



**Gavin Newsom**  
Governor

**Dee Dee Myers**  
Director

**Chris Dombrowski**  
Chief Deputy Director

**Scott Dosick**  
Deputy Director,  
California Competes  
Tax Credit Program

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## California Competes

### Committee Meeting

**Thursday, November 17, 2022**

**1:00 p.m.**

*The California Competes Committee Meeting was live streamed and open to the public on [Zoom](#).*

*Members of the public were encouraged to submit public comments or requests during the meeting through email.*

#### 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 Myers called the meeting of the California Competes Tax Credit Committee (Committee) to order at 1:03pm.

**Members Present:** Chair Dee Dee Myers, Todd Walters (representing the Senate Committee on Rules), Madeline Janis (representing the Speaker of the Assembly), Spencer Walker (representing the State Treasurer), and Gayle Miller (representing the Director of the Department of Finance).

Deputy Director Dosick stated that all members were present.

#### B. Approval of Minutes from June 16, 2022, Committee Meeting

Chair Myers asked if there were any questions from Committee Members or public comments on Item B with regards to the minutes from the June 16, 2022 meeting. Deputy Director Dosick confirmed there were no public comments. Chair Myers requested a motion for approval of Agenda Item B.



**Action Moved/Seconded:** Members Miller/Walters  
**Yes:** Members Walters, Janis, Walker, Miller, Myers  
**No:** None

### C. Deputy Director's Report

- **Agenda Overview –**
  - **Agreements with 3 Businesses, Total Tax Credits \$20,193,164**
  - **Agreements with 7 Businesses, Total Grants \$103,200,000**

Deputy Director Dosick reminded members of the public watching the meeting that they could submit public comments on any agenda item by emailing [CalCompetes@gobiz.ca.gov](mailto:CalCompetes@gobiz.ca.gov) and added that CalCompetes staff are actively monitoring this email and would forward emailed comments to the Committee. He reminded the public that if they submit a public comment, to include their name and organization. He explained that it is used for identification purposes only. He also reminded the public that inappropriate behavior may result in removal from the meeting based on provisions of the Bagley-Keene Act. He encouraged all individuals having technical issues to call the CalCompetes hotline at 916-322-4051.

Mr. Dosick stated that last June, at the request of Governor Newsom, the 2022-23 budget act included a 5-year extension of the tax credit program and a one-year extension of the CalCompetes grant program for the current fiscal year. The legislation extending California Competes also included additional evaluation criteria. Starting with applications received in the 2023-24 fiscal year, GO-Biz may also take into consideration if an applicant is proposing to relocate jobs from a state that has passed legislation restricting women's reproductive rights or enabling discrimination based on a person's sexual orientation, gender identity, or gender expression. In addition, the legislation also enables GO-Biz to consider the extent to which applicants demonstrate a commitment to treating their workforce fairly, which may include but not be limited to items such as training, career ladders, apprenticeships, and joint labor-management letters of support.

Mr. Dosick stated that GO-Biz is recommending 3 tax credit awards totaling \$20.1 million and 7 grant awards totaling \$103.2 million. GO-Biz continues to see a rise in applications from the green and high-tech sectors, including battery, electric vehicle, and semiconductor equipment manufacturing. The 10 agreements for the Committee's consideration today represent commitments for a net increase of over 6,800 full-time jobs with average salaries over \$113,000 and over \$1.9 billion of capital investments in California over the next 5 years. Each of the businesses recommended for award today has certified in its application that this credit or grant will be a significant factor in their decision or ability to come to or remain and expand in California.

Mr. Dosick stated that we have just over \$20 million in recommended credit awards. While both CalCompetes programs are regularly oversubscribed, GO-Biz continues to take its responsibility seriously as good stewards of the taxpayers' dollars to ensure that our recommendations are for businesses who



clearly demonstrate that the credit or grant will be a material factor in their decision to come to or stay and grow in California and create quality, full-time jobs.

Mr. Dosick thanked the CalCompetes team for their ongoing commitment to this program and the state.

Member Janis stated that the new evaluation criteria was exciting and indicated that it seemed to need regulations. She asked to be involved in the process of drafting the regulations.

Mr. Dosick stated that GO-Biz is in the process of determining what, if any, changes would be needed to the CalCompetes regulations to implement those new criteria. He also indicated that if regulations are promulgated, there will be an opportunity for comment, as all regulations have a public comment period.

**D. Discussion and Approval of California Competes Tax Credit Agreements**

<b>Total Recommended Tax Credits:</b>	<b>\$19,189,873</b>
<b>Total Recommended Tax Credits after Adjusting for S-Corporation Law<sup>1</sup>:</b>	<b>\$20,193,164</b>

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 D. Deputy Director Dosick confirmed that we did not receive any public comments. Chair Myers called for a motion to approve all items under Agenda Item D.

**Action Moved/Seconded:** Members Walker/Janis  
**Yes:** Members Walters, Janis, Walker, Miller, Myers  
**No:** None

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

<b>Total Tax Credits Recommended to be Recaptured:</b>	<b>\$52,183,076</b>
<b>Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law<sup>2</sup>:</b>	<b>\$54,524,663</b>

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 E. Deputy Director Dosick confirmed that we did not receive any public comments. Chair Myers called for a motion to approve all items under Agenda Item E.

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<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)).

<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)).



**Action Moved/Seconded:** Members Walker/Miller  
**Yes:** Members Walters, Janis, Walker, Miller, Myers  
**No:** None

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

**Total Recommended Tax Credits to be Recaptured:** **\$831,250**  
**Total Recommended Tax Credits to be Recaptured after Adjusting for S-Corporation Law<sup>3</sup>:** **\$901,250**

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 we did not receive any public comments. Chair Myers called for a motion to approve all items under Agenda Item F.

**Action Moved/Seconded:** Members Janis/Walker  
**Yes:** Members Walters, Janis, Walker, Miller, Myers  
**No:** None

**G. Discussion and Approval of California Competes Grant Agreements**

**Total Recommended Grant Allocation:** **\$103,200,000**

Chair Myers proposed removing Agenda Items G-1, G-3, and G-8 from consent for further discussion. She asked if there were any other questions or comments from the Committee or members of the public on any of the items not pulled at this time. Deputy Director Dosick confirmed that we did have a request for comment under Item G, however, it was determined that this request was regarding a removed agenda item, which meant the comment should be taken under Agenda Item H. Chair Myers called for a motion to approve all items under Agenda Item G except for items G-1, G-3, and G-8.

**Action Moved/Seconded:** Members Janis/Miller  
**Yes:** Members Walters, Janis, Walker, Miller, Myers  
**No:** None

**G-1. RYVID, Inc.**

<sup>3</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)).



At the request of Chair Myers, Deputy Director Dosick elaborated on Agenda Item G-1. He described the company and the proposed grant Agreement to the Committee. RYVID, Inc. is an electric road, off-road, and water sports vehicle manufacturer. In exchange for a \$20 million California Competes Grant, RYVID has committed to a net increase of 911 full-time employees and an investment of \$108,058,000. RYVID has certified in its application that absent award of the California Competes Grant, its project will occur in another state; and, it will terminate all or a portion of its employees in California or relocate all or a portion of its employees in California to another state. Further, RYVID has certified that at least 75% of its net increase of full-time employees will work at least 75% of the time in Hawaiian Gardens, El Cajon, and San Bernardino. Hawaiian Gardens, El Cajon, and San Bernardino were Areas of High Unemployment and/or an Area of High Poverty at the time RYVID submitted its application. The jobs RYVID is committing to create are in classifications such as, human resources, customer support, office manager, designer, supply chain, engineer, assembler, quality manager, quality inspector, supervisor, manager, executive, and sales.

RYVID indicated in its application that it plans to manufacture electric vehicles in the mobile sports industry that will be sold in the United States and Asia. It stated that it is currently in the research, development, and production stages of its project and has generated pre-orders for its RYVID Anthem electric motorcycle. In order to meet its production plans for its electric vehicles it is exploring California, Texas, and Nevada as potential locations. RYVID stated that if it expands in Texas or Nevada instead of California, it will save approximately \$50 million in labor costs and workers compensation for the following four years in addition to at least \$10 million in facility costs. RYVID indicated that based on its analysis, the California Competes Grant will enable RYVID to move its research and development to, and begin manufacturing its vehicles in, California sooner than if it were to expand in Texas or Nevada. RYVID stated that it is considering locating its headquarters, and research and development facility in Hawaiian Gardens, CA. It has also identified locations for its manufacturing facility in San Bernardino, CA and battery production facility in El Cajon, CA. RYVID stated that it intends to expand its research and development of battery production to the facility in Hawaiian Gardens and to move its battery system production from Asia to the facility in El Cajon. With award of the California Competes Grant, RYVID indicated that it is willing to commit to a job growth as well as locate its research, development, manufacturing, and assembly production facilities in California instead of Texas or Nevada.

Mr. Dosick introduced Dong Tran, Chief Executive Officer; Vince Nguyen, Chief Operating Officer; Eric Griffith, Chief Financial Officer; and Jhoanna San Agustin, Chief Culture Officer, who were available to answer the Committee's questions. Mr. Tran thanked the Committee and welcomed questions. He stated that mobile sport is a new, fast-growing industry, and he wants California to be at the forefront of this growth in the electric market.

Member Janis stated that RYVID's description regarding its diversity and inclusion practices was impressive. She asked about RYVID's customers and if it sells directly to consumers. Mr. Tran stated



that they do sell direct to consumers through its website. It offers service remotely, meaning a technical analyst offers support over the phone to help diagnose problems. RYVID will eventually have experience centers, where customers can come and experience the product. Ms. Janis asked if it is committing to open a manufacturing plant with this application. Mr. Tran stated that yes, RYVID is fully committed to opening a manufacturing plant in San Bernardino. Its headquarters will be in Hawaiian Gardens. Due to its simple product design, it can also simplify the manufacturing needs, which enables this manufacturing to be done in California. Ms. Janis asked what he meant by simplifying. Mr. Tran stated that its manufacturing process allows it to make its product at a cost that is competitive. The lower labor costs of overseas manufacturing usually make a product more competitive, but RYVID designed into its product a way to leverage what is available locally and still remain cost competitive.

Ms. Janis asked where its current overseas factory was located. Mr. Tran replied that RYVID does not currently have an overseas factory. From the beginning, RYVID has wanted to manufacture in California, and to do that, it needed to figure how to simplify its product. Ms. Janis asked if it had a current battery plant. Mr. Tran stated that RYVID currently has a partner that manufactures its batteries. They would love to vertically integrate with its own battery and drivetrain manufacturer here in California. This grant would enable them to do that.

Ms. Janis asked about the \$50 million that RYVID might save in Texas. Mr. Tran stated they did some analysis from now until 2026. In terms of additional labor and facilities costs, they would expect to save about \$50 million by doing the project in Texas. Ms. Janis stated that when people project these types of savings it makes it sound as if California requires businesses to pay half-million-dollar salaries. Mr. Tran replied that some of the labor savings has to do with workers' compensation premiums, but the bulk of the savings comes down to facilities and manufacturing equipment costs. Ms. Janis asked if by "competitive" wages they mean lower wages. Mr. Tran replied that no, they intend to pay the most that it can. From the beginning, it has planned to keep wages high while still maximizing margins to be successful. Ms. Janis asked if the \$50,000 salaries include health care costs. Mr. Tran replied that no, it does not.

Ms. Janis asked how many of the 911 new jobs will be assembling or manufacturing workers. Mr. Tran stated that the majority of the workforce will be assembly workers. We will have some research and development and management as well. Ms. Janis stated that training seems important in this emerging industry. She asked him to expand on its Electric Vehicle Learning Center, the Project Management Institute, and what kind of training it will provide to its workers. Mr. Tran stated that all assembly workers will have the opportunity to be reimbursed up to \$3,000 for educational purposes such as learning about the industry or how electric vehicles work. They want to partner with local schools to help students learn about this field. Ms. Janis stated that apprenticeships are considered the gold standard. She asked if he had heard of the Industrial Manufacturing Technician Apprenticeship Program. Mr. Tran stated that he has. He stated that he is a product of an internship while he was in



school, and he fully recognizes the benefits of allowing students to learn before they get into the workforce. He stated that they fully intend to do that with interns and workers that they hire.

Ms. Janis stated that there are some representatives of the United Auto Workers currently in attendance. She asked if he would be open to meeting with them to discuss an agreement to develop apprenticeships in a more organized way. Mr. Tran stated that they would be fully open to such a program.

Chair Myers asked him to talk about the other benefits of being in California. Mr. Tran stated that he comes from an immigrant family. Being in California has been a tremendous benefit to himself and to the other founders, 75% of whom are immigrants. He stated that the diversity, equality, and workforce talent in California is unmatched. He emphasized that the talent goes all the way to the assembly workers. This new technology in electric vehicles is growing here the most of any other state.

Chair Myers asked if there were any more questions or comments from the Committee or the public. Hearing none, she requested a motion for approval of Agenda Item G-1.

**Action Moved/Seconded:** Members Janis/Walters

**Yes:** Members Walters, Janis, Walker, Miller, Myers

**No:** None

### **G-3. FormFactor, Inc.**

At the request of Chair Myers, Deputy Director Dosick elaborated on Agenda Item G-3. He described the company and the proposed grant Agreement to the Committee. FormFactor, Inc. is a manufacturer of test and measuring devices used in the semiconductor manufacturing industry. In exchange for an \$18 million California Competes Grant, FormFactor has committed to a net increase of 539 full-time employees and an investment of \$203 million. FormFactor has certified in its application that absent award of the California Competes Grant, its project may occur in another state. The jobs FormFactor is committing to create are in classifications such as engineer, technical architect, production, sales, legal, human resources, financial reporting, and information technology.

FormFactor stated in its application that it must continue to invest in research and development in order to innovate and remain at the top of its segment in the semiconductor industry. To that end, it must open new manufacturing facilities and invest in new manufacturing methodologies. It stated that while there are synergies to committing this expansion in California, it must consider growing outside the state near key customers. Specifically, FormFactor is considering expanding in Phoenix, Arizona, where two of its customers, Intel and Taiwan Semiconductor Manufacturing Company, are already heavily investing. In addition to the logistical benefits of locating near these clients, FormFactor stated that it



must also consider the premium that must be paid to attract workers to more expensive locations in California. FormFactor stated that it would expect approximately 40% in labor cost savings to hire engineers in Phoenix versus Livermore, and up to 50% savings for production employees, respectively. In addition to Arizona's lower labor costs, FormFactor stated that it believes that it would qualify for approximately \$30 million in incentives from the Arizona Qualified Facility Tax Credit, Arizona Quality Job Credit, and Arizona Competes Fund, combined. FormFactor stated that, when combined with existing operational synergies, the grant award would provide a meaningful and comparable incentive to ensure its continued growth occurs in California versus Arizona.

Mr. Dosick introduced Shai Shahar, Chief Financial Officer; Aliza Scott, SVP & Chief Human Resource Officer; Artie Jim, Tax Director; and Matt Losey, Senior Vice President and General Manager, who were available to answer the Committee's questions. Mr. Shahar thanked the Committee for its consideration and welcomed questions.

Member Janis asked to know more about the tests and measuring devices they manufacture and how they fit in the semiconductor supply chain. Mr. Shahar stated that about 80% of its business is what is called a probe card. The probe card is the interface between the tester, which is typically manufactured by Terradine and Advantest, and the wafer, which is made by companies like Intel, TSMC, Micron, etc. He stated that it is a round device, about 30 centimeters wide, that goes on the wafer to test it before it goes into a microchip. It is important to test the wafer at that stage because if it is not working, you don't want to waste time and money packaging it. He stated that each probe can contain up to 150,000 probe heads, designed specifically to each chip that it is testing.

Ms. Janis asked if the project will mostly be in Livermore. Mr. Shahar stated that they have one manufacturing facility in Carlsbad, one in Baldwin Park, and the largest one in Livermore. Most of the expansion will occur in Livermore. Ms. Janis asked how much cheaper would labor costs be in Phoenix given that the proposed minimum wage is \$37,000. Mr. Shahar stated that the average salary is \$58,000 for the production employees and \$138,000 for engineers. The minimum salary is \$37,000, but the average is higher than that. He stated that it would be cheaper in Arizona due to incentives and lower taxes. Ms. Janis asked what percentage of the production workforce would be close to the low end. Mr. Shahar stated that approximately 400 of the 539 proposed jobs, or about 75%, will be production jobs. These jobs will have an average of \$58,000, with little variation in the salaries from person to person.

Ms. Janis asked for more information about its internal group called B3. Ms. Scott stated that B3 is a group within the organization that offers training and networking to promote women in the workforce. Ms. Janis stated that the group's name is Beautiful, Brilliant, and Bold. She asked if beauty was a requirement or if beauty was something that the company thinks is important. Ms. Scott stated that it was more intended to represent intrinsic beauty. We want to create an environment where everyone





feels valued and able to be who they are. Ms. Janis asked if there have been challenges with sexual harassment within the organization. Ms. Scott replied that to her knowledge there have not. Mr. Shahar stated that he has been with the company for 5 years and there have not. Ms. Janis asked if there is an opportunity for women in this group to talk about being women in a mostly male dominated workforce. Mr. Shahar replied that there is. He stated that has been a topic in a previous meeting.

Chair Myers asked if there were any more questions or comments from the Committee or the public. Hearing none, she requested a motion for approval of Agenda Item G-3.

**Action Moved/Seconded:** Members Walker/Walters

**Yes:** Members Walters, Janis, Walker, Miller, Myers

**No:** None

#### **G-8. Cuberg, Inc.**

At the request of Chair Myers, Deputy Director Dosick elaborated on Agenda Item G-8. He described the company and the proposed grant Agreement to the Committee. Cuberg, Inc. manufactures lithium metal cells for batteries that have higher density and are non-flammable. In exchange for a \$5 million grant, Cuberg has committed to a net increase of 289 full-time jobs and an investment of \$122,088,000. Cuberg has certified in its application that absent award of the California Competes Grant, its project may occur in another state. The jobs Cuberg is committing to create are in classifications such as manager, engineer, analyst, technician, associate, senior associate operator, assembler, and administrative assistant.

Cuberg stated in its application that it is considering Michigan as an alternate location to California due to the cost savings. Cuberg stated that its Swedish parent company, Northvolt, is undergoing a site selection for its lithium-ion battery manufacturing gigafactory in the United States. It indicated that it has already made contact with government officials from Michigan. Absent award of the grant, Cuberg has the flexibility to integrate its expansion into Northvolt's factory design in Michigan. If Cuberg selects Michigan instead of California, it would reduce its proposed investment in California by over \$100 million, and 75% of the proposed job increase in California in the next five years.

Mr. Dosick introduced Richard Wang, Co-Founder and CEO; Jordan Elkins, Head of Talent Acquisition; and Megan Haines, Senior Business Operations Analyst, who were available to answer the Committee's questions. Mr. Wang thanked the Committee and welcomed questions.

Member Janis asked him if they manufacture lithium cells for batteries. Mr. Wang stated that they manufacture battery cells and battery systems that go into primarily electric aircraft. Ms. Janis asked about where they currently source the lithium and are there plans for new potential sources. Mr. Wang



stated that lithium supply chains are highly stressed and currently dominated by Chinese material suppliers. Both with the bi-partisan infrastructure law and the Inflation Reduction Act, there is a strong push to localize lithium resources away from China, and we are trying to do the same. He stated that they currently source lithium from China out of necessity, but they are actively in discussions with a prominent U.S. lithium supplier. They will move their entire supply chain over the next year.

Ms. Janis asked what they do with the lithium. Mr. Wang stated that they purchase the lithium from the material supplier, which is then included in core chemicals that enable the fully manufactured battery cell. Ms. Janis asked if they are considering a manufacturing facility in the East Bay. Mr. Wang stated that it will be in San Leandro. Ms. Janis asked why Michigan would be cheaper given that its workforce is likely unionized. Mr. Wang stated that they made a number of cost comparisons and there were two significant drivers of costs. The first was labor cost and the second was energy cost. He stated they do have some remote employees in Michigan for benchmarks and they see 20% to 30% lower salary levels in Michigan. He also stated that, as a very energy intensive industry, they want access to affordable and clean energy. While California does have a reliable energy grid with strong use of renewables, however, the cost of electricity from PG&E is much higher than what they could procure in Michigan.

Ms. Janis asked if they could speak more about how they have removed barriers to employment and how they have measured it. Mr. Wang stated that workforce development is a key priority for the company. The U.S. battery manufacturing workforce is starved given that there are so many EV and battery companies being launched. It is important to not only hire from the existing talent pool but to also develop new sources of workforce and train them to thrive in the industry. He stated that a good portion of its new workers will be technicians and operators, so they have looked into the barriers that exist for employees to join in manufacturing-focused roles. Specifically, they have built relationships with local community colleges such as Laney College, where they have conducted student tours of their facility to show that it is quite accessible to reduce a perceived barrier to entry. He further stated that with respect to entry level operators and assemblers, they have been talking to representatives from the San Leandro High School system. They have an advanced manufacturing training program for students looking for jobs after graduation.

Ms. Janis asked if they have worked with any community-based organizations or unions on creating workforce programs and hiring pipelines. Mr. Wang stated that they are very open to working with more formalized types of training programs. Ms. Janis stated that there is an emerging, 18-month, on-the-job apprenticeship program called Industrial Manufacturing Technician, which has been used in EV manufacturing. She asked if that is the kind of thing they would be open to developing. Mr. Wang stated they would be eager to have a conversation with them to understand how the program works and how the skills fit with what they need. Ms. Janis stated that there are representatives from the United Auto Workers present. She asked if they would be willing to meet with them to discuss a potential Community Benefits Agreement. Mr. Wang stated they would be willing to engage in those discussions.



Chair Myers asked if there was a lot of interest in this industry from the younger generation, given their focus on climate issues. Mr. Wang stated that there is tremendous interest from engineers and others who have not had formal training in the technical fields to participate in the clean energy economy. It is a major area of job growth, especially with the passage of the Inflation Reduction Act. He stated that as many young people are looking for jobs with a mission and a purpose, Cuberg's clean energy mission gives them an advantage in competing for workers.

Chair Myers asked if there were any more questions or comments from the Committee or the public. Hearing none, she requested a motion for approval of Agenda Item G-8.

**Action Moved/Seconded:** Members Miller/Janis

**Approve:** Members Walters, Janis, Walker, Miller, Myers

**No:** None

#### H. Public Comment

Chair Myers asked if there were any more questions or comments from the Committee or the public. Deputy Director Dosick stated we do have several requests to comment. He reminded those who will be commenting to identify themselves, their organizations, if applicable, and to limit their comments to three minutes. Additionally, under the Bagley-Keene Act, we may not engage in a conversation, but we can hear what you have to say.

Deputy Director Dosick introduced Janet Schaar.

Janet Schaar identified herself as an employee of Rivian's plant in Normal, Illinois. She stated that she is proud to be making electric vehicles to help protect the planet. An important component to this is to ensure that green jobs are good jobs. She stated that this was not the case at Rivian, currently. She indicated that since the company's IPO, they have been under constant pressure to ramp up production, resulting in unpredictable scheduling and lack of autonomy. She indicated that she works 48 to 60 hours per week doing physically demanding work.

Ms. Schaar stated that the long hours, mandatory overtime, and frequent scheduling changes mean that they have no time to be with their families or to recharge. She further stated that there are many health and safety issues at the plant resulting in OSHA complaints by her coworkers due to inaction of management to resolve safety issues. She stated that her husband, who also works there, filed a complaint because people are continuously getting injured, and nothing was being done about it.

Ms. Schaar stated that Rivian's wages and benefits are below industry standards and that turnover is an issue at Rivian, with new faces in her department all the time. In her role as a material handler, they have been short-staffed to the point that she has had to do three jobs at once. She stated that she is



currently on medical leave and hopes that things begin to improve when she returns. If taxpayer money is going to a company like Rivian, she urged the Committee to make sure that the jobs are sustainable. She urged the Committee to vote no to giving Rivian money until they commit in writing to fair scheduling, having enough staff and equipment to do the job right, and to listen to their concerns.

Mr. Dosick introduced Dean Paulos.

Dean Paulos, identified himself as the founder of Roadvision Technologies. He congratulated the grant awardees. Mr. Paulos stated that Roadvision is a startup that has developed a critical, highway safety product. He stated that he understands the need to maintain and increase jobs in the state and that major corporations are well placed to do that. But 7 of the awardees are multi-billion-dollar companies. He stated that these companies are doing billions in revenue, have been funded billions of dollars, or have multi-billion-dollar market caps. He stated that his concern is the degree of need represented by these companies, as 7 of these companies are receiving less than 1% of either the revenues or funding that these applicants have. He does not believe that less than 1% will make a dramatic difference in one's long-term planning, but for a small company such as his, it would make all the difference. He suggested that CalCompetes focus in the future on smaller companies that have nowhere else to turn for funding.

Mr. Dosick introduced Sara Flocks.

Sara Flocks identified herself as a representative of the California Labor Federation. She thanked the Committee for holding Rivian Automotive's application. She stated that her organization was very concerned that Rivian does not live up to the stated goal of CalCompetes, which is to attract high-value employers that will retain and create good jobs in California. California Competes was created out of the wreckage of a broken tax credit program, the Enterprise Zone Program. She stated that because of that experience, we wanted to have a program where we knew that public dollars would go toward creating good jobs, where we would have transparency, and where we would have a board.

Ms. Flocks stated that if Rivian is to be considered for a new application, it should include strong, transparent, and enforceable worker production and labor standards that are developed by its board in consultation with a labor organization. She urged the Committee to put criteria on select or all applications. She stated that public dollars should go toward good jobs that address income inequality, regional inequality, and to make sure that we are getting a return on our taxpayer investment. We hope that the Committee will consider labor standards as a standard consideration as future applications come in.

Mr. Dosick introduced Cindy Estrada.

Cindy Estrada identified herself as Vice-President of the United Auto Workers (UAW). She stated that the UAW represents hundreds of thousands of workers and through decades of collective bargaining, have made auto manufacturing good jobs with safe working conditions that support families. As auto



makers have established new assembly plants in the U.S., the quality of that job has declined yet states continue to offer millions of dollars of support for auto jobs under the mistaken impression that just because it's a manufacturing job it's therefore a good job. She stated that what makes it a good job is making sure that there is democracy in the workplace and that workers are able to voice their concerns. When taxpayer money is at stake, we have the right to insist that companies not only create jobs but that they create the best jobs in the community; jobs that workers consider themselves lucky to get. Unfortunately, that is not what we have seen at Rivian.

Ms. Estrada stated that in Normal, Illinois, where Rivian has its assembly plant, there are numerous safety problems and a corporate culture that refuses to address these problems raised by workers. She further stated that in getting no remedy from management, workers have filed OSHA complaints, some of which allege that workers have suffered injuries. She stated that management has failed to address known hazards that could cause more harm to employees. Jobs in the auto industry are dangerous, and consequences can be life altering. She stated that the Committee can play a role in not only creating jobs, but creating the best jobs. We have to raise the bar for our community and our workers by insisting on really robust standards, hiring practices, transparency, and accountability.

Mr. Dosick introduced Greg LeRoy.

Greg LeRoy introduced himself as Executive Director of Good Jobs First, a nonpartisan, nonprofit research group based in Washington, D.C. He stated that they are a watchdog group on economic development incentives. The Enterprise Zone was deeply troubled, and it is great that you are trying to stay on a higher road now with CalCompetes. He stated as a disclosure that Madeline Janis has been a member of their board for a long time. They recently published a study called "Will Electric Vehicles Give States Budget Potholes?" For that study, we looked at incentive packages for electric vehicle and battery facilities, including the Rivian package that has been awarded to the company by the state of Georgia. He stated that, at the time it was awarded, it was the largest incentive package for any form of auto production technology in United States history. The deal is currently contested and tied up in court by a citizens' group, which is challenging the accuracy of representations and public statements made by the company.

Mr. LeRoy stated that the biggest issue has to do with the quality of the jobs. He indicated in the Staff Report that there was a high average salary listed, which can be skewed by a small number of highly paid executives and other white-collar employees. To have a meaningful analysis you need to disaggregate that data and see levels for every job title. The proposed wage floor of \$20 per hour is below the market in the Bay Area. He stated that the average annual wage for all workers in Alameda County was \$96,400. He stated that with respect to the Georgia deal, a \$56,000 annual salary was publicly represented by both the state and the company, but in a recent court proceeding in Morgan County Superior Court, the company admitted that the wage floor is actually \$36,400 annually. The provision in the agreement with the State of Georgia has no cost of living escalator or tie to market



rates. He urged the Committee to include market-based escalator clauses tied to the cost of living so that a project that brings wages down is not being subsidized.

Mr. Dosick introduced Sam Appel.

Sam Appel introduced himself as the California State Manager with BlueGreen Alliance, a national alliance of environmental organizations and manufacturing, constructions, and service unions. He stated that he is here to echo what was previously said by the Labor Federations, Good Jobs First, and from the Auto Workers. He applauded the decision of the Committee in postponing moving forward with a critical investment. Workforce standards in CalCompetes standards are critical. Our members are hopeful that the decision today could be the launching point for a more comprehensive effort to make sure CalCompetes uses its leverage to promote high quality jobs in California.

Mr. Appel stated that they recently came out with a report about workforce standards in vehicle electrification that lays out the sorts of standards that they believe are critical. The California Air Resources Boards has been leading on this issue in recent years with the passage of AB 794, SB 674, and AB 841. We believe that the concept of workforce standards is the bedrock to high quality jobs for low-income workers, workers of color, and dislocated workers. He stated that they hope to support the Committee to make those proactive steps going forward.

Mr. Dosick stated that there were no further public comments.

Member Janis stated that she was proud that CalCompetes has standards and enforcement built in already. There are other things that we could consider going forward in our negotiations, notably, the kinds of future commitments that a company is willing to make in terms of trainings and apprenticeships programs. She stated that the Workforce Development Agency has many models that we could be looking at, or even a menu of things from which our applicants could choose. Additionally, these emerging industries in clean technology are very dangerous in terms of high voltage electricity and other health and safety issues. She proposed worker health and safety committees as a best practice that companies could commit to which could be incorporated into our contracts going forward. Training, health and safety, and fair scheduling are things that could be incorporated. She mentioned the suggestion from Mr. LaRoy about adding additional levels with respect to salary commitments beyond just the minimum and average, and including future things related to good jobs that we could hold them accountable to.

## **I. Adjournment**

Chair Myers adjourned the meeting at 2:39pm.