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)).
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/nextevamended

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

   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/greenpowermotor

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
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

    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/ancestrydotcominc
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

   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

   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
   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/ontimeairconditioning

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/barrycallebaut
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

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

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

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

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
   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

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

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

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

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
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

   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/brennerfiedler

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/hilbersamended

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
36. Tipsy 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/tipsyelvesllc

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/twoqamended

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/davesgourmetinc

   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/optifitinternationalamended

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/waterfillc
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/repscoinc

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 Law\(^2\): $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

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

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

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

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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)).
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/elllinc

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/revolutionnaturopathic
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

   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/trustedamericaninsurance

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/foodforfitnessllc

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
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/datacateamended

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/nickweber

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
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/glandersoninsurance

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/smtinc
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 Law\(^3\): $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
   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
   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.

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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