

February 10, 2011

The Honorable Lou Correa
California State Senate
State Capitol, Room 5052
Sacramento, CA 95814

RE: Enterprise Zone – SUPPORT

Dear Senator Correa:

On behalf of the Orange County Business Council's members, who comprise the economic engine of Southern California, I am writing to express our support of California's Enterprise Zone program.

The business community understands that the State's massive budget deficit will require sacrifice by all Californians. However, in the effort to make the most expedient choices, what is needed to truly get California back on the fast track to economic prosperity is being lost. The Administration's proposal to eliminate Enterprise Zones is concerning for its near-sighted view of a program dedicated to job creation and economic revitalization.

California is already at a severe competitive disadvantage when it comes to encouraging business growth and development. The state has very few tools at its disposal to attract new businesses and help create jobs, especially in some of our most distressed communities. Eliminating this program will only increase unemployment, increase the number of Californians reliant on state-funded services and undermine our attempts at economic recovery. Over 18,000 employees in enterprise zones are previous recipients of some type of public assistance (CalWORKS, MediCal, unemployment, food stamps, etc.).

In 2010, enterprise zones created or retained more than 118,000 jobs across the state. When many businesses cannot afford to hire new employees, enterprise zones helped create 20,000 new jobs in the past year alone. As businesses struggle and lay off employees, enterprise zone benefits helped more than 92,000 employees keep their jobs.

California can only be competitive by keeping, if not expanding, Enterprise Zones to lure and maintain businesses. The result would be to reduce unemployment, increase revenue and send a strong signal to businesses and other states that California is reversing its anti-business sentiment and commencing on a long term path to prosperity and independence. As the budget debate moves forward, I ask that you remember the positive impacts enterprise zones are making in your legislative district and encourage you to preserve their existence.

Sincerely,



Kate Klimow
Vice President of Government Affairs