



Coast to Coast

think RELOCATION & EXPANSION

This first round of California's 2016-17 fiscal year includes \$75 Million

Is your project competitive? Cal Competes opens July 25th, 2016?

The California Governor's Office will open FY 16-17 with \$75 Million of Cal Competes Tax Credits, the first of 3 cycles totaling over \$200 Million this fiscal year. The competitive and discretionary incentives process is California's equivalent of a

state closing fund designed to "close the gap" for projects considering sites in California and out-of-state. California Governor Jerry Brown was far more successful than Florida Governor Rick Scott who requested \$250 Million this year to replenish Florida's closing fund, but did not convince Florida's legislature, which ultimately did not allocate a single dollar.



A budget of \$200 Million is sizeable, but for a state the size of California, it amounts to approximately \$5 per capita, paling in comparison to the \$25 per capita the State of New Mexico has set aside in their \$50 Million fund – a smaller total, but large in proportion to the size of the state. On the East Coast, Connecticut has recently enacted a \$5 Million closing fund.

California's 2016-17 fiscal year budget for CalCompetes is over \$200 Million thanks to unencumbered funds returning to the pot. Policy trends in California are expected to continue to prioritize competitive location decisions, especially those impacting disadvantaged areas of the State and higher wage, job creation projects. All areas of the State are eligible.

Cal Competes timing has been a challenge for some projects, and beginning the process early can have strategic advantages.

Contact T-REx at ThinkREx@Thinkllp.com or 714-640-8672 to learn more about the process and how T-REx can help.