



DAN JOHNSON
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

July 21, 2022

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of resolution to consent to the change to the Molalla Enterprise Zone to include real property located in unincorporated Clackamas County

Purpose/Outcome	Approve of resolution to consent to include identified parcels that are currently located in unincorporated Clackamas County in City of Molalla Enterprise Zone
Dollar Amount and Fiscal Impact	Minor impacts to tax rate as the parcels are underdeveloped and are positioned to be annexed into the City of Molalla.
Funding Source	None required
Duration	The new Molalla Enterprise Zone boundary, once approved, will be valid for ten years.
Previous Board Action/Review	June 7, 2022 – During County Administrator Issues, the BCC approved this item to move forward for formal approval on the consent agenda at a future business meeting.
Strategic Plan Alignment	<ul style="list-style-type: none"> • How does this item align with your Department’s Strategic Business Plan goals? This item serves the BCS goal that by 2024, at least one new business within each of the County’s top 5 targeted industries will choose to locate in Clackamas County. • How does this item align with the County’s Performance Clackamas goals? The inclusion of these parcels in the Molalla Enterprise Zone supports the Board’s strategic goal to <i>Grow a Vibrant Economy</i>.
Counsel Review	<ol style="list-style-type: none"> 1. Date of Counsel review: 6/13/2021 2. Initials of County Counsel performing review. ARN
Procurement Review	<ol style="list-style-type: none"> 1. Was the item processed through Procurement? yes <input type="checkbox"/> no <input checked="" type="checkbox"/> 2. If no, provide brief explanation: No County funds are required for this consent approval
Contact Person	Cindy Moore, Interim Senior Coordinator, Office of Economic Development, 971-284-1002
Contract No.	N/A

BACKGROUND:

During County Administrator Issues on June 7, 2022, the BCC approved moving this consent agenda request forward to a future business meeting for approval. This resolution serves that purpose.

The City of Molalla is interested in expanding their Enterprise Zone. The City of Molalla is the sole sponsor for the Molalla Enterprise Zone. There is the potential to include bordering parcels outside of the current zone boundary that are in unincorporated Clackamas County. These under-developed parcels have been identified for annexation by the City at a future date. For the parcels to be included in the Molalla Enterprise Zone expanded boundary, the BCC would need to provide consent via resolution.

As required for an Enterprise Zone expansion, notice to the taxing districts has been facilitated and completed by the City of Molalla. One comment letter was submitted by the Molalla Fire District and it is included with this packet. That letter was received during the public comment period and has been addressed by the City of Molalla.

Once the resolution to include the unincorporated parcels in the new Molalla Enterprise Zone is approved by the BCC, the City of Molalla will move forward with the application submittal to Business Oregon for final approval of the new zone.

RECOMMENDATION:

Staff respectfully recommends approval of a resolution to consent to the change to the Molalla Enterprise Zone to include real property located in unincorporated Clackamas County.

ATTACHMENTS:

- Molalla Enterprise Zone map
- Letter from the Molalla Fire District

Respectfully submitted,



Sarah Eckman, Assistant Director
Department of Transportation & Development



Molalla Rural Fire Protection District #73

May 18, 2022

RECEIVED
MAY 23 2022
BY: DA

City of Molalla
PO Box 248
117 N Molalla Ave
Molalla, OR 97038

RE: Re-Designation and Expansion of Molalla Enterprise Zone


Molalla Fire District has great concerns over the Re-Designation and Expansion of the Enterprise Zone. The record inflation rate and fuel costs are at all-time highs and the Fire District is very concerned about any possible loss of revenue.

Enterprise Zones normally last 3 to 5 years but in Molalla Enterprise Zone, a business can apply for additional Enterprise Zone tax exemption throughout the life of the Enterprise Zone.

Due to lost revenue, any extensions past the 3 years to a business could prove to be detrimental to the Molalla Fire District with reduction of staffing levels available for emergency apparatus to meet the demands of the continued increase in emergency call volume. Along with the reduced revenue, the actual cost of fire suppression, training expenses and call response will continue to fall on the citizens and businesses outside of the Enterprise Zone in which this area retains fire services at no cost.

In addition to the Enterprise Zone, The Fire District currently sees a loss of over \$35,000.00 annually from Molalla Urban Renewal District. At this time, the Urban Renewal District does make the Fire District whole. Monies from the Urban Renewal District can only be used for capital projects, not to hire paramedics or general expenses. The Fire District Board would like to work with the Urban Renewal District for an easy and seamless way towards the Fire District being made whole every year.

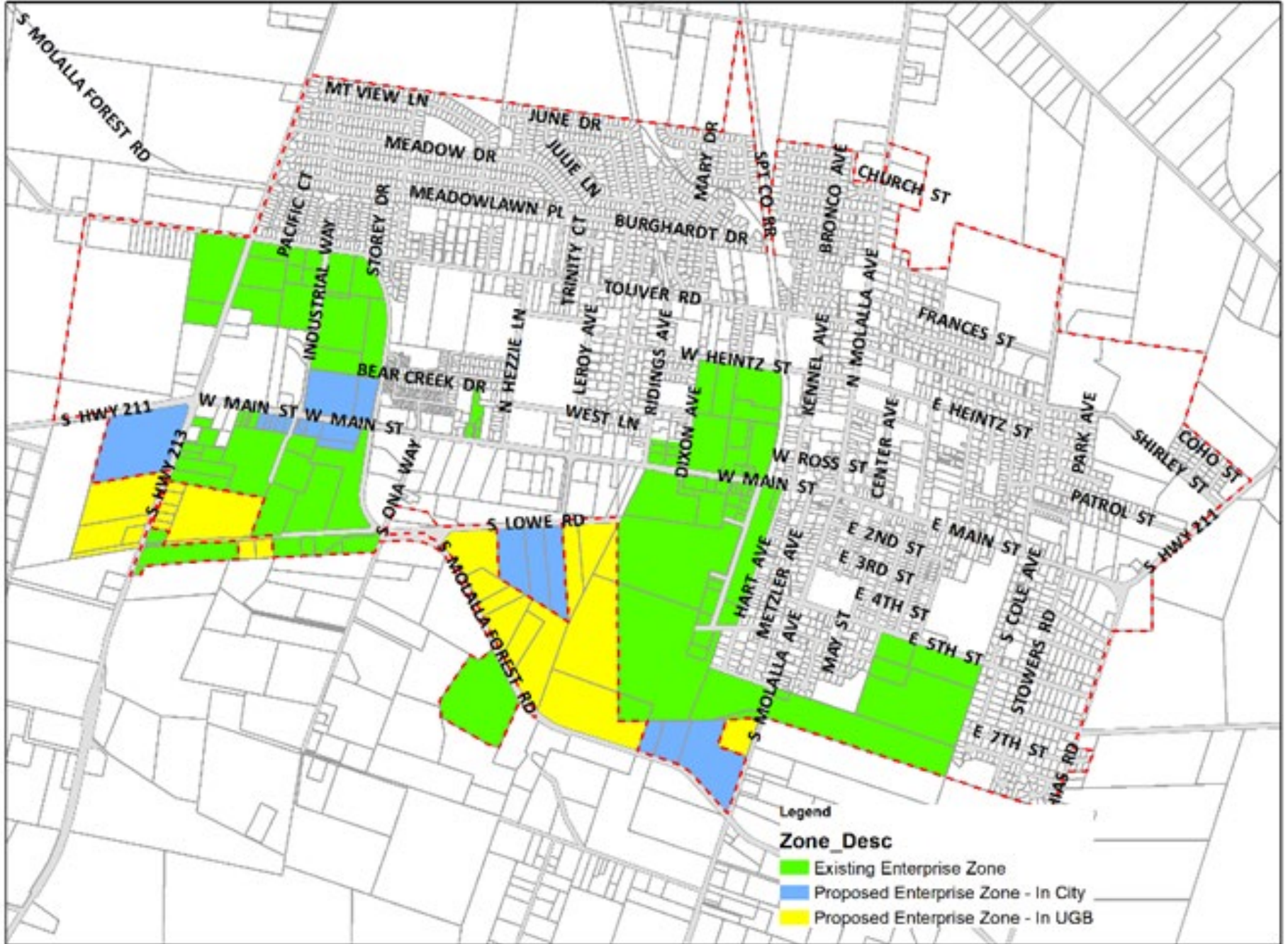
The Molalla Fire District Board of Directors understands the value of bringing business and jobs to Molalla and would like to work closely with the Urban Renewal District and the City of Molalla to ensure the best possible coverage to the structures and people in all areas of the city and the Fire District of Molalla at a fair and reasonable expense to our citizens and businesses.


Mike Towner, Fire Board President


Todd Gary, Fire Board Vice President



City of Molalla Enterprise Zone Map – Existing and proposed new boundary (June 2022)



**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of a Resolution Consenting to
Change in Molalla Enterprise Zone

RESOLUTION NO.
Page 1 of 1

Whereas, on or about August 22, 2017, the City of Molalla authorized the Molalla Enterprise Zone pursuant to Oregon Revised Statutes (“ORS”) Chapter 285C;

Whereas, pursuant to ORS 285C.115(6), an area within the jurisdiction of a county that is not a sponsor of an enterprise zone may be added to the enterprise zone only if the governing body of the nonsponsoring county adopts a resolution consenting to the change, as provided under ORS 285C.065(1);

Whereas, the City of Molalla is interested in expanding their Enterprise Zone. There is the potential to include bordering parcels outside of the current zone boundary that are in unincorporated Clackamas County. These under-developed parcels have been identified for annexation by the City at a future date. For the parcels to be included in the Molalla Enterprise Zone expanded boundary, the BCC would need to provide consent via resolution.

NOW THEREFORE, the Clackamas County Board of Commissioners do hereby resolve as follows:

Pursuant to ORS 285C.065(6), Clackamas County consents to the change to the Molalla Enterprise Zone to include the real property located in Clackamas County and described in Exhibit A.

Dated this 21st day of July 2022.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary