

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

Board Meeting Date: Tuesday, June 17, 2025

Request to Approve Project for a Sales and Use Tax Exclusion¹

**Joby Aero, Inc.
Application No. 25-SM006**

Prepared By: *Jeannie Yu, Program Analyst*

SUMMARY

Applicant: Joby Aero, Inc.

Location: Marina, Monterey County; San Carlos, San Mateo County

Industry: Electric Aircraft Manufacturing

Project: Expansion of Existing Electric Vertical Take-Off Landing Aircraft Manufacturing Facilities (Advanced Transportation)

Project Pool: General

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount ²
\$100,623,218	\$8,532,849

Estimated Net Benefit ³	Dollar Value	Points Earned
Estimated Fiscal Benefits	\$10,795,057	1,265
Estimated Environmental Benefits	\$199,044	23
Additional Benefits	N/A	201
Total	\$10,994,101	1,489
Estimated Quantifiable Net Benefit	\$2,462,158	N/A

¹ All capitalized terms not defined in this document are defined in the STE Program’s statutes and regulations.

² This amount is calculated based on the average statewide sales tax rate of 8.48%.

³ Applications that earn a Total Score of at least 1,000 points and an Environmental Benefits Score of over 20 points may be recommended for approval. (California Code of Regulations Title 4, Division 13, Section 10033(c)(6).)

Previous Awards and Status: Two previous awards

- Award 1: App No. 19-SM027, Award Year 2019, 100% Expended, Complete, Compliant on Required Reports
- Award 2: App No. 24-SM002, Award Year 2024, 25% Expended, Active, Compliant on Required Reports

Staff Recommendation: Approval

THE APPLICANT

Joby Aero, Inc. (the “Applicant”), a Delaware corporation formed in 2009, develops and builds lightweight, all-electric, vertical take-off and landing (eVTOL) aircraft. The Applicant is headquartered in Santa Cruz and is a publicly traded company on the NYSE under the ticker JOBY.

The Applicant received a grant in the amount of \$9.8 million under the California Competes Grant Program administered by the Governor’s Office of Business and Economic Development on November 16, 2023.

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

- Joby Aviation (100%)

The corporate officers of the Applicant are:

- JoeBen Bevirt, Founder & Chief Executive Officer
- Didier Papadopoulos, Head of Aircraft OEM
- Greg Bowles, Head of Government & Regulatory Affairs
- Bonny Simi, Head of Air Operations & People
- Eric Allison, Head of Product
- Kate DeHoff, General Counsel & Corporate Secretary

THE PROJECT

Joby Aero, Inc. requests a sales and use tax exclusion (“STE”) award to expand its existing electric aircraft facilities located in Marina and San Carlos (the “Project”). The San Carlos facility, employing around 400 individuals, focuses on the development and production of electric motors, batteries, and various electromechanical components for aircraft. Meanwhile, the Marina site, employing over 500 employees, is dedicated to airframe manufacturing, integration, final assembly, and flight-testing operations.

According to the Applicant, its eVTOL aircraft is a single pilot, 4-passenger aircraft (“S4”) that takes off vertically, converts to horizontal flight and then converts back to land vertically. The S4 is a quiet and environmentally friendly electric “air taxi” that enables passengers to avoid traffic congestion and the need for a traditional airport to fly from one local destination to another.

The Applicant has also been actively pursuing the integration of hydrogen fuel cells into electric aircraft architecture. As part of this Project, the Applicant will be conducting R&D related to hydrogen. In 2024, the Applicant's hydrogen-electric technology demonstrator aircraft successfully completed a 523-mile flight over Marina, California, with no in-flight emissions except water vapor, making a significant milestone in sustainable aviation.

Anticipated Costs of Qualified Property

Anticipated Qualified Property Purchases	Cost
Powertrain Manufacturing Equipment	\$7,079,096
Battery Manufacturing Equipment	\$1,907,451
Testing Facility/Stand	\$9,561,136
Certification and Testing Equipment	\$21,011,000
Simulator and Simulation Equipment	\$9,271,033
Flight Test Equipment	\$2,102,593
Airframe Assembly	\$4,230,000
Composite Manufacturing and Tooling	\$12,923,170
Quality Assurance Inspection Equipment	\$1,428,000
Small Support/Handling Equipment/Tools	\$60,000
Addictive Manufacturing	\$1,851,000
R&D Equipment	\$22,451,000
Facilities/Construction	\$6,747,739
Total	<u>\$100,623,218</u>

Note: The Qualified Property purchases reported in the Application and shown here in staff's report are estimated costs. In accordance with the Regulatory Agreement, a finalized Project equipment list will be prepared detailing the value of the Project equipment actually acquired, and the estimated 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, those costs may vary after closing due to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in statute or regulation, or for other reasons.

Timeline

According to the Applicant, its new 225,000 square feet facility on the Marina Municipal Airport in Monterey County is more than halfway complete. The Project is on schedule and the new facility is expected to receive the Certificate of Occupancy in July 2025.

Status of Permits/Other Required Approvals

In 2023, the Applicant received Planning Commission and FAA approval to construct a 225,000 square facility on the Marina Municipal Airport in Monterey County. All permits were obtained prior to the groundbreaking in April 2024.

PROJECT EVALUATION

Project Benefits

The Project received a Total Score of 1,489 points, which exceeds the required 1,000-point threshold and a total Environmental Benefits Score of 23 points, which exceeds the 20-point threshold.

1. **Fiscal Benefits (1,265 points)**. The net present value of the total fiscal benefits over the lifetime of the Qualified Property is derived from the Applicant's sales and use taxes, personal income taxes paid by the firm's employees, firm taxes on profits, property taxes, and other indirect fiscal benefits of the Applicant. The total fiscal benefits amount to \$10,796,390, resulting in a Fiscal Benefits score of 1,265.
2. **Environmental Benefits (23 points)**. The Project is anticipated to result in \$199,063 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 23 points. These benefits derive from the manufacturing of electric aircraft, which deliver a new reduction in energy consumption and CO2 emissions relative to gasoline aircrafts.
3. **Additional Benefits (201 points)**. Applicants may earn "Additional Benefits" points in the categories listed below. The Applicant received 201 Additional Benefits points.
 - A. **Production Jobs (60 of 75 points)**. The Applicant anticipates the Project will support a total of 1,648 production-related jobs at its Facilities. CAEATFA estimates that approximately 108.43 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 60 points.
 - B. **Construction Jobs (0 of 75 points)**. The Applicant anticipates the Project will support a total of 50 construction jobs at its Facilities. CAEATFA estimates that approximately 3.29 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned zero points.
 - C. **Unemployment (40 of 50 points)**. The Applicant's Project is located in Monterey County, which has an average annual unemployment rate of 7.4%.⁴ When compared to the statewide average annual unemployment rate of 5.3%, the Project location earned the Applicant 40 points.
 - D. **Research and Development Facilities (25 of 25 points)**. The Applicant has verified that it has a facility located in California that performs research and development functions related to electric aircraft manufacturing.

⁴ Unemployment rates are based on data available in October 2024.

- E. Workforce Partnerships (25 of 25 points).** The Applicant has a partnership with Monterey Workforce Development Board, Workforce Investment Board, Mujeres En Accion, Hartnell College Foundation, Pajaro and Monterey Peninsula Unified School Districts, Monterey Bay Economic Partnership, Drone Automation and Robotics Technologies, University of California Santa Cruz & Merced, California State University - Monterey Bay, Santa Barbara California State University, Monterey Bay Economic Partnership, Santa Cruz Chamber of Commerce, Santa Cruz Works, REACH, Salinas Inclusive Economic Development Initiative, Sierra Business Council, 3CORE, Inc., Marina Community Partners and the Irvine Foundation for the purpose of assisting in the training of potential future workers.
- F. Industry Cluster (25 of 25 points).** The industry associated with this Application has been identified by the Monterey Bay Economic Partnership and Drone Automation and Robotics Technology regional economic development organizations as an industry cluster of the region of the Project's location.
- G. Benefits and Fringe Benefits (25 of 25 points).** The Applicant states it provides medical, health, dental & vision benefits, bonuses, retirement contributions, transportation subsidies, education reimbursement, gym subsidies, employee discounts and paid leave to its employees, earning the Applicant 25 points.

LEGAL STATUS QUESTIONNAIRE

The Applicant had nothing to report for the questions contained in the Legal Status portion of the Application.

CAEATFA FEES

In accordance with STE Program regulations,⁵ the Applicant paid CAEATFA an Application Fee of \$10,000 and will pay CAEATFA an Administrative Fee of up to \$350,000 should the Applicant be approved for an award.

RECOMMENDATION

Staff recommends the approval of Resolution No. 25-SM006-01 for Joby Aero, Inc.'s purchase of qualifying tangible personal property in an amount not to exceed \$100,623,218, anticipated to result in an approximate STE value of \$8,532,849. The initial term of the Regulatory Agreement will be for a period of three years, until June 17, 2028, and the remainder shall be for a period of 15 years, until June 17, 2040, for providing annual compliance reports.

⁵ California Code of Regulations Title 4, Division 13, Section 10036

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

June 17, 2025

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Joby Aero, Inc.** (the “Applicant”) for financial assistance under the Sales and Use Tax Exclusion Program, as established in Public Resources Code Section 26011.8; and

WHEREAS, the Applicant qualifies as a Participating Party under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8; and

WHEREAS, the Applicant’s qualifying tangible personal property meets the requirements of a Project under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8 (the “Project”); and

WHEREAS, after the Authority approves an Application, the Authority enters into a Regulatory Agreement, as described in Authority Regulations Section 10035(a), with the Applicant for the Project; and

WHEREAS, the Applicant has stated the Project has an estimated cost not to exceed \$100,623,218 over a period of three (3) years; and

WHEREAS, the Applicant asserts 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 Project pursuant to Revenue and Taxation Code Section 6010.8; and

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

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

Section 1. The Regulatory Agreement includes a Project within the meaning of Public Resources Code Section 26003(a)(8)(B).

Section 2. The 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 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 Authorized Signatories deem appropriate, provided that the amount of the qualifying tangible personal property to be purchased for the Project may not be increased above the amount approved by the Authority.

Section 5. The proposed form of the Regulatory Agreement between the Applicant and the Authority, as filed with the Authority prior to this public meeting, is hereby approved. For, on behalf and in the name of the Authority, the Authorized Signatories are hereby authorized and directed to execute, acknowledge, and deliver to the Applicant the Regulatory Agreement in substantially the form filed with or approved by the Authority.

The Regulatory Agreement may contain insertions, deletions or changes as the Authorized Signatories executing the Regulatory Agreement may require or approve, including particular information inserted in substantial conformance with the staff summary and in the Application to the Authority. The approval of the Regulatory Agreement will be conclusively evidenced by the execution and delivery of the final Regulatory Agreement.

The Authority understands and agrees that, pursuant to the terms of the Regulatory Agreement, the obligations of the Applicant, under some circumstances, may 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 to consummate the Regulatory Agreement and otherwise effectuate the purposes of this Resolution.

Section 7. The Applicant shall ensure that all of the qualifying tangible personal property acquired as part of the Project that is listed in the semi-annual reports provided to the Authority pursuant to the Regulatory Agreement will be installed, maintained and operated in compliance with all applicable local, state and federal laws.

Section 8. The Regulatory Agreement shall only apply to qualifying tangible personal property acquired as part of the Project that the Applicant certifies will be installed, maintained and operated at facilities physically located within the State of California.

Section 9. Neither the adoption by the Authority of this Resolution for the Applicant nor the Regulatory Agreement may be referred to in any application before any governmental agency as evidence of the feasibility, practicality or suitability of the Project and may not be referred to 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 is not executed within thirty (30) days of

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the date of this Resolution. The Executive Director may extend the thirty (30) days if necessary.