

Los Angeles County:

The Leading Location for Advanced Transportation Companies

- Targeted business incentives
- Unparalleled grant and contract opportunities
- Tailored workforce programs
- Complimentary business assistance

Alternative Fuel



Revised: April 14, 2015



Dear Advanced Transportation Company:

On behalf of the Los Angeles County Economic Development Corporation (LAEDC) and its e4Mobility Alliance (a group dedicated to growing a robust advanced transportation sector in Southern California), we would like to express our deepest commitments to seeing your advanced transportation company thrive in Los Angeles County.

In Los Angeles County, the LAEDC provides a **completely free of charge “red carpet” service to assist your company in locating (and relocating), expanding, and staying in Los Angeles County as well as the greater Southern California region. We are well positioned to offer targeted business assistance to help your company in the following ways:**

- **Workforce development** facilitation and access to customized programs that provide free or reduced cost training and education.
- **Job placement assistance** through Workforce Investment Boards, our community colleges and universities, and, if needed, through our partnership with recruiting companies.
- **Grants, incentives and financing** matching and assistance to ensure your company has access to available capital resources as well as programs that can help increase your capabilities, reduce cost and improve operations.
- **Site searches** to find the ideal location for your company’s move and/or expansion.

In addition to targeted business assistance, we have a supportive infrastructure in Los Angeles County to help your business grow, including:

- **e4 | Advanced Transportation Center of Southern California**, which is designated by the State of California to service the needs of advanced transportation companies and stakeholders.
- **Monthly Better Business Webinars** to inform you of new programs and opportunities to help grow your business and reduce operating costs.
- **Weekly Advanced Transportation Newsletters** for Southern California that introduce you to new incentives, grant opportunities, workforce programs, news, and other items to help your company’s bottom line and ensure you are well positioned for growth.
- **Networking functions with decisionmakers** to help with procurement as well as information at the federal and state level regarding new programs, opportunities, and changes that affect your business.
- **Access to events** for advanced transportation companies and service providers to strengthen ties with suppliers.
- **IDEA Hub**, which is a designated state recognition as an innovation Hub for Defense, Energy and Aerospace, including Los Angeles County that brings together universities, capital providers, economic development organizations, and others that can help connect you with the services you need.
- **e4Mobility Alliance**, which is a dedicated group of 650+ private and public sector members actively working to grow, attract and retain advanced transportation jobs and investment in the region.

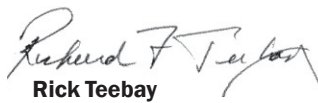
We encourage you to contact us today at Tamara.Perry@laedc.org to find out how we can assist your company in staying, growing, and locating in Los Angeles County—the ideal location for advanced transportation companies.



Michael Boehm
Co-chair, LAEDC e4Mobility Alliance
Executive Director, e4 | Advanced Transportation Center



Jeff Joyner
Co-chair, LAEDC e4Mobility Alliance
Shareholder, Greenberg Traurig, LLP



Rick Teebay
Co-Chair, LAEDC e4Mobility Alliance
Fleet Specialist, County of Los Angeles



David Flaks, COO
Los Angeles County Economic Development Corporation

Business Incentives

Sales & Use Tax Savings on Purchases

- The California **Sales and Use Tax Exclusion** offers a full sales and use tax exclusion (between 7.5% and 10% statewide) for advanced manufacturing and advanced transportation technologies.
- The California **Sales and Use Tax Exemption** offers a partial sales and use tax exemption (4.2%) for manufacturing, processing, refining, fabricating, or recycling as well as research and development purchases.

Tax Credits

- The **California Competes Tax Credit** is an income tax credit made available to businesses that want to locate to and grow in California. The annual budget for this program is \$150 million with designated application periods.
- The California **Research and Development Tax Credit** is a 15% credit for qualified in-house research expenses and a 24% credit for basic research payments to an outside organization are offered to companies that conduct qualified research activities in California. A federal research credit is also available.
- The California **New Employment Credit** is available to companies in designated geographic areas of the state who have a net increase in employment and hire qualified employees. The tax credit is up to 35% of qualified wages.
- **Los Angeles Empowerment Zone and Renewal Community** allows for tax credits between \$1,500 and \$3,000 for eligible businesses in these zones that hire local residents.
- **New Markets Tax Credit** permits individual and corporate investors to receive a federal tax credit (39% of total investment amount claimed over seven years) in exchange for making equity investments in Community Development Entities.
- The federal government also offers a general business credit and investment credit.

Property Tax Relief

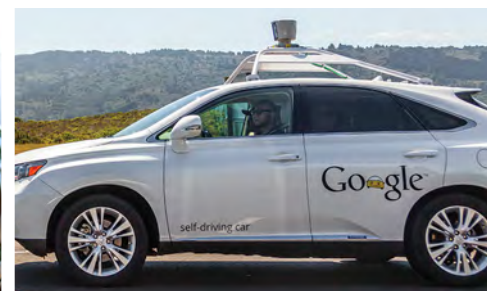
- **The Capital Investment Incentive Program** provides for property tax rebates beyond the first \$25 million of assessed property for industry codes 3364 (Aerospace Products and Parts Manufacturing) and 3359 (Other Electrical Equipment and Component Manufacturing), subject to approval by local jurisdictions.

“For more than 50 years, Honda has benefited from the diverse culture and unique talents that the Los Angeles region brings to the table.”

– Steve Center, Vice President
American Honda

“California and Los Angeles have built a policy framework that is extremely environmentally and clean-air friendly. While this seems counter-intuitive to business and job creation at times, it has in fact created a new green energy and green-tech economy. Hundreds of renewable power and energy saving companies have thrived and a market for clean-air vehicles has been created that leads the Nation. BYD with our ‘three green dreams’ (of renewable power, made relevant with environmentally-friendly battery storage and responsibly using this precious power for electrified transportation solutions) was attracted to Los Angeles for exactly these high clean-air-standards. We believe that the technology of zero-emissions vehicles is mature here and we have invested hundreds of millions in zero-emission, battery-electric bus manufacturing, Iron-Phosphate battery manufacturing and will continue to invest in electric truck and electric vehicle manufacturing in Los Angeles County for exactly these reasons.”

– Michael Austin
Vice President, BYD America



Business Incentives

Trade Incentives

- **Foreign Trade Zones** are federally designated areas where companies can delay or reduce duty payments on foreign merchandise. There are two types of Foreign Trade Zones, general purpose and subzones (the latter is for a specific company or use). Los Angeles County has three General Purpose FTZs: Long Beach (No. 50), Los Angeles (No. 202), and Palmdale (No. 191).
- **IC-DISC** is a federal tax incentive for exporters of products made in the U.S.
- **Export-Import Bank** finances the export of U.S. goods and services to international markets by providing working capital guarantees (pre-export financing); export credit insurance; and loan guarantees and direct loans.

Utility Incentives

- **Each utility in Los Angeles County offers energy efficiency programs and/or incentives on water, electricity, and gas.** These incentives and programs can reduce your cost of operation with little to no effort.
- **Commercial PACE Financing** offers the opportunity for owners of their facility to improve the energy profile of a building (and reduce operating costs) through financing all energy efficiency improvements on their property tax bill.

Grants, Contracts and Financing

“California is unique in that we have self-funded programs to support the research, design, development, and production of advanced transportation technologies combined with rules and regulations that incentivize and/or mandate the use of these technologies—creating a large, built-in market for the industry.”

– Rick Teebay, Fleet Specialist
County of Los Angeles & Co-Chair, e4Mobility Alliance

Grant and Contract Programs

- **California Alternative and Renewable Fuel and Vehicle Technology Program funding** provides specific grants and contracts to companies, educational institutions and others on a competitive basis to achieve reductions in greenhouse gas emissions and help the state meet its goals to accelerate zero emission vehicle adoption. There is approximately \$100 million annually reserved for this program.
- **California Advanced Technology Demonstration Projects** helps accelerate advanced technology vehicles, equipment, or emission controls which are not yet commercialized. Only public agencies can apply for these projects but awards are often given out through these public agencies to companies and institutions.
- **California's Air Quality Improvement Program** is providing up to \$9 million in funding for Light-Duty Pilot Projects, up to \$25 million for Heavy-Duty Pilot Projects, and up to \$50 million for Advanced Technology Freight Demonstration Projects for fiscal year 2015.
- **California Energy Innovations Small Grant 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.



Grant and Contract Programs (continued)

- **California EPIC Program** provides funding for applied research and development, technology demonstration and deployment, and market facilitation for clean energy technologies and approaches.
- **California Advanced Technology Demonstration Program** helps to accelerate deployment of air quality improvement technologies not yet commercialized.
- **U.S. Department of Energy Low- and Zero-Emission Vehicle Research, Demonstration, and Deployment Funding** for local, state, and federal government entities; public transportation providers; private and non-profit organizations; and higher education institutions for research, demonstration, and deployment projects involving low- or zero-emission public transportation vehicles.
- **ARPA-E** is a federal department that provides funding to solve problems in energy creation, distribution and use.
- **EERE** is a federal department that provides funding to increase the use of renewable energy and energy efficiency technologies.

Financing

- California **Industrial Development Bonds** offer tax-exempt securities of up to \$10 million for the acquisition, construction, rehabilitation and equipping of manufacturing and processing facilities for private companies.
- **The California Capital Access Program** encourages financial institutions to make loans to small businesses that fall just outside their conventional underwriting standards by insuring up to 100% coverage on certain loan charge offs. Also as part of this program, Collateral Support pledges cash to cover the collateral shortfall of loans of \$100,000 or more and provides up to 40% of the loan value, with the possibility of an additional 10% for businesses located in a Severely Affected Community.
- **California Pollution Control Financing Authority Tax-Exempt Bond Financing Program** provides tax-exempt bond financing to California businesses for the acquisition, construction, or installation of qualified pollution control, waste disposal, waste recovery facilities, and the acquisition and installation of new equipment.
- **California Small Business Loan Guarantee Program** provides loan guarantees for small businesses that can cover
- **Small Business Administration Loan Programs** include general small business loans (7(a)), microloans, real estate and equipment loans, CDC/504, and disaster loans.
- County of Los Angeles **Commercial and Industrial Loan Programs** include the County Business Loan Program, County Business Expansion Loan Program, County Technology Loan Program, County Utility Loan Program, Countywide County Float Loan Program, and County Float Loan Program.
- **EB-5 Financing** provides foreign nationals the opportunity to become conditional residents for a period of two years upon making an investment of \$1 million, or \$500,000 in a designated Targeted Employment Area, in a new commercial enterprise. Each unit of investment must create at least ten new, direct or indirect jobs for U.S. workers. The LAEDC partners with CanAm to provide this financing opportunity.
- **Advanced Technology Vehicle Manufacturing loan program** – federal program to support the development of vehicles and components in the U.S.



Other Incentives

Workforce Development Incentives

- **The Employment Training Panel (ETP)** is a business and labor-supported state agency that assists employers in strengthening their competitive edge by providing funds to off-set the costs of job skills training. ETP training funds are used to support customized job training delivered to full-time California employees.
- **On-the-job training subsidies** provided by America's Job Centers.
- **Customized training and curriculum programs** exist at the workforce investment board, community college, and university level to ensure we have the right programs to respond to and proactively address industry's needs.

Other

- **Historically Underutilized Business Zones (HUBZone)** helps small businesses gain preferential access to federal procurement opportunities.
- **The Governor's Office of Business and Economic Development** provides a myriad of services to assist companies in (or locating to) California. Visit business.ca.gov for details.

Advanced Transportation Companies

Los Angeles County is home to leading advanced transportation companies from automotive design to connected car to energy storage to biofuels and more.

Talk with us today about making the best location decision for your advanced transportation company: Los Angeles.



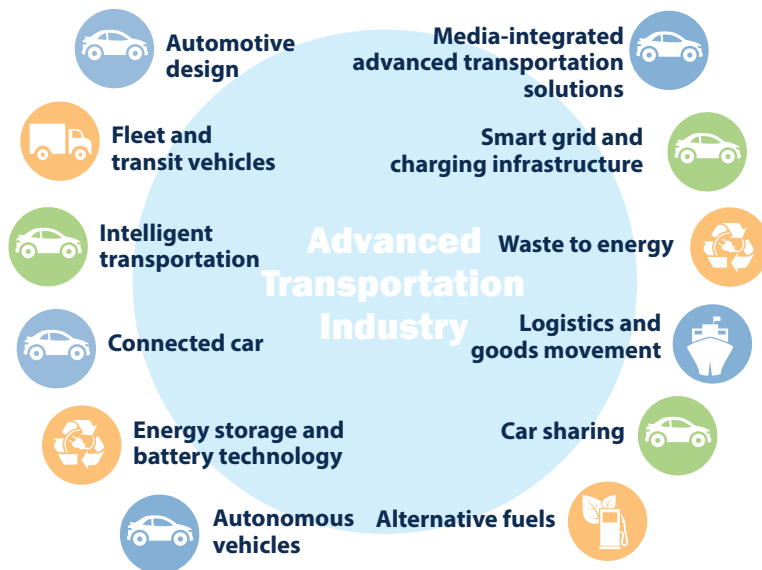


Don't settle for less than the best LOS ANGELES COUNTY:

- #1 in Automotive Design
- #1 Busiest Port in the Nation
- #1 Busiest Origin-and-Destination Airport
- #1 Manufacturing County
- #1 International Trade Center
- #1 in Engineering Graduates

The Biggest Names in Advanced Transportation

We have all the ingredients to make your
advanced transportation company a success



Los Angeles County At a Glance

"Designated a Manufacturing Community" by President Obama in 2014

Over 10 million people (2014)
\$640.7 billion economy (2014, est.)
4,231,700 employees (2014)
\$54,954 average annual wage (2013)
1,322,790 employees in traded clusters (2013)+
1.1 traded cluster employment location quotient*

+Traded industry clusters are comprised of industries that are more highly-concentrated in a few regions and provide the potential for wealth creation through exports.

* Compared to the nation as a whole, Los Angeles County has a larger share of its employment in traded industry clusters, suggesting the increased potential for wealth creation through exports.

Contact:

Tamara Gishri-Perry

Senior Director of Strategic Initiatives
& Cluster Development

Los Angeles County Economic
Development Corporation

Tamara.Perry@laedc.org

LA Business Advantage Guide



The e4Mobility Alliance is a coalition of industry leaders, government, policy makers, education, research and development, workforce development, and support organizations dedicated to growing a robust advanced transportation industry in Southern California.



For more information about Advanced Transportation in the Los Angeles area, visit www.laedc.org/cleantech

Los Angeles County Economic Development Corporation
444 S Flower Street, 37th Floor
Los Angeles, CA 90071