



January 11, 2022

To: Gary Schmidt, County Administrator
From: Sarah Eckman, BCS Interim Director

RE: Rural Renewable Energy Development Zone Designation follow-up information

Dear Administrator Schmidt:

Summary: At Administrator's Issues on January 4, 2022, Business & Community Services (BCS) brought the Board of County Commissioners (BCC) a resolution to designate a Rural Renewable Energy Development Zone (RREDZ) in Clackamas County. The BCC requested additional information about the program prior to approving the resolution to move forward at a future business meeting. Following is an overview of the RREDZ. Additionally, past correspondence to the BCC and taxing districts on this topic is attached as reference material.

Background: The Rural Renewable Energy Development Zone (RREDZ) offers eligible businesses a tax abatement from local property taxes for a three to five year period. Attached to this memo are RREDZ overview documents from July 27, 2021 and January 4, 2022 sessions with the BCC. Also attached is a copy of the notice sent to taxing districts about the proposed zone designation, a map of the proposed RREDZ and a list of the taxing district contacts the attached letter was sent to.

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). The abatement applies to machinery, equipment, buildings and structures.

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.

The RREDZ program has significant structure around it, and safeguards, as prescribed by Oregon Revised Statutes, section 285C.400 - https://oregon.public.law/statutes/ors_285c.409.

Attachments

- RRED Zone memo from July 27 issues202129_1.pdf
- BCS – RREDZ Resolution 01062022.pdf
- Notice to taxing districts – Rural Renewable Energy Development Zone designation – 11-15-21
- (map) RuralRenewable2021.pdf
- Renewable Energy contacts.xlsx



BUSINESS & COMMUNITY SERVICES

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503-742-4303

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DIVISIONS

NORTH CLACKAMAS PARKS & RECREATION DISTRICT

KANDI HO
PARKS MANAGER

ECONOMIC DEVELOPMENT FOREST & AGRICULTURE

PROPERTY DISPOSITION
SARAH ECKMAN, ORCEMS
INTERIM DIRECTOR

COUNTY PARKS & FORESTRY

TOM RIGGS
MANAGER

STONE CREEK GOLF CLUB

GORDON TOLBERT, PGA
OWNER, TOTAL GOLF
MANAGEMENT

LINCC LIBRARY SERVICES

KATHRYN KOHL
MANAGER

OAK LODGE LIBRARY

MITZI OLSON, MLIS
MANAGER

COUNTY FAIR & EVENT CENTER

Laurie Bothwell
EXECUTIVE DIRECTOR

July 22, 2021

To: Gary Schmidt, County Administrator

From: Sarah Eckman, BCS Interim Director

RE: Rural Renewable Energy Development Zone (RREDZ) Reauthorization Issues Request

Summary: 1) Does the Board support reauthorization of the RREDZ, and 2) support a resolution at a future business meeting to reauthorize the program?

Background: The Clackamas County RREDZ was established in 2011 and expired on June 30, 2021.

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 redesignation, a resolution must be submitted by Clackamas County to Business Oregon. The designation is valid for ten years.

Notice will be sent to all taxing districts as well as a courtesy email to currently participating cities (Canby, Molalla, Estacada and Sandy) as part of the public outreach process prior to application submittal. Written comments and/or testimony by the cities and taxing districts in the zone will be received by the BCC prior to adoption of the resolution. It has been confirmed by Business Oregon that Clackamas County does have final authority to submit the redesignation request. No resolutions are required from the cities.



January 6, 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.
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. _____
Page 1 of 2

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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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. _____
Page 2 of 2

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.

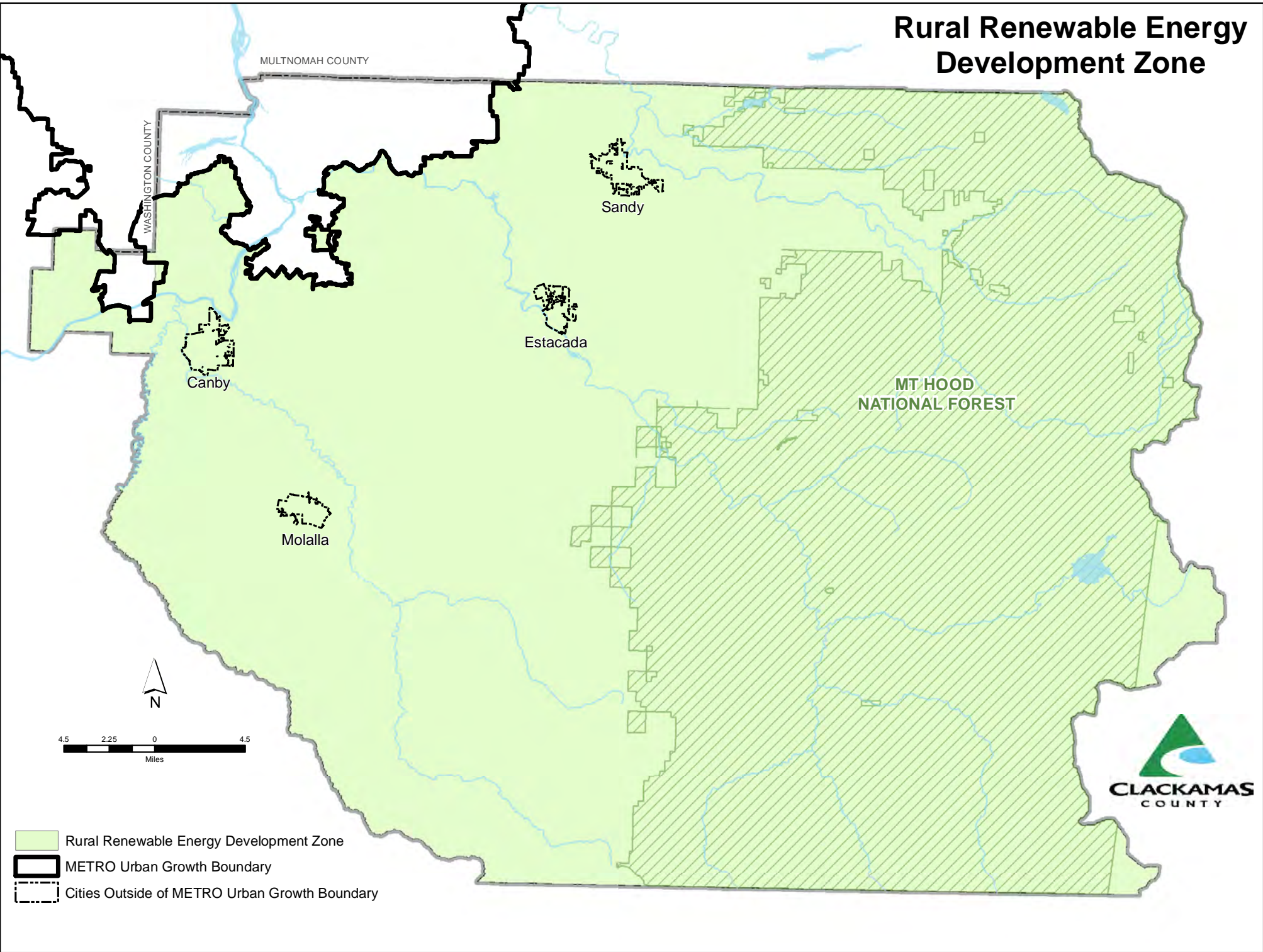
Done this 6th of January 2022.

BOARD OF COUNTY COMMISSIONERS

Tootie Smith, Chair

Recording Secretary

Rural Renewable Energy Development Zone





November 16, 2021

Subject: Clackamas County Rural Renewable Energy Development Zone designation

Dear Taxing District Representative:

This letter is to inform you that Clackamas County is seeking designation of a Rural Renewable Energy Development Zone (RREDZ), which functions like an Enterprise Zone throughout county territory for only the certain type of development, such as wind power projects, geothermal or other cases where a renewable energy resource is used to generate electricity or produce a biofuel. The zone only applies to areas outside the Metro Urban Growth Boundary and Clackamas County had a previous Rural Renewable Energy Development Zone in place for ten years that expired June 30, 2021. The new designation request will be submitted to Business Oregon for approval.

Notice

Your district is being notified of this designation because the RREDZ would include all or parts of one or more tax code areas in which your district levies taxes on property value. In a RREDZ, certain types of businesses that create new jobs with renewable energy generation projects may receive exemptions of limited duration on qualified new property that they invest in the zone. See attached map.

A Rural Renewable Energy Development Zone exempts only new property that an eligible, job creating business might build or install in the zone at some future time. Also, the exemption is temporary, usually lasting only three years, after which time the property induced by these incentives is available for assessment. An extension to four or five years in total is possible in some cases with agreement of the Clackamas County governing body.

This correspondence is an invitation for representation from your district to submit comments as part of this process. If your district's board would like to submit written comments, please do so by December 10, 2021. My full contact information is below for your reference.

Cindy Moore, Rural Renewable Energy Development Zone Manager
Clackamas County Business & Community Services
Economic Development Division
Phone: 971-284-1002
Email: cmoore@clackamas.us

The Clackamas County Board of Commissioners is anticipated to consider the resolution to designate the RREDZ at a business meeting during the month of December.

Once the resolution is adopted, we will submit the final application to Business Oregon for review and approval.

If you have any questions, or would like any additional information regarding this designation, please contact me at 971-284-1002 or by email at cmoore@clackamas.us

Sincerely,

Cindy Moore, Rural Renewable Energy Development Zone Manager
Clackamas County

Cc: Special Districts Association of Oregon

fund_nr	fund_name
215001	CEMETERY ESTACADA
204009	CITY BARLOW
204008	CITY CANBY
204007	CITY ESTACADA
204010	CITY MOLALLA
204006	CITY SANDY
204014	CITY WILSONVILLE
202002	COM COLLEGE CLACKAMAS
202001	COM COLLEGE MT HOOD
202003	COM COLLEGE PORTLAND
203000	ESD CLACKAMAS CO
203050	ESD JEFFERSON CO
203002	ESD MULTNOMAH CO
203003	ESD NORTHWEST REGIONAL
203001	ESD WILLAMETTE REGIONAL
205001	FIRE 001 CLACKAMAS
205009	FIRE 002 SILVERTON
205005	FIRE 057 LAKE GROVE
205006	FIRE 058 MONITOR
205008	FIRE 060 RIVERDALE
205010	FIRE 062 CANBY
205011	FIRE 063 AURORA
205012	FIRE 064 TUALATIN
205016	FIRE 069 ESTACADA
205017	FIRE 070 COLTON
205019	FIRE 072 SANDY
205020	FIRE 073 MOLALLA
205021	FIRE 074 HOODLAND
217010	MOLALLA AQUATIC DISTRICT
217001	PARK LAKE GROVE
260006	PARK N CLACKAMAS
236001	PORT OF PORTLAND
218067	GOVERNMENT CAMP ROAD DISTRICT
208002	GOVERNMENT CAMP SANITARY DISTRICT
201001	SCH 001 PORTLAND
201002	SCH 003 WLINN/WILSONVILLE
201003	SCH 007 LAKE OSWEGO
201004	SCH 012 N CLACKAMAS
201014	SCH 026 GRESHAM/BARLOW
201010	SCH 035 MOLALLA RIVER
201041	SCH 046 OREGON TRAIL
201015	SCH 053 COLTON
201016	SCH 062 OREGON CITY
201017	SCH 067 SILVER FALLS
201043	SCH 086 CANBY
201025	SCH 108 ESTACADA

CONTACT
TRACI HOVDA, SECRETARY/TREASURER
KATHY WAGNER, RECORDER
JULIE BLUMS, FINANCE DIRECTOR
DENISE CAREY, CITY MANAGER
CHAUNEE SEIFRIED, FINANCE DIRECTOR
TYLER DEEMS, INTERIM FINANCE DIR
KEITH KATKO
JEFF SHAFFER
JENNIFER DeMENT, CFO
DINA FARRELL
TIMOTHY WITCHER, CHIEF FINANCE OFFICER
MARTHA BEWLEY, CFO
SARA BOTTOMLY
TAMI MONTAGUE, CFO
RUSS ALLEN, DIRECTOR OF BUSINESS
MARK WHITAKER, CFO
WILLIAM MILES, FIRE CHIEF
BRETLEY HANSON
Jenny Schuening, Budget Officer
F.MICHAEL NUGENT, CHAIR
LORI FAWCETTE, CFO
JOSHUA WILLIAMS, CHIEF
TIM COLLIER
IAN O'CONNER
TODD GARY, FIRE CHIEF
PHIL SCHNEIDER, FIRE CHEIF
VINCE STAFFORD
JAMES PRICE, FIRE CHIEF
MELISSA GEORGESEN
STUART KETZLER, DIRECTOR OF FINANCE
ELIZABETH GOMEZ
ANTOINETTE CHANDLER
ULLA BRUNETTE
ULLA BRUNETTE, SECRETARY
NICOLE BASSEN
Son Le Hughes, CFO
STUART KETZLER, DIRECTOR OF FINANCE
GAYELLYN JACOBSON, CFO
JODAN ELY
RICHARD GILL, BUSINESS MANAGER
TIMOTHY BELANGER, DIRECTOR BUSINESS SERVICES
CHRIS GIBB
SUSAN DODD, CFO
STEVE NIELSON, BUSINESS MANAGER
DENISE LAPP, DIRECTOR OF FINANCE
CHRISTINA WEINARD

ADDRESS 1	CITY	ST
PO BOX 1390	ESTACADA	OR
106 N MAIN ST	BARLOW	OR
PO BOX 930 182 N HOLLY ST	CANBY	OR
PO BOX 958	ESTACADA	OR
PO BOX 248	MOLALLA	OR
39250 PIONEER BLVD	SANDY	OR
29799 SW TOWN CENTER LOOP E	WILSONVILLE	OR
19600 S MOLALLA AVE	OREGON CITY	OR
26000 SE STARK	GRESHAM	OR
PO BOX 19000	PORTLAND	OR
13455 SE 97TH AVE	CLACKAMAS	OR
295 SE BLUFF ST	MADRAS	OR
11611 NE AINSWORTH CIR	PORTLAND	OR
5825 NE RAY CIR	HILLSBORO	OR
2611 PRINGLE RD SE	SALEM	OR
11300 SE FULLER RD	MILWAUKIE	OR
819 RAIL WAY NE	SILVERTON	OR
PO BOX 2163	LAKE OSWEGO	OR
15240 WOODBURN-MONITOR RD	WOODBURN	OR
12125 S TRYON HILL ROAD	PORTLAND	OR
221 S PINE ST	CANBY	OR
PO BOX 9	AURORA	OR
11945 SW 70TH AVE	TIGARD	OR
PO BOX 1385	ESTACADA	OR
PO BOX 71 20987 S HWY 211	COLTON	OR
PO BOX 518	SANDY	OR
PO BOX 655	MOLALLA	OR
69634 E HWY 26	WELCHES	OR
PO BOX 1308	MOLALLA	OR
PO BOX 70	LAKE OSWEGO	OR
150 BEAVERCREEK RD	OREGON CITY	OR
7200 NE AIRPORT WAY	PORTLAND	OR
PO BOX 22	GOVERNMENT CAMP	OR
PO BOX 25	GOVERNMENT CAMP	OR
501 N DIXON ST	PORTLAND	OR
22210 SW STAFFORD RD	TUALATIN	OR
PO BOX 70	LAKE OSWEGO	OR
12400 SE FREEMAN WAY STE 100	MILWAUKIE	OR
1331 NW EASTMAN PKWY	GRESHAM	OR
PO BOX 188	MOLALLA	OR
PO BOX 547	SANDY	OR
30429 S GRAYS HILL RD	COLTON	OR
1417 12TH ST	OREGON CITY	OR
801 SCHLADOR ST	SILVERTON	OR
1130 S IVY ST	CANBY	OR
255 NE 6TH AVE	ESTACADA	OR

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Rural Renewable Energy Development Zone

