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**Redevelopment
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Staff Report

ITEM NO. 5

To: Lemoore City Council
From: Judy Holwell, Redevelopment Project Manager
Date: January 26, 2012
Subject: Resolution No. 2012-04 for Expansion No. 1
of the Kings County Enterprise Zone

Discussion

The Kings County Enterprise Zone (the Zone) was designated by the State of California on June 22, 2008 to encourage the location and expansion of business in designated areas. The Zone encompasses 43,675 acres and may be expanded by 15% (6,551.25 acres) of its original size over its fifteen-year life. Owners of approximately six acres of rural commercial property located just west of the unincorporated community of Armona (map attached), have expressed their interest in being added to the Zone. In order to request a Zone expansion from the California Department of Housing and Community Development, each city and county within the Zone is required to submit a resolution of support to accompany the expansion application.

Enterprise Zone designation enables jurisdictions the ability to offer special incentives and programs to help cities and counties attract and retain companies that would not otherwise locate, stay or expand within the subject jurisdiction. The following list describes some of the incentives of the program:

- Tax Credits for sales and use taxes paid on machinery purchases
- Tax credits for hiring qualified employees
- Interest deductions for lenders on loans to firms within the area
- Fifteen year net operating loss carry-forward
- Accelerated expansion deductions
- Priority for various state programs – such as state contracts

Many businesses throughout the County have utilized and benefited from the incentives that are available through the Enterprise Zone Program. Therefore, Council should adopt the attached Resolution supporting and approving the Kings County Enterprise Zone expansion. A representative from Kings County Economic Development Corporation will be in attendance at Tuesday evening's meeting to answer any questions you may have.

Budget Impact

None.

Recommendation

That Council adopt Resolution No. 2012-04 supporting and approving the Kings County Enterprise Zone expansion.