

Gavin Newsom
Governor

Dee Dee Myers
Director

Chris Dombrowski
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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

Parking information is available at:

<https://business.ca.gov/wp-content/uploads/2024/10/California-Competes-Committee-Meeting-Parking-Information.pdf>

The meeting will also be available for viewing only, with no option for public comment, via Live Stream at:

https://us02web.zoom.us/webinar/register/WN_sNUObCMnT0i-MrdoxwCpmg

Public comments will be accepted at the meeting location listed above.

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

AGENDA

OPEN SESSION

A. Call to Order and Roll Call

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

C. Deputy Director's Report

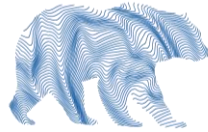
- Agenda Overview - Agreements with 2 Businesses, Total Tax Credits: \$10,550,000

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

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. Cribl, Inc.

Industry: Cloud-Based Information and Data Management Services

Primary Location(s): Bay Area

Employee Net Increase: 254

Aggregate Investment: \$11,700,000

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

[Link to Tax Credit Agreement](#)

2. Pacific Hardwood Co.

Industry: Flooring Product Manufacturing

Primary Location(s): Orange

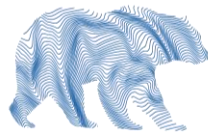
Employee Net Increase: 42

Aggregate Investment: \$2,540,000

Amount of Tax Credit Awarded: \$550,000

[Link to Tax Credit Agreement](#)

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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**

1. Luminous Computing, Inc.

Industry: Semiconductor Engineering and Manufacturing

Primary Location(s): Santa Clara

Amount of Tax Credit Awarded: \$13,000,000

Amount of Tax Credit Recaptured: \$13,000,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Luminous Computing, 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. Burlington Distribution Corp.

Industry: Online Order Fulfillment Warehouse and Retail Distribution

Primary Location(s): Perris, Hesperia, Jurupa Valley, or Shafter

Amount of Tax Credit Awarded: \$12,000,000

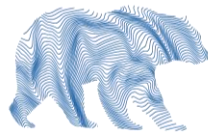
Amount of Tax Credit Recaptured: \$12,000,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Burlington Distribution 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.

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. FN Logistics, Inc.

Industry: Online Order Fulfillment Warehouse and Retail Distribution

Primary Location(s): Santa Fe Springs and Riverside County or San Bernardino County

Amount of Tax Credit Awarded: \$13,000,000

Amount of Tax Credit Recaptured: \$11,900,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

FN Logistics, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2023 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.

4. BW Industries, Inc.

Industry: Custom Computer Programming Services

Primary Location(s): Fresno, Bakersfield, Oakland, and Merced

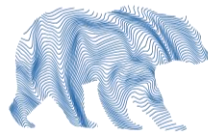
Amount of Tax Credit Awarded: \$5,000,000

Amount of Tax Credit Recaptured: \$5,000,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

GO-Biz has determined that BW Industries, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and BW Industries, Inc. and recapture its CCTC.



5. Uniformity Labs, Inc.

Industry: 3D Printing Materials Manufacturing

Primary Location(s): Fremont, Hayward, and Unknown

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

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

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

GO-Biz has determined that Uniformity Labs, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Uniformity Labs, Inc. and recapture its CCTC.

6. Infinity Energy, Inc.

Industry: Electric Vehicle Charging Station Manufacturing

Primary Location(s): Fresno

Amount of Tax Credit Awarded: \$2,500,000

Amount of Tax Credit Recaptured: \$2,500,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

GO-Biz has determined that Infinity Energy, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Infinity Energy, Inc. and recapture its CCTC.

7. CalPlant I LLC

Industry: Wood Product Manufacturing

Primary Location(s): Willows

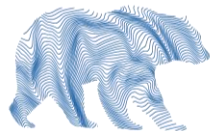
Amount of Tax Credit Awarded: \$2,000,000

Amount of Tax Credit Recaptured: \$2,000,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

GO-Biz has determined that CalPlant I LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and CalPlant I LLC and recapture its CCTC.



8. Affirm, Inc.

Industry: Online Financial Services

Primary Location(s): San Francisco

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

Amount of Tax Credit Recaptured: \$1,400,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Affirm, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses.

9. Create Music Group, Inc.

Industry: Digital Music Rights Services

Primary Location(s): Los Angeles

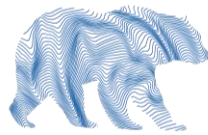
Amount of Tax Credit Awarded: \$1,500,000

Amount of Tax Credit Recaptured: \$1,050,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Create Music Group, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2023 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.



10. Cokeva, Inc.

Industry: Electronic and Precision Equipment Repair Services

Primary Location(s): Roseville and Northern California

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

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

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Cokeva, 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.

11. Meals for All, Inc.

Industry: Emergency Nutrition Program Services

Primary Location(s): Sacramento County

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

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

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Meals for All, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2023 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.

12. Steeped, Inc.

Industry: Beverage Manufacturing

Primary Location(s): Scotts Valley and Santa Cruz

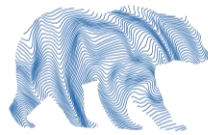
Amount of Tax Credit Awarded: \$1,000,000

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

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Steeped, 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.



13. Redtail Technology, Inc.

Industry: Software Development

Primary Location(s): Sacramento

Amount of Tax Credit Awarded: \$980,000

Amount of Tax Credit Recaptured: \$980,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Redtail Technology, 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.

14. AS America, Inc.

Industry: Plumbing and Building Products Distribution

Primary Location(s): San Bernardino County or Riverside County

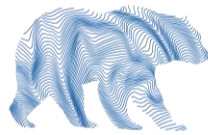
Amount of Tax Credit Awarded: \$1,240,000

Amount of Tax Credit Recaptured: \$540,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

AS America, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2023 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.



15. Labcon, North America

Industry: Plastics Manufacturing

Primary Location(s): Petaluma

Amount of Tax Credit Awarded: \$800,000

Amount of Tax Credit Recaptured: \$480,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Labcon, North America's California Competes Tax Credit Agreement expired at the end of its 2020 tax year. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses.

16. Bell Brother's Heating and Air, Inc.

Industry: Heating and Air-Conditioning Installation and Repair Services

Primary Location(s): Auburn, Elk Grove, Fairfield, Manteca, and Mather

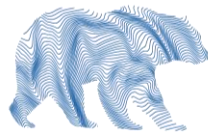
Amount of Tax Credit Awarded: \$590,000

Amount of Tax Credit Recaptured: \$472,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Bell Brother's Heating and Air, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2020 tax year which was the final year to achieve the milestones and claim any corresponding credit. The Franchise Tax Board has determined that the business did not achieve or maintain some or all of its milestones for years in which it was previously approved to claim the credit. Any credit not earned by the completion of the agreement or not maintained for three subsequent years after the year in which the milestones are achieved must be recaptured in order to be made available to other California businesses.



17. Solatube International, Inc.

Industry: Lighting Manufacturing

Primary Location(s): Vista

Amount of Tax Credit Awarded: \$250,000

Amount of Tax Credit Recaptured: \$250,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Solatube International, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. The Franchise Tax Board has determined that the business did not achieve or maintain some or all of its milestones for years in which it was previously approved to claim the credit. Any credit not earned by the completion of the agreement or not maintained for three subsequent years after the year in which the milestones are achieved must be recaptured in order to be made available to other California businesses.

18. Enviro Tech Chemical Services, Inc.

Industry: Chemical Manufacturing

Primary Location(s): Modesto

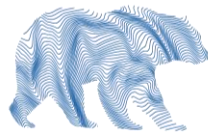
Amount of Tax Credit Awarded: \$400,000

Amount of Tax Credit Recaptured: \$240,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Enviro Tech Chemical Services, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses.



19. United Pacific Industries, Inc.

Industry: Online Automotive Parts Merchant

Primary Location(s): Long Beach

Amount of Tax Credit Awarded: \$230,000

Amount of Tax Credit Recaptured: \$230,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

United Pacific Industries, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2023 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.

20. Unique Elevator Interiors LLC (Unique Elevator Interiors, Inc.)

Industry: Elevator Interior Manufacturing and Installation

Primary Location(s): Alameda

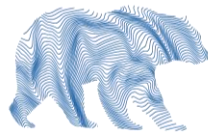
Amount of Tax Credit Awarded: \$213,781

Amount of Tax Credit Recaptured: \$213,781

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

GO-Biz has determined that Unique Elevator Interiors LLC (Unique Elevator Interiors, Inc.) is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Unique Elevator Interiors LLC (Unique Elevator Interiors, Inc.) and recapture its CCTC.



21. Sherpa Clinical Packaging LLC

Industry: Biomedical and Biotechnology Shipping Equipment Manufacturing and Services

Primary Location(s): San Diego

Amount of Tax Credit Awarded: \$175,000

Amount of Tax Credit Recaptured: \$175,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

GO-Biz has determined that Sherpa Clinical Packaging LLC is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Sherpa Clinical Packaging LLC and recapture its CCTC.

22. HealthQuest Laboratories, Inc.

Industry: Medical Laboratories

Primary Location(s): Tustin and Santa Ana

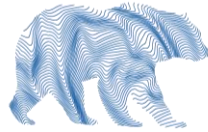
Amount of Tax Credit Awarded: \$400,000

Amount of Tax Credit Recaptured: \$160,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

HealthQuest Laboratories, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses.



23. Healthbreads, Inc.

Industry: Food Manufacturing

Primary Location(s): San Marcos

Amount of Tax Credit Awarded: \$200,000

Amount of Tax Credit Recaptured: \$80,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Healthbreads, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2023 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.

24. Sunrise Mfg., Inc.

Industry: Freight Securing Product Manufacturing and Services

Primary Location(s): Rancho Cordova

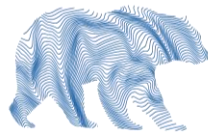
Amount of Tax Credit Awarded: \$40,000

Amount of Tax Credit Recaptured: \$24,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Sunrise Mfg., Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. The Franchise Tax Board has determined that the business did not achieve or maintain some or all of its milestones for years in which it was previously approved to claim the credit. Any credit not earned by the completion of the agreement or not maintained for three subsequent years after the year in which the milestones are achieved must be recaptured in order to be made available to other California businesses.



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

1. Sada Systems, Inc.

Industry: Cloud-based Information and Data Evaluation Services

Primary Location(s): Los Angeles

Amount of Tax Credit Awarded: \$2,800,000

Previous Amount of Tax Credit Recaptured: \$1,625,000

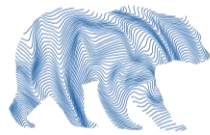
Additional Amount of Tax Credit Recaptured: \$1,175,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Sada Systems, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2022 tax year which was the final year to achieve the milestones and claim any corresponding credit. On June 15, 2023, the Committee recaptured \$1,625,000. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses. Accordingly, GO-Biz recommends that the CCTC Committee recapture \$1,175,000.

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)).



2. Procore Technologies, Inc.

Industry: Software Developer

Primary Location(s): Carpinteria, San Jose, and San Diego

Amount of Tax Credit Awarded: \$2,500,000

Previous Amount of Tax Credit Recaptured: \$1,500,000

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

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Procore Technologies, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. On June 16, 2022, the Committee recaptured \$1,500,000. Subsequently, Procore Technologies, Inc. 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. Accordingly, GO-Biz recommends that the CCTC Committee recapture the remaining \$1,000,000.

3. StreamGuys, Inc.

Industry: Internet Publishing and Broadcasting

Primary Location(s): San Luis Obispo

Amount of Tax Credit Awarded: \$250,000

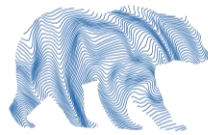
Previous Amount of Tax Credit Recaptured: \$50,000

Additional Amount of Tax Credit Recaptured: \$50,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

StreamGuys, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2021 tax year which was the final year to achieve the milestones and claim any corresponding credit. On November 17, 2022, the Committee recaptured \$50,000. Any credit not maintained for three subsequent years after the year in which the milestones are achieved is subject to recapture in order to be made available to other California businesses. Accordingly, GO-Biz recommends that the CCTC Committee recapture \$50,000.



4. Telcion Communications Group

Industry: Telecommunications Consulting Services

Primary Location(s): Turlock

Amount of Tax Credit Awarded: \$60,000

Previous Amount of Tax Credit Recaptured: \$12,000

Additional Amount of Tax Credit Recaptured: \$12,000

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

Telcion Communications Group's California Competes Tax Credit Agreement expired at the end of its 2020 tax year which was the final year to achieve the milestones and claim any corresponding credit. On November 16, 2023, the Committee recaptured \$12,000. The Franchise Tax Board has determined that the business did not achieve or maintain some or all of its milestones for years in which it was previously approved to claim the credit. Any credit not earned by the completion of the agreement or not maintained for three subsequent years after the year in which the milestones are achieved must be recaptured in order to be made available to other California businesses. Accordingly, GO-Biz recommends that the CCTC Committee recapture \$12,000.

5. ResolutionCare Network LLC

Industry: Healthcare Administration

Primary Location(s): Eureka

Amount of Tax Credit Awarded: \$54,180

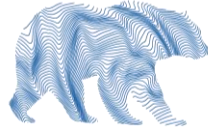
Previous Amount of Tax Credit Recaptured: \$43,344

Additional Amount of Tax Credit Recaptured: \$10,836

[Link to Tax Credit Agreement to be Recaptured](#)

Reason for Credit Recapture:

ResolutionCare Network LLC's California Competes Tax Credit Agreement expired at the end of its 2020 tax year which was the final year to achieve the milestones and claim any corresponding credit. On November 4, 2021, the Committee recaptured \$43,344. Subsequently, ResolutionCare Network LLC 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. Accordingly, GO-Biz recommends that the CCTC Committee recapture \$10,836.



G. Discussion and Approval of Recommendations for California Competes Grant Recapture

Total Grant Recommended to be Recaptured: \$5,000,000

1. Cuberg, Inc.

Industry: Battery Manufacturing

Primary Location(s): San Leandro and Unknown

Amount of Grant Awarded: \$5,000,000

Amount of Grant Recaptured: \$5,000,000

[Link to Grant Agreement to be Recaptured](#)

Reason for Grant Recapture:

GO-Biz has determined that Cuberg, Inc. is in material breach of the Agreement. Accordingly, GO-Biz recommends that the CCTC Committee terminate the Agreement between GO-Biz and Cuberg, Inc. and recapture its grant.

H. Public Comment

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 Jee Liyanage, Assistant Deputy Director, at 916-322-2669 or jeevani.liyanage@gobiz.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 Jee Liyanage no later than five calendar days before the meeting.