

City of Newberg Enterprise Zone

Overview

The Enterprise Zone offers an excellent opportunity for businesses growing or relocating in the region. It offers traded-sector employers (companies that sell goods or services outside the local area and expand its economic base) and other eligible companies three- to five-year property tax exemptions on certain new capital investments that create jobs in the designated areas.

The Newberg Enterprise Zone is a tax abatement program. In order to qualify, an eligible firm must be making new investment in construction or equipment to leased or owned property within the Enterprise Zone boundary and must be creating new or additional employment. Once an authorized company enters into the program it will receive full tax abatement on all qualified property for three to five years, consecutively, as long as annual compliance with program requirements is met.

Eligibility

Eligible businesses include manufacturers, processors, shippers and a variety of operations that serve other organizations, as well as call centers and headquarter-type facilities. Companies new to the area that are eligible for the program must create at least one new job, while existing companies must expand employment by at least 10% in the first year to be eligible. The total minimum investment required is \$50,000.

Eligible investments are new real property improvements (including buildings), major site improvements, large or immobile equipment and tools.

Non-qualifying investments include land, existing buildings, existing equipment, most rolling stock (forklifts, delivery trucks) and most personal property. There are no limits to the number of times a company may use the zone.

Incentives

Extended five year exemptions, an extension of the standard three-year exemption, must be approved by the City of Newberg. To qualify, companies must pay an average of 150% of the average wage (covered employment payroll for all employers) in total compensation, which can include benefits such as vacation pay, medical insurance, bonuses, overtime, profit sharing, and retirement contributions.

The zone is sponsored and managed by the City of Newberg. Only new facilities or improvements not yet on the tax roll are eligible for this tax incentive.



Qualifying Criteria	3 years	5 years
Minimum investment	\$50,000	\$50,000
Minimum New Employment for Existing Company	10% increase 1st year	10% increase 1st year
Minimum Average Compensation per Employee	None	150% of County Average

Application Process

To receive investment incentives, eligible businesses must file an Enterprise Zone Pre-certification Form with the local zone manager prior to any eligible investments.

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Frequently Asked Questions

Must my facility be located within the boundaries of the City of Newberg Enterprise Zone?

Yes (see areas outlined in red on for the Enterprise Zone map). Only operations located within the Enterprise Zone boundaries qualify.

How difficult is the approval process?

The process is quick, non-bureaucratic and easy to administer. It consists of a short consultation with the zone manager, completion by the company of a two-page application and attachments, and approval by the zone manager and county assessor. Complete applications are usually processed within one to two days. Following approval, an investment can commence immediately.

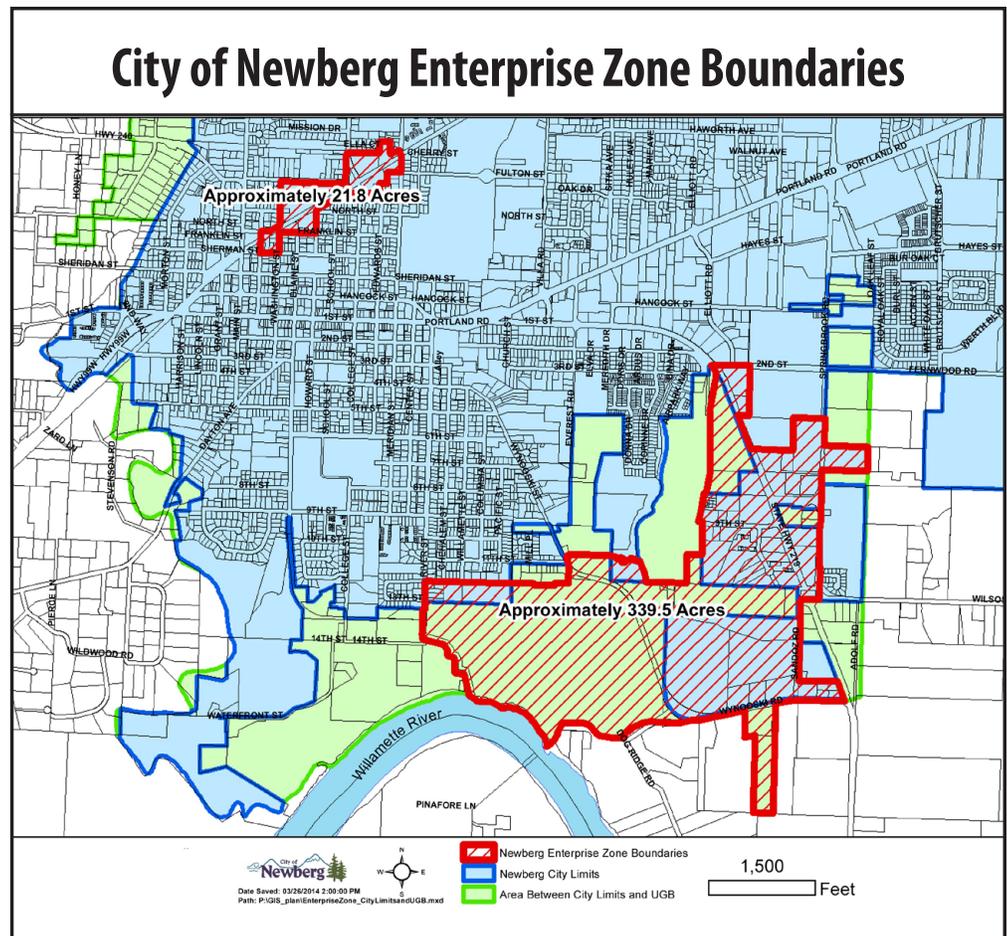
My company is eligible for the Enterprise Zone, but I've already started construction. Can my facilities be exempted?

Typically not. Companies wishing to access the program need to complete the application prior to breaking ground on new or expanded facilities. It is strongly recommended that pre-certification occur prior to obtaining building permits.

Are commercial developments eligible for Enterprise Zone exemptions?

No, only primary employers are eligible. The test for commercial versus primary/industrial is that 75% of a company's products or services must be sold or delivered outside the region.

Enterprise Zone Map



When the exemption period expires, does my property come back on the tax roll?

Yes. Property (buildings and equipment) are assessed throughout the exemption period, but come back on the tax rolls at the end of the Enterprise Zone exemption period. During the period that a company participates in the Enterprise Zone, property taxes on real and some personal property are exempted, not deferred.

May my company use the Enterprise Zone multiple times for future expansions?

Yes. Expansion projects for qualifying employers are eligible as long as the employer adds at least 10% to their existing workforce each time the program is used.

Can eligible employers who rent their facilities qualify?

Yes. If a facility has not been previously occupied or is a build-to-suit for an eligible company, landlords are required to pass on savings resulting from property tax exemptions

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