



# IMPERIAL VALLEY **REGIONAL** CHAMBER *of* **COMMERCE**

May 29, 2024

The Honorable Maria Durazo  
State Capitol, Room 407  
Sacramento, CA 95814

## **RE: AB 2922 (Garcia) Capital Investment Incentive Programs – SUPPORT**

Dear Senator Maria Durazo,

I am writing on behalf of Imperial Valley Regional Chamber of Commerce (IVRCC) to express our enthusiastic support for AB 2922 (Garcia), which seeks to extend the authorization for capital investment incentive programs until January 1, 2035.

IVRCC represents/serves the business community of the Imperial Valley by providing greater resources as a Regional Chamber. Our mission is to serve Imperial Valley businesses by promoting community prosperity through advocacy, economic development, connectivity, and business education.

The Capital Investment Incentive Program (CIIP) was enacted in 1997 by SB 566 (Thompson) and expanded in 1999 by SB 133 (Kelley). CIIP authorizes local governments to attract large manufacturing facilities by offering capital investment incentives, such as partial property tax abatement, for qualified manufacturing facilities for assessed property taxes in excess of \$150 million. This incentive may only be offered after the proponent and the local government agree to a “Community Services Agreement” that requires the proponent to meet certain criteria and approval by several entities within the local government.


In 2017, the Legislature approved AB 755 (Garcia), which extended the authorization for local governments to establish a CIIP to January 1, 2019. In 2021, AB 726 (Garcia) extended the provisions of the capital investment incentive program until January 1, 2024. Additionally, it expanded the definition of “qualified manufacturing facility” to include businesses engaged in manufacturing fuels, electrical parts, or components used in clean transportation or the production of alternative fuel vehicles or electric vehicles.

The extension of the CIIP deadline is crucial in assisting cities and counties with economic development. This incentive has successfully attracted major corporations and industries to underserved areas across California. CIIP has spurred investment from high-tech, aerospace, automotive, biotechnology, software, and environmental industries into the communities where they operate. These corporations can generate thousands of jobs, which are essential for the economic growth and regional development of cities and counties. Additionally, this legislation is particularly important as California is currently experiencing a decline in manufacturing activity and an exodus of manufacturers. This is particularly concerning because there is enormous potential with the large amount of critical minerals, including lithium within the geothermal brine reserves in Lithium Valley. The capital incentives provided by CIIP incentivize businesses and encourage specific companies and strategic initiatives to remain in and continue investing in California.

We firmly believe that AB 2922, which extends the authorization for the Capital Investment Incentive Program (CIIP) until January 1, 2035, is essential for maintaining California's economic vitality and attracting investment to underserved areas, especially in light of the current challenges facing the manufacturing sector and the promising opportunities presented by regions like Lithium Valley.

In summary, we wholeheartedly endorse AB 2922 for its potential to promote economic growth, facilitate job creation, and stimulate regional development in California, particularly through the extension of the Capital Investment Incentive Program (CIIP) and its potential to attract investment to underserved areas and vital industries.

Please do not hesitate to contact me for further information at (760) 352-7413.



Sincerely,  
Sher Cowie  
President/CEO  
Imperial Valley Regional Chamber of Commerce

CC: Members, Senate Local Government Committee

CC: File