

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
NOVEMBER 4, 1997**

The one thousand seven hundred and seventy-eighth meeting of the Milwaukie City Council was called to order by Mayor Lomnicki at 7:00 p.m. in the Milwaukie City Hall Council Chambers. The following Councilors were present:

Mayor Lomnicki, Mayor	Jean Schreiber Rob Kappa
Carolyn Tomei	Don Trotter

Also present:

Dan Bartlett, City Manager	Jim Brink, Public Works Director
Charlene Richards, Assistant City Manager	Rob Shelton, Engineering Intern
Pam Beery, City Attorney	

PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS

Veterans Remembrance Celebration Day -- Proclamation

Mayor Lomnicki read a proclamation naming November 11, 1997, as *Milwaukie Elks Veterans Remembrance Celebration Day in the City of Milwaukie*.

CONSENT AGENDA

It was moved by Councilmember Tomei and seconded by Councilmember Schreiber to adopt the Consent Agenda which consisted of the City Council minutes of October 21, 1997. Motion passed 4 - 0 1 with the following vote: Mayor Lomnicki, Councilmember Tomei, Councilmember Schreiber, and Councilmember Kappa aye; no nays; Councilmember Trotter abstained.

AUDIENCE PARTICIPATION

Analise Hummel, 2802 SE Monroe. She welcomed Councilmember Schreiber to the Historic Milwaukie Neighborhood. **Hummel** thanked the City for the "No Thru Trucks" signs on Monroe Street, but Milwaukie Lumber claimed it had an exception. City streets need more calming devices. She and others would not rest until Milwaukie was a place where all people want to live. Collector streets cannot be in residential neighborhoods. She referred to two recent *Clackamas Review* articles. One was about revitalization, and she asked if that meant

putting light rail and high density in a peaceful neighborhood. The other article quoted County Elections saying that the submission of the recall petitions was poorly timed, and verifying signatures would be difficult because of the November election. She felt that article was clearly biased. She urged all citizens of Milwaukie to attend Neighborhood Association and City Council meetings. It became very clear to her while canvassing the neighborhood that people generally did not have a clue about what goes on in their city. **Hummel** urged Milwaukians to start paying attention to what goes on in their City. Even more serious was that people were afraid to sign their names to the recall petitions for fear of possible retribution. Hitler, she said, is not in place here, and people should not be afraid to sign their names.

Mayor Lomnicki responded to the truck issue. Trucks cannot be prohibited from completing business or commerce in the downtown area.

Hummel said residents on Monroe did not want any trucks; drivers should use the overpass. She felt the lumber yard manager had arrogantly told her that his business was exempt. **Mayor Lomnicki** said there are certain trucks that must access the area, and not every truck can be excluded from the neighborhood. **Hummel** responded that the downtown area is much closer to 99E.

Councilmember Kappa added that trucks in that area could add to the congestion in the transit center and create a dangerous situation. He felt truck drivers were making an effort to avoid the neighborhoods.

Mayor Lomnicki thanked Hummel for urging citizens to attend meetings and to get involved with the City.

Mayor Lomnicki hoped that no one would be afraid of signing a petition, and he regretted some people had that feeling about a democratic process.

Councilmember Schreiber thanked Hummel for her polite welcome to the neighborhood.

Mike Sanseri, 8431 SE 36th. Milwaukie youths no longer have a place to skate since it is now prohibited at the high school. He suggested the City Council consider a skateboard park at the leased Safeway site. **Mayor Lomnicki** thanked Sanseri and added that the Parks District was also looking for an appropriate skate park location.

PUBLIC HEARING

Consider Application for Oregon Economic Development Department Enterprise Zone – Johnson Creek Boulevard

Mayor Lomnicki called the public hearing on the application to order at 7:18 p.m.

The purpose of the hearing was to consider public comment on the application. **Mayor Lomnicki** reviewed the conduct of the hearing.

Report: **Pat Allen**, Regional Development Officer, Oregon Economic Development Department, presented the staff report. He provided an overview of the program and process. The Enterprise Zone provides a three to five year tax abatement incentive to encourage capital investment when certain requirements are met. The abatement can be extended to five years if there is a 150% increase of the average county wage which is \$25,706.

The business must submit its application to the Zone Manager and the Clackamas County Tax Assessor before proceeding with its capital investment project. The business must provide an annual certification verifying its compliance with Enterprise Zone requirements.

Allen indicated the industrially zoned land in the area and the proposed Enterprise Zone. To qualify, the applicant must be an industrial business. He noted the designation did not change the underlying zoning. The City of Milwaukie and Clackamas County would be joint sponsors. He referred to a September 17, 1997, letter from Ed Lindquist, Clackamas County Board of Commissioners Chair, indicating the County was willing to work with Milwaukie to improve Johnson Creek Blvd. between I-205 and 36th Avenue. The County was also open to considering the North Clackamas County Chamber of Commerce as a potential Zone Manager.

Allen said the current proposal was based on State standards, but local restrictions can be established. He discussed the feasibility of including a supplier program. Requirements could be added in the future if the Zone sponsors concur. He had met with several taxing districts and the Ardenwald Neighborhood District Association, and no one raised any issues or concerns. The groups were also informed of the upcoming public comment opportunities. The Clackamas County Board of Commissioners will consider the application at its November 13th meeting, and the Milwaukie City Council will make its decision on November 18th.

Councilmember Kappa said there were clearly some parcels that could not be developed because of flood plain and wetlands impacts.

Councilmember Tomei discussed the average County wage. **Allen** said the company can include benefits in calculating the total average wage. Most companies manage total employee costs, and these are the figures provided to the Tax Assessor and Zone Manager.

Councilmember Tomei was concerned about providing jobs with family wages and averaging highly paid positions with minimum wage positions to attain the 150%. **Allen** said it would be difficult to hire one a person at a high wage to offset minimum wages for a five-year period.

Councilmember Kappa asked for clarification of Lindquist's letter regarding funding of Johnson Creek Blvd. projects. **Allen** did not feel he could comment beyond the content of the letter.

Bartlett referred to staff report page 84. That segment would have to be included in the next Regional Transportation Plan (RTP), and there would be City/County matches in an amount dependent upon the extent of funding.

Mayor Lomnicki noted part of the City's Transportation System Plan (TSP) was outside the present City limits. The letter indicates the County's willingness to work with the City on an investment strategy. One of the downsides of the Enterprise Zone would be negative traffic impacts, and the County has expressed a willingness to work cooperatively on this problem.

Councilmember Kappa wanted to exactly know the County's intent. He discussed the poor conditions of the riparian areas. **Allen** said the Enterprise Zone must adhere to federal, state, and local regulations.

Councilmember Tomei referred to staff report page 78 and asked if child care and transit pass benefits would be included. **Allen** said this was the City of Portland's local restrictions, and the City of Milwaukie and Clackamas County could consider similar language.

Councilmember Tomei referred to staff report page 77 and asked if Milwaukie could include job skill training. **Allen** cautioned that some companies could view the requirements as too restrictive and decide not to take advantage of the Enterprise Zone opportunities.

Mayor Lomnicki asked if the sponsors could create new conditions in the future and if new requirements could be imposed on companies already part of the Zone. **Allen** said he understood that once a company makes its capital spending decisions based on certain requirements, it would be allowed to continue under those conditions. A company participating at a later time would have to meet newly imposed restrictions.

Mayor Lomnicki felt it was important to consider the requirements that would best benefit the community at this time.

Mayor Lomnicki asked for a description of the Zone Manager's responsibilities. **Allen** said he would provide the City Council with a complete booklet. The Zone Manager would be required to make reports to the State and administer pre-approvals with the County Tax Assessor.

Mayor Lomnicki understood from the proposed resolution that Clackamas County Business Services was appointed Zone Manager. It appears this person will have complete authority to make technical or substantive changes to the application. He asked for clarification of the Zone Manager's responsibilities. **Allen** said "substantive changes" refers to the application form itself. The document upon which the City Council bases its decision on November 18th will be the same document that goes to the State.

Mayor Lomnicki said the Tax Assessor verifies property improvements. **Allen** added the Zone Manager is responsible for making reports on wage and other similar Zone requirements.

Councilmember Schreiber asked Allen if he had drafted the resolution. **Allen** said it was a standard form. He recommended designating the Zone Manager by position rather than name and added the City and County could jointly designate an individual.

Councilmember Schreiber was concerned about signing a five-year agreement. **Bartlett** said more flexibility could be added.

Councilmember Schreiber expressed concern about a process for the sponsors to appeal or negotiate. **Allen** suggested entering into a concurrent intergovernmental agreement (IGA) with Clackamas County defining basic administrative ground rules.

Councilmember Kappa referred to staff report pages 16 and 17 regarding eligibility and hiring requirements. It appeared there could be a lot of temporary hiring. **Allen** said the intent of the company is to hire regular, full-time employees, but he would research the question.

Mark Damien, Vice President of Human Resources, PCC Structural. He discussed the company's 45-year history which began with a small, grassroots business and has grown to sixty sites in the United States and Europe. He noted the business decline in the early 1990's and the resulting impact on wages. There are other regions and states that are offering incentives, but PCC hopes to grow in Milwaukie. He discussed diversification plans. The company would use vendors and shops in the area giving them an opportunity to expand their businesses also.

Councilmember Schreiber asked Damien to address employee benefits. **Damien** said in comparison to other similar companies, PCC has an employee turnover rate of less than 6%. Employees receive educational reimbursements, a 401K Plan with a 50% match, and medical plans. In the last two years, the company has absorbed premium increases. He discussed PCC's training standards.

Councilmember Tomei noted the company's profits had increased 166% in the past ten years. **Damien** said that was based on the entire corporation.

Councilmember Tomei referred to a *Willamette Week* article regarding PCC's falling behind in wages. **Damien** discussed pay ranges and added that some employees bump back a pay range to stay on a particular shift.

Councilmember Tomei asked how many temporaries PCC hires. **Damien** said PCC uses a temporary agency for screening purposes, and a person could be hired as a regular employee within four to six months.

Councilmember Tomei noted a preponderance of employees earned \$12.84 - \$16.29 per hour. She asked how long most of these employees had worked for PCC. **Damien** said most of them have worked for the company between twelve and sixteen years.

Mayor Lomnicki commented the Council was not there to judge PCC and its operations. He asked if there were any conditions so odious to make PCC back out of the application. **Damien** suggested the City Council give Allen a "wish list" and determine if any were prohibitive. He added that on-site child care was a large expense and could be addressed through tax breaks or other benefit changes.

Councilmember Kappa asked Damien to expand on his comments regarding employee turnover. **Damien** said, in the manufacturing environment, the national average turnover was 18 - 21% with hourly turnover usually somewhat higher.

Correspondence: None.

Audience Testimony: **Kathleen Briggs**, 5202 SE Monroe. She is a long-time Milwaukie resident and PCC employee. The company is growing, and traditionally it promotes from within. Acceptance of the Enterprise Zone would allow for needed expansion and increase the employment base. **Briggs** was proud of the area and hoped to see it improve as much as the west side.

Councilmember Kappa asked Briggs if she had worked her way up through the ranks. **Briggs** started working for PCC in 1979, has moved up nine positions, and was able to go to school. She has become a skilled worker for the company.

Councilmember Tomei asked Briggs what she did. **Briggs** said she was a production scheduler in the wax department and added she was paid appropriately for her job duties.

John Wyatt, North Clackamas Chamber of Commerce, 7740 SE Harmony Rd. He read a letter into the record as formal testimony on behalf of the Chamber. The Chamber indicated its support of the Enterprise Zone creation. This type of economic development tool was consistent with the Chamber's mission of providing "innovative leadership to ensure a successful business climate and promote the quality of life in Clackamas County."

Councilmember Schreiber asked Wyatt as a member of the banking community if he thought the Enterprise Zone would encourage investment. **Wyatt** responded it would.

Councilmember Kappa asked what kinds of small businesses would benefit. **Wyatt** said small machine shops, for example, that currently supply PCC could expand. He noted there was a large light manufacturing community in Clackamas County.

Damien added, from an investment standpoint, a small business owner might need the Enterprise Zone to meet increased volume demands.

Bonita Entwistle, 3200 SE Silver Lake Lane, Space 30. She indicated she was a single parent who has been a PCC employee for 10 years. Employees are able to grow in their jobs at PCC and remain in a community that is important to them.

Councilmember Tomei asked Entwistle if she would like on-site child care. **Entwhistle** said she would.

Councilmember Kappa asked Entwistle if she had also come up through the ranks. **Entwistle** said she had and added she had been given the opportunity for computer training and cross-training.

Analise Hummel, 2802 SE Monroe. She had attended a workshop on alternatives to growth and learned that if employees had to pay true costs for things like schools, a fair family wage would be \$589,000 a year. Capitalism causes poverty; slavery was a capitalist way for some to get extremely rich on the backs of others. She asked what kind of waste was produced by this manufacturer. **Hummel** did not believe tax abatements should be allowed. She asked where all these employees would come from. The worst phenomenon is the temporary worker. She asked if the Enterprise Zone would go to a vote of the people. The area is dilapidated, and she asked if this Zone was the reason it was not a light rail alignment. She asked if there would be age discrimination in getting a job at PCC.

Mayor Lomnicki said this hearing was not an inquiry into PCC management practices. Johnson Creek Blvd. was never discussed as a light rail alignment. He pointed out that by testifying at the public hearing, Hummel was part of the process. He did not believe it was Council's intent to take the matter to a vote.

Councilmember Schreiber referred to staff report page one in which "employee" was defined as a person who works "more than 32 hours per week" but not temporary or seasonal jobs.

Mayor Lomnicki said, in order for a company to receive these advantages, it must follow certain specific requirements.

Hummel asked about the tax abatement. **Councilmember Schreiber** said the company applying would need to make a major contribution to the community. **Mayor Lomnicki** said the company would make an investment to its physical plant and receive a tax abatement on those improvements. It will be included on the tax roles when the Zone expires.

Hummel asked if Milwaukie residents would get the new jobs and relieve traffic problems. **Mayor Lomnicki** said there would be a first preference for qualified people from this area. **Hummel** asked where people would live if they came from out of the area.

Ruby Stapleton, 8920 SE 58th Avenue, Portland. She asked how the Enterprise Zone would impact her property value. She complained about businesses parking cars on an adjoining property. She understood that the bike path could be a light rail line in the future.

Allen said, over the long term, property values would increase in the area; however, taxes on residential units in an Enterprise Zone may not be impacted. He noted that companies looking for a tax break might displace marginal businesses.

Mayor Lomnicki recommended Stapleton talk to Public Works Director Brink.

Closure of Public Hearing: **Mayor Lomnicki** closed the public testimony portion of the hearing at 8:45 p.m.

Discussion and Decision by Council: **Councilmember Tomei** felt it was a very solemn responsibility to give tax breaks, and she wanted to be sure the community would benefit and employees would make family wages. She referred to staff report page 72 regarding minimum job quality thresholds. The section included reference to 150% of minimum wage after one year of employment. **Allen** cautioned Council about taking part of the Portland plan and mixing it with State requirements.

Bartlett calculated 150% of minimum wage as just under \$9.00/hour, and PCC's wage distribution was over that.

Councilmember Tomei wanted to make sure employees would earn a family wage if the company was given a tax break and recommended guaranteed percentage.

Mayor Lomnicki said, in reality, some employees may earn \$45,000 and others \$23,000. He suggested a structure that would put a majority of the newly-hired employees in the true average.

Councilmember Schreiber said it also depends on whether the industry was one that required a high level of technical skills with a higher pay range. Studies have shown that on-site child care is not what keeps women at their jobs because many of them feel the need for a personal transition between the workplace and family responsibilities. She preferred employees had an opportunity to grow and train on the job with a cafeteria list of opportunities in the areas of health and education.

Allen suggested setting a minimum threshold at 150% of minimum wage including benefits. This would help smaller companies offer benefits to employees at the lower end of the pay scale. For the five-year break, he suggested 150% of the County mean within eighteen months of the hire date.

Councilmember Trotter thought the benefit package concept would help start-up companies in the Enterprise Zone.

Councilmember Kappa wanted clarification of both the County's transportation offer and the environmental issues.

Bartlett expected a common set of watershed protection rules since the City of Portland joined as a full member of the Surface Water Commission.

Mayor Lomnicki suggested the letter from the County Commissioners be formalized in a resolution and identify areas of mutual concern from the TSP and RTP. Lindquist's letter referred to reviewing the most appropriate ways to provide for ongoing Zone Management "after initial zone establishment." **Mayor Lomnicki** suggested a meeting be scheduled in six months to address the issue.

Councilmember Schreiber said the letter from Lindquist enters into other discussion points which may not be the base of discussion regarding the Zone itself. She was concerned about adding requirements such as child care.

Councilmember Tomei supported child care in the larger companies.

Councilmember Schreiber commented that some employees might be more interested in a better pension package than child care as part of their benefits package.

Councilmember Tomei argued for the importance of child care and did not feel it was unrealistic if the company were getting a tax break.

Councilmember Trotter commented on the proposed IGA with Clackamas County listing areas of common concerns. He asked if daycare was applicable to new hires or those already employed by the company. **Allen** said the Portland Program was designed to attract new businesses to the area. He discussed his experiences as Chair of the Clackamas County Commission on Children and Families and suggested a more comprehensive strategic plans to meet broader needs.

Councilmember Trotter pointed out PCC was a large, existing company with sufficient money for capitalizing. He was concerned the tax break would be consumed if the sponsors demanded child care.

Councilmember Kappa asked if a daycare facility could be located in an Enterprise Zone and offer a reduced rate. **Councilmember Trotter** said local laws allow daycare centers in all zones.

Allen suggested looking at daycare in a broader sense, such as tailoring a piece for daycare providers to offer some meaningful assistance to that kind of business.

Councilmember Kappa asked if a daycare facility could be included as part of an Enterprise Zone. **Allen** said it could not and suggested the Enterprise Zone could work with the City of Milwaukie on daycare issues in the County.

It was moved by Councilmember Kappa and seconded by Mayor Lomnicki to direct that Allen and staff provide the City Council with recommendations addressing these concerns at the November 18, 1997, meeting.

Mayor Lomnicki suggested making the child care issue a part of the IGA with Clackamas County rather than a requirement of the Zone.

Allen said he would prepare a public hearing follow up for the City Council.

Councilmember Trotter suggested a legislative draft so the amendments would be clear.

Motion passed unanimously.

OTHER BUSINESS

Establish Custodial Account and Life Insurance Transfer Authorization – Public Employees Benefit Services Corporation (PEBSCO) Section 457 Deferred Compensation and Establishing Custodial Account – International City Management Association Retirement Corporation (ICMA-RC) Section 457 Deferred Compensation – Resolutions

Richards presented the staff report on the Section 457 Deferred Compensation Plans. These amendments would reflect changes to the Internal Revenue Code shifting ownership interest of assets accumulated under these plans from the employer to the employee and /or beneficiaries. Both resolutions refer to the City Manager's designee as the administrator.

Councilmember Kappa referred to staff report page 32 regarding administrative costs. **Richards** said that was a reference to a loan program, and the City chose not to do that.

It was moved by Councilmember Kappa and seconded by Councilmember Tomei to adopt the resolution establishing custodial account, employer account number:30. Motion passed unanimously.

RESOLUTION NO. 33-1997:

**A RESOLUTION OF THE CITY OF MILWAUKIE, OREGON,
("Employer") ESTABLISHING CUSTODIAL ACCOUNT,
EMPLOYER ACCOUNT NUMBER: 30.**

It was moved by Councilmember Tomei and seconded by Councilmember Kappa to adopt the resolution establishing custodial account, employer account: 3711. Motion passed unanimously.

RESOLUTION NO. 34-1997:

**A RESOLUTION OF THE CITY OF MILWAUKIE, OREGON,
ESTABLISHING CUSTODIAL ACCOUNT AND LIFE INSURANCE
TRANSFER AUTHORIZATION, EMPLOYER ACCOUNT: 3711.**

**Designate SE Railroad Avenue One-Way Eastbound between Harrison and
32nd Avenue – Resolution**

Shelton presented the staff report. This action was recommended by MacKenzie Engineering Incorporated in its 1992 final recommendation to the City of Milwaukie entitled "*SE 32nd Avenue Transportation Network Study.*" The action was recommended with the completion of the Public Safety Building, and staff agrees it would make a safer intersection. Traffic counts and observations indicate the signal at 32nd and Harrison can absorb the additional vehicles. Staff will monitor the intersection after this change to evaluate the impact.

Councilmember Trotter asked if staff had discussed the change with the businesses in the triangle. **Shelton** said he had not.

Bartlett said this was an interim measure with future plans to open 34th Street and signalize Oak.

Brink said he talked to the businesses and informed them the City intended to make that section of Railroad Avenue one-way, and some adjustments would have to be made. He noted there had been three automobile accidents at that intersection and felt it was a good decision to alter the traffic pattern.

Mayor Lomnicki was concerned that drivers might use the Public Safety Building parking lot as a short cut and suggested a circular drive from the coffee kiosk. **Brink** did not think there was sufficient room for that design.

It was moved by Councilmember Tomei and seconded by Councilmember Trotter to adopt the resolution declaring the intent to make SE Railroad Avenue one-way eastbound from 32nd Avenue to Harrison Street. Motion passed unanimously.

RESOLUTION NO. 35-1997:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, DECLARING THE INTENT TO MAKE SE RAILROAD AVENUE, FROM SE HARRISON STREET TO SE 32ND AVENUE, ONE-WAY EASTBOUND.

Board and Commission Appointments

Mayor Lomnicki submitted Jim Schierholz's name to fill Position #4 of the Traffic Safety and Transportation Board. Council approved the slate 4 - 0.

INFORMATION

Councilmember Schreiber was concerned that 97222 was considered a Portland zip code and asked if anything could be done. **Bartlett** said there was not a lot the City could do and suggested writing federal legislators.

Mayor Lomnicki announced an executive session to discuss labor relations and consult with legal counsel pursuant to ORS 192.660.

ADJOURNMENT

Mayor Lomnicki adjourned the meeting at 10:15 p.m.

Pat DuVal

Pat DuVal, Recorder

**CITY OF MILWAUKIE
CITY COUNCIL AGENDA
NOVEMBER 4, 1997**

MILWAUKIE CITY HALL
10722 SE Main Street

1778th MEETING

WORK SESSION

4:30 – Council Information Sharing
5:00 - Riverfront Implementation Phase 1
6:00 - Regional Center Phase 1

REGULAR SESSION

7:00 p.m.

- I. **CALL TO ORDER**
Pledge of Allegiance
- II. **PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS**

Veterans Remembrance Celebration Day – Proclamation

- III. **CONSENT AGENDA** *(These items are considered to be routine, and therefore, will not be allotted Council discussion time on the agenda. The items may be passed by the Council in one blanket motion. Any Council member may remove an item from the "Consent" portion of the agenda for discussion or questions by requesting such action prior to consideration of that portion of the agenda.)*

City Council Minutes of October 21, 1997

- IV. **AUDIENCE PARTICIPATION** *(The Mayor will call for statements from citizens regarding issues relating to the City. It is the intention that this portion of the agenda shall be limited to items of City business which are properly the object of Council consideration. Persons wishing to speak shall be allowed to do so only after registering on the comment card provided. The Council may limit the time allowed for presentation.)*
- V. **PUBLIC HEARING** *(Public Comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.)*

**Consider Application for Oregon Economic Development Department
Enterprise Zone – Johnson Creek Boulevard (Pat Allen)**

VI. OTHER BUSINESS *(These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)*

- A. Establishing Custodial Account and Life Insurance Transfer Authorization – Public Employees Benefit Services Corporation (PEBSCO) Section 457 Deferred Compensation – Resolution (Charlene Richards)**
- B. Establishing Custodial Account – International City Management Association Retirement Corporation (ICMA-RC) Section 457 Deferred Compensation – Resolution (Charlene Richards)**
- C. Designate SE Railroad Avenue One-Way Eastbound between Harrison and 32nd Avenue – Resolution (Rob Shelton)**
- D. Board and Commission Appointments (Mayor Lomnicki)**

VII. INFORMATION

- A. 1997- 1998 Capital Improvement Plan Status**
- B. Monthly Financial Reports**
- C. Insurance Services Organization Ratings**

VIII. ADJOURNMENT

EXECUTIVE SESSION

At the end of the regular meeting, the Council may hold an Executive Session under the authority of Oregon Revised Statutes 192.660 as needed.

For assistance/service per the Americans with Disabilities Act (ADA), dial TDD 786-7555.

PROCLAMATION

WHEREAS, the Milwaukie Benevolent Protective Order of Elks #2032, a fraternal organization whose pledge is, "As long as there is a Veteran in a hospital, he will never be forgotten."; and

WHEREAS, the members of the Veterans Committee have visited the Patients at the Portland Veterans Administration Medical Center, hosted the patients on their monthly visits to the Elks Lodge for the past 25 years, and adopted Veterans in local nursing homes; and

WHEREAS, since 1988 the members of the Veterans Committee have held a Veterans Day "Remembrance Celebration" honoring the "Enlisted Serviceman/Woman of the Year of the U.S. Coast Guard, U.S. Navy Reserve, U.S. Army Reserve, U.S. Marine Corps Reserve, U.S. Air Force Reserve, Oregon Army National Guard, Oregon Air National Guard, and the Oregon Self Defense Force";

NOW, THEREFORE, I, Craig J. Lomnicki, Mayor of the City of Milwaukie, Oregon, do hereby proclaim that November 11, 1997, be officially known throughout the City of Milwaukie and outlying communities as:

**MILWAUKIE ELKS
VETERANS REMEMBRANCE CELEBRATION DAY
IN THE CITY OF MILWAUKIE**

and urge all citizens to join with me in expressing our sincere appreciation for their efforts and for their gracious participation in community events.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of November 1997.

Craig J. Lomnicki, Mayor

ATTEST:

Pat DuVal, City Recorder

**CITY OF MILWAUKIE
CITY COUNCIL WORK SESSION
OCTOBER 21, 1997**

Mayor Lomnicki called the work session to order at 4:45 p.m. in the second floor conference room at Milwaukie City Hall.

Councilors present: Tomei, Schreiber, and Kappa.

Staff present: City Manager Bartlett; Assistant City Manager Richards; Fire Chief Bruegman; and Fire Chief Cannici.

Information Sharing

1. **Mayor Lomnicki** discussed board and commission appointments and noted there were two applicants for the Traffic Safety and Transportation Board yet to be interviewed. The group discussed times when these people could be interviewed.
2. **Mayor Lomnicki** received two books written by the Iwaki Jr. High School exchange students about their visit to Milwaukie this past summer. **Bartlett** suggested translating the book could be a Milwaukie High School Japanese class project.
3. **Mayor Lomnicki** said ODOT provided jurisdictions with advance notice that they might be asked to contribute funds for the Portland to Eugene high speed train. **Councilmember Schreiber** suggested ODOT make a presentation to the Chamber of Commerce to involve the business community.
4. **Councilmember Tomei** attended a Clackamas County Board of Commissioners meeting regarding dog control issues. The County is understaffed for the number of annual complaints and lacks the funding to hire more personnel. The Board is looking for a way to fund more positions over the next few months and to increase allocations in the next budget cycle.
5. **Councilmember Kappa** discussed partnering with OLCC in its "Life Lights 1997" program. He suggested a proclamation recognizing the event.

6. **Councilmember Kappa** participated in the 1997 Pacific Program, and he urged funds be budgeted so more Councilmembers could attend. **Mayor Lomnicki** attended the Program in 1996 and suggested addressing the issue in the upcoming budget process. He agreed the annual Program, designed for state and local government and non-profit executives, was very beneficial. Staff agreed to develop a decision package for the Pacific Program.

Fire Service Evaluation Report

Bartlett reviewed the process to date. Staff mailed notices and conducted meetings with several groups identified by the City Council. The groups' responses were contained in the work session packet. The main issues included delivering cost-effective fire services, closing the City Hall Station, handling contracts, and providing equipment and facilities. Chamber members felt a merger would be a logical step, and some citizens were concerned about maintaining response time.

Bartlett referred to the ICMA book "*Managing Fire Services*" which addresses productivity improvements. Once provider issues are settled, then service levels can be addressed. Snook indicated in his report that each station was handling about one-fourth of the average national call load. **Bartlett** felt it would be appropriate to push productivity, and he did not feel he could recommend the City of Milwaukie continue its current way of doing business. He recommended contracting for fire services and beginning work on the basics of a contract. He did not recommend closing the City Hall Station. He addressed concerns raised about maintaining identity. Councilmember Trotter had indicated his support for developing a contract now and beginning work on an action plan that included a trial and evaluation period.

Councilmember Tomei asked if the Lake Road Neighborhood Association's main concern was service or identity. **Bartlett** said George Van Bergen was concerned with identity, and others, including Julie Wisner, felt citizens had voted to pay for the current high level of service and community involvement.

Cannici said Wisner seemed to feel it was appropriate that she pay higher taxes for the current level of service, and efficiency was secondary. He had responded to her that, by passing Measures 47 and 50, voters wanted tax relief. It was his responsibility to point out ways of achieving improved services at lower costs.

Mayor Lomnicki said he would like to discuss the contract in executive session without the Chiefs present. **Bartlett** said the Council could not discuss a contract in general during executive session; however, it could discuss labor relations and personnel issues applicable to fire service contracts.

Councilmember Tomei said citizens attending the Historic Milwaukie meeting accepted the idea of saving \$1 million annually.

Mayor Lomnicki said, to date, most of the discussions had centered on closing the City Hall Station, and he was concerned the community had not had the opportunity to discuss other related merger issues such as identifying performance standards. He would be more comfortable knowing what kind of language would be in the proposed contract.

Bartlett said he could schedule a City Attorney to consult with Council regarding a draft contract under attorney/client privilege.

Councilmember Schreiber said issues will not come up until they are of a personal issue. She felt the City Council should take a leadership role and protect citizens the best way possible.

Bartlett said George Van Bergen had not been complimentary toward the City of Milwaukie Fire Department because of an incident that had taken place 30 years ago. People remember how incidents impact them. **Bartlett** suggested staff be directed to prepare an agreement and hold a public hearing on the proposed agreement. This process would be similar to the one used for the Parks District agreement. There will be no decision until the City Council accepts the contract.

Councilmember Schreiber indicated she would vote for full consolidation at this time. It is important to get the best possible long-term plan on paper. **Mayor Lomnicki** discussed the impact of the Regional Center Plan and higher densities on fire services in the downtown area.

The work session adjourned at 6:05 p.m.

Pat DuVal, City Recorder

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
OCTOBER 21, 1997**

The one thousand seven hundred and seventy-seventh meeting of the Milwaukie City Council was called to order by Mayor Lomnicki at 7:00 p.m. in the Milwaukie City Hall Council Chambers. The following Councilors were present:

Mayor Lomnicki, Mayor Carolyn Tomei	Jean Schreiber Rob Kappa
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Also present:

Dan Bartlett, City Manager	Maggie Collins, Community Development Director
Charlene Richards, Assistant City Manager	Jim Brink, Public Works Director
Pam Beery, City Attorney	Susan Heiser, Senior Planner
Brent Collier, Police Chief	Rob Shelton, Engineering Intern
Angus Anderson, Finance Director	Nancy Bond, Program Specialist – Conservation
Michelle Gregory, Neighborhood Services Coordinator	

PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS

Red Ribbon Week – Proclamation

Sylvia Milne, Anthony Dean, and several local students were present on behalf of the *Milwaukie Together Program*. Milne recognized Mayor Lomnicki as this year's honorary chair and Councilmember Kappa and Chief Brent Collier as board members.

Mayor Lomnicki read a proclamation naming October 23 - 31, 1997, as *Red Ribbon Week* in the City of Milwaukie and encouraged all community members to pledge, "No use of illegal drugs and no illegal use of legal drugs."

National Telecommute Week Proclamation and Employee Commute Options (ECO) Report

Richards introduced **Bond**, a member of the employee team that developed the Employee Commute Options (ECO) Program. In addition to **Richards** and **Bond**, other ECO Team members were **Dan Pava**, Community Development, and **JoAnn Herrigel**, Administration.

The goal of the ECO Program was to comply with the Clean Air Act by reducing the number of single occupancy vehicle trips to the workplace. **Bond** provided background on the program that included completing an employee survey, suggesting alternative forms of transportation, and offering incentives for using commute options one day a week. Through the Program, the City of Milwaukie hopes to be a role model to the rest of the community. There will be a follow-up survey in one year to determine how well the Program worked.

Mayor Lomnicki read a proclamation naming October 20 - 24, 1997, as *Telecommute Week '97* in the City of Milwaukie and urged all City employees to consider using an alternative commute option one day a week.

CONSENT AGENDA

It was moved by **Councilmember Schreiber** and seconded by **Councilmember Tomei** to adopt the Consent Agenda which consisted of the City Council minutes of October 7, 1997. Motion passed 3 - 0 - 1 with the following vote: **Mayor Lomnicki**, **Councilmember Tomei**, and **Councilmember Schreiber** aye; **Councilmember Trotter** absent, and **Councilmember Kappa** abstained.

AUDIENCE PARTICIPATION

None.

PUBLIC HEARING

Consider Application by Blazer Homes for a Zoning Amendment (ZC-97-01) to Rezone a 1.18 Acre Site Located South of 35th Avenue and Lake Road – Ordinance

Mayor Lomnicki called the public hearing on the application by **Blazer Homes** for a zoning map amendment to order at 7:20 p.m.

The hearing was de novo, and all persons would be recognized by the City Council to speak. The City Council will hear testimony in coming to a conclusion on this application.

The purpose of the hearing was to consider the Milwaukie Planning Commission's September 9, 1997, recommendation to approve the zoning map amendment. Pursuant to Zoning Ordinance Section 205, a zoning map amendment must be considered by the City Council prior to adoption and if approved, adopted by an ordinance of the City Council.

Mayor Lomnicki reviewed the order of business. The applicant had the burden of proving that the zone change conformed to all applicable criteria of the City's Comprehensive Plan and Zoning Ordinances. All testimony and evidence must be directed toward the applicable substantive criteria listed in the staff report. Failure to address a criterion or raise any other issue with sufficient detail precludes an appeal based on that criterion or issue. Any party with standing may appeal the decision of the City Council to the State Land Use Board of Appeals according to the rules adopted by that Board. Persons with standing are those who testify or sign the City Council Attendance Sign-Up Sheet.

Mayor Lomnicki reviewed the conduct of the hearing.

Conflicts of Interest and Site Visits: Mayor Lomnicki and Councilmember Kappa had visited the site. There were no objections to impartiality. No ex parte contacts or conflicts of interest were declared.

Jurisdictional Issues: None.

Staff Report: Heiser presented the staff report. The applicants submitted two applications for concurrent review: a Zoning Map Amendment to rezone a 1.18 acre site from R-10 to R-7 and a preliminary subdivision plan to develop six lots to R-7 zoning standards. At its October 14, 1997, meeting, the Planning Commission approved and recommended that the City Council approve the Zoning Map Amendment. The subdivision approval would be contingent upon the City Council's decision at this hearing.

The parcel under consideration is located on the south side of Lake Road between Oatfield Road and Guilford Drive. It is currently undeveloped and contains no significant trees or vegetation, and no natural or historic resources have been identified. The area is currently zoned Low Density Residential. Adjacent property on the east and south sides is currently zoned R-10, and property on the north side is currently zoned R-7. The lots on the west side of Oatfield Road are zoned R-5. Public facilities are available within the Lake Road right-of-way. Lake Road is a minor arterial and Tri-Met bus service is readily accessible.

Heiser noted the applicant's findings for the Lake Road Estates as Exhibit #3 in the staff report. The applicant addressed the applicable Comprehensive Plan policies and objectives found in Chapter 4, Land Use, and Chapter 5, Transportation, Public Facilities, and Energy Conservation. The application was submitted prior to the Council's adopting the Transportation System Plan (TSP), and it was therefore reviewed for compliance under the previous Transportation Element. Approval of the application would result in six, single-family dwelling units on the 1.18 acre site.

The proposal is consistent with Land Use Chapter -- Objective 2 Policies in that it promotes higher density residential uses close to major streets and transportation facilities. The proposed lot frontages would be oriented away from the adjacent R-10 development, and the dead-end street would mitigate potential traffic impacts to the existing neighborhood. Transportation Element -- Objective 3 Policies will be met by constructing roadway and sidewalk improvements. Public Facilities Element -- Objective 6 Policies will be met by providing public facilities including storm sewers. Objective 8 will be met by providing emergency Police and Fire Service access by constructing a turnaround. Energy Element -- Objective 1 Policies are met by increasing density in an area near a transit corridor and infilling where public services already exist.

The applicant provided a detailed site plan which complied with R-7 zone requirements. **Heiser** noted sidewalks on one side of the street had been eliminated which was a change from the Planning Commission presentation. Improvements included development and dedication of 35th Court; sidewalks on 35th Court and the Lake Road frontage between Oatfield and Guilford; and sewer, water, and storm drain facilities.

Staff contended that the findings demonstrated Comprehensive Plan compliance and recommended the City Council accept the Planning Commission's recommendation and approve the request to rezone the parcel from R-10 to R-7.

Councilmember Kappa referred to staff report pages 26, 27, and 28 and asked why some of the information had been crossed out. **Heiser** responded the information was prepared for the Planning Commission and had to do with the subdivision application.

Councilmember Kappa noted there were three land use applications. **Heiser** said the first was a lot line adjustment that was an administrative decision by the Community Development Director. In addition to the zone change being considered by the City Council at this hearing, there was also a subdivision application.

Councilmember Tomei understood none of the driveways of the six proposed dwellings would be on Lake Road. **Heiser** said that was correct.

Councilmember Kappa asked for further clarification on the number of peak trips. **Heiser** said the roadway design was in the subdivision application. After two hearings on the proposed subdivision, the Planning Commission felt the traffic and parking issues had been sufficiently addressed.

Mayor Lomnicki said the manner in which the land is partitioned is not relevant to the Council's decision on the zone change, and that type of issue would be addressed in the subdivision process. The Planning Commission would look at the development under R-7 standards.

Councilmember Schreiber felt it would be confusing to have a 35th Court across Lake Road from 35th Avenue. **Heiser** said the Public Works Department is responsible for naming streets.

Councilmember Schreiber asked if adjacent property owners were concerned about keeping the area zoned R-10. **Heiser** said there was no public testimony on that issue.

Correspondence: None.

Applicant Testimony: **Ken Sandblast**, Compass Engineering, 6564 SE Lake Road, Milwaukie, OR 97222. He wanted to focus in the adequacy of public facilities and compatibility with the existing surrounding development. Lake Road's designation as a transit corridor offered the opportunity for this type of density. A dead end street allows for greater density without significantly impacting the surrounding area, and he noted the parcel was in an area of already mixed densities.

Sandblast said the traffic study was done as part of the subdivision application. There would be limited traffic generated by the proposed development, and Lake Road is adequate to support the zone change. All public facilities are readily available to the site. He added that the name originally suggested for the new street was Blazer Court.

Councilmember Kappa asked the applicant if he had reviewed the *Lake Road Multi-Modal Plan*, and **Sandblast** responded that he had.

Other Testimony in Support: None.

Other Testimony Opposed: None.

Neutral Testimony: None.

Staff Report and Recommendation: None.

Rebuttal Testimony – Applicant: None.

Questions from City Council to Staff: **Councilmember Kappa** noted the concerns with vehicles making left-hand turns onto Lake Road from the proposed development and its proximity to Oatfield Road. **Councilmember Tomei** said that issue was addressed in the packet material.

Heiser said the applicant had provided a study indicating the proposed development would have no significant traffic impacts. The Planning Commission considered and accepted the study, and Public Works is looking at a free right turn lane. Staff was comfortable with that solution.

Neutral Testimony: **Rita Lynn**, 3007 SE Olsen, Milwaukie. As a lift van driver, she was concerned about the turns and possible confusion with the proposed street name.

Closure of Public Hearing: **Mayor Lomnicki** closed the public testimony portion of the hearing at 7:55 p.m.

Discussion and Decision by Council: **Councilmember Tomei** commended the Planning Commission and staff on their work on these applications and was satisfied that the Planning Commission had addressed traffic concerns.

Mayor Lomnicki and **Councilmember Kappa** indicated their support for the zone change.

It was moved by **Councilmember Schreiber** and seconded by **Councilmember Tomei** to grant the rezone request. The motion passed unanimously among the members present.

It was moved by **Councilmember Tomei** and seconded by **Councilmember Kappa** to read the ordinance rezoning certain real property from the City's R-10 to R-7 for the first time by title only. Motion passed unanimously among the members present. The ordinance was read for the first time by title only.

It was moved by **Councilmember Tomei** and seconded by **Councilmember Kappa** to read the ordinance rezoning certain real property from the City's R-10 to R-7 for the second time by title only. Motion passed unanimously among the members present. The ordinance was read for the second time by title only.

It was moved by Councilmember Kappa and seconded by Councilmember Tomei to adopt the ordinance rezoning certain real property from the City's R-10 to R-7. Motion passed unanimously among the members present.

ORDINANCE NO. 1823:

**AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON,
AMENDING ORDINANCE NUMBER 1712, THE ZONING
ORDINANCE BY REZONING CERTAIN REAL PROPERTY
FROM THE CITY'S RESIDENTIAL-TEN (R-10) ZONING
DISTRICT TO THE RESIDENTIAL-SEVEN (R-7) ZONING
DISTRICT (ZC-97-01).**

Consider Appeal of SP-97-01

Mayor Lomnicki called the public hearing on the application of an appeal filed by Clackamas Christian Center in the matter of the Planning Commission's denial of SP-97-01 to order at 8:03 p.m.

The hearing was de novo, and all persons were recognized by the City Council to speak. Testimony would be used by the City Council in coming to a conclusion on this application.

The purpose of the hearing was to consider the Milwaukie Planning Commission's decision of September 9, 1997. The Clackamas Christian Center filed an appeal challenging the Planning Commission's denial and articulated several reasons for the appeal.

Mayor Lomnicki reviewed the order of business to be followed during the hearing. The appellant had the burden of proving that the Planning Commission erred in its September 9, 1997, decision in the particulars they alleged. The City received the appeal which identified a number of reasons for the appeal. He reviewed the conduct of the hearing.

Conflicts of Interest and Site Visits: Mayor Lomnicki, Councilmember Tomei, Councilmember Schreiber, and Councilmember Kappa announced they had all driven by the site. There were no objections to impartiality. No ex parte contacts or conflicts of interest were declared.

Jurisdictional Issues: None.

Staff report: **Heiser** presented the staff report. The applicant requested the City Council overturn the Planning Commission denial and approve SP-97-01. The applicant wishes to construct a 76.5 square foot, two-face sign at a location on Hwy. 224 at Rusk Road. The existing sign is approximately 16 square feet, and the applicant proposes to move it to a location facing south.

The Planning Commission reviewed the proposal on August 12, 1997, and determined to deny the request and directed staff prepare findings for denial. The Commission believed the proposed sign was larger than necessary to provide identification for use. The property is located in an R-7 zone with Community Service Overlay (CSO) approval. The Sign Ordinance states that conditional or community service use reviews are done by the Planning Commission with sign size, height, and location as the criteria.

Heiser referred to staff report page 3 containing the recommendation and proposed findings supporting the application. The applicant disagreed with the Planning Commission's decision because he felt a sign that size was necessary to identify the church. The applicant also felt there were other issues that needed to be taken into consideration which had not been addressed at the Planning Commission hearing. The minutes of the hearing were included in the Council packet.

Staff stated that findings could be made for approval of the proposed new sign and sign relocation.

Planning Commission Vice-Chair Pat Lent was present to answer clarifying questions.

Councilmember Tomei asked if there were legal issues with the applicant's presenting new material that was not discussed at the Planning Commission hearing. **Beery** said Council was not deliberating a land use decision. The Planning Commission testimony was very broad, and it was unlikely an issue was not addressed in the Commission's hearing. She understood the applicant's point was that the Planning Commission did not fully consider the position.

Councilmember Schreiber asked staff to clarify the disagreement between the staff recommendation and Planning Commission decision. **Heiser** said it was a difference of opinion, and the Sign Ordinance does not contain specific criteria.

Beery added the staff had done a good job. The City's Sign Ordinance refers only to "size, height, and location." As the elected body, it is City Council's job to interpret City Code. She pointed out the "Proposed Findings for Denial of SP-97-01" found on staff report page thirty-three. She added that signs could not be regulated based on their content.

Councilmember Tomei asked for clarification of the proposed sign's size. **Heiser** said the sign itself, not including the trim, was 76.5 square feet. **Beery** added the Ordinance specifically defines the area of the sign as to and within the edge trim.

Councilmember Kappa asked if this was considered a non-conforming issue. **Beery** said this was not a land use application, and she did not see non-conformance as an issue. The Council must base its decision on size, height, and location.

Councilmember Kappa referred to Chapter 14.08.090 and asked for clarification of the criteria for accepting or denying the appeal.

The group recessed to research the reference and determine its applicability. **Beery** determined the language was in the variance section of the Zoning Ordinance and was not applicable to this application. The City Council must use the criteria in 14.08.090.

Correspondence: None.

Applicant/Appellant Testimony: **Ed Pagh**, 2823 SE Balfour, Milwaukie. He acted as Board member and project manager. The Board did not believe, and City staff concurred, that the existing sign was adequate to identify the church. He felt during the Planning Commission hearing there were certain issues important to the application that were not vocalized or entered into the minutes.

Pagh said the proposed sign would not only identify the Church, but also announce civic information such as youth rallies, educational opportunities, Red Cross Blood Drives, and voting precinct location. The existing sign does a good job of identifying the Church but is not adequate to communicate other facility uses. He discussed the design that would include a cowl and trim package to enhance the sign's appearance and help prevent vandalism.

The size of the sign and corresponding size of the letters in the changeable copy area would be visible to drivers on Hwy. 224. ODOT does not have review jurisdiction, but the person he contacted felt the size would be appropriate for the location. The project is unique in that it is located on a busy highway with higher than residential speed. He did not feel it should be compared with other church signs located on residential streets. He noted other large reader boards on Hwy. 224 at Clackamas High School, Nautilus, State Farm, and Public Storage.

Pagh pointed out there was no testimony in opposition at the Planning Commission hearing. The applicant surveyed other property owners on Rusk Road, and they did not oppose the application. City staff and ODOT agreed that the proposed size was appropriate and followed a logical path for a church having a variety of activities. The old sign would be moved to the driveway area on the south side of the property and indicate the entrance to the Church parking lots.

Pagh said there were issues in the packet that were not addressed by the Planning Commission. He requested the City Council agree with staff's recommendation and overturn the Planning Commission decision.

Councilmember Kappa asked the size of the existing sign. **Pagh** said the existing sign was 21.5 square feet. It has the same width as the proposed sign.

Councilmember Kappa said the applicant had compared the proposed sign to others in the HWY. 224 area and asked if he knew the zoning. **Pagh** said he believed most of them were in the Business Industrial Zone with the exception of Clackamas High School and State Farm.

Other Testimony in Support: **Phil Sloan**, Pastor, Clackamas Christian Center. Many people have driven by the Church because the sign is not highly visible. The Church wishes to help community members, and the proposed sign would communicate available services. He felt the Church was as viable a part of the community as businesses who had large signs. The intent of the proposed sign is to provide information. The sign will be an attractive addition to the property, and the Church is willing to spend the money to make it look good. He discussed the size of the parcel and plans to enhance the landscaping to be compatible with the Milwaukie Center and North Clackamas Park.

Councilmember Tomei commented she was on the Planning Commission when the Nautilus sign application was considered, and each sign is forty square feet.

Tom Pagh, 315 Nelson Lane, Gladstone. As a Gladstone City Councilor he had to rely on staff reports, legal counsel, neighbors, and expert opinions, and he felt, in this case, these opinions supported the application. The Church is expending funds to have an informative, attractive sign, and it will be a valuable addition to the property.

Other Testimony Opposed: **Forris Frick**, 11658 SE 35th, Milwaukie. The main issue is to identify the Church, and people who want more information should go into the Church to get it. Beautifying the surrounding area has nothing to do with the sign. He read Municipal Code Section 14.08.090 and asked how it applied to the 76 square foot sign question. The other signs mentioned by the applicant were in business and commercial areas. On behalf of the Lake Road Neighborhood District Association (NDA), **Frick** supported the Planning Commission's denial of the application.

Mayor Lomnicki noted that Frick was the Lake Road Land Use Chair and asked him if he was representing that group. **Frick** said the Land Use Committee had discussed the application and was surprised to see it appealed to the City Council.

Councilmember Kappa asked if the Clackamas Christian Center was in the Lake Road NDA. **Bartlett** confirmed the NDA extended to that area.

Rita Lynn, 3007 SE Olsen, said the Church might be located in the Lake Road NDA, but it really had little to do with Lake Road.

Pat Lent, 11355 SE 27th, Planning Commission Vice-Chair. She reviewed the Planning Commission's thought processes beginning with Municipal Code Section 14.08.090 that spoke to community service use review. The Commission considered CSOs and made comments relative to compliance with the underlying zone. The Commission addressed the residential zoning, community need, and traffic safety issues. She felt the applicant had time to address facts before the Planning Commission hearing was closed to further testimony. The Planning Commission was concerned about a sign of that size in conjunction with its proposed location.

Councilmember Kappa said signs in an R-7 zone cannot have internal illumination. **Lent** said the proposed sign met the Sign Ordinance illumination standards, and it would also have a timer.

Councilmember Tomei said she, too, had concerns about the sign's size and location. **Lent** felt a sign that large and that near Hwy. 224 could be distracting to drivers.

Councilmember Tomei asked Lent how the Planning Commission voted. **Lent** said the hearing vote was 5 - 0 to provisionally deny the application based on the findings to be prepared. The vote on the findings was 3 - 0 - 1. She referred to staff report page 33 and said these were some ideas put out by the Planning Commission for possible findings. The final order consisted of one finding. **Heiser** clarified that the Planning Commission voted 3 - 0 - 1 on the single finding.

Neutral Testimony: None.

Staff Report and Recommendation: None.

Rebuttal Testimony – Appellant/Applicant: **E. Pagh** apologized to Frick; the Church was not aware it was part of the Lake Road NDA. Representatives of the Church did, however, contact adjacent property owners. He responded to Lent's comments and said he did not feel the proposed sign would be any more distracting than those already on Hwy. 224. He suggested rather than specifying a letter height to refer to characters "sized according to manufacturer's specifications as shown on submitted plan."

Questions from City Council to Staff: **Councilmember Kappa** said there was mention during public testimony of three other church signs. He asked staff the sizes of the signs and the zoning. **Heiser** said one of the signs mentioned was in a residential area of King Road, and it was about 24 square feet and double-sided. She did not have information on the others.

Councilmember Kappa asked for comment on the other businesses within a half mile that had large signs. **Heiser** said one is located in a local commercial zone, and the other are in a Business Industrial Zone.

Councilmember Kappa asked the criteria for re-submitting an application in a CSO. **Heiser** said, if the application is denied, another one can be submitted.

Mayor Lomnicki said the applicant stated his intention of getting a new sign and moving the old sign to a new location on the site. He asked if that was permissible. **Heiser** said she did not believe this was restricted in a CSO.

Councilmember Tomei said the application was for two actions: installing a new sign and relocating the old one. **Heiser** said that was correct.

Councilmember Tomei asked if the Planning Commission denied moving the smaller sign. **Heiser** said the Planning Commission denied the entire application.

Councilmember Tomei asked if one action could be denied and the other approved. **Beery** responded that one action could be approved and not the other.

Councilmember Tomei asked the proposed location of the sign to be moved. **Heiser** indicated the location on the map which was at the south driveway near the Milwaukie Center sign.

Councilmember Kappa wanted assurance that no precedent would be set. **Beery** said the City Council could make a statement to that effect, but there would be no legal assurance that it would or would not set a precedent.

Closure of Public Hearing: **Mayor Lomnicki** closed the public testimony portion of the hearing at 9:35 p.m.

Discussion and Decision by Council: **Councilmember Kappa** asked Councilmember Tomei if this type of issue was addressed when she was on the Planning Commission. **Councilmember Tomei** clearly remembered discussions of Nautilus' sign application, but she did not recall allowing a sign as large as Clackamas Christian Center was requesting.

Councilmember Tomei had concerns about the size. A business or CSO has the right to erect a sign large enough to be recognized, but she did not feel the City Council was obligated to approve a sign large enough to contain an abundance of information. She was concerned that Pagh had suggested drivers could slow down to look at the information on a road as busy as Hwy. 224.

Mayor Lomnicki shared the same concerns. The Church is a CSO in a residential area, so it must conform to the underlying use. Its location on Hwy. 224 does not give the applicant the added ability to have a larger sign. Based on size, height, and location, he did not feel the sign was appropriate.

Councilmember Kappa did not believe the applicant's information met the needs of the Sign Ordinance. As proposed, it was extremely large. The Church is well-known, and as a driver, he would not be looking to read signs. He was not in favor of overturning the Planning Commission's denial.

Councilmember Schreiber appreciated the applicant's desire to share information. The purpose of the Sign Ordinance is for identification. She hoped the applicant would re-submit the application with a smaller, more compact sign more in keeping with the residential nature of the Rusk Road Community.

Mayor Lomnicki felt the City Council should give an indication of an acceptable size for the applicant to re-submit. He found the current size of 21.5 square feet acceptable and suggested re-locating it for increased visibility.

Beery said it was appropriate for the City Council to provide direction.

Mayor Lomnicki said, if the City Council denies the appeal, it will have to make findings based on the criteria, and he addressed the acceptable size issue.

Beery said the City Council could make a simple motion to uphold the Planning Commission decision to deny based on the criteria which contains a number of concerns related both to size and location. If the City Council is comfortable with the Commission's findings, then nothing needs to be added, or staff could be directed to develop additional findings.

Mayor Lomnicki felt it was incumbent upon City Council to provide reasons for upholding the Planning Commission's denial.

Beery said the Planning Commission is the body with authority. Any direction the City Council provides would not bind the Planning Commission but might be helpful to the applicant.

It was moved by Councilmember Schreiber and seconded by Councilmember Kappa to uphold the Planning Commission decision on SP-97-01 based on its findings.

Mayor Lomnicki referred to the "Notice of Decision" on staff report page 10. He preferred that the motion indicate the City Council found the application did not meet the 16 square foot standard in conformance with that zone. He felt that would give the applicant the reason for denial from the City Council perspective.

Councilmember Tomei supported Councilmember Schreiber's motion as made.

The motion to uphold the Planning Commission decision on SP-97-01 based on the Commission's findings as stated in the "Notice of Decision" passed 3 - 1 - 1 with the following vote: Councilmember Tomei, Councilmember Schreiber, and Councilmember Kappa aye; Mayor Lomnicki nay; and Councilmember Trotter absent.

It was moved by Councilmember Kappa to direct staff to go to the Planning Commission and change or find a more applicable language in the Sign Ordinance.

Mayor Lomnicki said it incumbent on the applicant to make the necessary changes if he re-submits the proposal.

Councilmember Tomei felt the minutes should stand to indicate the City Council's thoughts on the application.

The motion was not seconded.

OTHER BUSINESS

Award of Contract for Towing Services

Collier presented the staff report. Staff recommended awarding the contract to Olson Bros. Towing. He reviewed the RFQ process and noted that Justice Towing had not met certain required procedures. There were no procedural discrepancies in the Olson Bros. qualification documents. Both firms met or exceeded other standards set forth in the RFQ.

Mayor Lomnicki said both firms met or exceeded required standards, but Justice's documents were not complete. **Collier** said that was correct but noted this was a mandatory part of the process.

Mayor Lomnicki said Justice indicated it wanted to be identified as the backup if not awarded the main contract. **Collier** said if Olson is awarded the contract, it will supply its own backup when needed.

Bartlett said this would be a specific contract based on certain charges. **Mayor Lomnicki** said, if the need for backup occurs too often, it would become a performance issue.

It was moved by Councilmember Kappa and seconded by Councilmember Tomei to award the towing contract to Olson Bros. Towing. Motion passed unanimously among the members present.

Code Amendment Redefining the Term "Truck" and Restricting Truck Traffic on Certain Streets – Ordinance

Shelton presented the staff report. On September 2, 1997, the City Council directed staff to prepare an Ordinance that would authorize the City Manager to restrict through truck traffic on certain streets. The ordinance also corrects the term "truck" to read 72 inches in width, not 72 feet.

Councilmember Tomei asked if City Manager's authority would apply to minor arterials. **Shelton** said it could apply to arterials and noted the recent example of Lake Road.

Mayor Lomnicki noted a minor change to the Ordinance in the Council packet. In Section 2, "Part 10" was amended to read "Subsection 10."

It was moved by Councilmember Kappa and seconded by Councilmember Tomei to read the ordinance amending Milwaukie Municipal Code Sections 10.04.440 and 10.08.020 to correct the definition of the term "truck" and to grant the City Manager power to restrict through truck traffic on certain streets for the first time by title only. Motion passed unanimously among the members present. The ordinance was read for the first time by title only.

It was moved by Councilmember Tomei and seconded by Councilmember Kappa to read the ordinance amending Milwaukie Municipal Code Sections 10.04.440 and 10.08.020 to correct the definition of the term "truck" and to grant the City Manager power to restrict through truck traffic on certain streets for the second time by title only. Motion passed unanimously among the members present. The ordinance was read for the second time by title only.

It was moved by Councilmember Kappa and seconded by Councilmember Tomei to adopt the ordinance amending Milwaukie Municipal Code Sections 10.04.440 and 10.08.020 to correct the definition of the term "truck" and to grant the City Manager power to restrict through truck traffic on certain streets. Motion passed unanimously among the members present.

ORDINANCE NO. 1824:

AN ORDINANCE AMENDING THE MUNICIPAL CODE SECTIONS 10.04.440 AND 10.08.020 IN ORDER TO CORRECT THE DEFINITION OF THE TERM "TRUCK" AND TO GRANT THE CITY MANAGER POWER TO RESTRICT THROUGH TRUCK TRAFFIC ON CERTAIN STREETS.

Board and Commission Appointments

Mayor Lomnicki presented the following slate for board and commission appointments: Arlene Marie Ebner to the Budget Committee; Sandra McCune and Chris Monson to the Park and Recreation Board; and Lou Casale to the Citizens Utility Advisory Board.

It was moved by Councilmember Tomei and seconded by Councilmember Kappa to accept the slate of appointments as presented by Mayor Lomnicki. Motion passed unanimously among the members present.

LOC Conference

Mayor Lomnicki and **Councilmember Kappa** will be the voting delegate and alternate at Annual League of Oregon Cities Business Meeting in November.

INFORMATION

1. **Councilmember Kappa** discussed the 1997 Pacific Program and urged other Councilors to attend.
2. **Mayor Lomnicki** announced the MDDA Downtown Clean-up on Saturday, October 25th from 10 a.m. - 2:00 p.m.
3. **Bartlett** noted staff's response to the 34th Avenue Task Force questions regarding traffic concerns.
4. The group discussed upcoming Council work sessions items and the need to interview to remaining Traffic Safety and Transportation Board applicants.
5. **Bartlett** discussed the ongoing effort to work with Realtors and their sign concerns.

ADJOURNMENT

Mayor Lomnicki adjourned the meeting at 10:40 p.m.

Pat DuVal, Recorder

**MILWAUKIE CITY COUNCIL
EXECUTIVE SESSION
OCTOBER 21, 1997**

Mayor Lomnicki called the executive session to order at 6:10 p.m. pursuant to ORS 192.660 to discuss labor relations and property acquisition.

Present were: Councilors Tomej, Schreiber, and Kappa; City Manager Bartlett; and Fire Chief Bruegman.

Bartlett discuss the current labor agreement with Milwaukie Firefighters. He explained the impacts of merger or contracting on this agreement. Chief Bruegman discussed current information he had on the City of Milwaukie's relationship with IAFF 1159.

Bartlett reported on the protections given by ORS 236 for contracting or mergers.

Mayor Lomnicki asked if Council could consult with legal counsel. Bartlett noted that the City Attorney could be available after the Council meeting. Council agreed to set this matter over for consultation with legal counsel. Bruegman left the session.

Mayor Lomnicki noted the remaining time would be spent on property acquisition. Assistant City Manager Richards and Diane Campbell of North Clackamas Parks and Recreation District entered the room.

They presented a property acquisition option in the Lewelling Neighborhood Association area. Richards handed out a map of the travel zones for existing parks.

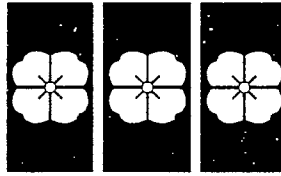
Council noted that the subject property would fill a gap in the zones.

Campbell noted that the City had collected an estimated \$47,500 in parks systems development charges and could be used to fund part of the purchase price.

Council asked staff to research the proposal further and come to Council with a proposed action.

The executive session ended at 6:50 p.m.

Dan Bartlett, City Manager



MILWAUKIE

*** MEMORANDUM ***

October 27, 1997

To: Mayor and City Council
 From: Dan Bartlett, City Manager
 Re: Enterprize Zone Hearing

Action Requested

The attached packet of information has been prepared for Council's consideration of this request. Council decision on this matter is scheduled for November 18, 1997, after the Board of County Commissioners has held their public hearing on the application.

Background

This packet includes materials to answer Council's questions from the October 7, 1997, work session. There is also a response to a question Councilor Kappa's asked at the Ardenwald Neighborhood Association in the form of a colored map.

The following pages of this memo include the text of the 1995 ORS section on Enterprise Zones:

*ENTERPRISE ZONES**(Generally)*

285.560 General definitions for ORS 285.560 to 285.617. As used in ORS 285.560 to 285.617, unless the context requires otherwise:

(1) "Business firm" means a person operating or conducting one or more trades or businesses but does not include any governmental agency, municipal corporation or nonprofit corporation.

(2) "Eligible business firm" means a firm engaged in an activity described under ORS 285.603 which may file an application for precertification under ORS 285.613.

(3) "Employee" means a person who works more than 32 hours per week, but does not include persons with temporary or seasonal jobs or persons hired solely to construct qualified property.

(4) "Enterprise zone" means one of the 30 areas designated or terminated and redesignated by order of the Governor under ORS 284.160 (1987 Replacement Part) before October 3, 1989, one of the seven areas

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designated by the director under ORS 285.564, areas designated under ORS 285.583 or 285.587 and areas designated under ORS 285.588.

(5) "First-source hiring agreement" means an agreement between a precertified business firm and a publicly funded job training provider whereby the job training provider refers qualified candidates to the firm for new jobs and job openings in the firm.

(6) "Nonurban enterprise zone" means an enterprise zone located outside a regional or metropolitan urban growth boundary.

(7) "Precertified business firm" means an eligible business firm whose application for precertification has been approved under ORS 285.613 and which may apply for a property tax exemption under ORS 285.615.

(8) "Publicly funded job training provider" includes but is not limited to, community colleges, Job Training Partnership Act service providers, and other similar programs.

(9) "Qualified business firm" means a business firm described in ORS 285.600 whose application for a property tax exemption has been approved under ORS 285.615.

(10) "Qualified property" means property described under ORS 285.607.

(11) "Sponsor" means the city or county that applied for and received approval of an enterprise zone under ORS 284.150 and 284.160 (1987 Replacement Part), under ORS 285.563 and 285.564, under ORS 285.583 or 285.587 or under ORS 285.588.

(12) "Urban enterprise zone" means an enterprise zone in a metropolitan statistical area, as defined by the most recent federal decennial census, located inside a regional or metropolitan urban growth boundary. [Formerly 285.570]

Note: Section 22, chapter 1015, Oregon Laws 1989, provides:

Sec. 22. ORS 285.560, 285.573, 285.575, 285.577, 285.580, 285.583, 285.585, 285.587, 285.590, 285.593, 285.595, 285.597, 285.600, 285.603, 285.605, 285.607, 285.610, 285.613, 285.615, 285.617 and 285.620 are repealed on June 30, 2009. [1989 c.1015 s.22; 1995 c.747 s.5]

285.562 Nonurban enterprise zones; designation; termination dates. (1)

The Director of the Economic Development Department may approve the designation of up to seven areas as nonurban enterprise zones as provided in ORS 285.563 and 285.564 for a period of 10 years from the date of designation plus that number of days necessary to delay the date of termination to the June 30 next following.

(2) Areas designated as enterprise zones under ORS 285.564 shall be in addition to the 30 areas designated or redesignated as enterprise zones by order of the Governor under ORS 284.160 (1987 Replacement Part) before October 3, 1989, and areas designated under ORS 285.583 and 285.587. [1993 c.773 s.2; 1995 c.747 s.1]

Note: 285.562 to 285.565 were added to and made a part of 285.560 to 285.617 by legislative action but were not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

285.563 Application for designation of enterprise zones; contents of application. (1) Any city or county may apply to the director for designation of an area within that city or county as an enterprise zone. With the prior consent of the governing body of the city, a county may apply to the department on behalf of a city for designation of any area within that city as an enterprise zone.

(2) One or more cities and counties may apply to the director for designation of an area situated partly within each city and partly in unincorporated territory within the counties as an enterprise zone.

(3) Any area proposed for designation as an enterprise zone must consist of a contiguous area of not more than 12 square miles in size with 12 miles or less as the greatest distance between any two points within the zone. The area of the zone shall be calculated by excluding that portion of the zone which lies below the ordinary high water mark of a navigable body of water, and any road, railroad, electric transmission line or pipeline rights of way that connect otherwise unconnected areas of an enterprise zone. Such areas shall not be more than five miles apart.

(4) An application for designation of an enterprise zone shall be in the form and contain such information as the department, by rule, may require. However, the application shall:

(a) Be submitted on behalf of one or more local government units as described in subsections (1) and (2) of this section by action of the governing body of each applicant;

(b) Contain a description of the area sought to be designated as an enterprise zone;

(c) Contain information sufficient to allow the department to determine if the criteria established in ORS 285.565 are met;

(d) State that the applicant will give priority to the use in the proposed enterprise zone of any economic development or job training funds received from the Federal Government; and

(e) Declare that the applicant will comply with ORS 285.577.

(5) When applying for designation of an enterprise zone within its boundaries under this section, the applicant may include in the application proposals to increase the level or efficiency of local public services within the proposed enterprise zone including, but not limited to, fire-fighting and police services.

(6) When applying for designation of an enterprise zone within its boundaries under this section, the applicant may include in the application proposals for local tax incentives and local regulatory flexibility.

(7) In the case of joint applications by more than one local government unit, each city or county joining in the application may include proposals for local tax incentives and local regulatory flexibility to be effective within the

boundaries of that local government unit. Proposals for local tax incentives and local regulatory flexibility included in the application by a city or county for an enterprise zone are binding upon the city or county if an enterprise zone is designated wholly or partly within its boundaries. [1993 c.773 s.3]

Note: See note under 285.562.

285.564 Review of applications by department; approval; reapplication upon denial. *(1) The Economic Development Department shall review each application for designation of an enterprise zone, and shall secure any additional information that the department considers necessary for the purpose of determining whether the area described in the application qualifies for designation as an enterprise zone.*

(2) The department shall complete review of the application within 60 days of the last date designated for receipt of an application. After review of the applications, the department shall forward those qualified applications to the Director of the Economic Development Department. The director shall determine which applications have the greatest potential for accomplishing the purposes of ORS 285.560 to 285.617.

(3) The director may approve the designation of up to seven areas as nonurban enterprise zones for a period of 10 years from the date of designation plus that number of days necessary to delay the date of termination to the June 30 next following. The determination by the director as to the areas designated enterprise zones shall be final.

(4) If an application for enterprise zone designation is denied, the governing body of the cities or counties submitting the application shall be informed of that fact together with the reasons for the denial. Cities or counties may reapply at any time to the department for designation of an area as an enterprise zone. [1993 c.773 s.4; 1995 c.747 s.2]

Note: See note under 285.562.

285.565 Requirements for area designated as enterprise zone. *An area proposed as an enterprise zone must consist of a contiguous area in which:*

(1) Fifty percent or more of the households have incomes below 80 percent of the median income of this state, as defined by the most recent federal decennial census;

(2) The unemployment rate is at least 2.0 percentage points greater than the comparable unemployment rate for this entire state, as defined by the most recently available data published or officially provided and verified by the United States Government, the Employment Department of this state, the Portland State University Center for Population Research and Census or special studies conducted under a contract with a regional academic institution; or

(3) The Economic Development Department determines on a case by case basis using evidence provided by the cities or counties applying for designation

of the proposed enterprise zone that there exists a level of economic hardship at least as severe as that described in subsection (1) or (2) of this section. Such evidence shall be based on the most recently available data from official sources and may include, but is not limited to, a contemporary decline of the population in the proposed enterprise zone, the percentage of persons in the proposed enterprise zone below the poverty level relative to the percentage of the entire population of this state below the poverty level or the unemployment rate for the county or counties in which the proposed enterprise zone is located. [1993 c.773 s.5; 1995 c.747 s.9]

Note: See note under 285.562.

285.570 [Formerly 284.115; 1993 c.773 s.7; 1995 c.747 s.3; renumbered 285.560 in 1995]

285.573 Legislative findings. *The Legislative Assembly finds and declares that the health, safety and welfare of the people of this state are dependent upon the continued encouragement, development, growth and expansion of employment, business, industry and commerce within the state, and that there are areas in the state that need the particular attention of government to help attract private business investment into these areas. Therefore, it is declared to be the purpose of ORS 285.560 to 285.620 to stimulate employment, business and industrial growth in those areas of this state by providing assistance to businesses and industries and by providing tax incentives in those areas. [Formerly 284.125; 1993 c.25 s.1]*

Note: See note under 285.560.

285.575 Duties of department. *In addition to any other powers granted by law, for the purpose of administering ORS 285.560 to 285.587 and 285.605, the Economic Development Department shall:*

- (1) Adopt any rules the department considers necessary to administer ORS 285.560 to 285.587 and 285.605.*
- (2) Assist a sponsor of an enterprise zone in its efforts to retain, expand, start or recruit eligible business firms.*
- (3) Assist an eligible business firm doing business within an enterprise zone to obtain the benefits of applicable incentive or inducement programs authorized by Oregon law.*
- (4) Take action necessary to participate in the federal enterprise zone program under ORS 285.583.*
- (5) Process sponsor requests for boundary amendments under ORS 285.585.*
- (6) Take action necessary to terminate or designate zones under ORS 285.587.*

6

(7) Assist in implementing first-source hiring agreements by publicly funded job training providers with precertified and qualified business firms. [Formerly 284.145; 1993 c.25 s.2; 1995 c.741 s.2]

Note: See note under 285.560.

285.577 Duties of zone sponsor. *(1) The sponsor of an enterprise zone shall:*

(a) Appoint a local zone manager. Upon appointment of the local zone manager, the sponsor shall provide written notice thereof to the Economic Development Department, the county assessor and the Department of Revenue.

(b) Provide local tax incentives and local regulatory flexibility included in the application for designation or termination and redesignation of an enterprise zone to precertified or qualified business firms.

(c) Process applications from eligible business firms for precertification under ORS 285.613.

(d) Assist the county assessor in reviewing tax exemption applications under ORS 285.615.

(e) Prepare, implement and annually update a plan for marketing the enterprise zone including strategies for retention, expansion, start-up and recruitment of eligible business firms.

(f) Manage the enterprise zone in accordance with ORS 285.560 to 285.617.

(g) Identify property available for sale or lease to eligible business firms under ORS 285.580.

(h) Prepare indices of street addresses, tax lot numbers or other information to facilitate the identification of land inside of an urban enterprise zone.

(2) A sponsor of an enterprise zone may require that an application for precertification be accompanied by a filing fee of \$200 or up to one-tenth of one percent of the value of the proposed investment in qualified property at the time of the precertification.

(3) If more than one city or county sponsors an enterprise zone, they shall act jointly in performing the duties imposed on a sponsor under ORS 285.560 to 285.617.

(4) Notwithstanding ORS 285.613 (3), the sponsor of an urban enterprise zone may require an eligible business firm seeking precertification under ORS 285.613 within that zone to satisfy other conditions for precertification that the zone sponsor may impose that are reasonably related to the public purpose of providing opportunities for groups of persons, as defined by the zone sponsor, to obtain employment, including but not limited to provisions for training and procedures for monitoring and verifying compliance with the conditions. Such conditions may be imposed only pursuant to a policy adopted by the zone sponsor that establishes standards for the imposition of the conditions. Conditions imposed by a zone sponsor under this subsection shall be in addition

to, and not in lieu of, conditions and requirements imposed under ORS 285.560 to 285.617 and shall not affect the duties of the Department of Revenue under ORS 285.593 or of the county assessor under ORS 285.595.

(5) A sponsor of an enterprise zone that imposes conditions for precertification on eligible business firms under subsection (4) of this section shall submit a written report every four years to the Legislative Assembly concerning the application and effects of such conditions on the eligible businesses within the enterprise zone. A report required by this subsection shall first be submitted to the Seventieth Legislative Assembly. [Formerly 284.155; 1993 c.25 s.3; 1993 c.773 s.8; 1995 c.741 s.3]

Note: See note under 285.560.

285.580 Availability of public property. Subject to the requirements of the Oregon Constitution and any applicable law, the State of Oregon and municipal corporations that own any real property within an enterprise zone that is zoned for use by eligible businesses and that is not used or designated for some public purpose shall make that real property available for lease or purchase by precertified or qualified business firms. Real property shall be leased or sold under this section only upon the condition that an eligible business firm promptly develop the real property for a use which has been precertified under ORS 285.613. [Formerly 284.165]

Note: See note under 285.560.

285.583 Department as agency for state participation in federal enterprise zone program. (1) The department shall be the lead agency for state participation in a federal enterprise zone program. The director may take action necessary for such participation to the extent allowed by state law.

(2) Any area designated as a federal enterprise zone by an agency of the Federal Government may be designated as a state enterprise zone by the director at the request of a city or county within whose jurisdiction the federal enterprise zone is located. The request shall be in such form and shall include such information as is required by the department.

(3) The boundary of an existing state enterprise zone may be amended by the director at the request of the sponsor, to include the entire area of a federal enterprise zone without regard to any limitation contained in ORS 285.585. [Formerly 284.175; 1993 c.773 s.13]

Note: See note under 285.560.

285.585 Change of zone boundaries. (1) The sponsor of an enterprise zone may submit a request to the Economic Development Department to change the boundary of the enterprise zone. A request shall include:

- (a) A resolution of the governing body of the sponsor requesting the change;*
- (b) A map clearly indicating the existing boundary and the proposed change thereto;*
- (c) A legal description of each area to be withdrawn from or added to the existing enterprise zone; and*
- (d) Other information required by the department.*
- (2) The amended enterprise zone shall:*
 - (a) Add land zoned for use by eligible business firms:*
 - (A) Which has or will have infrastructure facilities available; or*
 - (B) Where road access exists or will be provided, water is or will be available on-site, sewage disposal is or will be provided on-site and necessary utility services are or will be provided;*
 - (b) Continue to include any precertified or qualified business firms within the enterprise zone;*
 - (c) Add residential areas only if the level of economic hardship therein is at least as severe as the original enterprise zone;*
 - (d) Retain at least 50 percent of the lands in the original enterprise zone;*
 - (e) Consist of a contiguous area of not more than 12 square miles in size. The area of the zone shall be calculated by excluding that portion of the zone which lies below the ordinary high water mark of a navigable body of water, and any road, railroad, electric transmission line or pipeline rights of way that connect otherwise unconnected areas of an enterprise zone. Such areas shall not be more than five miles apart; and*
 - (f) Have 12 miles or less as the greatest distance between any two points within a zone amended under this section.*
- (3) A request under subsection (1) of this section may include a proposal to:*
 - (a) Remove residential areas or land not zoned or available for use by eligible business firms; or*
 - (b) Change the name of the enterprise zone.*
- (4) The boundary of an urban enterprise zone shall not be modified to include land located outside a regional or metropolitan urban growth boundary.*
- (5) A request to modify the boundary of a nonurban enterprise zone to include land located outside an urban growth boundary shall satisfy the requirements of subsections (1) and (2) of this section and shall include such other criteria as the department may adopt by rule.*
- (6) If an area to be added to an enterprise zone is under the jurisdiction of a city or county that is not a sponsor of the enterprise zone, the governing body of that city or county shall submit a resolution requesting the change and that it become a sponsor. The resolution may include a binding proposal for local tax incentives and regulatory flexibility to be effective within the portion of the enterprise zone to be under the jurisdiction of that city or county.*
- (7) The department shall review the request for a boundary change. If the request is incomplete or does not satisfy the requirements of this section, the*

department shall return the request to the sponsor. If the request is returned, the sponsor may submit a revised request at any time. If the request is complete and does satisfy the requirements of this section, the Director of the Economic Development Department shall order a change in the boundary of an enterprise zone based on the request of the sponsor and specify the effective date of the boundary change, which shall not be earlier than the receipt of a completed request.

(8) A change in the boundary of an enterprise zone under this section shall not change the termination date of the enterprise zone under ORS 285.587. [Formerly 284.185; 1993 c.25 s.4; 1993 c.773 s.9; 1995 c.741 s.4]

Note: See note under 285.560.

285.587 Zone termination or redesignation. *(1) Enterprise zones designated or terminated and redesignated under ORS 284.110 to 284.260 (1987 Replacement Part) by order of the Governor before October 3, 1989, are declared valid and shall continue to exist until terminated. Any termination and redesignation of a zone under ORS 284.110 to 284.260 (1987 Replacement Part) shall not affect the eligibility of a qualified business firm for a property tax exemption under ORS 284.110 to 284.260 (1987 Replacement Part).*

(2) When the termination of an enterprise zone occurs under this section:

(a) The termination of the enterprise zone shall not affect the continuation of a qualified business firm's property tax exemption for which the firm qualified before the effective date of the termination of the enterprise zone.

(b) Notwithstanding ORS 285.597 (5)(e) and 285.613 (6), a business firm that is currently precertified or qualified in the enterprise zone shall be allowed until 10 years after the effective date of the termination of the enterprise zone to apply for precertification under ORS 285.613 and subsequently for property tax exemptions under ORS 285.615 for any qualified property that is located inside the former enterprise zone boundaries at the time of termination and entirely outside of the boundaries of any current enterprise zone. Construction, modification or installment of qualified property must commence prior to the end of an exemption of the precertified or qualified business firm under ORS 285.597 or 285.605 and be completed in accordance with ORS 285.613 (5)(b) and (c). The precertified or qualified business firm must comply with the requirements for an existing business under ORS 285.590 to 285.617 in effect at the time of the termination of the enterprise zone.

(c) Disqualification under ORS 285.617 of an entire property tax exemption after the date of the termination of the enterprise zone shall prohibit and terminate all precertifications and qualifying property tax exemptions that would not otherwise be allowed except for paragraph (b) of this subsection. Such termination shall not result in repayment of property taxes exempted before the tax year in which the disqualification takes effect.

(3) *An enterprise zone previously designated or redesignated by order of the Governor or designated by the Director of the Economic Development Department under ORS 285.588 shall terminate:*

(a) At the request of the sponsor; or

(b) When 10 years plus that number of days necessary to delay the date of termination to the June 30 next following have elapsed since the enterprise zone was originally designated by order of the Governor or the director.

(4) *The new enterprise zones designated by the Director of the Economic Development Department under ORS 285.564 shall terminate:*

(a) At the request of the sponsor; or

(b) When 10 years plus that number of days necessary to delay the date of termination to the June 30 next following have elapsed since the enterprise zone was originally designated by the director.

(5) *The governing body of the sponsor may submit a resolution requesting termination of the enterprise zone to the Economic Development Department. The sponsor shall provide copies of the resolution to the county assessor and the Department of Revenue. After receipt of the request, the director shall order termination of the enterprise zone and shall specify the effective date of such termination.*

(6) *If a sponsor is unable or unwilling to carry out its responsibilities under ORS 285.577, the director shall order termination of the enterprise zone and shall specify the effective date of such termination. However, in the case of failure to provide incentives or regulatory flexibility included in the application for designation or for termination and redesignation as an enterprise zone, termination is not required if the sponsor provides new incentives or regulatory flexibility which have similar value, as determined by the department, to precertified or qualified business firms. A sponsor may reduce the time within which it will provide the incentives and regulatory flexibility it included in its application to a time period equal to the amount of time allowed for an exemption under ORS 285.597 or 285.605, without causing termination under this section. [Formerly 284.195; 1993 c.25 s.5; 1993 c.773 s.10; 1995 c.747 s.4]*

Note: See note under 285.560.

285.588 Designation of new zones after termination. (1) *Within a reasonable period of time prior to the termination of enterprise zones under ORS 285.587 (3) or (4), the Director of the Economic Development Department shall competitively designate the same number of enterprise zones effective immediately after termination of the previous enterprise zones. The determination by the director as to the areas designated as enterprise zones shall be final.*

(2) *When an enterprise zone is terminated under ORS 285.587 (5) or (6), the director may competitively designate a new enterprise zone. The sponsor of the enterprise zone terminated under ORS 285.587 (5) or (6) is not eligible to apply for a new enterprise zone. The new enterprise zone may be added to the*

enterprise zones to be designated under subsection (1) of this section or the director may determine when to accept applications for the new enterprise zone.

(3) Sponsors of existing enterprise zones are eligible to reapply for designation under subsection (1) of this section.

(4) Any city or county may apply to the director for designation of an enterprise zone in accordance with the criteria set forth in ORS 285.563. In addition, the Economic Development Department by rule shall determine the minimum level of economic hardship in any area to be included within an enterprise zone, any other criteria necessary to evaluate the need for the enterprise zone and the potential for accomplishing the purposes of ORS 285.560 to 285.617.

(5) All enterprise zones designated under this section shall terminate in accordance with ORS 285.587.

(6) When the director designates enterprise zones under this section, there is no limit on the number of urban or nonurban enterprise zones designated. [1995 c. 747 s. 7]

(Tax Exemptions)

285.590 Definitions for ORS 285.590 to 285.617. *As used in ORS 285.590 to 285.617, unless the context requires otherwise:*

(1) "Existing business" means an eligible business firm operating in an enterprise zone or within 30 miles thereof before a precertification application was submitted to the sponsor.

(2) "Modification" means modernization, renovation or remodeling of an existing building or structure.

(3) "New business" means an eligible business firm that did not operate in an enterprise zone or within 30 miles thereof before a precertification application was submitted to the sponsor. [Formerly 284.205]

Note: *See note under 285.560.*

285.593 Duties of Department of Revenue. *In addition to any other powers granted by law, for the purpose of administering ORS 285.590 to 285.617, the Department of Revenue shall:*

(1) Adopt any rules the Department of Revenue considers necessary to administer ORS 285.590 to 285.617.

(2) Assist the Economic Development Department, county assessors and the sponsors of enterprise zones in their efforts to precertify or qualify eligible business firms.

(3) Assist an eligible business firm doing business within an enterprise zone to obtain the benefits of applicable tax incentive or inducement programs administered or supervised by the Department of Revenue.

(4) Prepare forms and worksheets to be used by eligible business firms applying for precertification or by precertified business firms applying for a property tax exemption under ORS 285.613 or 285.615.

(5) Submit a written report to the Economic Development Department on or before January 15 in each year. The report shall describe actions taken by the Department of Revenue under this section and shall include the number of jobs created and the value of investments in qualified property made by qualified business firms in the current tax year, and other information considered necessary by the Department of Revenue or required by the Economic Development Department. The Department of Revenue shall provide copies of its report to county assessors, enterprise zone sponsors and other interested parties. [Formerly 284.215; 1993 c.25 s.6]

Note: See note under 285.560.

285.595 Duties of county assessor. *The assessor of a county within which an enterprise zone is located shall:*

(1) Assist the local zone manager and eligible or precertified business firms in determining whether property will qualify for a property tax exemption under ORS 285.597 and 285.607.

(2) Process applications from precertified business firms for property tax exemptions under ORS 285.615.

(3) Take action necessary under ORS 285.617 if a business firm or property is no longer qualified for the property tax exemption.

(4) Submit a written report to the Department of Revenue on or before December 1 in each year. The report shall describe actions taken by the assessor under this section and shall include the number of jobs created and the value of investments in qualified property made by qualified business firms in the current tax year, and other information considered necessary by the assessor or required by the Department of Revenue. The assessor shall provide copies of the report to the sponsors of enterprise zones located within the county, the Economic Development Department and other interested parties. [Formerly 284.225; 1993 c.25 s.7]

Note: See note under 285.560.

285.597 Property tax exemptions. *(1) Upon compliance with ORS 285.615, qualified property of a qualified business firm shall be exempt from ad valorem taxation, if:*

(a) The qualified property was constructed, added to, modified or installed in furtherance of the production of income;

(b) The property or portion of the property for which exemption is sought was in use or occupancy no later than August 31 of the tax year for which exemption is sought;

(c) *The total cost of all of the qualified property for which application for exemption is made was at least \$25,000; and*

(d) *The property satisfies the requirements of ORS 285.607.*

(2) *The exemption allowed under this section shall be allowed only for property that is owned or leased by a qualified business firm that satisfies the requirements of ORS 285.600. If the property is leased by a qualified business firm, the qualified business firm must be required by the terms of the lease to pay or compensate the owner for the entire amount of property taxes assessed against the leased property during the lease term.*

(3)(a) *The exemption allowed under this section shall first apply to the tax year immediately following completion of the construction, addition, modification or installation of the property. The exemption shall continue for the two succeeding tax years if the property continues to be owned or leased by the qualified business firm and located in the enterprise zone.*

(b) *If qualified property of a qualified business firm is sold or leased to another business firm during the period of abatement, the purchasing or leasing firm is eligible to continue the exemption of the selling or leasing firm for the balance of the abatement period.*

(4) *The exemption allowed under this section shall be 100 percent of the real market value of the qualified property in each of the tax years for which the exemption is available. If the qualified property is an addition to or modification of an existing building or structure, the exemption shall be measured by the increase in value, if any, attributable to the addition or modification.*

(5)(a) *No exemption shall be granted for property assessed for property tax purposes in the county in which the zone is located on or before the effective date of the:*

(A) *Designation of the zone; or*

(B) *Approval of a boundary change for the zone if the property is located in an area added to the zone.*

(b) *No exemption shall be granted for property constructed, added to, modified or installed in the zone or in the process of construction, addition, modification or installation in the zone on or before the effective date of the:*

(A) *Designation of the zone; or*

(B) *Approval of a boundary change for the zone if the property is located in an area added to the zone.*

(c) *No exemption shall be granted for any qualified property that was in use or occupancy within the zone for more than 12 months by July 1 preceding the first tax year for which an application for exemption is made.*

(d) *No exemption shall be granted for any qualified property unless the property was in use or occupancy in the tax year immediately following completion of construction, addition, modification or installation.*

(e) *Except as provided in ORS 285.613 (6), no exemption shall be granted for qualified property constructed, modified or installed after termination of an enterprise zone.*

(6) *A qualified business firm may apply for a tax exemption for additional qualified property initially occupied or used during or after the first tax year in which a tax exemption for the firm's initial investment in qualified property was approved if the firm meets the applicable requirements of this section and ORS 285.600 to 285.615. [Formerly 284.235; 1993 c.25 s.8; 1993 c.773 s.11; 1995 c.741 s.6]*

Note: See note under 285.560.

285.598 Exemption allowed for certain leased property. *Notwithstanding ORS 285.597 and 285.607, a new building or an addition to or modification of an existing building is qualified for the exemption allowed under ORS 285.597 if the property is leased to precertified business firms prior to completion of the construction, addition or modification of the property. [1993 c.773 s.14]*

Note: 285.598 was added to and made a part of 285.560 to 285.617 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

285.600 Qualifications for exemption. (1) *A business firm is qualified to receive a property tax exemption under ORS 285.597 for its qualified property only if:*

- (a) The firm is an eligible business firm described in ORS 285.603;*
- (b) The firm has business operations located inside an enterprise zone;*
- (c) The firm owns or leases qualified property located inside an enterprise zone;*
- (d) For an existing business, the employment of the firm, no later than August 31 following the tax year in which the investment in qualified property was completed, is not less than 110 percent of the average annual employment of the firm within the enterprise zone, calculated over the 12 months preceding the date of application for precertification;*
- (e) For a new business, the firm hired one or more employees to work within the enterprise zone after precertification and no later than August 31 following the tax year in which the investment in qualified property was completed;*
- (f) The firm satisfies the hiring requirements of ORS 285.605;*
- (g) The firm did not diminish employment outside the enterprise zone under subsection (4) of this section;*
- (h) The firm did not substantially curtail employment within the enterprise zone as described in ORS 285.617;*
- (i) The firm complies with all local, state and federal laws applicable to the firm's business; and*
- (j) The firm complies with all additional conditions for precertification imposed by an enterprise zone sponsor under ORS 285.577 (4).*

(2)(a) Notwithstanding subsection (1)(d) of this section, an existing business firm is a qualified business firm if it completes an investment of \$25 million or more in qualified property, in the tax year preceding the first tax year for which the exemption is being sought, within an enterprise zone with less than a 10 percent increase in employment but without loss of employment.

(b) Approval to extend the property tax benefit to an eligible business firm under this subsection shall be documented by resolution of the governing body of the sponsor. The resolution shall specify the minimum percentage increase in employment that the firm must maintain to be a qualified business firm throughout the exemption period. The resolution may include other conditions for the firm to be a qualified business firm. At the request of the existing business firm, the sponsor may modify the resolution prior to the initial filing by the firm for the property tax exemption. A copy of the resolution shall be attached to the final applications for precertification and for the property tax exemption.

(3)(a) Notwithstanding subsection (1)(d) of this section, with the approval of the sponsor of the enterprise zone, an existing business firm is a qualified business firm if it completes an investment of \$25 million or more in qualified property, in the tax year preceding the first tax year for which the exemption is being sought, within an enterprise zone with a loss of employment.

(b) Approval to extend the property tax benefit to an eligible business firm under this subsection shall be documented by resolution of the governing body of the sponsor. The resolution shall specify the minimum number of employees that the firm must retain for the firm to be a qualified business firm throughout the exemption period. The resolution may include other conditions for the firm to be a qualified business firm. At the request of the existing business firm, the sponsor may modify the resolution prior to the firm's initial filing for the property tax exemption. A copy of the resolution shall be attached to the firm's applications for precertification and for the property tax exemption.

(4) Notwithstanding subsections (1) to (3) of this section, a business firm is not qualified to receive a property tax exemption if the firm or any other firm under common control closes or permanently curtails operations in another part of the state more than 30 miles from the nearest boundary of the enterprise zone in which the firm seeks a property tax exemption. This subsection applies to the transfer of any part of the business firm's operations to an enterprise zone from another part of the state, if the closure or permanent curtailment in the other part of the state diminished employment after precertification and before the initial application for the exemption.

(5) An existing business firm that moves its operations from a site or sites within 30 miles from the nearest boundary of the enterprise zone may qualify to receive a property tax exemption only if the employment of the firm, no later than August 31 following the tax year in which the investment in qualified property was completed, has been increased to not less than 110 percent of the average annual employment of the firm within the zone and the site or sites from

which the employees were transferred, calculated over the 12 months preceding the date of application for precertification.

(6) As used in this section, "employment of the firm" means the number of employees employed by the firm. [Formerly 284.245; 1993 c.25 s.9; 1995 c.741 s.7]

Note: See note under 285.560.

285.603 Eligibility. *(1) Except as provided in subsections (3) and (4) of this section, to be an eligible business firm, a business firm must:*

(a) Receive at least 75 percent of its annual gross receipts from within the zone from activities other than the sale of property or services to the general public for personal or household use or consumption; and

(b) Be engaged in the business of providing goods, products or services to other businesses through activities such as manufacturing, assembly, fabrication, processing, shipping or storage.

(2) The following business firms are not eligible business firms:

(a) Firms that receive 25 percent or more of their annual gross receipts from within the zone from the sale of property or services to the general public for personal or household use or consumption.

(b) Firms engaged in business activities such as retail sales or services, child care, housing, retail food service, health care, tourism, entertainment, financial services, leasing space to others, property management, construction or other similar activities.

(3) Notwithstanding subsection (1) or (2) of this section, a business firm that operates a hotel, motel or destination resort may be a qualified business firm regardless of the percentage of gross receipts attributable to sale of services for personal consumption.

(4) Notwithstanding any other provision of this section, if a business firm described in subsection (2) of this section engages in an activity described in subsection (1) of this section, the business firm may be a qualified business firm if the activity is performed at a location that is separate from the activity of the firm that is described in subsection (2) of this section. For purposes of determining whether a business firm described in this subsection satisfies the requirements of ORS 285.600, only the operations of the firm that are described in subsection (1) of this section and employees working a majority of their time in those operations shall be considered.

(5) Two or more corporations that otherwise meet the requirements of this section may elect to be treated as one eligible business firm if 100 percent of the common stock of the corporations is owned by the same person or persons, or if one of the corporations owns 100 percent of the common stock of the other or others. [Formerly 284.254]

Note: See note under 285.560.

285.605 Hiring requirements. (1) *A precertified business firm shall enter into a first-source hiring agreement with a publicly funded job training provider for the period of property tax exemption.*

(2) *If a firm is located in an urban enterprise zone inside a metropolitan statistical area with fewer than 400,000 residents, all new employees hired by the qualified business firm to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed, must meet all additional conditions imposed under ORS 285.577 (4).*

(3) *Notwithstanding ORS 285.597 (3)(a), if a firm is located in an urban enterprise zone situated inside a metropolitan statistical area of less than 400,000 residents, the sponsor may set a period of abatement of up to five consecutive tax years if the qualified business firm agrees with the sponsor, in writing, at the time of precertification:*

(a) *To compensate all new employees, hired to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed, 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. 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 that the zone sponsor may reasonably request.*

(4) *Notwithstanding ORS 285.597 (3)(a), if an enterprise zone is located inside a metropolitan statistical area with more than 400,000 residents, the sponsor may set a longer period of abatement that does not exceed five consecutive tax years if the qualified business firm agrees with the sponsor, in writing at the time of precertification:*

(a) *To meet any additional requirements that the zone sponsor may reasonably request; and*

(b) *To compensate 70 percent of new employees hired to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed at an average rate of not less than 150 percent of this state's minimum hourly wage until the end of the tax exemption period.*

(5) *If a firm is located in an urban enterprise zone situated inside a metropolitan statistical area of more than 400,000 residents, all new employees hired to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed must meet all additional conditions imposed under ORS 285.577 (4). As used in this subsection and in subsection (4) of this section, "new employees" includes employees hired on or after the date of precertification of the qualified business firm under ORS 285.613.*

(6) *Notwithstanding ORS 285.597 (3)(a), if a firm is located in a nonurban enterprise zone, the sponsor may set a period of abatement up to five consecutive tax years if the qualified business firm agrees with the sponsor, in writing, at the time of precertification:*

(a) *To compensate all new employees hired to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed 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. 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. [Formerly 284.259; 1993 c.773 s.12; 1995 c.741 s.8]

Note: 285.605 was added to and made a part of ORS chapter 285 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

Note: See note under 285.560.

285.607 Qualified property or business firm. *(1) The property tax exemption provided under ORS 285.597 shall be available only for qualified property of a qualified business firm.*

(2) The following kinds of property are qualified for the exemption allowed under ORS 285.597:

(a) A new building or structure with a cost of \$25,000 or more.

(b) An addition to or modification of an existing building or structure.

The total cost of qualifying additions or modifications to an existing building or structure shall be at least \$25,000 in one tax year. In order to satisfy the minimum investment requirement, the cost of two or more additions or modifications made in one tax year to a single building or structure may be aggregated.

(c) Any real property machinery or equipment, whether new, used or reconditioned, that is newly purchased, leased or transferred into the enterprise zone from outside the county within which the zone is located and installed in property owned or leased by a qualified business firm.

(d) Any single item of personal property machinery or equipment, whether new, used or reconditioned, that is newly purchased, leased or transferred into the enterprise zone from outside the county within which the zone is located and installed in property owned or leased by a qualified business firm and:

(A) That has a cost of at least \$1,000 if the property is used exclusively for producing tangible goods; or

(B) That has a cost of at least \$50,000.

(e) A new building and associated structures owned by a governmental body that are leased to one or more qualified business firms.

(f) Any property otherwise described in this section that is owned or leased and operated by a business firm operating a hotel, motel or destination resort, to the extent that the property is located on the same site as the hotel, motel or destination resort and is used primarily to serve overnight guests of the hotel, motel or destination resort. For purposes of this paragraph, property is primarily used to serve guests if at least 50 percent of any receipts from such use are paid by guests.

(g) Any property otherwise described in this section that is owned or leased and operated by a business firm described in ORS 285.603 (4), to the extent that the property is used exclusively in an activity described in ORS 285.603 (1).

(3) The following property is not qualified for exemption under ORS 285.597:

(a) Land.

(b) Self-propelled motorized vehicles.

(c) Property excluded under ORS 285.597 (5). [Formerly 284.263; 1993 c.25 s.10; 1995 c.741 s.9]

Note: See note under 285.560.

285.610 When exemption available to hotel, motel or destination resort property. (1) Property owned or leased and operated by a business firm as a hotel, motel or destination resort, including property described in ORS 285.607 (2)(f), may not receive an exemption under ORS 285.615, unless:

(a) The business firm that operates the hotel, motel or destination resort is precertified by the sponsor on or before June 30, 1996, under ORS 285.613 and the sponsor notified the Department of Revenue on or before December 1, 1989, of the sponsor's desire to exempt hotel, motel and destination resort property; or

(b) The business firm that operates the hotel, motel or destination resort is precertified by the sponsor after June 30, 1996, under ORS 285.613, and the sponsor notifies the Economic Development Department and the Department of Revenue in writing on or before June 1, 1996, of the sponsor's desire to exempt hotel, motel and destination resort property.

(2) Only if a zone sponsor exercises its option pursuant to the notification procedures set forth in subsection (1)(a) or (b) of this section to exempt hotel, motel and destination resort property located within the zone may such property of applicable precertified business firms be eligible for an exemption under ORS 285.615 within that zone.

(3) For purposes of subsection (1)(a) of this section, notifications to the Department of Revenue on or before December 1, 1989, that exercise a sponsor's option of exempting hotel, motel or destination resort property are void on and after September 15, 1997. [Formerly 284.265; 1995 c.741 s.10]

Note: See note under 285.560.

285.613 Precertification for exemption. (1) Any eligible business firm proposing to apply for the tax exemption provided under ORS 285.597 shall, before the commencement of construction, modification or installation of qualified property in an enterprise zone, and before the hiring of eligible employees, apply for precertification with the sponsor of the zone and with the

county assessor of the county or counties in which the zone is located. The application shall be made on a form prescribed by the Department of Revenue.

(2) The application shall contain the following information:

(a) A description of the nature of the firm's business operations in the enterprise zone:

(b) A description and estimated cost or value of the qualified property to be constructed, modified or installed in the enterprise zone;

(c) An estimate of the number of employees that will be hired by the firm;

(d) A commitment to meet all requirements of ORS 285.600;

(e) A commitment to satisfy all additional conditions for precertification that are imposed by the enterprise zone sponsor under ORS 285.577 (4); and

(f) Any other information considered necessary by the Department of Revenue.

(3) If the sponsor and county assessor determine that the business firm is eligible under ORS 285.603 and that the firm has committed to meet the requirements of ORS 285.600, the sponsor and county assessor shall precertify the business firm by approving the application. The approval of both the sponsor and the county assessor shall be prima facie evidence that the eligible business firm will be qualified for the property tax exemption under ORS 285.597. Neither the sponsor nor the county assessor shall be liable in any way if the Department of Revenue later determines that a precertified business firm is not qualified for a property tax exemption or if either the county assessor or the Department of Revenue determines that the precertified business firm has not satisfied the requirements of ORS 285.600. The sponsor and county assessor shall provide copies of an approved application to the applicant, the Department of Revenue and the Economic Development Department.

(4) If the sponsor or county assessor fails or refuses to precertify the business firm, the business firm may appeal to the Director of the Department of Revenue under ORS 305.275 and 305.280. The business firm shall provide copies of the firm's appeal to the sponsor, county assessor and the Economic Development Department.

(5) Notwithstanding the fact that an enterprise zone has been terminated under ORS 285.587 (3)(a), (4)(a), (5), (6) or (7) or that a zone boundary has been changed, an eligible business firm that has obtained precertification under this section shall be entitled to a property tax exemption under ORS 285.597, if:

(a) No later than one year after the zone termination or boundary change is effective, the firm commences construction, modification or installation of the qualified property identified in its application for precertification.

(b) The firm completes construction, modification or installation of the qualified property within a reasonable time, as determined by the Department of Revenue, and without interruption of construction or installation activity.

(c) The firm satisfies all other requirements of ORS 285.600 and the precertification.

(6) If an enterprise zone is terminated under ORS 285.587 (3)(b), (3)(c) or (4)(b), the exemption under ORS 285.597 shall be granted only if the

construction, modification or installation is in progress on the effective date of the termination of the zone, and the business firm satisfies subsection (5)(b) and (c) of this section.

(7) Precertification under this section shall not assure that property constructed, modified or installed by the precertified business firm will receive property tax exemption under ORS 285.597.

(8) Notwithstanding any other provision of this section, if a business firm satisfies the requirements of ORS 285.600 and has constructed, modified or installed qualified property eligible for exemption under ORS 285.597, the Department of Revenue, for good cause, may waive the precertification requirement of this section and ORS 285.615 (1). [Formerly 284.270; 1993 c.25 s.11; 1993 c.773 s.17; 1995 c.513 s.5; 1995 c.747 s.8b]

***Note:** ORS 285.587 (3)(c) and (7) were deleted by amendment by section 4, chapter 747, Oregon Laws 1995. The text of ORS 285.613 was not amended by enactment of the Legislative Assembly to reflect the deletion. Editorial adjustment of ORS 285.613 for the deletion of ORS 285.587 (3)(c) and (7) has not been made.*

***Note:** The amendments to 285.613 by section 99, chapter 650, Oregon Laws 1995, become operative September 1, 1997. See section 116, chapter 650, Oregon Laws 1995. The text that is operative on and after September 1, 1997, is set forth for the user's convenience.*

***285.613.** (1) Any eligible business firm proposing to apply for the tax exemption provided under ORS 285.597 shall, before the commencement of construction, modification or installation of qualified property in an enterprise zone, and before the hiring of eligible employees, apply for precertification with the sponsor of the zone and with the county assessor of the county or counties in which the zone is located. The application shall be made on a form prescribed by the Department of Revenue.*

(2) The application shall contain the following information:

(a) A description of the nature of the firm's business operations in the enterprise zone;

(b) A description and estimated cost or value of the qualified property to be constructed, modified or installed in the enterprise zone;

(c) An estimate of the number of employees that will be hired by the firm;

(d) A commitment to meet all requirements of ORS 285.600;

(e) A commitment to satisfy all additional conditions for precertification that are imposed by the enterprise zone sponsor under ORS 285.577 (4); and

(f) Any other information considered necessary by the Department of Revenue.

(3) If the sponsor and county assessor determine that the business firm is eligible under ORS 285.603 and that the firm has committed to meet the requirements of ORS 285.600, the sponsor and county assessor shall precertify the business firm by approving the application. The approval of both the

sponsor and the county assessor shall be prima facie evidence that the eligible business firm will be qualified for the property tax exemption under ORS 285.597. Neither the sponsor nor the county assessor shall be liable in any way if the Department of Revenue later determines that a precertified business firm is not qualified for a property tax exemption or if either the county assessor or the Department of Revenue determines that the precertified business firm has not satisfied the requirements of ORS 285.600. The sponsor and county assessor shall provide copies of an approved application to the applicant, the Department of Revenue and the Economic Development Department.

(4) If the sponsor or county assessor fails or refuses to precertify the business firm, the business firm may appeal to the Oregon Tax Court under ORS 305.404 to 305.560. The business firm shall provide copies of the firm's appeal to the sponsor, county assessor, the Department of Revenue and the Economic Development Department.

(5) Notwithstanding the fact that an enterprise zone has been terminated under ORS 285.587 (3)(a), (4)(a), (5), (6) or (7) or that a zone boundary has been changed, an eligible business firm that has obtained precertification under this section shall be entitled to a property tax exemption under ORS 285.597, if:

(a) No later than one year after the zone termination or boundary change is effective, the firm commences construction, modification or installation of the qualified property identified in its application for precertification.

(b) The firm completes construction, modification or installation of the qualified property within a reasonable time, as determined by the Department of Revenue, and without interruption of construction or installation activity.

(c) The firm satisfies all other requirements of ORS 285.600 and the precertification.

(6) If an enterprise zone is terminated under ORS 285.587 (3)(b), (3)(c) or (4)(b), the exemption under ORS 285.597 shall be granted only if the construction, modification or installation is in progress on the effective date of the termination of the zone, and the business firm satisfies subsection (5)(b) and (c) of this section.

(7) Precertification under this section shall not assure that property constructed, modified or installed by the precertified business firm will receive property tax exemption under ORS 285.597.

(8) Notwithstanding any other provision of this section, if a business firm satisfies the requirements of ORS 285.600 and has constructed, modified or installed qualified property eligible for exemption under ORS 285.597, the Department of Revenue, for good cause, may waive the precertification requirement of this section and ORS 285.615 (1).

Note: *ORS 285.587 (3)(c) and (7) were deleted by amendment by section 4, chapter 747, Oregon Laws 1995. The text of ORS 285.613 that is operative on and after September 1, 1997, was not amended by enactment of the Legislative Assembly to reflect the deletion. Editorial adjustment of ORS 285.613 for the deletion of ORS 285.587 (3)(c) and (7) has not been made.*

Note: See note under 285.560.

285.615 Application for exemption upon completion of construction or modification; effect of exemption. (1) After July 1 and no later than September 1 of the tax year immediately following completion of construction or modification or the installation of qualified property, a precertified business firm may apply for the exemption allowed under ORS 285.597. The application shall be made on a form prescribed by the Department of Revenue and shall be filed with the county assessor. If the property for which exemption is sought is leased by the business firm, the application shall be made by both the owner and the lessee of the property.

(2) An application filed under this section shall contain:

(a) A statement that:

(A) The business firm satisfies the requirements of ORS 285.600 as a qualified business firm; and

(B) The business firm has been precertified by the enterprise zone sponsor.

(b) Any other information required by the Department of Revenue.

(3) The business firm shall attach to the exemption application a copy of the precertification from the sponsor. The statement made pursuant to subsection (2)(a) of this section shall be prima facie evidence that the firm is a qualified business firm.

(4) If the assessor determines the property for which exemption is sought satisfies the requirements of ORS 285.597, the assessor shall grant the exemption. Thereafter, for each tax year that the property is exempt from taxation, the assessor shall:

(a) Enter on the assessment roll, as a notation, the real market value of the property as if it were not exempt under ORS 285.597.

(b) Enter on the assessment and the tax roll, as a notation, the amount of additional taxes that would be due if the property were not exempt.

(c) Indicate on the assessment and tax roll that the property is exempt and is subject to potential additional taxes as provided in ORS 285.617, by adding the notation "enterprise zone exemption (potential additional tax)."

(5) If the assessor denies an exemption applied for under this section, the business firm may appeal the denial to the Director of the Department of Revenue under ORS 305.275 and 305.280.

(6) The assessor shall provide copies of each exemption application filed under this section to the enterprise zone sponsor, the Department of Revenue and the Economic Development Department.

(7) If an application required by subsection (1) of this section relates to principal or secondary industrial property as defined by ORS 306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the application shall be deemed timely filed with the assessor.

[Formerly 284.275; 1993 c.25 s.12; 1993 c.270 s.75]

Note: The amendments to 285.615 by section 100, chapter 650, Oregon Laws 1995, become operative September 1, 1997. See section 116, chapter 650, Oregon Laws 1995. The text that is operative on and after September 1, 1997, is set forth for the user's convenience.

285.615. (1) After July 1 and no later than September 1 of the tax year immediately following completion of construction or modification or the installation of qualified property, a precertified business firm may apply for the exemption allowed under ORS 285.597. The application shall be made on a form prescribed by the Department of Revenue and shall be filed with the county assessor. If the property for which exemption is sought is leased by the business firm, the application shall be made by both the owner and the lessee of the property.

(2) An application filed under this section shall contain:

(a) A statement that:

(A) The business firm satisfies the requirements of ORS 285.600 as a qualified business firm; and

(B) The business firm has been precertified by the enterprise zone sponsor.

(b) Any other information required by the Department of Revenue.

(3) The business firm shall attach to the exemption application a copy of the precertification from the sponsor. The statement made pursuant to subsection (2)(a) of this section shall be prima facie evidence that the firm is a qualified business firm.

(4) If the assessor determines the property for which exemption is sought satisfies the requirements of ORS 285.597, the assessor shall grant the exemption. Thereafter, for each tax year that the property is exempt from taxation, the assessor shall:

(a) Enter on the assessment roll, as a notation, the real market value of the property as if it were not exempt under ORS 285.597.

(b) Enter on the assessment and the tax roll, as a notation, the amount of additional taxes that would be due if the property were not exempt.

(c) Indicate on the assessment and tax roll that the property is exempt and is subject to potential additional taxes as provided in ORS 285.617, by adding the notation "enterprise zone exemption (potential additional tax)."

(5) If the assessor denies an exemption applied for under this section, the business firm may appeal the denial to the Oregon Tax Court under ORS 305.404 to 305.560.

(6) The assessor shall provide copies of each exemption application filed under this section to the enterprise zone sponsor, the Department of Revenue and the Economic Development Department.

(7) If an application required by subsection (1) of this section relates to principal or secondary industrial property as defined by ORS 306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the application shall be deemed timely filed with the assessor.

Note: See note under 285.560.

285.616 Late application for exemption; filing fee. (1) Notwithstanding ORS 285.615 (1), an application for exemption under ORS 285.615 may be filed under this section at any time prior to September 15 of the tax year for which exemption is first sought. However, any application filed after the time for filing specified in ORS 285.615 (1) must be accompanied by a late filing fee in the greater of the amounts of \$200 or one-tenth of one percent of the real market value of the property, determined as of July 1 of the tax year to which the application pertains, by the assessor for this purpose. If the application is not accompanied by the late filing fee or if the late filing fee is not otherwise paid, no exemption shall be allowed based upon an application filed pursuant to this section.

(2) An application may be filed under this section whether or not there are grounds for hardship as required for late filing under ORS 307.475.

(3) The value of the property used to determine the late filing fee under this section is appealable in the same manner as other acts of the county assessor.

(4) Any filing fee collected under this section shall be deposited to the county general fund. [1993 c.25 s.14; 1995 c.741 s.12]

285.617 Notice to assessor and sponsor if property or business becomes unqualified for exemption. (1) The county assessor of any county in which an enterprise zone is situated and the sponsor shall be notified in writing:

(a) When property granted exemption from taxation under ORS 285.615 is sold, exchanged, transported or otherwise disposed of for use outside the enterprise zone. The notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by the qualified business firm not later than the 60th day following the tax year in which the exemption was claimed.

(b) When a qualified business firm closes or substantially curtails the operation of the trade or business in which property granted exemption from taxation under ORS 285.615 is used. The notice under this paragraph shall be provided by the qualified business firm closing or curtailing operations or by the owner of the qualified property leased by the qualified business firm not later than the 60th day following the tax year in which the exemption was claimed.

(c) When a qualified business firm fails to meet any of the requirements of ORS 285.600 (2)(b) or (3)(b), the notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by the qualified business firm not later than the 60th day following the tax year for which an exemption is claimed.

(d) When a qualified business firm fails to meet any of the requirements of ORS 285.605 (2), (3) or (6), the notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by

the qualified business firm not later than the 60th day following the tax year for which an exemption is claimed.

(e) When a qualified business firm fails to meet any of the requirements of ORS 285.605 (4) or (5), the notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by the qualified business firm not later than the 60th day following the tax year for which an exemption is claimed.

(f) When a qualified business firm fails to meet any of the requirements of ORS 285.603 after it has received a property tax exemption for its qualified property, the notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by the qualified business firm not later than the 60th day following the tax year for which an exemption is claimed.

(2)(a) When an assessor receives written notice under subsection (1) of this section, the assessor shall disqualify the property for the tax year following the disqualifying event and 100 percent of the additional taxes calculated under ORS 285.615 shall be assessed against the property for each year for which the property had been granted exemption.

(b) Notwithstanding paragraph (a) of this subsection, if a qualified business firm fails to meet any of the requirements in ORS 285.605 (3), (4) or (6) during the first three years of exemption, but continues to meet the requirements of ORS 285.597, the qualified business firm is entitled to receive the property tax exemption allowed under ORS 285.597 (3).

(c) If the qualified business firm has paid the sponsor any amounts due under subsection (6) of this section, those amounts shall be subtracted from any amount due under paragraph (a) of this subsection.

(3) For the purposes of ORS 285.600 and this section:

(a) Operation of a new business shall be considered to be substantially curtailed when the number of employees is reduced at the end of a tax year by more than 85 percent from the highest number of employees at the end of any tax year during which the business firm received a property tax exemption under ORS 285.597, or when the number of employees at the end of a tax year has been reduced for a period longer than one year by more than 50 percent from the highest number of employees in any tax year during which the firm was receiving a property tax exemption under ORS 285.597.

(b) Operation of an existing business shall be considered to be substantially curtailed when the average annual number of employees is reduced at the end of the first tax year of exemption and any subsequent qualifying years below 110 percent of the average annual number of employees at facilities of the firm located within the enterprise zone on the date of application for precertification.

(4) If the qualified business firm or owner fails to give the notice required by subsection (1) of this section, upon discovering the property no longer qualifies for the exemption due to a circumstance described in subsections (1) and (3) of this section the assessor shall:

(a) Compute the amount of taxes described in subsection (2) of this section as though notice had been given, and shall add to that amount an additional penalty equal to 20 percent of the total amount so computed; and

(b) Add the property to the tax roll without the exemption as if the notice had been given.

(5) The amount determined to be due under subsections (2) and (4) of this section:

(a) May be paid to the tax collector before completion of the next general property tax roll pursuant to ORS 311.370; and

(b) Shall be added to the tax extended against the property on the next general property tax roll to be collected and distributed in the same manner as the remainder of the property taxes.

(6)(a) Notwithstanding subsections (2), (4) and (5) of this section, when an assessor and sponsor receive notice under subsection (1)(e) of this section and the qualified business firm has not substantially curtailed operations, the qualified business firm shall pay the sponsor an amount equal to the property taxes that had been abated for the qualified property during the tax year in which the failure occurred.

(b) Moneys collected under paragraph (a) of this subsection shall be used by the sponsor to benefit the residents of the enterprise zone and for the development of jobs, skills and training for residents of the enterprise zone.

(c) This subsection applies only to the first notice under subsection (1)(e) of this section.

(7) The assessor shall at all times be authorized to demand and receive reports by registered or certified mail from owners or lessees of the use of the qualified property and the employment status of the qualified business firm. If the owner or lessee shall fail, after 90 days' notice in writing by certified mail to comply with such demand, the assessor may immediately remove the exemption, give written notice of such removal to the Department of Revenue and the owners or lessees of the qualified property and apply the penalties provided in this section.

(8) The assessor is under no obligation to verify compliance by qualified business firms with requirements imposed under ORS 285.605 (2), (3)(b), (4)(a), (5) or (6)(b).

(9) The sponsor of an enterprise zone may initiate procedures in order to verify compliance by qualified business firms with requirements imposed under ORS 285.605 (2), (3)(b), (4)(a), (5) or (6)(b), including requests to the assessor, for only one qualified business per request, that the assessor exercise authority under subsection (7) of this section. Such procedures may also include requirements for periodic reporting by qualified business firms directly to the zone sponsor or to designated recipients, such as the assessor or a publicly funded job training provider, that will transfer reported information to the zone sponsor.

(10) An assessor may not impose the property taxes and penalties specified in subsection (4) of this section for failure by a qualified business firm

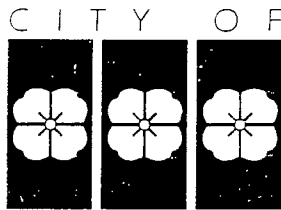
or an owner of qualified property leased by the qualified business firm to notify the assessor or the enterprise zone sponsor that the qualified business firm does not meet requirements under ORS 285.605 (2), (3)(b), (4)(a), (5) or (6)(b), without having received written communication from the zone sponsor that demonstrates that the qualified business firm does not meet such requirements.

(11) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [Formerly 284.280; 1993 c.25 s.15; 1995 c.741 s.13]

Note: See note under 285.560.

(Miscellaneous)

285.620 Short title for ORS 285.560 to 285.617. *ORS 285.560 to 285.617 shall be known and may be cited as the Oregon Enterprise Zone Act of 1989. [Formerly 284.285]*



MILWAUKIE

*** MEMORANDUM ***

October 27, 1997

To: Mayor and City Council
From: Dan Bartlett, City Manager
Re: Legislative Revisions to the Enterprise Zone Law

Action Requested

For Council Information.

Background

From left to right in the columns of the table below are found:

- (1) The section, series of sections or chapter of Oregon Revised Statutes.
(2) An "A" or an "R" indicating respectively the amendment or repeal of the section, or the word "Add" indicating that a section or sections of a bill or measure are "added to and made a part of" the ORS chapter or series of ORS sections.
(3) The following information about the section and bill or measure by which ORS is amended, re-pealed or "added to":
(a) The section number and Senate or House bill number for the 1997 bill;

Table with 4 columns: Section Number, Action, Series, and Bill Number. Rows include entries like (285.560 to 285.617) Add s1 HB 2143, 285.560 A s3 HB 2143, etc.

The text of HB 2143 follows as an attachment to this memo.

MILWAUKIE CITY HALL
10722 SE MAIN STREET
MILWAUKIE, OREGON 97222
PHONE: (503) 786-7555 • FAX: (503) 652-4433

Enrolled

House Bill 2143

Ordered printed by the Speaker pursuant to House Rule 12.00A (5).
Presession filed (at the request of Economic Development
Department)

CHAPTER

AN ACT

Relating to enterprise zones; creating new provisions; amending
ORS 285.560, 285.562, 285.563, 285.564, 285.565, 285.573,
285.575, 285.577, 285.585, 285.587, 285.588, 285.593, 285.595,
285.597, 285.600, 285.605, 285.610, 285.613, 285.615, 285.617
and 318.031; and repealing ORS 285.562, 285.563, 285.564,
285.565, 285.588, 285.590, 285.598 and 285.616.

Be It Enacted by the People of the State of Oregon:

SECTION 1. { + Section 2 of this Act is added to and made a
part of ORS 285.560 to 285.617. + }

SECTION 2. { + (1) Notwithstanding ORS 285.563 (3) and 285.585
(2)(e) and (f), a nonurban enterprise zone may be designated
under ORS 285.564 or 285.588 or have its zone boundary changed
under ORS 285.585 so that:

(a) A separate area of the zone may be as far as 15 miles from
another area of the zone, when the separate area is entirely
contained within a sparsely populated county;

(b) The zone may have 20 or fewer miles as the greatest
distance between any two points within the zone, when only a
portion of the zone is contained within a sparsely populated
county; or

(c) The zone may have 25 or fewer miles as the greatest
distance between any two points within the zone, when the zone is
entirely contained within a sparsely populated county or within
two or more sparsely populated counties.

(2) If the population density of a county increases to more
than 100 persons per square mile, any existing enterprise zone
located wholly or partly within that county that was designated
or that had its zone boundary changed under subsection (1) of
this section shall continue to exist with that zone boundary
until terminated or until a subsequent boundary change under ORS
285.585. However, any subsequent boundary change under ORS
285.585 shall not add an area to the zone that:

(a) Is a separate area farther than five miles from the nearest
point on the existing boundary;

(b) Increases the distance between the two points in the zone
that are the farthest apart; or

(c) Creates a new line of distance to the farthestmost opposite
point in the zone that is longer than the greatest distance

between any two existing points in the zone.

(3) Subsection (2) of this section does not limit the maximum distance within an enterprise zone to less than what is otherwise specifically allowed under subsection (1) of this section or ORS 285.583 or 285.585.

(4) Nothing in this section allows an enterprise zone to be more than 12 square miles in total area except as provided under ORS 285.583.

(5) As used in this section, 'sparsely populated county ' means a county with a density of 100 or fewer persons per square mile, based on the most recently available population figure for the county from the Portland State University Center for Population Research and Census. + }

SECTION 3. ORS 285.560 is amended to read:

285.560. As used in ORS 285.560 to 285.617, unless the context requires otherwise:

(1) 'Business firm' means a person operating or conducting one or more trades or businesses but does not include any governmental agency, municipal corporation or nonprofit corporation.

(2) 'Eligible business firm' means a firm engaged in an activity described under ORS 285.603 which may file an application for precertification under ORS 285.613.

(3) 'Employee' means a person who works more than 32 hours per week, but does not include persons with temporary or seasonal jobs or persons hired solely to construct qualified property.

(4) 'Enterprise zone' means one of the 30 areas designated or terminated and redesignated by order of the Governor under ORS 284.160 (1987 Replacement Part) before October 3, 1989, one of the seven areas designated by the director under ORS { - 285.564 - } { + 285.562 + }, areas designated under ORS 285.583 { - or 285.587 - } and areas designated under ORS 285.588.

(5) 'First-source hiring agreement' means an agreement between a precertified business firm and a publicly funded job training provider whereby the job training provider refers qualified candidates to the firm for new jobs and job openings in the firm.

{ + (6) 'Modification' means modernization, renovation or remodeling of an existing building or structure. + }

{ - (6) - } { + (7) + } 'Nonurban enterprise zone' means an enterprise zone located outside a regional or metropolitan urban growth boundary.

{ - (7) - } { + (8) + } 'Precertified business firm' means an eligible business firm whose application for precertification has been approved under ORS 285.613 and which may apply for a property tax exemption under ORS 285.615.

{ - (8) - } { + (9) + } 'Publicly funded job training provider' includes but is not limited to, community colleges, Job Training Partnership Act service providers, and other similar

programs.

{ - (9) - } { + (10) + } 'Qualified business firm' means a business firm described in ORS 285.600 whose application for a property tax exemption has been approved under ORS 285.615.

{ - (10) - } { + (11) + } 'Qualified property' means property described under ORS 285.607.

{ - (11) - } { + (12) + } 'Sponsor' means the city or county that applied for and received approval of an enterprise zone under ORS 284.150 and 284.160 (1987 Replacement Part), under ORS 285.563 and 285.564, under ORS 285.583 or 285.587 or under ORS 285.588.

{ - (12) - } { + (13) + } 'Urban enterprise zone' means an enterprise zone in a metropolitan statistical area, as defined by the most recent federal decennial census, located inside a regional or metropolitan urban growth boundary.

SECTION 4. ORS 285.562 is amended to read:

285.562. (1) The Director of the Economic Development Department may approve the designation of up to seven areas as nonurban enterprise zones as provided in ORS 285.563 and 285.564

{ - for a period of 10 years from the date of designation plus that number of days necessary to delay the date of termination to the June 30 next following - } .

(2) Areas designated as enterprise zones under { - ORS 285.564 - } { + this section + } shall be in addition to the 30 areas designated or redesignated as enterprise zones by order of the Governor under ORS 284.160 (1987 Replacement Part) before October 3, 1989, and areas designated under ORS 285.583 and { - 285.587 - } { + 285.588 and shall terminate in accordance with ORS 285.587 (3) + }.

SECTION 5. ORS 285.563 is amended to read:

285.563. (1) Any city or county may apply to the Director { + of the Economic Development Department + } for designation of an area within that city or county as an enterprise zone. With the prior consent of the governing body of the city, a county may apply to the { + Economic Development + } Department on behalf of a city for designation of any area within that city as an enterprise zone.

(2) One or more cities and counties may apply to the director for designation of an area situated partly within each city and partly in unincorporated territory within the counties as an enterprise zone.

(3) Any area proposed for designation as an enterprise zone must consist of a { - contiguous - } { + total + } area of not more than 12 square miles in size with 12 miles or less as the greatest distance between any two points within the zone. The area of the zone shall be calculated by excluding that portion of the zone which lies below the ordinary high water mark of a navigable body of water, and any road, railroad, electric transmission line or pipeline rights of way that connect

otherwise unconnected areas of an enterprise zone. Such areas shall not be more than five miles apart.

(4) An application for designation of an enterprise zone shall be in the form and contain such information as the department, by rule, may require. However, the application shall:

(a) Be submitted on behalf of one or more local government units as described in subsections (1) and (2) of this section by action of the governing body of each applicant;

(b) Contain a description of the area sought to be designated as an enterprise zone;

(c) Contain information sufficient to allow the department to determine if the criteria established in ORS 285.565 are met;

(d) State that the applicant will give priority to the use in the proposed enterprise zone of any economic development or job training funds received from the Federal Government; and

(e) Declare that the applicant will comply with ORS 285.577.

(5) When applying for designation of an enterprise zone within its boundaries under this section, the applicant may include in the application proposals to { - increase - } { + enhance + } the level or efficiency of local public services within the proposed enterprise zone including, but not limited to, fire-fighting and police services.

(6) When applying for designation of an enterprise zone within its boundaries under this section, the applicant may include in the application proposals for local { - tax - } incentives and local regulatory flexibility { + to precertified or qualified business firms + }.

(7) In the case of joint applications by more than one local government unit, each city or county joining in the application may include proposals for { + enhanced local public services, + } local { - tax - } incentives { - and - } { + or + } local regulatory flexibility to be effective within the boundaries of that local government unit.

{ + (8) + } Proposals { + under subsection (5), (6) or (7) of this section + } for { + enhanced local public services, + } local { - tax - } incentives { - and - } { + or + } local regulatory flexibility included in the application by a city or county for an enterprise zone are binding upon the city or county if an enterprise zone is designated wholly or partly within its boundaries.

{ + (9) Notwithstanding ORS 285.610 (1), when applying for designation of an enterprise zone, an applicant may choose to exempt qualified property owned or leased and operated by a business firm as a hotel, motel or destination resort, for any business firm that is precertified in the proposed zone after its designation, if the exemption is requested by resolution of each city or county sponsoring the application. + }

SECTION 6. ORS 285.564 is amended to read:

285.564. (1) The Economic Development Department shall review

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each application for designation of an enterprise zone, and shall secure any additional information that the department considers necessary for the purpose of determining whether the area described in the application qualifies for designation as an enterprise zone.

(2) The department shall complete review of the application within 60 days of the last date designated for receipt of an application. After review of the applications, the department shall forward those qualified applications to the Director of the Economic Development Department. The director shall determine which applications have the greatest potential for accomplishing the purposes of ORS 285.560 to 285.617.

(3) { + As authorized under ORS 285.562 or 285.588, + } the director may approve the designation of { - up to seven areas as nonurban - } { + one or more + } enterprise zones { - for a period of 10 years from the date of designation plus that number of days necessary to delay the date of termination to the June 30 next following - } . The determination by the director as to the areas designated enterprise zones shall be final.

(4) If an application for enterprise zone designation is denied, the governing body of the cities or counties submitting the application shall be informed of that fact together with the reasons for the denial. Cities or counties may reapply { - at any time - } to the department for designation of an area as an enterprise zone.

SECTION 7. ORS 285.565 is amended to read:

285.565. { - An area - } { + A + } proposed { - as an - } enterprise zone must
{ - consist of a contiguous - } { + be located in a local + } area in which:

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(1) Fifty percent or more of the households have incomes below 80 percent of the median income of this state, as defined by the most recent federal decennial census;

(2) The unemployment rate is at least 2.0 percentage points greater than the comparable unemployment rate for this entire state, as defined by the most recently available data published or officially provided and verified by the United States Government, the Employment Department of this state, the Portland State University Center for Population Research and Census or special studies conducted under a contract with a regional academic institution; or

(3) The Economic Development Department determines on a case-by-case basis using evidence provided by the cities or counties applying for designation of the proposed enterprise zone that there exists a level of economic hardship at least as severe as that described in subsection (1) or (2) of this section. Such evidence shall be based on the most recently available data from official sources and may include, but is not limited to, a contemporary decline of the population in the proposed enterprise

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zone, the percentage of persons in the proposed enterprise zone below the poverty level relative to the percentage of the entire population of this state below the poverty level or the unemployment rate for the county or counties in which the proposed enterprise zone is located.

SECTION 8. ORS 285.573 is amended to read:

285.573. The Legislative Assembly finds and declares that the health, safety and welfare of the people of this state are dependent upon the continued encouragement, development, growth and expansion of employment, business, industry and commerce within the state, and that there are areas in the state that need the particular attention of government to help attract private business investment into these areas { + and to help resident businesses to reinvest and grow + }. Therefore, it is declared to be the purpose of ORS 285.560 to { - 285.620 - } { + 285.617 + } to stimulate employment, business and industrial growth in those areas of this state by providing assistance to businesses and industries and by providing tax incentives in those areas.

SECTION 9. ORS 285.575 is amended to read:

285.575. In addition to any other powers granted by law, for the purpose of administering ORS 285.560 to { - 285.587 and 285.605 - } { + 285.617 + }, the Economic Development Department shall:

- (1) Adopt any rules the department considers necessary to administer ORS 285.560 to { - 285.587 and 285.605 - } { + 285.617 + }.
- (2) Assist a sponsor of an enterprise zone in its efforts to retain, expand, start or recruit eligible business firms.
- (3) Assist an eligible business firm doing business within an enterprise zone to obtain the benefits of applicable incentive or inducement programs authorized by Oregon law.
- (4) Take action necessary to participate in the federal enterprise zone program under ORS 285.583.
- (5) Process sponsor requests for boundary amendments under ORS 285.585.
- (6) Take action necessary to terminate or designate zones under ORS 285.587 { + or 285.588 + }.
- (7) Assist in implementing first-source hiring agreements by publicly funded job training providers with precertified and qualified business firms.

SECTION 10. ORS 285.577 is amended to read:

285.577. (1) The sponsor of an enterprise zone shall:

(a) Appoint a local zone manager. Upon appointment of the local zone manager, the sponsor shall provide written notice thereof to the Economic Development Department, the county assessor and the Department of Revenue.

(b) Provide { + enhanced local public services, + } local { - tax - } incentives and local regulatory flexibility included in the application for designation { - or termination and

redesignation - } of
{ - an - } { + the + } enterprise zone { + or in the
resolution under ORS 285.585 (6) + } to precertified or qualified
business firms.

(c) Process applications from eligible business firms for
precertification under ORS 285.613.

(d) Assist the county assessor in reviewing tax exemption
applications under ORS 285.615.

(e) Prepare, implement and annually update a plan for marketing
the enterprise zone including strategies for retention,
'expansion, start-up and recruitment of eligible business firms.

(f) Manage the enterprise zone in accordance with ORS 285.560
to 285.617.

(g) Identify property available for sale or lease to eligible
business firms under ORS 285.580.

(h) Prepare indices of street addresses, tax lot numbers or
other information to facilitate the identification of land inside
of an urban enterprise zone.

(2) A sponsor of an enterprise zone may require that an
application for precertification be accompanied by a filing fee
of \$200 or up to one-tenth of one percent of the value of the
proposed investment in qualified property at the time of the
precertification.

(3) If more than one city or county sponsors an enterprise
zone, they shall act jointly in performing the duties imposed on
a sponsor under ORS 285.560 to 285.617.

(4) Notwithstanding ORS 285.613 (3), the sponsor of an urban
enterprise zone may require an eligible business firm seeking
precertification under ORS 285.613 within that zone to satisfy
other conditions for precertification that the zone sponsor may
impose that are reasonably related to the public purpose of
providing opportunities for groups of persons, as defined by the
zone sponsor, to obtain employment, including but not limited to
provisions for training and procedures for monitoring and
verifying compliance with the conditions. Such conditions may be
imposed only pursuant to a policy adopted by the zone sponsor
that establishes standards for the imposition of the conditions.
Conditions imposed by a zone sponsor under this subsection shall
be in addition to, and not in lieu of, conditions and
requirements imposed under ORS 285.560 to 285.617 and shall not
affect the duties of the Department of Revenue under ORS 285.593
or of the county assessor under ORS 285.595.

(5) A sponsor of an enterprise zone that imposes conditions for
precertification on eligible business firms under subsection (4)
of this section shall submit a written report every four years to
the Legislative Assembly concerning the application and effects
of such conditions on the eligible businesses within the
enterprise zone. A report required by this subsection shall first
be submitted to the Seventieth Legislative Assembly.

SECTION 11. ORS 285.585 is amended to read:

285.585. (1) The sponsor of an enterprise zone may submit a request to the Economic Development Department to change the boundary of the enterprise zone. A request shall include:

- (a) A resolution of the governing body of the sponsor requesting the change;
- (b) A map clearly indicating the existing boundary and the proposed change thereto;
- (c) A legal description of each area to be withdrawn from or added to the existing enterprise zone; and
- (d) Other information required by the department.

(2) The amended enterprise zone shall:

- (a) Add land zoned for use by eligible business firms:
 - (A) Which has or will have infrastructure facilities available;
- or
- (B) Where road access exists or will be provided, water is or will be available on-site, sewage disposal is or will be provided on-site and necessary utility services are or will be provided;

- (b) Continue to include any precertified or qualified business firms within the enterprise zone;
- (c) Add residential areas only if the level of economic hardship therein is at least as severe as the original enterprise zone;

(d) Retain at least 50 percent of the lands in the original enterprise zone;

(e) Consist of a { - contiguous - } { + total + } area of not more than 12 square miles in size. The area of the zone shall be calculated by excluding that portion of the zone which lies below the ordinary high water mark of a navigable body of water, and any road, railroad, electric transmission line or pipeline rights of way that connect otherwise unconnected areas of an enterprise zone. Such areas shall not be more than five miles apart; and

(f) Have 12 miles or less as the greatest distance between any two points within a zone amended under this section.

(3) A request under subsection (1) of this section may include a proposal to:

(a) Remove residential areas or land not zoned or available for use by eligible business firms; or

(b) Change the name of the enterprise zone.

(4) The boundary of an urban enterprise zone shall not be modified to include land located outside a regional or metropolitan urban growth boundary.

(5) A request to modify the boundary of a nonurban enterprise zone to include land located outside an urban growth boundary shall satisfy the requirements of subsections (1) and (2) of this section and shall include such other criteria as the department may adopt by rule.

(6) If an area to be added to an enterprise zone is under the jurisdiction of a city or county that is not a sponsor of the enterprise zone, the governing body of that city or county shall submit a resolution requesting the change and that it become a sponsor. The resolution may include a binding proposal for { + enhanced local public services, + } local { - tax - }

incentives { - and - } { + or local + } regulatory flexibility to be effective within the portion of the enterprise zone to be under the jurisdiction of that city or county.

(7) The department shall review the request for a boundary change. If the request is incomplete or does not satisfy the requirements of this section, the department shall { + seek additional information as necessary or shall + } return the

request to the sponsor. If the request is returned, the sponsor may submit a revised request at any time. If the request is complete and does satisfy the requirements of this section, the Director of the Economic Development Department shall order a change in the boundary of an enterprise zone based on the request of the sponsor and specify the effective date of the boundary change, which shall not be earlier than the receipt of a completed request.

(8) A change in the boundary of an enterprise zone under this section shall not change the termination date of the enterprise zone under ORS 285.587 { + (3) + }.

SECTION 12. ORS 285.587 is amended to read:

285.587. (1) Enterprise zones designated { - or terminated and redesignated - } under ORS 284.110 to 284.260 (1987 Replacement Part) by order of the Governor before October 3, 1989, are declared valid and shall continue to exist until terminated { + under this section + }. { - Any termination and redesignation of a zone under ORS 284.110 to 284.260 (1987 Replacement Part) shall not affect the eligibility of a qualified business firm for a property tax exemption under ORS 284.110 to 284.260 (1987 Replacement Part). - }

(2) When the termination of an enterprise zone occurs under this section:

(a) The termination of the enterprise zone shall not affect the continuation of a qualified business firm's property tax exemption for which the firm qualified before the effective date of the termination of the enterprise zone.

(b) Notwithstanding ORS 285.597 (5) (e) and 285.613 (6), a business firm that is currently precertified or qualified in the enterprise zone shall be allowed until 10 years after the effective date of the termination of the enterprise zone to apply for precertification under ORS 285.613 and subsequently for property tax exemptions under ORS 285.615 for any qualified property that is located inside the former enterprise zone boundaries at the time of termination and entirely outside of the boundaries of any current enterprise zone. Construction, modification or installment of qualified property must commence prior to the end of an exemption of the precertified or qualified business firm under ORS 285.597 or 285.605 and be completed in accordance with ORS 285.613 (5) (b) and (c). The precertified or qualified business firm must comply with the requirements { - for an existing business - } under ORS 285.590 to 285.617 in effect at the time of the termination of the enterprise zone.

(c) Disqualification under ORS 285.617 of an entire property tax exemption after the date of the termination of the enterprise zone shall prohibit and terminate all precertifications and qualifying property tax exemptions that would not otherwise be allowed except for paragraph (b) of this subsection. Such termination shall not result in repayment of property taxes exempted before the tax year in which the disqualification takes effect.

(3) An enterprise zone previously designated { - or redesignated - } by order of the Governor or designated by the Director of the Economic Development Department under ORS { + 285.562, 285.583 or + } 285.588 shall terminate { - : - } { - (a) At the request of the sponsor; or - } { - (b) - } when 10 years plus that number of days necessary to delay the date of termination to the June 30 next following have elapsed since the enterprise zone was originally designated by order of the Governor or the director.

(4) { - The new - } { + An + } enterprise { - zones - } { + zone + } { - designated by the Director of the Economic Development Department under ORS 285.564 - } shall terminate { - : - } { - (a) At the request of the sponsor; or - } { - (b) When 10 years plus that number of days necessary to delay the date of termination to the June 30 next following have elapsed since the enterprise zone was originally designated by the director - } { + prior to the time specified in subsection (3) of this section only as provided in subsection (5) or (6) of this section + }.

(5) The governing body of the sponsor may submit a resolution requesting termination of the enterprise zone to the Economic Development Department. The sponsor shall provide copies of the resolution to the county assessor and the Department of Revenue. After receipt of the request, the director shall order termination of the enterprise zone and shall specify the effective date of such termination.

(6) If a sponsor is unable or unwilling to carry out its responsibilities under ORS 285.577, the director shall order termination of the enterprise zone and shall specify the effective date of such termination. However, in the case of failure to provide { + enhanced local public services, local + } incentives or { + local + } regulatory flexibility included in the application for designation

{ - or for termination and redesignation - } as an enterprise zone { + or in the resolution under ORS 285.585 (6) + }, termination is not required if the sponsor provides new { + enhanced local public services, local + } incentives or { + local + } regulatory flexibility { - which - } { + that + } have similar value, as determined by the department, to precertified or qualified business firms. A sponsor may reduce the time within which it will provide

{ - the - } { + enhanced local public services, local + } incentives and { + local + } regulatory flexibility { - it included in its application - } to a time period equal to the amount of time allowed for an exemption under ORS 285.597 or 285.605, without causing termination under this section.

SECTION 13. ORS 285.588 is amended to read:

285.588. (1) Within a reasonable period of time prior to the termination of enterprise zones under ORS 285.587 (3) { - or (4) - }, the Director of the Economic Development Department shall competitively designate the same number of enterprise zones effective immediately after termination of the previous enterprise zones. The determination by the director as to the areas designated as enterprise zones shall be final.

(2) When an enterprise zone is terminated under ORS 285.587 (5) or (6), the director may competitively designate a new enterprise zone. The sponsor of the enterprise zone terminated under ORS 285.587 (5) or (6) is not eligible to apply for a new enterprise zone { + , except for a county government when the terminated zone was also jointly sponsored by one or more cities + }.

{ - The new enterprise zone may be added to the enterprise zones to be designated under subsection (1) of this section or the director may determine when to accept applications for the new enterprise zone. - }

(3) Sponsors of existing enterprise zones are eligible to reapply for designation under subsection (1) of this section.

(4) Any city or county may apply to the director for designation of an enterprise zone in accordance with the criteria

set forth in ORS 285.563 { + and 285.565 + }. In addition, the Economic Development Department by rule shall determine the minimum level of economic hardship in any area to be included within an enterprise zone, any other criteria necessary to evaluate the need for the enterprise zone and the potential for accomplishing the purposes of ORS 285.560 to 285.617.

(5) All enterprise zones designated under this section shall terminate in accordance with ORS 285.587 { + (3) + }.

(6) When the director designates enterprise zones under this section, there is no limit on the { + relative + } number of urban or nonurban enterprise zones designated.

{ + (7) The director may determine when to accept applications for any enterprise zone that terminates under subsection (2) of this section or is not designated under subsection (1) of this section for lack of qualified applicants. + }

SECTION 14. ORS 285.593 is amended to read:

285.593. In addition to any other powers granted by law, for the { - purpose - } { + purposes + } of { - administering - } ORS 285.590 to 285.617, the Department of Revenue shall:

(1) Adopt any rules the Department of Revenue considers necessary to { - administer - } { + implement + } ORS

{ - 285.590 to 285.617 - } { + 285.593, 285.595, 285.597, 285.607, 285.613, 285.615, 285.616 and 285.617 + }.

(2)lack of qualified applicants. + }

SECTION 14. ORS 285.593 is amended to read:

285.593. In addition to any other powers granted by law, for the { - purpose - } { + purposes + } of { - administering - } ORS 285.590 to 285.617, the Department certification or by precertified business firms applying for a property tax exemption under ORS 285.613 or 285.615.

(5) Submit a written report to the Economic Development Department on or before January 15 in each year. The report shall { - describe actions taken by the Department of Revenue under this section and shall - } include the number of jobs created and the value of investments in qualified property made by qualified business firms in the current tax year, and other information considered necessary by the Department of Revenue or required by the Economic Development Department. { - The Department of Revenue shall provide copies of its report to county assessors, enterprise zone sponsors and other interested parties. - }

SECTION 15. ORS 285.595 is amended to read:

285.595. The assessor of a county within which an enterprise zone is located shall:

(1) Assist the local zone manager and eligible or precertified business firms in determining whether property will qualify for a property tax exemption under ORS 285.597 and 285.607.

{ + (2) Review and approve or deny applications from eligible business firms for precertification under ORS 285.613. + }

{ - (2) - } { + (3) + } Process applications from precertified business firms for property tax exemptions under ORS 285.615.

{ - (3) - } { + (4) + } Take action necessary under ORS 285.617 if a business firm or property is no longer qualified for the property tax exemption.

{ - (4) - } { + (5) + } Submit a written report to the Department of Revenue on or before December 1 in each year. The report { - shall describe actions taken by the assessor under this section and - } shall include the number of jobs created and the value of investments in qualified property made by qualified business firms in the current tax year, and other information considered necessary by the assessor or required by the Department of Revenue. The assessor shall provide copies of the report to the sponsors of enterprise zones located within the county { - , the Economic Development Department and other interested parties - } { + and as directed by the Department of Revenue + }.

SECTION 16. ORS 285.597 is amended to read:

285.597. (1) Upon compliance with ORS 285.615, qualified

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property of a qualified business firm shall be exempt from ad valorem taxation, if:

- (a) The qualified property was constructed, added to, modified or installed in furtherance of the production of income;
- (b) The property or portion of the property for which exemption is sought was in use or occupancy no later than August 31 of the tax year for which exemption is sought;
- (c) The total cost of all of the qualified property for which application for exemption is made was at least \$25,000; and
- (d) The property satisfies the requirements of ORS 285.607.

(2) The exemption allowed under this section shall be allowed only for property that is owned or leased by a qualified business firm that satisfies the requirements of ORS 285.600. If the property is leased by a qualified business firm, the qualified business firm must be required by the terms of the lease to pay or compensate the owner for the entire amount of property taxes assessed against the leased property during the lease term.

(3) (a) The exemption allowed under this section shall first apply to the tax year immediately following completion of the construction, addition, modification or installation of the property. The exemption shall continue for the two succeeding tax years if the property continues to be owned or leased by the qualified business firm and located in the enterprise zone.

(b) If qualified property of a qualified business firm is sold or leased to { - another - } { + an eligible + } business firm { + in the enterprise zone + } during the period of abatement, the purchasing or leasing firm is eligible to continue the exemption of the selling or leasing firm for the balance of the abatement period { + , but only if any effects on employment within the zone that result from the sale or lease do not constitute substantial curtailment under ORS 285.617 (3) + }.

(4) The exemption allowed under this section shall be 100 percent of the real market value of the qualified property in each of the tax years for which the exemption is available. If the qualified property is an addition to or modification of an existing building or structure, the exemption shall be measured by the increase in value, if any, attributable to the addition or modification.

(5) (a) No exemption shall be granted for property assessed for property tax purposes in the county in which the zone is located on or before the effective date of the:

- (A) Designation of the zone; or

(B) Approval of a boundary change for the zone if the property is located in an area added to the zone.

(b) No exemption shall be granted for property constructed, added to, modified or installed in the zone or in the process of construction, addition, modification or installation in the zone on or before the effective date of the:

- (A) Designation of the zone; or

(B) Approval of a boundary change for the zone if the property is located in an area added to the zone.

(c) No exemption shall be granted for any qualified property that was in use or occupancy within the zone for more than 12 months by { - July 1 - } { + June 30 + } preceding the first tax year for which an application for exemption is made.

(d) No exemption shall be granted for any qualified property unless the property was in use or occupancy in the tax year immediately following completion of construction, addition, modification or installation.

(e) Except as provided in ORS 285.613 (6), no exemption shall be granted for qualified property constructed, modified or installed after termination of an enterprise zone.

(6) A qualified business firm may apply for a tax exemption for additional qualified property initially occupied or used during or after the first tax year in which a tax exemption for the firm's initial investment in qualified property was approved if the firm meets the applicable requirements of this section and ORS { - 285.600 to - } { + 285.598, 285.600, 285.603, 285.605, 285.607, 285.610, 285.613 and + } 285.615.

SECTION 17. ORS 285.600 is amended to read:

285.600. (1) A business firm is qualified to receive a property tax exemption under ORS 285.597 for its qualified property only if:

(a) The firm is an eligible business firm described in ORS 285.603;

(b) The firm has business operations located inside an enterprise zone;

(c) The firm owns or leases qualified property located inside an enterprise zone;

(d) { - For an existing business, - } The employment of the firm, no later than August 31 following the tax year in which the investment in qualified property was completed, is not less than 110 percent of the average annual employment of the firm { - within the enterprise zone - }, calculated over the 12 months preceding the date of application for precertification;

(e) { - For a new business, - } The firm hired { - one or more employees - } { + at least one new employee + } to work within the enterprise zone { + , under paragraph (d) of this subsection, + } after precertification and no later than August 31 following the tax year in which the investment in qualified property was completed;

(f) The firm satisfies the hiring requirements of ORS 285.605 { + (1) + };

(g) The firm did not diminish employment outside the enterprise zone under subsection (4) of this section;

(h) The firm did not substantially curtail employment within the enterprise zone as described in ORS 285.617;

(i) The firm complies with all local, state and federal laws applicable to the firm's business; and

(j) The firm complies with all additional conditions for precertification imposed by an enterprise zone sponsor under ORS 285.577 (4).

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(2) (a) Notwithstanding subsection (1) (d) { + , (e) or (h) + } of this section, an { - existing - } { + eligible + } business firm is a qualified business firm if it completes an investment of \$25 million or more in qualified property, in the tax year preceding the first tax year for which the exemption is being sought, { - within an enterprise zone - } with less than a 10 percent increase in employment { + of the firm + } but without loss of employment { + of the firm + }.

(b) Approval to extend the property tax benefit to { - an - } { + the + } eligible business firm under this subsection shall be documented by resolution of the governing body of the sponsor. The resolution shall specify the minimum percentage increase in employment that the { + eligible business + } firm must maintain to be a qualified business firm throughout the exemption period. The resolution may include other conditions for the firm to be a qualified business firm. At the request of the { - existing - } { + eligible + } business firm, the sponsor may modify the resolution prior to the initial filing by the firm for the property tax exemption. A copy of the resolution shall be attached to the final applications for precertification and for the property tax exemption.

(3) (a) Notwithstanding subsection (1) (d) { + , (e) or (h) + } of this section, with the approval of the sponsor of the enterprise zone, an { - existing - } { + eligible + } business firm is a qualified business firm if it completes an investment of \$25 million or more in qualified property, in the tax year preceding the first tax year for which the exemption is being sought, { - within an enterprise zone - } with a loss of employment { + of the firm + }.

(b) Approval to extend the property tax benefit to { - an - } { + the + } eligible business firm under this subsection shall be documented by resolution of the governing body of the sponsor. The resolution shall specify the minimum number of employees that the firm must retain for the { + eligible business + } firm to be a qualified business firm throughout the exemption period. The resolution may include other conditions for the firm to be a qualified business firm. At the request of the { - existing - } { + eligible + } business firm, the sponsor may modify the resolution prior to the firm's initial filing for the property tax exemption. A copy of the resolution shall be attached to the firm's applications for precertification and for the property tax exemption.

(4) Notwithstanding subsections (1) to (3) of this section, a business firm is not qualified to receive a property tax exemption if the firm or any other firm under common control closes or permanently curtails operations in another part of the state more than 30 miles from the nearest boundary of the enterprise zone in which the firm seeks a property tax exemption. This subsection applies to the transfer of any { - part - } of the business firm's operations to an enterprise zone from another part of the state, if the closure or permanent curtailment in the

other part of the state diminished employment { + in the county and more local labor markets + } after precertification and before the initial application for the exemption.

(5) An { - existing - } { + eligible + } business firm that moves { - its operations - } { + any of its employees + } from a site or sites within 30 miles from the nearest boundary of the enterprise zone { + after precertification and before the initial application for the exemption + } may qualify to receive a property tax exemption only if the employment of the firm { +

has been increased within the zone and at the site or sites from which the employees were transferred + }, no later than August 31 following the tax year in which the investment in qualified property was completed, { - has been increased - } to not less than 110 percent of the average annual employment of the firm within the zone and the site or sites from which the employees were transferred, calculated over the 12 months preceding the date of application for precertification.

(6) As used in this section { + and except as provided in subsection (5) of this section + }, 'employment of the firm' means the number of employees { - employed by - } { + working for + } the firm { + a majority of their time in eligible operations at locations within the enterprise zone + }.

SECTION 18. ORS 285.605 is amended to read:

285.605. (1) A precertified business firm shall enter into a first-source hiring agreement with a publicly funded job training provider for the period of property tax exemption.

(2) If a { + qualified business + } firm is located in an urban enterprise zone inside a metropolitan statistical area with fewer than 400,000 residents, all new employees hired by the { - qualified business - } firm { - to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed, - } must meet all additional conditions imposed under ORS 285.577 (4).

(3) Notwithstanding ORS 285.597 (3)(a), if a firm is located in an urban enterprise zone situated inside a metropolitan statistical area of less than 400,000 residents, the sponsor may set a period of abatement of up to five consecutive tax years if the qualified business firm agrees with the sponsor, in writing, at the time of precertification:

(a) To { + annually + } compensate all new employees { - , - } hired { + by the firm + } { - to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed, - } 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. 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 that the zone sponsor may reasonably request.

(4) Notwithstanding ORS 285.597 (3)(a), if an { + urban + }

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enterprise zone is located inside a metropolitan statistical area with more than 400,000 residents, the sponsor may set a longer period of abatement that does not exceed five consecutive tax years if the qualified business firm agrees with the sponsor, in writing at the time of precertification { + , + } { - : - }

{ - (a) - } to meet any additional requirements that the zone sponsor may reasonably request { + . + } { - ; and - }
{ - (b) To compensate 70 percent of new employees hired to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed at an average rate of not less than 150 percent of this state's minimum hourly wage until the end of the tax exemption period. - }

(5) If a firm is located in an urban enterprise zone situated inside a metropolitan statistical area of more than 400,000 residents, all new employees hired { + by the firm + } { - to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed - } must meet all additional conditions imposed under ORS 285.577 (4). { - As used in this subsection and in subsection (4) of this section, 'new employees'

includes employees hired on or after the date of precertification of the qualified business firm under ORS 285.613. - }

(6) Notwithstanding ORS 285.597 (3)(a), if a firm is located in a nonurban enterprise zone, the sponsor may set a period of abatement up to five consecutive tax years if the qualified business firm agrees with the sponsor, in writing, at the time of precertification:

(a) To { + annually + } compensate all new employees hired { + by the firm + } { - to comply with ORS 285.600 (1)(d) or (e) within any year for which a property tax exemption is claimed - } 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. 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.

{ + (7) As used in this section, 'new employees hired by the firm' includes only those employees engaged for a majority of their time in eligible operations. The term does not include individuals employed in a job or position that:

(a) Is filled for the first time after June 30 of the first tax year of the exemption;

(b) Existed prior to the submission of the relevant application for precertification; or

(c) Is performed primarily at locations outside the enterprise zone. + }

SECTION 19. ORS 285.610 is amended to read:

285.610. (1) { + Qualified + } property owned or leased and operated by a business firm as a hotel, motel or destination resort, including property described in ORS 285.607 (2)(f), may not receive an exemption under ORS 285.615, unless:

(a) The business firm that operates the hotel, motel or destination resort is precertified by the sponsor on or before June 30, 1996, under ORS 285.613 and the sponsor notified the Department of Revenue on or before December 1, 1989, of the sponsor's desire to exempt hotel, motel and destination resort property; { - or - }

(b) The business firm that operates the hotel, motel or destination resort is precertified by the sponsor after June 30, 1996, under ORS 285.613, and the sponsor notifies the Economic Development Department and the Department of Revenue in writing on or before June 1, 1996, of the sponsor's desire to exempt hotel, motel and destination resort property { - . - } { + ; or + }

{ + (c) The business firm that operates the hotel, motel or destination resort is precertified under ORS 285.613 not less than 30 days after notification to the Economic Development Department and the Department of Revenue of the desire of the sponsor to exempt hotel, motel and destination resort property, as documented by a resolution adopted by the governing body of the sponsor not later than December 31, 1997. + }

(2) Only if a zone sponsor exercises its option pursuant to the notification procedures set forth in subsection (1) { - (a) or (b) - } of this section { + or ORS 285.563 (9) + } to exempt { + qualified + } hotel, motel and destination resort property located within the zone may such property of applicable precertified business firms be eligible for an exemption under ORS 285.615 within that zone.

(3) For purposes of subsection (1)(a) of this section, notifications to the Department of Revenue on or before December

1, 1989, that exercise a sponsor's option of exempting hotel, motel or destination resort property are void on and after September 15, 1997.

SECTION 20. ORS 285.613 is amended to read:

285.613. (1) Any eligible business firm proposing to apply for the tax exemption provided under ORS 285.597 shall, before the commencement of construction, modification or installation of qualified property in an enterprise zone, and before the hiring of eligible employees, apply for precertification with the sponsor of the zone and with the county assessor of the county or counties in which the zone is located. The application shall be made on a form prescribed by the Department of Revenue { + and the Economic Development Department + }.

(2) The application shall contain the following information:

(a) A description of the nature of the firm's business operations in the enterprise zone;

(b) A description and estimated cost or value of the qualified property to be constructed, modified or installed in the enterprise zone;

(c) An estimate of the number of employees that will be hired by the firm;

(d) A commitment to meet all requirements of ORS 285.600;
(e) A commitment to satisfy all additional conditions for precertification that are imposed by the enterprise zone sponsor under ORS 285.577 (4); and

(f) Any other information considered necessary by the Department of Revenue { + and the Economic Development Department + }.

(3) If the sponsor and county assessor determine that the business firm is eligible under ORS 285.603 and that the firm has committed to meet the requirements of ORS 285.600, the sponsor and county assessor shall precertify the business firm by approving the application. The approval of both the sponsor and the county assessor shall be prima facie evidence that the eligible business firm will be qualified for the property tax exemption under ORS 285.597. Neither the sponsor nor the county assessor shall be liable in any way if the Department of Revenue later determines that a precertified business firm is not qualified for a property tax exemption or if either the county assessor or the Department of Revenue determines that the precertified business firm has not satisfied the requirements of ORS 285.600. { + In approving the application, + } the sponsor and county assessor shall provide { - copies of an approved application to the applicant, the Department of Revenue and - } { + proof of approval as directed by + } the Economic Development Department.

(4) If the sponsor or county assessor fails or refuses to precertify the business firm, the business firm may appeal to the Director of the Department of Revenue under ORS 305.275 and 305.280. The business firm shall provide copies of the firm's appeal to the sponsor, county assessor and the Economic Development Department.

(5) Notwithstanding the fact that an enterprise zone has { - been - } terminated under ORS 285.587 { - (3) (a), (4) (a), (5), (6) or (7) - } or that a zone boundary has been changed, an eligible business firm that has obtained precertification under this section shall be entitled to a property tax exemption under ORS 285.597, if { + , as determined by the Economic Development Department + }:

(a) { - No later than one year after the zone termination or boundary change is effective, the firm commences construction, modification or installation of the qualified property identified in its - } { + The firm's + } application for precertification { + has not been withdrawn by the firm or has not expired; + } { - . - }

(b) The firm completes construction, modification or installation of the qualified property within a reasonable time { - , as determined by the Department of Revenue, - } and without interruption of construction or installation activity { + ; and + } { - . - }

(c) The firm satisfies all other requirements of ORS 285.600 and the precertification.

(6) If an enterprise zone is terminated under ORS 285.587 { - (3)(b), (3)(c) or (4)(b) - }, the exemption under ORS 285.597 shall be granted only if the { - construction, modification or installation is in progress on - } { + sponsor and county assessor approve the application for precertification, such that the sponsor, county assessor or both formally granted such approval on or before + } the effective date of the termination of the zone, and the business firm satisfies subsection (5) { - (b) and (c) - } of this section. { + If the sponsor or county assessor refuses or fails to precertify the firm under this subsection, the firm may appeal under subsection (4) of this section and may be granted the exemption. + }

(7) Precertification under this section shall not { - assure - } { + ensure + } that property constructed, modified or installed by the precertified business firm will receive property tax exemption under ORS 285.597.

(8) Notwithstanding any other provision of this section, if a business firm satisfiprecertification, such that the sponsor, county assessor or both formally granted such approval on or before + } the effective date of the termination of the zone, and the business firm satisfies subsection (5) { - (b) and (c) - } of of { + subsection (1) of + } this section { - and - } { + or + } ORS 285.615 { - (1) - } { + may be waived as specifically provided by rule or for good cause by the Department of Revenue + }.

SECTION 21. ORS 285.613, as amended by section 99, chapter 650, Oregon Laws 1995, is amended to read:

285.613. (1) Any eligible business firm proposing to apply for the tax exemption provided under ORS 285.597 shall, before the commencement of construction, modification or installation of qualified property in an enterprise zone, and before the hiring of eligible employees, apply for precertification with the sponsor of the zone and with the county assessor of the county or counties in which the zone is located. The application shall be made on a form prescribed by the Department of Revenue { + and the Economic Development Department + }.

(2) The application shall contain the following information:

(a) A description of the nature of the firm's business operations in the enterprise zone; precertification, such that the sponsor, county assessor or both formally granted such approval on or before + } the effective date of the termination of the zone, and the business firm satisfies subsection (5) { - (b) and (c) - } of this section. { + If the sponsor or county assessor refuses or fails to precertify the firm under this subsection, the firm may appeal under subsection (4) of this section and may be granted the exemption. + }

(7) Precertification under this section shall not { -; and

(f) Any other information considered necessary by the Department of Revenue { + and the Economic Development

Department + }.

(3) If the sponsor and county assessor determine that the business firm is eligible under ORS 285.603 and that the firm has committed to meet the requirements of ORS 285.600, the sponsor and county assessor shall precertify the business firm by approving the application. The approval of both the sponsor and the county assessor shall be prima facie evidence that the precertification, such that the sponsor, county assessor or both formally granted such approval on or before + } the effective date of the termination of the zone, and the business firm satisfies subsection (5) { - (b) and (c) - } of this section. { ualified for a property tax exemption or if either the county assessor or the Department of Revenue determines that the precertified business firm has not satisfied the requirements of ORS 285.600. { + In approving the application, + } the sponsor and county assessor shall provide { - copies of an approved application to the applicant, the Department of Revenue and - } { + proof of approval as directed by + } the Economic Development Department.

(4) If the sponsor or county assessor fails or refuses to precertify the business firm, the business firm may appeal to the Oregon Tax Court under ORS 305.404 to 305.560. The business firm shall provide copies of the firm's appeal to the sponsor, county assessor, the Department of Revenue and the Economic Development Department.

(5) Notwithstanding the fact that an enterprise zone has { - been - } terminated under ORS 285.587 { - (3)(a), (4)(a), (5), (6) or (7) - } or that a zone boundary has been changed, an eligible business firm that has obtained precertification under this section shall be entitled to a property tax exemption under ORS 285.597, if { + , as determined by the Economic Development Department + }:

(a) { - No later than one year after the zone termination or boundary change is effective, the firm commences construction, modification or installation of the qualified property identified in its - } { + The firm's + } application for precertification { + has not been withdrawn by the firm or has not expired; + } { - . - }

(b) The firm completes construction, modification or installation of the qualified property within a reasonable time { - , as determined by the Department of Revenue, - } and without interruption of construction or installation activity { + ; and + } { - . - }

(c) The firm satisfies all other requirements of ORS 285.600 and the precertification.

(6) If an enterprise zone is terminated under ORS 285.587 { - (3)(b), (3)(c) or (4)(b) - }, the exemption under ORS 285.597 shall be granted only if the { - construction, modification or installation is in progress on - } { + sponsor and county assessor approve the application for precertification, such that the sponsor, county assessor or both formally granted such approval on or before + } the effective date of the termination of the zone, and the business firm satisfies subsection (5) { - (b) and (c) - } of this section. { + If the

sponsor or county assessor refuses or fails to precertify the

Enrolled Hou7 shall be granted only if the { - construction, modification or installation is in progress on - } { + sponsor and county assessor approve the application for precertification, such that the sponsor, county assessor or both formally granted such a { + ensure + } that property constructed, modified or installed by the precertified business firm will receive property tax exemption under ORS 285.597.

(8) Notwithstanding any other provision of this section, if a business firm satisfies the requirements of ORS 285.600 and has constructed, modified or installed qualified property eligible for exemption under ORS 285.597, the { - Department of Revenue, for good cause, may waive the - } precertification requirement of { + subsection (1) of + } this section { - and - } { + or + } ORS 285.615 { - (1) - } { + may be waived as specifically provided by rule or for good cause by the Department of Revenue + }.

SECTION 22. { + Nothing in the amendments to ORS 285.613 by section 20 or 21 of this Act affects the operative date provisions of section 116, chapter 650, Oregon Laws 1995, or the sunset date provisions of section 22, chapter 1015, Oregon Laws 1989. + }

SECTION 23. ORS 285.615 is amended to read:

285.615. (1) After July 1 and no later than September 1 of the tax year immediately following completion of construction or modification or the installation of qualified property, a precertified business firm may apply for the exemption allowed under ORS 285.597. The application shall be made on a form prescribed by the Department of Revenue and shall be filed with the county assessor. If the property for which exemption is sought is leased by the business firm, the application shall be made by both the owner and the lessee of the property.

(2) An application filed under this section shall contain:

(a) A statement that:

(A) The business firm satisfies the requirements of ORS 285.600 as a qualified business firm; and

(B) The business firm has been precertified by the enterprise zone sponsor { + and by the county assessor + }.

(b) Any other information required by the Department of Revenue.

(3) The business firm shall { - attach to the exemption application a copy of the precertification from the sponsor - } { + be prepared to verify the dates on which its application for precertification was submitted and approved + }. The statement made pursuant to subsection (2)(a) of this section shall be prima facie evidence that the firm is a qualified business firm.

(4) If the assessor determines the property for which exemption is sought satisfies the requirements of ORS 285.597, the assessor shall grant the exemption. Thereafter, for each tax year that the property is exempt from taxation, the assessor shall:

(a) Enter on the assessment roll, as a notation, the real market value of the property as if it were not exempt under ORS

285.597.

(b) Enter on the assessment and the tax roll, as a notation, the amount of additional taxes that would be due if the property were not exempt.

(c) Indicate on the assessment and tax roll that the property is exempt and is subject to potential additional taxes as provided in ORS 285.617, by adding the notation 'enterprise zone exemption (potential additional tax). '

(5) If the assessor denies an exemption applied for under this section, the business firm may appeal the denial to the Director of the Department of Revenue under ORS 305.275 and 305.280.

(6) The assessor shall provide copies of each exemption application filed under this section to the enterprise zone sponsor { - , - } { + and as directed by + } the Department of Revenue { - and the Economic Development Department - } .

(7) If an application required by subsection (1) of this section relates to principal or secondary industrial property as defined by ORS 306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the application shall be deemed timely filed with the assessor.

SECTION 24. ORS 285.615, as amended by section 100, chapter 650, Oregon Laws 1995, is amended to read:

285.615. (1) After July 1 and no later than September 1 of the tax year immediately following completion of construction or modification or the installation of qualified property, a precertified business firm may apply for the exemption allowed under ORS 285.597. The application shall be made on a form prescribed by the Department of Revenue and shall be filed with the county assessor. If the property for which exemption is sought is leased by the business firm, the application shall be made by both the owner and the lessee of the property.

(2) An application filed under this section shall contain:

(a) A statement that:

(A) The business firm satisfies the requirements of ORS 285.600 as a qualified business firm; and

(B) The business firm has been precertified by the enterprise zone sponsor { + and the county assessor + }.

(b) Any other information required by the Department of Revenue.

(3) The business firm shall { - attach to the exemption application a copy of the precertification from the sponsor - } { + be prepared to verify the dates on which its application for precertification was submitted and approved + }. The statement made pursuant to subsection (2)(a) of this section shall be prima facie evidence that the firm is a qualified business firm.

(4) If the assessor determines the property for which exemption is sought satisfies the requirements of ORS 285.597, the assessor

shall grant the exemption. Thereafter, for each tax year that the property is exempt from taxation, the assessor shall:

(a) Enter on the assessment roll, as a notation, the real market value of the property as if it were not exempt under ORS 285.597.

(b) Enter on the assessment and the tax roll, as a notation, the amount of additional taxes that would be due if the property were not exempt.

(c) Indicate on the assessment and tax roll that the property is exempt and is subject to potential additional taxes as provided in ORS 285.617, by adding the notation 'enterprise zone exemption (potential additional tax). '

(5) If the assessor denies an exemption applied for under this section, the business firm may appeal the denial to the Oregon Tax Court under ORS 305.404 to 305.560.

(6) The assessor shall provide copies of each exemption application filed under this section to the enterprise zone sponsor { -, - } { + and as directed by + } the Department of Revenue { - and the Economic Development Department - } .

(7) If an application required by subsection (1) of this section relates to principal or secondary industrial property as defined by ORS 306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the application shall be deemed timely filed with the assessor.

SECTION 25. { + Nothing in the amendments to ORS 285.615 by section 23 or 24 of this Act affects the operative date provisions of section 116, chapter 650, Oregon Laws 1995, or the sunset date provisions of section 22, chapter 1015, Oregon Laws 1989. + }

SECTION 26. ORS 285.617 is amended to read:

285.617. (1) The county assessor of any county in which an enterprise zone is situated and the sponsor shall be notified in writing:

(a) When property granted exemption from taxation under ORS 285.615 is sold, exchanged, transported or otherwise disposed of for use outside the enterprise zone { + or for use by an ineligible business firm + }. The notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by the qualified business firm not later than { - the 60th day - } { + September 1 + } following the tax year in which the exemption was claimed.

(b) When a qualified business firm closes or substantially curtails the operation of the trade or business in which property granted exemption from taxation under ORS 285.615 is used { + , except as allowed by the zone sponsor under ORS 285.600 (2) or (3) + }. The notice under this paragraph shall be provided by the qualified business firm closing or curtailing operations or by the owner of the qualified property leased by the qualified business firm not later than { - the 60th day - } { +

September 1 + } following the tax year in which the exemption was claimed.

(c) When a qualified business firm fails to meet any of the requirements of ORS 285.600 (2)(b) or (3)(b), the notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by the qualified business firm not later than { - the 60th day - } { + September 1 + } following the tax year for which { - an - } { + the + } exemption is claimed.

(d) When a qualified business firm fails to meet any of the requirements of ORS 285.605 (2), (3) or (6), the notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by the qualified business firm not later than { - the 60th day - } { + September 1 + } following the tax year for which { - an - } { + the + } exemption is claimed.

(e) When a qualified business firm fails to meet any of the requirements of ORS 285.605 (4) or (5), the notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by the qualified business firm not later than { - the 60th day - } { + September 1 + } following the tax year for which { - an - } { + the + } exemption is claimed.

(f) When a qualified business firm fails to meet any of the requirements of ORS 285.603 after it has received a property tax exemption for its qualified property, the notice under this paragraph shall be provided by the qualified business firm or by the owner of the qualified property leased by the qualified business firm not later than { - the 60th day - } { +

September 1 + } following the tax year for which { - an - } { + the + } exemption is claimed.

(2)(a) When an assessor receives written notice under subsection (1) of this section, the assessor shall disqualify the property for the tax year following the disqualifying event and 100 percent of the additional taxes calculated under ORS 285.615 shall be assessed against the property for each year for which the property had been granted exemption.

(b) Notwithstanding paragraph (a) of this subsection, if a qualified business firm fails to meet any of the requirements in ORS 285.605 (3), (4) or (6) during the { - first three years of - } exemption, but { - continues to meet - } { + meets + } the requirements of ORS 285.597 { + during the first three years of the exemption + }, the qualified business firm is entitled to receive the property tax exemption allowed under ORS 285.597 (3).

(c) { - If - } { + The additional taxes assessed under this subsection shall be reduced by the amount, if any, paid by + } the qualified business firm { - has paid - } { + to + } the sponsor { - any amounts due - } under subsection (6) of this section { - , those amounts shall be subtracted from any amount due under paragraph (a) of this subsection - } { + for the same

property + }.

(3) For the purposes of ORS 285.600 and this section { + , + } { - : - } { - (a) - } operation of a { - new - } business { + firm + } shall be considered to be substantially curtailed when { + :

(a) + } The number of employees { - within the enterprise zone + } is reduced at the end of a tax year by more than 85 percent from the highest number of { + such + } employees at the end of any tax year during which the business firm received a property tax exemption under ORS 285.597 { + ; + } { - , - } { +

(b) + } { - or when - } The number of employees { + within the enterprise zone + } at the end of a tax year has been reduced for a period longer than one year by more than 50 percent from the highest number of { + such + } employees in any tax year during which the firm was receiving a property tax exemption under ORS 285.597 { + ; or + } { - . - }

{ - (b) - } { + (c) + } { - Operation of an existing business shall be considered to be substantially curtailed when - } The average annual number of employees { + within the enterprise zone + } is reduced at the end of the first tax year of exemption and any subsequent qualifying years below 110 percent of the average annual number of employees at facilities of the firm located within the enterprise zone on the date of application for precertification.

(4) If the qualified business firm or owner fails to give the notice required by subsection (1) of this section, upon discovering the property no longer qualifies for the exemption due to a circumstance described in subsections (1) and (3) of this section the assessor shall:

(a) Compute the amount of taxes described in subsection (2) of this section as though notice had been given, and shall add to that amount an additional penalty equal to 20 percent of the total amount so computed; and

(b) Add the property to the tax roll without the exemption as if the notice had been given.

(5) The amount determined to be due under subsections (2) and (4) of this section:

(a) May be paid to the tax collector before completion of the next general property tax roll pursuant to ORS 311.370; and

(b) Shall be added to the tax extended against the property on the next general property tax roll to be collected and distributed in the same manner as the remainder of the property taxes.

(6) (a) Notwithstanding subsections (2) { - , (4) - } and (5) of this section, when an assessor and sponsor receive notice under subsection (1) { + (b), (c), (d) or + } (e) of this section and the qualified business firm has not { - substantially curtailed - } { + closed its + } operations, the qualified

business firm shall pay the sponsor an amount equal to the property taxes that had been abated for the qualified property during the tax year in which the failure occurred.

(b) Moneys collected under paragraph (a) of this subsection shall be used by the sponsor to benefit the residents of the enterprise zone and for the development of jobs, skills and training for residents of the enterprise zone { + and the zone's immediate vicinity + }.

(c) This subsection applies only to the first notice under subsection (1) { + (b), (c), (d) or + } (e) of this section { + or for the second notice under subsection (1)(b), (c), (d) or (e) of this section in the case of the final year of an exemption lasting a total of five consecutive tax years under ORS 285.605.

(d) If the sponsor does not receive the full amount to be paid by the qualified business firm under paragraph (a) of this subsection, the assessor shall disqualify the property under subsections (2) and (5) of this section + }.

(7) The assessor shall at all times be authorized to demand and receive reports by registered or certified mail from owners or lessees of the use of the qualified property and the employment status of the qualified business firm. If the owner or lessee shall fail, after 90 days' notice in writing by certified mail to comply with such demand, the assessor may immediately remove the exemption, give written notice of such removal to the Department of Revenue and the owners or lessees of the qualified property and apply the penalties provided in this section.

(8) The assessor is under no obligation to verify compliance by qualified business firms with requirements imposed under ORS 285.605 (2), (3)(b), { - (4)(a) - } { + (4) + }, (5) or (6)(b).

(9) The sponsor of an enterprise zone may initiate procedures in order to verify compliance by qualified business firms with requirements imposed under ORS 285.605 (2), (3)(b), { - (4)(a) - } { + (4) + }, (5) or (6)(b), including requests to the assessor, for only one qualified business per request, that the assessor exercise authority under subsection (7) of this section. Such procedures may also include requirements for periodic reporting by qualified business firms directly to the zone sponsor or to designated recipients, such as the assessor or a publicly funded job training provider, that will transfer reported information to the zone sponsor.

(10) An assessor may not impose the property taxes and penalties specified in subsection (4) of this section for failure by a qualified business firm or an owner of qualified property leased by the qualified business firm to notify the assessor or the enterprise zone sponsor that the qualified business firm does not meet requirements under ORS 285.605 (2), (3)(b), { - (4)(a) - } { + (4) + }, (5) or (6)(b), without having

received written communication from the zone sponsor that

demonstrates that the qualified business firm does not meet such requirements.

(11) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate.

SECTION 27. { + Nothing in the amendments to ORS 285.560, 285.573, 285.575, 285.577, 285.585, 285.587, 285.593, 285.595, 285.597, 285.600, 285.605, 285.610 and 285.617 by sections 3, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19 and 26 of this Act affects the sunset date provisions of section 22, chapter 1015, Oregon Laws 1989. + }

SECTION 28. { + Nothing in this Act affects the continued existence, until terminated, of the Astoria Area Enterprise Zone or the termination of the Astoria Area Enterprise Zone under ORS 285.587 (3) on June 30, 1998. Notwithstanding restrictions on the greatest distance allowed within an enterprise zone under ORS 285.563 (3) and 285.585 (2)(f) and section 2 (1)(c) of this Act, the Astoria Area Enterprise Zone may be extended as far as the Clatsop County boundary. + }

SECTION 29. { + ORS 285.598 and 285.605 are added to and made a part of ORS 285.590 to 285.617. + }

SECTION 30. { + ORS 285.590 is repealed. + }

SECTION 31. ORS 285.562, 285.563, 285.564, 285.565, 285.588, 285.598 and 285.616 and section 2 of this Act are repealed on June 30, 2009.

SECTION 32. { + Notwithstanding ORS 285.587, all enterprise zones terminate on the date on which the statutes listed in section 31 of this Act and in section 22, chapter 1015, Oregon Laws 1989, are repealed. + }

SECTION 33. { + Notwithstanding the repeal of the statutes listed in section 31 of this Act and in section 22, chapter 1015, Oregon Laws 1989, and notwithstanding the termination of an enterprise zone under section 32 of this Act, precertified or qualified business firms in an enterprise zone on the date of repeal or termination shall receive the tax exemptions provided under ORS 285.587 (2) or 285.613 (5) and (6). + }

SECTION 34. { + (1) Notwithstanding ORS 285.597 (3) and (5)(c) and 285.615 (1), if a business firm does not qualify under ORS 285.600 for a property tax exemption on qualified property solely because the business firm failed to file the application for exemption prior to September 1 of the tax year for which the exemption is first sought, the business firm may submit an application for tax exemption for the qualified property to the county assessor on or before June 30 of the same tax year. If the business firm meets the applicable requirements of ORS 285.597, 285.598, 285.600, 285.603, 285.605, 285.607, 285.610, 285.613, 285.615 and 285.617:

(a) The business firm shall qualify for the remainder of the exemption period that was otherwise available under ORS 285.597 or 285.605; and

(b) The county assessor shall take action under ORS 285.615 (4) that is necessary to allow the qualified property to be exempted from property taxation for the remaining tax years that were otherwise available for exemption under ORS 285.597 or 285.605

after the first tax year, regardless of the prior entry of the qualified property on the county assessment roll.

(2) Nothing in this section exempts from ad valorem taxation:

(a) The qualified property in tax years other than those tax years specified in subsection (1)(b) of this section;

(b) Any property that does not meet the requirements of subsection (1) of this section; or

(c) Any qualified property that was in use or occupancy within the enterprise zone for more than 12 months by June 30 preceding the tax year in which the application for exemption is submitted under subsection (1) of this section.

(3) If the qualified property is leased by the business firm, the owner of the qualified property leased by the business firm shall also join in the application submitted under subsection (1) of this section.

(4) An application may be submitted under subsection (1) of this section regardless of whether there are grounds for hardship as required for late filing under ORS 307.475. + }

SECTION 35. { + Notwithstanding section 34 (2)(c) of this Act, section 34 of this Act applies to qualified property that was in use or occupancy in the enterprise zone on or before August 31, 1996, but not before July 1, 1995, and that is exempted from property taxation in the 1997-1998 and 1998-1999 tax years, if the business firm submits an application for exemption to the county assessor within 10 days following the effective date of this Act. + }

SECTION 36. { + As used in sections 36 to 40 of this Act:

(1) 'County with chronic unemployment' means, based on the most recently revised annual average unemployment rate available, a county in which:

(a) The median ratio of the unemployment rate of the county to the equivalent rate of the entire United States for each year is at least 1.3 over the last 20 years or over the last 10 years; and

(b) The current unemployment rate of the county is at least one percentage point higher than the unemployment rate of the county for the immediately prior year or at least 50 percent higher than the current unemployment rate of this state.

(2) 'Nonurban enterprise zone' has the meaning given that term in ORS 285.560.

(3) 'Taxing unit' means the State of Oregon or any county, city, municipal corporation, district or other government unit that has the power to tax. + }

SECTION 37. { + (1) Any business firm proposing to apply for the tax exemption provided under section 38 of this Act shall, before the commencement of construction or installation of property or improvements at a facility in a nonurban enterprise zone and before the hiring of employees, apply for certification with the sponsor of the zone and with the county assessor of the county or counties in which the zone is located. The application

shall be made on a form prescribed by the Department of Revenue.

(2) The application shall contain the following information: that term in ORS 285.560.

(3) Taxing qualified property leased by the business firm shall also join in the application submitted under subsection (1) of this section.

(4) An application may be submitted under subsection (1) of this section regare zone;

(c) An estimate of the number of employees at the facility that will be hired by the firm;

(d) A commitment to meet all requirements of subsection (8) of this section;

(e) A commitment to satisfy all additional conditions for certification that are imposed by the nonurban enterprise zone sponsor under subsection (3)(c) of this section; and

(f) Any other information considered necessary by the Department of Revenue.

(3) The sponsor and the county assessor shall certify the business firm by approving the application if the sponsor and the county assessor determine that:

(a) The governing body of the county and city in which the facility is located has adopted a resolution approving the property tax exemption for the facility;

(b) The business firm has committed to meet the requirements of subsection (8) of this section;

(c) The business firm has entered into a written agreement with the sponsor of the nonurban enterprise zone that may include any additional requirements that the sponsor may reasonably request, including but not limited to contributions for local services or infrastructure benefiting the facility; and

(d) The facility is located in a county with chronic unemployment, based on the most recently revised annual average unemployment rate available when the written agreement with the zone sponsor is entered into.

(4) The approval of an application by both the sponsor and the county assessor under subsection (3) of this section shall be prima facie evidence that the business firm will be qualified for the property tax exemption under section 38 of this Act.

(5) The sponsor or the county assessor shall not be liable in any way if it is determined that the certified business firm has not satisfied the requirements of subsection (8) of this section.

(6) The sponsor and the county assessor shall provide copies of an approved application to the applicant, the Department of Revenue and the Economic Development Department.

(7) If the sponsor or the county assessor fails or refuses to certify the business firm, the business firm may appeal to the Oregon Tax Court under ORS 305.404 to 305.560. The business firm shall provide copies of the firm's appeal to the sponsor, the

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county assessor, the Economic Development Department and the Department of Revenue.

(8) A business firm shall receive a property tax exemption from the county assessor under section 38 of this Act for property and improvements at a facility in a nonurban enterprise zone if all of the following conditions are met:

(a) The total costs of property and improvements at the facility after certification are or will be more than \$50 million by the end of the calendar year in which the facility is placed in service.

(b) The business firm hires or will hire at least 100 full-time employees at the facility by the end of the fifth calendar year following the year in which the facility is placed in service. Unless the decrease in the number of employees is caused by circumstances beyond the taxpayer's control, including force majeure, or is due to a temporary adverse business cycle, after the number of employees required by this paragraph are hired, the number of employees shall not fall below 100.

(c) The gross annual average wage for employees, based on payroll, at the business firm's facility is at least 150 percent of the average wage in the county in which the facility is located. This one-time requirement may be met in any year during the first five years after the year in which operation of the facility begins. Unless the decrease in the average wage is caused by circumstances beyond the taxpayer's control, including force majeure, the average wage at the taxpayer's facility shall not decrease to less than 150 percent of the average wage in the

county in which the taxpayer's facility is located, as determined for the year in which the one-time requirement was met.

(9) Upon meeting the requirements set forth in subsection (8) of this section, the business firm shall notify the county assessor in writing that the requirements of subsection (8) of this section have been met.

(10) The county assessor, for each tax year that the property at the facility is exempt from taxation under section 38 of this Act, shall:

(a) Enter on the assessment roll, as a notation, the real market value and assessed value of the property as if it were not exempt under section 38 of this Act.

(b) Enter on the assessment and the tax roll, as a notation, the amount of taxes that would be due if the property were not exempt.

(c) Indicate on the assessment and tax roll that the property is exempt and is subject to potential additional taxes as provided in section 39 of this Act, by adding the notation 'enterprise zone exemption (potential additional tax).' + }

SECTION 38. { + (1) All of the property and improvements at the facility of a certified business firm shall be exempt from ad valorem taxation if the facility satisfies the requirements of section 37 (8) of this Act.

(2) The exemption allowed under this section shall first apply to the ad valorem tax year immediately following the tax year in which the business firm's facility is placed in service. Prior to such ad valorem tax year, no ad valorem taxes shall be imposed by a taxing unit on or with respect to the facility site and any property thereon owned or leased by the taxpayer.

(3) An exemption allowed under this section shall be 100 percent of the assessed value of the property and improvements at the facility in each of the tax years for which the exemption is available. The exemption allowed under this section is available for a period of 15 consecutive tax years.

(4) An exemption allowed under this section shall not be allowed for real or personal property that has received a property tax exemption under ORS 285.597. + }

SECTION 39. { + If a business firm that is certified under section 37 of this Act fails to meet the minimum requirements set forth in section 37 (8) of this Act, the ad valorem tax liability of the business firm shall be increased for the current tax year by an amount equal to the total amount of ad valorem taxes exempted in previous ad valorem tax years. When such an increase in ad valorem tax liability occurs, there shall be added to the tax extended against the property on the next general property tax roll, to be collected and distributed in the same manner as the remainder of real property tax, an amount equal to the difference between the taxes assessed against the property and improvements and the taxes that would otherwise have been assessed against the property and improvements for each of the 15 consecutive tax years referred to in section 38 (3) of this Act (or a lesser number of applicable years) as of July 1 of the ad valorem tax year for which the property was disqualified for the tax exemption. + }

SECTION 40. { + (1) Notwithstanding any law under which a taxing unit may levy or impose any ad valorem taxes on or with respect to a taxpayer located in a nonurban enterprise zone, a taxpayer that is a subchapter C corporation for federal income tax purposes and that is constructing or operating a facility in a nonurban enterprise zone that is exempt from ad valorem

property taxes under section 38 of this Act is entitled to tax credits for each tax year that are equal to 62.5 percent of the taxpayer's payroll and employee benefit costs, including but not limited to workers' compensation insurance and payroll taxes, of the facility for a period of 15 consecutive years, subject to written approval from the Governor.

(2) The 15-year period referred to in subsection (1) of this section may begin in any tax year designated by the taxpayer in writing to the Department of Revenue, but shall not begin later than the third calendar year after the year in which the taxpayer begins operation of the facility.

(3) The tax credits authorized by this section may be used in each year during the 15-year period referred to in subsection (1)

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of this section to offset any corporate excise taxes, corporate income taxes, gross receipts taxes, sales and use taxes, except vehicle and vehicular fuel taxes, or any other similar taxes levied or imposed by the State of Oregon relating general property tax roll, to be collected and distributed in the same manner as the remainder of real property tax, an amount equal to the difference between the taxes assessed against the property and improvements and the taxes that would otherwise have been used by the taxpayer for a period of five years after the end of the 15-year period referred to in subsection (1) of this section.

(5) Notwithstanding subsections (3) and (4) of this section, tax credits allowable under this section may not be used to offset the first \$1 million of corporate excise or income taxes in any taxable year. The Department of Revenue shall distribute annually 30 percent of the taxpayer's annual tax payment under this section to the sponsor.

(6) Notwithstanding subsections (1) to (5) of this section, a taxing unit shall not levy or impose any taxes described in subsection (3) of this section on or with respect to a facility of the taxpayer, or the production therefrom, until the taxable year after the tax year in which the taxpayer's facility is placed into service.

(7) The tax credits allowed under this section are not in lieu of any deductions for depreciation or amortization, for payment of wages or other employee costs or for any other costs or expenses to which the corporation is entitled.

(8) The tax credits allowed under this section may not be transferred to another taxpayer. + }

SECTION 41. ORS 318.031 is amended to read:

318.031. It being the intention of the Legislative Assembly that this chapter and the Corporation Excise Tax Law of 1929 shall be administered as uniformly as possible (allowance being made for the difference in imposition of the taxes and the operative date of this chapter), the provisions of ORS 305.140, 305.150, ORS chapter 314 and of the following sections of ORS chapter 315 or 317, as amended on or before August 3, 1955, and as they may thereafter be amended, are incorporated into this chapter by this reference and made a part hereof: ORS 315.104, 315.134, 315.148, 315.156, 315.204, 315.208, 315.234, 315.254, 315.304, 315.504 and 315.604 (all only to the extent applicable for a corporation) and ORS 317.010, 317.013, 317.017 to 317.022, 317.030, 317.035, 317.038, 317.080, 317.152 to 317.154, 317.259 to 317.303, 317.310 to 317.386, 317.476 to 317.485, 317.510 to 317.635 and 317.705 to 317.725 { + and section 40 of this 1997 Act + }.

SECTION 42. { + Sections 36, 37, 38, 39 and 40 of this Act are repealed on December 31, 2002. + }

SECTION 43. { + Notwithstanding section 42 of this Act, any taxpayer that qualifies for the tax exemptions and tax credits

provided for in sections 36 to 40 of this Act prior to December 31, 2002, may continue to receive and use the tax exemptions and tax credits allowed under sections 36 to 40 of this Act after that date as if sections 36 to 40 of this Act had not been repealed. + }

SECTION 44. { + (1) Notwithstanding ORS 285.597 (3) and (5) (c) and 285.615 (1), if a business firm does not qualify under ORS 285.600 for a property tax exemption on qualified property solely because the business firm failed to file the application for exemption prior to April 1 of the assessment year for which the exemption is first sought, the business firm may submit an application for tax exemption for the qualified property to the county assessor on or before December 31 of the same assessment year. If the business firm meets the applicable requirements of ORS 285.597, 285.598, 285.600, 285.603, 285.605, 285.607, 285.610, 285.613, 285.615 and 285.617:

(a) The business firm shall qualify for the remainder of the exemption period that was otherwise available under ORS 285.597 or 285.605; and

(b) The county assessor shall take action under ORS 285.615 (4) that is necessary to allow the qualified property to be exempted from property taxation for the remaining tax years that were otherwise available for exemption under ORS 285.597 or 285.605 after the first tax year, regardless of the prior entry of the qualified property on the county assessment roll.

(2) Nothing in this section exempts from ad valorem taxation:

(a) The qualified property in tax years other than those specified in subsection (1) (b) of this section;

(b) Any property that does not meet the requirements of subsection (1) of this section; or

(c) Any qualified property that was in use or occupancy within the enterprise zone for more than 12 months by January 1 preceding the assessment year in which the application for exemption is submitted under subsection (1) of this section.

(3) If the qualified property is leased by the business firm, the owner of the qualified property leased by the business firm shall also join in the application submitted under subsection (1) of this section.

(4) An application may be submitted under subsection (1) of this section regardless of there being grounds for hardship as required for late filing under ORS 307.475. + }

SECTION 45. { + For the property tax exemption under ORS 285.597 sought by an eligible business firm that is precertified before the effective date of this Act, if the firm and property satisfy the relevant requirements under ORS 285.597, 285.600, 285.607, 285.615 and 285.616 but for the amendments made by sections 413, 413a, 415, 419, 421, 422 and 424, chapter _____, Oregon Laws 1997 (Enrolled Senate Bill 1215), to the mandatory timing and dates for the hiring of employees, the employment of the firm, the application for the exemption, the use or occupancy of qualified property, or for the completion of qualifying investments including construction, additions, modifications or installations, then the firm shall qualify and the exemption shall be granted, such that:

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(1) Any qualified property shall be exempted for the current tax year, if the qualified property conforms with the provisions

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for receiving the exemption in that tax year under ORS 285.597 pursuant to the amendments by section 413 or 413a, chapter ____, Oregon Laws 1997 (Enrolled Senate Bill 1215).

(2) Subject to the subsequent application by the firm, any qualified property shall be exempted in the next following tax year, if the qualified property is not exempted for the current tax year under subsection (1) of this section solely because of the amendments to ORS 285.597 by section 413 or 413a, chapter ____, Oregon Laws 1997 (Enrolled Senate Bill 1215).

(3) Any qualified property shall be exempted under this section, if the qualified property does not meet a minimum amount for the cost invested in the qualified property as required under ORS 285.597 (1), 285.600 (2) or (3) or 285.607 (2) solely because implementation of subsections (1) and (2) of this section divides such property that otherwise meets the requirement but for the amendments by section 413, 413a, 415 or 419, chapter ____, chapter ____, Oregon Laws 1997 (Enrolled Senate Bill 1215).

(3) Any qualified property shall be exempted under this section, if the qualified property does not meet a minimum amount for the cost invested in the qualified property as requthe qualified property is located. + }

SECTION 46. { + Sections 44 and 45 of this Act are repealed on January 1, 2000. + }

SECTION 47. { + Sections 44, 45 and 46 of this Act become operative only if Senate Bill 1215 becomes law. + }

Passed by House June 6, 1997

Repassed by House July 4, 1997

.....
Chief Clerk of House

.....
Speaker of House

Passed by Senate July 4, 1997

.....
President of Senate

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Received by Governor:

.....M.,....., 1997

Approved:

.....M.,....., 1997

.....
Governor

Filed in Office of Secretary of State:

.....M.,....., 1997

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Secretary of State

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MEMORANDUM

DATE: October 17, 1997

TO: Dan Bartlett, Administrator
City of Milwaukie

FROM: Patrick Allen, Regional Development Officer
Oregon Economic Development Department

SUBJECT: Council Study Session Questions

Here is the additional information I have been able to develop in response to the Council's questions during the Study Session on October 7.

1. PCC Structural's employee count by salary ranges.

I have a couple of pieces of information here. First, the company has been doing all of its calculations on complying with the 10% employee growth requirement *without* including any salaried employees. On this basis, they expect to have average *hourly* wages and benefits which meet or exceed the \$40,829 needed to get the five-year tax abatement. Further, since the administrative building is not included in the zone, senior division management will not count toward the 10% threshold. Only salaried employees directly involved in plant-level production could be so counted. This translates to engineers, manufacturing managers, and the like. While well paid, at an expected rate one new salary employee to each ten hourly employees, these positions could not offset unacceptably low hourly wages. Further, according to the company, their lowest two salary ranges are \$7.13-9.57 and \$8.09-10.91 hourly. These figures are exclusive of an average of 18% premium time (overtime, weekends, etc.), 6% bonus (payable immediately upon hire), and a benefit value of 41% of wages. Finally, these bottom two wage scales apply to fewer than 15 of the 1,900 hourly employees in the division.

2. Willamette Week article.

I was not able to find the article referred to. I am told by company officials that they believe it to be a story that ran about a year ago, and referred to wage data which is now two years old.

3. Portland Enterprise Zone Program.

I have enclosed a copy of "Enterprise Zone Investment Strategy," the Portland Development Commission publication outlining their enterprise zone, and their local restrictions. In summary, the Portland zone requires:

- Execution of a First Source Hiring agreement.
- Creation of jobs 85% of which are at or above 150% of the state minimum wage.
- Benefits for created jobs which offer non-governmentally prescribed benefits greater than or

equal to the national average for the business size category.

- For large projects, provision of adequate child care and transit pass benefits.
- Negotiation of a separate service agreement with the city calling for cash payment of direct service costs by the company to the city.
- Retention of positions created through the First Source Hiring provider of two years for at least 50% of hires.
- Utilization of designated small/emerging/disadvantaged/minority business contracting networks.
- A cap on the tax benefit (called the "Net Tax Effect") basically calculated by distributing the tax benefit over the number of company hires coming directly from the First Source Hiring Agreement provider.

If the City of Milwaukie has a desire to pursue any of these or similar local conditions, I would like the opportunity to discuss with you as quickly as possible what they might be, and their potential impact on the effectiveness of the zone as an attractive incentive.

4. Small Business Impacts.

At the work session, Mayor Lomnicki asked about the information he had received regarding the net value of the Enterprise Zone tax break to a small business, especially after offsetting impacts of higher income taxes. His information was a net impact of just \$9,000 on a \$1,000,000 investment.

My analysis of this issues indicates his information is roughly accurate on a *per year* basis. To illustrate: I calculate the benefit on a \$1,000,000 machinery/equipment exemption to be \$36,830 over three years or \$57,855 over five years, both taking depreciation into account and both assuming a tax rate of \$14.50/1,000. Assuming a combined income tax rate of 30% (7% state, 23% federal) for a Sub-Chapter S or Limited Liability Corporation (the majority filing status for small business in Oregon), the effective amounts are \$25,781 over three years or \$40,499 over five years.

On a broader note, it's important to remember that even investments by larger companies can have significant positive impacts on local small businesses. For example, today Precision Castparts purchases in excess of \$37 million annually from small businesses in the immediate Portland/Milwaukie area.

5. Wetlands/Flood Plain Issues.

At a meeting of the Ardenwald/Johnson Creek Neighborhood Association, Councilor Kappa and an audience member asked about flood plan and wetlands impacts on industrially zoned lands. I have included a map that highlights flood plains in red cross-hatching, and delineated wetlands in green. Note, flood plains are not the same as flood ways. It is generally quite difficult to build in a flood way, whereas insurance and building methods allow construction in flood plains. Much of the land impacted by these designations was added at the city's request. It would certainly be possible to delete impacted parcels prior to submitting a zone application to Salem.

I hope this information is helpful. If I can answer any further questions, please call me at 650-3768.

equal to the national average for the business size category.

- For large projects. provision of adequate child care and transit pass benefits.
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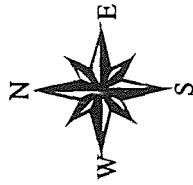
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Proposed Enterprise Zone

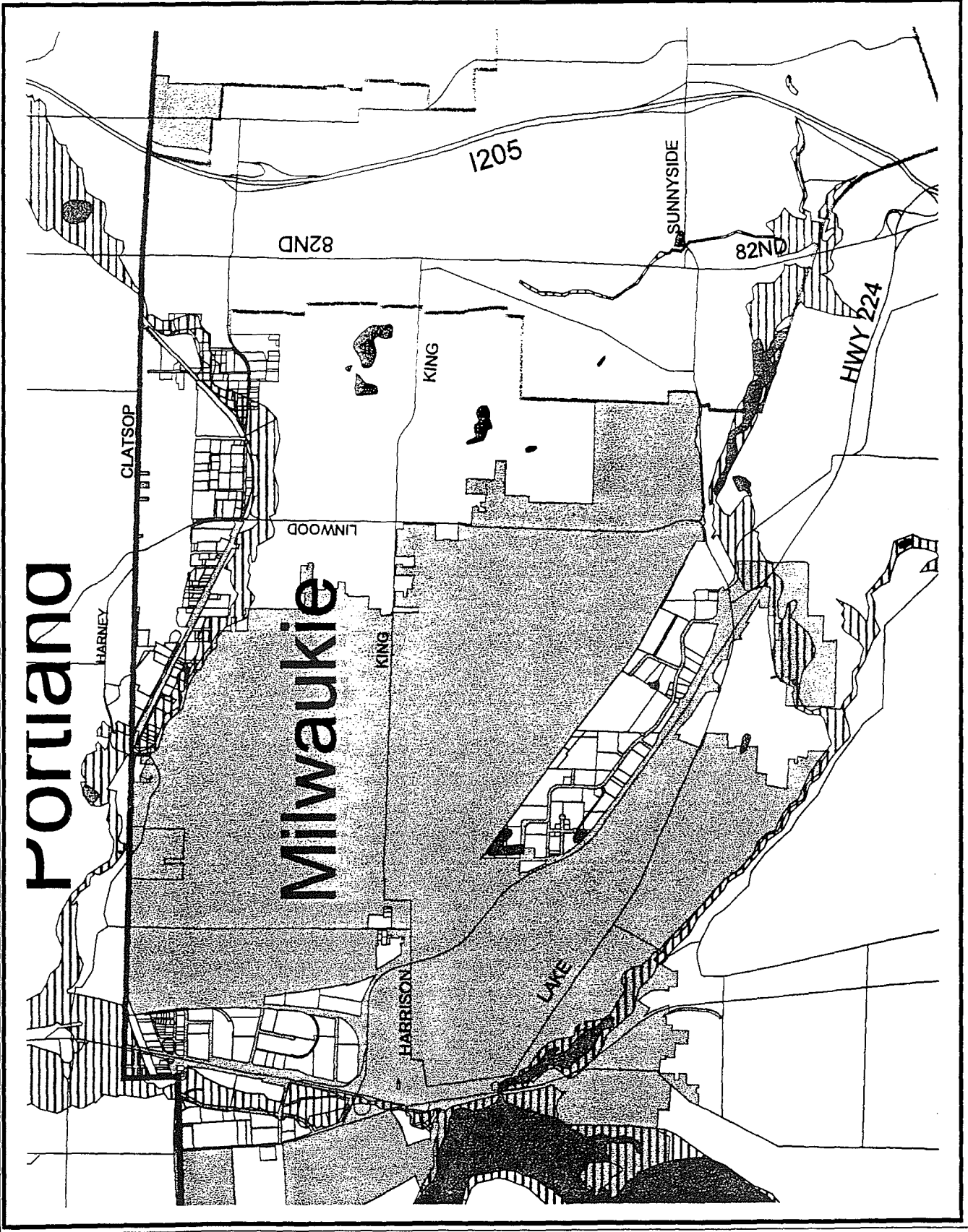


- Unincorporated Watershed
- Floodplain
- County Boundary
- Proposed Enterprise Zone
- City Boundary
- Airport
- Designated Regional Center Boundary

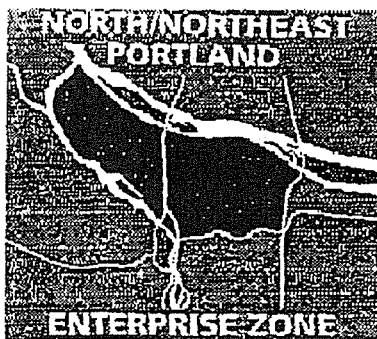
As of October 18, 1987

Enterprise Zone 1 Includes Water Area

This map and other information have been prepared for the purpose of providing a general overview of the proposed Enterprise Zone. The map is not intended to be complete and is not intended to be used for any other purpose. Therefore, the user should consult the appropriate zoning and other laws and regulations for more detailed information and is liable for the property for specific laws.



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ENTERPRISE ZONE INVESTMENT STRATEGY

March 1996



Prepared by:

Portland Development Commission

In Cooperation with:

N/NE Economic Development Alliance
Port of Portland

Portland Office of Finance
and Administration



(70)

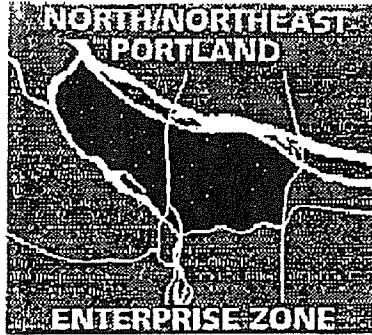
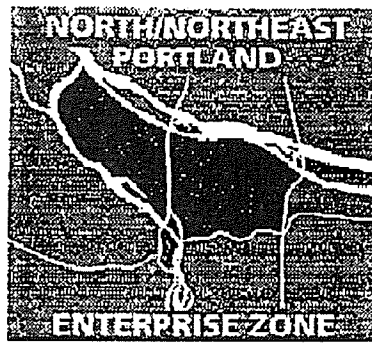


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SUMMARY

INVESTMENT STRATEGY GOALS:

- Reduce the number of unemployed and underemployed Inner NE residents and increase their per capita income.
- Link Inner NE residents with quality jobs that will lead to economic self-sufficiency through advancement and career skill-building.
- Increase the health and growth of small businesses in the Inner NE target area and Airport Way / Columbia Corridor target areas west of I-205.
- Achieve the highest rate of public return from the investment of exempted taxes in Zone companies.

OPERATING PRINCIPLES:

- Focus the company screening/hiring for employees, performed exclusively by PDC's JobNet program, on Inner NE Portland.
- Enhance the Oregon Zone program with additional City of Portland requirements that create an appropriate balance between achievement of City objectives and property tax exemption benefit to the investing company.
- Market and manage the Zone program such that it serves as an effective incentive for businesses to locate near residents of Inner NE Portland.
- Manage the program in close coordination with the N/NE Economic Development Alliance, community stakeholders/partners, economic development partners and Zone customers to maximize the public benefit and cost-effectiveness of the program.
- Insure the Zone program supports new investments by small N/NE Portland businesses.
- Insure that monitoring and reporting systems provide the Zone Manager and City Council with data to assess company compliance and strategy cost-effectiveness.

PERFORMANCE STANDARDS FOR TAX EXEMPTIONS:

- All companies utilizing the Enterprise Zone program will execute a First Source agreement with JobNet, the City of Portland's First Source provider, for the period from Zone Precertification of the project through the last day of tax exemption.
- Maximum estimated *NET TAX EFFECT* of \$10,000 per JobNet hire during the project's precertification and tax exemption period;

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NET TAX EFFECT is defined as:

"The estimated net present value of the:

- total local property tax exemption;
- less any cash contributions to the local governments, PDC or agreed-upon community economic development programs contracted to meet these Guidelines;
- less City general fund revenues generated by the project during the exemption period in excess of estimated City costs (25% of the City tax exemption)."

- Provide job opportunities meeting the following minimum job quality thresholds:
 - 85% of company permanent full-time jobs offer regular hourly wages greater than or equal to 150% of Oregon minimum wage after one year of company employment.
 - All permanent full-time jobs include non-governmentally prescribed benefits greater than or equal to the most recent available estimated national average for their business' size category. Large projects must provide adequate child care and transit pass benefits to employees in addition to meeting the benefit level threshold.
 - JobNet hire positions have access to adequate training and advancement opportunities as determined by PDC's JobNet.
- Direct costs (City general fund) to serve the site are covered through City general fund revenues collected from the company during the exemption period;
- Retention for more than two years of 50% of JobNet hires.

COMPANY CONTRIBUTIONS:

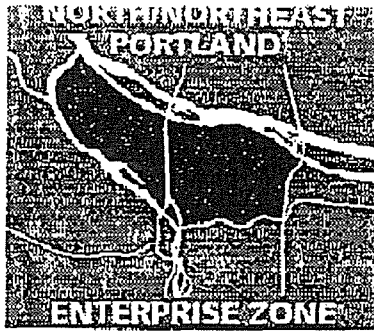
During the negotiation with the company, the PDC will collaborate with the OFA, and the company on an outline of the use of any cash contributions resulting from the project.

The following types of economic development projects are eligible for receipt of cash contributions from Zone projects:

- Workforce training and development programs;
- Workforce support programs, including day-care support.
- Business development programs, including supplier strategies and loan programs.
- Monitoring and tracking of City residents obtaining jobs through the Zone.

COUNCIL REPORTING AND PROJECT NOTIFICATION

City Council and the Board of Commissioners of Multnomah County will be notified of Enterprise Zone projects by PDC in sufficient time prior to Zone contract completion to allow Council and the Board of Commissioners to determine the level of review desired and implementation of that review process. Council votes are expected to occur when tax exemption totals exceed \$2,000,000 or a project is proposed for Precertification not within these Guidelines.



ENTERPRISE ZONE STRATEGY GUIDELINES

GUIDELINES FOR EARNING AN ENTERPRISE ZONE INVESTMENT

■ INTRODUCTION

The purpose of the N/NE Portland Enterprise Zone is to maximize the economic benefits for residents of the PDC Inner NE Target Area from business expansion investments that create or retain quality jobs.

Since 1980, barely one-third of the new job growth in the region has occurred in Multnomah County. By 1990 the City's average per capita income fell below the rest of the region, Inner NE Portland has suffered from chronically high unemployment rates which are generally estimated to be twice the unemployment rate of the Metro region. The result is that per capita income in N/NE Portland was 32% below the region in 1990.

The mission of the Zone will continue until unemployment rates and/or per capita income in Inner NE are roughly equal to the Metro area average. The Zone program is supported by policies adopted by City Council in Prosperous Portland implemented by the City's Local Economic Investment Policy (March, 1996).

Goals:

The primary goals of the Zone strategy are:

- Reduce the number of unemployed and underemployed Inner NE residents and increase their per capita income.
- Increase the health and growth of small businesses in the Inner NE target area and Airport Way / Columbia Corridor target areas West of I-205.
- Achieve the highest rate of public return from the investment of exempted taxes in Zone companies.
- Link Inner NE residents with quality jobs that will lead to economic self-sufficiency through advancement and career skill-building.

Zone Strategy Operations:

These goals will be met by use of the Oregon Enterprise Zone program to:

- Link residents and N/NE small businesses to new business investments in N/NE Portland;
- Provide an incentive for companies to locate operations in N/NE Portland.

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Operating principles of the City's Zone strategy are:

- Focus the company screening/hiring for employees, performed exclusively by PDC's JobNet program, on Inner NE Portland.
- Enhance the Oregon Zone program with additional City of Portland requirements that create an appropriate balance between achievement of City objectives and property tax exemption benefit to the investing company.
- Market and manage the Zone program such that it serves as an effective incentive for businesses to locate near residents of Inner NE Portland.
- Manage the program in close coordination with the N/NE Economic Development Alliance, community stakeholders/partners, economic development partners and Zone customers to maximize the public benefit and cost-effectiveness of the program.
- Insure the Zone program supports new investments by small N/NE Portland businesses.
- Insure that monitoring and reporting systems provide the Zone Manager and City Council with data to assess company compliance and strategy cost-effectiveness.

This Strategy for managing the Zone is written as a series of Guidelines for the Zone Manager, the Portland Development Commission, to utilize in crafting individual Zone projects.

The primary tool of the Zone program is exemption of the new property taxes generated by a non-retail company investment. The tax exemption period may have a duration of 3, 4 or 5 years. The Zone Manager reserves the ability to structure Enterprise Zone agreements outside these Guidelines in extraordinary cases through an agreement between PDC and the City's Office of Finance Administration and approval of City Council.

The PDC, City and local government and community partners will continuously examine additional tools which should be utilized to serve the mission and goals of the Zone program. Additional tools may include but not be limited to expedited City permitting, and job training or employee development programs.

This Strategy is designed to comply with the requirements of the Enterprise Zone Statute (specifically ORS 285.577(4)) for a "policy" establishing standards for the imposition of local conditions of Zone Precertification. This Strategy also provides Council guidance to the Zone Manager (PDC) regarding the provisions in the Zone Statute (specifically ORS 285.605 (4.a)) for additional reasonable requirements by Zone sponsors for exemptions up to five years duration. The City recognizes that some companies may not qualify for Zone benefits through these Guidelines if a sufficient level of job quality or employee retention is not achieved.

Performance Standards For Tax Exemptions:

The Guidelines below outline the details of the four requirements for a company to qualify for an Enterprise Zone tax exemption:

- All companies utilizing the Enterprise Zone program will execute a First Source agreement with JobNet, the City of Portland's First Source provider for the period from Precertification of the project through the last day of tax exemption.
- Maximum estimated NET TAX EFFECT of \$10,000 per JobNet hire during the project's precertification and tax exemption period;

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- Provide job opportunities meeting the following minimum job quality thresholds:
 - 85% of new permanent full-time jobs created and/or existing permanent full-time jobs retained offer regular hourly wages greater than or equal to 150% of Oregon minimum wage after one year of company employment.
 - All permanent full-time jobs include non-governmentally prescribed benefits greater than or equal to the most recent available estimated national average for their business size category. Large projects must provide adequate child care and transit pass benefits to employees in addition to meeting the 15% benefit level threshold.
 - JobNet hire positions have access to adequate training and advancement opportunities as determined by PDC's JobNet.
- Direct costs (City general fund) to serve the site are covered through City general fund revenues collected from the company during the exemption period;
- Retention for more than two years of 50% of JobNet hires.

THE KEY RATIO: NET TAX EFFECT PER JOBNET HIRE

All companies utilizing the Enterprise Zone program will execute a First Source agreement with JobNet, the City of Portland's First Source provider for the period from Precertification of the project through the last day of tax exemption.

The JobNet program negotiates with the company which jobs will be recruited through JobNet. JobNet and the company will also negotiate which sources of JobNet-recruited people will be used during recruitment. It is anticipated that sources primarily serving residents of the Inner NE Target Area will be utilized during the first round of recruiting by JobNet and that sources primarily serving other citizens of Portland will be utilized in broadened searches for specific positions, when necessary. The JobNet partner agencies will not exclude residents of particular areas from their services but will continue their focus on their existing N/NE clientele.

A JobNet "hire" is a full-time position (more than 32 hours per week) hired through the JobNet screening and recruiting First Source process. A JobNet hire shall not be counted until a JobNet-recruited employee has completed their company probation period and becomes a regular full-time employee with the company.

The company's "Net Tax Effect" (defined below) per JobNet hire must be less than \$10,000.

Companies may precertify for the exemption period they are eligible for considering this threshold of \$10,000 Net Tax Effect per JobNet hire (3, 4 or maximum of 5 years).

If the company's project is not projected to meet this threshold, the company has the option to reduce their projected Net Tax Effect per JobNet hire through a contract with PDC to provide cash contributions to Enterprise Zone area programs as outlined in Section F below. The contributions reduce dollar per dollar the Net Tax Effect calculation number - just as though the contributions were collected property taxes. However, these contributions are not taxes.

The contract with the company at time of pre-certification of the project is based on estimates of total investment. The estimates result in a number of JobNet hires which the company must make to receive the full tax exemption. In order to insure that the number of hires are appropriate for the actual level of investment, the contract will be revised at the

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time that the total investment subject to tax exemption is finalized. If necessary to create certainty on the part of the contracting organizations, the contract may include a range of a minimum/maximum number of JobNet hires.

If the company does not reach the projected number of JobNet hires during the Zone Precertification and exemption period, and the actual number of JobNet hires causes the company to exceed the Net Tax Effect per JobNet hire, the company shall pay a penalty to PDC of the number of hires short of the threshold multiplied by the Net Tax Effect threshold of \$10,000. (Example: Acme company sought a five year exemption with a Net Tax Effect of \$660,000 and projected hiring 66 employees through JobNet during the exemption period. Their hiring projection of $66 \times \$10,000$ NTE = \$660,000. Instead, they hired only 50 people. Their penalty would be $66 - 50 = 16$ times \$10,000 per hire = \$160,000.)

In order to prevent companies from meeting the Zone's requirements through increased employee turnover, the following provision applies:

If the company's employee turnover rate increases during their last year of tax exemption, the company will receive no credit for the increased number of hires through JobNet in the final year of tax exemption. In this case, the number of job turnover hires credited in this equation for the final year of tax exemption will be the company's average turnover rate during the previous years of the tax exemption period.

Existing Portland companies which are relocating facilities to the Enterprise Zone will receive one JobNet hire credit for each permanent full-time job moved into the Zone in the Net Tax Effect calculation. This provision insures that existing Portland companies are not penalized by the Net Tax Effect per JobNet hire threshold.

Projecting the Net Tax Effect

The City's Office of Finance and Administration and/or PDC will project the most likely:

Total NET TAX EFFECT per JobNet hire of the company's operations in the Zone during the exemption period using a mutually acceptable formula.

NET TAX EFFECT is defined as:

"The estimated net present value of the:

- total local property tax exemption;
- less any cash contributions to the local governments, PDC or agreed-upon community economic development programs contracted to meet these Guidelines;
- less City general fund revenues generated by the project during the exemption period in excess of estimated City costs (25% of the City tax exemption)."

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Net Tax Effect Formula Summary:

Net present value of the following during the exemption period:

Total tax exemption (all governments):

- Cash contributions to Enterprise Zone programs
- City general fund revenues from the project in excess of estimated City costs
- = Net Tax Effect

General fund revenues include: business license fees, utility franchise fees, and any other general fund revenue from ongoing operations. It does not include fee-for-service charges such as building permits, etc. The discount rate used in the Net Present Value calculations is based on the City's "cost of money" at the time of Precertification as determined by OFA/PDC.

The number of JobNet hires used in the Key Ratio is the hiring through a JobNet First Source agreement. The hiring covers (1) existing company operations in the Zone; (2) new operations in the Zone and (3) hiring due to employee turnover in the Zone. The hiring period is from pre-certification of the project through the end of the tax exemption period.

A key variable in calculation of the total tax exemption is the projected depreciation of the tax assessed value of the investment. In consultation with the company, PDC and OFA will agree on the total assessed value, depreciation schedule and total tax exemption figures utilizing the expertise of Multnomah County and/or Oregon Dept. of Revenue.

JOB QUALITY REQUIREMENTS

All companies must provide quality jobs to qualify for Enterprise Zone benefits. The requirements may be different according to the size of the business making the investment. "Small businesses" are those companies with a total of less than 100 full-time employees at the time of Zone precertification. "Large businesses" have greater than 100 employees at the time of Zone precertification. Quality jobs are defined as the following:

- 85% of company permanent full-time jobs created in the Zone offer regular hourly wages greater than or equal to 150% of Oregon minimum wage after one year of company employment.
- All permanent full-time jobs include non-governmentally prescribed benefits greater than or equal to the most recent available estimated national average for their business size category. The percentage threshold will be established by PDC and updated annually. In December 1995, the average for large businesses is 19%.
- JobNet hire positions have access to adequate training and advancement opportunities as determined by PDC JobNet personnel. JobNet will evaluate company training and advancement opportunities according to the following criteria:
 - Job skills are taught by the company which are applicable to other companies and industries that provide quality jobs.
 - Sufficient advancement opportunities exist, particularly for JobNet hired workers.
 - The company adequately supports ongoing training of its workers through direct training programs or training partnerships.

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- The company participates or plans to participate in Portland-area industry association activities that promote training opportunities in the industry.
- "Large companies" (greater than 500 employees in U.S.) or companies generating a Net Tax Effect greater than \$1,000,000 must provide adequate child care and transit pass benefits to employees in addition to meeting the required non-mandated employee benefit level threshold (in section B above). Benefit adequacy will be determined by JobNet.

Noncompliance with these job quality requirements will result in the noncomplying jobs not being counted as "JobNet hires" for purposes of the required Net Tax Effect ratio and may result in additional penalties.

These Guidelines defining quality jobs will be periodically reviewed by the PDC, the N/NE Economic Development Alliance, the OFA and City Council to insure that the Guidelines require the highest quality of jobs possible while not compromising the Zone program's ability to engage companies and link residents to job opportunities.

☒ DIRECT COST RECOVERY FOR THE CITY OF PORTLAND:

The project shall provide City general fund revenues sufficient to cover the City's direct costs of serving the site during the tax exemption period. The City's direct costs of serving the site will be estimated at 25% of the City's exempted property taxes. If the project's other City revenues will not cover direct costs, the company will be required to contribute a sufficient amount of funds to the City during the exemption period to achieve cost-recovery for that year. City revenues to be considered include projected business license fees, utility franchise fees, and any other City fees or taxes which contribute towards City cost recovery.

Indirect costs associated with the potential for new people to move to the City of Portland / Multnomah County due to the new jobs being created will not be considered except in extreme cases involving large new job impacts.

☒ JOBNET HIRE RETENTION:

A prime objective of the Enterprise Zone program is the hire and retention of City residents from economically-lagging areas, particularly the residents of the Inner NE Target area, into quality jobs. Qualified job applicant residents from these areas will be provided to the company through their JobNet hiring contract with PDC, although the JobNet agreement does not limit hiring to residents of these areas.

Tracking and case management job applicants and JobNet hires is a goal of the program subject to funding availability. The PDC will work closely with the N/NE Economic Development Alliance to create and maintain appropriate tracking capabilities.

Tax exemption contracts will therefore have the following incentive program to promote retention of JobNet hires:

- Companies which have not retained 50% of their JobNet hires at least two years by the end of the third year of tax exemption will pay a penalty to the Zone Sponsor equivalent to \$25,000 for each JobNet hire below 50% which was not retained for two years up to a maximum of 50% of the tax exemption for the fourth year.

- Companies which have not retained 50% of their JobNet hires at least two years by the end of the fourth year of tax exemption will pay a penalty to the Zone Sponsor equivalent to \$25,000 for each JobNet hire below 50% of JobNet hires to that point which was not retained for two years up a maximum of 50% of the tax exemption for the fifth year.

These penalties will be disbursed in the same manner as any penalties collected by the Zone sponsor.

If a company reduces its full time positions, those lost positions will not count in the calculation of the percentage of JobNet hires retained. Example: a company hired 100 through JobNet but suffered a position reduction of which 10 were JobNet hires. The number of JobNet hires examined for purposes of the retention percentage calculation would be $100 - 10 = 90$. Penalties would only occur if the company's JobNet retention rate was less than 50% of $90 = 45$.

■ SMALL BUSINESS and CONSTRUCTION WORKER LINKAGES

- Companies utilizing the Enterprise Zone must make their supplier contracts available to small businesses in N/NE Portland through a PDC approved clearinghouse process. PDC has established the N/NE Small Business Clearinghouse at the Oregon Association of Minority Entrepreneurs to provide a cost-effective means to link Zone projects with small businesses of North and Northeast Portland.

Companies will be required to make contracting opportunities available to the companies listed in the Clearinghouse from the Precertification of the project through completion of the tax exemption period (generally a period of 7 years).

- Zone project construction contractors must fulfill two requirements if the project is to earn qualification for Enterprise Zone tax exemptions:
 - Contractors must utilize the PDC Emerging Small Business contracting process. The process insures contractor outreach to emerging small business contractors with a goal of 10% contracting by emerging small businesses.
 - Contractors will also utilize the City of Portland's Workforce Training and Hiring Program for construction-workers. The program is designed to provide greater opportunities for minority and women construction workers.

USE OF THE GUIDELINES AND CONTRACT REQUIREMENTS

■ PROCESS FOR DETERMINING DISBURSEMENTS OF COMMUNITY CONTRIBUTIONS

During the negotiation with the company, the PDC will collaborate with the OFA, and the company on an outline of the use of any cash contributions resulting from the project. The outline will include expected goals for the contributions to various programs and expected levels of contributions to each program. This outline will be reviewed by City Council. Appropriate agencies in the City will convene at least once per year to review projects and set criteria for the coming year.

If the direct costs of serving the site are not provided by other company site taxes/fees which contribute to the City general fund, company cash contributions shall first be directed to



insure cost recovery during the exemption period prior to being used for economic development community programs.

If any penalty for noncompliance with the hiring requirements of the Zone is collected by PDC, the penalty shall be used first to continue same level of funding of the programs receiving funding from Zone cash contributions and the remaining sum will be distributed by City Council in accordance with the Enterprise Zone statute.

During the City's budget development for each year of tax exemption which will result in cash contributions from Zone companies, final decisions regarding expenditures of the contributions will be recommended by the collaborative efforts of the PDC, company and Enterprise Zone community and ratified by Council. The following principles shall apply to this process:

- Cash contributions from the project will not be used to reduce other City contributions to the programs;
- Council will consider the list of economic development projects in the outline developed in the contract between PDC and the company;
- Projects will be limited in their impact to projects which help economically-disadvantaged people or small businesses in the Inner N/NE Target Area.

Multnomah County and Portland Public Schools will be advised of the tax exemption negotiations and will also be advised of the City's deliberations over any cash contributions from the project.

The following types of economic development projects are eligible for receipt of cash contributions from the project:

- Workforce training and development programs;
- Workforce support programs, including day-care support.
- Business development programs, including supplier strategies and loan programs.
- Monitoring and tracking of City residents obtaining jobs through the Zone.

EXTRAORDINARY FACTORS TO BE CONSIDERED

The following factors may or may not have an influence on the City's decision regarding the project:

COMPANY INTERNAL "NEED" FOR THE INCENTIVE:

The company's "internal financial need" for the tax exemption in order to justify moving forward with the project will not be analyzed or considered.

PORTLAND'S NEED TO USE THE INCENTIVE TO BE COMPETITIVE FOR THE PROJECT:

The City's need to utilize the Enterprise Zone program as an incentive to land the project in the City will be a strong influence on deviations from these interim guidelines. Desirable business development projects for which the City needs incentives to succeed in a site location competition will be given appropriate additional consideration with regard to guideline thresholds. The need to use the incentive as a reason to exceed these Guidelines will be evaluated jointly by PDC and OFA (with notification of City Council, Multnomah County and Portland Public Schools).

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PROJECT NOTIFICATION

City Council and the Board of Commissioners of Multnomah County will be notified of Enterprise Zone projects by PDC in sufficient time prior to Zone contract completion to allow Council and the Board of Commissioners to determine the level of review desired and implementation of that review process. Council votes are expected to occur when tax exemption totals exceed \$2,000,000 or a project is proposed for Precertification not within these Guidelines.

COUNCIL REPORTING AND STRATEGY MONITORING

- Council will receive annual reports on strategy implementation and a biennial cost-effectiveness assessment using methodology adopted by PDC/OFA, with input from the Audit Services Division.
- Appropriate record-keeping and support documentation on the activities and achievements of zone projects will be maintained by the Zone Manager. Monitoring will include periodic company site visits. Zone contracts will ensure reasonable access to company information required for monitoring and strategy cost-effectiveness assessments.

MEMORANDUM

DATE: October 7, 1997

TO: Milwaukie City Council

FROM: Patrick Allen
Oregon Economic Development Department

SUBJECT: Enterprise Zone

COMPANY COMMITMENT

Precision Castparts has now signed a Memorandum of Mutual Understanding committing to a minimum investment of \$25 million over the next 5 years, and an increase in employment of at least 320 employees. This investment and new employment is contingent on creation of the Enterprise Zone, \$250,000 of cash assistance from the State of Oregon at the Costco site, and up to \$375,000 urban renewal assistance from the Clackamas County Development Agency at the Costco site. We have estimated the value of the enterprise zone, based on a higher \$35.8 million investment, at \$1.4 million over 5 years (in 1997 dollars). The proposed zone boundaries now include virtually all industrial land in the N. Clackamas/Milwaukie area that is not in an urban renewal district. Major areas include Johnson Creek Blvd., Hwy 224 Industrial areas west of I-205, and Milwaukie industrial areas along Hwy. 99E in the north part of town.

PUBLIC INVOLVEMENT

Public involvement would be done in a number of ways. First, I will coordinate a series of meetings throughout the area impacted by the zone, focusing mainly on taxing districts impacted by the abatement, and others impacted by the proposed employment growth. These contacts would begin with the senior management of these organizations, and will likely be expanded to include their governing bodies. This phase would include meetings with impacted neighborhood associations/community planning organizations, and would involve County staff and company representatives. The second portion of involvement would involve an expansion of the minimal public hearing process outlined in statute into a two-step process. I would propose a separate public hearing, to be followed two weeks later by an action item on the Council agenda. This would allow for press exposure and a period for additional comments to come in beyond those appearing directly at the public hearing.

TIME LINE

- Pre-meetings — October 1-14
- City public hearing — November 4
- County public hearing — November 6
- City consideration of application — November 18
- County consideration of application — November 13
- Applications due — November 24

PROPOSED NEXT STEPS

I am requesting your authorizing a public hearing and scheduled discussion of a resolution approving a zone application for November 4 and 18, respectively.

84



CLACKAMAS COUNTY

Board of Commissioners

September 17, 1997

Craig Lomnicki, Mayor
City of Milwaukie
10722 SE Main
Milwaukie, OR 97222

ED LINDQUIST
CHAIR

JUDIE HAMMERSTAD
COMMISSIONER

GILL KENNEMER
COMMISSIONER

Dear Craig:

The County Commissioners are happy to hear that Milwaukie is interested in working with the County to set up an Enterprise Zone. Through partnership, we can meet the needs of Milwaukie and Clackamas County current and future industries.

In an effort to work together to deal with common issues that will arise from our application for an Enterprise Zone, the County will:

Expand the proposed zone boundaries to include Milwaukie Industrial areas along McLoughlin and International Way.

Work with you to implement all the City's TSP Action Plans all the way to I-205 including working to fully fund the Johnson Creek Blvd. Project from 36th to I-205 in the next Regional Transportation Plan.

Work with you to determine what measures, if any beyond applicable state and federal law, would help deal with industrial wastewater impacts on the Johnson Creek watershed.

After initial zone establishment, review with the City the most appropriate ways to provide for ongoing Zone Management. In addition to direct County provision of this service, we would be happy to consider the North Clackamas County Chamber of Commerce or any other qualified entity as a potential Zone Manager.

Work with the City and its franchise holders to ensure state-of-the-art utility service in the industrial areas.

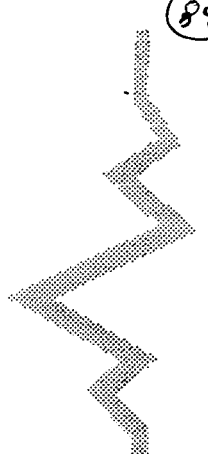
We see this as a great chance to enter into a partnership with the City and industries for future job growth in the industrial areas of North Clackamas County.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ed Lindquist".

Ed Lindquist, Chair
Clackamas County Commissioner

Johnson Creek Enterprise Zone Discussion



Objective

General information to City Council

Answer questions/identify issues

Guidance to County staff for application preparation



Precision Castparts Situation

- PCC Structurals expansion plan
- Competitive environment (Tri-Cities, Ohio)

Johnson Creek Industrial Area

- Significant industrial enclave
- Need for suitable industrial land within the UGB
- Not currently developed to full potential

Enterprise Zones in Oregon

- 3-5 year property tax abatement
- Stimulates capital investment that wouldn't otherwise occur
- Results in increased tax revenue (long-run)
- Results in increased employment
- Preserves employment of a significant local company

Enterprise Zone Requirements

- \$25,000 minimum capital investment
- 10% employment increase if already in the zone
- Increase must be at 150% of county avg. wage for 5-yr abatement
- Avg. wage is \$25,706; 150% is \$38,559
- Company enters First Source Hiring Agreement with ETBS



Enterprise Zone Mechanics

- Potential Co-sponsors: Milwaukie, Portland
- Co-sponsorship vs. Consent
- Zone management
- Management fee is one-tenth percent of each project (\$15,000 per \$15 million certified).

Cost-Benefit Discussion

- Company with \$15 million qualifying investment avoids \$640,000 to \$1 million prop. tax.
- City/County get investment that (arguably) would not happen otherwise
- \$15 million initial investment is fully taxed at approximately \$14.8 million depreciated value in year six.

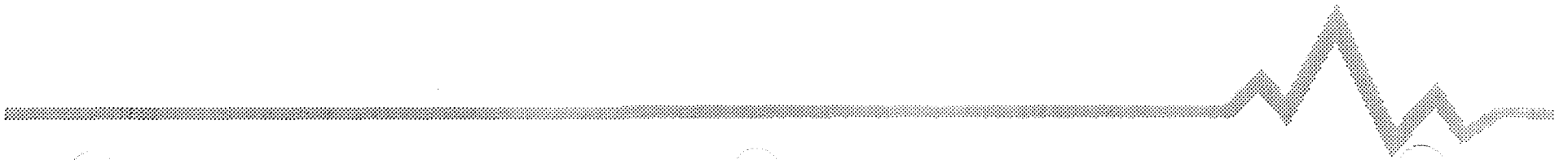


Issues

- Should local governments provide tax benefits?
- Would this investment occur anyway?
- Jobs/housing balance and transportation planning impacts.

Potential Council Actions

- Indicate interest in seeing an application (as part of broad public input process)



**Oregon Economic Development Department
Draft Application for Enterprise Zone Designation**

1. BACKGROUND INFORMATION FOR APPLICATION									
A. Name of Proposed Zone: The Milwaukie/North Clackamas County Enterprise Zone									
B. Submittal Date: November 24, 1997									
C. Contact Person: Renate Mengelberg, Planner, Business Services Section, 902 Abernethy Road Oregon City, Oregon 97045 Phone: 650-3238 Fax: 650-3987									
D. Sponsoring Governments: <table style="width: 100%;"><tr><td style="text-align: center;"><u>Cities</u></td><td style="text-align: center;"><u>County</u></td></tr><tr><td style="text-align: center;">City of Milwaukie</td><td style="text-align: center;">Clackamas County</td></tr></table> <p style="text-align: center;">Appendix with approved resolutions of consent: Will be attached once approved</p>		<u>Cities</u>	<u>County</u>	City of Milwaukie	Clackamas County				
<u>Cities</u>	<u>County</u>								
City of Milwaukie	Clackamas County								
E. Any other City or County Jurisdiction in which Any Part of the Proposed Zone Would Be Located (including relevant counties for zoned that would be entirely within city limits): None									
F. Size of Proposed Zone: The estimated area of the zone totals approximately 1 square mile									
G. Basic Descriptors of Proposed Zone: <table style="width: 100%;"><tr><td style="width: 60%;">Located entirely within a primary Statistical Area (MSA)?</td><td><input checked="" type="checkbox"/> Yes Metropolitan <input type="checkbox"/> No</td></tr><tr><td>Do 75% of zone inhabitants reside inside incorporated areas?</td><td><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</td></tr><tr><td>Is it a Magnet Enterprise Zone?</td><td><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td></tr><tr><td>What Type of Enterprise Zone?</td><td><input checked="" type="checkbox"/> Urban <input type="checkbox"/> Nonurban</td></tr></table>		Located entirely within a primary Statistical Area (MSA)?	<input checked="" type="checkbox"/> Yes Metropolitan <input type="checkbox"/> No	Do 75% of zone inhabitants reside inside incorporated areas?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Is it a Magnet Enterprise Zone?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	What Type of Enterprise Zone?	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Nonurban
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What Type of Enterprise Zone?	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Nonurban								

Oregon Economic Development Department

Enterprise Zone Application

2. Measures of Economic Need and Hardship (Mandatory that at least of A-D equal or exceed 200* other responses are optional.

Criterion	Type And Source of Data	Year of Data (must be Annual)	Basis of Comparison Data	Zone Level Data	Appendix	Y Comparison figure	Z Zone figure	Formula	Points Zone
A. Income (Median)	Equifax Census Data with updated Projections	1996	MSA	Zone-Specific	Income Map	\$ 39,243	\$ 30,529	$(1-z/y)*1000$	222
B. Unemployment Rate	Employment Division	July-97	State	County		4.90%	3.60%	$(Z-Y)x1000$	0
C. Percentage below Poverty Level	Equifax Census Data with updated Projections	1996	MSA	Zone-Specific	Population Map	3.70%	11.70%	$(z-y)x40$	320
D. 10 year Percent Change in Population	Equifax Census Data with updated Projections	1980-1990	MSA	Zone-Specific	Poverty Map	13.89	4.80%	$(y-z)x13.33$	121
E. Monthly Unemployment Rate by County for most Recent 120 Months as Reported by Employment Department			State	County		One times each month for which: State Rate > County Rate =			0
									663

2. MEASURES OF ECONOMIC HARDSHIP (CONTINUED)

F. Summary of Other Economic Statistics and Circumstances (e.g. Local Closures, special Designations, joint Factors):

The Portland Metropolitan areas is experiencing strong employment growth and development. Nevertheless, the areas in the proposed enterprise zone contain significant opportunities for redevelopment. There are many low intensity uses and rents that are up to 30% below the market average. A number of significant properties currently stand vacant despite their proximity to attractive transportation and workforce resources. Additionally the recent closure of the last Pendleton Woolen Mills plant in Oregon and the recent bankruptcy filing of Americold and the previous closure of the Murphy Plywood building leave significant, potentially under-utilized buildings in the area.

3. SIGNIFICANT SUITABLE LAND (MANDATORY) - show that there is significant vacant or improvable land within the proposed enterprise zone suitable for use and development by eligible business firms, I.E. zoned for industrial uses, Sufficient infrastructure, services, etc. - relative to total area and to overall supply of land in local area:

The Enterprise Zone being proposed consists of all industrial oriented zones within the city of Milwaukie and the unincorporated North Clackamas Area outside the Clackamas Industrial Area Urban renewal district. Neighboring zoning consists of residential or commercial zones. Most of the sites in the proposed zone have been developed 10-40 years ago and have great redevelopment potential. The few vacant parcels available total less than 20 acres.

The proposed Enterprise zone has excellent transportation access. It is served in all areas by either a major arterial or a major highway. The Johnson Creek Area is served by Johnson Creek Boulevard, which is built to withstand industrial traffic and has been recently widened and improved Johnson Creek Boulevard. This Boulevard links directly to an interchange onto I-205 within 1 mile of the Enterprise zone area. The International Way area is served by Highway 224, a 4 lane limited access Expressway with direct access to I-205 under 3 miles away. The North Milwaukie and McLoughlin areas are served by Highway 99E with access to I-205, I-5 and I-84

All areas are served with the necessary sewer and water infrastructure through the City of Milwaukie, Clackamas County Service District 1, City of Portland and Clackamas River Water

(See Proposed Enterprise zone map and Regional map attached)

4. PRE-EXISTING ENTERPRISE ZONE - Respond if wising and able to continue from or terminating zone:

Name of previous or soon-to-terminate enterprise zone: Not applicable

Any change to the existing policies of previous or soon-to-terminate zone: Not applicable

Milwaukie/North Clackamas Enterprise Zone

*Clackamas
County*





GEOGRAPHIC INFORMATION SYSTEMS

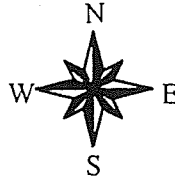
DEPARTMENT OF TRANSPORTATION
AND DEVELOPMENT

902 ABERNETHY ROAD

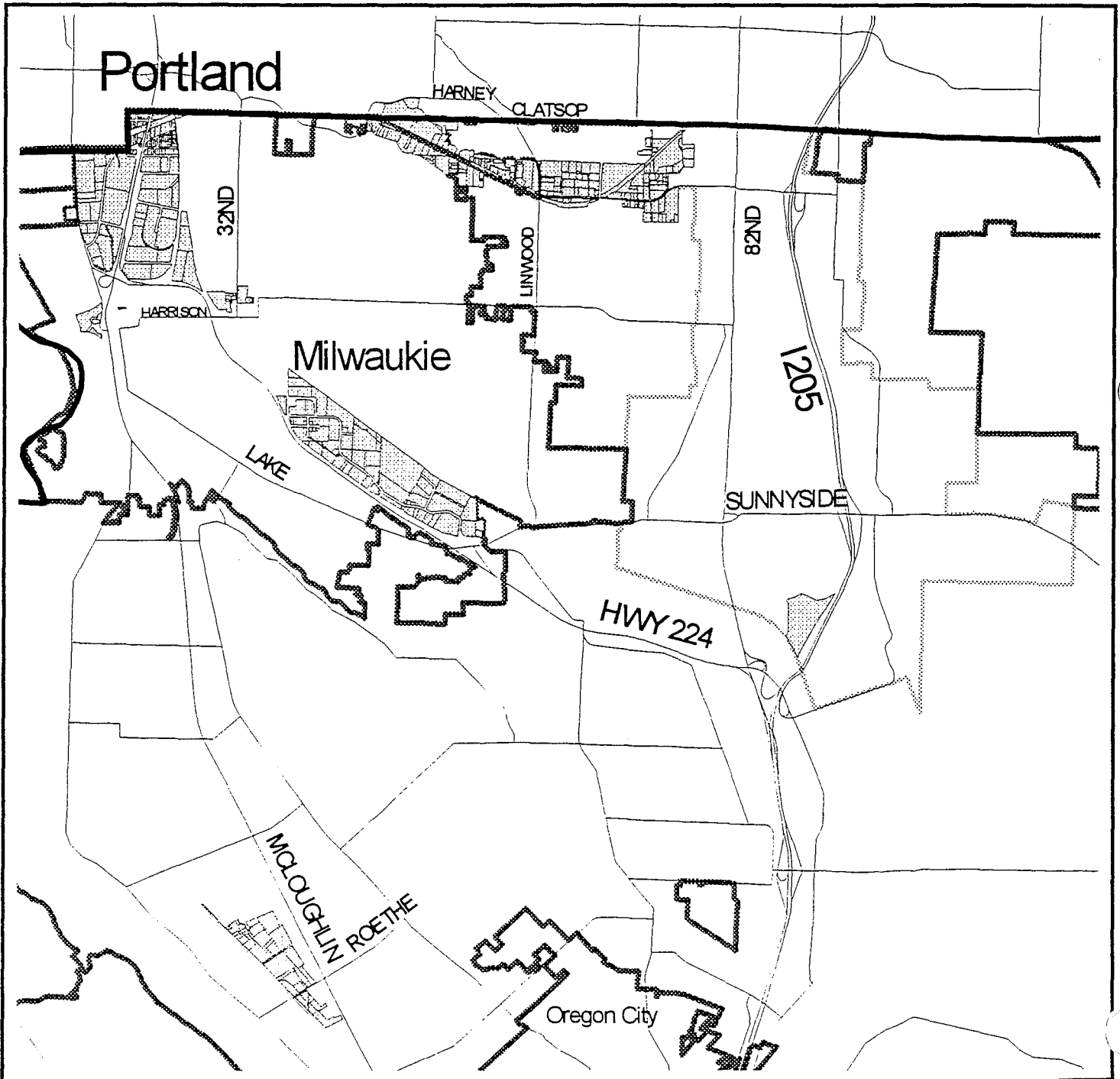
OREGON CITY, OR 97045

Renate:Gis:Projects:8.5x11vertical Enterprise Zone
October 28, 1997

-  Sites in Enterprise Zone
-  County (black) or City (Gray) Boundary
-  Arterials
-  Clackamas Regional Center Boundary



This map and other information have been compiled only for preliminary and general purposes. They are not intended to be complete and accurate for any other purposes. Specifically, this information is not intended to be complete for purposes of land use restriction, zoning, title, size and suitability of the property for specific uses.



CITY OF MILWAUKIE

RESOLUTION NUMBER _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, CO-SPONSORING AN APPLICATION FOR DESIGNATION OF AN ENTERPRISE ZONE

WHEREAS, the County of Clackamas and the City of Milwaukie are interested in an enterprise zone to encourage new business investment, job creation, higher incomes for local residents, greater diversity of economic activity; and

WHEREAS, the proposed enterprise zone has a total area of 1 square mile, and it meets other statutory limitations on size and configuration; it is depicted on the drawn-to-scale map (Exhibit 1); and

WHEREAS, the proposed enterprise zone contains significant land that is designated for industrial use, and that is sufficiently accessible, serviced or serviceable, and ready for use and further development, and

WHEREAS, the County of Clackamas and the City of Milwaukie appreciates the impacts that a designated enterprise zone would have and the property tax exemptions that eligible business firm might receive therein, as governed by Oregon Revised Statutes (ORS) 285.560 to 285.617, and

WHEREAS, the County of Clackamas and the City of Milwaukie have held a series of public hearings on the creation of an enterprise zone, with (describe testimony), and informational meetings have been held with business and citizen groups throughout the area.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Milwaukie that:

- 1) The County of Clackamas and the City of Milwaukie proposes and applies for designation of an Oregon enterprise zone to be named: The Milwaukie/North Clackamas County Enterprise Zone; and
- 2) Dave Seigneur, Business Services for Clackamas County is authorized to submit the application for the County of Clackamas and the City of Milwaukie and to make any and all substantive or technical changes to the application materials, as necessary, after adoption of this resolution.
- 3) The County of Clackamas and the City of Milwaukie will be 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.

- 4) The County of Clackamas and the City of Milwaukie commits, upon designation, to jointly appoint as local enterprise zone manager Dave Seigneur, Business Services for Clackamas County.
- 5) The County of Clackamas and the City of Milwaukie will jointly comply with the requirements and provisions of ORS 285.577.
- 6) The County of Clackamas and the City of Milwaukie commits to prepare, within six months of designation, 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 have such real property made available for lease or purchase by precertified or qualified business firms pursuant to ORS 285.580.
- 7) The County of Clackamas and the City of Milwaukie commits to prepare, within six months of designation, an index or indices identifying all of the land within the proposed enterprise zone pursuant to ORS 285.577(1)(h), and thereafter, to maintain the accuracy of such index or indices.

This Resolution introduced and adopted by the City Council this ___ day of November, 1997

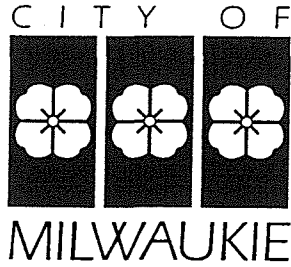
Craig Lomnicki, Mayor

ATTEST:

Pat DuVal, City Recorder

City Attorney

(i)



Memo

To: Honorable Mayor and City Council
Through: Dan Bartlett, City Manager *Dan*
From: Charlene Richards, Assistant City Manager *CR*
Date: October 22, 1997
Re: Section 457 Deferred Compensation Plans

Recommendation:

Authorize the Mayor to sign on behalf of the City the attached Resolutions:

1. **Establishing Custodial Account And Life Insurance Transfer Authorization, Employer Account Number: 3711 and**
2. **Establishing Custodial Account, Employer Account Number: 30**

Background:

The City offers two deferred compensation plans to City employees as a benefit option. Those plans are provided by Public Employees Benefit Services Corporation (PEBSCO) and the International City Management Association - Retirement Corporation (ICMA-RC).

PEBSCO and ICMA-RC are making changes to their Plan documents in light of changes effective last September (1996) to the Internal Revenue Code shifting ownership interest of assets accumulated under 457 deferred compensation plans. The shift is from the employer, that is the City, to the employee and/or beneficiaries. With this change, deferred compensation providers can invest in stocks, bonds and other investment vehicles. The City requested the City Attorney's office to review the materials sent by ICMA-RC to determine whether such changes were now lawful. See attached memorandum from Paul C. Elsner dated August 18, 1997.

Prior to this code revision, the assets of the Trust were deemed to be held for the benefit of the employer, the City. Cities in Oregon are prohibited from becoming stockholders. Historically, such investment vehicles as stocks and bonds have generated a better return on the invested dollar than investments in government-grade securities. The City would like to provide the higher yield investment options to its employees.

MILWAUKIE CITY HALL
 10722 SE MAIN STREET
 MILWAUKIE, OREGON 97222

The attached resolutions amend the City's current deferred compensation plans to lawfully provide City employees the ability to invest funds contributed to their accounts in the higher investment return vehicles.

The ICMA-RC plan provides additional changes. One is an optional program. Staff is not recommending that the City provide a program that allows City employees to use the assets contained in their deferred compensation accounts for loan purposes. The administration of such a loan program is beyond the current staffing capabilities.

The ICMA-RC plan document makes the following additional changes:

- Employees will have a one-time chance to alter the way in which they want the distribution of funds in the Plan to occur, and
- There will be a provision for distributions from accounts that have \$3500 or less in them and which have had no activity in them for two years.

Both attached resolutions also include a last paragraph that identifies the "City Manager or Designee" to administer the plans for the City. Previous resolutions identified the Finance Director as the administrator. The Human Resources Department administers employee benefit programs. Therefore, designating the Assistant City Manager as administrator is appropriate at this time. Since organizational changes may occur in the future, providing the City Manager the flexibility to reassign administration of the program will ensure efficient administration of the program and responsive customer service.

The last paragraph of the PEBSCO resolution was additionally revised to be consistent with the practice of providing a City match. Therefore, language in the previous resolution relating to the City not providing a contribution was deleted from the last paragraph.

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RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF MILWAUKIE, OREGON,
("Employer") ESTABLISHING CUSTODIAL ACCOUNT, EMPLOYER
ACCOUNT NUMBER: 30**

WHEREAS, the Employer has employees rendering valuable services; and

WHEREAS, the Employer has established a deferred compensation plan for such employees that serves the interest of the Employer by enabling it to provide reasonable retirement security for its employees, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the Employer has determined that the continuance of the deferred compensation plan will serve these objectives; and

WHEREAS, amendments to the Internal Revenue Code have been enacted that require changes to the structure of and allow enhancements of the benefits of the deferred compensation plan:

NOW THEREFORE BE IT RESOLVED that the Employer hereby amends and restates the deferred compensation plan (the "Plan") in the form of:

The ICMA Retirement Corporation Deferred Compensation Plan and Trust
(attached as Exhibit A)

BE IT FURTHER RESOLVED that the assets of the Plan shall be held in trust, with the Employer serving as trustee, for the exclusive benefit of the Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The Trustee's beneficial ownership of Plan assets held in the ICMA Retirement Trust shall be held for the further exclusive benefit of the Plan participants and their beneficiaries;

BE IT FURTHER RESOLVED that the Plan will not permit loans; and

BE IT FURTHER RESOLVED that the Employer hereby agrees to serve as trustee under the Plan; and

BE IT FURTHER RESOLVED that the City Manager or their designee shall be responsible for performing all "Duties of the Employer" as stated and permitted under the terms of Section 3.01 of the Plan Document and may do such other things necessary or permitted by law to be done to afford the City's employees the benefits of participating in the Deferred Compensation Plan and Trust.

Introduced and adopted by the City Council on this 4th day of November, 1997.

**Craig Lomnicki, Mayor
City of Milwaukie, Oregon**

4

ATTEST:

Pat DuVal, City Recorder

APPROVED AS TO FORM:
O'DONNELL, RAMIS, CREW, CORRIGAN & BACHRACH

City Attorney

I, Pat DuVal, Clerk of the City of Milwaukie, Oregon of Clackamas County do hereby certify that the foregoing resolution, proposed by the City Council of Milwaukie, Oregon was duly passed and adopted by the Council at a regular meeting thereof assembled this ____ day of November 1997 by the following vote:

AYES:
NAYS:
ABSENT:

(Seal)

Clerk of the City

457

PLAN AND
TRUST

DOCUMENT



6

This deferred compensation plan has been submitted to the Internal Revenue Service by a public employer for a Private Letter Ruling.

The IRS has not yet issued a Ruling on the plan and may require changes in this document prior to issuing a Ruling.

If changes are required in the document, you will be notified of the changes.

.....

DEFERRED COMPENSATION PLAN & TRUST

ARTICLE I. PURPOSE

The Employer hereby establishes the Employer's Deferred Compensation Plan and Trust, hereafter referred to as the "Plan." The Plan consists of the provisions set forth in this document.

The primary purpose of this Plan is to provide retirement income and other deferred benefits to the Employees of the Employer and the Employees' Beneficiaries in accordance with the provisions of Section 457 of the Internal Revenue Code of 1986, as amended (the "Code").

This Plan shall be an agreement solely between the Employer and participating Employees. The Plan and Trust forming a part hereof are established and shall be maintained for the exclusive benefit of eligible Employees and their Beneficiaries. No part of the corpus or income of the Trust shall revert to the Employer or be used for or diverted to purposed other than the exclusive benefit of Participants and their Beneficiaries.

ARTICLE II. DEFINITIONS

2.01 Account: The bookkeeping account maintained for each Participant reflecting the cumulative amount of the Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the Employer's investment of the Participant's Deferred Compensation, and further reflecting any distributions to the Participant or the Participant's Beneficiary and any fees or expenses charged against such Participant's Deferred Compensation.

2.02 Accounting Date: Each business day that the New York Stock Exchange is open for trading, as provided in Section 6.06 for valuing the Trust's assets.

2.03 Administrator: The person or persons named to carry out certain nondiscretionary administrative functions under the Plan, as hereinafter described. The Employer may remove any person as Administrator upon 60 days' advance notice in writing to such person, in which case the Employer shall name another person or persons to act as Administrator. The Administrator may resign upon 60 days' advance notice in writing to the Employer, in which case the Employer shall name another person or persons to act as Administrator.

2.04 Beneficiary: The person or persons designated by the Participant in his Joinder Agreement who shall receive any benefits payable hereunder in the event of the Participant's death. In the event that the Participant names two or more Beneficiaries, each Beneficiary shall be entitled to equal shares of the benefits payable at the Participant's death, unless otherwise provided in the Participant's Joinder Agreement. If no beneficiary is designated in the Joinder Agreement, if the Designated Beneficiary predeceases the Participant, or if the designated Beneficiary does not survive the Participant for a period of fifteen (15) days, then the estate of the Participant shall be the Beneficiary.

2.05 Deferred Compensation: The amount of Normal Compensation otherwise payable to the Participant which the Participant and the Employer mutually agree to defer hereunder, any amount credited to a Participant's Account by reason of a transfer under section 6.09, or any other amount which the Employer agrees to credit to a Participant's Account.

2.06 Employee: Any individual who provides services for the Employer, whether as an employee of the Employer or as an independent contractor, and who has been designated by the Employer as eligible to participate in the Plan.

2.07 Includible Compensation: The amount of an Employee's compensation from the Employer for a taxable year that is attributable to services performed for the Employer and that is includible in the Employee's gross income for the taxable year for federal income tax purposes; such term does not include any amount excludable from gross income under this Plan or any other plan described in Section 457(b) of the Code or any other amount excludable from gross income for federal income tax purposes. Includible Compensation shall be determined without regard to any community property laws.

2.08 Joinder Agreement: An agreement entered into between an Employee and the Employer, including any amendments or modifications thereof. Such agreement shall fix the amount of Deferred Compensation, specify a preference among the investment alternatives designated by the Employer, designate the Employee's Beneficiary or Beneficiaries, and incorporate the terms, conditions, and provisions of the Plan by reference.

2.09 Normal Compensation: The amount of compensation which would be payable to a Participant by the Employer for a taxable year if no Joinder Agreement were in effect to defer compensation under this Plan.

2.10 Normal Retirement Age: Age 70-1/2, unless the Participant has elected an alternate Normal Retirement Age by written instrument delivered to the Administrator prior to Separation from Service. A Participant's Normal Retirement Age determines the period during which a Participant may utilize the catch-up limitation of Section 5.02 hereunder. Once a Participant has to any extent utilized the catch-up limitation of Section 5.02, his Normal Retirement Age may not be changed.

A Participant's alternate Normal Retirement Age may not be earlier than the earliest date that the Participant will become eligible to retire and receive unreduced retirement benefits under the Employer's basic retirement plan covering the Participant and may not be later than the date the Participant will attain age 70-1/2. If a Participant continues employment after attaining age 70-1/2, not having previously elected alternate Normal Retirement Age, the Participant's alternate Normal Retirement Age shall not be later than the mandatory retirement age, if any, established by the Employer, or the age at which the Participant actually separates from service if the Employer has no mandatory retirement age. If the Participant will not become eligible to receive benefits under a basic retirement plan maintained by the Employer, the Participant's alternate Normal Retirement Age may not be earlier than age 55 and may not be later than age 70-1/2.

2.11 Participant: Any Employee who has joined the Plan pursuant to the requirements of Article IV.

2.12 Plan Year: The calendar year.

2.13 Retirement: The first date upon which both of the following shall have occurred with respect to a participant: Separation from Service and attainment of age 65.

2.14 Separation From Service: Severance of the Participant's employment with the Employer which constitutes a "separation from service" within the meaning of Section 402(d)(4)(A)(iii) of the Code. In general, a Participant shall be deemed to have severed his employment with the Employer for purposes of this Plan when, in accordance with the established practices of the Employer, the employment relationship is considered

to have actually terminated. In the case of a Participant who is an independent contractor of the Employer, Separation from Service shall be deemed to have occurred when the Participant's contract under which services are performed has completely expired and terminated, there is no foreseeable possibility that the Employer will renew the contract or enter into a new contract for the Participant's services, and is not anticipated that the Participant will become an Employee of the Employer.

2.15 Trust: The Trust created under Article VI of the Plan which shall consist of all compensation deferred under the Plan, plus any income and gains thereon, less any losses, expenses and distributions to Participants and Beneficiaries.

ARTICLE III. ADMINISTRATION

3.01 Duties of the Employer: The Employer shall have the authority to make all discretionary decisions affecting the rights or benefits of Participants which may be required in the administration of this Plan. The Employer's decisions shall be afforded the maximum deference permitted by applicable law.

3.02 Duties of Administrator: The Administrator, as agent for the Employer, shall perform nondiscretionary administrative functions in connection with the Plan, including the maintenance of Participants' Accounts, the provision of periodic reports of the status of each Account, and the disbursement of benefits on behalf of the Employer in accordance with the provisions of this Plan.

ARTICLE IV. PARTICIPATION IN THE PLAN

4.01 Initial Participation: An Employee may become a Participant by entering into a Joinder Agreement prior to the beginning of the calendar month in which the Joinder Agreement is to become effective to defer compensation not yet earned.

4.02 Amendment of Joinder Agreement: A Participant may amend an executed Joinder Agreement to change the amount of compensation not yet earned which is to be deferred (including the reduction of such future deferrals to zero) or to change his investment preference (subject to such restrictions as may result from the nature of terms of any investment made by the Employer). Such amendment shall become effective as of

the beginning of the calendar month commencing after the date the amendment is executed. A Participant may at any time amend his Joinder Agreement to change the designated Beneficiary, and such amendment shall become effective immediately.

ARTICLE V. LIMITATIONS ON DEFERRALS

5.01 Normal Limitation: Except as provided in section 5.02, the maximum amount of Deferred Compensation for any Participant for any taxable year shall not exceed the lesser of \$7,500.00, as adjusted for the cost-of-living in accordance with Code section 457(e)(15) for taxable years beginning after December 31, 1996 (the "dollar limitation"), or 33-1/3 percent of the Participant's Includible Compensation for the taxable year. This limitation will ordinarily be equivalent to the lesser of the dollar limitation in effect for the taxable year or 25 percent of the Participant's Normal Compensation.

5.02 Catch-Up Limitation: For each of the last three (3) taxable years of a Participant ending before his attainment of Normal Retirement Age, the maximum amount of Deferred Compensation shall be the lesser of: (1) \$15,000 or (2) the sum of (i) the Normal Limitation for the taxable year, and (ii) the Normal Limitation for each prior taxable year of the Participant commencing after 1978 less the amount of the Participant's Deferred Compensation for such prior taxable years. A prior taxable year shall be taken into account under the preceding sentence only if (i) the Participant was eligible to participate in the Plan for such year (or in any other eligible deferred compensation plan established under Section 457 of the Code which is properly taken into account pursuant to regulations under section 457), and (ii) compensation (if any) deferred under the Plan (or such other plan) was subject to the deferral limitations set forth in Section 5.01

5.03 Other Plans: The amount excludable from a Participant's gross income under this Plan or any other eligible deferred compensation plan under section 457 of the Code shall not exceed \$7,500.00 (or such greater amount allowed under Sections 5.01 or 5.02 of the Plan), less any amount excluded from gross income under section 403(b), 402(a)(8), or 402(h)(1)(B) of the Code, or any amount with respect to which a deduction is allowable by reason of a contribution to an organization described in section 501(c)(18) of the Code.

ARTICLE VI. TRUST AND INVESTMENT OF ACCOUNTS

6.01 Investment of Deferred Compensation: A Trust is hereby created to hold all the assets of the Plan for the exclusive benefit of Participants and Beneficiaries, except that expenses and taxes may be paid from the Trust as provided in Section 6.03. The trustee shall be the Employer or such other person which agrees to act in that capacity hereunder.

6.02 Investment Powers: The trustee or the Plan Administrator, acting as agent for the trustee, shall have the powers listed in this Section with respect to investment of Trust assets, except to the extent that the investment of Trust assets is directed by Participants, pursuant to Section 6.05.

(a) To invest and reinvest the Trust without distinction between principal and income in any form of tangible or intangible property, real, personal, or mixed, and wherever situated, including, but not by way of limitation, common or preferred stocks, shares of regulated investment companies and other mutual funds, bonds, loans, notes, debentures, mortgages, certificates of deposit, interest, or participation, equipment trust certificates, commercial paper including but not limited to participation in pooled commercial paper accounts, contracts with insurance companies including but not limited to insurance, individual or group annuity, deposit administration, and guaranteed interest contracts, deposits at reasonable rates of interest at banking institutions including but not limited to savings accounts and certificates of deposit, and other forms of securities or investments of any kind, class, or character whatsoever and representing interests in any form of enterprise, wherever it may be located, organized or operated within or without the United States of America, whether such investments are income producing or not, without being limited in any respect by statute or court rule or decision of any jurisdiction now or hereafter in force purporting to limit or otherwise affect such investments. Assets of the Trust may be invested in securities or new ventures that involve a higher degree of risk than investments that have demonstrated their investment performance over an extended period of time.

(b) To invest and reinvest all or any part of the assets of the Trust in any common, collective or commingled trust fund that is maintained by a bank or other institution and that is available to Employee plans described under sections 457 or 401 of the Code, or any successor provisions thereto, and during the period of time that an investment through any such medium shall exist, to the extent of participation of the Plan, the declaration of trust of such common, collective, or commingled trust fund shall constitute a part of this Plan.

(c) To invest and reinvest all or any part of the assets of the Trust in any group annuity, deposit administration or guaranteed interest contract issued by an insurance company or other financial institution on a commingled or collective basis with the assets of any other 457 plan or trust qualified under section 401(a) of the Code or any other plan described in section 401(a)(24) of the Code, and such contract may be held or issued in the name of the Plan Administrator, or such custodian as the Plan Administrator may appoint, as agent and nominee for the Employer. During the period that an investment through any such contract shall exist, to the extent of participation of the Plan, the terms and conditions of such contract shall constitute a part of the Plan.

(d) To purchase part interests in real property or in mortgages on real property, wherever such real property may be situated, and to delegate to a property manager or the holder or holders of a majority interest in such real property or mortgage on real property the management and operation of any part interest in such real property or mortgages.

(e) To hold cash awaiting investment and to keep such portion of the Trust in cash or cash balances, without liability for interest, in such amounts as may from time to time be deemed to be reasonable and necessary to meet obligations under the Plan or otherwise to be in the best interests of the Plan.

(f) To retain, manage, operate, administer, divide, subdivide, partition, mortgage, pledge, improve, alter, demolish, remodel, repair, and develop in any manner any property, or any part of or partial interest in any property, real or personal, held in the Trust, to lease such property for any period of time, and to grant options to sell, exchange, lease, or

otherwise dispose of any such property, without regard to restrictions applicable to fiduciaries or others and without the approval of any court.

(g) To sell for cash or credit, redeem, exchange for other property, convey, transfer, or otherwise dispose of any property held in the Trust in any manner and at any time, by private contract or at public auction or otherwise, and no other person shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition.

(h) To enter into contracts for or to make commitments either alone or in company with others to purchase or sell at any future date any property acquired for the Trust.

(i) To vote or to refrain from voting any stocks, bonds, or other securities held in the Trust, to exercise any other right appurtenant to any securities or other property held in the Trust, to give general or special proxies or powers of attorney with or without power of substitution with respect to such securities and other property, to exercise any conversion privileges, subscription rights, or other options or privileges with respect to such securities and other property and make any payments incidental thereto, and generally to exercise, personally or by general or limited power of attorney, any of the powers of an owner with respect to stocks, bonds, securities, or other property held in the Trust at any time.

(j) To oppose or to consent to and participate in any organization, reorganization, consolidation, merger, combination, readjustment of finances, or similar arrangement with respect to any corporation, company, or association, any of the securities of which are held in the Trust, to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments, or subscriptions that may be deemed necessary or advisable in connection therewith, and to accept, hold, and retain any securities or other property that may be so acquired.

(k) To deposit any property held in the Trust with any protective, reorganization, or similar committee, and to delegate discretionary power thereto and to pay and agree to pay part of its expenses and compensation and any assessments levied with respect to any such property so deposited.

(l) To hold, to authorize the holding of, and to register any investment to the Trust in the name of the Plan, the Employer, or any nominee or agent of any of the foregoing, including the Plan Administrator, or in bearer form, to deposit or arrange for the deposit of securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, and to organize corporations or trusts under the laws of any jurisdiction for the purpose of acquiring or holding title to any property for the Trust, all with or without the addition of words or other action to indicate that property is held in a fiduciary or representative capacity but the books and records of the Plan shall at all times show that all such investments are part of the Trust.

(m) Upon such terms as may be deemed advisable by the Employer or the Plan Administrator, as the case may be, for the protection of the interests of the Plan or for the preservation of the value of an investment, to exercise and enforce by suit for legal or equitable remedies or by other action, or to waive any right or claim on behalf of the Plan or any default in any obligation owing to the Plan, to renew, extend the time for payment of, agree to a reduction in the rate of interest on, or agree to any other modification or change in the terms of any obligation owing to the Plan, to settle, compromise, adjust, or submit to arbitration any claim or right in favor of or against the Plan, to exercise and enforce any and all rights of foreclosure, bid for property in foreclosure, and take a deed in lieu of foreclosure with or without paying consideration therefor, to commence or defend suits or other legal proceedings whenever any interest of the Plan requires it, and to represent the Plan in all suits or legal proceedings in any court of law or equity or before any body or tribunal.

(n) To employ suitable consultants, depositories, agents, and legal counsel on behalf of the Plan.

(o) To make, execute, acknowledge, and deliver any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases, or other instruments in writing necessary or proper for the accomplishment of any of the foregoing powers.

(p) To open and maintain any bank account or accounts in the name of the Plan, the Employer, or any nominee or agent of the foregoing, including the Plan Administrator, in any bank or banks.

(q) To do any and all other acts that may be deemed necessary to carry out any of the powers set forth herein.

6.03 Taxes and Expenses: All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon, or in respect to the Trust, or the income thereof, and all commissions or acquisitions or dispositions of securities and similar expenses of investment and reinvestment of the Trust, shall be paid from the Trust. Such reasonable compensation of the Plan Administrator, as may be agreed upon from time to time by the Employer and the Plan Administrator, and reimbursement for reasonable expenses incurred by the Plan Administrator in performance of its duties hereunder (including but not limited to fees for legal, accounting, investment and custodial services) shall also be paid from the Trust.

6.04 Payment of Benefits: The payment of benefits from the Trust in accordance with the terms of the Plan may be made by the Plan Administrator, or by any custodian or other person so authorized by the Employer to make such disbursement. The Plan Administrator, custodian or other person shall not be liable with respect to any distribution of Trust assets made at the direction of the Employer.

6.05 Investment Funds: In accordance with uniform and nondiscriminatory rules established by the Employer and the Plan Administrator, the Participant may direct his/her Accounts to be invested in one (1) or more investment funds available under the Plan; provided, however, that the Participant's investment directions shall not violate any investment restrictions established by the Employer. Neither the Employer, the Administrator, nor any other person shall be liable for any losses incurred by virtue of following such directions or with any reasonable administrative delay in implementing such directions.

6.06 Valuation of Accounts: As of each Accounting Date, the Plan assets held in each investment fund offered shall be valued at fair market value and the investment income and gains or losses for each fund shall be determined. Such investment income and gains or losses shall be allocated proportionately among all Account balances on a fund-by-fund basis. The allocation shall be in the proportion that each such Account balance as of the immediately preceding Accounting Date bears to the total of all such Account balances as of that Accounting Date. For purposes of this Article, all Account balances include the Account balances of all Participants and Beneficiaries.

6.07 Participant Loan Accounts: Participant Loan Accounts shall be invested in accordance with Section 8.03 of the Plan. Such Accounts shall not share in any investment income and gains or losses of the investment funds described in Sections 6.05 and 6.06.

6.08 Crediting of Accounts: The Participant's Account shall reflect the amount and value of the investments or other property obtained by the Employer through the investment of the Participant's Deferred Compensation pursuant to Sections 6.05 and 6.06. It is anticipated that the Employer's investments with respect to a Participant will conform to the investment preference specified in the Participant's Joinder Agreement, but nothing herein shall be construed to require the Employer to make any particular investment of a Participant's Deferred Compensation. Each Participant shall receive periodic reports, not less frequently than annually, showing the then current value of his/her Account.

6.09 Transfers:

(a) Incoming Transfers: A transfer may be accepted from an eligible deferred compensation plan maintained by another employer and credited to a Participant's Account under the Plan if (I) the Participant has separated from service with that employer and become an Employee of the Employer, and (ii) the other employer's plan provides that such transfer will be made. The Employer may require such documentation from the predecessor plan as it deems necessary to effectuate the transfer, to confirm that such plan is an eligible deferred compensation plan within the meaning of Section 457 of the Code, and to assure that transfers are provided for under such plan. The Employer may refuse to accept a transfer in the form of assets other

than cash, unless the Employer and the Administrator agree to hold such other assets under the Plan. Any such transferred amount shall be treated as a deferral subject to the limitations of Article V, except that, for purposes of applying the limitations of Sections 5.01 and 5.02, an amount deferred during any taxable year under the plan from which the transfer is accepted shall be treated as if it has been deferred under this Plan during such taxable year and compensation paid by the transferor employer shall be treated as if it had been paid by the Employer.

(b) Outgoing Transfers: An amount may be transferred to an eligible deferred compensation plan maintained by another employer, and charged to a Participant's Account under this Plan, if (I) the Participant has separated from service with the Employer and become an employee of the other employer, (ii) the other employer's plan provides that such transfer will be accepted, and (iii) the Participant and the employers have signed such agreements as are necessary to assure that the Employer's liability to pay benefits to the Participant has been discharged and assumed by the other employer. The Employer may require such documentation from the other plan as it deems necessary to effectuate the transfer, to confirm that such plan is an eligible deferred compensation plan within the meaning of section 457 of the Code, and to assure that transfers are provided for under such plan. Such transfers shall be made only under such circumstances as are permitted under section 457 of the Code and the regulations thereunder.

6.10 Employer Liability: In no event shall the Employer's liability to pay benefits to a Participant under this Plan exceed the value of the amounts credited to the Participant's Account; neither the Employer nor the Administrator shall be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

ARTICLE VII. BENEFITS

7.01 Retirement Benefits and Election on Separation from Service: Except as otherwise provided in this Article VII, the distribution of a Participant's Account shall commence as of April 1 of the calendar year after the Plan Year of the Participant's Retirement, and the distribution of such Retirement benefits shall be made in accordance with one of the payment options described in Section 7.02. Notwithstanding the foregoing, but subject to the following paragraph of this Section 7.01, the Participant may irrevocably elect within 60 days following Separation from Service to have the distribution of benefits commence on a fixed determinable date other than that described in the preceding sentence which is at least 61 days after Separation from Service, but not later than April 1 of the year following the year of the Participant's Retirement or attainment of age 70-1/2, whichever is later. Notwithstanding the foregoing provisions of this Section 7.01, no election to defer the commencement of benefits after a separation from service shall operate to defer the distribution of any amount in the Participant's Loan Account in the event of a default of the Participant's loan.

Effective on or after January 1, 1997, the Participant may elect to defer the commencement of distribution of benefits to a fixed determinable date later than the date described above, but not later than April 1 of the year following the year of the Participant's retirement or attainment of age 70-1/2, whichever is later, provided (a) such election is made after the 61st day following Separation from Service and before commencement of distributions and (b) the Participant may make only one (1) such election. Notwithstanding the foregoing, the Administrator, in order to ensure the orderly administration of this provision, may establish a deadline after which such election to defer the commencement of distribution of benefits shall not be allowed.

7.02 Payment Options: As provided in Sections 7.01, 7.04 and 7.05, a Participant or Beneficiary may elect to have value of the Participant's Account distributed in accordance with one of the following payment options, provided that such option is consistent with the limitations set forth in Section 7.03.

- (a) Equal monthly, quarterly, semi-annual or annual payments in an amount chosen by the Participant, continuing until his/her Account is exhausted;

- (b) One lump-sum payment;

- (c) Approximately equal monthly, quarterly, semi-annual or annual payments, calculated to continue for a period certain chosen by the Participant.

- (d) Annual Payments equal to the minimum distributions required under Section 401(a)(9) of the Code over the life expectancy of the Participant or over the life expectancies of the Participant and his Beneficiary.

- (e) Payments equal to payments made by the issuer of a retirement annuity policy acquired by the Employer.

- (f) A split distribution under which payments under options (a), (b), (c) or (e) commence or are made at the same time, as elected by the Participant under Section 7.01, provided that all payments commence (or are made) by the latest benefit commencement date under Section 7.01 and that once a payment is made subsequent payments will be made in substantially nonincreasing amounts.

- (g) Any payment option elected by the Participant and agreed to by the Employer and Administrator, provided that such option must provide for substantially nonincreasing payments for any period after the benefit commencement date under Section 7.01.

A Participant's or Beneficiary's selection of a payment option made after December 31, 1995, under Subsections (a), (c), or (g) above may include the selection of an automatic annual cost-of-living increase. Such increase will be based on the rise in the Consumer Price Index for All Urban Consumers (CPI-U) from the third quarter of the last year in which a cost-of-living increase was provided to the third quarter of the current year. Any increase will be made in periodic payment checks beginning the following January. The first cost-of-living increase will be based on the rise in the CPI-U from the third quarter of 1995 to the third quarter of 1996, and will be applied to amounts paid beginning January 1997.

A Participant's or Beneficiary's election of a payment option must be made at least 30 days before the payment of benefits is to commence. If a Participant or Beneficiary fails to make a timely election of a payment option, benefits shall be paid monthly under option (c)

above for a period of five years or such shorter period of time necessary to ensure that the amount of any installment is not less than \$1,200 per year, without the inclusion of a cost-of-living increase.

7.03 Limitation on Options: No payment option may be selected by a Participant under subsections 7.02(a) or (c) unless the amount of any installment is not less than \$1,200 per year. No payment option may be selected by a Participant or Beneficiary under Sections 7.02, 7.04, or 7.05 unless it satisfies the requirements of Sections 401(a)(9) and 457(d)(2) of the Code, including that payments commencing before the death of the Participant shall satisfy the incidental death benefits requirement under section 457(d)(2)(B)(i)(I). A cost-of-living increase included as part of a payment option selected under Section 7.02 shall not be considered to fail to satisfy the requirement under section 457(d)(2)(b) that any distribution made over a period of more than 1 year can only be made in substantially nonincreasing amounts. Unless otherwise elected by the Participant (or spouse, in the case of distributions described in Section 7.05 below) by the time distributions are required to begin, life expectancies shall be recalculated annually. Such election shall be irrevocable as to the Participant (or spouse) and shall apply to all subsequent years. The life expectancy of a nonspouse Beneficiary may not be recalculated.

7.04 Post-retirement Death Benefits:

(a) Should the Participant die after he/she has begun to receive benefits under a payment option, the remaining payments, if any, under the payment option shall be payable to the Participant's Beneficiary within the 30-day period commencing with the 61st day after the Participant's death, unless the Beneficiary elects payment under a different payment option that is available under Section 7.02 within 60 days of the Participant's death. Any different payment option elected by a Beneficiary under this section must provide for payments at a rate that is at least as rapid under the payment option that was applicable to the Participant. In no event shall the Employer or Administrator be liable to the Beneficiary for the amount of any payment made in the name of the Participant before the Administrator receives proof of death of the Participant.

(b) If the designated Beneficiary does not continue to live for the remaining period of payments under the payment option, then the commuted value of any remaining payments under the payment option shall be paid in a lump sum to the estate of the Beneficiary. In the event that the Participant's estate is the Beneficiary, the commuted value of any remaining payments under the payment option shall be paid to the estate in a lump sum.

7.05 Pre-retirement Death Benefits:

(a) Should the Participant die before he has begun to receive the benefits provided by Section 7.01, the value of the Participant's Account shall be payable to the Beneficiary commencing within the 30-day period commencing on the 91st day after the Participant's death, unless the Beneficiary elects a different fixed or determinable benefit commencement date within 90 days of the Participant's death. Such benefit commencement date shall be not later than the later of (i) December 31 of the year following the year of the Participant's death, or (ii) if the Beneficiary is the Participant's spouse, December 31 of the year in which the Participant would have attained age 70-1/2.

(b) Unless a Beneficiary elects a different payment option prior to the benefit commencement date, death benefits under this Section shall be paid in approximately equal annual installments over five years, or over such shorter period as may be necessary to assure that the amount of any annual installment is not less than \$3,500. A Beneficiary shall be treated as if he/she were a Participant for purposes of determining the payment options available under Section 7.02, provided, however, that the payment option chosen by the Beneficiary must provide for payments to the Beneficiary over a period no longer than the life expectancy of the Beneficiary, and provided that such period may not exceed (15) years if the Beneficiary is not the Participant's spouse.

(c) In the event that the Beneficiary dies before the payment of death benefits has commenced or been completed, the remaining value of the Participant's Account shall be paid to the estate of the Beneficiary in a lump sum. In the event that the Participant's estate is the Beneficiary, payment shall be made to the estate in a lump sum.

6.06 Unforeseeable Emergencies:

(a) In the event an unforeseeable emergency occurs, a Participant may apply to the Employer to receive that part of the value of his/her Account that is reasonably needed to satisfy the emergency need. If such an application is approved by the Employer, the Participant shall be paid only such amount as the Employer deems necessary to meet the emergency need, but payment shall not be made to the extent that the financial hardship may be relieved through cessation of deferral under the Plan, insurance or other reimbursement, or liquidation of other assets to the extent such liquidation would not itself cause severe financial hardship.

(b) An unforeseeable emergency shall be deemed to involve only circumstances of severe financial hardship to the Participant resulting from a sudden unexpected illness, accident, or disability of the Participant or of a dependent (as defined in section 152(a) of the Code) of the Participant, loss of the Participant's property due to casualty, or other similar and extraordinary unforeseeable circumstances arising as a result of events beyond the control of the Participant. The need to send a Participant's child to college or to purchase a new home shall not be considered unforeseeable emergencies. The determination as to whether such an unforeseeable emergency exists shall be based on the merits of each individual case.

7.07 Transitional Rule for Pre-1989 Benefit Elections:

In the event that, prior to January 1, 1989, a Participant or Beneficiary has commenced receiving benefits under a payment option or has irrevocably elected a payment option or benefit commencement date, then that payment option or election shall remain in effect notwithstanding any other provision of the Plan.

7.08 De Minimis Accounts: Notwithstanding the foregoing provisions of this Article, if the value of a Participant's Account does not exceed \$3,500 and (a) no amount has been deferred under the Plan with respect to the Participant during the 2-year period ending on the date of the distribution and (b) there has been no prior distribution under the Plan to the Participant

rsuant to this Section 7.08, the Participant may elect to receive or the Employer may distribute the Participant's entire Account without the consent of the Participant. Such distribution shall be made in a lump sum.

ARTICLE VIII. LOANS TO PARTICIPANTS

8.01 Availability of Loans to Participants:

(a) Effective January 1, 1997, the Employer may elect to make loans available to Participants in this Plan. If the Employer has elected to make loans available to Participants, a Participant may apply for a loan from the Plan subject to the limitations and other provisions of this Article.

(b) The Employer shall establish written guidelines governing the granting of loans, provided that such guidelines are approved by the Plan Administrator and are not inconsistent with the provisions of this Article, and that loans are made available to all Participants on a reasonably equivalent basis.

8.02 Terms and Conditions of Loans to Participants: Any loan by the Plan to a Participant under Section 8.01 of the Plan shall satisfy the following requirements:

(a) Availability. Loans shall be made available to all Participants on a reasonably equivalent basis.

(b) Interest Rate. Loans must be adequately secured and bear a reasonable interest rate.

(c) Loan Limit. No Participant loan shall exceed the present value of the Participant's Account.

(d) Foreclosure. In the event of default on any installment payment, the outstanding balance of the loan shall be a deemed distribution. In such event, an actual distribution of a plan loan offset amount will not occur until a distributable event occurs in the Plan.

(e) Reduction of Account. Notwithstanding any other provision of this Plan, the portion of the Participant's Account balance used as a security interest held by the Plan by reason of a loan outstanding to the Participant shall be taken into account for purposes of determining the amount of the Account balance payable at the time of death or distribution, but only if the reduction is used as repayment of the loan.

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(f) Amount of Loan. At the time the loan is made, the principal amount of the loan plus the outstanding balance (principal plus accrued interest) due on any other outstanding loans to the Participant from the Plan and from all other plans of the Employer that are qualified employer plans under section 72(p)(4) of the Code shall not exceed the least of:

- (1) \$50,000, reduced by the excess (if any) of
 - (a) The highest outstanding balance of loans from the Plan during the one (1) year period ending on the day before the date on which the loan is made, over
 - (b) The outstanding balance of loans from the Plan on the date on which such loan is made; or
- (2) One-half of the value of the Participant's interest in all of his/her Accounts under this Plan.

(g) Application for Loan. The Participant must give the Employer adequate written notice, as determined by the Employer, of the amount and desired time for receiving a loan. No more than one (1) loan may be made by the Plan to a Participant in any calendar year. No loan shall be approved if an existing loan from the Plan to the Participant is in default to any extent.

(h) Length of Loan. Any loan issued shall require the Participant to repay the loan in substantially equal installments of principal and interest, at least monthly, over a period that does not exceed five (5) years from the date of the loan; provided, however, that if the proceeds of the loan are applied by the Participant to acquire any dwelling unit that is to be used within a reasonable time (determined at the time the loan is made) after the loan is made as the principal residence of the Participant, the five (5) year limit shall not apply. In this event, the period of repayment shall not exceed a reasonable period determined by the Employer. Principal installments and interest payments otherwise due may be suspended for up to one (1) year during an authorized leave of absence, if the promissory note so provides, but not beyond the original term permitted under this Subsection (h), with a revised payment schedule

(within such term) instituted at the end of such period of suspension.

(i) Prepayment. The Participant shall be permitted to repay the loan in whole or in part at any time prior to maturity, without penalty.

(j) Promissory Note. The loan shall be evidenced by a promissory note executed by the Participant and delivered to the Employer, and shall bear interest at a reasonable rate determined by the Employer.

(k) Security. The loan shall be secured by an assignment of the Participant's right, title and interest in and to his/her Account.

(l) Assignment or Pledge. For the purposes of paragraphs (f) and (g), assignment or pledge of any portion of the Participant's interest in the Plan and a loan, pledge, or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan.

(m) Other Terms and Conditions. The Employer shall fix such other terms and conditions of the loan as it deems necessary to comply with legal requirements, to maintain the qualification of the Plan and Trust under section 457 of the Code, or to prevent the treatment of the loan for tax purposes as a distribution to the Participant. The Employer, in its discretion for any reason, may fix other terms and conditions of the loan, not inconsistent with the provisions of this Article and section 72(p) of the Code.

8.03 Participant Loan Accounts:

(a) Upon approval of a loan to a Participant by the Employer, an amount not in excess of the loan shall be transferred from the Participant's other investment fund(s), described in Section 6.05 of the Plan, to the Participant's Loan Account as of the Accounting Date immediately preceding the agreed upon date on which the loan is to be made.

(b) The assets of a Participant's Loan Account may be invested and reinvested only in promissory notes received by the Plan from the Participant as consideration for a loan permitted by Section 8.01 of the Plan or in cash. Uninvested cash balances in a

Participant's Loan Account shall not bear interest. Neither the Employer, the Administrator, nor any other person shall be liable for any loss, or by reason of any breach, that results from the Participant's exercise of such control.

(c) Repayment of principal and payment of interest shall be made by payroll deduction or, where repayment cannot be made by payroll deduction, by check, and shall be invested in one (1) or more other investment funds, in accordance with Section 6.05 of the Plan, as of the next Accounting Date after payment thereof to the Trust. The amount so invested shall be deducted from the Participant's Loan Account.

(d) The Employer shall have the authority to establish other reasonable rules, not inconsistent with the provisions of the Plan, governing the establishment and maintenance of Participant Loan Accounts.

ARTICLE IX NON-ASSIGNABILITY

9.01 In General: Except as provided in Article VIII and Section 9.02, no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder, which payments and rights are expressly declared to be non-assignable and non-transferable.

9.02 Domestic Relations Orders:

(a) Allowance of Transfers: To the extent required under final judgement, decree, or order (including approval of a property settlement agreement) made pursuant to a state domestic relations law, any portion of a Participant's Account may be paid or set aside for payment to a spouse, former spouse, or child of the Participant. Where necessary to carry out the terms of such an order, a separate Account shall be established with respect to the spouse, former spouse, or child who shall be entitled to make investment selections with respect thereto in the same manner as the Participant; any amount so set aside for a spouse, former spouse, or child shall be paid out in a lump sum at the earliest date that benefits may be paid to the Participant, unless the order directs a different time or form of payment.

Nothing in this Section shall be construed to authorize any amount to be distributed under the Plan at a time or in a form that is not permitted under Section 457 of the Code. Any Payment made to a person other than the Participant pursuant to this Section shall be reduced by required income tax withholding; the fact that payment is made to a person other than the Participant may not prevent such payment from being includible in the gross income of the Participant for withholding and income tax reporting purposes.

(b) Release from Liability to Participant: The Employer's liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to a spouse, former spouse, or child pursuant to paragraph (a) of the Section. No such transfer shall be effectuated unless the Employer or Administrator has been provided with satisfactory evidence that the Employer and the Administrator are released from any further claim by the Participant with respect to such amounts. The Participant shall be deemed to have released the Employer and the Administrator from any claim with respect to such amounts, in any case in which (i) the Employer or Administrator has been served with legal process or otherwise joined in a proceeding relating to such transfer, (ii) the Participant has been notified of the pendency of such proceeding in the manner prescribed by the law of the jurisdiction in which the proceeding is pending for service of process in such action or by mail from the Employer or Administrator to the Participant's last known mailing address, and (iii) the Participant fails to obtain an order of the court in the proceeding relieving the Employer or Administrator from the obligation to comply with the judgment, decree, or order.

(c) Participation in Legal Proceedings: The Employer and Administrator shall not be obligated to defend against or set aside any judgement, decree, or order described in paragraph (a) any legal order relating to the garnishment of a Participant's benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant's action (or inaction) nonetheless causes the Employer or Administrator to incur such expense, the amount of the expense may be charged against the Participant's Account and thereby reduce the Employer's obligation to pay benefits to the

Participant. In the course of any proceeding relating to divorce, separation, or child support, the Employer and Administrator shall be authorized to disclose information relating to the Participant's Account to the Participant's spouse, former spouse, or child (including the legal representatives of the spouse, former spouse, or child), or to a court.

ARTICLE X. RELATIONSHIP TO OTHER PLANS AND EMPLOYMENT AGREEMENTS

This Plan serves in addition to any other retirement, pension, or benefit plan or system presently in existence or hereinafter established for the benefit of the Employer's employees, and participation hereunder shall not affect benefits receivable under any such plan or system. Nothing contained in this Plan shall be deemed to constitute an employment contract or agreement between any Participant and the Employer or to give any Participant the right to be retained in the employ of the Employer. Nor shall anything herein be construed to modify the terms of any employment contract or agreement between a Participant and the Employer.

ARTICLE XI. AMENDMENT OR TERMINATION OF PLAN

The Employer may at any time amend this Plan provided that it transmits such amendment in writing to the Administrator at least 30 days prior to the effective date of the amendment. The consent of the Administrator shall not be required in order for such amendment to become effective, but the Administrator shall be under no obligation to continue acting as Administrator hereunder if it disapproves of such amendment. The Employer may at any time terminate this Plan.

The Administrator may at any time propose an amendment to the Plan by an instrument in writing transmitted to the Employer at least 30 days before the effective date of the amendment. Such amendment shall become effective unless, within such 30-day period, the Employer notifies the Administrator in writing that it disapproves such amendment, in which case such amendment shall not become effective. In the event of such disapproval, the Administrator shall be under no obligation to continue acting as Administrator hereunder.

Except as may be required to maintain the status of the Plan as an eligible deferred compensation plan under section 457 of the Code or to comply with other applicable laws, no amendment or termination of the Plan shall divest any Participant of any rights with respect to compensation deferred before the date of the amendment or termination.

ARTICLE XII. APPLICABLE LAW

This Plan and Trust shall be construed under the laws of the state where the Employer is located and is established with the intent that it meet the requirements of an "eligible deferred compensation plan" under Section 457 of the Code, as amended. The provisions of this Plan and Trust shall be interpreted wherever possible in conformity with the requirements of that section.

ARTICLE XIII. GENDER AND NUMBER

The masculine pronoun, whenever used herein, shall include the feminine pronoun, and the singular shall include the plural, except where the context requires otherwise.

**A RESOLUTION OF THE CITY OF MILWAUKIE, OREGON,
ESTABLISHING CUSTODIAL ACCOUNT AND LIFE INSURANCE
TRANSFER AUTHORIZATION, EMPLOYER ACCOUNT: 3711**

WHEREAS, the undersigned Employer is the owner of one or more life insurance policies issued to it by Commonwealth Life Insurance Company, Kentucky Commonwealth Life Insurance Company, Peoples Security Life Insurance Company, or Providian Life and Health Insurance Company (the "Policies") in connection with the deferred compensation plan it maintains for its employees (the "Plan") pursuant to Section 457 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, as a result of amendment to the Code, all, assets, and income of the Plan must be held in a trust, custodial account or annuity contract; and

WHEREAS, the Plan has been amended to reflect the changes required by the amendment to the Code; and

WHEREAS, the Employer desires to adopt the Code Custodial Account (the "Custodial Account") to hold assets, other than annuity contracts, which will provide benefits for the participants and beneficiaries; and

WHEREAS, as a result of the amendment to the Code, the Employer desires to transfer ownership of the Policies to Bank One Trust Company, N.A. (the "Custodian") for the exclusive benefit of the Plan's participants and beneficiaries;

NOW THEREFORE, the undersigned Employer hereby accepts the Code Custodial Account Agreement, adopts the Custodial Account, authorizes transfer of ownership to the Policies to the Custodian, and designates the Custodian as the beneficiary to the Policies; and

BE IT FURTHER RESOLVED that the City Manager or their designee is hereby authorized to execute for the City, individual participation agreements with each said employee requesting same, and to act as the "Administrator" of the Plan representing the City, and to execute such agreements and contracts as are necessary to implement the Program.

Introduced and adopted by the City Council on this 4th day of November, 1997.

Craig Lomnicki, Mayor
City of Milwaukie, Oregon

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ATTEST:

Pat DuVal, City Recorder

APPROVED AS TO FORM:
O'DONNELL, RAMIS, CREW, CORRIGAN & BACHRACH

City Attorney

I, Pat DuVal, Clerk of the City of Milwaukie, Oregon of Clackamas County do hereby certify that the foregoing resolution, proposed by the City Council of Milwaukie, Oregon was duly passed and adopted by the Council at a regular meeting thereof assembled this ____ day of November 1997 by the following vote:

AYES:
NAYS:
ABSENT:

(Seal)

Clerk of the City

**UNITED STATES CONFERENCE OF MAYORS
DEFERRED COMPENSATION PROGRAM**

**THE DEFERRED COMPENSATION PLAN FOR PUBLIC EMPLOYEES
AMENDMENT #1 TO PLAN DOCUMENT**

WHEREAS EMPLOYER executed the above referenced Plan Document; and

WHEREAS, effective January 1, 1997, EMPLOYER desires to amend the Plan Document as follows:

1. The first sentence of Article I, Section 1.01(n) is hereby deleted and replaced with the following:

SEPARATION FROM SERVICE means Separation From Service as used in IRC Section 402 (d)(4)(A)(iii), and on account of the PARTICIPANT'S death or retirement.

2. ARTICLE II, Section 2.04 is hereby deleted and replaced with the following:

2.04. Except as provided in Section 2.05, the maximum deferred amount under the PLAN for the PARTICIPANT'S taxable year shall not exceed the lesser of (a) \$7,500 (as adjusted by the Secretary of the Treasury) or (b) 33 1/3% of the PARTICIPANT'S Includible Compensation as provided in IRC Section 457.

3. ARTICLE II, Section 2.06 is amended by replacing "402(a)(8)" with "402(e)(3)" and by adding, in the third line "or (k)" following "402(h)(1)(B)".

4. Article II is hereby amended by the addition of the following Section:

2.07 Notwithstanding the preceding provisions of Article II, a PARTICIPANT who is entitled to reemployment pursuant to the terms of the Uniformed Services Employment and Reemployment Act of 1994 (USERRA) may defer an additional amount under the PLAN as provided in that act for the years of his or her service in the uniformed services (as defined in USERRA). Any such deferrals will not be subject to the limits set forth above in the year in which deferred, but will be subject to the limits for the year to which such deferrals relate.

5. ARTICLE VII, Section 7.02 is hereby deleted and replaced with the following:

7.02. The EMPLOYER shall use the PARTICIPANT'S or Beneficiary's investment specifications so as to determine the value of the deferred account maintained

with respect to the PARTICIPANT as if the deferred amounts had been invested according to such specifications; provided, however, that only upon approval from EMPLOYER and Administrator may a PARTICIPANT allocate an amount greater than 25% of the total deferrals of the PARTICIPANT to a life insurance option.

6. ARTICLE VII, Section 7.04 is hereby deleted and replaced with the following:

7.04. All assets of the PLAN, including all deferred amounts, property and rights purchased with deferred amounts, and all income attributable to such deferred amounts, property or rights, shall (until made available to the PARTICIPANT or Beneficiary) be held in a trust, custodial account or annuity contract described in IRC Section 457(g) for the exclusive benefit of the PARTICIPANTS and their beneficiaries.

7. ARTICLE VIII, Section 8.01 is hereby deleted and replaced with the following:

8.01. Commencement of Distributions: The PARTICIPANT may elect the time at which distributions under the PLAN are to commence by designating the month and year during which the first distribution is to be made. The earliest distribution commencement date that may be elected by the PARTICIPANT shall be the earlier of:

(a) thirty-one (31) days after Administrator is notified of PARTICIPANT'S separation from service or the date the PARTICIPANT separates from service, whichever is later; or

(b) the date on which the PARTICIPANT attains age 70 1/2 or terminates deferrals under this PLAN, whichever is later.

At least thirty (30) days prior to the date on which a PARTICIPANT is eligible for benefits to commence under the PLAN, the EMPLOYER shall notify the ADMINISTRATOR in writing, mailed to the ADMINISTRATOR'S Home Office, of the PARTICIPANT'S eligibility.

The PARTICIPANT shall make such election no later than the earlier of:

(a) thirty (30) days following the date Administrator is notified of PARTICIPANT'S separation from Service or

(b) thirty (30) days following attainment of age 70.

Benefits payable to the PARTICIPANT will be the equivalent of the total benefits that would have been created had the deferred amounts been invested as specified by the PARTICIPANT.

The date elected for commencement of distributions ("the Elected Commencement Date") shall be not later than the Mandatory Commencement Date, which shall be the later of:

- (a) April 1 of the calendar year following the calendar year in which the PARTICIPANT attains age 70 1/2; or
- (b) April 1 of the calendar year following the calendar year in which the PARTICIPANT separates from service with the EMPLOYER.

The Elected Commencement Date may be postponed, once, following the PARTICIPANT's separation from service, if the PARTICIPANT files an election designating a new date for benefits to begin, prior to the original Elected Commencement Date. Failure to file an election with the Administrator within the appropriate time period will result in the Administrator beginning distributions one hundred and eighty (180) days following the date the PARTICIPANT separated from service or the date the Administrator is notified of PARTICIPANT'S separation from service, whichever is later.

8. ARTICLE VIII, is hereby amended by the addition of the following Section:

8.05 In service distribution - \$3,500 or less: If the total amount payable to a PARTICIPANT under the PLAN is \$3,500 or less, the PARTICIPANT may elect to receive such amount before separation of service (or the PLAN may distribute such amount without the PARTICIPANT'S consent) if -

- (a) no amount has been deferred under the PLAN with respect to such PARTICIPANT during the two year period ending on the date of distribution, and
- (b) there has been no prior distribution under the PLAN to such PARTICIPANT to which this Section applied.

9. ARTICLE X is hereby amended by the addition of the following Section:

10.07 All assets of the Plan, including all deferred amounts, property and rights purchased with deferred amounts, and all income attributable to such deferred amounts, property or rights, other than assets held in annuity contracts, will be held in a custodial account described in IRC Section 457(g). Such amounts will

be held in a common fund with the assets of other Section 457 Plans. Such custodial account shall be held by the custodian thereof for the exclusive benefit of the PARTICIPANTS and Beneficiaries of this and other Section 457 Plans and the assets may not be diverted to any other use. The Administrator shall be the agent of the EMPLOYER for purposes of providing direction to the custodian of the custodial account from time to time as to the investment of the funds held in the account, the transfer of assets to or from the account and all other matters. A copy of the Section 457 Custodial Account Agreement which describes the duties of the custodian is attached hereto as Exhibit A and is incorporated herein by reference.

SECTION 457 CUSTODIAL ACCOUNT AGREEMENT

THIS CUSTODIAL AGREEMENT is made this 24th day of September, 1996 by and between PUBLIC EMPLOYEES BENEFIT SERVICES CORPORATION duly organized and existing under the laws of the State of Delaware, or its successor, (the "Principal") on behalf of certain public employers and deferred compensation plans described herein and BANK ONE TRUST COMPANY, N.A., a national banking association organized and existing under the national banking laws of the United States (the "Custodian") for the exclusive benefit of the participants and their beneficiaries of those certain deferred compensation plans described herein.

WITNESSETH:

WHEREAS, Section 457 of the Internal Revenue Code of 1986 (the "Code") governs the tax treatment for deferred compensation plans of state and local governments ("Plan" or "Plans");

WHEREAS, Section 457 of the Code has been amended to require that assets and income of any such Plan be set aside in trust for the exclusive benefit of participants and their beneficiaries;

WHEREAS, Principal, pursuant to this amendment of the Code desires as administrator and on behalf of such Plans and for their eligible employers ("Employer" or "Employers") to open a custodial account, the assets of which shall be held by Custodian (as defined in Section 401(f) of the Code) for the exclusive benefit of participants and the beneficiaries thereof of such Plans;

WHEREAS, Custodian has all requisite power and authority to maintain and hold such assets in a custodial capacity for the exclusive benefit of such Plan participants and is a bank within the meaning of Section 408(n) of the Code;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. INTENTION. The parties hereto intend that this agreement comply with Section 457(g) of the Code and this Agreement shall be interpreted consistently with said Section.
2. NAME. The name of this custodial account shall be the Section 457 Custodial Account (the "Account").
3. ADOPTION OF THIS AGREEMENT. Each Employer who desires that the Plan which it sponsors become a part of the custodial account created under this Agreement for the benefit of the participants thereof and their beneficiaries shall adopt the terms of this Agreement in the form agreed to by the Principal and the Custodian.

4. CUSTODIAN'S DUTIES. The Custodian shall hold in its name or the name of its nominee, for the benefit of the participants and beneficiaries of the Plans whose Employers have adopted this Agreement, various life insurance contracts, savings plans and mutual fund shares delivered to it by Principal as directed from time to time by the Employers maintaining such Plans, such direction to be provided to Custodian through Principal. Custodian shall only be responsible for custody thereunder of cash, securities and property delivered to it from Principal and then only while the cash, securities and property are held in and as part of the Account. Custodian shall have no obligation to review any direction to determine whether Principal's direction complies with Section 457 of the Code. Such assets, including any earnings accruing on them, shall be held solely for the participants and beneficiaries of the Plans and may not be diverted to any other use. Principal shall not give Custodian any direction which would cause any assets to be assigned by any Plan, other than as a transfer to another investment option under such Plan that satisfies the requirements of Section 457 of the Code. Such contracts, savings plans and mutual fund shares shall be held as a single account by Custodian. Custodian shall hold the contracts, savings plans or mutual fund shares until termination of the custodial account as described herein or upon cancellation of the contracts or mutual fund shares as directed by a Plan's employer through Principal or until transferred to a successor pursuant to Section 9 hereof. Custodian and Principal may enter into other agreements concerning the administration of the assets held under this Custodial Agreement.

The Principal and Custodian acknowledge and agree that all such assets held in the custodial account shall be for the account and risk of Plan participants and beneficiaries, and any losses with such assets shall be borne solely by the Plan participants and beneficiaries thereunder. The Custodian shall have no discretion whatsoever with respect to the management, disposition or investment of the assets held in this Account.

5. LIMITATIONS ON DUTIES OF CUSTODIAN. The duties and obligations and rights of Custodian shall only be such as are specifically set forth in this Custodial Agreement, as it may from time to time be amended, and no implied duties or obligations or rights shall be read into this Custodial Agreement against the Custodian. Custodian is entitled to conclusively rely upon the direction of the Principal. In particular, Custodian shall have no duty to monitor the value of any investment or to make any investment decisions with respect to the property held hereunder. Custodian shall not be required to follow any direction of an Employer which is not provided through Principal, such grant of authority by Employer to Principal to provide direction to Custodian is the subject of other agreements to which Custodian is not a party.

As long as and to the extent that it exercises reasonable care, Custodian shall not be responsible for the title, validity or genuineness of any property or evidence of title thereto received by it or delivered by it pursuant to this Agreement.

Custodian shall be entitled to rely upon and may act upon advice of counsel (who may or may not be counsel for the Principal) on all matters, and shall be without liability for any action reasonably taken or omitted pursuant to such advice.

6. RECORDS AND REPORTS. Custodian shall create and maintain records relating to its activities and obligations under this Agreement. All such records shall remain property of the Custodian. Custodian shall have no duty to maintain any records concerning the balance in any particular Plan or in any Plan participant's account, that being the duty of the Principal.

7. LIABILITY LIMITATIONS. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused directly or indirectly by circumstances beyond its reasonable control, including without limitation: acts of God, earthquakes, fires, floods, wars, civil or military disturbance, sabotage, epidemics, riots, interruptions, loss or malfunction of utilities or communications service, accidents, labor disputes, acts of civil or military authority, governmental action, or inability to obtain labor, material, equipment or transportation.

In no event shall the Custodian or its directors, officers, agents and employees be held liable for any special, indirect, punitive or consequential damages resulting from any action taken or omitted to be taken by it or them hereunder or in connection herewith even if advised of the possibility of such damage.

8. COMPENSATION AND EXPENSES. Custodian shall be entitled to receive compensation for its services and for reimbursement of its out of pocket expenses at such times and in such amounts as the Custodian and the Principal may, from time to time, agree. Such fees and expenses will be paid by Principal and only should Principal become delinquent will fees be paid out of the funds held under this Agreement as authorized by the Principal.

9. RESIGNATION, REMOVAL and SUCCESSION OF CUSTODIAN. The Custodian or Principal may terminate the Custodial Account agreement without assigning any cause, in writing, effective not less than ninety (90) days after receipt thereof, by the other party. No such resignation or removal shall be effective until a successor Custodian has been appointed by the Principal and has accepted such appointment and all assets in the Account have been duly transferred to such successor Custodian. If the Principal fails to name a successor Custodian within ninety (90) days after receipt of a written resignation from the Custodian, the Custodian shall have the right to commence an action in the nature of an interpleader (or other appropriate action) and seek to deposit the property in a court of competent jurisdiction.

In case of the appointment of a successor Custodian, all of the powers, rights and duties of the Custodian named herein shall survive and continue in the successor Custodian and every successor Custodian shall succeed to, take and have all the powers, rights and duties which belonged to or were held by its predecessor.

10. ACCOUNTINGS. Custodian will provide to Principal statements with respect to the Account as a single account which will not reflect the interest of each section 457 Plan. Principal may approve any account or statement. Custodian shall have the right to have its accounts settled by judicial proceedings, if it so elects, in which event only Custodian and Principal shall

be necessary parties. Custodian may, however, in its discretion, join as defendant any other person or persons who may have or claim an interest therein. Except as otherwise provided under applicable law, only Principal may require Custodian to provide an accounting and only Principal may institute an action or a proceeding against Custodian. Custodian shall have no duty to provide any accountings or reports to any employer.

11. VOTING. Custodian shall promptly deliver or mail to the Principal all forms of proxies and all notices of meetings affecting or relating to Securities held in any custodial account established. Upon receipt of proper instructions, Custodian shall execute and deliver such proxies or other authorizations may be required. Neither Custodian nor its nominee shall vote any Securities or execute any proxy to vote the same or give any consent to take any other action with respect thereto absent proper instructions from Principal.

Custodian shall release and deliver such Securities and take any other action as directed by the Principal, with respect to dividends, splits, distributions, spin-offs, puts, calls, conversions, redemptions, tenders, exchanges, mergers, reorganizations, rights, warrants or any other similar activity relating to the Securities.

12. TERMINATION. This Custodial Account shall terminate the earlier of the date on which Principal determines that this Custodian Account no longer is necessary in light of any statutory or regulatory change to the set aside requirement set forth in Section 457(g) of the Code or a date one hundred days after the termination or redemption date of the last contract or mutual fund share held hereunder. Any assets remaining at the time of such termination or cancellation shall be returned to Principal, or be transferred to another party(ies) upon direction from the Principal.

13. GOVERNING LAW. The provisions of and validity and construction of this Custodial Agreement shall be governed by and construed in accordance with the laws of the State of Ohio and the Custodial Account created hereunder shall be administered in accordance with such laws.

14. SUCCESSORS and ASSIGNS. This Agreement and the rights and duties hereunder shall not be assignable by either of the parties hereto except Custodian may assign this Agreement to any of its affiliates.

15. AMENDMENTS. This Custodial Agreement may be amended from time to time by an instrument in writing executed solely by duly authorized officers of the Principal and Custodian. Amendments may be executed without the consent of any Plan, Employer or Plan participant.

16. NO THIRD PARTY BENEFIT. This Agreement is intended for the exclusive benefit of the parties to this Agreement, the participating Plans, the participants in such Plans and their beneficiaries, and their respective successors and assigns, and nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any other party.

17. DISPUTE RESOLUTION AND ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or the breach of the same, shall be settled through consultation and negotiation in good faith and a spirit of mutual cooperation. However, if those attempts fail, the parties agree that any misunderstandings or disputes arising from this Agreement shall be decided by arbitration in Columbus, Ohio which shall be conducted, upon request by either party, before three (3) arbitrators (unless both parties agree on one (1) arbitrator) designated by the American Arbitration Association (the "AAA"), in accordance with the terms of the Commercial Arbitration Rules of the AAA and, to the maximum extent applicable, the United States Arbitration ACE (Title 9 of the United States Code), or if such Act is not applicable, any substantially equivalent state law. The parties further agree that the arbitrator(s) will decide which party must bear the expenses of the arbitration proceedings.

18. MEDIA RELEASES. No media releases of any kind to publicize the Account or relationship between the Employer, Custodian or Principal are permitted. No party shall use any trade name trademark, service mark or any other information which identifies the other party in its sales, marketing and publicity activities, including but not limited to interviews with representatives of any written publication, television station or network, or radio station or network. The Custodian and Principal may by joint action waive the restrictions of this Section; an Employer may seek a waiver by submitting a request through Principal.

IN WITNESS WHEREOF, the parties hereto have caused this Custodial Agreement to be SIGNED, SEALED and DELIVERED at Columbus, Ohio on the date set forth above.

PRINCIPAL:

PUBLIC EMPLOYEES BENEFIT SERVICES CORPORATION

By: *J. Williams*
Its: President

CUSTODIAN:

BANK ONE TRUST COMPANY, N.A.

By: *[Signature]*
Its: Vice President

ENDORSEMENT

**Group Flexible Fund Retirement Contract
(TSP 556)
Group Fixed Fund Retirement Contract
(TSP 557)**

Attached to and made a part of this contract by

**NATIONWIDE LIFE INSURANCE COMPANY
ONE NATIONWIDE PLAZA
COLUMBUS, OH 43216**

WHEREAS the above-referenced group annuity contract was issued to the Owner ("the Owner") by NATIONWIDE LIFE INSURANCE COMPANY ("the Company") and the Company wishes to modify this contract pursuant to Section 6.02 and to comply with the Small Business Job Protection Act of 1996 ("the Act"). Section 1448 of the Act amends Section 457 of the Internal Revenue Code of 1986, as amended ("Code"), regarding plan assets of governmental plans. This Endorsement shall be effective on January 1, 1997 or the Effective Date of the Contract, whichever is later.

NOW, THEREFORE, the Company hereby endorses the Contract as follows:

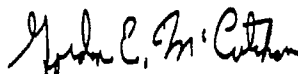
1. The Contract Schedule is revised by deleting the following language:

Owner of Contract: CITY OF MILWAUKIE

and replacing it with the following language:

Owner of Contract: CITY OF MILWAUKIE, for the benefit of the Participants and Beneficiaries of the USCM Plan.

2. All references in the Contract or endorsements to the Contract regarding ownership of the Contract, the ownership of Plan assets, exercise of contractual rights, or any other provision affected by the Act, shall be subject to the following provisions:
 - a) The Owner of the Contract shall hold all assets and income of the Plan for the exclusive benefit of the Plan's Participants and beneficiaries. Contractual rights and privileges may be exercised by the Owner to the extent such rights are not specifically reserved in the Plan for Participants as a group or as individuals. The Owner may not take any action inconsistent with the rights of the Plan's Participants.
 - b) This Contract shall be treated as a trust for purposes of the Code under rules similar to the rules under Section 401(f) of the Code.



SECRETARY



PRESIDENT

O'DONNELL RAMIS CREW
CORRIGAN & BACHRACH

ATTORNEYS AT LAW
1727 N.W. Hoyt Street
Portland, Oregon 97209

TELEPHONE: (503) 222-4402
FAX: (503) 243-2944

DATE: August 18, 1997
TO: Charlene Richards, Assistant City Manager
FROM: Paul C. Elsner, City Attorney's Office *pcelsner*
RE: ICMA-RC Section 457 Deferred Compensation Plan (Proposed)

You recently asked this office to review the terms of the proposed ICMA-RC deferred compensation plan to determine whether City employees have the lawful ability to invest funds contributed to their accounts in the higher returns found in mutual funds, securities and the like, as opposed to governmental bonds and other lower interest investment vehicles. Included with the materials you forwarded are two legal opinions on this issue: one from Clark Williams to the Salem Area Mass Transit District and one from Jeff Condit, Lake Oswego City Attorney to Greta Utrecht, that City's Interim Human Resources Director. I agree with the conclusions found by those gentlemen that the City may lawfully amend its deferred compensation plan to allow for investments of the type you describe in your memorandum.

From my review, the document does not differ from other 457 plan documents offered by ICMA which I have reviewed since the beginning of the year for other municipal clients. As both Mr. Williams and Mr. Condit note in their respective memoranda, ICMA is making changes to the Plan documents in light of changes effective last September (1996) to the Internal Revenue Code which shifted the "ownership interest" in assets accumulated under 457 deferred compensation plans from the employer (i.e., the City) to the employee and/or beneficiaries. This is significant for Oregon public employers/employees: now ICMA (as well as other deferred compensation providers) can invest in stocks, bonds and other such investment vehicles which historically have generated a better return on the invested dollar than investments in government-grade securities. Up until this alteration to the Internal Revenue Code, the assets of the Trust were deemed by that same federal tax statute to be held for the benefit of the employer - the City - and cities in Oregon are prohibited under the terms of Article IX, section 9 to the Oregon Constitution from becoming stockholders in "... any joint company, corporation or association, whatever...". This topic was analyzed in some depth by the Oregon Court of Appeals in ICMA Retirement Corporation v. Executive Department, 92 Or. App. 188, 757 P.2d 868 (1988).

I have also reviewed the terms of the relevant state statutes (ORS 294.005, 294.033 and 294.035) which as presently written, allow for participation in deferred compensation plans by employees of municipal corporations that invest the deferred compensation in corporate securities.

Memo re: 457 Deferred Compensation Plan
August 18, 1997
Page 2

You should prepare an ordinance mimicking the one in the white pamphlet sent you by ICMA and found at "Attachment D: Suggested Resolution A". However, when you do so, you have a choice of adding an option of to the "revised" Plan that presently does not exist. That option is the creation of a program allowing City employees to use the assets contained in their deferred compensation accounts for loan purposes.

At present, the City's deferred compensation plan does not (in fact cannot) allow for such a program because the assets do not belong to the employee - they are deemed to be assets of the City and subject to claims of the City's general creditors. With the changes in the federal statutes, the monies in the plan (or, more correctly, the revised plan as of the date of the adoption of the new Plan by the Council) actually become the property of the employee and are held in trust for them by the City through the Plan.

The City is not required to have this as part of their revised Plan in order to maintain the tax benefits of the plan for its employees. All the pre-tax contribution attributes of the Plan remain the same, so there is no real difference in to the major tax-benefit employees will see in the new Plan versus the present one.

In order to make this decision, you may want to poll other jurisdictions which also have such plans to determine if they will create such a loan program in their revised deferred compensation plans. Of the ones I have talked to, there has been no interest in this program as there would be added administrative costs/headaches for the City as a result. Nevertheless, the decision to allow for this use of the money is the City's to make. If you choose not to do that, then say so in the enabling ordinance. A copy of the Plan document should also be attached to the ordinance with a copy of the ordinance and Plan, as executed by the Council and forwarded to ICMA-RC.

There are two other changes that may affect a limited number of participants in the Plan which the City Council should be aware of when they adopt the new Plan. Those changes are:

1. Employees will have a one-time chance to alter the way in which they want the distribution of the funds in the Plan to occur; and

O'DONNELL RAMIS CREW
CORRIGAN & BACHRACH

Memo re: 457 Deferred Compensation Plan
August 18, 1997
Page 3

2. There will be a provision for distributions from accounts that have \$3500 or less in them and which have had no activity in them for two years. In essence, an employee who meets those criteria - has an account that has less than \$3500 in it which has had no activity in it for two years - can get one distribution without jeopardizing their on-going participation in the Plan at some future point in time. We can talk about this further if you want.

Please feel free to call me with any questions you or others in the City may have.

cc: Dan Bartlett
Pam Beery
pce/acm/65021/defcomp.me1

October 24th, 1997

To: Mayor Lomnicki
and City Council

Through: Dan R. Bartlett
City Manager

Jim Brink
Public Works Director *JEB 10-24-97*

From: Robert Shelton *RS 10-24-97*
Associate Civil Engineer



Subject: City Council Resolution to Make S.E. Railroad Avenue One-Way Eastbound, from S.E. Harrison St. to S.E. 32nd Ave.

Purpose: To Request consideration by City Council to make a section of S.E. Railroad Ave. into a one-way street.

Background: In December 1992, MacKenzie Engineering Incorporated submitted a Final Report and Recommendation to the City of Milwaukie entitled "S.E. 32nd Avenue Transportation Network Study." The purpose of this report was to recommend improvements to be made along S.E. 32nd Avenue from S.E. Railroad Ave. to S.E. Sherrett St. Page 41 of this report states: "With the implementation of the left-turn lane at the S.E. 32nd Ave. approach to S.E. Harrison St., the northwesterly movement on S.E. Railroad [Ave.], from S.E. 32nd Ave. to S.E. Harrison St., could be terminated. This would eliminate a *currently unsafe situation* of left turns from S.E. Railroad Ave. to S.E. Harrison St., westbound."

Discussion:

- 1) MacKenzie Engineering Inc. recommended making the section of S.E. Railroad Ave., from S.E. Harrison St. to S.E. 32nd Ave., one-way eastbound once the Public Safety Building was completed. Now that the P.S.B. is completed, staff proposes to follow this recommendation.
- 2) The left turn movement from S.E. Railroad Ave. onto S.E. Harrison St. westbound is dangerous for the following reasons:
 1. The T-intersection is not at a 90-degree angle. This reduces visibility for motorists attempting to make a left turn from S.E. Railroad Ave., and increases the amount of time it takes for a vehicle entering from S.E. Railroad Ave. to cross S.E. Harrison St. and enter the traffic stream.
 2. The proximity of the railroad tracks causes visual congestion for drivers at the intersection, and causes a potential loss of traction for vehicles that must accelerate to enter the traffic stream.
 3. The heavy traffic volumes on S.E. Harrison St. in both directions can prove daunting to motorists attempting to negotiate entry into the traffic stream by turning left from S.E. Railroad Ave.
 4. The proximity to S.E. Campbell St. introduces another possible conflict as motorists attempt to enter S.E. Harrison St. simultaneously from S.E. Campbell St. and S.E. Railroad Ave.

COMMUNITY DEVELOPMENT • PUBLIC WORKS
6101 SE JOHNSON CREEK BLVD.
MILWAUKIE, OREGON 97206
PHONE: (503) 786-7600 • FAX: (503) 774-8236

3) There were three reported accidents at this intersection during 1996. No further improvements can be made to this intersection to enhance the safety of the traffic movements that are currently available. Staff proposes to increase safety at this intersection by eliminating the northwesterly movement of traffic on S.E. Railroad as it enters this intersection.

4) Presently, staff has identified three available options:

Option 1: Make no changes to this section of S.E. Railroad Ave., leaving all available movements at the intersection of S.E. Railroad and S.E. Harrison as is.

Option 2: Make no changes to this section of S.E. Railroad Ave., but making the approach from S.E. Railroad Ave. onto S.E. Harrison St. **Right Turn Only.**

Option 3: Make S.E. Railroad Ave. from S.E. Harrison St. to S.E. 32nd Ave. one-way East-bound, thereby eliminating the left turn movement at S.E. Railroad and S.E. Harrison as well as reducing the potential for non-compliance with the Right Turn Only restriction that is proposed in Option 2.

Staff recommends the third option.

5) Traffic count data gives some indication of the impact on traffic flow if the change proposed in option 3 is established. Vehicles that currently use the westbound lane on S.E. Railroad Ave. to enter S.E. Harrison St. westbound will be forced to use the signalized left turn lane on S.E. 32nd Ave. northbound as it approaches S.E. Harrison St. Traffic data indicates that about 96% of the vehicles using the westbound lane of S.E. Railroad Ave. as it approaches S.E. Harrison St., will make a left turn movement onto S.E. Harrison St. The most recent data (9/25/97) was taken on S.E. Railroad Ave. about 150' west of S.E. 32nd Ave. For the westbound lane:

- 740 vehicles per day
- 69 vehicles during the A.M. peak hour

Approximately 96% of these vehicles (710 and 66 respectively) will have to be accommodated by the signalized left turn lane on S.E. 32nd northbound as it approaches S.E. Harrison St.

6) Staff proposes that the signalized intersection at S.E. 32nd Ave. and S.E. Harrison St. will be able to handle the additional vehicles in an acceptable manner.

Traffic signs and markings are to be applied in a manner consistent with the M.U.T.C.D., sections 2B and 3B.

Fiscal Impact: Approximately \$500 from the Street Fund.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE,
OREGON DECLARING THE INTENT TO MAKE S.E. RAILROAD AVENUE, FROM S.E.
HARRISON STREET TO S.E. 32ND AVENUE, ONE-WAY EASTBOUND.**

WHEREAS, the recommendation to make S.E. Railroad Ave., from S.E. Harrison Street to S.E. 32nd Avenue, one way eastbound was recommended by MacKenzie Engineering Incorporated in the S.E. 32nd Avenue Transportation Network Study which was submitted to the City of Milwaukie in December 1992.

WHEREAS, there have been three reported accidents during 1996 at the intersection of S.E. Railroad Avenue and S.E. Harrison Street.

WHEREAS, the elimination of the left turn movement from S.E. Railroad Avenue as it approaches S.E. Harrison Street will increase the safety of the intersection.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Milwaukie that the Department of Public Works is hereby directed to install the traffic control signs and markings necessary to make S.E. Railroad Avenue from S.E. Harrison Street to S.E. 32nd Avenue one-way in the eastbound direction.

Introduced and adopted by the City Council on _____, 1997.

Craig J. Lomnicki, Mayor

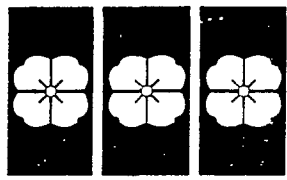
ATTEST:

APPROVED AS TO FORM:
O'DONNELL, RAMIS, CREW & CORRIGAN, L.L.P.

Pat DuVal, City Recorder

City Attorney

CITY OF



MILWAUKIE

MEMORANDUM

October 20, 1997

TO: Mayor and City Council

THRU: Dan R. Bartlett, City Manager *DB*

FROM: Jim Brink, Public Works Director *JEB 10-20-97*

SUBJECT: FY 1997-1998 Capital Improvement Program Project Update

Action Requested: None. Information only.

Purpose: Provide an update on FY 97-98 CIP projects.

Discussion:

1. Attachment A provides project information and status on the current 1997-1998 CIP project list. Status is in the Remarks column.
2. The original 1997-1998 CIP project list is shown at Attachment B with status. Several changes have been made to the original capital project list which is why a revised list is provided at Attachment A. The changes are as follows:
 - a. Storm: The proposed purchase of a combination machine (Vactor truck) was slipped to FY98-99 in order to make room for four added projects: 38th & Drake Stormline (ST-98-1), 37th Av Stormline Cleaning (ST-98-3), Home/Monroe Intersection Drainage Improvement (ST-98-4), and Johnson Creek Blvd Phase 2 Underground (ST-98-5).
 - b. Sewer: The Plum & Sequoia project was moved to FY99 to make room for Sherrett St Sewer (SE-98-1) and JCB Phase 2 Underground ((SE-98-5).
 - c. Water: Barba St Waterline (WT-98-1) was moved from FY2001 in order to coincide with the underground work for Sherrett St Sewer (SE-98-1). The Clackamas River Water Intertie Improvement project (WT-98-4) was added because the City will begin buying 500,000 gallons per day from Clackamas River Water on July 1, 1998. The JCB Annexation Area Waterline project was replaced by Barba St Waterline (WT-98-1) and Clackamas River Water Intertie Improvement (WT-98-4).

2

d. Streets: The Flashing Yellow Beacon project was moved forward to FY 96-97. The Roswell St/42nd Av Intersection project was included in the Roswell Sidewalk Grant Application project in FY99 and funds allocated to 1997-1998 Overlay project (RD-98-2). The Barba St overlay project was moved from FY2002 to FY1998 in order to conclude work in the Cole Addition area after completing the sanitary sewer and waterline projects. All of the streets in the Barba St overlay project are included in RD-98-2. Four small projects have been added: Willow St Local Improvement District (RD-98-1), Grogan Street Improvement (RD-98-3), Bluebird Street Railroad Crossing Improvement (RD-98-4), and the Stanley Av Neighborhood Traffic Management project (RD-98-7). The Multi-use path project (RD-98-6) was added when federal money was made available for FY98. The city share for this project will come from Fund 23 (Bike). Funds for all other projects will come from Fund 22 (Streets).

budget\council1.doc
10-20-97

FUND	PROJECT NO.	PROJECT NAME	DESCRIPTION	LOCATION	SOURCE	EST COST	ACT COST	REMARKS
Sewer	SE-98-1	Sherrett St Sewer	820' sewer extension of 8" pipe, associated manholes, & laterals	Sherrett St, 34th Av, Kathryn Ct	SFP 1994	\$152,000	\$134,211	LID; 17 properties; originally estimated at \$80,000; accepted 10-7-97
Sewer	SE-98-2	Harrison St/23rd Av Sewer	Replace 430' of 8" concrete pipe with 8" PVC & two laterals	Harrison St/23rd Av Intersection	CITY	\$30,000		In design; est. start date 2-1-98;
Sewer	SE-98-3	Telemetry System Improvement	Improve telemetry system at various field locations in order to monitor and record data	Lift stations	CITY	\$25,000		In contract negotiations w/ TSI; Shared with water (WT-98-2); required completion date 6-30-98
Sewer	SE-98-4	JCB Lift Station Relocation Study	Study the possible relocation of the JCB lift station from the north side of JCB to Stanley Av or 55th Av	north of Johnson Creek, east of 55th Av, and west of Wichita Av	CITY	\$5,000		MSA is consultant
Sewer	SE-98-5	JCB Improvements, Phase 2 Underground	Repair pipe, remove taps, and add laterals	36th Av to 45th Av	CITY	\$20,000		Do prior to ST-98-5
Total						\$232,000	\$134,211	
Storm	ST-98-1	38th & Drake St Project	Construct approx 313' of 12" pipe, 80' of 8" pipe, raise one drywell, one driveway approach, tree removal	38th Av south of Drake St to 37th Av	CITY	\$24,000	\$20,875	Storm easement on 10229 SE 38th Av and 10232 SE 37th Av along south property line; DM Excavating; accepted 10-1-97
Storm	ST-98-2	Island Station Project	Construct 3300' of storm lines, manholes, catchbasins and mountable AC curbing	19th Av, 20th Av, and 21st Av	CITY	\$130,000		Surveying done by Lin & Associates for \$3512; Carby Excavating, start date is 10-13-97; est. completion date is 11-30-97.
Storm	ST-98-3	37th Av Storm Pipe Cleaning & Inspection	Clean and TV 371' of 36" pipe, 371' of 24" pipe and 110' of 12" pipe	37th Av vicinity Marketplace	CITY	\$19,000	\$14,785	TSR, accepted 9-1-97
Storm	ST-98-4	Improve Home/Monroe Intersection Drainage	Construct 800' of pipe and 5 drywells	Monroe St to Park St	CITY	\$85,000		Design by Geo Engineering for \$14,000. Est start date is 12-1-98
Storm	ST-98-5	JCB Improvement Phase 2 Underground	Install storm sewer	36th Av to 45th Av	CITY	\$60,000		Total cost: \$880,000, Portland = \$20,000, 90/10 match; 75%/25% (COM/COP) split of 10% match; est. start date 8-1-98
Total						\$318,000	\$35,660	
Street	RD-98-1	Willow St LID	Street, curb, sidewalk and storm improvements	Between Winsor Dr and 56th Av	CITY	\$52,000		Street = \$31,200 and Storm = \$20,800; advertise on 2-1-98
Street	RD-98-2	1997-1998 Overlay	2" overlay with Class C asphalt and paving geotextile	Barba St, 33rd Av, 34th Av, 35th Av, Mary Ct, Kathryn Ct, 36th Av, Nase Ct, Campbell St, 38th Av, Drake St	CITY	\$137,934		Bid price \$118,391; Vancouver Paving; 50% complete
Street	RD-98-3	Grogan St improvement	350' of half street improvement with curb and storm	36th Av to 37th Av	CITY	\$30,000		Street = \$21,000 and Storm = \$9000; advertise 2-1-98
Street	RD-98-4	Bluebird St Railroad Crossing Improvement	Widen crossing from 16' to 28' at crossing and taper to existing pavement	RR crossing on Bluebird St	CITY	\$7,000		Waiting ODOT Railroad Safety Unit approval
Street	RD-98-5	1998 CDBG sidewalk Improvement	Construct approx. 6000' of sidewalk on one or both sides of street w/ curb & storm; planting strip on collectors	42nd Av (Washington St - Monroe St); Washington St (37th Av - 42nd Av); Olsen St (40th Av - 42nd Av); 37th Av (Monroe St - Washington St) and (Harrison St - Monroe St)	CITY	\$58,750		Clackamas County \$235,000; Total est. cost is \$293,750; city pays 20% of design and construction costs; Lin & Assoc. is doing the design at a cost of \$24,922; Street = \$38,750 and Storm = \$20,000
Street	RD-98-6	Multi Use Path	Construct a bike/pedestrian path 650' long and 10' wide	Harrison St to Jefferson St on old RR grade	CITY	\$9,000		\$1400 for design by Portland Parks Bureau; total project cost est is \$65k
Street	RD-98-7	NTMP (Stanley Av)	Sidewalks	Stanley Av	CITY	\$30,000		Total estimated cost to include drainage is \$828,800 (Street = \$175,800 and Storm = \$653,000)
Street	RD-98-8	17th Av RR Crossing Improvement	Improve RR Crossing on 17th Av vicinity Ochoco St	Vicinity Ochoco St	TSP 97	\$0		City of Portland has lead
Street	RD-98-9	Slurry Seals		Grove Lp, Foxfire Wy, Appenine Wy, Harlow St, Maple Ct, Vivaldi Ct, Ash Ct, Grove Ct, 56th Av	CITY	\$10,000	\$7,600	
Total						\$333,684	\$7,600	

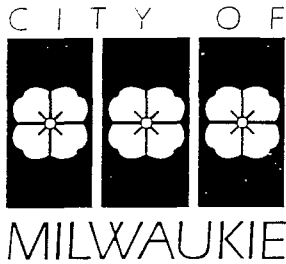
Attachment A



CURRENT 1998 CIP LIST

Water	WT-98-1	97-98 Waterline Improvement	Place 507' of 4" waterline (replace 2" line) and 2046' of 6" waterline (replace 4" line)	Barba St, 35th Av, 34th Av, 33rd Av, Mary Ct, Kathryn Ct	PPF 88/08	\$123,000	\$128,014	DM Excavating; project complete & waiting acceptance, \$50 14 LF
Water	WT-98-2	Telemetry System Improvement	Replace and improve existing telemetry system	Wells and pump stations	CITY	\$180,000		TSI, see SE-98-3
Water	WT-98-3	McGloughlin Blvd Waterline Improvement	Replace 6" lead joint cast iron pipe with 3000' of ductile iron pipe Install two 750 gpm constant speed pumps, meter and piping to pump from 5 mgd to 2 mgd from Clackamas River Water	Jefferson St to Sparrow St via ORE 99E, 22nd Av, and Sparrow St	CITY	\$175,000		In design, est start date 3-1-98
Water	WT-98-4	CRW Intertie Improvement		70th Av and Harmony Rd	WSDS 96	\$134,000		In design by MSA for \$24,306, required completion date 6-30-98
					Total	\$612,000	\$128,014	
SFP 94 TSP 97 PPF 88/08 WSDS 96		Sewerage Facilities Plan 1994 Transportation Systems Plan 1997 Public Facilities Plan 1988-2008 Water Supply Demand Study 1996						

ORIGINAL 1997-1998 CIP PROJECT LIST		
STREETS	Cost	Status
NTMP (Roswell/42nd Av Intersection)	50,000	moved to FY99 sidewalk grant app.
Slurry Seals	50,000	RD-98-9
Asphalt Hot box	35,000	
Pavement Grinder	10,000	purchased
CDBG Sidewalks	15,250	RD-98-5
Flashing Yellow Beacons	29,312	completed in FY96-97
STORM		
19th/20th Av	75,000	ST-98-2
21st/Wren - Sparrow	10,000	ST-98-2
Drywells	25,000	M&R
Catchbasin sumps	5,500	M&R
Sedimentation manhole	25,000	M&R
Detention pond, fence & plant	25,000	M&R
Vapor rooting	5,000	M&R
Combination machine	180,000	moved to FY99
Pen top computer	5,000	delayed
Utility service truck	40,000	delayed
CDBG Sidewalks	20,000	RD-98-5
SEWER		
Utility Service Truck	40,000	delayed
Nozzles, hoses, washout equipment	10,000	delayed
Pen Top Computer	5,000	delayed
Plum & Sequoia St	75,000	moved to FY99
Telemetry system rehab	20,000	SE-98-3
Manhole rehab	20,000	M&R
Harrison St Manhole	30,000	SE-98-2
Vapor rooting	5,500	M&R
Protruding tap removal	5,500	M&R
55th/JCB Lift Station Study	5,000	SE-98-4
WATER		
Phase 2 pump & well control upgrade	50,000	WT-98-2
JCB expansion	15,000	delayed
10" Line - McGloughlin (Jefferson-Sparrow)	150,000	WT-98-3
Water line upgrade (JCB annexation)	121,000	delayed
M&R	Maintenance and Repair	
10/17/97		



TO: CITY COUNCIL and BUDGET COMMITTEE,
CITY OF MILWAUKIE, OREGON

THRU: Dan R. Bartlett. City Manager

FROM: Angus M. Anderson. Finance Director

DATE: October 13, 1997

RE: Monthly Financial Reports thru September 30, 1997

This is the financial report for September 30, 1997, covering the first quarter of the new fiscal year which began on July 1, 1997. These are still considered preliminary financial reports since the final audit adjustments have not been applied for the fiscal year ended June 30, 1997. The audit field work has been completed and any required adjusting entries will be entered within thirty days.

The included reports are:

- A) PROGRAM SUMMARY:** This report is presented in exactly the same format as was used in the Budget Document. This provides a view of the adopted budget, year to date results (through September), budget balance and full year projections for each program that is budgeted.
- B) APPROPRIATION REPORT:** This report presents all FUNDS and APPROPRIATION CATEGORIES as adopted by City Council. Presented are figures for adopted budget, year to date results (through September), budget balance and full year projections for each fund and appropriation category.
- C) REVENUE REPORT:** This report presents all FUNDS and all major resource classification in each fund. It also presents the adopted budget, year to date results (through September), budget balance and full year projections for each classification and fund. The amount shown in the "Projected 6/30/98 FYE" column includes only the beginning fund balance for each fund revenue.
- D) FUND BALANCE REPORT:** This report is a true "snapshot" of the fund balances as of one day in time, in this case September 30, 1997. The results presented are Total Revenues, Total Expenditures and Fund Balance (always resulting in a zero for budget presentation). These classifications are shown as adopted budget, year to date results, budget balance and full year projections. As this is a snapshot that changes monthly, there isn't much emphasis placed on this report until nearing the end of the fiscal year. Until that time the report is considered to contain very preliminary data. The amount shown in the "Projected 6/30/98 FYE" column includes only the beginning fund balance for each fund revenue.

MILWAUKIE CITY HALL
10722 SE MAIN STREET
MILWAUKIE, OREGON 97222
PHONE: (503) 786-7555 • FAX: (503) 652-4433

PROGRAM STATUS REPORT
WITH FYE PROJECTIONS

<u>PROGRAM</u>	<u>FY 1997-98</u> <u>budget</u>	<u>YTD</u> <u>09/30/97</u>	<u>balance</u>	<u>PROJECTION</u> <u>6/30/98</u>	<u>OVER/</u> <u>(UNDER)</u>
LEGISLATIVE					
Total Expenditures	\$40,810	\$7,621	\$33,189	\$0	\$40,810
ADMINISTRATION/COMMUNITY SERVICES					
City Manager	132,516	30,772	101,744	0	132,516
City Records	138,969	140,104	-1,135	0	138,969
Data Processing	285,789	79,988	205,801	0	285,789
Neighborhood Services	212,519	20,214	192,305	0	212,519
Code Compliance	78,538	8,024	70,514	0	78,538
City Attorney	109,100	28,002	81,098	0	109,100
Human Resources	222,032	41,253	180,779	0	222,032
Recycling Programs	165,688	29,943	135,745	0	165,688
Parks Land Acquisition	1,698,995	15,162	1,683,834	0	1,698,995
Leading Library	1,006,995	251,798	755,197	0	1,006,995
Public Safety Bldg Const	84,700	1,793	82,907	0	84,700
Total Expenditures	\$4,135,841	\$647,052	\$3,488,789	\$0	\$4,135,841
PUBLIC SAFETY					
Police Administration	211,025	38,324	172,701	0	211,025
Police Field Services	2,949,963	724,330	2,225,634	0	2,949,963
Police Support Services	223,479	16,619	206,860	0	223,479
Emergency Dispatch	619,032	94,746	524,286	0	619,032
Fire Administration	291,141	40,458	250,683	0	291,141
Fire Operations	2,669,319	551,701	2,117,618	0	2,669,319
Fire Prevention	165,460	4,214	161,246	0	165,460
Emergency Radio Comm	0	0	0	0	0
Total Expenditures	\$7,129,419	\$1,470,393	\$5,659,026	\$0	\$7,129,419
COMMUNITY DEVELOPMENT					
Total Expenditures	\$659,238	\$145,727	\$513,511	\$0	\$659,238
PUBLIC WORKS					
Public Works Administration	316,269	31,113	285,156	0	316,269
Public Works Engineering	413,712	70,379	343,333	0	413,712
Building	118,000	53,522	64,478	0	118,000
Electrical Inspection	57,680	0	57,680	0	57,680
Plumbing Inspection	57,680	0	57,680	0	57,680
Code Enforcement Abatement	62,700	30	62,670	0	62,700
State Gas Tax/Street Repair	1,705,963	256,941	1,449,022	0	1,705,963
Bike Path	88,968	812	88,156	0	88,968
Water	3,857,765	427,928	3,429,837	0	3,857,765
Water SDC	311,285	842	310,443	0	311,285
Sewer	2,415,810	552,842	1,862,968	0	2,415,810
Sewer SDC	875,325	2,110	873,215	0	875,325
Storm Sewer	1,269,004	135,921	1,133,083	0	1,269,004
Storm Sewer SDC	108,825	371	108,454	0	108,825
Fleet Services	580,450	163,602	416,848	0	580,450
Facilities Maintenance	592,336	103,746	488,590	0	592,336
Public Parking Facilities	19,379	2,329	17,050	0	19,379
Total Expenditures	\$12,851,151	\$1,802,485	\$11,048,666	\$0	\$12,851,151
FINANCE					
Finance Administration	293,105	25,290	267,815	0	293,105
General Government	282,300	159,744	122,556	0	282,300
Municipal Court	193,942	34,196	159,746	0	193,942
Accounting	258,713	57,801	200,912	0	258,713
Intergovernmental/Interfund	3,909,473	590,859	3,318,614	0	3,909,473
PSB Debt Service	1,083,323	14,600	1,068,723	0	1,083,323
Photocopier	53,702	10,367	43,335	0	53,702
Telephone	92,015	13,204	78,811	0	92,015
Knutson Cemetary Trust	41,800	0	41,800	0	41,800
Forfeiture Trust	8,000	3,595	4,405	0	8,000
Total Expenditures	\$6,216,373	\$909,656	\$5,306,717	\$0	\$6,216,373
TOTAL ALL PROGRAMS					
Total Expenditures	\$31,032,832	\$4,982,934	\$26,049,898	\$0	\$31,032,832

3

APPROPRIATION REPORT
WITH FYE PROJECTIONS

FUND	APPROPRIATION CATEGORY	FY 1997-98 APPROPRIATION	YTD 09/30/97	balance	PROJECTION 6/30/98	OVER/ (UNDER)
GENERAL FUND						
	Administration/Community Service	456,745	58,181	398,564	0	456,745
	Police Services	3,851,901	813,972	3,037,929	0	3,851,901
	Community Development	659,238	145,727	513,511	0	659,238
	Public Works	233,360	53,522	179,838	0	233,360
	Finance	247,942	37,927	210,015	0	247,942
	Transfers	2,910,680	587,129	2,323,551	0	2,910,680
	Contingency	944,793		944,793	0	944,793
	TOTAL GENERAL FUND	\$9,304,659	\$1,696,457	\$7,608,202	\$0	\$9,304,659
CODE ENFORCEMENT ABATEMENT FUND						
	Public Works	50,700	30	50,670	0	50,700
	Contingency	12,000		12,000	0	12,000
	CODE ENFORCMNT ABATMNT	\$62,700	\$30	\$62,670	\$0	\$62,700
STATE GAS TAX/ST REPAIR FND						
	Public Works	1,674,755	256,941	1,417,814	0	1,674,755
	Contingency	31,208		31,208	0	31,208
	TOTAL STATE GAS TAX FUND	\$1,705,963	\$256,941	\$1,449,022	\$0	\$1,705,963
BIKE PATH FUND						
	Public Works	52,626	812	51,814	0	52,626
	Contingency	36,342		36,342	0	36,342
	TOTAL BIKE PATH FUND	\$88,968	\$812	\$88,156	\$0	\$88,968
STORM SEWER SDC FUND						
	Public Works	30,854	371	30,483	0	30,854
	Contingency	77,971		77,971	0	77,971
	TOTAL STORM SEWER SDC FND	\$108,825	\$371	\$108,454	\$0	\$108,825
WATER SDC FUND						
	Public Works	39,341	842	38,499	0	39,341
	Contingency	271,944		271,944	0	271,944
	TOTAL WATER SDC FND	\$311,285	\$842	\$310,443	\$0	\$311,285
SEWER SDC FUND						
	Public Works	93,948	2,110	91,838	0	93,948
	Contingency	781,377		781,377	0	781,377
	TOTAL SEWER SDC FUND	\$875,325	\$2,110	\$873,215	\$0	\$875,325
PARKS & REC DISTRICT FUND						
	Administration/Community Service	\$1,698,995	\$15,162	\$1,683,834	\$0	\$1,698,995
LIBRARY SERVICES FUND						
	Administration/Community Service	857,683	251,798	605,885	0	857,683
	Contingency	149,312		149,312	0	149,312
	TOTAL LIBRARY SRVCS FUND	\$1,006,995	\$251,798	\$755,197	\$0	\$1,006,995
PUBLIC SAFETY FUND						
	Police Services	151,598	60,047	91,551	0	151,598
	Fire-Rescue Services	2,614,835	596,374	2,018,461	0	2,614,835
	Emergency Radio Communications	0	0	0	0	0
	Contingency	511,085		511,085	0	511,085
	TOTAL PUBLIC SAFETY FUND	\$3,277,518	\$656,421	\$2,621,097	\$0	\$3,277,518

APPROPRIATION REPORT
WITH FYE PROJECTIONS

WATER FUND					
Public Works	2,458,498	427,928	2,030,570	0	2,458,498
Debt Service	238,043	0	238,043	0	238,043
Reserves	0	0	0	0	0
Contingency	1,161,224		1,161,224	0	1,161,224
TOTAL WATER FUND	\$3,857,765	\$427,928	\$3,429,837	\$0	\$3,857,765
SEWER FUND					
Public Works	1,997,717	552,842	1,444,875	0	1,997,717
Contingency	418,093		418,093	0	418,093
TOTAL SEWER FUND	\$2,415,810	\$552,842	\$1,862,968	\$0	\$2,415,810
STORM SEWER FUND					
Public Works	1,007,444	135,921	871,523	0	1,007,444
Contingency	261,560		261,560	0	261,560
TOTAL STORM SEWER FUND	\$1,269,004	\$135,921	\$1,133,083	\$0	\$1,269,004
PUBLIC SAFETY FACILITY DEBT SERVICE FUND					
Debt Service	542,869	14,600	528,269	0	542,869
Reserves	540,454		540,454	0	540,454
TOTAL PUB SFTY FAC DEBT SRV	\$1,083,323	\$14,600	\$1,068,723	\$0	\$1,083,323
CAPITAL PROJECTS					
Capital outlay	\$84,700	\$1,793	\$82,907	\$0	\$84,700
FLEET SERVICES					
Public Works	\$580,450	\$163,602	\$416,848	\$0	\$580,450
FACILITIES MANAGEMENT					
Public Works	\$611,715	\$106,074	\$505,641	\$0	\$611,715
ADMINISTRATIVE SERVICES					
Legislative	40,810	7,621	33,189	0	40,810
Administration/Community Service	888,406	320,119	568,287	0	888,406
Public Works	729,981	101,491	628,490	0	729,981
Finance	944,513	266,406	678,107	0	944,513
Contingency	35,322		35,322		35,322
TOTAL ADMIN SERVICES FUND	\$2,639,032	\$695,637	\$1,943,395	\$0	\$2,639,032
KNUTSON CEMETARY TRUST					
Public Works	\$41,800	\$0	\$41,800	\$0	\$41,800
FORFEITURE TRUST					
Transfers	\$8,000	\$3,595	\$4,405	\$0	\$8,000
TOTALS	\$31,032,832	\$4,982,934	\$26,049,898	\$0	\$31,032,832

REVENUE REPORT
WITH FYE PROJECTIONS

FUND	CATEGORY	FY 1997-98 budget	YTD 09/30/97	balance	PROJECTION 6/30/98	OVER/ (UNDER)
GENERAL FUND						
	Fund Balance Available	1,000,000	1,819,332	-819,332	1,819,332	819,332
	Property Taxes	6,272,165	34,106	6,238,059	0	(6,272,165)
	Intergovernmental Revenue	398,179	88,696	309,483	0	(398,179)
	Licenses, Permits & Charges for Service	423,040	66,979	356,061	0	(423,040)
	Fines & Forfeitures	221,775	54,025	167,750	0	(221,775)
	Franchise Fees	876,000	113,036	762,964	0	(876,000)
	Other Financing Sources	113,500	27,820	85,680	0	(113,500)
	TOTAL GENERAL FUND	\$9,304,659	\$2,203,994	\$7,100,665	\$1,819,332	(\$7,485,327)
CODE ENFORCEMENT ABATEMENT FUND						
	Fund Balance Available	60,000	65,349	-5,349	65,349	5,349
	Fines & Forfeitures	0	250	-250	0	0
	Other Financing Sources	2,700	733	1,967	0	(2,700)
	CODE ENFORCMNT ABATMNT	\$62,700	\$66,332	(\$3,632)	\$65,349	\$2,649
STATE GAS TAX/ST REPAIR FND						
	Fund Balance Available	450,000	512,857	-62,857	512,857	62,857
	Intergovernmental Revenue	954,786	160,914	793,872	0	(954,786)
	Licenses, Permits & Charges for Service	5,000	5,480	-480	0	(5,000)
	Franchise Fees	275,927	80,071	195,856	0	(275,927)
	Other Financing Sources	20,250	4,765	15,485	0	(20,250)
	TOTAL STATE GAS TAX FUND	\$1,705,963	\$764,086	\$941,877	\$512,857	(\$1,193,106)
BIKE PATH FUND						
	Fund Balance Available	76,000	76,753	-753	76,753	753
	Intergovernmental Revenue	9,548	1,625	7,923	0	(9,548)
	Other Financing Sources	3,420	858	2,562	0	(3,420)
	TOTAL BIKE PATH FUND	\$88,968	\$79,236	\$9,732	\$76,753	(\$12,215)
STORM SEWER SDC FUND						
	Fund Balance Available	85,000	104,297	-19,297	104,297	19,297
	Licenses, Permits & Charges for Service	20,000	10,879	9,121	0	(20,000)
	Other Financing Sources	3,825	1,225	2,600	0	(3,825)
	TOTAL STORM SEWER SDC FND	\$108,825	\$116,401	(\$7,576)	\$104,297	(\$4,528)
WATER SDC FUND						
	Fund Balance Available	273,000	284,417	-11,417	284,417	11,417
	Licenses, Permits & Charges for Service	26,000	15,798	10,202	0	(26,000)
	Other Financing Sources	12,285	3,526	8,759	0	(12,285)
	TOTAL WATER SDC FND	\$311,285	\$303,741	\$7,544	\$284,417	(\$26,868)
SEWER SDC FUND						
	Fund Balance Available	785,000	813,467	-28,467	813,467	28,467
	Licenses, Permits & Charges for Service	55,000	7,144	47,856	0	(55,000)
	Other Financing Sources	35,325	9,766	25,559	0	(35,325)
	TOTAL SEWER SDC FUND	\$875,325	\$830,377	\$44,948	\$813,467	(\$61,858)
PARKS & REC DISTRICT FUND						
	Fund Balance Available	911,000	930,523	-19,523	930,523	19,523
	Other Financing Sources	371,995	31,935	340,060	0	(371,995)
	Interfund Transfers	416,000	0	416,000	0	(416,000)
	TOTAL PARKS & REC FUND	\$1,698,995	\$962,458	\$736,537	\$930,523	(\$768,472)
LIBRARY SERVICES FUND						
	Fund Balance Available	365,000	553,527	-188,527	553,527	188,527
	Property Taxes	0	1,328	-1,328	0	0
	Intergovernmental Revenue	555,000	0	555,000	0	(555,000)
	Fines & Forfeitures	26,780	6,049	20,731	0	(26,780)
	Other Financing Sources	6,719	5,417	1,302	0	(6,719)
	Interfund Transfers	53,496	13,374	40,122	0	(53,496)
	TOTAL LIBRARY SRVCS FUND	\$1,006,995	\$579,695	\$427,300	\$553,527	(\$453,468)
PUBLIC SAFETY FUND						
	Fund Balance Available	850,000	827,124	22,876	827,124	(22,876)
	Property Taxes	0	5,693	-5,693	0	0
	Intergovernmental Revenue	103,500	0	103,500	0	(103,500)
	Licenses, Permits & Charges for Service	1,000	600	400	0	(1,000)
	Other Financing Sources	27,999	10,607	17,392	0	(27,999)
	Interfund Transfers	2,295,019	573,755	1,721,264	0	(2,295,019)
	TOTAL PUBLIC SAFETY FUND	\$3,277,518	\$1,417,779	\$1,859,739	\$827,124	(\$2,450,394)

REVENUE REPORT
WITH FYE PROJECTIONS

WATER FUND					
Fund Balance Available	1,975,000	2,314,157	-339,157	2,314,157	339,157
Licenses, Permits & Charges for Service	1,792,390	537,788	1,254,602	0	(1,792,390)
Other Financing Sources	90,375	25,514	64,861	0	(90,375)
TOTAL WATER FUND	\$3,857,765	\$2,877,459	\$980,306	\$2,314,157	(\$1,543,608)
SEWER FUND					
Fund Balance Available	200,000	134,402	65,598	134,402	(65,598)
Licenses, Permits & Charges for Service	2,206,810	513,311	1,693,499	0	(2,206,810)
Other Financing Sources	9,000	13,208	-4,208	0	(9,000)
Special Assessment Debt Payments	0	311	-311	0	0
TOTAL SEWER FUND	\$2,415,810	\$661,232	\$1,754,578	\$134,402	(\$2,281,408)
STORM SEWER FUND					
Fund Balance Available	575,000	594,301	-19,301	594,301	19,301
Licenses, Permits & Charges for Service	668,129	151,075	517,054	0	(668,129)
Other Financing Sources	25,875	6,412	19,463	0	(25,875)
TOTAL STORM SEWER FUND	\$1,269,004	\$751,788	\$517,216	\$594,301	(\$674,703)
PUBLIC SAFETY FACILITY DEBT SERVICE FUND					
Fund Balance Available	623,275	662,274	-38,999	662,274	38,999
Property Taxes	432,000	3,330	428,670	0	(432,000)
Other Financing Sources	28,048	46,323	-18,275	0	(28,048)
TOTAL PUBLIC SAFETY FAC DEBT SRV	\$1,083,323	\$711,926	\$371,397	\$662,274	(\$421,049)
CAPITAL PROJECTS					
Fund Balance Available	84,700	14,065	70,635	14,065	(70,635)
Other Financing Sources	0	247	-247	0	0
TOTAL CAPITAL PROJECTS	\$84,700	\$14,312	\$70,388	\$14,065	(\$70,635)
FLEET SERVICES					
Fund Balance Available	10,000	1,635	8,365	1,635	(8,365)
Licenses, Permits & Charges for Service	535,000	171,877	363,123	0	(535,000)
Other Financing Sources	950	14,151	-13,201	0	(950)
Interfund Transfers	34,500	33,751	749	0	(34,500)
TOTAL FLEET SERVICES	\$580,450	\$221,414	\$369,036	\$1,635	(\$578,815)
FACILITIES MANAGEMENT					
Fund Balance Available	25,000	61,689	-36,689	61,689	36,689
Licenses, Permits & Charges for Service	513,259	125,315	387,944	0	(513,259)
Fines & Forfeitures	22,500	3,690	18,810	0	(22,500)
Other Financing Sources	50,956	1,243	49,713	0	(50,956)
TOTAL FACILITIES MANAGEMENT	\$611,715	\$191,938	\$419,777	\$61,689	(\$550,026)
ADMINISTRATIVE SERVICES					
Fund Balance Available	125,000	332,609	-207,609	332,609	207,609
Licenses, Permits & Charges for Service	2,413,198	577,000	1,836,198	0	(2,413,198)
Other Financing Sources	100,834	4,139	96,695	0	(100,834)
TOTAL ADMIN SERVICES FUND	\$2,639,032	\$913,748	\$1,725,284	\$332,609	(\$2,306,423)
KNUTSON CEMETARY TRUST					
Fund Balance Available	40,000	43,486	-3,486	43,486	3,486
Other Financing Sources	1,800	503	1,297	0	(1,800)
TOTAL KNUTSON CEMETARY TRUST	\$41,800	\$43,989	(\$2,189)	\$43,486	\$1,686
FORFEITURE TRUST					
Fund Balance Available	3,000	12,276	-9,276	12,276	9,276
Fines & Forfeitures	5,000	2,192	2,808	0	(5,000)
TOTAL FORFEITURE TRUST	\$8,000	\$14,468	(\$6,468)	\$12,276	\$4,276
TOTALS	\$31,032,832	\$13,726,372	\$17,306,460	\$10,158,538	(\$20,874,295)

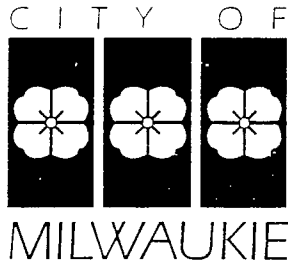
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FUND BALANCE REPORT WITH FYE PROJECTIONS

<u>FUND</u>	<u>CATEGORY</u>	FY 1997-98 <u>budget</u>	YTD <u>09/30/97</u>	<u>balance</u>	<u>PROJECTION</u> <u>6/30/98</u>
GENERAL FUND					
	Total Revenues	9,304,659	2,203,994	7,100,665	1,819,332
	Total Expenditures	9,304,659	1,696,457	7,608,202	0
	TOTAL GENERAL FUND	\$0	\$507,537		\$1,819,332
CODE ENFORCEMENT ABATEMENT FUND					
	Total Revenues	62,700	66,332	-3,632	65,349
	Total Expenditures	62,700	30	62,670	0
	CODE ENFORCMNT ABATMNT	\$0	\$66,303		\$65,349
STATE GAS TAX/ST REPAIR FND					
	Total Revenues	1,705,963	764,086	941,877	512,857
	Total Expenditures	1,705,963	256,941	1,449,022	0
	TOTAL STATE GAS TAX FUND	\$0	\$507,145		\$512,857
BIKE PATH FUND					
	Total Revenues	88,968	79,236	9,732	76,753
	Total Expenditures	88,968	812	88,156	0
	TOTAL BIKE PATH FUND	\$0	\$78,424		\$76,753
STORM SEWER SDC FUND					
	Total Revenues	108,825	116,401	-7,576	104,297
	Total Expenditures	108,825	371	108,454	0
	TOTAL STORM SEWER SDC FND	\$0	\$116,030		\$104,297
WATER SDC FUND					
	Total Revenues	311,285	303,741	7,544	284,417
	Total Expenditures	311,285	842	310,443	0
	TOTAL WATER SDC FND	\$0	\$302,898		\$284,417
SEWER SDC FUND					
	Total Revenues	875,325	830,377	44,948	813,467
	Total Expenditures	875,325	2,110	873,215	0
	TOTAL SEWER SDC FUND	\$0	\$828,267		\$813,467
PARKS & REC DISTRICT FUND					
	Total Revenues	1,698,995	962,458	736,537	930,523
	Total Expenditures	1,698,995	15,162	1,683,834	0
	TOTAL PARKS & REC FUND	\$0	\$947,296		\$930,523
LIBRARY SERVICES FUND					
	Total Revenues	1,006,995	579,695	427,300	553,527
	Total Expenditures	1,006,995	251,798	755,197	0
	TOTAL LIBRARY SRVCS FUND	\$0	\$327,897		\$553,527
PUBLIC SAFETY FUND					
	Total Revenues	3,277,518	1,417,779	1,859,739	827,124
	Total Expenditures	3,277,518	656,421	2,621,097	0
	TOTAL PUBLIC SAFETY FUND	\$0	\$761,359		\$827,124
WATER FUND					
	Total Revenues	3,857,765	2,877,459	980,306	2,314,157
	Total Expenditures	3,857,765	427,928	3,429,837	0
	TOTAL WATER FUND	\$0	\$2,449,531		\$2,314,157

FUND BALANCE REPORT
WITH FYE PROJECTIONS

SEWER FUND				
Total Revenues	2,415,810	661,232	1,754,578	134,402
Total Expenditures	2,415,810	552,842	1,862,968	0
TOTAL SEWER FUND	\$0	\$108,390		\$134,402
STORM SEWER FUND				
Total Revenues	1,269,004	751,788	517,216	594,301
Total Expenditures	1,269,004	135,921	1,133,083	0
TOTAL STORM SEWER FUND	\$0	\$615,867		\$594,301
PUBLIC SAFETY FACILITY DEBT SERVICE FUND				
Total Revenues	1,083,323	711,926	371,397	662,274
Total Expenditures	1,083,323	14,600	1,068,723	0
TOTAL PUBLIC SAFETY FAC DEBT SRV	\$0	\$697,326		\$662,274
CAPITAL PROJECTS				
Total Revenues	84,700	14,312	70,388	14,065
Total Expenditures	84,700	1,793	82,907	1
TOTAL CAPITAL PROJECTS	\$0	\$12,520		\$14,064
FLEET SERVICES				
Total Revenues	580,450	221,414	359,036	1,635
Total Expenditures	580,450	163,602	416,848	0
TOTAL FLEET SERVICES	\$0	\$57,812		\$1,635
FACILITIES MANAGEMENT				
Total Revenues	611,715	191,938	419,777	61,689
Total Expenditures	611,715	106,074	505,641	0
TOTAL FACILITIES MANAGEMENT	\$0	\$85,864		\$61,689
ADMINISTRATIVE SERVICES				
Total Revenues	2,639,032	913,748	1,725,284	332,609
Total Expenditures	2,639,032	695,637	1,943,395	0
TOTAL ADMIN SERVICES FUND	\$0	\$218,111		\$332,609
KNUTSON CEMETARY TRUST				
Total Revenues	41,800	43,989	-2,189	43,486
Total Expenditures	41,800	0	41,800	0
TOTAL KNUTSON CEMETARY TRUST	\$0	\$43,989		\$43,486
FORFEITURE TRUST				
Total Revenues	8,000	14,468	-6,468	12,276
Total Expenditures	8,000	3,595	4,405	0
TOTAL FORFEITURE TRUST	\$0	\$10,873		\$12,276
TOTALS	\$0	\$8,743,438	\$0	\$10,158,537



*** MEMORANDUM ***
October 27, 1997

To: Mayor and City Council
 From: Dan Bartlett, City Manager *Dan*
 Re: Insurance Services Organization Ratings

Action Requested

This information is provided as background for our fire services discussion.

Background


Attached is a memo from Chief Bruegman about the potential savings from an ISO re-rating. This is a speculative number based on potential changes in our rating. Industrial and Commercial properties would benefit from an update.

Residential property would not be impacted. The memo shows that this property is 62.18% of Milwaukie's property value for 1995-1996.

cc: File
 cm2038/hd

2

**Clackamas Co. Fire Dist. #1 / Oak Lodge Fire Dist. #51
Milwaukie Fire & Rescue**

Date: October 23, 1997
To: Dan Bartlett
From: Randy Bruegman 
Subject: ISO Review

The Emergency Services Consulting Group analysis for fire service delivery options for the City of Milwaukie indicates that an improvement in the insurance service rating classification for fire protection would be realized with the regionalization of services. Although it is extremely difficult to precisely calculate the exact dollar savings on insurance premiums within the city, a range of probable savings to premium holders can be forecasted. There does exist a wide variance between insurance industry standards in the use and application of ISO classes and their impact on specific underwriters' insurance premiums. Attempting to provide a single, tangible cost savings is not possible. Variances between insurance company standards and ISO class ratings are further complicated by the limits of policy coverage. Basically, a fire premium covers the structures value, however it may or may not include coverage for contents under business interruption. Further the construction type, its use, and built-in fire protection features influence the premium cost. Therefore, the method of risk assumptions by insurance carriers can provide a wide disparity of costs for a specific premium for a specific property.

Background Overview:

1. Insurance Service Offices (ISO) is a professional organization, sponsored by insurance company subscribers. Its main emphasis is on risk analysis of specific properties, public fire protection within the municipal grading schedule, and assessment of areas covered within flood plain insurance parameters.

2. ISO's public fire protection municipal rating schedule establishes a system of classes, 1 through 10. The schedule is progressive with a total of 100 points, respectively with 10 point separation per class grade from Class 10 through Class 1. A Class 10 is generally considered to have no fire protection and water supply while a Class 1 is considered to provide the best system of municipal fire protection from an insurance risk-of-loss standpoint.

3. ISO field agents routinely conduct a municipal class regrade assessment every ten years, per fire protection service area. Special field assessments for regrade can occur within the ten year schedule if a municipality's fire defense system changes. Those regrades may result in an ISO classification change.

4. ISO field agents assess a municipality's fire defense system over a three to five day period. Exact evaluations of the fire department, fire suppression, water system, and emergency communications network are conducted by the field agents. The weighted percentage applied to the 100 point ISO grade among the three areas of assessment are: fire department - 50 percent; water supply system - 40 percent; and emergency communications network - 10 percent.

5. ISO municipal fire protection rating classes reflect a community's fire defense capability in coping with probable losses due to fire. The ISO assessment and subsequent class rating does not consider or reflect upon fire code enforcement, life safety, life risk from fire, emergency medical services, or hazardous materials mitigation capabilities.

6. Approximately 70 percent of the insurance industry subscribes to the ISO municipal rating system. Usually, these insurance companies are represented by insurance brokerage houses who, by shopping the market, deal directly with the customer. The larger corporate insurance companies may or may not, on a limited basis, reference ISO fire classifications. It is common for larger companies to group-rate properties, especially single family dwellings, and establish their premium rates on loss experience by occupancy type as well as competitive market prevailing rates. Additionally, the larger insurance companies have exclusive customer agents rather than brokerage house agents who may purchase premium coverage from a host of competing insurance companies.

The provided information overviews cost of insurance per \$1,000 coverage, property value allocation, and estimated insurance savings with a reduction in the ISO rating from a three to a two, and from three to one.

(4)

**CHART B
COST OF INSURANCE PER \$1000 COVERAGE**

ISO CLASS	COMPREHENSIVE SINGLE FAMILY HOMEOWNER	FIRE ONLY SINGLE FAMILY HOMEOWNER	5 PLUS UNIT APT. BLDG.	RETAIL & COMMERCIAL	INDUSTRIAL	BUSINESS INTERRUPT
1	1.62	1.00	6.40	3.46	3.10	3.85
2	1.80	1.00	6.40	3.54	3.46	3.85
3	1.80	3.00	6.40	3.63	3.65	4.09
4	1.80	3.00	6.40	4.00	3.75	4.09
5	2.00	8.00	6.80	4.17	4.10	4.79
6	2.00	8.00	6.80	4.29	4.26	4.79
7	2.00	18.00	6.80	5.00	4.51	4.79
8	2.00	18.00	6.80	5.46	4.65	4.79
9	2.00	37.00	8.70	5.48	4.97	6.70
10	2.00	48.00	8.70	8.67	5.17	6.70

City of Milwaukie

Property Value Allocation by Type

	1995-96	Milwaukie Dollar Value	% of Total	1994-95
Residential		674,856,130	62.18%	60.00%
Commercial/Industrial		350,003,010	32.25%	34.25%
Utility		16,000,000	1.47%	1.50%
Personal Property		44,500,000	4.10%	4.25%
Total		1,085,359,140		

Property value allocations courtesy of Clackamas County Assessors Office.

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Milwaukie Cost Savings

ISO Class	Estimated Insurance Costs/\$1000 Coverage*		
	Residential	Commercial	Industrial
1	\$ 1.62	\$ 3.46	\$ 3.10
2	\$ 1.80	\$ 3.54	\$ 3.46
3	\$ 1.80	\$ 3.63	\$ 3.65
4	\$ 1.80	\$ 4.00	\$ 3.75

ISO Class 3 to Class 2 Cost Savings

Commercial and Industrial Savings

Total Commercial and Industrial Property:	350,003,010
Less land Value (20 percent):	70,000,602
Total Structural Value:	280,002,408

Percent		Savings		Total
Comm'l	Indr'l	Comm'l	Indr'l	
30%	70%	\$ 7,560.07	\$ 37,240.32	\$ 44,800.39
35%	65%	\$ 8,820.08	\$ 34,580.30	\$ 43,400.37
40%	60%	\$ 10,080.09	\$ 31,920.27	\$ 42,000.36
45%	55%	\$ 11,340.10	\$ 29,260.25	\$ 40,600.35
50%	50%	\$ 12,600.11	\$ 26,600.23	\$ 39,200.34
55%	45%	\$ 13,860.12	\$ 23,940.21	\$ 37,800.33
60%	40%	\$ 15,120.13	\$ 21,280.18	\$ 36,400.31
65%	35%	\$ 16,380.14	\$ 18,620.16	\$ 35,000.30
70%	30%	\$ 17,640.15	\$ 15,960.14	\$ 33,600.29

Residential insurance savings are not expected when improving ISO rating from Class 3 to Class 2

*Estimates based on the Insurance Services Office Fiscal Impact Report, 1997, Northbrook, Illinois

Milwaukie Cost Savings

ISO Class	Estimated Insurance Costs/\$1000 Coverage*		
	Residential	Commercial	Industrial
1	\$ 1.62	\$ 3.46	\$ 3.10
2	\$ 1.80	\$ 3.54	\$ 3.46
3	\$ 1.80	\$ 3.63	\$ 3.65
4	\$ 1.80	\$ 4.00	\$ 3.75

ISO Class 3 to Class 1 Cost Savings

Commercial and Industrial Savings

Total Commercial and Industrial Property:	350,003,010
Less land Value (20 percent):	70,000,602
Total Structural Value:	280,002,408

Percent		Savings		Total
Comm'l	Indr'l	Comm'l	Indr'l	
30%	70%	\$ 14,280	\$ 107,801	\$ 122,081
35%	65%	\$ 16,660	\$ 100,101	\$ 116,761
40%	60%	\$ 19,040	\$ 92,401	\$ 111,441
45%	55%	\$ 21,420	\$ 84,701	\$ 106,121
50%	50%	\$ 23,800	\$ 77,001	\$ 100,801
55%	45%	\$ 26,180	\$ 69,301	\$ 95,481
60%	40%	\$ 28,560	\$ 61,601	\$ 90,161
65%	35%	\$ 30,940	\$ 53,900	\$ 84,841
70%	30%	\$ 33,320	\$ 46,200	\$ 79,521

Residential Savings

Total Residential Property	674,856,130
Less land Value (20 percent):	134,971,226
Total Structural Value:	539,884,904

Rates:	ISO 1	ISO 3
Commercial	\$ 1.62	\$ 1.80

Savings / \$1000 AV	\$ 97,179
----------------------------	------------------

*Estimates based on the Insurance Services Office Fiscal Impact Report, 1997, Northbrook, Illinois

file 302



ISO Commercial Risk Services, Inc. • 3000 Executive Parkway • Suite 510 • P.O. Box 5126
San Ramon, CA 94583-2300 • (510) 830-8778 • FAX: (510) 830-4691

December 15, 1994

Mr. Craig Lomnicki, Mayor
City of Milwaukie
10722 SE Main Street
Milwaukie, OR 97222

Dear Mr. Lomnicki:

We wish to thank you, Chief Olsen and others for the cooperation given to our representative during our recent survey. We have completed our evaluation of the fire insurance classification for your city and confirm that Class 3/9 continues to apply.

The purpose of our visit was to gather information needed to determine a fire insurance classification which may be used in the calculation of property insurance premiums. This survey was not conducted for property loss prevention or life safety purposes and no life safety or property loss prevention recommendations will be made.

The city classification applies to properties with a needed fire flow of 3500 gpm or less. The private and public protection at properties with larger needed fire flows are individually evaluated, and may vary from the city classification.

We are attaching a copy of the Classification Details and the results of the hydrant flow tests witnessed during our survey. Extra copies of this letter and attachments are enclosed so that you may distribute them to other interested parties, if you desire to do so.

If you have any questions concerning our survey and grading, please let us know.

Very truly yours,

J. Kent Blanche
Assistant Manager

Enclosures

Municipality: MILWAUKIE

State: OR

Population: 18650

Date Surveyed: AUG 1994

Total Credit: 72.21

Class: 3/9

RECEIVING AND HANDLING FIRE ALARMS

This section of the Fire Suppression Rating Schedule reviews the facilities provided for the general public to report fires, and for the operator on duty at the communication center to dispatch fire department companies to the fires.

		CREDIT	
		ACTUAL	MAXIMUM
1.	(Item 414) Credit for Telephone Service This item reviews the facilities provided for the public to report fires, including the listing of fire and business numbers in the telephone directory.	2.00	2.00
2.	(Item 422) Credit for Operators This item reviews the number of operators on duty at the communications center to handle fire calls.	2.10	3.00
3.	(Item 432) Credit for Dispatch Circuits This item reviews the dispatch circuit facilities used to transmit alarms to fire department members.	5.00	5.00
4.	(Item 440) Total Credit for Receiving and Handling Fire Alarms	9.10	10.00
Relative Classification for Receiving and Handling Fire Alarms		1	

CLASSIFICATION DETAILS (continued)

FIRE DEPARTMENT

This section of the Fire Suppression Rating Schedule reviews the engine, ladder and service companies, equipment carried, response to fires, training and available fire fighters.

	CREDIT	
	ACTUAL	MAXIMUM
1. (Item 513) Credit for Engine Companies This item reviews the number of engine companies and the hose and equipment carried.	9.40	10.00
2. (Item 523) Credit for Reserve Pumpers This item reviews the number of reserve pumpers and the equipment carried on each.	0.90	1.00
3. (Item 532) Credit for Pump Capacity This item reviews the total available pump capacity.	5.00	5.00
4. (Item 549) Credit for Ladder Service This item reviews the number of ladder and service companies and the equipment carried.	2.74	5.00
5. (Item 553) Credit for Reserve Ladder Service This item reviews the number of reserve ladder and service trucks, and the equipment carried.	0.24	1.00
6. (Item 561) Credit for Distribution This item reviews the percent of the built-upon area of the city which has a first-due engine company within 1 1/2 miles and a ladder service company within 2 1/2 miles.	3.08	4.00
7. (Item 571) Credit for Company Personnel This item reviews the average number of equivalent fire fighters and company officers on duty with existing companies.	5.52	15.00+
8. (Item 581) Credit for Training This item reviews the training facilities and their use.	4.32	9.00
9. (Item 590) Total Credit for Fire Department	31.20	50.00+

Relative Classification for Fire Department 4

+ This indicates that credit for manning is open-ended, with no maximum credit for this item.

WATER SUPPLY

This section of the Fire Suppression Rating Schedule reviews the water supply system that is available for fire suppression in the municipality.

	CREDIT	
	ACTUAL	MAXIMUM
1. (Item 616) Credit for the Water System This item reviews the supply works, the main capacity and the hydrant distribution.	35.00	35.00
2. (Item 621) Credit for Hydrants This item reviews the type of hydrants and the method of installation.	1.52	2.00
3. (Item 631) Credit for Inspection and Condition of Hydrants This item reviews the frequency of inspections of hydrants and their conditions.	2.35	3.00
4. (Item 640) Total Credit for Water Supply	38.87	40.00
Relative Classification for Water Supply		1

CLASSIFICATION DETAILS

Municipality: MILWAUKIE

State: OR

Population: 18650

Date Surveyed: AUG 1994

Total Credit: 72.21

Class: 3/9

SUMMARY OF CREDIT

Feature	Credit Assigned	Maximum Credit
Receiving and Handling Fire Alarms.....	9.1	10.00
Fire Department.....	31.2	50.00
Water Supply.....	38.87	40.00
*Divergence.....	6.96	
Total Credit-	72.21	100.00

The Public Protection Classification is based on the total percentage credit as follows:

Class	Percentage Credited
1	90.00 or more
2	80.00 to 89.99
3	70.00 to 79.99
4	60.00 to 69.99
5	50.00 to 59.99
6	40.00 to 49.99
7	30.00 to 39.99
8	20.00 to 29.99
9	10.00 to 19.99
10	0 to 9.99

*Divergence is a reduction in credit to reflect a difference in the relative credits for Fire Department and Water Supply.

The above classification has been developed for use in property insurance premium calculations.

Fire Suppression Rating Schedule Handbook

July 1, 1993

by

Harry E. Hickey, Ph.D.

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Professional Loss Control Educational Foundation

Figure 1

EXAMPLE OF A COMMERCIAL FIRE RATING SCHEDULE RATE ANALYSIS

The following example uses the Commercial Fire Rating Schedule for the rate analysis. Only the major factors are shown in the rate structure since the emphasis is to depict the effect a Public Protection Class has on a selected property. The rate structure is based on frame construction. Building rate factors would change for other structural classifications.*

- 1. Occupancy - restaurant
- 2. Construction - frame 1 & 2 story
- 3. Special Hazard - cooking equipment
- 4. Unprotected - i.e., no automatic sprinkler system
- 5. Insured for 90% of the assessed value
- 6. Assessed value - \$274,000.00

<u>Public Protection Class</u>	<u>Annual Premium</u>
10 (Unprotected)	\$6,902.06
9 (Improvement to Semi-Protected)	\$5,866.34
8 (Protected Class)	\$5,340.60
7 (Protected Class)	\$5,277.78
6 (Protected Class)	\$5,014.20
5 (Protected Class)	\$4,763.49
4 (Protected Class)	\$4,526.62
3 (Protected Class)	\$4,164.36
2 (Protected Class)	\$4,039.86

It should be noted that the decrease in insurance premiums is not directly incremental to each city improvement. The highest reductions occur between Class 10 and Class 9 and between Class 4 and Class 3.

* This example is generic in form and content. Premium values may change from state to state.

Based on this example, a general percentage rate change can be developed for Public Protection Class impact on a specific property. Only the major factors are shown in the rate structure. This is based on wood frame construction. Rate factors would change for other classes of construction.⁷

<u>Change</u>	<u>Percent Decrease</u>
Class 10 to Class 9	15%
Class 9 to Class 8	9%
Class 8 to Class 7	5%
Class 7 to Class 6	5%
Class 6 to Class 5	5%
Class 5 to Class 4	5%
Class 4 to Class 3	8%
Class 3 to Class 2	3%

The incremental percents of change reveal that the highest reductions occur between Class 10 (unprotected), Class 9 (semi-protected), and Class 8 (protected); plus the change from Class 4 (protected) to Class 3 (protected). These marked differences reflect significant changes in fire suppression capability as determined through historical record analysis. It is emphasized that the above rate change factors are general in nature and do not reflect any specific rate deviations. Furthermore, these rate relationships only apply to specific rated property.

3.10 Experience Rating for Large Cities

The insurance industry has determined that some cities and counties, generally over 250,000 population, have sufficient **loss costs** to warrant experience rating. This means that insurance premiums in a given city are adjusted annually based on Loss Cost. Loss Cost represents the aggregate monetary value insurance companies lose by doing

⁷ The percent of rate change should be used as a general guide only. Adjustment factors are used by each state.

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Rating Effects on Fire Insurance Premiums

How many times have you heard that your ISO rating doesn't really make a difference in what people in the community pay? Take a look at one community's experience.

ISO'S ISO CLASS	SUGGESTED DISCOUNT	RESIDENTIAL RATES			
		ALL STATE	INDEPENDENT AGENTS (Yearly premium/percent savings)	HAWKEYE	METROPOLITAN
10	-0%	\$803	\$652	\$827	\$766*
9	-15%	\$625/-22% -\$178	\$652/-0%	\$827/-0%	—
8	-9%	\$354/-56% -\$271	\$520/-21% -\$132	\$467/-43% -\$360	—
7	-5%	\$354/-0%	\$520/-0%	\$467/-0%	—
6	-5%	\$354/-0%	\$401/-23% -\$119	\$467/-0%	—
5	-5%	\$354/-0%	\$401/-0%	\$467/-0%	\$387/49.8% -\$370**
4	-5%	\$354/-0%	\$401/-0%	\$334/-28.4% -\$133	—
3	-8%	\$293/-17% -\$61	\$401/-0%	\$334/-0%	—
2	-3%	\$293/-0%	\$401/-0%	\$334/-0%	—
1	-0%	\$293/-0%	\$401/-0%	\$334/-0%	—
TOTALS	-43.7%	-63.6% -\$510	-38.5% -\$251	-60% -\$493	49.8% -\$379

Based on a \$100,000 wood frame home that is 10 years old.

* All county residents pay this amount. ** All city residents pay this amount.

Adding fire sprinklers will reduce rates an additional \$38 to \$44.

A fire and burglar alarm system that goes to a central monitoring station will reduce rates an additional \$62 to \$109/6.1% to 6.8%.

The first obvious lesson from this chart is your investment in lowering the community rating does make a difference. It also pays to shop around from agent to agent for your fire insurance. Just placing a brush truck in an area that was a 10 makes it a 9, saving \$178 or 22% a year on the owner's premiums.

Replacing the brush truck with a 4,000-gallon tanker in that same area drops the 9 to an 8, saving \$132 to \$360 dollars each year—that is a 20% to 43% drop in premiums paid. The concept is simple; if there isn't a fire truck within 5 miles of a property it is a 10! Place a brush truck or tanker within 5 miles and save big money. A town going from a 7 to a 5 can provide 49.8% savings for a whopping \$370. Going from a 5 to a 4 can save 28%, or \$133 per home.

to 75 percent per hydrant. The department with 2 1/2" and 3" hose may have enough hydrants but not receive credit for them due to limitations in their supply line. If you find this out before the ISO guy arrives, you can add hydrants or change hydrant tops to hydrants with pumper outlets or buy big hose

to get full 1,000-gpm credit.

THE COMPLETE EVALUATION

When the evaluation of the supply system is complete, you end up with a chart that is looking for the weak link. The weak link is in bold in Table 1. To figure credit,

TURNOUT GEAR

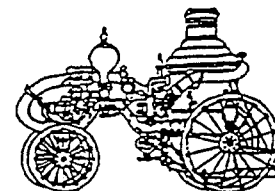


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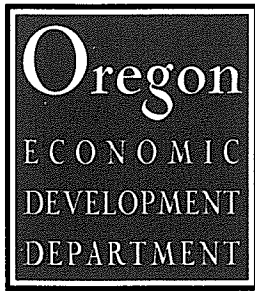
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ENTERPRISE
ZONES
in
Oregon

**Oregon Economic
Development Department
775 Summer Street, N.E.
Salem, Oregon 97310 U.S.A.**

**Oregon Department of Revenue
955 Center Street, N.E.
Salem, Oregon 97310 U.S.A.**



To Interested Businesses:

It is our pleasure to welcome businesses to the State of Oregon's Enterprise Zone System. Up to 37 zones may exist in the state as a result of authority granted by the Governor and the State Legislature dating back to 1985. In each of these areas, a qualified business may be exempted from the local property tax liability on new capital investments for at least three years and up to five years.

Enterprise zones are recognized as a crucial element in the State of Oregon's promotion of investment that provides useful employment to Oregonians, diversifies overall business activity and underpins future economic growth, especially in areas of the state needing special assistance. Experience has shown that businesses participating in this program become successful and valuable members of the community.

Whether or not you have questions or need assistance in understanding the requirements and procedures of the enterprise zone program, we encourage you to contact the respective enterprise zone coordinators in either agency, as well as other staff and agencies involved with economic development or taxation at the state and local level.

To secure an enterprise zone exemption, it is important that an applicant business firm review its eligibility and submit information with the local zone manager prior to initiating construction, installations or hiring. Thank you for considering an Oregon enterprise zone.

A handwritten signature in black ink, appearing to read "W. C. Scott".

*William C. Scott, Director
Oregon Economic Development Department*

A handwritten signature in black ink, appearing to read "Richard A. Munn".

*Richard A. Munn, Director
Oregon Department of Revenue*

DISCLAIMER

The following information is based on the Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OARs) in force as of August 1996. Users of this document are advised that legal requirements and provisions are subject to change, and that they should seek confirmation of any crucial facts presented herein.

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FORMS CONTAINED IN OUTER POCKET

Application for Cancellation of Assessment on Commercial Facilities Under Construction
("Construction-In-Process")—COUNTY FORM 310-020

Oregon Enterprise Zone Precertification Application—150-303-029

Oregon Enterprise Zone Tax Exemption Application—150-310-075

Oregon Enterprise Zone Annual Statement of Compliance—150-303-051

INTRODUCTION

Cities and counties across Oregon have joined together and formed enterprise zones to foster employment opportunities, business development and competitiveness. Located in economically lagging areas, these zones offer substantial property tax relief to new private capital.

Since 1986, the program has benefitted hundreds of investments generating thousands of new full-time jobs, as well as the retention of existing employees and work for associated Oregon companies/suppliers. The firms that directly receive enterprise zone benefits are mostly existing companies, though many are new. They come in all sizes and represent a vast array of industries, services and stages of production.

Enterprise zone requirements and procedures are straightforward and largely automatic. This handbook provides general information about qualifying for the tax exemption, as well as details on local and state contacts. **For further technical assistance see—**

- ◆ Instructions/information in the applications in this handbook's outer pocket
- ◆ Statewide and regional contacts referenced on page 12
- ◆ Local enterprise zone manager as listed on pages 19–21
- ◆ County assessors offices (especially for questions of property), page 22 and
- ◆ Companion document—*Statutes and Administrative Rules: Oregon Enterprise Zones* (150-303-420-1).

SUMMARY OF BENEFITS

Several types of benefits accrue to eligible business firms that invest, qualify and operate in an Oregon enterprise zone, in addition to programs with statewide applicability:

Standard Property Tax Exemption

One hundred percent (total) exemption from the property taxes normally assessed on significant new plant and equipment. This exemption lasts three (3) years.

Extended Abatement

As explained below, the standard exemption may be lengthened to four (4) or five (5) consecutive years in total by the local government(s) that sponsor the zone.

Local Incentives

The local sponsoring governments frequently provide various benefits to firms that qualify in the enterprise zone, such as reduced fees for direct services, waivers from permit charges, regulatory flexibility/expedition or enhanced public services.

Publicly Owned Real Property

Enterprise zone business firms may lease or purchase any land or building that is owned by a state agency or municipal corporation, and that is otherwise available in the zone, if the property is immediately developed for the "precertified" use.

Business Climate

A key focus of public and private efforts to develop an area and foster productivity, an enterprise zone typically entails both tangible and intangible advantages for companies locating or expanding in that area.

Benefits Available to Businesses Throughout Oregon:

- ◆ **“Construction-In-Process”** exemption for commercial buildings can in most cases precede an enterprise zone exemption (which is not available for unfinished, unused or unoccupied property) for up to two years, provided that the facility is *NOT* in use or occupancy for any commercial purpose on July 1 (beginning of the tax year). An application is contained in this handbook’s outer pocket and must be filed *EACH TAX YEAR BY AUGUST 1* with the county assessor, who can advise on eligibility.
- ◆ **Strategic Investment Program** serves exceptionally large capital investments by offering a 15–year property tax exemption on assessed value in excess of a cap that starts at \$100 million. Approval involves considerable local government action. This program may *NOT* be combined with an enterprise zone exemption.
- ◆ **Tax Credits** based on some or all of the costs associated with certain investments (*e.g.*, in energy/fuel savings, pollution control, plastics recycling, research, reforestation or low-income housing) are used to offset state corporate income tax liability and are generally spread over and/or deferrable for several years. Some type of “pre-application” is usually required.
- ◆ **Grants, Loans and Services** for infrastructure, capital, training, marketing and so forth are available either directly to private investors or through local/regional governments and organizations from various programs of the Oregon Economic Development Department and other state agencies.

CRITICAL DATES...APPLICATIONS

The documents and steps for an enterprise zone exemption are designed to ensure sufficient understanding of legal provisions and to interface with normal procedures for property tax assessment, which is based on a *TAX YEAR* of July 1 to June 30.

Notice to Businesses:

- ◆ **Application for Precertification** is filled out and submitted to the local zone manager (or alternatively the county assessor) *BEFORE BEGINNING WORK* at a proposed investment site. In this way, correct knowledge of the enterprise zone can play a role in the decision to invest. The enterprise zone may (though many zones do not) impose a filing fee between \$200 and 0.1 percent of the estimated investment cost.
- ◆ **First-Source Hiring Agreement** is entered into *PRIOR TO HIRING NEW EMPLOYEES* associated with requirements for qualification. This basic contract arranges for referrals from the local “contact agency” for the enterprise zone.

Representative Time Line

The following is a hypothetical schedule for an enterprise zone investment taking about a year to complete and receiving a standard three-year exemption:

TIME	ENTERPRISE ZONE ACTIONS	REMARKS
DEADLINES (NOT LATER THAN . . .) IN BOLD		
<p>INVESTMENT STARTS AT SOME POINT DURING A TAX YEAR</p>	<ul style="list-style-type: none"> ▶ Apply for Precertification with local zone manager <i>Begin physical site preparation, construction, additions or modifications</i> ▶ Sign First-Source Hiring Agreement with "contact agency" <i>Begin hiring new employees to qualify</i> <i>Zone manager & county assessor approve precertification</i> <i>Begin installation of machinery & equipment</i> <p>(NO ENTERPRISE ZONE QUALIFIED PROPERTY IN USE OR OCCUPANCY)</p>	<p>Italicized <i>ACTIONS</i> might occur in any logical order with respect to each other.</p> <p>Approved precertification serves as <i>prima facie</i> evidence that firm will receive exemption.</p>
<p>July 1</p> <p style="text-align: center;">August 1</p> <p>TAX YEAR PRIOR TO EXEMPTION</p>	<ul style="list-style-type: none"> ▶ Apply for "Construction-In-Process" with county assessor <li style="padding-left: 20px;">"Construction-In-Process" Application Filed <li style="padding-left: 20px;"><i>Complete construction of new building or additions & modifications to existing building or structure</i> <li style="padding-left: 20px;"><i>Complete installation of machinery & equipment</i> 	<p>Any property in county on July 1, even if partially constructed, is otherwise assessed for taxation.</p>
<p>July 1</p> <p style="text-align: center;">August 31</p> <p style="text-align: center;">September 1</p> <p>1ST YEAR OF EXEMPTION</p>	<ul style="list-style-type: none"> ▶ Apply for Enterprise Zone Exemption with county assessor <li style="padding-left: 20px;">Qualified Property in Use or Occupancy <li style="padding-left: 20px;">Enough Full-Time Employees Hired to Satisfy Requirements <li style="padding-left: 20px;">Tax Exemption Application Filed <li style="padding-left: 20px;"><i>County assessor determines that precertified business firm and property is qualified and approves exemption</i> 	<p>Investments may be split up, such that two or more exemptions begin and end in different years, depending on completion of work and on use or occupancy for the various qualified property.</p>
<p>July 1</p> <p style="text-align: center;">September 1</p> <p>2ND YEAR OF EXEMPTION</p>	<ul style="list-style-type: none"> ▶ Submit Annual Statement of Compliance to county assessor <li style="padding-left: 20px;">Annual Statement of Compliance Filed 	<p>Required employment, eligibility and so forth maintained during each year to avoid disqualification of the exemption(s).</p>
<p>July 1</p> <p style="text-align: center;">September 1</p> <p>3RD YEAR OF EXEMPTION</p>	<ul style="list-style-type: none"> ▶ Submit Annual Statement of Compliance to county assessor <li style="padding-left: 20px;">Annual Statement of Compliance Filed 	
<p>July 1</p> <p style="text-align: center;">September 1</p>	<ul style="list-style-type: none"> ▶ Submit Annual Statement of Compliance to county assessor <li style="padding-left: 20px;">Annual Statement of Compliance Filed (for last year) 	<p>Requirements conclude, and property will now be assessed at market value.</p>

- ◆ **Application for Tax Exemption** is filed with the county assessor on or after July 1 but *NOT LATER THAN SEPTEMBER 1* of the first year of the exemption. This first year directly follows the tax year in which construction, additions, modifications or installations are completed for exempted property, as listed on this application. Late fee of the greater of \$200 or 0.1 percent of property's assessed value is charged for filings between September 1 and 15.
- ◆ **Annual Statement of Compliance** is also filed with the county assessor, again, *FROM JULY 1 TO SEPTEMBER 1 AFTER EACH AND EVERY EXEMPTION YEAR*. This one-pager serves a basic maintenance function.

Leasing of Buildings Already under Construction

A special provision allows for the development of rental property to go forward without jeopardizing access to the enterprise zone exemption. An eligible business firm that will lease all or part of a new or existing building or structure may precertify even though construction, additions or modifications are already underway. The lease has to be executed before all such work is finally completed, and the executed lease must be attached to the precertification application before it may be approved.

Modified or Subsequent Investments

Information about property on the application for precertification is not strictly binding and should be amended as investment plans change. Additional applications are allowed and required for exemptions at different sites or for new/different investments.

WHAT IS EXEMPTIBLE

Oregon's counties assess virtually all non-inventory business property at real market value. The combined local levy on this property (and residential structures) must generally be at or below 1.5 percent of the assessed property value. Three principal sets of issues determine which business property "qualifies" for an enterprise zone exemption:

Fundamental Factors

It is imperative that the property is—

- ◆ In use or occupancy *NO LATER THAN AUGUST 31* of the first year of the exemption
- ◆ Constructed, added to, modified or installed to further the production of income
- ◆ Contained in an exemption application with at least \$25,000 of investment costs
- ◆ Located inside the enterprise zone
- ◆ Owned or leased by the qualified business firm; *FOR ANY LEASED PROPERTY*—the owner/lessor co-signs the exemption application, and the lease must be a net lease such that property taxes are passed through to the firm/lessee.

Property Has to Be New

Newness to the enterprise zone is essential and means specifically that—

- ◆ NO property may have been used or occupied *WITHIN THE ZONE* more than 12 months before the exemption starts—*i.e.*, on or before June 30 a year earlier
- ◆ The firm must apply for exemption in the tax year immediately following the tax year in which construction, modification or installation of property is completed
- ◆ For existing buildings or structures, the exemption applies solely to the increase in property value, if any, attributable to additions or modifications.

Newness to the eligible business firm (or county) also matters for machinery or equipment, in that such property must be *NEWLY* purchased or leased by the firm. Alternatively, property already owned/leased by the firm may still qualify if *NEWLY* transferred into the zone from somewhere outside of the relevant county.

Specific Characteristics

Based on investment *COST* and property classification, the exemption covers—

- ◆ Any new building or structure of \$25,000 or more
- ◆ Additions and modifications totaling \$25,000 or more per building/structure
- ◆ Any machinery or equipment that is:
 - Real property (not readily movable or affixed to other real property)
 - A personal property item of \$1,000 or more and used in tangible production or
 - A personal property item of \$50,000 or more
- ◆ Neither self-propelled motorized vehicles, nor the assessed value of the land.

ELIGIBILITY (TYPE OF BUSINESS)

As a matter of policy, enterprise zone benefits target “for-profit” business operations that do not compete significantly within the local economy and that bring in outside income. The prime function of precertification is to ascertain such eligibility up front.

Has to be an Eligible Activity

Eligible business firms provide goods, products or services to other business operations. This includes not only conventional manufacturing and industrial activities, but also processing plants, distribution centers, maintenance facilities, warehouses, and even some operations that handle bulk clerical tasks or after-sales technical support.

Regardless of whether they are performed for other businesses, the following and similar activities are *NOT* eligible: entertainment, tourism, health care, child care, serving meals, finance, housing, property management, leasing space, construction and sales of goods or services at the retail level.

Hotels, Motels & Destination Resorts

Despite the above restrictions, a business firm that operates a hotel, motel or destination resort is an eligible business firm in 26 enterprise zones as indicated in this handbook's master list. In one of these enterprise zones not only accommodation facilities may be exempted, but also qualified property used in retail or other hotel, motel or resort operations, if at least 50 percent of receipts are from overnight guests.

Both Eligible & Ineligible Activities and "Gross Receipts" Test

A business firm engaged in ineligible activities (e.g., retail stores) may nevertheless be eligible, if the eligible activities in which the firm will invest are at a *SEPARATE* location away from any ineligible activity (even if under the same roof). The eligibility of the business firm in cases where eligible activities are not clearly isolated, as well as the eligibility of particular operations, is ultimately determined by annual gross receipts, if any, that the firm or operation earns within the enterprise zone. It is eligible, if at least 75 percent of any such gross receipts will come from activities other than sales to the general public for household or personal consumption (once the firm qualifies).

Property & Employees of Ineligible Activities or Affiliated Corporations

Employees are counted only if they are engaged 50 percent or more of their time in eligible operations, or if they are predominantly concerned with direct administration or technical support for such operations. Also, only property used exclusively in conjunction with eligible activities may qualify.

Likewise, employees and qualified property of other corporations with common ownership are normally ignored. But corporations that entirely share the same ownership, or in which one is a wholly-owned subsidiary of another, may *CHOOSE* to be treated as one eligible business firm.

EMPLOYMENT TO QUALIFY

Oregon's enterprise zones are intended to create new jobs. There are two basic requirements to qualify for the property tax exemption: the first-source hiring agreement and minimum additional hires—plus one exception and two special circumstances—as described below. In all respects, statewide stipulations do *NOT* count persons that are employed temporarily, seasonally, solely to construct qualified property, or for 32 or fewer hours per week, although counted employees might not necessarily be on the firm's payroll—that is, for example, such workers could be leased or contracted.

First-Source Hiring Agreement

As mentioned already, an eligible business firm must sign a first-source hiring agreement with the contact agency for local publicly funded job training providers *BEFORE* hiring new employees. The agreement does *NOT* demand that anyone be hired, but provides only that the firm *NOTIFY* the contact agency of job openings and that it *CONSIDER* referrals from the network of training providers. This arrangement may be helpful both to the business firm and the

local community. The Director of the Oregon Economic Development Department may waive requirement of this agreement if the waiver serves the program's goals and objectives.

New Full-Time Permanent Jobs

A distinction is made between "new" and "existing" businesses, but in essence, any eligible business firm must increase its employment within the enterprise zone by the *GREATER OF ONE PERSON OR TEN PERCENT* based on the number of existing employees averaged over the 12 months preceding precertification. In order to qualify, this requirement must be satisfied *BY AUGUST 31* of the first year of the exemption.

Investments of \$25 Million or More

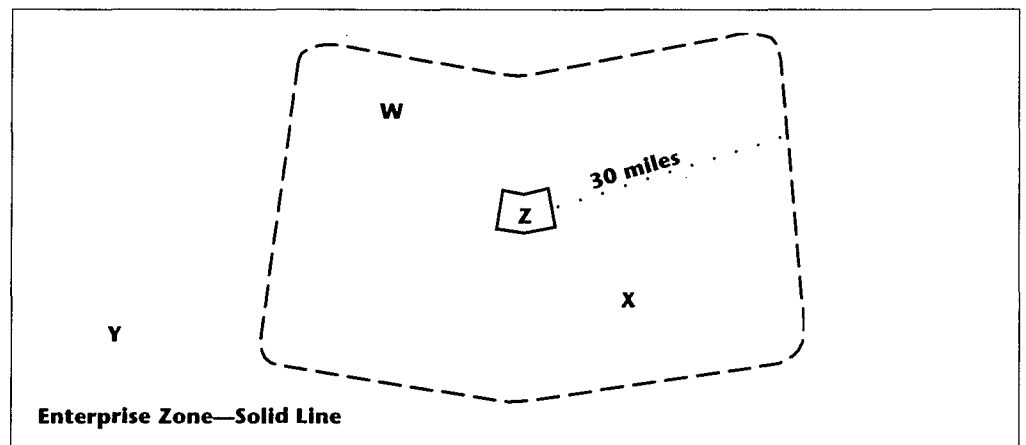
Through resolutions, the governing bodies of the city or county jurisdictions that sponsor the enterprise zone may waive the required ten percent increase in existing in-zone employment, such that an eligible business firm's employment may even be reduced, but only for investments costing \$25 million or more. The resolutions shall establish a minimum employment level and may set other conditions, in order for the firm to qualify.

Special Urban Conditions

The sponsor of an *URBAN* enterprise zone may impose additional conditions on any eligible business firm precertifying in the enterprise zone. These conditions are to be related to employment and must be established by standards and policy adopted by the sponsor. The manager of an urban zone will describe any such policy and will include with the precertification a standardized summary of the firm's relevant commitments.

Relocating Into the Zone

Though rarely an issue, the relocation of jobs from outside the enterprise zone but from within the state is controlled in one of two ways, as explained using the diagram below:



Beyond 30 Miles—A firm (or commonly controlled firm) transferring operations from SITE Y TO SITE Z would not qualify, if the operation at SITE Y permanently closed or curtailed and thereby significantly reduced the number of persons employed relative to the general workforce where SITE Y is located.

Within 30 Miles—If an existing business firm moved operations from SITE X TO SITE Z, then *BY AUGUST 31* of the first exemption year, the number of employees within the enterprise zone plus those at SITE X would need to equal or exceed 110 percent of the existing employment in the zone plus SITE X. (If employees were transferred into the zone from SITE W, it would be added to both sums, as well.)

EXTENDED ABATEMENT

To obtain an enterprise zone exemption that lasts four or five consecutive years in total, there are three elements:

Compensation

During each of the four or five years of an extended abatement, average compensation for new employees must be at least 150 percent (or 1.5 times) the average annual wage of the zone's high-wage county (some zones cover more than one county). Among counties with enterprise zones, the mean 1994 average annual wage was just under \$21,000.

Although a significant requirement, this compensation standard is more feasibly achieved than it might appear, because: (1) county wage level is set according to the figure prevailing at precertification and will not vary; (2) the firm's "compensation" includes not only wages and salary but also overtime, bonuses, insurance and other financial benefits not mandated by law; (3) all eligible, full-time and year-around "employees" are averaged over the tax year; and (4) for "existing businesses" no more than some number of new positions equal to the required ten percent increase must satisfy this requirement.*

Written Agreement

Before the application for precertification is finalized, a business firm seeking an extended abatement must have a written agreement with the enterprise zone sponsor that confirms the above compensation requirement, grants either one or two extra years and specifies any additional requirements requested by the sponsor. Each city or county that sponsors the zone may formally approve this agreement in any suitable way (*e.g.*, an adopted resolution, established policy or authorized official).

Local Requirements

The sponsoring jurisdictions may make the extended abatement contingent on certain jointly agreed requirements, which the zone sponsor as opposed to the county assessor is primarily responsible for monitoring and enforcing throughout the period of exemption. Outside of Portland such requirements have been rare so far, but they could have very broad reach and special consequences, although state statutes insist on reasonableness. These requirements are *IN ADDITION* to statutory compensation and employment levels and may not effectively lower or raise the stringency of such levels.

*In Portland metropolitan area a different calculation based on state's minimum wage is used.

AVOIDING DISQUALIFICATION!

A qualified business firm may lose its enterprise zone exemption, including retroactively paying back property taxes, for failure to satisfy or adhere to requirements during the exemption period.** A few points deserve emphasis:

- ◆ A 20 percent **penalty** would be added to the tax bill, unless the firm or the owner/lessor of exempted leased property **NOTIFIED** the county assessor **AND** zone sponsor **BY THE 60TH DAY** after the tax year in which failure occurred, otherwise back taxes are billed in the next tax year with interest charges only for late payment.
- ◆ Requirements pertaining only to an **extended abatement** do **NOT** affect qualification for the standard three years of property tax exemption.
- ◆ A **“new” business** that was not operating in the zone or within 30 miles thereof when precertified may not reduce its employment by (1) 85 percent at the end of a tax year or (2) 50 percent throughout the course of a tax year below the highest number of employees at the end of any previous year of exemption.
- ◆ An **“existing” business** that was operating in the zone or within 30 miles thereof when precertified may not reduce the average annual number of its employees during a tax year below 110 percent of its existing employment.
- ◆ The exemption is generally allowed to continue on **property sold or leased** to another firm, so long as it is used for eligible activities and stays inside the zone.

EXISTENCE OF ZONES

As of August 1996, Oregon had 35 enterprise zones with at least one in virtually every region of the state as indicated on the following pages. Current statutory authority allows for up to 37 zones to exist at one time. The 1985 Legislative Act creating the program provided for 30 zones—each to last ten years. These were designated by the Governor from 1986 to 1988. Seven additional “nonurban” zones were authorized in 1993. With the ongoing termination and replacement of the original 30 zones, the current location and number of Oregon enterprise zones is susceptible to change.

Zone Sponsor

The sponsor of the enterprise zone is made up of the city/county governments that applied for the zone’s designation or were brought in through boundary amendments. In general, the sponsor includes all jurisdictions in which at least some part of the zone lies. (*SEE*—illustrations in back of handbook) Some zones are sponsored by only one city or county, but any variety of multiple sponsorship is possible; two cities plus the county is common. Sponsors have a number of duties and opportunities in terms of how the zone functions, but all such sponsoring governments must act **JOINTLY** in conducting zone business (possibly through a zone association accord involving community representatives).

**In a Portland metropolitan zone only one year’s exemption is forfeited with first *notice* of failure to meet or maintain a requirement for an extended abatement or special urban condition.

Zone Designation

Since 1993, the Director of the Oregon Economic Development Department has been charged with designating enterprise zones. Designation of a proposed zone hinges on a minimum level of local economic distress, as well as local government resolutions, a map of the proposed zone and so forth. A surplus of applicants for available enterprise zones would trigger a competitive selection based on economic need, likelihood of success and other criteria. An application round occurs whenever zones automatically terminate or "sunset" (see below). Additional zones may be designated by the Director to correspond to zones created in Oregon by the federal government. No property, whether entered on the tax rolls, or for which construction, modification or installation was completed or in process, when the zone's designation took effect, may be granted an exemption.

Zone Boundary

Enterprise zones in Oregon come in many shapes and typically encompass all of the local land that eligible business firms might use—if not the entire city. Only in metropolitan areas is a zone likely to be limited to just a section of town. Twelve square miles and twelve lineal miles are the maximum size and distance of any zone. Separate areas are permitted, but these must be within five miles of another such area. (SEE—illustrations in back of handbook) The Director of the Oregon Economic Development Department approves changes to zone boundaries per requests by the local sponsor. As with the designation of an enterprise zone, investments in areas to be added must wait for the boundary change to take effect—even if the firm is precertified.

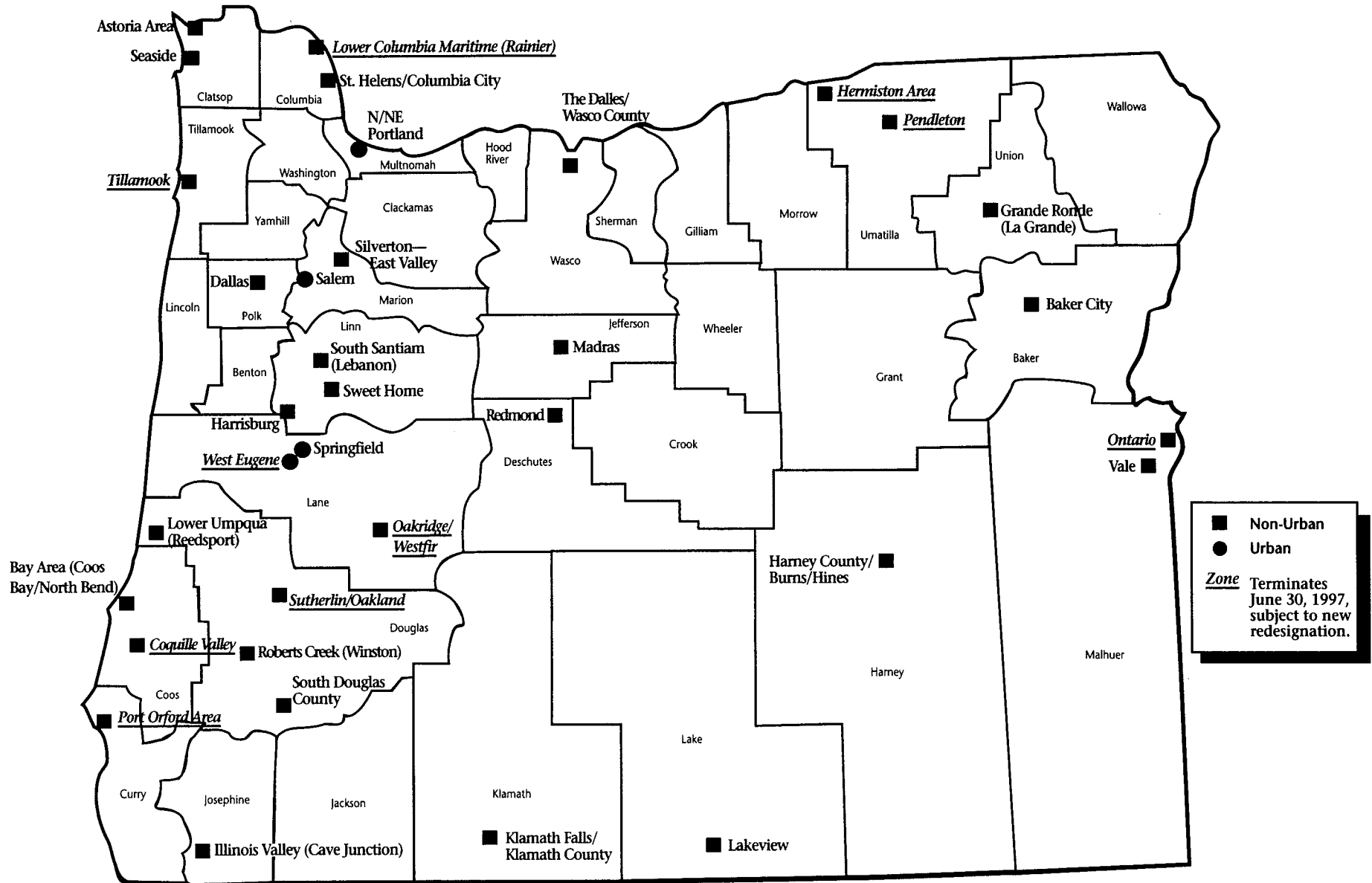
Urban and Nonurban

Oregon enterprise zones are categorized depending on whether they are located inside of a regional urban growth boundary in a federal metropolitan statistical area. Present statutes do not limit the number of urban versus nonurban zones that may be designated, and these categories do not affect business firms, except for the possibility of special additional conditions in an urban zone, as well as two minor distinctions for abatements in Portland area zones, as noted above.

Zone Termination

Either upon request of the local zone sponsor or for failure by the sponsor to carry out its responsibilities, the enterprise zone is permanently terminated. Otherwise, a zone terminates on June 30 no more than eleven years after designation. The sponsor of a zone that "sunset" in this way may reapply for designation. Ongoing exemptions are unaffected by termination of the enterprise zone, and approved precertifications remain valid for purposes of qualifying until the fourth tax year following termination. Moreover, such precertified or qualified firms may precertify for further investments/expansions for up to ten years after the date of termination—and receive an exemption—provided that construction, modifications or installations commence before such a "GRANDFATHERED" firm's last exemption ends.

Oregon Enterprise Zones



STATEWIDE AND REGIONAL CONTACTS

Enterprise Zone Coordinators

Name/Agency	Business Address	Office Phone	Fax Number
Arthur Fish Oregon Economic Development Department	775 Summer Street, N.E. Salem, OR 97310	503-986-0140	503-986-0145
Oregon Department of Revenue	955 Center Street, N.E. Salem, OR 97310	503-945-8293	503-945-8737

Regional Development Officers
Economic Development Department

Name Counties/(# of Zones)	Business Address	Office Phone	Mobile Phone	Fax Number
Mike Burton <i>Benton, Lane, Lincoln, Linn</i> (six zones)	P.O. Box 1369 Corvallis, OR 97339	541-686-7811	541-954-0903	541-686-2325
Chris Claflin <i>Coos, Curry, Douglas</i> (seven zones)	Port of Coos Bay P.O. Box 1215 Coos Bay, OR 97420	541-267-4651	541-670-0735	541-269-1475
Brian Cole <i>Baker, Malheur</i> (three zones)	P.O. Box 650 Baker City, OR 97814	541-523-7463	541-519-5197	541-523-7493
Jill Drago <i>Umatilla, Union, Wallowa</i> (three zones)	105 Fir Street, Ste 321 La Grande, OR 97850	541-963-8676	541-962-4749	541-962-7089
Larry Holzgang <i>Harney, Klamath, Lake</i> (three zones)	126 North "E" Street Lakeview, OR 97630 P.O. Box 728 Klamath Falls, OR 97601	541-947-4240 541-883-7846	541-891-8525	541-947-4268 541-883-7895
Marcy Jacobs <i>Multnomah, Washington</i> (one zone)	One World Trade Center 121 S.W. Salmon, Ste. 300 Portland, OR 97204	503-229-5625 ext. 235	503-799-2322	503-229-5211
Art James <i>Marion, Polk, Yamhill</i> (three zones)	c/o SEDCOR 350 Commercial St. N.E. Salem, OR 97301	503-588-6236	503-580-2680	503-588-6240
Greg Jenks <i>Clatsop, Columbia, Tillamook</i> (five zones)	2001 9th Street Tillamook, OR 97141	503-842-4045	503-931-6662	503-842-9368
Bruce Laird <i>Jackson, Josephine</i> (one zone)	332 W. Sixth Street Medford, OR 97501	541-776-6234	541-944-2920	541-776-6027
Robert Raimondi <i>Crook, Deschutes, Jefferson</i> (two zones)	63085 N. Hwy. 97, Ste. 104 Bend, OR 97701	541-388-6266	541-480-7821	541-389-1391
To be filled <i>Gilliam, Grant, Morrow, Sherman, Wasco, Wheeler</i> (one zone)	Port of The Dalles 3636 Klindt Drive The Dalles, OR 97058	541-298-4140	541-980-1757	541-298-2136

MASTER LIST

The following list of current and terminated enterprise zones indicates the type of zone ("nonurban" or "urban") and whether hotel, motels and destination resorts are eligible in that zone ("hotel/motel/resort"). Local sponsoring governments and the dates for the zone's designation, its most recent boundary change and its termination are noted, as well. Across from each current zone is: (1) the name of the local zone manager, (2) the county or counties of record which determines the relevant county assessor's offices, and (3) the "contact agency" for first-source hiring agreements. Further information on these local sources of assistance is listed alphabetically on subsequent pages.

Current/Existing Enterprise Zones

ASTORIA AREA

Nonurban, hotel/motel/resort

Sponsor: City of Astoria, City of Warrenton
and Clatsop County

Designated: December 31, 1987

Latest Boundary Change: April 30, 1992

Termination: June 30, 1998

Local Zone Manager: Margaret Forbes
County of Record: Clatsop
Contact Agency: Astoria Field Office, Oregon
Employment Department

BAKER CITY

Nonurban, hotel/motel/resort

Sponsor: City of Baker City and Baker County

Designated: July 1, 1996

Latest Boundary Change: none

Termination: June 30, 2007

Local Zone Manager: Roger Lee
County of Record: Baker
Contact Agency: Baker City Field Office, Oregon
Employment Department

BAY AREA

Nonurban, hotel/motel/resort

Sponsor: City of Coos Bay, City of North Bend and
Coos County

Designated: July 1, 1996

Latest Boundary Change: none

Termination: June 30, 2007

Local Zone Manager: Loran Wiese
County of Record: Coos
Contact Agency: SCBEC—South Coast Business
Employment Corporation;
North Bend Field Office, Oregon
Employment Department

COQUILLE VALLEY

Nonurban, hotel/motel/resort

Sponsor: City of Coquille, City of Myrtle Point and
Coos County

Designated: January 2, 1987

Latest Boundary Change: none

Termination: June 30, 1997

Local Zone Manager: Joe Wolf
County of Record: Coos
Contact Agency: SCBEC—South Coast Business
Employment Corporation;
North Bend Field Office, Oregon
Employment Department

DALLAS

Nonurban, hotel/motel/resort

Sponsor: City of Dallas

Designated: December 31, 1987

Latest Boundary Change: none

Termination: June 30, 1998

Local Zone Manager: Roger Jordan
County of Record: Polk
Contact Agency: Salem Field Office, Oregon
Employment Department

WEST EUGENE

Urban

Sponsor: City of Eugene and Lane County

Designated: January 2, 1987

Latest Boundary Change: December 23, 1994

Termination: June 30, 1997

Local Zone Manager: Denny Braud
County of Record: Lane
Contact Agency: Eugene Field Office, Oregon
Employment Department

Enterprise Zones in Oregon

GRANDE RONDE

Nonurban, hotel/motel/resort
Sponsor: City of Island City, City of La Grande and
Union County
Designated: December 31, 1987
Latest Boundary Change: none
Termination: June 30, 1998

Local Zone Manager: Dennis Spray
County of Record: Union
Contact Agency: La Grande Field Office, Oregon
Employment Department

HARNEY COUNTY/BURNS/HINES

Nonurban, hotel/motel/resort
Sponsor: City of Burns, City of Hines and Harney County
Designated: January 3, 1996
Latest Boundary Change: none
Termination: June 30, 2006

Local Zone Manager: Jim Aho and County Assessor
County of Record: Harney
Contact Agency: Burns Satellite Office, Oregon
Employment Department

HARRISBURG

Nonurban, hotel/motel/resort
Sponsor: City of Harrisburg and Linn County
Designated: September 26, 1994
Latest Boundary Change: none
Termination: June 30, 2005

Local Zone Manager: Dan Eckles
County of Record: Linn
Contact Agency: Albany Field Office, Oregon
Employment Department

HERMISTON AREA

Nonurban
Sponsor: City of Hermiston, City of Stanfield, City of
Umatilla and Umatilla County
Designated: January 2, 1987
Latest Boundary Change: none
Termination: June 30, 1997

Local Zone Manager: Aaron Henson
County of Record: Umatilla
Contact Agency: Hermiston Field Office, Oregon
Employment Department

ILLINOIS VALLEY

Nonurban, hotel/motel/resort
Sponsor: City of Cave Junction and Josephine County
Designated: December 16, 1988
Latest Boundary Change: none
Termination: June 30, 1999

Local Zone Manager: Al Koski
County of Record: Josephine
Contact Agency: Grants Pass Local Office, Oregon
Employment Department

KLAMATH FALLS/KLAMATH COUNTY

Nonurban, hotel/motel/resort
Sponsor: City of Klamath Falls and Klamath County
Designated: July 1, 1996
Latest Boundary Change: none
Termination: June 30, 2007

Local Zone Manager: Joe Riker
County of Record: Klamath
Contact Agency: KLETI—Klamath-Lake
Employment Training
Institute, Inc.

LAKEVIEW

Nonurban, hotel/motel/resort
Sponsor: Town of Lakeview and Lake County
Designated: July 1, 1996
Latest Boundary Change: July 29, 1996
Termination: June 30, 2007

Local Zone Manager: Sherm Radtke
County of Record: Lake
Contact Agency: KLETI—Klamath-Lake
Employment Training
Institute, Inc.

LOWER COLUMBIA MARITIME

Nonurban, hotel/motel/resort
Sponsor: City of Rainier, Clatsop and Columbia counties
Designated: January 2, 1987
Latest Boundary Change: September 13, 1995
Termination: June 30, 1997

Local Zone Manager: Jim Brown
County of Record: Clatsop or Columbia
Contact Agency: St. Helens Satellite Office,
Oregon Employment
Department

LOWER UMPQUA

Nonurban, hotel/motel/resort
Sponsor: City of Reedsport and Douglas County
Designated: January 3, 1996
Latest Boundary Change: none
Termination: June 30, 2006

Local Zone Manager: Ted Werth
County of Record: Douglas
Contact Agency: Umpqua Training and
Employment, Inc.

MADRAS

Nonurban
Sponsor: City of Madras and Jefferson County
Designated: September 26, 1994
Latest Boundary Change: none
Termination: June 30, 2005

Local Zone Manager: Robert Fuller
County of Record: Jefferson
Contact Agency: COIC—Central Oregon
Intergovernmental Council

OAKRIDGE/WESTFIR

Nonurban
Sponsor: City of Oakridge, City of Westfir and Lane County
Designated: January 2, 1987
Latest Boundary Change: none
Termination: June 30, 1997

Local Zone Manager: Mike McAlvage
County of Record: Lane
Contact Agency: Eugene Field Office, Oregon
Employment Department

ONTARIO

Nonurban, hotel/motel/resort
Sponsor: City of Ontario and Malheur County
Designated: January 2, 1987
Latest Boundary Change: December 16, 1988
Termination: June 30, 1997

Local Zone Manager: Hal Schilling
County of Record: Malheur
Contact Agency: Ontario Field Office, Oregon
Employment Department

PENDLETON

Nonurban, hotel/motel/resort
Sponsor: City of Pendleton and Umatilla County
Designated: January 2, 1987
Latest Boundary Change: none
Termination: June 30, 1997

Local Zone Manager: Paul Gerola
County of Record: Umatilla
Contact Agency: Pendleton Field Office, Oregon
Employment Department

PORT ORFORD AREA

Nonurban
Sponsor: City of Port Orford and Curry County
Designated: January 2, 1987
Latest Boundary Change: none
Termination: June 30, 1997

Local Zone Manager: Marc Farmer
County of Record: Curry
Contact Agency: Gold Beach Field Office, Oregon
Employment Department

NORTH/NORTHEAST PORTLAND

Urban
Sponsor: City of Portland
Designated: July 1, 1996
Latest Boundary Change: none
Termination: June 30, 2007

Local Zone Manager: Christopher Juniper
County of Record: Multnomah
Contact Agency: PDC—Portland Development
Commission

REDMOND

Nonurban
Sponsor: City of Redmond and Deschutes County
Designated: December 31, 1987
Latest Boundary Change: none
Termination: June 30, 1998

Local Zone Manager: Robert Quitmeier
County of Record: Deschutes
Contact Agency: COIC—Central Oregon
Intergovernmental Council

ROBERTS CREEK

Nonurban, hotel/motel/resort
Sponsor: Douglas County
Designated: April 8, 1994
Latest Boundary Change: none
Termination: June 30, 2004

Local Zone Manager: Ted Werth
County of Record: Douglas
Contact Agency: Umpqua Training and
Employment, Inc.

Enterprise Zones in Oregon

ST. HELENS/COLUMBIA CITY

Nonurban, hotel/motel/resort
Sponsor: City of Columbia City, City of St. Helens and
Columbia County
Designated: July 1, 1996
Latest Boundary Change: none
Termination: June 30, 2007

Local Zone Manager: Brian Little
County of Record: Columbia
Contact Agency: St. Helens Satellite Office,
Oregon Employment
Department

SALEM

Urban, hotel/motel/resort
Sponsor: City of Salem
Designated: December 31, 1987
Latest Boundary Change: April 16, 1992
Termination: June 30, 1998

Local Zone Manager: Larry Glasscock
County of Record: Marion or Polk
Contact Agency: Salem Field Office, Oregon
Employment Department

SEASIDE

Nonurban, hotel/motel/resort
Sponsor: City of Seaside
Designated: December 16, 1988
Latest Boundary Change: none
Termination: June 30, 1999

Local Zone Manager: Dave Carpenter
County of Record: Clatsop
Contact Agency: Astoria Field Office, Oregon
Employment Department

SILVERTON-EAST VALLEY

Nonurban
Sponsor: City of Silverton
Designated: April 8, 1994
Latest Boundary Change: none
Termination: June 30, 2004

Local Zone Manager: Dave Meriwether
County of Record: Marion
Contact Agency: Salem Field Office, Oregon
Employment Department

SOUTH DOUGLAS COUNTY

Nonurban, hotel/motel/resort
Sponsor: City of Myrtle Creek, City of Riddle and
Douglas County
Designated: December 16, 1988
Latest Boundary Change: none
Termination: June 30, 1999

Local Zone Manager: Ted Werth
County of Record: Douglas
Contact Agency: Umpqua Training and
Employment, Inc.

SOUTH SANTIAM

Nonurban, hotel/motel/resort
Sponsor: City of Lebanon and Linn County
Designated: July 1, 1996
Latest Boundary Change: none
Termination: June 30, 2007

Local Zone Manager: Joseph Windell
County of Record: Linn
Contact Agency: Albany Field Office, Oregon
Employment Department

SPRINGFIELD

Urban
Sponsor: City of Springfield and Lane County
Designated: December 16, 1988
Latest Boundary Change: June 30, 1992
Termination: June 30, 1999

Local Zone Manager: John Tamulonis
County of Record: Lane
Contact Agency: Eugene Field Office, Oregon
Employment Department

SUTHERLIN/OAKLAND

Nonurban, hotel/motel/resort
Sponsor: City of Oakland, City of Sutherlin and
Douglas County
Designated: January 2, 1987
Latest Boundary Change: March 3, 1995
Termination: June 30, 1997

Local Zone Manager: Ted Werth
County of Record: Douglas
Contact Agency: Umpqua Training and
Employment, Inc.

SWEET HOME

Nonurban, hotel/motel/resort
 Sponsor: City of Sweet Home and Linn County
 Designated: July 1, 1996
 Latest Boundary Change: none
 Termination: June 30, 2007

Local Zone Manager: Carol Lewis
 County of Record: Linn
 Contact Agency: Albany Field Office, Oregon
 Employment Department

THE DALLES/WASCO COUNTY

Nonurban, hotel/motel/resort
 Sponsor: City of The Dalles and Wasco County
 Designated: July 1, 1996
 Latest Boundary Change: none
 Termination: June 30, 2007

Local Zone Manager: Dan Durow
 County of Record: Wasco
 Contact Agency: The Dalles Field Office, Oregon
 Employment Department

TILLAMOOK

Nonurban, hotel/motel/resort
 Sponsor: City of Bay City, City of Garibaldi, City of Rockaway
 Beach, City of Tillamook and Tillamook County
 Designated: January 2, 1987
 Latest Boundary Change: December 16, 1988
 Termination: June 30, 1997

Local Zone Manager: Val Folkema
 County of Record: Tillamook
 Contact Agency: Tillamook Field Office, Oregon
 Employment Department

VALE

Nonurban, hotel/motel/resort
 Sponsor: City of Vale and Malheur County
 Designated: December 16, 1988
 Latest Boundary Change: May 13, 1996
 Termination: June 30, 1999

Local Zone Manager: Joe Wrabek
 County of Record: Malheur
 Contact Agency: Ontario Field Office, Oregon
 Employment Department

Terminated/Former Enterprise Zones

Albany Nonurban, hotel/motel/resort

Sponsor: City of Albany, City of Millersburg and Linn County
 Designated: March 11, 1986
 Last Boundary Change: December 16, 1988
 Termination: June 30, 1996, by statutory sunset; may be redesignated.

Coburg Nonurban

Sponsor: City of Coburg and Lane County
 Designated: August 30, 1994
 Termination/Future Status: October 2, 1995, by request of sponsor; may NOT be redesignated.

Toledo Nonurban

Sponsor: City of Toledo and Lincoln County
 Designated: March 11, 1986
 Termination: June 30, 1996, by statutory sunset; may be redesignated.

Note: Effective July 1, 1996, the following eight enterprise zones terminated and were redesignated—possibly with boundaries that are different from the former zone:

Baker City	Coos Bay Area	Klamath Falls/Klamath County	N/NE Portland
St. Helens/Columbia City	South Santiam	Sweet Home	Wasco County/The Dalles

LOCAL ZONE MANAGERS

Appointed by the city(ies) and/or county(ies) that sponsor the enterprise zone, the local zone manager serves as the principal contact for business firms seeking to invest in an enterprise zone. The local zone manager answers questions regarding the land inside of the zone boundary, employment requirements, basic eligibility of proposed operations and the benefits of the enterprise zone. In addition to special requests and circumstances involving the local sponsoring governments, the local zone manager also handles approval of the precertification application, which must be submitted **prior** to the commencement of work on the investment.

Jim Aho—Harney County/Burns/Hines Enterprise Zone
City Manager
City of Burns
242 South Broadway
Burns, OR 97720
☎ 541-573-5255
Fax: 541-573-5622

Dan Eckles—Harrisburg Enterprise Zone
City Administrator
City of Harrisburg
354 Smith Street
P.O. Box 378
Harrisburg, OR 97446
☎ 541-995-6652
Fax: 541-995-9244

Denny Braud—West Eugene Enterprise Zone
Development Analyst
Planning & Development
City of Eugene
99 West 10th Avenue
Eugene, OR 97401
☎ 541-687-5536
Fax: 541-687-5572
E-mail: denny.braud@ci.eugene.or.us

W. Marc Farmer—Port Orford Area Enterprise Zone
Marketing Director
Coos-Curry Electric Cooperative, Inc.
43050 Highway. 101
P.O. Box G
Port Orford, OR 97465
☎ 541-332-0162 x285
1-800-526-9585
Fax: 541-332-3037

Jim Brown—Lower Columbia Maritime Enterprise Zone
Staff Assistant
Board of Commissioners
Columbia County Courthouse
St. Helens, OR 97051
☎ 503-397-1035
Fax: 503-397-7266

Val Folkema—Tillamook Enterprise Zone
Tillamook County Economic Development Council
4000 Blimp Boulevard
Tillamook, OR 97141
☎ 503-842-2236
Fax: 503-842-3680

Dave Carpenter—Seaside Enterprise Zone
Planning Director
City of Seaside
989 Broadway
Seaside, OR 97138
☎ 503-738-5511
Fax: 503-738-5514

Margaret Forbes—Astoria Area Enterprise Zone
Clatsop County Economic Development Council
800 Exchange Street, Ste. 300
Astoria, OR 97103
☎ 503-325-7870
Fax: 503-325-3940

Dan Durow—The Dalles/Wasco County Enterprise Zone Dir.
Community Development Department
City of The Dalles
313 Court Street
The Dalles, OR 97058
☎ 541-296-5481 x128
Fax: 541-298-5490

Robert H. Fuller—Madras Enterprise Zone
Chamber of Commerce
Economic Development for Jefferson County
197 S.E. Fifth Street
P.O. Box 770
Madras, OR 97741
☎ 541-475-2350
Fax: 541-475-4341

Enterprise Zones in Oregon

Paul J. Gerola—Pendleton Enterprise Zone
Economic Development Specialist
City of Pendleton
34 S.E. Dorian Avenue
P.O. Box 190
Pendleton, OR 97801
☎ 541-276-1811
Fax: 541-276-1815

Laurance E. Glassock—Salem Enterprise Zone
President, SEDCOR (Salem Economic Development
Corporation)
350 Commercial Street, N.E.
Salem, OR 97301
☎ 503-588-6225
Fax: 503-588-6240
E-mail: lglassock@open.org

Aaron Henson—Hermiston Area Enterprise Zone
City Planner
City of Hermiston
180 N.E. Second Street
Hermiston, OR 97838
☎ 541-567-5521
Fax: 541-567-5530
E-mail: planning@eonet.com

Roger Jordan—Dallas Enterprise Zone
City Manager
City of Dallas
187 S.E. Court Street
P.O. Box 67
Dallas, OR 97338
☎ 503-623-2338
Fax 503-623-2339

Mel Joy—Enterprise Zone Manager *emeritus*, President
Albany-Millersburg Economic Development Corporation
435 First Street, S.W.
P.O. Box 548
Albany, OR 97321
☎ 541-926-1519
Fax: 541-926-7064

Christopher Juniper—N/NE Portland Enterprise Zone
Manager—Policy & Planning
Portland Development Commission
1120 S.W. Fifth Avenue, Suite 1100
Portland, OR 97204
☎ 503-823-3328
Fax: 503-823-3368

Al Koski—Illinois Valley Enterprise Zone
Josephine County Courthouse
Grants Pass, OR 97526
☎ 541-474-5275
Fax: 541-474-5105

Rural Development Specialist
SORED (Southern Oregon Regional Economic
Development, Inc.)
332 W. Sixth Street
Medford, OR 97501-2746
☎ 541-773-8946

Roger Lee—Baker City Enterprise Zone
City & County of Baker Economic Development Department
Baker City Hall, #207
P.O. Box 650
Baker, OR 97814
☎ 541-523-6541
Fax: 541-523-2603

Carol Lewis—Sweet Home Enterprise Zone
Planning Director
City of Sweet Home
1140 12th Avenue
Sweet Home, OR 97386
☎ 541-367-8113
Fax: 541-367-5113

Brian Little—St. Helens Enterprise Zone
City Administrator
City of St. Helens
P.O. Box 278
St. Helens, OR 97051
☎ 503-397-6272
Fax: 503-397-4016

Mike McAlvage—Oakridge/Westfir Enterprise Zone
City Administrator
City of Oakridge
P.O. Box 385
Oakridge, OR 97463
☎ 541-782-2258
Fax: 541-782-2250

Dave Meriwether—Silverton Enterprise Zone
City Manager
City of Silverton
306 S. Water Street
Silverton, OR 97381
☎ 503-873-6117
Fax: 503-873-3210

Robert Quitmeier—Redmond Enterprise Zone
Community Development Director
City of Redmond
455 South Seventh
P.O. Box 726
Redmond, OR 97756
☎ 541-548-2149
Fax: 541-548-0706

Sherm Radtke—Lakeview Enterprise Zone
Economic Development Director
Lake County
513 Center Street
Lakeview, OR 97630
☎ 541-947-6013
Fax: 541-947-6015 or 541-947-4629

Joseph T. Riker, III, Ph.D.—Klamath Falls/Klamath County
Enterprise Zone
Community Development Director
City of Klamath Falls
226 South Fifth Street
P.O. Box 237
Klamath Falls, OR 97601
☎ 541-883-5361
Fax: 541-883-5390

Hal Schilling—Ontario Enterprise Zone
City Manager
City of Ontario
444 S.W. Fourth Street
Ontario, OR 97914
☎ 541-881-3223 (Mountain Time)
Fax: 541-889-7121 (Mountain Time)

Dennis Spray—Grande Ronde Enterprise Zone
Union County
1106 "K" Avenue
La Grande, OR 97850
☎ 541-963-1001
Fax: 541-963-1079

John Tamulonis—Springfield Enterprise Zone
Development Services
City of Springfield
225 Fifth Street
Springfield, OR 97477
☎ 541-726-3656
Fax: 541-741-2763

Ted Werth—Roberts Creek, Lower Umpqua, South Douglas
County and Sutherlin/Oakland Enterprise Zones
Coos-Curry-Douglas Business Development
744 S.E. Rose Street
Roseburg, OR 97470
☎ 541-672-6728
Fax: 541-672-7011
E-mail: 71674.2250@compuserve.com

Loran Wiese—Bay Area Enterprise Zone Director
Economic Development
Coos County
1975 McPherson
North Bend, OR 97459
☎ 541-756-2020 x539 or x532
Fax: 541-756-5466
E-mail: lwiese@presys.com

Joseph A. Windell—South Santiam Enterprise Zone
City Manager
City of Lebanon
925 Main Street
Lebanon, OR 97355
☎ 541-451-7422
Fax: 541-451-1260

Joe Wolf—Coquille Valley Enterprise Zone
City Manager
City of Coquille
99 East Second
Coquille, OR 97423
☎ 541-396-2115
Fax: 541-396-2113

Joe Wrabek—Vale Enterprise Zone
City Manager
City of Vale
252 B Street West
Vale, OR 97918
☎ 541-473-3133 (Mountain Time)
Fax: 541-473-3895 (Mountain Time)

COUNTY ASSESSORS

Usually elected, the assessor is responsible for appraisal of relevant property within the county and for collection of annual *ad valorem* taxes due on it. An eligible/precertified business firm receives an enterprise zone exemption once the county assessor has **qualified** the firm and the applicable property. To accomplish this, the firm (and any lessors of property) file an exemption application at the beginning of the tax year—after July 1 but by September 1—following completion of construction, installation and so forth. The assessor's office also: (1) approves the precertification application along with the zone manager; (2) oversees compliance by exempted business firms; (3) assists business firms with the intricacies of property definitions, and (4) administers the cancellation of assessment for "Construction-In-Process" which, though different from the enterprise zone exemption, is typically combined with it.

Harry Allen Phillips
Baker County
Staff Contact: Kerry Savage
County Courthouse
1995 3rd Street
Baker City, OR 97814-3313
☎ 541-523-8203
Fax: 541-523-8240

Kim Worrell
Deschutes County
Staff Contact: Roger Freed
Registered Appraiser
1340 N.W. Wall Street
Bend, OR 97701-1939
☎ 541-388-6516
Fax: 541-389-7947

Glen E. Jones
Clatsop County
County Courthouse
749 Commercial
P.O. Box 177
Astoria, OR 97103-0177
☎ 503-325-8522
Fax: 503-325-8606

Doris Reddekopp
Douglas County
Staff Contact: Keith Reisman
County Courthouse
1036 S.E. Douglas
Roseburg, OR 97470-3396
☎ 541-440-4222
1-800-477-0991 (Douglas County Only)
Fax: 541-440-4408

Tom Linhares
Columbia County
County Courthouse
St. Helens, OR 97051-0010
☎ 503-397-2240
Fax: 503-397-5153 or 503-397-7266

Hunter Eugene De Pue
Harney County
Also: Local Co-Manager for Enterprise Zone
County Courthouse
450 N. Buena Vista
Burns, OR 97720-1599
☎ 541-573-8367
Fax: 541-573-8387

Gayland Van Elsberg
Coos County
Staff Contact: Barbara Foord
County Courthouse
250 North Baxter
Coquille, OR 97423-1898
☎ 541-396-3121 x272
Fax: 541-396-6071

Patsy Mault
Jefferson County
75 S.E. "C" Street
Madras, OR 97741-1798
☎ 541-475-2443
Fax: 541-475-4454

Jim Kolen
Curry County
Staff Contact: Bob Plaep
County Courthouse
29821 Ellensburg Avenue
P.O. Box 746
Gold Beach, OR 97444-0746
☎ 541-247-7011 x257
Fax: 541-247-2718

George E. Trahern
Josephine County
County Courthouse
N.W. 6th & C
Grants Pass, OR 97526-2054
☎ 541-474-5260
Fax: 541-474-5105
E-mail: joco15@gp.magick.net

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 305 Main Street
 Mail: 403 Pine Street, Ste. 300
 Klamath Falls, OR 97601-6061
 ☎ 541-883-5111
 Fax: 541-883-5165

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Lake County
 County Courthouse
 513 Center Street
 Lakeview, OR 97630
 ☎ 541-947-6000
 Fax: 541-947-601

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Lane County
 Staff Contact: Steve Smith
 Dept. of Assessment & Taxation
 125 East 8th Avenue
 Eugene, OR 97401-2968
 ☎ 541-687-3831
 Fax: 541-687-3819

Mark Noakes
Linn County
 Staff Contact: Gene Johnston
 County Courthouse, Room 215
 P.O. Box 100
 Albany, OR 97321-0027
 ☎ 541-967-3808
 Fax: 541-926-8228

Dick Meisinger
Malheur County
 County Courthouse
 251 "B" Street West, No. 2
 Vale, OR 97918-1397
 ☎ 541-473-5117
 Fax: 541-473-5168

Doug Ebner
Marion County
 Staff Contact: Chris R. Lord
 Senior Appraiser/Industrial
 495 State Street
 Salem, OR 97310-3670
 ☎ 503-588-5130 or 503-588-5414
 Fax: 503-588-7985

Robert Ellis
Multnomah County
 Staff Contact: Steven Skinner
 Division of Assessment & Taxation
 421 S.W. Sixth Avenue
 Portland, OR 97204-1699
 ☎ 503-248-3349 x2349
 Fax: 503-248-3280

Dennis Day
Polk County
 County Courthouse
 850 Main Street, Room 202
 Dallas, OR 97338-3180
 ☎ 503-623-8391
 Fax: 503-623-6009

Tim Lutz
Tillamook County
 Staff Contact: Gary Barger
 County Courthouse
 201 Laurel Avenue
 Tillamook, OR 97141-2394
 ☎ 503-842-3400
 Fax: 503-842-2721

Paul Chalmers
Umatilla County
 County Courthouse
 216 S.E. Fourth
 P.O. Box 68
 Pendleton, OR 97801-0068
 ☎ 541-278-6221
 Fax: 541-278-5463

Patty Gooderham
Union County
 1001 4th Street, Suite A
 La Grande, OR 97850-2187
 ☎ 541-963-1002
 Fax: 541-963-1039

Herb Crook, Jr.
Wasco County
 Staff Contact: Tim Lynn
 County Courthouse
 511 Washington Street
 The Dalles, OR 97058-2237
 ☎ 541-296-5477
 Fax: 541-298-1002

CONTACT AGENCIES—FIRST-SOURCE HIRING AGREEMENTS

After applying for precertification with the local manager for the enterprise zone, an eligible business firm is required to sign a first-source hiring agreement with the contact agency for local publicly funded job-training providers. See the "master list" of zones to identify the correct contact agency for a particular zone. The first-source hiring agreement must be concluded **before** the hiring of new qualifying employees begins. The agreement carries an obligation to notify the contact agency of job openings and to consider job applicants that are referred by the local network of job-training providers. There is **NO** requirement to hire anyone, but the arrangement could prove a valuable resource.

Job Training Partnership Act

Richard Mackay, Executive Director
COIC—Central Oregon Intergovernmental Council
1135 W. Highland
Redmond, OR 97756
☎ 541-548-8163
Fax: 541-923-3416

Sheila Crawford, Director
Maureen Plato, Lakeview Contact
KLETI—Klamath-Lake Employment Training Institute, Inc.
220 Pine Street
Klamath Falls, OR 97601
☎ 541-882-5691 (Klamath Falls)
Fax: 541-882-9063 (Klamath Falls)

520 Center Street
P.O. Box 271
Lakeview, OR 97630
☎ 541-947-4334 (Lakeview)

Jess McKinley, Project Manager
Workforce and Target Industries (JobNet)
PDC—Portland Development Commission
1120 S.W. Fifth Ave., Suite 1100
Portland, OR 97204
☎ 503-823-3312
Fax: 503-823-3368

L. N. Toliver, Job Training Manager
SCBEC—South Coast Business Employment Corporation
295 South 10th
P.O. Box 1194
Coos Bay, OR 97420
☎ 541-269-2013
Fax: 541-267-0194

Susan Buell, Vice President
Umpqua Training and Employment, Inc.
P.O. Box 1429
Roseburg, OR 97470
☎ 541-672-7761
Fax: 541-672-2216

Oregon Employment Department

Sue Hankins, Employment Representative
Albany Field Office
139 S.E. Fourth Avenue
P.O. Box 70
Albany, OR 97321
☎ 541-967-2171 x244
Fax: 541-967-2137

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Astoria Field Office
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Astoria, OR 97103
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Fax: 503-325-2918

Len York, Manager
Baker City Field Office
1575 Dewey Street
P.O. Box 470
Baker City, OR 97814
☎ 541-523-6331
Fax: 541-523-3530

Richard Hergenrether, Supervisor
Burns Satellite Office
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Burns, OR 97720
☎ 541-573-5251
Fax: 541-573-3628

Carol Fairbourn
Employment Services Supervisor
Eugene Field Office
2510 Oakmont Way
Eugene, OR 97401
☎ 541-686-7670
Fax: 541-686-7954

Kathie Morgan
Gold Beach Field Office
155 W. Fifth Place
P.O. Box D
Gold Beach, OR 97444
☎ 541-247-2236
Fax: 541-247-7855

Henry Oliva, Supervisor
Grants Pass Local Office
201 N.E. Eighth Street
P.O. Box 609
Grants Pass, OR 97526
☎ 541-474-3161
Fax: 541-474-3195

Joe Eddy, Employment Specialist
Hermiston Field Office
950 S.E. Columbia Dr., Suite B
Hermiston, OR 97838
☎ 541-567-3381
Fax: 541-567-2306

Bob Nelson, Manager
La Grande Field Office
1901 Adams Avenue
P.O. Box 1008
La Grande, OR 97850
☎ 541-963-7111
Fax: 541-963-5515

Betty Moore, Supervisor
Medford Local Office
119 N. Oakdale Street
P.O. Box 1068
Medford, OR 97501
☎ 541-776-6060 x223
Fax: 541-776-6093

Victoria Channer, Manager
Newport Field Office
120 N.E. Avery Street
P.O. Box 10
Newport, OR 97365
☎ 541-574-2302, 265-8891
Fax: 541-265-5975

James D. Cunningham, Manager
North Bend Field Office
2075 Sheridan
P.O. Box 986
North Bend, OR 97459
☎ 541-756-5700
Fax: 541-756-3900

Richard Bertram, Manager
Ontario Field Office
375 S.W. Second Avenue
P.O. Box 40
Ontario, OR 97914
☎ 541-889-5394
Fax: 541-889-8437

Bob Quaempts, Supervisor
Pendleton Field Office
408 S.E. Seventh Street
Pendleton, OR 97801
☎ 541-276-9050
Fax: 541-278-2068

Joyce Aho/Sandra Moore, Managers
St. Helens Satellite Office
500 N. Highway 30, Suite 230
St. Helens, OR 97051
☎ 503-397-4995
Fax: 503-397-7154

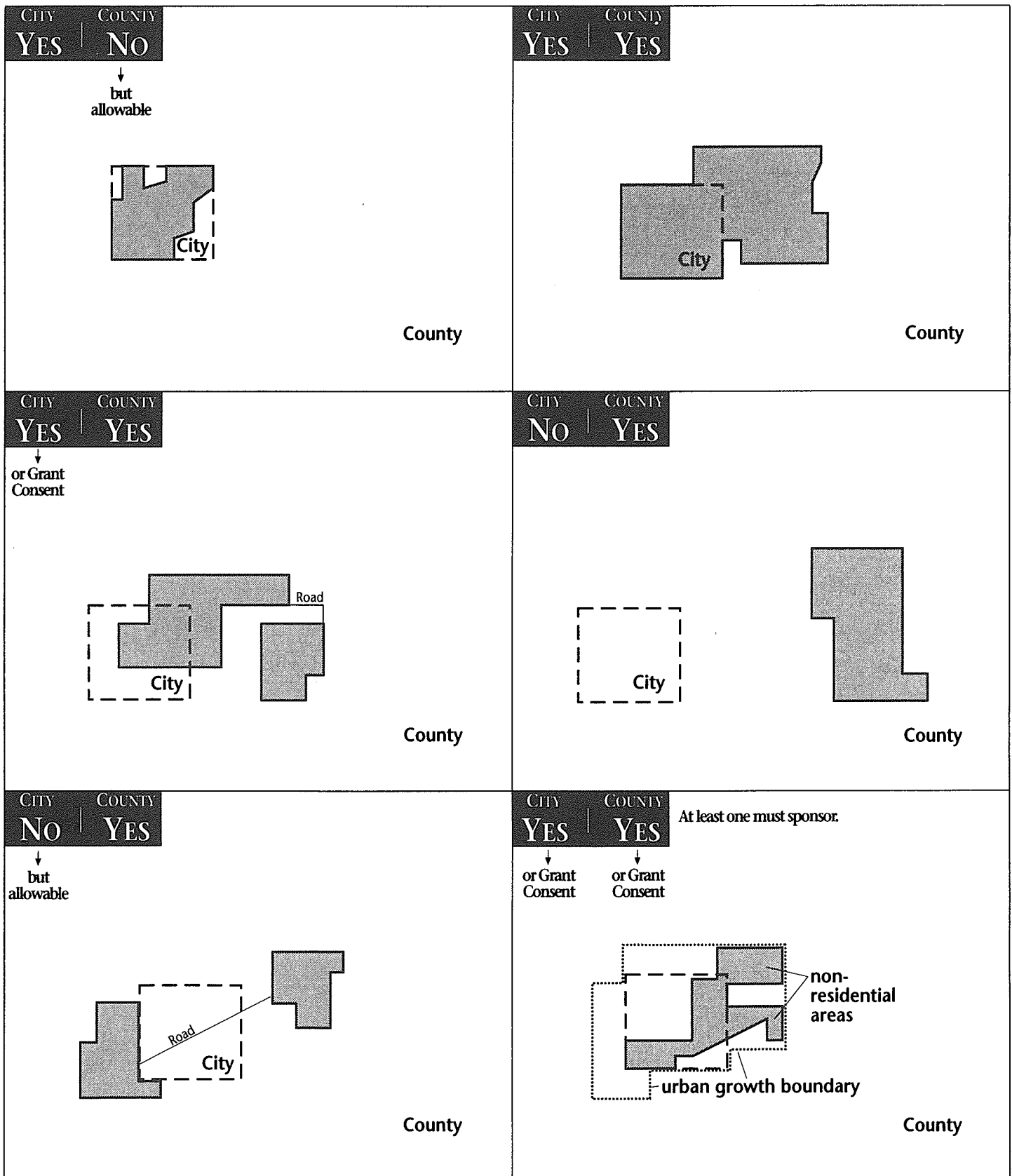
Mike Phillips, Employment Specialist
Salem Field Office
605 Cottage Street, N.E.
Salem, OR 97308
☎ 503-378-4846 x252
Fax: 503-378-6480

Robert R. Watkins, Manager
The Dalles Field Office
700 Union Street, Suite 105
The Dalles, OR 97058
☎ 541-296-5435
Fax: 541-296-5590

Gregory Duskin, Manager
Tillamook Field Office
3600 East Third Street
Tillamook, OR 97141
☎ 503-842-4488
Fax: 503-842-8857

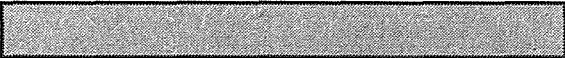
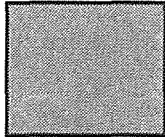
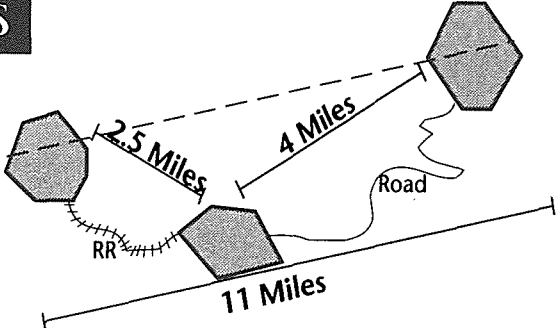
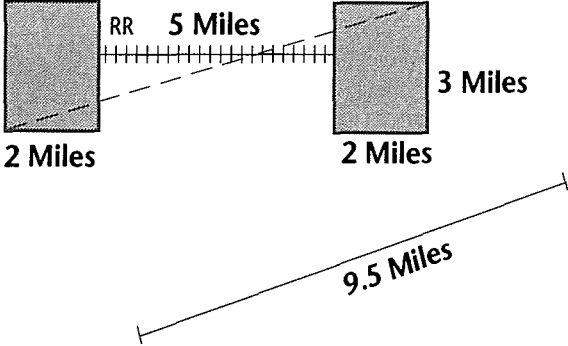
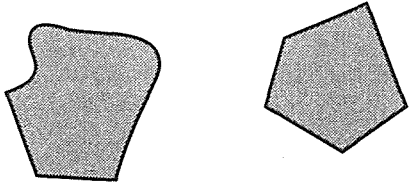
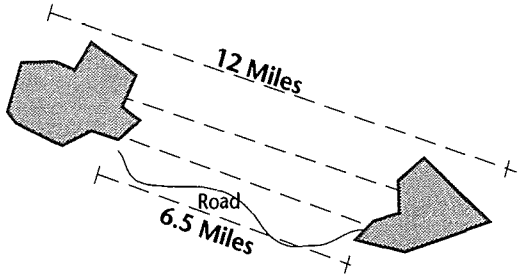
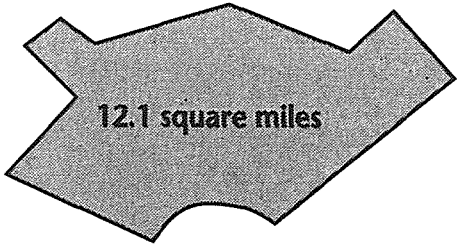
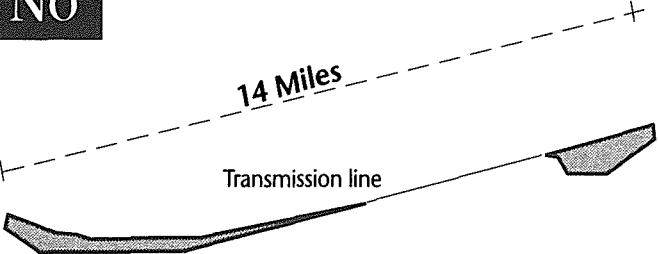
Sponsorship for Enterprise Zones

(suppositional zones defined by solid line and shading)



Enterprise Zones Configurations

(scale varies among examples)

<p>YES</p>  <p>1 Mile 12 Miles</p>	<p>YES</p>  <p>3.4 Miles 3.4 Miles</p>
<p>YES</p>  <p>2.5 Miles 4 Miles 11 Miles RR Road</p>	<p>YES</p>  <p>3 Miles 2 Miles 5 Miles RR 3 Miles 2 Miles 9.5 Miles</p>
<p>No</p>  <p>Nothing connecting separate areas</p>	<p>No</p>  <p>12 Miles 6.5 Miles Road</p> <p>Distance between separate areas too great—more than 5 miles</p>
<p>No</p>  <p>12.1 square miles</p> <p>Too much total area—greater than 12.0 square miles</p>	<p>No</p>  <p>14 Miles Transmission line</p> <p>Distance between two points too great—more than 12 miles</p>

NOTES

EDITORIAL

Growth realities

The growing ranks of no-growth advocates in Oregon need to face reality. Alternatives to growth do not exist. There is only managed growth and mismanaged growth. To pretend otherwise is to set oneself up for mismanaged growth.

When a state like Oregon and a city like Portland become magnets for people looking for the good life, no amount of regulation or legislation will stop the influx. The pace of growth is pretty much out of the locals' hands.

Growth can be steady, measured and manageable, as has occurred in cities like Albuquerque. Or it can be rapid and uncontrolled, as is the case in Miami. There, political turmoil in Central America sent hundreds of thousands of immigrants flooding into South Florida, overwhelming the schools, security forces and social services—and pockmarking the landscape with ugly strip mall shopping centers and characterless housing developments.

Here, the pace is still manageable. The institutions, although strained, are intact, and things work. The foundation to handle growth is in place. And while it is easy to understand why some residents want to shut the state down at its borders, it simply makes no sense to pretend we can do that.

Instead, we need a vision for development, one that can be easily translated into not just bricks and mortar, but parks, trees, bikeways, good public schools, clean water and pure air. We need to set quality-of-life objectives for our region and then make sure that these objectives are built into every piece of the developmental puzzle. We need to reach a consensus and then protect it with daily vigilance. We need to create a plan flexible enough to allow for rationale development but resistant to exceptions.

Where other cities have failed is in their inability to reach a community consensus and stick to it. Master plans are created with painstaking care—and completely ignored at the planning and zoning commission levels. Or communities fracture over-growth/no-growth issues and can't reach a consensus.

Certainly we all want to preserve the good things about life in Oregon. These qualities have drawn people here who have helped stimulate the economy. To keep the economic engine going, we need to be open to growth. At the same time, we get to make some of the rules that govern how that growth evolves.

We can have managed growth or mismanaged growth. That's up to us. But no-growth isn't among our choices. Those who think it is are, by ignoring reality, only choosing mismanaged growth. □



Champions c

We live in an age of corporate w performance companies h household names and are sh paeans by national business management consultants books, and Ivy League business schools.

Concerns ranging from General Electric la to Merck and FedEx are hailed and e scale never before seen.

Who are some of the companies Busi readers most admire? Here is what a sam group has to say.

Roger Yost, architect with Yost Grube Hall: "Microsoft, for two reasons. It continues to scramble as though it were in second place. But most im-





****MEMORANDUM****

**Community Development Department
November 12, 1997**

TO: Dan Bartlett, City Manager *DB*
FROM: *MC* Maggie Collins, Community Development Director
RE: FY 97-98 Budget Revision Proposal (Supercedes 9/18/97 Memo)

WORK PLAN BUDGET IMPACTS (11/12/97)

The following is an assessment of C.D.'s FY 97-98 Budget Line Item 11-51-6010-0000 (personal services):

FY 97-98 Approved Budget - \$50,000 **\$50,000**

Encumbered in August, 1997

11-511-6010-0000		
	-0111 \$10,000 (Property Acquisition Services)	
	-0112 \$5,000 (HRC)	
	-0116 \$5,000 (LR On-call)	
	-0121 \$10,500 (RCMP 1st Draft)	
	-0121 \$7,000 (RCMP 2nd Draft)	

	Subtotal \$37,500	-\$37,500
		Balance \$12,500

Encumbered in September, 1997

11-511-6010-0000	\$15,625 (Layden contract)	
	\$21,250 (Swanson contract)	

	Subtotal \$36,875	-\$36,875
		Balance (\$24,375)

Cont. from page 1 (\$24,375)

Proposed encumbrances (see Work Plan Summary)

-0117 Tree Ordinance	\$10,500	
Public Sites/Design Review	\$33,500	
S/N LR Public Involvement (8 months)*	\$17,000	

Subtotal	\$61,000	-\$61,000
*Reimbursible under IGA with Metro		
		Balance (\$85,375)
Request to transfer from Contingency		\$85,375

Last Fiscal Year's History - Line Item 11-51-6010-0000

Approved FY 96-97 Line Item Amount:	\$120,000
Total Spent:	\$105,803
Reimbursements to City General Fund through Grant Payments and IGA's	\$ 40,000 (TGM)
	\$ 5,000 (Metro TGM)
	\$ 20,299 (LR IGA)

	\$ 65,299 Total

The Ideal City

Americans must abandon the frontier mentality of boundless growth because urban sprawl ruins communities and costs too much.

BY RICHARD MOE & CARTER WILKIE

Out of control On the eve of the 21st century, Americans once again find themselves confronting the ills of urbanization. A century ago, the problem was urban congestion, the city of tenements, industrial pollution, and poor sanitation. Today, the problem is urban sprawl, unchecked urbanization that spreads across the landscape, drawing the life out of historic centers while turning countryside into clutter. After watching sprawl spread across the land throughout the postwar era, Americans are beginning to

realize that places are developing in ways that are not good for them. People feel it instinctively whenever they are stuck in traffic, losing time as prisoners to the automobile. They know something must be wrong when their taxes rise higher and higher even as growth spreads farther and farther. And just by looking around, they can see the results of sprawl. Eighty percent of everything built in the United States has been built in the last 50 years, and most of it, writes author James Howard Kunstler, "is depressing, brutal, ugly, unhealthy, and spiritually degrading."

"Americans moved to the suburbs largely for privacy, mobility, security, and ownership," writes California-based architect and community planner Peter Calthorpe. "Increasingly they now have isolation, congestion, rising crime, and overwhelming costs."

These real costs of urban sprawl, long a concern of urban planners and environmentalists, are only now seeping into the public consciousness. From 1960 to 1990, the population of Kansas City, Mo., grew by less than a third while the flight of people from the urban core expanded its land area by 110 percent, the *Kansas City Star* reported in December 1995. "Like most American cities, Kansas City has been seduced by all things new," wrote reporters Chris Lester and Jeffrey Spivak. "The resulting sprawl has left in its wake a chronic rot, eroding our region from the inside out. Now, even the suburbs grapple with its ill effects. Is this really what we want? Not to growing numbers of people who realize our dilemma: We cannot afford the continuing chaos of sprawl."

Current patterns of urbanization are unsustainable. In 1995, a coalition of California organizations, including the Bank of America, questioned the gospel of unmanaged growth. Their widely publicized report announced, "As we

approach the 21st century, it is clear that sprawl has created enormous costs that California can no longer afford." Across California, as in other states, the decentralization of employment centers, housing developments, and increased dependence on the automobile have brought to the surface "enormous social, environmental and economic costs, which until now have been hidden, ignored, or quietly borne by society." Sprawl has trapped the unemployed in places without jobs while more mobile residents relocate in the hinterlands, some pulled by what they perceive as the only supply of safe, affordable housing, others pushed there by the declining quality of life in badly maintained environments.

In few places are the consequences felt more sharply than in California's Central Valley, the most productive agricultural area in the United States and yet one being devoured by sprawl at an alarming rate. The Central Valley's population is expected to triple by the year 2040. Even now, residential and commercial sprawl gobbles an estimated 15,000 acres of farmland there each year. In the next 45 years, according to a study undertaken by the American Farmland Trust, runaway sprawl is projected to consume or indirectly affect more than 3.6 million acres, or more than half of the valley's irrigated farmland. By 2040, such a loss would reduce the value of farm products grown in the area by the equivalent of the entire annual agricultural production of the state of Oregon and eliminate up to 40,000 farm-related jobs. The study also projects that the cost of providing the current level of public services and infrastructure to the new housing tracts, shopping malls, and office parks to be built on farmland will exceed the expected tax revenues of Central Valley cities by about \$1 billion annually. This means that those communities will have no choice but to reduce services or

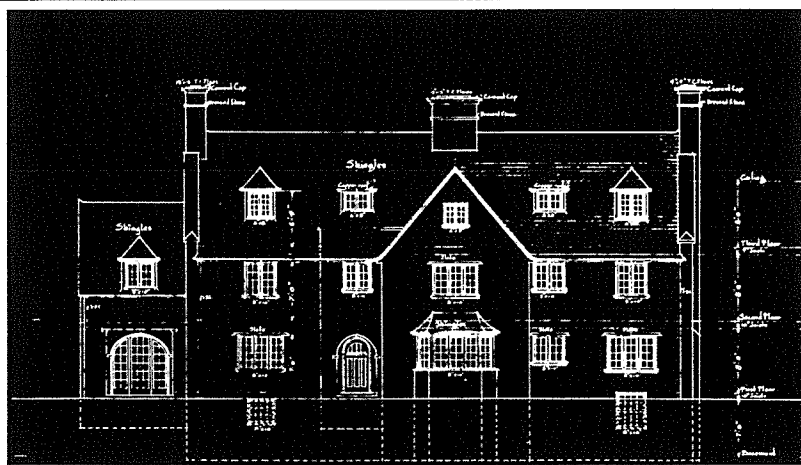
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JULIE MAXWELL

Tel: (215) 247-5700

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increase taxes, or both. The cities requiring state or federal bailouts today are the ones that are imploding, that suffer from a massive loss of population and a disinvested core. In the 21st century, the cities requiring public bailouts will be the explosively growing places that failed to contain the costs and consequences of unmanaged sprawl.

Because of urban regions that grew inefficiently, many Californians now face inaccessible jobs, a shortage of affordable housing, and horrendous commutes, as well as unhealthy air and other environmental damage. Businesses are burdened with higher costs, loss in productivity, and underused capital investments in older communities. In the 1980s, more than 300,000 Californians sought a more affordable, better quality of life in other states, draining California of capital, both human and financial. Echoing the findings of California's Growth Management Council, created by Gov. Pete Wilson, the Bank of America's "Beyond Sprawl" report said that California continues to grow in ways that no longer work in a state of 32 million people, 80 percent of whom live in urbanized areas of one million people or more. Sprawl "cannot be sustained forever," the report declared. "We can no longer afford the luxury of sprawl."

Feeling threatened, industries that have prospered from sprawl issued their own report in defense of business as usual. Instead of spending time and effort learning how to develop new places in better ways, the California Building Industry Association, Wells Fargo Bank, and the Building Industry Institute joined together to say that consumers love sprawl.

Yes, buyers flock to affordable houses outside cities, but many of them hate the sprawl that spreads around them. The most vociferous opponents of sprawl, in fact, are homeowners who realize that they will soon have to live surrounded by it. They love their freestanding house, its interior spaces, and best of all, the surrounding natural landscape. But as others seek the same things and sprawl creeps out around them, they grow irate. Similarly, consumers love the prices and inventory inside a Wal-Mart, but they hate the environment it creates outside the store. It's the public realm that leaves them wishing they were someplace else. Indeed, as sprawl matures and ages poorly, people flee it, only to build more

sprawl farther down the road. Fifty years after World War II, we are confronted not only with the burdens of abandoned urban neighborhoods and downtowns, but also with the fiscal, social, and environmental problems of abandoned first-generation sprawl, including the equivalent of 4,000 deserted shopping centers.

The suburban antigrowth movement is just one of the more vocal signals of what philosopher and author Michael J. Sandel has termed "democracy's discontent." Sandel argues that at the heart of America's unease lie two issues: "One is the fear that, individually and collectively, we are losing control of the forces that govern our lives. The other is the sense that from family to neighborhood to nation, the moral fabric of community is unraveling around us. These two fears—for the loss of self-government and the erosion of community—together define the anxiety of our age."

Americans are anxious about the unraveling of their communities in large part because the places they inhabit do not function as communities at all. "If the word community is to mean or amount to anything," writes Wendell Berry,

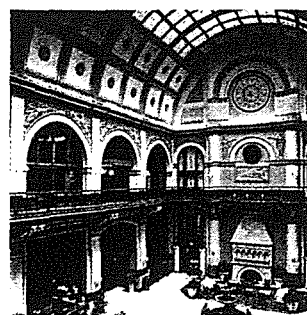
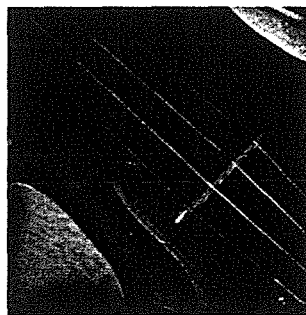
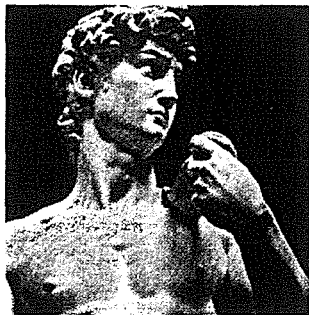
America's most persuasive essayist on the topic of community, "it must refer to a place and its people" who share "a common knowledge of themselves and of their place." The closer the community, the more intimate that knowledge becomes. Face-to-face communication ensures accountability to others in ways that mediated communication (such as "flaming" on the Internet or toxic talk radio) do not. Without knowledge of our neighbors and a sense of responsibility to them, a place is little more than a postal address for transient residents.

It is not fair to interpret the flight from places burdened by crime and bad schools as an endorsement of sprawl or even as a rejection of traditional urbanism. More than anything, it is an indictment of bad urban conditions, of crime and bad schools. Many people prefer to live closer to work in safe, appealing neighborhoods where they can get to other places on foot. Yet for decades experts and the building industries have dictated only a choice between hyperdense high-rise housing on the one hand or the emptiness of sprawl on the other. Now, the experts are beginning to listen more care-

fully to American consumers, asking them what they want.

Architect Tony Nelessen, a professor at Rutgers University, shows audiences 240 slides of places and has them rank the scenes according to their ideal places in which to live and work. Contradicting the claim that Americans love sprawl, Nelessen's respondents overwhelmingly shun it. Instead, they give high marks to traditional places such as Main Street business districts and turn-of-the-century streetcar neighborhoods, places that are attractive, safe, and walker-friendly—not monolithic, single-use developments. One of the terrible predicaments of sprawl is that its appeal is linked to its newness. The more it ages, the more it generally fades and loses its original appeal, driving people to move on to greener pastures. By contrast, traditional places, if well maintained, can retain a timeless appeal.

Recognizing that sprawl has left a good number of Americans unsatisfied and yearning for "the architecture of community," visionary contemporary architects and planners in the movement for the New Urbanism are trying to improve



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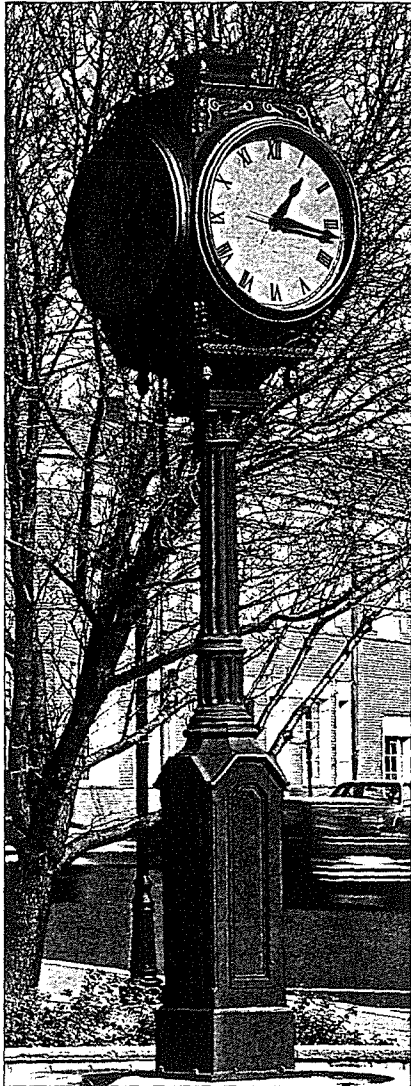
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development patterns. They are striving to create new places based on the wisdom contained in historic places where people love to be. Early prototypes include Seaside on Florida's Gulf Coast and Kentlands in the Maryland suburbs of Washington, D.C.

If Celebration, Disney's new neotraditional community in Florida, succeeds as a model, it could help New Urbanists crack the rigid suburban zoning codes that dictate sprawl. But until New Urbanism demonstrates that it is serious about repairing the old urbanism rather than simply finding more ways to develop open land, the movement will only operate—literally—on the periphery. Aware of the movement's suburban emphasis to date, professor of architecture Vincent Scully, who taught some prominent young New Urbanists at Yale University and who promotes their efforts in general, wondered in the afterword to a 1994 book on the movement if "the New Suburbanism might be a truer label" for their work.

Clearly, the placelessness of sprawl needs to be addressed, yet the conditions of our aging cities and aging inner suburbs cry out for the gifted hands of the most talented designers practicing today. Acknowledging this need, the Congress for the New Urbanism adopted a charter in 1996 that "views disinvestment in central cities, the spread of placeless sprawl, increasing separation by race and income, environmental deterioration, loss of agricultural lands and wilderness, and the erosion of society's built heritage as one interrelated community-building challenge."

In a time more optimistic than our own, Henry Ford was reported to have said, "We shall solve the city problem by leaving the city." Such escapist sentiments have since proven to be nothing less than a costly denial of problems that have only grown worse. America did not and cannot solve the problem of the city by leaving it. The abandoned slums have not become appealing green parks, as Rex Tugwell, the New Deal developer of New Towns, once imagined, and Americans have not migrated to the prairie as Frank Lloyd Wright predicted. Most Americans live in a metropolis and will continue to do so because of the centripetal pull of metropolitan economies.

For more than half a century, America

has largely ignored the fact that metropolitan growth demands some form of metropolitan governance. In some large urban areas, competing jurisdictions number in the hundreds. The six-county area of metropolitan Chicago, for example, contains over 1,300 local governments, including 260 separate cities and villages. In the American system, states have the power to govern how land is used, and most delegate that power to localities with few strings attached. The system worked in the 19th century and into part of the 20th, but in our own time it has left us with dysfunctional and dispiriting urban regions. It has become the foremost anachronism of our governmental system.

Thomas Jefferson, who approved the Louisiana Purchase and expanded the American frontier, predicted that the new land would provide enough room for all foreseeable future generations of frontier families. Jefferson could never have imagined the impact of industry and immigrants on the pace or shape of American urban settlements. Only eight generations later, most Americans live in metropolitan regions; there is no frontier. We have long ceased to be a nation of independent yeomen and have become a nation of interdependent neighbors, citizens of the town or the metropolis, whether we choose to admit it or not. Some Americans will continue to make themselves at home in remote locations, but to live with an 18th-century frontier mentality in the 21st-century metropolis is folly.

As the 21st century draws near, Americans once again find themselves fleeing the problems of urbanization, not the pollution and congestion of the 19th-century industrial city, but a mess of modern making. Until we curb this insatiable appetite for consuming the countryside while draining the life from our historic urban cores, we are merely trading emptied environments for new environments empty of life, of memories, and of meaning. Unable or unwilling to preserve the places we leave behind, we are caught in an ever widening gyre of abandonment and sprawl. E

This essay is adapted from Changing Places: Rebuilding Community in the Age of Sprawl, by Richard Moe and Carter Wilkie, which will be published in November by Henry Holt.

CITY OF MILWAUKIE
COMMUNITY DEVELOPMENT DEPARTMENT
STAFF REPORT ADDENDUM

Date: November 18, 1997
File No.: CPA-97-01

APPLICATION: REGIONAL CENTER MASTER PLAN

APPLICANT: CITY OF MILWAUKIE

PROPERTY OWNER: NA-LEGISLATIVE

Part One: Planning Commission Recommendation

See page 3 of the November 18, 1997 Staff Report on CPA-97-03. The Findings contained on pages 4-7 of the November 18th Staff Report are the same as those contained in the November 10, 1997 Staff Report prepared for the Planning Commission.

The Milwaukie Planning Commission met on November 10, 1997 and conducted deliberations on File No. CPA-97-01. The Commission's unanimous recommendation, in accordance with Section 1011.5(B) of the Milwaukie Zoning Ordinance, follows.

RECOMMENDATION

Based on the findings contained in the October 14, 1997 Staff Report, the Milwaukie Planning Commission recommends that the Milwaukie City Council adopt the Regional Center Master Plan October Draft as an ancillary document to the Milwaukie Comprehensive Plan, with the following comments and amendments:

1. Adopt the Steering Committee Recommendations dated 10/28/97, with one addition:
 - a. delete the highlighted box on page ES-7 of the Steering Committee Recommendations (passing an ordinance to establish an Urban Renewal Agency), based on the City Attorney's report that Chapter 2.40 of the Municipal Code is in effect.
2. Add the following sentence to pages 41 and 71 of the Regional Center Master Plan October Draft: "Uses for the traveling public, including hotel and motel accommodations, should be encouraged."
3. Add "public transit" to the list in the fifth paragraph on page ES-5 of the Regional Center Master Plan October Draft.

4. Consider establishing priority subareas. Planning Commission recommends Subarea 1, Harrison Corridor in Subarea 3 and Subarea 2 in that order.
5. While the Regional Center Master Plan is based on Metro's population and job targets, the Plan should be viewed as a free-standing document that should proceed in its implementation, regardless of changes to regional jurisdiction and authority.

Part Two: Documents for the Record

1. Regional Center Master Plan Steering Committee document dated 10/28/97.
2. Memo to the City Council dated 11/4/97 from Paul Graham (attached).
3. CPA-97-01 Staff Report dated 10/14/97.
4. CPA-97-01 Staff Report dated 11/10/97.
5. CPA-97-01 Staff Report dated 11/18/97.
6. CPA-97-01 Staff Report Addendum dated 11/18/97.
7. Letter dated 11/10/97 from Mark D. Whitlow re Site 2-1 (attached).
8. Letter dated 11/4/97 from Kathleen Wadden re Site 4-1 (attached).
9. Planning Commission approved Minutes dated 11/10/97.

Part Three: Steering Committee Substantive Recommendations

Within the Regional Center Master Plan Steering Committee Recommendation Document, the following pages include proposed text changes that add or subtract from the substance of the Regional Center Master Plan October Draft:

1. Page ES-1
2. Page ES-5
3. Page ES-7 (see Planning Commission recommendation above)
4. Page 28
5. Page 35
6. Page 41
7. Page 42
8. Page 71
9. Page 88
10. Page 100

Attachments-See above.



November 4, 1997

TO: Milwaukie City Council

FROM: Paul Graham, Co-Chair, Milwaukie Regional Center Steering Committee

SUBJECT: Regional Center Steering Committee Recommendations of Revisions to the October Draft of the Milwaukie Regional Center Master Plan

I am pleased to submit the attached set of recommendations on behalf of the Regional Center Steering Committee. They make a more readable document, and provide more accurate information and consistency with Milwaukie's Vision Statement.

This Plan with our accompanying comments are the results of over a year of effort. Our work is based on planning ideas developed through three Citizen Working Groups as well as numerous Technical Advisory Groups. We believe that this Regional Center Plan, together with our final recommendations, will preserve Milwaukie as family-oriented, livable and safe community into the next century.

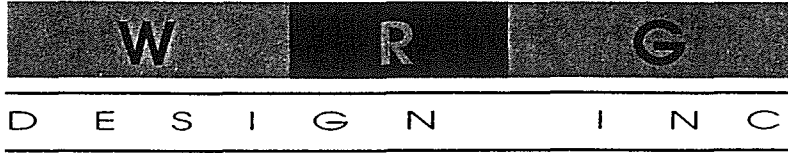
Upon consideration, we urge your adoption of this Regional Center Master Plan, with our recommendations, as an ancillary document to the Milwaukie Comprehensive Plan and its subsequent implementation.

Sincerely,

Paul Graham, Co-Chair
Milwaukie Regional Center Steering Committee

rcmp.5sc

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CITY OF MILWAUKIE
PLANNING DEPARTMENT

November 4, 1997

Maggie Collins, Director
Community Development Department
City of Milwaukie
6101 SE Johnson Creek Blvd.
Milwaukie, Oregon 97206

RE: Comment on pending Approval of CPA-97-01 and CPA 97-03, ZA-97-03, ZC-97-03

Dear Maggie,

On behalf of our client, LD McFarland Company, we would like to commend the Community Development Department's effort in crafting the Regional Center Master Plan for the City of Milwaukie. The 7 acre McFarland property, in Subarea 4, has been designated as a significant redevelopment site within the overall Regional Center Plan area. The proposed overlay district and mixed use (ROC) zone, if adopted, will apply specifically to the site.

We have attached a concept plan and narrative for the McFarland site which proposes that the site be developed as two separate uses. Approximately 4.86 acres, will be a medium density (28 to 35 units per acre) residential development, emphasizing pedestrian circulation and focused open space. Approximately 2.38 acres, will be a professional office building or small hotel. We have worked closely with City staff on these proposals, and have tried to be consistent with the goals of the Regional Center Plan and its guidelines. However, it is clear from the Real Estate Market Analysis prepared for the City of Milwaukie, that projects of this scale are exceeding the current rate for investment return. Therefore, we strongly support the City's recognition (p.32 of the Regional Center Plan) that economic incentives and subsidies are necessary to make this new development financially feasible.

Additionally, we have concerns about several requirements in the Mixed Use Overlay Zone which are not realistic for the proposed conceptual uses which we have worked hard to negotiate with the City.

Section 318.8

A4 states that parking for commercial and residential uses shall be located to the rear or side of a proposed development. We feel that parking should be allowed in the front of uses because often the siting of a building may preclude the side or the rear from providing space for parking.

A19 states that all new development shall comply with at least 6 of the following 12 “essential” requirements. We would like the number required reduced to four (4).

C. Subarea 4 (specific to the McFarland property)

1. Site 4-1 states that the site shall be developed with high density (25-50 units per acre), diverse housing types and a mix of retail and residential uses, with ground floor retail facing streets and residential on the interior upper floors. Parking shall be located under the units....

McFarland is proposing a medium density, mixed housing development with surface parking and an office/hotel or commercial use, again with surface parking. The McFarland use concepts address pre-existing conditions on the site. The Mixed Use Overlay Zone development guidelines, for all the Subareas, need to take into account potential site specific constraints in order to be flexible to individual development circumstances. It is not always financially feasible for developers to provide structured parking without incentives or subsidies.

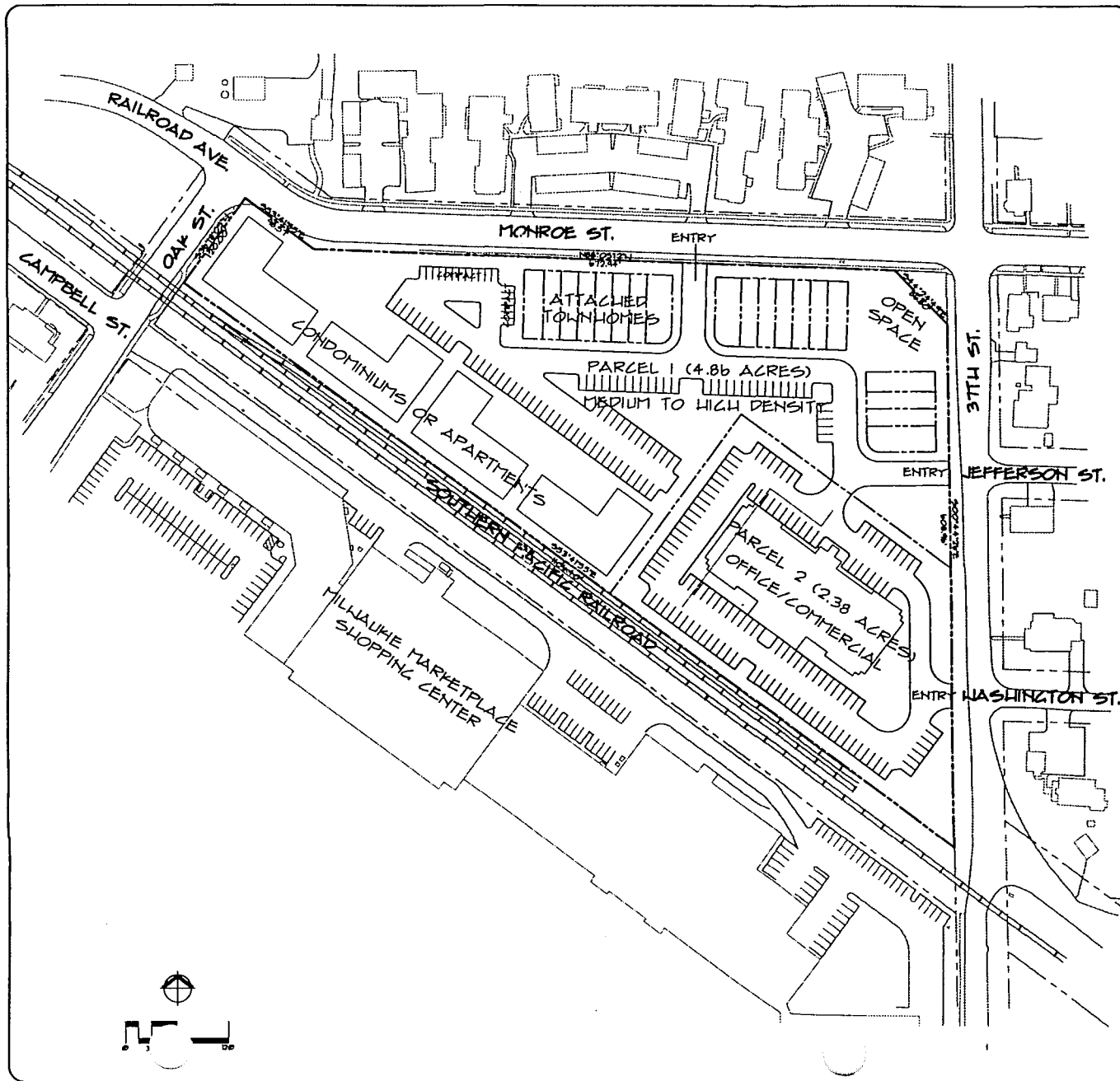
We strongly recommend that the final, adopted, versions of the Overlay District and the Mixed Use Zone retain the flexibility that they were intended to provide. This can only be accomplished by keeping the design guidelines broad (not prescriptive) and emphasizing the importance of site specific design. We endorse a process of cooperation between the City, the developer and the surrounding community in an effort to build projects which reflect the goals and intent of the Regional Center Plan while supporting the goals of those investing in economic development in the City of Milwaukie.

Sincerely,
WRG Design, Inc.



Kathleen Wadden

cc: Doug King, LD McFarland
Ben Williams, PE
File: LDM 001



SUBAREA 4 REDEVELOPMENT PLANNING

SUBAREA 4 IS CURRENTLY DESIGNED FOR MEDIUM, HIGH DENSITY AND COMMERCIAL USES. THE MCFARLAND SITE, IN SUBAREA 4, IS DESIGNATED FOR HIGH DENSITY RESIDENTIAL DEVELOPMENT. THE PROPERTY PROVIDES A KEY OPPORTUNITY FOR SUCCESSFUL PLANNING AND DESIGN OF TRANSIT ORIENTED DEVELOPMENT AND URBAN DESIGN. SCHEMATIC MASTER PLANNING OF THE SITE HAS IDENTIFIED PEDESTRIAN CONNECTIONS TO LOCAL SERVICES AND TRANSIT. THE POTENTIAL FOR JOINT DEVELOPMENT AND PUBLIC PARTNERSHIPS IS BEING EXPLORED. INTEGRATING COMMUNITY CONCERNS INTO THE FINAL PLAN WILL BE IMPORTANT TO THE OVERALL SUCCESS OF THE PROJECT AS A MODEL FOR THE MILWAUKIE REGIONAL CENTER.

SCHEMATIC MASTER PLAN MCFARLAND PROPERTY

CITY OF MILWAUKIE, OREGON
PROJECT NO. - LDM 001
NOVEMBER 6, 1997

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99992/00004

November 10, 1997

VIA FACSIMILE

City of Milwaukie
Planning Commission
6101 SE Johnson Creek Blvd.
Milwaukie, OR 97206

Re: Regional Center Master Plan; CPA-97-01
Murphy Plywood Company

Dear Planning Commissioners:

This letter follows up on our appearance on behalf of the Murphy Co. at the Commission's October 28, 1997 hearing regarding the proposed Regional Center Master Plan (RCMP). Having further reviewed the matter, due to locational constraints, the Murphy property is irrevocably committed to industrial uses and will not be capable of redevelopment for office/commercial uses. It should be deleted from the RCMP for the following reasons:

- The Murphy site lies on the border of Metro's mapped Regional Center area. The proposed Comprehensive Plan Amendments implementing the RCMP integrate "downtown Milwaukie and the expanded city center as a Regional center" with a mix of high density residential, office and commercial uses. Expansion of the "city center" to the Murphy property is inappropriate because significant, inherent barriers (Hwy. 224 and the Union Pacific railroad) functionally separate the site from the City's downtown urban core, making commercial/residential development a practical impossibility at this location.
- The RCMP targets the Murphy property as a priority location for "higher density office development." Such development is a practical impossibility at this site because 1) the real estate market does not support the rents necessary to sustain high

City of Milwaukie
November 10, 1997
Page 2

density office development at this location, and 2) neither the existing or planned transportation infrastructure can accommodate such development.

Removal of this site from the RCMP will not jeopardize the objectives of the overall plan. However, inclusion of the site will merely render it undevelopable as a practical matter. Instead, the location of this site remains one appropriate for industrial development, and the City should maintain its zoning to facilitate redevelopment for such use.

Please include this letter in the record of your consideration of this matter. We appreciate your consideration of this request and look forward to discussing this issue further with staff and the Commission.

Very truly yours,

BOGLE & GATES P.L.L.C.



Mark D. Whitlow

cc: Murphy Company
Maggie Collins, Community Development Director (via fax)

BOGLE & GATES P.L.L.C.

**Oregon Economic Development Department
Draft Application for Enterprise Zone Designation**

1. BACKGROUND INFORMATION FOR APPLICATION	
A. Name of Proposed Zone: The Milwaukie/North Clackamas County Enterprise Zone	
B. Submittal Date: November 24, 1997	
C. Contact Person: Renate Mengelberg, Planner, Business Services Section, 902 Abernethy Road Oregon City, Oregon 97045 Phone: 650-3238 Fax: 650-3987	
D. Sponsoring Governments:	
<u>Cities</u> City of Milwaukie	<u>County</u> Clackamas County
Appendix with approved resolutions of consent: Will be attached once approved	
E. Any other City or County Jurisdiction in which Any Part of the Proposed Zone Would Be Located (including relevant counties for zoned that would be entirely within city limits): None	
F. Size of Proposed Zone: The estimated area of the zone totals approximately 1 square mile (619 acres. See Map and tax lot listing attached)	
G. Basic Descriptors of Proposed Zone:	
Located entirely within a primary Statistical Area (MSA)?	<input checked="" type="checkbox"/> Yes Metropolitan <input type="checkbox"/> No
Do 75% of zone inhabitants reside inside incorporated areas?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is it a Magnet Enterprise Zone?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
What Type of Enterprise Zone?	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Nonurban

Oregon Economic Development Department

Enterprise Zone Application

2. Measures of Economic Need and Hardship (Mandatory that at least one of A-D equal or exceed 200* other responses are optional.)									
Criterion	Type And Source of Data	Year of Data (must be Annual)	Basis of Comparison Data	Zone Level Data	Appendix	Y Comparison figure	Z Zone figure	Formula	Points
A. Income (Median)	Equifax Census Data with updated Projections	1996	MSA	Zone-Specific	Income Map	\$ 39,243	\$ 34,740	$(1-z/y) \times 1000 =$	115
B. Unemployment Rate	Employment Division	July-97	State	County		4.90%	3.60%	$(Z-Y) \times 1000 =$	0
Percentage below Poverty Level	Equifax Census Data with updated Projections	1996	MSA	Zone-Specific	Population Map	3.70%	10.00%	$(z-y) \times 40 =$	252
C. 10 year Percent Change in Population	Equifax Census Data with updated Projections	1980-1990	MSA	Zone-Specific	Poverty Map	13.89	6.00%	$(y-z) \times 13.33 =$	105
E. Monthly Unemployment Rate by County for Most Recent 120 Months as Reported by Employment Department (revised by not seasonally adjusted data.) May not be used in combination with 2B, only highest will be counted.			State	County		One times each month for which: State Rate < County Rate =			0
									472

2. MEASURES OF ECONOMIC HARDSHIP (CONTINUED)

B. Summary of Other Economic Statistics and Circumstances (e.g. Local Closures, special Designations, joint Factors):

The Portland Metropolitan areas is experiencing strong employment growth and development. Nevertheless, the areas in the proposed enterprise zone contain significant opportunities for redevelopment. There are many low intensity uses and rents that are up to 30% below the market average. A number of significant properties currently stand vacant despite their proximity to attractive transportation and workforce resources. Additionally the recent closure of the last Pendleton Woolen Mills plant in Oregon and the recent bankruptcy filing of Americold and the previous closure of the Murphy Plywood building leave significant, potentially under-utilized buildings in the area.

3. SIGNIFICANT SUITABLE LAND (MANDATORY) - show that there is significant vacant or improvable land within the proposed enterprise zone suitable for use and development by eligible business firms, I.E. zoned for industrial uses, Sufficient infrastructure, services, etc. - relative to total area and to overall supply of land in local area:

The Enterprise Zone being proposed consists of all industrial oriented zones within the city of Milwaukie and the unincorporated North Clackamas Area outside the Clackamas Industrial Area Urban renewal district. Neighboring zoning consists of residential or commercial zones. Most of the sites in the proposed zone have been developed 10-40 years ago and have great redevelopment potential. The few vacant parcels available total less than 20 acres.

The proposed Enterprise zone has excellent transportation access. It is served in all areas by either a major arterial or a major highway. The Johnson Creek Area is served by Johnson Creek Boulevard, which is built to withstand industrial traffic and has been recently widened and improved Johnson Creek Boulevard. This Boulevard links directly to an interchange onto I-205 within 1 mile of the Enterprise zone area. The International Way area is served by Highway 224, a 4 lane limited access Expressway with direct access to I-205 under 3 miles away. The North Milwaukie and McLoughlin areas are served by Highway 99E with access to I-205, I-5 and I-84

All areas are served with the necessary sewer and water infrastructure through the City of Milwaukie, Clackamas County Service District 1, City of Portland and Clackamas River Water

(See Proposed Enterprise zone map and Regional map attached)





4. PRE-EXISTING ENTERPRISE ZONE - Respond if wising and able to continue from or terminating zone:

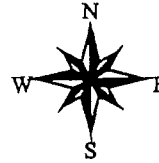
Name of previous or soon-to-terminate enterprise zone: Not applicable

Any change to the existing policies of previous or soon-to-terminate zone: Not applicable

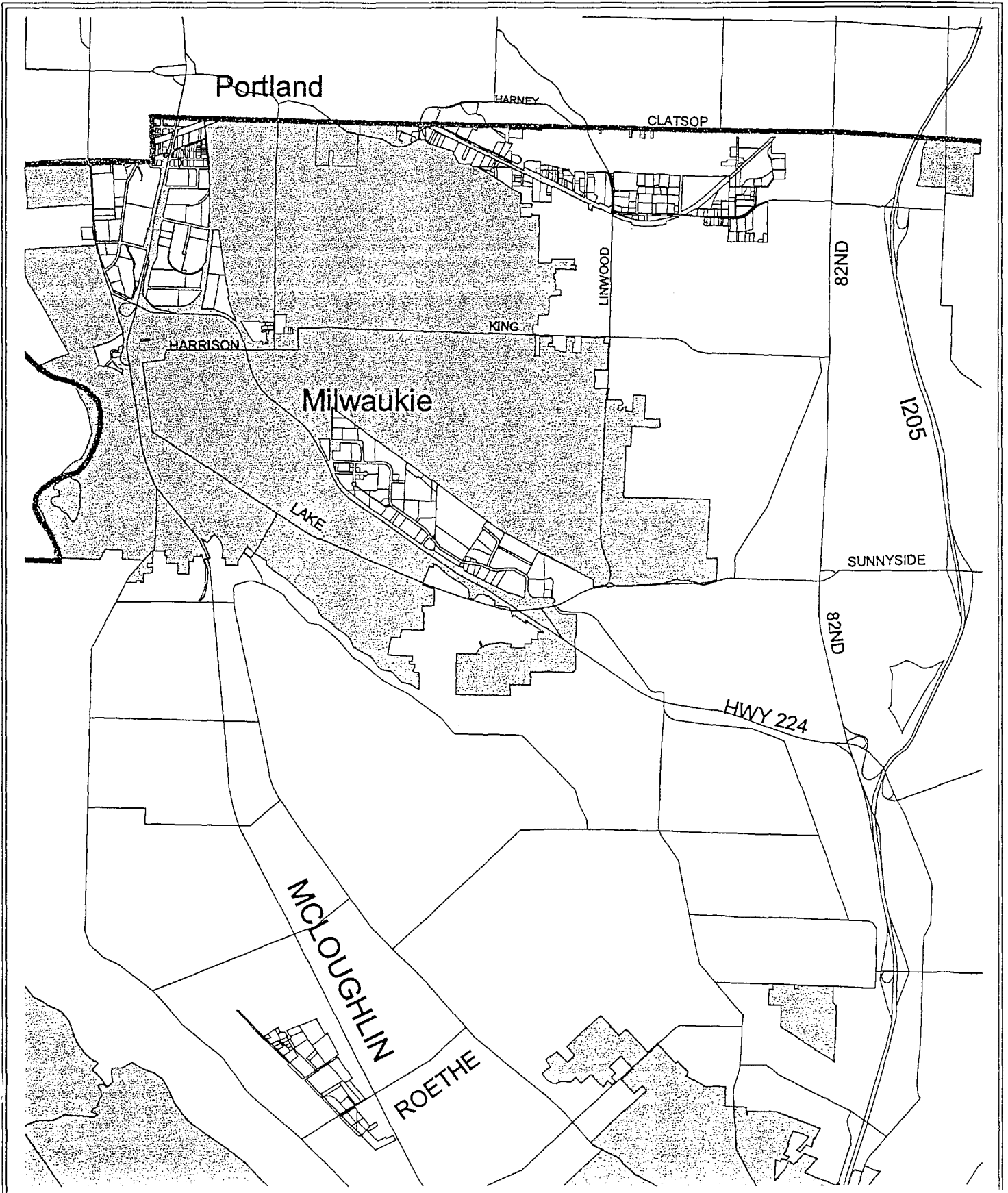
Milwaukie/North Clackamas County Enterprise Zone

EZ Allen Versions.APR
Final Zone Map
Enterprise Zone Taddos Work Area
November 11, 1997

-  County Boundary
-  Enterprise Zone
-  Arterials
-  City of Milwaukie



This map and other information have been compiled only for preliminary and general purposes. They are not intended to be complete and accurate for any other purposes. Specifically, this information is not intended to be complete for purposes of land use restriction, zoning, title, size and suitability of the property for specific uses.



CITY OF MILWAUKIE

RESOLUTION NUMBER _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, CO-SPONSORING AN APPLICATION FOR DESIGNATION OF AN ENTERPRISE ZONE

WHEREAS, the County of Clackamas and the City of Milwaukie are interested in an enterprise zone to encourage new business investment, job creation, higher incomes for local residents, greater diversity of economic activity; and

WHEREAS, the proposed enterprise zone has a total area of 1 square mile, and it meets other statutory limitations on size and configuration; it is depicted on the drawn-to-scale map (Exhibit 1); and

WHEREAS, the proposed enterprise zone contains significant land that is designated for industrial use, and that is sufficiently accessible, serviced or serviceable, and ready for use and further development, and

WHEREAS, the County of Clackamas and the City of Milwaukie appreciates the impacts that a designated enterprise zone would have and the property tax exemptions that eligible business firm might receive therein, as governed by Oregon Revised Statutes (ORS) 285.560 to 285.617, and

WHEREAS, the County of Clackamas and the City of Milwaukie have held a series of public hearings on the creation of an enterprise zone, with (describe testimony), and informational meetings have been held with business and citizen groups throughout the area.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Milwaukie that:

- 1) The County of Clackamas and the City of Milwaukie proposes and applies for designation of an Oregon enterprise zone to be named: The Milwaukie/North Clackamas County Enterprise Zone; and
- 2) Clackamas County Department of Transportation and Development staff is authorized to submit the application for the County of Clackamas and the City of Milwaukie and to make any and all substantive or technical changes to the application materials, as necessary, after adoption of this resolution.
- 3) The County of Clackamas and the City of Milwaukie will be 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.
- 4) The County of Clackamas and the City of Milwaukie commits, upon designation, to jointly sign a Memorandum of Understanding that:

- Appoints as local enterprise zone manager a Clackamas County Department of Transportation and Development employee that will administer the Enterprise Zone.
- Develops a detailed description of the zone managers tasks, and methods to insure accountability and coordination.
- Develops additional requirements of companies wishing to participate in the program such as:
 - For the three year program an employer must pay 150% of the state minimum wage. Benefits can be counted to meet this threshold.
 - For the five year program companies must pay wages at 150% of the County median wage of jobs created. Benefits can be counted to meet this threshold.

5) The County of Clackamas and the City of Milwaukie will jointly comply with the requirements and provisions of ORS 285.577.

6) The County of Clackamas and the City of Milwaukie commits to prepare, within six months of designation, 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 have such real property made available for lease or purchase by precertified or qualified business firms pursuant to ORS 285.580.

7) The County of Clackamas and the City of Milwaukie commits to prepare, within six months of designation, an index or indices identifying all of the land within the proposed enterprise zone pursuant to ORS 285.577(1)(h), and thereafter, to maintain the accuracy of such index or indices.

This Resolution introduced and adopted by the City Council this ___ day of November, 1997

Craig Lomnicki, Mayor

ATTEST:

Pat DuVal, City Recorder

City Attorney

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
21E13A 00720	25,995	JAQUES DANIEL	\$ 65,210	\$ 322,290	\$ 387,500	0.60	1984	12057 I	3811 SE NAEF RD
21E13A 00721	160,210	SECURITY PAC LIQUIDTNG CORP	\$ 407,350	\$ 841,660	\$ 1,249,010	3.68	1972	12057 I	3701 SE NAEF RD
21E13A 00722	226,034	CARLTON RAYMOND R	\$ 179,930	\$ 7,608,480	\$ 7,788,410	5.19	1974	12057 I	3901 SE NAEF RD
21E13A 00723	71,127	D2B2 DEVELOPMENT COMPANY	\$ 282,370	\$ 322,290	\$ 604,660	1.63	1984	12057 I	3811 SE NAEF RD
21E13A 00724	72,131	KATCHMARK ROBERT L	\$ 219,530	\$ 262,250	\$ 481,780	1.66	1977	12057 I	3815 SE NAEF RD
21E13A 00731	207,184	CARLTON RAYMOND R	\$ 160,960	\$ 27,350	\$ 188,310	4.76	1974	12057 I	
21E13A 00732	16,542	HOOD JEAN R	\$ 42,980	\$ -	\$ 42,980	0.38	1900	12057 V	
21E13A 00734	85,848	PORTLAND GEN ELEC CO	\$ -	\$ -	\$ -	1.97	1900	12057 I	
21E13A 00735	50,904	HEDDON CHARLES B	\$ 163,500	\$ 150,640	\$ 314,140	1.17	1979	12057 I	16600 SE KENS CT
21E13A 00800	21,543					0.49			
21E13A 02600	312,361	OAK GROVE BUSINESS PARK	\$ 794,460	\$ 2,841,750	\$ 3,636,210	7.17	1968	12057 I	3800 SE NAEF RD
21E13A 02690	42,007	OAK GROVE BUSINESS PARK	\$ 87,520	\$ -	\$ 87,520	0.96	1900	12057 V	
21E13A 02700	143,747	US POSTAL SERVICE	\$ 344,060	\$ 875,430	\$ 1,219,490	3.30	1983	12057 I	3860 SE NAEF RD
21E13A 02800	45,660	LAAM ROBERT D	\$ 132,590	\$ -	\$ 132,590	1.05	1900	12057 V	
21E13AB01101	9,201	HOOD KENNETH	\$ 21,120	\$ -	\$ 21,120	0.21	1900	12057 I	
21E13AB02100	62,526	HOOD KENNETH	\$ 126,770	\$ 49,750	\$ 176,520	1.44	1955	12057 I	16740 SE VINEYARD AVE
21E13AB02101	10,329	HOOD KENNETH	\$ 47,000	\$ 86,140	\$ 133,140	0.24	1972	12057 I	16740 SE VINEYARD AVE
21E13AB02200	16,026	HOOD KENNETH	\$ 26,890	\$ -	\$ 26,890	0.37	1900	12057 I	16812 SE VINEYARD AVE
21E13AB09302	965	HOOD JEAN R	\$ 4,790	\$ -	\$ 4,790	0.02	1900	12057 I	
21E13AB09400	23,096	HOOD JEAN R	\$ 50,900	\$ 99,080	\$ 149,980	0.53	1976	12057 I	16740 SE VINEYARD AVE
21E13AB09500	8,813	HOOD JEAN R	\$ 46,100	\$ -	\$ 46,100	0.20	1900	12057 I	
21E13AB09600	11,657	HOOD JEAN R	\$ 30,730	\$ -	\$ 30,730	0.27	1900	12057 I	
21E13AB09700	7,662	HOOD JEAN R	\$ 19,200	\$ -	\$ 19,200	0.18	1900	12057 I	
21E13AB09800	54,604	SECURITY PAC LIQUIDTNG CORP	\$ 139,720	\$ 8,070	\$ 147,790	1.25	1972	12057 I	
21E13AB09900	43,755	HOOD KENNETH	\$ 76,830	\$ 1,120	\$ 77,950	1.00	1928	12057 I	16816 SE VINEYARD AVE
21E13AB10100	14,673	HOOD JEAN R	\$ 26,890	\$ 64,180	\$ 91,070	0.34	1974	12057 I	16800 SE VINEYARD AVE
21E13AD00500	71,511	GRADT MICHAEL R	\$ 140,880	\$ 14,250	\$ 155,130	1.64	1946	12057 I	4203 SE ROETHE RD
21E13AD00600	117,052	FREEDMAN HOWARD	\$ 333,830	\$ 3,010	\$ 336,840	2.69	1900	12057 I	
21E13AD00700	54,881	LOWEN ELSE TRUSTEE	\$ 203,880	\$ 286,880	\$ 490,760	1.26	1960	12057 I	4111 SE ROETHE RD
21E13AD00800	88,936	HALDORS MELVYN N	\$ 229,800	\$ 148,640	\$ 378,440	2.04	1990	12057 I	4001 SE ROETHE RD
21E13AD01603	38,082	WARREN&KOESSLER INV	\$ 136,150	\$ 33,770	\$ 169,920	0.87	1900	12057 I	

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEAR	BLT	TAX CODE	SITE ADDRESS
21E13AD01604	12,494	STORAGE EQUITIES INC/PS	\$ 150,690	\$ 43,710	\$ 194,400	0.29	1900	12057	I	
21E13AD01700	46,170	KASCH HOWARD	\$ 136,290	\$ 433,870	\$ 570,160	1.06	1980	12057	I	3990 SE ROETHE RD
21E13AD01701	44,624	KASCH HOWARD	\$ 203,150	\$ 461,000	\$ 664,150	1.02	1978	12057	I	4100 SE ROETHE RD
22E18CB00801	148,260	STORAGE EQUITIES INC/PS	\$ 544,540	\$ 1,066,930	\$ 1,611,470	3.40	1975	62011	I	17501 SE MCCLOUGHLIN BLVD
11E25BA03500	8,456	BURLEY HGHTS INDUSTRIAL PK	\$ 14,870	\$ -	\$ 14,870	0.19	1900	12002	V	
11E25BA23600	43,219	CITY OF PORTLAND	\$ 54,490	\$ -	\$ 54,490	0.99	1900	12002	V	
11E25BB00100	744	PENDLETON WOOLEN MILLS	\$ 342,100	\$ 1,887,260	\$ 2,229,360	0.02	1930	12002	I	8500 SE MCCLOUGHLIN BLVD
11E25BB00400	7,675	PATRLJ NEDILJKO	\$ 20,880	\$ 34,400	\$ 55,280	0.18	1940	12002	I	8603 SE MCCLOUGHLIN BLVD
11E25BB00500	19,386	PATRLJ NEDILJKO	\$ 64,020	\$ 153,790	\$ 217,810	0.45	1967	12002	I	2420 SE CLATSOP ST
11E25BB00600	4,864	WAGNER RICHARD J TRUSTEE	\$ 14,130	\$ -	\$ 14,130	0.11	1900	12002	V	
11E25BB00700	56,082	SUMMIT PROPERTIES INC	\$ 178,520	\$ 506,410	\$ 684,930	1.29	1961	12002	I	8545 SE MCCLOUGHLIN BLVD
11E25BB00800	4,398	SELICKY BETTY	\$ 31,180	\$ 42,950	\$ 74,130	0.10	1953	12002	I	2405 SE CLATSOP ST
11E25BB00900	15,298	WAGNER RICHARD J TRUSTEE	\$ 106,480	\$ 210,060	\$ 316,540	0.35	1971	12002	I	2323 SE CLATSOP ST
11E25BB01000	2,905	CLACKAMAS COUNTY	\$ 3,380	\$ -	\$ 3,380	0.07	1900	12002	V	
11E25BB01100	5,161	CARLSON MILDRED	\$ 25,000	\$ 13,090	\$ 38,090	0.12	1925	12002	I	2305 SE CLATSOP ST
11E25BB01200	4,893	B J CUMMINGS CO	\$ 14,130	\$ -	\$ 14,130	0.11	1900	12002	V	
11E25BB01300	5,178	B J CUMMINGS CO	\$ 14,130	\$ -	\$ 14,130	0.12	1900	12002	V	
11E25BB01301	6,959	CUMMINGS BRUCE J TRUSTEE	\$ 31,130	\$ 216,040	\$ 247,170	0.16	1981	12002	I	2318 SE CLATSOP ST
11E25BB01400	1,639	B J CUMMINGS CO	\$ 14,130	\$ -	\$ 14,130	0.04	1900	12002	V	
11E25BB01500	4,374	B J CUMMINGS CO	\$ 14,130	\$ -	\$ 14,130	0.10	1900	12002	V	
11E25BB01600	6,341	CUMMINGS BRUCE J TRUSTEE	\$ 29,930	\$ 206,770	\$ 236,700	0.15	1974	12002	I	2316 SE CLATSOP ST
11E25BB01601	7,668	CUMMINGS BRUCE J TRUSTEE	\$ 20,080	\$ 55,140	\$ 75,220	0.18	1970	12002	I	2340 SE CLATSOP ST
11E25BB01700	14,122	KREMER ALEX	\$ 48,960	\$ 55,050	\$ 104,010	0.32	1920	12002	I	2101 SE MOORES ST

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
11E25BB01800	19,194	HOPKINS SUZAN M	\$ 44,590	\$ 45,940	\$ 90,530	0.44	1918	12002 I	2107 SE MOORES ST
11E25BB01900	12,388	CANFIELD DANIEL G	\$ 41,800	\$ 58,690	\$ 100,490	0.28	1918	12002 I	2149 SE MOORES ST
11E25BB02000	12,838	JENSEN JOHN N	\$ 41,800	\$ 76,340	\$ 118,140	0.29	1918	12002 I	2171 SE MOORES ST
11E25BB02200	13,437	LEOPOLD RHODA	\$ 80,800	\$ 189,970	\$ 270,770	0.31	1970	12002 I	8989 SE MCLOUGHLIN BLVD
11E25BB02300	29,312	LEOPOLD HEIDI SUE	\$ 137,860	\$ 66,860	\$ 204,720	0.67	1978	12002 I	8881 SE MCLOUGHLIN BLVD
11E25BB02400	19,041	WEINSOFT MARCIA B 1/2	\$ 121,550	\$ 185,110	\$ 306,660	0.44	1949	12002 I	8750 SE MCLOUGHLIN BLVD
11E25BB02500	31,838	ANDERSON GEORGE	\$ 113,820	\$ 282,700	\$ 396,520	0.73	1970	12002 I	2389 SE MOORES ST
11E25BB02800	38,598	ANDERSON GEORGE C	\$ 90,060	\$ 416,950	\$ 507,010	0.89	1966	12002 I	2415 SE MOORES ST
11E25BB02900	64,041	ANDERSON GEORGE C	\$ 223,180	\$ 1,112,130	\$ 1,335,310	1.47	1965	12002 I	2425 SE MOORES ST
11E25BB03100	13,123	BEAVER HEAT TREATING CORP	\$ 46,960	\$ 219,790	\$ 266,750	0.30	1987	12002 I	2487 SE MOORES ST
11E25BB03200	28,211	BEAVER HEAT TREATING CORP	\$ 98,640	\$ 1,635,890	\$ 1,734,530	0.65	1957	12002 I	2505 SE MOORES ST
11E25BB03300	9,214	BEAVER HEAT TREATING CORP	\$ 30,570	\$ 4,670	\$ 35,240	0.21	1900	12002 I	
11E25BB03500	8,000	ANDERSON DIE & MFG CO	\$ 30,270	\$ 10,570	\$ 40,840	0.18	1975	12002 I	8772 SE 25TH AVE
11E25BB03600	5,024	ANDERSON DIE&MFG CO	\$ 17,480	\$ -	\$ 17,480	0.12	1900	12002 V	8794 SE 25TH AVE
11E25BB03700	5,674	ANDERSON DIE & MFG CO	\$ 18,980	\$ -	\$ 18,980	0.13	1900	12002 V	8806 SE 25TH AVE
11E25BB03800	6,025	ANDERSON DIE&MFG CO	\$ 20,640	\$ -	\$ 20,640	0.14	1900	12002 V	
11E25BB03900	11,877	ANDERSON DIE&MFG CO	\$ 41,940	\$ 5,940	\$ 47,880	0.27	1900	12002 I	
11E25BB04000	6,746	ANDERSON DIE & MFG CO	\$ 23,770	\$ -	\$ 23,770	0.15	1900	12002 V	2479 SE OCHOCO ST
11E25BB04100	7,742	ANDERSON GEORGE C	\$ 25,460	\$ -	\$ 25,460	0.18	1900	12002 V	8827 SE 25TH AVE
11E25BB04200	4,938	ANDERSON GEORGE C	\$ 16,970	\$ -	\$ 16,970	0.11	1900	12002 V	8805 SE 25TH AVE
11E25BB04300	4,950	ANDERSON GEORGE C	\$ 16,970	\$ -	\$ 16,970	0.11	1900	12002 V	8793 SE 25TH AVE
11E25BB04400	5,047	SKRELUNAS ALPHONSE	\$ 16,970	\$ -	\$ 16,970	0.12	1900	12002 V	
11E25BB04500	4,589	ANDERSON GEORGE C	\$ 15,260	\$ -	\$ 15,260	0.11	1900	12002 V	
11E25BB04600	3,676	ANDERSON GEORGE C	\$ 14,410	\$ -	\$ 14,410	0.08	1900	12002 V	
11E25BB04700	9,255	ANDERSON GEORGE C	\$ 33,120	\$ -	\$ 33,120	0.21	1920	12002 V	2448 SE MOORES ST

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	BUILDING			ACRES	TAX		SITE ADDRESS
			LAND VALUE	VALUE	TOTAL VALUE		YEARBLT	CODE	
11E25BB04800	7,863	SAFTENBERG RODERICK	\$ 30,400	\$ 9,600	\$ 40,000	0.18	1920	12002 I	2467 SE OCHOCO ST
11E25BB04900	8,717	ANDERSON GEORGE	\$ 29,860	\$ -	\$ 29,860	0.20	1900	12002 V	
11E25BB05000	7,983	ANDERSON GEORGE C	\$ 26,560	\$ -	\$ 26,560	0.18	1900	12002 V	
11E25BB05100	16,609	CHAPMAN ROSE M	\$ 59,280	\$ 181,790	\$ 241,070	0.38	1969	12002 I	2425 SE OCHOCO ST
11E25BB05200	7,618	FITZELL EDNA	\$ 27,930	\$ -	\$ 27,930	0.17	1900	12002 V	2417 SE OCHOCO ST
11E25BB05300	6,232	ANDERSON GEORGE C	\$ 23,250	\$ -	\$ 23,250	0.14	1900	12002 V	
11E25BB05400	15,205	ANDERSON GEORGE C	\$ 46,450	\$ -	\$ 46,450	0.35	1900	12002 V	
11E25BB05600	10,008	ANDERSON GEORGE C	\$ 40,220	\$ -	\$ 40,220	0.23	1900	12002 V	
11E25BB05800	10,485	LEOPOLD IRVING J	\$ 62,420	\$ -	\$ 62,420	0.24	1900	12002 V	2383 SE OCHOCO ST
11E25BB05900	9,600	LEOPOLD IRV	\$ 62,590	\$ 108,260	\$ 170,850	0.22	1969	12002 I	
11E25BB06000	12,360	DUIN ETHEL ORRA L-EST	\$ 79,830	\$ 204,690	\$ 284,520	0.28	1969	12002 I	8890 SE MCLOUGHLIN BLVD
11E25BB06100	4,326	LEOPOLD IRVING J	\$ 35,320	\$ 15,840	\$ 51,160	0.10	1900	12002 I	8890 SE MCLOUGHLIN BLVD
11E25BB06200	5,041	STATE OF OREGON	\$ 26,840	\$ 4,980	\$ 31,820	0.12	1900	12002 I	
11E25BB06300	2,531	STATE OF OREGON	\$ 11,670	\$ 2,820	\$ 14,490	0.06	1900	12002 I	8999 SE MCLOUGHLIN BLVD
11E25BB06400	5,468	STATE OF OREGON	\$ 33,140	\$ -	\$ 33,140	0.13	1900	12002 I	
11E25BB06500	6,588	EKERSON JON M	\$ 29,340	\$ 139,030	\$ 168,370	0.15	1966	12002 I	2100 SE OCHOCO ST
11E25BB06600	13,363	TRENT JOHN B TRUSTEE	\$ 48,430	\$ 210,900	\$ 259,330	0.31	1968	12002 I	2106 SE OCHOCO ST
11E25BB07000	15,248	STATE OF OREGON	\$ 54,880	\$ -	\$ 54,880	0.35	1900	12002 V	8900 SE MCLOUGHLIN BLVD
11E25BB07100	15,769	ROOTS W J JR	\$ 57,580	\$ 207,870	\$ 265,450	0.36	1959	12002 I	2366 SE OCHOCO ST
11E25BB07300	7,734	RAWLINS PETER R TRUSTEE	\$ 34,080	\$ 135,730	\$ 169,810	0.18	1967	12002 I	2384 SE OCHOCO ST
11E25BB07301	676	STATE OF OREGON	\$ 3,300	\$ -	\$ 3,300	0.02	1900	12002 V	
11E25BB07400	16,427	STATE OF OREGON	\$ 61,320	\$ -	\$ 61,320	0.38	1900	12002 V	
11E25BB07500	9,928	PENTZ JAMES P 1/2	\$ 34,450	\$ 178,160	\$ 212,610	0.23	1978	12002 I	2437 SE STUBB ST

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
11E25BB07600	13,390	PENTZ JAMES P 1/2	\$ 48,430	\$ 212,110	\$ 260,540	0.31	1959	12002 I	2441 SE STUBB ST
11E25BB07800	34,935	THE CUSTOM KITCHEN INC	\$ 128,550	\$ 442,400	\$ 570,950	0.80	1956	12002 I	2505 SE STUBB ST
11E25BB07900	14,638	ANDERSON DIE&MFG CO	\$ 58,540	\$ 316,100	\$ 374,640	0.34	1963	12002 I	2525 SE STUBB ST
11E25BB08000	9,550	PORTLAND TRACTION CO	\$ -	\$ -	\$ -	0.22	1900	12002 I	
11E25BB08100	2,950	BEAVER HEAT TREATING CORP	\$ 10,820	\$ 2,580	\$ 13,400	0.07	1957	12002 I	
11E25BB08200	22,701	ANDERSON DIE&MFG CO	\$ 74,000	\$ -	\$ 74,000	0.52	1900	12002 I	
11E25BB08300	609	STATE OF OREGON	\$ 3,480	\$ -	\$ 3,480	0.01	1900	12002 V	
11E25BB08400	769	STATE OF OREGON	\$ 4,140	\$ -	\$ 4,140	0.02	1900	12002 V	
11E25BC00100	110,938	STATE OF OREGON	\$ 344,670	\$ 21,870	\$ 366,540	2.55	1900	12002 I	
11E25BC00200	74,917	STATE OF OREGON	\$ 238,220	\$ 256,570	\$ 494,790	1.72	1957	12002 I	9002 SE MCLOUGHLIN BLVD
11E25BC00300	198,474	STATE OF OREGON	\$ 626,230	\$ 1,403,050	\$ 2,029,280	4.56	1932	12002 I	9002 SE MCLOUGHLIN BLVD
11E25BC00400	322,978	HAWTHORNE INVESTMENT CO	\$ 1,143,350	\$ 3,396,930	\$ 4,540,280	7.41	1960	12002 I	2300 SE BETA ST
11E25BC00490	19,217	HAWTHORNE INVESTMENT CO	\$ -	\$ -	\$ -	0.44	1900	12002 I	
11E25BC00600	121,621	HOWELL THEODORA R 1/2	\$ 420,240	\$ 877,800	\$ 1,298,040	2.79	1957	12002 I	2517 SE MAILWELL DR
11E25BC00700	169,650	LAKE WILLETT R JR TRSTE 1/2	\$ 591,070	\$ 1,133,270	\$ 1,724,340	3.89	1957	12002 I	2515 SE MAILWELL DR
11E25BC00800	183,578	OREGON TRANSFER CO	\$ 476,170	\$ 2,636,280	\$ 3,112,450	4.21	1958	12002 I	9304 SE MAIN ST
11E25CA03401	71,351	CP MCLOUGHLIN PROP INC	\$ 188,820	\$ 502,340	\$ 691,160	1.64	1980	12002 I	2600 SE MAILWELL DR
11E25CA03402	200,257	CP MCLOUGHLIN PROP INC	\$ 524,130	\$ 2,036,430	\$ 2,560,560	4.60	1980	12002 I	2620 SE MAILWELL DR
11E25CA03403	223,589	CP MCLOUGHLIN PROP INC	\$ 518,250	\$ 3,728,210	\$ 4,246,460	5.13	1980	12002 I	2660 SE MAILWELL DR
11E25CA03404	257,928	CP MCLOUGHLIN PROP INC	\$ 586,670	\$ 2,173,930	\$ 2,760,600	5.92	1980	12002 I	2700 SE MAILWELL DR
11E25CB00100	106,545	PENDLETON WOOLEN MILLS	\$ 389,630	\$ 3,259,300	\$ 3,648,930	2.45	1962	12002 I	2516 SE MAILWELL DR
11E25CB00200	369,614	OREGON TRANSFER CO	\$ 892,290	\$ 4,100,990	\$ 4,993,280	8.49	1971	12002 I	9696 SE OMARK DR
11E25CB00400	340,141	WILHELM PROPERTIES INC	\$ 825,820	\$ 5,104,610	\$ 5,930,430	7.81	1959	12002 I	2400 SE MAILWELL DR
11E25CB00500	70,480	UNIVERSITY OF PORTLAND	\$ 253,430	\$ 723,060	\$ 976,490	1.62	1959	12002 I	2200 SE MAILWELL DR

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
11E25CB00600	44,147	TENANT INVESTORS	\$ 155,170	\$ 363,620	\$ 518,790	1.01	1959	12002 I	9510 SE MAIN ST
11E25CB00700	57,444	MONSON CHARLOTTE 5/8	\$ 199,570	\$ 578,170	\$ 777,740	1.32	1959	12002 I	9592 SE MAIN ST
11E25CB01000	171,108	EASTGATE THEATRE INC	\$ 641,710	\$ 1,030,170	\$ 1,671,880	3.93	1973	12002 I	9600 SE MAIN ST
11E25CB01100	31,267	ST CROIX TEXTILE MILLS INC	\$ 633,040	\$ 1,405,680	\$ 2,038,720	0.72	1951	12002 I	2001 SE HARVESTER DR
11E25CB01400	128,014	WARREN CLINTON C	\$ 340,700	\$ 1,016,770	\$ 1,357,470	2.94	1951	12002 I	2323 SE HARVESTER DR
11E25CC00100	147,263	H B&B ENTERPRISES LLC	\$ 351,240	\$ 78,550	\$ 429,790	3.38	1952	12002 I	2300 SE HARVESTER DR
11E25CC00200	45,559	ST CROIX TXTLE MLLS INC 30%	\$ 661,680	\$ 1,241,060	\$ 1,902,740	1.05	1951	12002 I	2000 SE HARVESTER DR
11E25CD05800	200,077	THE MURPHY CO	\$ 639,680	\$ 386,090	\$ 1,025,770	4.59	1946	12002 I	10505 SE 31ST AVE
11E25CD06000	9,410	THE MURPHY CO	\$ 29,020	\$ -	\$ 29,020	0.22	1900	12002 I	
11E25CD06100	5,270	GRIFFITH DONALD A	\$ 33,050	\$ 46,130	\$ 79,180	0.12	1925	12002 I	10409 SE 32ND AVE
11E25CD06200	12,409	MURPHY COMPANY	\$ 39,110	\$ 17,530	\$ 56,640	0.28	1925	12002 I	10427 SE 32ND AVE
11E25CD06300	14,557	THE MURPHY CO	\$ 41,040	\$ -	\$ 41,040	0.33	1900	12002 I	
11E25CD06400	5,962	THE MURPHY CO	\$ 16,970	\$ -	\$ 16,970	0.14	1900	12002 I	
11E25CD06600	4,612	THE MURPHY CO	\$ 12,710	\$ -	\$ 12,710	0.11	1900	12002 I	
11E25DC05600	111,749	STANLEY IND TOOLS INC	\$ 432,900	\$ 1,478,560	\$ 1,911,460	2.57	1956	12002 I	10330 SE 32ND AVE
11E25DC05800	15,152	STANLEY IND TOOLS INC	\$ 51,630	\$ -	\$ 51,630	0.35	1900	12002 I	
11E25DC05900	7,617	STANLEY IND TOOLS INC	\$ 25,640	\$ -	\$ 25,640	0.17	1900	12002 I	
11E25DC06000	7,342	STANLEY IND TOOLS INC	\$ 25,640	\$ -	\$ 25,640	0.17	1900	12002 I	
11E26AA00100	547,015	OREGON STATE LIQUOR	\$ 1,334,210	\$ 4,204,250	\$ 5,538,460	12.56	1952	12002 I	9201 SE MCLOUGHLIN BLVD
11E26AA00200	8,441	PORTLAND TRACTION CO	\$ -	\$ -	\$ -	0.19	1900	12002 V	
11E26AA00300	4,119	CLACKAMAS COUNTY	\$ 14,780	\$ 11,420	\$ 26,200	0.09	1900	12002 I	
11E26AA00400	32,670	MORSE JOHN E	\$ 113,820	\$ 371,130	\$ 484,950	0.75	1982	12002 I	1952 SE OCHOCO ST
11E26AA00401	5,352	NELSON JAY S	\$ 27,250	\$ 177,380	\$ 204,630	0.12	1975	12002 I	1976 SE OCHOCO ST
11E26AA00402	108,764	WESTERN STATES ELEC INC	\$ 383,700	\$ 1,140,470	\$ 1,524,170	2.50	1980	12002 I	9111 SE MCBROD AVE
11E26AA00403	125,737	AMCO WEST PROPERTIES INC	\$ 434,470	\$ 632,380	\$ 1,066,850	2.89	1978	12002 I	1904 SE OCHOCO ST
11E26AA00405	33,705	SAMUELS RICHARD A	\$ 116,660	\$ 76,910	\$ 193,570	0.77	1990	12002 I	9001 SE MCBROD AVE

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
11E26AA00500	142,905	HUDSON DAISY F	\$ 418,270	\$ 233,320	\$ 651,590	3.28	1960	12002 I	1702 SE OCHOCO ST
11E26AA00501	15,540	HELECO DIST CENTER	\$ 46,690	\$ 21,210	\$ 67,900	0.36	1900	12002 I	1780 SE OCHOCO ST
11E26AA00600	409,719	HELECO DIST CENTER	\$ 1,168,210	\$ 2,625,050	\$ 3,793,260	9.41	1959	12002 I	1780 SE OCHOCO ST
11E26AA00700	44,704	ARTHUR ROBERT C TRUSTEE	\$ 153,870	\$ 333,320	\$ 487,190	1.03	1964	12002 I	9255 SE MCBROD AVE
11E26AD00100	536,101	TERMINAL ICE&COLD STORAGE	\$ 1,210,510	\$ 4,985,870	\$ 6,196,380	12.31	1959	12002 I	9501 SE MCLOUGHLIN BLVD
11E26AD00200	48,507	WESTERGREN ERIC C	\$ 169,690	\$ 383,650	\$ 553,340	1.11	1965	12002 I	9333 SE MCBROD AVE
11E26AD00300	79,263	HELECO DIST CENTER	\$ 247,680	\$ -	\$ 247,680	1.82	1900	12002 I	
11E26AD00400	48,334	HELECO DIST CENTER	\$ 137,490	\$ -	\$ 137,490	1.11	1900	12002 I	
11E26AD00501	130,320	RUDIE WILHELM W-HOUSE CO	\$ 265,540	\$ 1,446,040	\$ 1,711,580	2.99	1976	12002 I	1887 SE MILPORT RD
11E26AD00600	157,283	RUDIE WILHELM W-HOUSE CO	\$ 482,470	\$ 2,090,260	\$ 2,572,730	3.61	1975	12002 I	1777 SE MILPORT RD
11E26AD00700	78,391	CEMETERY	\$ 152,820	\$ -	\$ 152,820	1.80	1900	12002 I	
11E26DA00100	59,983	OREGON WORSTED CO	\$ 214,040	\$ 185,960	\$ 400,000	1.38	1956	12002 I	2100 SE MILPORT RD
11E26DA00101	186,483	OREGON WORSTED COMPANY	\$ 628,000	\$ 984,240	\$ 1,612,240	4.28	1956	12002 I	9701 SE MCLOUGHLIN BLVD
11E26DA00200	271,519	SINKO AMERICA INC	\$ 808,210	\$ 4,944,660	\$ 5,752,870	6.23	1955	12002 I	9800 SE MCBROD AVE
11E26DA00300	13,712	CITY OF MILWAUKIE	\$ 32,550	\$ -	\$ 32,550	0.31	1900	12002 V	
11E26DA00600	100,531	SINKO AMERICA INC	\$ 327,820	\$ 682,270	\$ 1,010,090	2.31	1979	12002 I	9800 SE MCBROD AVE
11E26DA00601	71,013	SINKO AMERICA INC	\$ 226,820	\$ 567,580	\$ 794,400	1.63	1900	12002 I	9800 SE MCBROD AVE
11E26DA00700	76,854	KIENOWS FOOD STORES	\$ 256,130	\$ 676,580	\$ 932,710	1.76	1960	12002 I	9840 SE 17TH AVE
11E26DA00800	71,299	BRAUN JUDITH S	\$ 245,980	\$ 954,280	\$ 1,200,260	1.64	1973	12002 I	1850 SE MILPORT RD
11E26DA00801	47,427	KINDLER BRUCE R	\$ 161,020	\$ 586,580	\$ 747,600	1.09	1976	12002 I	1776 SE MILPORT RD
11E26DA00900	17,125	STATE OF OREGON	\$ 50,170	\$ -	\$ 50,170	0.39	1900	12002 V	
11E35AA03500	260,895	PENDLETON WOOLEN MILLS	\$ 752,700	\$ 2,162,430	\$ 2,915,130	5.99	1956	12002 I	10505 SE 17TH AVE
11E36AD03800	990	GROHS JEANNE E	\$ 1,450	\$ -	\$ 1,450	0.02	1900	12002 V	

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TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
11E36AD03900	42,199	EDWARDS A R REVOC LIV-TRUST	\$ 46,130	\$ -	\$ 46,130	0.97	1900	12002 V	
11E36AD05800	6,878	THE WETLANDS CONSERVANCY	\$ 8,890	\$ -	\$ 8,890	0.16	1900	12002 V	
11E36AD06000	111,807	THE WETLANDS CONSERVANCY	\$ 5,810	\$ -	\$ 5,810	2.57	1900	12002 V	
11E36AD06502	146,510	SHURGARD INSTUTIONAL FUND	\$ 662,090	\$ 2,170,510	\$ 2,832,600	3.36	1990	12002 I	3701 SE INTERNATIONAL WY
11E36AD06503	90,329	SCHNITZER INVESTMENT CORP	\$ 263,710	\$ 861,170	\$ 1,124,880	2.07	1994	12002 I	4011 SE INTERNATIONAL WY
11E36AD06504	202,491	SCHNITZER INVESTMENT CORP	\$ 953,960	\$ 2,795,670	\$ 3,749,630	4.65	1989	12002 I	4103 SE INTERNATIONAL WY
11E36AD06505	99,504	WETLANDS CONSERVANCY INC	\$ 2,260	\$ -	\$ 2,260	2.28	1900	12002 V	
11E36AD06600	64,715	THE WETLANDS CONSERVANCY	\$ 3,400	\$ -	\$ 3,400	1.49	1900	12002 V	
11E36AD07200	80,558	HEGAR EDNA L 14.5%	\$ 321,720	\$ 181,790	\$ 503,510	1.85	1971	12002 I	3677 SE EDISON ST
11E36DA00100	82,924	PUBLIC STOR PROP VII INC	\$ 414,600	\$ 922,640	\$ 1,337,240	1.90	1982	12002 I	4000 SE INTERNATIONAL WY
11E36DA00200	9,733	PALM MILTON H	\$ 48,120	\$ -	\$ 48,120	0.22	1900	12002 V	
11E36DA00300	8,116	MAYES WILLIAM E	\$ 41,890	\$ 121,200	\$ 163,090	0.19	1971	12002 I	11625 SE 40TH AVE
11E36DA00400	56,244	NEWMANS INCORPORATED	\$ 260,530	\$ 666,650	\$ 927,180	1.29	1979	12002 I	3850 SE INTERNATIONAL WY
11E36DA00401	7,931	PLANK M GERARD	\$ 54,500	\$ 233,290	\$ 287,790	0.18	1981	12002 I	3990 SE INTERNATIONAL WY
11E36DA00500	12,563	ROBINSON M L RV L-TRUST	\$ 33,960	\$ 3,080	\$ 37,040	0.29	1900	12002 I	
11E36DA00590	2,922	ROBINSON M L RV L-TRUST	\$ 9,490	\$ -	\$ 9,490	0.07	1900	12002 I	
11E36DA00600	4,750	ROBINSON M L RV L-TRUST	\$ 26,040	\$ 72,710	\$ 98,750	0.11	1940	12002 I	3716 SE EDISON ST
11E36DA01300	110,624	PACIFIC NW PROP LTD PRTNR	\$ 265,120	\$ 993,010	\$ 1,258,130	2.54	1995	12002 I	11707 SE 40TH AVE
11E36DA01400	776	SANCHEZ CAYETANO	\$ 1,560	\$ -	\$ 1,560	0.02	1900	12002 V	
11E36DA01600	10,214	AMATO FRANK W	\$ 50,950	\$ 97,530	\$ 148,480	0.23	1975	12002 I	11716 SE 40TH AVE
11E36DA01700	9,705	AMATO FRANK WILLIAM	\$ 50,950	\$ 84,820	\$ 135,770	0.22	1978	12002 I	4040 SE WISTER ST

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TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
11E36DA01800	132,533	PUBLIC STORAGE PROP V1 INC	\$ 641,250	\$ 1,280,700	\$ 1,921,950	3.04	1982	12002 I	4020 SE INTERNATIONAL WY
11E36DA05100	9,987	PUBLIC STORAGE PROP LTD	\$ 42,010	\$ 9,880	\$ 51,890	0.23	1981	12002 I	11800 SE 40TH AVE
11E36DA05101	15,331	PUBLIC STORAGE PROP VI INC	\$ 59,330	\$ 110,200	\$ 169,530	0.35	1981	12002 I	11800 SE 40TH AVE
11E36DA05200	9,205	PUBLIC STORAGE PROP LTD	\$ 364,540	\$ 1,183,390	\$ 1,547,930	0.21	1981	12002 I	11800 SE 40TH AVE
12E29AB02103	31,516	ANKARBERG BRUCE	\$ 36,990	\$ 1,030	\$ 38,020	0.72	1900	12169 I	
12E29AB02203	43,508	ANKARBERG BRUCE	\$ 41,510	\$ -	\$ 41,510	1.00	1900	12169 V	
12E29AB02501	98,736	HILDRETH VENDING	\$ 158,730	\$ 47,050	\$ 205,780	2.27	1930	12169 I	8900 SE 73RD AVE
12E29AB02502	17,623	ANKARBERG BRUCE	\$ 23,200	\$ 57,260	\$ 80,460	0.40	1941	12169 I	8910 SE 73RD AVE
12E29AB02503	8,779	ANKARBERG BRUCE	\$ 18,110	\$ 50,450	\$ 68,560	0.20	1949	12169 I	8920 SE 73RD AVE
12E29AB03601	42,425	ART KNIGHT INC	\$ 85,420	\$ 68,220	\$ 153,640	0.97	1976	12169 I	8961 SE 76TH DR
12E29AB03602	63,050	GULSONS	\$ 95,270	\$ 315,460	\$ 410,730	1.45	1973	12169 I	8951 SE 76TH DR
12E29AB03603	28,803	BLISS ARTHUR L	\$ 43,680	\$ 113,480	\$ 157,160	0.66	1973	12169 I	8971 SE 76TH DR
12E29AB03604	55,456	EXCELLO PRODUCTS INC	\$ 92,510	\$ 163,680	\$ 256,190	1.27	1973	12169 I	8710 SE 76TH DR
12E29AB03605	14,974	JOHNSON CR-76 IND PK ASSN	\$ 3,800	\$ -	\$ 3,800	0.34	1900	12169 V	
12E29AB03607	63,923	MOE BROTHERS	\$ 121,660	\$ 274,860	\$ 396,520	1.47	1977	12169 I	8850 SE 76TH DR
12E29AB03608	86,700	MOE BROTHERS	\$ 136,400	\$ 22,500	\$ 158,900	1.99	1986	12169 I	8860 SE 76TH DR
12E29AB03609	380,153	EMMERT TERRY W	\$ 211,430	\$ -	\$ 211,430	8.73	1900	12169 V	
12E29AB03700	33,502	EMMERT TERRY W	\$ 18,230	\$ -	\$ 18,230	0.77	1900	12169 V	
12E29AB03800	34,583	EMMERT TERRY W	\$ 18,730	\$ -	\$ 18,730	0.79	1900	12169 V	
12E29AB04000	87,458	CITY OF PORTLAND	\$ 32,170	\$ -	\$ 32,170	2.01	1900	12169 V	
12E29AB04100	30,176	ANKARBERG BRUCE	\$ 9,210	\$ -	\$ 9,210	0.69	1900	12169 V	
12E29AC00600	9,527	BARR DOUGLAS H	\$ 27,200	\$ 54,370	\$ 81,570	0.22	1969	12169 I	8981 SE 76TH DR
12E29AC00601	11,148	JOHNSON CREEK LANDOWNRS ASN	\$ 27,630	\$ -	\$ 27,630	0.26	1900	12169 V	
12E29AC00602	8,700	HARTMAN JAMES C JOHNSON CREEK LANDOWNRS	\$ 26,550	\$ 36,670	\$ 63,220	0.20	1969	12169 I	8975 SE 76TH DR
12E29AC00700	2,737	ASN	\$ 1,050	\$ -	\$ 1,050	0.06	1900	12169 V	
12E29AC00800	7,264	HARTMAN JAMES C	\$ 23,620	\$ 61,660	\$ 85,280	0.17	1970	12169 I	7575 SE JOHNSON CREEK BLVD
12E29AC00801	8,417	JOHNSON CRK L-OWNRS ASSN	\$ 2,190	\$ -	\$ 2,190	0.19	1900	12169 V	

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TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
12E29AC00900	30,624	SAWYER PHILIP	\$ 56,300	\$ 58,080	\$ 114,380	0.70	1969	12169 I	7445 SE JOHNSON CREEK BLVD
12E29AC00901	14,062	SURE POWER INC	\$ 34,120	\$ 122,600	\$ 156,720	0.32	1973	12169 I	7415 SE JOHNSON CREEK BLVD
12E29AC01000	28,998	THE AVENIR CORPORATION	\$ 63,580	\$ 91,090	\$ 154,670	0.67	1972	12169 I	7411 SE JOHNSON CREEK BLVD
12E29AC01100	35,470	SHEPHERD EVELYN TRUSTEE	\$ 75,490	\$ 570	\$ 76,060	0.81	1925	12169 I	7321 SE JOHNSON CREEK BLVD
12E29AC01200	11,202	SHEPERD EVELYN TRUSTEE	\$ 34,750	\$ 22,820	\$ 57,570	0.26	1925	12169 I	9011 SE 74TH AVE
12E29AC01300	14,700	HARTMAN DOROTHY	\$ 39,740	\$ 88,230	\$ 127,970	0.34	1972	12169 I	7335 SE JOHNSON CREEK BLVD
12E29AC01301	17,882	THE AVENIR CORPORATION	\$ 51,030	\$ 127,480	\$ 178,510	0.41	1968	12169 I	7413 SE JOHNSON CREEK BLVD
12E29AC01400	62,226	SCHLAPPI CORAL D	\$ 142,100	\$ 444,760	\$ 586,860	1.43	1979	12169 I	9160 SE 74TH AVE
12E29AC01500	66,138	KIRCHEM FAMILY LTD PTRNRSHP	\$ 180,010	\$ 344,850	\$ 524,860	1.52	1970	12169 I	9180 SE 74TH AVE
12E29AC01600	49,650	DENNIS 7 DEES LANDSCAPE INC	\$ 124,870	\$ 2,520	\$ 127,390	1.14	1900	12169 I	
12E29AC01700	6,994	STIGUM SCOTT	\$ 19,990	\$ 1,390	\$ 21,380	0.16	1900	12169 I	7222 SE JOHNSON CREEK BLVD
12E29AC01701	5,329	COFFEY MARY ELLA	\$ 6,370	\$ -	\$ 6,370	0.12	1900	12169 V	
12E29AC01800	48,855	KIRCHEM FAM LTD PRTNSHP 1/2	\$ 96,690	\$ -	\$ 96,690	1.12	1900	12169 V	7400 SE JOHNSON CREEK BLVD
12E29AC01900	9,867	KIRCHEM FAM LTD PRTNSHP 1/2	\$ 19,800	\$ -	\$ 19,800	0.23	1900	12169 I	
12E29AC02000	38,927	KIRCHEM FAM LTD PRTNRSHP	\$ 95,150	\$ 165,880	\$ 261,030	0.89	1977	12169 I	7410 SE JOHNSON CREEK BLVD
12E29AC02100	45,066	BRUNDIDGE MARILYN	\$ 112,210	\$ 25,750	\$ 137,960	1.03	1946	12169 I	7354 SE JOHNSON CREEK BLVD
12E29AC02200	63,354	KIRCHEM FAM LTD PRTNRSHP	\$ 156,730	\$ 401,980	\$ 558,710	1.45	1972	12169 I	7402 SE JOHNSON CREEK BLVD
12E29AC02300	66,204	SDC INC	\$ 157,880	\$ -	\$ 157,880	1.52	1900	12051 I	

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TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
12E29AC02400	277,314	SDC INC	\$ 672,970	\$ 888,370	\$ 1,561,340	6.37	1989	12051 I	7600 SE JOHNSON CREEK BLVD
12E29AC02401	20,696	GARRETT DONALD L	\$ 39,960	\$ 108,950	\$ 148,910	0.48	1982	12051 I	7491 SE OVERLAND ST
12E29AC02404	21,727	ARBINI ROY	\$ 41,930	\$ 39,700	\$ 81,630	0.50	1979	12051 I	7499 SE OVERLAND ST
12E29AC04600	21,024	HOWELLS DAVID J	\$ 37,610	\$ 77,620	\$ 115,230	0.48	1925	12051 I	7609 SE OVERLAND ST
12E29AC04700	7,073	SDC INC	\$ 15,960	\$ 7,920	\$ 23,880	0.16	1900	12169 I	
12E29AC04800	401					0.01			
12E29BC00100	90,224	CROSSWHITE ENTRPR INC	\$ 233,230	\$ 843,150	\$ 1,076,380	2.07	1990	12051 I	9169 SE 67TH AVE 6480 SE CROSSWHITE
12E29BC00101	32,689	CROSSWHITE BERT	\$ 91,050	\$ 249,630	\$ 340,680	0.75	1978	12051 I	WY
12E29BC00103	69,259	BEEDLE ELEANOR TRUSTEE 1/2	\$ 179,980	\$ 578,030	\$ 758,010	1.59	1978	12051 I	9120 SE 64TH AVE
12E29BC00104	37,289	CROSSWHITE ENTRPR INC	\$ 83,020	\$ -	\$ 83,020	0.86	1900	12051 I	
12E29BC00105	78,726	CROSSWHITE BERT	\$ 202,180	\$ 820,350	\$ 1,022,530	1.81	1976	12051 I	6451 SE JOHNSON CREEK BLVD 6465 SE CROSSWHITE
12E29BC00106	58,679	CROSSWHITE ENTRPR INC	\$ 116,460	\$ 234,280	\$ 350,740	1.35	1978	12051 I	WY
12E29BC00107	72,512	CROSSWHITE ENTRPR INC	\$ 120,570	\$ 330,040	\$ 450,610	1.66	1979	12051 I	9122 SE 67TH AVE
12E29BC00108	60,685	CROSSWHITE ENTRPR INC	\$ 134,590	\$ 282,530	\$ 417,120	1.39	1980	12051 I	9256 SE 67TH AVE
12E29BC00109	52,056	ANDERSON JAMES J	\$ 109,760	\$ 295,770	\$ 405,530	1.20	1980	12051 I	9144 SE 67TH AVE 6651 SE CROSSWHITE
12E29BC00110	65,407	CROSSWHITE ENTRPR INC	\$ 133,600	\$ 249,210	\$ 382,810	1.50	1979	12051 I	WY
12E29BC00111	61,047	CROSSWHITE ENTRPR INC	\$ 158,830	\$ 498,270	\$ 657,100	1.40	1986	12051 I	6667 SE JOHNSON CREEK BLVD
12E29BC00112	23,492	CROSSWHITE ENTRPR INC	\$ 81,120	\$ 116,770	\$ 197,890	0.54	1972	12051 I	6641 SE JOHNSON CREEK BLVD
12E29BC00113	26,011	CROSSWHITE ENTRPR INC	\$ 78,150	\$ 290,030	\$ 368,180	0.60	1988	12051 I	6532 SE CROSSWHITE WY
12E29BC00114	22,470	CROSSWHITE ENTRPR INC	\$ 72,520	\$ 294,840	\$ 367,360	0.52	1988	12051 I	6654 SE CROSSWHITE WY
12E29BC00203	52,348	BRUNKOW WALTER E 1/4	\$ 106,320	\$ 245,310	\$ 351,630	1.20	1977	12051 I	6411 SE CROSSWHITE WY
12E29BC00206	32,338	CROSSWHITE BERT	\$ 101,460	\$ 228,930	\$ 330,390	0.74	1978	12051 I	6440 SE CROSSWHITE WY
12E29BC00301	14,028	UNION FURNITURE COMPANY	\$ 29,040	\$ 157,330	\$ 186,370	0.32	1978	12051 I	

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	BUILDING			ACRES	TAX		SITE ADDRESS
			LAND VALUE	VALUE	TOTAL VALUE		YEARBLT	CODE	
12E29BC00302	236,125	CROSSWHITE ENTERPRISES	\$ 356,680	\$ 894,530	\$ 1,251,210	5.42	1984	12051 I	9101 SE 64TH AVE
12E29BC00400	42,859	CROSSWHITE BERT	\$ 123,190	\$ 299,670	\$ 422,860	0.98	1976	12051 I	9125 SE 64TH AVE
12E29BC00401	23,569	KAPTEYN PROP LTD PRTNSHP	\$ 74,520	\$ 148,440	\$ 222,960	0.54	1984	12051 I	6391 SE JOHNSON CREEK BLVD
12E29BC00402	17,531	KAPTEYN PROP LTD PRTNRSH	\$ 55,100	\$ 180,880	\$ 235,980	0.40	1977	12051 I	6445 SE JOHNSON CREEK BLVD
12E29BC00403	41,513	UNION FURNITURE COMPANY	\$ 87,680	\$ 235,990	\$ 323,670	0.95	1978	12051 I	6449 SE JOHNSON CREEK BLVD
12E29BC00404	79,298	KAPTEYN PROP LTD PRTNRSH	\$ 178,860	\$ 876,330	\$ 1,055,190	1.82	1975	12051 I	6441 SE JOHNSON CREEK BLVD
12E29BC00405	18,934	CROSSWHITE BERT	\$ 56,250	\$ 179,600	\$ 235,850	0.43	1975	12051 I	9299 SE 64TH AVE
12E29BC00406	25,747	CROSSWHITE BERT	\$ 76,980	\$ 228,800	\$ 305,780	0.59	1978	12051 I	9293 SE 64TH AVE
12E29BC00500	45,831	BELLAMY DAVID G	\$ 85,090	\$ 52,730	\$ 137,820	1.05	1986	12051 I	6500 SE JOHNSON CREEK BLVD
12E29BC00600	7,255	BELLAMY DAVID G	\$ 18,690	\$ 12,440	\$ 31,130	0.17	1945	12051 I	6500 SE JOHNSON CREEK BLVD
12E29BC00700	17,756	BELLAMY DAVID G	\$ 40,440	\$ -	\$ 40,440	0.41	1900	12051 V	
12E29BC00800	15,806	PORTLAND GEN ELEC CO	\$ -	\$ -	\$ -	0.36	1900	12051 V	
12E29BC00900	7,398	PORTLAND GEN ELEC CO	\$ -	\$ -	\$ -	0.17	1900	12051 V	
12E29BC00901	154,699	CITY OF PORTLAND	\$ 15,190	\$ -	\$ 15,190	3.55	1900	12169 V	
12E29BC00990	12,327	PORTLAND GEN ELEC CO	\$ -	\$ -	\$ -	0.28	1900	12051 V	
12E29BC07200	38,168	CROSSWHITE ENTRPRS INC	\$ 105,500	\$ 33,810	\$ 139,310	0.88	1900	12051 I	
12E29BC07300	12,928	SCHULD VERNON W 1/3	\$ 36,380	\$ 29,690	\$ 66,070	0.30	1915	12051 I	9239 SE BELL AVE
12E29BC07400	5,787	SCHULD VERNON W 1/3	\$ 16,970	\$ -	\$ 16,970	0.13	1900	12051 I	
12E29BD00200	101,655	PILLSBURY MICHAEL L 1/3	\$ 185,820	\$ 439,090	\$ 624,910	2.33	1971	12169 I	7235 SE LABEL LN
12E29BD00300	28,067	DENNIS 7 DEES LANDSCAPE INC	\$ 64,100	\$ 10,600	\$ 74,700	0.64	1980	12169 I	7355 SE JOHNSON CREEK BLVD
12E29BD00400	16,783	L&W ENTERPRISES	\$ 26,620	\$ -	\$ 26,620	0.39	1900	12169 V	7225 SE LABEL LN
12E29BD00500	24,187	SMITH HOBART B	\$ 46,380	\$ 49,010	\$ 95,390	0.56	1975	12169 I	7221 SE JOHNSON CREEK BLVD
12E29BD00600	61,882	RIGBY INVESTMENTS	\$ 25,880	\$ -	\$ 25,880	1.42	1900	12169 V	

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
12E29BD00700	468,566	RIGBY INVESTMENTS	\$ 516,350	\$ 1,179,070	\$ 1,695,420	10.76	1948	12169 I	6803 SE JOHNSON CREEK BLVD
12E29BD01900	28,827	VANNOY LENA DOROTHY	\$ 83,470	\$ 31,270	\$ 114,740	0.66	1973	12169 I	6821 SE JOHNSON CREEK BLVD
12E29BD02000	25,286	CORNOYER ESTHER H	\$ 46,440	\$ 10,570	\$ 57,010	0.58	1918	12169 I	6919 SE JOHNSON CREEK BLVD
12E29BD02100	14,234	RIGBY INVESTMENTS	\$ 7,910	\$ -	\$ 7,910	0.33	1900	12169 V	7001 SE JOHNSON CREEK BLVD
12E29BD02200	28,035	DIXON RUTH H	\$ 52,090	\$ 1,180	\$ 53,270	0.64	1910	12169 I	7007 SE JOHNSON CREEK BLVD
12E29BD02300	13,890	LANGE JACK 1/4	\$ 38,150	\$ 220,720	\$ 258,870	0.32	1981	12169 I	7205 SE JOHNSON CREEK BLVD
12E29BD02400	15,413	LANGE JACK 1/4	\$ 38,150	\$ 220,720	\$ 258,870	0.35	1981	12169 I	7207 SE JOHNSON CREEK BLVD
12E29BD02500	27,462	DENNIS 7 DEES LANDSCAPE INC	\$ 72,750	\$ 40,700	\$ 113,450	0.63	1950	12169 I	7355 SE JOHNSON CREEK BLVD
12E29BD02600	19,177	STIGUM SCOTT	\$ 47,730	\$ 2,970	\$ 50,700	0.44	1900	12169 I	7222 SE JOHNSON CREEK BLVD
12E29BD02601	6,697	STIGUM SCOTT	\$ 16,810	\$ 1,360	\$ 18,170	0.15	1900	12169 I	7222 SE JOHNSON CREEK BLVD
12E29BD02602	1,238	STIGUM SCOTT	\$ 2,860	\$ -	\$ 2,860	0.03	1900	12169 V	
12E29BD02603	447	STIGUM SCOTT	\$ 990	\$ -	\$ 990	0.01	1900	12169 V	
12E29BD02700	19,689	STOELTING VERNON L TSTE 1/2	\$ 45,470	\$ 103,920	\$ 149,390	0.45	1971	12169 I	7200 SE JOHNSON CREEK BLVD
12E29BD02701	9,737	STIGUM SCOTT	\$ 24,000	\$ 1,490	\$ 25,490	0.22	1900	12169 I	7222 SE JOHNSON CREEK BLVD
12E29BD02702	680	STIGUM SCOTT	\$ 1,430	\$ -	\$ 1,430	0.02	1900	12169 V	

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
12E29BD02800	14,109	STOELTING VERNON L TSTE 1/4	\$ 40,190	\$ 8,100	\$ 48,290	0.32	1925	12169 I	7006 SE JOHNSON CREEK BLVD
12E29BD02900	14,098	BURKE-TURNER CORPORATION	\$ 40,190	\$ 21,270	\$ 61,460	0.32	1912	12169 I	7004 SE JOHNSON CREEK BLVD
12E29BD03000	6,106	BRANSTETTER RAY L	\$ 28,190	\$ 25,160	\$ 53,350	0.14	1952	12169 I	7000 SE JOHNSON CREEK BLVD
12E29BD03100	5,262	COPP JAMES M	\$ 33,020	\$ 55,460	\$ 88,480	0.12	1950	12169 I	9308 SE 70TH AVE
12E29BD07500	155,568	CITY OF PORTLAND	\$ 69,300	\$ -	\$ 69,300	3.57	1900	12169 V	
12E30AA00200	4,571	KING MARJORIE L	\$ 33,050	\$ 5,840	\$ 38,890	0.10	1900	12169 I	6110 SE CLATSOP ST
12E30AA06900	5,931	KLINE HOUSTON R	\$ 3,570	\$ 6,700	\$ 10,270	0.14	1900	12172 I	5812 SE WESTFORK ST
12E30AA06990	20,608	KLINE HOUSTON R	\$ 44,240	\$ 83,050	\$ 127,290	0.47	1940	12169 I	5812 SE WESTFORK ST
12E30AA07000	33,697	GANDER WILLIAM D	\$ 91,090	\$ 176,330	\$ 267,420	0.77	1963	12118 I	8969 SE 58TH DR
12E30AA07100	24,598	IMPERIAL AMUSEMENT&LEAS INC	\$ 96,610	\$ 113,100	\$ 209,710	0.56	1938	12118 I	5821 SE JOHNSON CREEK BLVD
12E30AA07200	11,466	SMITH LEWIS E JR	\$ 34,770	\$ 137,180	\$ 171,950	0.26	1969	12118 I	5819 SE JOHNSON CREEK BLVD
12E30AA07300	10,693	SMITH LEWIS E JR	\$ 35,180	\$ -	\$ 35,180	0.25	1900	12118 V	5815 SE JOHNSON CREEK BLVD
12E30AA07400	12,729	LATTANZI THOMAS W	\$ 43,170	\$ 81,550	\$ 124,720	0.29	1972	12118 I	5801 SE JOHNSON CREEK BLVD
12E30AA07500	11,853	MURRAY FRANK O	\$ 41,800	\$ 50,690	\$ 92,490	0.27	1935	12118 I	8940 SE STANLEY PL
12E30AA07600	6,897	MURRAY FRANK O	\$ 13,950	\$ -	\$ 13,950	0.16	1900	12002 I	
12E30AA07690	5,284	MURRAY FRANK O	\$ 19,970	\$ 84,740	\$ 104,710	0.12	1940	12118 I	8900 SE STANLEY PL
12E30AA07700	4,978	EVANSON BEN W	\$ 11,490	\$ -	\$ 11,490	0.11	1900	12002 I	
12E30AA07790	4,855	EVANSON BEN W	\$ 18,960	\$ 51,010	\$ 69,970	0.11	1920	12118 I	8901 SE STANLEY PL
12E30AA07800	11,133	SHAW DENISE GALE	\$ 34,780	\$ 57,160	\$ 91,940	0.26	1935	12118 I	8935 SE STANLEY PL
12E30AA07900	5,478	SHAW DENISE GALE	\$ 14,050	\$ -	\$ 14,050	0.13	1900	12002 I	

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TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
12E30AA07990	16,227	SHAW DENISE GALE	\$ 45,070	\$ 196,730	\$ 241,800	0.37	1988	12118 I	5803 SE JOHNSON CREEK BLVD
12E30AB01100	20,113	CARTER ROY C	\$ 8,440	\$ -	\$ 8,440	0.46	1900	12172 I	
12E30AB01200	10,121	MILEY DONALD L	\$ 8,410	\$ -	\$ 8,410	0.23	1900	12002 I	
12E30AB01300	6,442	MILEY DONALD L	\$ 5,940	\$ 4,960	\$ 10,900	0.15	1900	12118 I	5721 SE JOHNSON CREEK BLVD
12E30AB01301	16,351	MILEY DONALD L	\$ 41,410	\$ 60,550	\$ 101,960	0.38	1905	12118 I	5721 SE JOHNSON CREEK BLVD
12E30AB01400	9,744	MILLS ERNEST E TRUSTEE	\$ 21,690	\$ -	\$ 21,690	0.22	1900	12118 V	5619 SE JOHNSON CREEK BLVD
12E30AB01500	15,203	ANDERSON MARGARET M	\$ 41,640	\$ 21,360	\$ 63,000	0.35	1920	12118 I	5615 SE JOHNSON CREEK BLVD
12E30AB01600	6,721	ANDERSON MARGARET M	\$ 36,010	\$ 39,060	\$ 75,070	0.15	1930	12118 I	5611 SE JOHNSON CREEK BLVD
12E30AB01700	11,862	ANDERSON JAMES R	\$ 28,730	\$ 210	\$ 28,940	0.27	1956	12118 I	5607 SE JOHNSON CREEK BLVD
12E30AB01900	76,784	BROSTOSKI DONALD S	\$ 175,840	\$ 841,690	\$ 1,017,530	1.76	1967	12169 I	5505 SE JOHNSON CREEK BLVD
12E30AB04400	38,125	DAVIDSON DONNA L	\$ 41,800	\$ 95,120	\$ 136,920	0.88	1925	12169 I	5421 SE JOHNSON CREEK BLVD
12E30AB04900	98,936	MOE BROTHERS PARTNERSHIP	\$ 56,720	\$ -	\$ 56,720	2.27	1900	12169 V	
12E30AB05200	25,985	TABLE RAYMOND K	\$ 52,030	\$ 211,590	\$ 263,620	0.60	1928	12019 I	5201 SE JOHNSON CREEK BLVD
12E30AB05400	55,573	THE K COMPANY	\$ 127,220	\$ 9,450	\$ 136,670	1.28	1900	12019 I	
12E30AB05500	46,530	PRECISION CASTPARTS CORP	\$ 107,610	\$ -	\$ 107,610	1.07	1900	12002 I	
12E30AB05600	48,585	HENDERSON ALAN D	\$ 70,800	\$ 152,150	\$ 222,950	1.12	1925	12002 I	5110 SE JOHNSON CREEK BLVD
12E30AB05700	19,217	HENDERSON ALAN D	\$ 43,960	\$ 68,090	\$ 112,050	0.44	1925	12002 I	5120 SE JOHNSON CREEK BLVD

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
12E30AB05800	8,206	JOHNSON HAROLD E	\$ 37,270	\$ 71,280	\$ 108,550	0.19	1925	12002 I	5150 SE JOHNSON CREEK BLVD
12E30AB05900	9,283	HUGHES BEN G	\$ 38,370	\$ 65,850	\$ 104,220	0.21	1961	12169 I	5160 SE JOHNSON CREEK BLVD
12E30AB06100	22,450	RENNELLS CHARLES S	\$ 65,370	\$ -	\$ 65,370	0.52	1900	12002 I	
12E30AB06200	139,368	RENNELLS CHARLES S	\$ 393,070	\$ 1,011,400	\$ 1,404,470	3.20	1964	12002 I	5300 SE JOHNSON CREEK BLVD
12E30AB06300	25,594	MCCLURE DELMAR H	\$ 74,910	\$ 128,110	\$ 203,020	0.59	1977	12169 I	8903 SE 55TH AVE
12E30AB06500	9,387	PORTASH FRANK D	\$ 39,680	\$ 78,000	\$ 117,680	0.22	1967	12169 I	8909 SE 55TH AVE
12E30AB06600	14,956	MCCOUN KENNETH N	\$ 41,540	\$ 71,930	\$ 113,470	0.34	1920	12169 I	8915 SE 55TH AVE
12E30AB06700	9,601	MCCLURE DELMAR H	\$ 27,380	\$ 69,840	\$ 97,220	0.22	1969	12002 I	9051 SE 55TH AVE
12E30AB06800	22,508	MCCLURE DELMAR H	\$ 62,250	\$ 111,760	\$ 174,010	0.52	1965	12002 I	9051 SE 55TH AVE
12E30AB06900	34,362	BROSTOSKI DONALD S	\$ 51,490	\$ 114,930	\$ 166,420	0.79	1925	12169 I	8904 SE 55TH AVE
12E30AB07000	21,982	BLACKFORD WILLIAM C	\$ 53,130	\$ 63,370	\$ 116,500	0.50	1920	12169 I	8908 SE 55TH AVE
12E30AC00100	16,504	NASE RICHARD E	\$ 50,260	\$ 64,480	\$ 114,740	0.38	1952	12169 I	9101 SE STANLEY AVE
12E30AC00200	5,312	EATON LAUREN D	\$ 17,530	\$ 20,240	\$ 37,770	0.12	1943	12169 I	9201 SE STANLEY AVE
12E30AC00300	92,375	PERSHA HENRY J TRUSTEE	\$ 253,840	\$ 258,400	\$ 512,240	2.12	1966	12169 I	9301 SE STANLEY AVE
12E30AC00400	92,110	PERSHA HENRY J TRUSTEE	\$ 240,920	\$ 95,490	\$ 336,410	2.11	1969	12169 I	5700 SE JOHNSON CREEK BLVD
12E30AD00100	3,559	FRANZ JEAN	\$ 27,620	\$ 24,490	\$ 52,110	0.08	1946	12169 I	8910 SE FLAVEL DR
12E30AD00101	5,271	BROOKS JERI MARIA	\$ 32,130	\$ 65,970	\$ 98,100	0.12	1942	12169 I	8904 SE FLAVEL DR
12E30AD00200	181,108	CITY OF MILWAUKIE	\$ 447,470	\$ 1,094,260	\$ 1,541,730	4.16	1989	12118 I	6101 SE JOHNSON CREEK BLVD
12E30AD00900	9,140	BARRETT DELMAR V	\$ 41,160	\$ 66,430	\$ 107,590	0.21	1930	12169 I	8910 SE 58TH DR
12E30AD01000	9,209	ENG HENRY B	\$ 39,940	\$ 91,110	\$ 131,050	0.21	1968	12169 I	8926 SE 58TH DR
12E30AD01100	62,661	CASSINELLI SARAH H TRUSTEE	\$ 90,720	\$ -	\$ 90,720	1.44	1900	12169 V	
12E30AD01300	42,543	CASSINELLI ANTHONY M 50%	\$ 125,520	\$ 75,540	\$ 201,060	0.98	1928	12118 I	6089 SE JOHNSON CREEK BLVD
12E30AD01500	4,102	CLACKAMAS COUNTY	\$ 10,610	\$ -	\$ 10,610	0.09	1900	12118 V	

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TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
12E30AD01600	4,586	W&K ENTERPRISES INC	\$ 12,650	\$ 3,110	\$ 15,760	0.11	1932	12118 I	6021 SE JOHNSON CREEK BLVD
12E30AD01700	16,041	STURSA JOHN D	\$ 43,360	\$ 56,730	\$ 100,090	0.37	1928	12118 I	9203 SE 58TH DR
12E30AD01900	22,064	BALDWIN TENBROECK W	\$ 34,520	\$ 38,190	\$ 72,710	0.51	1935	12118 I	8931 SE 58TH DR
12E30AD02100	44,671	STAPLETON JAMES	\$ 56,010	\$ 17,770	\$ 73,780	1.03	1941	12118 I	8920 SE 58TH DR
12E30AD02200	7,102	FOX BETTY L	\$ 35,420	\$ 32,050	\$ 67,470	0.16	1962	12118 I	9022 SE 58TH DR
12E30AD02300	32,684	W&K ENTERPRISES INC	\$ 96,620	\$ 27,950	\$ 124,570	0.75	1932	12118 I	6001 SE JOHNSON CREEK BLVD
12E30BA00100	96,205	THE K COMPANY	\$ 181,550	\$ 447,130	\$ 628,680	2.21	1966	12019 I	
12E30BA00101	16,997	PRECISION CASTPARTS CORP	\$ 21,180	\$ -	\$ 21,180	0.39	1900	12019 V	
12E30BA00500	316,288	PRECISION CASTPARTS CORP	\$ 719,350	\$ 10,825,620	\$ 11,544,970	7.26	1956	12002 I	5001 SE JOHNSON CREEK BLVD
12E30BA00800	114,766	PRECISION CASTPARTS CORP	\$ 267,720	\$ -	\$ 267,720	2.63	1900	12002 V	
12E30BA01000	72,255	PRECISION CASTPARTS CORP	\$ 172,210	\$ 13,352,300	\$ 13,524,510	1.66	1967	12019 I	4600 SE HARNEY DR
12E30BA01200	93,461	PRECISION CASTPARTS CORP	\$ 284,310	\$ 149,030	\$ 433,340	2.15	1900	12002 I	4740 SE JOHNSON CREEK BLVD
12E30BA01500	25,300	GEORGE ROBERT E	\$ 67,560	\$ 6,140	\$ 73,700	0.58	1958	12002 I	4906 SE JOHNSON CREEK BLVD
12E30BA01600	163,704	PRECISION CASTPARTS CORP	\$ 135,580	\$ 92,650	\$ 228,230	3.76	1949	12002 I	4938 SE JOHNSON CREEK BLVD
12E30BA01900	67,129	BATTIN JOHN E	\$ 142,140	\$ 72,520	\$ 214,660	1.54	1981	12002 I	5004 SE JOHNSON CREEK BLVD
12E30BB00100	6,448	FINZEL JACK E	\$ 21,810	\$ 48,040	\$ 69,850	0.15	1950	12169 I	4536 SE JOHNSON CREEK BLVD
12E30BB00200	6,484					0.15			
12E30BB00300	29,332	PRECISION CASTPARTS CORP	\$ 36,230	\$ 26,280	\$ 62,510	0.67	1900	12002 I	4708 SE JOHNSON CREEK BLVD
12E30BB00400	25,371	MEL DEINES SANITARY SERVICE	\$ 60,010	\$ 570	\$ 60,580	0.58	1925	12002 I	4684 SE JOHNSON CREEK BLVD

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TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEARBLT	TAX CODE	SITE ADDRESS
12E30BB00500	21,797	LARSON ARLENE C	\$ 49,700	\$ 90	\$ 49,790	0.50	1930	12002 I	4646 SE JOHNSON CREEK BLVD
12E30BB00600	18,702	LEIGHTON TROY M	\$ 41,660	\$ 13,050	\$ 54,710	0.43	1905	12002 I	4622 SE JOHNSON CREEK BLVD
12E30BB00700	37,753	RIVELLI PATRICK S	\$ 77,170	\$ 1,180	\$ 78,350	0.87	1930	12002 I	4540 SE JOHNSON CREEK BLVD
12E30BB00800	28,454	ROSENBERG RICHARD L	\$ 74,590	\$ 206,040	\$ 280,630	0.65	1989	12002 I	4450 SE JOHNSON CREEK BLVD
12E30BB00801	16,344	ROSENBERG RICHARD L	\$ 17,250	\$ -	\$ 17,250	0.38	1900	12002 I	
12E30BB00900	1,302	CITY OF MILWAUKIE	\$ 3,680	\$ -	\$ 3,680	0.03	1900	12002 V	
12E30BB01200	78,469	BRINK JAMES 1/4	\$ 179,320	\$ 403,560	\$ 582,880	1.80	1969	12019 I	4403 SE JOHNSON CREEK BLVD
12E30BB01300	36,686	ROSENBERG RICHARD L	\$ 86,830	\$ -	\$ 86,830	0.84	1900	12019 I	
12E30BD00100	17,672	HUGHES BEN G	\$ 7,480	\$ -	\$ 7,480	0.41	1900	12002 V	
12E30BD00200	20,329	HENDERSON ALAN D	\$ 30,610	\$ -	\$ 30,610	0.47	1900	12002 V	
12E30BD00201	19,997	SANCHEZ JOSE A	\$ 30,050	\$ 20,780	\$ 50,830	0.46	1947	12002 I	5118 SE JOHNSON CREEK BLVD
12E30BD00202	8,395	SANCHEZ JOSE A	\$ 18,930	\$ -	\$ 18,930	0.19	1900	12002 V	
12E31C 00100	974,210	OMARK PROPERTIES INC	\$ 2,382,950	\$ 4,762,050	\$ 7,145,000	22.36	1964	12002 I	4909 SE INTERNATIONAL WY
12E31C 00200	31,346	OECO CORPORATION	\$ 53,230	\$ -	\$ 53,230	0.72	1900	12002 V	
12E31C 00300	24,149	OECO CORPORATION	\$ 37,350	\$ -	\$ 37,350	0.55	1900	12002 V	
12E31C 00400	66,547	SHEPHARD STANLEY V	\$ 80,410	\$ 5,180	\$ 85,590	1.53	1900	12002 I	
12E31C 00401	38,513	SHEPHARD STANLEY V	\$ 61,160	\$ -	\$ 61,160	0.88	1900	12002 V	
12E31C 00500	333,332	OECO CORPORATION	\$ 458,770	\$ 768,940	\$ 1,227,710	7.65	1900	12002 I	
12E31C 00701	3,792	BLOUNT INC	\$ 11,080	\$ -	\$ 11,080	0.09	1900	12002 I	
12E31C 00703	51,237	CLACKAMAS COMMUNICATIONS IN	\$ 234,470	\$ 812,740	\$ 1,047,210	1.18	1989	12002 I	4700 SE INTERNATIONAL WY
12E31C 00704	56,541	DAY MANAGEMENT CORP	\$ 265,740	\$ 1,159,990	\$ 1,425,730	1.30	1989	12002 I	4630 SE INTERNATIONAL WY

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	LAND VALUE	BUILDING VALUE	TOTAL VALUE	ACRES	YEAR	TAX BLT CODE	SITE ADDRESS
12E31C 00706	135,592	KOLL/INTEREAL NW 69.01%	\$ 566,410	\$ 1,830,290	\$ 2,396,700	3.11	1981	12002 I	4560 SE INTERNATIONAL WY
12E31C 00707	22,967	CHEYENNE PROPERTIES	\$ 98,550	\$ -	\$ 98,550	0.53	1900	12002 V	
12E31C 00708	75,475	CHEYENNE PROPERTIES	\$ 261,160	\$ 511,870	\$ 773,030	1.73	1996	12002 I	
12E31C 00709	67,472	CHEYENNE PROPERTIES	\$ 306,340	\$ -	\$ 306,340	1.55	1900	12002 V	
12E31C 00710	23,590	XDP INC	\$ 90,610	\$ -	\$ 90,610	0.54	1900	12002 I	
12E31C 00711	13,099	XDP INC	\$ 269,760	\$ 290,490	\$ 560,250	0.30	1960	12002 I	4288 SE INTERNATIONAL WY
12E31C 00712	156,531	WATUMULL PROPERTIES CORP	\$ 617,800	\$ 2,069,680	\$ 2,687,480	3.59	1986	12002 I	4252 SE INTERNATIONAL WY
12E31C 00714	316,037	WATUMULL PROPERTIES CORP	\$ 1,206,080	\$ 2,587,100	\$ 3,793,180	7.26	1986	12002 I	4243 SE INTERNATIONAL WY
12E31C 00718	116,385	WATUMULL PROPERTIES CORP	\$ 461,070	\$ 1,709,740	\$ 2,170,810	2.67	1986	12002 I	4287 SE INTERNATIONAL WY
12E31C 00720	59,767	BPM DEVELOPMENT LLC 65%	\$ 234,470	\$ -	\$ 234,470	1.37	1900	12002 I	
12E31C 00721	137,054	BPM DEVELOPMENT LLC 65%	\$ 525,630	\$ -	\$ 525,630	3.15	1900	12002 I	
12E31C 00722	168,300	BPM DEVELOPEMNT LLC 65%	\$ 657,030	\$ 6,536,250	\$ 7,193,280	3.86	1985	12002 I	4607 SE INTERNATIONAL WY
12E31C 00723	113,359	BPM DEVELOPMENT LLC 65%	\$ 407,800	\$ -	\$ 407,800	2.60	1900	12002 I	
12E31C 00724	21,968	MOLINE ACCESSORIES CORP	\$ 114,390	\$ 72,710	\$ 187,100	0.50	1985	12002 I	4265 SE INTERNATIONAL WY
12E31C 00725	54,214	CLACKAMAS FED CR UNION	\$ 244,300	\$ 406,040	\$ 650,340	1.24	1990	12002 I	4400 SE INTERNATIONAL WY
12E31CD00100	10,865	PDC INC	\$ 524,900	\$ 719,300	\$ 1,244,200	0.25	1971	12002 I	5209 SE INTERNATIONAL WY
12E31CD00101	44,381	DANPROP INC	\$ 274,680	\$ 335,170	\$ 609,850	1.02	1976	12002 I	5188 SE INTERNATIONAL WY
12E31CD00300	292,950	OMARK PROPERTIES INC	\$ 933,270	\$ 3,988,430	\$ 4,921,700	6.73	1982	12002 I	4909 SE INTERNATIONAL WY
12E31CD00400	7,888	PDC INC	\$ 36,480	\$ 3,280	\$ 39,760	0.18	1900	12002 I	

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	BUILDING			ACRES	TAX		SITE ADDRESS
			LAND VALUE	VALUE	TOTAL VALUE		YEARBLT	CODE	
12E31CD00500	467	PDC INC	\$ 111,010	\$ 9,200	\$ 120,210	0.01	1900	12002 I	
12E31CD00600	10,696	PDC INC	\$ 136,160	\$ 16,100	\$ 152,260	0.25	1900	12002 I	
12E31D 00700	83,654	BLOUNT INC	\$ 203,340	\$ 48,180	\$ 251,520	1.92	1978	12002 I	
12E31D 00800	123,259	BLOUNT INC	\$ 337,120	\$ 85,330	\$ 422,450	2.83	1978	12002 I	
12E31D 00801	150,545	T&W EQUIPMENT CO	\$ 667,350	\$ 1,786,370	\$ 2,453,720	3.46	1973	12002 I	5687 SE INTERNATIONAL WY
12E31D 00802	301,615	GRAHAM LEO A	\$ 1,041,010	\$ 2,613,670	\$ 3,654,680	6.92	1978	12002 I	5365 SE INTERNATIONAL WY
12E31D 00804	90,492	THE CHALLENGE CTR INC	\$ 454,170	\$ 414,390	\$ 868,560	2.08	1974	12002 I	5285 SE MALLARD WY
12E31D 00805	40,185	GRAHAM LEO A	\$ 157,550	\$ 28,540	\$ 186,090	0.92	1978	12002 I	
12E31D 00806	299,467	GRAHAM LEO G	\$ 1,081,940	\$ 2,144,000	\$ 3,225,940	6.87	1974	12002 I	5505 SE INTERNATIONAL WY
12E31D 00902	55,686	HAYTER LINDA L	\$ 187,290	\$ 368,230	\$ 555,520	1.28	1976	12002 I	5226 SE INTERNATIONAL WY
12E31D 00903	57,107	WESTFALL JACK W REV L-TRUST	\$ 229,360	\$ 284,910	\$ 514,270	1.31	1977	12002 I	5272 SE INTERNATIONAL WY
12E31D 01000	9,445	RUPP JOHN 1/2	\$ 904,050	\$ 2,532,060	\$ 3,436,110	0.22	1979	12002 I	5410 SE INTERNATIONAL WY
12E31D 01100	53,727	STANDARD FIN LTD PRTRNSHP	\$ 668,540	\$ 1,190,170	\$ 1,858,710	1.23	1973	12002 I	5675 SE INTERNATIONAL WY
12E31D 01200	10,375	BLOUNT INC	\$ 3,190	\$ -	\$ 3,190	0.24	1900	12138 V	
12E31D 01400	59,039	LUKOVICH DUSHAN	\$ 172,160	\$ 573,930	\$ 746,090	1.36	1992	12118 I	5777 SE INTERNATIONAL WY
12E31D 01401	30,078	BACH GEORGE E	\$ 150,020	\$ 557,230	\$ 707,250	0.69	1981	12118 I	5759 SE INTERNATIONAL WY
12E31D 01590	4,779	GREER MONTE A 85%	\$ 1,670	\$ -	\$ 1,670	0.11	1900	12002 I	
12E31D 01990	2,097	RYKER DAVID A	\$ 970	\$ -	\$ 970	0.05	1900	12002 I	
22E04B 01900	1,071,132	PRECISION CASTPARTS CORP	\$ 1,637,770	\$ 17,469,500	\$ 19,107,270	24.59	1980	12051	IND
12E30BA01000	72,291	PRECISION CASTPARTS CORP	\$ 172,210	\$ 12,944,500	\$ 13,116,710	1.66	1967	12019	IND
12E30BA00800	114,708	PRECISION CASTPARTS CORP	\$ 267,720	\$ -	\$ 267,720	2.63	1900	12002	VAC
12E30BA00500	316,283	PRECISION CASTPARTS CORP	\$ 719,350	\$ 10,825,620	\$ 11,544,970	7.26	1956	12002	IND

Milwaukie/North Clackamas County Enterprise Zone Tax Lots

TLNO	SQFT	OWNER	BUILDING		TOTAL VALUE	ACRES	TAX		SITE ADDRESS
			LAND VALUE	VALUE			YEAR	BLT CODE	
12E30BA00101	17,027	PRECISION CASTPARTS CORP	\$ 21,180	\$ -	\$ 21,180	0.39	1900	12019	VAC
12E30AB05500	46,525	PRECISION CASTPARTS CORP	\$ 107,610	\$ -	\$ 107,610	1.07	1900	12002	IND
R992190400	88,425	PRECISION CASTPARTS CORP	\$ 154,600	\$ 29,740	\$ 184,340	2.03	0	M	001
R992192110	352,157	PRECISION CASTPARTS CORP	\$ 556,400	\$ 12,835,630	\$ 13,392,030	8.08	0	M	001
	26,976,874		\$ 22,273,140	\$ 95,998,100	\$ 118,271,240	619.30			



*** MEMORANDUM ***
November 14, 1997

To: Mayor and City Council
From: Dan Bartlett, City Manager *dan*
Re: Home Building News -- November 1997

Action Requested

I recently received and read the latest issue of the Home Building News. The Land Use Debate and information about new officers may be of interest to the Council.

cc: Department Heads
File - cm2046/hd