

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

Board Meeting Date: Tuesday, September 16, 2025

***Request to Approve an Extension of the 15% Purchase Requirement Timeframe
and the Initial Term of the Regulatory Agreement¹***

**Ampaire, Inc.
Application No. 22-SM032**

Prepared By: *Jeannie Yu, Program Analyst*

SUMMARY

Applicant: Ampaire, Inc.

Location: Hawthorne, Los Angeles County; Camarillo, Ventura County

Industry: Aircraft Hybrid Electric Powertrain Production

Project: Expansion of an Existing Electric Powertrain Facility
(Advanced Transportation)

Total Amount of Qualified Property Approved: \$29,889,143

Estimated Sales and Use Tax Exclusion Amount at Approval:² \$2,540,577

Total Amount of Qualified Property Purchased to Date: \$1,037,746 (3%)

Initial Board Approval Date: June 21, 2022

Amount of Time Requested:

- Requesting a one-year, five-month, and 30-day extension, until June 30, 2027, for the 15% purchase requirement timeframe (five years and nine days from the date of initial CAEATFA Board approval)
- Requesting a one-year, five-month, and 30-day extension, until June 30, 2028, for the initial term of the Regulatory Agreement (six years and nine days 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 of 8.5%.

BACKGROUND

On June 21, 2022, the CAEATFA Board approved a Sales and Use Tax Exclusion (“STE”) award for Ampaire, Inc. (the “Applicant”) for the purchase of up to \$29,889,143 in Qualified Property to expand its existing aircraft hybrid electric powertrain production facility in Hawthorne (the “Project”). The Regulatory Agreement (“Agreement”) provided the Applicant with 18 months from the date of CAEATFA Board approval to purchase or execute purchase orders for at least 15% of the total Qualified Property amount approved.³ Also, the Agreement initial term provided the Applicant with three years from the date of CAEATFA Board approval to utilize its STE award.⁴

On December 12, 2023, the CAEATFA Board approved the Applicant for a two-year and 10-day extension for the 15% purchase requirement timeframe from its original date of December 21, 2023 to December 31, 2025, and a one-year, six-month, and 10-day extension of the initial term of the Agreement from its original termination date of June 21, 2025 to December 31, 2026, to accommodate delays in funding.

As of May 31, 2025, the Applicant has used the STE to purchase approximately \$1 million of Qualified Property (3% of the total Qualified Property approved). The Applicant is requesting a second extension of the 15% purchase requirement timeframe and the Agreement’s initial term to accommodate further delays in financing.

THE APPLICANT

Ampaire, Inc. is a California corporation that formed in 2016. The Applicant is currently engaged in research, design, and development of a first-of-its-kind commercial hybrid electric aircraft at its headquarters in Hawthorne.

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

- Cory Combs (17.2%)
- Kevin Noertker (24.5%)

The corporate officers of the Applicant are:

- Kevin Noertker, Co-Founder and Chief Executive Officer
- Cory Combs, Co-Founder, Executive Tech Fellow
- Ed Lovelace, Chief Technology Officer
- Mahu Vijay, Chief Financial Officer
- Susan Ying, Vice President of Global Partnerships

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

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

THE PROJECT

The Applicant received an STE award to expand its existing aircraft hybrid electric powertrain production facility located in Hawthorne. The Applicant states it is in the process of researching, designing, developing, and producing a first-of-its-kind nine seat commercial hybrid electric aircraft, called the EcoCaravan, that will transport passengers and cargo regionally.

The Applicant currently operates out of hangar space and office space at Hawthorne airport, as well as Camarillo Airfield, where the Applicant conducts flight testing. According to the Applicant, due to its powertrain technology, which includes an innovative propulsion system from its signature electrification platform, the EcoCaravan will introduce new powertrain technologies into commercial aviation powertrain processes.

The Applicant explains the electrification platform is a combination of a downsized sustainable aviation fuel engine, an electric motor, power electronics, software, and a high voltage lithium battery system. The Applicant states these technologies are anticipated to result in savings of up to 50% on fuel use and emissions, as well as up to a 25% reduction in operating costs as compared to its conventional counterparts.

15% PURCHASE REQUIREMENT TIMEFRAME EXTENSION REQUEST

The Applicant has requested that the 15% purchase requirement timeframe be extended from December 31, 2025, to June 30, 2027, in order to accommodate delays in funding.

AGREEMENT INITIAL TERM EXTENSION REQUEST

The Applicant has requested that the initial term of the Agreement be extended from December 31, 2026, to June 30, 2028, in order to accommodate delays in funding.

STAFF EVALUATION

The CAEATFA Board can extend the 15% purchase requirement timeframe upon a finding of extraordinary circumstances and that an extension is in the public interest and advances the purposes of the STE Program.⁵

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.⁶

According to the Applicant, it continues to face challenges with raising capital for its Series B funding, and in April 2024, decided to move operations from Hawthorne to Long Beach. The primary challenges are overcoming the slow pace of the funding market, as well as navigating the deep tech investment market challenges due to reduced liquidity, which seems to stem from the lack of exit opportunities for investors.

⁵ California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(A)

⁶ California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(B)

The Applicant states that at the time of its first extension request, it had not yet hit the technical or certification progress milestones and did not have a lead investor, however, it has worked through this critical phase and identified a new lead investor with a signed term sheet for a priced round. The Applicant has also raised \$800,000 in bridge financing from five equity investors. With these accomplishments, the Applicant anticipates that following some final discussions with its strategic partner, the Series B funding round will be completed in the second half of 2025.

Now that the Applicant's product development and certification reflect market dynamics, further progress has been made through conversations with several new investors, including new airlines and aircraft manufacturers that have shown interest in the Applicant's hybrid engine system's use as an Auxiliary Power Unit (APU) in commercial jet. Since the last extension, the Applicant has increased the amount of secured contracts from \$13.8 million to over \$14.9 million and will be following up on additional contracts valued at \$30 million with the U.S. Department of Defense. Moreover, the Applicant states it has purchased equipment to work through pre-commercial maturation of its product, including improving prototype builds, ground testing, flight testing, and facility upgrades.

Based on this information, Staff believes these are extraordinary circumstances, and that extending the 15% purchase requirement timeframe will allow for the Project to be completed, and is, therefore, in the public interest and advances the purposes of the STE Program. Staff also 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 Legal Status portion of the extension request. No information was disclosed concerning the financial viability or legal integrity of the Applicant.

CAEATFA FEES

In accordance with STE Program regulations,⁷ the Applicant's request to extend the 15% purchase requirement timeframe and the initial term qualifies as a modification to the Applicant's Agreement, incurring additional fees. The Applicant has paid the additional fee of \$2,250.

RECOMMENDATION

Staff recommends that the Board approve the Applicant's request to extend the 15% purchase requirement timeframe by one year, five months, and 30 days, until June 30, 2027, as the Applicant has demonstrated extraordinary circumstances, and it is in the public interest and advances the purposes of the STE Program.

⁷ California Code of Regulations Title 4, Division 13, Section 10036(c)(1)(C)

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Additionally, Staff recommends that the Board approve the Applicant's request to extend the initial term of the Agreement by one year, five months, and 30 days, until June 30, 2028, as it is in the public interest and advances the purposes of the STE Program, and the full term shall be for a period of eight years and nine days, until June 30, 2030, for providing annual compliance reports.⁸

ATTACHMENTS

Attachment A: Ampaire, Inc.'s letter requesting waiver (June 5, 2025)

Attachment B: Ampaire, Inc.'s staff summary at the time of approval

⁸ California Code of Regulations Title 4, Division 13, Section 10035(a)(2)

**RESOLUTION APPROVING AN EXTENSION OF
AMPAIRE, INC.'S 15% PURCHASE REQUIREMENT TIMEFRAME
AND THE INITIAL TERM UNDER THE REGULATORY AGREEMENT**

September 16, 2025

WHEREAS, on June 21, 2022, 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 \$29,889,143 of Qualified Property for **Ampaire, Inc.** (the “Applicant”); and

WHEREAS, within 18 months of approval by the Authority, the Applicant must purchase or execute purchase orders for at least 15% of the total amount of Qualified Property listed in the approval resolution (STE Program regulations Section 10035(b)(1)); and

WHEREAS, upon a finding of extraordinary circumstances and that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that the Applicant must purchase or execute purchase orders for at least 15% of the total amount of Qualified Property within 18 months of Application approval (STE Program regulations Section 10035(b)(1)(A)); and

WHEREAS, the Applicant previously had requested a waiver of the requirement to purchase or execute purchase orders for at least 15% of the Qualified Property amount within 18 months due to unexpected delays in the Project timeline, extending the term by two (2) years and ten (10) days to December 31, 2025; and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase or execute purchase orders for at least 15% of the Qualified Property by December 31, 2025 due to unexpected delays in the Project timeline, extending the term by one (1) year, five (5) months, and thirty (30) days, until June 30, 2027; and

WHEREAS, the Applicant has demonstrated extraordinary circumstances as to why it cannot meet the 18-month 15% purchase requirement timeframe; 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)); 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

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WHEREAS, the Applicant previously had requested a waiver of the requirement to purchase all of the Qualified Property within three (3) years due to unexpected delays in the Project timeline, extending the term by one (1) year, six (6) months, and ten (10) days to December 31, 2026; and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase all of the Qualified Property by December 31, 2026, due to unexpected delays in the Project timeline, extending the term by one (1) year, five (5) months, and thirty (30) days, until June 30, 2028; and

WHEREAS, granting the waivers 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 these are extraordinary circumstances and that it is in the public interest and advances the purposes of the Program to extend the Applicant's deadline to meet the 15% purchase requirement to June 30, 2027.

Section 2. 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 30, 2028.

Section 3. This resolution shall take effect immediately upon its passage.

Attachment A: Ampaire, Inc.’s Letter Requesting Waiver (June 5, 2025)



June 5th, 2025

Attn: CAEATFA Board

To the members of the CAEATFA Board:

Ampaire, Inc. would like to request an extension of the remaining portion of our 15% (\$4,483,371.45) spend to June 30, 2027.

Additionally, we would like to extend the initial term of our contract (originally set to expire on June 21, 2025) to be June 30, 2028.

The rationale for this new timeline is the unanticipated delay in our funding round given current market conditions. We have worked to mitigate the impact to our program from the delay in funding availability by pursuing and winning contracts to continue our work, as discussed below.

Our anticipated schedule for purchasing the remainder of the Qualified Property is shown in our updated Exhibit B, included in our extension request packet.

This updated timeline is requested due to the economic challenges of the past 36 months, which have coincided with a challenging capital raising environment that has delayed our Series B raise. We continue to monitor market conditions and are working towards completing our funding round in late Q3 2025/early Q4 2025. Additionally, we have won over \$14.9 million in contracts since the start of our STE award period. Furthermore, we have a high degree of confidence that we will win additional contracts, both as follow-on contracts to those we have already won, as well as new contracts in the coming months and years. A meaningful portion of the funds from these contracts are dedicated to the purchase of STE equipment. These contracts allow us the opportunity to continue our planned work, albeit at a more measured pace, which is reflected in the schedule extensions we are seeking.

We can assure the Board that the new timeline laid out above will be successful because we are now not relying solely on our ability to raise significant equity capital in the near term, given the considerable scale of the contracts we have already secured and the expected follow-on contracts, to fulfill our request. Our updated timeline therefore reflects both the delays in our series B funding round as well as the new contracts we have secured. The new contracts, along with a modest Series B raise will completely fund the company through the start of commercial production, allowing for us to purchase all of the necessary STE equipment within the updated timeline requested.





Ampaire Inc.
3507 Jack Northrop Ave.
Hawthorne, CA 90250
www.Ampaire.com

- **Are there any new investors?** Ampaire has identified a lead investor for our B round. We are working with the lead in closing the round at this time. In the meantime, since the start of 2024, Ampaire has raised an additional \$800k in bridge financing from five equity investors, four of whom were existing investors, and one new investor. We have also circled a number of new investors who have committed to join this B funding round. In addition, we have continued to develop interest and partnerships with airlines and aircraft manufacturers who are also assessing an equity investment in Ampaire as a part of the overall relationship.
- **How is this extension different from the last?** At the last extension, we had indicated that there was a delay in our ability to go to market with our B round for funding. We now have a signed term sheet for a priced round with a lead investor. Procuring a lead investor is challenging, and a prerequisite for a funding round. This key step took time, and we were able to secure our lead earlier this year. This gives us much greater confidence for a successful close to the round.
- **Provide some examples of the challenges that the Company is facing.** The primary challenge the company faces is the slow pace of the funding markets. The funding market for deep tech investments has been bogged down with lower levels of available liquidity, likely due to the lack of meaningful exit opportunities for existing investments. This lower exit rate also results in lower attraction of new investment capital, resulting in overall lower investable cash in the segment. Despite this backdrop, Ampaire's progress in certifying our product and the relatively low risk and short timelines for certification and revenue generation seems to be attracting constructive conversations with investors in the sector. On the product development and certification front, our airline operator and aircraft manufacturing discussions are progressing as well. One key recent development has been the interest from airlines, aircraft manufacturers and new potential investors in the application of Ampaire's hybrid engine system's use as an APU (Auxiliary Power Unit) in commercial jet aircraft. This additional use case for Ampaire's technology and product greatly expands the potential customer and investor base for the company. The main challenge in furthering the discussions quickly has been the current economic volatility and uncertainty for our partners. Nonetheless, our partners continue to be constructively engaged with us in exploring areas of cooperation and investment, and we have numerous commitments for B round investments from them.
- **Since the last extension, the Company was only able to acquire an additional \$1.1M in new contracts. What assurances are there that the new timeline will be met this time?** The company is still on track currently to achieve certification by the end of 2026. Despite the funding delays and the consequent delays in some of our planned spend, we have maintained progress towards our certification milestones. We are also currently engaged in deep discussions with investors in completing this funding round. There is no doubt the funding environment has been challenging. Despite this, we are nearing the final strokes of completing the financing required to bring our product to market. The B Round funding is sufficient to achieve commercialization. Additionally we are pursuing follow-on funding connected with existing contracts with the U.S. Department of Defense (DoD) valued up to \$30M. These follow-on



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- contracts have a high probability of coming through due to our existing relationship with the DoD and the DoD's enthusiasm for the work we have so far accomplished with them.
- **Have the obstacles been overcome?** The company has made significant progress on both our certification and on our funding round with our lead investor. The key funding obstacle for the company from our prior extension request was the lack of a lead, an obstacle which has now been overcome. Furthermore, at the time of our last request, we were starting work with the Federal Aviation Administration (FAA) on our certification basis. We have now completed the major milestone of procuring our G1 Issue Paper with the FAA, validating our design approach and our engineering technology. These two key steps give us great confidence in our ability to meet the remaining challenges in procuring the rest of the funding and on completing our certification process.
 - **Does there seem to be a logical pathway forward?** Absolutely. The company intends to complete our Federal Aviation Administration (FAA) certification in the next 18 months, as well as make meaningful progress on furthering the use case of our technology as an APU on commercial jet aircraft.
 - **Has the Company made any progress since their last extension? Provide detailed examples.** As mentioned previously, on the funding side, the company has identified a lead investor for the B round. This was a key step in getting a round completed, and we are currently working on completing the round with numerous other investors who have already made significant progress on due diligence. On the product side, Ampaire has completed the design and integration of our GenII AMP Drive powertrain. This advances the Ampaire technology from proof of concept to a commercial intent configuration of most major systems. This includes completing hardware design, procurement, and integration of custom Ampaire technology including a new electric motor/generator, new power electronics hardware, updated controls software, updated avionics software, and a new lithium-ion high voltage battery system.

As of May 31st, 2025 we have purchased \$1,037,746.83 in Qualified Property. The scope of our project remains unchanged.

Thank you,

Alison Matthews
Accounting Manager



www.ampaire.com



Ampaire, Inc.



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

The original award staff summary can be found [on the CAEATFA website](#).

**Agenda Item – 4.A.16
Resolution No. 22-SM032-01**

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

Request to Approve Project for a Sales and Use Tax Exclusion¹

**Ampaire, Inc.
Application No. 22-SM032**

Tuesday, June 21, 2022

Prepared By: *Stefani Wilde, Program Analyst*

SUMMARY

Applicant – Ampaire, Inc.

Location – Hawthorne, Los Angeles County; Camarillo, Ventura County

Industry – Aircraft Hybrid Electric Powertrain Production

Project – Expansion of Existing Electric Powertrain Facility (Advanced Transportation)

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount ²
\$29,889,143	\$2,540,577

Estimated Net Benefit ³	Dollar Value	Points Earned
Estimated Fiscal Benefits	\$4,413,720	1,737
Estimated Environmental Benefits	\$13,497,790	5,313
Additional Benefits	N/A	146
Total	\$17,911,510	7,196
Estimated Quantifiable Net Benefit	\$15,370,933	

Competitive Criteria Score – 178

Staff Recommendation – Approval

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 8.5%.

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).)

**Agenda Item – 4.A.4
Resolution No. 22-SM032-03**

**Agenda Item – 4.A.16
Resolution No. 22-SM032-01**

THE APPLICANT

Ampaire, Inc. (the “Applicant”), is a California corporation that formed in 2016. The Applicant is currently engaged in research, design, and development of a first-of-its-kind commercial hybrid electric aircraft at its headquarters in Hawthorne.

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

Cory Combs (18%)
Kevin Noertker (26%)

The corporate officers of the Applicant are:

Kevin Noertker, Co-founder and CEO
Cory Combs, Co-founder, Secretary, CFO
and Executive Tech fellow
Ed Lovelace, CTO
Doug Shane, General Manager
Susan Ying, VP of Global Partnerships

THE PROJECT

Ampaire, Inc. is requesting an STE award to expand its existing aircraft hybrid electric powertrain production facility located in Hawthorne (the “Project”).

The Applicant states it is in the process of researching, designing, developing, and producing a first-of-its-kind nine seat commercial hybrid electric aircraft, called the EcoCaravan, that will transport passengers and cargo regionally. The Applicant currently operates out of hangar space at Hawthorne airport, as well as Camarillo Airfield, where the Applicant conducts flight testing. According to the Applicant, due to its powertrain technology, which includes an innovative propulsion system from its signature electrification platform, the EcoCaravan will introduce new powertrain technologies into commercial aviation powertrain processes. The Applicant explains the electrification platform is a combination of a downsized sustainable aviation fuel engine, an electric motor, power electronics, software, and a high voltage lithium battery system. The Applicant states these technologies are anticipated to result in savings of up to 50% on fuel use and emissions, as well as up to a 25% reduction in operating costs as compared to its conventional counterparts.

ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Thermal Management, Thermal Environment Measurement, Thermal Testing of Equipment, Thermal Recording of Equipment	\$133,990
Additional Testing Equipment for FAA Certification	\$10,920,000
Data Collection and Synthesis Equipment	\$77,190
Electrical Measurement & Electric Motor Testing Equipment	\$1,807,995
Mechanical Testing & Measurement Equipment	\$270,000
Energy Storage Pilot Production Machinery & Equipment	\$10,000,000
Power Analysis & Power Supplies for Testing of Electric Power Systems	\$4,597,368

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Safety Equipment	\$1,000,000
Battery Assembly & Testing Equipment	\$1,082,600
Total	\$29,889,143

Note: The Qualified Property purchases reported in the Application and shown here in staff's report are estimated costs. At the termination of 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

The Applicant states it expects to start expanding its existing space at Hawthorne airport beginning July 1, 2022, with improvements and some equipment placed in service by the end of the year. Additional expansion at that facility is anticipated in 2023. The Applicant anticipates completing the rest of the expansion and ordering the remaining equipment in 2023, and having all equipment in service by the first quarter of 2024.

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

The Applicant states it requires permits through Southern California Edison for facility power upgrades, which the Applicant plans to receive in the next year, prior to its planned upgrades.

COMPETITIVE CRITERIA SCORE

The Applicant received 178 Competitive Criteria points as follows:

1. **Environmental Benefits (100 of 100 points)**. The Application has a Project that produces an Advanced Transportation Technology, and, therefore, 100 points are awarded.
2. **Unemployment (33 of 50 points)**. The Project's primary Facility is located in Los Angeles County, which has an average annual unemployment rate of 10.5%.⁴ When compared to the statewide average annual unemployment rate of 7.89%, the Project location earned the Applicant 33 points.
3. **Job Creation (30 of 75 points)**. The Applicant anticipates the Project will support a total of 96 production-related jobs at its Facilities. CAEATFA estimates that approximately 5.89 of these jobs will be attributable to a marginal increase in jobs

⁴ Unemployment rates are based on data available in December 2021.

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created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 30 points.

4. **California Headquarters (15 of 15 points)**. The Applicant has a California Corporate Headquarters, and, therefore, 15 points are awarded.
5. **Natural Disaster Relief (0 of 50 points)**. The Project is not to rebuild or relocate the Applicant's Facilities due to a fire, flood, storm, or earthquake identified in a state of emergency proclaimed by the Governor within two years of the time of application, and, therefore, zero points are awarded.
6. **Eligibility for Manufacturing and Research and Development Equipment Exemption (0 of 50 points)**. The Applicant is eligible to use one or more of the exemptions established pursuant to Section 6377.1 of the Revenue and Taxation Code, and, therefore, zero points are awarded.
7. **Emerging Strategic Industry (0 of 75 points)**. The Project's industry is not in an Emerging Strategic Industry, and, therefore, zero points are awarded.

PROJECT EVALUATION

PROJECT BENEFITS

The Project received a Total Score of 7,196 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 5,313 points, which exceeds the 20-point threshold.

- A. **Fiscal Benefits (1,737 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 \$4,413,720, resulting in a Fiscal Benefits score of 5,313.
- B. **Environmental Benefits (5,313 points)**. The Project is anticipated to result in \$13,497,790 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 5,313 points. These benefits derive from the production of hybrid electric aircraft, as these vehicles deliver a net reduction in energy consumption and carbon dioxide emissions relative to gasoline powered vehicles.
- C. **Additional Benefits (146 points)**. Applicants may earn additional points for their Total Score. The Applicant received 146 additional points.
 1. **Production Jobs (30 of 75 points)**. The Applicant anticipates the Project will support a total of 96 production-related jobs at its Facilities. CAEATFA

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estimates that approximately 5.89 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 30 points.

2. **Construction Jobs (0 of 75 points).** The Applicant anticipates the Project will support a total of six construction jobs at its Facilities. CAEATFA estimates that approximately 0.37 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.
3. **Unemployment (33 of 50 points).** The Applicant's Project is located in Los Angeles County, which has an average annual unemployment rate of 10.5%. When compared to the statewide average annual unemployment rate of 7.89%, the Project location earned the Applicant 33 points.
4. **Non-CA Environmental Benefits (7 of 40 points).** The Applicant's total value of out-of-state non-greenhouse gas emissions pollution benefits are valued at \$36,630 resulting in a Non-CA Environmental Benefits Score of 7 points for the Project.
5. **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 hybrid electric aircraft.
6. **Industry Cluster (25 of 25 points).** The industry associated with this Application has been identified by Los Angeles County Economic Development Corporation as an industry cluster of the region of the Project's location.
7. **Benefits and Fringe Benefits (25 of 25 points).** The Applicant states it provides medical, health, dental, vision, bonuses, retirement contributions, education reimbursement, employee discounts, and paid leave benefits to its employees, earning the Applicant 25 points.

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.

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Resolution No. 22-SM032-03

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CAEATFA FEES

In accordance with CAEATFA regulations,⁵ the Applicant has paid CAEATFA an Application Fee of \$10,000 and will pay CAEATFA an Administrative Fee of up to \$119,556.57.

RECOMMENDATION

Staff recommends the approval of Resolution No. 22-SM032-01 for Ampaire, Inc.'s purchase of qualifying tangible personal property in an amount not to exceed \$29,889,143 anticipated to result in an approximate STE value of \$2,540,577.

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

**Agenda Item – 4.A.4
Resolution No. 22-SM032-03**

**Agenda Item – 4.A.16
Resolution No. 22-SM032-01**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
REGULATORY AGREEMENT WITH AMPAIRE, INC.**

June 21, 2022

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Ampaire, 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 \$29,889,143 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

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