



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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## Treasurer Grants Incentives To Electric Vehicle and Aerospace Companies

### *Financing Authority Seeks More Funding To Bolster High-Tech Manufacturing*

**SACRAMENTO** – An economic development agency chaired by State Treasurer John Chiang on Tuesday approved nearly \$40 million worth of sales tax exclusions for California’s leading electric vehicle maker and a fast-growing space satellite manufacturer.

The action by the California Alternative Energy & Advanced Transportation Financing Authority underscores the Treasurer’s commitment to provide significant financial incentives to cutting-edge companies, such as Palo Alto-based Tesla Motors Inc. and Millennium Space Systems Inc. of El Segundo.

The financial assistance program, which frees companies from paying sales-and-use tax on some purchases, is positioning California to reap an employment bonanza by luring both start-up and mature car and aerospace companies back to the state, said Chiang.

“The State Treasurer’s Office is excited to play a role in the success of these two companies,” he said. “The financial incentives we provide help to ensure that California is the base for precision manufacturing. Such investments have the potential to create tens of thousands of high-paying, permanent jobs that bolster the economy, clean the environment, spur low-cost communications and strengthen the national defense.”

Tuesday’s awards made 2015 a record year for a program begun five years ago with the passage of a state law that earmarked up to \$100 million annually to help companies involved in non-fossil-fuel energy, advanced transportation and sophisticated manufacturing. The law was expanded earlier this year to include firms that process or use recycled materials.

For the first time, the Treasurer’s Office this year issued the full \$100 million authorized by the Legislature.

Tesla accounted for most of the latest exclusions, about \$39 million on the purchase of \$464 million in goods, spread out over 2015 and 2016. Millennium will receive an additional \$361,000 on \$4.3 million in purchases.

Tesla, founded in 2003, designs, manufactures and sells plug-in-electric vehicles and powertrain components, including the Model S sedan and the recently launched Model X sport utility crossover.

Millennium, operating since 2001, produces high-performance satellites for military, national security and civil space applications for customers, such as NASA and the Department of Defense. The sales tax exclusions granted to Millennium are the latest to go to aerospace companies. The incentives are aimed at restoring the Golden State to its decades-long role as home to the nation's aircraft and space industries.

Recipients of similar sales-and-use-tax exclusions include Space Systems/Loral LLC of Palo Alto, Rolls Royce High Temperature Composites Inc. of Huntington Beach and GKN Aerospace Chem-Tronics Inc. of Santa Ana.

The sales tax exclusions offered by the Treasurer's Office drew praise from Millennium Chief Executive Stan Dubyn. The assistance, he said, "allows us to more quickly realize the additional infrastructure and personnel needed to maintain and grow the high quality and cutting edge performance of our products and services."

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