

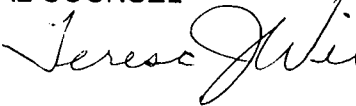
W. B. a.

AGENDA COVER MEMO

AGENDA DATE: April 20, 2005

TO: LANE COUNTY BOARD OF COMMISSIONERS

DEPT.: LANE COUNTY OFFICE OF LEGAL COUNSEL

PRESENTED BY: Teresa J. Wilson, County Counsel 

AGENDA ITEM TITLE: In the Matter of Authorizing the Application to the State of Oregon for Designation of a West Eugene Enterprise Zone

I. MOTION: I MOVE TO AUTHORIZE THE APPLICATION FOR DESIGNATION OF A WEST EUGENE ENTERPRISE ZONE.

II. ISSUE OR PROBLEM:

The City of Eugene has requested Lane County join it in applying for designation of a West Eugene Enterprise Zone.

III. DISCUSSION:

A. Background. On February 11, the City of Eugene staff met with the Finance and Audit Committee to inform it of the potential of an application coming forward for a joint sponsorship with the City of Eugene of an enterprise zone in the West Eugene area. The matter came to the full board on April 6, 2005, after additional refinement had occurred at the Eugene City Council. The City Council will be asked to take formal action on April 11.

B. Analysis. The agenda material presented at the Board's April 6, 2005 meeting by Denny Braud of the City of Eugene contained significant discussion of the relevant issues. Further information is contained in the attached City of Eugene Agenda Item Summaries prepared for the City's April 11 and April 20 meetings. Eugene City Council did not reach this item on their April 11 agenda; it is rescheduled as the first item for their noon April 20 meeting.

The Board Order has been drafted to meet the legal requirements as to the commitments the State would look for in a jointly sponsored application. It also addresses the Board's desire that we return with job quality standards if the State approves the designation.

C. Alternatives/Options. The Board can choose to go forward with joint sponsorship of the zone or not. If it chooses to not proceed, the City of Eugene can nonetheless move forward with an application; however, it would be limited to areas within the city limits.

I will make a recommendation at the meeting as to which map should be attached to the Order as Exhibit A. The choices at this time are Exhibit A to the Eugene April 20 proposed resolution, or Attachment F to the Eugene April 20 Agenda Summary.

The differences between these two involve 7 properties adjoining the railroad; they are discussed in Attachment E to the Eugene April 20 Agenda Summary. It will be prudent to avoid inconsistencies with the action of the City that might impair the success of the application.

D. Recommendations. I recommend the Board approved the Order. Depending on the City decision on April 20, I may bring a revision to the Order to the Board meeting.

IV. **IMPLEMENTATION/FOLLOW-UP:** The City of Eugene will prepare the application for signature by the City Manager and the County Administrator.

V. **ATTACHMENTS:**

City of Eugene Agenda Item Summary-April 11 (attachments are incorporated in April 20 Summary)

City of Eugene Agenda Item Summary –April 20 with attachments

Order with blank Exhibit A and complete Exhibit B

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Resolution Authorizing Application to the State of Oregon for Designation of a West Eugene Enterprise Zone

Meeting Date: April 11, 2005
Department: Planning & Development
www.ci.eugene.or.us

Agenda Item Number: 7
Staff Contact: Denny Braud
Contact Telephone Number: 682-5536

ISSUE STATEMENT

Consistent with the direction provided in the March 7, 2005 work session, Council is being asked to approve a Resolution authorizing submittal of an application to the State of Oregon in 2005, for establishment of an enterprise zone in Eugene. Council is also being asked to consider options for adoption of job quality standards that would apply to the enterprise zone tax exemption.

BACKGROUND

On March 7, 2005, Council directed the City Manager to bring back a resolution authorizing submittal of an application to the State of Oregon for designation of an enterprise zone in 2005, jointly sponsored with and supported by Lane County. The application will be submitted on or before April 25, 2005. If the application is successful, the proposed West Eugene Enterprise Zone would be in place on July 1, 2005.

The Lane County Board of Commissioners is scheduled to review the joint sponsorship issue on April 6, 2005, with formal action expected following Council's adoption of the proposed Resolution.

At the March 7, 2005 meeting, Council also directed the City Manager to bring back a recommendation for establishing job quality standards applicable to the proposed enterprise zone. Because the local standards are not required to be included in the State of Oregon application, such standards can be created and amended at any time prior to the designation of the zone, or any time during the life of the zone. In accordance with State statutes, additional criteria must be "reasonably related to the public purpose of providing opportunities for groups of persons to obtain employment." The Mayor's Committee on Economic Development did not recommend specific job quality standards. However, they suggested that job quality be considered based on *attractive wages, employee benefits, job training, advancement opportunities, job retention, and utilization of programs that assist disadvantaged workers.*

RELATED CITY POLICIES

The enterprise zone tax exemption addresses the following related City policies:

- Sustainable Community Development. Council's Sustainable Community Development goal addresses high quality of life and a healthy economy. The availability of quality jobs is a basic quality of life issue. With a local unemployment rate that exceeds the national average, and local income levels

below state and national averages, the creation of new production sector jobs is fundamental to the health of the local labor market. The creation of an enterprise zone will also provide an incentive for redevelopment, infill development, and brownfield redevelopment, which are primary sustainability goals.

- Growth Management. The enterprise zone advances the City's Growth Management goals by encouraging more intensive industrial development in a defined area that has been zoned accordingly, and where existing public infrastructure investments have already occurred.
- Fair, Stable, and Adequate Financial Resources. The long term property tax revenues that result from new investments that are encouraged by the short-term tax exemption address Council's goal for financial resources adequate to maintain and deliver municipal services.

COUNCIL OPTIONS

Regarding the establishment of job quality standards, the following three options have been identified:

1. Establish standards prior to July 1, 2005. Under this option, staff is proposing that the enterprise zone subcommittee of the Mayor's Committee on Economic Development be utilized and expanded for the purpose of developing a recommendation on job quality standards. The subcommittee participants included Rusty Rexius, Cathy Smith, Steve Korth, Tom Bowerman, and Jana Rygas. The expansion of the subcommittee would include a representative from the Eugene Springfield Solidarity Network and a representative from the University of Oregon's Economic Forum. The Oregon Employment Department would also be utilized to provide relevant local employment and wage data. The expanded subcommittee group would gather public input, draft a recommendation on job quality standards, and present the recommendation to the public for input prior to Council adoption.

- Pros.** - Utilizes subcommittee participants that are familiar with the enterprise zone issues, and previously initiated some work on local standards.
- Expands the subcommittee to include additional special interest and local expertise.
 - If application is successful this year, standards would be in place prior to designation of the zone.

- Cons.** - Requires dedication of resources, and time commitment from the public, with no assurance that Eugene's application will be successful this year.
- Timeline for thorough analysis, public input, and recommendation is compressed.

2. Adopt interim standards. Given the uncertainty regarding the State's approval of an application this year, Council could adopt interim standards that would be in place until new standards can be fully processed and adopted. The new standards would be processed immediately following a successful State zone designation. Staff is proposing that a slightly amended version of the enterprise zone "Public Benefit Criteria," adopted by Council in 1997 (Attachment B), could be used for any investments that qualify prior to adoption of new standards. As an interim policy, the Public Benefit Criteria (minimum 85% tax exemption benefit), originally adopted through an extensive public process, could be amended to reflect the minimum 75% tax exemption benefit intended for the proposed enterprise zone. The proposed amendment to the Public Benefit Criteria scoring formula is included in Attachment C. These interim standards would be adopted by resolution prior to July 1, immediately following notification from the State of Oregon that Eugene's application is successful.

- Pros.** - City would know whether or not its zone designation application was successful prior

- to expending resources on development and adoption of new standards.
- Allows additional time for analysis of new standards and public input.
- Public Benefit Criteria can be easily amended in the interim to reflect the minimum 75% tax exemption benefit intended in the proposed enterprise zone.

Cons. - New job quality standards would not be in place on July 1, 2005 if the City's zone designation application is successful this year.

3. Defer process for adoption of standards until zone application is approved. Under this option, the process to create job quality standards would not begin until there were assurances that Eugene's zone designation application was successful.

- Pros.**
- City would know whether or not its zone designation application was successful prior to expending resources on development and adoption of new standards.
 - Allows additional time for analysis of new standards and public input.

Cons. - If zone designation application is successful in 2005, it is possible that a new investment would qualify for an exemption prior to adoption of standards.

CITY MANAGER'S RECOMMENDATION

The City Manager approves the staff-developed recommendation that Council adopt the Resolution authorizing the submittal of an application for designation of an enterprise zone in 2005.

The City Manager also approves the staff-developed recommendation that the Public Benefit Criteria, as amended in Attachment C, be adopted as interim standards in the event that Eugene's application is successful this year. The interim standards would be adopted by resolution prior to July 1, following notification from the State that Eugene's application is successful. New job quality standards would be created in a timely manner thereafter, in accordance with the process outlined in option 1 above.

SUGGESTED MOTION

Move to approve Resolution No. _____.

In the event that Eugene's enterprise zone designation application is approved by the State of Oregon this year, move to direct the City Manager to bring back a resolution prior to July 1, 2005, for adoption of interim local criteria consistent with the Public Benefit Criteria included in Attachment B and amended in Attachment C, with the understanding that new job quality standards would be adopted as soon as practical following notification of a successful designation application, in accordance with the process outlined in option 1 of this agenda item.

ATTACHMENTS

- A. Resolution No. _____
- B. Public Benefit Criteria (1997)
- C. Proposed Amendment to Public Benefit Criteria
- D. Comments from Service Districts

FOR MORE INFORMATION

Staff Contact: Denny Braud

Telephone: 682-5536
Staff E-Mail: denny.braud@ci.eugene.or.us

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Resolution Authorizing Application to the State of Oregon for Designation of a West Eugene Enterprise Zone

Meeting Date: April 20, 2005
Department: Planning & Development
www.ci.eugene.or.us

Agenda Item Number: A
Staff Contact: Denny Braud
Contact Telephone Number: 682-5536

ISSUE STATEMENT

Consistent with the direction provided in the March 7, 2005 work session, Council is being asked to approve a Resolution authorizing submittal of an application to the State of Oregon in 2005, for establishment of an enterprise zone in Eugene. Council is also being asked to consider options for adoption of job quality standards that would apply to the enterprise zone tax exemption.

BACKGROUND

Action on this Agenda Item was originally scheduled for April 11, 2005. Due to time constraints at that meeting, the Agenda Item was rescheduled for April 20, 2005.

On March 7, 2005, Council directed the City Manager to bring back a resolution authorizing submittal of an application to the State of Oregon for designation of an enterprise zone in 2005, jointly sponsored with and supported by Lane County. The application will be submitted on or before April 25, 2005. If the application is successful, the proposed West Eugene Enterprise Zone would be in place on July 1, 2005.

The Lane County Board of Commissioners reviewed the joint sponsorship issue on April 6, 2005, and has provided direction to bring back a Board Order authorizing the application on April 20, 2005.

At the March 7, 2005 meeting, Council also directed the City Manager to bring back a recommendation for establishing job quality standards applicable to the proposed enterprise zone. Because the local standards are not required to be included in the State of Oregon application, such standards can be created and amended at any time prior to the designation of the zone, or any time during the life of the zone. In accordance with State statutes, additional criteria must be "reasonably related to the public purpose of providing opportunities for groups of persons to obtain employment." The Mayor's Committee on Economic Development did not recommend specific job quality standards. However, they suggested that job quality be considered based on *attractive wages, employee benefits, job training, advancement opportunities, job retention, and utilization of programs that assist disadvantaged workers.*

Various amendments to the Resolution prepared for the April 11, 2004 meeting have been proposed. Therefore, an amended Resolution reflecting proposed changes is included as Attachment B. Additionally, questions have been raised regarding additional railroad-related property that was not

removed from the proposed enterprise zone boundary. A response to these questions is included in Attachment E, and an alternative map depicting the removal of this additional railroad-related property from the proposed enterprise zone is included in Attachment F.

RELATED CITY POLICIES

The enterprise zone tax exemption addresses the following related City policies:

- Sustainable Community Development. Council's Sustainable Community Development goal addresses high quality of life and a healthy economy. The availability of quality jobs is a basic quality of life issue. With a local unemployment rate that exceeds the national average, and local income levels below state and national averages, the creation of new production sector jobs is fundamental to the health of the local labor market. The creation of an enterprise zone will also provide an incentive for redevelopment, infill development, and brownfield redevelopment, which are primary sustainability goals.
- Growth Management. The enterprise zone advances the City's Growth Management goals by encouraging more intensive industrial development in a defined area that has been zoned accordingly, and where existing public infrastructure investments have already occurred.
- Fair, Stable, and Adequate Financial Resources. The long term property tax revenues that result from new investments that are encouraged by the short-term tax exemption address Council's goal for financial resources adequate to maintain and deliver municipal services.

COUNCIL OPTIONS

Regarding the establishment of job quality standards, the following three options have been identified:

1. Establish standards prior to July 1, 2005. Under this option, staff is proposing that the enterprise zone subcommittee of the Mayor's Committee on Economic Development be utilized and expanded for the purpose of developing a recommendation on job quality standards. The subcommittee participants included Rusty Rexius, Cathy Smith, Steve Korth, Tom Bowerman, and Jana Rygas. The expansion of the subcommittee would include a representative from the Eugene Springfield Solidarity Network, and a representative from the University of Oregon's Economic Forum. The Lane Workforce Partnership has also expressed an interest in participating in the process. The Oregon Employment Department would also be utilized to provide relevant local employment and wage data. The expanded subcommittee group would gather public input, draft a recommendation on job quality standards, and present the recommendation to the public for input prior to Council adoption.

- Pros.**
- Utilizes subcommittee participants that are familiar with the enterprise zone issues, and previously initiated some work on local standards.
 - Expands the subcommittee to include additional special interest and local expertise.
 - If application is successful this year, standards would be in place prior to designation of the zone.
- Cons.**
- Requires dedication of resources, and time commitment from the public, with no assurance that Eugene's application will be successful this year.
 - Timeline for thorough analysis, public input, and recommendation is compressed.

2. Adopt interim standards. Given the uncertainty regarding the State's approval of an application this year, Council could adopt interim standards that would be in place until new standards can be fully processed and adopted. The new standards would be processed immediately following a successful State zone designation. Staff is proposing that a slightly amended version of the enterprise zone "Public Benefit Criteria," adopted by Council in 1997 (Attachment C), could be used for any investments that qualify prior to adoption of new standards. As an interim policy, the Public Benefit Criteria (minimum 85% tax exemption benefit), originally adopted through an extensive public process, could be amended to reflect the minimum 75% tax exemption benefit intended for the proposed enterprise zone. The proposed amendment to the Public Benefit Criteria scoring formula is included in Attachment D. These interim standards would be adopted by resolution prior to July 1, immediately following notification from the State of Oregon that Eugene's application is successful.

- Pros.** - City would know whether or not its zone designation application was successful prior to expending resources on development and adoption of new standards.
- Allows additional time for analysis of new standards and public input.
 - Public Benefit Criteria can be easily amended in the interim to reflect the minimum 75% tax exemption benefit intended in the proposed enterprise zone.
- Cons.** - New job quality standards would not be in place on July 1, 2005 if the City's zone designation application is successful this year.

3. Defer process for adoption of standards until zone application is approved. Under this option, the process to create job quality standards would not begin until there were assurances that Eugene's zone designation application was successful.

- Pros.** - City would know whether or not its zone designation application was successful prior to expending resources on development and adoption of new standards.
- Allows additional time for analysis of new standards and public input.
- Cons.** - If zone designation application is successful in 2005, it is possible that a new investment would qualify for an exemption prior to adoption of standards.

CITY MANAGER'S RECOMMENDATION

The City Manager approves the staff-developed recommendation that Council adopt the Resolution (as amended in Attachment B) authorizing the submittal of an application for designation of an enterprise zone in 2005.

The City Manager also approves the staff-developed recommendation that the Public Benefit Criteria, as amended in Attachment C, be adopted as interim standards in the event that Eugene's application is successful this year. The interim standards would be adopted by resolution prior to July 1, following notification from the State that Eugene's application is successful. New job quality standards would be created in a timely manner thereafter, in accordance with the process outlined in option 1 above.

SUGGESTED MOTION

Move to approve Resolution No. _____ (Attachment B).

In the event that Eugene's enterprise zone designation application is approved by the State of Oregon

this year, move to direct the City Manager to bring back a resolution prior to July 1, 2005, for adoption of interim local criteria consistent with the Public Benefit Criteria included in Attachment B and amended in Attachment C, with the understanding that new job quality standards would be adopted as soon as practical following notification of a successful designation application, in accordance with a public involvement process approved by Council, with the intent that 25% of the tax exemption benefit for qualified enterprise zone investments would be subject to the job quality standards.

ATTACHMENTS

- A. Resolution No. _____
- B. Amended Resolution No. _____
- C. Public Benefit Criteria (1997)
- D. Proposed Amendment to Public Benefit Criteria
- E. Response to Railyard Questions
- F. Alternative Enterprise Zone Map (removal of additional Railroad property)
- G. Comments from Service Districts

FOR MORE INFORMATION

Staff Contact: Denny Braud
Telephone: 682-5536
Staff E-Mail: denny.braud@ci.eugene.or.us

RESOLUTION NO. _____

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**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO MAKE APPLICATION TO THE STATE OF OREGON
FOR DESIGNATION OF A WEST EUGENE ENTERPRISE
ZONE.**

The City Council of the City of Eugene finds that:

A. The City of Eugene and Lane County are jointly sponsoring an application for designation of an enterprise zone.

B. The City of Eugene is interested in an enterprise zone to encourage new business investment, job creation, higher incomes for local residents, and greater diversity of economic activity.

C. The proposed enterprise zone, as depicted on the drawn-to scale map attached as Exhibit A, and described in Exhibit B, has a total area of 7.67 square miles and meets other statutory limitations on size and configuration.

D. The proposed enterprise zone contains significant land that is designated for industrial use as indicated by the land use map(s) from Comprehensive Plan(s) acknowledged by the Land Conservation and Development Commission, and included in the application, and such industrial sites are accessible, serviced or serviceable, and otherwise ready for use and further development.

E. The designation of an enterprise zone does not grant or imply permission to develop land within the enterprise zone without complying with prevailing zoning, regulatory and permitting processes and restrictions for applicable jurisdictions; nor does it indicate any intent to modify those processes or restrictions, except possibly as otherwise in accordance with Comprehensive Plans.

F. The City of Eugene appreciates the impacts that a designated enterprise zone would have and the property tax exemptions that eligible business firms might receive therein, as governed by ORS 285C.050 to 285C.250.

G. All of the municipal corporations and special service districts, other than the sponsoring governments, that receive operating revenue through the levying of ad valorem taxes on real and personal property in any area of the proposed enterprise zone have been informed and asked to comment on this proposal.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. The City of Eugene proposes and applies for designation of an Oregon enterprise zone to be named the West Eugene Enterprise Zone, comprised of the area described in Exhibits A and B attached hereto.

Section 2. The City Manager is authorized to submit the application for the City of Eugene and to make any and all substantive or technical changes to the application materials, as necessary, after adoption of this resolution.

Section 3. The City of Eugene will 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.

Section 4. The City of Eugene commits, upon designation, to jointly appoint with Lane County, a local enterprise zone manager or co-managers.

Section 5. The City of Eugene will jointly comply with Lane County with the requirements and provisions of ORS 285C.105.

Section 6. The City of Eugene 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 strive in making such real property available for lease or purchase by authorized business firms pursuant to ORS 285C.110.

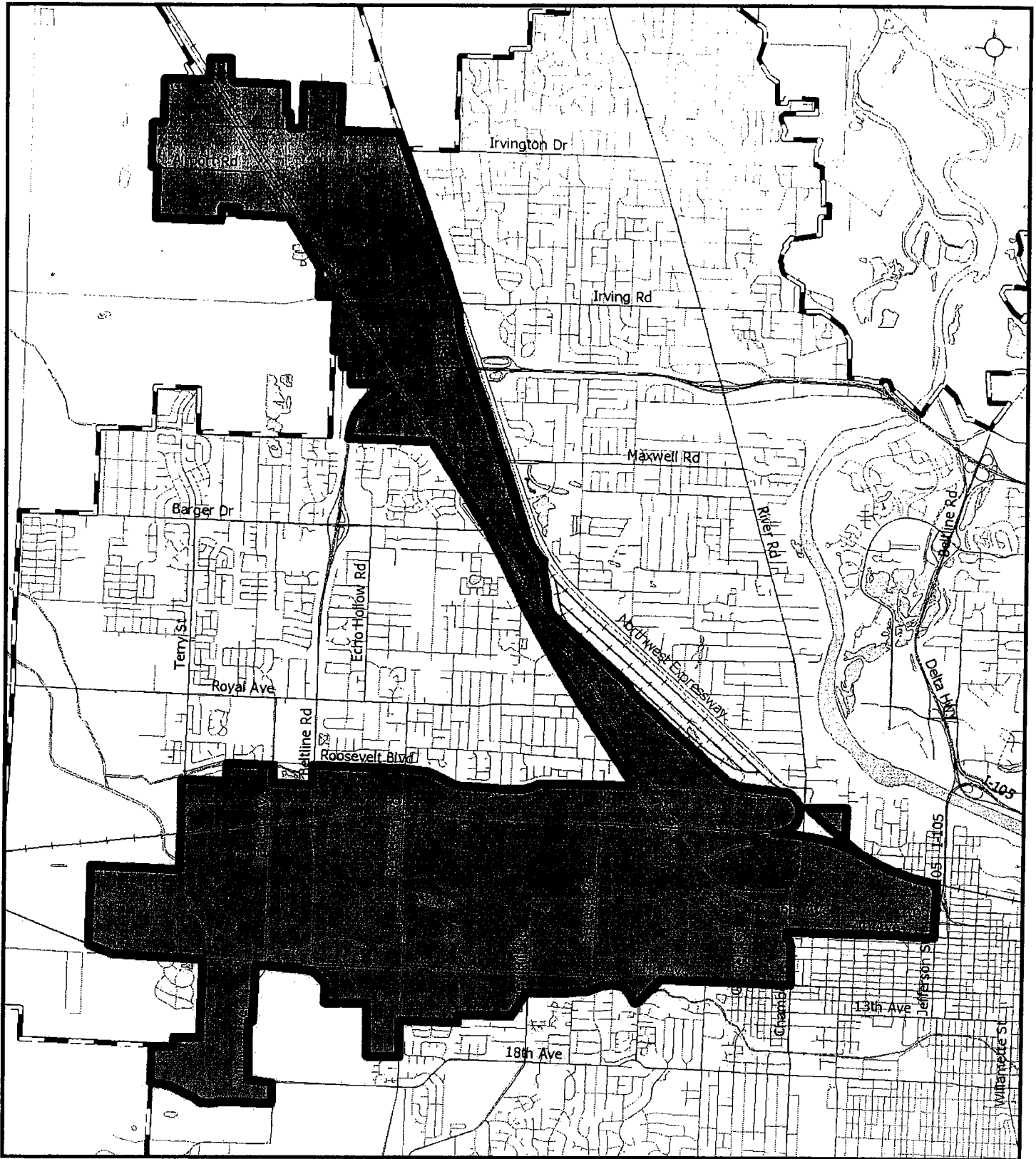
Section 7. The City of Eugene makes a binding commitment to undertake any and all actions necessary to implement the specific enhancements in the level, efficiency or availability of local public services within the proposed zone, as described in the application.



Section 8. This Resolution shall become effective immediately upon its adoption.

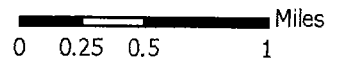
The foregoing Resolution adopted the _____ day of _____, 2005.

City Recorder

West Eugene Enterprise Zone (Est. 2005)



-  Eugene Urban Growth Boundary
-  Enterprise Zone Boundary



Acreage: 4907.82
Sq. Miles: 7.67

City of Eugene
Planning and Development
March 15, 2005



RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO MAKE APPLICATION TO THE STATE OF OREGON
FOR DESIGNATION OF A WEST EUGENE ENTERPRISE
ZONE.**

The City Council of the City of Eugene finds that:

A. The City of Eugene and Lane County are jointly sponsoring an application for designation of an enterprise zone.

B. The City of Eugene is interested in an enterprise zone to encourage new business investment, job creation, higher incomes for local residents, and greater diversity of economic activity. *In accordance with ORS 285C.150, the City of Eugene intends to adopt job quality standards applicable to eligible business firms seeking the enterprise zone tax exemption, with the intent to impose a public benefit contribution of up to twenty-five percent of the value of the tax exemption from eligible business firms based on their conformance with specific job quality standards.*

C. The proposed enterprise zone, as depicted on the drawn-to scale map attached as Exhibit A, ~~and described in Exhibit B~~ has a total area of 7.67 square miles and meets other statutory limitations on size and configuration.

D. The proposed enterprise zone contains significant land that is designated for industrial use as indicated by the land use map(s) from Comprehensive Plan(s) acknowledged by the Land Conservation and Development Commission, and included in the application, and such industrial sites are accessible, serviced or serviceable, and otherwise ready for use and further development.

E. The designation of an enterprise zone does not grant or imply permission to develop land within the enterprise zone without complying with prevailing zoning, regulatory and permitting processes and restrictions for applicable jurisdictions; nor does it indicate any intent to modify those processes or restrictions, except possibly as otherwise in accordance with Comprehensive Plans.

F. The City of Eugene appreciates the impacts that a designated enterprise zone would have and the property tax exemptions that eligible business firms might receive therein, as governed by ORS 285C.050 to 285C.250.

G. All of the municipal corporations and special service districts, other than the sponsoring governments, that receive operating revenue through the levying of ad valorem taxes

on real and personal property in any area of the proposed enterprise zone have been informed and asked to comment on this proposal.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. The City of Eugene proposes and applies for designation of an Oregon enterprise zone to be named the West Eugene Enterprise Zone, comprised of the area described in Exhibits A ~~and B~~ attached hereto.

Section 2. The City Manager is authorized to submit the application for the City of Eugene and to make ~~any and all substantive or~~ technical changes to the application materials, as necessary, after adoption of this resolution.

Section 3. The City of Eugene will 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.

Section 4. The City of Eugene commits, upon designation, to jointly appoint with Lane County, a local enterprise zone manager or co-managers.

Section 5. The City of Eugene will jointly comply with Lane County with the requirements and provisions of ORS 285C.105.

Section 6. The City of Eugene 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 strive in making such real property available for lease or purchase by authorized business firms pursuant to ORS 285C.110.

Section 7. The City of Eugene makes a binding commitment to undertake any and all actions necessary to implement the specific enhancements in the level, efficiency or availability of local public services within the proposed zone, as described in ~~the application~~ *Exhibit B*.

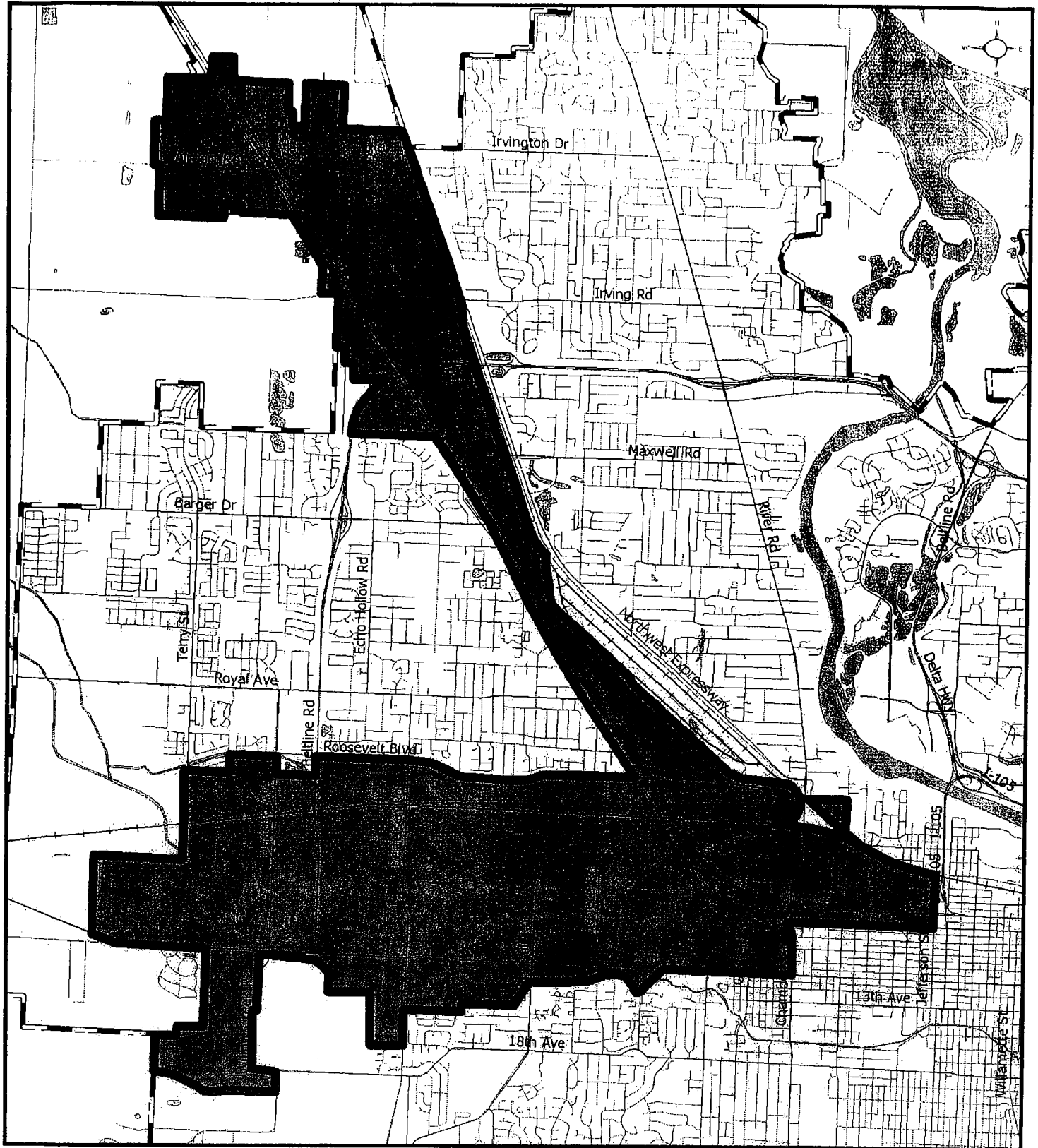
Section 8. This Resolution shall become effective immediately upon its adoption.



The foregoing Resolution adopted the _____ day of _____, 2005.

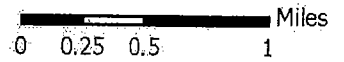
City Recorder

West Eugene Enterprise Zone (Est. 2005)

Exhibit A



-  Eugene Urban Growth Boundary
-  Enterprise Zone Boundary



Acreage: 4907.82
Sq. Miles: 7.67

City of Eugene
Planning and Development
March 15, 2005



Exhibit B

(Enterprise Zone Resolution April 20, 2005)

Summary of Proposed or Recent Enhancements to Public Services

Eugene Airport

The Eugene Airport is immediately adjacent to the western boundary of the proposed West Eugene Enterprise Zone. The Eugene Airport is the fifth-largest airport in the Pacific Northwest, providing commercial air service to a six-county region in mid-Oregon. The airport also has an expanded air cargo facility to serve the growing air cargo demands of the region.

In 2004, the Eugene Airport received a \$10 million grant from the federal Airport Improvement Program that will be used to make airport improvements that support future development. The improvements include construction of a new runway that runs parallel to an existing runway, and the realignment of Greenhill Road and Airport Road.

In May 2004, Delta Connection carrier SkyWest Airlines began twice daily non-stop jet service between Eugene and Salt Lake City. This air service initiative is the result of a two-year effort by the Eugene Area Chamber of Commerce and the Eugene Airport to secure competitive eastbound air service.

Transportation Improvements

There have been significant recent road improvements in West Eugene. The widening of Beltline Highway, between Barger Avenue and Roosevelt Boulevard, has been completed. Roosevelt has been extended from Beltline to Danebo Drive.

Improvements of over \$50 million are planned for the interchange at Interstate 5 and Beltline Hwy. The project will include the construction of a northbound to westbound flyover; realignment of the southbound off ramp, and construction of a bike/pedestrian bridge. Beltline Hwy, via Interstate 5, is the major access route to and from the West Eugene industrial area.

Public Safety Station

The **Bethel Public Safety Station (BPSS)** is Eugene's fourth neighborhood public safety station, located at 464 Highway 99N in Eugene (within the proposed Enterprise Zone boundary). Funding for the Station is jointly provided by the Bethel Weed & Seed grant and the Eugene Police Department. The neighborhood public safety station is an element of community policing and partnerships with a firm commitment to prevention services. The BPSS was established in January 2004.

Bethel School District

A majority of the proposed West Eugene Enterprise Zone is included within the Bethel School District boundary. The District has recently completed construction of two new K-8 schools, Meadow View and Prairie Mountain. Kalapuya High School, a new alternative high school, has also been established recently.

Attachment C

PUBLIC BENEFIT CRITERIA (1997)

1. The extent to which the average wage of new jobs is equal to or greater than the average county wage.

Points

The average wage for all new jobs is:

∃ 100% and # 110% of average county wage	25
> 110% and # 115% of average county wage	35
> 115% of average county wage	40

2. The extent to which the company hires from local training/referral agencies.*

Points

∃ 10% - # 35% of all new jobs	5
> 35% - # 50% of all new jobs	15
> 50% of all new jobs	25

3. The extent to which the company hires persons with barriers to employment.**

Points

∃ 5% - # 10% of all new jobs	5
> 10% - # 20% of all new jobs	10
> 20% of all new jobs	15

4. The extent to which the company dedicates funds for non-mandated training and benefits.***

Points

∃ 1% - # 5% of entire company payroll is dedicated to non-mandated training & benefits	5
> 5% - # 10% of entire company payroll is dedicated to non-mandated training & benefits	10
> 10% of entire company payroll is dedicated to non-mandated training & benefits	15

5. Whether the company is a small business.

Points

50 employees at time of precertification

10

6. Whether the company is utilizing a previously developed site, including expansion at an existing site (i.e., the investment will take place at the same physical location as the existing facility), or redevelopment of an industrial or brownfield site.

Points

Expansion at existing site

1

Redevelop preexisting industrial site
or brownfield site

2

7. The extent to which the assessed value of new investment exceeds \$500,000 per acre.

Points

Investment \geq \$500,000 per acre

1

CRITERIA NOTES:

*** Examples of qualified local training or referral agencies:**

**Lane Workforce Partnership
Oregon Employment Department
Lane Community College
Adult/Family Services
Vocational Rehabilitation
Private Rehabilitation Agencies
Goodwill Industries
Catholic Community Services
St. Vincent de Paul
Salvation Army**

**** Examples of persons with employment barriers:**

**Low/moderate income
Disabled
Injured
Veteran
Welfare recipient
Displaced worker
Teens/youth
Ex-felon
Older workers
Short-term jobs history
Displaced homemaker
Drug/alcohol abuse history
Protected classes (Female head of household, Hispanic, Black, Asian or Pacific Islander, American Indian or Alaskan Native)**

***** Qualifying non-government mandated benefits include: health/life/disability insurance, retirement, profit-sharing, paid vacation/holiday, child care, transportation, sick leave, tuition assistance, career development/training.**

Based on the number of public benefit criteria points earned in each Enterprise Zone tax exempt year, each company shall make a public benefit contribution which shall be a percentage of the total tax exemption in any given year, based on the following:

<u>Points Earned</u>	<u>Public Benefit Contribution %</u>
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80+	0% contribution
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0-79	Apply formula: Contribution due = a percentage equal to 15 minus [(point total) 80] x 15]
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Example: If point total is 40

15 minus [(40) 80] x 15] = contribution of 7.5%

Example: If point total is 10

15 minus [(10) 80] x 15]= contribution of 13.125%

Attachment D

Proposed Amendment to Public Benefit Criteria

Based on the number of public benefit criteria points earned in each Enterprise Zone tax exempt year, each company shall make a public benefit contribution which shall be a percentage of the total tax exemption in any given year, based on the following:

<u>Points Earned</u>	<u>Public Benefit Contribution %</u>
----------------------	--------------------------------------

80+	0% contribution
-----	-----------------

0-79	Apply formula: Contribution due = a percentage equal to
------	---

$$25 \text{ minus } [(\text{point total}) - 80] \times 25]$$

Example: If point total is 40

$$25 \text{ minus } [(40) - 80] \times 25] = \text{contribution of } 12.5\%$$

Example: If point total is 10

$$25 \text{ minus } [(10) - 80] \times 25] = \text{contribution of } 21.875\%$$

Attachment E

Questions Regarding the Railyards Property

The Council considered issues related to making application for an enterprise zone designation at the March 7, 2005 work session. At that meeting, the Council directed that property contained within the railyards be excluded from the proposed enterprise zone boundary. Staff subsequently published an amended map that excluded the railyards property.

In making these adjustments to the proposed enterprise zone boundaries, City staff relied on map information provided by the State Department of Environmental Quality to determine the location and dimensions of the railyards property. The DEQ map was drawn in the early 1990's as part of initial environmental investigations completed on the site. As was pointed out in public testimony at the April 11, 2005 Council meeting, there are seven parcels of property at the north end of the railyards property that are adjacent or proximate to the railroad right of way, and yet continue to be included within the proposed enterprise zone. It was suggested in public testimony that these properties were either part of the current railyards, or part of the historic railyards property; and, as such, should also be excluded from the proposed enterprise zone.

Councilor Polling has asked several questions regarding these properties, as follows:

1. How or why did the seven tax lots identified by citizens get included in the proposed EZ boundary when the wording and intent of the motion was to remove railroad property?

As stated above, the staff relied on railyards boundary information provided by the DEQ when amending the map as directed by Council to remove the railyards. The seven tax lots are not within the railyards as depicted in the map data provided by DEQ. However, the DEQ study area encompasses additional properties owned by various private parties, including industrial and residential properties outside of the railyards boundary, but within the area of environmental concern. The seven parcels in questions are part of the area outside of the railyards that was included in the DEQ study area. These parcels are different in character from the railyards in that they are parceled, zoned, and include a mix of ownership and uses. The area eliminated from the proposed boundary is un-parceled, un-zoned property in sole ownership of the railroad.

2. Is the railroad the sole owner of the seven tax lots?

No. Southern Pacific Co. (the railroad) is listed as the owner of two of the parcels, which total 25.7 acres. Four of the parcels are owned by Santa Fe Pacific Pipeline Partner's, LP. These four parcels total 24.1 acres. Pick and Pull LLC owns one parcel totaling 49.3 acres.

3. How are the seven tax lots currently zoned?

Unlike the railyards, which are not zoned, the seven lots are zoned I-3, which is the heavy industrial classification.

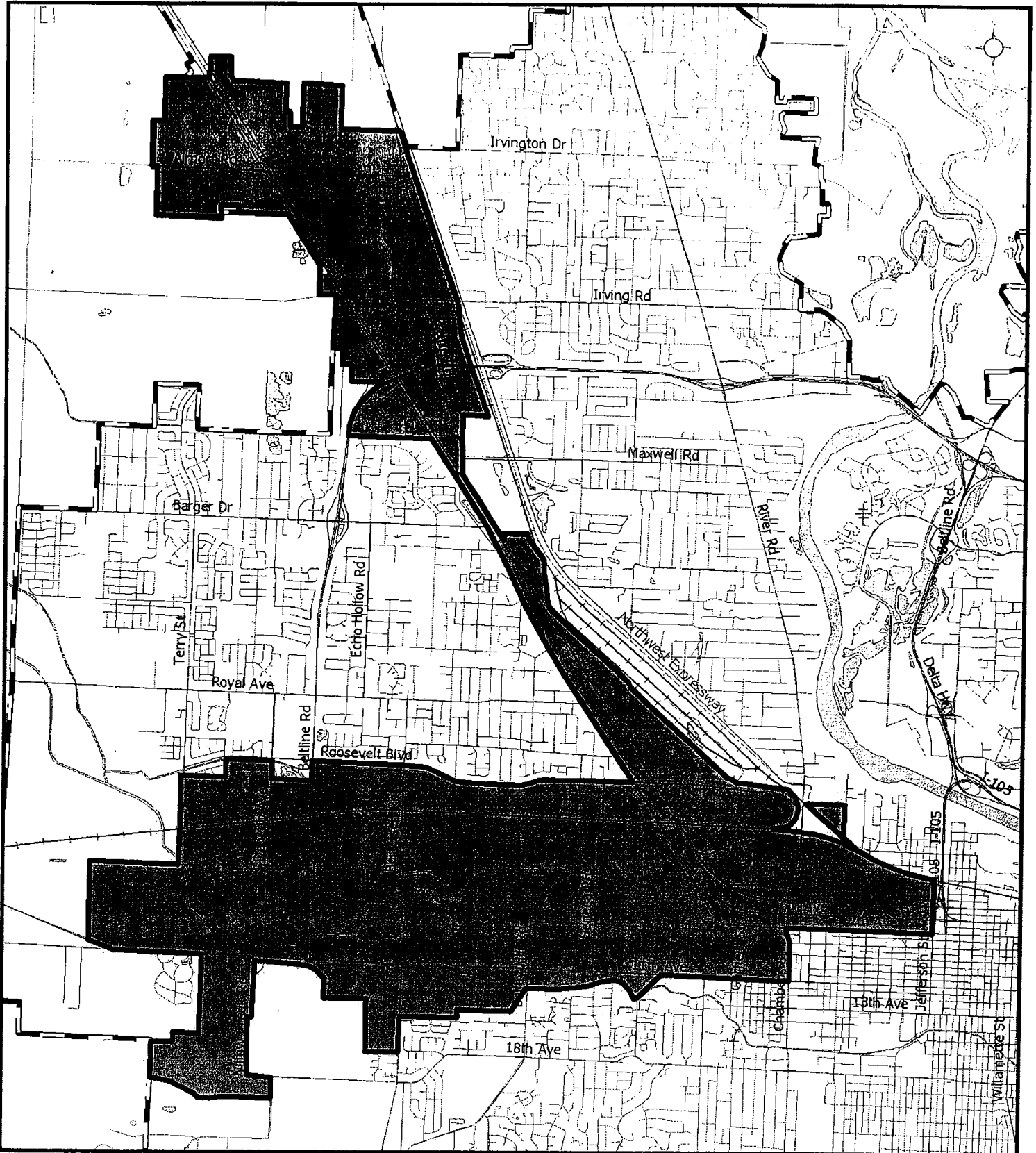
4. What are the current uses of those properties?


The largest 49.3 acre parcel is owned and operated by Pick and Pull, an auto wrecking and used auto parts business. The 24.1 acres owned by Santa Fe Pacific Pipeline Partner's is an operating fuel storage and distribution facility. The remaining parcels are owned by Southern Pacific, with a use described as railroad switching and marshalling.


5. How many of the seven properties are totally in the proposed boundary and how many have been divided by the boundary?

The two parcels owned by Southern Pacific overlap the boundary of Enterprise zone and a small portion of these properties appear to be within the railroad right of way. The remaining 5 properties are totally within the proposed boundary of the enterprise zone.

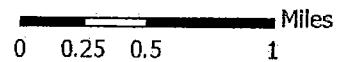
West Eugene Enterprise Zone (Est. 2005)



 Eugene Urban Growth Boundary

 Enterprise Zone Boundary

Enterprise Zone:
Acreage: 4816.96
Sq. Miles: 7.53



Bethel School District #52



Attachment G

Together we will reach, teach,
and inspire each student to
excellence.

March 29, 2005

Denny Braud
City of Eugene
Planning & Development Department
99 West 10th Avenue
Eugene, OR 97401

Dear Denny,

Thank you very much for the information about the City Council's consideration of a resolution requesting a designation of a West Eugene Enterprise Zone. From the materials you sent it is clear that it has been a practice of creating various zones throughout the state, including Lane County, for quite sometime. An enterprise zone, for example, previously existed in West Eugene from 1987 to 1997.

In the past, our School Board and the district has taken a neutral stance in matters such as this and I intend to maintain that stance. Our primary concern is to ensure that the children of our school district receive an outstanding education. We, of course, need resources to provide such an education. The primary source of our funding is the state. Each year we are guaranteed a minimum amount of per pupil funding. We are concerned about any proposal that would reduce that level of funding.

I understand the importance of economic development in ensuring a vibrant economy for our region and our state. Clearly, such an economy is a key to adequate funding for schools. I would be pleased to provide you further information if it would be helpful.

Sincerely,

Steven L. Hull, Ph.D.
Superintendent

c: Board of Directors

RECEIVED

APR 01 2005

HERSHNER HUNTER LLP

STEVE CORNACCHIA
scornacchia@hershnerhunter.com

March 31, 2005

Denny Braud
City of Eugene
Planning & Development Department
99 W. 10th Avenue
Eugene, OR 97401

RE: West Eugene Enterprise Zone
Our File No. 10461.20102

Dear Mr. Braud:

We represent Junction City Water Control District. The District has received your letter, dated March 16, 2005, regarding the proposal to re-designate the West Eugene Enterprise Zone. We provide the following comments on that proposal on behalf of our client.

The District manages a system of flood control and irrigation canals across western Lane County and western Benton County. In addition to the cost of managing that system, the District must also repay federal loans that paid for the initial construction of that system. The District levies a modest property tax to cover the cost of managing and paying for the system.

Actions taken by the City of Eugene and Junction City can negatively affect the District's ability to provide its required service to its constituents. Each time either city withdraws property from the District following annexation or, as in subject proposal, limits the District's collection of resources, the District's financial condition is affected. The subject proposal is additionally troubling considering the fact that the City of Eugene charges a storm water fee within its borders and then collects that storm water and discharges it into the District's system without any financial participation with the District.

The designation and operation of the West Eugene Enterprise Zone will reduce the District's tax collection and will continue the gradual erosion of its financial ability to provide services

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APR 04 2005

Denny Braud
March 31, 2005

Page 2

to its constituents. For that reason, coupled with the belief that the District will not benefit from the results of the zone, the District is not supportive of the proposal.

Please include our comments in the record of proceeding of this matter.

Please contact me if you have any questions regarding this matter.

Best regards,



STEVE CORNACCHIA

PSC:ss

Cc: District Manager



EMERALD PEOPLE'S UTILITY DISTRICT

33733 Seavey Loop Road

Eugene, OR 97405-9614

Phone (541) 746-1583

FAX (541) 746-0211

www.epud.org

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MAR 31 2005

Board of Directors
PENNY JORDAN
BRUCE PILLING
KATHERINE SCHACHT
PATTI CHAPPEL
BILL TANNER

General Manager
FRANK LAMBE

March 24, 2005


Denny Braud
City of Eugene
Planning & Development Department
99 W 10th Avenue
Eugene, OR 97401

Dear Mr. Braud:

While Emerald PUD is a taxing authority, we do not tax and we do not have any plans to in the future. All of our revenue comes from Energy Sales.

However, we do not see any negative impacts by the proposal and appreciate your administration of this project.

Sincerely,


Frank Lambe
General Manager



MAKING CONSERVATION COMFORTABLE

IN THE BOARD OF COUNTY COMMISSIONERS
OF LANE COUNTY, OREGON

RESOLUTION AND ORDER NO. 05-4-20-

) IN THE MATTER OF AUTHORIZING
) THE APPLICATION TO THE STATE OF
) OREGON FOR DESIGNATION OF A
) WEST EUGENE ENTERPRISE ZONE

WHEREAS, Lane County, in conjunction with the City of Eugene, is interested in an enterprise zone to encourage new business investment, job creation, higher incomes for local residents, and greater diversity of economic activity; and

WHEREAS, the City of Eugene has requested Lane County jointly sponsor an application for designation of an enterprise zone; and

WHEREAS, the proposed enterprise zone, as depicted on the drawn-to-scale map attached as Exhibit A, has a total area of 7.67 square miles and meets other statutory limitations on size and configuration; and

WHEREAS, the City of Eugene indicated that the proposed enterprise zone contains significant land that is designated for industrial use as indicated by the land use map(s) from Comprehensive Plan(s) acknowledged by the Land Conservation and Development Commission, and included in the application, and such industrial sites are accessible, serviced or serviceable, and otherwise ready for use and further development; and,

WHEREAS, the designation of an enterprise zone does not grant or imply permission to develop land within the enterprise zone without complying with prevailing zoning, regulatory and permitting processes and restrictions for applicable jurisdictions; nor does it indicate any intent to modify those processes or restrictions, except possibly as otherwise in accordance with Comprehensive Plans; and

WHEREAS, Lane County appreciates the impacts that a designated enterprise zone would have and the property tax exemptions that eligible business firms might receive therein, as governed by ORS 285C.050 and 285C.250; and

WHEREAS, the City of Eugene has indicated that all of the municipal corporations and special service districts, other than the sponsoring governments, that receive operating revenue through the levying of ad valorem taxes on real and personal property in any area of the proposed enterprise zone have been informed and asked to comment on this proposal;

NOW, THEREFORE IT IS HEREBY RESOLVED AND ORDERED:

1. The Lane County Board of Commissioners adopts as its findings the recitals stated above.

2. Lane County proposes and applies for designation of an Oregon enterprise zone to be named the West Eugene Enterprise Zone, comprised of the area described in Exhibit A attached hereto, said application to be in conjunction with the City of Eugene.

3. The County Administrator is authorized to submit the application for Lane County, and to make technical changes to the application materials, as necessary, after adoption of this order, and is further authorized to delegate authority to the City Manager of Eugene, to make such submittal or changes in the application on his behalf.

4. Lane County will 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.

5. Lane County commits, upon designation, to jointly appoint with the City of Eugene, a local enterprise zone manager or co-managers.

6. Lane County will jointly comply with the City of Eugene with the requirements and provisions of ORS 285C.105.

7. Lane County commits to prepare, in conjunction with the City of Eugene, 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 strive in making such real property available for lease or purchase by authorized business firms pursuant to ORS 285C.110.

8. Lane County makes a binding commitment to undertake any and all actions necessary to implement the specific enhancements in the level, efficiency or availability of local public services within the proposed zone, as described in Exhibit B.

9. In accordance with ORS 285C.150, if this zone is designated, Lane County in conjunction with the City of Eugene, intends to adopt job quality standards applicable to eligible business firms seeking the enterprise zone tax exemption, with the intent to impose a public benefit contribution of up to twenty-five percent of the value of the tax exemption from eligible business firms based on their conformance with specific job quality standards.

DATED this _____ day of _____, 2005.

Chair, Lane County Board of
Commissioners

APPROVED AS TO FORM
Date 2/14/05 Lane County
Teresa J. Smith
OFFICE OF LEGAL COUNSEL

Exhibit A
(Map of proposed West Eugene Enterprise Zone)

Blank at this time. To be determined at the meeting

Exhibit B

(Enterprise Zone Resolution April 20, 2005)

Summary of Proposed or Recent Enhancements to Public Services

Eugene Airport

The Eugene Airport is immediately adjacent to the western boundary of the proposed West Eugene Enterprise Zone. The Eugene Airport is the fifth-largest airport in the Pacific Northwest, providing commercial air service to a six-county region in mid-Oregon. The airport also has an expanded air cargo facility to serve the growing air cargo demands of the region.

In 2004, the Eugene Airport received a \$10 million grant from the federal Airport Improvement Program that will be used to make airport improvements that support future development. The improvements include construction of a new runway that runs parallel to an existing runway, and the realignment of Greenhill Road and Airport Road.

In May 2004, Delta Connection carrier SkyWest Airlines began twice daily non-stop jet service between Eugene and Salt Lake City. This air service initiative is the result of a two-year effort by the Eugene Area Chamber of Commerce and the Eugene Airport to secure competitive eastbound air service.

Transportation Improvements

There have been significant recent road improvements in West Eugene. The widening of Beltline Highway, between Barger Avenue and Roosevelt Boulevard, has been completed. Roosevelt has been extended from Beltline to Danebo Drive.

Improvements of over \$50 million are planned for the interchange at Interstate 5 and Beltline Hwy. The project will include the construction of a northbound to westbound flyover; realignment of the southbound off ramp, and construction of a bike/pedestrian bridge. Beltline Hwy, via Interstate 5, is the major access route to and from the West Eugene industrial area.

Public Safety Station

The **Bethel Public Safety Station (BPSS)** is Eugene's fourth neighborhood public safety station, located at 464 Highway 99N in Eugene (within the proposed Enterprise Zone boundary). Funding for the Station is jointly provided by the Bethel Weed & Seed grant and the Eugene Police Department. The neighborhood public safety station is an element of community policing and partnerships with a firm commitment to prevention services. The BPSS was established in January 2004.

Bethel School District

A majority of the proposed West Eugene Enterprise Zone is included within the Bethel School District boundary. The District has recently completed construction of two new K-8 schools, Meadow View and Prairie Mountain. Kalapuya High School, a new alternative high school, has also been established recently.