Score. The applicant submitted information and received 129 additional points.

1. **Permanent Jobs (55 of 75 points)**. The Applicant’s Project will support a total of 310 permanent jobs at its Facility. CAEATFA estimates that approximately ten of these jobs will be attributable to a marginal increase in jobs created due to the approved STE resulting in a Permanent Jobs Score of 55 points for the Project.
2. **Construction Jobs (0 of 75 points)**. The Applicant’s Project will support a total of ten construction jobs at its Facility. CAEATFA estimates that none of these jobs will be attributable to a marginal increase in jobs created due to the approved STE. Zero points were awarded because the marginal increase in jobs does not meet the required threshold.
3. **Unemployment (9 of 50 points)**. The Applicant’s Project is located in Los Angeles County which has an average annual unemployment rate of 8.2%. This is approximately 110% of the statewide average annual unemployment rate which is currently 7.5% resulting in an Unemployment Score of nine points for this Project.
4. **Research and Development Facilities (25 points)**. The Applicant has verified that it has facilities located in California that perform research and development functions related to defense and aerospace technologies.
5. **Industry Cluster (40 points)**. The industry associated with this Application has been identified by the Los Angeles County Economic Development Corporation (LAEDC) as an industry cluster of the region of the Project’s location.

## **STATUS OF PERMITS/OTHER REQUIRED APPROVALS**

In June of 2015 the Applicant began discussions with the Los Angeles County Economic Development Agency (LAEDC) and the California Governor’s Office related to securing an expedited permitting agreement for construction and equipment installation.

## **LEGAL QUESTIONNAIRE**

Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. The Executive Director, in consultation with legal counsel, has determined that the legal issues disclosed do not affect the financial viability or legal integrity of the Applicant.

**CAEATFA FEES**

In accordance with CAEATFA Regulations,<sup>7</sup> the Applicant has paid CAEATFA an Application Fee of \$8,137.58 and will pay CAEATFA an Administrative Fee up to \$65,101.

**RECOMMENDATION**

Staff recommends approval of Resolution No. 15-SM011 for Orbital ATK, Inc.'s purchase of Qualified Property in an amount not to exceed \$16,275,154 anticipated to result in an approximate sales and use tax exclusion value of \$1,370,368.

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<sup>7</sup> California Code of Regulations Title 4, Division 13, Section 10036