

**CALIFORNIA ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

Board Meeting Date: Tuesday, June 17, 2025

Request to Approve Project for a Sales and Use Tax Exclusion¹

**Robert Bosch Semiconductor LLC
Application No. 25-SM003**

Prepared By: *Willy Chen, Program Analyst*

SUMMARY

Applicant: Robert Bosch Semiconductor LLC

Location: Roseville, Placer County

Industry: Semiconductor Manufacturing

Project: New Silicon Carbide Power Semiconductor Component Manufacturing Facility
(Advanced Transportation)

Project Pool: General and Large

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount ²
\$235,000,000	\$19,928,000

Estimated Net Benefit ³	Dollar Value	Points Earned ⁴
Estimated Fiscal Benefits	\$11,992,636	602
Estimated Environmental Benefits	\$9,966,015	500
Additional Benefits	N/A	207
Total	\$21,958,651	1,309
Estimated Quantifiable Net Benefit	\$2,030,650	N/A

Staff Recommendation: Approval

¹ All capitalized terms not defined in this document are defined in the STE Program’s statutes and regulations.

² This amount is calculated based on the average statewide sales tax rate of 8.48%.

³ Applications that earn a Total Score of at least 1,000 points and an Environmental Benefits Score of over 20 points may be recommended for approval. (California Code of Regulations Title 4, Division 13, Section 10033(c)(6).)

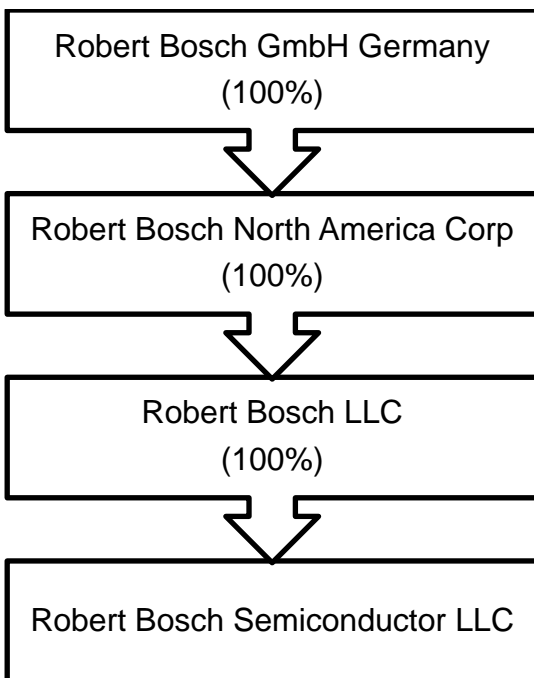
⁴ Dollar values and point values in the staff summary may not add up correctly due to rounding in the Application worksheet.

THE APPLICANT

Robert Bosch Semiconductor LLC (the “Applicant”), formed in Delaware as a limited liability company in 2023, is a wholly owned subsidiary of Robert Bosch LLC, which is part of Robert Bosch GmbH, Germany. Headquartered in Roseville, the Applicant manufactures silicon-carbide (SiC) power semiconductors primarily to be used in electric vehicles, while also supporting other critical infrastructure sectors such as renewable energy and industrial and transportation systems.

The Applicant has been awarded an income tax credit for \$25 million under the California Competes Tax Credit Program⁵ administered by the Governor’s Office of Business and Economic Development on June 15, 2023.

The ownership structure of the Applicant (10.0% or greater) is as follows:



The company officers of the Applicant are:

- Thorsten Scheer, President
- Malte Reimers, Chief Financial Officer
- Heather Schroder, Secretary
- Rita Gitin, Assistant Secretary
- Jon Schaffer, Treasurer
- Deanna McCann, Assistant Treasurer
- Krisztina Rab, Assistant Treasurer

⁵ California Code of Regulations, Title 10, Chapter 13, Article 1 (commencing with Section 8000).

THE PROJECT

Robert Bosch Semiconductor LLC requests a sales and use tax exclusion (“STE”) award to establish a semiconductor manufacturing facility located in Roseville (the “Project”). In addition to wafer manufacturing, the facility will also include wafer-level testing, sorting, dicing, and packaging of bare die for shipment.

The Applicant states it is developing advanced silicon carbide (SiC) power semiconductor components to enhance the performance and efficiency of electric vehicles. According to the Applicant, the components produced are designed to handle high energy loads, making them ideal for use in electric vehicles. While the SiC power semiconductors will primarily be used in electric vehicles, they will also support other critical infrastructure sectors such as renewable energy, industrial and transportation systems.

Anticipated Costs of Qualified Property

Anticipated Qualified Property Purchases	Cost
Frontend Machinery & Equipment	\$220,000,000
Backend Machinery & Equipment	\$15,000,000
Total	<u>\$235,000,000</u>

Note: The Qualified Property purchases reported in the Application and shown here in staff's report are estimated costs. In accordance with the Regulatory Agreement, a finalized Project equipment list will be prepared detailing the value of the Project equipment actually acquired, and the estimated tax benefit realized pursuant to Revenue and Tax Code Section 6010.8. Variance from the costs shown in the Application and in this report may occur prior to the closing due to increased costs of certain components of the Project over original estimates, and other reasons. In addition, those costs may vary after closing due to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in statute or regulation, or for other reasons.

Timeline

The Applicant acquired the manufacturing facility in Roseville in August 2023. The Applicant is targeting Q1 of 2026 for the start of risk production, with start of production for initial volume production planned for late 2026. Full volume production (at peak capacity) will be achieved after 2030.

Status of Permits/Other Required Approvals

According to the Applicant, it has secured two permits; a material permit to operate with Placer County Air Pollution Control District and a wastewater permit from the City of Roseville. Following the refurbishment of the facility, an external specialist will conduct an evaluation of permit compliance. The Applicant expects to obtain all required permits in 2025 and will be regularly checked for validity. Extensions of the permits will be filed if necessary. The target completion for construction and refurbishment work is Q4 of 2025.

PROJECT EVALUATION

Project Benefits

The Project received a Total Score of 1,309 points, which exceeds the required 1,000-point threshold, and includes a total Environmental Benefits Score of 500 points, exceeding the 20-point threshold.

1. **Fiscal Benefits (602 points)**. The net present value of the total fiscal benefits over the lifetime of the Qualified Property is derived from the Applicant's sales and use taxes, personal income taxes paid by the firm's employees, firm taxes on profits, property taxes, and other indirect fiscal benefits of the Applicant. The total fiscal benefits amount to \$11,992,636, resulting in a Fiscal Benefits score of 602.
2. **Environmental Benefits (500 points)**. The Project is anticipated to result in \$9,966,015 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 500 points. These benefits derive from the production of semiconductor components for electric vehicles.
3. **Additional Benefits (207 points)**. Applicants may earn "Additional Benefits" points in the categories listed below. The Applicant received 207 Additional Benefits points.
 - A. **Production Jobs (30 of 75 points)**. The Applicant anticipates the Project will support a total of 359 production-related jobs at its Facility. CAEATFA estimates that approximately 46.7 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 30 points.
 - B. **Construction Jobs (30 of 75 points)**. The Applicant anticipates the Project will support a total of 325 construction jobs at its Facility. CAEATFA estimates that approximately 42.28 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 30 points.
 - C. **Unemployment (0 of 50 points)**. The Applicant's Project is located in Placer County, which has an average annual unemployment rate of 4.2%. When compared to the statewide average annual unemployment rate of 5.3%,⁶ the Project location earned the Applicant zero points.
 - D. **Non-CA Environmental Benefits (7 of 40 points)**. The Applicant's total value of out-of-state non-greenhouse gas emissions pollution benefits are valued at \$272,854.72 resulting in a Non-CA Environmental Benefits Score of 7 points for the Project.

⁶ Unemployment rates are based on data available in October 2024.

- E. Research and Development Facilities (25 of 25 points).** The Applicant has verified that it has a facility located in California that performs research and development functions related to semiconductors.
- F. Workforce Partnerships (25 of 25 points).** The Applicant has a partnership with Sierra Community College, California State University and University of California Davis for the purpose of assisting in the training of potential future workers.
- G. Industry Cluster (25 of 25 points).** The Greater Sacramento Economic Council (GSEC) identified the industry associated with this Application as a strategic cluster for the Project location's region.
- H. Benefits and Fringe Benefits (25 of 25 points).** The Applicant states it provides medical, health, dental, & vision benefits, bonuses, pension plans, retirement contributions, dependent care & assistance reimbursement, education reimbursement, employee discounts, and paid leave to its employees, earning the Applicant 25 points.
- I. Emerging Strategic Industry (40 of 40 points).** The Project's industry, semiconductors, is in an Emerging Strategic Industry, earning the Applicant 40 points.

LEGAL STATUS QUESTIONNAIRE

Staff has reviewed the Applicant's responses to the Legal Status Questionnaire. The Executive Director, in consultation with legal counsel, has determined that the legal issues disclosed do not affect the financial viability or legal integrity of the Applicant.

CAEATFA FEES

In accordance with STE Program regulations,⁷ the Applicant paid CAEATFA an Application Fee of \$10,000 and will pay CAEATFA an Administrative Fee of up to \$350,000 should the Applicant be approved for an award.

RECOMMENDATION

Staff recommends the approval of Resolution No. 25-SM003-01 for Robert Bosch Semiconductor LLC's purchase of qualifying tangible personal property in an amount not to exceed \$235,000,000, anticipated to result in an approximate STE value of \$19,928,000. The initial term of the Regulatory Agreement will be for a period of three years, until June 17, 2028, and the remainder shall be for a period of five years, until June 17, 2030, for providing annual compliance reports.

⁷ California Code of Regulations Title 4, Division 13, Section 10036

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
REGULATORY AGREEMENT WITH ROBERT BOSCH SEMICONDUCTOR LLC**

June 17, 2025

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Robert Bosch Semiconductor LLC** (the “Applicant”) for financial assistance under the Sales and Use Tax Exclusion Program, as established in Public Resources Code Section 26011.8; and

WHEREAS, the Applicant qualifies as a Participating Party under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8; and

WHEREAS, the Applicant’s qualifying tangible personal property meets the requirements of a Project under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8 (the “Project”); and

WHEREAS, after the Authority approves an Application, the Authority enters into a Regulatory Agreement, as described in Authority Regulations Section 10035(a), with the Applicant for the Project; and

WHEREAS, the Applicant has stated the Project has an estimated cost not to exceed \$235,000,000 over a period of three (3) years; and

WHEREAS, the Applicant asserts that this form of financial assistance will enable it to avail itself of the benefits of an exclusion from sales and use taxes relative to the Project pursuant to Revenue and Taxation Code Section 6010.8; and

WHEREAS, the approval of the terms of the Regulatory Agreement and authority for the Executive Director or Chair of the Authority to execute the necessary documents to effectuate the Regulatory Agreement is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority, as follows:

Section 1. The Regulatory Agreement includes a Project within the meaning of Public Resources Code Section 26003(a)(8)(B).

Section 2. The Regulatory Agreement constitutes financial assistance within the meaning of Public Resources Code Section 26003(a)(6).

Section 3. The Applicant is a participating party within the meaning of Public Resources Code Section 26003(a)(7).

Section 4. The Executive Director or Chair of the Authority (the “Authorized Signatories”) are hereby authorized for and on behalf of the Authority to approve any

changes to the Project as the Authorized Signatories deem appropriate, provided that the amount of the qualifying tangible personal property to be purchased for the Project may not be increased above the amount approved by the Authority.

Section 5. The proposed form of the Regulatory Agreement between the Applicant and the Authority, as filed with the Authority prior to this public meeting, is hereby approved. For, on behalf and in the name of the Authority, the Authorized Signatories are hereby authorized and directed to execute, acknowledge, and deliver to the Applicant the Regulatory Agreement in substantially the form filed with or approved by the Authority.

The Regulatory Agreement may contain insertions, deletions or changes as the Authorized Signatories executing the Regulatory Agreement may require or approve, including particular information inserted in substantial conformance with the staff summary and in the Application to the Authority. The approval of the Regulatory Agreement will be conclusively evidenced by the execution and delivery of the final Regulatory Agreement.

The Authority understands and agrees that, pursuant to the terms of the Regulatory Agreement, the obligations of the Applicant, under some circumstances, may be carried out or assumed by a successor or assignee entity, or by an affiliate of the Applicant.

Section 6. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to do any and all ministerial acts, including, without limitation, the execution and delivery of any and all documents and certificates they may deem necessary or advisable to consummate the Regulatory Agreement and otherwise effectuate the purposes of this Resolution.

Section 7. The Applicant shall ensure that all of the qualifying tangible personal property acquired as part of the Project that is listed in the semi-annual reports provided to the Authority pursuant to the Regulatory Agreement will be installed, maintained and operated in compliance with all applicable local, state and federal laws.

Section 8. The Regulatory Agreement shall only apply to qualifying tangible personal property acquired as part of the Project that the Applicant certifies will be installed, maintained and operated at facilities physically located within the State of California.

Section 9. Neither the adoption by the Authority of this Resolution for the Applicant nor the Regulatory Agreement may be referred to in any application before any governmental agency as evidence of the feasibility, practicality or suitability of the Project and may not be referred to in any application for any required permission or authority to acquire, construct or operate the Project.

Section 10. This Resolution is effective immediately and will remain in full force and effect unless the Regulatory Agreement is not executed within thirty (30) days of

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the date of this Resolution. The Executive Director may extend the thirty (30) days if necessary.