



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Opposing the Governor's Budget Proposal to Eliminate Enterprise Zones

MEETING DATE: March 15, 2011

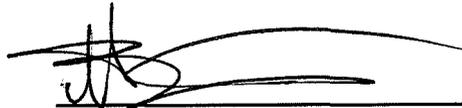
PREPARED BY: Konradt Bartlam, City Manager

RECOMMENDED ACTION: Adopt resolution opposing the Governor's budget proposal to eliminate enterprise zones.

BACKGROUND INFORMATION: At its meeting of January 19, 2011, the City Council provided general direction to send a letter of opposition to the Governor's budget proposal eliminating enterprise zones. Subsequently, the League asked that agencies provide resolutions formally stating their opposition to the proposal. This item is being presented to Council as a housekeeping item so that a formal resolution can be adopted pursuant to the Government Code.

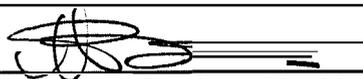
FISCAL IMPACT: Not applicable at this time.

FUNDING AVAILABLE: Not applicable at this time.



Konradt Bartlam
City Manager

APPROVED:



Konradt Bartlam, City Manager

RESOLUTION NO. 2011-28

A RESOLUTION OF THE LODI CITY COUNCIL
OPPOSING THE GOVERNORS BUDGET PROPOSAL
TO END ENTERPRISE ZONE TAX INCENTIVES

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WHEREAS, the California's Enterprise Zone originated through the enactment of two programs in 1984 and 1985 - the Enterprise Zone Act and the Employment and Economic Incentive Act, respectively; and

WHEREAS, the Enterprise Zone provides a geographically-targeted economic development tool designed to improve the poor and blighted communities in California by creating incentives for businesses to hire employees with barriers to employment; and

WHEREAS, the City of Lodi and the State of California are experiencing a significant economic crisis resulting in unusually high unemployment rates; and

WHEREAS, high unemployment rates contribute to an increase in poverty, crime and foreclosures; and

WHEREAS, the City of Lodi's Enterprise Zone has worked to combat these economic problems by utilizing the Enterprise Zone's incentives to encourage local business retention and expansion, as well as new business attraction; and

WHEREAS, the Governor of California has proposed to eliminate all Enterprise Zone funding and programs effective January 1, 2011.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that it does hereby oppose the Governor's budget proposal to end Enterprise Zone Tax Incentives.

Date: March 15, 2011

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I hereby certify that Resolution No, 2011-28 was passed and adopted by the Lodi City Council in a special meeting held March 15, 2011, by the following vote:

AYES: COUNCIL MEMBERS - Hansen, Katzakian, Mounce, and
Mayor Johnson

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - Nakanishi

ABSTAIN: COUNCIL MEMBERS - None


RANDI JOHL
City Clerk



BUILDING INDUSTRY ASSOCIATION OF THE DELTA

315 N. SAN JOAQUIN ST., SUITE 202
STOCKTON, CA 95202
209-235-7831 • 209-235-7837 fax

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March 11, 2011

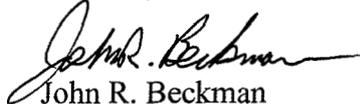
Mayor Bob Johnson
City of Lodi
221 W. Pine St.
Lodi, CA 95240

Mayor Johnson,

BIA of the Delta has a long history of working cooperatively with the League of California Cities and local jurisdictions on issues of joint concern. As does the California Building Industry Association, which at their last Board meeting took a unanimous vote opposing the Governor's proposal to eliminate Redevelopment Agencies and Enterprise Zones.

BIA members throughout California have signed online petitions, written letters and joined the coalition to save RDA's and Enterprise Zones. Attached you will find our letter to Governor Brown on this issue. Please feel free to use BIA of the Delta as an example of the many organizations which recognize the harmful economic impact this proposal will have on local jurisdictions.

Sincerely,



John R. Beckman
Chief Executive Officer



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Raymus Homes, Inc.
Tony Souza
Souza Realty & Development

March 8, 2011

The Honorable Jerry Brown
Governor, State of California
State Capitol, Suite 1173
Sacramento, CA 95814

Dear Governor Brown:

The Building Industry Association of the Delta represents over 100 companies doing business in San Joaquin County. Our membership is comprised of contractors, landscapers, engineers, architects, title companies, banks, insurance companies and home builders.

We write today to express opposition to the proposed elimination of Redevelopment Agencies and Enterprise Zones as proposed in your January Budget Proposal.

The Redevelopment Agencies located in Tracy, Manteca, Ripon and Stockton and the Enterprise Zone covering large portions of San Joaquin County have enabled our region to weather the storm of the Great Recession. As you may have heard Stockton has lead the nation for more months than any other city in the nation in foreclosures.

Your proposal would stall our tepid recovery just as we are on the cusp of growing employment numbers.

From a policy standpoint, the elimination of these important programs makes no sense. Redevelopment and enterprise zones fundamentally boosts the economy, and are essential tools in the state's economic recovery. Redevelopment builds and improves communities, spurs job growth and taxes and is the most significant provider of infrastructure, urban development and affordable housing in the state. Enterprise zones are one of the few economic development tools that local agencies have to bring jobs to, and retain jobs in, depressed areas.

Ultimately, California's budget crisis will be solved by strengthening California's economy and creating jobs. Our association is a part of that solution, but this proposal will do nothing but slow economic growth. We look forward to working with you to find solutions that will address the state's fiscal problems while also supporting tools for economic recovery.

Sincerely,

John R. Beckman
Chief Executive Officer

CC: Senator Lois Wolk
Senator Torn Berryhill
Assemblymember Bill Berryhill
Assemblymember Cathleen Galgiani
Assemblymember Alyson Huber
Dan Carrigg, Legislative Director, League of California Cities