


BUSINESS & COMMUNITY SERVICES

150 BEAVERCREEK ROAD

OREGON CITY, OR 97045

WWW.CLACKAMAS.US/BCS

SARAH ECKMAN, INTERIM DIRECTOR

January 13, 2022

Board of County Commissioners
Clackamas County

Members of the Board:

Resolution to support designation of the
Clackamas County Rural Renewable Energy Development Zone (RREDZ)

Purpose/Outcome	Approve a resolution to designate the Clackamas County Rural Renewable Energy Development Zone (RREDZ).
Dollar Amount and Fiscal Impact	The fiscal impact would be limited to abatement of property taxes on the new investment portion of an RREDZ application, and only for the eligible portion of the new investment, up to five years.
Funding Source	Applicants pay an application fee of 0.1% of the proposed total investment.
Duration	Upon approval by Business Oregon, the RREDZ will be in effect until June 30, 2032.
Previous Board Action/Review	BCC approved moving forward with application submittal to Business Oregon for RREDZ designation during Administrator Issues on July 27, 2021. An additional update was provided at Administrators Issues on January 11, 2022.
Strategic Plan Alignment	<p>1. Approval of the RREDZ resolution aligns with the BCS strategic goal to create living wage jobs as the incentive promotes new investment in rural areas of the County.</p> <p>2. Approval of the RREDZ resolution aligns with the County's goal to grow a vibrant economy. Promotion of alternative energy options is complimentary to the goals of the Climate Action Plan.</p>
Counsel Review	<p>County Counsel Review Date: October 5, 2021</p> <p>1. Counsel Initials: ARN</p>
Procurement Review	<p>Was the item processed through procurement? No</p> <p>This is a resolution, therefore is not subject to Procurement oversight.</p>
Contact Person	Cindy Moore, Economic Development Coordinator, 971-284-1002
Contract No.	No BCS contract number required as this is a resolution.

BACKGROUND:

The RREDZ incentive is a standard (3- to 5-year) exemption on qualified property available in any enterprise zone; however, in a RRED Zone it is only for renewable energy activities (which would also be eligible in an enterprise zone).

RRED Zones offer an incentive to encourage new investments that either:

- Harness wind, geothermal, solar, biomass or other unconventional forms of energy in Oregon to generate electricity, or
- Produce, distribute, or store any of a wide variety of biofuels.

The total amount of property (among one or more projects) that can qualify for an exemption is subject to a locally-set cap with each RRED Zone. For the Clackamas County RREDZ the cap is set at \$250M. Throughout Oregon, a city, county or several contiguous counties can set up a RRED Zone that covers all the territory in the jurisdiction(s) outside the urban growth boundary (UGB) of any metropolitan area or sizeable city. In Clackamas County, this excludes any area within the UGB of a metropolitan region or city with a population of 30,000 or more.

In order for the Clackamas County RRED zone to receive designation, a resolution must be submitted by Clackamas County to Business Oregon. The designation is valid for ten years.

Notice has been distributed to the taxing districts in the proposed boundary. During the comment period, staff received a general inquiry phone call from Canby Fire and one email from the City of Molalla regarding zoning impacts, of which there are none. Both questions were answered by staff. No formal comments were received from the taxing districts for consideration by the BCC.

It has been confirmed by Business Oregon that Clackamas County does have final authority to submit the designation request. No resolutions are required from the cities.

Once the RREDZ resolution is adopted, staff will submit the RREDZ designation application to Business Oregon for final approval.

RECOMMENDATION:

Staff respectfully recommends approval of the Resolution to support the designation of the Rural Renewable Energy Development Zone.

ATTACHMENTS:

Exhibit A: Resolution

Exhibit B: Proposed RREDZ boundary map

Respectfully Submitted,



Sarah Eckman, Interim Director
Business & Community Services

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

In the Matter of establishing rural
Clackamas County as a Rural Renewable
Energy Development Zone



RESOLUTION NO. 2022-03

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WHEREAS, Oregon Revised Statutes (“ORS”) 285C.350 to 285C.370 provide for the designation of “Rural Renewable Energy Development Zones” (hereinafter RREDZ’s) by request of a single city, a single county or multiple counties, to encompass the entire rural area of the jurisdiction(s), for purposes of offering the standard property tax abatement of an enterprise zone to the qualified property of renewable energy projects locating therein.

WHEREAS, Clackamas County is seeking designation of a RREDZ in rural Clackamas County outside the Metro Urban Growth Boundary to encourage new business investment, job creation, higher incomes for local residents, greater diversity of economic activity and renewable energy development investment.

WHEREAS, the proposed RREDZ will include all eligible territory (whether incorporated or not) encompassed by the county line of Clackamas County, including partnering rural cities illustrated in the map attached.

WHEREAS, the designation of a RREDZ does not grant or imply permission to develop land within Clackamas County without complying with applicable laws including, but not limited to, prevailing zoning, regulatory and permitting processes and restrictions for the applicable jurisdiction; nor does it indicate any intent to modify those laws, processes, or restrictions.

WHEREAS, in accordance with the Oregon Administrative Rules (“OAR”) 123-680-1200, Clackamas County timely issued notice and communication with local taxing districts consistent with OAR 123-650-5500.

WHEREAS, Clackamas County previously sponsored an RREDZ which was approved in 2010 and expired on June 30, 2021.

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NOW THEREFORE, the Clackamas County Board of Commissioners do hereby resolve and affirm that:

Clackamas County supports the application for a RREDZ and requests that the Director of the Oregon Business Development Department order the designation thereof.

And further affirms that Clackamas County sets the maximum amount of real market value (RMV) for all qualified property that may be exempt during the term of this RREDZ at \$250 million, based upon the RMV of each qualified investment for the assessment year at the start of the exemption immediately after the property is placed in service.

Clackamas County is hereby authorized and delegates signing authority to Clackamas County Chair Tootie Smith to submit the request for the aforementioned RREDZ designation application to the Oregon Business Development Department, and to take all reasonably necessary actions, and to make any substantive or technical change to the application materials, as necessary to support the intent of this Resolution.

Be it further resolved that the County of Clackamas appoints the Business & Economic Development Coordinator to serve in the capacity of the local zone manager for the RREDZ.

Done this 13th of January 2022.

BOARD OF COUNTY COMMISSIONERS

Tootie Smith, Chair

Recording Secretary

Rural Renewable Energy Development Zone

