

Gavin Newsom
Governor

Dee Dee Myers
Director

Chris Dombrowski
Chief Deputy Director

Scott Dosick
Deputy Director,
California Competes
Tax Credit Program

Jee Liyanage
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California Competes

Committee Meeting

Thursday, November 14, 2024

1:00 p.m.

California Lottery Headquarters
700 N 10th Street
Sacramento, CA 95811

And the California Competes Tax Credit (CCTC) Committee Meeting was live streamed for public viewing on [Zoom](#).

MEMBERS:

Dee Dee Myers, Chair
Director
Governor's Office of
Business and Economic
Development

Fiona Ma
State Treasurer

Joe Stephenshaw, Director
Department of Finance

Todd Walters, Appointee of
the Senate Committee on
Rules

Madeline Janis, Appointee of
the Speaker of the Assembly

Minutes

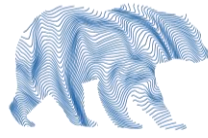
OPEN SESSION

A. Call to Order and Roll Call

Chair Dee Dee Myers called the meeting of the California Competes Tax Credit Committee (Committee) to order at 1:01pm.

Members Present: Chair Myers, Patrick Henning (representing the State Treasurer), Michele Perrault (representing the Department of Finance), and Todd Walters (representing the Senate Committee on Rules).

B. Approval of Minutes from June 13, 2024, Committee Meeting



Chair Myers asked if there were any questions from the Committee Members or public comments on Agenda Item B regarding the minutes from the June 13, 2024 meeting. Deputy Director Dosick confirmed there were no public comments.

Action Moved/Seconded: Members Henning/Walters

Yes: Members Henning, Perrault, Walters, Myers

No: None

C. Deputy Director's Report

Agenda Overview - Agreements with 2 Businesses, Total Tax Credits \$10,733,333

Deputy Director Dosick reminded members of the public that if they wanted to make a public comment, then they may fill out one of the public comment cards located at the entrance of the room. All members of the public making comments were asked to provide their full name and organization (if applicable), and the agenda item for which they have comments. Names and organizations are optional and for identification purposes only, so that we may introduce them when the Chair asks if there are any public comments for the current agenda item. Public commenters were requested to limit their comments to no more than 3 minutes.

The Governor's Office of Business and Economic Development (GO-Biz) recommended 2 tax credit awards totaling \$10.73 million. Mr. Dosick stated that each of the businesses recommended for the award certified in its application that this credit will be a significant factor in their decision or ability to commit to creating new, full-time jobs in California.

Mr. Dosick expressed his appreciation for the entire California Competes team for their diligence and commitment to analytical excellence.

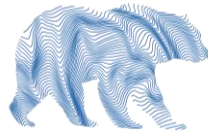
D. Discussion and Approval of California Competes Tax Credit Agreements

Total Recommended Tax Credits: **\$10,550,000**

Total Recommended Tax Credits after Adjusting for S-Corporation Law¹: **\$10,733,333**

Chair Myers asked if there were any questions or comments from the Committee or members of the public on any items under Agenda Item D. Deputy Director Dosick confirmed that there were no public comments. Chair Myers called for a motion to approve Agenda Item D.

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)).



Action Moved/Seconded: Members Henning/Walters

Yes: Members Henning, Perrault, Walters, Myers

No: None

E. Discussion and Approval of Recommendations for California Competes Tax Credit Recapture

Total Tax Credits Recommended to be Recaptured: **\$59,694,781**

Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law²: **\$61,097,374**

Chair Myers asked if there were any questions or comments from the Committee or members of the public on any items under Agenda Item E. Deputy Director Dosick confirmed that there were no public comments. Chair Myers called for a motion to approve all items under Agenda Item E.

Action Moved/Seconded: Members Henning/Walters

Yes: Members Henning, Perrault, Walters, Myers

No: None

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

Total Recommended Tax Credits to be Recaptured: **\$2,247,836**

Total Recommended Tax Credits to be Recaptured after Adjusting for S-Corporation Law³: **\$2,268,503**

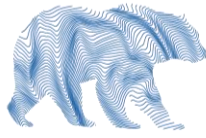
Chair Myers asked if there were any questions or comments from the Committee or members of the public on any of the items under Agenda Item F. Deputy Director Dosick confirmed that there were no public comments. Chair Myers called for a motion to approve all items under Agenda Item F.

Action Moved/Seconded: Members Henning/Walters

Yes: Members Henning, Perrault, Walters, Myers

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 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)).



No: None

G. Discussion and Approval of Recommendations for California Competes Grant Recapture
Total Grant Recommended to be Recaptured: \$5,000,000

Chair Myers asked if there were any questions or comments from the Committee or members of the public on Agenda Item G. Deputy Director Dosick confirmed that there were no public comments. Chair Myers called for a motion to approve Agenda Item G.

H. Public Comment

Chair Myers asked if there were any public comments regarding items not on the agenda.

Member Henning stated that the California Treasurer's perspective is that California Competes is a tremendous program that has seen some great successes. He also noted that they would like to see more from programs like California Competes in support of California businesses.

Chair Myers thanked Member Henning for his comment and thanked Deputy Director Dosick and the California Competes team for a thorough and thoughtful process. She noted the California Competes program has been studied by more than one organization and has been commended for its effectiveness and accountability. She agreed she would love to see more, considering it's one of the most useful tools in California's arsenal in attracting and retaining businesses in California and is a model for other programs.

Deputy Director Dosick confirmed there were no public comments received.

I. Adjournment

Chair Myers adjourned the meeting at 1:07pm.