BUSINESS
Programs & Incentives
The San Bernardino County Economic Development Agency (EDA) is your partner in business success. EDA offers a variety of resources and assistance to businesses, including:

- Site Selection Assistance
- Labor Market Assistance
- Market Analysis Assistance
- Regulatory and Tax Assistance
- Project Facilitation
- Permitting Assistance
EDA connects businesses to a variety of federal, state, and local incentives or assistance. In addition, the County may negotiate additional incentives on a case-by-case basis depending on sales and purchasing volume by the business. Key incentives include:

- California Competes Tax Credit
- California State Hiring Credit / New Employment Hiring Tax Credit (NEC)
- California Sales & Use Tax Exemption
- California State Research & Development Tax Credit
- California Employment Training Panel
- SBA Programs
- California Sales & Use Tax Exclusion (STE)
- California Manufacturing Technology Consulting (CMTC)
- California Hybrid & Zero-Emission Truck and Bus Voucher Incentive Project
- Figtree Property Assessed Clean Energy (PACE) Financing
- GO-BIZ Permit Assistance
- Federal Investment Credit - Property
- Workforce Development Incentives
- Foreign Trade Zones (FTZs)
- EB-5 Immigrant Investor Program
- Recycling Market Development Zones (RMDZs)
- Southern California Edison
- California Veterans – CALVETS
- New Programs
- California Film and Tax Credit Program
- New Market Tax Credits (NMTC)
- Industrial Development Bonds (IDBs)
- U.S. Department of Agriculture (USDA) Rural Development Business Programs
California Competes Tax Credit

• Income tax credit available to businesses that want to locate in California or stay and grow in California

• Tax credit agreements negotiated by GO-Biz and approved by a newly created “California Competes Tax Credit Committee,” consisting of the State Treasurer, the Director of the Department of Finance, the Director of Go-Biz, and one appointee each by the Speaker of the Assembly and Senate Committee on Rules

• Allocations:
  
<table>
<thead>
<tr>
<th>FY</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-16</td>
<td>$200 million</td>
</tr>
<tr>
<td>16-17</td>
<td>$200 million</td>
</tr>
<tr>
<td>17-18</td>
<td>$200 million</td>
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<tr>
<td>18-19</td>
<td>$145 million (currently available)</td>
</tr>
</tbody>
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• For FY 18-19, applications will be accepted during the following periods:
  
  a) July 30, 2018 – August 20, 2018 $70 million available
  b) January 2, 2019 – January 21, 2019 $75 million available
  c) March 4, 2019 – March 25, 2019 Amount available to be determined

• All applications must be submitted on-line at www.calcompetes.ca.gov

California State Hiring Credit

• Effective January 1, 2014 to January 1, 2021

• Available for eligible employees who are long-term unemployed, unemployed veterans, ex-felons, or recipients of public assistance in designated high unemployment and poverty census tracts

• Corporate income tax credit equal to 35% of wages (above $15/hr and below $35/hr) in the first five years of employment (up to $56,000) per eligible employee

• Applications will be submitted online and must be requested within 50 days of employment start date

• Link: https://www.ftb.ca.gov/online/New_Employment_Credit_Reservation/index.shtml
California Sales and Use Tax Exemption

• Applies to purchases made on or after July 1, 2014 until June 30, 2022

• Statewide sales tax exemption (3.93%) of the state sales tax up to $200 million of certain manufacturing and research and development equipment including certain building improvements

• Available to manufacturers (NAICS Codes 3111-3399) and certain biotechnology, physical engineering, and life sciences companies conducting research and development (NAICS Codes 541711 and 541712)

• Link: [https://www.cdtfa.ca.gov/industry/manufacturing-exemptions.htm](https://www.cdtfa.ca.gov/industry/manufacturing-exemptions.htm)

• Contacts: Jennifer Racadio—Regional Liaison Manager, 1st District
  jennifer.racadio@boe.ca.gov
  Mobile: (909) 493-8183

  Lance Christiansen
  lance.christiansen@cdfaca.gov
  (951) 680-6733

California State Research and Development Tax Credit

• Companies may receive a 15% credit against their bank and corporation tax liability for qualified in-house research expenses, and a 24% credit for basic research payments to outside organizations

• Qualified research expenses generally include: wages, supplies, and contract research costs

• Research must be conducted within California and include basic or applied research of scientific inquiry, original investigation, or improved function of a business component

• Link: [https://www.ftb.ca.gov/businesses/credits/rd/](https://www.ftb.ca.gov/businesses/credits/rd/)
California Employment Training Panel

• Program provides funding to employers to assist in upgrading the skills of their workers through training that leads to good paying, long-term jobs

• Businesses determine their own training needs and how to provide training

• Employers must provide proof that training hours have been completed and trainees have been retrained in well-paying jobs for a specific period at a specified wage before ETP reimburses payment

Contact: Ryan Swier  
CA Training Panel  
Economic Development Analyst  
1100 J Street, 4th Floor  
Sacramento, CA 95814  
ryan.swier@etp.ca.gov  
(916) 327-4391

California Sales and Use Tax Exclusion (STE)

• Program is through the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)

• Provides a sales and use tax exclusion for advanced manufacturers and manufacturers of alternative source and advanced transportation products, components or systems

• Link: http://www.treasurer.ca.gov/caeatfa/ste/index.asp

• For more information, please contact CAEATFA at (916) 651-8157

California Manufacturing Technology Consulting

• Mission is to create solutions for the improvement of customers’ performance by fostering innovation and sharing knowledge

• CMTC offers manufacturing services and solutions for all types and sizes of industries

• Link: http://www.cmtc.com/
California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project

• For the purchase of eligible new hybrid or electric trucks
• Vouchers ranging from $8,000 to $45,000 on a first-come, first-served basis
• Link: http://californiahvip.org/
• Administration handled by: CALSTART http://www.calstart.org/Homepage.aspx

Figtree Property Assessed Clean Energy (PACE) Financing

• Provider for property owners including quoting, application processing, and funding
• Participating cities are Adelanto and Redlands
• Allows up to 20% of a property’s value to be financed for energy efficiency, renewable energy, and water conservation upgrade
• All commercial property types are eligible including office, industrial, retail, hotel, agriculture, and multi-family residential
• Minimum allowable project size is $5,000 with no maximum
• Eligible improvements include solar, HVAC, boilers & chillers, lighting, building controls, windows, cool roofing, water-efficiency plumbing, and hundreds of other improvement types
• Link: http://pacenow.org/resources/all-programs/

The 7(a) Loan

• Largest SBA Financing Programs
• Offers reasonable rates and terms.
• Use the loan to purchase real estate, equipment, working capital or inventory for your small business.
• Loan proceeds may also be used to refinance business debt or purchase a small business

• Max loan amount: $5 million

• Interest rate: generally prime + a reasonable rate capped at 2.75%

• Terms:
  o Loan term varies according to the purpose of the loan, generally up to 25 years for real estate
  o 10 years for other fixed assets and working capital

• Guarantee: 50 to 90%

SBA Express Loan

• Small Loan delivered by experienced lenders that are authorized to make the credit decision for SBA

• Max Loan Amount: $350,000

• Interest Rate: for loans less than $50,000 Prime +6.5 Percent; for loans of $50,000 and greater, prime +4.75 percent

• Terms: loan terms varies according to the purpose of the loan

• IESBDC: SBDC consulting services are offered at no cost to clients through partial funding from the U.S. Small Business Administration

Community Advantage Programs

• Community based financial institutions focused on financing for women, low-income borrows and minority entrepreneurs.

• Startups or in business for a few years.

• Interest rate: prime + 6 percent

• Terms: up to 25 years for real estate, and 10 years for equipment and working capital.

• Guarantee 75 to 90 percent.
SBA Micro lenders

- Entrepreneurs can borrow from $500 to $50,000 and access free Business counseling from SBA Micro lenders.
- Interest rate: Loan less than $10,000, lenders cost +8.5 percent; loans $10,000 and greater, lender cost +7.75 percent
- Terms: Lender negotiated, no early payoff

504 Certified Development Company Loan Program

- If you do not qualify for traditional financing, but you would like to purchase land or heavy equipment, or buy/renovation real estate for your business, ask about the 504 Certified Development Company Loan Program.
- Max Loan Amount (upto 40 percent of the total project): up to $5 million; $5.5 million for manufacturing or energy public policy projects
- Interest rate below market fixed rates for 10 or 20 year terms
- Terms: 20 years for real estate or long term equipment; 10 years for general machinery and equipment.
- Guarantee: the SBA lender provides a senior loan for 50 percent of the project cost
- Special condition: a minimum borrower contribution or down payment is required; amounts vary by project but are usually 10 percent

Contact: Paul Smith
(714) 560-7448
paul.smith@sba.gov
www.sba.gov
GO-BIZ Permit Assistance

• Provides comprehensive permit assistance and regulatory compliance statewide to all businesses in California by serving as the central source of permit guidance

• GO-Biz agency: [http://business.ca.gov](http://business.ca.gov)

• On-line permit assistance provides a listing of required federal, state and local permits, webpage links, addresses, application forms and phone numbers: [www.calgold.ca.gov](http://www.calgold.ca.gov)

• Contact: Lillian Conroe, Small Business & Permit Specialist
  (213) 897-9517
  Lillian.Conroe@gov.ca.gov

Federal Investment Tax Credit (ITC) – Property

• Reduces federal income taxes for qualified tax-paying owners based on capital investment in renewable energy projects (measured in dollars)

• Allows taxpayers to take a single tax credit against the project’s tax basis equal to 30% in its first year and allows a taxpayer to elect certain qualified facilities to be characterized as energy property eligible for a 10% or 30% ITC, depending on the technology

• Link: [http://energy.gov/savings/business-energy-investment-tax-credit-itc](http://energy.gov/savings/business-energy-investment-tax-credit-itc)

Workforce Development Programs

The most robust incentives offered to businesses in the county. Recruiting, retaining, and investing in a high-quality workforce is often the most costly factor of doing business. The County of San Bernardino Workforce Development Department offers the following:

• Recruitment Services to advertise positions, pre-screen applicant pool using web-based Job Match System, host job fairs, coordinate recruitment needs with community colleges, and assist with ongoing recruitment need

• Federal Work Opportunity Tax Credit (WOTC) certification of eligibility and processing assistance at no cost. $2,400-9,600 for each qualified employee
• Federal Welfare-to-Work Tax Credit certification of eligibility and processing assistance at no cost. $8,500 per qualified employee spread over two years

• On-the-Job Training (OJT) reimburses employer 50% of first 3-months of wages for eligible employees undergoing training

• Free Human Resource Hotline with unlimited consulting for employers with HR-related questions and free Layoff Prevention Services

• Contact: Michael Ector
  Business Services Manager WDD
  215 N. D Street
  San Bernardino, CA 92401
  michael.ector@wdd.sbcounty.gov
  (909) 677-0038

Foreign Trade Zones (FTZs)

• Secured areas legally outside of U.S. customs territory usually located in or near a customs point of entry

• FTZs allow entry of foreign or domestic merchandise without formal customs entry or government excise taxes

• Merchandise entering a zone may be stored, tested, sampled, relabeled, repackaged, displayed, repaired, manipulated, mixed, cleaned, assembled, manufactured, salvaged, destroyed or processed duty free until transferred from the zone

• The majority of the San Bernardino County falls within a FTZ area or sub-area

• Link: http://enforcement.trade.gov/ftzpage/index.html

Port of Long Beach (Grantee)
Gilberto Contreras
(562) 283-7776
Gilberto.contreras@polb.com

Port of Long Angeles (Grantee)
Masa Morimoto
(310) 732-3843
mmorimoto@portla.org
U.S. Department of Commerce International Sales and Export Assistance

The U.S. Commercial Service is the trade promotion arm of the U.S. Department of Commerce’s International Trade Administration. The mission of the U.S. Commercial Service is to increase U.S. exports, enhance job creation, strengthen national security, promote and protect U.S. commercial interests abroad, and deliver customized solutions to ensure that U.S. businesses compete and win in the global marketplace. Export assistance provided to U.S. companies that manufacture goods and/or provide services of at least 51% U.S. content.

- **International Trade Counseling** to help U.S. exporters develop effective market entry and sales strategies, understand export documentation requirements and foreign import regulations, and navigate through export controls, compliance, and trade financing options.

- **Business Matchmaking** to connect U.S. exporters with pre-screened potential international business partners (e.g. distributors, importers, etc.) Programs and services available to promote your product or service to prospective buyers at trade events worldwide and connect you with industry and government decision makers.

- **Market Intelligence** to support U.S. exporters with analysis of international market potential, competitors, distribution channels, regulations, and other important factors to consider when identifying target markets. Ability to also conduct background checks on potential buyers and distributors.

- **Customized Services** to meet the unique needs of U.S. exporters as they develop their international sales and pursue doing business in foreign markets.

- **Trade Finance** options to provide you with solutions to your export financing and non-payment risk mitigation needs.

For more information on how we can help your company develop international sales and export strategies, please call our Inland Empire office at (909) 390-8283 or visit [www.export.gov/california/ie](http://www.export.gov/california/ie)
EB-5 Immigrant Investor Program

- Foreign nationals are eligible to receive permanent resident status for qualifying investments of at least $1,000,000 into a new commercial enterprise or real estate.
- Qualified investment is reduced to $500,000 in Targeted Employment Areas (TEA).
- Although a federal program, EDA can assist businesses identify or certify TEAs and connect with certified regional centers to streamline financing and visa processing.
- EB-5 should be considered as an alternative source of capital for businesses.

Recycling Market Development Zones (RMDZs)

- RMDZs combine recycling with economic development to support businesses that manufacture goods using recycled materials and divert waste from landfills.
- San Bernardino County has four (4) RMDZs that include most industrial and commercial land uses in the county.
- The program provides attractive loans, technical assistance, and free product marketing to businesses that manufacture their products in a zone.
- Link: [http://www.calrecycle.ca.gov/rmdz/loans/](http://www.calrecycle.ca.gov/rmdz/loans/)
- Contact: Richard Vaughn
  Economic Development Agency
  Economic Development Coordinator
  385 N. Arrowhead Ave.
  San Bernardino, CA 92415
  richard.vaughn@eda.sbcounty.gov
  (909) 387-4386
Southern California Edison

- Economic Development Services Project Managers provide one-on-one, specialized consulting services
- Incentive programs such as demand response, energy efficiency, on-bill financing available to reduce operational costs
- Economic Development Rate (EDR) - 12% discount
- EDR program is accessible up until either the 200 MW is met or the day before SCE’s 2018 GRC Phase 2 rates are applied
- Link: [www.sce.com](http://www.sce.com)
- Contact: Michael Curley, Economic Development Consultant
  Phone (626) 633-4856
  [Michael.Curley@sce.com](mailto:Michael.Curley@sce.com)

Industrial Development Bonds (IDBS)

- Conduit tax-exempt and taxable bond financing for private business expansion for qualified small manufacturing and processing businesses
- Financing amount not to exceed $10 million (per Federal tax law)
- Contact: Ruben Rojas, Deputy Executive Director
  Phone (916) 539-4408, [Ruben.Rojas@ibank.ca.gov](mailto:Ruben.Rojas@ibank.ca.gov)

California Veterans – CALVET

- Returning veterans present a strategic hiring advantage
- Coupled with various federal incentive programs (VOW to Hire Heroes Act), firms that hire veterans may be eligible for various tax credits
- Link: [https://www.calvet.ca.gov/veteran-services-benefits/advocacy-assistance](https://www.calvet.ca.gov/veteran-services-benefits/advocacy-assistance)
California Film and Tax Credit Program

- California Film Commission offers a tax credit incentive to qualified motion pictures
- $330 million has been allocated from 2015 to 2021
- Link: [http://www.film.ca.gov/Incentives.htm](http://www.film.ca.gov/Incentives.htm)

New Market Tax Credits (NMTC)

- Eligible businesses may receive a tax credit against federal income tax in exchange for making equity investments in Community Development Entities (CDEs)
- The credit totals 39 percent of the original investment amount and is claimed over a period of seven years
- To locate a CDE in California and submit project for consideration, please click on this link: [https://www.cdfifund.gov/awards/nmtc/Pages/default.aspx?state=CA&Name=California](https://www.cdfifund.gov/awards/nmtc/Pages/default.aspx?state=CA&Name=California)

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U.S. Department of Agriculture (USDA) Rural Development Business Programs

USDA Rural Development Business Programs provide financial backing and technical assistance to stimulate business creation and growth. The programs work through partnerships with public and private community based organizations and financial institutions to provide financial assistance, business development, and technical assistance to rural businesses. These programs help to provide capital, equipment, space, job training, and entrepreneurial skills that can help to start and/or grow a business. Business Programs also support the creation and preservation of quality jobs in rural areas:

- Business and Industry Loan Guarantees (B&I)
- Intermediary Relending Program (IRP)
- Rural Business Development Grants (RBDG)
- Rural Business Investment Program (RBIP)
- Rural Economic Development Loan and Grant (REDLG)
- Rural Microentrepreneur Assistance Program (RMAP)

Link to Business Programs: http://www.rd.usda.gov/programs-services/all-programs/business-programs

Contact: Matthew Koch, Business and Cooperative Program Specialist

Phone: (760) 347-3675 x 115, matthew.koch@ca.usda.gov
Food Production Investment Program DRAFT Guidelines

- Eligibility Requirements: Applicants to the FPIP are limited to food processing facilities located in California. The applicant must own or operate one or more food processing facilities that are the site for the proposed equipment retrofit project.

- For the purpose of the FPIP, food processing facilities are those defined by the North American Industry Classification System (NAICS) codes 311 (Food Manufacturing) and 3121 (Beverage manufacturing).

Eligibility Guidelines

- Proposed project must be located at a food processing facility in California;

- Proposed project will increase the energy efficiency of, or provide renewable energy to, the food processing activities;

- Proposed project must be designed to achieve significant GHG emission reductions as defined in the grant solicitation;

- Applicant must meet all eligibility and other criteria specified in the grant solicitation.

Restriction

- Eligibility to provide heavier emphasis on food processor facilities that are subject to Cap-and-Trade emissions limits such as those that emit more than 25,000 metric tons annually and/or to food processor facilities that provide direct benefits to disadvantaged communities as identified in AB 1550.

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Curt Hagman, Vice Chair, Fourth District Supervisor

Janice Rutherford, Second District Supervisor

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Josie Gonzales, Fifth District Supervisor

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