



ECONOMIC DEVELOPMENT AGENCY  
ECONOMIC DEVELOPMENT DEPARTMENT

# Business Programs & Incentives



## 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](#)
- [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](#)
- [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:

FY 15-16	\$200 million
FY 16-17	\$200 million
FY 17-18	\$200 million

- For FY 16-17, applications will be accepted during the following periods:

a) July 25, 2016 – August 22, 2016	\$75 million available
b) January 2, 2017 – January 23, 2017	\$100 million available
c) March 6, 2017 – March 27, 2017	\$68.3 million available (plus any remaining unallocated amounts from previous application periods)

- All applications must be submitted on-line at [www.calcompetes.ca.gov](http://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](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 (4.19%) 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: [http://www.boe.ca.gov/sutax/manufacturing\\_exemptions.htm#page=Overview](http://www.boe.ca.gov/sutax/manufacturing_exemptions.htm#page=Overview)
- Contact: Jennifer Racadio—Regional Liaison Manager, 1<sup>st</sup> District  
[Jennifer.racadio@boe.ca.gov](mailto:Jennifer.racadio@boe.ca.gov)  
Mobile: 909-493-8183

## 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/>

## 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
- Link: <http://www.etp.ca.gov/program.cfm>

## 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 upgrades

- 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/>

## 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
- Link: <http://www.business.ca.gov/Programs/Permits.aspx>
- 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](mailto: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>

## 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

## 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>

## 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
- Link: <http://www.business.ca.gov/International/EB5Program.aspx>



## 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/>

## 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, Cell 714-722-0641  
[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)
- Brochure: [http://www.ibank.ca.gov/res/docs/pdfs/2013%20Brochures/IDB-4-16-13-%20FINAL\\_for%20professional%20printing.pdf](http://www.ibank.ca.gov/res/docs/pdfs/2013%20Brochures/IDB-4-16-13-%20FINAL_for%20professional%20printing.pdf)
- Link: [http://www.ibank.ca.gov/industrial\\_dev\\_bonds.htm](http://www.ibank.ca.gov/industrial_dev_bonds.htm)
- 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: <http://www.benefits.va.gov/VOW/for-employers.asp>

## 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>

## 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>
- Link to NMTC Fact Sheet: [https://www.cdfifund.gov/Documents/NMTC%20Fact%20Sheet\\_Jan2016v2.pdf](https://www.cdfifund.gov/Documents/NMTC%20Fact%20Sheet_Jan2016v2.pdf)

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- Link: [http://www.ibank.ca.gov/industrial\\_dev\\_bonds.htm](http://www.ibank.ca.gov/industrial_dev_bonds.htm)
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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](mailto:matthew.koch@ca.usda.gov)



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