



City of Long Beach
Working Together to Serve

Office of Gerrie Schipske, R.N.P., J.D.
Councilwoman, Fifth District
Memorandum

Date: November 13, 2012

To: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

From: Councilwoman Gerrie Schipske, Fifth District *GS*
Councilmember Robert Garcia, First District *RG*
Councilmember James Johnson, Seventh District *JJ*

Subject: **AGENDA ITEM: Establishment of a Clean Technology Enterprise Zone to Attract Clean Energy Related Businesses to Long Beach**

DISCUSSION:

Several cities in California have already recognized the potential economic power of encouraging businesses focused on renewable energy and energy efficiency to locate within their boundaries. These cities have created a number of incentives to attract clean tech businesses and are working closely with local educational institutions to develop training programs for clean tech workers. Wisely, these cities have added business assistance centers, cleantech incubators, and industry network associations to promote these efforts.

In 2008, the City of Sacramento was announced as one of 12 U.S. cities to receive a Solar America Cities grant from the U.S. Department of Energy. Part of the grant was earmarked to develop the designated Clean Tech Zone into a successful business environment focused on renewable energy and energy efficiency. The City of Sacramento asked that the scope of this project focus on solar and solar supply chain products as a key energy sector that can serve as an anchor technology and catalyst for the development of the area.

The Sacramento Clean Tech Zone offers the following incentives to businesses:

- Expedited permitting provided by Development Services Department and eligible companies may receive redevelopment and job training funds offered by regional partners. In addition, all companies may be eligible for Small Business Administration (SBA) loans, Industrial Development Bonds (IDB) and venture capital funds.
 - Other benefits include:
 - Enterprise
 - Sales tax credits on qualified property
 - Wage tax credits for five years for hiring eligible employees
 - 100 percent Net Operating Loss Carryovers available up to 15 years
 - Rapid Depreciation of Equipment
 - Financing Assistance, Hiring Assistance through *Sacramento Works!*

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- Foreign Trade (FTZ)
 - Duty-free treatment for items that are processed in FTZs and then exported
 - Duty payment is deferred on items until they are brought out of the FTZ for sale in the U.S. market
- Recycling (RMDZ)
 - Below-market-rate revolving loan program for RMDZ-eligible activities
 - Free product marketing
- Green Technology Small Business Loan Programs
 - Industry-targeted SBA 7(a) loans available through Grow Sacramento Fund
 - Zone-allocated SBA 504 loans available through Greater Sacramento Community Development Corporation
 - Community Development Block Grant funds to be available at very favorable terms for eligible businesses
- Specialized Business Financing Programs
 - City-issued industrial development bonds

The City of San Diego launched a new Cleantech (Clean Technology) Initiative in an effort to promote the expansion, attraction and retention of businesses that develop products and technologies that provide environmentally sustainable solutions.

The City of Los Angeles has established the Clean Tech Corridor as a national center for cleantech research and development and industrial manufacturing. The CleanTech Corridor supports the development of a business cluster dedicated to cleantech manufacturing processes and technologies for the 21st century. The Cleantech Corridor is a 4 mile long district on the eastern edge of Downtown LA, stretching from the Los Angeles State Historic Park in the north, to the CleanTech Manufacturing Center in the South, and including both the east and west banks of the Los Angeles River.

The City of Long Beach needs to pursue similar opportunities to attract clean tech businesses and the jobs they are creating.

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RECOMMENDATION:

By motion, the City Council requests that the City Manager report to the City Council what steps are necessary to create a Clean Technology Enterprise Zone in Long Beach that would provide opportunities, incentives and training for clean tech businesses willing to locate here.

FISCAL IMPACT: None