April 23, 2018

The Honorable Richard D. Roth, Chair
State Senate Budget Subcommittee 4
State Capitol, Room 5019
Sacramento, California 95814

RE: Support for Reauthorization of the California Competes Tax Credit Program

Dear Chair Roth:

On behalf of the City of Long Beach, I would like to express our strong support of the five-year renewal of the California Competes Tax Credit program in the Governor’s budget. The extension of this program is critical to the competitive position of our state as businesses consider where to locate jobs and investments. The California Competes Tax Credit program is the main tool that economic developers and public jurisdictions can leverage to create a competitive advantage at the state level – a necessary tool that should be maintained throughout this budget process.

The City of Long Beach is home to seven businesses to date that have taken advantage of the California Competes Tax Credit program (Cal Competes) and, in turn, have benefitted individuals within the surrounding communities by agreeing to invest in the expansion of their business at a local level. For example, through Cal Competes, Denso International America, Inc. is expanding operations in Long Beach. As part of this expansion, the company will be hiring full-time employees and investing in manufacturing and computer equipment, research and development equipment, and tenant improvements.

Reauthorization of Cal Competes at the proposed level of $180 million for another five years will ensure that California maintains its competitive edge. Cal Competes is well-known nationally and creates real impact for companies, especially in the initial years of starting up in a new location.

Given these reasons, City of Long Beach supports the continued reauthorization of the California Competes Tax Credit program.

Sincerely,

Mayor Robert Garcia
City of Long Beach

cc: The Honorable Speaker Anthony Rendon, State Assembly
    The Honorable Steven Bradford, State Senate, 35th District
    The Honorable Ricardo Lara, State Senate, 33rd District
    The Honorable Janet Nguyen, State Senate, 34th District
    The Honorable Mike Gipson, State Assembly, 64th District
    The Honorable Patrick O’Donnell, State Assembly, 70th District
    State Senate Budget Subcommittee No. 4