



GOVERNOR'S OFFICE OF BUSINESS  
AND ECONOMIC DEVELOPMENT



**Edmund G. Brown, Jr**  
*Governor*

**Kish Rajan**  
*Director*

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*Chief Deputy Director*

**Grace Arupo-Rodriguez**  
*Deputy Director of Legal Affairs*

**Will Koch**  
*Deputy Director of California  
Competes Tax Credit Program*

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and Economic Development  
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**California Competes Tax Credit Program**

**Committee Meeting**

**Thursday, January 15, 2015  
1:30 p.m.**

California Environmental Protection Agency  
1001 I Street, 2<sup>nd</sup> Floor  
Byron Sher Auditorium  
Sacramento, CA 95814

**MEMBERS:**

**Michael E. Rossi**, Chair  
*Senior Advisor to the Governor  
of California,  
Delegate to the Director,  
Governor's Office of Business  
and Economic Development*

**John Chiang**  
*State Treasurer*

**Michael Cohen**, Director  
*Department of Finance*

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

**Greg Conger**, Appointee of the  
*Speaker of the Assembly*

**AGENDA**

**OPEN SESSION**

- A. Call to Order and Roll Call**
- B. Approval of Minutes from June 19, 2014, Meeting**
- C. Deputy Director's Report**
- D. Discussion and Approval of California Competes Tax Credit Agreements with Businesses other than Small Businesses**

<b>Total Recommended Tax Credits:</b>	<b>\$19,530,000</b>
<b>Total Recommended Tax Credits after Adjusting for S-Corporation Law<sup>1</sup>:</b>	<b>\$20,570,000</b>

<sup>1</sup> 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)).



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1. Niagara Bottling, LLC  
Industry: Bottled Water Manufacturing  
Primary Location(s): Rialto  
Net Increase of Full-time Employees: 409  
Investment: \$193,685,882  
Amount of Tax Credit: \$2,700,000  
Link to Tax Credit Agreement: <http://bit.ly/niagarabottling>
  
2. Arkay Acquisition, LLC  
Industry: Transit Bus Manufacturing  
Primary Location(s): Livermore  
Net Increase of Full-time Employees: 105  
Investment: \$100,421,268  
Amount of Tax Credit: \$1,800,000  
Link to Tax Credit Agreement: <http://bit.ly/arkayacquisition>
  
3. Kite Pharma, Inc.  
Industry: Biopharmaceutical R&D, and Manufacturing  
Primary Location(s): El Segundo  
Net Increase of Full-time Employees: 186  
Investment: \$52,559,000  
Amount of Tax Credit: \$1,800,000  
Link to Tax Credit Agreement: <http://bit.ly/kitepharma>
  
4. Fox Factory, Inc.  
Industry: Shock Absorber and Racing Suspension Product Manufacturing  
Primary Location(s): El Cajon  
Net Increase of Full-time Employees: 267  
Investment: \$10,800,000  
Amount of Tax Credit: \$1,700,000  
Link to Tax Credit Agreement: <http://bit.ly/foxfactory>
  
5. Neustar, Inc.  
Industry: Cloud-based Information & Data Evaluation Services  
Primary Location(s): San Francisco  
Net Increase of Full-time Employees: 264  
Investment: \$2,500,000  
Amount of Tax Credit: \$1,500,000  
Link to Tax Credit Agreement: <http://bit.ly/neustarinc>



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6. QVC, Inc.  
Industry: Western U.S. Retail Warehouse and Distribution  
Primary Location(s): Eastvale, Ontario, or Rialto  
Net Increase of Full-time Employees: 521  
Investment: \$165,000,000  
Amount of Tax Credit: \$1,400,000  
Link to Tax Credit Agreement: [http://bit.ly/qvc\\_inc](http://bit.ly/qvc_inc)
  
7. Dasco Engineering Corporation  
Industry: Aerospace Component Manufacturing  
Primary Location(s): Long Beach & Torrance  
Net Increase of Full-time Employees: 57  
Investment: \$3,085,000  
Amount of Tax Credit: \$1,000,000  
Link to Tax Credit Agreement: <http://bit.ly/dascoengineering>
  
8. Orora North America  
Industry: Corrugated and Solid Fiber Box Manufacturing  
Primary Location(s): Buena Park  
Net Increase of Full-time Employees: 75  
Investment: \$74,100,000  
Amount of Tax Credit: \$1,000,000  
Link to Tax Credit Agreement: <http://bit.ly/ororanorthamerica>
  
9. Gordon Brush Mfg. Co., Inc.  
Industry: Industrial Brush Manufacturing  
Primary Location(s): City of Industry  
Net Increase of Full-time Employees: 54  
Investment: \$15,650,000  
Amount of Tax Credit: \$800,000  
Link to Tax Credit Agreement: <http://bit.ly/gordonbrush>
  
10. Patagonia Works  
Industry: Retail Management (HQ Expansion)  
Primary Location(s): Ventura  
Net Increase of Full-time Employees: 175  
Investment: \$39,900,000  
Amount of Tax Credit: \$700,000  
Link to Tax Credit Agreement: <http://bit.ly/patagoniaworks>



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11. AFC Trident, Inc.  
Industry: Tablet & Phone Case Manufacturing  
Primary Location(s): Ontario  
Net Increase of Full-time Employees: 83  
Investment: \$2,600,000  
Amount of Tax Credit: \$650,000  
Link to Tax Credit Agreement: <http://bit.ly/afctrident>
  
12. CSI Tubular Products, Inc.  
Industry: Flat Rolled Steel Production  
Primary Location(s): Fontana  
Net Increase of Full-time Employees: 105  
Investment: \$15,631,274  
Amount of Tax Credit: \$540,000  
Link to Tax Credit Agreement: <http://bit.ly/csitubular>
  
13. United States Gypsum Company  
Industry: Gypsum Wall-board Manufacturing  
Primary Location(s): Plaster City  
Net Increase of Full-time Employees: 59  
Investment: \$39,000,000  
Amount of Tax Credit: \$450,000  
Link to Tax Credit Agreement: <http://bit.ly/unitedstatesgypsum>
  
14. Kinkisharyo (USA), Inc.  
Industry: Light Rail Vehicle Manufacturing  
Primary Location(s): Palmdale  
Net Increase of Full-time Employees: 186  
Investment: \$345,571  
Amount of Tax Credit: \$450,000  
Link to Tax Credit Agreement: <http://bit.ly/kinkisharyousa>
  
15. Canyon Plastics, Inc.  
Industry: Plastic Container Manufacturing  
Primary Location(s): Valencia  
Net Increase of Full-time Employees: 45  
Investment: \$4,800,000  
Amount of Tax Credit: \$350,000  
Link to Tax Credit Agreement: <http://bit.ly/canyonplasticsinc>



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16. Sunshine Butter Company  
Industry: Dairy Processing & Production  
Primary Location(s): City of Industry  
Net Increase of Full-time Employees: 51  
Investment: \$20,500,000  
Amount of Tax Credit: \$325,000  
Link to Tax Credit Agreement: <http://bit.ly/sunshinebutter>
17. iBoss, Inc.  
Industry: IT Network Security  
Primary Location(s): San Diego  
Net Increase of Full-time Employees: 109  
Investment: \$12,700,000  
Amount of Tax Credit: \$320,000  
Link to Tax Credit Agreement: <http://bit.ly/ibossinc>
18. Eldorado National (California), Inc.  
Industry: Commercial Bus Manufacturing  
Primary Location(s): Riverside  
Net Increase of Full-time Employees: 58  
Investment: \$1,025,000  
Amount of Tax Credit: \$290,000  
Link to Tax Credit Agreement: <http://bit.ly/eldoradonational>
19. Crystal Geyser Water Company  
Industry: Beverage Production  
Primary Location(s): Mt. Shasta  
Net Increase of Full-time Employees: 12  
Investment: \$62,000,000  
Amount of Tax Credit: \$237,500  
Link to Tax Credit Agreement: <http://bit.ly/crystalgeyser>
20. Fruit Growers Supply Company  
Industry: Sawmills and Agricultural Shipping Product Manufacturing  
Primary Location(s): Yreka & Ontario  
Net Increase of Full-time Employees: 30  
Investment: \$27,292,997  
Amount of Tax Credit: \$200,000  
Link to Tax Credit Agreement: <http://bit.ly/fruitgrowerssupply>



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21. Sentry Control Systems, LLC  
Industry: Technology-Based Parking Solutions  
Primary Location(s): Van Nuys  
Net Increase of Full-time Employees: 35  
Investment: \$1,250,000  
Amount of Tax Credit: \$200,000  
Link to Tax Credit Agreement: <http://bit.ly/sentrycontrol>
22. ESL Power Systems, Inc.  
Industry: Electrical Component Manufacturing  
Primary Location(s): Corona  
Net Increase of Full-time Employees: 24  
Investment: \$370,000  
Amount of Tax Credit: \$200,000  
Link to Tax Credit Agreement: <http://bit.ly/eslpower>
23. Underground Elephant, Inc.  
Industry: IT Digital Marketing Services  
Primary Location(s): San Diego  
Net Increase of Full-time Employees: 16  
Investment: \$1,618,200  
Amount of Tax Credit: \$165,000  
Link to Tax Credit Agreement: <http://bit.ly/undergroundelephant>
24. Adams Group, Inc.  
Industry: Agricultural Processing  
Primary Location(s): Arbuckle & Woodland  
Net Increase of Full-time Employees: 15  
Investment: \$10,350,000  
Amount of Tax Credit: \$147,500  
Link to Tax Credit Agreement: <http://bit.ly/adamsgroup>
25. Quality Controlled Manufacturing  
Industry: Machine Parts Manufacturing  
Primary Location(s): Santee  
Net Increase of Full-time Employees: 22  
Investment: \$2,700,000  
Amount of Tax Credit: \$130,000  
Link to Tax Credit Agreement: <http://bit.ly/qualitycontrolled>



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26. MAC Thin Films, Inc.  
Industry: Film Coating Manufacturing  
Primary Location(s): Santa Rosa  
Net Increase of Full-time Employees: 87  
Investment: \$550,000  
Amount of Tax Credit: \$100,000  
Link to Tax Credit Agreement: <http://bit.ly/macthinfilms>
27. Gravity Defyer Corporation  
Industry: Footwear Manufacturing  
Primary Location(s): Pacoima  
Net Increase of Full-time Employees: 25  
Investment: \$1,152,000  
Amount of Tax Credit: \$100,000  
Link to Tax Credit Agreement: <http://bit.ly/gravitydefyer>
28. MBC USA, Inc.  
Industry: Cheese Processing and Packaging  
Primary Location(s): Thousand Palms  
Net Increase of Full-time Employees: 45  
Investment: \$6,635,000  
Amount of Tax Credit: \$100,000  
Link to Tax Credit Agreement: <http://bit.ly/mbcusa>
29. Development Group, Inc.  
Industry: Computer Systems Management & Design Services  
Primary Location(s): Redding  
Net Increase of Full-time Employees: 36  
Investment: \$6,998,702  
Amount of Tax Credit: \$80,000  
Link to Tax Credit Agreement: <http://bit.ly/developmentgroup>
30. Klean Kanteen, Inc.  
Industry: Bottle & Container Manufacturing  
Primary Location(s): Chico  
Net Increase of Full-time Employees: 35  
Investment: \$2,838,864  
Amount of Tax Credit: \$50,000  
Link to Tax Credit Agreement: <http://bit.ly/kleankanteeninc>





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31. Wily Fox Technologies, Inc.  
 Industry: Computer Systems Design Services  
 Primary Location(s): El Dorado Hills  
 Net Increase of Full-time Employees: 15  
 Investment: \$45,000  
 Amount of Tax Credit: \$25,000  
 Link to Tax Credit Agreement: <http://bit.ly/wilyfox>

32. Delta Hi-Tech, Inc.  
 Industry: CNC Machining  
 Primary Location(s): Chatsworth  
 Net Increase of Full-time Employees: 19  
 Investment: \$2,750,000  
 Amount of Tax Credit: \$20,000  
 Link to Tax Credit Agreement: <http://bit.ly/deltahitech>

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

**Total Recommended Tax Credits: \$10,426,698**  
**Total Recommended Tax Credits after Adjusting for S-Corporation Law<sup>2</sup>: \$10,996,031**

1. BYD Motors, Inc.  
 Industry: Electric Bus Manufacturing  
 Primary Location(s): Lancaster & Los Angeles  
 Net Increase of Full-time Employees: 590  
 Investment: \$51,000,000  
 Amount of Tax Credit: \$3,001,698  
 Link to Tax Credit Agreement: <http://bit.ly/bydmotors>

2. Oasis Technology, Inc.  
 Industry: Computer Systems Design & Consulting Services  
 Primary Location(s): Camarillo  
 Net Increase of Full-time Employees: 357  
 Investment: \$1,000,000  
 Amount of Tax Credit: \$2,000,000  
 Link to Tax Credit Agreement: <http://bit.ly/oasistechnology>

<sup>2</sup> 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)).





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3. Virun, Inc.  
Industry: Nutritional Biotechnology R&D  
Primary Location(s): Pomona  
Net Increase of Full-time Employees: 99  
Investment: \$20,000,000  
Amount of Tax Credit: \$1,875,000  
Link to Tax Credit Agreement: <http://bit.ly/viruninc>
  
4. Omni Consulting Solutions LLC  
Industry: Military, Defense, and Aerospace Consulting  
Primary Location(s): El Segundo  
Net Increase of Full-time Employees: 29  
Investment: \$148,800  
Amount of Tax Credit: \$500,000  
Link to Tax Credit Agreement: <http://bit.ly/omniconsulting>
  
5. Wolf & Associates, Inc.  
Industry: 3D Printer Manufacturing  
Primary Location(s): Costa Mesa  
Net Increase of Full-time Employees: 120  
Investment: \$1,200,000  
Amount of Tax Credit: \$500,000  
Link to Tax Credit Agreement: <http://bit.ly/wolfandassociates>
  
6. Remark Enterprises LLC  
Industry: Cryotherapy Services  
Primary Location(s): Davis  
Net Increase of Full-time Employees: 126  
Investment: \$15,300,000  
Amount of Tax Credit: \$400,000  
Link to Tax Credit Agreement: <http://bit.ly/remarkenterprises>
  
7. Sage Goddess, Inc.  
Industry: Natural Bath & Beauty Product Manufacturer and Online Retailer  
Primary Location(s): Torrance  
Net Increase of Full-time Employees: 32  
Investment: \$855,000  
Amount of Tax Credit: \$400,000  
Link to Tax Credit Agreement: <http://bit.ly/sagegoddess>



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8. East Bay Ophthalmology, Inc.  
Industry: Ophthalmologic Surgery & Related Services  
Primary Location(s): Pinole  
Net Increase of Full-time Employees: 28  
Investment: \$4,488,000  
Amount of Tax Credit: \$400,000  
Link to Tax Credit Agreement: <http://bit.ly/eastbayophthalmology>
  
9. Fluoresprobe Sciences LLC  
Industry: Biotechnology R&D  
Primary Location(s): San Diego  
Net Increase of Full-time Employees: 14  
Investment: \$2,050,000  
Amount of Tax Credit: \$220,000  
Link to Tax Credit Agreement: <http://bit.ly/fluoresprobe>
  
10. LCMS Solutions, Inc.  
Industry: Medical Laboratories  
Primary Location(s): San Diego & La Jolla  
Net Increase of Full-time Employees: 24  
Investment: \$415,000  
Amount of Tax Credit: \$220,000  
Link to Tax Credit Agreement: <http://bit.ly/lcmssolutions>
  
11. Wesley Enterprise, Inc.  
Industry: Medical Document Preparation Services  
Primary Location(s): Yorba Linda  
Net Increase of Full-time Employees: 8  
Investment: \$0.00  
Amount of Tax Credit: \$200,000  
Link to Tax Credit Agreement: <http://bit.ly/wesleyenterprise>
  
12. MK Partners Inc  
Industry: Computer Systems Design Services  
Primary Location(s): Los Angeles  
Net Increase of Full-time Employees: 33  
Investment: \$193,000  
Amount of Tax Credit: \$160,000  
Link to Tax Credit Agreement: <http://bit.ly/mkpartners>



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13. Pressure Profile Systems, Inc.  
Industry: Computer and Electronic Engineering Services  
Primary Location(s): Los Angeles  
Net Increase of Full-time Employees: 23  
Investment: \$0.00  
Amount of Tax Credit: \$100,000  
Link to Tax Credit Agreement: <http://bit.ly/pressureprofile>
14. Kurios, Inc.  
Industry: Solar Power Installation and Repair Services  
Primary Location(s): Manteca  
Net Increase of Full-time Employees: 40  
Investment: \$319,400  
Amount of Tax Credit: \$100,000  
Link to Tax Credit Agreement: <http://bit.ly/kuriosinc>
15. Modern Times LLC  
Industry: Specialty Micro-Brewery  
Primary Location(s): San Diego  
Net Increase of Full-time Employees: 65  
Investment: \$24,920,000  
Amount of Tax Credit: \$60,000  
Link to Tax Credit Agreement: <http://bit.ly/moderntimesllc>
16. Brian Boyd  
Industry: Wealth Management and Insurance Sales  
Primary Location(s): Sacramento  
Net Increase of Full-time Employees: 3  
Investment: \$282,000  
Amount of Tax Credit: \$47,000  
Link to Tax Credit Agreement: <http://bit.ly/brianboyd>
17. Pikios Auto LLC, dba Midtown Autoworks  
Industry: Automotive Repair  
Primary Location(s): Sacramento  
Net Increase of Full-time Employees: 3  
Investment: \$0.00  
Amount of Tax Credit: \$45,000  
Link to Tax Credit Agreement: <http://bit.ly/pikiosauto>



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18. Carrazco & Associates  
Industry: Accounting Services  
Primary Location(s): Sacramento  
Net Increase of Full-time Employees: 4  
Investment: \$145,000  
Amount of Tax Credit: \$39,500  
Link to Tax Credit Agreement: <http://bit.ly/carrazco>
19. Pantek Partners LLC  
Industry: Agricultural Commodity Trading  
Primary Location(s): San Diego  
Net Increase of Full-time Employees: 67  
Investment: \$100,000  
Amount of Tax Credit: \$30,000  
Link to Tax Credit Agreement: <http://bit.ly/pantekpartners>
20. Wright & Wright, Inc.  
Industry: Accounting Services  
Primary Location(s): Yuba City  
Net Increase of Full-time Employees: 4  
Investment: \$60,000  
Amount of Tax Credit: \$24,500  
Link to Tax Credit Agreement: <http://bit.ly/wrightandwright>
21. Robert Galligan & Associates, Inc.  
Industry: Insurance Agencies and Brokerages  
Primary Location(s): Marysville  
Net Increase of Full-time Employees: 2  
Investment: \$400,000  
Amount of Tax Credit: \$24,000  
Link to Tax Credit Agreement: <http://bit.ly/robertgalligan>
22. Graveline Financial, Inc.  
Industry: Financial and Insurance Services  
Primary Location(s): Fresno  
Net Increase of Full-time Employees: 2  
Investment: \$7,000  
Amount of Tax Credit: \$20,000  
Link to Tax Credit Agreement: <http://bit.ly/gravelinefinancial>



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- 23. Geraldine Santellano-Bartsch dba Helios Document Solutions
  - Industry: Office Equipment Supplier
  - Primary Location(s): Fresno
  - Net Increase of Full-time Employees: 9
  - Investment: \$115,000
  - Amount of Tax Credit: \$20,000
  - Link to Tax Credit Agreement: <http://bit.ly/heliosdocumentsolutions>
  
- 24. Bandy & Associates, Accountancy Corporation
  - Industry: Accounting Services
  - Primary Location(s): Fresno
  - Net Increase of Full-time Employees: 2
  - Investment: \$184,000
  - Amount of Tax Credit: \$20,000
  - Link to Tax Credit Agreement: <http://bit.ly/bandyandassociates>
  
- 25. Robert L. Horvath, Inc., dba Clayborn Lab
  - Industry: Electrical Equipment and Component Manufacturing
  - Primary Location(s): Truckee
  - Net Increase of Full-time Employees: 10
  - Investment: \$497,000
  - Amount of Tax Credit: \$20,000
  - Link to Tax Credit Agreement: <http://bit.ly/claybornlab>

**F. Public Comment**

**G. 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](http://www.business.ca.gov/CalCompetes.aspx). For additional information regarding this notice and agenda, please contact Scott Dosick, Research Program Specialist, at 916-322-0676 or [scott.dosick@gov.ca.gov](mailto: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.