



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

**C-18**

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 8, 2006

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to submit an application to the California Business, Transportation and Housing Agency for a new 15-year Enterprise Zone designation, and adopt the attached resolution and Enterprise Zone Manager's Duty Statement, as required by the application. (Citywide)

## DISCUSSION

The California Enterprise Zone (EZ) Program was developed to provide targeted geographic areas with a means to stimulate business growth and attract new companies, jobs and investments. Firms located within an enterprise zone are eligible for various State tax incentives that can substantially reduce their cost of doing business.

There are many benefits to having an Enterprise Zone in a local area which, in general terms include: Concentrated employment assistance to the community's lowest income residents and the unemployed; attraction of new private investment; enhanced job creation opportunities; additional property tax revenues; additional sales tax revenues; a business expansion tool for new equipment purchases related to production of goods and/or to meeting SCAQMD required pollution controls; State tax incentives that do not affect local revenues; a method for further linking redevelopment, neighborhood improvement, employment and training, business development and potentially, the Port's Foreign Trade Zone; and substantial assistance to the City's major commercial and industrial areas.

The City initiated a preliminary application following City Council authorization in August 1990 (attached), and the State of California awarded the City a 15-year EZ designation in January 1992. The Long Beach Enterprise Zone has allowed local businesses to qualify for over \$400 million in State tax credits. These tax credits have helped the City retain businesses in Long Beach, and have assisted local firms to expand and prosper. Since 1998, over 19,000 employment vouchers have been issued to disadvantaged individuals as a result of the Enterprise Zone.

HONORABLE MAYOR AND CITY COUNCIL

August 8, 2006

Page 2

The Long Beach Enterprise Zone designation is scheduled to sunset on January 7, 2007. While the City has made significant progress recovering from the closure of the Long Beach Naval Shipyard and the downsizing of Boeing, there remains a substantial need for enterprise zone incentives. Eighteen of the State's 42 Enterprise Zones expire in 2006. Accordingly, the California Business, Transportation and Housing Agency (BTH) has issued a Request for Proposals for jurisdiction to apply for enterprise zone designation. The City of Long Beach is eligible to apply for a new 15-year designation. In addition, there has been no findings or irregularities while the City has administered the Long Beach Program.

This letter was reviewed by Assistant City Attorney Heather Mahood on July 17, 2006 and Budget Management Officer David Wodynski on July 26, 2006.

TIMING CONSIDERATIONS

The application is due to the State by September 6, 2006. City Council action is requested on August 8, 2006, to allow the City of Long Beach to proceed with the completion of the application to receive a new 15-year Enterprise Zone designation.

FISCAL IMPACT

There is no fiscal impact associated with this item.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



 PATRICK H. WEST  
DIRECTOR OF COMMUNITY DEVELOPMENT

PHW/RS/dm

Attachments: Council Letter Dated August 28, 1990  
Resolution

APPROVED:

  
for GERALD R. MILLER  
CITY MANAGER