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NEWS RELEASE

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**Faulconer: If You Don't Want Texas to Mess with California, Don't
Mess with Enterprise Zones**

*Councilmembers Kersey and Faulconer speak out against Governor Brown's proposal to cut
back on business tax credit and hiring incentive program*

SAN DIEGO --- Today, Councilmembers Kevin Faulconer and Mark Kersey spoke out against a proposal to roll back a program that incentivizes business growth and hiring economically disadvantaged Californians. Governor Brown's proposal to cut tax credits offered by the California Enterprise Zone program was rebuked by local businesses and the San Diego Regional Economic Development Corporation.

"There's been a lot of discussion about Texas Governor Rick Perry trying to lure businesses away from San Diego," said Faulconer. "Well, I have a message for California's Governor: If you don't want Texas to mess with California, then don't mess with a business program that works."

"Enterprise Zones are the best tool in our business expansion, attraction, and retention arsenal," said Kersey. "If the program is going to be changed, the state should focus on helping companies create jobs, including employment for veterans and low-income families."

Faulconer and Kersey announced they plan to introduce legislation and a resolution to the City Council reaffirming San Diego's support for the enterprise zone program and creating new zones in the region. Enterprise Zones are one of California's last programs to attract and retain businesses through the availability of tax credits for hiring certain qualified individuals, such as veterans and public assistance recipients.

The Councilmembers then joined local businesses to testify to the Department of Housing and Community Development on the proposed Enterprise Zone amendments.

Governor Brown's proposal would revise the Enterprise Zone program so the only way for businesses to receive a tax credit for hiring low income individuals would be by verifying the worker receives some form of public assistance. This will eliminate the "working poor" from eligibility, as not all low income families receive public subsidies – even though they may

qualify. Brown's revision would also reduce to 12 months the eligible window for business to submit tax credit vouchers. Currently, businesses can retroactively submit vouchers for up to 5 years, creating up to \$37,000 in tax savings that can incentivize business growth and additional hiring.

San Diego County has Enterprise Zones from Rancho Bernardo to Chula Vista to San Ysidro. They have played a key role in marketing San Diego as a desirable location for businesses since 2006.

FACTS

Provided by San Diego Regional Enterprise Zone

The San Diego Regional Enterprise Zone, which includes the cities of San Diego, Chula Vista and National City as well as the Unified Port of San Diego, has delivered the following results over the past five years:

- Encouraged 920 companies to hire or retain over 31,600 local workers
- Average wage of \$11.30/hour – 141% higher than state minimum wage
- 13% of employees hired or retained were veterans, public-assistance recipients, ex-offenders, and/or economically disadvantaged
- 87% of employees hired live in a targeted employment area with at least 51% of residents in low or moderate income levels.

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