

GREATER REDMOND AREA ENTERPRISE ZONE

►►► Sisters, Oregon

541-388-3236 | www.edcoinfo.com

OVERVIEW

One of the most successful and most active in the State of Oregon, the Greater Redmond Enterprise Zone was reconfigured in 2009 to include the City of Sisters. The incentive program encourages economic development and job creation by waiving property taxes on declared investments for eligible businesses for three years and reduces or waives many City fees. Additionally, the property tax waiver may be extended to five years if the qualifying company creates jobs which are compensated at 150% of the Deschutes County's annual wage (as published by the Oregon Employment Department).



Scenic view of downtown Sisters

INCENTIVES

Standard Abatement

This economic development incentive offers 100% property tax relief on normally assessed significant new plant and/or equipment. Abatement lasts for three years after the property has been placed in service.

Extended Abatement

Local sponsors may extend the standard exemption to four or five consecutive years if the qualifying company creates jobs that meet the 150% salary and benefits threshold for the area's average income.

Super Enterprise Zone

An additional provision allows the Zone Sponsor (in this case, the City of Sisters) to exempt larger scale projects for a period of 7 to 15 years. In addition to property tax abatement, participants are also eligible for income and payroll tax credits based on employment. While each project is evaluated individually, minimum levels of investment, employment and compensation are outlined to the right.

APPLICATIONS

To receive incentives, businesses must file an Enterprise Zone Authorization Application with the local Zone Manager and be approved prior to any eligible investments. For information about E-Zone use in Sisters, contact Roger Lee, Executive Director, Economic Development for Central Oregon (EDCO), at 541-388-3236.

ELIGIBILITY

Enterprise zone policy focuses on "for profit" business operations that do not compete significantly with the local economy. Eligible business firms provide goods, products or services to other business operations or organizations. This includes not only conventional manufacturing and industrial activities, but also processing plants, distribution centers, maintenance facilities, warehouses and even operations that handle bulk clerical tasks or post-sale technical support.

Eligible businesses must invest \$50,000 in new property or equipment not already on the county's tax rolls. The property must be owned or leased by the business firm and located in the Sisters Enterprise Zone boundaries shown on the attached map.

- Investment cost must be \$50,000 or more, in total, for qualified "real property," which includes newly constructed buildings or structures; new additions or modifications to existing building/structure; heavy/affixed machinery and equipment.
- Land, non-inventory supplies, rolling stock, vehicles, and motor propelled devices do not qualify.

Firms must increase and maintain its employment increase by the greater of one person or ten percent (10%) full time employee(s).

Minimum Qualifying Criteria	3 years (Standard)	5 years (Extended)	7-15 years (Super)
Investment	\$50,000	\$50,000	\$9.8 mill
New employment for existing company	10% increase 1st year	10% increase 1st year	35 within 3 years
Average compensation per employee	No minimum	\$52,535*	\$52,535*

* 150% of 2008 Deschutes County average annual wage, may include non-mandatory benefits, overtime and profit sharing.

Eligible businesses must provide 75 percent or greater of its goods, products or services to other business operations or organizations. Typically, this requirement makes the following types of operations ineligible: entertainment, tourism, health care, child care, finance, housing, construction, and retail. Please contact the Zone Manager with questions regarding eligibility.

E-ZONE INCENTIVE SAVINGS

Property tax savings resulting from a \$1 million investment are illustrated below. Assumptions include: a 10,000 sf building, \$100/sf construction costs, a 1" waterline, average wages at or above the 150% threshold, and Sister's property tax millage rate of \$xx.xxx per \$1,000 of assessed valuation.

\$1M Investment in Sisters		
	3 Years (Standard)	5 Years (Extended)
E-Zone Savings	\$25,130	\$43,164
City of Sisters Savings	\$10,002	\$10,002
Total Savings	\$35,132	\$53,132

CITY BENEFITS

The City of Sisters offers the following benefits:

- Waiver of \$200 enterprise zone application fee;
- Expedited permitting process for enterprise zone projects;
- Waiver of 50% of land-use fees for businesses meeting the 150% salary and benefit threshold of the area average income.
- Waiver of 25% of the land use fees for businesses that do not meet the 150% salary and benefit threshold.
- Waiver of water and sewer hook-up fees;
- Provide 5% reduction in water and sewer user charges for each FTE created, up to 25%;
- Discount building permits by 2% per FTE created, up to 25%.

SUMMARY OF SUCCESS

Established in 1988, Redmond's Enterprise Zone, prior to encompassing Sisters, has a strong record in for the first 20 years of the program: 115 business assisted; 1,722 new jobs created; and \$124.6 million in new capital investment.

E-COMMERCE ZONE

Sisters is one of a limited number of Oregon's zones with special status to encourage electronic commerce investments. "E-commerce" is defined as engaging predominantly in transactions via the Internet or an Internet-based computer platform. Transactions can include taking orders, closing sales, making purchases, providing customer service, or other activities that serve the firm's overall purpose, even if retail in nature.

Qualifying firms receive income tax relief - a credit against the firm's annual state income or corporate excise tax liability, which equals 25% of that year's investment cost in capital assets for e-commerce related operations. Note that the electronic commerce income tax relief can be layered with the E-Zone property tax abatement. For more information regarding qualified investments and credits, please contact the Zone Manager.

FREQUENTLY ASKED QUESTIONS

Does the Enterprise Zone take away from the existing tax base?

No, the Legislature, in coordination with cities and counties across Oregon, has structured the Enterprise Zone to ensure that no property (land, buildings, equipment) previously on the tax rolls can be removed through an exemption process. Only new investment qualified by an application process with the local Enterprise Zone Manager, and coordinated with local tax assessor, can be exempted.

My company is eligible for the E-Zone, but I've already started construction. Can my facilities be exempted?

Typically not. Companies wishing to access the program need to complete the two page Enterprise Zone Authorization Application prior to purchasing equipment or breaking ground on new or expanded facilities. It is strongly recommended that companies meet with the Zone Manager before making any land use application, obtaining building permits, or purchasing equipment.

Are commercial developments eligible for Enterprise Zone exemptions?

No, only primary employers are eligible. The general test for commercial versus primary or industrial is that a majority of a company's products or services must be sold or delivered outside the region, or to another business.

When the exemption period expires, does my property (building and equipment) come back on the tax rolls?

Yes. Buildings and equipment are assessed throughout the exemption period, but come back on the tax rolls at a depreciated or appreciated value. Eligible property taxes on real and some personal property are exempted, not deferred.

Can eligible employers who rent their facilities qualify?

Yes. If a facility has not been previously occupied or is a build-to-suit for an eligible company, landlords are required to pass on savings resulting from property tax exemptions to their tenants.

May my company use the Enterprise Zone multiple times for future expansions?

Yes. Expansion projects for qualifying employers are eligible as long as the employer adds at least 10% to their existing workforce each time the program is used.



ECONOMIC DEVELOPMENT
FOR CENTRAL OREGON

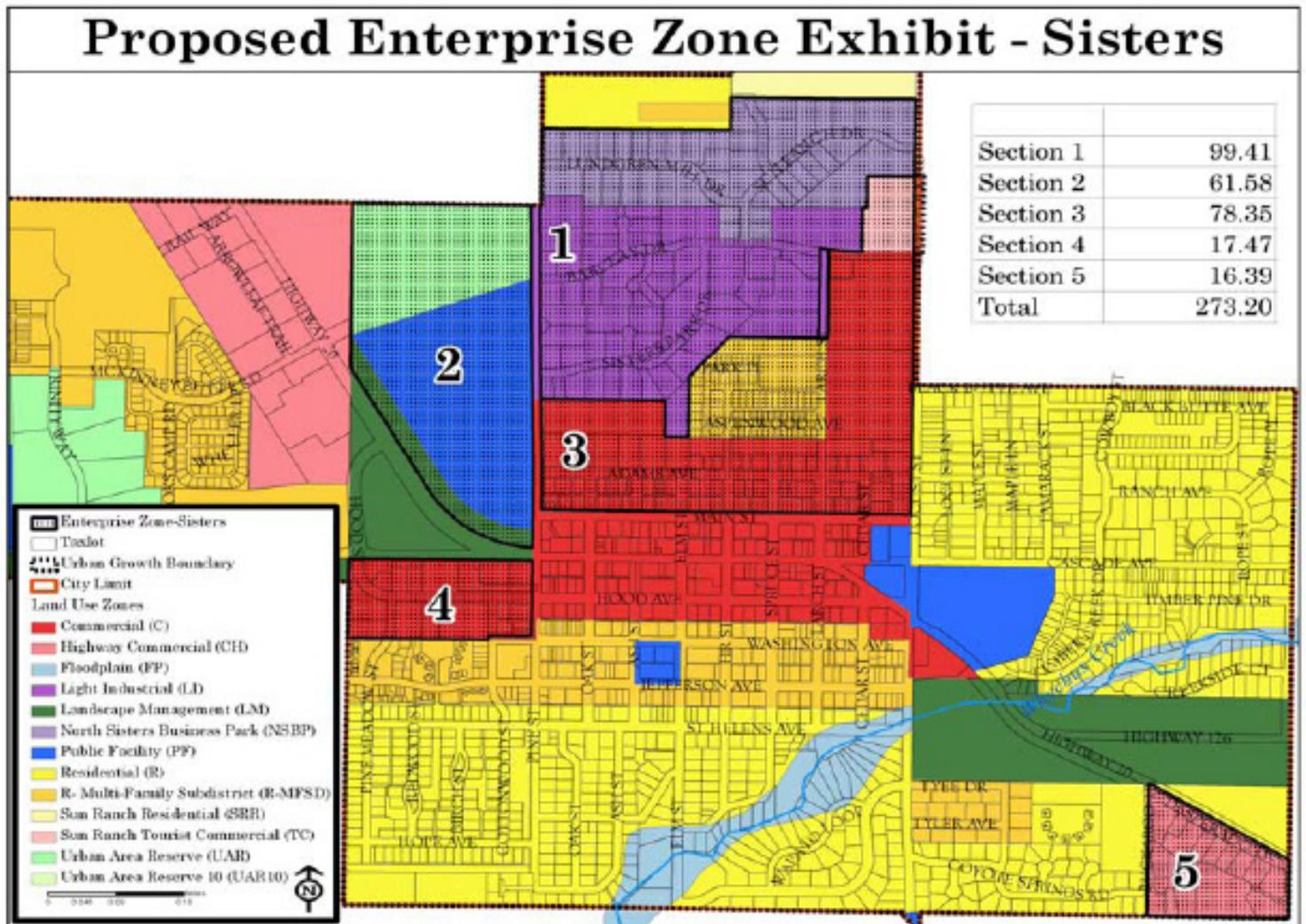
Zone Manager: Roger Lee
Executive Director
Economic Development for Central Oregon
109 NW Greenwood Ave. | Bend OR 97701
541-388-3236 | www.edcoinfo.com



Zone Sponsor: City of Sisters
Patrick Davenport
Community Development Director
541-323-5219 | www.ci.sisters.or.us

BOUNDARY MAP

The Greater Redmond Area Enterprise Zone encompasses a total of 12 square miles: nearly 171 acres within the City of Redmond's Urban Growth Boundary; 2,635 acres of Deschutes County land on Redmond's eastside; and just over 273 acres within and around the City of Sisters (shown below). Sisters has 5 districts, two of which are light industrial developments and 'shovel ready' with roads and all utilities stubbed out next to each lot.



Section (Acres)	City Zoning	EZone Designations
1. Sisters Industrial Parks (99.41)	Light Industrial Zone (IL) North Sisters Business Park Zone	Standard EZone businesses E-Commerce
2. Forest Service Properties (61.58)	Public Facilities Zone (PF) Urban Area Reserve Zone (UAR 10)	None under current zoning; anticipate a zone change in the future
3. Commercial and Multi-Family Residential Zones (78.35)	Downtown Commercial Zone Tourist Commercial Zone Multi-Family Residential Zone	Standard EZone businesses E-Commerce
4. New Sisters Village (17.47)	Downtown Commercial Zone	Standard EZone businesses E-Commerce
5. Five Pine Lodge (16.39)	Highway Commercial Zone	Standard EZone businesses E-Commerce