

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



FROM: Supervisor Roy Wilson

SUBMITTAL DATE: April 6, 2004

SUBJECT: Resolution of support for SB 1179 which would extend state Enterprise Zones for an additional five years.

RECOMMENDED MOTION: That the Board of Supervisors approve the attached resolution in support of SB 1179 and direct staff to work with the Legislative Advocates to ensure its passage.

JUSTIFICATION: The Coachella Valley Enterprise Zone Authority (CVEZA) was created in 1991 by authority of the state Legislature. The purpose of these Enterprise Zones was to assist rural and depressed urban areas on attracting new business and industrial development, creating jobs, building local wealth and enhancing the economic base. The County of Riverside entered into a joint partnership with the Cities of Indio and Coachella to form the CVEZA, which was enabled by the state legislation for a period of 15 years. Without an extension, CVEZA will "sunset" in 2006.

A faltering California economy – exacerbated by cutbacks in the defense industry – coincided with the establishment of the enterprise zones, and CVEZA saw little development during its early years. Nevertheless, the Zone has seen some success, with more than 2,000 employees vouchered and millions of dollars in taxes saved by companies utilizing the Zone and its benefits. Now that economic conditions are improving and the Coachella Valley is expected to grow substantially, the lure of the Enterprise Zone tax credits would be lost in four years, just as the height of industrial growth is expected to occur.

Supervisor Roy Wilson

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- 3. That reasonable and necessary funds be advanced to cover the expenses to implement items 1 and 2 be authorized.

ADOPTED THIS 6th DAY OF APRIL, 2004.

ROY WILSON, CHAIRMAN
BOARD OF SUPERVISORS