



ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: ^{with (for)} Curtis P. Cannon & Matthew Winegar Agenda Item No. F-6

Reviewed By: City Manager [Signature] City Attorney SME Finance JPC Other (Specify) _____

DATE: March 2, 2009

TO: City Council
Community Development Commission

FROM: Curtis P. Cannon, Community Development Director Kymberly Horner (for)
Community Development Department

Matthew Winegar, Development Services Director [Signature]
Development Services Department

SUBJECT: Application for State Enterprise Zone Designation [Signature]

RECOMMENDATION

That City Council:

- 1) Adopt a Resolution authorizing the submittal of the City's application for an Enterprise Zone designation to the State of California;
- 2) Approve the commitment of a staff position to be devoted to Enterprise Zone administration (Zone Manager), and part-time equivalent positions for the functions of Deputy Zone Manager, Vouchering Agent, and support staff; and
- 3) Approve the proposed Local Incentives to be offered to businesses locating within the Zone.

That Community Development Commission:

- 1) Adopt a Resolution authorizing the submittal of the City's application for an Enterprise Zone designation to the State of California;
- 2) Approve the commitment of a staff position to be devoted to Enterprise Zone administration (Zone Manager), and part-time equivalent positions for the functions of Deputy Zone Manager, Vouchering Agent, and support staff; and
- 3) Approve the proposed Local Incentives to be offered to businesses locating within the Zone.

DISCUSSION

The State of California has created an economic development stimulus, called the Enterprise Zone Program, which is targeted at economically-distressed communities, with the goal of stimulating new business activity so as to help create new and better jobs for the residents of the distressed areas. There are 42 such Zones awarded by the State, each with a fifteen-year life, and this year four of the Zone designations are concluding, leaving them available for other communities to compete for.

This is not a State grant program in that no funds actually transfer from the State to the City of Oxnard. The benefit of the program is directly felt by the businesses located within the Zone, and then indirectly by the City in terms of a stronger economy with greater tax revenue potential. Businesses in the Zone are eligible for State sales tax credits, State income tax credits, accelerated depreciation, and loss carry-forward – in other words, there are tangible financial rewards available to qualifying businesses in the Zone. At the same time, the State asks the communities with these Zones to also offer local incentives to businesses, in effect leveraging the State's financial contributions with local assistance as well. These local incentives typically center around enhanced permit processing and some combinations of fee waivers or deferrals. The strength and creativity of the local incentive package is one of the most important elements in the State selection process as to which locality will rank highest in the competition for one of the four Zones.

In Oxnard there are nine Census Tracts in which the average household income and unemployment levels are such as to qualify for the level of "distress" needed to make the City eligible to apply to become an Enterprise Zone. Along with these Census Tracts, which comprise the "Eligible Area," the State asks for an adjacent retail commercial area and manufacturing area(s) to be included in the total of what would be called the Oxnard Enterprise Zone (see Attachment #1- Map). Downtown Oxnard qualifies as the eligible retail area, the Pacific Commerce Center, and Port Gateway Industrial Area qualify as the eligible manufacturing areas.

Because of the geography of these areas, combined with a local interest in continuing the growth of business activity in the Downtown, an overall Enterprise Zone strategy has been developed which has the Downtown retail community as its primary business target. The strategy is built around the following elements:

- Direct business incentives and marketing efforts for Downtown retail businesses.
- Business incentives and marketing efforts directed at the manufacturing areas, with the goal of bringing new and better jobs into the community. These jobs are to be made available first and foremost to the residents of the "distressed" Census Tracts, who live near the Downtown area, and who would thereby have more disposable income to use in the Downtown area.
- Continuing efforts to introduce additional residential units into the Downtown fabric, to increase the round-the-clock presence of people Downtown.

Two specific commitments are needed from the City in order for the application to be considered complete by the State. First, the State requires that a full-time position be established, and funding committed, for an Enterprise Zone Manager, who would be the key person both for carrying out the

activities of the Zone and for maintaining the extensive record-keeping and reporting required by the State. Second, the City must make a commitment to offering the package of Local Incentives to qualifying businesses if the Zone is approved. The Local Incentives proposed for this program are:

- The expansion of the existing “Small Business” permit processing system to an “Enterprise Zone Business” permit processing system, with an increased range of eligible projects.
- Enterprise Zone Guaranteed Permit Issuance Program, in which the City commits to permit issuance by a date certain, and refunds processing fees if not accomplished.
- Waiver of the business’s first year license tax, and associated processing fee.
- Waiver of Zone Clearance fee.
- Deferral of City development impact fees until the issuance of a certificate of completion of a project.

These incentives are intended to make it more attractive for a business to open in the Enterprise Zone, and when combined with the State tax benefits, should provide a significant marketing asset to the City in attracting new businesses both to the Downtown and to the larger manufacturing areas.

FINANCIAL IMPACT

The estimated annual cost for administering an Enterprise Zone is \$750,000 for staffing and program materials, to be funded by tax increment and general fund monies. Staff positions required for the successful administration of an Enterprise Zone include a full-time equivalent position of Enterprise Zone Manager and part-time equivalent positions of the following functions: Deputy Zone Manager, Vouchering Agent, and support staff to process vouchering payments and perform record keeping and reporting functions. Other program expenses include voucher payments, space rental, office equipment, printing, advertising and promotion.

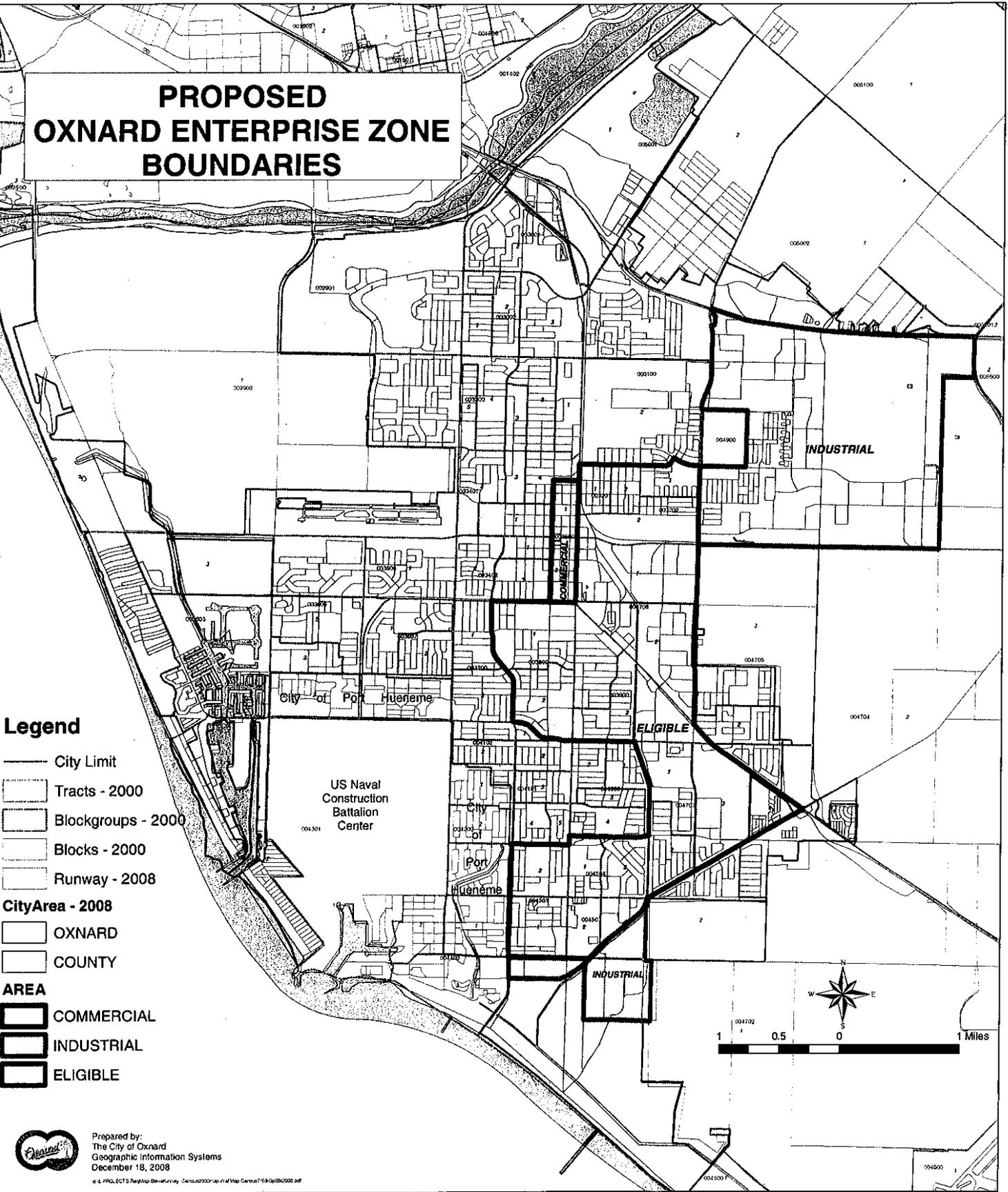
The estimated cost for providing the local incentives detailed above is approximately \$100,000 annually and is included in the \$750,000

The application submitted to the California Housing and Community Development Department (HCD) will include specific line item allocation for budget for first year.

CPC/MW/el

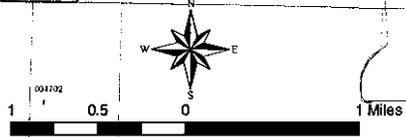
- Attachment #1- Enterprise Zone Boundary Map
#2 - City Council Resolution Authorizing Submittal of the Enterprise Zone Application
#3 - Community Development Commission Resolution Authorizing Submittal of the Enterprise Zone Application

PROPOSED OXNARD ENTERPRISE ZONE BOUNDARIES



Legend

- City Limit
- ⋯ Tracts - 2000
- - - Blockgroups - 2000
- ▬ Blocks - 2000
- ▬ Runway - 2008
- CityArea - 2008**
- ▬ OXNARD
- ▬ COUNTY
- AREA**
- ▬ COMMERCIAL
- ▬ INDUSTRIAL
- ▬ ELIGIBLE



Prepared by:
The City of Oxnard
Geographic Information Systems
December 18, 2008

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CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING SUBMISSION OF THE APPLICATION TO THE CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT FOR AN ENTERPRISE ZONE DESIGNATION FOR THE CITY OF OXNARD AND DIRECTING THE CITY MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS AND AGREEMENTS THERETO.

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

WHEREAS, the City of Oxnard ("City") wishes to be designated as an Enterprise Zone and authorizes the Application for an Enterprise Zone designation to be submitted; and

WHEREAS, the City has determined that the proposed Enterprise Zone is a project subject to the requirements of the California Environmental Quality Act ("CEQA") and as the lead agency has prepared an Initial Study to analyze all potential environment impacts, which will be submitted to the HCD as part of the Application; and

WHEREAS, the City has jurisdiction over the application area of the proposed Enterprise Zone; and

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

WHEREAS, the City authorizes staffing shall be made available to maintain recordkeeping, monthly updates on zone activities, and to discuss these activities with program auditors; and

WHEREAS, the City shall 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, approval, and inclusion in the Memorandum of Understanding between HCD and this jurisdiction prior to Final Designation as an Enterprise Zone; and

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

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

WHEREAS the City agrees to complete all actions stated within the Application that apply to the City should the proposed Enterprise Zone be awarded designation; and

WHEREAS, the City agrees to commit funding, in-kind resources and staffing to the Enterprise Zone for Year One, and acknowledges that this commitment is an annual commitment for the life of the Enterprise Zone. The estimated cost for Year One of administering an

Enterprise Zone is \$750,000 for staffing and program materials, to be funded by tax increment and general fund monies.; and

WHEREAS, Edmund Sotelo, City Manager of the City of Oxnard, is authorized to sign the Application, Memorandum of Understanding, and other documents necessary for the implementation of the Enterprise Zone.

NOW, THEREFORE, the City Council ("Council") of the City of Oxnard resolves:

1. The above recitals are true and correct and incorporated herein by reference.
2. The Council does hereby adopt a boundary of the proposed Enterprise Zone as described in Exhibit A attached herewith.
3. The Council does hereby state that it has jurisdiction over the application area of the proposed Enterprise Zone.
4. The Council has made a finding that the application area is an economically depressed area and designation of the application area as an Enterprise Zone is necessary in order to attract private sector investment to the application area.
5. The Council authorizes the Application for an Enterprise Zone designation to be filed with the Housing & Community Development Department.
6. The Council authorizes and supports job development, job creation, and economic development.
7. The Council authorizes staffing shall be made available to maintain recordkeeping, monthly updates on zone activities, and to discuss these activities with program auditors.
8. The Council 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, approval, and inclusion in the Memorandum of Understanding between HCD and this jurisdiction.
9. The Council agrees to complete all actions stated within the Application that apply to the City of Oxnard should the proposed Enterprise Zone be awarded designation.
10. The Council hereby directs Edmund Sotelo, City Manager of the City of Oxnard, to execute and submit the required documentation to the California Housing & Community Development Department for review and approval of the Application.
11. That this Resolution shall be effective immediately.

Passed and adopted this 10th day of March, 2009, by the following vote:

AYES:

NOES:

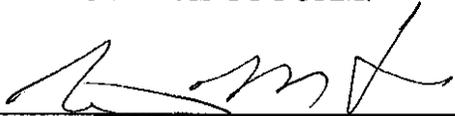
ABSENT:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

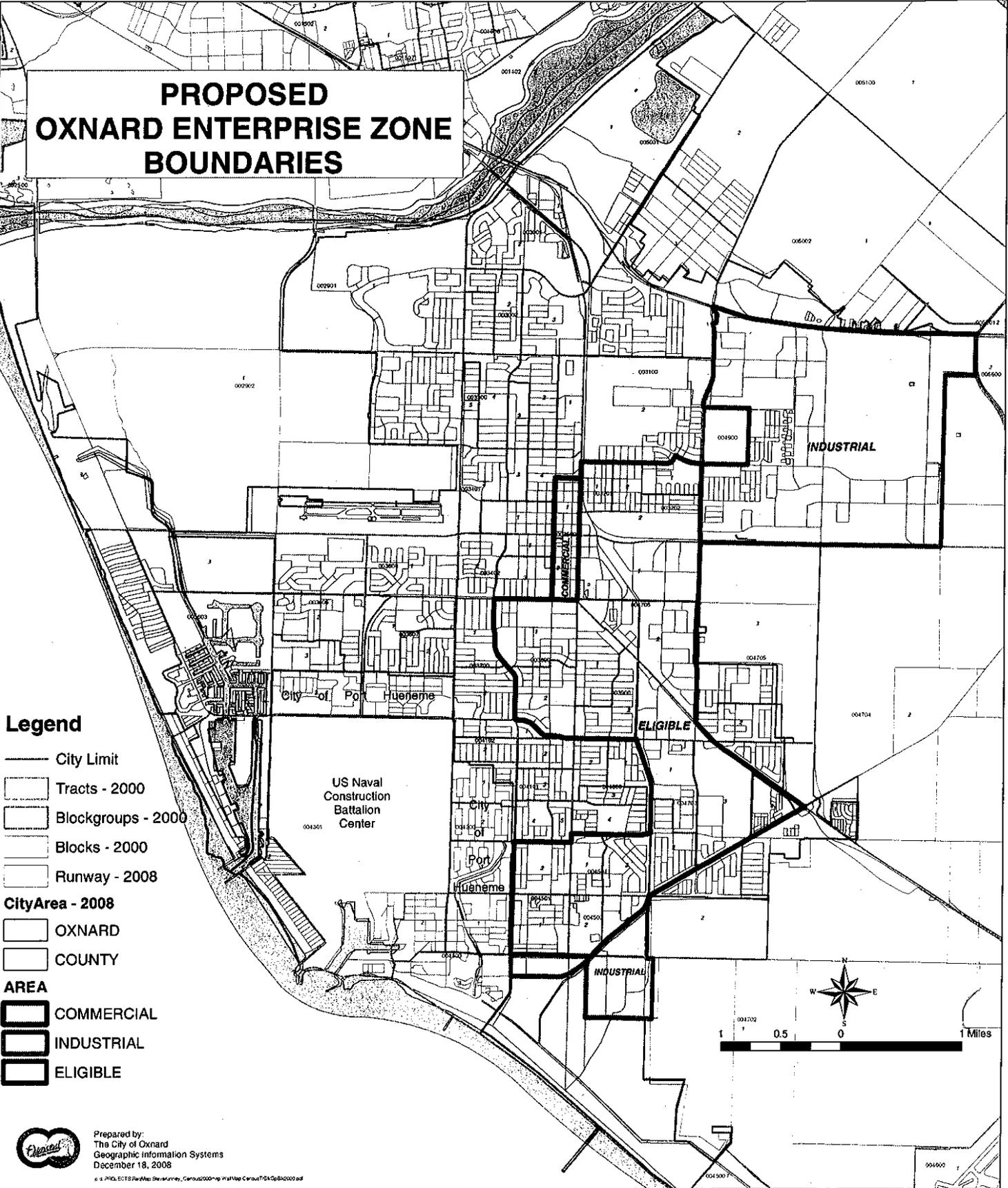
APPROVED AS TO FORM:



Alan Holmberg, City Attorney

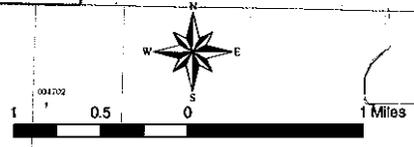
Attachment: Exhibit A – Proposed Enterprise Zone

PROPOSED OXNARD ENTERPRISE ZONE BOUNDARIES



Legend

- City Limit
- ▭ Tracts - 2000
- ▭ Blockgroups - 2000
- ▭ Blocks - 2000
- ▭ Runway - 2008
- CityArea - 2008**
- ▭ OXNARD
- ▭ COUNTY
- AREA**
- ▭ COMMERCIAL
- ▭ INDUSTRIAL
- ▭ ELIGIBLE



Prepared by:
The City of Oxnard
Geographic Information Systems
December 18, 2008

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OXNARD COMMUNITY DEVELOPMENT COMMISSION

RESOLUTION NO. _____

RESOLUTION OF THE OXNARD COMMUNITY DEVELOPMENT COMMISSION AUTHORIZING SUBMISSION OF THE APPLICATION TO THE CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT FOR AN ENTERPRISE ZONE DESIGNATION FOR THE CITY OF OXNARD AND DIRECTING THE EXECUTIVE DIRECTOR TO EXECUTE ANY NECESSARY DOCUMENTS AND AGREEMENTS THERETO.

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

WHEREAS, the City of Oxnard intends to submit to HCD an Application for an Enterprise Zone Designation, the proposed boundary of which includes portions of redevelopment project areas under the Community Development Commission's ("Commission") jurisdiction; and

WHEREAS, the Commission authorizes and supports job development, job creation, and economic development; and

WHEREAS, the Commission authorizes staffing shall be made available to maintain recordkeeping, monthly updates on zone activities, and to discuss these activities with program auditors; and

WHEREAS, the Commission shall 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, approval, and inclusion in the Memorandum of Understanding between HCD and this jurisdiction prior to Final Designation as an Enterprise Zone; and

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

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

WHEREAS the Commission agrees to complete all actions stated within the Application that apply to the Commission should the proposed Enterprise Zone be awarded designation; and

WHEREAS, the Commission agrees to commit funding, in-kind resources and staffing to the Enterprise Zone for Year One, and acknowledges that this commitment is an annual commitment for the life of the Enterprise Zone. The estimated cost for Year One of administering an Enterprise Zone is \$750,000 for staffing and program materials, to be funded by tax increment and general fund monies; and

WHEREAS, Edmund Sotelo, Executive Director of the Oxnard Community Development Commission, is authorized to sign the Application, Memorandum of Understanding, and other documents necessary for the implementation of the Enterprise Zone.

NOW, THEREFORE, the Oxnard Community Development Commission resolves:

1. The above recitals are true and correct and incorporated herein by reference.
2. The Commission does hereby adopt a boundary of the proposed Enterprise Zone as described in Exhibit A attached herewith.
3. The Commission does hereby state that it has jurisdiction over the portions of the application area of the proposed Enterprise Zone that are within redevelopment project areas.
4. The Commission has made a finding that the application area is an economically depressed area and designation of the application area as an Enterprise Zone is necessary in order to attract private sector investment to the application area.
5. The Commission authorizes the Application for an Enterprise Zone designation to be filed with the Housing & Community Development Department.
6. The Commission authorizes and supports job development, job creation, and economic development.
7. The Commission authorizes staffing shall be made available to maintain recordkeeping, monthly updates on zone activities, and to discuss these activities with program auditors.
8. The Commission 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, approval, and inclusion in the Memorandum of Understanding between HCD and this jurisdiction.
9. The Commission agrees to complete all actions stated within the Application that apply to the Oxnard Community Development Commission should the proposed Enterprise Zone be awarded designation.
10. The Commission hereby directs Edmund Sotelo, Executive Director of the Oxnard Community Development Commission, to execute and submit the required documentation to the California Housing & Community Development Department for review and approval of the Application.
11. That this Resolution shall be effective immediately.

Passed and adopted this 10th day of March, 2009, by the following vote:

AYES:

NOES:

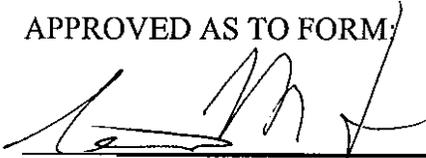
ABSENT:

Dr. Thomas E. Holden, Chairman

ATTEST:

Daniel Martinez, Secretary

APPROVED AS TO FORM:



Alan Holmberg, General Counsel

Attachment: Exhibit A – Proposed Enterprise Zone

PROPOSED OXNARD ENTERPRISE ZONE BOUNDARIES

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Prepared by:
The City of Oxnard
Geographic Information Systems
December 18, 2008

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