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## California Competes

### Committee Meeting

**Thursday, April 25, 2024**

**1:00 p.m.**

*The Committee Meeting was lived streamed and open to the public. Meeting minutes will be available on the [GO-Biz publications website](#).*

#### MEMBERS:

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

**Fiona Ma**  
*State Treasurer*

**Joe Stephanshaw, Director**  
*Department of Finance*

**Todd Walters, Appointee of the**  
*Senate Committee on Rules*

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

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

**April 25, 2024**

- 1. Pacific Steel Group LLC**  
Industry: Steel Reinforcing Bar Manufacturing and Contracting  
Primary Location(s): Kern County

Employee Net Increase:	447
Aggregate Investment:	\$542,973,700
Amount of Tax Credit Awarded:	\$30,000,000

[Link to Tax Credit Agreement](#)
- 2. Controlled Thermal Resources (US), Inc.**  
Industry: Mineral Extraction  
Primary Location(s): Calipatria and Imperial

Employee Net Increase:	443
Aggregate Investment:	\$14,700,601,958
Amount of Tax Credit Awarded:	\$30,000,000

[Link to Tax Credit Agreement](#)



3. Moxion Power Co.  
Industry: Battery Energy Storage System Manufacturing  
Primary Location(s): Richmond and Los Angeles  
Employee Net Increase: 474  
Aggregate Investment: \$126,330,000  
Amount of Tax Credit Awarded: \$25,000,000  
[Link to Tax Credit Agreement](#)
  
4. Elve, Inc.  
Industry: Communications Equipment Manufacturing  
Primary Location(s): Davis  
Employee Net Increase: 310  
Aggregate Investment: \$55,000,000  
Amount of Tax Credit Awarded: \$15,000,000  
[Link to Tax Credit Agreement](#)
  
5. MicroVention, Inc.  
Industry: Medical Device Design and Manufacturing  
Primary Location(s): Aliso Viejo  
Employee Net Increase: 223  
Aggregate Investment: \$53,600,000  
Amount of Tax Credit Awarded: \$7,500,000  
[Link to Tax Credit Agreement](#)
  
6. Tau Motors, Inc.  
Industry: Power Conversion Technology Developer  
Primary Location(s): Redwood City  
Employee Net Increase: 156  
Aggregate Investment: \$59,291,760  
Amount of Tax Credit Awarded: \$7,000,000  
[Link to Tax Credit Agreement](#)
  
7. Paired Power, Inc.  
Industry: Battery Energy Storage System Manufacturing  
Primary Location(s): Campbell and Central Valley  
Employee Net Increase: 68  
Aggregate Investment: \$3,500,000  
Amount of Tax Credit Awarded: \$3,500,000  
[Link to Tax Credit Agreement](#)



8. Juanita's Foods

Industry: Food Manufacturing

Primary Location(s): Fontana or Ontario

Employee Net Increase:

27

Aggregate Investment:

\$36,780,945

Amount of Tax Credit Awarded:

\$2,000,000

[Link to Tax Credit Agreement](#)

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**The California Competes Tax Credit Committee also APPROVED the following recommendations for California Competes Tax Credit recapture:**

1. EnerVenue, Inc.

Industry: Battery Manufacturing

Primary Location(s): Fremont, Unknown

Amount of Tax Credit Awarded: \$25,000,000

Amount of Tax Credit Recaptured: \$25,000,000

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

Reason for Credit Recapture:

EnerVenue, 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. Sovereign Lending Group Incorporated

Industry: Consumer Lending

Primary Location(s): Costa Mesa

Amount of Tax Credit Awarded: \$1,737,143

Amount of Tax Credit Recaptured: \$1,737,143

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

Reason for Credit Recapture:

Sovereign Lending Group Incorporated'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.



3. Response Envelope, Inc.

Industry: Paper Straw and Envelope Manufacturing

Primary Location(s): Ontario

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

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

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

Reason for Credit Recapture:

Response Envelope, Inc. has indicated that it will not be carrying out its business as contemplated in its approved California Competes Tax Credit Agreement and has requested the termination of its agreement to allow the credit to be made available to other California businesses.

4. Smart72, Inc.

Industry: Smart Device Manufacturing

Primary Location(s): San Luis Obispo and Watsonville

Amount of Tax Credit Awarded: \$800,000

Amount of Tax Credit Recaptured: \$800,000

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

Reason for Credit Recapture:

Smart72, 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.

5. Patagonia Works (2nd Award)

Industry: Clothing Manufacturing

Primary Location(s): Ventura

Amount of Tax Credit Awarded: \$1,480,000

Amount of Tax Credit Recaptured: \$370,000

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

Reason for Credit Recapture:

Patagonia Works (2nd Award)'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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.



6. Project Fusion LLC (Gonzales Park LLC) (Gonzales Enterprises, Inc.)

Industry: Apparel Design and Manufacturing

Primary Location(s): Chico

Amount of Tax Credit Awarded: \$565,000

Amount of Tax Credit Recaptured: \$320,000

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

Reason for Credit Recapture:

Project Fusion LLC (Gonzales Park LLC) (Gonzales Enterprises, 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

7. Monopole, Inc.

Industry: Paint and Coating Manufacturing

Primary Location(s): San Carlos and Los Angeles

Amount of Tax Credit Awarded: \$272,727

Amount of Tax Credit Recaptured: \$218,182

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

Reason for Credit Recapture:

Monopole, 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.

8. Riot Games, Inc.

Industry: Online Video Game Developer

Primary Location(s): Los Angeles

Amount of Tax Credit Awarded: \$3,000,000

Amount of Tax Credit Recaptured: \$200,000

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

Reason for Credit Recapture:

Riot Games, Inc.'s California Competes Tax Credit Agreement expired at the end of its 2019 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.



9. OMNI Enclosures, Inc.

Industry: Office Furniture and Lab Equipment Manufacturing

Primary Location(s): El Cajon

Amount of Tax Credit Awarded: \$185,000

Amount of Tax Credit Recaptured: \$185,000

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

Reason for Credit Recapture:

OMNI Enclosures, 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. Any credit not earned by the completion of the agreement must be recaptured in order to be made available to other California businesses.

10. Lumitron Holdings, Inc.

Industry: Medical Device Manufacturing

Primary Location(s): Irvine

Amount of Tax Credit Awarded: \$700,000

Amount of Tax Credit Recaptured: \$140,000

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

Reason for Credit Recapture:

Lumitron Holdings, 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.

11. mPulse Mobile, Inc.

Industry: Mobile Device Application and Software Developer

Primary Location(s): Encino

Amount of Tax Credit Awarded: \$175,000

Amount of Tax Credit Recaptured: \$35,000

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

Reason for Credit Recapture:

mPulse Mobile, 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.



**The California Competes Tax Credit Committee also APPROVED the following recommendations for modified California Competes Tax Credit recapture:**

1. Ambry Genetics Corporation  
Industry: Medical Laboratories  
Primary Location(s): Alisa Viejo  
Amount of Tax Credit Awarded: \$1,150,000  
Previous Amount of Tax Credit Recaptured: \$230,000  
Additional Amount of Tax Credit Recaptured: \$460,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
Reason for Credit Recapture:

Ambry Genetics Corporation's California Competes Tax Credit Agreement expired at the end of its 2019 tax year which was the final year to achieve the milestones and claim any corresponding credit. On April 22, 2021, the Committee recaptured \$230,000. 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 \$460,000.

2. Lance Camper Mfg. Corp.  
Industry: Travel Trailer and Camper Manufacturing  
Primary Location(s): Lancaster  
Amount of Tax Credit Awarded: \$1,500,000  
Previous Amount of Tax Credit Recaptured: \$1,200,000  
Additional Amount of Tax Credit Recaptured: \$300,000  
[Link to Tax Credit Agreement to be Recaptured](#)  
Reason for Credit Recapture:

Lance Camper Mfg. Corp., 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 April 27, 2023, the Committee recaptured \$1,200,000. 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 \$300,000.





3. Lulu's Fashion Lounge, Inc.

Industry: Clothing Manufacturing

Primary Location(s): Chico and Los Angeles

Amount of Tax Credit Awarded: \$750,000

Previous Amount of Tax Credit Recaptured: \$450,000

Additional Amount of Tax Credit Recaptured: \$150,000

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

Reason for Credit Recapture:

Lulu's Fashion Lounge, 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 \$450,000. 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 \$150,000.

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