

Capital Investment Incentive Program (CIIP)

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Summary & Background

- ◆ The County of Monterey has worked closely with Joby Aviation Inc. (Joby) for several years and has provided support through various departments. Joby issued a request for proposals (RFP) for a competitive site selection for a 600,000+ square foot aircraft production and testing facility in December 2022. Several local partners came together to form a working group to respond to the Joby RFP. The group submitted a response to the RFP at Joby headquarters in Santa Cruz on March 3, 2023.
- ◆ On April 18th, 2023, the local partners provided a presentation to the BOS regarding the response to Joby's RFP. During this presentation Supervisor Root-Askew made a motion to direct the Economic Development Manager to review several incentive and support requests to be brought back to the BOS as soon as possible.
- ◆ Following the Board presentation, the Joby Retention Team regrouped and worked closely with the State of California Governor's Office for Business and Economic Development (GO-Biz) on the Capital Investment Incentive Program (CIIP) to incentivize Joby to locate its manufacturing facility in Monterey County.



Capital Investment Incentive Program (CIIP)

- ◆ The CIIP is an existing program that enables local governments to offer a partial property tax rebate for up to 15 consecutive years for qualified manufacturing facilities for assessed property values in excess of \$150 million (must exceed \$150 million).
- ◆ Any city or county seeking to offer assistance under the CIIP must first adopt a resolution by its governing body authorizing its staff to work with the State of California (GO-Biz) in participating in the CIIP and offering this incentive to qualified businesses.
- ◆ Companies seeking assistance under the CIIP must make a written request to the County of Monterey (County), provide a detailed description of the investment being contemplated and specify the number and types of jobs being created.
- ◆ Should a resolution be approved, the local government agency (County) would then be able to submit the resolution to GO-Biz informing them that the County is interested in working with their office on the CIIP.
- ◆ This would begin the process allowing the County to engage with a potential qualified business regarding a community services agreement.

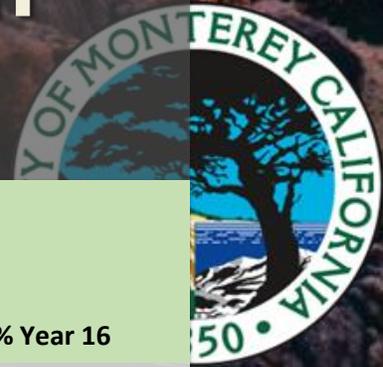
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- ◆ Joby has requested assistance under the CIIP and intends to implement a major expansion of its facilities at the Marina Municipal Airport.
- ◆ This is estimated to include construction of a new 580,000 square foot building for the manufacturing and assembly of their eVTOL product.
- ◆ The investments in real and business personal property necessary for the full and normal construction and operation of the facility is an estimated \$585 million.
- ◆ Joby has projected a new facility that would employ a total of 1,800 employees. Jobs created will generally be managers, analysts, engineers, software developers, technicians, assemblers, machinists, maintenance, and other support personnel.



Capital Investment Incentive Program (CIIP)



Valuation	Property Tax	County Admin Fee	Available Prop Tax	County Share from 1%	County Share of 24.47%	Developer Share of 24.470%	100% Year 16
\$150,000,000	\$1,500,000	\$22,410	\$1,477,590	\$361,561	\$90,390	\$0	\$486,613
\$435,000,000	\$4,350,000	\$64,989	\$4,285,011	\$1,048,527	\$262,132	\$786,395	\$1,411,179
\$585,000,000	\$5,850,000	\$87,399	\$5,762,601	\$1,410,088	\$352,522	\$1,057,566	\$1,897,792
County Tax Receipts		25% of \$435 m + 100% of \$150 m					
Valuation	100% of \$150 million			\$361,561			
	\$435,000,000	25% of \$435 million		\$262,132			
Totals				\$623,693			

Recommendation

- ◆ It is recommended that the Board of Supervisors:
- ◆ Consider adopting a resolution establishing a Capital Investment Incentive Program (CIIP) and authorize the County Administrative Officer or Designee to negotiate a Community Services Agreement with Joby Aviation Inc. (Joby);
- ◆ Provide direction to staff.

Questions?

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