

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

***Request to Approve a Time Extension for the
Initial Term of the Regulatory Agreement¹***

**Joby Aero, Inc.
Application No. 19-SM027**

Tuesday, May 17, 2022

Prepared By: *Matthew Jumps, Program Analyst*

SUMMARY

Applicant – Joby Aero, Inc.

Location – Marina, Monterey County

Industry – Electric Vertical Take-Off and Landing (eVOTL) Aircraft Manufacturing

Project – New eVTOL Aircraft Production Facility (Advanced Transportation)

Total Amount Qualified Property Approved– \$73,473,675

Estimated Sales and Use Tax Exclusion Amount at Approval² – \$6,142,399

Amount of Time Requested –

- Three years, until June 18, 2025, for the Initial Term of the Regulatory Agreement (six years from the date of initial CAEATFA Board approval)

Staff Recommendation – Approval

¹ All capitalized terms not defined in this document are defined in the Sales and Use Tax Exclusion Program's statutes and regulations.

² This amount is calculated based on the average statewide sales tax rate the time of initial approval, which was 8.36%.

REQUEST

On June 18, 2019, the CAEATFA Board approved a sales and use tax exclusion (“STE”) for Joby Aero, Inc. (the “Applicant”) for the purchase of up to \$73,473,675 in Qualified Property to build a new eVTOL aircraft production facility located in Marina (the “Project”). The Regulatory Agreement (“Agreement”) initial term provided the Applicant with three years from the date of CAEATFA Board approval to utilize its STE award.³

As of January 31, 2022, the Applicant has used the STE to purchase \$33,903,718.63 of Qualified Property (46% of the total Qualified Property approved). The Applicant is requesting to extend the Agreement initial term by three years to accommodate delays caused by the COVID-19 pandemic, National Environmental Policy Act (“NEPA”) review, Federal Aviation Administration (“FAA”) approval, and insufficient power connections via Pacific Gas & Electric (“PG&E”).

The CAEATFA Board can extend the initial term of the Agreement upon a finding that an extension is in the public interest and advances the purposes of the STE Program.⁴

The Applicant states that the COVID-19 pandemic, along with shelter-in-place orders from Monterey County, shutdown construction of its facility. According to the Applicant, construction was further delayed because the FAA denied the City of Marina’s request for a Categorical Exclusion (“CATEX”) from a NEPA analysis. The Applicant explains that a CATEX may be approved when a California applicant has completed the CEQA process, and that FAA staff had previously indicated a CATEX would be granted, but the request was ultimately denied. Additionally, the NEPA process took about seven months longer than originally planned. As of July 2021, the Applicant was issued a Finding of No Significant Impact, satisfying NEPA requirements. The Applicant states that construction was also delayed due to the FAA’s Section 163 review to determine that the Applicant’s planned facility is for aeronautical use per Section 163. Lastly, the Applicant states that PG&E did not give assurances that the planned facility would be receiving sufficient power until late 2020.

These delays caused the Applicant to shift resources to renovating existing facilities at the Marina Municipal Airport to construct a low-rate production pilot line. The Applicant plans to construct the large, high-rate production facility in summer 2022, but anticipates a longer timeline than usual due to supply chain constraints for industrial steel. Therefore, the Applicant is planning for a two-year construction period, followed by a nine-month period to install production equipment.

THE APPLICANT

Joby Aero, Inc., a Delaware corporation formed in 2009, develops and builds lightweight, all-electric, vertical take-off and landing (eVTOL) aircraft.

³ California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(A)

⁴ California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(B)

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The major shareholders (10.0% or greater) of the Applicant are:

Joby Aviation, Inc. (100%)

Joby Aviation, Inc., is publicly traded on the NYSE under the symbol JOBY

The major shareholders (10.0% or greater) of Joby Aviation, Inc. are:

The Joby Trust (16%)

Toyota Motor Corporation (13%)

The corporate officers of the Applicant are:

JoeBen Bevirt, CEO

Matt Field, CFO

Kate DeHoff, General Counsel/Corporate Secretary

THE PROJECT

The Applicant requested a sales and use tax exclusion to build a new eVTOL aircraft production facility located in Marina. According to the Applicant, the S4 eVTOL is a single-pilot, four passenger aircraft that takes off vertically, converts to horizontal flight and then converts back to land vertically. The Applicant claims that the aircraft has an all-composite airframe with multiple electric motors, is powered by multiple battery packs, and uses no carbon-based fuel. According to the Applicant, the S4 motors are substantially quieter than traditional helicopters and will be less audible than the average background noise of a city, and have the flight range capability of traveling from San Jose to San Francisco. The Applicant plans to produce a fleet of the S4 aircraft by 2022, which will serve as an ‘air-taxi’ service.

According to the Applicant, the aircraft will reduce fuel consumption, when compared to automobiles, by a weighted average of 18,397 gallons per air taxi, per year, based on estimates of average passenger loading, average trip distance, average vehicle maintenance down time, average automobile loading of 1.54 passengers per vehicle, and taking into account increasing automobile fuel economies. The estimates are based on automobile-avoided miles and do not include the additional fuel consumed in auto traffic congestion. The Applicant represents the Project will launch the S4 and provide the capacity to produce and deliver an average of 250 units per year over an eight-year period. The Applicant also represents this initial production ramp of the S4 will support an additional 1,407 direct manufacturing jobs.

In addition, the Applicant uses composite material to produce the S4 aircraft, which is required to achieve very low weight while maintaining the structural strength required for safe flight and Federal Aviation Administration certification. The Applicant’s design tools optimize the use of the composite cloth to minimize overall waste. The Applicant states that the production processes require little water or hazardous chemicals.

AGREEMENT INITIAL TERM EXTENSION REQUEST

The Applicant has requested that the initial term of the Agreement be extended from June 18, 2022, to June 18, 2025, in order to accommodate the COVID-19 pandemic, NEPA review, FAA approval, and sufficient power connections via PG&E.

Staff Evaluation

According to the Applicant, delays in the purchase of Qualified Property were outside the Applicant's control due to the COVID-19 pandemic, delays in NEPA and FAA reviews, and a delay in PG&E assuring sufficient power connections. The Applicant explains that these factors caused an unanticipated delay in the facility's construction and purchasing timeline. The Applicant has demonstrated a commitment to using the STE by having purchased 46% of total Qualified Property approved and has detailed a purchasing plan to use the remainder of its STE within the next three years.

Based on this information, Staff believes extending the initial term of the Agreement will allow for the Project to be completed, and is, therefore, in the public interest and advances the purposes of the STE Program.

LEGAL QUESTIONNAIRE

Staff reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. The responses did not disclose any information that raises questions concerning the financial viability or legal integrity of this Applicant.

CAEATFA FEES

In accordance with STE Program regulations,⁵ the Applicant has paid an additional fee of \$2,000 because extending the initial term qualifies as a modification to the Applicant's Agreement.

RECOMMENDATION

Staff recommends that the Board approve the Applicant's request to extend the initial term of the Agreement by three years to June 18, 2025, as it is in the public interest and advances the purposes of the STE Program.

Attachments

Attachment A: Joby Aero, Inc.'s letter requesting waiver (March 15, 2022)
Attachment B: Joby Aero, Inc.'s staff summary at the time of approval

⁵ California Code of Regulations Title 4, Division 13, Section 10036(c)(1)(B)

**RESOLUTION APPROVING A TIME EXTENSION FOR
JOBY AERO, INC.'S INITIAL TERM FOR
THE REGULATORY AGREEMENT**

May 17, 2022

WHEREAS, on June 18, 2019, 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 \$73,473,675 of Qualified Property for **Joby Aero, Inc.** (the “Applicant”); and

WHEREAS, within three (3) years of approval by the Authority, the Applicant must make all Qualified Property purchases (STE Program regulations Section 10035(b)(1)(B)); 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 (3) years of Application approval (STE Program regulations Section 10035(b)(1)(B)); and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase all of the Qualified Property within three (3) years by June 18, 2022, due to unexpected delays in the Project timeline, extending the term by three (3) years to June 18, 2025; 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 Program to extend the Applicant’s initial term of the Regulatory Agreement to June 18, 2025.

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

Attachment A: Joby Aero, Inc.'s Letter Requesting Waiver (March 15, 2022)

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March 15, 2022

To: California Alternative Energy and Advanced Transportation Finance Authority
(CAEATFA) Board Members
915 Capitol Mall Room 538
Sacramento, CA 95814

cc: Xee Moua
Program Analyst
CAEATFA

From: Matt Field
Chief Financial Officer
Joby Aero, Inc. ("Joby")
2155 Delaware Ave, Suite 225
Santa Cruz, CA 95060

Subject: Request for Extension of CAEATFA Sales and Use Tax Exclusion for Joby Aero, Inc.

Honorable Board Members,

Joby respectfully requests an extension of the CAEATFA Sales and Use Tax Exclusion incentive awarded on June 18, 2019. As of this writing, Joby has expended or committed \$33,903,718.63 (46%) of Qualified Property purchases toward the establishment of our all-electric vertical take-off and landing (eVTOL) aircraft production line in Marina and San Carlos, California. An extension to June 18th, 2025 would enable Joby to realize the full benefit of the CAEATFA incentive and encourage our continued expansion in California.



While Joby has made tremendous [progress](#), we have experienced a significant headwind from:

- COVID,
- An unexpected delay due the Federal Aviation Administration's (FAA) extended review and approval for the construction of our planned high-rate (580,000 sq ft) production facility at the Marina Municipal Airport, and
- The inability of PG&E to guarantee sufficient electrical power at the airport and PG&E's priorities elsewhere.

Request for Extension of CAEATFA Sales and Use Tax Exclusion for Joby Aero, Inc.

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With the pandemic subsiding, the final FAA approval likely due before the summer, and PG&E's agreement to extend additional power to the airport, we are confident Joby will be able to accelerate our original CAEATFA plan to mass produce our aircraft in Marina, CA.

COVID

In March 2020, Joby was in the early phases of hiring in-house staff to assist the company in our production facility planning and construction. A month prior, we had received approval by the Marina Planning Commission on our plan to construct a 580,000 sq. ft. manufacturing plant on the airport. Preparations were underway including the site planning/design, detailed production floor layout, and the establishment of a lease for the property from The City of Marina.



In mid-March, Monterey County issued a COVID shelter-in-place order, which Joby followed. With very few exceptions, Joby was essentially shut down from performing any type of construction work for months. Architects and subcontractors were unavailable, and the hiring of internal construction personnel stalled. Long lead production machines that were previously purchased were delayed. While many functions at Joby were able to be performed remotely, construction work suffered with the inefficiencies of the COVID shutdown, and absenteeism from illnesses and exposures. To minimize disruptions, Joby established a comprehensive testing program including the hiring of internal nursing staff to administer daily tests.

FAA: NEPA Analysis

Joby's CAEATFA application highlighted our early efforts to gain approval to construct our large production factory in Marina, CA - an economically disadvantaged community. Following the CAEATFA award, Joby concluded months of site entitlement work including an exhaustive CEQA report and other required studies. In February 2020, Joby's project was approved by the Marina Planning Commission to construct a 580,000 sq ft production building on the airport. Per procedure, The City of Marina (the lessor) then sought approval by the FAA and submitted a request for a Categorical Exclusion (CATEX) from requiring a NEPA (National Environmental Protection Act) analysis for on-airport developments. A CATEX is normally approved when an applicant in California has completed the rigorous CEQA process. In Fall of 2019, regional FAA staff repeatedly indicated a CATEX would be applied to Joby's project. However, after Planning Commission approval, the FAA unexpectedly reversed its previous stance, denied the request for a CATEX, and instead required an additional NEPA analysis be performed. These studies were quickly performed and submitted.

What was indicated by the FAA to take up to eight months actually took fifteen. The FAA experienced key personnel turnover/retirement during this time and our file was frustratingly delayed. In addition, the FAA sought input from multiple government agencies including the U.S. Fish and Wildlife Service - who also spent months reviewing the findings. Joby was issued a FONSI (Finding Of No Significant Impact) in July, 2021. Unfortunately, the FAA approval was further delayed by a Section 163 issue.

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FAA: Section 163

Historically, the FAA has exercised significant control over on-airport development to discourage non-aeronautical uses, which can include certain aspects of aviation manufacturing. Prior to beginning development on an airport, the FAA would review the and assess the potential impacts on airfield operations. In 2018, Congress passed H. R. 302, the “FAA Reauthorization Act of 2018,” which included Section 163. Section 163 changed the scope FAA oversight of airport developments and created a new process for regional FAA offices to follow when evaluating whether there may be airfield impacts.

In Joby’s case, as with the NEPA review, the City of Marina and Joby were originally told the Section 163 process would be relatively straightforward. This has proven to not be the case, and the FAA struggled to commit to any deadline for completing its Section 163 process. While confidence is high that the FAA’s analysis of an aircraft manufacturing facility will be considered ‘aeronautical use’ per the statute, their analysis is not yet final.

Throughout this process, Joby and the City of Marina have expended considerable resources on what our advisors say is a California-specific delay by the FAA’s west coast office. Regardless, we have aggressively supported these reviews since the Spring of 2020. We expect final approval in the next quarter and are hosting a dozen officials from the FAA’s west coast office onsite in Marina, CA, at the end of this month.

Power

Previously Fort Ord Air Base, the Marina Municipal Airport’s infrastructure was designed to support light aircraft operations only. To manufacture carbon composite aircraft at large quantities requires more power than currently available at the airport. Since 2018, Joby has worked directly with PG&E senior planners, the City of Marina Public Works Department, Fort Ord Reuse Authority and the State’s GoBiz organization to advocate for a 21 KVA feeder line to be extended to the airport. What is normally a reasonable and predictable process in other states, Joby could not get assurances by PG&E that additional power would ever be provided. This technical barrier prevented Joby from making a final decision on Marina (and thus, California) as our location for our large-scale manufacturing facility. After approximately 30 months of lobbying and other efforts, Joby was notified in late 2020 that PG&E would establish the additional power as requested.

How we adapted

As it became clear that our large factory plans were going to be delayed, Joby pivoted and spent many months working with the City of Marina to secure more existing facilities on the Marina Municipal Airport - this so we could establish a low-rate production line as an interim measure. Joby eventually leased five hangar buildings at the Marina Airport to host our initial production

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operation (Pilot Plant). With these facilities, Joby will establish, test and refine our manufacturing processes in support of our FAA Production Certification.



These structures were built by the Army and largely abandoned since the base closing in the early 1990s. The buildings were in extremely poor condition. Joby has now completely refurbished these hangars, brought them up to current building codes including all ADA requirements, and converted these facilities to support our Pilot Plant production line. Joby also constructed a large 55,000 sq. ft. [‘Mega Tent’](#), now employed as the aircraft’s

final assembly and integration facility. Majority of the submitted Qualified Property purchases to date have been in support of these construction activities and the Pilot Plant manufacturing line in Marina. We began formal production in 2021 and currently have over 200 full-time employees at our Marina location.

Joby has hired over 950 California-based employees since our original CAEATFA application.

Given our experience with establishing the Pilot Plant aircraft production line, Joby is confident in our forecast of capital equipment purchases that will be required to ramp up the aircraft production rate to that in our CAEATFA application. In fact, our forecast is actually greater than the remaining CAEATFA Qualified Property allowance.

Construction of the large production facility is nominally 18 months but will take longer with the scarcity of industrial steel for the facility’s large span structure. Joby is planning on a two-year construction schedule beginning late this summer. An additional nine months will be required to outfit the facility with production equipment. Joby requests a three-year extension from June 2022 to accommodate this facility construction and enable the high-rate production operations.

Joby is grateful for this incentive program and the State’s support of our zero-emission aircraft production. We are hopeful that our commitment to California is evident with our persistence in Marina, and our increased staffing in the State. As always, the Board and staff have an open invitation to visit and tour our production and flight test facilities. Please feel free to contact me at matt.field@jobyaviation.com if you have any questions. We look forward to a continued relationship with the State’s Treasurer’s Office and the CAEATFA Board and staff.

Sincerely,
DocuSigned by:


Matt Field

Chief Financial Officer
Joby Aero, Inc.

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Enclosures: Company Ownership Information form and Legal Status Questionnaire

Attachment B: Joby Aero, Inc.'s Staff Summary at the Time of Approval

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CALIFORNIA ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION FINANCING AUTHORITY

Request to Approve Project for Sales and Use Tax Exclusion (STE)¹

Joby Aero, Inc.
Application No. 19-SM027

June 18, 2019

Prepared By: *Matthew Parsons, Program Analyst*

SUMMARY

Applicant – Joby Aero, Inc.

Location – Marina, Monterey County

Industry – Electric Vertical Take-Off and Landing (eVTOL) Aircraft Manufacturing

Project – New eVTOL Aircraft Production Facility (Advanced Transportation)

Value of Qualified Property – \$73,473,675

Estimated Sales and Use Tax Exclusion Amount² – \$6,142,399

Estimated Quantifiable Net Benefits – \$25,306,622

Application Score –

Fiscal Benefits Points:	5,095
Environmental Benefits Points:	25
Net Benefits Score:	5,120
 Additional Benefits Points:	 108
Total Score:	5,228

Staff Recommendation – Approval

¹ All capitalized terms not defined in this document are defined in the Program's statute and regulations.

² This amount is calculated based on the average statewide sales tax rate of 8.36%.

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THE APPLICANT

Joby Aero, Inc. (“Joby” or the “Applicant”), a Delaware corporation formed in 2009, develops and builds light-weight, all-electric, vertical take-off and landing (eVTOL) aircraft.

The major shareholders (10.0% or greater) of Joby Aero, Inc. are:

Joby Trust Sciarras Management Trust

Joby Aviation, Inc. Intel Capital Corporation Sciarras Management Trust

The corporate officers of Joby Aero, Inc. are:

Joe Ben Bevirt, Chief Executive Officer
Juliane Farrand, Treasurer

THE PROJECT

Joby is requesting a sales and use tax exclusion to build a new eVTOL aircraft production facility located in Marina (the “Project”). According to the Applicant, the S4 eVTOL is a single-pilot, four passenger aircraft that takes off vertically, converts to horizontal flight and then converts back to land vertically. Joby claims that the aircraft has an all-composite airframe with multiple electric motors, is powered by multiple battery packs, and uses no carbon-based fuel. According to Joby, the S4 motors are substantially quieter than traditional helicopters and will be less audible than the average background noise of a city, and have the flight range capability of traveling from San Jose to San Francisco. Joby plans to produce a fleet of the S4 aircraft by 2022, which will serve as an ‘air-taxi’ service.

According to Joby, the aircraft will reduce fuel consumption, when compared to automobiles, by a weighted average of 18,397 gallons per air taxi, per year, based on estimates of average passenger loading, average trip distance, average vehicle maintenance down time, average automobile loading of 1.54 passengers per vehicle, and taking into account increasing automobile fuel economies. The estimates are based on automobile-avoided miles and do not include the additional fuel consumed in auto traffic congestion. Joby represents the Project will launch the S4 and provide the capacity to produce and deliver an average of 250 units per year over an eight-year period. Joby also represents this initial production ramp of the S4 will support an additional 1,407 direct manufacturing jobs.

In addition, Joby uses composite material to produce the S4 aircraft, which is required to achieve very low weight while maintaining the structural strength required for safe flight and Federal Aviation Administration certification. Joby’s design tools optimize the use of the composite cloth to minimize overall waste. Joby states that the production processes require little water or hazardous chemicals.

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Figure 1: Research and Development

Joby is considering various locations outside of California and has indicated that the STE will help to ensure it remains in California. According to the Applicant, its targeted production facility location is the Marina Municipal Airport. The airport is under the guidance of the Fort Ord Reuse Authority and has available economic development land north of the existing runway and in a designated undeveloped business park.

Joby notes it is actively engaged with the FAA Airworthiness Certification Office (ACO) based in Long Beach, California. Joby will be entering the Type Certification process in early 2020, and begin manufacturing and operating the S4 in 2021. Joby's next step following flight testing is to complete the system configuration and provide the necessary ground and airworthiness test results and baseline production procedures.

ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Forklifts	\$ 80,000
Prototyping Equipment	6,300,000
Metal Plate Fabrication	160,000
Electric Motor and Propeller Equipment	4,815,000
IT Hardware and Software	500,000
Integration and Testing Equipment	3,471,500
Laminate Cutting Molds	17,777,375
Lamination Room Equipment	4,757,000
Trim, Inspection, Pre-Bond, and Paint Booths	35,612,800
Total	<u>\$73,473,675</u>

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

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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

According to the Applicant, it is actively engaged with the City of Marina and entered into the Use Permit process for constructing a 500,000 sq. ft. facility located on the Marina Municipal Airport. Joby has already started purchasing equipment, and will accelerate its purchasing in fall of 2019. According to the Applicant's timeline, construction of the facility is anticipated to be completed in 2020, and production of the S4 vehicle is anticipated to begin in 2021.

PROJECT EVALUATION

NET BENEFITS

The total cost of the Qualified Property purchases is anticipated to be \$73,473,675 and the total quantifiable net benefits are valued at \$25,305,827 for the Project. The Project received a Total Score of 5,228 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 25 points, which exceeds the 20-point threshold.

- A. **Fiscal Benefits (5,095 points)**. The net present value of the total fiscal benefits over the lifetime of the Qualified Property is derived from the Applicant's 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 \$31,297,045, resulting in a Fiscal Benefits score of 5,095 points for the Project.
- B. **Environmental Benefits (25 points)**. The Project will result in \$151,181 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 25 points for the Project. These benefits derive from the manufacturing of electric aircraft since these vehicles deliver a net reduction in energy consumption and CO₂ emissions relative to gasoline powered vehicles.
- C. **Additional Benefits (108 points)**. Applicants may earn additional points for their Total Score. The Applicant submitted information and received 92 additional points.
 - 1. **Production Jobs (60 of 75 points)**. The Applicant represents that the Project will support a total of 1,407 production-related jobs at its Facility. CAEATFA estimates that approximately 82 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 60 points for the Project.
 - 2. **Construction Jobs (0 of 75 points)**. The Applicant represents that the Project will support a total of 50 construction jobs at its Facility. CAEATFA estimates that approximately three of these jobs will be attributable to a

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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 (45 of 50 points).** The Applicant's Project is located in ~~Santa Cruz~~ **Monterey** County which has an average annual unemployment rate of 7.3%. This is above 110% of the statewide average annual unemployment rate which was 5.1% in 2017, the dataset used in the application. This results in an Unemployment Score of 45 points for this Project.
4. **Non-CA Environmental Benefits (3 of 40 points).** The Applicant's total value of out-of-state non-greenhouse gas pollution benefits are valued at \$32,614.60, resulting in a Non-CA Environmental Benefits Score of three points for the Project.

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

According to the Applicant, it anticipates being granted a Use Permit in August of 2019, and a building permit with the Marina Planning Department in November 2019. Additionally, the Applicant will work with the Monterey Bay Air Resources District, the County Environmental Health Department, the City Fire Department, and the Regional Water Quality Control Board to obtain the necessary operational and environmental permits before production begins in 2020.

LEGAL QUESTIONNAIRE

Staff reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. The responses did not disclose any information that raises questions concerning the financial viability or legal integrity of this Applicant.

CAEATFA FEES

In accordance with CAEATFA Regulations,³ the Applicant has paid CAEATFA an Application Fee of \$10,000 and will pay CAEATFA an Administrative Fee of up to \$293,894.70.

RECOMMENDATION

Staff recommends approval of Resolution No. 19-SM027 for Joby Aero, Inc.'s purchase of Qualified Property in an amount not to exceed \$73,473,675, anticipated to result in an approximate sales and use tax exclusion value of \$6,142,399.

³ California Code of Regulations Title 4, Division 13, Section 10036

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**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A MASTER
REGULATORY AGREEMENT WITH JOBY AERO, INC.**

June 18, 2019

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority” or “CAEATFA”) has received the Application of **Joby Aero, Inc.** (the “Applicant”), for financial assistance in the form of a master regulatory agreement (the “Agreement”) regarding tangible personal property utilized in an Advanced Manufacturing process or for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems (“Qualified Property”) as more particularly described in the staff summary and in the Applicant’s Application to the Authority (collectively, the “Project”); and

WHEREAS, the Applicant has requested the Authority to enter into the Agreement to acquire Project equipment with an estimated cost not to exceed \$73,473,675 over a period of three years; and

WHEREAS, the Applicant believes that this form of financial assistance will enable it to avail itself of the benefits of an exclusion from sales and use taxes relative to the Qualified Property pursuant to California Revenue and Taxation Code Section 6010.8; and

WHEREAS, approval of the terms of the Agreement and authority for the Executive Director, Deputy Executive Director, or Chair of the Authority to execute the necessary documents to effectuate the Agreement is now sought;

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

Section 1. The Project constitutes a “project” within the meaning of Public Resources Code Section 26003(a)(8)(B).

Section 2. The requested master regulatory agreement constitutes “financial assistance” within the meaning of Public Resources Code Section 26003(a)(6).

Section 3. The Applicant is a “participating party” within the meaning of Public Resources Code Section 26003(a)(7).

Section 4. The Executive Director, Deputy Executive Director, or Chair of the Authority (the “Authorized Signatories”) are hereby authorized for and on behalf of the Authority to approve any changes to the Project as the Executive Director shall deem appropriate, provided that the amount of the Qualified Property to be purchased may not be increased above the amount approved by the Authority.

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Section 5. The proposed form of the Agreement between the Applicant and the Authority, as filed with the Authority prior to this meeting, is hereby approved. The Authorized Signatories are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Applicant the Agreement in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as the Authorized Signatory executing the same may require or approve, and with particular information inserted therein in substantial conformance with the staff summary and in the Applicant's Application to the Authority, such approval to be conclusively evidenced by the execution and delivery thereof. The Authority understands and agrees that pursuant to the terms of the Agreement, the obligations of the Applicant may, under some circumstances, be carried out or assumed by a successor or assignee entity, or by an affiliate of the Applicant.

Section 6. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to do any and all ministerial acts, including (without limitation) the execution and delivery of any and all documents and certificates they may deem necessary or advisable in order to consummate the Agreement and otherwise effectuate the purposes of this Resolution.

Section 7. The Applicant shall assure CAEATFA that all Qualified Property listed in the semi-annual reports pursuant to the Agreement shall be installed, maintained and operated in compliance with all applicable local, state and federal laws.

Section 8. The Agreement shall only apply to Qualified Property that the Applicant certifies will be installed, maintained and operated at facilities within the State of California.

Section 9. The adoption by the Authority of this Resolution for the Applicant shall not be referred to in any application before any governmental agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to acquire, construct or operate the Project.

Section 10. This Resolution is effective immediately and will remain in full force and effect unless the Regulatory Agreement, as defined in CAEATFA Regulations Section 10035(a), is not executed within thirty (30) days of the date of this Resolution. The Executive Director may extend the thirty days if necessary.