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Pittsburg/Bay Point area named enterprise zone

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Contra Costa Times

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In the zone

After losing the designation last year, Pittsburg has regained its status as a business enterprise zone. It was one of five cities recently awarded the designation by the state Housing and Community Development Department. Businesses receive tax credits for locating in enterprise zones. Pittsburg's zone includes Bay Point.



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Pittsburg's businesses are back in the zone after a one-year hiatus.

Pittsburg was one of five cities awarded business enterprise zones by the state's Department of Housing and Community Development last week. Pittsburg was originally awarded an enterprise zone in 1988 but lost the designation last year when it expired. A reapplication bid was not immediately successful.

Enterprise zones are designed to make local

businesses eligible for tax breaks and other incentives. The goal is to invigorate local economies, create jobs for residents, and reduce poverty and unemployment.

The new zone also includes Bay Point, providing economic incentives for the unincorporated community of about 23,000.

Enterprise zones "help economically distressed areas have some sort of enticement to attract or retain business in the area," said Chris Westlake, deputy director for the Department of Housing and Community Development. Among the benefits are tax credits for hiring and sales tax credits on items like machinery, he said.

Businesses can get \$37,440 or more in tax credits for each qualified employee hired and sales tax credits on purchases of \$20 million per year of qualified machinery and parts. Lenders also can receive an interest deduction, and unused tax credits can be applied to future tax years.

Brad Nail, Pittsburg's economic development director, was ecstatic upon hearing the news. Enterprise zones are one of the few bargaining chips available to attract businesses, he said.

"It's a very powerful tool. If a business is interested in moving to the city or wants to expand, it gives reason for them to be in Pittsburg," Nail said.

Pittsburg will use the zone designation in "aggressively marketing to existing employers and potential companies looking to move into the area," he said.

Enterprise zone perks helped sweeten the pot for businesses like United Spiral Pipe and large retail chains like Outback Steakhouse, Chili's Grill and Bar and WinCo Foods, among others, he said.

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Expansion of the enterprise zone to Bay Point was sought by county Supervisor Federal Glover, who became aware of the benefits of the zones as a Pittsburg city councilman, he said.

The expansion improved the application, said Maureen Toms of the county's Redevelopment Agency.

Bay Point could benefit by having "leverage in trying to draw businesses," Glover said.

Toms added that the zone should aid plans to build a business park off Port Chicago Highway, light industrial uses in the area, and planned development near the Pittsburg/Bay Point BART station.

A 2006 state report on enterprise zones said that between 1990 and 2000, poverty rates declined 7.35 percent more in areas with enterprise zones than the rest of the state, while unemployment rates declined 1.2 percent more. Household incomes and wages also surpassed state averages.

Other enterprise zones were awarded to Hesperia, Tulare, Sacramento and Taft. All told, 15 municipalities applied. There are 42 enterprise zones in the state that expire at different times.

The city and state will have to hash out final boundaries and details before the zoning takes effect.

Richmond, Alameda and Oakland are other East Bay communities with enterprise zones.

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