



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt a Resolution Approving the Revised Boundaries of the Targeted Employment Area (TEA) for the San Joaquin County Enterprise Zone

MEETING DATE: April 17, 2013

PREPARED BY: City Manager

RECOMMENDED ACTION: Adopt a Resolution Approving the Revised Boundaries of the Targeted Employment Area (TEA) for the San Joaquin County Enterprise Zone.

BACKGROUND INFORMATION: On January 31, 2008, Governor Arnold Schwarzenegger announced the conditional designation of eight enterprise zones statewide, including San Joaquin County. The California Enterprise Zone Program targets economically distressed areas using special state and local incentives to promote business investment and job creation. By encouraging entrepreneurship and employer growth, the program strives to create and sustain economic expansion in California communities. The designation became effective June 23, 2008 and is in effect for 15 years.

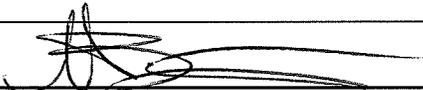
A primary goal of a state-designated Enterprise Zone is to provide employment opportunities for residents of these distressed areas. The State of California encourages businesses to hire local workers by offering the Employee Hiring Tax Credit for Enterprise Zone employers. As an incentive, businesses can receive a state tax credit of \$37,440, or more, per eligible employee over a five-year period. To be eligible as an employee, the individual must be certified eligible for the Workforce Investment Act or CalWorks program; a disabled individual; a Native American; a displaced worker; an economically disadvantaged person 14 years of age or older; eligible for public assistance; ex-offenders and/or a resident of a TEA.

A TEA is an area composed of census tracts with at least 51 percent of its residents at low or moderate income levels. The purpose of a TEA is to encourage businesses within the Enterprise Zone to hire eligible residents of a qualified geographical area that are most in need of employment.

In 2008, staff identified a list of the census tracts that qualify with at least 51 percent of their residents in the low to moderate income levels. These census tracts comprise the existing TEA for the San Joaquin County Enterprise Zone. The residents of the TEA automatically qualify for an Enterprise Zone Hiring Tax Credit voucher. The Cities, San Joaquin County and the State approved the current San Joaquin County TEA.

State regulations compel each Enterprise Zone to update the boundaries of its TEA within 180 days of new United States census data becoming available. The State provided each Zone with a list of eligible census tracts in January 2013. All municipal partners, which include the City of Lodi in the San Joaquin County Enterprise Zone and the State Housing and Community Development Department, must approve the new boundaries of the TEA before it becomes effective.

APPROVED: _____


Konradt Bartlam, City Manager

During the last reporting period, fiscal years 2010 to 2012, San Joaquin County employers received 20,092 tax credit vouchers for hiring new Enterprise Zone-qualified employees. Nearly 90 percent of the Enterprise Zone qualified employees were from the TEA category. The TEA is an important category for local businesses to use when hiring new employees.

Staff recommends adoption of this resolution approving the revised boundaries of the TEA for the San Joaquin County Enterprise Zone. The list of census tracts is attached for your review. This approval is in concurrence with the Cities of Stockton, Lathrop, Manteca, Tracy, Ripon, and Escalon.

FISCAL IMPACT: There is no direct fiscal impact to the City of Lodi. Maintaining the San Joaquin County TEA provides significant tax incentives for businesses to hire County residents. As an incentive, businesses can receive a state tax credit of \$37,440, or more, per eligible employee over a five-year period. Based on the historical use of this category and the 15-year designation, business incentives may reach hundreds of millions in tax credits over the life of the Zone.



Rob Lechner
Business Development Manager

Attachment

Attachment "A"
 San Joaquin County Enterprise Zone
 Qualifying TEA Tracts

1	3	4.01	4.02	5	6	7	8.01	9	10
11.01	11.02	13	14	15	16	17	18	19	20
21	22.01	22.02	23	24.01	24.02	25.03	25.04	27.01	27.02
28	31.08	31.09	31.10	31.11	31.12	31.13	32.15	32.17	33.05
33.06	33.07	33.08	33.10	33.11	33.12	33.13	34.03	34.04	34.05
34.06	34.07	34.09	34.10	36.02	37	38.03	39	40.01	41.02
41.06	42.01	42.03	42.04	43.02	43.07	43.08	44.02	44.03	44.04
45.01	45.02	46	47.01	49.02	50.01	51.08	51.09	51.23	51.24
51.26	51.29	51.3	51.31	51.32	53.02	53.03	54.05	54.06	55.01

* Portion Tracts indicated with asterisk

RESOLUTION NO. 2013-63

A RESOLUTION OF THE LODI CITY COUNCIL ADOPTING
THE REVISED TARGETED EMPLOYMENT AREA FOR THE
SAN JOAQUIN COUNTY ENTERPRISE ZONE

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WHEREAS, the cities of Stockton, Tracy, Lathrop, Manteca, Lodi, Ripon, and Escalon, and the County of San Joaquin have worked cooperatively in marketing and managing the San Joaquin County Enterprise Zone that was established on June 22, 2008; and

WHEREAS, the statutes governing the Enterprise Zone Program require that each zone update its Targeted Employment Area (TEA) within 180 days of new census data becoming available, and the Department of Housing and Community Development (HCD) has determined that the census data necessary to update TEAs, in accordance with the relative statutes, will be the United States Census Bureau's *American Community Survey Five Year Averages*; and

WHEREAS, the HCD has compiled a spreadsheet of all qualifying census tracts, by county, within the State of California using data from the *American Community Survey Five Year Averages*, Attachment A; and

WHEREAS, the County of San Joaquin will submit a written request, as required, to the California Department of Housing and Community Development to have its TEA updated and approved.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the revised Targeted Employment Area for the San Joaquin County Enterprise Zone.

Dated: April 17, 2013

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I hereby certify that Resolution No. 2013-63 was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 17, 2013, by the following vote:

- AYES: COUNCIL MEMBERS – Hansen, Johnson, and Katzakian
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – Mounce and Mayor Nakanishi
- ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

Attachment "A"
San Joaquin County Enterprise Zone
Qualifying TEA Tracts

1	3	4.01	4.02	5	6	7	8.01	9	10
11.01	11.02	13	14	15	16	17	18	19	20
21	22.01	22.02	23	24.01	24.02	25.03	25.04	27.01	27.02
28	31.08	31.09	31.10	31.11	31.12	31.13	32.15	32.17	33.05
33.06	33.07	33.08	33.10	33.11	33.12	33.13	34.03	34.04	34.05
34.06	34.07	34.09	34.10	36.02	37	38.03	39	40.01	41.02
41.06	42.01	42.03	42.04	43.02	43.07	43.08	44.02	44.03	44.04
45.01	45.02	46	47.01	49.02	50.01	51.08	51.09	51.23	51.24
51.26	51.29	51.3	51.31	51.32	53.02	53.03	54.05	54.06	55.01

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Data Published December 2012