California Competes Tax Credit Program

Committee Meeting

Thursday, April 14, 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

AGENDA

OPEN SESSION

A. Call to Order and Roll Call

B. Approval of Minutes from November 10, 2015, Committee Meeting

C. Chief Deputy Director’s Report
   • Agenda Overview – Agreements with 103 Businesses, Total Tax Credits $70,539,413

D. Discussion and Approval of California Competes Tax Credit Agreements with Businesses other than Small Businesses

   Total Recommended Tax Credits: $54,023,000
   Total Recommended Tax Credits after Adjusting for S-Corporation Law¹: $55,771,333

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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)).
1. Faraday & Future, Inc.
   Industry: Automobile Manufacturing
   Primary Location(s): Gardena, Rancho Dominguez, and San Jose
   Net Increase of Full-Time Employees: 1,990
   Investment: $311,117,460
   Amount of Tax Credit: $12,725,000
   Link to Tax Credit Agreement: http://bit.ly/faradayandfuture

   Industry: Online Order Fulfillment Warehouse and Retail Distribution
   Primary Location(s): Fresno or Visalia
   Net Increase of Full-Time Employees: 367
   Investment: $171,000,000
   Amount of Tax Credit: $11,000,000
   Link to Tax Credit Agreement: http://bit.ly/nordstromamended

3. Snapchat, Inc.
   Industry: Mobile Application Development
   Primary Location(s): Venice Beach
   Net Increase of Full-Time Employees: 1,194
   Investment: $32,000,000
   Amount of Tax Credit: $5,000,000
   Link to Tax Credit Agreement: http://bit.ly/snapchatinc

4. OpenX Technologies, Inc.
   Industry: Online Marketing & Advertising
   Primary Location(s): Pasadena, Culver City, and Menlo Park
   Net Increase of Full-Time Employees: 354
   Investment: $22,500,000
   Amount of Tax Credit: $1,947,000
   Link to Tax Credit Agreement: http://bit.ly/openxtechnologies

5. Millennium Space Systems, Inc.
   Industry: Aerospace Component Manufacturing
   Primary Location(s): El Segundo
   Net Increase of Full-Time Employees: 284
   Investment: $19,939,250
   Amount of Tax Credit: $1,800,000
   Link to Tax Credit Agreement: http://bit.ly/milleniumspacesystems
6. AMPAC Fine Chemicals LLC
   Industry: Pharmaceutical Manufacturing
   Primary Location(s): Rancho Cordova and El Dorado Hills
   Net Increase of Full-Time Employees: 135
   Investment: $98,000,000
   Amount of Tax Credit: $1,250,000
   Link to Tax Credit Agreement: http://bit.ly/ampacfinechemicals

7. Lineage Logistics Holdings LLC
   Industry: Refrigerated Warehousing and Storage
   Primary Location(s): Oakland
   Net Increase of Full-Time Employees: 532
   Investment: $91,500,000
   Amount of Tax Credit: $1,100,000
   Link to Tax Credit Agreement: http://bit.ly/lineagelogistics

8. ATK Space Systems, Inc.
   Industry: Aerospace Component Manufacturing
   Primary Location(s): San Diego
   Net Increase of Full-Time Employees: 38
   Investment: $5,250,000
   Amount of Tax Credit: $1,000,000
   Link to Tax Credit Agreement: http://bit.ly/ATKSpace

9. Axis Medical Technologies LLC
   Industry: Healthcare Information Technology
   Primary Location(s): San Diego
   Net Increase of Full-Time Employees: 175
   Investment: $2,763,000
   Amount of Tax Credit: $1,000,000
   Link to Tax Credit Agreement: http://bit.ly/axismedical

10. L-3 Communications Electron Technologies, Inc.
    Industry: Communication Satellite Component Manufacturing
    Primary Location(s): Torrance
    Net Increase of Full-Time Employees: 105
    Investment: $25,318,140
    Amount of Tax Credit: $1,000,000
    Link to Tax Credit Agreement: http://bit.ly/l3communications
11. Lite Machines Corporation
   Industry: Unmanned Aerial Systems Manufacturing
   Primary Location(s): Vista, Carlsbad, or other location in San Diego County
   Net Increase of Full-Time Employees: 90
   Investment: $8,500,000
   Amount of Tax Credit: $1,000,000
   Link to Tax Credit Agreement: http://bit.ly/litemachines

12. DineEquity, Inc.
   Industry: Administrative & Business Management Services
   Primary Location(s): Glendale
   Net Increase of Full-Time Employees: 116
   Investment: $9,126,536
   Amount of Tax Credit: $900,000
   Link to Tax Credit Agreement: http://bit.ly/dineequity

13. Hunter Industries Incorporated
   Industry: Irrigation & Sprinkler Manufacturing
   Primary Location(s): San Marcos
   Net Increase of Full-Time Employees: 111
   Investment: $58,891,456
   Amount of Tax Credit: $850,000
   Link to Tax Credit Agreement: http://bit.ly/hunterindustriesamended

14. NC West Holdings, Inc.
   Industry: Online Video Game Development
   Primary Location(s): Aliso Viejo and San Mateo
   Net Increase of Full-Time Employees: 132
   Investment: $3,104,221
   Amount of Tax Credit: $800,000
   Link to Tax Credit Agreement: http://bit.ly/ncwestholdings

15. Open Drives LLC
   Industry: Online Data Storage
   Primary Location(s): Culver City
   Net Increase of Full-Time Employees: 107
   Investment: $10,000,000
   Amount of Tax Credit: $750,000
   Link to Tax Credit Agreement: http://bit.ly/opendrivesllc
   Industry: Personal Care Product Manufacturing
   Primary Location(s): Ontario
   Net Increase of Full-Time Employees: 101
   Investment: $8,400,000
   Amount of Tax Credit: $700,000
   Link to Tax Credit Agreement: http://bit.ly/jacosmetics

17. Baker Electric, Inc.
   Primary Location(s): Bakersfield, Escondido, and San Diego
   Net Increase of Full-Time Employees: 196
   Investment: $8,025,000
   Amount of Tax Credit: $620,000
   Link to Tax Credit Agreement: http://bit.ly/bakerelectric

18. Standard Homeopathic Company
   Industry: Homeopathic Pharmaceutical Manufacturing
   Primary Location(s): Los Angeles
   Net Increase of Full-Time Employees: 106
   Investment: $29,414,000
   Amount of Tax Credit: $595,000
   Link to Tax Credit Agreement: http://bit.ly/standardhomeopathic

19. MicroVention, Inc.
   Industry: Medical Device Design & Manufacturing
   Primary Location(s): Aliso Viejo
   Net Increase of Full-Time Employees: 66
   Investment: $108,811,441
   Amount of Tax Credit: $550,000
   Link to Tax Credit Agreement: http://bit.ly/microvention

20. The Argen Corporation
   Industry: Dental Product Manufacturing
   Primary Location(s): San Diego
   Net Increase of Full-Time Employees: 148
   Investment: $18,000,000
   Amount of Tax Credit: $550,000
   Link to Tax Credit Agreement: http://bit.ly/theargencorporation
21. LakePharma, Inc.
   Industry: Biotechnology Research & Development
   Primary Location(s): Belmont, Fremont, Hayward, and San Carlos
   Net Increase of Full-Time Employees: 144
   Investment: $12,700,000
   Amount of Tax Credit: $500,000
   Link to Tax Credit Agreement: http://bit.ly/lakepharma

22. Patrick Industries, Inc.
   Industry: Manufactured Home and Recreational Vehicle Product Manufacturing
   Primary Location(s): Fontana
   Net Increase of Full-Time Employees: 59
   Investment: $2,514,067
   Amount of Tax Credit: $500,000
   Link to Tax Credit Agreement: http://bit.ly/patrickindustries

23. Revolution Plastics LLC
   Industry: Agricultural Plastic Film Manufacturing
   Primary Location(s): Fresno or Bakersfield
   Net Increase of Full-Time Employees: 65
   Investment: $15,790,000
   Amount of Tax Credit: $500,000
   Link to Tax Credit Agreement: http://bit.ly/revolutionplastics

24. I.P.S. Group, Inc.
   Industry: Parking Meter Technology, Design & Manufacturing
   Primary Location(s): San Diego
   Net Increase of Full-Time Employees: 46
   Investment: $8,930,000
   Amount of Tax Credit: $500,000
   Link to Tax Credit Agreement: http://bit.ly/ipsgroup

   Industry: Personal Care Product Manufacturing
   Primary Location(s): San Rafael
   Net Increase of Full-Time Employees: 134
   Investment: $4,725,950
   Amount of Tax Credit: $400,000
   Link to Tax Credit Agreement: http://bit.ly/smallworldtrading
26. Hughes Circuits, Inc.
   Industry: Printed Circuit Assembly Manufacturing
   Primary Location(s): Carlsbad
   Net Increase of Full-Time Employees: 55
   Investment: $12,000,000
   Amount of Tax Credit: $400,000
   Link to Tax Credit Agreement: http://bit.ly/hughescircuits

27. R.I.M. Logistics, Ltd.
   Industry: Freight Transportation & Management Services
   Primary Location(s): Carson or Los Angeles
   Net Increase of Full-Time Employees: 41
   Investment: $11,500,500
   Amount of Tax Credit: $400,000
   Link to Tax Credit Agreement: http://bit.ly/rimlogisticsamended

28. Cohen Ventures, Inc.
   Industry: Engineering and Energy Efficiency Consulting Services
   Primary Location(s): Oakland, Orange, and Long Beach
   Net Increase of Full-Time Employees: 103
   Investment: $316,000
   Amount of Tax Credit: $375,000
   Link to Tax Credit Agreement: http://bit.ly/cohenventures

29. QED Systems, Inc.
   Industry: Ship Maintenance & Repair Services
   Primary Location(s): National City and San Diego
   Net Increase of Full-Time Employees: 75
   Investment: $569,299
   Amount of Tax Credit: $300,000
   Link to Tax Credit Agreement: http://bit.ly/qedsystems

30. Vision Fine Foods LLC
   Industry: Production of Packaged Bakery Goods
   Primary Location(s): Stockton
   Net Increase of Full-Time Employees: 115
   Investment: $10,662,608
   Amount of Tax Credit: $300,000
   Link to Tax Credit Agreement: http://bit.ly/visionfinefoodsamended2
31. Casper Sleep, Inc.  
   Industry: Mattress Design & Manufacturing  
   Primary Location(s): Los Angeles and San Francisco  
   Net Increase of Full-Time Employees: 43  
   Investment: $5,575,000  
   Amount of Tax Credit: $272,000  
   Link to Tax Credit Agreement: http://bit.ly/caspersleepinc

32. Galaxy Desserts  
   Industry: Baked Goods Manufacturing  
   Primary Location(s): Richmond  
   Net Increase of Full-Time Employees: 32  
   Investment: $25,000,000  
   Amount of Tax Credit: $255,000  
   Link to Tax Credit Agreement: http://bit.ly/galaxydesserts

33. Matson, Inc.  
   Industry: Freight Transportation & Management Services  
   Primary Location(s): Oakland  
   Net Increase of Full-Time Employees: 40  
   Investment: $6,800,000  
   Amount of Tax Credit: $250,000  
   Link to Tax Credit Agreement: http://bit.ly/matsonamended

34. Aemerge RedPak Services Southern California LLC  
   Industry: Medical Waste Processing  
   Primary Location(s): Hesperia  
   Net Increase of Full-Time Employees: 29  
   Investment: $30,500,000  
   Amount of Tax Credit: $250,000  
   Link to Tax Credit Agreement: http://bit.ly/aemergeredpack

35. The Crane Guys LLC  
   Industry: Construction Equipment Rental  
   Primary Location(s): La Mirada, and San Bernardino, Orange, and San Diego Counties  
   Net Increase of Full-Time Employees: 49  
   Investment: $10,000,000  
   Amount of Tax Credit: $250,000  
   Link to Tax Credit Agreement: http://bit.ly/thecraneguys
36. Daylight Transport LLC
   Industry: Freight Transportation Services
   Primary Location(s): Fontana
   Net Increase of Full-Time Employees: 94
   Investment: $12,640,000
   Amount of Tax Credit: $250,000
   Link to Tax Credit Agreement: http://bit.ly/daylighttransport

37. Famand, Inc.
   Industry: Heating, Ventilating, and Air Conditioning Component Fabrication & Maintenance
   Primary Location(s): Sacramento and Pleasanton
   Net Increase of Full-Time Employees: 103
   Investment: $2,320,000
   Amount of Tax Credit: $225,000
   Link to Tax Credit Agreement: http://bit.ly/farmandinc

38. Physical Optics Corporation
   Industry: Optical Instrument & Lens Manufacturing
   Primary Location(s): Torrance
   Net Increase of Full-Time Employees: 54
   Investment: $4,089,231
   Amount of Tax Credit: $210,000
   Link to Tax Credit Agreement: http://bit.ly/physicaloptics

39. Politico LLC
   Industry: Online News & Media Distribution
   Primary Location(s): Sacramento
   Net Increase of Full-Time Employees: 41
   Investment: $337,961
   Amount of Tax Credit: $205,000
   Link to Tax Credit Agreement: http://bit.ly/politicollc

40. Southwest Medical Resources, Inc.
   Industry: Medical Device Maintenance & Refurbishing
   Primary Location(s): Ontario
   Net Increase of Full-Time Employees: 21
   Investment: $1,260,155
   Amount of Tax Credit: $200,000
   Link to Tax Credit Agreement: http://bit.ly/southwesternmedical
41. Syufy Enterprises
   Industry: Retail & Corporate Management
   Primary Location(s): San Rafael
   Net Increase of Full-Time Employees: 29
   Investment: $50,000
   Amount of Tax Credit: $200,000
   Link to Tax Credit Agreement: http://bit.ly/syufyenterprises

42. DataStax, Inc.
   Industry: Information Technology Consulting & Data Center Management
   Primary Location(s): Santa Clara
   Net Increase of Full-Time Employees: 37
   Investment: $0
   Amount of Tax Credit: $200,000
   Link to Tax Credit Agreement: http://bit.ly/datastaxincorporated

43. Almanac Beer Co. LLC
   Industry: Craft Brewery
   Primary Location(s): San Francisco and Alameda
   Net Increase of Full-Time Employees: 59
   Investment: $8,263,450
   Amount of Tax Credit: $180,000
   Link to Tax Credit Agreement: http://bit.ly/almanacbeer

44. Martin Brothers Construction
   Industry: Highway, Street, & Bridge Construction
   Primary Location(s): Sacramento and San Diego
   Net Increase of Full-Time Employees: 65
   Investment: $4,750,000
   Amount of Tax Credit: $160,000
   Link to Tax Credit Agreement: http://bit.ly/martinbrothersconstruction

45. PackIt LLC
   Industry: Portable Food Preservation Device Manufacturing
   Primary Location(s): Westlake Village
   Net Increase of Full-Time Employees: 19
   Investment: $1,062,500
   Amount of Tax Credit: $150,000
   Link to Tax Credit Agreement: http://bit.ly/packitllc
46. Meritek Electronics Corporation
   Industry: Electrical Component Manufacturing
   Primary Location(s): Baldwin Park
   Net Increase of Full-Time Employees: 7
   Investment: $506,000
   Amount of Tax Credit: $150,000
   Link to Tax Credit Agreement: http://bit.ly/meritekamended

47. Sentek Consulting, Inc.
   Industry: Cyber Security Consulting & Services
   Primary Location(s): San Diego
   Net Increase of Full-Time Employees: 30
   Investment: $0
   Amount of Tax Credit: $125,000
   Link to Tax Credit Agreement: http://bit.ly/sentek

48. Saggezza, Inc.
   Industry: Software Development
   Primary Location(s): Santa Clara
   Net Increase of Full-Time Employees: 27
   Investment: $1,279,932
   Amount of Tax Credit: $125,000
   Link to Tax Credit Agreement: http://bit.ly/saggezzainc

49. Emerald Site Services, Inc.
   Industry: Commercial & Residential Erosion Control
   Primary Location(s): Sacramento and Elk Grove
   Net Increase of Full-Time Employees: 23
   Investment: $5,900,000
   Amount of Tax Credit: $110,000
   Link to Tax Credit Agreement: http://bit.ly/emeraldsiteservicesamended

50. North State Electrical Contractors, Inc.
   Industry: Electrical Contracting
   Primary Location(s): Rancho Cordova
   Net Increase of Full-Time Employees: 62
   Investment: $350,000
   Amount of Tax Credit: $110,000
   Link to Tax Credit Agreement: http://bit.ly/northstateelectrical
51. KPI Logistics, Inc.
   Industry: Freight Transportation Logistics Services
   Primary Location(s): San Diego
   Net Increase of Full-Time Employees: 14
   Investment: $130,000
   Amount of Tax Credit: $100,000
   Link to Tax Credit Agreement: http://bit.ly/kpilogistics

52. PCI Holding Company, Inc.
   Industry: Liquid and Gaseous Oxygen Manufacturing
   Primary Location(s): Riverside
   Net Increase of Full-Time Employees: 30
   Investment: $2,630,000
   Amount of Tax Credit: $90,000
   Link to Tax Credit Agreement: http://bit.ly/pciholdingcompany

53. MACH Energy
   Industry: Software Development
   Primary Location(s): Oakland
   Net Increase of Full-Time Employees: 7
   Investment: $25,000
   Amount of Tax Credit: $75,000
   Link to Tax Credit Agreement: http://bit.ly/machenergy

54. Western Saw Manufacturers, Inc.
   Industry: Tool Manufacturing
   Primary Location(s): Oxnard
   Net Increase of Full-Time Employees: 13
   Investment: $4,181,000
   Amount of Tax Credit: $70,000
   Link to Tax Credit Agreement: http://bit.ly/westernsaw

55. Tomlin Scientific, Inc.
   Industry: Lubrication & Grease Manufacturing
   Primary Location(s): Buena Park
   Net Increase of Full-Time Employees: 7
   Investment: $2,125,000
   Amount of Tax Credit: $60,000
   Link to Tax Credit Agreement: http://bit.ly/tomlinscientific
56. PJY, Inc. dba Intimo Industry
   Industry: Clothing & Garment Manufacturing
   Primary Location(s): Vernon
   Net Increase of Full-Time Employees: 19
   Investment: $2,500,000
   Amount of Tax Credit: $45,000
   Link to Tax Credit Agreement: http://bit.ly/intimoindustry

57. Southwestern Industries, Inc.
   Industry: Industrial Machinery Manufacturing
   Primary Location(s): Rancho Dominguez
   Net Increase of Full-Time Employees: 5
   Investment: $850,000
   Amount of Tax Credit: $45,000
   Link to Tax Credit Agreement: http://bit.ly/southwesternindustries

58. Circuit Services LLC
   Industry: Electrical Component Manufacturing
   Primary Location(s): Northridge and Chatsworth
   Net Increase of Full-Time Employees: 20
   Investment: $1,100,000
   Amount of Tax Credit: $45,000
   Link to Tax Credit Agreement: http://bit.ly/circuitservices

59. L-Acoustics, Inc.
   Industry: Audio Speaker Manufacturing
   Primary Location(s): Camarillo and Thousand Oaks
   Net Increase of Full-Time Employees: 9
   Investment: $2,432,566
   Amount of Tax Credit: $45,000
   Link to Tax Credit Agreement: http://bit.ly/lacoustics

60. Modern-Aire Ventilating, Inc.
   Industry: Metal Products Manufacturing
   Primary Location(s): North Hollywood
   Net Increase of Full-Time Employees: 14
   Investment: $1,907,511
   Amount of Tax Credit: $40,000
   Link to Tax Credit Agreement: http://bit.ly/modernaireventilating
61. Williams + Paddon/Architects + Planners, Inc.
   Industry: Architectural Services
   Primary Location(s): Sacramento and Roseville
   Net Increase of Full-Time Employees: 22
   Investment: $364,450
   Amount of Tax Credit: $40,000
   Link to Tax Credit Agreement: http://bit.ly/williamsandpaddonamended

62. Escape Technology
   Industry: Software Development
   Primary Location(s): Roseville
   Net Increase of Full-Time Employees: 19
   Investment: $575,000
   Amount of Tax Credit: $39,000
   Link to Tax Credit Agreement: http://bit.ly/escapetech

63. CIMC Reefer Trailer, Inc.
   Industry: Trailer Manufacturer
   Primary Location(s): Moreno Valley
   Net Increase of Full-Time Employees: 7
   Investment: $2,000,000
   Amount of Tax Credit: $35,000
   Link to Tax Credit Agreement: http://bit.ly/cimcreefertrailer

64. Elite Power, Inc.
   Industry: Electrical Contracting
   Primary Location(s): Sacramento
   Net Increase of Full-Time Employees: 8
   Investment: $700,000
   Amount of Tax Credit: $25,000
   Link to Tax Credit Agreement: http://bit.ly/elitepowerinc

65. Climate Control, Inc.
   Industry: Heating and Air-Conditioning Installation and Repair Services
   Primary Location(s): Sacramento
   Net Increase of Full-Time Employees: 6
   Investment: $205,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/climatecontrolamended
66. Solterra Lighting, Inc.
   Industry: Commercial Lighting Wholesaler
   Primary Location(s): Carlsbad
   Net Increase of Full-Time Employees: 9
   Investment: $41,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/solterralighting

67. Wilmington Instrument Co.
   Industry: Diagnostic Test Equipment & Services
   Primary Location(s): Wilmington
   Net Increase of Full-Time Employees: 5
   Investment: $220,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/wilmingtoninstrument

68. MW McWong International, Inc.
   Industry: Commercial LED Lighting Manufacturing
   Primary Location(s): Sacramento
   Net Increase of Full-Time Employees: 10
   Investment: $260,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/mwmcwong

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

   Total Recommended Tax Credits: $14,005,560
   Total Recommended Tax Credits after Adjusting for S-Corporation Law¹: $14,768,080

1. Magic Leap, Inc.
   Industry: 3D Technology Development
   Primary Location(s): Mountain View and Santa Monica
   Net Increase of Full-Time Employees: 141
   Investment: $6,149,915
   Amount of Tax Credit: $3,300,000
   Link to Tax Credit Agreement: http://bit.ly/magicleapinc

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)).
2. Figtree Company, Inc.
   Industry: Commercial & Residential Lending
   Primary Location(s): San Diego
   Net Increase of Full-Time Employees: 197
   Investment: $9,206,979
   Amount of Tax Credit: $1,950,000
   Link to Tax Credit Agreement: http://bit.ly/FigtreeCompany

3. Pride Resource Partners LLC
   Industry: Architectural and Engineering Consulting Services
   Primary Location(s): San Diego
   Net Increase of Full-Time Employees: 251
   Investment: $12,750,000
   Amount of Tax Credit: $1,800,000
   Link to Tax Credit Agreement: http://bit.ly/prideresourcepartners

4. WISErg Corporation
   Industry: Organic Waste Collection & Composting
   Primary Location(s): Colton
   Net Increase of Full-Time Employees: 159
   Investment: $14,000,000
   Amount of Tax Credit: $1,500,000
   Link to Tax Credit Agreement: http://bit.ly/wisergcorporation

5. LeapYear Technologies, Inc.
   Industry: Software Development
   Primary Location(s): Berkeley
   Net Increase of Full-Time Employees: 47
   Investment: $192,800
   Amount of Tax Credit: $900,000
   Link to Tax Credit Agreement: http://bit.ly/leapyeartechnologies

   Industry: Beverage Manufacturing
   Primary Location(s): Encinitas
   Net Increase of Full-Time Employees: 24
   Investment: $2,300,000
   Amount of Tax Credit: $600,000
   Link to Tax Credit Agreement: http://bit.ly/bevmd
7. Once Upon a Farm LLC
   Industry: Food Processing
   Primary Location(s): San Diego
   Net Increase of Full-Time Employees: 30
   Investment: $140,000
   Amount of Tax Credit: $530,000
   Link to Tax Credit Agreement: http://bit.ly/onceuponafarmllc

8. Badass Brand, Inc.
   Industry: Personal Care Product Manufacturing
   Primary Location(s): El Dorado Hills
   Net Increase of Full-Time Employees: 19
   Investment: $1,375,000
   Amount of Tax Credit: $425,000
   Link to Tax Credit Agreement: http://bit.ly/badassbrand

9. Datastream IT
   Industry: Information Technology Consulting & Data Center Management
   Primary Location(s): Glendale
   Net Increase of Full-Time Employees: 21
   Investment: $480,000
   Amount of Tax Credit: $400,000
   Link to Tax Credit Agreement: http://bit.ly/datastreamit

10. ObjectSecurity LLC
    Industry: Cyber Security Consulting & Services
    Primary Location(s): San Diego
    Net Increase of Full-Time Employees: 14
    Investment: $35,000
    Amount of Tax Credit: $280,000
    Link to Tax Credit Agreement: http://bit.ly/objectsecurity

11. Digital Deployment, Inc.
    Industry: Web Development Services
    Primary Location(s): Sacramento
    Net Increase of Full-Time Employees: 18
    Investment: $50,000
    Amount of Tax Credit: $250,000
    Link to Tax Credit Agreement: http://bit.ly/digitaldeployment
12. Freedom Insurance Services, Inc.
   Industry: Insurance Agencies & Brokerages
   Primary Location(s): San Luis Obispo
   Net Increase of Full-Time Employees: 36
   Investment: $75,001
   Amount of Tax Credit: $210,560
   Link to Tax Credit Agreement: http://bit.ly/freedominsurance

13. Echo Summit Construction, Inc.
   Industry: Commercial Construction
   Primary Location(s): San Francisco
   Net Increase of Full-Time Employees: 9
   Investment: $150,000
   Amount of Tax Credit: $200,000
   Link to Tax Credit Agreement: http://bit.ly/echosummitconstruction

   Industry: Title & Escrow Offices
   Primary Location(s): Moreno Valley
   Net Increase of Full-Time Employees: 8
   Investment: $92,000
   Amount of Tax Credit: $200,000
   Link to Tax Credit Agreement: http://bit.ly/citrusescrow

15. Arrow Micro Corp.
   Industry: Information Technology Services
   Primary Location(s): La Mirada
   Net Increase of Full-Time Employees: 8
   Investment: $113,000
   Amount of Tax Credit: $160,000
   Link to Tax Credit Agreement: http://bit.ly/arrowmicro

   Industry: Management Consulting Services
   Primary Location(s): Encinitas and San Diego
   Net Increase of Full-Time Employees: 16
   Investment: $138,551
   Amount of Tax Credit: $125,000
   Link to Tax Credit Agreement: http://bit.ly/brookeyandcompany
17. Vista Valuations LLC  
   Industry: Industrial Real Estate Appraisers  
   Primary Location(s): Sacramento  
   Net Increase of Full-Time Employees: 6  
   Investment: $25,000  
   Amount of Tax Credit: $120,000  
   Link to Tax Credit Agreement: http://bit.ly/vistavaluations

18. Brett E. Gottlieb, dba Comprehensive Advisor  
   Industry: Financial Planning & Management Services  
   Primary Location(s): Carlsbad  
   Net Increase of Full-Time Employees: 8  
   Investment: $125,000  
   Amount of Tax Credit: $100,000  
   Link to Tax Credit Agreement: http://bit.ly/brettegottlieb

19. Globizz Corporation  
   Industry: Business Management Consulting Services  
   Primary Location(s): Gardena  
   Net Increase of Full-Time Employees: 10  
   Investment: $65,000  
   Amount of Tax Credit: $100,000  
   Link to Tax Credit Agreement: http://bit.ly/globizz

20. Iris Cheng dba JC Accountancy  
   Industry: Accounting Services  
   Primary Location(s): Torrance  
   Net Increase of Full-Time Employees: 4  
   Investment: $10,000  
   Amount of Tax Credit: $90,000  
   Link to Tax Credit Agreement: http://bit.ly/jcaccountancy

21. Formachelli, Inc.  
   Industry: Information Technology Services  
   Primary Location(s): Napa  
   Net Increase of Full-Time Employees: 4  
   Investment: $100,600  
   Amount of Tax Credit: $75,000  
   Link to Tax Credit Agreement: http://bit.ly/formachelli
22. S & S Metal Fabrication, Inc.
   Industry: Metal Parts & Equipment Manufacturing
   Primary Location(s): Kingsburg
   Net Increase of Full-Time Employees: 4
   Investment: $740,000
   Amount of Tax Credit: $75,000
   Link to Tax Credit Agreement: http://bit.ly/sandsmetalfabrication

23. Engineered Source, Inc.
   Industry: Aerospace and Solar Component Wholesaler
   Primary Location(s): Santa Ana
   Net Increase of Full-Time Employees: 4
   Investment: $1,100,300
   Amount of Tax Credit: $75,000
   Link to Tax Credit Agreement: http://bit.ly/engineeredsource

24. C.D. Lyon, Inc.
   Industry: General Contracting
   Primary Location(s): Santa Maria and Ventura
   Net Increase of Full-Time Employees: 19
   Investment: $20,000
   Amount of Tax Credit: $70,000
   Link to Tax Credit Agreement: http://bit.ly/cdlyoninc

   Industry: Educational On-line Services
   Primary Location(s): Granite Bay
   Net Increase of Full-Time Employees: 3
   Investment: $64,400
   Amount of Tax Credit: $65,000
   Link to Tax Credit Agreement: http://bit.ly/backseatdriverandassociates

26. Barnett Technical Services LLC
   Industry: Scientific & Technical Consulting Services
   Primary Location(s): Elk Grove
   Net Increase of Full-Time Employees: 3
   Investment: $10,000
   Amount of Tax Credit: $60,000
   Link to Tax Credit Agreement: http://bit.ly/barnetttechnical
27. CSAI Auto Service LLC
   Industry: Automotive Repair
   Primary Location(s): Riverside
   Net Increase of Full-Time Employees: 3
   Investment: $812,000
   Amount of Tax Credit: $60,000
   Link to Tax Credit Agreement: http://bit.ly/csaiautoservice

28. Clouse Insurance Agency
   Industry: Insurance Agencies & Brokerages
   Primary Location(s): Orangevale
   Net Increase of Full-Time Employees: 3
   Investment: $50,000
   Amount of Tax Credit: $50,000
   Link to Tax Credit Agreement: http://bit.ly/clouseinsurance

29. Ten Tech LLC
   Industry: Mechanical Engineering Consulting Services
   Primary Location(s): Los Angeles
   Net Increase of Full-Time Employees: 4
   Investment: $300,000
   Amount of Tax Credit: $50,000
   Link to Tax Credit Agreement: http://bit.ly/tentechllc

30. Bellfx LLC
   Industry: Film Property Design & Manufacturing
   Primary Location(s): San Fernando
   Net Increase of Full-Time Employees: 3
   Investment: $240,000
   Amount of Tax Credit: $40,000
   Link to Tax Credit Agreement: http://bit.ly/bellfxllc

   Industry: Battery Assembly and Recycling
   Primary Location(s): Emeryville, Hayward, Redwood City, and Union City
   Net Increase of Full-Time Employees: 4
   Investment: $1,492,000
   Amount of Tax Credit: $38,000
   Link to Tax Credit Agreement: http://bit.ly/empowerenergy
32. Alice Berger Contreras
   Industry: Accounting Services
   Primary Location(s): Merced
   Net Increase of Full-Time Employees: 3
   Investment: $10,000
   Amount of Tax Credit: $40,000
   Link to Tax Credit Agreement: http://bit.ly/alicebergercontreras

33. Strato Communications, Inc.
   Industry: Information Technology Services
   Primary Location(s): Sacramento and Rancho Cordova
   Net Increase of Full-Time Employees: 9
   Investment: $581,000
   Amount of Tax Credit: $25,000
   Link to Tax Credit Agreement: http://bit.ly/stratocommunications

34. Miner Financial & Insurance
   Industry: Financial & Insurance Services
   Primary Location(s): Gold River
   Net Increase of Full-Time Employees: 3
   Investment: $11,000
   Amount of Tax Credit: $22,000
   Link to Tax Credit Agreement: http://bit.ly/minerfinancialinsurance

35. Daniel Dubois CPA & Company, Inc.
   Industry: Accounting Services
   Primary Location(s): Aliso Viejo
   Net Increase of Full-Time Employees: 2
   Investment: $75,000
   Amount of Tax Credit: $20,000
   Link to Tax Credit Agreement: http://bit.ly/danieldubois

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

   Total Tax Credits Recommended to be Recaptured: $1,000,000
   Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law:\(^3\): $1,000,000

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\(^3\) 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)).
1. Novartis Pharmaceuticals Corp.
   Industry: Pharmaceutical Manufacturing
   Primary Location(s): San Carlos
   Amount of Tax Credit Awarded: $1,000,000
   Amount of Tax Credit to be Recaptured: $1,000,000
   Link to Tax Credit Agreement to be Terminated: http://bit.ly/1tZgRPN
   Reason for Agreement Termination and Credit Recapture:

   Novartis Pharmaceuticals Corp. 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. Other Non-Action Business

I. 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.