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**California Department of Housing and Community Development  
Announces Final Designation of Fresno County Regional Enterprise Zone**

SACRAMENTO— California's Department of Housing and Community Development announced today that the Fresno County Regional Enterprise Zone is the first enterprise zone among the 23 newly-awarded enterprise zones to receive final designation to complete the necessary steps to move from conditional to final designation. Governor Arnold Schwarzenegger announced the conditional designations for the 23 Enterprise Zones last November.

“With today's designation, the Fresno County Regional Enterprise Zone offers the businesses located within its newly established enterprise zone the multiple opportunities and benefits of the program,” said Housing and Community Development Director Lynn L. Jacobs. “They join the other 41 zones that together with the state work to promote job opportunities and business investments in California.”

Announced today at a press conference attended by California Business, Transportation and Housing Agency Secretary Dale E. Bonner, local, county and city leaders, the Fresno County Regional Enterprise Zone's application was highest-ranked out of the 25 applications the state received; the partnership will last 15 years. The 23 communities conditionally selected in November were evaluated and ranked relative to their comparative need and the local jurisdictions' capacity to undertake a long-term economic development initiative. Designation of the Enterprise Zones is contingent upon completion of a final application and an environmental impact report.

“Enterprise Zones transform and enhance California communities by reducing unemployment and poverty rates, raising income levels of residents and workers, and creating long-term economic stability by diversifying a community's mix of commercial and industrial firms,” said Director Jacobs.

The California Enterprise Zone Program targets economically distressed areas using special state and local incentives to promote business investment and job creation. By encouraging entrepreneurship and employer growth, the program strives to create and sustain economic expansion in the communities. Enterprise Zones help economically distressed areas by offering businesses economic incentives if they locate or expand within a designated geographic area.

Incentives include:

- Hiring credits of \$30,000 or more for each qualified employee over a five-year timeframe.
- Sales tax credits on machinery and parts purchases of up to \$20 million per year.
- Up to 100 percent net operating loss deduction, up-front expensing of certain property, and net interest deductions for lenders to zone businesses.

The California Department of Housing and Community Development conducted a study last year that evaluated the success of Enterprise Zones in spurring economic recovery. The report showed that from 1990 to 2000 Enterprise Zones on average experienced:

- Poverty Rates: declined 7.35 percent more than the rest of the state
- Unemployment Rates: declined 1.2 percent more than the rest of the state
- Household Incomes: increased 7.1 percent more than the rest of the state
- Wage and Salary Income: increased 3.5 percent more than the rest of the state

Individual Enterprise Zone administration is funded and managed by the local city or county that has been designated as an Enterprise Zone. Enterprise Zone managers, employed by the city or county, are responsible for marketing the area to new businesses, working with existing businesses to prevent closures, and assisting firms in expanding. Most importantly, Enterprise Zones play a key role in linking newly created jobs with individuals in the community who are either under or unemployed.

California Enterprise Zones: <http://www.hcd.ca.gov/ca/cdbg/ez/>