



MARCH 2015

DIRECTOR'S FOREWARD

On behalf of Governor Edmund G. Brown Jr., the California State Legislature, and the entire state family comprising its various Departments, Boards and Commissions, thank you for your business interest in our great State. The Governor's Office of Business and Economic Development (known commonly as "GO-Biz") was formed to serve you as the single point of contact for your business needs.

The State of California – Business Investment Guide serves as a reference document to highlight California's strategic business advantages, new state-sponsored initiatives, incentives as well as existing technical and financial assistance programs currently in effect as of the publication date posted on the front cover.

Please check back periodically and visit us online at www.business.ca.gov for this Business Investment Guide will be periodically updated with new information, as the State responds to events and activities in the international marketplace as well as to your evolving business needs over time.

Should you have questions about the content included or referenced in this guide, please do not hesitate to contact our office.

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We look forward to assisting you. Thank you for your business interest and welcome to California, the Golden State.

Cordially,

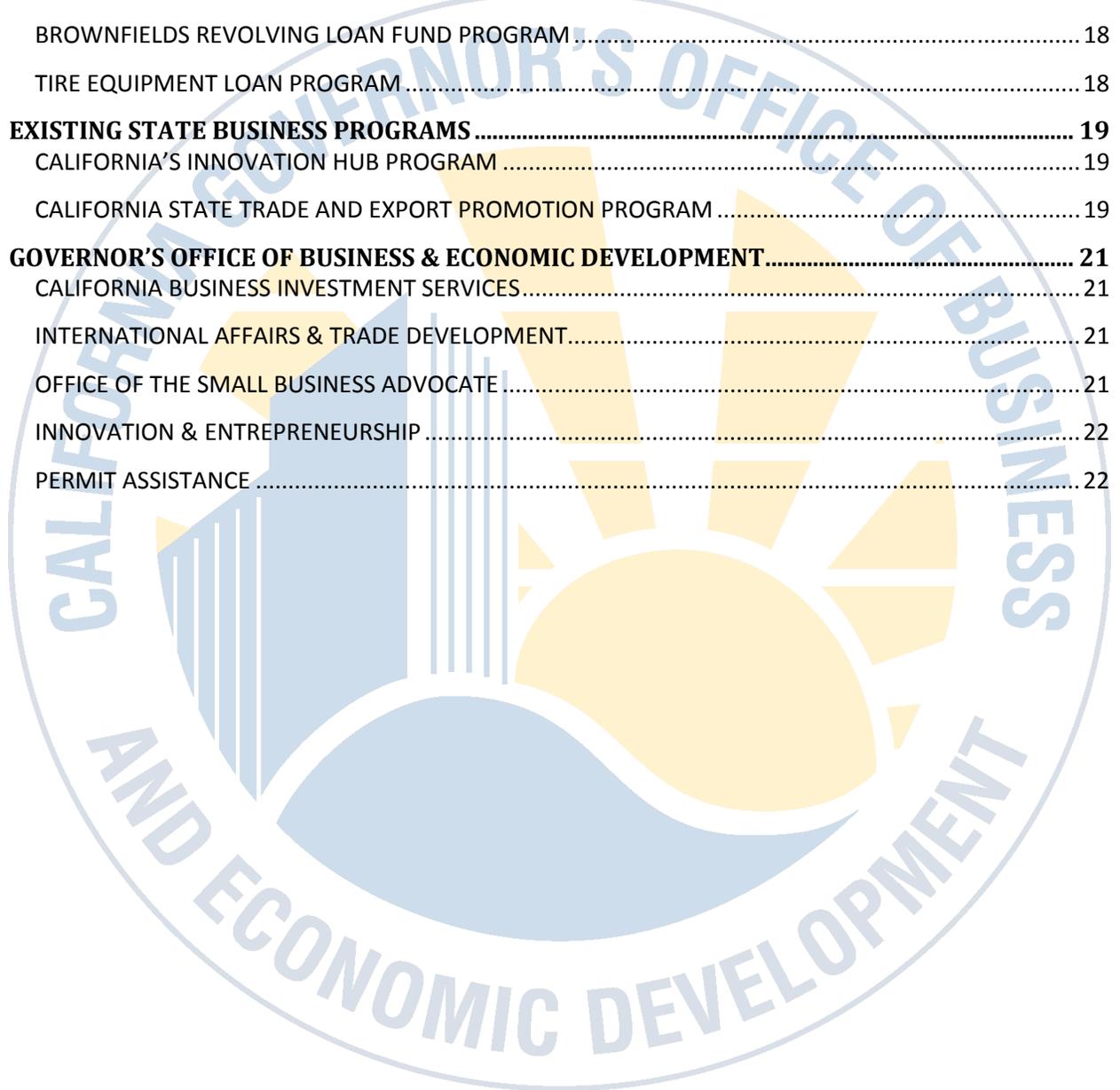


Kish Rajan
Director

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TOP 10 REASONS TO INVEST IN CALIFORNIA

1. California is the **largest, richest and most diverse** economy in the United States
2. California is one of the nation's **fastest growing** economies and a national leader in job creation
3. California **leads the nation** as the Number 1 State for manufacturing and technology
4. California **leads the nation** as the Number 1 State for capital access
5. California **leads the nation** with the most Fortune 500 companies
6. California's quality of life standards is one of the **highest in the nation**
7. California is a **global leader** in agricultural output and export
8. California is a **global leader** in attracting and retaining international talent and investment
9. California is a **global leader** in innovation and entrepreneurship
10. California is a **global leader** in higher education and workforce readiness

HISTORY OF CALIFORNIA'S ECONOMY

A *Brief History of the California Economy* can be found here:

http://www.dof.ca.gov/HTML/FS_DATA/HistoryCAEconomy/index.htm

A *Chronology of Significant Events* in California's economy can be found here:

http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/Chronology/chronology.htm

CALIFORNIA BY THE NUMBERS

California is a national leader in job creation with 320,300 new private sector jobs created between Dec. 2013 and Dec. 2014. (California Employment Development Department)

California private-sector employers have added 1,587,800 jobs (an increase of 13.6 percent) since February 2010. And the state's unemployment rate is at 7.0% – the lowest rate in since 2008. (U.S. Congress Joint Economic Committee, U.S. Bureau of Labor Statistics)

Due to California's diverse industry mix the state added jobs in multiple high paying sectors such as business and professions, healthcare, education, trade and transportation, information, and finance. All of these sectors posted significant increases over the last year. (California Employment Development Department)

The California construction industry grew by 37,800 employees (5.7%) in the last year. (California Employment Development Department)

California is by far the number one state for manufacturing both in jobs and output. Manufacturers in California account for 10.85% of the total output in the state, employing almost 8.02% of the workforce. Total output from manufacturing was \$239.01 billion in 2013, 11.5% of the U.S. manufacturing output. (National Association of Manufacturers)

California has 53 Fortune 500 companies headquartered in the State. (Fortune Magazine)

California exports totaled \$14.9 billion in November and \$170.1 billion over the past year, up 4.6 percent from the 12 months ending in November 2013 (inflation-adjusted dollars). (U.S. Congress Joint Economic Committee)

California leads the nation with 1.1 million workers in the high tech industry. California leads in 12 of 16 high tech industry clusters. (Comp TIA)

California has the highest number of 'Green jobs' in the U.S. with over 431,800 people employed in high paying advanced energy positions. (Advanced Energy Economy Institute)

California's 2,636 biomedical companies employ 270,300 people. This industry accounts for \$101 billion in annual revenues. (California Healthcare Institute)

3.5 million California small businesses account for 99% of the state's employers and employ 52% of the workforce. (U.S. Small Business Administration)

In 2014, California companies received more venture capital funding (\$26.8 billion) than companies in the rest of the 49 states combined. (CB Insights)

California is the No. 1 state for agriculture revenues, with \$44.7 billion in revenue representing 12.1% of the U.S. total. (California Department of Food and Agriculture)

California is the No. 1 state for attracting foreign direct investment. (Congressional Research Service)

STATE ECONOMIC DEVELOPMENT INCENTIVES

BUSINESS TAX CREDITS

California provides several tax credit incentives to stimulate business activity in key economic sectors such as research and development, manufacturing, alternative energy, and motion picture and television production, to name a few. **It is important to note that California does not have an inventory tax and the property tax rate is regulated by Prop 13.**

For more information, please visit:
<https://www.ftb.ca.gov/businesses/bustaxcredit.shtml>

CALIFORNIA COMPETES TAX CREDIT

The California Competes Tax Credit (CCTC) is a competitive income tax credit available to businesses that want to come to California or stay and grow in California. This is a statewide program with no geographic restrictions. Tax credit agreements will be negotiated by GO-Biz and approved by a newly created "California Competes Tax Credit Committee."

For more detailed information, please visit:
<http://www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit.aspx>

NEW EMPLOYMENT CREDIT

The New Employment Credit (NEC) is available for each taxable year beginning on or after January 1, 2014, and before January 1, 2021, to a qualified taxpayer hiring a qualified full-time employee on or after January 1, 2014, and pays or incurs qualified wages attributable to work performed by the qualified full-time employee in a designated census tract or economic development area, and that receives a tentative credit reservation for that qualified full-time employee. To be eligible for a credit, the qualified taxpayer must have a net increase in full-time employees in California, determined on an annual full-time equivalent basis. The

credit is based on 35% of wages of a qualified employee, capped at \$56,000 per employee. Qualified companies must be located in areas based on census tracts with highest unemployment and poverty rates as well as LAMBRAS and former enterprise zone boundaries (with some exclusions).

For more information, please visit:
https://www.ftb.ca.gov/online/New_Employment_Credit_Reservation/FAQs.shtml

RESEARCH & DEVELOPMENT TAX CREDIT

California mirrors one of the nation's most competitive tax incentives, the research and development (R&D) tax credit. The California R&D tax credit program reduces income or franchise tax. You may qualify for the credit if you paid or incurred qualified research expenses while conducting qualified research activity in California. You may receive 15 percent of the excess of current year research expenditures over a computed base amount (minimum of 50 percent of current year research expenses) or a 24 percent credit for basic research payments to third party organizations. You may claim the credit on the return for the taxable year you incurred the qualified expenses.

Qualified research expenses include wages, supplies and contract research costs. To qualify, the research must be conducted within California and include basic or applied research of scientific inquiry, original investigation for the advancement of scientific or engineering knowledge or improved function of a business component.

California has several exceptions to the federal law that can affect your computations for the credit.

For more specific information, please review the Franchise Tax Board's Frequently Asked Questions:
<http://www.ftb.ca.gov/forms/misc/1082.pdf>

CALIFORNIA FILM & TELEVISION TAX CREDIT PROGRAM

The California Film Commission offers a tax credit incentive program to qualified motion pictures. \$330 million has been allocated annually beginning on July 1, 2015 through June 30, 2021.

The Program allows a 20% tax credit for qualified production related expenses to a taxpayer against State income taxes. The program offers a special 5% additional tax credit bonus for those TV series that return from out of state and to “independent films”.

A qualified taxpayer may, in lieu of claiming the credit, apply the credit amount against sales and use taxes.

For more information, please visit:
<http://www.film.ca.gov/Incentives.htm>

SALES AND USE TAX EXEMPTIONS AND EXCLUSIONS

SALES AND USE TAX EXEMPTION FOR MANUFACTURING

This program which is administered by the Board of Equalization, provides a sales tax exemption of 4.1875% for basic manufacturing equipment. In addition, equipment for food processing manufacturing and research and development, biotechnology manufacturing and research and development and manufacturing research and development are eligible for the exemption. Tenant improvements for manufacturing or research and development may also be eligible.

For more information, please visit:
http://www.boe.ca.gov/sutax/manufacturing_exemptions.htm

SALES AND USE TAX EXEMPTION FOR AGRICULTURE

This program which is administered by the Board of Equalization, provides a partial sales

tax exemption available under section 6356.5 for the sale, storage, use, or other consumption of farm equipment, machinery and their parts to qualified persons for use in qualifying activities. The partial exemption may also apply to leases.

The partial exemption applies only to the state sales and use tax rate portion. The exemption does not apply to any local, city, county, or district taxes. Sales and purchases of farm equipment, machinery and parts will continue to be subject to the remaining portion of the sales and use tax rate consisting of the local, city, county and any applicable district taxes.

For more information, please visit:
<http://www.boe.ca.gov/sutax/exemptfem.htm>

ADVANCED TRANSPORTATION AND MANUFACTURING SALES AND USE TAX EXCLUSION PROGRAM

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) provides a full sales and use tax **exclusion** for advanced manufacturers and manufacturers of alternative source and advanced transportation products, components or systems.

The STE Program was originally authorized by Senate Bill 71 (Padilla, 2010), which allowed CAEATFA to provide a sales tax exclusion for manufactures of alternative source and advanced transportation products.

The STE Program was recently expanded by Senate Bill 1128 (Padilla, 2012) to include advanced manufacturing projects.

For more information, please visit:
<http://www.treasurer.ca.gov/caeatfa/ste/index.asp>

STATE FINANCING PROGRAMS

CALIFORNIA CAPITAL ACCESS PROGRAM

The California Capital Access Program (CalCAP) encourages participating banks and lending institutions to provide loans to small businesses that fall outside of conventional underwriting standards. Small business owners having difficulty in obtaining conventional financing may qualify for a CalCAP loan through any CalCAP lender.

CalCAP is a form of loan portfolio insurance that provides up to 100% coverage on certain loan defaults. CalCAP insures loans made by Participating Lenders to small businesses in order to assist their growth efforts with eligible use of fund proceeds to acquire land, construct or renovate buildings, purchase equipment, working capital, energy efficiency improvement projects as well as bridge financing needed prior to obtaining permanent financing (including SBA 504 bridge loans).

Since its inception in 1994 through the end of 2011, over 10,300 loans have been enrolled in the program and CalCAP lenders have cumulatively loaned \$2.07 billion. In 2011, CalCAP enrolled 1,509 loans made to 1,441 California small business owners.

There is no minimum loan amount however, the maximum loan amount is \$5 million and the maximum enrolled amount is \$2.5 million. Borrowers are limited to a maximum \$2.5 million enrolled over a 3 year period. The borrower's primary business and at least 50% of employees or income, sales or payroll, must be located in California. Borrowers with over 500 employees are ineligible for this program.

The Participating Lender sets all the terms and conditions of the loan (including premium levels, maturity dates, fixed or variable interest rates, secured or unsecured, amortization schedule, etc.) and determine which loans to enroll into the CalCAP program.

The current list of participating lenders is posted here:

<http://www.treasurer.ca.gov/cpcf/calcap/sb/institutions.pdf>

For more information, please visit:

<http://www.treasurer.ca.gov/cpcf/calcap.asp>

COLLATERAL SUPPORT PROGRAM

The CalCAP Collateral Support (CalCAP CS) Program pledges cash to cover the collateral shortfall of a loan made by Eligible Lenders in order to enable financing that otherwise might not be available to a small business. The Collateral Support Program provides up to 40% of the loan value, in the form of a cash deposit, with the possibility of an additional 10% for businesses located in a Severely Affected Community.

To determine if a business is located in a Severely Affected Community, please visit:

<http://www.treasurer.ca.gov/cpcf/calcap/tools/communities.pdf>

The minimum loan amount is \$100,000, the maximum loan amount is \$20 million, and the maximum support amount is \$5 million per borrower. The term of the collateral support will be based on the original term of the loan not to exceed 7 years for any one loan.

Participating Lenders are free to determine the amount of collateral support they wish to request and may choose to reduce the collateral coverage at any time and for any reason.

The borrower must have their “Primary Economic Effect” in California where one of the following conditions exists: at least 51% of the total revenues of the business activity are generated in California; or at least 51% of the total jobs of the business are created or retained in California. Borrowers must have fewer than 750 employees to be considered eligible for this program.

The lender must certify its participation to use federal funds, apply to become a Participating Lender and must submit a request and risk assessment for CPCFA’s approval prior to the issuance of a loan.

For more information, please visit:

<http://www.treasurer.ca.gov/cpcfca/calcap/collateral/index.asp>

INDUSTRIAL DEVELOPMENT BONDS

Industrial Development Bond (IDB) financing is a competitive financing option available for the acquisition of manufacturing facilities and equipment providing a financing option for manufacturers to access private capital markets at tax-exempt rates.

The benefits of IDB financing include interest rates generally 20-30% lower than conventional financing. Historically, interest rates have been about 2% below prime and recently have been below 1%. The Securities Industry and Financial Markets Association tracks the weekly average municipal interest rate from 2000 to current. Muni Swap Index Data can be viewed at the following website: <http://www.sifma.org/research/item.aspx?id=19762>. Bonds can be issued over longer terms (30 years) than conventional financing as fixed or variable rates and can be prepaid at any time without penalty. The bonds are assumable if the business is sold to an entity engaged in a qualified use. Funds can be used for construction and take-out financing for land, buildings and equipment.

Certain federal and state regulations apply. The IDB financed project must be a facility used for the manufacturing, production or processing of tangible property. At least 95% of bond proceeds must be spent on qualifying costs (generally includes land, building, equipment as well as capitalized interest during construction). Bond proceeds cannot be used for working capital or inventory. The capital expenditures for the project, when added to the company’s other capital expenditures in the same public jurisdiction as the project for the three years immediately preceding and three years following the closing of the financing of the project, cannot exceed \$20,000,000. The project must meet certain public benefit criteria established by the California Debt Limit Allocation Committee (CDLAC), which among other things, includes the creation or retention of jobs. Prevailing wage must be paid to workers involved in the construction or renovation.

Fees: Pre-application fee (\$1,500), issuer fee (0.25%). Transaction costs generally range between 2%-5% of the bond amount, depending on complexity. Transaction costs include bond counsel, underwriter, trustee and financial advisor (if utilized) fees as well as letter of credit costs. Up to 2% of these “costs of issuance” can be included in the bond amount and amortized over time. The term of the bond is determined by the useful life of the assets involved. On-going annual costs, in addition to interest, include trustee fees (flat fee of \$1,000-3,000), letter of credit fees as well as the I-Bank’s \$500 annual fee until the bonds are redeemed.

For more information, please visit:

http://www.ibank.ca.gov/industrial_dev_bonds.htm

SMALL BUSINESS LOAN GUARANTEE PROGRAM

The California Small Business Loan Guarantee Program (SBLGP) assists businesses with the creation and retention of jobs while

encouraging investment into low- to moderate-income communities. The SBLGP enables small businesses to not only obtain a loan it could not otherwise obtain but more importantly helps to establish a favorable credit history with a lender so the business may obtain loans in the future on its own without the assistance of the program.

The SBLGP is administered by designated Financial Development Corporations (FDC) in guaranteeing the loan to the borrower.

Loan proceeds may be used for start-up costs, working capital, business procurement, equipment and inventory purchases, contract financing, franchise fees, business expansion, lines of credit, as well as real estate construction, renovation or tenant improvements of an eligible place of business.

Proceeds must be used for small businesses located in the State of California employing no more than 750 employees. Borrowers must show repayment ability.

The maximum loan amounts vary between federal and state programs. For the federal program the maximum loan amount is \$20 million and there is no defined state amount. Please contact a FDC of your choice to determine the maximum loan amount applicable to your needs.

The maximum loan guarantee is 80% for federal programs and 90% for state programs. The actual loan amount and guarantee percentage is set on a case by case basis. The State's current loan guarantee can be up to \$2.5 million

For more information as well as a list of Financial Development Corporations, please visit: <http://www.bth.ca.gov/sblgp.htm>

STATE WORKFORCE DEVELOPMENT PROGRAMS

EMPLOYMENT TRAINING PANEL

The Employment Training Panel (ETP) is a business and labor supported state initiative that assists employers in strengthening their competitive edge by providing funds to off-set the costs of job skills training necessary to maintain high-performance workplaces. Since its inception in 1983, the Employment Training Panel has funded the training of over 800,000 employees, served over 78,000 businesses, and expended over \$1.25 billion in funds.

ETP uses a pay-for-performance contract to provide a specific, fixed-fee cash reimbursement for the costs of employer-customized, job-specific skills training conducted by a company for new hires or existing employees. Common training topics include: Business Skills, Computer Skills, Commercial Skills, Manufacturing Skills, Continuous Improvement, Hazardous Materials and OSHA 10/30, Management Skills and Literacy Skills.

The ETP reimbursement is based on the contract specified reimbursement rate and the number of training hours delivered and tracked. The rate is inclusive of all administration and training costs. Contracts are based on a two-year term. ETP funding is earned once the trainee completes a minimum number of ETP funded training hours and a post training employment retention period earning a contract specific wage. ETP uses a web-based tracking system for tracking of training hours, invoicing and supporting the contract with free development and monitoring services.

For more information, please visit: <http://www.etp.ca.gov>

In an effort to encourage the utilization of the entry level workforce, in 2012 ETP launched

a new “apprenticeship pilot program” setting aside 10 percent of its total funds to support apprenticeship Related and Supplemental Instruction (RSI).

For more information on the Apprenticeship Pilot Program, please visit:

http://www.etp.ca.gov/docs/Apprenticeship_Guides.pdf

DIVISION OF APPRENTICESHIP STANDARDS

California’s employers consider apprenticeship opportunities to develop their pipeline of skilled laborers, create a more flexible workforce, reduce employee turnover, instill company loyalty (through the employer’s commitment to training), increase productivity as employee skills increase and for improved customer satisfaction generated by quality workmanship.

In recognition of these considerations and to assist companies engaged in apprenticeship opportunities, the Division of Apprenticeship Standards (DAS) within the Department of Industrial Relations, administers California’s apprenticeship law and is responsible for the promotion and development of employment-based apprenticeship training in a variety of industries and occupations. Over 54,000 registered apprentices are currently in training in over 550 apprenticeship programs around the state, graduating approximately 8,000 new journey-level workers with nationally-recognized State approved certifications each year.

DAS consultants work with individual employers to design and implement employment-based training programs incorporating on-the-job training with related post-secondary classroom instruction provided through local community colleges and adult education programs.

Categorical apprenticeship funding may be available to cover the costs of related classroom instruction. Veterans can receive GI benefits to help supplement their wages and apprenticeship programs qualify for a variety of subsidized training assistance. The consultative services of the DAS are available at no cost to any employer in the state wishing to establish an in-house training program to build their skilled workforce.

More information on California’s registered apprenticeship programs can be found at:

<http://www.dir.ca.gov/das>

CALIFORNIA’S WORKFORCE INVESTMENT BOARD

The Workforce Investment Act of 1998 (WIA) created a unique national workforce preparation and employment system designed to meet the needs of both career seekers and businesses. The California Workforce Investment Board (WIB) is responsible for assisting the Governor in performing the duties and responsibilities required by WIA. The WIB’s strategic plan is aimed at serving the employment and training needs for companies and to sustain a skilled workforce so that businesses prosper. Services are predominantly provided through regional Workforce Investment Boards at “One-Stop” Career Centers, available at no cost.

One-Stop Centers follow a business services model that ensure the reliable delivery of services to businesses as well as the sharing of job listings and potential candidates throughout an entire countywide network. One Stop Centers offer a range of human resource services including: customized recruiting programs; job matching through skills assessments; interview facilities for conducting both one-on-one and group meetings; screening, testing and referrals; on-the-job and pre-employment training; technical assistance for employee support

and accommodations for employees with disabilities; information referral services for business incentives and business-to business referrals; as well as free job postings both locally and on the world wide web utilizing the center's online job bank.

For more information, please visit:
<http://www.cwib.ca.gov/>

CALIFORNIA'S VETERANS - CALVET

California's returning veterans present a strategic hiring advantage that sets the State apart. California is home to approximately 2 million Veterans - more than any other state in the nation. Coupled with federal incentives (such as the VOW to Hire Heroes Act), returning veterans in California provide a strategic opportunity for companies seeking to take advantage of a workforce that is already skilled in advanced military applications and given California's military significance, is arguably one of the most trained and educated to ever exit from military service.

For more information on working with California's veteran workforce, please visit:
<http://calvet.ca.gov>

JOINT VENTURE PROGRAM

The Joint Venture Program (JVP) provides vocational training opportunities to inmates within California's correctional settings and it offers businesses attractive benefits for employing them. These individuals gain enhanced job skills, which allows them to return more successfully to the community as productive citizens after serving their time. A very successful correctional rehabilitation program, the JVP has a recidivism rate of 9%. The JVP helps these individuals return more successfully to society as productive citizens after serving their time.

The Joint Venture Program offers participating businesses:

- Long term leases at below market rates (\$0.02/sq.ft.)
- A 50% discount on Workers' Compensation Insurance
- No employee benefit packages required (medical, vacation, sick leave, etc.)
- State tax credits
- A reliable, motivated labor force ready to work immediately
- Available space in locations throughout California
- Companies can feature "Made in the USA" label

For more information on participating in the Joint Venture Program, please visit:
<http://jointventureprogram.ca.gov/>

STATE ENERGY AND ENVIRONMENT PROGRAMS

GO SOLAR CALIFORNIA

Go Solar California is a state championed energy campaign that builds on over 10 years of solar rebates offered to customers that fall within California's three investor-owned utility territories: Pacific Gas & Electric; Southern California Edison and San Diego Gas & Electric. In January 2007, California launched an unprecedented \$3.3 billion effort to reach 3,000 MW (3 gigawatt) of installed solar capacity by the end of 2016 and transform the market for solar energy by reducing the cost of solar generating technology. The campaign is comprised of three major components: the California Public Utilities Commission (CPUC) – California Solar Initiative; the California Energy Commission (CEC) – New Solar Homes Partnership and a variety of programs offered through Publicly Owned Utilities.

The California Solar Initiative (CSI) consists of four program components: a research and development program; the single-family affordable solar housing program; the multi-family affordable solar housing program and the CSI-thermal program. In 2011, California became the first state in the nation to install more than 1 gigawatt of customer-generated solar energy.

The New Solar Homes Partnership (NSHP) provides financial incentives to encourage the installation of eligible solar energy systems on new residential construction.

For more information, please visit:
<http://www.gosolarcalifornia.ca.gov/>

SELF-GENERATION INCENTIVE PROGRAM

In response to an energy crisis in 2001, the State established the Self-Generation Incentive Program (SGIP) as a peak-load reduction program that incentivizes the development and commercialization of new, existing and emerging distributed energy resources by providing rebates for qualified distributed energy systems installed on the customer's side of the utility meter.

In 2009, the program was enhanced to identify and encourage distributed energy resources that contribute to greenhouse gas reduction goals. Eligibility for participation in the SGIP is now based on greenhouse gas emissions reductions. Eligible technologies include wind turbines, fuel cells, organic rankine cycle/waste heat capture, pressure reduction turbines, advanced energy storage, and combined heat and power gas turbines, micro-turbines, and internal combustion engines. The program no longer supports solar photovoltaic technologies – these were moved under the purview of the California Solar Initiative in 2006. Participants receive up-front and performance-based incentives. The incentives apply only to the portion of the generation that serves a project's on-site electric load. The program has been extended through January 1, 2016.

With 544 completed projects generating over 252 megawatts, the SGIP is one of the longest-running and most successful distributed generation incentive programs in the country. In 2011 alone, these facilities provided over 760,000 MWh of electricity to California.

For more information, please visit:
<http://www.cpuc.ca.gov/PUC/energy/DistGen/sgip>

ENERGY INNOVATIONS SMALL GRANT PROGRAM

The Energy Innovations Small Grant (EISG) Program provides up to \$95,000 for hardware projects and \$50,000 for modeling projects to small businesses, non-profits, individuals and academic institutions to conduct research that establishes the feasibility of new, innovative energy concepts. Research projects must target one of the specified R&D areas, address a California energy problem and provide a potential benefit to California electric and natural gas ratepayers.

To encourage participation in the program the application and award process has been simplified and assistance is available in gaining access to technical experts.

For more information, please visit:
<http://www.energy.ca.gov/research/innovations/>

ELECTRIC PROGRAM INVESTMENT CHARGE

The Electric Program Investment Charge (EPIC) program (previously called the Public Interest Energy Research program), is the state's premier energy research, development, & deployment program for the advancement of science and technology in the fields of energy efficiency, renewable energy, advanced electricity technologies, energy-related environmental protection, transmission and distribution as well as transportation technologies. Over the last 10 years EPIC has invested over \$700 million to assist utilities and energy companies in the development and deployment of technologies that provide environmental and economic benefits to California's energy ratepayers.

For more information, please visit:
<http://www.energy.ca.gov/research/epic/>

Frequently asked questions:

http://www.energy.ca.gov/research/epic/documents/2012-09-27_workshop/2012-09-27_EPIC_FAQs.pdf

ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM

Demonstrating California's leadership in the national push to reduce dependency on petroleum and greenhouse gas emissions while improving energy security, the Alternative and Renewable Fuel and Vehicle Technology Program (also known as "AB 118") provides financial incentives (as much as \$100 million annually through competitive grants, loans, loan guarantees, revolving loans, and other appropriate measures or means) for businesses, vehicle and technology manufacturers, workforce training partners, fleet owners, consumers and academic institutions to develop and deploy alternative and renewable fuels as well as advanced transportation technologies that help the state meet its policy objectives on climate change.

For more information, please visit:
<http://www.energy.ca.gov/drive/index.html>

HYBRID AND ZERO EMISSION TRUCK AND BUS VOUCHER INCENTIVE PROJECT

The Hybrid Truck and Bus Voucher Incentive Project (HVIP), is designed to accelerate California's deployment of new hybrid and zero-emission trucks and buses. The program has \$18 million in funds as of October 2012. Air Resources Board (ARB) has teamed with CALSTART to implement this streamlined,

first-come, first-serve program.¹ The HVIP Implementation Manual defines the roles and responsibilities of ARB, CALSTART, vehicle dealers and vehicle purchasers in project implementation. ARB must approve hybrid truck and bus models for them to become eligible for the program. This program is a component of the AB118 program.

For more information, please visit:

<http://www.californiahvip.org/>

AIR QUALITY IMPROVEMENT PROGRAM CLEAN REBATE PROJECT

The Air Quality Improvement Program – Clean Rebate Project is intended to encourage and accelerate zero emission vehicle deployment and technology innovation. Rebates range from \$900 for zero-emission motorcycles and neighborhood electric vehicles to \$1,500 for plug-in hybrid electric vehicles and \$2,500 for full function zero emission vehicles. There is a maximum cap of 20 per applicant. This program is a component of the AB118 program.

For more information, please visit:

<http://www.arb.ca.gov/msprog/aqip/aqip.htm>

CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM

The Carl Moyer Memorial Air Quality Standards Attainment Program provides grant funding for cleaner-than-required engines and equipment. Grants are

¹ CALSTART is a member-supported organization of more than 140 firms, fleets and agencies worldwide dedicated to supporting a growing high-tech, clean transportation industry that cleans the air, creates jobs, cuts imported oil and reduces global warming emissions. <http://www.calstart.org>

administered by local air quality management districts. The Air Resources Board works collaboratively with the districts and other stakeholders to set guidelines and ensure the program reduces pollution as well as provides cleaner air for Californians. The program focuses on cleaning the air by replacing older heavy-duty diesels with electric, alternative-fuel, or cleaner diesel technologies.

For more information, please visit:

<http://www.arb.ca.gov/msprog/moyer/moyer.htm>

PROVIDING LOAN ASSISTANCE FOR CALIFORNIA EQUIPMENT PROGRAM

The California Air Resources Board has developed innovative financing programs to provide fleet owners, particularly small business owners, easier access to loan opportunities. The ARB's loan programs offer several options to increase financing accessibility including loans, loan guarantees and other mechanisms to assist industries affected by ARB regulations.

The Providing Loan Assistance for California Equipment (PLACE) Program for Off-Road Vehicles is a loan guarantee program available for off-road vehicle owners requiring assistance for financing retrofits, repowers and replacements.

The PLACE Program for On-Road Vehicles (formerly On-Road Heavy-Duty Vehicle Air Quality Loan Program) offers financial assistance to fleet owners subject to two regulations approved by the Board in December 2008.

The Goods Movement Emissions Reduction Program may offer loan assistance to upgrade equipment used in freight movement along California's trade corridors.

For more information, please visit:
<http://www.arb.ca.gov/ba/loan/loan.htm>

POLLUTION CONTROL FINANCING

The California Pollution Control financing Authority (CPCFA) provides tax-exempt bond financing for pollution control projects. The Tax-Exempt Bond Financing Program provides California businesses assistance with acquisition or construction of qualified pollution control, waste disposal, waste recovery facilities and the acquisition and installation of new equipment.

As a “conduit issuer” of tax-exempt private activity bonds, CPCFA is able to facilitate low cost financing to qualified waste and recycling projects. Projects that control pollution may qualify for tax-exempt financing as allowed by federal tax law. Examples of recent assistance include projects to purchase clean-air vehicles by waste companies, recyclers of used oil, animal waste conversions to clean burning fuel, and construction and demolition debris recycling programs.

CPCFA works with participating financial institutions to assist small business with loans of up to \$2.5 million. CPCFA also assists with the clean-up of contaminated sites through a \$60 million grant and loan program as well as a site-assessment loan program.

For more information, please visit:
<http://www.treasurer.ca.gov/cpcf/>

RECYCLING MARKET DEVELOPMENT ZONES REVOLVING LOAN PROGRAM

The Department of Resources Recycling and Recovery (CalRecycle) administers a Recycling Market Development Zone (RMDZ)

Loan Program to encourage California-based recycling businesses located within California to locate new manufacturing facilities as well as expand existing operations. The program provides low-interest rate loans for the purchase of equipment and relevant business expenses. The intent of the program is to help California manufacturers increase their processing capabilities and create additional markets for recycled-content products. The maximum loan amount is \$2 million for each project.

For more information, please visit:
<http://calrecycle.ca.gov/RMDZ/Loans/>

BEVERAGE CONTAINER RECYCLING GRANTS

CalRecycle addresses key recycling challenges, aids in increasing beverage container collection and reduces beverage container litter in the waste stream through the availability of grant funding to projects that implement new, or enhance existing, programs that provide convenient beverage container recycling opportunities in various locations statewide.

Eligible projects include: bars and restaurants; Colleges/ universities/ schools; community events; entertainment and hospitality venues; fitness centers; multifamily dwellings; office buildings; parks and recreational areas as well as sporting complexes and facilities.

For more information, please visit:
<http://www.calrecycle.ca.gov/BevContainer/Grants/>

CLEANUP LOANS AND ENVIRONMENTAL ASSISTANCE TO NEIGHBORHOODS LOAN PROGRAM

This Program provides low-interest rate loans to finance environmental assessments and hazardous waste cleanup activities of designated Brownfields and underutilized urban properties. The program provides up to \$100,000 for preliminary endangerment assessments and up to \$2.5 million for clean up or removal of hazardous waste for redevelopment.

For more information, please visit:
<http://www.calepa.ca.gov/brownfields/>

BROWNFIELDS REVOLVING LOAN FUND PROGRAM

The Brownfields Revolving Loan Fund Program provides low-interest rate loans between \$200,000 and \$900,000 for financing cleanup activities of sites by eligible public or private property owners including government agencies, private property owners as well as non-profit organizations. Up to \$200,000 in sub-grants can also be awarded to government agencies and non-profit organizations.

For more information, please visit:
<http://www.calepa.ca.gov/brownfields/>

TIRE EQUIPMENT LOAN PROGRAM

The Tire Equipment Loan Program provides low-interest rate loans to help tire recycling manufacturers in California increase their processing capability and create additional markets for pre-derived recycled-content products.

For more information, please visit:
<http://calrecycle.ca.gov/Tires/Loans/Equipment>

EXISTING STATE BUSINESS PROGRAMS

CALIFORNIA'S INNOVATION HUB PROGRAM

California is home to the largest in-state innovation network in the country. Acknowledging the inherent opportunities available within the State to connect the emerging labor force with existing businesses and entrepreneurial start-up companies, GO-Biz is leading an initiative to prioritize the commercialization of innovation and technology as an economic development strategy through the California Innovation Hub (i-Hub) Program. Twelve existing i-Hubs span the state from Redding to San Diego and cover some of California's most vibrant economic sectors from agriculture to life science and from clean technology to transportation.

The program was formed for the purposes of:

- Leveraging California's national and international market-share in human and investment capital as a global destination for leadership in innovation opportunities;
- Providing a platform for the transfer of ideas discovered in nationally recognized laboratories and universities to private industry for the enhancement of an existing product or the creation of a new start up enterprise;
- Providing an advantage to Californian firms through the introduction of new technologies, processes, research and development (R&D) solutions into its existing business practice;
- Providing conduit assistance for the interaction of existing government owned assets (federal and state), facilities and operations with venture-supported startup companies for the testing and evaluation of products in development; and

- Facilitating a linkage for the inducement of investment funding to an inventor towards the commercialization of concepts into products so that the eventual production occurs within the California economy.

The GO-Biz Innovation and Entrepreneurship unit has established a wide range of collaborating partners with regional economic development authorities, local governments, private organizations, incubators, venture capital sources, and the higher education system to develop infrastructure and support for entrepreneurs to succeed in California. Many organizations are already involved in assisting entrepreneurs within the state. Recently, GO-Biz released a request for three new hubs to enhance California's existing innovation infrastructure. The addition of these new hubs will enable California to focus on three historically strong economic sectors including healthcare, manufacturing and aerospace.

For more information, please visit:

<http://business.ca.gov/Programs/Innovation.aspx>

CALIFORNIA STATE TRADE AND EXPORT PROMOTION PROGRAM

The California State Trade and Export Promotion (California STEP) project combines a network of state, federal, private and non-profit trade promotion organizations in California to facilitate export promotion activities serving targeted industries to drive exports for small businesses. STEP has developed an array of activities designed to assist California small businesses with export sales and international market expansion. The California STEP program is funded in part through a grant award with the U.S. Small Business Administration. To be eligible to participate in the program a company must: (1) Complete Certification Form; (2) Meets U.S. Small Business Administration size

requirement (3) Products must be at least 50 percent U.S. agricultural origin; (4) Entity is based in California; (5) Has been in business for more than one year; (6) Company has in effect a strategic plan for exporting; (7) Have at least one full-time employee or sales agent participating in the registered activity.

The STEP program benefits from the support of **The California STEP Network**. This network is unparalleled in experience and success including four (4) Presidential “E-awards” for exporting and six (6) successful Market Development Cooperator Awards by the U.S. Department of Commerce over the past decade carrying out small business export promotion programs.

Managed by the **California Community Colleges Chancellor’s Office Centers for International Trade Development (CITD)**, the network of STEP Partners implement a range of export promotion programs (20 trade missions and activities for 2011-2012) serving multiple sectors including: Information & Telecommunications Technologies, Green Technologies, Food and Agricultural Products, California Lifestyle Products, Water Technologies, Scientific Instrumentation, Transportation Equipment and Industrial Machinery.

For more information, please visit:

<http://californiastep.org>



GOVERNOR'S OFFICE OF BUSINESS & ECONOMIC DEVELOPMENT

Kish Rajan – Director

Panorea Avdis – Chief Deputy Director

The Governor's Office of Business and Economic Development ("GO-Biz") was created by Governor Edmund G. Brown Jr. to serve as California's single point of contact for economic development and job creation efforts. GO-Biz offers a range of services to business owners including: attraction, retention and expansion services, site selection, permit streamlining, facilitation through of regulatory compliance, small business assistance, international trade development, assistance with state programs as well as coordination with local and regional agencies. GO-Biz includes the following:

CALIFORNIA BUSINESS INVESTMENT SERVICES

[Leslie McBride – Deputy Director](#)

The California Business Investment Services (Cal-BIS) Unit is comprised of a team of business development experts and specialists with in-depth insight on available resources, ongoing initiatives, and government programs that provide direct technical and financial assistance to companies interested in either locating or expanding in California.

Cal-BIS works closely with its regional and local economic development partners to provide confidential no-fee, tailored site selection services to company executives, employers, corporate real estate executives, and site location consultants who are considering California for new establishments, relocation and/or expansion opportunities.

Cal-BIS provides a wide array of research, consultation and facilitation services involving the application of state resources and programs, coordination with regional and local agencies, information on labor, tax credits, tax exemptions, state permits and legislative action to the benefit of commercial business enterprises and new job creators.

The Cal-BIS unit serves as a company's primary liaison and facilitator between the state's regulatory agencies as well as regional and local governments throughout the state.

INTERNATIONAL AFFAIRS & TRADE DEVELOPMENT

[Brian Peck – Deputy Director](#)

The GO-Biz international business unit is the State's primary point of contact for expanding California's international business. It functions to boost international trade through marketing support, attention to policy barriers and support for airport, seaport, and ground transportation projects proving California as the nation's leading international gateway. It also functions to attract and support new foreign investment into the state in conjunction with Cal-BIS and the Federal EB-5 Immigrant Investor Visa Program. This unit is also responsible for operation of California's foreign trade office in Shanghai, China.

OFFICE OF THE SMALL BUSINESS ADVOCATE

The Small Business unit serves as the primary advocate and resource provider for assistance to California's small business community. The unit provides educational services on issues that directly affect small businesses and conducts direct advocacy on behalf of small business owners. The small business unit works in collaboration with state departments and agencies to manage interagency projects that promote regulatory compliance, outreach and assistance. The

Unit facilitates resources for technical assistance, financial assistance as well as state procurement opportunities.

INNOVATION & ENTREPRENEURSHIP

[Louis Stewart - Deputy Director](#)

The Innovation and Entrepreneurship unit is the state's primary point of contact for promoting California's innovation infrastructure. It functions to develop an environment encouraging entrepreneurship, promotes long term economic growth and facilitates job creation through innovation. It also serves to convene key stakeholders necessary to support GO-Biz activities throughout the state as well as stimulate entrepreneurship and the development of California's innovation workforce. This unit is primarily responsible for the administration of California's Innovation Hub (iHub) Program.

PERMIT ASSISTANCE

The Permit Assistance unit provides comprehensive permit and regulatory compliance assistance statewide for businesses in California by serving as the central source of permit guidance. The Permit Assistance unit also works with local and regional permitting agencies to provide permit identification and regulatory compliance assistance at the local level. The team will also act as a neutral facilitator between state regulatory agencies and businesses to resolve permitting issues. A project specialist may be assigned to personally guide an applicant through the permit process and will assist new business owners to identify all necessary permits required to start a new or to expand an existing business. The unit schedules pre-application meetings between businesses and the appropriate regulatory agencies to help streamline the permitting process. The

services provided by the Permit Assistance unit are confidential and free of charge.

The on-line permit assistance website www.calgold.ca.gov provides a listing of required, federal, state and local permits, webpage links, addresses, application forms and phone numbers.

COMMUNICATIONS AND POLICY

[Brook Taylor - Deputy Director](#)

LEGISLATIVE & INTER-GOVERNMENTAL AFFAIRS

[Andrew Sturmfels - Deputy Director](#)

EXTERNAL AFFAIRS

[Jorge Jaramillo - Deputy Director](#)

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CALIFORNIA COMPETES TAX CREDIT PROGRAM

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