



# STRATEGIC INVESTMENT PROGRAM

Citywide overlay for property tax exemption on large monetary investments

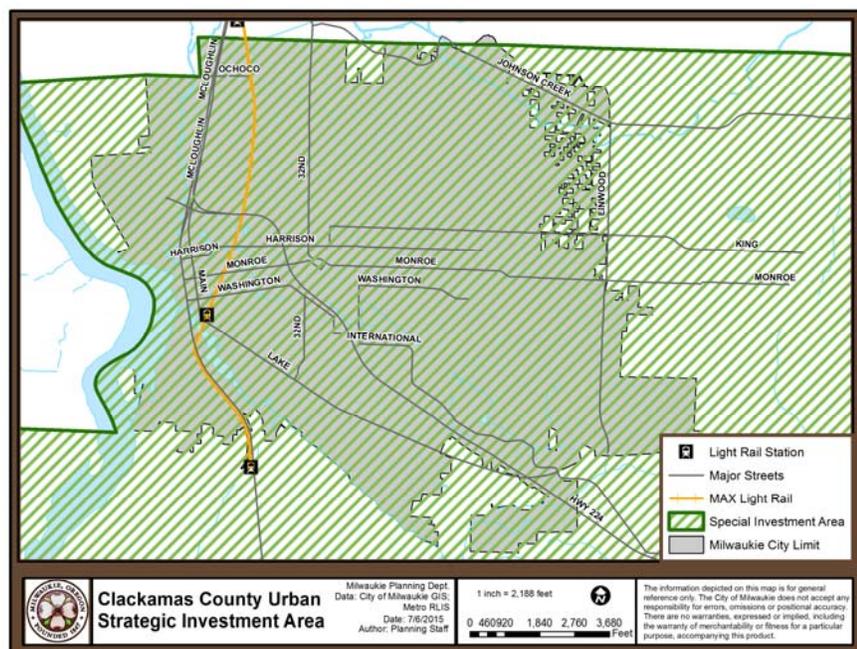
The Clackamas County Strategic Investment Program offers property tax exemptions for 15 years on investments increasing property values by more than \$25 million.



The **Strategic Investment Program** exempts a portion of large capital investments from property taxes. It is available statewide for projects developed by “traded-sector” businesses, most often used for manufacturing firms.

“Traded sector” is defined in Oregon law as “industries in which member firms sell their goods or services into markets for which national or international competition exists.”

Depending on the investment size, the Strategic Investment Program can offer exceptional benefits in terms of net present value. For example, all firms across Oregon currently taking advantage of the SIZ program each realize annual tax property savings in the hundreds of thousands of dollars.



Strategic Investment Program

## BASIC PROGRAM ELEMENTS

Basic program elements for private investors include:

- Exemption on project property lasts for 15 years
- The project's first-year real market value greater than \$25 million is exempt— i.e., only the assessed value of property under this threshold is subject to property taxes
- The exemption threshold value then rises 3% per year during the exemption period
- A community service fee is paid each year to local public service providers
- This fee equals 25% of each year's tax savings, capped at an annual maximum of \$500,000
- Project must either receive local approval through a custom agreement with city government or be located in a pre-established "Strategic Investment Zone"
- Additional local requirements may apply

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## BENEFITS FOR BOTH COMMUNITY AND COMPANY

SIZ qualified investments represent much more to local communities than foregone tax revenues, community and company benefits include:

- Even with the community service fee, SIP represents a tremendous incentive for large investments, and the chance to more rationally tax large capital facilities
- It offers an excellent forum to solidify local community support for an otherwise special project
- The new taxable property value alone still represents extraordinary public revenue-not to mention corporate and personal income tax collections
- Characteristics of typical SIP projects include: exceptional capital outlays for technology and research, a well-trained and well-compensated workforce, major indirect effects on suppliers and other parts of the economy, and low impact on direct public services per dollar invested.

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## APPLICATION

Businesses or developers interested in taking advantage of the Special Investment Program within Milwaukie can obtain the State application online at <http://www.oregon4biz.com/Oregon-Business/Tax-Incentives/SIP/> or from Alma Flores at [floresa@MilwaukieOregon.gov](mailto:floresa@MilwaukieOregon.gov) or (503)-786-7652.

Investment must occur within eligible Clackamas County designated Special Investment Areas (see map on reverse).

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