

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 18-11-06-07

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN AGREEMENTS WITH CITY OF SPRINGFIELD AND UMPQUA DAIRY PRODUCTS CO./RUSH CREEK HOLDINGS, LLC TO APPROVE A THREE-YEAR ENTERPRISE ZONE PROPERTY TAX EXEMPTION AND TO EXTEND THE ENTERPRISE ZONE PROPERTY TAX EXEMPTION AN ADDITIONAL TWO YEARS FOR A TOTAL OF FIVE YEARS FOR AN INVESTMENT AT A NEW FACILITY IN SPRINGFIELD, OR.

WHEREAS, the Lane County Board of Commissioners would like to encourage investment in Springfield manufacturing and high technology facilities and has identified the food and beverage sector as a target sector;

WHEREAS, the City of Springfield and Lane County established and are the sponsors of the Springfield Community Enterprise Zone;

WHEREAS, the Rush Creek Holdings, LLC d/b/a Umpqua Dairy Products Co. (Umpqua Dairy) is locating in the Springfield Community Enterprise Zone and is an eligible business under Oregon Enterprise Zone statutes;

WHEREAS, Umpqua Dairy plans to make a \$1.7 million capital investment in a new Springfield facility and anticipates it will complete construction of the project in 2019;

WHEREAS, Umpqua Dairy has applied for an Enterprise Zone property tax exemption for a total of 5 years;

WHEREAS, as part of its application Umpqua Dairy agrees to execute an agreement with the sponsors of the Springfield Community Enterprise Zone consistent with this Resolution; to comply with all applicable requirements of Oregon's Enterprise Zone statutes and reasonable requests from the Springfield Community Enterprise Zone sponsors;

WHEREAS, the agreement with the sponsors will include a commitment from Umpqua Dairy to compensate during the entire enterprise zone tax exemption period all new employees at an average rate of not less than 150 percent (\$62,285) of Lane County's prevailing average annual wage (\$41,523) at the time of applying for authorization;

WHEREAS, Umpqua Dairy will negotiate a First Source agreement with the Oregon Employment Division for referring qualified candidates to Umpqua Dairy for new job openings within the Springfield Community Enterprise Zone until the end of the five-year exemption period;

WHEREAS, the Board of Commissioners desires to increase both the number of family wage jobs and the wages paid to its citizens in new and existing economic sectors, assist in the diversification of manufacturing and high technology in the local economy, ensure

competitiveness of future Springfield businesses, and provide for the long-term operation of existing employers like Umpqua Dairy;

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

Section 1: The Board of Commissioners, as the governing body of one of the sponsors of the Springfield Community Enterprise Zone, approves the three-year Enterprise Zone abatement and extending the property tax benefits of the Springfield Community Enterprise Zone for an additional two years to Umpqua Dairy, as requested in Exhibit A and incorporated herein by reference, for a proposed \$1.7 million investment in its new Springfield facility, adding building square footage and machinery and equipment;

Section 2: Umpqua Dairy through a signed agreement with the sponsors must meet the terms outlined below:

- a. Invest approximately \$1.7 million in enterprise zone eligible equipment and buildings in the Springfield plant;
- b. Pay all its new employees, on average, compensation that will exceed the 150% of the Lane County average annual wage where the most recent data on prevailing Lane County average annual wage at the time of applying for authorization was \$41,523 and 150% of that figure is \$62,285;
- c. Enter into a first-source agreement with the Oregon Employment Division effective with approval of the enterprise zone authorization until the end of the five-year extended enterprise zone abatement period; and
- d. Maintain a mandatory minimum level of full-time employees equal to or greater than 110% of its annual average full-time employment of 19 at the time of authorization application at all times during the time from the authorization application until the end of the Enterprise Zone Exemption Period; and
- e. Pay to the City of Springfield \$8,500 in \$1,700 annual installments to be paid by July 1st in each year of the five-years of Enterprise Zone Exemption as a reasonable offset to general government agencies to support ongoing administration of economic development efforts, including enterprise zone management.

Section 3: The County Administrator is authorized to sign agreements with Lane County and Umpqua Dairy including but not limited to the terms described herein provided that Umpqua Dairy meets the terms of ORS 285C;

Section 4: The County Administrator is authorized to take appropriate action to facilitate the extension of the Property Tax Exemption as described herein;

Section 5: This Resolution shall take effect upon adoption by the City Council and the Board of Commissioners.

ADOPTED this 6th day of November, 2018.

Jay Bozievich

Jay Bozievich, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date

11/30/18

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LANE COUNTY OFFICE OF LEGAL COUNSEL