



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



California Competes Tax Credit Program

Edmund G. Brown, Jr
Governor

Panorea Avdis
Director

Will Koch
Chief Deputy Director

Kristen Kane
*Deputy Director,
California Competes
Tax Credit Program*

Scott Dosick
*Assistant Deputy Director,
California Competes
Tax Credit Program*

Governor's Office of Business
and Economic Development
1325 J Street, 18th Floor
Sacramento, CA 95814
CalCompetes@gov.ca.gov
(916) 322-4051

Committee Meeting

**Thursday, June 16, 2016
1:30 p.m.**

Department of Food and Agriculture
Auditorium
1220 N Street
Sacramento, CA 95814

And (via teleconference)
Fontana City Hall
Executive Conference Room
8353 Sierra Avenue
Fontana, CA 92335

MEMBERS:

Panorea Avdis, *Chair
Director
Governor's Office of Business
and Economic Development*

John Chiang
State Treasurer

Michael Cohen, *Director
Department of Finance*

Denise Zapata, *Appointee of
the Senate Committee on Rules*

Madeline Janis, *Appointee of
the Speaker of the Assembly*

AGENDA

OPEN SESSION

- A. Call to Order and Roll Call**
- B. Approval of Minutes from April 14, 2016, Committee Meeting**
- C. Chief Deputy Director's Report**
 - **Agenda Overview – Agreements with 67 Businesses, Total Tax Credits \$46,776,921**
- D. Discussion and Approval of California Competes Tax Credit Agreements with Businesses other than Small Businesses**

Total Recommended Tax Credits:	\$39,688,838
Total Recommended Tax Credits after Adjusting for S-Corporation Law¹:	\$41,412,838

¹ One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



1. NextEV USA, Inc.
Industry: Automobile Manufacturing
Primary Location(s): San Jose and San Francisco
Net Increase of Full-Time Employees: 917
Investment: \$138,315,000
Amount of Tax Credit: \$10,000,000
Link to Tax Credit Agreement: <http://bit.ly/NextEVUSA>
2. OWB Packers LLC
Industry: Beef Processing
Primary Location(s): Brawley
Net Increase of Full-Time Employees: 605
Investment: \$38,500,000
Amount of Tax Credit: \$6,000,000
Link to Tax Credit Agreement: <http://bit.ly/OWBPackers>
3. Pabst Brewing Company LLC
Industry: Breweries
Primary Location(s): Northern or Central California
Net Increase of Full-Time Employees: 328
Investment: \$400,000,000
Amount of Tax Credit: \$3,047,500
Link to Tax Credit Agreement: <http://bit.ly/PabstBrewing>
4. GreenPower Motor Company, Inc.
Industry: Electric Bus Manufacturing
Primary Location(s): Porterville
Net Increase of Full-Time Employees: 190
Investment: \$10,950,000
Amount of Tax Credit: \$3,000,000
Link to Tax Credit Agreement: <http://bit.ly/GreenPowerMotorCo>
5. Axis Energy Partners LLC
Industry: Commercial LED Lighting Wholesaler
Primary Location(s): Sacramento
Net Increase of Full-Time Employees: 102
Investment: \$3,430,000
Amount of Tax Credit: \$2,000,000
Link to Tax Credit Agreement: <http://bit.ly/AxisEnergy>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



6. Qico, Inc.
Industry: Cremation Equipment Manufacturing
Primary Location(s): San Diego
Net Increase of Full-Time Employees: 80
Investment: \$14,500,000
Amount of Tax Credit: \$1,600,000
Link to Tax Credit Agreement: <http://bit.ly/QicoInc>

7. Triumph Fabrications – San Diego, Inc.
Industry: Aerospace Component Manufacturing
Primary Location(s): El Cajon
Net Increase of Full-Time Employees: 100
Investment: \$12,027,432
Amount of Tax Credit: \$1,500,000
Link to Tax Credit Agreement: <http://bit.ly/TriumphFabrications>

8. Denso International America, Inc.
Industry: Automotive Parts Manufacturing
Primary Location(s): Long Beach, Murrieta, Vista, and Compton
Net Increase of Full-Time Employees: 48
Investment: \$38,270,500
Amount of Tax Credit: \$1,243,587
Link to Tax Credit Agreement: <http://bit.ly/DensoInternational>

9. Sacramento Venture One LLC
Industry: Data Center Construction and Management
Primary Location(s): McClellan
Net Increase of Full-Time Employees: 58
Investment: \$475,200,000
Amount of Tax Credit: \$1,200,000
Link to Tax Credit Agreement: <http://bit.ly/SacramentoVentureOne>

10. Ancestry.com Operations, Inc.
Industry: Online Genealogy and DNA Services
Primary Location(s): San Francisco
Net Increase of Full-Time Employees: 182
Investment: \$7,400,000
Amount of Tax Credit: \$900,000
Link to Tax Credit Agreement: <http://bit.ly/Ancestrydotcom>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



11. King Shock Technology, Inc.
Industry: Automotive Parts Manufacturing
Primary Location(s): Garden Grove
Net Increase of Full-Time Employees: 26
Investment: \$11,485,000
Amount of Tax Credit: \$750,000
Link to Tax Credit Agreement: <http://bit.ly/KingShock>

12. Meriliz Incorporated
Industry: Commercial Printing
Primary Location(s): Sacramento and Richmond
Net Increase of Full-Time Employees: 86
Investment: \$14,000,000
Amount of Tax Credit: \$650,000
Link to Tax Credit Agreement: <http://bit.ly/Meriliz>

13. Combustion Associates, Inc.
Industry: Industrial Power Generator Manufacturing
Primary Location(s): Corona
Net Increase of Full-Time Employees: 22
Investment: \$500,000
Amount of Tax Credit: \$600,000
Link to Tax Credit Agreement: <http://bit.ly/CombustionAssociates>

14. Deco Enterprises, Inc.
Industry: Electric Lighting Fixture Manufacturing
Primary Location(s): Commerce
Net Increase of Full-Time Employees: 195
Investment: \$6,400,000
Amount of Tax Credit: \$585,000
Link to Tax Credit Agreement: <http://bit.ly/DecoEnterprises>

15. Nieco Corporation
Industry: Restaurant Equipment Manufacturing
Primary Location(s): Windsor
Net Increase of Full-Time Employees: 19
Investment: \$3,643,600
Amount of Tax Credit: \$550,000
Link to Tax Credit Agreement: <http://bit.ly/NiecoCorp>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



16. On-Time Air Conditioning & Heating, Inc.
Industry: Heating and Air-Conditioning Services
Primary Location(s): Pleasanton
Net Increase of Full-Time Employees: 98
Investment: \$3,391,250
Amount of Tax Credit: \$500,000
Link to Tax Credit Agreement: <http://bit.ly/OnTimeAC>

17. Precision One Medical, Inc.
Industry: Medical Device Manufacturing
Primary Location(s): Oceanside
Net Increase of Full-Time Employees: 57
Investment: \$6,040,000
Amount of Tax Credit: \$453,751
Link to Tax Credit Agreement: <http://bit.ly/PrecisionOne>

18. Envoy Group LLC
Industry: Online Marketing and Advertising
Primary Location(s): Irvine
Net Increase of Full-Time Employees: 69
Investment: \$163,400
Amount of Tax Credit: \$450,000
Link to Tax Credit Agreement: <http://bit.ly/EnvoyGroup>

19. Ultimate Formulations, Inc.
Industry: Pharmaceutical Product Development and Manufacturing
Primary Location(s): City of Industry
Net Increase of Full-Time Employees: 35
Investment: \$6,111,000
Amount of Tax Credit: \$450,000
Link to Tax Credit Agreement: <http://bit.ly/UltimateFormulations>

20. Barry Callebaut USA LLC
Industry: Chocolate and Cocoa Product Manufacturing
Primary Location(s): American Canyon
Net Increase of Full-Time Employees: 18
Investment: \$16,954,900
Amount of Tax Credit: \$400,000
Link to Tax Credit Agreement: <http://bit.ly/BarryCallebautUSA>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



21. LCPtracker, Inc.
Industry: Software Development
Primary Location(s): Orange
Net Increase of Full-Time Employees: 46
Investment: \$659,000
Amount of Tax Credit: \$330,000
Link to Tax Credit Agreement: <http://bit.ly/LCPtracker>
22. Air Spray U.S.A., Inc.
Industry: Aircraft Refurbishment
Primary Location(s): Chico
Net Increase of Full-Time Employees: 22
Investment: \$24,310,000
Amount of Tax Credit: \$325,000
Link to Tax Credit Agreement: <http://bit.ly/AirSprayUSA>
23. Pivot Technology Solutions, Ltd.
Industry: Computer Systems Design & Consulting Services
Primary Location(s): Huntington Beach, San Diego, and Santa Clara County
Net Increase of Full-Time Employees: 30
Investment: \$4,140,000
Amount of Tax Credit: \$300,000
Link to Tax Credit Agreement: <http://bit.ly/PivotTechnology>
24. Holland & Bennett Brands LLC
Industry: Beauty Industry Consulting
Primary Location(s): Los Angeles
Net Increase of Full-Time Employees: 77
Investment: \$1,600,000
Amount of Tax Credit: \$297,000
Link to Tax Credit Agreement: <http://bit.ly/HollandandBennett>
25. Green Commuter, Inc.
Industry: Electric Vehicle Shuttle and Car Share Service
Primary Location(s): Los Angeles and Santa Monica
Net Increase of Full-Time Employees: 130
Investment: \$80,000,000
Amount of Tax Credit: \$250,000
Link to Tax Credit Agreement: <http://bit.ly/GreenCommuter>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



26. Jinx, Inc.
Industry: Toy and Clothing Design and Manufacturing
Primary Location(s): Poway
Net Increase of Full-Time Employees: 35
Investment: \$157,500
Amount of Tax Credit: \$250,000
Link to Tax Credit Agreement: <http://bit.ly/JinxInc>
27. Pre-Con Products
Industry: Concrete Structure Manufacturing
Primary Location(s): Suisun and Simi Valley
Net Increase of Full-Time Employees: 26
Investment: \$4,000,000
Amount of Tax Credit: \$250,000
Link to Tax Credit Agreement: <http://bit.ly/PreConProducts>
28. Best Carbide Cutting Tools, Inc.
Industry: Tool Manufacturing
Primary Location(s): Rancho Dominguez
Net Increase of Full-Time Employees: 19
Investment: \$4,247,000
Amount of Tax Credit: \$200,000
Link to Tax Credit Agreement: <http://bit.ly/BestCarbide>
29. Grasp Technologies, Inc.
Industry: Custom Computer Programming Services
Primary Location(s): San Diego
Net Increase of Full-Time Employees: 21
Investment: \$181,000
Amount of Tax Credit: \$180,000
Link to Tax Credit Agreement: <http://bit.ly/GraspTechnologies>
30. OmniUpdate, Inc.
Industry: IT Digital Marketing and Communication Services
Primary Location(s): Camarillo
Net Increase of Full-Time Employees: 56
Investment: \$500,000
Amount of Tax Credit: \$150,000
Link to Tax Credit Agreement: <http://bit.ly/OmniUpdateInc>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



31. CleverMade LLC
Industry: Reusable Shopping Bag and Storage Crate Manufacturer
Primary Location(s): Carlsbad and San Diego County
Net Increase of Full-Time Employees: 17
Investment: \$1,792,500
Amount of Tax Credit: \$130,000
Link to Tax Credit Agreement: <http://bit.ly/CleverMade>
32. Brenner-Fiedler & Associates, Inc.
Industry: Industrial Machinery Manufacturing
Primary Location(s): Riverside
Net Increase of Full-Time Employees: 9
Investment: \$208,000
Amount of Tax Credit: \$128,000
Link to Tax Credit Agreement: <http://bit.ly/Brenner-Fiedler>
33. Hilbers, Inc.
Industry: Commercial and Institutional Building Construction
Primary Location(s): Yuba City
Net Increase of Full-Time Employees: 22
Investment: \$4,375,000
Amount of Tax Credit: \$120,000
Link to Tax Credit Agreement: <http://bit.ly/HilbersInc>
34. Processing Point, Inc.
Industry: Computer Systems Design Services
Primary Location(s): Carlsbad
Net Increase of Full-Time Employees: 65
Investment: \$240,000
Amount of Tax Credit: \$115,000
Link to Tax Credit Agreement: <http://bit.ly/ProcessingPoint>
35. Inspec Testing, Inc.
Industry: Engineering Services
Primary Location(s): National City and Vallejo
Net Increase of Full-Time Employees: 12
Investment: \$500,000
Amount of Tax Credit: \$110,000
Link to Tax Credit Agreement: <http://bit.ly/InspecTesting>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



36. Topsy Elves LLC
Industry: Clothing Manufacturing
Primary Location(s): San Diego
Net Increase of Full-Time Employees: 35
Investment: \$400,415
Amount of Tax Credit: \$100,000
Link to Tax Credit Agreement: <http://bit.ly/TopsyElvesLLC>
37. Two Q, Inc.
Industry: Online Marketing and Advertising
Primary Location(s): Fresno
Net Increase of Full-Time Employees: 12
Investment: \$105,800
Amount of Tax Credit: \$100,000
Link to Tax Credit Agreement: <http://bit.ly/TwoQInc>
38. Dave's Gourmet, Inc.
Industry: Food Manufacturing
Primary Location(s): San Francisco
Net Increase of Full-Time Employees: 7
Investment: \$825,000
Amount of Tax Credit: \$99,000
Link to Tax Credit Agreement: <http://bit.ly/DavesGourmet>
39. Opti-Fit International, Inc.
Industry: Health and Fitness Center Business Management Services
Primary Location(s): Rancho Cordova and Folsom
Net Increase of Full-Time Employees: 9
Investment: \$505,000
Amount of Tax Credit: \$90,000
Link to Tax Credit Agreement: <http://bit.ly/OptiFitInternational>
40. Waterfi LLC
Industry: Audio and Video Equipment Manufacturing
Primary Location(s): San Diego
Net Increase of Full-Time Employees: 7
Investment: \$95,000
Amount of Tax Credit: \$75,000
Link to Tax Credit Agreement: <http://bit.ly/Waterfi>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



41. Airgas Specialty Products, Inc.
Industry: Industrial Gas Manufacturing
Primary Location(s): Hanford
Net Increase of Full-Time Employees: 19
Investment: \$3,150,000
Amount of Tax Credit: \$70,000
Link to Tax Credit Agreement: <http://bit.ly/AirgasSpecialty>
42. Telcion Communications Group
Industry: Telecommunications Consulting Services
Primary Location(s): Turlock
Net Increase of Full-Time Employees: 14
Investment: \$270,000
Amount of Tax Credit: \$60,000
Link to Tax Credit Agreement: <http://bit.ly/Telcion>
43. Repsco, Inc.
Industry: Logistics and Storage Component Manufacturing
Primary Location(s): Modesto and Riverbank
Net Increase of Full-Time Employees: 27
Investment: \$1,850,000
Amount of Tax Credit: \$50,000
Link to Tax Credit Agreement: <http://bit.ly/Repsco>
44. MondayCall LLC
Industry: Custom Computer Programming Services
Primary Location(s): San Francisco
Net Increase of Full-Time Employees: 10
Investment: \$25,000
Amount of Tax Credit: \$30,000
Link to Tax Credit Agreement: <http://bit.ly/MondayCallLLC>



E. Discussion and Approval of California Competes Tax Credit Agreements with Small Businesses

Total Recommended Tax Credits:	\$4,823,750
Total Recommended Tax Credits after Adjusting for S-Corporation Law²:	\$5,364,083

1. Interra Energy, Inc.
 Industry: Biofuel and Fertilizer Manufacturing
 Primary Location(s): National City
 Net Increase of Full-Time Employees: 74
 Investment: \$26,840,000
 Amount of Tax Credit: \$2,000,000
 Link to Tax Credit Agreement: <http://bit.ly/InterraEnergy>

2. Diamond Foundry, Inc.
 Industry: Gemstone Manufacturing
 Primary Location(s): San Carlos
 Net Increase of Full-Time Employees: 19
 Investment: \$5,230,000
 Amount of Tax Credit: \$500,000
 Link to Tax Credit Agreement: <http://bit.ly/DiamondFoundry>

3. Vets 4 You, Inc.
 Industry: Plumbing, Heating, and Air-Conditioning Services
 Primary Location(s): Oceanside
 Net Increase of Full-Time Employees: 16
 Investment: \$523,500
 Amount of Tax Credit: \$400,000
 Link to Tax Credit Agreement: <http://bit.ly/Vets4You>

4. Pacific Pharmaceuticals USA, Inc.
 Industry: Pharmaceutical Product Development & Manufacturing
 Primary Location(s): Rancho Cucamonga
 Net Increase of Full-Time Employees: 14
 Investment: \$6,129,150
 Amount of Tax Credit: \$400,000
 Link to Tax Credit Agreement: <http://bit.ly/PacificPharmaceuticals>

² One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



5. Brown Bear Digital, Inc.
Industry: IT Digital Marketing Consulting Services
Primary Location(s): Solana Beach
Net Increase of Full-Time Employees: 7
Investment: \$267,695
Amount of Tax Credit: \$200,000
Link to Tax Credit Agreement: <http://bit.ly/BrownBearDigital>

6. Lean Technology Corporation
Industry: Electrical Engineering
Primary Location(s): Irvine
Net Increase of Full-Time Employees: 6
Investment: \$2,000,000
Amount of Tax Credit: \$150,000
Link to Tax Credit Agreement: <http://bit.ly/LeanTechnology>

7. 34 Strong, Inc.
Industry: Management Consulting Services
Primary Location(s): Sacramento
Net Increase of Full-Time Employees: 7
Investment: \$60,000
Amount of Tax Credit: \$140,000
Link to Tax Credit Agreement: <http://bit.ly/34Strong>

8. EIII, CA, Incorporated
Industry: Energy Efficiency Consulting Services
Primary Location(s): Sacramento and Los Angeles
Net Increase of Full-Time Employees: 9
Investment: \$297,000
Amount of Tax Credit: \$140,000
Link to Tax Credit Agreement: <http://bit.ly/EIIICAInc>

9. Revolutions Naturopathic Medical Solutions, Inc.
Industry: Naturopathic Health Care
Primary Location(s): Roseville
Net Increase of Full-Time Employees: 8
Investment: \$221,000
Amount of Tax Credit: \$100,000
Link to Tax Credit Agreement: <http://bit.ly/RevolutionsNaturopathic>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



10. Axiom Technologies LLC
Industry: Information Technology Services
Primary Location(s): Vacaville
Net Increase of Full-Time Employees: 8
Investment: \$0
Amount of Tax Credit: \$100,000
Link to Tax Credit Agreement: <http://bit.ly/AxiomTechnologies>

11. Trusted American Insurance Agency, Inc.
Industry: Insurance Agencies and Brokerages
Primary Location(s): Roseville and Rocklin
Net Increase of Full-Time Employees: 23
Investment: \$414,100
Amount of Tax Credit: \$98,000
Link to Tax Credit Agreement: <http://bit.ly/TrustedAmerican>

12. Food For Fitness LLC
Industry: Nutrition/Health Food Preparation and Consulting
Primary Location(s): Carmichael
Net Increase of Full-Time Employees: 9
Investment: \$90,000
Amount of Tax Credit: \$80,000
Link to Tax Credit Agreement: <http://bit.ly/FoodForFitness>

13. The TALK Team, Inc.
Industry: Speech Therapy Services
Primary Location(s): Fresno
Net Increase of Full-Time Employees: 13
Investment: \$238,500
Amount of Tax Credit: \$75,000
Link to Tax Credit Agreement: <http://bit.ly/TheTalkTeam>

14. Technicate Solutions, Inc.
Industry: Custom Computer Programming Services
Primary Location(s): Rancho Cordova
Net Increase of Full-Time Employees: 9
Investment: \$210,000
Amount of Tax Credit: \$75,000
Link to Tax Credit Agreement: <http://bit.ly/Technicate>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



15. Just Say Music
Industry: Musical Instrument Instruction and Repair Services
Primary Location(s): Sacramento
Net Increase of Full-Time Employees: 4
Investment: \$1,700,000
Amount of Tax Credit: \$60,000
Link to Tax Credit Agreement: <http://bit.ly/JustSayMusic>
16. Datacate, Inc.
Industry: Information Technology Consulting & Data Center Management
Primary Location(s): Rancho Cordova
Net Increase of Full-Time Employees: 8
Investment: \$365,000
Amount of Tax Credit: \$60,000
Link to Tax Credit Agreement: <http://bit.ly/Datacate>
17. Nick A. Weber
Industry: Financial Planning Services
Primary Location(s): Folsom
Net Increase of Full-Time Employees: 2
Investment: \$145,000
Amount of Tax Credit: \$50,000
Link to Tax Credit Agreement: <http://bit.ly/NickAWeber>
18. Physiologic Instruments, Inc.
Industry: Medical Instrument Manufacturing
Primary Location(s): San Diego
Net Increase of Full-Time Employees: 2
Investment: \$180,000
Amount of Tax Credit: \$50,000
Link to Tax Credit Agreement: <http://bit.ly/PhysiologicInstruments>
19. LMP Software LLC
Industry: Software Development
Primary Location(s): Woodland Hills
Net Increase of Full-Time Employees: 3
Investment: \$0
Amount of Tax Credit: \$42,750
Link to Tax Credit Agreement: <http://bit.ly/LMPSoftware>



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



20. Stage One Financial LLC
Industry: Accounting Services
Primary Location(s): Anaheim
Net Increase of Full-Time Employees: 10
Investment: \$35,000
Amount of Tax Credit: \$30,000
Link to Tax Credit Agreement: <http://bit.ly/StageOneFinancial>
21. Agilis Group, Inc.
Industry: Healthcare Information Technology Services
Primary Location(s): San Diego
Net Increase of Full-Time Employees: 17
Investment: \$113,000
Amount of Tax Credit: \$28,000
Link to Tax Credit Agreement: <http://bit.ly/AgilisGroup>
22. G.L. Anderson Insurance Services, Inc.
Industry: Insurance Agencies and Brokerages
Primary Location(s): Folsom
Net Increase of Full-Time Employees: 3
Investment: \$25,000
Amount of Tax Credit: \$25,000
Link to Tax Credit Agreement: <http://bit.ly/GLAnderson>
23. SMT, Inc.
Industry: Translation and Interpretation Services
Primary Location(s): Sacramento
Net Increase of Full-Time Employees: 2
Investment: \$20,000
Amount of Tax Credit: \$20,000
Link to Tax Credit Agreement: <http://bit.ly/SMTIncorporated>



F. Discussion and Approval of Recommendations for California Competes Tax Credit Agreement Termination and Credit Recapture

Total Tax Credits Recommended to be Recaptured:	\$1,620,000
Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law³:	\$1,626,667

1. International Business Machines Corporation
 Industry: Information Technology Services
 Primary Location(s): San Francisco
 Amount of Tax Credit Awarded: \$1,500,000
 Amount of Tax Credit to be Recaptured: \$1,500,000
 Link to Tax Credit Agreement to be Terminated: <http://bit.ly/IBMCorp>
 Reason for Agreement Termination and Credit Recapture:

International Business Machines Corporation has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

2. K Tech Telecommunications, Inc.
 Industry: Broadcasting and Wireless Communications Equipment Manufacturing
 Primary Location(s): Valencia
 Amount of Tax Credit Awarded: \$100,000
 Amount of Tax Credit to be Recaptured: \$100,000
 Link to Tax Credit Agreement to be Terminated: <http://bit.ly/KTechTelecommunications>
 Reason for Agreement Termination and Credit Recapture:

K Tech Telecommunications has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

³ One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



3. Delta Hi-Tech, Inc.
Industry: CNC Machining
Primary Location(s): Chatsworth
Amount of Tax Credit Awarded: \$20,000
Amount of Tax Credit to be Recaptured: \$20,000
Link to Tax Credit Agreement to be Terminated: <http://bit.ly/deltahitech>
Reason for Agreement Termination and Credit Recapture:

Delta Hi-Tech, Inc. has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

G. Public Comment

H. Adjournment

The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon the request of the California Competes Tax Credit Committee Chair or Committee Members. This notice and agenda can be obtained at: www.business.ca.gov/CalCompetes.aspx. For additional information regarding this notice and agenda, please contact Scott Dosick, Assistant Deputy Director, at 916-322-0676 or scott.dosick@gov.ca.gov. The Governor's Office of Business and Economic Development complies with the Americans with Disabilities Act by ensuring that the facilities are accessible to persons with disabilities, and by providing this notice and agenda and related information in alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact Scott Dosick no later than five calendar days before the meeting.