RESOLUTION NO. 66-2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH CLACKAMAS COUNTY REGARDING THE ESTABLISHMENT OF A STRATEGIC INVESTMENT ZONE.

WHEREAS, The national and inter-national environment for attracting very large capital-intensive investments is highly competitive; and

WHEREAS, The State of Oregon has established the Strategic Investment Zone program to allow local jurisdictions to provide a targeted exemption on property taxes to provide a competitive tax structure for such investments; and

WHEREAS, The City is committed to economic development and working with our various regional economic development partners, including Clackamas County;

NOW, THEREFORE, BE IT RESOLVED that the Mayor is authorized to sign an intergovernmental agreement with Clackamas County establishing an urban Clackamas County Strategic Investment Zone.

Introduced and adopted by the City Council on August 3, 2010.

This resolution is effective on August 4, 2010.

Jeremy Ferguson, Mayor

ATTEST:

Pat DuVal

Pat DuVal, City Recorder

APPROVED AS TO FORM:
Jordan Schrader Ramis PC

City Attorney

CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE
#1 (Rural) and #2 (Urban)

INTERGOVERNMENTAL AGREEMENT

BETWEEN

CLACKAMAS COUNTY, OREGON

AND

THE CITIES OF LAKE OSWEGO, MILWAUKIE, HAPPY VALLEY, SANDY, ESTACADA, CANBY AND MOLALLA

This Clackamas County Rural Strategic Investment Zone #1 Intergovernmental Agreement ("Agreement") is by and between Clackamas County, Oregon (the "County") and the Cities of Sandy, Estacada, Molalla and Canby and portions of Happy Valley (the "Rural Cities").

This Clackamas County Urban Strategic Investment Zone #2 Intergovernmental Agreement ("Agreement") is by and between Clackamas County, Oregon (the "County") and the Cities of Lake Oswego, Milwaukie and portions of Happy Valley (the "Urban Cities").

RECITALS

A. The County and the Cities compete with local, national and foreign jurisdictions to attract investment by capital-intensive industries. Industries requiring capital-intensive investments are desirable to the County and the Cities because such industries invest heavily in developing the skill levels of their employees, pay their employees well and contribute in other important ways to the economic development of the region.

B. Under Oregon's tax structure, capital-intensive businesses are subject to disproportionately high property taxes when compared to more typical production facilities. This tax burden is a factor in such industries' consideration of location and expansion in Oregon.

C. The Oregon Legislative Assembly chose to establish an economic development instrument known as Strategic Investment Zones ("SIZ") to encourage additional investment and employment within the State by businesses qualified under ORS 285C.505(3) (hereinafter "Business Firm") that make capital-intensive property investments.

D. Oregon law at ORS 285C.623 through 285C.639 and rules established by the

Oregon Business Development Department and the Oregon Department of Revenue control the establishment and operation of strategic investment zones. The characteristics and benefits of the Clackamas County SIZ include:

(1) SIZ Tax Abatement. Under the process set out in ORS 307.123 (hereinafter "Tax Abatement") Business Firms with a project in the Clackamas County SIZ pay full property taxes on the first $25 million in rural SIZ #1 or the first $100 million invested in the Urban SIZ #2 (hereinafter the "Project") (see Exhibit A attached). Taxes on the value of property in excess of that amount are abated, however, the rural SIZ #1 area $25 million cap and the urban area SIZ #2 area $100 million cap increases by three percent (3%) each year. SIZ Tax Abatement is limited in duration and will not exceed 15 years.

(2) Qualification. To qualify for the program, businesses must meet the basic eligibility standards established by the state of Oregon in addition to the Clackamas County SIZ requirements outlined in Exhibit B. The benefits and requirements of a particular SIZ are established at the time the SIZ is created and will not vary thereafter. As a result, contract negotiation and local jurisdiction discretionary review are removed from the project approval process. The standardization inherent in an SIZ lends consistency and predictability to the program. Such consistency and predictability increases the accuracy with which Business Firms can assess the benefits of an SIZ, which, in turn, increases the desirability of investing within an SIZ.

(3) Community Services Fee (CSF). Business Firms receiving SIZ Tax Abatement must pay an annual fee, known as the Community Service Fee, equal to the lesser of twenty-five percent (25%) of abated taxes or $500,000 in the Rural SIZ #1 and $2 million in the Urban SIZ #2. This fee is shared according to the Community Service Fee provisions outlined in Exhibit C attached.

(4) Income Tax Payment. Oregon will distribute fifty percent (50%) of the personal income tax revenue attributable to the Clackamas County SIZ # 1 and #2 to the required local taxing authorities according to the agreed upon distribution of Income Tax Revenue Share Distribution payments outlined in Exhibit C.

(5) Regional Employment and Contracting Incentive. Business Firms receiving SIZ Tax Abatement must enter into a First-Source Hiring and Contracting Agreements, which promotes gainful work for persons and suppliers or contractors already residing in the proximate city or county of the approved project as outlined in Exhibit D attached.

(6) Reduced Administrative Costs. The SIZ is designed to reduce local jurisdiction administrative costs through standardization of the requirements and procedures for obtaining SIZ Tax Abatement.

E. At various meetings with city councils during May through July 2010, the Cities approved co-sponsorship and operation of the Clackamas County SIZ #1 and # 2 and the execution of this Agreement.

F. On June 10, 2010, the County approved co-sponsorship and operation of the Clackamas County SIZ #1 and #2 and the execution of this Agreement.

G. The parties desire to execute this Agreement in order to co-sponsor the establishment of Clackamas County SIZ by the Oregon Business Development Commission and to provide for its joint-operation by the parties.

WHEREFORE, in consideration of the mutual promises, covenants and conditions contained herein and with intent to be legally bound, the County and the Cities hereby agree as follows:

AGREEMENT

1. DECLARATION OF PURPOSE

A. This Agreement addresses and is pursuant to ORS 285C.600 to ORS 285C.626, 285C.635, 285C.639 and 307.123 and Division 623 of OAR Chapter 123, especially OAR 123-623-3000 through 123-623-3400, which describe the process for creating and operating a SIZ. The County and the Cities recognize that once established, the SIZ does not expire and may not be terminated.

2. AREA AND BOUNDARIES OF CLACKAMAS COUNTY SIZ.

A. The Clackamas County-SIZ #1 is located wholly within the County outside the Metro urban growth boundary in 2002, consisting of all such unincorporated areas, the entire area inside the corporate limits of the Cities of Sandy, Canby, Estacada and Molalla and incorporated area of the City of Happy Valley outside the Metro 2002 Boundary. It does not include land inside the city limits of Damascus and Barlow or land in Clackamas County SIZ #2. It is contiguous and is exclusive of land inside of any other SIZ. The boundaries of the Clackamas County SIZ #1 are set forth in the map in Exhibit A.

B. The Clackamas County SIZ #2 is located wholly within the County inside the Metro urban growth boundary in 2002, consisting of all such unincorporated areas of Clackamas County, the entire area inside the corporate limits of the Cities of Lake Oswego, Milwaukie and incorporated areas of the City of Happy Valley inside the Metro

2002 Urban Growth Boundary, inclusive of portions of the Willamette and Clackamas rivers linking the aforementioned cities. It does not include land outside the Metro 2002 UGB or land within the city limits of Oregon City, Johnson City, Gladstone, West Linn or Wilsonville. It is contiguous and is exclusive of land inside of any other SIZ. The boundaries of the Clackamas County SIZ #2 are set forth in the map in Exhibit A.

C. This Agreement applies identically to both Clackamas County SIZ #1 and SIZ #2, with the exception of local requirements on businesses and community service fee calculation and distributions, as indicated herein.

3. OBJECTIVES OF THE CLACKAMAS COUNTY SIZ

The objectives of the Clackamas County SIZ include:

- To attract large capital intensive traded sector business to Clackamas County and the co-sponsoring Cities.
- To increase business investment, employment and economic output in cities and unincorporated Clackamas County.
- To provide a clear and streamlined process for businesses interested in the program.
- To use Community Service Fees and Income Tax Revenue Distribution funds to mitigate impacts on infrastructure, services and other fiscal demands of these large companies and to offset some impacts on affected taxing districts.

4. OBLIGATIONS

A. Joint Operation. The County and City are the co-Sponsors of the Clackamas County SIZ and shall jointly operate the zone. To the extent that additional administrative oversight, implementation, procedures and/or standardized forms and other clear and straightforward materials must be developed pursuant to OAR 123-023-3100(3) (a) through (d) and OAR 123-023-3300(2), Clackamas County shall assume the primary role in providing these services. The Cities shall have full and complete opportunities to participate in the process and approve procedures and documents. Pursuant to OAR 123-023-3200(8) County and the Cities shall provide the documentation of the Clackamas County SIZ program to the Oregon Business Development Department including copies of additional policies, rules, procedural guidelines, administrative plans, methods of verification and a sample standardized agreement. The County and City shall request designation of the Clackamas County SIZ as soon as practicable after completion of the public hearing required in ORS 285C.623(4).

B. Community Service Fee. Each Business Firm that is to benefit from SIZ Tax Abatement shall pay a Community Services Fee ("CSF") for community services support that relates to the direct impact of the eligible project on public services as set forth in this section.

1. Amount. For each year in which a Business Firm benefits from SIZ Tax

Abatement, the Business Firm shall pay to the County a CSF, as provided in ORS 285C.609 (4) (b) (B), in an amount equal to twenty -five percent (25%) of the property taxes that would, but for the tax abatement, be due on the exempt property in each assessment year, but not exceeding $500,000 in rural portions of the SIZ and $2 million in urban portions of the SIZ per eligible project in any year.

2. Due Date.

a. For the initial year, the CSF shall be paid in installments:

1) The first quarter shall be paid at the time the application for a building permit is made.

2) The second quarter shall be paid within thirty days of the issuance of the Certificate of Occupancy.

3) The remaining half of the payment of the CSF for the initial year shall be paid no later than the November 15th immediately following the date the Certificate of Occupancy was issued.

b. For each year thereafter during the life of the abatement, on or about Nov. 15, the County shall provide each Business Firm that receives Tax Abatement in the Clackamas County SIZ with a statement describing CSF calculations and the amount due. Each Business Firm receiving such statement shall pay the amount due within 30 days thereafter.

3. The CSF payment shall be made to Clackamas County and sent to:

Strategic Investment Zone Coordinator
Clackamas County Business and Economic Development
Development Services Building
150 Beavercreek Road
Oregon City, OR 97045

3. Adjustments. If the assessed value of the Business Firm is adjusted after November 15 of any tax year in such a manner that property taxes due from the Business Firm are reduced and the reduction reduces the CSF for that year, the County shall pay the amount of the reduction to the Business Firm, together with interest at the rate established by law for tax refunds and delinquencies (ORS 311.505(2)) from the date of payment of the CSF. If the County does not pay the amount by November 10 of the following year, the Business Firm may withhold the unpaid amount, plus interest as provided in this section, from subsequent CSF payments due from the Business Firm. If the remaining CSF payments due from the Business Firm are less than the amount owed by the County to the

Business Firm under this section, the County shall pay the amount due to the Business Firm not later than December 15 of the year following the year in which the reduction occurs. An appeal of the assessed value does not defer the CSF payment obligation set forth above. Any adjustments based on the outcome of the appeal shall be in accord with this paragraph.

4. Late Payment of CSF. Failure to make payment in full of any fee by the due date shall result in interest being charged on the past due balance at the rate established by law for delinquencies (ORS 311.505(2)) and the additional payment of such penalty or penalties as the Clackamas County Standardized Agreement set out in Section 4-C may set out.

5. Nonpayment of CSF. If the Business Firm fails to pay the CSF by the end of the tax year in which it is due, the tax exemption shall be revoked and the property shall be fully taxable for the following tax year for which the fee remains unpaid.

C. Clackamas County SIZ Standardized Agreement. A Business Firm seeking SIZ Tax Abatement under ORS 307.123 in the Clackamas County SIZ shall execute the Clackamas County SIZ Standardized Agreement ("Standardized Agreement") attached as Exhibit F.

D. Clackamas County SIZ Standardized First-Source Hiring Agreement and First Source Contracting Agreement. In order to encourage hiring of persons living in Clackamas County and businesses located in Clackamas County, a Business Firm seeking SIZ Tax Abatement under ORS 307.123 in the Clackamas County SIZ shall execute the Clackamas County SIZ Standardized First-Source Hiring Agreement and First Source Contracting Agreement attached as Exhibit D.

E. Distribution of Payments. The distribution of all payments by a Business Firm and by the state to the County, the City and other local taxing authorities shall be determined as outlined in Exhibit C.

F. Urban Renewal. In the event the Project is located in whole or in part within the boundaries of an urban renewal district, the applicable urban renewal agency shall consult and confer with the affected taxing districts in the manner provided in ORS 457.085(5) and 457.437. In its review of the effect of the Project on the urban renewal plan and in its dialogue with the affected taxing districts the urban renewal agency shall note its options under ORS 457.455 and the effect of the Project, if any, on maximum indebtedness and the possible application of ORS 457.470 and its provisions as to the concurrence of the tax districts.

5. MISCELLANEOUS TERMS

A. Governing Law. This Agreement shall be governed by the law of the State of Oregon. Any actions or suits commenced in connection with this Agreement shall be in Circuit Court of Clackamas County or Federal District Court for Oregon.

B. Complete Agreement. This Agreement and its attached exhibits are the complete and exclusive statement of the Agreement between the parties relevant to the purpose described above and supersedes all prior agreements or proposals, oral or written and all other communication between the parties relating to the subject matter of this Agreement. No modifications of the Agreement will be binding on any party except as a written addendum signed by authorized agents of each party. All rights and remedies of each party shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of either party according to law.

The balance of this page has been intentionally left blank.

C. Counterparts. This Agreement may be signed in counterparts. When every party has signed a counterpart all parties shall be bound by this Agreement.

CLACKAMAS COUNTY

_____
Lynn Peterson
Chair

Date: _____

_____
Mary Raethke
Recording Secretary

Reviewed for legal sufficiency and form:

_____
Counsel

CITY OF LAKE OSWEGO

_____
Jack D. Hoffman
Mayor

Date: _____

_____
Recorder

Reviewed for legal sufficiency and form:

_____
Counsel

CITY OF MILWAUKIE

Jeremy Ferguson
Jeremy Ferguson
Mayor

Date: 8/3/10

Pat Duval
Recorder

Reviewed for legal sufficiency and form:

_____

CITY OF CANBY

_____
Melody Thompson
Mayor

Date: _____

_____
Recorder

Reviewed for legal sufficiency and form:

_____

Counsel

Counsel

CITY OF HAPPY VALLEY

_____
Rob Wheeler
Mayor

Date: _____

_____
Recorder

Reviewed for legal sufficiency
and form:

_____
Counsel

CITY OF SANDY

_____
Linda Malone
Mayor

Date: _____

_____
Recorder

Reviewed for legal sufficiency
and form:

_____
Counsel

CITY OF ESTACADA

_____
Becky Arnold
Mayor

Date: _____

_____
Recorder

Reviewed for legal sufficiency
and form:

_____
Counsel

CITY OF MOLALLA

_____
Mike Clarke
Mayor

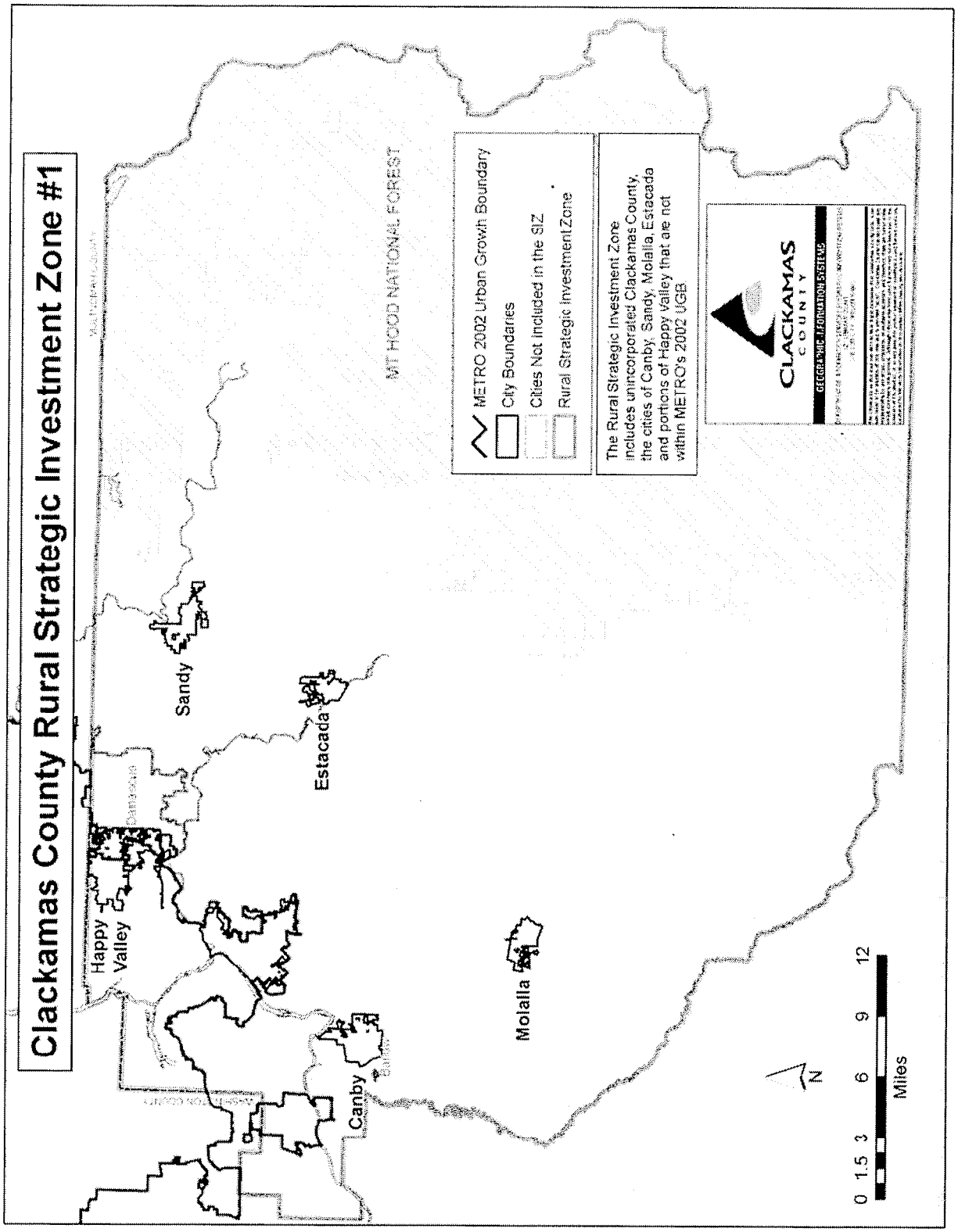
Date: _____

_____
Recorder

Reviewed for legal sufficiency
and form:

_____
Counsel

EXHIBIT A1 – Maps of Proposed Strategic Investment Zones

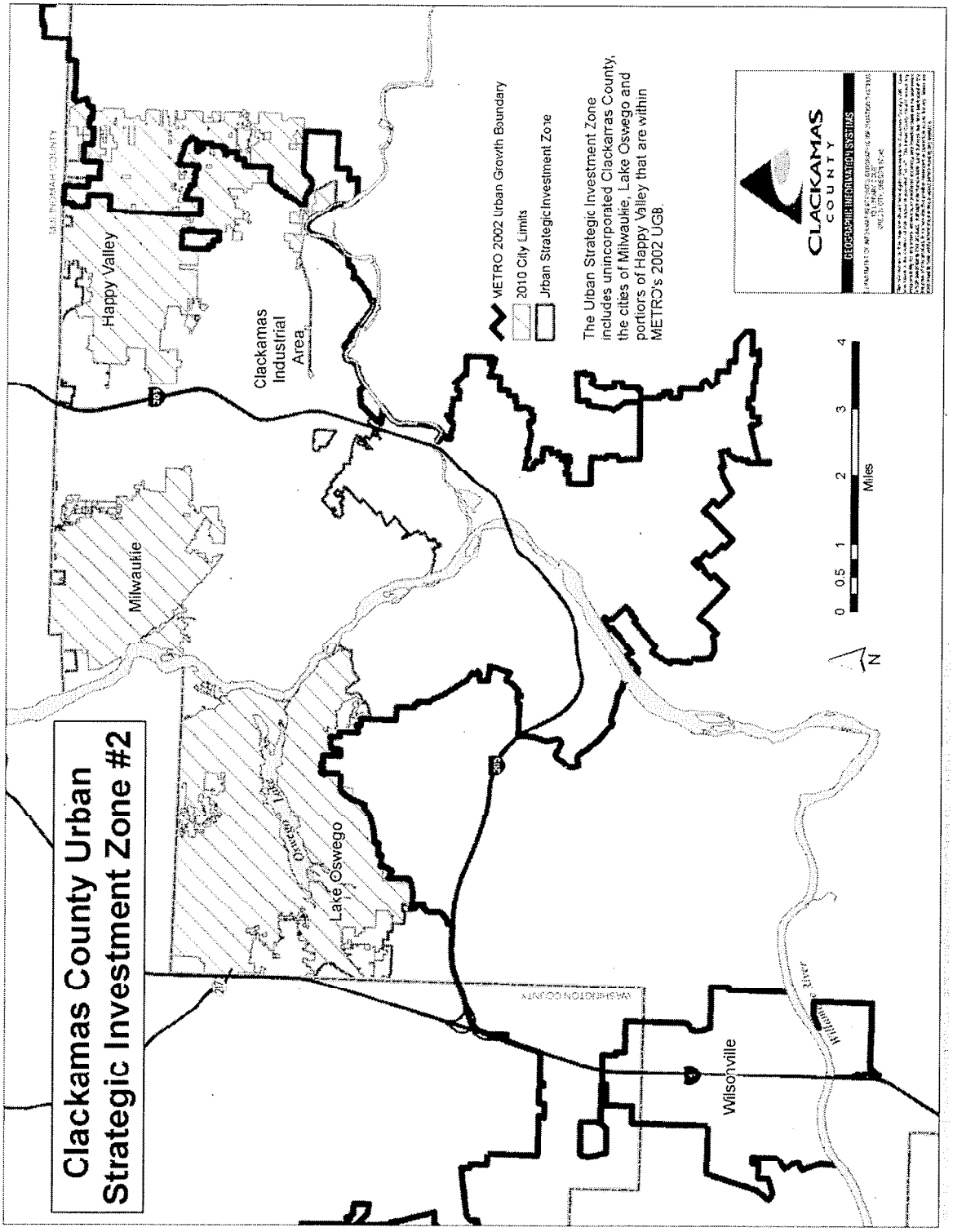


Rural Strategic Investment Zone #1

EXHIBIT A2 – Maps of Proposed Strategic Investment Zones

Urban Strategic Investment Zone #2

EXHIBIT A3 – Maps of Proposed Strategic Investment Zones



Detailed map of Happy Valley Urban and Rural Strategic Investment Zone Areas

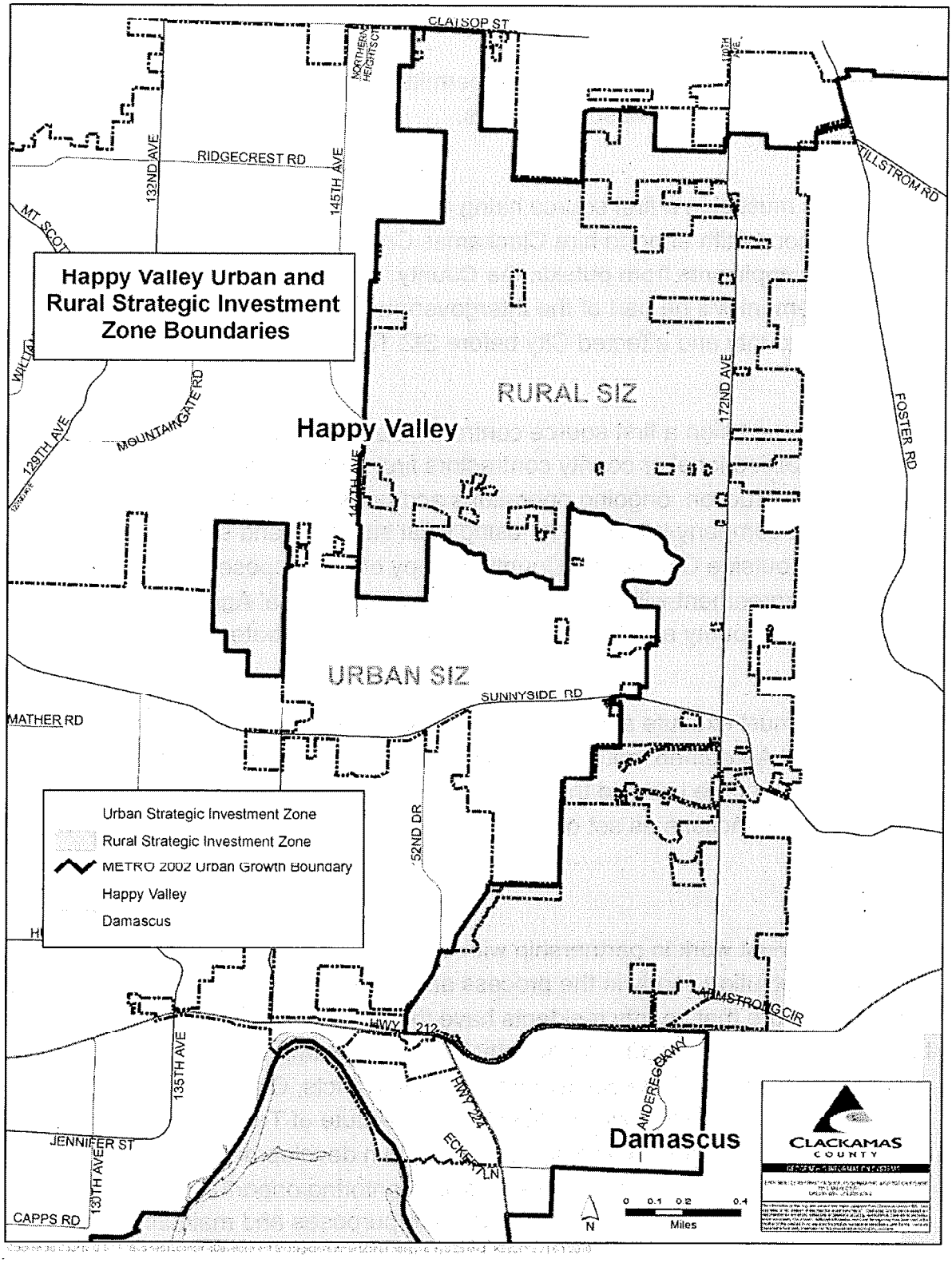


EXHIBIT B – Requirements of Companies

Eligible Companies must meet the following local requirements in addition to any Oregon requirements of the SIZ program.

- Companies must meet all local zoning, permitting, building and environmental requirements and pay all associated fees.

- Companies must sign a first source hiring agreement that cements their commitment to make a good faith effort to hire Clackamas County and City residents before considering applicants from outside the County. A copy of the proposed first source hiring agreement will be part of the Intergovernmental Agreement signed by the Company, County and affected City before SIZ Tax Abatements are granted.

- Companies must sign a first source contracting agreement committing them to consider qualified local or county contractors first for SIZ related investments including construction, ongoing operations and professional services. Where possible, the company will consider using local suppliers and service providers before firms outside Clackamas County. A copy of the proposed first source contracting agreement will be part of the Intergovernmental Agreement signed by the Company, County and affected City before SIZ Tax Abatements are granted.

- Companies must execute and at all times remain in good standing, under the Standardized Agreement set out as Exhibit F. Companies who fail to meet their obligations under the law and the provisions of this Agreement shall be subject to penalties and sanctions as set out in the Standardized Agreement at Page 10, Section 6-J.

- Companies must work in partnership with County workforce training providers and education institutions early in the process and throughout the 15 year abatement period to ensure that county residents have the opportunity to receive education and training to be eligible for jobs created by the SIZ investment. Partnership opportunities could include working with school districts, Clackamas Community College, Marylhurst University, or the Oregon Institute of Technology to tailor degree or certification programs, assisting with curriculum development, developing internships, providing instruction assistance, mentoring opportunities, consideration of financial or equipment donations for training purposes and maintaining any current company policies regarding initial employment, promotion of education and

tuition reimbursement.

- Provide yearly reports to the County and the State of Oregon after January 1 and before April 1 as outlined in OAR 123-023-4000 and 123-023-4100.

- In unincorporated Clackamas County and all other communities which also choose, Companies shall pay no less than 150%, plus benefits, of the State minimum wage.

EXHIBIT C: Community Service Fee and Income Tax Revenue Share Distribution

Clackamas County will collect Community Service Fees of 25% of abated taxes, income tax payments of 50% of personal income tax paid by employees of the company and any other future revenue sources associated with the SIZ annually and distribute funds based on the distribution approach below.

Option A: Address Business Impacts and Community Priorities

For the Cities of Sandy and Milwaukie, all Community Service Fees and Revenue Share proceeds will be managed by the City Council. Revenues associated with the SIZ program will be allocated first to mitigate direct impacts of the development on the community that are needed over and above systems development charges collected. Once those needs are addressed, additional revenues will be used to fund high priority projects or programs of the community.

Option B: Support Local Taxing Districts

For cities of Estacada, Lake Oswego and unincorporated Clackamas County, revenues associated with the SIZ program will be allocated on a pro rata share to all affected taxing districts to partially compensate them for lost property tax revenue on SIZ investments over $25 million in rural areas and $100 million in urban areas. Taxing districts are encouraged to meet soon after a business application has been submitted and periodically thereafter to discuss the potential of pooling resources to invest in projects of mutual interest that have a bigger impact on the community.

In unincorporated Clackamas County and other jurisdictions that so choose, an affected taxing district may apply to Clackamas County for reimbursement of its direct costs associated with the review and inspection of the proposed development or specific investment needed to accommodate specialized response.

Option B (1): Support of Local Taxing Districts Through Committee Direction

For the City of Molalla, a special advisory committee to the city council will examine the impacts of the SIZ investment on taxing districts and specifically advise the council on how to address those impacts. If no specific impacts are identified revenues associated with the SIZ program will be allocated on a pro rata share to all affected taxing districts.

Option B (2): Support Address Business Impacts and Community Priorities and Most Impacted Taxing Districts

For the City of Canby, the Income Tax Revenue Share proceeds will be used to offset impacts of the business and address community priorities as outlined in Exhibit C, Option A on page 15. The proceeds from the Community Service fee will divided with ___% of the funds dedicated for use by the Fire District and ___% of the funds

dedicated for use by the School District.

Dispute resolution: In the event the County, the City and other affected taxing districts do not agree as to the allocation of revenues, the matter shall be submitted to mediation before a mediator that is mutually acceptable to all parties. Such mediation shall take place within 60 days of a party's request for mediation in a neutral location mutually acceptable to all parties. Each party shall be responsible for paying its own costs and expenses (including legal fees, if necessary) for the mediation and share equally the expenses of the mediator.

The mediator shall issue his or her decision within 10 days of the mediation. In the event that the mediation is unsuccessful, the Oregon Business Development Commission shall determine the formula for distribution of the fee according to ORS 285C.609 (6) (b).

EXHIBIT D – First Source Hiring and Contracting Agreements

CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE
FIRST SOURCE HIRING AGREEMENT

This First Source Agreement for referral of qualified job applicants is entered into between THE OREGON EMPLOYMENT DEPARTMENT, hereinafter referred to as the "CONTACT AGENCY," which coordinates job referrals for and represents the following other publicly funded job training providers for the geographic area covered in the Interagency Agreement under OAR 123-070-12100, hereinafter referred to as "PROVIDERS," and the following Business Firm located in this geographic area, hereinafter referred to as the "EMPLOYER."

The EMPLOYER is or will be receiving benefits from the Clackamas County Strategic Investment Zone program. Under this First Source Agreement, the EMPLOYER will use the CONTACT AGENCY as its first source for external referral of Qualified Applicants for all job openings of the EMPLOYER at the following location(s):

INSERT LOCATION OF SIZ PROJECT HERE

In the posting of jobs the EMPLOYER agrees to the following:

- To effectively notify the CONTACT AGENCY of all job openings no less than 30 days before notification is given to any other job referral source external to the EMPLOYER or any public announcement for the job opening, throughout the term of this agreement;

- That each such notice to the CONTACT AGENCY shall include job qualifications and a deadline for referrals;

- To ensure that the CONTACT AGENCY and the PROVIDERS will have sufficient lead time (minimum lead time is ___ business days) before the job application close date, except in temporary or emergency situations); and sufficient information to make meaningful referrals for jobs that will be filled by the EMPLOYER;

- That all job information may be shared with all PROVIDERS for which referrals are coordinated by the CONTACT AGENCY; and

- That all job openings shall be listed in the public labor exchange system, (**iMatchSkills** JOB SELECTION SYSTEM) of the Oregon Employment Department, insofar as a local office of that State Agency is a PROVIDER.

The CONTACT AGENCY agrees to the following:

- That to the extent that Qualified Applicants are available among the relevant PROVIDERS, to refer those individuals to the EMPLOYER for job openings; and

- To facilitate and implement the listing of all job openings in the "public labor exchange system," in cooperation with other PROVIDERS (though, not necessarily to the exclusion of other referral methods.)

The EMPLOYER agrees to:

- First consider for employment any Qualified Applicant referred by the CONTACT AGENCY by the referral deadline;

- Hire the Qualified Applicant(s) referred by the Contact Agency;

- Notify the CONTACT AGENCY when a Qualified Applicant is hired by the EMPLOYER; and

- Provide after-the-fact information to the CONTACT AGENCY about applicable overall hiring and job vacancies in a prescribed manner or as requested by the CONTACT AGENCY, in accordance with OAR 123-070-1900(1) to (3).

- Comply with all relevant laws regarding employment of Qualified Applicants of this State and the Federal government, including but not limited to not discriminating on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, sexual orientation, physical or mental disability, or any other reason prohibited by law.

The EMPLOYER will make all final decisions on hiring new employees. After the EMPLOYER has hired the employees, the EMPLOYER assumes full responsibility for them as employees.

All wages paid by the employer must exceed 150% of the current State minimum wages, plus benefits.

All persons hired under this Agreement are subject to the EMPLOYER's regular personnel policies and procedures and have no special or additional rights arising from this Agreement.

If the terms of this Agreement conflict with the provisions of a collective bargaining agreement to which the EMPLOYER is a party, the bargaining agreement shall prevail.

Both the CONTACT AGENCY and EMPLOYER agree to attempt to resolve all areas of misunderstanding, disagreement or dissatisfaction with each other as soon as they arise. If the parties are unable to resolve the issue, either may:

Initiate a meeting between the EMPLOYER and either the CONTACT AGENCY or all of the PROVIDERS; or
Request assistance from the Oregon Business Development Department.

This agreement shall take effect on the date of the last signature by the contracting parties below and shall be in full force and effect until DECEMBER 31 OF THE FIFTEENTH YEAR OF THE STRATEGIC INVESTMENT ZONE or until the end of the term, period or periods as described in OAR 123-070-1600.

APPROVED

CONTACT AGENCY	EMPLOYER
Name	Name
Title	Title
Address	Address
Phone	Phone
	Unemployment Insurance Account #
_____	_____
Signature and Date	Signature and Date

CLACKAMAS
COUNTY

CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE
FIRST SOURCE CONTRACTING AGREEMENT

This First Source Agreement for referral of qualified contractors is entered into between Clackamas County, hereinafter referred to as the "CONTACT AGENCY," which coordinates contractor referrals, hereinafter referred to as "PROVIDERS," and the following Business Firm located in this geographic area, hereinafter referred to as the "EMPLOYER." (INSERT NAME OF SIZ PROJECT HERE).

The EMPLOYER is or will be receiving benefits from the Clackamas County Strategic Investment Zone program. Under this First Source Agreement, the EMPLOYER will use the CONTACT AGENCY as its first source for external referral of qualified contractors for all local construction, operations, training and suppliers of the EMPLOYER:

Such that the EMPLOYER agrees to the following:

- To effectively notify the CONTACT AGENCY of all contracting opportunities with the company no later than when notification is received by any other referral source external to the EMPLOYER or any public announcement for the contracting opportunity, throughout the term of this agreement;

- That each such notice to the CONTACT AGENCY shall include contractor qualifications and a deadline for referrals;

- To ensure that the CONTACT AGENCY and the PROVIDERS will have sufficient lead time (minimum lead time is ___ business days) before the contractor bid closing date, except in temporary or emergency situations); and information to make meaningful referrals for contracting opportunities that will be filled by the EMPLOYER;

- That all contracting information may be shared with all PROVIDERS for which referrals are coordinated by the CONTACT AGENCY; and

The CONTACT AGENCY agrees to the following:

- That to the extent that Qualified Contractors are available among the relevant PROVIDERS, to refer those firms to the EMPLOYER for contracting opportunities; and

The EMPLOYER agrees to:

- Fully consider for contracting any Qualified Contractor referred by the CONTACT AGENCY by the referral deadline;
- Notify the CONTACT AGENCY when a Qualified Contractor is retained by the EMPLOYER; and
- Provide after-the-fact information to the CONTACT AGENCY about applicable overall contracting arrangements annually to include name of contractor, amount of contract, jobs created and other economic indicators on request.

  Comply with all relevant laws regarding contracting for goods and services of this State and the Federal government, including but not limited to not discriminating on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, sexual orientation, physical or mental disability, or any other reason prohibited by law.

The EMPLOYER will make all final decisions on contracting arrangements.

The CONTACT AGENCY, the EMPLOYER and the Contractor agree to attempt to resolve all areas of misunderstanding, disagreement or dissatisfaction with each other as soon as they arise.

This agreement shall take effect on the date of the last signature by the contracting parties below and shall be in full force and effect until DECEMBER 31 of the last year of the fifteen year exemption period or early closure or relocation of the business.

APPROVED

CONTACT AGENCY	EMPLOYER
Name	Name
Title	Title
Address	Address
Phone	Phone
_____	_____

Signature and Date Signature and Date

EXHIBIT E – ADMINISTRATIVE PROCEDURES

A. A Business Firm wishing to locate in the Clackamas County SIZ zone shall request local endorsement by submitting a completed Application for the Oregon Strategic Investment Program (the "Application"), provided by the County to:

Strategic Investment Zone Coordinator
Clackamas County Business and Economic Development
Development Services Building
150 Beavercreek Road
Oregon City, OR 97045

In instances where the investment falls within the limits of a participating city, the Strategic Investment Zone Coordinator (the "Coordinator") shall promptly forward a duplicate of the Application to his or her counterpart.

B. Within thirty days after the receipt of the Application, the Coordinator will notify the Business Firm of whether the information and materials included in the Application are complete or incomplete. If the Coordinator determines the Application is incomplete, the Coordinator shall advise the Business Firm of the information and materials that must be submitted to make the Business Firm's Application complete.

C. The Coordinator and, if applicable, his or her counterpart from the affected city, shall review and either approve or deny each request for Clackamas County SIZ Zone treatment within thirty days of the date that the Application is declared complete.

1. A decision to deny the Application shall be specific as to the reasons for the denial and be consistent with the terms and provisions of the Intergovernmental Agreement creating the Clackamas County Strategic Investment Zone.

2. A decision to approve the Application shall result in the invitation to the Business Firm to execute the Standardized Agreement between Clackamas County, an affected city, if any and the Business Firm (the Standardized Agreement").

3. A fully executed Standardized Agreement constitutes local endorsement of the investment by the Business Firm.

D. Local endorsement may only be withdrawn or revoked through a formal finding that there was a material error, omission, or misrepresentation in the Application or that

there is a breach of any provision of any agreement executed for purposes of obtaining the local endorsement.

EXHIBIT F – CLACKAMAS COUNTY STRATEGIC ENTERPRISE ZONE STANDARDIZED AGREEMENT

INCLUDED AS A DISTINCT DOCUMENT

EXHIBIT F

CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE

STANDARDIZED AGREEMENT BETWEEN

CLACKAMAS COUNTY AND

THE CITY OF INSERT NAME HERE AND

INSERT NAME OF BUSINESS HERE

Date: _____

This is an agreement (the "Agreement") by and between Clackamas County, a duly constituted governmental entity under the laws of the State of Oregon (the "County") and the City of INSERT NAME HERE, an Oregon municipality (the "City"), and INSERT NAME OF COMPANY, (the "Company"). Its purpose is to define the rights, responsibilities, and obligations of the County, the City, and the Company in terms of the Clackamas County Strategic Investment Zone.

RECITALS

A. The County, the City, and the Company all agree that it is in their individual and mutual best interests for the Company to locate its business in Clackamas County.

B. The County, the City, and the Company recognize that the Company is a capital intensive business as to which the elements of a strategic investment zone are especially important. Capital intensive businesses are especially attractive to the County and the City because these businesses invest in developing the skill levels of their employees, pay their employees higher wages, and contribute in other ways to the economic vitality of a region.

C. Oregon law at ORS 285C.623 through 285C.639 and in rules established by the Oregon Business Development Department and the Oregon Department of Revenue sets out the establishment and operation of strategic investment zones. Key characteristics of strategic investment zones include:

1. Businesses approved as a strategic investment zone project receive a partial property tax abatement under ORS 307.123 under the terms of which the business must pay full property taxes on the first $25 million in SIZ #1 and the first $100 million in SIZ #2 invested. Taxes on the value of property in excess of that amount are abated; however, this cap increases by 3% each year.

2. Businesses approved as a strategic investment zone project must pay an annual Community Service Fee equal to the lesser of 25% of exempt taxes or $500,000 in SIZ #1 and $2 million in SIZ #2.

3. Businesses approved as a strategic investment zone project must enter into First Source Hiring and Contracting Agreements, which promotes gainful work for persons and contractors and suppliers already residing in the proximate area or region of the approved project.

4. Oregon will distribute 50% of the personal income tax revenue attributable to the strategic investment zone to the local taxing authorities according to the agreed upon distribution of income tax revenue share distribution payments.

5. The term of the benefits of a strategic investment zone to a specific project is temporary, lasting no longer than 15 years.

D. On June 10, 2010 the County approved co-sponsorship and operation of the Clackamas County Strategic Investment Zone.

E. On various dates in May through July 2010 the seven Cities approved co-sponsorship and operation of the Clackamas County Strategic Investment Zone.

F. On INSERT DATE HERE the County and the City entered into an Intergovernmental Agreement in order to co-sponsor the establishment of the Clackamas County Strategic Investment Zone and set out their respective rights and obligations under its operation.

G. The Company wishes to place its project (the "Project") within the Clackamas County Strategic Investment Zone, and has filed an application (the "Application"). A copy of the Application is attached as Exhibit "A".

1. The Project is wholly located within the Clackamas County Strategic Investment Zone. The property is contiguous, and is not within an existing strategic investment zone. The Project is shown on the map in Exhibit "B" and described by a list of affected tax lot numbers in Exhibit "C".

2. Under the terms of the Application, the Company has requested that the Company receive approval for the special tax treatment of Projects within a strategic investment zone.

H. The County, the City, and the Company have agreed to enter into this Standardized Agreement which is a requirement of the County and City Intergovernmental Agreement and constitutes the local approval necessary for the granting of status as a strategic investment zone project.

NOW, THEREFORE, in consideration of the following mutual promises the County, the City, and the Company all agree as follows:

1. Limitations on Qualification of the Project for Abatement.

A. Only that portion of any property that the Business Development Commission has authorized as a Project according to OAR 123-023-1600 and related rules shall receive the abatement under ORS 307.123.

B. All other property not authorized for abatement according to Section 1-A above, including future additions to the Project, shall be subject to the balance of the laws as to tax assessment and collection, without regard to ORS 307.123.

2. Term.

   This Agreement shall take effect on the date the Oregon Business Development Commission formally authorizes the Company's qualification as a Project in a strategic investment zone. It shall continue for the fifteen years described in ORS 307.123.

3. The ORS 307.123 Tax Abatement of the Project.

   A. The Company's Application represents that the Project will have a total value of INSERT AMOUNT HERE. The County, City, and the Company agree that the assessed value of the property associated with the Project shall be calculated according to ORS 307.123.

   B. The Project shall have its taxes calculated according to ORS 307.123 for fifteen tax years, commencing with the year the Company is first eligible for the calculation.

   C. Pursuant to OAR 123-023-1600(6)(d), the Project will not consist of any property formerly or currently exempt under ORS 285C.175 and the Company shall not acquire status as an authorized business firm for any investment at the same location in an enterprise zone.

   D. The Company shall provide timely information to the Oregon Business Development Department, County Assessor, and or the Department of Revenue as may be requested, required, or otherwise necessary under ORS 307.123 or other applicable laws, including but not limited to information as to the date when any taxable property is initially placed in service, occupied, used, or operated.

4. Obligations of the Company.

   A. The Company shall pay a Community Services Fee ("CSF") for community services support that relates to the direct impact of the eligible project on public services as set forth in this section and ORS 285C.623(4) and other applicable law.

      1) Amount. For each year the Company shall pay to the County a CSF as provided in ORS 285.623(4)(b) an amount equal to 25% of the property taxes that would, but for the tax abatement, be due on the exempt property in each assessment year, but not exceeding $500,000 in instances where the investment is in Rural SIZ #1 and $2 million where the investment is in Urban SIZ #2, per eligible project in any year.

2) Due Date. On or about Nov. 15, the County shall provide the Company with a statement describing CSF calculations and the amount due. The Company upon receiving such statement shall pay the amount due within 30 days thereafter. The CSF payment shall be made to:

Strategic Investment Zone Coordinator
Business and Economic Development Department
Development Services Building
150 Beavercreek Rd.
Oregon City, OR 97045

3) Adjustments. If the assessed value of the Company is adjusted after November 15 of any tax year in such a manner that property taxes due from the Company are reduced, and the reduction reduces the CSF for that year, the County shall pay the amount of the reduction to the Company, together with interest at the rate established by law for tax refunds according to ORS 311.505(2) from the date of payment of the CSF.

a. If the County does not pay the amount by November 10 of the following year, the Company may withhold the unpaid amount, plus interest as provided in this Section, from subsequent CSF payments due from the Company.

b. If the remaining CSF payments due from the Company are less than the amount owed by the County to the Company under this Section, the County shall pay the amount due to the Company not later than December 15 of the year following the year in which the reduction occurs. An appeal of the assessed value does not defer the CSF payment obligation set forth above. Any adjustments based on the outcome of the appeal shall be in accord with this Section 4-A-3-b.

4) Late Payment of CSF. Failure to pay the CSF sum in full by the due date shall result in penalty and interest being charged on the past due balance in the same amount as is provided by law for late payment of ad valorem property taxes.

5) Nonpayment of CSF. If the Company fails to pay the CSF by the end of the tax year in which it is due, the tax exemption shall be revoked and the property shall be fully taxable for the tax year next following the tax year for which the fee remains unpaid.

B. First Source Agreements.

1) The Company shall enter into a standardized First Source Hiring Agreement ("FSHA"), a copy of which is attached as Exhibit D to this Agreement. Its terms are incorporated by reference into this Agreement.

a. If the County designates a Publicly Funded Training Provider, the Company shall enter into a separate FSHA with the designated Publicly Funded Training Provider under substantially the same terms as set out in Exhibit D.

b. If there is a conflict between this Agreement and Exhibit D, this Agreement shall take precedence. If there is a conflict between Exhibit D and the Public Funded Training Provider First-Source Hiring Agreement, Exhibit D shall control.

2) The Company shall enter into a standardized First Source Contracting Agreement ("FSCA"), a copy of which is attached as Exhibit E to this Agreement. Its terms are incorporated by reference into this Agreement.

C. Reporting Obligations.

1) In addition to any other report or filing required by law the Company shall file with the Department of Revenue the information required by ORS 308.290 in the form of the annual industrial property return.

2) In addition to any other report or filing required by law the Company shall file with the Oregon Business Development Department and Clackamas County the annual participation report required by ORS 285C.615, along with any other information related to the terms of this Agreement that the County may require.

D. Payment of Property Taxes.

The Company shall pay all property taxes owed on the Project on or before November 15th of the year in which they were assessed.

5. Obligations of the County and City.

The County and the City shall, by action of the respective Commission and Council, affirmatively endorse the Company's proposed project if the Company submits a strategic investment zone application in accordance with Oregon statutes, rules, and the County and City strategic investment program.

6. Breach, Default and Remedy.

A. The County and the City shall each designate a Strategic Investment Zone Manager with the duty to monitor compliance by the Company with the terms of this Agreement. The respective Strategic Investment Zone Managers are:

The County: Strategic Investment Zone Coordinator
Business and Economic Development Department
Development Services Building
150 Beavercreek Rd.
Oregon City, OR 97045

For the City: INSERT NAME AND PARTICULARS HERE

Or such other individuals as the City and County may designate from time to time.

B. If either the County or the City has cause to believe that the Company has materially failed to comply with any term of this Agreement, or the FSHA, or the FSCA, and that such failure is not excused, the County and the City shall confer.

1) If, after such consultation and examination, the County continues to believe that the Company has materially failed to comply with one or more terms of this Agreement and the failure is not excused, the County shall notify the Company of this belief and the basis therefore.

2) The Company shall not be deemed to have failed to comply with this Agreement if the failure is caused by a force majeure, as provided under Section 6-I-3 below.

C. Any required notice shall be in writing and shall be sent to the Company at the following address:

INSERT PARTICULARS OF THE COMPANY'S CONTACT INFORMATION AND ADDRESS

Notice sent by regular mail shall be treated as if received on the third day after mailing. Notice delivered, sent via electronic mail, or by facsimile transmission shall be treated as having been delivered at the time of transmission, or if the transmission occurred after normal business hours, the next business day.

D. Upon receipt of the notice described in Section 5-C above, the Company shall have 45 days to respond in writing. The Company's written response shall be delivered to the County at the address of its Strategic Investment Zone Manager set out in Section 5-A above.

E. The Company's response shall include such supporting documentation as is related to the issues raised by the notice described in Section 5-C above.

1) The County shall have 45 days in which to review and consider the Company's response and to notify the Company in writing if the County believes the Company is not in compliance, and to state the basis for the County's belief.

2) If the County does not give the Company such written notice within 45 days, the matter shall be deemed closed.

F. If the County notifies the Company that the County continues to believe that a failure of performance by the Company has occurred, the matter shall be submitted to mediation in front of a mediator who is an attorney and mutually acceptable to all parties.

1) Such mediation shall take place within 90 days of a party's receipt of a request in a neutral location mutually acceptable to all parties.

2) Each party shall be responsible for paying its own costs and expenses (including legal fees, if necessary) for the mediation and share equally the expenses of the mediator.

G. In the event that the mediation is unsuccessful, either party may initiate litigation to resolve the dispute. The prevailing party in any litigation arising out of or related to this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses incurred in such action, including court costs and reasonable attorneys' fees and other legal fees and costs.

H. Notwithstanding the foregoing, any dispute in which specific performance or injunctive relief is sought need not be submitted to mediation, but may instead be immediately brought by the aggrieved party to an appropriate court.

I. A breach shall be deemed to have occurred if:

1) Before or after mediation, the company acknowledges that it has failed to comply with its obligations under this Agreement; or

2) A court of competent jurisdiction, in a final judgment that is either nonappealable or whose appeal rights have lapsed, determines that the Company has failed to comply with its obligations under this Agreement and the associated law.

3) The Company shall not be deemed to have failed to comply with this Agreement if the failure is caused by a force majeure.

a. Force majeure is defined as follows:

1) Acts of God; strikes, lockouts or other industrial disturbances; acts of the public enemy; orders or restraints of any kind of the government of the United States of America or of the state wherein the County is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; volcanic eruption; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes, or canals; or any similar or different cause or event not reasonably within the control of the Company; and

2) Any substantial reduction in market demand for the products produced at the Project which makes it economically infeasible for the Company to operate the Project at a profit and in compliance with this Agreement.

b. To excuse the performance of any obligation of the Company due to force majeure, the Company must notify the County as soon as reasonably possible after the force majeure has occurred and the Company has had an opportunity to determine the effect of the force majeure upon the Company's business and its obligations hereunder.

1) The notice shall state the nature of the occurrence, the anticipated effect of the occurrence on the Company's

obligations, and when the Company will be able to resume compliance with this Agreement.

2) If the County, following consultation with the City, does not agree that the Company shall be excused from performance in the manner stated in the Company's notice, the County shall notify the Company within 90 days and the parties shall commence the dispute resolution procedures set out above.

J. Sanctions.

1) If the breach relates to a failure of the Company to pay the CSF or any other payment the Company is required to pay to the County under this Agreement or related Oregon law, the County shall be entitled to the amount of the delinquency, plus interest, and in addition may recover the following penalties:

a. If the payment is made more than ten days after the payment is due and written demand has been made to the Company for payment, the County shall be entitled to receive a penalty of 10% of the delinquent amount.

b. If the payment is made more than 45 days after the payment is due and written demand has been made to the Company for payment, the County shall be entitled to receive a penalty of 100% of the delinquent amount.

c. If the Company fails to pay by the end of the tax year in which it is due, the tax abatement provided by ORS 307.123 shall be revoked and the property shall be fully taxable for the tax year next following the tax year for which the fee remains unpaid.

2) If the breach relates to a failure of the Company to notify the County in accordance with the FSHA of the Company's hiring needs for job openings, the Company shall pay to the County an amount equal to twice the average gross annual salary plus benefits for the median wage paid at the Project by the Company.

If the Company fails to act in good faith to meet its obligations under the FSHA, and the failure results in effective abandonment of the FSHA by the Company, the Company shall pay as an additional payment to the County 75% of the annual payment calculated according to ORS 307.123

for each year the abandonment continues. It shall not constitute an abandonment if the Company's failure is due to nonperformance by the County of its obligations under the FSHA.

3) If the breach relates to a failure of the Company to notify the County in accordance with the FSCA of the Company's contracting opportunities, the Company shall pay as an additional payment to the County an amount equal to twice the cost of the project, including all overhead and profit.

If the Company fails to act in good faith to meet its obligations under the FSCA, and the failure results in effective abandonment of the FSCA by the Company, the Company shall pay as an additional payment to the County 75% of the annual payment calculated according to ORS 307.123 for each year the abandonment continues. It shall not constitute an abandonment if the Company's failure is due to nonperformance by the County of its obligations under the FSCA.

4) If the breach relates to a failure of the Company to meet its reporting requirements under this Agreement or related law, the Company shall pay to the County twice the amount necessary to have an auditor investigate and prepare any report.

5) Any funds collected under Section 6-J above shall be held in a segregated fund for the Shared Community Services fund set out in Exhibit B to the Clackamas County Strategic Investment Zone #1 Intergovernmental Agreement.

7. General Terms.

A. No discrimination: No persons shall be denied or subject to discrimination in receipt of the benefits of any services or activities made possible by or resulting from the Agreement on the grounds of sex, sexual orientation, gender identity, race, color, creed, marital status, age, national origin, mental health or physical handicap, disabled or Vietnam era veteran status (except where there are bona fide occupational qualifications). Any violation of this provision shall be considered a material violation of the Agreement.

B. Public contracts: All applicable requirements of the Oregon Revised Statutes Nos. 279.120 through 279.333 are incorporated herein by reference. This provision is intended to incorporate only those provisions which are required for all public contracts. The parties acknowledge that other portions of ORS Chapter 279 do not apply; that this Agreement is not one for a public

improvement or public work; and the wages and other compensation paid by the Company to its employees are not subject to ORS Chapter 279.

C. Governing law: This Agreement shall be governed by the law of the State of Oregon. Any actions or suits commenced in connection with this Agreement shall be in the Clackamas County Circuit Court or Federal District Court for Oregon.

D. Complete Agreement: This Agreement and its attached exhibits are the complete agreement between the parties and supersede all prior agreements or proposals, oral or written. No modifications this Agreement will be binding on any party except as a written addendum signed by authorized agents of each party.

E. Waiver of Rights: All rights and remedies of each party shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of either party according to law.

F. ORS 307.123 Payments Not Property Taxes: The parties acknowledge that any payments required under this Agreement do not constitute property taxes and are not subject to the limits under Section 11b, Article XI of the Oregon Constitution.

G. Corporate Dissolution or Bankruptcy: In the event of a corporate dissolution or a bankruptcy proceeding under Chapter 7 of the Federal Bankruptcy Code, the full real market value of the Project shall be placed on the tax roll as taxable property.

H. Successors and Assigns: Each and every provision of the Agreement is binding on any and all successors in interest to the applicant by virtue of sale, lease, assignment, merger, or any other transfer of any interests in the applicant corporation to any other person or entity, whether voluntary or involuntary.

I. Good Faith Contests Permitted: Nothing in this Agreement shall be construed as:

a. Preventing the Company from contesting in good faith any tax, assessment or other fee imposed by the County or any other governmental entity; or

b. Granting rights to any employee of the Company.

J. No Third Party Beneficiaries: The obligations of the Company in this Agreement are for the benefit of the County and the City, and for the general benefit of their citizens. No individual or entity not a party to this Agreement shall be treated as a third party beneficiary of this Agreement.

K. Counterparts: This Agreement may be signed in counterparts; when each party has signed a counterpart all parties shall be bound by this Agreement.

CLACKAMAS COUNTY

_____
INSERT NAME OF CHAIR
Chair

Date: _____

_____
Recording Secretary

Reviewed for legal sufficiency and form:

_____
Counsel

INSERT NAME OF CITY

_____
INSERT NAME OF MAYOR
Mayor

Date: _____

_____
Recorder

Reviewed for legal sufficiency and form:

_____
Counsel

INSERT NAME OF COMPANY

_____
INSERT NAME OF OFFICER

Date: _____

INSERT NOTARY BLOCK FOR OFFICER OR OFFICERS

EXHIBIT A - THE COMPLETED APPLICATION (sample application below)

OREGON
ECONOMIC & COMMUNITY DEVELOPMENT DEPARTMENT

Application for Oregon Strategic Investment Zone (SIZ)

ORS 285C.600 to 285C.626 and 307.123

COMPLETE & SUBMIT TO— Business Tax Incentives, Oregon Economic & Community Development
775 Summer Street NE, Suite 200, Salem OR 97301-1280
503-986-0140, Fax: 503-581-5115, TTY 1-800-735-2900, www.oregon4biz.com

Please type (or fill out electronic version available from department) and include the following with submission:

- Non-refundable APPLICATION FEE (see below)
- TWO COPIES of application (one with original signature) and all attachments, as well as each CRITICAL ITEM (see below).

Department Use Only:
Submission Date: | ☐ County Commission Approval: | ☐ Urban | ☐ Rural

PROJECT LOCATION

PROJECT/PROPERTY NAME

ADDRESS/LOCATION

CITY | COUNTY IN WHICH LOCATED

☐ Check if an ***URBAN*** project—inside urban growth boundary (UGB) on Dec. 1, 2002, of a region/city with current population ≥ 30,000

☐ Check if located within an incorporated city's limits

☐ Check if located in an Indian reservation*—Tribe(s):

*In this case, the tribal government takes the place of county for purposes of local approval

BUSINESS FIRM APPLICANT

CONTACT NAME | TITLE

NAME OF BUSINESS

MAILING ADDRESS

CITY | STATE | ZIP | FAX

TELEPHONE | EMAIL

Headquarters' Location | Other Major Locations

Federal Taxpayer ID Number | Form of Organization (*e.g.*, 'C' corporation) | U.S. State of Incorporation

Five-digit North American Industry Classification System (NAICS) code | Securities Exchange, if applicable** | Company Symbol, if applicable**

**If not listed on securities exchange, attach names & titles of all company officers and persons owning at least 10 percent of outstanding equity

APPLICATION & APPROVAL FEES

☐ Check here that included with this application is a check or money order, payable to—"State of Oregon, Economic & Community Development Department"—in the amount of: $5,000, or $10,000 for URBAN project

☐ Check here that you commit to pay an additional fee of $10,000, or $50,000 for an URBAN project, as required, in order to be officially authorized to receive the exemption, if the proposed project is approved
(Half of this fee amount is forwarded to the Oregon Department of Revenue for its administrative work)

CHECKLIST OF CRITICAL ITEMS

Check below that each is included with this application: ***

☐ Evidence that county's governing body held public hearing on matter before executing local agreement

☐ Agreement in accordance with ORS 285C.609(4) by the applicant/business firm with the county – and the city if project is in incorporated territory

☐ Any document or material (*e.g.*, studies, estimates, &c.) provided to local governments in this matter, whether or not requested or related to agreement

☐ Official action of approval adopted by a majority of the county's governing body, pursuant to agreement

☐ First-source hiring and contracting agreements executed with contact agency for local publicly funded job training providers, for the term of the exemption, consistent with Oregon Administrative Rules Division 70

☐ Map of site where proposed project will be located

☐ Most recent annual financial statement and most recent interim statement (audited)

☐ Brief narrative history of the business firm and description of business activities in which it engages

***If confidentiality is requested please indicate clearly for specific item (Department cannot necessarily guarantee confidentiality under all conditions)

123-23-01 (03-06)

Application for Oregon Strategic Investment Zone (SIZ)

PROJECT INFORMATION

Anticipated Month/year for Project Commencement	**Enter estimated investment cost as follows:**
Anticipated Month/year for Project Completion	- Land (purchase & site improvement)
Attach description for both of the following: 1) The proposed project, in terms of overall phases, acres of land, facilities, buildings & structures to be constructed, rebuilt or modified, the types and quantities of equipment & machinery to be installed or upgraded, *etc.*, as effectively as possible 2) The operations comprising the proposed project, including goods/services to be produced, primary (export) markets, and the relationship to selling *"goods or services into markets for which national or international competition exists"*	- New Buildings/Structures
	- Machinery/equipment not readily moved due to weight or being affixed/attached to real property
	- Structural Fixtures
	- Additions, modifications, remodeling, renovation, recondition, refurbishments, retrofits and upgrades
	- Readily movable machinery & equipment and other personal property
	TOTAL $ 0

☐ Check here that all newly invested, eligible project property will satisfy the following three criteria:
_ Newly acquired by the applicant/business firm, and
_ Not previously exempt under Strategic Investment Zone, and
_ Has not and will not be subject to any Oregon enterprise zone exemption.

Check below that the applicant makes the following <u>commitments</u> with respect to the eligible project:

☐ To provide timely notification or evidence to the county assessor or the Department of Revenue, as requested or otherwise necessary, including but not limited to the date when taxable property is placed in service

☐ To ensure, for any leased property, that the ultimate lessee of the property is responsible for the payment of taxes, as assessed and levied on the property in accordance with the Strategic Investment Zone

EMPLOYMENT AND ECONOMIC IMPACTS

Current number of business firm's employees:	**Expected at site, after project is placed in service:**		
- At proposed project site	**Number of...**	**Within Three Years**	**Over Life of Project**
- In Oregon	Additional Hires		
- In the United States	Jobs Retained		
- Worldwide	Increase in total annual payroll directly resulting from project within three years		

Attach descriptions for all of the following:

3) Breakdown by major labor category (*e.g.*, technicians, clerks, assemblers, engineers), with number of employees to be hired, transferred or retained within three years, and average annual pay by category
4) If the project is an in-state relocation ... reasons for relocating and the effect on existing workforce
5) The project's probable effects on local public services (roads, utilities, schools, *etc.*), and any special demands or needs for extraordinary expenditures
6) Project's likely economic effects in terms of suppliers/spin-off investments, indirect jobs, diversification, the local tax base, and future local and state tax revenues to be collected from the business firm.

DECLARATION BY APPLICANT/BUSINESS FIRM REPRESENTATION

I swear to have examined this form and all accompanying materials. All information provided in connection with this application for the Oregon Strategic Investment Zone is, to the best of my knowledge, true, accurate, complete and current. I further certify that, except as may be described in this application, no litigation is currently pending or threatened in any court or other tribunal or competent jurisdiction, state or federal, in any way contesting, questioning or affecting the eligibility of the applicant to utilize this program, the ability of the applicant to complete the project, or the validity or enforceability of any covenant or document executed by the applicant in connection with the application. The company also agrees, now and in the future, to provide employment information requested by the Department and to permit the Department access to all Oregon State Employment Department employment and wage data about business firm. I therefore request approval by authority of the Oregon Economic and Community Development Commission under ORS 285C.606, so that property comprising the proposed project may be assessed and partially exempt from taxation as provided under ORS 307.123. I understand that receipt of the 15-year exemption depends on satisfaction by the actual project of applicable requirements, and I agree that any material misrepresentation of fact is grounds for the State of Oregon to deny or withdraw the benefit of the program at any time.

Signature	Date
X	
Printed Name	**Title of Authorized Company Representative**

EXHIBIT B - THE PROJECT MAP

EXHIBIT C - THE TAX LOTS

EXHIBIT D - THE FIRST SOURCE HIRING AGREEMENT

REFER TO EXHIBIT D OF THE COUNTY- CITY IGA

EXHIBIT E - THE FIRST SOURCE CONTRACTING AGREEMENT

REFER TO EXHIBIT D OF THE COUNTY- CITY IGA