CLACKAMAS COUNTY

BUSINESS AND COMMUNITY SERVICES
Development Services Building
150 Beavercreek Road, Oregon City, OR 97045

March 12, 2015

Board of County Commissioners

Clackamas County

Members of the Board:

Intergovernmental Agreement between City of Oregon City and Clackamas County for

Oregon City Enterprise Zone Program Management

Purpose/Outcomes	Intergovernmental Agreement with the City of Oregon City for management of the Oregon City Enterprise Zone
Dollar Amount and Fiscal Impact	70% of all Enterprise Zone application fees collected
Funding Source	Enterprise Zone application fees paid by qualifying business applicants
Safety Impact	N/A
Duration	The term of this Agreement begins upon execution of the IGA and can be amended from time to time by mutual agreement of the parties to this agreement commemorated by letter. Will not exceed Enterprise Zone sunset date June 30, 2025.
Previous Board Action	N/A
Contact Person	Jamie Johnk, Business and Economic Development, 503-742-4413
Contract No.	TBD

BACKGROUND:
The City of Oregon City received Enterprise Zone designation on December 16, 2014; with a sunset date of June 30, 2025. The Zone is part of a tax abatement program created and administered by the Oregon Business Development Department which provides a financial incentive for redevelopment and job creation. Businesses located in the enterprise zone are eligible for three to five year tax abatement if they can demonstrate the following:

1. Meet eligibility requirements set out by Business Oregon and corresponding state statutes and administrative rules;

2. Pay above average wages as outlined in Scope of Services section B below.
3. Increase employment by 10%;
4. Sign a First Source Agreement with Worksource Oregon (Oregon Employment Department) that commits them to consider hiring local workers first; and
5. Submit a complete authorization application, list of investments and a filing fee of 0.1% of total investment to the Enterprise Zone manager prior to equipment installation or construction ground breaking.

RECOMMENDATION:

Staff respectfully recommends that the Board of County Commissioners approve the Intergovernmental Agreement with the City of Oregon City for the management of the Oregon City Enterprise Zone.

Respectfully submitted,

Laura Zentner

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Deputy Director of Business and Community Services

For more information on this issue or copies of attachments please contact Catherine Comer at 503-742-4303

INTERGOVERNMENTAL AGREEMENT

BETWEEN THE CITY OF OREGON CITY AND CLACKAMAS COUNTY FOR OREGON CITY ENTERPRISE ZONE MANAGEMENT

THIS AGREEMENT FOR ENTERPRISE ZONE MANAGEMENT, authorized by ORS 190.010, is made this 18th day of February 2015, by and between the CITY OF OREGON CITY, an Oregon municipal corporation (hereinafter referred to as "CITY"), and CLACKAMAS COUNTY, a political subdivision of the State (hereinafter referred to as "COUNTY"), the promises and agreements of each being in consideration of the promises and agreements of the other.

The parties agree as follows:

Background. The **City of Oregon City** received Enterprise Zone designation on December 16, 2014; with a sunset date of June 30, 2025. The Zone is part of a tax abatement program created and administered by the Oregon Business Development Department.

Businesses located in the enterprise zone are eligible for three to five year tax abatement if they can demonstrate the following:

1. Meet eligibility requirements set out by Business Oregon and corresponding state statutes and administrative rules.
2. Pay above average wages as outlined in Scope of Services section B below.
3. Increase employment by 10%.
4. Sign a First Source Agreement with Worksource Oregon (Oregon Employment Department) that commits them to consider hiring local workers first.
5. Submit a complete authorization application, list of investments and a filing fee of 0.1% of total investment to the Enterprise Zone manager prior to equipment installation or construction ground breaking.

This tax abatement program provides a financial incentive for redevelopment and job creation.

Term. The term of this Agreement begins on the ___ of February 2015, shall run for the term of the zone designation, and can be amended from time to time by mutual agreement of the parties to this agreement commemorated by letter.

Scope of Services.

A. The COUNTY will designate a zone manager and work in conjunction with the economic development manager for the CITY. The parties recognize that the Zone is an Oregon City program and is subject to the administrative discretion of the City. Services of the COUNTY zone manager will include: assistance with establishing the enterprise zone program; marketing; business outreach; preauthorization meetings and follow-up; annual reporting; revisions to agreements and zone boundaries. Enterprise Zone application fees will be collected by the COUNTY; 70% of said fees will compensate for COUNTY zone management services while 30% of the same fees will be allocated to the CITY.

B. To meet the eligibility requirements for the three-year abatement, an employer must pay new employees a minimum wage of 150% of Oregon minimum wage during of the abatement period; benefits can be used to reach this pay level. To meet the eligibility requirements for the five-year abatement the employer must pay 150% of average County wages for Clackamas County during the abatement period; benefits can be used to achieve this pay level/salary. The COUNTY agrees to provide the CITY with regular reports as required by ORS 285.560 to 285.617.

C. The COUNTY shall keep the CITY informed of all new developments, issues, or concerns affecting Enterprise Zone operations. The COUNTY shall endeavor to notify the CITY in advance of any public announcement that is made on the subject.

D. The CITY shall keep the COUNTY informed of all new developments, issues, or concerns affecting Enterprise Zone Operations. The CITY shall endeavor to notify the COUNTY in advance of any public announcement that is made on the subject.

E. Unless otherwise specifically prescribed in this Agreement, the following provisions shall govern its interpretation and construction:

1. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number.

2. Time is of the essence of this Agreement. Neither the COUNTY nor the CITY shall be relieved of its obligation to comply promptly with any provisions of this Agreement by any failure of the other party to enforce prompt compliance with any of its provisions.

3. Unless otherwise specified in this Agreement, any action authorized or required to be taken by the CITY may be taken by City staff, the Council or by the City Manager. Potential actions could include arranging meeting locations and notice as needed, participating in preauthorization conferences with businesses, promoting the program to potentially eligible businesses, distributing marketing information at city hall, and coordinating business assistance with the county business and economic development team.

Duties of Oregon City. Potential actions required of the CITY may include coordinating meeting locations and notifications; participating in preauthorization conferences with businesses; promoting the program to potentially eligible businesses; distributing marketing information at City Hall; and coordinating business assistance with the Clackamas County Business & Economic Development team.

Modifications. Modifications to the agreement are valid only if made in writing and signed by all parties. The Director of the Clackamas County Business & Community Services and the City Manager may, on behalf of the County and City respectively, approve any modification by amendment that does not increase the County's or City's financial payment or cost.

Notices. All notices, reports, or demands required to be given in writing under this Agreement shall be deemed to be given when delivered personally to the person designated below, or when five (5) days have elapsed after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid, or on the next addressed business day if sent by express mail or overnight

air courier to the party to which the notice is being given, as follows:

CITY OF OREGON CITY	CLACKAMAS COUNTY
David Frasher City Manager 625 Center St Oregon City, OR 97045	Don Krupp County Administrator 2051 Kaen Road Oregon City, OR 97045

Such addresses may be changed by either party upon written notice to the other party given as provided in this section.

Hold Harmless. Each party agrees to release, defend, indemnify and/or hold harmless the other, its officers, commissioners, councilors, employees, and agents from and against all damages, claims, injuries, costs or judgments which may in any manner arise as a result of the party's performance under this contract, subject to Oregon Tort Claims limitations.

Termination. This Agreement may be terminated by either party as of the 30th day of June of any year during the term of this Agreement by giving notice six (6) months prior.

Disputes. Disputes regarding this agreement, which cannot be resolved by respective managers, shall first be directed to each party's counsel. Failing resolution, parties shall mutually agree upon a third party mediator.

Discrimination. The parties agree not to discriminate on the basis of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, or source of income in the performance of this Agreement.

Waiver of Breach. A waiver of any breach of any provision of this Agreement by either party shall not operate as a waiver of any subsequent breach of the same or any other provision of this Agreement.

City of Oregon City, *an Oregon municipal corporation*

by: _____
Dan Holladay, Mayor

Clackamas County, *a political subdivision of the State of Oregon*

by: _____
John Ludlow, County Commission Chair

Approved as to form:

_____
City Attorney

_____
County Counsel