

RESOLUTION NO. 4122

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
APPROVING AND AUTHORIZING THE CITY MANAGER TO SIGN AN
APPLICATION TO THE STATE OF CALIFORNIA FOR CREATION OF A SALINAS
VALLEY ENTERPRISE ZONE AND A MEMORANDUM OF UNDERSTANDING FOR
MULTI-AGENCY COOPERATION AND FURTHER AUTHORIZING THE CITY
MANAGER TO SIGN ANY AND ALL RELATED DOCUMENTS**

WHEREAS, the City of Soledad and other public entities are submitting a joint application for a California Enterprise Zone, to be known as the Salinas Valley Enterprise Zone, to the California Department of Housing and Community Development (the Department) on or before November 16, 2007; and

WHEREAS, the City of Soledad finds that the application area within the City of Soledad is a depressed area and that designation of the area as an Enterprise Zone is necessary in order to attract private sector investment to the application area; and

WHEREAS, the City of Soledad authorizes submission of an application for Enterprise Zone designation; and

WHEREAS, the City of Soledad authorizes and supports job development, job creation, and economic development; and

WHEREAS, the City of Soledad authorizes that staffing shall be made available to maintain record-keeping, monthly updates on Zone activities, and to discuss these activities with program auditors; and

WHEREAS, the City of Soledad shall develop a self-evaluation process to measure its progress in meeting its goals and objectives and this process shall be submitted to the Department for review, approval and inclusion in the Memorandum of Understanding (MOU) prior to Final Designation; and

WHEREAS, the City of Soledad agrees to complete all actions stated within the application that apply to its jurisdiction should the proposed Enterprise Zone be awarded designation; and

WHEREAS, the City agrees to enter into a Memorandum of Understanding for multi-agency cooperation; and

WHEREAS, Noelia F. Chapa, City Manager, is authorized to sign the application, the MOU and other documents necessary for the implementation of the Enterprise Zone.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Soledad as follows:

1. The City Council is committed to the designation, implementation, and operation of the Salinas Valley Enterprise Zone.
2. Before the application for the Salinas Valley Enterprise Zone is submitted, the City Council shall follow this resolution with another council action containing specific commitments of staff time and other contributions that the City will make to the proposed Enterprise Zone.
3. The City agrees to enter into a Memorandum of Understanding for multi-agency cooperation.

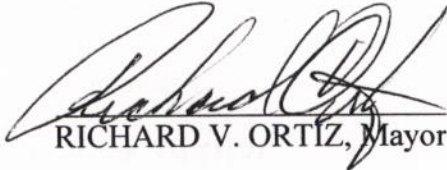
PASSED AND ADOPTED at a regular meeting of the City Council of the City of Soledad duly held on the 7th day of November 2007 by the following vote:

AYES, and in favor thereof, Councilmembers: Martha Camacho, Juan Saavedra, Patricia Stephens, Mayor Pro Tem Christopher Bourke, Mayor Richard Ortiz

NOES, Councilmembers: None

ABSTAIN, Councilmembers: None

ABSENT, Councilmembers: None


RICHARD V. ORTIZ, Mayor

ATTEST:


NOELIA F. CHAPA, City Clerk

**MEMORANDUM OF UNDERSTANDING FOR MULTIAGENCY COOPERATION IN
THE IMPLEMENTATION, MANAGEMENT AND MARKETING OF
THE SALINAS VALLEY ENTERPRISE ZONE**

This MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") is made and executed this 7th day of November, 2007 (the "Effective date") by and between the cities of Salinas, Gonzales, Soledad, Greenfield and King City, municipal corporations of the State of California (hereinafter referred to as "CITIES"), and the COUNTY OF MONTEREY, a political subdivision of the State of California (hereinafter referred to as "COUNTY").

WITNESSETH

WHEREAS, the CITIES and COUNTY are applying for an Enterprise Zone designation by the State of California;

WHEREAS, the implementation, management and marketing of an Enterprise Zone upon designation is a long-term (15-year) partnership between local governments, business organizations and businesses;

WHEREAS, the successful implementation of an Enterprise Zone Program requires a strong commitment and cooperation by the all of the program participants in support of job development, job creation and economic development;

WHEREAS, the purpose of the California State Enterprise Zone Program is to stimulate business and industrial growth in depressed areas of the state, help attract business to the state, help retain and expand business and industry, and create increased job opportunities for all Californians;

WHEREAS, the parties of this MOU have acknowledged that the Enterprise Zone Program is needed within territory of the five participating cities and in the unincorporated area of Monterey County within the Salinas Valley to improve economic conditions and overall quality of life;

NOW, THEREFORE, CITIES and COUNTY agree as follows:

ARTICLE I

DEFINITIONS

- A. "Comprehensive Marketing Strategy" is a component of the Marketing Strategy and Plan section of the Economic Development Plan.
- B. "Department" is the California Department of Housing and Community Development.
- C. "Economic Development Corporation" or "EDC" is the Salinas Valley Economic Development Corporation, which is currently in the process of formation.
- D. "Economic Development Plan" is a part of the Enterprise Zone application consisting of eight sections, including the "Marketing Strategy and Plan" and the "Job Development, Vouchering Plan and Vouchering Fee Remittance Plan."
- E. "Enterprise Zone Advisory Board" or "Board" is a body comprised of the Zone Coordinators of the five participating Cities, the County Zone Coordinator, the County Director of Social and Employment Services, and the President/Chief Executive of the EDC. The Zone Coordinator for the City of Salinas is the overall Zone Manager. The Board advises the Zone Manager. The Board reviews ongoing Zone program activities, including regular self-evaluation, and makes policy recommendations to the Zone Manager and to all Zone jurisdictions.
- F. "Job Development Plan" is the component of the Economic Development Plan that details the Zone's targeted employee screening, training and job-linkage services.
- G. "Vouchering Fee Remittance Plan" is the component of the Economic Development Plan that details how voucher application fees are to be processed, managed and reported.
- H. "Vouchering Plan" is the component of the Economic Development Plan that identifies the process for verifying and determining the validity of claims, storage of documents and tracking of categories of eligibility for vouchers.
- I. "Zone" means Salinas Valley Enterprise Zone.

ARTICLE II

ROLES OF PARTICIPATING AGENCIES

A. PARTICIPATING CITIES IN THE COUNTY OF MONTEREY

1. Each participating CITY has prepared and approved a Letter of Commitment (Exhibits 1 through 5 to this Memorandum) describing the resources being contributed to the implementation of the Zone program.
2. Each participating CITY shall appoint an Enterprise Zone Coordinator who shall be the primary local marketing agent for the Zone in each CITY. The City Zone Coordinator shall be the main source of all relevant information relating to the Zone in that CITY that is requested by the business community, the general public and residents wishing to participate in the Zone Program.
3. Each CITY may develop its own local marketing programs designed to promote economic development and job creation opportunities in each CITY.
4. Each CITY Zone Coordinator shall contribute a monthly progress report of Zone-related activities to the overall Zone Manager for inclusion with the required monthly reports to the Department.
5. Each CITY Zone Coordinator shall submit to the overall Zone Manager a self-evaluation of performance of its Zone activities at least once per year for inclusion with the Zone annual report.

B. CITY OF SALINAS

1. The City of Salinas shall have all of the duties of a participating CITY plus the following additional duties.
2. The Enterprise Zone Coordinator for the City of Salinas shall be the Zone Manager in charge of the overall coordination of all programs and activities of the Enterprise Zone. The overall Zone Manager shall work with the Zone Coordinators of the COUNTY and of each participating CITY, the president/chief executive of the Economic Development Corporation, the director of the County Department of Social and Employment Services and other economic

development partners to ensure the successful implementation of all of the components of the Enterprise Zone Economic Development Plan, periodically review the achievement of the goals of the Enterprise Zone, and verify compliance with the reporting requirements to the State and all the members of the Enterprise Zone.

3. The COUNTY and the participating CITIES agree that the regional marketing programs of the Zone shall be implemented by the City of Salinas until the Salinas Valley Economic Development Corporation (EDC) is formed and assumes these duties. Subject to oversight by the Enterprise Zone Advisory Board, the City of Salinas shall lead implementation of the Marketing Strategy and Plan, with supporting implementation by the COUNTY, all participating CITIES and all economic development partners until the EDC is formed and assumes these duties.

4. The COUNTY and CITIES agree that the Vouchering Plan and the Voucher Fee Remittance Plan shall be implemented by the City of Salinas until the Salinas Valley Economic Development Corporation (EDC) is formed and assumes these duties. The COUNTY and CITIES agree that the City of Salinas shall be the Vouchering Agent in charge of managing the acceptance of voucher applications and issuance of vouchers to EZ program participants until the EDC is formed and assumes these duties.

5. The City of Salinas shall process and remit directly to the Department by the 25th day on the State's Monthly Form all of the \$10.00 voucher application fees collected on behalf of the Department during the preceding month, until the EDC is formed and assumes this duty. The City of Salinas shall provide copies of said completed monthly remittance forms to the Enterprise Zone Advisory Board through the overall Zone Manager until the EDC is formed and assumes this duty.

C. COUNTY OF MONTEREY

1. The COUNTY has prepared and approved a Letter of Commitment (Exhibit 6 to this Memorandum) delineating the resources made available by the County of Monterey for the implementation of the Zone Program.

2. The COUNTY shall appoint an Enterprise Zone Coordinator who shall be the primary local marketing agent for the Zone in the unincorporated area of the Salinas Valley. The COUNTY Zone Coordinator shall be the main source of all relevant information relating to the Zone in that area that is requested by the business community, the general public and residents wishing to participate in the Zone Program.
3. The COUNTY may develop its own local marketing programs designed to promote economic development and job creation opportunities, focusing particularly on the unincorporated area of the County within the Salinas Valley.
4. The COUNTY and CITIES agree that the COUNTY, by and through the County Department of Social and Employment Services, shall be the lead agency for development and implementation of the Job Development Plan. The County Department of Social and Employment Services shall contribute to Vouchering Plan by verifying eligibility of employees for vouchers. The Director of the County Department of Social and Employment Services, or his/her designee, shall sit on the Enterprise Zone Advisory Board.
5. The COUNTY shall contribute a monthly progress report of Zone-related activities to the Zone Manager for inclusion with the required monthly reports to the Department.
6. The COUNTY shall submit to the Zone Manager a self-evaluation of performance of its Zone activities at least once per year for inclusion with the Zone annual report.

D. ECONOMIC DEVELOPMENT CORPORATION

1. An Economic Development Corporation (EDC) for the Salinas Valley, tentatively designated as Salinas Valley Economic Development Corporation, is in the process of formation. All participating CITIES and the COUNTY support the formation of the EDC.
2. The Formation Committee for the Salinas Valley Economic Development Corporation has prepared and approved a Letter of Commitment (Exhibit 7 to this Memorandum) describing the resources to be contributed to the implementation of the Zone program, particularly the Marketing Strategy and Plan.

3. The City of Salinas shall handle all of the duties designated to the EDC in this memorandum of understanding until the EDC is formed and assumes these duties. These duties include implementation of the regional marketing programs of the Zone and implementation of the Vouchering Plan and Voucher Fee Remittance Plan.

4. The COUNTY and CITIES agree that the EDC shall be the Vouchering Agent in charge of managing the issuance of vouchers to EZ program participants after the EDC assumes these duties from the City of Salinas.

5. The EDC shall contribute a monthly progress report on its Zone activities to the overall Zone Manager for inclusion with the required monthly reports to the Department.

6. The EDC shall submit to the Zone Manager a self-evaluation of performance of its Zone activities at least once per year for inclusion with the Zone annual report. The Economic Development Plan details how the EDC will self-evaluate its performance. Subject to oversight by the Enterprise Zone Advisory Board, the EDC shall revise the Comprehensive Marketing Strategy, Annual Marketing Plan and other marketing components of the Economic Development Plan in accordance with the findings of the self-evaluation.

ARTICLE III

ENTERPRISE ZONE PROGRAM FINANCING

A. The State of California in granting the Enterprise Zone designation does not provide funding for the implementation of the Enterprise Zone program. Funding of the Enterprise Zone program requires the commitment of all local participating jurisdictions for the duration of the enterprise fund designation (15 years). The governing body of each participating agency has approved a letter of commitment (Exhibits 1 through 7 to this Memorandum) detailing the resources being committed for the marketing and operation of the Enterprise Zone program.

B. In addition to the staff and financial resources being made available by the participating agencies, an additional funding source will be revenue generated from a surcharge to the \$10.00 fee already required by the State for the issuance of vouchers. Initially the CITIES and the

COUNTY are proposing the adoption of a \$60.00 voucher application fee to be paid by employers. Of the \$60.00 voucher application fee, \$10.00 would go to the State and \$50.00 would be earmarked for eligible expenditures associated with administration of the program, including zone marketing, job development, and vouchering. The Enterprise Zone Advisory Board shall direct the expenditure of these funds. This fee shall be adopted and amended as permitted by State Law and Enterprise Zone Regulations.

ARTICLE IV

CITIES AND COUNTY OVERSIGHT

- A. An Enterprise Zone Advisory Board comprised of the overall Zone Manager, the Zone Coordinators of the Cities of Gonzales, Soledad, Greenfield, and King City, the County Zone Coordinator, the County Director of Social and Employment Services, and an EDC designee shall review ongoing program activities and make policy recommendations. The Board shall oversee self-evaluation of the Zone's Economic Development Plan, among other functions. The Board shall hold at least one Zone self-evaluation meeting per year in order to assess progress in attaining performance benchmarks and other goals and, as necessary, revise Economic Development Plan strategies.
- B. The CITIES, COUNTY, and EDC shall assist the Zone Manager in the preparation of monthly, annual and other reports required by the State of California by providing the Zone Manager with monthly accountings of Zone-related activities and performance. The Zone Manager shall submit all reports to the Department, other than the monthly voucher fee remittance reports, which shall be submitted by the EDC. Copies of all reports submitted to the Department shall be provided by the Zone Manager to the CITIES, the COUNTY, and the EDC.
- C. Each participating CITY has the responsibility to ensure that all aspects of the Enterprise Zone comply with State Law for transactions occurring in the respective incorporated jurisdictions of each participating CITY. The COUNTY has the responsibility to ensure that all

aspects of the Enterprise Zone comply with State Law for transactions occurring in the unincorporated area of the COUNTY.

IN WITNESS WHEREOF, parties hereto have executed this MOU in Monterey County, State of California, on the date set forth above.

COUNTY OF MONTEREY, a Political Subdivision of the State of California ("COUNTY")

CITY OF GONZALES, a Municipal Corporation of the State of California

By: _____
Chair
Board of Supervisors

By: _____
Mayor
CITY OF GONZALES

ATTEST:
Clerk to the Board of Supervisors

APPROVED AS TO LEGAL FORM:
City Attorney
CITY OF GONZALES

By: _____

By: _____

APPROVED AS TO LEGAL FORM:
County Counsel

ATTEST:
Clerk to the City of GONZALES

By: _____

By: _____

FORMATION COMMITTEE FOR SALINAS VALLEY ECONOMIC DEVELOPMENT CORPORATION

By: _____
Jeffrey Weir,
Economic Development Coordinator,
CITY OF SALINAS

CITY OF GREENFIELD, a Municipal Corporation of the State of California

By: _____
Mayor
CITY OF GREENFIELD

APPROVED AS TO LEGAL FORM:
City Attorney
CITY OF GREENFIELD

By: _____

ATTEST:
Clerk to the City of GREENFIELD

BY: _____

CITY OF KING CITY, a Municipal Corporation of the State of California

By: _____
Mayor
CITY OF KING CITY

APPROVED AS TO LEGAL FORM:
City Attorney
CITY OF KING CITY

By: _____

ATTEST:
Clerk to the City of KING CITY

By: _____

CITY OF SALINAS, a Municipal Corporation of the State of California

By: _____
Mayor
CITY OF SALINAS

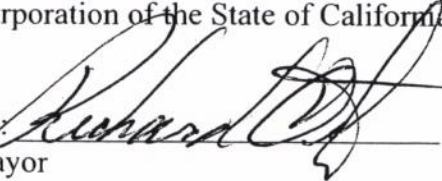
APPROVED AS TO LEGAL FORM:
City Attorney
CITY OF SALINAS

By: _____

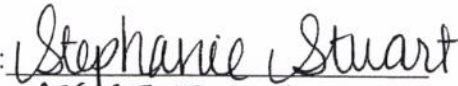
ATTEST:
Clerk to the City of SALINAS

By: _____

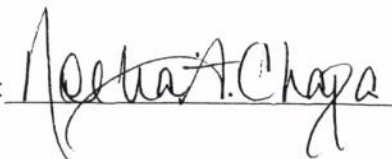
CITY OF SOLEDAD, a Municipal Corporation of the State of California

By: 
Mayor
CITY OF SOLEDAD

APPROVED AS TO LEGAL FORM:
City Attorney
CITY OF SOLEDAD

By: 
ASSISTANT CITY ATTORNEY

ATTEST:
Clerk to the City of SOLEDAD

By: 

On following pages: EXHIBITS 1 – 7

Letters of Commitment

TO BE ATTACHED AFTER APPROVAL BY EACH PUBLIC ENTITY/ORGANIZATION



November 7, 2007

Mr. Frank Luera, Interim Manager
Enterprise Zone Program
California Department of Housing and Community Development
1800 Third Street, Suite 390
Sacramento, CA 95814

Subject: LETTER OF COMMITMENT TO SALINAS VALLEY ENTERPRISE
ZONE

Dear Mr. Luera:

The City of Soledad (hereinafter "City") is a general law city incorporated under California law. The City has jurisdiction over a portion of the proposed Salinas Valley Enterprise Zone (hereinafter "Zone") and has heretofore resolved to be an applicant for the Zone. The City is separately entering into a Memorandum of Understanding that defines the respective roles of the participating cities and other Zone program participants. This Letter of Commitment contains specific commitments that the City will make solely to the designation, implementation, and operation of the proposed Zone.

I. Commitments of Staff Time

The City commits following staff members to the Enterprise Zone project:

Izzy Rodriguez, Economic Development Director, will dedicate 20% of his time to the project at an annual value of \$32,130 including \$23,800 in salary and \$8,330 in benefits. He shall be the Zone manager for the City of Soledad. His responsibilities in support of the Zone will be to market the Zone, meet with businesses and property owners on business attraction and retention, explain the variety of business programs available to businesses (micro business loans, façade grants, and seismic retrofit assistance), and meet with developers and commercial brokers on potential businesses that desire to locate in Soledad. Maintain property and ownership data.

Noelia F. Chapa, City Manager, will dedicate 2% of her time to the project at an annual value of \$4,530, including \$3,355 in salary and \$1,175 in benefits. Her responsibilities in support of the Zone will include monitoring the progress and activities in the Zone, meeting with potential developers and brokers, and negotiating agreements.

Miriam Solis Casillas, Economic Development/Housing Coordinator, will dedicate 10% of her time to the project at an annual value of \$8,025, including \$5,945 in salary and \$2,080 in benefits. Her responsibilities in support of the Zone will be to provide technical support and research, market the Zone and promote the City's array of business programs and to update and maintain the City's web page.



II. Commitment of Other Services and Supplies

The City also commits the following to the Zone program:

Dues & Subscriptions: The City commits \$2,960 per year as dues to the Central Coast Marketing Team (\$2,000), California Redevelopment Assn. (\$2,400), and CALED (\$560).

Trainings, Trade Shows, & Meetings: The City commits an annual value of \$7,000 for training, trade shows, and meetings. The City shall promote the Zone annually at the International Council of Shopping Centers spring convention, trade shows such as food producers, medical products, and other appropriate trade shows. The City has budgeted funds for trade shows and training each year.

Professional Consultant Services: The City commits an annual value of \$97,000 for consultant services for development of an economic strategy and conduct market feasibility studies for property and businesses.

Other Advertising & Marketing: The City commits an annual value of \$31,000 to other advertising and marketing activities for the Zone such as additional marketing brochures and mailing and web site maintenance.

Office Supplies: The City commits an annual value of \$3,000 to office supplies. Such value represents the cost of paper, stationery, envelopes, and other supplies consumed for Zone affairs.

Incentive Programs


The City and Redevelopment Agency have committed \$800,000 for incentive programs this fiscal year to carry out the Business Façade Grant Program Seismic Retrofit Loan Program and a micro-enterprise loan program. Some of these programs are funded by Redevelopment funds and some with State Community Development Block Grant funds. The City's and Redevelopment Agency's commitment will be reviewed annually. Grant programs also will be reviewed annually to see if the City will be submitting applications for business programs. This commitment will vary from year to year depending on projects.

III. Total Contributions

The total annual value of the contributions of the City of Soledad to the Zone shall be \$987,430 for the first year of the operation of the Zone. This value will vary from year to year depending on the projects. The City of Soledad acknowledges that its commitment is an annual commitment for the life of the Zone. As the City's industrial and commercial base expand, the contribution from the City will grow.

The City Council of the City of Soledad has approved this Letter of Commitment by minute motion. The City Manager is directed to transmit this Letter of Commitment with the Enterprise Zone application.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard V. Ortiz", written in a cursive style.

RICHARD V. ORTIZ
Mayor

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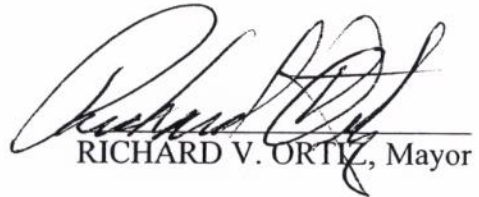
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AYES, and in favor thereof, Councilmembers: Martha Camacho, Juan Saavedra, Patricia Stephens, Mayor Pro Tem Christopher Bourke, Mayor Richard Ortiz

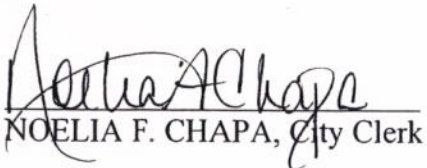
NOES, Councilmembers: None

ABSTAIN, Councilmembers: None

ABSENT, Councilmember: None


RICHARD V. ORTIZ, Mayor

ATTEST:


NOELIA F. CHAPA, City Clerk