



California Competes Tax Credit Program

Gavin Newsom
Governor

Lenny Mendonca
Director

Chris Dombrowski
Chief Deputy Director

Cheryl Akin
*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@gobiz.ca.gov
(916) 322-4051

Committee Meeting

Thursday, June 13, 2019

10:00 a.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:

Lenny Mendonca, *Chair*
Director
*Governor's Office of Business
and Economic Development*

Fiona Ma
State Treasurer

Keely Bosler, *Director*
Department of Finance

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

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

UPDATE: The California Competes Tax Credit Committee APPROVED the following agreements on

June 13, 2019

1. Samsara Networks, Inc.
Industry: Sensor Research and Development
Primary Location(s): San Francisco
Employee Net Increase: 2,098
Investment: \$189,802,000
Amount of Tax Credit: \$20,000,000
Link to Tax Credit Agreement: <http://bit.ly/samsaranetworks>

2. FN Logistics, Inc.
Industry: Online Order Fulfillment Warehouse and Retail Distribution
Primary Location(s): Santa Fe Springs and Riverside County or San Bernardino County
Employee Net Increase: 3,039
Investment: \$113,944,000
Amount of Tax Credit: \$13,000,000
Link to Tax Credit Agreement: <http://bit.ly/fnlogistics>



3. Exelixis, Inc.
Industry: Pharmaceutical Research and Development
Primary Location(s): Alameda
Employee Net Increase: 283
Investment: \$5,274,250
Amount of Tax Credit: \$3,000,000
Link to Tax Credit Agreement: <http://bit.ly/exelixisinc>

4. Orora Packaging Solutions
Industry: Corrugated Box Product Manufacturing
Primary Location(s): Buena Park and other locations statewide
Employee Net Increase: 146
Investment: \$64,000,000
Amount of Tax Credit: \$3,000,000
Link to Tax Credit Agreement: <http://bit.ly/ororapackaging>

5. 1661, Inc.
Industry: Online Order Fulfillment Warehouse and Headquarters Expansion
Primary Location(s): Los Angeles
Employee Net Increase: 298
Investment: \$3,000,000
Amount of Tax Credit: \$2,728,005
Link to Tax Credit Agreement: <http://bit.ly/1661inc>

6. Hi Tech Honeycomb, Inc.
Industry: Aerospace Component Manufacturing
Primary Location(s): San Diego
Employee Net Increase: 204
Investment: \$5,000,900
Amount of Tax Credit: \$2,615,497
Link to Tax Credit Agreement: <http://bit.ly/hitechhoneycomb>

7. Create Music Group, Inc.
Industry: Digital Music Rights Services
Primary Location(s): Los Angeles
Employee Net Increase: 235
Investment: \$900,000
Amount of Tax Credit: \$1,500,000
Link to Tax Credit Agreement: <http://bit.ly/createmusicgroup>



8. Gyrfalcon Technology, Inc.
Industry: Artificial Intelligence Microprocessor Chip Design and Manufacturing
Primary Location(s): Milpitas and Sunnyvale
Employee Net Increase: 84
Investment: \$11,205,000
Amount of Tax Credit: \$1,325,000
Link to Tax Credit Agreement: <http://bit.ly/gyrafalcon>

9. Nusano, Inc.
Industry: Biotechnology Research, Development, and Manufacturing
Primary Location(s): Valencia
Employee Net Increase: 49
Investment: \$27,430,000
Amount of Tax Credit: \$1,279,405
Link to Tax Credit Agreement: <http://bit.ly/nusano>

10. Motor Vehicle Software Corporation
Industry: Software Development
Primary Location(s): Agoura Hills, Petaluma, and Sacramento or Placer county
Employee Net Increase: 101
Investment: \$7,025,000
Amount of Tax Credit: \$1,150,000
Link to Tax Credit Agreement: <http://bit.ly/motorvehiclesoftwarecorp>

11. Bombardier Mass Transit Corporation
Industry: Light Rail Vehicle Manufacturing
Primary Location(s): Pittsburg
Employee Net Increase: 115
Investment: \$6,009,980
Amount of Tax Credit: \$1,000,000
Link to Tax Credit Agreement: <http://bit.ly/bombardiermasstransit>

12. O'Keeffe's, Inc.
Industry: Fire-Proof Glass and Building Material Manufacturing
Primary Location(s): Merced
Employee Net Increase: 20
Investment: \$8,500,000
Amount of Tax Credit: \$750,000
Link to Tax Credit Agreement: <http://bit.ly/okeeffesinc>



13. Anvil Cases, Inc.

Industry: Musical Instrument Case Manufacturing

Primary Location(s): Covina

Employee Net Increase: 22

Investment: \$750,000

Amount of Tax Credit: \$700,000

Link to Tax Credit Agreement: <http://bit.ly/anvilcases>

14. I am Beyond LLC

Industry: Clothing Design and Manufacturing and Headquarters Expansion

Primary Location(s): Culver City and Commerce

Employee Net Increase: 26

Investment: \$1,801,000

Amount of Tax Credit: \$525,000

Link to Tax Credit Agreement: <http://bit.ly/iambeyondllc>

15. George Fischer Corporation

Industry: Pipe Manufacturing

Primary Location(s): El Monte, Bakersfield, and Irvine

Employee Net Increase: 23

Investment: \$15,000,000

Amount of Tax Credit: \$500,000

Link to Tax Credit Agreement: <http://bit.ly/georgefischercorp>

16. e.l.f Cosmetics, Inc.

Industry: Cosmetics Manufacturing

Primary Location(s): San Bernardino

Employee Net Increase: 24

Investment: \$3,849,800

Amount of Tax Credit: \$471,025

Link to Tax Credit Agreement: <http://bit.ly/elfcosmeticsinc>

17. Sage Goddess, Inc.

Industry: Bath and Body Product Manufacturing

Primary Location(s): Torrance

Employee Net Increase: 25

Investment: \$1,950,000

Amount of Tax Credit: \$300,000

Link to Tax Credit Agreement: <http://bit.ly/sagegoddessinc>



18. Monopole, Inc.

Industry: Paint and Coating Manufacturing

Primary Location(s): San Carlos and Los Angeles

Employee Net Increase: 11

Investment: \$30,000

Amount of Tax Credit: \$272,727

Link to Tax Credit Agreement: <http://bit.ly/monopoleinc>

19. Healthbreads, Inc.

Industry: Food Manufacturing

Primary Location(s): San Marcos

Employee Net Increase: 6

Investment: \$1,000,000

Amount of Tax Credit: \$200,000

Link to Tax Credit Agreement: <http://bit.ly/healthbreads>

20. Arkham Technology Limited

Industry: Secure Communications System Design

Primary Location(s): Irvine

Employee Net Increase: 16

Investment: \$50,000

Amount of Tax Credit: \$150,000

Link to Tax Credit Agreement: <http://bit.ly/arkhamtechnology>

Remainder of this page is intentionally left blank.



The California Competes Tax Credit Committee also APPROVED the following recommendations for California Competes Tax Credit agreement termination and credit recapture:

- 1. NIO USA, Inc. (formerly known as NextEV USA, Inc.)

Industry: Automobile Manufacturing

Primary Location(s): San Jose and San Francisco

Amount of Tax Credit Awarded: \$10,000,000

Amount of Tax Credit Recaptured: \$10,000,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/nextevamended>

Reason for Agreement Termination and Credit Recapture:

NIO USA, 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.

- 2. The Gap, Inc.

Industry: Retail Headquarters and Distribution

Primary Location(s): Fresno and San Francisco

Amount of Tax Credit Awarded: \$4,250,000

Amount of Tax Credit Recaptured: \$4,250,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/thegapinc>

Reason for Agreement Termination and Credit Recapture:

The Gap, 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.

- 3. GKN Aerospace Chem-tronics, Inc.

Industry: Aircraft Engine and Engine Parts Manufacturing

Primary Location(s): Santa Ana, El Cajon, and Garden Grove

Amount of Tax Credit Awarded: \$1,200,000

Amount of Tax Credit Recaptured: \$1,200,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/GKNAerospace>

Reason for Agreement Termination and Credit Recapture:

GKN Areospace Chem-tronics, 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.



4. CSI Tubular Products, Inc.

Industry: Flat Rolled Steel Production

Primary Location(s): Fontana

Amount of Tax Credit Awarded: \$540,000

Amount of Tax Credit Recaptured: \$540,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/csitubularamended>

Reason for Agreement Termination and Credit Recapture:

CSI Tubular Products, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2018 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

5. Top-Tier Engineering, Inc.

Industry: Electrical Engineering Services

Primary Location(s): Ontario and Merced

Amount of Tax Credit Awarded: \$360,000

Amount of Tax Credit Recaptured: \$360,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/toptierengineering>

Reason for Agreement Termination and Credit Recapture:

Top-Tier Engineering, 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.

6. iBoss, Inc.

Industry: IT Network Security

Primary Location(s): San Diego

Amount of Tax Credit Awarded: \$320,000

Amount of Tax Credit Recaptured: \$256,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/ibossamended>

Reason for Agreement Termination and Credit Recapture:

iBoss, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2018 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



7. True Light Electric, Inc.

Industry: Electrical Contracting Services

Primary Location(s): La Mesa

Amount of Tax Credit Awarded: \$100,000

Amount of Tax Credit Recaptured: \$100,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/truelightelectric>

Reason for Agreement Termination and Credit Recapture:

True Light Electric, 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.

8. Integral Consulting, Inc.

Industry: Environmental Consulting Services

Primary Location(s): Larkspur, Petaluma, San Francisco, and Santa Cruz

Amount of Tax Credit Awarded: \$74,000

Amount of Tax Credit Recaptured: \$74,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/IntegralConsulting>

Reason for Agreement Termination and Credit Recapture:

Integral Consulting, 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.

9. Council Brewing Company LLC

Industry: Specialty Micro-Brewery

Primary Location(s): San Diego

Amount of Tax Credit Awarded: \$45,000

Amount of Tax Credit Recaptured: \$36,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/CouncilBrewing>

Reason for Agreement Termination and Credit Recapture:

Council Brewing Company LLC 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.



10. Klean Kanteen, Inc.

Industry: Bottle and Container Manufacturing

Primary Location(s): Chico

Amount of Tax Credit Awarded: \$50,000

Amount of Tax Credit Recaptured: \$30,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/kleankanteenincorporated>

Reason for Agreement Termination and Credit Recapture:

Klean Kanteen, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2018 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

11. Robert L. Horvath, Inc. dba Clayborn Lab

Industry: Electrical Equipment and Component Manufacturing

Primary Location(s): Truckee

Amount of Tax Credit Awarded: \$20,000

Amount of Tax Credit Recaptured: \$10,000

Link to Tax Credit Agreement to be Terminated: <http://bit.ly/claybornlab>

Reason for Agreement Termination and Credit Recapture:

Robert L. Horvath, Inc. dba Clayborn Lab's California Competes Tax Credit Agreement expired at the end of its 2018 tax year which was the final year to achieve the milestones and claim any corresponding credit. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

Remainder of this page is intentionally left blank.