

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR COLUMBIA COUNTY, OREGON

In the Matter of Authorizing Chuck Daughtry)
to Sign an Extended Enterprise)
Zone Agreement with Premier Jets Inc.) Resolution No. 86-2017

WHEREAS, Columbia County, together with the City of St. Helens, the City of Scappoose, the Port of St. Helens, the City of Vernonia, and the City of Columbia City, is a Zone Sponsor of the South Columbia County Enterprise Zone (“Enterprise Zone”); and

WHEREAS, Premier Jets Inc., (the “Firm”) wishes to relocate to Scappoose on industrial property located within the Enterprise Zone; and

WHEREAS, pursuant to ORS 285C.175(2)(b), property of an authorized business firm is exempt from ad valorem property taxation if (a) the property is qualified property under ORS 285C.180; (b) the firm meets the qualifications under ORS 285C.200; and the firm has entered into a first source hiring agreement under ORS 285C.215; and

WHEREAS, information provided by the Columbia County Economic Team indicates that the Firm will be an authorized business firm pursuant to ORS 285C.200, the property will qualify under ORS 285C.180 for the initial property tax exemption, and the Firm will enter into a first source hiring agreement pursuant to ORS 285C.215; and

WHEREAS, pursuant to ORS 285C.175, the property may be exempt from property taxation for up to two additional tax years if authorized by a written agreement entered into by the Firm and the zone sponsors under ORS 285C.160; and

WHEREAS, pursuant to ORS 285C.160(3)(B), the written agreement may include any additional requirement that a sponsor may reasonably request; and

WHEREAS, Chuck Daughtry is the Zone Manager for the Enterprise Zone; and

WHEREAS, Chuck Daughtry has negotiated an Extended Enterprise Zone Agreement with the Firm to exempt the Firm from property taxes for an additional two tax years; and

WHEREAS, the County agrees that the Firm, is a good addition to the job market in Columbia County, and that the purpose of the Enterprise Zone is to attract companies that provide family wage jobs for our community;

NOW, THEREFORE, BE IT RESOLVED as follows:

The County authorizes Chuck Daughtry to sign on behalf of Columbia County, the Extended

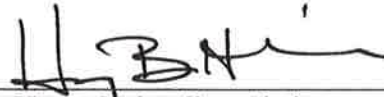
Enterprise Zone Agreement with the Firm which is attached hereto as Exhibit "A" and is incorporated herein by this reference, pursuant to ORS 285C.160, granting an additional two years of tax exemption, provided that the Firm is eligible for Enterprise Zone extended benefits pursuant to ORS Chapter 285C, and otherwise comply with the terms of the Agreement.

DATED this 13th of December, 2017.

BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

Approved as to form

By: 
Office of County Counsel

By: 
Henry Heimuller, Chair

By: 
Margaret Magruder, Commissioner

By: 
Alex Tardif, Commissioner

Exhibit "A"

EXTENDED ENTERPRISE ZONE EXEMPTION AGREEMENT

This Extended Enterprise Zone Exemption Agreement (this "Agreement") is made and entered into by and among the City of St. Helens, Oregon ("St. Helens"), the City of Columbia City, Oregon ("Columbia City"), the City of Scappoose, Oregon ("Scappoose") Port of St. Helens ("Port"), the City of Vernonia ("Vernonia") and Columbia County, Oregon ("Columbia"), as zone sponsors of the South Columbia County Enterprise Zone, and PREMIER JETS ("the Firm"). St. Helens, Scappoose, Port, Columbia City, Vernonia and Columbia County are sometimes referred to collectively as the "Zone Sponsor," and the "Zone Sponsor" and the "Firm" are sometimes referred to individually as the "Party" and/or collectively as the "Parties."

RECITALS

WHEREAS, the Oregon Legislative Assembly has adopted ORS Chapter 285C creating provisions for the establishment and operation of Enterprise Zones. ORS 285C.175 provides that the qualified property of a qualified Firm shall be exempt from ad valorem property taxation under certain circumstances. ORS 285C.180 describes what kinds of property are qualified for the tax exemption provided under ORS 285C.175. ORS 285C.135 describes what kind of Firm is qualified to receive a property tax exemption under ORS 285C.175 for its qualified property; and

WHEREAS, pursuant to ORS 285C.175, the tax exemption shall apply to the first tax year for which, as of January 1 preceding the tax year, the qualified Property is in service. The exemption shall continue for the two succeeding assessment years if the property continues to be owned or leased by the qualified Firm and located in the Enterprise Zone; and

WHEREAS, pursuant to ORS 285C.160, the tax exemption, may be extended up total of five consecutive assessment years, i.e. an additional two years, if the qualified Firm agrees with the Zone Sponsor of the Enterprise Zone in writing at the time of pre-certification:

- (a) To annually compensate all new employees hired by the firm at an average rate of not less than 150 percent of the county's average annual wage until the end of the tax exemption period, as determined at the time of authorization. If the Zone is in more than one county, the county with the highest average annual wage shall be used; and
- (b) To meet any additional requirements which the Zone Sponsor may reasonably request; and

WHEREAS, the Firm has agreed that the Firm's property, which is located within the Enterprise Zone, will be developed as a specialty medical transportation and aircraft maintenance and that the Firm's proposed investment is expected to provide new full-time jobs within the Enterprise Zone. The commitment made by the Firm under term (a) above, and in Section 2.3, below, is given to assure that the average annual compensation paid to all New Employees, as

defined in Section 2.3 below, who work at the new facility during the exemption period shall not be less than 150 percent of the most recent average annual wage paid in Columbia County available from the Oregon Employment Department at the time that the Firm's application for precertification is approved under the Oregon Revised Statutes; and

WHEREAS, the Oregon Business Development Department has adopted Chapter 123, Division 674 of the Oregon Administrative Rules (OAR), to administer the statutory provisions regarding Enterprise Zones; and

WHEREAS, the South Columbia County Enterprise Zone is a non-urban Enterprise Zone and pursuant to ORS Chapter 285C, the Zone Sponsor wishes to offer the Firm the extended tax exemption provided by ORS 285C.175(2)(b) in exchange for the Firm's location of qualified property within the Enterprise Zone.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, the Parties agree as follows:

1. ZONE SPONSOR'S AGREEMENTS.

1.1 Approval of Authorization Application. Upon timely submission of the Firm's claim for authorization as provided by ORS 285C.220 and paragraph 2.1 below, the Zone Sponsor agrees to approve the application if the Zone Sponsor determines that the Firm is eligible under ORS 285C.135 and that the Firm has committed to meet the requirements of ORS 285C.200.

1.2 Approval of Tax Exemption Claim. Upon timely submission of the Firm's claim for tax exemption as provided by ORS 285C.220, and paragraph 2.2, below, the Columbia County Assessor shall determine whether the property for which the tax exemption is sought satisfies the requirements of ORS Chapter 285C. That determination is beyond the authority of the Zone Sponsor. However, the Zone Sponsor agrees that the three year tax exemption provided for by ORS 285C.175 shall remain in effect if the Firm remains in compliance with the other requirements for Enterprise Zones under ORS Chapter 285C and OAR Chapter 123, Division 674. Nothing in this Agreement shall modify or infringe on the regular three-year exemption or the requirements thereof.

1.3 Extended Tax Abatement. Notwithstanding ORS 285C.175, the Zone Sponsor agrees to extend the period of property tax abatement or exemption by two additional years to a total of five consecutive assessment years, subject to compliance with paragraph 2.4 below and the other requirements for Enterprise Zones under ORS Chapter 285C and OAR Chapter 123, Division 674. The Firm may separately apply for the extended five-year exemption for different portions of qualified property in the Zone that are covered by a single authorization as such portion becomes eligible for exemption pursuant to OAR 123-674-6200, and 123-674-6300.

1.4 Additional Requirements. The Zone Sponsor requires the following additional community benefit investments to qualify for the additional two years of property tax abatement:

- \$7,777.86 per year for five consecutive years payable to the Columbia County Economic Team beginning on January 1, 2018. The amount is Betterment Contribution based upon 10% of annual property tax of \$77,778.56.

2. THE FIRM'S AGREEMENTS.

2.1 Application for Authorization. The Firm agrees to file an application for authorization pursuant to ORS 285C.140 following adoption of this Agreement.

2.2 Notices. The Firm agrees to provide and, if necessary, file applicable notices, statements, claims or reports required by ORS Chapter 285C or OAR Chapter 123, Division 674 and shall file all claims or reports as required by ORS 285C.220.

2.3 County Average Annual Wage. As required by ORS 285C.160, the Firm agrees to annually compensate all new employees, as that term is used in ORS 285C.050(13), hired by the Firm at an average rate of not less than 150 Percent (150%) of the County Average Annual Wage until the end of the tax exemption period.

2.3.1 Pursuant to OAR 123-574-0600, to qualify for the additional one or two years of an enterprise zone exemption, all of the eligible Firm's Affected Employees, as that term is defined by OAR 123-674-0600(4), must on average receive Compensation, as that term is defined by OAR 123-674-0600(1), of not less than 150 percent of the County Average Annual Wage, as that term is defined by OAR 123-674-0100(5) during each year throughout the exemption's first three years and the additional one or two years. The firm agrees to maintain an average wage and benefits package of \$ 55,338 per year for the five years of exemption.

2.3.2 "County Average Annual Wage" is defined by OAR 123-674-0100(5) and OAR 123-674-0600 and is based on the time the application is approved, and is fixed during the entire exemption period and is defined in paragraph 2.3.1 of this Agreement.

2.3.3 "New Employees" include only employees working at jobs filled for the first time after the application for precertification is filed but prior to December 31 following the first full year of the initial exemption year and performed primarily within the current boundaries of the Zone. "New Employees" include only full-time, year-round, and non-temporary employees engaged a majority of their time in the Firm's eligible operations pursuant to ORS 285C.050(13), whether such employees are leased, contracted for, or otherwise obtained through an external agency or are employed directly by the Firm.

2.4 Election to Forego. The Firm shall have the right to elect to forego the extension of the term for two additional years by delivery of written notice of such election to the Zone Sponsor and Columbia County Assessor prior to expiration of the initial three year term, and upon delivery of said notice, this Agreement and the Firm's rights and obligations hereunder shall

terminate, except that nothing in this Agreement shall modify or infringe on the regular three-year exemption or of the requirements thereof.

3. AUTHORIZATION. The Zone Sponsors have authorized and directed the Executive Director of CCET as Zone Manager to execute this Agreement pursuant to OAR 123-674-0700.

4. COUNTERPARTS. This Agreement may be executed in counterparts, each of which, when taken together, shall constitute fully executed originals. A signature sent and received by facsimile or a scanned signature sent by e-mail shall have the same effect as an original signature.

5. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding and agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, written or oral, between the Parties with respect to such subject matters.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the , day of , 201 , which shall be known as the “effective date” of the Agreement.

SOUTH COLUMBIA COUNTY ENTERPRISE ZONE PREMIER JETS
ENTERPRISE ZONE

By:
Chuck Daughtry, Zone Manager

By:
Roger Kelsay, President