

North Marion Enterprise Zone

Overview

Enterprise Zones are a five-year property tax abatement program that offers a unique resource for businesses growing or relocating with an exemption on local property taxes. In order to qualify an eligible firm must be making new investment in construction or equipment to leased or owned property within the Enterprise Zone boundary and must be creating new or additional employment. Once an authorized company enters into the program it will receive full tax abatement on all qualified property for up to five years.

Eligibility

New companies that are eligible for the program must create at least one new job, while existing companies must expand employment by at least 10% in the first year to be eligible. Non-qualifying employers include retail, commercial, most services, and other non-business-to-business operations. The total minimum investment required is \$50,000.

Eligible investments are new real property improvements (including buildings), major site improvements, large or immobile equipment and tools.

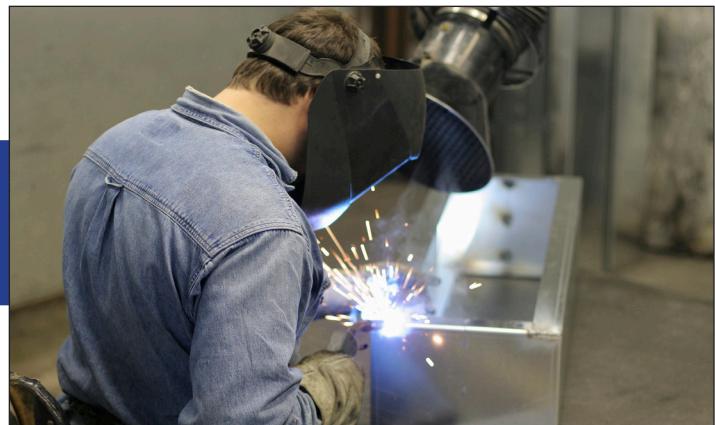
Non-qualifying investments include land, existing buildings, existing equipment, most rolling stock (forklifts, delivery trucks) and most personal property. There are no limits to the number of times a company may use the zone.

Incentives

Extended five year exemptions, an extension of the standard three-year exemption, must be approved by the zone sponsor. To qualify, companies must pay an average of 150% of the average wage (covered employment payroll for all employers) in total compensation, which can include non-mandatory benefits such as vacation pay, medical insurance, bonuses, overtime, profit sharing and retirement contributions.

The Enterprise Zone offers traded-sector employers (companies that sell goods or services outside the local area and expand its economic base) and other eligible companies three (3) to five (5) year property tax exemptions on certain new capital investments that create jobs in the designated areas.

The zone is managed by SEDCOR (Strategic Economic Development Corporation). Only new facilities or improvements not yet on the tax roll are eligible for this tax incentive.



Qualifying Criteria	3 years	5 years
Minimum Investment	\$50,000	\$50,000
Minimum New Employment for Existing Company	10% increase 1st year	10% increase 1st year
Minimum Average Compensation per Employee	None	\$56,059 (*)

* 150% of average annual wage



Advanced Manufacturing.

Application Process

To receive investment incentives, eligible businesses must file an Enterprise Zone Pre-certification Form with the local zone manager prior to any eligible investments.

For more information, contact **Chad Freeman, SEDCOR** at **503-837-1800** or email cfreeman@sedcor.com.

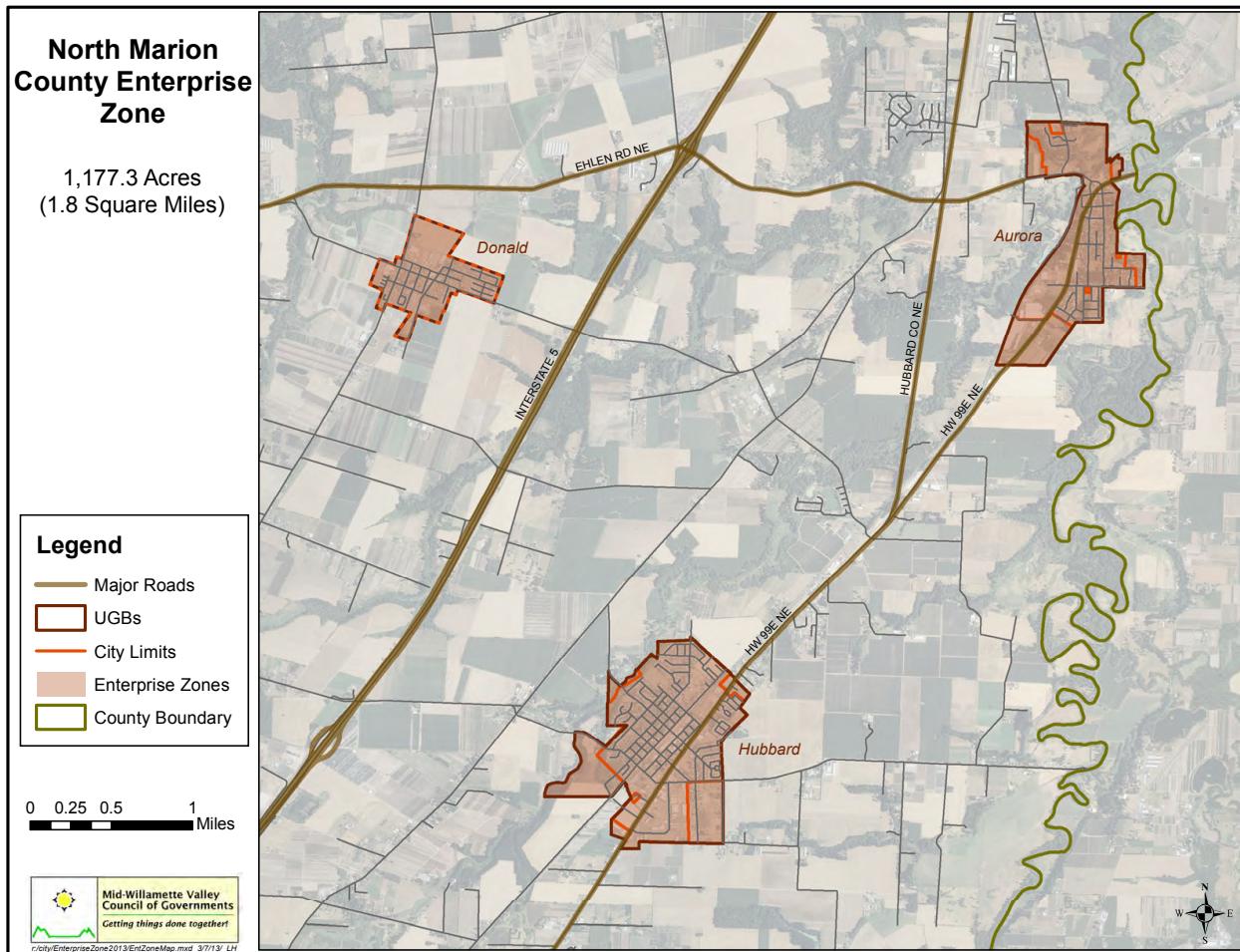


City of Aurora
www.ci.aurora.us.org



City of Donald
www.donaldoregon.org

City of Hubbard
www.cityofhubbard.org



Frequently Asked Questions

How difficult is the approval process?

The process is quick, non-bureaucratic and easy to administer. It consists of a short consultation with the Zone Manager, completion by the company of a two-page application and attachments, and approval by the Zone Manager and County Assessor. Complete applications are usually processed within one to two days.

My company is eligible for the Enterprise 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 pre-certification application prior to breaking ground on new or expanded facilities. It is strongly recommended that pre-certification occur prior to obtaining building permits.

Are commercial developments eligible for Enterprise Zone exemptions?

No, only primary employers are eligible. The test for commercial versus primary/industrial is that 75% of a company's products or services must be sold or delivered outside the region.

When the exemption period expires, does my property come back on the tax roll?

Yes. Property (buildings and equipment) are assessed throughout the exemption period, but come back on the tax rolls at a depreciated or appreciated value. During the period that a company participates in the Enterprise Zone, property taxes on real and some personal property are exempted, not deferred.

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.

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.

North Marion County Enterprise Zone

Cities of Donald, Hubbard and Aurora

Zone Manager:

Chad Freeman
SEDCOR
503-837-1800
www.sedcor.com

