



RESOLUTION No. 2015-3181

A RESOLUTION ESTABLISHING A PROGRAM TO ALLOW WAIVERS TO THE STANDARD ENTERPRISE ZONE EMPLOYMENT REQUIREMENTS CONSISTENT WITH ORS 285C

RECITALS:

1. On April 25, 2014, Business Oregon approved the establishment of the Newberg Enterprise Zone. Enterprise zones (EZ) are primarily governed by Oregon Revised Statute (ORS) 285C and Oregon Administrative Rules (OAR) 123-668 and 123-674, which contain standards for three-year exemptions and extended (four or five year) exemptions. The ORS does allow a waiver to the standard employment increase requirement for a three- or five-year exemption, under certain circumstances, and where locally adopted by resolution.
2. ORS 285C states the requirements for an employment waiver, where a firm must: *either* complete an investment of \$25 million or more in qualified property *or* fulfill the requirements of ORS 285C.205 and the employment of the firm does not decrease below the annual average employment of the firm [ORS 285C.200(2)(b)(A) & (B), summarized]; *and* demonstrate at least a 10% increase in productivity no later than 18 months following January 1 of the assessment year for which the exemption is claimed, and the firm maintains or exceeds the 10% increase in productivity as an annual average rate for each subsequent year of the exemption period. [ORS 285C.205, summarized]
3. In addition to the statutory requirements for a waiver, the city has the ability to place additional reasonable conditions on a waiver request per OAR 123-668-2300. Allowing a waiver could be an incentive to encourage or assist a business in staying local, and increased productivity is generally positive for the business. Additional conditions will help the local area realize an adequate benefit from the tax exemption even when no jobs are being created.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. A program is established to allow waivers to the standard enterprise zone employment increase requirements. A qualified business within the Newberg Enterprise Zone may apply for a waiver to the employment requirement along with their enterprise zone authorization application. Waivers will be granted consistent with the requirements of ORS 285C, where a firm must: *either* complete an investment of \$25 million or more in qualified property *or* fulfill the requirements of ORS 285C.205 and the employment of the firm does not decrease below the annual average employment of the firm [ORS 285C.200(2)(b)(A) & (B), summarized]; *and* demonstrate at least a 10% increase in productivity no later than 18 months following January 1 of the assessment year for which the exemption is claimed, and the firm maintains or exceeds the 10% increase in productivity as an annual average rate for each subsequent year of the exemption period. [ORS 285C.205, summarized] In addition to the statutory requirements for an employment waiver, the following additional city conditions will apply:

- A. Only one waiver will be granted per qualified firm per exemption period (regardless of additional investment within the exemption period).
- B. The firm is required to coordinate with local schools and/or Worksource Oregon to continuously support an internship program at the firm during the exemption period. Interns associated with meeting this requirement shall be Newberg area residents.
- C. The firm would be required to help fund Newberg area schools STEM (Science, Technology, Engineering, Math) programs by annually donating an amount earmarked to a STEM program that is equivalent to 10% of the tax savings associated with the property tax abatement.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: March 3rd, 2015

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of March, 2015.



Sue Ryan, City Recorder

ATTEST by the Mayor this 6 day of March, 2015.



Bob Andrews, Mayor