

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, APRIL 10, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, April 10, 2012, commencing at 7:25 a.m.

Present: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Absent: None

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Presentation on San Joaquin County Enterprise Zone (CD)

Fran Aguilera of the San Joaquin County Enterprise Zone provided a brief PowerPoint presentation regarding the same. Specific topics of discussion included the history of the enterprise zone, an overview of enterprise zones, purpose of the California enterprise zone program, benefits of enterprise zones, hiring tax credits, targeted employment area (TEA), incentive benefits, annual report, presentations and workshops, zone attraction and retention, business contacts, hiring vouchers, return on investment, benefiting businesses, 2011 expansion into Ripon and Escalon, and enterprise zone partners.

In response to Council Member Johnson, Mr. Aguilera stated the 36% unemployment figure represents the cumulative unemployment number based on the most distressed areas in the zone.

In response to Council Member Hansen, Mr. Bartlam stated the 36% unemployment figure is representative of the worst areas within the shown mapped area of the County.

In response to Council Member Hansen, Mr. Aguilera stated the use tax credit for machinery and replacement parts is primarily applicable in the manufacturing industry, is used when equipment is brought in for use from outside of California, and is the equivalent of sales tax.

In response to Mayor Mounce, Mr. Aguilera stated staff is continuing its communication efforts with accounting firms and businesses in an attempt to get more businesses to take the actual credit.

In response to Council Member Hansen, Mr. Aguilera stated a business may be able to receive the TEA credit if it hires an employee with a misdemeanor or felony background.

In response to Mayor Mounce, Mr. Aguilera stated the City should continue to be concerned about the elimination of the TEA program at the Sacramento level.

In response to Mayor Mounce, Mr. Aguilera stated there are many ways to qualify for the credit but it can be as simple as providing a statement in the required documentation.

In response to Council Member Hansen, Mr. Aguilera stated those who are participating in the enterprise zone programs and receiving the tax credits are not taking away from those who are not in enterprise zones as the program is an incentive for those areas that traditionally are not as

attractive for businesses.

In response to Mayor Pro Tempore Nakanishi, Mr. Aguilera stated the program provides a five-year tax credit for qualifying businesses, each City pays proportionately for the enterprise zone, and the San Joaquin enterprise zone is a County agency.

In response to Council Member Katzakian, Mr. Aguilera stated there are 42 enterprise zones in the State of California, including several in surrounding counties, and the program is highly competitive because it is based on a points structure.

In response to Council Member Johnson, Mr. Aguilera stated there is a concern that if there is a two-thirds control of the Legislature by either party then enterprise zones may be eliminated because the Legislature has a tendency to vote along party lines.

In response to Mayor Pro Tempore Nakanishi, Mr. Aguilera confirmed that the two-thirds requirement comes into play because the removal of a tax credit is considered a tax increase, which requires a two-thirds vote.

In response to Ed Miller, Mr. Aguilera stated the tax credit per qualifying employee is approximately \$37,500.

In response to Sam Karufa, Mr. Aguilera stated contractors may use the tax credit but only if more than 50% of the work is being performed in the zone on an annual basis.

Ray Crow of the Chamber of Commerce commended the staff of the San Joaquin County Enterprise Zone on its efforts to communicate the benefits of the program to local businesses.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:15 a.m

ATTEST:

Randi Johl  
City Clerk