

RESOLUTION NO. 1901

A RESOLUTION AUTHORIZING APPLICATION TO THE STATE OF OREGON COMMUNITY AND ECONOMIC DEVELOPMENT FOR ESTABLISHMENT OF AN ENTERPRISE ZONE.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. The Cities of Troutdale and Fairview, with consent by resolution from the Port of Portland, are sponsoring an application for designation of a joint Columbia Cascade Enterprise Zone.
2. The Cities of Troutdale and Fairview are interested in establishing an Enterprise Zone to encourage new business investment, job creation, higher incomes for local residents, and greater diversity of economic activity. The proposed Enterprise Zone has a total area of 2.46 square miles, and it meets other statutory limitations on size and configuration; it is depicted on the drawn-to-scale map (Attachment A) and described in the proposed boundary of the Columbia Cascade Enterprise Zone (Attachment B).
3. The proposed Enterprise Zone contains significant land that is reserved for industrial use, as indicated by the land use zoning map (Attachment C) included with the application and consistent with the City of Troutdale's Comprehensive Plan. The industrial sites in the proposed Enterprise Zone area are accessible, serviced, and otherwise ready for use and further development.
4. The designation of an Enterprise Zone does not grant or imply permission to develop land within the Zone without complying with prevailing zoning, regulatory and permitting processes and restrictions for applicable jurisdictions; nor does it indicate any intent to modify those processes or restrictions, except as otherwise in accordance with Comprehensive Plans.
5. The Cities of Troutdale and Fairview appreciate the impacts that a designated Enterprise Zone would have and the property tax exemptions that an eligible business might receive therein, as governed by Oregon Revised Statutes (ORS) Chapter 285C and other provisions of Oregon Law.
6. All of the other municipal corporations, school districts, special service districts and taxing jurisdictions, other than the sponsoring governments, that receive operating revenue through the levying of ad valorem taxes on real and personal property in any area of the proposed Enterprise Zone were sent notice and invited to a public meeting regarding this proposal, in order for the sponsoring governments to effectively consult with these other local taxing districts. Follow-up arrangements as

agreed to with these consultations will be completed with affected districts within six months of the proposed Enterprise Zone's designation.

7. The Columbia Cascade Enterprise Zone would require criteria be met by businesses applying for the exemption (in addition to the State requirements). The proposed criteria that would need to be met by an eligible business if the Enterprise Zone is created are as follows:

- a. **FILE AUTHORIZATION APPLICATION.** Company would be required to file a brief two-page application with the Columbia Cascade Enterprise Zone Manager prior to the commencement of any site preparation or project construction (including the transfer of equipment into the zone).
- b. **LOCATE WITHIN THE ZONE BOUNDARY.** This must be done without reducing a company's existing Oregon employment outside of the Troutdale/Fairview area. Oregon companies moving operations from elsewhere in the state into the Zone are **not** eligible for Zone benefits if they are reducing employment levels at their non-Zone location (existing businesses located within 30 miles of the Zone would qualify for Zone benefits).
- c. **FULL-TIME JOB CREATION AND EXISTING EMPLOYEE RETENTION.** Most new companies will be required to meet the following job creation and/or retention requirements. If a new company is investing more than \$25 million, City Council may choose to waive these requirements (these are State requirements):
 - i. **NEW COMPANIES** would be required to retain at least 15% of the peak employment during the entire exemption period or not fall below 50% of peak employment for more than one year (measured at the end of the tax year).
 - ii. **EXISTING COMPANIES** in the Troutdale/Fairview area would be required to increase employment by at least 10% of the average annual employment of the business at the time of entering the Zone.
- d. **LOCAL TROUTDALE CRITERIA.**
 - i. **MINIMUM INVESTMENT LEVEL:** The minimum investment is \$1 million. In addition, the minimum investment for new construction/remodeling must be at least \$75 per square foot built. This calculation includes all real property (building, tenant improvements, equipment) included in the taxable assessed value. For eligible businesses expanding by adding equipment only, a minimum investment of \$1 million would be required. For

eligible businesses with a combination of new construction and equipment, only the new construction/remodeling minimum (\$75 per square foot built) would be required. The cost per square foot built will be adjusted annually based on the most current construction CPI figures available in the Engineering News Record. This information will be updated annually on the City's website, as well as all marketing materials for the Enterprise Zone.

- ii. **FIRST SOURCE WORKER HIRING THROUGH A LOCAL SERVICE PROVIDER.** A company would be required to utilize a local service providers' program for employee hiring at Zone operations throughout the project construction and tax exemption period. A "First Source Agreement" would be required with the service provider, which determines performance standards for recruitment activities. Positions to be hired through the local service provider would be negotiated. The local service provider would focus its initial recruitment efforts on residents of East Multnomah County, the area bounded by I-205 on the west, the Columbia River on the north, the Sandy River on the east and the Clackamas County line on the south (East County). This is a State requirement.
- iii. **TROUTDALE ENTERPRISE ZONE BUSINESS PROCUREMENT PLAN.** To generate employment opportunities for Troutdale target area residents, a company would be required to create and execute a procurement plan that will maintain or increase purchases from primarily businesses located within East Multnomah County, the area bounded by I-205 on the west, the Columbia River on the north, the Sandy River on the east and the Clackamas County line on the south. The plan would include goals, numeric or percentage, as a means of providing benchmarks to evaluate the plan's effectiveness.
- iv. **JOB QUALITY.** Zone facility full-time jobs would be required to meet a minimum quality level during the period of exemption defined as the following:
 - The average of all hourly full-time wages must be at least 150% of the Oregon minimum wage for a 3 year tax abatement.
 - Must provide benefits to full-time employees that meet the national average of non-mandated benefits for the size of company.
 - Sufficient training and advancement opportunities must be available to employees.

- e. **APPLICATION FEE.** There will be an application fee of .001 of the value of the investment in qualified property that is proposed in the application for authorization. This fee is payable to the City of Troutdale. (The State authorizes this fee, but the level is determined by the local government.)

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

1. The Cities of Troutdale and Fairview propose and apply for an Oregon enterprise zone to be named: The Columbia Cascade Enterprise Zone, and request that the director of the state Economic and Community Development Department order the designation of this Enterprise Zone. John Anderson, City Administrator for the City of Troutdale is authorized to submit the Enterprise Zone application for the City of Troutdale, and to make any substantive or technical change to the application materials, as necessary, after adoption of this resolution.
2. The City of Troutdale will give priority to the use in the proposed Enterprise Zone, if designated, of any economic development or job training funds received from the federal government, consistent with ORS 285C.065(3)(d).
3. The City of Troutdale commits, upon designation, to appoint the City Administrator John Anderson the local Enterprise Zone co-manager with an official appointed by the City of Fairview.
4. The City of Troutdale will comply with the requirements and provisions of ORS 285C.105 and to otherwise fulfill its duties under ORS 285C.050 to 285C.250.
5. The City of Troutdale commits, within six months of designation, to implement and to confirm for the department its fulfillment of such duties, as specified in OAR 123-065-0210, including but not limited to preparation of a list or map of local lands and buildings owned by the state or by municipal corporations within the Enterprise Zone that are not being used or designated for a public purpose and that have appropriate land use zoning, and to efforts for making such real property available for lease or purchase by authorized business firms under ORS 285C.110.
6. The City of Troutdale as a sponsor of the proposed Columbia Cascade Enterprise Zone exercises our option under ORS 285C.070 that qualified property of and operated by a qualified business firm as a hotel, motel or destination resort may receive a property tax exemption in the zone, and that such businesses are eligible for purposes of authorization upon effective designation of the zone.

7. The City of Troutdale authorizes staff to proceed with filing an application for establishing the Columbia Cascade Enterprise Zone in the area as shown on Attachment A.
8. This resolution is effective immediately upon adoption.

YEAS: 7
NAYS: 0
ABSTAINED: 0



Paul Thalhofer, Mayor

Date September 12, 2007



Debbie Stickney, City Recorder





Adopted: September 11, 2007

Enterprise Zones Troutdale/Fairview

AREA	SQUARE FEET	ACRES
1	52,216,515	1,199
2	10,848,074	249
3	5,342,201	123
4	231,088	5
Total:	68,637,878	1,576

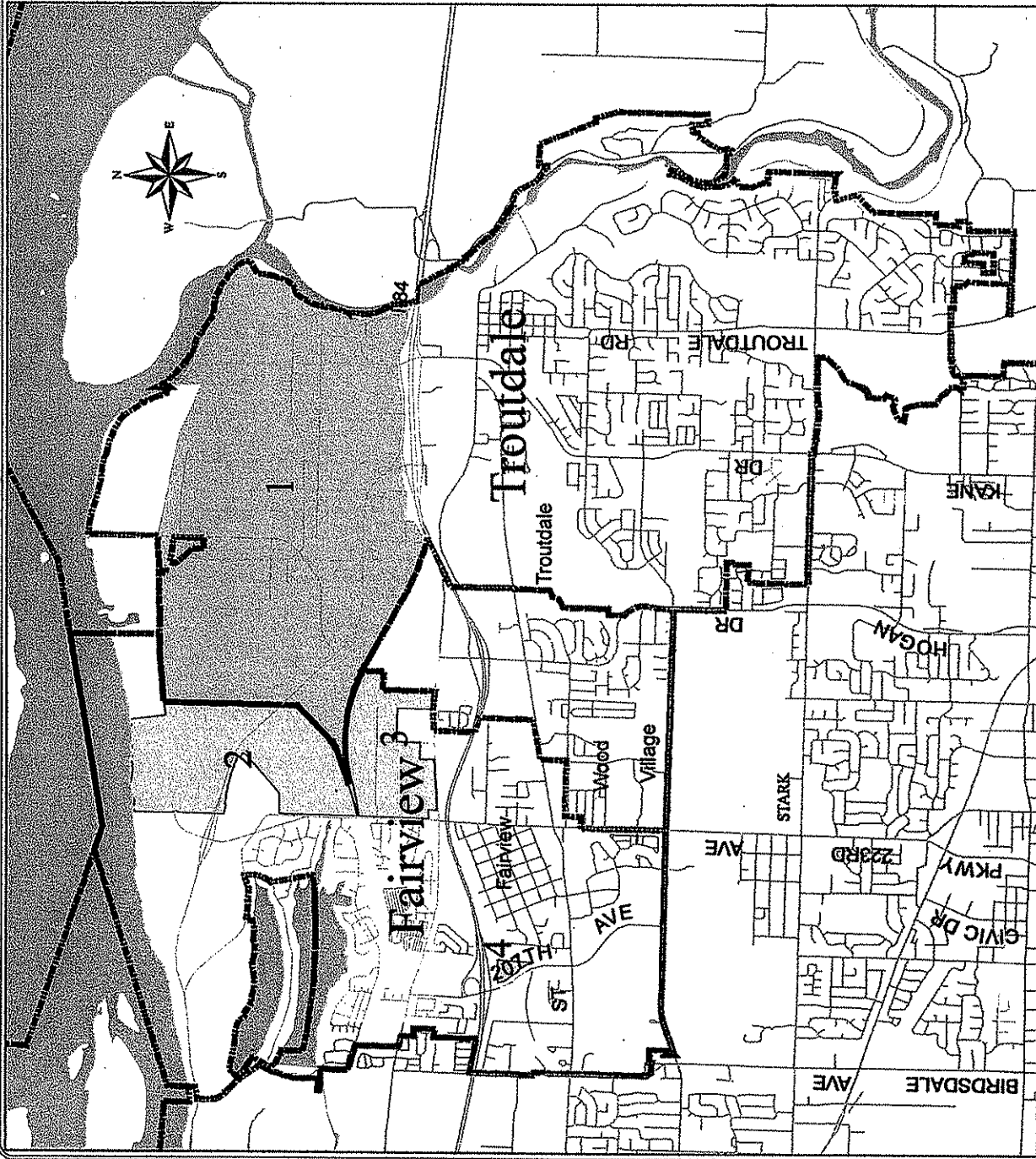
Total 2.46 square miles.

Legend

-  Fairview Enterprise Zones
-  Troutdale Enterprise Zones
-  Water Body
-  City Boundaries



Disclaimer:
We have been trying to get current, correct, and complete information for the purposes of mapping. However, it is not error-free. The information is also subject to change without notice. Please contact the city staff for more in-depth and up-to-date information.



Proposed Boundary of Columbia Cascade Enterprise Zone

Proposed Boundary:

A map of the proposed Enterprise Zone is attached as Exhibit A. A portion of the area is noncontiguous. Each area within the proposed zone is appropriately zoned in either a Light Industrial or General Industrial zoning district except for Area 4 in Fairview.¹ Several of the areas are served by necessary utilities, and have adequate transportation access. Each area also has potential for either new industrial development, redevelopment of older industrial buildings, or new investment in existing companies.

Each area also has some specific circumstances which led to their proposed inclusion within the Enterprise Zone boundary:

Area #1:

Area #1 is 1,199 acres and is located in Troutdale and bounded by I-84 on the south, the Sandy River on the east, the Columbia River on the north and the city of Fairview on the west. Most of the site is zoned General Industrial and a smaller portion just north of I-84 is zoned Light Industrial. The area is served by the Port of Portland's General Aviation Airport, large portions of the area are served by rail and much of the area has good access to I-84.

The portion of Area #1 north of the Troutdale General Aviation airport includes nearly 600 acres recently annexed to Troutdale by the Port of Portland. The Port is in the process of buying the land from the Alcoa Company and will be subdividing the area in preparation for its development. This area was a Superfund site that has been cleaned up and is now ready for new development. The site also faces challenges in dealing with wetlands, power lines corridors and a major underground gas line. The Port's subdivision includes just under 300 acres and is designed for three phases of development. Presently FedEx is working with the Port and City to build a 415,000 square foot facility in phase one of the Port's subdivision and grow to 800-900 employees in the next five years. (The original FedEx facility on Swan Island is approximately 82,000 square feet with about 550 employees.)

Area #2

At 249 acres Area #2 is comprised of General Industrial and Agricultural Holding zones. Agricultural Holding is a transitional zone that allows agricultural uses, with the expectation that the zoning will be changed to industrial zoning as demand for industrial land warrants. Existing industrial development in Area 2 includes the Georgia Pacific wood chip reload facility. Wood chips are offloaded from semi trailers, reloaded to river barge and shipped across the Columbia River to the Camas paper plant. Just east of the reload facility is a sand and gravel dredge facility operated by Rinker Materials. Also located in Area 2 is the Portland based Northwest Materials Handling Group (NMHG), a global leader in the development, sales, and service of industrial handling equipment. NMHG's Fairview plant is a development center for industrial forklifts.

¹ Area 4 in Fairview is presently zoned residential and is proposed for hotel/convention center development.

Undeveloped property in the Area includes 85 acres of the former Reynolds Metals land holding which is partially in berry production. Area 2 transportation needs are well served by Marine Drive and 223rd Avenue.² All portions of Area 2 except the Rinker and Georgia Pacific sites are protected by the levee maintained by Multnomah County Drainage District #1.

Area #3:

Area #3 is primarily occupied by the 105 acre Townsend Business Park, which includes recently developed sites by International Truck, ThermoKing, Knight Transportation, and Townsend Farms which is now undergoing a 40,000 square foot freezer expansion. Approximately 400,000 square feet of speculative warehouse/distribution/flex space is presently under construction by Birtcher Development.

The Area includes a number of shovel ready industrial sites ranging from 2.5 to 5.64 acres. Most of Area 3 is zoned General Industrial which allows a broad range of manufacturing, warehousing, and distribution uses. A seven acre site zoned Agricultural Holding is located in the southwest corner of the Area.

The Townsend Business Park was approved as a industrial planned development, which included a traffic mitigation plan that details traffic and transportation improvements for all future development. This approach has greatly simplified the development review process for new development by identifying all required transportation improvements in advance of development.

Area #4:

The property owner of Area #4 has expressed interest in developing a hotel and conference center. The residentially zoned, 5-acre site is located at the southeast corner of the intersection of Fairview Parkway (formerly 207th Avenue) and Interstate 84. The site is presently being filled in anticipation of future development.

² Two major transportation projects that benefit Areas #2 and #3 have been funded and are in design. These include the replacement and widening of the south railroad underpass on 223rd and reconstruction of Sandy Boulevard and 223rd Avenue intersection.

