

PASSED

IN THE BOARD OF COUNTY COMMISSIONERS
OF LANE COUNTY, OREGON

RESOLUTION AND ORDER NO. 05-8-2-5) IN THE MATTER OF AMENDING
) ORDER NO. 05-05-7-12-2 REGARDING
) ESTABLISHING INTERIM LOCAL
) CRITERIA APPLICABLE IN THE
) PROPOSED WEST EUGENE
) ENTERPRISE ZONE AND ADOPTING A
) PUBLIC BENEFIT SCORING SYSTEM

WHEREAS, on June 29, 2005, the Board of Commissioners of Lane County adopted Order No. 05-6-29-15 establishing interim local criteria applicable in the West Eugene Enterprise Zone and adopting a public benefit scoring system, but not including the cap of \$30,000 per new full-time job created as proposed by the City of Eugene, and

WHEREAS, the State of Oregon Economic and Community Development Department has approved the application from the co-sponsors and designated the West Eugene Enterprise Zone (Director's Order No. DO-05-130, dated June 28, 2005), effective July 1, 2005, and

WHEREAS, to date, the joint sponsors have not yet adopted substantially similar interim local criteria; however, individuals on the two elected bodies have continued to work towards that goal; and

WHEREAS, in an effort to reach agreement with the City of Eugene and to move forward towards the consideration of permanent criteria, the Board of Commissioners wishes to amend Order 05-7-12-2 as described below , and

WHEREAS, retention of existing jobs and support of existing businesses are important elements of the West Eugene Enterprise Zone, and those elements shall be discussed during the development of permanent standards and public benefit criteria,

NOW, THEREFORE IT IS HEREBY RESOLVED AND ORDERED that the Lane County Board of Commissioners adopts as its findings the recitals stated above, and it is further

ORDERED that, based on the above findings, the Board hereby establishes the following Interim Local Criteria for the proposed West Eugene Enterprise Zone:

1. Qualifying companies shall be required to make a public benefit contribution based on the following criteria:

a. The extent to which the company hires from local training/referral agencies:

b. The extent to which the company hires persons with barriers to employment:

c. The extent to which the average compensation of new jobs is equal to or greater than the average county wage;

d. The extent to which the company dedicates funds for non-mandated training and benefits;

e. Whether the company is utilizing a previously developed site, including expansion of an existing site, or redevelopment of an industrial or brownfield site;

f. The extent to which the assessed value of new investment exceeds \$500,000 per acre;

g. Whether the company is a small and/or local business or small and/or local start-up company.

2. Except as provided in Section 3, in no event shall the amount of the contribution exceed 25% of the tax exemption.

3. Notwithstanding the provisions of Sections 1 and 2 above, the three-year exemption benefit shall be limited to a maximum of \$96,000 per job created or \$32,000 per job created per year, whichever is less. Tax exemption benefits in excess of that amount shall be paid as a public benefit contribution. A business whose tax exemption benefit is anticipated to exceed the job cap limitation described in Section 3 shall make a public benefit contribution based on the anticipated excess, with a reconciliation of the contribution amount to the extent allowed by law to occur in the third year of the exemption, based on records of actual employment.

4. During the period these Interim Criteria are in effect, the per-job limit on the three-year tax exemption benefit described in the first sentence of Section 3 may be waived or modified for a specific applicant if the City Council and the Lane County Board of Commissioners each agree to the waiver or modification. The co-sponsors' decision to waive or not to waive the limit shall be based on consideration of the applicant's proposed capital investment in the West Eugene Enterprise Zone; the anticipated employment resulting from the applicant's investment; the applicant's commitment to make other beneficial community investments; local economic conditions at the time of the application, including but not limited to the unemployment rate, market trends, and competition for attracting new businesses to the community; the co-sponsors' budget circumstances at the time of the application and the effect of reducing the public benefit contribution on the co-sponsors' ability to provide public services to their citizens; and the co-sponsors' judgment as to the reasonableness of the public benefit contribution in light of the foregoing factors and in comparison to the public benefit contribution paid by other companies in the West Eugene Enterprise Zone.

ORDERED that the Board of Commissioners adopts the Public Benefit Criteria Scoring System contained in Exhibit A attached hereto and incorporated herein, to implement the Interim Local Criteria set forth above, for determining exemptions for future investments made by companies participating in the proposed West Eugene Enterprise Zone, and it is further

ORDERED that beginning in August 2005, Lane County and the City of Eugene will undertake a process to develop and adopt permanent standards and public benefit criteria for the West Eugene Enterprise Zone. The process will begin with convening a joint City/County committee composed of two elected officials from each governing body and a total of four community representatives, two of whom shall be appointed by each governing body. The

committee will meet through January, 2006, as needed, to develop a proposal for permanent standards and public benefit criteria, and it will provide opportunities for stakeholder participation and community involvement, including public hearings.

ORDERED that this Order shall become effective immediately upon adoption by the Board and adoption of a substantially similar resolution by the Eugene City Council.

DATED this 2nd day of August, 2005.


Chair, Lane County Board of
Commissioners

APPROVED AS TO FORM

Date 8/2/05 Lane County


OFFICE OF LEGAL COUNSEL

PUBLIC BENEFIT CRITERIA (2005)

1. The extent to which the average wage of new jobs is equal to or greater than the average county wage.

The average wage for all new jobs is:

	<u>Points</u>
≥100% and ≤110% of average county wage	25
> 110% and ≤115% of average county wage	35
> 115% of average county wage	40

2. The extent to which the company hires from local training/referral agencies.

	<u>Points</u>
≥10% - ≤35% of all new jobs	5
> 35% - ≤50% of all new jobs	15
> 50% of all new jobs	25

3. The extent to which the company hires persons with barriers to employment. **

	<u>Points</u>
≥5% - ≤10% of all new jobs	5
> 10% - ≤20% of all new jobs	10
> 20% of all new jobs	15

4. The extent to which the company dedicates funds for non-mandated training and benefits. ***

	<u>Points</u>
≥1% - ≤5% of entire company payroll is dedicated to non-mandated training & benefits	5
> 5% - ≤10% of entire company payroll is dedicated to non-mandated training & benefits	10
> 10% of entire company payroll is dedicated to non-mandated training & benefits	15

5. Whether the company is a small business.

	<u>Points</u>
≤50 employees at time of precertification	10

6. Whether the company is utilizing a previously developed site, including expansion of an existing site (i.e. the investment will take place at the same physical location as the existing facility), or redevelopment of an industrial or brownfield site.

	<u>Points</u>
Expansion at existing site	1
Redevelop preexisting industrial site or brownfield site	2

7. The extent to which the assessed value of new investment exceeds \$500,000 per acre.

	<u>Points</u>
Investment \geq \$500,000 per acre	1

CRITERIA NOTES:

*** Examples of qualified local training or referral agencies:**

- Lane Workforce Partnership
- Oregon Employment Department
- Lane Community College
- Adult/Family Services
- Vocational Rehabilitation
- Private Rehabilitation Agencies
- Goodwill Industries
- Catholic Community Services
- St. Vincent de Paul
- Salvation Army

**** Examples of persons with employment barriers:**

- Low/moderate income
- Disabled
- Injured
- Veteran
- Welfare recipient
- Displaced worker
- Teens/youth
- Ex-felon
- Older workers
- Short-term jobs history
- Displaced homemaker
- Drug/alcohol abuse history
- Protected classes (Female head of household, Hispanic, Black, Asian or Pacific Islander, American Indian or Alaskan Native)

***** Qualifying non-government mandated benefits include: health/life/disability insurance, retirement, profit-sharing, paid vacation/holiday, child care, transportation, sick leave, tuition assistance, career development/training.**

Based on the number of public benefit criteria points earned in each Enterprise Zone tax exempt year, each company shall make a public benefit contribution which shall be a percentage of the total tax exemption in any given year based on the following:

Points Earned Public Benefit Contribution %

80+ 0% contribution

0-79 Apply formula: Contribution due = a percentage equal to

$$\frac{25 \text{ minus } ((\text{point total}) - 30) \times 25}{100} = \text{contribution}$$

Example: If point total is 40

$$\frac{25 \text{ minus } ((40) - 30) \times 25}{100} = \text{contribution of } 12.5\%$$

Example: If point total is 10

$$\frac{25 \text{ minus } ((10) - 30) \times 25}{100} = \text{contribution of } 21.375\%$$

DISTRIBUTION OF PUBLIC BENEFIT CONTRIBUTION

Public benefit contribution will be paid annually, distributed as follows:

- 40% to Lane County;
- 40% to City of Eugene;
- 20% to programs sponsored by educational institutions, including Section 501(c)(3) tax exempt education foundations. The Enterprise Zone Committee will reconvene in any year in which there is at least \$10,000 in this category to distribute. A competitive Request for Proposal process will be conducted by the Enterprise Zone Committee to allocate the available funds.

The Enterprise Zone Committee will consist of two City Councilors appointed by the Eugene City Council, two County Commissioners appointed by the County Board of Commissioners, and two at-large members appointed by the four Councilors/Commissioners.

Administrative costs of the distribution process may be taken from the funds available.