

KINS COMMUNITY COMMENT – MARCH 8, 2013 – J WARREN
HOCKADAY

I THINK IT WAS LILY TOMLIN WHO SAID.....NO MATTER HOW CYNICAL I
GET.....I JUST CAN'T KEEP UP.

IT'S NOT HARD TO BE CYNICAL WHEN CITIES, COUNTIES, STATES AND
EVEN COUNTRIES ARE GOING BROKE AND IT IS THE PEOPLE AND THE
BUSINESSES WHO HAVE TO PICK UP THE TAB.

A GOOD EXAMPLE IS THE RECENT TREND OF LARGER GOVERNMENTS---
-- AS A MEANS TO BALANCE THEIR OWN BUDGETS-----
QUOTE..."BORROWING" OR MORE ACCURATELY "TAKING" FINANCIAL
RESOURCES FROM LOCAL GOVERNMENTS.

THE MOST EGREGIOUS EXAMPLE IS THE STATE ELIMINATION OF SOME
400 CALIFORNIA LOCAL REDEVELOPMENT AREAS.
SIMPLY....REDEVELOPMENT RESERVED A PORTION OF PROPERTY TAXES
IN BLIGHTED AREAS FOR INVESTMENT THAT WOULD CREATE
JOBS....STIMULATE BUSINESS ACTIVITY.....REDUCE BLIGHT AND
IMPROVE QUALITY OF LIFE AT THE LOCAL LEVEL-----THE FOUR
CORNERSTONES OF ECONOMIC VITALITY FOR COMMUNITIES.

AS THOSE INVESTMENTS PRODUCED INCREASED PROPERTY
TAXES....THE MONEY WOULD BE RE-INVESTED FOR ADDITIONAL
GROWTH IN JOBS AND BUSINESS.

IN ORDER TO SATISFY ITS OBLIGATION TO SCHOOLS....THE STATE IN ITS
WISDOM....DID AWAY WITH REDEVELOPMENT AND RAN AWAY WITH
THE MONEY. IF THAT SOUNDS COUNTER PRODUCTIVE.....IT IS.
BECAUSE ALL OF THE PROJECTS IN THE REDEVELOPMENT AREAS

PRODUCED INCREASED PAYROLL, PROPERTY AND SALES TAX REVENUES FOR THE STATE.

THE LATEST THREAT IS TO DO AWAY WITH THE HIGHLY SUCCESSFUL STATE ENTERPRISE ZONE PROGRAM THAT PROVIDES TAX AND OTHER INCENTIVES FOR BUSINESS DEVELOPMENT IN DEFINED AREAS. THE EUREKA ENTERPRISE ZONE HAS BEEN IN PLACE FOR DECADES AND HAS BEEN A PHENOMENAL SUCCESS.

ACCORDING TO THE CITY SOME 400 BUSINESSES WERE ABLE TO INCREASE HIRING AND PRODUCTION IN 2010/11....RESULTING IN SOME 80 PEOPLE BEING ABLE TO LEAVE PUBLIC ASSISTANCE. THE PROGRAM INCENTIVES ALLOWED EUREKA BUSINESSES TO INVEST IN JOB PRODUCING EXPANSION TO THE TUNE OF NEARLY \$6 MILLION IN FISCAL 2009/10 ALONE.

THIS VITAL ECONOMIC TOOL IS NOW ON THE CHOPPING BLOCK....AS THE STATE IN TRUE...."ROBBING PETER TO PAY PAUL" FASHION IS POISED TO ELIMINATE ENTERPRISE ZONE INVESTMENTS IN MUCH THE SAME WAY AS IT CAPRICIOUSLY DID AWAY WITH REDEVELOPMENT.

RECENTLY...THE EUREKA CHAMBER BOARD OF DIRECTORS JOINED HUNDREDS OF LOCAL GOVERNMENTS AND BUSINESS ORGANIZATIONS TO IMPLORE THE LEGISLATURE TO FIND OTHER....BETTER WAYS TO GET AND KEEP ITS FISCAL HOUSE IN ORDER.

IN LETTERS TO THE GOVERNOR AND KEY LEGISLATORS.....THE CHAMBER BOARD STRONGLY SUPPORTED THE RETENTION OF ENTERPRISE ZONES AND SUPPORTED A BILL THAT WOULD CREATE A REPLACEMENT FUNDING TOOL TO PROVIDE FOR INFRASTRUCTURE IMPROVEMENTS AFTER THE DEMISE OF REDEVELOPMENT AGENCIES.

IF YOU ACCEPT THE PREMISE THAT ALL ECONOMIC DEVELOPMENT IS LOCAL ECONOMIC DEVELOPMENT.....THEN IT BECOMES ABUNDANTLY CLEAR THAT IN GUTTING THESE CRITICAL PROGRAMS.....THE STATE IS ROBBING ITSELF OF REVENUES THAT ARE PRODUCED IN LOCAL COMMUNITIES.

EVERY TIME A NEW JOB IS CREATED BECAUSE OF BUSINESS INCENTIVES THROUGH THE ENTERPRISE ZONE OR INFRASTRUCTURE FINANCING.....IT MEANS ONE MORE POTENTIAL CUSTOMER FOR OTHER LOCAL BUSINESSES. IT CAN ALSO MEAN ONE LESS INDIVIDUAL OR FAMILY DEPENDING ON PUBLIC ASSISTANCE.

THESE TYPES OF PROGRAMS ARE INTENDED TO INCREASE PRODUCTIVITY AND ARE INDEED....INVESTMENTS AND NOT EXPENSES.

I HOPE YOU WILL JOIN US IN LETTING OUR STATE REPRESENTATIVES KNOW THAT THERE ARE BETTER WAYS TO BALANCE CALIFORNIA'S BOOKS THAN ON THE BACKS OF LOCAL BUSINESSES AND LOCAL GOVERNMENTS.

I'M JWH FOR COMMUNITY COMMENT