



GOVERNOR'S OFFICE OF BUSINESS
AND ECONOMIC DEVELOPMENT



California Competes Tax Credit Program

Edmund G. Brown, Jr
Governor

Panorea Avdis
Chief Deputy Director

Will Koch
*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 18, 2015
1:30 p.m.**

Sacramento City Hall
Council Chambers
915 I Street
Sacramento, CA 95814

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

MEMBERS:

Michael E. Rossi, Chair
*Senior Advisor to the Governor
of California,
Delegate to the 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 16, 2015, Committee Meeting**
- C. Deputy Director's Report**
- D. Discussion and Approval of California Competes Tax Credit Agreements with Businesses other than Small Businesses**

Total Recommended Tax Credits:	\$35,875,532
Total Recommended Tax Credits after Adjusting for S-Corporation Law¹:	\$37,595,199

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)).



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1. Tesla Motors, Inc.
Industry: Automobile Manufacturing
Primary Location(s): Fremont, Palo Alto, Lathrop, and Hawthorne
Net Increase of Full-time Employees: 4,426
Investment: \$2,389,480,000
Amount of Tax Credit: \$15,000,000
Link to Tax Credit Agreement: <http://bit.ly/TeslaMotorsInc>

2. Riot Games, Inc.
Industry: Online Video Game Developer
Primary Location(s): Los Angeles
Net Increase of Full-time Employees: 813
Investment: \$17,000,000
Amount of Tax Credit: \$3,000,000
Link to Tax Credit Agreement: <http://bit.ly/RiotGamesInc>

3. Beachbody, LLC
Industry: Health Product and Video Producer
Primary Location(s): Santa Monica
Net Increase of Full-time Employees: 327
Investment: \$196,306,631
Amount of Tax Credit: \$2,350,000
Link to Tax Credit Agreement: <http://bit.ly/BeachbodyLLC>

4. Ajinomoto Althea, Inc.
Industry: Pharmaceutical Product Development and Manufacturing
Primary Location(s): San Diego
Net Increase of Full-time Employees: 243
Investment: \$46,820,751
Amount of Tax Credit: \$2,000,000
Link to Tax Credit Agreement: <http://bit.ly/AjinomotoAlthea>

5. Environmental Systems Research Institute, Inc.
Industry: Geographic Information Systems Software Publishers
Primary Location(s): Redlands
Net Increase of Full-time Employees: 370
Investment: \$102,460,000
Amount of Tax Credit: \$2,000,000
Link to Tax Credit Agreement: <http://bit.ly/EnvironmentalSystemsResearchInstitute>



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6. Skechers U.S.A., Inc.
Industry: Footwear and Apparel Design (HQ Expansion)
Primary Location(s): Manhattan Beach
Net Increase of Full-time Employees: 200
Investment: \$110,145,000
Amount of Tax Credit: \$1,125,000
Link to Tax Credit Agreement: <http://bit.ly/SkechersUSA>

7. Avasant, LLC
Industry: Administrative and Business Management Consulting Services
Primary Location(s): El Segundo
Net Increase of Full-time Employees: 55
Investment: \$750,000
Amount of Tax Credit: \$1,000,000
Link to Tax Credit Agreement: <http://bit.ly/Avasant>

8. Edmunds.com, Inc.
Industry: Automotive Reviews and Pricing
Primary Location(s): Santa Monica
Net Increase of Full-time Employees: 124
Investment: \$103,718,439
Amount of Tax Credit: \$1,000,000
Link to Tax Credit Agreement: <http://bit.ly/EdmundsDotCom>

9. LendingClub Corporation
Industry: Consumer Lending
Primary Location(s): San Francisco
Net Increase of Full-time Employees: 1,644
Investment: \$14,000,000
Amount of Tax Credit: \$1,000,000
Link to Tax Credit Agreement: <http://bit.ly/LendingClubCorporation>

10. Weber Metals, Inc.
Industry: Aerospace Component Metal Forging
Primary Location(s): Long Beach
Net Increase of Full-time Employees: 26
Investment: \$18,178,000
Amount of Tax Credit: \$1,000,000
Link to Tax Credit Agreement: <http://bit.ly/WeberMetals>



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11. Fabrinet West, Inc.
Industry: Printed Circuit Assembly Manufacturing
Primary Location(s): Santa Clara
Net Increase of Full-time Employees: 268
Investment: \$41,969,459
Amount of Tax Credit: \$950,000
Link to Tax Credit Agreement: <http://bit.ly/FabrinetWest>

12. California Commercial Solar, Inc.
Industry: Commercial Solar Structure Construction
Primary Location(s): Visalia
Net Increase of Full-time Employees: 43
Investment: \$480,000
Amount of Tax Credit: \$750,000
Link to Tax Credit Agreement: <http://bit.ly/CaliforniaCommercialSolar>

13. Hub International Insurance Services, Inc.
Industry: Global Insurance Brokerage
Primary Location(s): Riverside
Net Increase of Full-time Employees: 203
Investment: \$7,621,425
Amount of Tax Credit: \$738,732
Link to Tax Credit Agreement: <http://bit.ly/HubInternational>

14. FuseFX, Inc.
Industry: Visual Effects Services Provider
Primary Location(s): Burbank
Net Increase of Full-time Employees: 142
Investment: \$4,500,000
Amount of Tax Credit: \$675,000
Link to Tax Credit Agreement: <http://bit.ly/FuseFX>

15. Hi-Shear Corporation
Industry: Aerospace Component Manufacturing
Primary Location(s): Torrance
Net Increase of Full-time Employees: 168
Investment: \$33,100,000
Amount of Tax Credit: \$500,000
Link to Tax Credit Agreement: <http://bit.ly/HiShear>



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16. Kemeera Incorporated
Industry: Manufacturing Processes Developer
Primary Location(s): Oakland
Net Increase of Full-time Employees: 72
Investment: \$13,522,115
Amount of Tax Credit: \$375,000
Link to Tax Credit Agreement: <http://bit.ly/Kemeera>
17. Excelitas Technology Corporation
Industry: Optical Instrument and Lens Manufacturing
Primary Location(s): Fremont
Net Increase of Full-time Employees: 163
Investment: \$8,288,457
Amount of Tax Credit: \$300,000
Link to Tax Credit Agreement: <http://bit.ly/Excelitas>
18. QSC Holdings, Inc.
Industry: Audio and Video Equipment Manufacturing
Primary Location(s): Costa Mesa
Net Increase of Full-time Employees: 27
Investment: \$15,200,000
Amount of Tax Credit: \$300,000
Link to Tax Credit Agreement: <http://bit.ly/QSCHoldings>
19. United States Cold Storage, Inc.
Industry: Refrigerated Warehousing and Storage
Primary Location(s): Sacramento (McClellan Park)
Net Increase of Full-time Employees: 18
Investment: \$32,000,000
Amount of Tax Credit: \$300,000
Link to Tax Credit Agreement: <http://bit.ly/UnitedStatesColdStorage>
20. Cal Premium Treats, Inc.
Industry: Animal Food Manufacturing
Primary Location(s): Perris
Net Increase of Full-time Employees: 99
Investment: \$4,425,000
Amount of Tax Credit: \$175,000
Link to Tax Credit Agreement: <http://bit.ly/CalPremiumTreats>



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21. J&D Meat Company, Inc.
Industry: Food Processing and Supply Distribution
Primary Location(s): Fresno
Net Increase of Full-time Employees: 52
Investment: \$9,900,000
Amount of Tax Credit: \$150,000
Link to Tax Credit Agreement: <http://bit.ly/JDMeatCo>
22. Kern Radiology Imaging Systems, Inc.
Industry: Diagnostic Imaging Centers
Primary Location(s): Bakersfield
Net Increase of Full-time Employees: 32
Investment: \$10,000,000
Amount of Tax Credit: \$150,000
Link to Tax Credit Agreement: <http://bit.ly/KernRadiology>
23. MedVenture Technology Corporation
Industry: Medical Device Contract Manufacturing
Primary Location(s): Baldwin Park
Net Increase of Full-time Employees: 14
Investment: \$1,317,500
Amount of Tax Credit: \$120,000
Link to Tax Credit Agreement: <http://bit.ly/MedVenture>
24. ClickTime.com, Inc.
Industry: Software Developer
Primary Location(s): San Francisco
Net Increase of Full-time Employees: 44
Investment: \$750,000
Amount of Tax Credit: \$115,000
Link to Tax Credit Agreement: <http://bit.ly/ClickTimeDotCom>
25. IriSys LLC
Industry: Pharmaceutical Product Development and Manufacturing
Primary Location(s): San Diego
Net Increase of Full-time Employees: 36
Investment: \$3,100,000
Amount of Tax Credit: \$100,000
Link to Tax Credit Agreement: <http://bit.ly/IriSysLLC>



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26. QCM, Inc.
Industry: Printed Circuit Board Manufacturing
Primary Location(s): Brea and Anaheim
Net Increase of Full-time Employees: 55
Investment: \$6,100,000
Amount of Tax Credit: \$100,000
Link to Tax Credit Agreement: <http://bit.ly/QCMIncorporated>
27. Snak-King Corp.
Industry: Snack Food Manufacturing and Distribution
Primary Location(s): City of Industry
Net Increase of Full-time Employees: 25
Investment: \$16,750,000
Amount of Tax Credit: \$100,000
Link to Tax Credit Agreement: <http://bit.ly/Snak-King>
28. Control Air North, Inc.
Industry: HVAC Manufacturing and Installation
Primary Location(s): Hayward
Net Increase of Full-time Employees: 48
Investment: \$225,000
Amount of Tax Credit: \$90,000
Link to Tax Credit Agreement: <http://bit.ly/ControlAirNorth>
29. Integral Consulting, Inc.
Industry: Environmental Consulting Services
Primary Location(s): Larkspur, Petaluma, San Francisco, and Santa Cruz
Net Increase of Full-time Employees: 18
Investment: \$430,000
Amount of Tax Credit: \$74,000
Link to Tax Credit Agreement: <http://bit.ly/IntegralConsulting>
30. Blue Iron, Inc.
Industry: General Engineering Contractor
Primary Location(s): West Sacramento
Net Increase of Full-time Employees: 7
Investment: \$6,250,000
Amount of Tax Credit: \$70,000
Link to Tax Credit Agreement: <http://bit.ly/BlueIronInc>



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31. VSolvit LLC
Industry: Custom Computer Programming Services
Primary Location(s): Ventura
Net Increase of Full-time Employees: 183
Investment: \$4,000,000
Amount of Tax Credit: \$57,000
Link to Tax Credit Agreement: <http://bit.ly/VSolvit>
32. Pacific Biomedical Distribution Services, Inc.
Industry: Medical Device and Equipment Supplier
Primary Location(s): Rancho Cordova
Net Increase of Full-time Employees: 15
Investment: \$216,695
Amount of Tax Credit: \$50,000
Link to Tax Credit Agreement: <http://bit.ly/PacificBiomedical>
33. H.B. Fuller Construction Products Inc.
Industry: Chemical and Adhesive Manufacturing
Primary Location(s): La Mirada
Net Increase of Full-time Employees: 12
Investment: \$2,900,000
Amount of Tax Credit: \$40,000
Link to Tax Credit Agreement: <http://bit.ly/HBFuller>
34. Monoprice, Inc.
Industry: Online Commerce
Primary Location(s): Rancho Cucamonga
Net Increase of Full-time Employees: 22
Investment: \$600,000
Amount of Tax Credit: \$38,000
Link to Tax Credit Agreement: <http://bit.ly/Monoprice>
35. Melcon, Inc.
Industry: Site Preparation Contractors
Primary Location(s): West Sacramento
Net Increase of Full-time Employees: 8
Investment: \$1,100,000
Amount of Tax Credit: \$35,000
Link to Tax Credit Agreement: <http://bit.ly/Melcon>



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- 36. Temblor Brewing, LLC
 - Industry: Craft Brewery
 - Primary Location(s): Bakersfield
 - Net Increase of Full-time Employees: 4
 - Investment: \$2,000,000
 - Amount of Tax Credit: \$27,800
 - Link to Tax Credit Agreement: <http://bit.ly/TemblorBrewing>

- 37. Vertical Earthworks, Inc.
 - Industry: Site Preparation Contractors
 - Primary Location(s): Newport Beach
 - Net Increase of Full-time Employees: 8
 - Investment: \$235,000
 - Amount of Tax Credit: \$20,000
 - Link to Tax Credit Agreement: <http://bit.ly/VerticalEarthworks>

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

Total Recommended Tax Credits: \$9,798,000
Total Recommended Tax Credits after Adjusting for S-Corporation Law²: \$10,264,000

- 1. Rockbot, Inc.
 - Industry: Online Music Services
 - Primary Location(s): Oakland
 - Net Increase of Full-time Employees: 206
 - Investment: \$1,534,000
 - Amount of Tax Credit: \$3,500,000
 - Link to Tax Credit Agreement: <http://bit.ly/Rockbot>

- 2. Bar Bakers, LLC
 - Industry: Baked Goods Manufacturing
 - Primary Location(s): Los Alamitos
 - Net Increase of Full-time Employees: 425
 - Investment: \$30,000,000
 - Amount of Tax Credit: \$2,550,000
 - Link to Tax Credit Agreement: <http://bit.ly/BarBakers>

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)).



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3. California Safe Soil, LLC
Industry: Compost and Fertilizer Manufacturing
Primary Location(s): West Sacramento and Sacramento (McClellan Park)
Net Increase of Full-time Employees: 71
Investment: \$39,139,000
Amount of Tax Credit: \$1,250,000
Link to Tax Credit Agreement: <http://bit.ly/CaliforniaSafeSoil>

4. Anvaya Solutions, Inc.
Industry: Cybersecurity Software Developer
Primary Location(s): Folsom
Net Increase of Full-time Employees: 13
Investment: \$560,000
Amount of Tax Credit: \$250,000
Link to Tax Credit Agreement: <http://bit.ly/Anvaya>

5. CyberBasket, Inc.
Industry: Custom Gift Producer
Primary Location(s): San Diego
Net Increase of Full-time Employees: 15
Investment: \$2,510,000
Amount of Tax Credit: \$250,000
Link to Tax Credit Agreement: <http://bit.ly/CyberBasket>

6. STWT&M, Inc.
Industry: Industrial Machinery Manufacturing
Primary Location(s): Oxnard
Net Increase of Full-time Employees: 20
Investment: \$321,000
Amount of Tax Credit: \$250,000
Link to Tax Credit Agreement: <http://bit.ly/STWTandM>

7. Zero Link Markets, Inc.
Industry: Software Developer
Primary Location(s): Windsor
Net Increase of Full-time Employees: 22
Investment: \$90,000
Amount of Tax Credit: \$250,000
Link to Tax Credit Agreement: <http://bit.ly/ZeroLinkMarkets>



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8. NorCal Respiratory, Inc.
Industry: Medical Equipment and Supplies Provider
Primary Location(s): Redding
Net Increase of Full-time Employees: 15
Investment: \$1,159,400
Amount of Tax Credit: \$225,000
Link to Tax Credit Agreement: <http://bit.ly/NorCalRespiratory>

9. Hastest Solutions, Inc.
Industry: Environmental Test Equipment Manufacturing
Primary Location(s): San Jose
Net Increase of Full-time Employees: 32
Investment: \$175,080
Amount of Tax Credit: \$200,000
Link to Tax Credit Agreement: <http://bit.ly/HastestSolutions>

10. Premier Physical Therapy Inc.
Industry: Physical Therapy and Personal Fitness
Primary Location(s): Irvine
Net Increase of Full-time Employees: 9
Investment: \$190,500
Amount of Tax Credit: \$160,000
Link to Tax Credit Agreement: <http://bit.ly/PremierPhysicalTherapy>

11. WFW Industries, LLC
Industry: Machining and Welding/Fabrication Services
Primary Location(s): San Diego
Net Increase of Full-time Employees: 13
Investment: \$2,000,000
Amount of Tax Credit: \$130,000
Link to Tax Credit Agreement: <http://bit.ly/WFWIndustries>

12. Auriga Corporation
Industry: Engineering Consulting Services
Primary Location(s): San Diego
Net Increase of Full-time Employees: 17
Investment: \$416,500
Amount of Tax Credit: \$125,000
Link to Tax Credit Agreement: <http://bit.ly/AurigaCorporation>



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13. Fan Interactive Marketing, LLC
Industry: Online Marketing Consulting Services
Primary Location(s): Rolling Hills Estates
Net Increase of Full-time Employees: 8
Investment: \$168,000
Amount of Tax Credit: \$125,000
Link to Tax Credit Agreement: <http://bit.ly/FanInteractive>
14. Joseff-Hollywood
Industry: Metal Casting
Primary Location(s): Burbank
Net Increase of Full-time Employees: 6
Investment: \$130,000
Amount of Tax Credit: \$115,000
Link to Tax Credit Agreement: <http://bit.ly/Joseff-Hollywood>
15. Amsert Group LLC
Industry: Baking Supplies Manufacturing and Distribution
Primary Location(s): Fullerton
Net Increase of Full-time Employees: 6
Investment: \$165,000
Amount of Tax Credit: \$100,000
Link to Tax Credit Agreement: <http://bit.ly/AmsertGroup>
16. Lokes, Inc.
Industry: Construction and Equipment Rental
Primary Location(s): Clovis
Net Increase of Full-time Employees: 4
Investment: \$1,350,000
Amount of Tax Credit: \$75,000
Link to Tax Credit Agreement: <http://bit.ly/LokesInc>
17. Learning Evolution LLC
Industry: Software Developer
Primary Location(s): San Diego
Net Increase of Full-time Employees: 9
Investment: \$142,700
Amount of Tax Credit: \$50,000
Link to Tax Credit Agreement: <http://bit.ly/LearningEvolution>



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18. Angela Green dba Green Accounting Team
Industry: Accounting Services
Primary Location(s): Yucaipa
Net Increase of Full-time Employees: 4
Investment: \$0
Amount of Tax Credit: \$40,000
Link to Tax Credit Agreement: <http://bit.ly/AngelaGreen>
19. Toople, Inc.
Industry: Mobile Device Application and Software Developer
Primary Location(s): American Canyon
Net Increase of Full-time Employees: 21
Investment: \$143,000
Amount of Tax Credit: \$28,000
Link to Tax Credit Agreement: <http://bit.ly/Toople>
20. Thumbprint Wine Group, Inc.
Industry: Winery
Primary Location(s): Geyserville and Healdsburg
Net Increase of Full-time Employees: 3
Investment: \$610,000
Amount of Tax Credit: \$25,000
Link to Tax Credit Agreement: <http://bit.ly/ThumbprintWine>
21. Ajalon Printing & Design, Inc.
Industry: Commercial Printing
Primary Location(s): Santa Rosa
Net Increase of Full-time Employees: 2
Investment: \$44,535
Amount of Tax Credit: \$20,000
Link to Tax Credit Agreement: <http://bit.ly/AjalonPrinting>
22. Balanced Books, LLP
Industry: Accounting Services
Primary Location(s): Turlock
Net Increase of Full-time Employees: 10
Investment: \$504,000
Amount of Tax Credit: \$20,000
Link to Tax Credit Agreement: <http://bit.ly/BalancedBooks>



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23. Community Development Partners, Inc.
 Industry: Low Income Housing Developer
 Primary Location(s): Newport Beach
 Net Increase of Full-time Employees: 6
 Investment: \$90,000
 Amount of Tax Credit: \$20,000
 Link to Tax Credit Agreement: <http://bit.ly/CommunityDevelopmentPartners>

24. Foodpro International, Inc.
 Industry: Food and Beverage Industry Consulting Services
 Primary Location(s): Stockton
 Net Increase of Full-time Employees: 3
 Investment: \$0
 Amount of Tax Credit: \$20,000
 Link to Tax Credit Agreement: <http://bit.ly/FoodProInternational>

25. Invictus Marketing LLC
 Industry: Web Development Services
 Primary Location(s): Napa
 Net Increase of Full-time Employees: 5
 Investment: \$22,500
 Amount of Tax Credit: \$20,000
 Link to Tax Credit Agreement: <http://bit.ly/InvictusMarketing>

F. Discussion and Approval of California Competes Tax Credit Agreement Deferred from the April 16, 2015, Committee Meeting

1. National Steel and Shipbuilding Company
 Industry: Ship Building and Repairing
 Primary Location(s): San Diego
 Net Increase of Full-time Employees: 384
 Investment: \$100,300,000
 Amount of Tax Credit: \$2,000,000
 Link to Tax Credit Agreement: <http://bit.ly/NationalSteel>

G. Public Comment



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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, Research Program Specialist, 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.