

# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

Attachment

**C-18**

BUSINESS DEVELOPMENT CENTER • 230 PINE AVENUE, THIRD FLOOR • LONG BEACH, CALIFORNIA 90802 • (213) 590-5097 (2:1)

SEP 21 11:3:23

August 28, 1990

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: Authorization to Submit Preliminary  
Application to California State Department  
of Commerce for Enterprise Zone Designation  
and File a Notice of Preparation Under  
California Environmental Quality Act (CEQA)  
Guidelines

This requests your authorization to submit a preliminary application to the California State Department of Commerce for Enterprise Zone designation and to notify the State of the City's initiation of the environmental review process and preparation of an Initial Study to assess the affects of the proposed Enterprise Zone.

## BACKGROUND

California Enterprise Zone legislation establishes programs and incentives to stimulate economic activity in areas of the state needing such assistance. The Enterprise Zone program has been in existence for nearly five years in California and there are currently 19 designated Enterprise Zones throughout the state.

The principal reason that City staff began exploring the feasibility of Enterprise Zone designation is due to the City's interest in identifying and providing the maximum amount of State and other assistance possible to McDonnell Douglas Corporation, the city's largest employer. As more was learned about the Enterprise Zone program, however, it became evident that Enterprise Zone designation would not only allow the City to substantially increase assistance to McDonnell Douglas, but it would also enable countless other businesses, and the community's lowest income residents, to be aided as well.

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 effect 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.

Enterprise Zones generally combine the following programs and incentives: State tax credits for sales and use taxes paid on machinery purchases; State tax credits for hiring qualified employees; interest deductions for lenders on loans to firms within an Enterprise Zone; fifteen year net operating loss carry forward; accelerated expensing deduction; priority status for participation in various State programs; expedited permit processing, and; waivers or reductions of local fees.

Combining the programs and incentives available through Enterprise Zone designation with the fact that such designation lasts for up to 15 years suggests that the City of Long Beach could be profoundly assisted by participation in the Enterprise Zone program. A map depicting the areas which could be included in the Enterprise Zone as proposed is attached for your information.

In addition to fulfilling the requirements of the preliminary Enterprise Zone application, the City must notify the State that it intends to prepare an Initial Study which will evaluate the affects of the proposed Enterprise Zone. This requirement will be initiated based upon City Council authorization as herein requested.

The City's Economic Development Commission endorsed this action at its regular meeting of July 25, 1990.

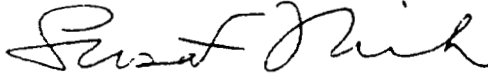
**IT IS RECOMMENDED THAT THE CITY COUNCIL:**

- (1) Authorize the City Manager to submit a preliminary Enterprise Zone application to the California State Department of Commerce;
- (2) Authorize the City Manager to file a Notice of Preparation to the State regarding the City's intention to prepare an Initial Study which evaluates the affects of the proposed Enterprise Zone, and;

Authorize the City Manager to prepare a document which states:

- (a) The application area is a depressed area that requires Enterprise Zone designation to attract needed additional private sector investment, and;
- (b) The City agrees to complete all necessary actions required in the preliminary Enterprise Zone application which apply to the City of Long Beach.

Respectfully Submitted,



SUSAN F. SHICK  
Director of Community Development

SFS:VLH:rr

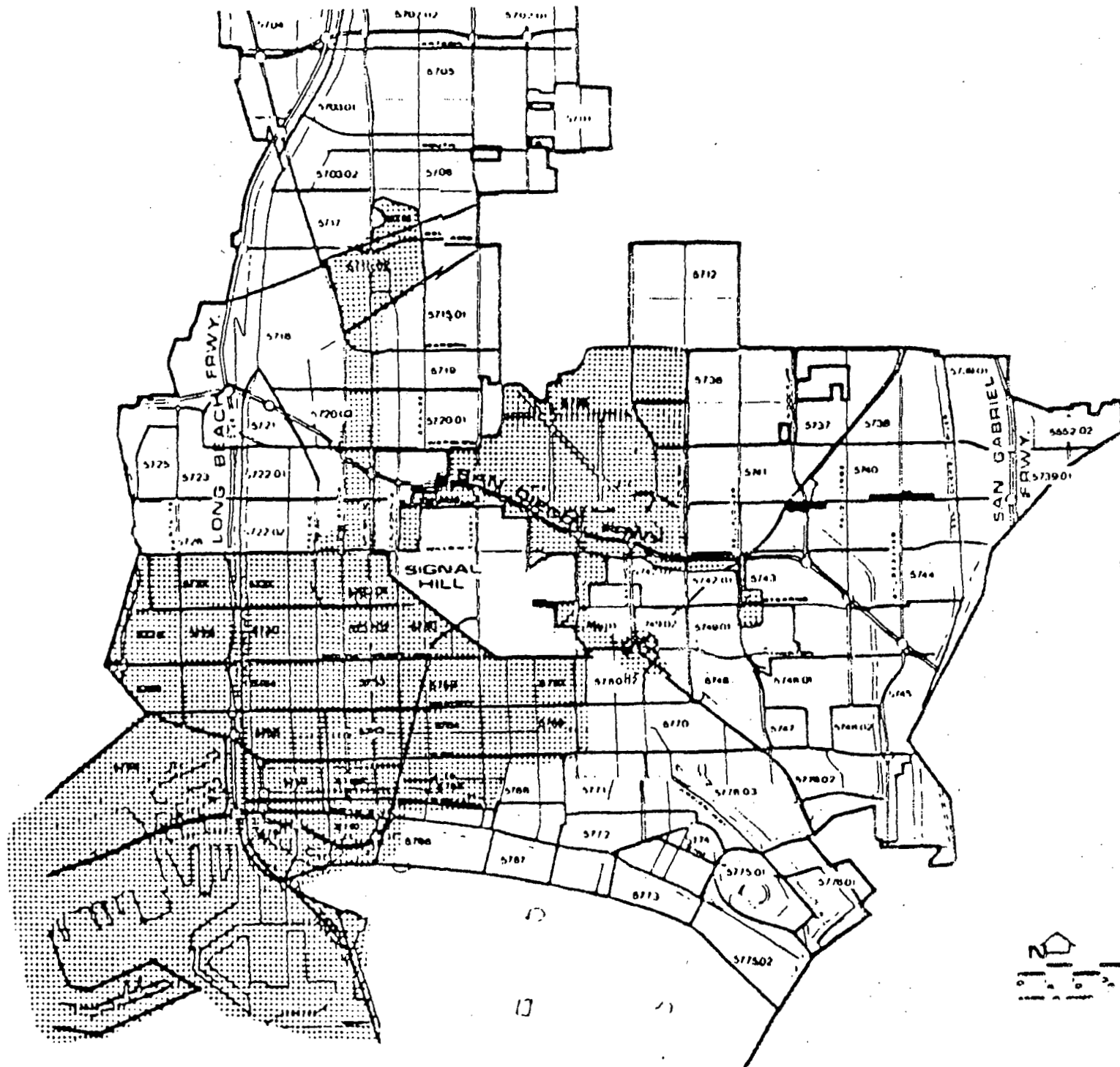
Attachment

APPROVED:



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JAMES C. HANKLA  
CITY MANAGER



RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AUTHORIZING SUBMISSION OF  
THE APPLICATION TO THE CALIFORNIA HOUSING AND  
COMMUNITY DEVELOPMENT DEPARTMENT FOR AN  
ENTERPRISE ZONE DESIGNATION FOR THE CITY OF  
LONG BEACH

WHEREAS, the California Housing & Community Development  
Department (HDC) oversees the Enterprise Tax Incentives Program, whose goal is to  
stimulate growth in economically depressed areas of the State; and

WHEREAS, the City of Long Beach authorizes and supports job  
development, job creation, and economic development; and

WHEREAS, the City of Long Beach wishes to be designated as an  
Enterprise Zone and authorizes the Application for an enterprise zone designation to be  
submitted; and

WHEREAS, the City of Long Beach has jurisdiction over the application  
area; and

WHEREAS, the City of Long Beach authorizes that staffing shall be made  
available to maintain record keeping, monthly updates on zone activities, and to discuss  
these activities with program auditors; and

WHEREAS, the City of Long Beach will develop a self-evaluation process  
to measure its progress in meeting its goals and objectives, a process which will be  
submitted to the HCD for review and approval, as well as inclusion in the Memorandum  
of Understanding between HCD and this jurisdiction; and

WHEREAS, the application area has a history of high unemployment and  
low income; and

1 WHEREAS, the application area is an economically depressed area and  
2 designation of the application area as an Enterprise Zone is necessary in order to  
3 attract private sector investment to the application area;

4  
5 NOW, THEREFORE, the City Council of the City of Long Beach Long  
6 Beach resolves as follows:

7 Section 1. The City Council authorizes and supports job development,  
8 job creation, and economic development.

9 Sec. 2. The City Council hereby adopts a boundary of the proposed  
10 enterprise zone as described in Exhibit "A" attached hereto.

11 Sec. 3. The City Council hereby adopts an overall line-item budget  
12 for Year One of the Enterprise Zone that reflects the sources and uses of funds, as  
13 described in Exhibit "B" attached hereto.

14 Sec. 4. The City Council has made a finding that the application  
15 area is an economically depressed area and designation of the application area as an  
16 Enterprise Zone is necessary in order to attract private sector investment to the  
17 application area.

18 Sec. 5. The City Council authorizes the application area to be  
19 designated as an enterprise zone and the Application to be filed with the Housing &  
20 Community Development Department, and authorizes the City Manager to allocate  
21 staffing for record keeping, monthly updates on zone activities, and to discuss these  
22 activities with program auditors. Moreover, the City Council authorizes the City  
23 Manager to develop a self-evaluation process to measure its progress in meeting its  
24 goals and objectives, a process, which will be submitted to the HCD for review and  
25 approval, as well as inclusion in the Memorandum of Understanding between HCD and  
26 this jurisdiction.

27 Sec. 6. The City Council agrees to complete all actions stated within  
28 the Application which applies to the City of Long Beach should the Application be

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1 awarded a Conditional Designation.

2                   Sec. 7.       The City Council hereby directs the City Manager to execute  
3 and submit the required documentation to the California Housing & Community  
4 Development Department for review and approval of the Application.

5                   Sec. 8.       This resolution shall take effect immediately upon its  
6 adoption by the City Council, and the City Clerk shall certify the vote adopting this  
7 resolution.

8  
9                   I hereby certify that the foregoing resolution was adopted by the City  
10 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2006, by  
11 the following vote:

12                   Ayes:           Councilmembers: \_\_\_\_\_

13  
14  
15  
16                   Noes:           Councilmembers: \_\_\_\_\_

17  
18                   Absent:       Councilmembers: \_\_\_\_\_

19  
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21  
22                   \_\_\_\_\_  
City Clerk

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27 HAM:fl

28 7/17/06

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