



March 11, 2021

Board of County Commissioners  
Clackamas County

Members of the Board:

Enterprise Zone Five Year Abatement Agreement with Moses Lake Industries, The City of  
Milwaukie and the City of Gladstone

<b>Purpose/Outcomes</b>	Approval of Enterprise Zone five year abatement agreement with Moses Lake Industries, the City of Milwaukie and the City of Gladstone.
<b>Dollar Amount and Fiscal Impact</b>	The abated tax estimate that the County will forego is \$14,910 over a five year period.
<b>Funding Source</b>	Moses Lake pays an application fee in the amount of \$987.30 for their participation in the Enterprise Zone Program. There is no other funding for/from this agreement.
<b>Duration</b>	This agreement extends the standard three-year abatement to a total of five years.
<b>Strategic Plan Alignment</b>	<ul style="list-style-type: none"> <li>Approval of this agreement aligns with the County’s goal to <i>grow a vibrant economy</i> by increasing the amount of dollars spent by the company and their employees in the community.</li> <li>Approval of this agreement aligns with the BCS strategic goal to <i>create living wage jobs</i> as the company will be adding 2-3 jobs at 150% of the County average wage.</li> </ul>
<b>Previous Board Action</b>	Policy session was held on February 22, 2021. The Board approved the agreement to move forward for signature.
<b>Counsel Review</b>	November 16, 2020, ARN
<b>Contact Person</b>	Cindy Moore, Coordinator, Business & Community Services, Economic Development Division <a href="mailto:cmoore@clackamas.us">cmoore@clackamas.us</a>

**BACKGROUND:**

Business & Community Services Economic Development has been working with Moses Lake Industries in Milwaukie on an expansion of their facility. They have submitted an Enterprise Zone application requesting the five year abatement option allowed under the Enterprise Zone program, which is considered an extended abatement, in comparison with the standard three year abatement. If approved, they will have their tax abated for the investments listed in the application for an additional two years beyond the standard format.

Since the facility is located in the North Urban Clackamas County Enterprise Zone, all zone sponsors and the company need to approve the agreement. The three zone sponsors include the City of Gladstone, the City of Milwaukie and Clackamas County. Even though the facility is physically located in Milwaukie, all sponsors must approve in order to move forward as they are part of the zone. The Milwaukie City Council approved this item on their agenda for January 19, 2021, and the Gladstone City Council approved this item on their agenda on February 9, 2021.

The Board of County Commissioners held a policy session on this agreement on February 22, 2021 and approved this agreement to move forward for signature at a future Business meeting.

**RECOMMENDATION:**

Approval of the Enterprise Zone extended abatement agreement with Moses Lake Industries, the City of Milwaukie and the City of Gladstone.

Respectfully Submitted,

*Laura Zentner*

Laura Zentner, BCS Director

**ATTACHMENTS:**

Moses Lake Industries – extended abatement agreement

**Written agreement with the North Urban Clackamas County enterprise zone sponsor to extend property tax exemption for an additional two years, for a total of five consecutive years, for investment by Moses Lake Industries, Inc.**

Pursuant to ORS 285C.160, the sponsor of the North Urban Clackamas County Enterprise Zone comprising the governing bodies of Clackamas County, the City of Milwaukie, and the City of Gladstone (hereinafter the "Zone Sponsor") and Moses Lake Industries, Inc. (hereinafter the "Firm") do hereby enter into an agreement (the "Agreement") for extending the period during which the Firm shall receive an exemption from ad valorem taxes on its proposed investment in qualified property in the Enterprise Zone for an additional two (2) tax years, contingent on certain requirements and the terms and conditions of this Agreement.

The Zone Sponsor and the Firm jointly acknowledge that, subject to timely submission and approval of an application for authorization, as well as satisfaction of requirements under ORS 285C.050 to 285C.250, the Firm may be eligible for three years of full exemption on its qualified property under ORS 285C.175(2)(a). This Agreement is only effective if Firms' application for an exemption under ORS 285C.175 is granted. In the event Firm is determined not to be eligible for three years of full exemption, this Agreement shall be null and void.

The Zone Sponsor does hereby grant to the Firm an extension to the property tax abatement, as allowed under ORS 285C.160 and ORS 285C.175(2)(b), of an additional two (2) tax years on property that qualifies in the North Urban Clackamas County Enterprise Zone beginning with the assessment year that the qualified property is first put into service. The total exemption period, including the additional two tax years provided under this Agreement, is five consecutive tax years. During the total five tax year exemption period, Firm must comply with all statutory and regulatory requirements for the standard three-year enterprise zone exemption, as well as those set forth in this Agreement.

In order for qualified property to be exempt from ad valorem taxes for the additional two tax years of enterprise zone exemption as granted herein, the Firm agrees that, under ORS 285C.160(3)(a)(A)(i),ii), ORS 285C.160(3)(b), and OAR 123-674-0600:

1. For each year of the total five tax year exemption period, including the additional two tax years provided under this Agreement, the Firm's new employees shall receive an average level of compensation equal to or greater than 150 percent of the county average annual wage. In determining whether Firm's new employees are receiving equal to or greater than 150 percent of the county average annual wage, only compensation that can be monetized may be considered. Compensation from a payroll tax or similar government mandate shall be excluded from consideration. Except as revised under ORS 285C.160(4), the 2019 average annual wage for Clackamas County is \$54,802, and 150 percent of that average wage equals \$82,203.
2. The Firm's "new employees," for purposes of these requirements, has the meaning set forth in ORS 285C.050 and OAR 123-674-0600, and comprise only employees hired for and working at full-time, year-round, non-temporary jobs that are created and filled for the first time after the date of

application for authorization but on or before December 31 of the first full year of the initial exemption, and that are performed within the current boundaries of the North Urban Clackamas County Enterprise Zone and engaged a majority of their time in the Firm's eligible operations according to ORS 285C.135 and 285C.200, regardless if any such employee is leased, contracted for or otherwise obtained through an external agent, provided that they are hired by and employed directly by the Firm.

3. The Firm's responses and assertions in its application for an Enterprise Zone exemption are incorporated into this Agreement and are relied upon by the Zone Sponsor for approval of this Agreement, and that the approval for an extension for an additional two tax years, for a five tax year total period of exemption, is contingent upon the Firm meeting and maintaining all requirements and representations set out in the application, including continuing the approved activities, throughout the entire exemption period.

By their signatures below, the parties to this Agreement agree to the terms, conditions, and content expressed herein.

**Clackamas County:**

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name)

Date: \_\_\_\_\_

**Moses Lake Industries, Inc.:**

By:  \_\_\_\_\_  
Laura Manske

\_\_\_\_\_  
(Printed Name)

Date: 28 December 2020

**The City of Milwaukie:**

By:  \_\_\_\_\_  
Ann Ober

\_\_\_\_\_  
(Printed Name)

Date: 1/25/2021

**The City of Gladstone:**

By:  \_\_\_\_\_  
Tammy Stempel

\_\_\_\_\_  
(Printed Name)

Date: 2/9/2021