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## Compton — all of it — declared enterprise zone

By GENE C. JOHNSON JR., Staff Writer 01.NOV.07

COMPTON — In what is widely regarded as a rare occurrence, the entire city of Compton has been designated an enterprise zone by the state of California.

A 15-year program, an enterprise zone is a defined geographic area in which businesses can claim certain state income tax savings and other advantages. The zones were created to stimulate investments in areas that are economically disadvantaged and to spur job growth in areas of high unemployment.

“This ... means jobs first and foremost,” said Vladimir Jefferson, a senior economic development specialist for the city of Compton. “Secondly, it means new businesses coming ... that residents are looking for. Also, it’s a tremendous tool for keeping businesses here.”

Jefferson said one key benefit is a hiring tax credit, under which employers can receive \$35,000 per employee for five years.

“That means if you owe a certain amount of money to the state, you can essentially wipe it off with that tax credit,” Jefferson said. “That tax credit is for each employee and it’s unlimited.”

Other benefits include below-market leases, as well as net interest deduction for lenders to zone businesses.

According to Joseph Lin, the city’s planning director, officials began the application process in April 2006, receiving a preliminary designation seven months later. The official beginning date of the enterprise zone was Aug. 1, 2007.

“We didn’t have an enterprise zone before,” said Lin. “What we had before was a Los Angeles [County] Revitalization Zone, which was started in the mid-’90s. They had some of the similar incentives, but not the entire city of Compton. ... Only a few, specific tracts were designated at the time.”

After that, he said, many cities, including Compton, lobbied for statewide legislation. It came to fruition, but Compton waited until 2006 to file an application.

The state awarded the designations on a competitive basis. Compton’s application ranked

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eighth out of 25 approved applications.

“It’s an accomplishment. It’s timely. It’s opportunistic given the fact that urban areas are experiencing economic revitalization,” said Community Redevelopment Agency Director Kofi Sefa-Boayke. “This will be an added boost to our arsenal. It’s critical for our unemployment issues in the city.”

Lin said it is very uncommon for an entire city to receive the designation.

“We’re one of the few cities [in the state] where the entire city is an enterprise zone,” he said. “We had several census tracts that were eligible and we were also able to include commercial and industrial areas — and that basically covered the entire city.”

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