



## MAYOR ROBERT GARCIA CITY OF LONG BEACH

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,

A handwritten signature in blue ink, appearing to read "Robert Garcia".

Mayor Robert Garcia  
City of Long Beach

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