



ENTERPRISE ZONES

Three- to five-year
tax abatement
for new
investment and
equipment

Clackamas County economic development staff work with the city to market and manage the **Milwaukie Enterprise Zone** to encourage investment through property tax exemption for new or expanding non-retail businesses that strive to hire local and create additional above minimum wage jobs.

County Contact:
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 Or
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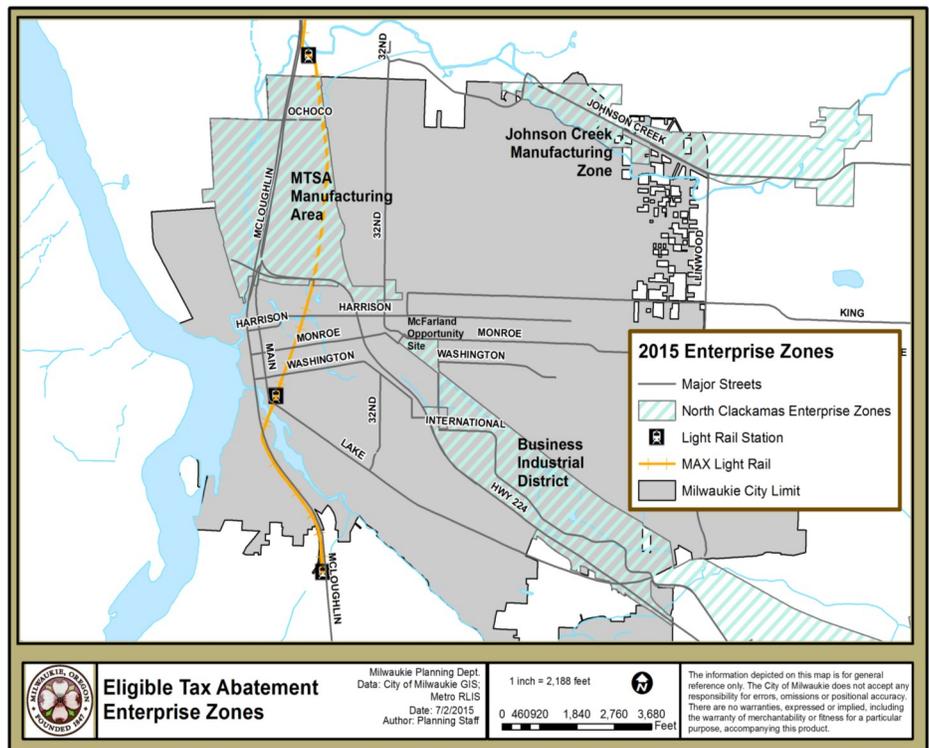
Enterprise Zones

Enterprise Zones are designed to encourage business investment through property tax relief in specific areas of the state. In exchange for locating or expanding into an Enterprise Zone, eligible (generally non-retail) businesses receive total exemption from the property taxes normally assessed on new construction and equipment, for a period of three to five years.

Standard incentives are available to eligible businesses locating in an enterprise zone, subject to authorization timely filings, and criteria.

Standard incentives include:

- Construction-in-Process Enterprise Zone Exemption—up to two years before qualified property is placed in service, it can be exempt from local taxes. For most authorized businesses this provides broader benefit than the regular exemption for commercial facilities under construction.
- Three to five consecutive years of property tax exemption on qualified property, after it is in service.



BUSINESS ELIGIBILITY

Prior to building construction/improvements or equipment installation activities begin on-site, the **Zone Manager** must receive and approve an Application For Authorization, which contains pertinent process information.

Eligible businesses include manufacturers, processors, shippers ,and a variety of operation that serve other organizations, as well as call centers and headquarter-type facilities. Hotel/resort businesses are not eligible in the Milwaukie Enterprise Zones; nor are retail, construction, financial, or other certain defined activities.

QUALIFIED PROPERTY

A new building/structure, structural modifications or additions, or newly installed machinery and equipment qualify for exemption. Nonqualified items include land, previously used property value , and miscellaneous personal items.

CRITERIA FOR QUALIFYING PROJECTS

For the basic, **three-year enterprise zone exemption**, the business should meet the following criteria:

- Increase full-time permanent employment by 10%
- Pay employees at least 150% of the State minimum wage (benefits can be used to reach this pay level)
- Maintain minimum employment level during the exemption period
- Enter into a first-source hiring agreement with local job training providers
- Pay an application fee of 0.1% of the proposed total investment.

Criteria for the extended tax exemption (for a maximum of a **five-year exemption**) the business should meet the criteria for the three-year enterprise zone exemption as well as the following:

- Compensation of new workers must be at or above 150% of the County average wage (benefits can be used to reach this pay level)
- There must be local approval by written agreement with the local zone sponsor
- The company must meet any additional requirements that the local zone sponsor may reasonably request.

APPLICATION

Businesses or developers interested in locating or expanding in Enterprise Zones within Milwaukie can obtain the State application online at <http://www.oregon.com/gov/dor/PTD/docs/303-029.pdf> or from the **county Zone Manager at**
JamieJoh@co.clackamas.or.us

For additional incentives, please contact:

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