

RESOLUTION NO. 2011-490

Adopted by the Sacramento City Council

August 23, 2011

APPROVE THE NEGATIVE DECLARATION, A MEMORANDUM OF UNDERSTANDING WITH THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT FOR THE SACRAMENTO ENTERPRISE ZONE PROJECT AND AN INTERAGENCY MEMORANDUM OF UNDERSTANDING WITH THE CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO AND THE SACRAMENTO EMPLOYMENT AND TRAINING AGENCY FOR OPERATIONS OF THE SACRAMENTO ENTERPRISE ZONE PROJECT

BACKGROUND

- A. The California Enterprise Zone Act was signed into law on March 20, 1984. The bill established a mechanism to stimulate private investment and business growth in distressed areas of California by providing State tax credits and other incentives in approved enterprise zones.
- B. The California Enterprise Zone Program (EZ Program) is administered by the State Department of Housing and Community Development (HCD).
- C. Portions of the City and County of Sacramento have been designated as Enterprise Zones since 1986.
- D. On March 2, 2009, the Sacramento Housing and Redevelopment Agency (SHRA) on behalf of the City of Sacramento and Sacramento County, and the City of Rancho Cordova submitted an application for a new consolidated and expanded Sacramento Enterprise Zone (SEZ).
- E. The new application identified the Sacramento Employment and Training Agency (SETA) as the new SEZ vouchering administrator, appropriate to their role as the County's Workforce Investment Board (WIB).
- F. On August 6, 2009, SEZ voucher administration was formally transferred from SHRA to SETA by agreement between these two entities.
- G. In April 2009, the Army Depot and Florin Perkins Enterprise Zones expired.
- H. On August 19, 2009, the SEZ application received conditional designation, subject to the preparation of an environmental document and signing of a Memorandum of Understanding (MOU) with HCD. The MOU provides for an effective date of April 5, 2009 so that existing employers with vouchers in the Army Depot and Florin

Perkins can continue to receive their tax credit benefits.

- I. SHRA prepared an initial study for the SEZ Project in accordance with the requirements of the California Environmental Quality Act (CEQA) which determined there was no substantial evidence that the Project may have a significant effect on the environment.
- J. A Negative Declaration for the SEZ Project has been completed, noticed and circulated by the City in accordance with the requirements of CEQA.
- K. The estimated in-kind commitment of \$190,000 of City resources has already been incorporated into Economic Development's FY2011/12 budget.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Negative Declaration (ND) for the Sacramento Enterprise Zone (SEZ) Project has been reviewed and considered, including the comments received during the public review process. The City Council has determined that the Initial Study and the ND constitutes an adequate, accurate, objective and complete review of the environmental effects of the proposed project. Based on its review of the ND and on the basis of the whole record, the City Council finds that the ND reflects the Council's independent judgment and analysis and that there is no substantial evidence that the Project will have a significant effect on the environment, and the City Council adopts the ND for the Project. A Notice of Determination shall be filed with the Sacramento County Clerk and the State Office of Planning and Research, pursuant to section 21152(a) of the Public Resources Code and the State EIR Guidelines adopted pursuant thereto.
- Section 2. The City Manager or his designee is authorized to execute the Memorandum of Understanding with the State of California Department of Housing and Community Development (HCD) for final designation of the SEZ in the form set out in Exhibit A, which includes the MOU Supplement as set out in Exhibit B, in consideration of and conditioned on each entity performing its respective duties and obligations as set out in the SEZ grant application as referenced in the MOU Supplement.
- Section 3. The City Manager or his designee is authorized to execute an Interagency Memorandum of Understanding (IMOU) with the City of Rancho Cordova, County of Sacramento and SETA that allows all of the entities to assume their respective cost obligations as set out in the grant application, allows for termination of the SEZ if any one entity needs to withdraw due to financial reasons and allows SETA to continue the SEZ vouchering process for all three entities as set forth in Exhibit C and in accordance with its existing agreement with SHRA.

Section 3. The City's approval of the MOU with HCD is not effective until (i) it has been approved by the City of Rancho Cordova and County of Sacramento and (ii) the other three entities approve the IMOU with the City.

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Exhibit A – Memorandum of Understanding (MOU)

Exhibit B - MOU Supplement – Commitments and Performance Measures

Exhibit C – Interagency Memorandum of Understanding (IMOU)

Adopted by the City of Sacramento City Council on August 23, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

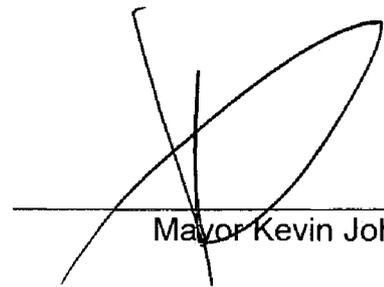
Noes: None.

Abstain: None.

Absent: None.

Attest:


Shirley Concolino, City Clerk


Mayor Kevin Johnson



**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CALIFORNIA ENTERPRISE ZONE PROGRAM
AND THE
SACRAMENTO ENTERPRISE ZONE**

*An agreement establishing the Sacramento Enterprise Zone pursuant to the
California Enterprise Zone Program.*

1. PURPOSE OF AGREEMENT

This Memorandum of Understanding (hereinafter "Agreement") constitutes official notification of the designation of the Sacramento Enterprise Zone (the "Contractor") under the California Enterprise Zone Program (the "Program") administered by the State of California's Department of Housing and Community Development

The Program is authorized and governed by California Government Code Section 7070, *et seq.* (the "Program Statutes") and the California Code of Regulations, Title 25, Section 8430, *et seq.* (the "Program Regulations"), all as amended from time to time. In accepting this designation, the Contractor agrees to comply with: (a) the Program Statutes; (b) the Program Regulations; (c) the representations contained in the Contractor's Application made in response to the Request For Proposal (the "Application"), which is hereby incorporated into this Agreement; and (d) the terms and conditions of this Agreement and its Supplement.

2. DEFINITION OF TERMS

Capitalized terms as used in this Agreement have the following definitions:

- A. "Act" means the Enterprise Zone Act, as defined in Government Code Section 7070.

- B. "Department" means the State of California's Department of Housing and Community Development (HCD) or its successor. HCD has legislative authority and responsibility for the Enterprise Zone Program.
- C. "Agreement" means this Memorandum of Understanding.
- D. "Application" means Sacramento Enterprise Zone's Application submitted to the Department.
- E. "Audit" means any program performance audits of the Sacramento Enterprise Zone conducted by the Department, including an audit as described in Government Code Section 7076.1.
- F. "Contractor" means the City of Sacramento, the City of Rancho Cordova and the County of Sacramento obligated and committed to providing goods and/or services, as referenced in the Application.
- G. "De-designation" or "De-designate," means the Department's action terminating this Agreement, and/or rescinding the Enterprise Zone designation in the event of non-performance as described in Government Code Sections 7076.1 and 7076.2.
- H. "Enterprise Zone" means the Sacramento Enterprise Zone, consisting of 31,899 acres within the cities of Sacramento and Rancho Cordova and the County of Sacramento.
- I. "Plan" means the Economic Development Plan prepared and adopted for the Sacramento Enterprise Zone and the California Enterprise Zone designation.
- J. "Program" means the State of California's Enterprise Zone Program.
- K. "Program Income" means income earned from the evaluation of forms and supporting documentation submitted in application for a voucher, whether or not such application is approved.
- L. "Program Manager" means the primary contact as defined in the Application.
- M. "Voucher" or "Certificate" shall mean the certification described in subdivision (c)(1) of Revenue and Taxation Code Sections 17053.74 and 23622.7 and which contains all the information required by Section 8450.3 in a format provided by the Department.
- N. "Work" means the Enterprise Zone's program of activities contained within the Plan for the Marketing, Job Development, Program Management, Financing, Planning, Local Incentives and Vouchering of the Sacramento Enterprise Zone.

3. SCOPE OF WORK

- A. Contractor shall perform the Work as described in the Application, which is on file at the Department and which is incorporated herein by this reference. All written materials or alterations submitted during the Enterprise Zone designation period and which are approved in writing by the Program Manager are included in the Work. In the event of a conflict between the descriptions of the Work in the Application and as described in this Agreement, the description in this Agreement shall prevail. The State reserves the right to require the Contractor to modify any or all parts of this Agreement in order to comply with the Program Statutes or Program Regulations.
- B. Contractor shall provide all necessary administrative activities in support of the Sacramento Enterprise Zone.

4. AGREEMENT PERIOD

This Agreement shall be in effect from April 5, 2009, through April 4, 2024, unless otherwise amended or terminated in writing by either party. After April 5, 2009, the Department shall Audit the Contractor to assure it has made satisfactory and reasonable progress in implementing the obligations set forth in the Application.

5. COUNTY AND DEPARTMENT PROGRAM COMMUNICATIONS

The contact for this Agreement will be the Enterprise Zone Manager. The Enterprise Zone Manager, the primary contact, as stated in the Sacramento Enterprise Zone Final Application, is Dean Peckham at (916) 808-7063.

- A. The Department of Housing and Community Development's Representative for this Agreement is John Nunn, Enterprise Zone Program Manager. His telephone number is (916) 327-7555.
- B. All official communications from the Program to the Enterprise Zone shall be directed to the Division within which the Enterprise Zone Program operates at the following address:

Economic Development Dept
City of Sacramento
915 I St., 3rd Floor
Sacramento, CA 95814
James R. Rinehart, Economic Development Director

- C. All official communications from the Enterprise Zone to the Program shall be directed to:

John Nunn, Jr. Enterprise Zone Program Manager
Department of Housing and Community Development
Post Office Box 952054
Sacramento, CA 94252-2054
(916) 327-7555

6. PROGRAM ADMINISTRATIVE BUDGET:

The Sacramento Enterprise Zone's Operational Budget for Year One provided under this Application shall be \$1,674,247.

7. DEPARTMENT PROGRAM RESPONSIBILITIES:

The Department shall have the following responsibilities:

- A. **Inspections of Enterprise Zone Activity:** Monitor, inspect and/or audit any Sacramento Enterprise Zone plans and activities performed hereunder to ensure compliance with the Enterprise Zone's responsibilities as defined in the Application, this Agreement and its Supplement, and applicable laws, regulations, and guidelines, and to take corrective actions as provided by law.
- B. **Review and Approval of Plans, Agreements, and Products:** Review and approve Vouchering, Marketing, Incentive, Financing, Management and other Plans, agreements, documents and products required by the Application or by law.
- C. **Assistance:** Provide technical assistance, consultation, research and analytical services to the Sacramento Enterprise Zone, if requested, as permitted by Program resources.

8. ENTERPRISE ZONE RESPONSIBILITIES:

The Enterprise Zone shall have the following responsibilities:

- A. **Performance:** Generally, to make substantial and sustained efforts to revitalize the Sacramento Enterprise Zone areas through marketing, incentives and financing programs, job development and independent verification and issuance of vouchers. Specifically, to fulfill the terms, conditions, and level of effort (staffing, budget, marketing, contracting) set forth in this Agreement, including its Supplement, the Application and/or the Plan, as may be supplemented or superseded by regulations, guidelines, and other Program requirements during the designation period.

- B. Performance Obligations - Third Party Relationships:** Notwithstanding its designation of any third party for the undertaking of all or any part of the activities enumerated under this Agreement, the Sacramento Enterprise Zone shall remain fully obligated under the provisions of this Agreement. The Sacramento Enterprise Zone shall execute written agreements with third parties identified in the Application, if any, and/or the Plan for the performance of the Sacramento Enterprise Zone's related activities to ensure that the activities being provided under this designation are carried out in accordance with the Program requirements.
- C. Enterprise Zone Manager:** To hire and fund an Enterprise Zone Manager, who shall be responsible for the Sacramento Enterprise Zone's budget, Plan, vouchering, and implementation of this Agreement.
- D. Enterprise Zone Budget/Maintenance of Effort:** To establish, fund and maintain the Enterprise Zone budget, under the direction of the Enterprise Zone Manager, to implement the Economic Development Plan and Scope of Work. Without prior Department approval, the Enterprise Zone shall not reduce the budget, staff allocation, or modify subcontracts to agencies or community organizations identified in the Application as providing Sacramento Enterprise Zone services.
- E. Vouchering:**
1. Vouchering Administration - Contractor agrees to execute and maintain the vouchering plan and vouchering procedures outlined in the Application. The Vouchering Plan will assure that vouchers are properly issued in a timely manner, adequately controlled and accounted for in the vouchering system. Contractor is responsible for keeping records which fully disclose the vouchering system. Procedures must provide for the accurate and timely recordation of the receipt of the application fee, supporting documentation, independent verification and approval or denial of the voucher. Adequate documentation of each approved voucher application shall be maintained for a minimum of five (5) years to permit the determination, through an audit if requested by the State, of the accuracy of the records and the eligibility of voucher applications. If the eligibility of a voucher cannot be determined because supporting documentation is inadequate, the voucher shall be disallowed.
 2. Enterprise Zone Voucher – As of April 5, 2009, the Contractor or their agent shall begin accepting voucher applications and fees. The Sacramento Enterprise Zone must begin using the Department of Housing and Community Development's Enterprise Zone Voucher form to certify a business's participation with the Program.
 3. Signatory Control - Unless the Department is notified otherwise in writing by the Contractor, the Enterprise Zone Manager, as listed in Section 5,

shall have final signatory approval or denial of all voucher applications.

F. Voucher Application Fee:

1. Contractor agrees to establish a Voucher Application Fee ("Fee") and Bill Remittance Form ("Form") and maintain fiscal control and accounting procedures, which assure that the Fee received for the voucher application, is properly disbursed, adequately controlled and accounted for in a Program account. Contractor is responsible for keeping records, which fully disclose the amount and disposition of the proceeds of the fees. The procedure developed by Contractor must provide for the accurate and timely recordation of the receipt of Fees, and unexpended balances. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records. For each voucher application accepted for processing, the Contractor shall disburse \$10.00 to the Department in accordance with the Program Regulations.

2. Any fees remaining at the end of the designation period or de-designation date must be forwarded to the State. Checks must be made out to the Department of Housing and Community Development and shall be mailed within 180 days of the end of the designation period or de-designation date.

G. **Public-Private Participation:** The Enterprise Zone shall be the institutional venue for the regular participation of public and private stakeholders in decisions affecting the Enterprise Zone, its Plan, work programs and the implementation of this Agreement.

H. **Network Participation:** Ensure that the Enterprise Zone Manager and appropriate staff participate at meetings required by the Department and at conferences of the California Association of Enterprise Zones or similar professional development organizations.

I. **Performance Reporting:** Contractor agrees to establish a data collection system and maintain data collection procedures, which assure that all data are properly collected, adequately controlled and accounted for in the Annual Survey as required by Government Code Section 7085(b). Contractor is responsible for keeping records on all administrative and vouchering activities, which fully disclose the effect of the Enterprise Zone on employment and investment.

The Contractor is required to collect data for the Annual Survey that the Department is required to provide annually to the Legislature. Unless specified otherwise in the Annual Survey, the Contractor will collect the data and submit it to the Department at the address noted in Section 5 of this Agreement.

If an Annual Survey is not completed to the satisfaction of the Department, it will be returned to Contractor for revision. If the Annual Survey is not amended within 60 days of the due date, the Contractor will receive a negative audit finding pursuant to Government Code Section 7076.1. The Enterprise Zone's performance under this Agreement will be based in part on whether it has submitted complete reports on a timely basis.

The Contractor shall prepare and submit report(s) of the Enterprise Zone's performance pursuant to a format, schedule and deadlines that the Department requires. The Annual Survey will review Enterprise Zone activity regarding business attraction, business retention, vouchering, and local success stories. The survey results from the Sacramento Enterprise Zone will be tabulated with all other enterprise zones to create the comprehensive report that is submitted to the Legislature.

- J. **Audit:** The Enterprise Zone shall maintain auditable voucher records at all times. California Government Code Section 7076.1 requires the Department to conduct an audit of each Enterprise Zone. The Department may schedule annual Audits. The Enterprise Zone agrees that the Department and their delegates have the right to receive, review, obtain, and copy all records pertaining to the Enterprise Zone and/or its vouchering activities. The Enterprise Zone further agrees to provide the Department or its delegates with any relevant information requested and shall permit the Department or its delegates access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with the designation, audit, or performance.

The Enterprise Zone agrees to maintain all Enterprise Zone records, including voucher applications, vouchers and supporting documentation for a minimum of five (5) years after expiration of the Enterprise Zone designation.

If so directed by the Department upon termination of this agreement, or De-designation of the Enterprise Zone, the Enterprise Zone shall cause all records, accounts, documentation and other materials related to the Enterprise Zone activity to be delivered to the Department.

- K. **Conflict of Interest of Employees or other Public Officials:** No employee, member of the governing body, or public official who exercise any functions or responsibilities with respect to the program during his/her tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract, subcontract, or voucher, or the proceeds thereof, for activities performed in connection with the Enterprise Zone, and all such persons shall comply with Government Code Section 10410, *et seq.*, Public Contracts Code Section 10410 *et seq.*, and Government Code Section 81000 *et seq.* (Political Reform

Act of 1974), as applicable. Failure to comply with this requirement may trigger an Audit.

9. AMENDMENT

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, and approved and signed by the parties to this Agreement. This Agreement supersedes any oral promises, representations, or other agreements with respect to the subject matter of this Agreement.

10. DISPUTES

The Department shall monitor the Enterprise Zone for performance and compliance with this Agreement. Failure to meet the conditions of this Agreement may be grounds for de-designation.

11. DEDESIGNATION OF THE ENTERPRISE ZONE

The Department may terminate this Agreement if the Enterprise Zone fails to succeed in the Audit process as described in Government Code Sections 7076.1 and 7076.2. The Zone will have failed to demonstrate success in making substantial and sustained efforts in meeting the goals and commitments as presented in the Application. The effect of the notice specified in this section shall be to terminate this Agreement and end Program designation of the Enterprise Zone

12. APPROVAL

This Agreement and the Program's designation of the Enterprise Zone, as applicable, are not valid until approved by the cities of Sacramento and Rancho Cordova and the County of Sacramento and signed by all parties.

IN WITNESS WHEREOF, the parties have read, understand and agree to the terms and conditions as set forth in this Agreement on the day, month and year noted.

APPROVED by the member of the Enterprise Zone:

City of Sacramento

By: _____

Date: _____

James R. Rinehart
Economic Development Director

County of Sacramento

By: _____

Date: _____

Navdeep Gill
Chief Operating Officer

City of Rancho Cordova

By: _____

Date: _____

Curt Haven
Director of Economic Development

Sacramento Employment & Training Agency

By: _____

Date: _____

Kathy Kossick
Executive Director

**State Enterprise and Economic Development Section
Department of Housing and Community Development**

By: _____

Date: _____

John Nunn, Jr.

Enterprise Zone Program Manager

EXHIBIT B: MOU SUPPLEMENT

Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

A Exhibit (EX) Application Cross- Reference	B Application Section	C Commitment	D Applicable Timeframe
GENERAL			
Exhibit 20 & Exhibit 49	Performance Measurement	To assess its performance, the enterprise zone (EZ) will capture baseline data and develop a methodology that effectively identifies (1) the number of businesses retained, expanded, or attracted (BRA), (2) jobs created from BRA accomplishments and (3) the percentage of targeted individuals placed into enterprise zone jobs..	One-time
Part 1. GOALS, MARKETING, STRATEGY AND PLAN			
Exhibits 14 & 15	Explicit, quantifiable Program Goals	The goals to be accomplished thru enterprise zone designation over the first 5 years are: 1. Increase number of companies using the SEZ hiring tax credits by 10 percent. 2. Meet quarterly with respective public works departments to ensure capital improvement projects are also within the SEZ. 3. Attend eight events on workforce preparedness, education and workforce investment board to actively market the zone. 4. Twice per year meetings with Los Rios Community College, Regional Transit, SARTA, SACTO, Chambers of Commerce to actively market the zone	Annually
Exhibit 16	Explicit, quantifiable Marketing Goals	The enterprise zone will accomplish the following marketing goals and activities over the first five years of the zone: 1. Establish a brand for the SEZ and use that brand to develop a one-stop-shop web site and brochure. 2. Encourage use/participation in SEZ incentives and benefits by reaching out to more than 1,000 companies/contacts per year through the following activities: o Actively market the zone at 20 trade events/year; o Actively market the zone at 3 business walks/year. o Actively market the zone at 2 business seminars/year. 3. Generate 50 prospect inquiries per year through twice annual email and postcard distributions.	1. Year 1 2. 2-5 Annually
Exhibit 17	5-year Business Retention Activities	To retain businesses and employers of targeted individuals in the community, the enterprise zone will conduct the following activities: 1. Prioritize and identify business sectors to be contacted. Conduct 500 site visits annually (both one-on-ones and business walk) to understand businesses issues and concerns. Through the EZ Metro Pulse, identify businesses not using the Zone and meet one-on-one, market using quarterly	Annually

EXHIBIT B: MOU SUPPLEMENT

Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

		distribution of email blasts and mailers, and/or conduct two seminars in areas within the SEZ. Increase zone participation by 2 percent.	
Exhibit 18	5-year Business Expansion Activities	<p>To expand businesses in the community, the enterprise zone will conduct the following activities targeted to expand existing businesses and revitalize deteriorated areas:</p> <ol style="list-style-type: none"> 1. Visit 1,000 (as indicated in Exhibit 16) companies annually to assess their expansion needs and market the SEZ. <p>The industries targeted by this zone are:</p> <ul style="list-style-type: none"> • Clean/green technology • Information technology • Diversified manufacturing • Health care/ life science administrative and support services • Architecture and engineering • Construction and Transportation 	Annually
Exhibit 19	5-year Business Attraction Activities	<p>To attract businesses, the enterprise zone will conduct the following targeted activities;</p> <ol style="list-style-type: none"> 1. Actively participate in 2 SACTO-sponsored targeted industry conferences and trade shows. This would include the distribution of brochures, flyers, etc. 2. Reach out to 30 targeted companies by industry sector or region through marketing and recruitment missions. This comprises one-on-one meetings and representation at trade shows. SACTO will provide brochures. 3. Meet annually with trade associations located in Sacramento to present information on SEZ and distribute information. <p>Market the SEZ to Valley Vision and the Clean Start (green energy) Initiative located in the Sacramento Region. This would be achieved through annually meetings with these organizations.</p> <ol style="list-style-type: none"> 4. Present five story ideas regarding the SEZ in national and international media. 5. Communicate with national and international site selection consultants through 15 phone calls, 20 emails and 2 events annually. 6. Conduct 2 in-bound/2 outbound media tours to convey SEZ information. 7. Have informational materials on the region, including the SEZ, to prospective businesses. Goal to distribute to 20 prospects per year. Dissemination would include targeted mailings of brochures, demographic information, etc. <p>Targeted industries include:</p> <ul style="list-style-type: none"> • Clean/green technology • Information technology • Diversified manufacturing • Health care/ life science administrative and support services • Architecture and engineering • Construction 	Annually

EXHIBIT B: MOU SUPPLEMENT

Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

		<ul style="list-style-type: none"> • Transportation 	
Exhibit 22	Sales Plan for Site Visits	<p>The enterprise zone's sales plan for on-site visits to existing and/or new businesses will consist of the following activities:</p> <ol style="list-style-type: none"> 1. Conduct approximately 50 calls per target industry per year (as part of the 1000 contacts indicated in Exhibit 16). Connect through one-on-ones, business walks and direct mailings with 300 local companies within the SEZ. 2. Conduct 15 visits and site tours by prospects and site selectors. 3. Stimulate interest through external marketing by conducting 25 annual sales calls. 4. Attend five industry conferences and trade shows 	Annually
Exhibit 24a	Advertising & Promotional Strategy	<p>The enterprise zone's advertising strategy will consist of the following activities:</p> <p>Advertisement placements twice per year in either local or national publications.</p>	Twice per year
	The Promotional Strategy	<p>The enterprise zone's promotional strategy will consist of the following activities:</p> <ol style="list-style-type: none"> 1. Business walks, seminars to reach 400 businesses annually (as part of the 1000 as indicated in Exhibit 16) 2. Trade events, 20 per year. 3. E-newsletter and postcard distribution five times per year to 500 business contacts generated from one-on-ones and business walks. New Web site that will include comprehensive information about the benefits, if a business qualifies, etc. 	Annually
	The Media Strategy	<p>The enterprise zone's media utilization strategy will consist of the following activities:</p> <ul style="list-style-type: none"> • Proactive media relations by issuing press releases, conducting media events, and story pitching. Goal to generate 2 earned media articles per year. 	Annually
Exhibit 25	Staff Commitment	<p>The enterprise zone will commit the following staff to its marketing plans:</p> <p>Each jurisdiction will spend 33 percent of its time marketing the zone.</p> <p>Strategic partners will devote time towards zone marketing.</p> <p>Staffing of 35 for the marketing program. (This includes the city of Sacramento, county of Sacramento, city of Rancho Cordova, SETA/Sacramento Works, SHRA, SACTO, Valley Vision, Sacramento Chamber of Commerce, Rancho Cordova Chamber, the Power Inn Alliance and the ethnic Chambers of Commerce.</p>	Annually
Exhibit 24a & Exhibit 25	Budget Commitment	<p>The enterprise zone will commit the following budgets to its marketing plans:</p> <p>\$ 26,000 Advertising, Media, Promotion 1,319,892 Staff</p>	Annually
			Annually

EXHIBIT B: MOU SUPPLEMENT

Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

Exhibit 49	Self-evaluation	The enterprise zone will conduct regular self-evaluations to determine the effectiveness of its marketing program.	
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Part 2. JOB DEVELOPMENT PLAN

Exhibit 31	Outreach & Placement of Unemployed and Underemployed (Targeted Individuals)	<ul style="list-style-type: none"> • The enterprise zone will conduct the following activities to identify targeted individuals in the application area: The SACEZ is a partnership of the County of Sacramento, City of Sacramento, City of Rancho Cordova, SHRA and the SETA/Sacramento Works and will provide support and oversight for the Sacramento Enterprise Zone. The team will use the following approaches to conduct outreach to targeted individuals. • Conduct assessment of individuals for eligibility under EZ targeted groups • Provide intake and enrollment assistance for employment, training and educational programs; • Provide orientation and eligibility screening for specialized programs; • Conduct job search workshops, job clubs and; • Provide internet access to employment resources and CalJOBS. SETA/Sacramento Works generates Quarterly Report on the results of these activities which will be provided to the SACEZ Team. <p>This will be monitored by SETA/Sacramento's Workforce Development Manager will monitor these activities along with the SACEZ Team</p>	Quarterly for the first year of implementation than annually thereafter.
	<p>The enterprise zone will conduct the following activities to educate & train targeted individuals for jobs in targeted business retention, expansion, and attraction markets:</p> <p>SETA/Sacramento Works will do the following to educate and train targeted individuals for jobs in targeted businesses:</p> <ul style="list-style-type: none"> • Work with STA/ Sacramento Works seven On-the-Job Service Providers and WIA Customized Training Programs to provide OJT. • Outreach to SETA's 17 Green and Healthcare Technology Trainers, which include the 48 courses at the Los Rios Community College 	Annually	

EXHIBIT B: MOU SUPPLEMENT

Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

		<p>and Sacramento State College of Continuing Education to provide training.</p> <ul style="list-style-type: none"> • Educate the staff at all of SETA/Sacramento Works Career Centers about the SACEZ, so they can educate their customers that enroll in WIA Staff-Assisted Services. <p>The SETA/Sacramento Works Workforce Development Manager will monitor these activities along with the SACEZ Team.</p>	
		<p>The enterprise zone will conduct the following activities to place targeted individuals into enterprise zone jobs.</p> <ul style="list-style-type: none"> • All of the SETA/Sacramento Works Career Centers will conduct assessment of individuals for EZ Hiring Tax Credit eligibility • SETA/Sacramento Works Career Center Staff will provide WIA enrollment assistance for both hiring tax credits and training opportunities for SACEZ employers. • SETA/Sacramento Works Employer Services Department will assist SACEZ employers with recruitment of potential employees who meet the EZ hiring tax credit criteria. <p>The SETA/Sacramento Works Workforce Development Manager will monitor these activities along with the SACEZ team.</p>	
<p align="center">Exhibit 33</p>	<p align="center">Job Developer Agency Participation</p>	<p>To maximize the participation of agencies and organizations that provide job development services for the unemployed and under-employed, the enterprise zone's jurisdiction will perform the following:</p> <ul style="list-style-type: none"> • SETA/Sacramento Works Career Center staff that support job creation activities will outreach to targeted individuals eligible for hiring tax credits. • Connect with Career Coaches who provide the unemployed and under-employed with job search assistance, vocational and life skills training, assessment testing, career planning and employment referrals. • Conduct three regional workshops to educate SETA/Sacramento Works Workforce Development Professionals about the benefits for employers located in the SACEZ. • Participate in four local business walks, six job 	<p>Quarterly for the first year of implementation than annually thereafter.</p>

EXHIBIT B: MOU SUPPLEMENT

Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

		<p>fairs and three regional workforce/economic development events, providing information to businesses about the benefits of being located in the SACEZ.</p> <ul style="list-style-type: none"> The SACEZ Team will solicit input from its collaborative partners and the SETA/Sacramento Works Workforce Investment Board (WIB) that meets six times a year, which includes the WIB's Planning & Employer Outreach Committees that meets monthly. 	
Exhibit 35	Education/Training Partnerships	<p>To ensure that employers are partnering with local schools to develop and maintain a trained workforce that will meet labor requirements of targeted businesses, the jurisdiction will collaborate and/or facilitate the following:</p> <p>SETA/Sacramento Works Workforce Investment Board has developed Critical Occupational Clusters for Sacramento Region. As a result, the SETA/Sacramento Works has compiled a list of training which includes CSU-Sacramento, the Los Rios Community Colleges, Adult and Community Education Programs and a number of Private Post-Secondary Schools. These actions have supported and broadened the region ability to develop and maintain a trained workforce.</p> <p>SETA/Sacramento Works WIB conducts annual workforce studies to ensure that its information is current with the needs of regions workforce and that it is providing relevant training for both employers and job seekers.</p> <p>SETA/Sacramento Works will request input from the SACEZ when conducting it annual study; and provide feedback to the SACEZ about the result of the study.</p> <p>The SETA/Sacramento Works Workforce Development Manger will monitor these activities along with the SACEZ team.</p>	Annually
Exhibit 35 Exhibit 5	Agency Contributions	<p>To commit sufficient local resources for coordination of the job development effort, the specific contributions that each agency and/or contractor will make to the implementation of the Economic Development Plan as it relates to job development are as follows:</p> <p>SETA/Sacramento Works will provide the resources of its 11 Career Centers to:</p> <ul style="list-style-type: none"> Market the EZ to employers and job seekers. 	Annually

EXHIBIT B: MOU SUPPLEMENT

Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

		<ul style="list-style-type: none"> • Provide information about EZ Tax Credit to all the job seekers using the Career Center. <p>This will monitor by SETA/Sacramento's Workforce Development Manager and his staff assigned to the SACEZ Team</p>	
Exhibit 34	CalWORKS & WIB Placements	To place recipients of the Workforce Investment Act and CalWORKS services into jobs, the jurisdiction will perform the following; job search and placement, programs and services available to meet specific needs; community and partner services; training resources to include service provisions based on need; and vocational training.	
Exhibit 49	Self Evaluation	The enterprise zone will conduct regular self-evaluations to determine the effectiveness of the job development plan.	Annually
Part 3. PROGRAM MANAGEMENT			
HCD Requirement & Exhibit 39	Vouchering	To ensure compliance with all applicable laws and regulations, the enterprise zone will implement systems for monitoring, reporting, and safeguarding the vouchering process and annually reporting to the Department of Housing & Community Development.	
	Vouchering Fees	To ensure that the enterprise zones comply with all voucher fee regulations, the jurisdiction will write procedures which include a process that accounts for all applications received and all fees owed to the State.	
	Budget & Staffing	<p>The budget and staffing for vouchering activities will consist of the following:</p> <ul style="list-style-type: none"> • SETA/Sacramento Works, Management & Marketing of EZ Vouchering System by 8 SETA staff; Budget: \$188,381/yr. • Sacramento Works Career Centers, Marketing the EZ and Vouchering Assistance; 42 staff at Career Centers; Budget: \$129,682. <p>A budget of \$318,063 will be dedicated for services of Zone Coordinator, Vouchering Agent Staff, and Voucher Finance.</p>	
HCD Requirement & Exhibit 49	Self Evaluation	The enterprise zone will conduct regular self-evaluations to determine the effectiveness of its program. Regular assessments of program management with goal and/or strategy modifications as necessary.	Annually

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Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

<p>Exhibit 44 Exhibit 45 Exhibit 46</p>	<p align="center">Budget</p>	<p>The jurisdiction will implement the following budget for the administration of the enterprise zone in its first year:</p> <table border="0"> <tr> <td>\$ 642,850</td> <td>Marketing</td> </tr> <tr> <td>\$ 811,535</td> <td>Staff</td> </tr> <tr> <td>\$129,362</td> <td>Vouchering</td> </tr> </table> <p>A budget of for the first year and in-kind contributions valued at \$1,674,247.</p>	\$ 642,850	Marketing	\$ 811,535	Staff	\$129,362	Vouchering	
\$ 642,850	Marketing								
\$ 811,535	Staff								
\$129,362	Vouchering								
<p>Exhibit 47 Exhibit 48</p>	<p>Staff Responsibilities</p>	<p>The individual who will administer the proposed enterprise zone on a full-time basis is.</p> <p>Dean Peckham, City of Sacramento TBD, Sacramento County Micah Runner, City of Rancho Cordova</p> <p>Each individual is Enterprise Zone manager of their jurisdiction, and commits 50% of their time to managing the SEZ.</p> <p>In addition, the following staff will perform the responsibilities noted:</p> <p>SETA will be responsible for processing all Vouchers for the Sacramento Enterprise Zone and the LAMBRA. William Walker of the Sacramento Employment and Training Agency will be the Vouchering Manager for the SEZ and Lorna Devine will be the Vouchering Agent. The Manager commits 30% of his time to SEZ and LAMBRA vouchering approval and the Vouchering Agent commits 90% of her time to vouchering review.</p>							
<p>Part 4. PLANNING AND LOCAL INCENTIVES</p>									
<p>Exhibit 27</p>	<p>Business Financing Self-evaluation</p>	<p>The enterprise zone will conduct regular self-evaluations to determine the effectiveness of its loan programs and/or, business development financing incentives.</p>							
<p>Exhibit 42</p>	<p>Neighborhood Transformation</p>	<p>The enterprise zone will facilitate targeted neighborhood transformational activities and as follows:</p> <ul style="list-style-type: none"> • Rancho Cordova Blight Busters code enforcement • Rancho Cordova rental inspection program • Rancho Cordova Reinventing Folsom 	<p>Ongoing</p>						

EXHIBIT B: MOU SUPPLEMENT

Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

		<p>Business Group</p> <ul style="list-style-type: none"> • City & Co of Sacramento Stockton Blvd Streetscape Improvements • City of Sacramento Fruitridge Rd Traffic Calming Improvements • City of Sacramento Budget Inn Motel Reuse • City of Sacramento San Juan Motel property marketing & redevelopment • City of Sacramento Fruitridge Rd Streetscape Improvements Phase II • City of Sacramento Power Inn Rd Street Crossing Enhancements at Union Pacific RR Crossing • Southeast Sacramento Bicycle and Pedestrian Access Study • City of Sacramento 14th Ave Transportation Master Plan • City of Sacramento – Stockton & Lawrence Opportunity Area Development Strategy & Marketing Plan • City of Sacramento Elder Creek Rd Bike & Pedestrian Improvements • City of Sacramento Power Inn Rd Widening Study • Stockton Blvd Ph V Streetscape Improvements • Franklin Blvd Streetscape Improvements • Oak Park Blvd Street Lighting Improvements • Workforce Development Recruitment for EZ businesses • Power Inn Alliance Business Association – Property & business improvement district to support SEZ • City of Sacramento North Sacrament Strategic Neighborhood Action Plan to prioritize community revitalization projects • City of Sacramento Roberts Family Development Center • Sacramento Urban League – Job search, employment services and skills training • Saca Learning Center Adult Education • WIND Youth Center • River District Business Association – Property & business improvement district to support SEZ • Twin Rivers Affordable Housing • South Sacramento County Neighborhood Association 	
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EXHIBIT B: MOU SUPPLEMENT

Sacramento Enterprise Zone Commitments and Performance Measures 4/5/2009 to 4/4/2024

		<ul style="list-style-type: none"> • South Sacramento Nuisance Properties monthly cleanup • South Sacramento Strategic Neighborhood Action Plan to prioritize community revitalization project. • Point East Hotels Association to discourage crime and support enhanced economic development • East Sacramento County Expo community resource center • Rancho Cordova shuttle bus service from light rail to SEZ • City of Sacramento Shovel Ready Site Planning Program to identify and prioritize infrastructure improvements in support of SEZ businesses • Sacramento County International Marketplace Signage Program to support SEZ businesses • Sacramento Rebuilding Together Program utilizes volunteer labor to improve deteriorated properties 	
<p>Exhibit 40a or 40b</p>	<p>Fee Reduction & Other Cost Saving</p>	<p>To offer local incentives to the enterprise zone businesses, the jurisdiction will reduce the following fees:</p> <ul style="list-style-type: none"> • City, Co, and RC. Interest free fee deferrals for qualified capital investment projects in the SEZ. Savings up to \$500,000 annually. • Sac County: Electric utility tax sharing with mega power users to cover negotiated costs of qualified capital investments in the SEZ. Savings range from \$50,000 to 300,000 annually • Sacramento County: Unsecured property tax sharing with SEZ projects to cover negotiated costs of qualified property: Savings range from \$15,000 to \$500,000. • Sacramento County: Sales tax sharing with large retail projects to cover negotiated costs of capital investments. Savings range from \$100,000 to \$1M • City, Co and RC. Sewer impact fee credits to reduce connection fees. Savings estimated to be \$400,000 annually. • SHRA Commercial Revitalization Exterior Improvements Rebate: Savings estimated to be \$400,000 annually • SHRA Special Program for Historic Properties is a rebate for improvements to 	

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		<p>historic properties. Savings estimated to be \$75,000 annually.</p>	
<p>Exhibit 40a or 40b</p>	<p>Processing Time Reductions & Other Time Saving</p>	<p>The jurisdiction will reduce the administrative processing time for the following items: (List here)</p> <ul style="list-style-type: none"> • Sacramento County: Response teams expedite projects through assigned Building Inspection Dept plan check expeditor. • Development Services team: Multidisciplinary team development process review to reduce time for building plan check services. • Shovel Ready Sites Planning Program: Prepare key development opportunity sites for job-generating development within the SEZ • Sacramento Works Employer Services provides job posting services, tax credit vouchering, customized recruitment, applicant screening services, job fairs, and skills assessment services. • Sacramento Works Rapid Response Teams assists employers who are downsizing and provides direct assistance to employers and helps employees find new employment, connects employees with training opportunities and helps former employees utilize state and federal dislocated workers programs. • Sacrament Works START Team: Helps businesses which are located or expanding in the SEZ by providing labor market information, recruitment, screening and referral of qualified employees, practical information about tax credit program, assists new business startups, provides testing and interviewing facilities and distributes job flyers. • Sacramento Works Critical Occupation Clusters: Assessment of regional labor market identifies critical occupational clusters in the region and develops a plant to train workers for these critical occupations. Sacramento Works is providing SEZ employers with a source of trained & qualified employees. The processing time reductions provided by Sacramento Works (as identified above) will help the employers by providing them with the information and resources immediately as opposed to searching for 	

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		<p>this information on their own. As a result the employers save valuable time.</p> <ul style="list-style-type: none">• Sacramento Works Business Information Centers (BIC's): 4 BIC's located in SEZ help small and startup business access information, tools and guidance entrepreneurs in the SEZ need.	
Exhibit 49	Self-evaluation	The enterprise zone will conduct regular self-evaluations to determine the effectiveness of its local incentives to business investment.	

EXHIBIT C
MEMORANDUM OF UNDERSTANDING
SACRAMENTO ENTERPRISE ZONE PROGRAM

This MEMORANDUM OF UNDERSTANDING (“Agreement”) is made and entered into as of _____, 2011 by and between the City of Sacramento, a municipal corporation (“City”), the City of Rancho Cordova, a municipal corporation (“Rancho”), the County of Sacramento, a political subdivision of the State of California (“County”), and the Sacramento Employment & Training Agency, a joint powers authority (“SETA”). City, Rancho, County and SETA hereinafter may be referred to collectively as the “Parties” or in the singular as “Party,” as the context requires.

RECITALS

- A. The California Enterprise Zone (EZ) Program is overseen by the State Department of Housing and Community Development (HCD). The EZ Program is a long-term (15-year) partnership between the State, local jurisdictions and private companies to generate new private sector investment and growth. Enterprise Zones provide a variety of state tax incentives, including performance-based tax credits. Enterprise Zone eligibility is based on per capita income, unemployment level, poverty level, and household income. Job development, workforce education and training are key components of the EZ Program.
- B. In 2008, within Sacramento County there were three designated Enterprise Zones: Florin-Perkins, Army Depot and North Sacramento (collectively “Sacramento Zones”). The Sacramento Housing and Redevelopment Agency (SHRA), in partnership with the City and County, administered the EZ Program within the Sacramento Zones. With two of the Sacramento Zones scheduled to expire in 2009, the City, County and SHRA determined a need to apply for a new Enterprise Zone designation.
- C. On March 2, 2009, an application for a new Sacramento Enterprise Zone (SEZ) was submitted to HCD by SHRA on behalf of the City, County and Rancho. The new SEZ combines the three former Sacramento Zones and expands the territory to include new eligible areas within both cities and the county. The new application identified SETA as the new SEZ vouchering administrator, appropriate to their role as the county’s Workforce Investment Board (WIB). On August 6, 2009, SEZ voucher administration was formally transferred from SHRA to SETA by agreement between these two entities.
- D. In August 2009, HCD conditionally designated the SEZ, subject to completing an environmental review, finalizing boundaries, and executing an agreement with HCD. SHRA prepared a Negative Declaration for the SEZ in accordance with CEQA, which has been approved by City as the lead agency under CEQA. The new SEZ extends over approximately 31,899-acres of existing industrial areas in northern, southern, and eastern portions of Sacramento County, encompassing territory within the City, County and Rancho.

- E. HCD has issued a Memorandum of Understanding and a Supplement to formally designate the SEZ, which encompasses portions of the jurisdictional boundaries of the City, County and Rancho. The HCD agreement refers to these three Parties collectively as “Contractor,” and the term extends from April 5, 2009 to April 4, 2024. This HCD agreement specifies an operational budget for in-kind services and direct costs for marketing, staffing and vouchering for the SEZ to be provided by the three entities and SETA in year one with a total of \$1,674,247, and requires an on-going commitment of in-kind staffing, direct costs and implementation of fee reduction programs annually thereafter.
- F. The HCD agreement outlines annual marketing activities and in-kind staffing commitments for the City, County, Rancho and SETA in accordance with the commitments set out in the SEZ application. The HCD agreement does not provide for any one entity to terminate their SEZ participation and if any one entity fails to perform their obligations HCD can terminate the agreement and extinguish the SEZ.
- G. SETA, along with its Sacramento Works program, is willing to continue to administer the SEZ vouchering activities in accordance with the HCD agreement on behalf of the City, County and Rancho since SHRA no longer administers the Sacramento Zones program.
- H. The purpose of this Agreement is to address the respective obligations of the Parties for the SEZ pursuant to the HCD agreement and to address the rights of each party to withdraw their participation and the consequences to the SEZ from such action.

NOW, THEREFORE, in consideration of their mutual commitments as hereinafter set forth, the Parties enter into this Agreement for the purpose of assuring their mutual and common understanding of each Party’s rights and obligations with regard to implementation of the HCD agreement for the SEZ as follows:

1. HCD AGREEMENT

The Memorandum of Understanding between the State Department of Housing and Community Development, which includes the MOU Supplement and by reference the Sacramento Enterprise Zone Application (collectively hereinafter referred to as the “HCD MOU”), upon its execution by City, County, Rancho and HCD, is incorporated herein by this reference as if set forth in full. The Parties agree to comply with all of the terms and conditions, and to meet all of their respective obligations, as set out in the HCD MOU. No Party may enter into an amendment of the HCD MOU without the written consent of all of the other Parties unless a Party gives notice of their option to terminate their participation in the SEZ program as set out in Section 8 below.

2. TERM

The term of this Agreement shall commence as of the effective date of the HCD MOU and shall terminate as of the expiration date of the HCD MOU, unless this Agreement is sooner terminated by one or more Parties as set out herein or HCD terminates the HCD MOU, whichever event occurs first.

3. SEZ STAFFING AND VOUCHERING

The HCD MOU requires City, County and Rancho to each identify an enterprise zone manager to implement their jurisdiction's obligations for their respective territorial portions of the SEZ. The enterprise zone manager's role is primarily for outreach and marketing to eligible employers in the SEZ and the HCD MOU requires 50% of the enterprise zone manager's time to be spent on administering the SEZ program within their respective jurisdiction. The HCD MOU provides that SETA will provide staffing for the vouchering activities, which includes collecting fees from participating employers and remitting some of the fees to HCD. The Parties agree to comply with the staffing obligations as required in the HCD MOU during the term of this Agreement.

4. SEZ EMPLOYER PARTICIPATION

The HCD MOU requires the Parties to conduct certain marketing, promotional, outreach and education and training activities to encourage businesses to retain, expand and become established in the SEZ so as to provide employment opportunities. Some of these efforts will require expenditure of funds and in-kind services, which may be tasks that are currently undertaken by each Party. The HCD MOU references the exhibits in the grant application that break down these costs among the Parties, which in some instances is based in part on the proportionate area of the SEZ within each jurisdiction's boundaries. The Parties agree to comply with their respective obligations with regards to business and employer participation in the SEZ as set out in the HCD MOU during the term of this Agreement.

The SEZ will also receive the benefit of marketing services from various regional partners based on their respective commitments, which were included in the SEZ application. The Parties will encourage those partners to continue their commitment to benefit the SEZ during the term of the HCD MOU.

5. SEZ BUSINESS AND DEVELOPMENT INCENTIVES

The HCD MOU requires the Parties to provide fee and processing time reduction incentives to facilitate business development and expansion within the SEZ. Some of these incentives are existing efforts and some may require a Party to implement a new incentive program. The Parties agree to comply with their respective obligations with regards to providing fee and processing time reduction incentives for businesses and employers as set out in the HCD MOU during the term of this Agreement.

6. PERFORMANCE REPORTING

The HCD MOU requires the Parties to collect data, conduct surveys and submit reports to HCD during the term of the HCD MOU with regards to the SEZ program. The Parties agree to cooperate in the establishment of data collection procedures and forms to facilitate meeting this obligation in a coordinated and cost-efficient manner.

7. INDEPENDENT CONTRACTORS

Each Party may assign employee(s) to perform services to meet their respective obligations under the HCD MOU at their exclusive discretion and the services of such assigned employees shall be at the sole expense of that Party. The assigned personnel of each Party shall not be entitled to any benefits payable to employees of any other Party.

Each Party shall be solely responsible for the quality and accuracy of the work of its employees and the work of any contractors and consultants it may contract with to perform its respective obligations under the HCD MOU. Any review, approval, or concurrence therewith of the work by any other Party shall not be deemed to constitute acceptance or waiver by any other Party of any error or omission as to such work.

In accordance with the annual budget approved by the governing board of each Party, and subject to appropriation of funds therefor, each Party shall be solely responsible for their costs and expenditures to meet their respective obligations under the HCD MOU. No Party shall be liable to another Party to pay any such costs or expenditures without the prior written agreement of the other Party.

It is understood and agreed that each Party is an independent government agency or organization and that no relationship of employer-employee, partnership, express or implied agency, or joint venture exists between the Parties hereto for any purpose whatsoever. Except as expressly provided in this Agreement or in the HCD MOU, no Party shall have the authority, express or implied, to (i) control over the activities of any other Party, (ii) act on behalf of any other Party in any capacity whatsoever as an agent, nor (iii) bind any Party to any obligations whatsoever.

8. WITHDRAWAL OF A PARTY FROM SEZ PROGRAM/TERMINATION

Any Party may withdraw from the SEZ Program and terminate its participation in this Agreement only under the following conditions.

- A. The effective date of termination may only occur as of the end of any fiscal year.
- B. No less than six months' advance written notice shall be provided to each of the other Parties.

- C. The Party terminating its participation shall transfer to the other Parties copies of all data, records and documents for the SEZ Program in its possession prior to the effective date of the termination.
- D. If SETA terminates its participation, the remaining Parties shall meet to determine if SETA's obligations can be assumed by another Party or if there is another entity willing to assume those obligations.
- E. If City, County or Rancho terminates its participation, the remaining Parties shall meet to mutually decide whether to continue the SEZ program within their respective jurisdictions by applying to HCD to amend the HCD MOU to adjust the SEZ boundaries and modify the respective tasks and obligations of the remaining Parties. In the event that HCD is unwilling to amend the HCD MOU to modify the SEZ boundaries and the obligations of the other Parties so as to prevent any additional financial costs to the other Parties due to the withdrawal of one Party, then all of the Parties to the HCD MOU shall issue a notice of termination to the HCD for the SEZ program to be terminated as of the end of the then current fiscal year.

9. NOTICES

Any invoice, payment, notice, demand, request, consent, or approval that either Party hereto is required to give the other Parties shall be in writing and shall be either personally delivered or sent by mail, addressed as follows:

City Manager
 City of Sacramento
 915 I Street, Room 101
 Sacramento, CA 95814-2684

County Executive
 County of Sacramento
 700 H Street, Room 7650
 Sacramento, CA 95814

City Manager
 City of Rancho Cordova
 2729 Prospect Park Dr
 Rancho Cordova, CA 95670

Executive Director
 Sacramento Employment & Training Agency
 925 Del Paso Blvd.
 Sacramento, CA 95815

10. INDEMNIFICATION

Each Party (the "Indemnifying Party") hereto agrees to indemnify, defend and hold the other Parties and their officers, employees, agents, contractors, subcontractors and volunteers harmless from and against any and all actions, damages, costs, liability, claims, losses, judgments, penalties and expenses of every type and description, including, but not limited to reasonable attorney's fees and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of the Indemnifying Party, its officers, employees, agents, contractors, subcontractors, or volunteers in connection with the performance or nonperformance of their obligations under the HCD

MOU, whether or not the Indemnified Party, its officers or employees reviewed, accepted or approved any service or work product performed or provided by Indemnifying Party, and whether or not such Liabilities are litigated, settled or reduced to judgment.

11. GENERAL PROVISIONS

If any portion of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

This Agreement may not be changed or amended orally, but only by an agreement in writing that is approved by all of the Parties. No waiver of any provision of this Agreement, and no consent to departure therefrom, by any Party shall be effective unless in writing and signed by the waiving or consenting Party(ies), and no such waiver or consent shall extend beyond the particular concern and purpose involved as set out in the written waiver.

This Agreement may only be assigned with the written consent of the non-assigning Parties. Any purported assignment without such consent shall be void. This Agreement shall be binding on the successors and authorized assigns of the Parties.

The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope, meaning or intent of this Agreement.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This Agreement is executed in and shall be construed and governed in accordance with the laws of the State of California.

12. NO THIRD PARTY BENEFICIARIES.

This Agreement is for the sole benefit of the Parties hereto, their respective successors and permitted assigns, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement or any term hereof.

13. ENTIRE AGREEMENT

This Agreement, the HCD MOU and all other terms or provisions incorporated herein by reference, constitute the entire agreement and understanding between the Parties as to the subject matter contained herein.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

CITY OF SACRAMENTO, a
municipal corporation

COUNTY OF SACRAMENTO, a
political subdivision of the State of
California

By _____
City Manager

By _____
County Executive

ATTEST:

ATTEST:

By _____
City Clerk

By _____
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By _____
Deputy City Attorney

By _____
Deputy County Counsel

CITY OF RANCHO CORDOVA, a
municipal corporation

**Sacramento Employment & Training
Agency**, a joint powers authority

By _____
City Manager

By _____
Executive Director

ATTEST:

ATTEST:

By _____
City Clerk

By _____
Board Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By _____
Deputy City Attorney

By _____
Agency Counsel