

TO: Planning & Policy Development Committee DATE: February 27, 2002

- For Action**
- For Information**
- Meeting Notes**

FROM: WIB Staff

SUBJECT: Enterprise Zone (EZ) Extension (AB 1846)

PROPOSED MOTION(S): Recommend to the full Board that it write letters of support for AB 1846 to Senator Monteith and Assemblyman Cardoza.

DISCUSSION: Assemblyman Lou Correa is sponsoring legislation to extend the life of post-1990 Enterprise Zones by 5 years via an audit and application process. Assemblyman Correa's office (Santa Ana), the Merced Atwater EZ, Santa Ana EZ, Coachella Valley EZ, and CAEZ are the lead sponsors. Assemblyman Cardoza and Senator Monteith are co-authors. The bill will be scheduled to go before its first committee hearing in March 2002.

ATTACHMENT(S): 1. Example Letter of Support
 2. AB-1846

March 29, 2002

Honorable Dennis Cardoza
Assembly Member, Twenty-Sixth District
State Capital
Sacramento, CA 95814

Re: Support for AB 1846

Dear Assemblyman Cardoza,

The purpose of this letter is to offer the Workforce Investment Board of Merced County's support for AB 1846.

As you know, the Enterprise Zone Program targets economically distressed areas throughout California. Special state and local incentives encourage business investment and promote the creation of new jobs. The purpose of the program is to provide tax incentives to businesses and allow private sector market forces to revive the local economy. The Merced Atwater Enterprise Zone is assisting in Merced's efforts to revitalize the community's economic base. The Enterprise Zone program is factored into the decision of many of our employers to increase staffing, expand business operations and make additional capital investments.

The proposed legislation will not affect the State budget until approximately 2006. While the costs are deferred, the benefits are much more immediate. Passage of this bill will provide job generating and capital investing employers with the assurance that Enterprise Zone benefits will remain in effect longer. Furthermore, potential employers who are currently being recruited to site their plants and businesses in California will be encouraged to make California their home.

We need to extend the Merced Atwater Enterprise Zone for another five years to ensure continued economic vitality in the Greater Merced Atwater area.

Thank you for supporting this important piece of legislation. We look forward to working with you to ensure its passage. If we can be of assistance, please contact me at (209)

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Sincerely,

Chairman

Cc: Assemblyman Lou Correa, Sacramento