

## RESOLUTION No. 2015-3176

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**A RESOLUTION AUTHORIZING JESSICA NUNLEY PELZ, THE NEWBERG ENTERPRISE ZONE MANAGER, TO SIGN AN AGREEMENT BETWEEN THE CITY OF NEWBERG AND SP FIBER TECHNOLOGIES FOR A FIVE-YEAR NEWBERG ENTERPRISE ZONE PROPERTY TAX EXEMPTION**

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### RECITALS:

1. On April 25, 2014, Business Oregon approved the establishment of the Newberg Enterprise Zone. The city pursued establishment of an enterprise zone as an addition to our economic development toolbox and a way to help support Newberg's traded-sector industry. Establishment of the enterprise zone does not affect existing taxing revenues but does allow an eligible applicant to receive a tax exemption for three (3) (and up to five) years on the value of new capital investments.
2. The City of Newberg is the Newberg Enterprise Zone Sponsor. On September 11, 2014, SP Fiber Technologies, LLC (SPFT) submitted an Oregon Enterprise Zone Authorization application to the City of Newberg. SPFT is a qualified company within the Newberg Enterprise Zone. SPFT requested the three year and five-year extended tax abatement on its proposed new investment. The initial estimated value of the new investment was \$11,110,000.00 which includes design and installation of equipment over the next year for the manufacturing of a new product line. On December 19, 2014, SPFT amended their initial application to include an additional \$1.4 million emissions control project to control hydrogen chloride emissions emitted from the burning of biomass during the paper manufacturing process. The new estimated total value of the new investment is \$12,520,000.00.
3. SP Fiber Technologies has applied to the city for a five-year property tax abatement for its \$12.5 million investment in facility equipment. They expect to increase and maintain their current employment base by at least 20 employees. The compensation for new employees will be at least 150% of the current Yamhill County average wage of approximately \$35,000.00.

### THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City of Newberg supports SP Fiber Technologies' application for a five-year property tax abatement. In addition to the standard requirements that must be met by an enterprise zone applicant to receive a five-year tax abatement, SP Fiber Technologies will agree to meet the following conditions:
  - A. *SP Fiber Technologies will make a concerted and demonstrated effort to hire new employees from the Newberg community whenever feasible during the five-year tax abatement period.*

***SP Fiber Technologies Environmental Improvement Project***

SP Fiber Technologies (SPFT) is committed to completing an environmental improvement project as a condition of receiving a two year property tax abatement extension on the SPFT Enterprise Zone application submitted on September 11, 2014.

SPFT will plan, engineer and execute the following environmental improvement project: SPFT will eliminate a stormwater discharge point on the mill site by installing new bio-swales which will capture and redirect storm water that currently flows into to Hess Creek. This project will redirect roughly 8 million gallons per year of stormwater from 8 acres on and around the employee parking lot. Three bio-swales will be constructed to capture the stormwater and direct it to the mill waste water treatment system. The end result of this project will eliminate a permitted discharge point recognized on our NPDES 1200-Z Industrial Stormwater Discharge Permit. This discharge point currently directs stormwater to Hess Creek without any formal treatment.

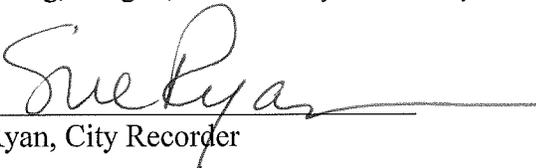
The cost of this project is estimated at \$120,000. The project will be completed in 2015. SPFT will provide the City with before and after photos as verification of meeting the Enterprise Zone condition.

- B. *SP Fiber Technologies will make a concerted and demonstrated effort to hire local contractors for work needed within SPFT's site whenever feasible within the five-year tax abatement period.*
- C. *SP Fiber Technologies will construct and maintain a stormwater quality facility as described in Exhibit B.*
- D. *SP Fiber Technologies will submit to the city an annual report describing the progress they are making in meeting the conditions of this Resolution.*

2. Jessica Nunley Pelz, the Newberg Enterprise Zone Manager, is authorized to sign an agreement between the City of Newberg and SP Fiber Technologies for a five-year Newberg Enterprise Zone property tax exemption.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: January 21, 2015.

**ADOPTED** by the City Council of the City of Newberg, Oregon, this 20<sup>th</sup> day of January, 2015.

  
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Sue Ryan, City Recorder

**ATTEST** by the Mayor this 22<sup>nd</sup> day of January, 2015.

  
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Bob Andrews, Mayor