

# Agenda Report

**TO: CITY COUNCIL** **FEBRUARY 26, 2001**  
**THROUGH: BUSINESS ENTERPRISE COMMITTEE**

**FROM: CITY MANAGER**

**SUBJECT: APPROVAL OF CENSUS TRACT 4616 AS A TARGETED  
EMPLOYMENT AREA IN THE PASADENA ENTERPRISE ZONE**

## RECOMMENDATION

It is recommended that the City Council:

1. Adopt a Resolution approving and designating census tract 4616 as a Targeted Employment Area for the Pasadena Enterprise Zone Program.
2. Authorize the Director of Housing and Development Department to submit the Resolution, and all related documents, to the State of California Trade and Commerce Agency.

## ADVISORY BODIES

This report was presented to the Northwest Commission and the Community Development Committee as an Information Item. No comments were received from either advisory body.

## BACKGROUND

When the City adopted various census tracts as part of the original Enterprise Zone Targeted Employment Area, one tract number within the boundary was inadvertently overlooked. The actions recommended above correct that mistake.

In order for census tracts to be designated as Targeted Employment Areas, the State requires that the governing bodies adopt resolutions designating the area. The approving City resolution will be submitted to the state with the request for designation.

On February 3, 1997, the Pasadena City Council adopted Resolution No. 7463 designating and approving Targeted Employment Area (TEA) for census tracts—4609, 4615, 4619, 4620, 4621,

and 4622—for the Pasadena Enterprise Zone Program. A map illustrating the area and census tracts was attached to the Resolution (See Attachment). It has come to the attention of the Pasadena Enterprise Zone Program that census tract 4616, as shown on the map, was inadvertently excluded from the Resolution. The census tracts were identified from 1980 census data.

Census tract 4616 originally met the requirements for designation as a TEA, where 51 percent of the residents had to be low-to moderate-income, and would benefit from employment targeting. Businesses located in Enterprise Zones that hire eligible residents of Targeted Employment Areas qualify for State hiring tax credits.

In March 1984, the Governor of the State of California signed legislation into law, Assembly Bill 40, Enterprise Zone Act. The purpose behind the legislation was (1) to stimulate business and industrial growth in the depressed areas of the state by relaxing regulatory controls that impede private investment; (2) to create one strong, combined, and business-friendly incentive program to help attract business and industry to the state, to help retain and expand existing state business and industry, and to create increased job opportunities for Californians; and (3) to enhance economic growth and development opportunities through a comprehensive program of incentives and direct support of existing businesses.

On August 28, 1990, the Board of Directors of the City of Pasadena authorized the City to submit an application to the State of California Trade and Commerce Agency, on behalf of the County of Los Angeles and the City of Pasadena, requesting creation of the Altadena/Pasadena Enterprise Zone to assist with the economic development of distressed areas of the County and the City. This application was subsequently approved on April 10, 1992. The County and City dissolved their partnership in 1996 and now independently administer their respective area of the Enterprise Zone.

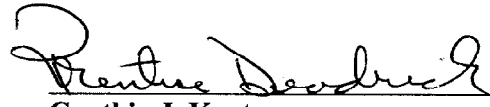
On September 26, 1996, the Governor signed into law Senate Bill 2023 and Assembly Bill 296 unifying the Enterprise Zone Act of 1984 and the Employment and Economic Incentive Areas into a new Enterprise Zone Program. Under SB 2023 each Enterprise Zone is required to designate Targeted Employment Areas for the purpose of encouraging businesses in an Enterprise Zone to hire eligible residents of census tracts in most need of employment targeting. Businesses hiring such residents are eligible for hiring tax credits under the Enterprise Zone Program.

The purpose of this action is to request that City Council adopt a Resolution approving and designating census tract 4616 as a Targeted Employment Area under the State Enterprise Zone Program and revise Resolution No. 7463.

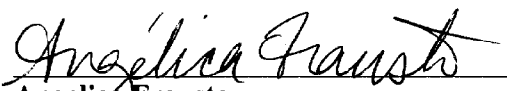
### **FISCAL IMPACT**

There is no cost resulting from this action. Designation of census tract 4616 as a Targeted Employment Area will create incentives for Enterprise Zone employers to hire residents from within the designated areas in order to receive hiring tax credits.

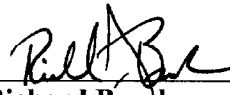
Respectfully submitted,

  
for **Cynthia J. Kurtz**  
City Manager

Prepared by:

  
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Approved by:

  
**Richard Bruckner**  
Housing and Development Dept. Director

ATTACHMENTS