

PASSED

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. 05-8-24-1

) IN THE MATTER OF APPROVING AN
) EXTENSION OF PROPERTY TAX
) EXEMPTION UNDER ORS 285C.175 TO
) UNITED STATES BAKERY AND
) DELEGATING AUTHORITY TO THE
) COUNTY ADMINISTRATOR TO
) EXECUTE AGREEMENTS IN
) CONFORMANCE

WHEREAS, Lane County and the City of Springfield are co-sponsors of an enterprise zone pursuant to Board Order 99-4-6-1, and

WHEREAS the Board Order sponsoring the enterprise zone contained language that "the City of Springfield has agreed that should it negotiate a payment in lieu or in recognition of the tax exemption with any business regarding the addition of new property which would receive an exemption under the enterprise zone, that Lane County shall receive a payment equal to 25% thereof," and,

WHEREAS, United States Bakery could receive a property tax exemption of up to three years under ORS 285C.175 because it is an eligible business firm locating in an enterprise zone and intends to construct a \$29 million bakery facility within the zone, and,

WHEREAS, ORS 285C.160 also authorizes extension of two additional years of the enterprise zone property tax exemption upon agreement of United States Bakery to certain additional requirements that the co-sponsors may reasonably request, and

WHEREAS, by Resolution 05-43, the City of Springfield has required United States Bakery to pay to the City the amount of \$134,900 for each of the two year extended tax-exemption period on a payment schedule to be later negotiated, and,

WHEREAS, United States Bakery will agree

- a. to compensate during the entire tax exemption period all new employees at an average rate of not less than 150 percent (\$45,474) of Lane County's prevailing average annual wage (\$30,316) at the time of the firm's applying for preauthorization; and
- b. to meet any additional requirements that the zone sponsors may reasonably request, including but not limited to United States Bakery's paying Lane County \$41,225 for each of the last two years of extended Enterprise Zone benefits, on a payment schedule to be later negotiated, and,

WHEREAS, United States Bakery anticipates it will complete construction of its Williams Bakery in Glenwood in 2006, and

WHEREAS, United States Bakery has filed a preauthorization application form with the Springfield Enterprise Zone Manager, and

WHEREAS, United States Bakery will negotiate a First Source agreement with the Oregon Employment Division referring qualified candidates to the United States Bakery for new job openings within the Springfield Enterprise Zone throughout the exemption period, and

WHEREAS, the City of Springfield has approved extension of the property tax benefits and execution of an appropriate agreement, and

WHEREAS, Lane County would like to encourage investment in new high technology facilities, increase family wage jobs and wages paid in new economic sectors, and assist in the diversification of the County's economy, now, therefore, it is hereby

ORDERED that, as follows:

1. Lane County, as the governing body of one of the sponsors of the Springfield Enterprise Zone, approves extending the property tax benefits of the Springfield Enterprise Zone for the period allowed under ORS 285 to the United States Bakery, as requested in Exhibit "A" and incorporated herein by reference, for its intended \$29 million project to construct a bakery facility, and
2. Lane County delegates authority to the County Administrator to sign agreements with the City of Springfield, the cosponsor of the Springfield Enterprise Zone, and with the United States Bakery in substantial conformance with the terms described herein and provided that the United States Bakery meets the applicable requirements of ORS 285C.050 et seq.

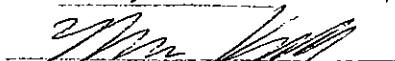
DATED this 24 day of August, 2005.



Chair, Lane County Board of
Commissioners

APPROVED AS TO FORM

Date: 8-16-05 Lane county


OFFICE OF LEGAL COUNSEL

OREGON ENTERPRISE ZONE AUTHORIZATION APPLICATION

á Complete form and submit to the local enterprise zone manager before breaking ground or beginning work at the site. â Please type or print neatly.

APPLICANT

Enterprise Zone or Rural Renewal Energy Development Zone (where business firm and property will be located) <u>Springfield, Oregon</u>		County <u>Lane</u>	
Name of Business Firm <u>United States Bakery</u>		Telephone Number <u>(503) 731-5672</u>	
Mailing Address <u>315 NE 10th Ave.</u>	City <u>Portland</u>	State <u>OR</u>	ZIP Code <u>97232</u>
Location of Property (street address if different from above) <u>Nugget Way Eugene OR 97403</u> IN <u>→</u>		City <u>Springfield</u>	State <u>OR</u>
Map and Tax Lot Number of Site <u>18030312 00700 18030311 03900</u> <u>18030311 01200 18030311 04000</u> <u>18030311 01100 18030311 03600</u>	Contact Person <u>Jerry Banness</u>	Title <u>C.F.O.</u>	
My firm expects to apply for this property tax exemption in the following year(s): <u>2007, 2008, 2009, 2010, 2011</u>			

- Check here if your firm has or has had another exemption in this enterprise zone. Note the first year of such exemption: _____
- Check here if you are requesting an extended abatement of one or two additional years of exemption. This is subject to minimum average annual *compensation for employees and written agreement with local zone sponsor. Sponsor may request additional requirements.
- Check here that your firm commits to renew this authorization application. Renew this application on or before April 1 every two calendar years, until the tax exemption on qualified property is claimed.

Zone Manager Use Only (after written agreement with applicant before authorizing firm)
 County Average Annual Wage: _____ Total Exemption Period: _____ (consecutive years)

BUSINESS ELIGIBILITY

Eligible Activity á Check all activities that apply to proposed investment within the enterprise zone:

- Manufacturing Fabrication Bulk Printing Shipping Agricultural Production Energy Generation
- Assembly Processing Software Publishing Storage Back-office Systems
- Other á describe the activities that provide goods, products, or services to other businesses (or to other operations of your firm): _____

Check here if your business firm does or will engage in ineligible activities within the enterprise zone (such as retail sales, health care, professional services, or construction). Describe below (or in an attachment) these activities and how they are physically separate from *eligible activities checked above: _____

Special Cases á Check all that apply:

- Check here if a hotel, motel, or destination resort in an applicable enterprise zone.
- Check here if a retail/financial call center. Indicate expected percent of customers in local calling area: _____ %.
- Check here if a "headquarters" facility. (Zone sponsor must find that operations are statewide or regional in scope and locally significant.)
- Check here if an electronic commerce investment in an e-commerce enterprise zone. (This also provides for an income tax credit.)

EMPLOYMENT IN THE ENTERPRISE ZONE (see worksheets on last page)

Do not count temporary, seasonal, construction, FTE, part-time jobs (32 hours or less per week), or employees working at Ineligible operations.

Existing Employment á My business firm's average employment in the zone over the past 12 months is 159 jobs.

New Employees á Hiring is expected to begin on (date or month and year):

2-1-06
4-18-07 4/1/07 JP per [unclear] 6/4/05

á Hiring is expected to be completed by (month and year):

á Estimated total number of new employees to be hired with this investment is: 16

Commitments á By checking all boxes below, you agree to the following commitments as required by law for authorization:

- When the exemption claim is filed by April 1, total employment in the zone each year will not have shrunk by 85 percent at one time or by 50 percent twice in a row, compared to any such previous year's figures.
- By April 1 of the first year of exemption on the proposed investment in qualified property, I will increase existing employment within the zone by one new employee or by 10 percent, whichever is greater.
- My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended agreement, (2) zone sponsor resolution(s) waiving required employment increase, or (3) an urban enterprise zone's adopted policy.
- My firm will verify compliance with the above commitments, as requested by the local zone sponsor, the county assessor or their representative, or as directed by state forms or administrative rules.
- My firm will maintain at least either of the above minimum levels as an annual average employment during the exemption period.
- My firm will enter into a first-source hiring agreement before hiring new eligible employees. (This mandatory agreement entails an obligation to consider referrals from local job training providers for eligible job openings within the zone during at least the exemption period.)

OREGON EMPLOYMENT OUTSIDE THE ENTERPRISE ZONE

Check only those that apply:

- Check here if your firm or a commonly controlled firm is, or will be, closing or curtailing operations in the state beyond 30 miles of the zone's boundary. Indicate timing, location, number of any job losses, and relationship to the proposed enterprise zone investment:

- Check here if you are transferring any operations into the zone from site(s) within 30 miles of the zone boundary (existing businesses only): My firm's average employment at the site(s) over the past 12 months is 159 jobs.
- Check here if your firm commits to increase the combined employment at the site(s) and in the zone to 110 percent of the existing combined level by April 1 and on average during the first year of exemption.

PROPOSED INVESTMENT IN QUALIFIED PROPERTY

Anticipated Timing—Enter dates or months/years

Action	Site and Building & Structures			Machinery and Equipment		
	Preparation	Construction*	Placed In Service	Procurement**	Installation	Placed In Service
To commence or begin on	3-15-05	5-15-05	4-15-06	3-15-05	10-15-05	4-15-06
To be completed on	5-15-05	4-15-05		4-15-05	4-15-06	

* And/or new reconstruction, additions to, or modifications of existing building(s) or structure(s).

** May precede application by up to three months.

Special Issues:

- Check here for building/structure acquired/leased for which construction, reconstruction, additions, or modifications began prior to this application (attach executed lease).
- Check here for Work-in-Progress tax exemption for qualified property that is not yet placed in service and is located on site as of January 1. (Attach description and list of such probable property. See "Special Issues Worksheet," on the last page.)

Qualifying Property: Estimates of cost (please attach a preliminary list of machinery and equipment).

Type of Property		Number of Each/Item	Expected Estimated Cost	Check if any item will be Leased
Real Property	Building or structure to be newly constructed		\$13,525,000	<input type="checkbox"/>
	New addition to or modification of an existing building/structure		\$	<input type="checkbox"/>
	Heavy or affixed machinery and equipment		\$16,300,000	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more		\$ 150,000	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)		\$	<input type="checkbox"/>
Total Estimated Cost of Investment			\$ 29,975,000	

Additional Description: In addition to what is explained elsewhere, briefly comment below (or in an attachment) on the scope of your investment, the particular operations and output that are planned, and the intended uses of the qualifying property.

DECLARATION

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge, they are true, correct, and complete. If any information changes, I will notify the zone manager and the county assessor and submit appropriate written amendments. I understand that my business firm will receive the tax exemption for property in the enterprise zone, only if my firm satisfies statutory requirements (ORS Chapter 285B) and complies with all local, Oregon, and federal laws that are applicable to my business.

MUST BE SIGNED BY AN OWNER, COMPANY EXECUTIVE, OR AUTHORIZED REPRESENTATIVE OF THE BUSINESS FIRM

Signature <u>X. Murray R. Gebert</u>	Date <u>FEB 10 2005</u>
Title (If not an owner or executive, attach letter attesting to appropriate contractual authority) <u>Chairman + CEO</u>	

Local enterprise zone manager and county assessor must approve this application (with Enterprise Zone Authorization Approval, form 150-303-082)

UNITED STATES BAKERY

P. O. BOX 14769
315 NE TENTH AVENUE
PORTLAND, OREGON 97232

PHONE (503) 731-5670
FAX (503) 731-5680



February 10, 2005

To Whom It May Concern:

Please allow this letter to serve as confirmation that Murrey R. Albers is United States Bakery's C.E.O. and Chairman of the Board.

If you have any questions, please don't hesitate to call me (503-731-5671).
Thank you.

Sincerely,

United States Bakery

A handwritten signature in black ink, appearing to read "Keith VanEmmerik". The signature is written in a cursive, flowing style with some loops and flourishes.

Keith VanEmmerik
Asst. Secretary