

1 [Enterprise Zone Designation.]
2

3 **Resolution Authorizing Submission of an Application to the California Housing and**
4 **Community Development Department for an Enterprise Zone Designation for the City**
5 **and County of San Francisco.**
6

7 WHEREAS, The State of California Enterprise Tax Incentive Program (hereinafter
8 known as the "Enterprise Zone Program") is an economic development program that offers
9 businesses located in economically distressed areas special tax credits and incentives in
10 order to stimulate local investment and employment; and

11 WHEREAS, Businesses located in an Enterprise Zone are eligible for substantial tax
12 credits and benefits including: 1) up to 100% net operating loss carry-forward, which may be
13 carried forward 15 years; 2) \$29,234 or more in state tax credits for each qualified employee
14 hired; 3) sales tax credits on purchases of up to \$20 million per year of qualified machinery
15 and machinery parts; 4) up-front expensing of certain depreciable property; 4) net interest
16 deduction for lenders; 5) preference points on state contracts; and 6) rollover of unused
17 Enterprise Zone tax credits to future tax years.

18 WHEREAS, California cities and counties may apply to the Department of Housing and
19 Community Development for an Enterprise Zone designation; and

20 WHEREAS, San Francisco initially received an Enterprise Zone designation in 1992 for
21 approximately 11 square miles in the eastern portion of the City, as depicted in the San
22 Francisco Enterprise Zone map on file with the Clerk of the Board of Supervisors in File No. 061172,
23 which is hereby declared to be a part of this resolution as if set forth fully herein; and,

24 WHEREAS, The Mayor's Office of Economic and Workforce Development (hereinafter
25 known as "MOEWD") manages the San Francisco Enterprise Zone; and

1 WHEREAS, Enterprise Zones are designated for fifteen (15) years; and,

2 WHEREAS, San Francisco's Enterprise Zone designation is set to expire in May 2007;

3 and,

4 WHEREAS, San Francisco is applying for a new Enterprise Zone designation zone in
5 order to continue to encourage businesses to locate in economically distressed areas of the
6 City;

7 WHEREAS, Due to shifts in demographics, the eligible area for a San Francisco
8 Enterprise Zone designation has shifted and is depicted on the proposed boundary map on
9 file with the Clerk of the Board of Supervisors in File No. ⁰⁶¹¹⁷², which is hereby declared to be a
10 part of this resolution as if set forth fully herein; and,

11 WHEREAS, The City and County of San Francisco supports job development, job
12 creation and economic development; and

13 WHEREAS, The eligible area includes portions of San Francisco where business
14 operations are endangered, thereby eroding the stability of the City's workforce and widening
15 the gap between rich and poor; and,

16 WHEREAS, The proposed Enterprise Zone contains areas which are severely
17 economically depressed and designation of the entire area as an Enterprise Zone is
18 necessary in order to continue to attract private sector investment and promote the creation of
19 new jobs; and now, therefore, be it

20 RESOLVED; That Jesse Blout, Director of the Mayor's Office of Economic and
21 Workforce Development, is authorized to submit to the State of California Department of
22 Housing and Community Development an Enterprise Zone Application, a Memorandum of
23 Understanding and all other documents necessary for the implementation of a San Francisco
24 Enterprise Zone; and, be it

1 FURTHER RESOLVED, That MOEWD shall continue to manage all activities related to
2 the operation of a San Francisco Enterprise Zone; and, be it

3 FURTHER RESOLVED, That the City and County of San Francisco agrees to satisfy
4 all applicable State requirements should the proposed Enterprise Zone be awarded, including
5 maintaining adequate staffing to provide appropriate record-keeping, monthly updates on
6 zone activities, and engagement with program auditors; and be it

7 FURTHER RESOLVED, That the City and County shall develop a self-evaluation
8 process to measure its progress in meeting its goals and objectives and that said process
9 shall be submitted to the Department of Housing and Community Development for review,
10 approval and inclusion in the Memorandum of Understanding prior to Final Designation.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 061172

Date Passed:

Resolution authorizing submission of an application to the California Housing and Community Development Department for an Enterprise Zone Designation for the City and County of San Francisco.

August 15, 2006 Board of Supervisors — ADOPTED

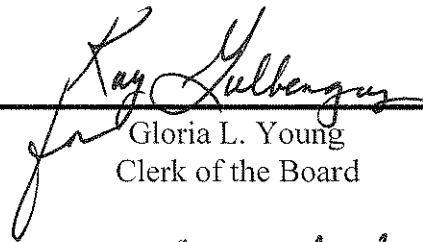
Ayes: 10 - Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick,
Mirkarimi, Peskin, Sandoval
Excused: 1 - Alioto-Pier

File No. 061172

I hereby certify that the foregoing Resolution was ADOPTED on August 15, 2006 by the Board of Supervisors of the City and County of San Francisco.

8/17/2006

Date Approved


Gloria L. Young
Clerk of the Board


Mayor Gavin Newsom