



August 20, 2019

Subject: North Urban Clackamas County Enterprise Zone: Re-Designation & Boundary Change

Dear Taxing District Representative:

This letter is to inform you that Clackamas County is proposing to re-designate and modify the boundary of the North Urban Clackamas County Enterprise Zone. This re-designation will include changes in Unincorporated Clackamas County, the City of Milwaukie and the City of Gladstone.

**Notice**

Your district is being notified of this re-designation and boundary change because the enterprise zone, as amended, would include all or parts of one or more tax code areas in which your district levies taxes on property value. In an enterprise zone, certain types of businesses that create new jobs may receive exemptions of limited duration on qualified new property that they invest in the zone. This enterprise zone with the proposed changes would consist of about 5.3 square miles. See attached map.

Your district's board is welcome to submit written comments or attend the meeting listed above. A public meeting on this topic will be held on:

Tuesday, September 10th, 2019  
4:00pm – 6:00pm  
Clackamas County Development Services Building  
150 Beaver Creek Rd., 4<sup>th</sup> Floor, Room 409  
Oregon City, OR 97045

For questions or to provide commentary please contact:

Cindy Moore, Enterprise Zone Manager  
Clackamas County Business & Community Services  
Economic Development Division  
Phone: 503-742-4328  
Email: [cmoore@clackamas.us](mailto:cmoore@clackamas.us)

Anticipated times and dates for the sponsoring governments to consider resolutions to modify the enterprise zone are as follows:

- Milwaukie City Council on September 17, 2019
- Clackamas County Board of Commissioners on September 19, 2019
- Gladstone City Council on October 8, 2019

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



**An Enterprise Zone and Property Tax Abatement**

These zones in Oregon are discrete areas up to 12 or 15 square miles in size and have been in existence since the mid-1980s. Each designation lasts up to 11 years.

They are intended to induce additional investment and employment by non-retail businesses in areas meeting certain measures of economic hardship. They have proven to be Oregon's key offering in the pursuit of business growth and expansion. Their effectiveness is due to a typically short-term but immediate benefit for the business project's cash flow. General information is available online at: <https://www.oregon4biz.com/Oregon-Business/Tax-Incentives/Enterprise-Zones/>

An Oregon enterprise zone exempts only new property that an eligible business might build or install in the zone at some future time. A qualifying investment under the standard exemption program entails the creation of new full-time employment in the zone—greater of one new job or a 10 percent increase. A standard enterprise zone exemption is temporary, usually lasting only three years, after which time the property induced by these incentives is available for assessment, possibly for decades. Extensions of the exemption period to four or five years in total are possible subject to written agreement with the governments sponsoring the zone and higher compensation for new employees.

These property tax exemptions are not available to just any business. Most commercial or retail operations that compete locally are ineligible. Rather, the primary recipients of enterprise zone benefits are manufacturing and other types of facilities serving other business operations.

**Economic Reasons for Seeking an Enterprise Zone**

The purpose of the boundary change and re-designation is due in part to both an increased demand from property and business owners seeking to develop or grow their operations.

If you have any questions, please contact me at 503-742-4328 or by email at [cmoore@clackamas.us](mailto:cmoore@clackamas.us)

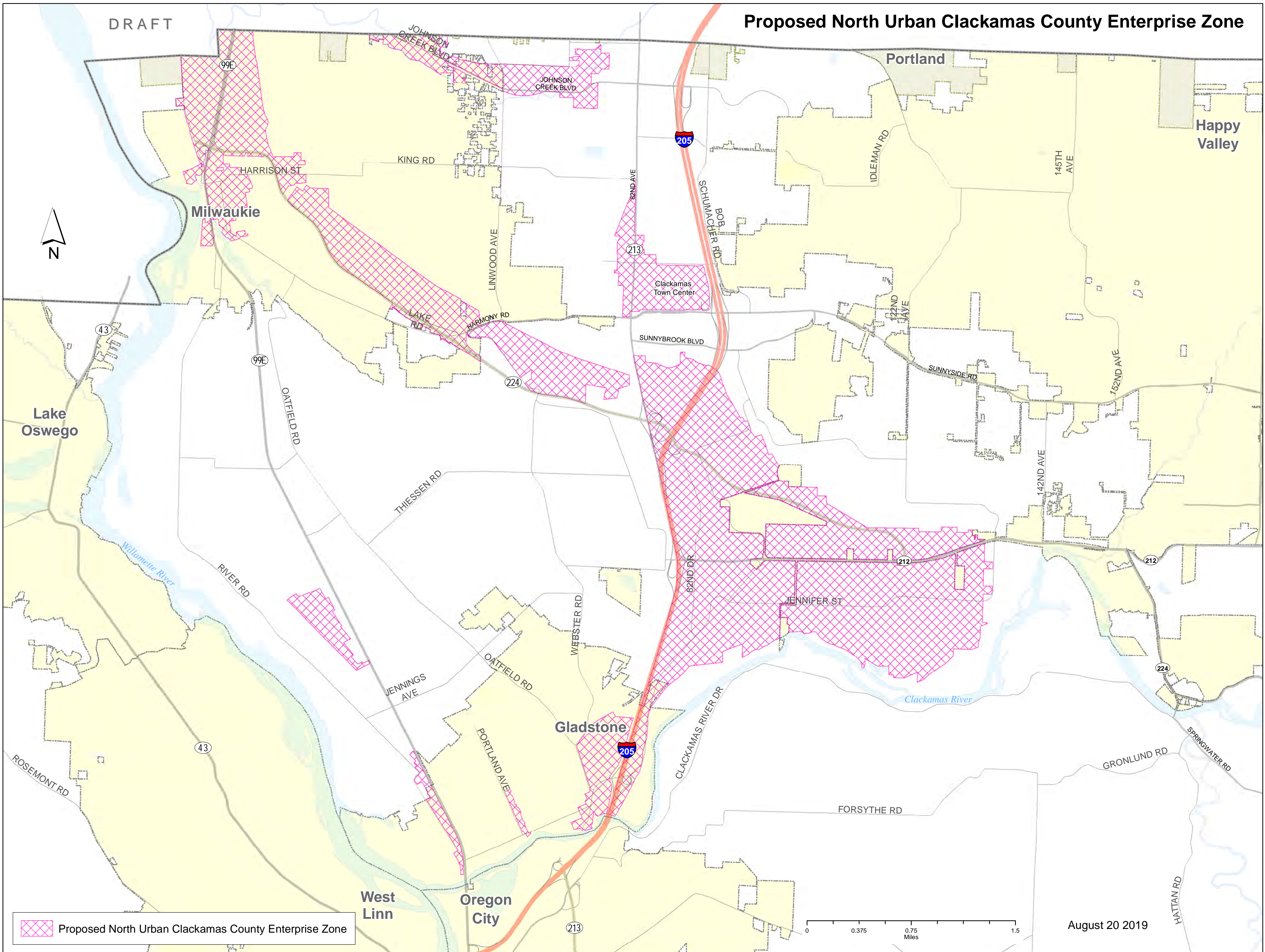
Sincerely,

Cindy Moore, Enterprise Zone Manager  
Clackamas County

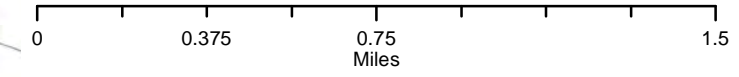
- cc. Gary Schmidt, County Administrator, Clackamas County
- Ann Ober, City Manager, City of Milwaukie
- Jacque Betz, City Administrator, City of Gladstone
- Special Districts Association of Oregon

DRAFT

# Proposed North Urban Clackamas County Enterprise Zone



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