AGENDA

OPEN SESSION

A. Call to Order and Roll Call

B. Approval of Minutes from June 19, 2014, 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: $19,530,000
Total Recommended Tax Credits after Adjusting for S-Corporation Law¹: $20,570,000

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&T 523803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&T 523803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation’s shareholders (R&T 523803(a)(2)(F)).
1. Niagara Bottling, LLC  
   Industry: Bottled Water Manufacturing  
   Primary Location(s): Rialto  
   Net Increase of Full-time Employees: 409  
   Investment: $193,685,882  
   Amount of Tax Credit: $2,700,000  

2. Arkay Acquisition, LLC  
   Industry: Transit Bus Manufacturing  
   Primary Location(s): Livermore  
   Net Increase of Full-time Employees: 105  
   Investment: $100,421,268  
   Amount of Tax Credit: $1,800,000  

3. Kite Pharma, Inc.  
   Industry: Biopharmaceutical R&D, and Manufacturing  
   Primary Location(s): El Segundo  
   Net Increase of Full-time Employees: 186  
   Investment: $52,559,000  
   Amount of Tax Credit: $1,800,000  

4. Fox Factory, Inc.  
   Industry: Shock Absorber and Racing Suspension Product Manufacturing  
   Primary Location(s): El Cajon  
   Net Increase of Full-time Employees: 267  
   Investment: $10,800,000  
   Amount of Tax Credit: $1,700,000  

5. Neustar, Inc.  
   Industry: Cloud-based Information & Data Evaluation Services  
   Primary Location(s): San Francisco  
   Net Increase of Full-time Employees: 264  
   Investment: $2,500,000  
   Amount of Tax Credit: $1,500,000  
6. QVC, Inc.
   Industry: Western U.S. Retail Warehouse and Distribution
   Primary Location(s): Eastvale, Ontario, or Rialto
   Net Increase of Full-time Employees: 521
   Investment: $165,000,000
   Amount of Tax Credit: $1,400,000
   Link to Tax Credit Agreement: http://bit.ly/qvc_inc

7. Dasco Engineering Corporation
   Industry: Aerospace Component Manufacturing
   Primary Location(s): Long Beach & Torrance
   Net Increase of Full-time Employees: 57
   Investment: $3,085,000
   Amount of Tax Credit: $1,000,000
   Link to Tax Credit Agreement: http://bit.ly/dascoengineering

8. Orora North America
   Industry: Corrugated and Solid Fiber Box Manufacturing
   Primary Location(s): Buena Park
   Net Increase of Full-time Employees: 75
   Investment: $74,100,000
   Amount of Tax Credit: $1,000,000
   Link to Tax Credit Agreement: http://bit.ly/ororanorthamerica

   Industry: Industrial Brush Manufacturing
   Primary Location(s): City of Industry
   Net Increase of Full-time Employees: 54
   Investment: $15,650,000
   Amount of Tax Credit: $800,000
   Link to Tax Credit Agreement: http://bit.ly/gordonbrush

10. Patagonia Works
    Industry: Retail Management (HQ Expansion)
    Primary Location(s): Ventura
    Net Increase of Full-time Employees: 175
    Investment: $39,900,000
    Amount of Tax Credit: $700,000
    Link to Tax Credit Agreement: http://bit.ly/patagoniaworks
11. AFC Trident, Inc.
   Industry: Tablet & Phone Case Manufacturing
   Primary Location(s): Ontario
   Net Increase of Full-time Employees: 83
   Investment: $2,600,000
   Amount of Tax Credit: $650,000
   Link to Tax Credit Agreement: http://bit.ly/afctrdient

12. CSI Tubular Products, Inc.
   Industry: Flat Rolled Steel Production
   Primary Location(s): Fontana
   Net Increase of Full-time Employees: 105
   Investment: $15,631,274
   Amount of Tax Credit: $540,000
   Link to Tax Credit Agreement: http://bit.ly/csitubular

13. United States Gypsum Company
   Industry: Gypsum Wall-board Manufacturing
   Primary Location(s): Plaster City
   Net Increase of Full-time Employees: 59
   Investment: $39,000,000
   Amount of Tax Credit: $450,000
   Link to Tax Credit Agreement: http://bit.ly/unitedstatesgypsum

14. Kinkisharyo (USA), Inc.
   Industry: Light Rail Vehicle Manufacturing
   Primary Location(s): Palmdale
   Net Increase of Full-time Employees: 186
   Investment: $345,571
   Amount of Tax Credit: $450,000
   Link to Tax Credit Agreement: http://bit.ly/kinkisharyousa

15. Canyon Plastics, Inc.
   Industry: Plastic Container Manufacturing
   Primary Location(s): Valencia
   Net Increase of Full-time Employees: 45
   Investment: $4,800,000
   Amount of Tax Credit: $350,000
   Link to Tax Credit Agreement: http://bit.ly/canyonplasticsinc
16. Sunshine Butter Company
   Industry: Dairy Processing & Production
   Primary Location(s): City of Industry
   Net Increase of Full-time Employees: 51
   Investment: $20,500,000
   Amount of Tax Credit: $325,000
   Link to Tax Credit Agreement: http://bit.ly/sunshinebutter

17. iBoss, Inc.
   Industry: IT Network Security
   Primary Location(s): San Diego
   Net Increase of Full-time Employees: 109
   Investment: $12,700,000
   Amount of Tax Credit: $320,000

18. Eldorado National (California), Inc.
   Industry: Commercial Bus Manufacturing
   Primary Location(s): Riverside
   Net Increase of Full-time Employees: 58
   Investment: $1,025,000
   Amount of Tax Credit: $290,000
   Link to Tax Credit Agreement: http://bit.ly/eldoradonational

19. Crystal Geyser Water Company
   Industry: Beverage Production
   Primary Location(s): Mt. Shasta
   Net Increase of Full-time Employees: 12
   Investment: $62,000,000
   Amount of Tax Credit: $237,500
   Link to Tax Credit Agreement: http://bit.ly/crystalgeyser

20. Fruit Growers Supply Company
    Industry: Sawmills and Agricultural Shipping Product Manufacturing
    Primary Location(s): Yreka & Ontario
    Net Increase of Full-time Employees: 30
    Investment: $27,292,997
    Amount of Tax Credit: $200,000
    Link to Tax Credit Agreement: http://bit.ly/fruitgrowerssupply
21. Sentry Control Systems, LLC  
   Industry: Technology-Based Parking Solutions  
   Primary Location(s): Van Nuys  
   Net Increase of Full-time Employees: 35  
   Investment: $1,250,000  
   Amount of Tax Credit: $200,000  
   Link to Tax Credit Agreement: http://bit.ly/sentrycontrol

22. ESL Power Systems, Inc.  
   Industry: Electrical Component Manufacturing  
   Primary Location(s): Corona  
   Net Increase of Full-time Employees: 24  
   Investment: $370,000  
   Amount of Tax Credit: $200,000  
   Link to Tax Credit Agreement: http://bit.ly/eslpower

23. Underground Elephant, Inc.  
   Industry: IT Digital Marketing Services  
   Primary Location(s): San Diego  
   Net Increase of Full-time Employees: 16  
   Investment: $1,618,200  
   Amount of Tax Credit: $165,000  
   Link to Tax Credit Agreement: http://bit.ly/undergroundelephant

   Industry: Agricultural Processing  
   Primary Location(s): Arbuckle & Woodland  
   Net Increase of Full-time Employees: 15  
   Investment: $10,350,000  
   Amount of Tax Credit: $147,500  
   Link to Tax Credit Agreement: http://bit.ly/adamsgroup

25. Quality Controlled Manufacturing  
   Industry: Machine Parts Manufacturing  
   Primary Location(s): Santee  
   Net Increase of Full-time Employees: 22  
   Investment: $2,700,000  
   Amount of Tax Credit: $130,000  
   Link to Tax Credit Agreement: http://bit.ly/qualitycontrolled
26. MAC Thin Films, Inc.
   Industry: Film Coating Manufacturing
   Primary Location(s): Santa Rosa
   Net Increase of Full-time Employees: 87
   Investment: $550,000
   Amount of Tax Credit: $100,000
   Link to Tax Credit Agreement: http://bit.ly/macthinfilms

27. Gravity Defyer Corporation
   Industry: Footwear Manufacturing
   Primary Location(s): Pacoima
   Net Increase of Full-time Employees: 25
   Investment: $1,152,000
   Amount of Tax Credit: $100,000
   Link to Tax Credit Agreement: http://bit.ly/gravitydefyer

28. MBC USA, Inc.
   Industry: Cheese Processing and Packaging
   Primary Location(s): Thousand Palms
   Net Increase of Full-time Employees: 45
   Investment: $6,635,000
   Amount of Tax Credit: $100,000
   Link to Tax Credit Agreement: http://bit.ly/mbcusa

29. Development Group, Inc.
   Industry: Computer Systems Management & Design Services
   Primary Location(s): Redding
   Net Increase of Full-time Employees: 36
   Investment: $6,998,702
   Amount of Tax Credit: $80,000
   Link to Tax Credit Agreement: http://bit.ly/developmentgroup

30. Klean Kanteen, Inc.
   Industry: Bottle & Container Manufacturing
   Primary Location(s): Chico
   Net Increase of Full-time Employees: 35
   Investment: $2,838,864
   Amount of Tax Credit: $50,000
   Link to Tax Credit Agreement: http://bit.ly/kleankanteeninc
31. Wily Fox Technologies, Inc.
   Industry: Computer Systems Design Services
   Primary Location(s): El Dorado Hills
   Net Increase of Full-time Employees: 15
   Investment: $45,000
   Amount of Tax Credit: $25,000
   Link to Tax Credit Agreement: http://bit.ly/wilyfox

32. Delta Hi-Tech, Inc.
   Industry: CNC Machining
   Primary Location(s): Chatsworth
   Net Increase of Full-time Employees: 19
   Investment: $2,750,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/deltahitech

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

Total Recommended Tax Credits: $10,426,698
Total Recommended Tax Credits after Adjusting for S-Corporation Law2: $10,996,031

1. BYD Motors, Inc.
   Industry: Electric Bus Manufacturing
   Primary Location(s): Lancaster & Los Angeles
   Net Increase of Full-time Employees: 590
   Investment: $51,000,000
   Amount of Tax Credit: $3,001,698
   Link to Tax Credit Agreement: http://bit.ly/bydmotors

2. Oasis Technology, Inc.
   Industry: Computer Systems Design & Consulting Services
   Primary Location(s): Camarillo
   Net Increase of Full-time Employees: 357
   Investment: $1,000,000
   Amount of Tax Credit: $2,000,000
   Link to Tax Credit Agreement: http://bit.ly/oasistechology

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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)).
3. Virun, Inc.
   Industry: Nutritional Biotechnology R&D
   Primary Location(s): Pomona
   Net Increase of Full-time Employees: 99
   Investment: $20,000,000
   Amount of Tax Credit: $1,875,000
   Link to Tax Credit Agreement: http://bit.ly/viruninc

4. Omni Consulting Solutions LLC
   Industry: Military, Defense, and Aerospace Consulting
   Primary Location(s): El Segundo
   Net Increase of Full-time Employees: 29
   Investment: $148,800
   Amount of Tax Credit: $500,000
   Link to Tax Credit Agreement: http://bit.ly/omniconsulting

   Industry: 3D Printer Manufacturing
   Primary Location(s): Costa Mesa
   Net Increase of Full-time Employees: 120
   Investment: $1,200,000
   Amount of Tax Credit: $500,000
   Link to Tax Credit Agreement: http://bit.ly/wolfandassociates

6. Remark Enterprises LLC
   Industry: Cryotherapy Services
   Primary Location(s): Davis
   Net Increase of Full-time Employees: 126
   Investment: $15,300,000
   Amount of Tax Credit: $400,000
   Link to Tax Credit Agreement: http://bit.ly/remarkenterprises

7. Sage Goddess, Inc.
   Industry: Natural Bath & Beauty Product Manufacturer and Online Retailer
   Primary Location(s): Torrance
   Net Increase of Full-time Employees: 32
   Investment: $855,000
   Amount of Tax Credit: $400,000
8. East Bay Ophthalmology, Inc.
   Industry: Ophthalmologic Surgery & Related Services
   Primary Location(s): Pinole
   Net Increase of Full-time Employees:    28
   Investment:     $4,488,000
   Amount of Tax Credit:  $400,000
   Link to Tax Credit Agreement: http://bit.ly/eastbayopthalmology

9. Fluoresprobe Sciences LLC
   Industry: Biotechnology R&D
   Primary Location(s): San Diego
   Net Increase of Full-time Employees: 14
   Investment:     $2,050,000
   Amount of Tax Credit:  $220,000
   Link to Tax Credit Agreement: http://bit.ly/fluoresprobe

10. LCMS Solutions, Inc.
    Industry: Medical Laboratories
    Primary Location(s): San Diego & La Jolla
    Net Increase of Full-time Employees: 24
    Investment:     $415,000
    Amount of Tax Credit:  $220,000
    Link to Tax Credit Agreement: http://bit.ly/lcmssolutions

11. Wesley Enterprise, Inc.
    Industry: Medical Document Preparation Services
    Primary Location(s): Yorba Linda
    Net Increase of Full-time Employees: 8
    Investment:     $0.00
    Amount of Tax Credit:  $200,000
    Link to Tax Credit Agreement: http://bit.ly/wesleyenterprise

12. MK Partners Inc
    Industry: Computer Systems Design Services
    Primary Location(s): Los Angeles
    Net Increase of Full-time Employees: 33
    Investment:     $193,000
    Amount of Tax Credit:  $160,000
    Link to Tax Credit Agreement: http://bit.ly/mkpartners
13. Pressure Profile Systems, Inc.
   Industry: Computer and Electronic Engineering Services
   Primary Location(s): Los Angeles
   Net Increase of Full-time Employees: 23
   Investment: $0.00
   Amount of Tax Credit: $100,000
   Link to Tax Credit Agreement: http://bit.ly/pressureprofile

   Industry: Solar Power Installation and Repair Services
   Primary Location(s): Manteca
   Net Increase of Full-time Employees: 40
   Investment: $319,400
   Amount of Tax Credit: $100,000
   Link to Tax Credit Agreement: http://bit.ly/kuriosinc

15. Modern Times LLC
   Industry: Specialty Micro-Brewery
   Primary Location(s): San Diego
   Net Increase of Full-time Employees: 65
   Investment: $24,920,000
   Amount of Tax Credit: $60,000
   Link to Tax Credit Agreement: http://bit.ly/moderntimesllc

16. Brian Boyd
   Industry: Wealth Management and Insurance Sales
   Primary Location(s): Sacramento
   Net Increase of Full-time Employees: 3
   Investment: $282,000
   Amount of Tax Credit: $47,000
   Link to Tax Credit Agreement: http://bit.ly/brianboyd

17. Pikios Auto LLC, dba Midtown Autoworks
   Industry: Automotive Repair
   Primary Location(s): Sacramento
   Net Increase of Full-time Employees: 3
   Investment: $0.00
   Amount of Tax Credit: $45,000
   Link to Tax Credit Agreement: http://bit.ly/pikiosauto
18. Carrazco & Associates
   Industry: Accounting Services
   Primary Location(s): Sacramento
   Net Increase of Full-time Employees: 4
   Investment: $145,000
   Amount of Tax Credit: $39,500
   Link to Tax Credit Agreement: http://bit.ly/carrazco

19. Pantek Partners LLC
   Industry: Agricultural Commodity Trading
   Primary Location(s): San Diego
   Net Increase of Full-time Employees: 67
   Investment: $100,000
   Amount of Tax Credit: $30,000
   Link to Tax Credit Agreement: http://bit.ly/pantekpartners

20. Wright & Wright, Inc.
   Industry: Accounting Services
   Primary Location(s): Yuba City
   Net Increase of Full-time Employees: 4
   Investment: $60,000
   Amount of Tax Credit: $24,500
   Link to Tax Credit Agreement: http://bit.ly/wrightandwright

   Industry: Insurance Agencies and Brokerages
   Primary Location(s): Marysville
   Net Increase of Full-time Employees: 2
   Investment: $400,000
   Amount of Tax Credit: $24,000
   Link to Tax Credit Agreement: http://bit.ly/robertgalligan

22. Graveline Financial, Inc.
   Industry: Financial and Insurance Services
   Primary Location(s): Fresno
   Net Increase of Full-time Employees: 2
   Investment: $7,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/gravelinefinancial
23. Geraldine Santellano-Bartsch dba Helios Document Solutions
   Industry: Office Equipment Supplier
   Primary Location(s): Fresno
   Net Increase of Full-time Employees: 9
   Investment: $115,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/heliosdocumentsolutions

24. Bandy & Associates, Accountancy Corporation
   Industry: Accounting Services
   Primary Location(s): Fresno
   Net Increase of Full-time Employees: 2
   Investment: $184,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/bandyandassociates

25. Robert L. Horvath, Inc., dba Clayborn Lab
   Industry: Electrical Equipment and Component Manufacturing
   Primary Location(s): Truckee
   Net Increase of Full-time Employees: 10
   Investment: $497,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/claybornlab

F. Public Comment

G. Adjournment