

W.S.D.

AGENDA COVER MEMO

AGENDA DATE: August 15, 2005

TO: LANE COUNTY BOARD OF COMMISSIONERS

DEPT.: LANE COUNTY OFF OF LEGAL COUNCIL

PRESENTED BY: Marc Kardell, Assistant Lane County Counsel *MK*

AGENDA ITEM TITLE: In The Matter of Approving an Extension of Property Tax Exemption under ORS 285C.175 to United States Bakery and Delegating Authority to the County Administrator to Execute Agreements in Conformance

I. MOTION: I MOVE TO APPROVE THE ORDER IN THE MATTER OF APPROVING AN EXTENSION OF PROPERTY TAX EXEMPTION UNDER ORS 285C.175 TO UNITED STATES BAKERY AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO EXECUTE AGREEMENTS IN CONFORMANCE

II. ISSUE OR PROBLEM:

As co-sponsor of the Springfield Enterprise Zone, the City of Springfield has forwarded a request to the Board to grant a two-year extension of Enterprise Zone benefits to the United States Bakery.

III. DISCUSSION:

A. Background. On June 20, 2005 the City of Springfield approved extending Enterprise Zone benefits for United States Bakery's new Williams Bakery in Glenwood for an additional two years. The investment is briefly described in the City of Springfield Staff Report & Decision (pages 1-2) May 9, 2005. Provisions for an extended exemption must reflect Board Order 99-4-6-1 and its requirements that Lane County receive 25% of the payments requested by the City of Springfield in approved requests extending enterprise zone benefits.

B. Analysis. The letter to the Board and agenda material attached from John Tamulonis, Enterprise Zone Manager for the City of Springfield contains significant discussion of the relevant issues. Further information is contained in the City's Agenda Item Summary Dated June 6, 2005 for the June 20, 2005 Springfield City Council meeting.

If the exemption is granted the County will receive the equivalent of 25% of what the City of Springfield has requested of United States Bakery and the employment and compensation levels detailed in the attached letter will be maintained throughout the exemption period. The County's five years of annual payments of \$16,490 would be based on 25% of the \$269,800 paid to the City plus the \$60,000 total payments for the Willamalane Parks District and the Wildish Theatre. If the exemption is not granted the County would not receive property tax revenues on the new investment because the investment is within the Glenwood Urban Renewal District. There is no guarantee that the employment and compensation levels would be maintained in this case.

The Board Order has been drafted to meet the legal requirements the State would look for in a jointly approved agreement with a firm requesting an extension of enterprise zone benefits. In addition, the Written Agreement includes provisions that reflect Board Order 99-4-6-1 and its requirements that Lane County receive 25% of the payments requested by the City of Springfield in approved extended enterprise zone request. The County will receive payments on a schedule parallel to those the City receives.

C. Alternatives/Options. The Board can choose to approve the extended enterprise zone benefits or not. If it chooses not to approve the extended exemption the County (and the City, Willamalane, and Wildish Theatre) would receive no payment and the firm would likely proceed with the three year exemption.

D. Recommendations. I recommend the Board approve the Order.

IV. **IMPLEMENTATION/FOLLOW-UP:** the City of Springfield will prepare the Written Agreement for the City Manager, County Administrator, and US Bakery.

II. **ATTACHMENTS:**

City of Springfield Letter Requesting Consideration of United States Bakery Application to Board of Commissioners-August 9, 2005

City of Springfield Agenda Item Summary-June 6, 2005 for June 20, 2005 Meeting

City of Springfield Resolution No. 05-43

City of Springfield Expedited Type II Tentative Plan Review, Staff Report & Decision (pages 1-2) May 9, 2005 DRC2005-000029

Board Order

Written Agreement with the Springfield Enterprise Zone II Sponsors to Extend Property Tax Exemption to Five Consecutive Years in Total for Capital Investment by United States Bakery

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

) IN THE MATTER OF APPROVING AN
) EXTENSION OF PROPERTY TAX
) EXEMPTION UNDER ORS 285C.175 TO
) UNITED STATES BAKERY AND
) DELEGATING AUTHORITY TO THE
) COUNTY ADMINISTRATOR TO
) EXECUTE AGREEMENTS IN
) CONFORMANCE

WHEREAS, Lane County and the City of Springfield are co-sponsors of an enterprise zone pursuant to Board Order 99-4-6-1, and

WHEREAS the Board Order sponsoring the enterprise zone contained language that “the City of Springfield has agreed that should it negotiate a payment in lieu or in recognition of the tax exemption with any business regarding the addition of new property which would receive an exemption under the enterprise zone, that Lane County shall receive a payment equal to 25% thereof,” and,

WHEREAS, United States Bakery could receive a property tax exemption of up to three years under ORS 285C.175 because it is an eligible business firm locating in an enterprise zone and intends to construct a \$29 million bakery facility within the zone, and,

WHEREAS, ORS 285C.160 also authorizes extension of two additional years of the enterprise zone property tax exemption upon agreement of United States Bakery to certain additional requirements that the co-sponsors may reasonably request, and

WHEREAS, by Resolution 05-43, the City of Springfield has required United States Bakery to pay to the City the amount of \$134,900 for each of the two year extended tax-exemption period on a payment schedule to be later negotiated, and,

WHEREAS, United States Bakery will agree

- a. to compensate during the entire tax exemption period all new employees at an average rate of not less than 150 percent (\$45,474) of Lane County's prevailing average annual wage (\$30,316) at the time of the firm's applying for preauthorization; and
- b. to meet any additional requirements that the zone sponsors may reasonably request, including but not limited to United States Bakery's paying Lane County \$41,225 for each of the last two years of extended Enterprise Zone benefits, on a payment schedule to be later negotiated, and,

WHEREAS, United States Bakery anticipates it will complete construction of its Williams Bakery in Glenwood in 2006, and

WHEREAS, United States Bakery has filed a preauthorization application form with the Springfield Enterprise Zone Manager, and

WHEREAS, United States Bakery will negotiate a First Source agreement with the Oregon Employment Division referring qualified candidates to the United States Bakery for new job openings within the Springfield Enterprise Zone throughout the exemption period, and

WHEREAS, the City of Springfield has approved extension of the property tax benefits and execution of an appropriate agreement, and

WHEREAS, Lane County would like to encourage investment in new high technology facilities, increase family wage jobs and wages paid in new economic sectors, and assist in the diversification of the County's economy, now, therefore, it is hereby

ORDERED that, as follows:

1. Lane County, as the governing body of one of the sponsors of the Springfield Enterprise Zone, approves extending the property tax benefits of the Springfield Enterprise Zone for the period allowed under ORS 285 to the United States Bakery, as requested in Exhibit "A" and incorporated herein by reference, for its intended \$29 million project to construct a bakery facility, and
2. Lane County delegates authority to the County Administrator to sign agreements with the City of Springfield, the cosponsor of the Springfield Enterprise Zone, and with the United States Bakery in substantial conformance with the terms described herein and provided that the United States Bakery meets the applicable requirements of ORS 285C.050 et seq.

DATED this _____ day of August, 2005.

Chair, Lane County Board of
Commissioners

APPROVED 111
8-16-05
[Handwritten Signature]

Agreement for Oregon Enterprise Zone Extended Abatement

WRITTEN AGREEMENT WITH THE SPRINGFIELD ENTERPRISE ZONE II SPONSORS TO EXTEND PROPERTY TAX EXEMPTION TO FIVE CONSECUTIVE YEARS IN TOTAL FOR CAPITAL INVESTMENT BY UNITED STATES BAKERY, INC.

The sponsor of the Springfield Enterprise Zone II comprising of the governing bodies of the City of Springfield and Lane County (hereinafter "The Zone Sponsors") and United States Bakery, Inc. (hereinafter "The Firm") do hereby enter into an agreement for extending the period of time in which The Firm shall receive an exemption on its proposed investments in qualified property in the Springfield Enterprise Zone II contingent on certain special requirements, under ORS 285C.160 (2003).

The Zone Sponsor and The Firm jointly acknowledge: that subject to timely submission and approval of an application for authorization and the satisfaction of other requirements under Ors 285C.050 to 285C.250, The Firm is eligible for three years of complete exemption on its qualified property; that nothing in this agreement shall modify or infringe on this three-year exemption or the requirements thereof, and that this agreement becomes null and void if The Firm does not qualify for these three years of the exemption.

The Zone Sponsor extends The Firm's property tax exemption an additional two years on all property that initially qualifies in the Springfield Enterprise Zone in the assessment year beginning on January 1, 2007 and, thus, sets a total period of exemption of five consecutive years during which statutory requirements for the standard three-year exemption must also be satisfied and maintained.

CONFIRMATION OF STATUTORY PROVISIONS

In order to receive the additional two years of enterprise zone exemption granted herein, The Firm agrees herewith under 285C.160(3)(a)(A) that for each year of the entire exemption period, all of The Firm's new employees shall receive an average level of compensation equal to or greater than 150 percent of the county average annual wage, in accordance with the specific definitions and guidelines in Oregon Administrative Rules (OAR), Chapter 123, Division 065 (-41##), which provides that:

1. Such compensation may include non-mandatory benefits that can be monetized:
2. The county average annual wage is set at the time of authorization, except as pursuant to ORS 285C.160 (4), according to the 2003, Lane County average annual payroll rate of \$30,316, for which 150 percent equals \$45,474;
3. Only employees working at jobs filled for the first time after the application for authorization but prior to July 1 following the first full year of the initial exemption and

performed within the current boundaries of the Springfield Enterprise Zone II are counted; and

4. Only full-time, year-round and non-temporary employees engaged in a majority of their time in The Firm's eligible operations consistent with ORS 285C.135 & 285C.200(3) are counted, regardless if such employees are leased, contracted for or otherwise obtained through an external agency or are employed directly by The Firm.

LOCAL ADDITIONAL REQUIREMENTS

For The Firm to receive the additional two years of enterprise zone exemption granted herein, The Zone Sponsor and The Firm agree that The Firm shall meet the following additional requirements in addition to statutory requirements as reasonably requested by The Zone Sponsor under ORS 285C.160(a)(B):

- [1. Payment to City of Springfield of \$134,900 for each of the two years of Enterprise Zone extended abatement, a total of \$269,800 to be paid in installments of \$53,960 and due on July 1 annually beginning 2006 and continuing until the last payment due on July 1, 2010;
- [2. Payment of \$30,000 by December 31, 2005 to TEAMSpringfield member Willamalane Parks and Recreation District for lighting its soccer facilities on South 32nd Street;
- [3. Payment of \$30,000 by December 31, 2005 to TEAM Springfield member School District #19 for the Springfield Renaissance Development Corporation's redevelopment of the Wildish Theatre and to help complete the Wildish Theatre; and
- [4. Payment to Lane County for Enterprise Zone extended abatement of a total of \$82,450 to be paid in installments of \$16,490 due on July 1 annually beginning 2006 and continuing until the last payment due on July 1, 2010.

ACCEPTING FOR THE SPONSOR OF
THE SPRINGFIELD ENTERPRISE
ZONE II:

ACCEPTING FOR
UNITED STATES BAKERY, INC.

By: _____
Michael A. Kelly, Springfield City Manager
and per Resolution No. 05-43

By: _____

William A. VanVactor, Lane County Administrator
and per Board Order No. _____

CITY OF SPRINGFIELD, OREGON

CITY MANAGER'S OFFICE
CITY RECORDER
COMMUNICATIONS
COMMUNITY RELATIONS

SPRINGFIELD



225 FIFTH STREET
SPRINGFIELD, OR 97477
(541) 726-3700
FAX (541) 726-2366

August 9, 2005

Ms. Anna Morrison, Chairperson
Lane County Board of Commissioners
125 East 8th Avenue
Eugene, OR 97401

Subject: Springfield Enterprise Zone Preauthorization 2005-01:
United States Bakery and Extension of Enterprise Zone Benefits

Dear Ms. Anna Morrison and Lane County Board of Commissioners:

This is a request for the Lane County Board of Commissioners to consider United States Bakery's application to extend the Springfield Enterprise Zone II benefits for an additional two years. The possible extension of benefits for an additional two years is conditional on approval from both the co-sponsors of the Springfield Enterprise Zone--the Lane County Commissioners and the Springfield City Council.

As manager of the Springfield Enterprise Zone II, I have done the preliminary preauthorization of United States Bakery's application and forwarded it to the Lane County Tax Assessor for an initial three years of Enterprise Zone benefits for their development with an investment of about \$29.975 million and to employ about 175 local residents--at least a 10% increase over the 159 employees at application. United States Bakery also intends to sign a first source hiring agreement with the Oregon Employment Division.

On June 20, 2005, one co-sponsor--the Springfield City Council--approved extending Enterprise Zone benefits an additional two years beyond the initial three years.

The Springfield Enterprise Zone II allows the exemption United States Bakery requests. Among the conditions United States Bakery must meet to obtain this benefit is compensating all new employees at an average rate of not less than 150 percent of the county's average annual wage during the entire five-year tax exemption period. For

Lane County the applicable average annual wage rate for this request is \$30,316. For United States Bakery to have the full five-year benefit (two years beyond the three-year basic exemption period), United States Bakery would have to achieve a '150 percent' average rate of compensation of \$45,474 for all of its new employees from the start of the project and throughout the five year exemption period.

The attached material includes what the Springfield City Council considered in its approval:

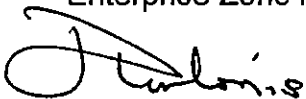
1. Describes the conditions of approval for extending the benefits:
 - a. The equivalent of two payments of \$134,900 to the City for the fourth year and the fifth year of the exemption period;
 - b. \$30,000 payment before December 31, 2005 to TEAMSpringfield member Willamalane Parks and Recreation District for lighting its soccer facilities on South 32nd Street;
 - c. \$30,000 payment before December 31, 2005 to the City of Springfield as requested by TEAMSpringfield member School District #19 for a contribution towards completing the Wildish Theatre; and
2. Outlines what the company must do to obtain the additional benefits;
3. Includes a copy of the three-year preauthorization for benefits; and
4. Provides background on the project.

I have advised United States Bakery that when Lane County agreed to co-sponsor the Springfield Enterprise Zone II, the Commissioners said they wanted firms requesting an extended exemption period to pay Lane County an amount equivalent to about 25% of the payment requested by the City of Springfield.

If you have questions or need more information I will be glad to respond. I will represent the City at a time convenient to the Lane County Board of Commissioners.

Sincerely,


John Tamulonis
Enterprise Zone Manager



Enclosure

cc: Applicant
Oregon Enterprise Zone Manager
Lane County Assessor

AGENDA ITEM SUMMARY

Meeting Date: June 6, 2005
Meeting Type: Regular Session
Department: Development Services
Staff Contact: John Tamulonis 
Staff Phone No: X3656
Estimated Time: 15 Minutes

**SPRINGFIELD
CITY COUNCIL**

ITEM TITLE: UNITED STATES BAKERY REQUEST REGARDING ENTERPRISE ZONE
EXTENSION IN GLENWOOD

**ACTION
REQUESTED:** As co-sponsor of the Springfield Enterprise Zone II with Lane County, consider approving the following resolution to extend property tax benefits for an additional two years to the United States Bakery for its proposed new \$29.975 million Williams Bakery facility in Glenwood:

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENTS WITH LANE COUNTY AND THE UNITED STATES BAKERY TO EXTEND THE PROPERTY TAX EXEMPTION TWO YEARS FOR A NEW BAKERY IN THE GLENWOOD AREA.

**ISSUE
STATEMENT:** Unites States Bakery has requested that both sponsors (Lane County and the City of Springfield) of the Springfield Enterprise Zone approve extending enterprise zone benefits. In its decision to build a \$29.975 million new Williams Bakery facility in the Glenwood area of Springfield, US Bakery needs to know if it will have an additional two years (five years total) of enterprise zone benefits to ensure compensation and hiring meets the zone requirements. A three-year exemption requires the firm to merely increase its employment level by 10% and maintain it throughout the exemption period. The extended five-year exemption also requires that the average compensation level for new hires be maintained above \$45,474 that is 150% of Lane County's average wage of \$30,316.

ATTACHMENTS: I. Council Briefing Memo
II. Enterprise Zone Request from US Bakery
III. Resolution

**DISCUSSION/
FINANCIAL
IMPACT:** See Attachment I: Council Briefing Memo.

MEMORANDUM

June 1, 2005

TO: Michael A. Kelly, City Manager
FROM: John Tamulonis, Community Development Manager

SUBJECT: United States Bakery Request for Extended Enterprise Zone Exemption

ISSUE:

United States Bakery has requested that both sponsors (Lane County and the City of Springfield) of the Springfield Enterprise Zone approve extending enterprise zone benefits. In its decision to build a \$29.975 million bakery manufacturing facility in the McKenzie-Gateway area of Springfield, United States Bakery needs to know during its ramp-up period, if it will have an additional two years (five years total) of enterprise zone benefits.

BACKGROUND:

The United States Bakery is eligible and has begun the process of being authorized by the Springfield Enterprise Zone Manager and Lane County Department of Assessment and Taxation for three years of enterprise zone benefits. In addition, the authorization application requests approval of the investment for an additional two-year exemption, if the Enterprise Zone sponsors—the City of Springfield and Lane County—agree with the firm in writing on extending those benefits and the firm meets the terms set by the sponsors.

The United States Bakery has begun planning for construction of a major bakery manufacturing facility costing about \$29.975 million to provide baked goods to its many northwest wholesale customers. The firm expects to finish constructing the facility in early 2006 and employ about at least 175 in its operations. Opening is targeted for early 2006. The firm anticipates its employees, on average, would receive compensation that will exceed 150 percent of the Lane County average annual wage. The prevailing Lane County average annual wage at the time of applying for authorization was \$30,316 and 150% of that figure is \$45,474.

Enterprise Zone Requirements:

Expanding industrial firms moving any operations into the zone from sites within 30 miles must increase by at least 10% the number of full-time employees to receive Enterprise Zone benefits. United States Bakery expects to exceed this minimum increase. In addition, United States Bakery must negotiate a first source agreement with the Oregon Employment Division. In effect until the end of the tax exemption period, the agreement requires that United States Bakery's Springfield operations first consider qualified candidates forwarded by the Employment Division from publicly funded employment agencies.

The waiver of property taxes for a three-year period is the primary benefit to the applicant. However, for the firm to qualify for extended property tax exemptions, the sponsors of the zone and the firm must agree in writing that:

(a) The firm will compensate during the entire five-year property tax exemption period all newly hired employees at an average rate of not less than 150 percent of Lane County's average annual wage prevailing at the time of approval; and

(b) The firm will meet any additional local requirements that the zone sponsors may reasonably request.

If the firm does not meet these conditions, it cannot obtain the additional two years of tax exemption benefits. As co-sponsors, both the Springfield City Council and the Lane County Board of Commissioners would need to approve resolutions that extend benefits under the terms described above.

DISCUSSION:

The United States Bakery has requested such approval from the Zone sponsors with its authorization application. The Springfield Enterprise Zone Manager has forwarded the firm's request to the Lane County Tax Assessor and informed the Lane County Administrator of the request. The Board of Commissioners would consider this only after the Springfield City Council has considered the request and approved it. (See Attachment II) The proposed project is eligible for the extension of benefits.

In return for the extension, the City has, for some time, required that firms developing sites to pay the City the equivalent of providing public services during the two-year period (Police, Fire and Life Safety, and other services generated by the facility's operations). In this case the \$29.975 million would require a payment of about \$134,900 to the City for each additional year of exemption. The payment schedule would be negotiated with the firm as would any request by Lane County as co-sponsor.

Financial Impacts:

The other financial impacts of extending United States Bakery's property tax exemption on the City and the Springfield Economic Development Agency are straightforward. The site and project are within the Glenwood Urban Renewal Plan, so that taxes on the increases in property value and the \$29.975 million in new investment would go to the urban renewal agency after the end of the enterprise zone exemption in FY2011. There would be no corresponding increase in City property tax revenues until the Glenwood urban renewal plan is completed in about 20 years and the total assessed value of the site and facility will then be subject to the City property tax rate.

REQUESTED ACTION:

Approve the resolution extending the property tax exemption period an additional two years beyond the initial three years for the United States Bakery and authorize the City Manager to sign agreements with its co-sponsor Lane County and United States Bakery effective throughout the extended Enterprise Zone tax exemption period.

OREGON ENTERPRISE ZONE AUTHORIZATION APPLICATION

á Complete form and submit to the local enterprise zone manager before breaking ground or beginning work at the site. à Please type or print neatly.

APPLICANT

Enterprise Zone or Rural Renewal Energy Development Zone (where business firm and property will be located) Springfield, Oregon		County Lane	
Name of Business Firm United States Bakery		Telephone Number (503) 731-5672	
Mailing Address 315 NE 10th Ave.	City Portland	State OR	ZIP Code 97232
Location of Property (street address if different from above) (Nuggett Way Eugene OR 97403) IN → Springfield		City Springfield	State OR
Map and Tax Lot Number of Site 18030312 00900, 18030311 03900, 18030311 01200, 18030311 04000, 18030311 01100, 18030311 03600		Contact Person Jerry Boness	Title C.F.O.
My firm expects to apply for this property tax exemption in the following year(s): 2007, 2008, 2009, 2010, 2011			

- Check here if your firm has or has had another exemption in this enterprise zone. Note the first year of such exemption: _____
- Check here if you are requesting an **extended abatement** of one or two additional years of exemption. This is subject to minimum average annual "compensation" for employees and written agreement with local zone sponsor. Sponsor may request additional requirements.
- Check here that your firm commits to renew this authorization application. Renew this application on or before April 1 every two calendar years, until the tax exemption on qualified property is claimed.

Zone Manager Use Only (after written agreement but before authorizing firm):	
County Average Annual Wage: \$ _____	Total Exemption Period: _____ (consecutive) years

BUSINESS ELIGIBILITY

Eligible Activity á Check all activities that apply to proposed investment within the enterprise zone:

- Manufacturing Fabrication Bulk Printing Shipping Agricultural Production Energy Generation
- Assembly Processing Software Publishing Storage Back-office Systems
- Other á describe the activities that provide goods, products, or services to other businesses (or to other operations of your firm): _____

Check here if your business firm does or will engage in **ineligible activities** within the enterprise zone (such as retail sales, health care, professional services, or construction). Describe below (or in an attachment) these activities and how they are physically separate from "eligible activities" checked above: _____

Special Cases á Check all that apply:

- Check here if a **hotel, motel, or destination resort** in an applicable enterprise zone.
- Check here if a **retail/financial call center**. Indicate expected percent of customers in local calling area: _____ %.
- Check here if a **"headquarters" facility**. (Zone sponsor must find that operations are statewide or regional in scope and locally significant.)
- Check here if an **electronic commerce investment** in an e-commerce enterprise zone. (This also provides for an income tax credit.)

EMPLOYMENT IN THE ENTERPRISE ZONE (see worksheets on last page)

Do not count temporary, seasonal, construction, FTE, part-time jobs (32 hours or less per week), or employees working at ineligible operations.

Existing Employment á My business firm's average employment in the zone over the past 12 months is 159 jobs.

New Employees á Hiring is expected to begin on (date or month and year):

á Hiring is expected to be completed by (month and year):

á Estimated total number of new employees to be hired with this investment is: 16

2-1-06
4-18-07
 4/1/07 JT per [unclear] compensation 6/1/05

Commitments á By checking all boxes below, you agree to the following commitments as required by law for authorization:

- When the exemption claim is filed by April 1, total employment in the zone each year will not have shrunk by 85 percent at one time or by 50 percent twice in a row, compared to any such previous year's figures.
- By April 1 of the first year of exemption on the proposed investment in qualified property, I will increase existing employment within the zone by one new employee or by 10 percent, whichever is greater.
- My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended agreement, (2) zone sponsor resolution(s) waiving required employment increase, or (3) an urban enterprise zone's adopted policy.
- My firm will verify compliance with the above commitments, as requested by the local zone sponsor, the county assessor or their representative, or as directed by state forms or administrative rules.
- My firm will maintain at least either of the above minimum levels as an annual average employment during the exemption period.
- My firm will enter into a **first-source hiring agreement** before hiring new eligible employees. (This mandatory agreement entails an obligation to consider referrals from local job training providers for eligible job openings within the zone during at least the exemption period.)

OREGON EMPLOYMENT OUTSIDE THE ENTERPRISE ZONE

Check only those that apply:

- Check here if your firm or a commonly controlled firm is, or will be, closing or curtailing operations in the state beyond 30 miles of the zone's boundary. Indicate timing, location, number of any job losses, and relationship to the proposed enterprise zone investment:

- Check here if you are transferring any operations into the zone from site(s) within 30 miles of the zone boundary (existing businesses only): My firm's average employment at the site(s) over the past 12 months is 159 jobs.
- Check here if your firm commits to increase the combined employment at the site(s) and in the zone to 110 percent of the existing combined level by April 1 and on average during the first year of exemption.

PROPOSED INVESTMENT IN QUALIFIED PROPERTY

Anticipated Timing—Enter dates or months/years

Action	Site and Building & Structures			Machinery and Equipment		
	Preparation	Construction*	Placed in Service	Procurement**	Installation	Placed in Service
To commence or begin on	3-15-05	5-15-05	4-15-06	3-15-05	10-15-05	4-15-06
To be completed on	5-15-05	4-15-05		4-15-05	4-15-06	

* And/or new reconstruction, additions to, or modifications of existing building(s) or structure(s).
 ** May precede application by up to three months.

Special Issues:

- Check here for building/structure acquired/leased for which construction, reconstruction, additions, or modifications began prior to this application (attach executed lease).
- Check here for Work-in-Progress tax exemption for qualified property that is not yet placed in service and is located on site as of January 1. (Attach description and list of such probable property. See "Special Issues Worksheet," on the last page.)

Qualifying Property: Estimates of cost (please attach a preliminary list of machinery and equipment).

Type of Property		Number of Each/Item	Expected Estimated Cost	Check if any item will be Leased
Real Property	Building or structure to be newly constructed		\$13,525,000	<input type="checkbox"/>
	New addition to or modification of an existing building/structure		\$	<input type="checkbox"/>
	Heavy or affixed machinery and equipment		\$16,300,000	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more		\$ 150,000	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)		\$	<input type="checkbox"/>
Total Estimated Cost of Investment			\$ 29,975,000	

Additional Description: In addition to what is explained elsewhere, briefly comment below (or in an attachment) on the scope of your investment, the particular operations and output that are planned, and the intended uses of the qualifying property.

DECLARATION

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge, they are true, correct, and complete. If any information changes, I will notify the zone manager and the county assessor and submit appropriate written amendments. I understand that my business firm will receive the tax exemption for property in the enterprise zone, only if my firm satisfies statutory requirements (ORS Chapter 285B) and complies with all local, Oregon, and federal laws that are applicable to my business.

MUST BE SIGNED BY AN OWNER, COMPANY EXECUTIVE, OR AUTHORIZED REPRESENTATIVE OF THE BUSINESS FIRM

Signature <i>X Murray R. Albers</i>	Date Feb 10, 2005
Title (if not an owner or executive, attach letter attesting to appropriate contractual authority) <i>Chairman + CEO</i>	

Local enterprise zone manager and county assessor must approve this application (with Enterprise Zone Authorization Approval, form 150-303-082)

UNITED STATES BAKERY

P. O. BOX 14769
315 NE TENTH AVENUE
PORTLAND, OREGON 97232



PHONE (503) 731-5670
FAX (503) 731-5680

February 10, 2005

To Whom It May Concern:

Please allow this letter to serve as confirmation that Murrey R. Albers is United States Bakery's C.E.O. and Chairman of the Board.

If you have any questions, please don't hesitate to call me (503-731-5671).
Thank you.

Sincerely,

United States Bakery

A handwritten signature in black ink, which appears to read "Keith VanEmmerik". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Keith VanEmmerik
Asst. Secretary

ATTACHMENT III

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENTS WITH LANE COUNTY AND THE UNITED STATES BAKERY TO EXTEND THE PROPERTY TAX EXEMPTION TWO YEARS FOR A NEW BAKERY IN THE GLENWOOD AREA.

WHEREAS, the United States Bakery, Inc. could receive a property tax exemption under ORS 285 because it is an eligible business firm, and

WHEREAS, the United States Bakery, Inc. agrees

- (a) to compensate during the entire enterprise zone tax exemption period all new employees at an average rate of not less than 150 percent (\$45,474) of Lane County's prevailing average annual wage (\$30,316) at the time of applying for authorization; and
- (b) to meet any additional requirements that the zone sponsors may reasonably request.

WHEREAS, the United States Bakery, Inc. anticipates it will complete construction of its Williams Bakery manufacturing facility in early 2006;

WHEREAS, the United States Bakery, Inc. has filed an authorization application form with the Springfield Enterprise Zone Manager;

WHEREAS the United States Bakery, Inc. will negotiate a First Source agreement with the Oregon Employment Division for referring qualified candidates to the United States Bakery, Inc. for new job openings within the Springfield Enterprise Zone until the end of the exemption period;

WHEREAS, the Springfield City Council would like to encourage investment in new Springfield manufacturing and high technology facilities, increase both the number of family wage jobs and the wages paid to its citizens in new economic sectors, assist in the diversification of manufacturing and high technology in the local economy, ensure competitiveness of future Springfield businesses, and provide support for the long-term operation of United States Bakery's Springfield facilities.

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Springfield as follows:

1. The Springfield City Council, as the governing body of one of the sponsors of the Springfield Enterprise Zone II, approves extending the property tax benefits of the Springfield Enterprise Zone for two years to the United States Bakery, Inc., as requested in Exhibit A and incorporated herein by reference, for a possible \$29.975 million project, and
2. The City Manager is authorized to sign agreements with Lane County, the co-sponsor of the Springfield Enterprise Zone II, and the United States Bakery, Inc. to the terms described herein and provided that the United States Bakery, Inc. meets the terms of ORS 285.
3. In return for the extension, the City will require United States Bakery, Inc. to pay the City the equivalent of providing essential public services during the two-year tax-exemption period in the amount of \$134,900 for each additional year of exemption. The City and United States Bakery, Inc. will negotiate the payment schedule.
4. This resolution shall take effect upon adoption by the Council and approval by the Mayor.

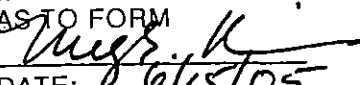
ADOPTED by the Common Council and approved by the Mayor of the City of Springfield, this ____ day of _____, 2005.

Adopted by a vote of ____ for and ____ against.

Mayor

ATTEST:

City Recorder

REVIEWED & APPROVED
AS TO FORM

DATE: 6/15/05
OFFICE OF CITY ATTORNEY

ATTACHMENT III

RESOLUTION NO. 05-43

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENTS WITH LANE COUNTY AND THE UNITED STATES BAKERY TO EXTEND THE PROPERTY TAX EXEMPTION TWO YEARS FOR A NEW BAKERY IN THE GLENWOOD AREA.

WHEREAS, the United States Bakery, Inc. could receive a property tax exemption under ORS 285 because it is an eligible business firm, and

WHEREAS, the United States Bakery, Inc. agrees

(a) to compensate during the entire enterprise zone tax exemption period all new employees at an average rate of not less than 150 percent (\$45,474) of Lane County's prevailing average annual wage (\$30,316) at the time of applying for authorization; and

(b) to meet any additional requirements that the zone sponsors may reasonably request.

WHEREAS, the United States Bakery, Inc. anticipates it will complete construction of its Williams Bakery manufacturing facility in early 2006;

WHEREAS, the United States Bakery, Inc. has filed an authorization application form with the Springfield Enterprise Zone Manager;

WHEREAS the United States Bakery, Inc. will negotiate a First Source agreement with the Oregon Employment Division for referring qualified candidates to the United States Bakery, Inc. for new job openings within the Springfield Enterprise Zone until the end of the exemption period;

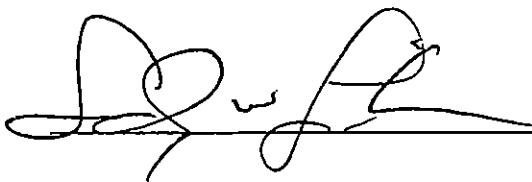
WHEREAS, the Springfield City Council would like to encourage investment in new Springfield manufacturing and high technology facilities, increase both the number of family wage jobs and the wages paid to its citizens in new economic sectors, assist in the diversification of manufacturing and high technology in the local economy, ensure competitiveness of future Springfield businesses, and provide support for the long-term operation of United States Bakery's Springfield facilities.

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Springfield as follows:

1. The Springfield City Council, as the governing body of one of the sponsors of the Springfield Enterprise Zone II, approves extending the property tax benefits of the Springfield Enterprise Zone for two years to the United States Bakery, Inc., as requested in Exhibit A and incorporated herein by reference, for a possible \$29.975 million project, and
2. The City Manager is authorized to sign agreements with Lane County, the co-sponsor of the Springfield Enterprise Zone II, and the United States Bakery, Inc. to the terms described herein and provided that the United States Bakery, Inc. meets the terms of ORS 285.
3. In return for the extension, the City will require United States Bakery, Inc. to pay the City the equivalent of providing essential public services during the two-year tax-exemption period in the amount of \$134,900 for each additional year of exemption. The City and United States Bakery, Inc. will negotiate the payment schedule.
4. This resolution shall take effect upon adoption by the Council and approval by the Mayor.


ADOPTED by the Common Council and approved by the Mayor of the City of Springfield, this 20th day of June, 2005.

Adopted by a vote of 4 for and 1 against.



Mayor


ATTEST:



City Recorder

REVIEWED & APPROVED

AS TO FORM



DATE: 6/15/05

OFFICE OF CITY ATTORNEY

EXHIBIT A

OREGON ENTERPRISE ZONE AUTHORIZATION APPLICATION

Complete form and submit to the local enterprise zone manager before breaking ground or beginning work at the site. Please type or print neatly.

APPLICANT

Enterprise Zone or Rural Renewal Energy Development Zone (where business firm and property will be located) <u>Springfield, Oregon</u>		County <u>Lane</u>	
Name of Business Firm <u>United States Bakery</u>		Telephone Number <u>(503) 731-5672</u>	
Mailing Address <u>315 NE 10th Ave.</u>	City <u>Portland</u>	State <u>OR</u>	ZIP Code <u>97232</u>
Location of Property (street address if different from above) <u>(Nugget Way Eugene OR 97403) IN</u>		City <u>Springfield</u>	State <u>OR</u>
Map and Tax Lot Number of Site <u>18 03 03 12 00700, 18 03 03 11 03900, 18 03 03 11 01200, 18 03 03 11 01100, 18 03 03 11 04000, 18 03 03 11 03600</u>		Contact Person <u>Jerry Boness</u>	Title <u>C.F.O.</u>
My firm expects to apply for this property tax exemption in the following year(s): <u>2007, 2008, 2009, 2010, 2011</u>			

- Check here if your firm has or has had another exemption in this enterprise zone. Note the first year of such exemption: _____
- Check here if you are requesting an extended abatement of one or two additional years of exemption. This is subject to minimum average annual "compensation" for employees and written agreement with local zone sponsor. Sponsor may request additional requirements.
- Check here that your firm commits to renew this authorization application. Renew this application on or before April 1 every two calendar years, until the tax exemption on qualified property is claimed.

Zone Manager Use Only (after written agreement but before authorizing firm)
 County Average Annual Wage: _____ Total Exemption Period: _____ (consecutive years)

BUSINESS ELIGIBILITY

Eligible Activity Check all activities that apply to proposed investment within the enterprise zone:

- Manufacturing Fabrication Bulk Printing Shipping Agricultural Production Energy Generation
- Assembly Processing Software Publishing Storage Back-office Systems
- Other describe the activities that provide goods, products, or services to other businesses (or to other operations of your firm): _____

Check here if your business firm does or will engage in ineligible activities within the enterprise zone (such as retail sales, health care, professional services, or construction). Describe below (or in an attachment) these activities and how they are physically separate from "eligible activities" checked above: _____

Special Cases Check all that apply:

- Check here if a hotel, motel, or destination resort in an applicable enterprise zone.
- Check here if a retail/financial call center. Indicate expected percent of customers in local calling area: _____ %.
- Check here if a "headquarters" facility. (Zone sponsor must find that operations are statewide or regional in scope and locally significant.)
- Check here if an electronic commerce investment in an e-commerce enterprise zone. (This also provides for an income tax credit.)

EMPLOYMENT IN THE ENTERPRISE ZONE (see worksheets on last page)

Do not count temporary, seasonal, construction, FTE, part-time jobs (32 hours or less per week), or employees working at ineligible operations.

Existing Employment My business firm's average employment in the zone over the past 12 months is 159 jobs.

New Employees Hiring is expected to begin on (date or month and year): 2-1-07
 Hiring is expected to be completed by (month and year): 4-18-07
 Estimated total number of new employees to be hired with this investment is: 16

Commitments By checking all boxes below, you agree to the following commitments as required by law for authorization:

- When the exemption claim is filed by April 1, total employment in the zone each year will not have shrunk by 85 percent at one time or by 50 percent twice in a row, compared to any such previous year's figures.
- By April 1 of the first year of exemption on the proposed investment in qualified property, I will increase existing employment within the zone by one new employee or by 10 percent, whichever is greater.
- My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended agreement, (2) zone sponsor resolution(s) waiving required employment increase, or (3) an urban enterprise zone's adopted policy.
- My firm will verify compliance with the above commitments, as requested by the local zone sponsor, the county assessor or their representative, or as directed by state forms or administrative rules.
- My firm will maintain at least either of the above minimum levels as an annual average employment during the exemption period.
- My firm will enter into a first-source hiring agreement before hiring new eligible employees. (This mandatory agreement entails an obligation to consider referrals from local job training providers for eligible job openings within the zone during at least the exemption period.)

OREGON EMPLOYMENT OUTSIDE THE ENTERPRISE ZONE

Check only those that apply:

Check here if your firm or a commonly controlled firm is, or will be, closing or curtailing operations in the state beyond 30 miles of the zone's boundary. Indicate timing, location, number of any job losses, and relationship to the proposed enterprise zone investment:

Check here if you are transferring any operations into the zone from site(s) within 30 miles of the zone boundary (existing businesses only): My firm's average employment at the site(s) over the past 12 months is 159 jobs.

Check here if your firm commits to increase the combined employment at the site(s) and in the zone to 110 percent of the existing combined level by April 1 and on average during the first year of exemption.

PROPOSED INVESTMENT IN QUALIFIED PROPERTY

Anticipated Timing—Enter dates or months/years

Action	Site and Building & Structures			Machinery and Equipment		
	Preparation	Construction*	Placed in Service	Procurement**	Installation	Placed in Service
To commence or begin on	3-15-05	5-15-05	4-15-06	3-15-05	10-15-05	4-15-06
To be completed on	5-15-05	4-15-05		4-15-05	4-15-06	

* And/or new reconstruction, additions to, or modifications of existing building(s) or structure(s).

** May precede application by up to three months.

Special Issues:

Check here for building/structure acquired/leased for which construction, reconstruction, additions, or modifications began prior to this application (attach executed lease).

Check here for Work-in-Progress tax exemption for qualified property that is not yet placed in service and is located on site as of January 1. (Attach description and list of such probable property. See "Special Issues Worksheet," on the last page.)

Qualifying Property: Estimates of cost (please attach a preliminary list of machinery and equipment).

Type of Property		Number of Each/Item	Expected Estimated Cost	Check if any Item will be Leased
Real Property	Building or structure to be newly constructed		\$13,525,000	<input type="checkbox"/>
	New addition to or modification of an existing building/structure		\$	<input type="checkbox"/>
	Heavy or affixed machinery and equipment		\$16,300,000	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more		\$150,000	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)		\$	<input type="checkbox"/>
Total Estimated Cost of Investment			\$29,975,000	

Additional Description: In addition to what is explained elsewhere, briefly comment below (or in an attachment) on the scope of your investment, the particular operations and output that are planned, and the intended uses of the qualifying property.

DECLARATION

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge, they are true, correct, and complete. If any information changes, I will notify the zone manager and the county assessor and submit appropriate written amendments. I understand that my business firm will receive the tax exemption for property in the enterprise zone, only if my firm satisfies statutory requirements (ORS Chapter 285B) and complies with all local, Oregon, and federal laws that are applicable to my business.

MUST BE SIGNED BY AN OWNER, COMPANY EXECUTIVE, OR AUTHORIZED REPRESENTATIVE OF THE BUSINESS FIRM

Signature: Murray R. Elbers Date: FEB 10 2005

Title (If not an owner or executive, attach letter attesting to appropriate contractual authority)

CHAIRMAN + CEO

Local enterprise zone manager and county assessor must approve this application (with Enterprise Zone Authorization Approval, form 150-303-082)

UNITED STATES BAKERY

P. O. BOX 14769
315 NE TENTH AVENUE
PORTLAND, OREGON 97232

PHONE (503) 731-5670
FAX (503) 731-5680



February 10, 2005

To Whom It May Concern:

Please allow this letter to serve as confirmation that Murrey R. Albers is United States Bakery's C.E.O. and Chairman of the Board.

If you have any questions, please don't hesitate to call me (503-731-5671).
Thank you.

Sincerely,

United States Bakery

A handwritten signature in cursive script, appearing to read "Keith VanEmmerik". The signature is written in black ink and is positioned above the printed name and title.

Keith VanEmmerik
Asst. Secretary

EXPEDITED-TYPE II TENTATIVE SITE PLAN REVIEW, STAFF REPORT & DECISION



Project Name: Williams Bakery Facility

Case Number: DRC2005-00029

Project Location: 2000 Nugget Way; Map Number 18-03-03-11 Tax Lot(s) 1100, 1200, 3800, 3900 and portions of Tax Lot 3600 & Map Number 18-03-03-12 Tax Lot 700.

Zoning: Light Medium Industrial (LMI)

Applicable Refinement Plan: Glenwood Refinement Plan

Refinement Plan Designation: LMI

Pre-Submittal Meeting Date: March 22, 2005

Application Submitted Date: April 6, 2005

Application Accepted as Complete Date: April 6, 2005

Development Review Committee Meeting Date: April 22, 2005

Decision Issued Date: May 9, 2005

Decision: Approval with Conditions (See page 24 for a list of Conditions)

Appeal Deadline Date: May 20, 2005

Associated Applications: ZON2005-00008 (Development Issues Meeting), PRE2005-00021, DRC2005-00030 (Tree Felling Permit)

CITY OF SPRINGFIELD DEVELOPMENT REVIEW TEAM

POSITION	REVIEW OF	NAME	PHONE
Project Manager	Planning	Ashley DeForest	682-3399
Urban Planning Supervisor	Planning	Colin Stephens	726-3649
Transportation Planning Engineer	Transportation	Gary McKenney	726-4585
Public Works Civil Engineer	Utilities	Eric Walter	736-1034
Public Works EIT	Sanitary & Storm Sewer	Matt Stouder	736-1035
Deputy Fire Marshall	Fire and Life Safety	Gilbert Gordon	726-2293
Community Services Manager	Building	Dave Puent	726-3668

APPLICANT'S DEVELOPMENT REVIEW TEAM

Applicant/Owner: Wildish Building Company Attn: Randy Hledik PO Box 7428 Eugene, OR 97401	Lead Consultant: Satre Associates Attn: Rick Satre, ASLA 132 East Broadway Eugene, OR 97401
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Nature of Application:

The applicant, Wildish Industrial Development Corporation on behalf of Williams Bakery, is requesting expedited Site Plan Review for the construction of a new bakery facility in the Glenwood Area. Proposed site improvements consist of the following:

Main Facility: 163,800 square foot bakery facility.

Truck Maintenance Facility: 5400 square foot truck maintenance facility.

Landscaping Improvements: 324,587 square feet of pervious surface, which includes parking lot landscaping, courtyard/lawn landscaping, vegetated bio-swales and the front lawn (parking reserve area).

Parking Improvements: 76 vehicle parking spaces and 14 bicycle parking spaces.

Access: Vehicle ingress and egress will be provided via Nugget Way and 19th Avenue, heavy truck ingress will be provided via Newman Street while heavy truck egress will be provided via 19th Avenue. Railroad access will be provided via the extension of a private railroad spur off of the Central Oregon Pacific Railroad main line. For purposes of this application, Staff will only be reviewing the portion of the railroad spur located within the development site. Any off-site private improvements will be reviewed under separate application.

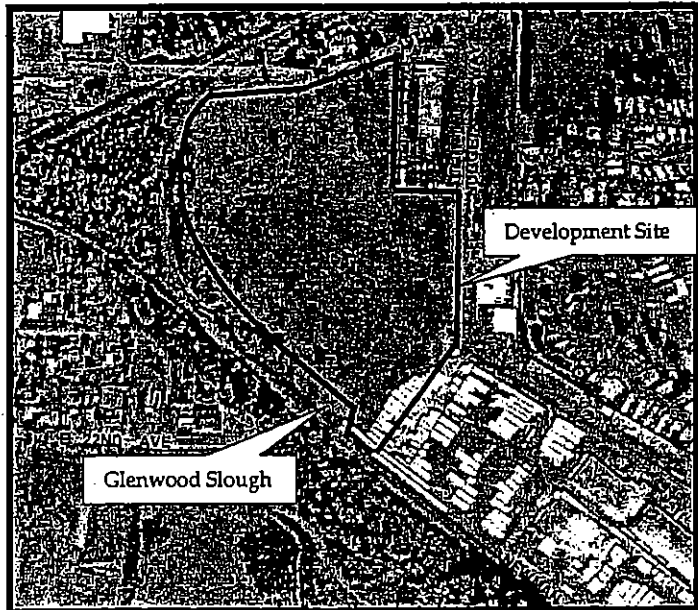
The applicant has also submitted a tree felling permit request (DRC2005-00030) concurrent with this Site Plan Review application for a bakery facility. The staff report and notice of decision for the Site Plan Review does not authorize any tree felling on-site. For more information regarding the proposed tree felling, please refer to Case File Number DRC2005-00030.

Decision: Tentative Site Plan Review Approval, with conditions, as of the date of this letter.

Existing Site Conditions:

The subject site is bordered by 19th Avenue to the north, Nugget Way and the United Parcel Service to the east, Union Pacific Railroad tracks to the west, Central Oregon and Pacific Railroad tracks to the southwest and PW Pipe to the southeast. Newman Street currently dead-ends at the southern end of the site.

The subject site is comprised of seven parcels. Four of the parcels were platted in 1969 as part of the Wildish Industrial Tracts, Lane County Recording Number 560011. Remaining parcels are part of the Glenwood Park Subdivision. All parcels contained within the site are designated Light Medium Industrial (LMI) in the Glenwood Refinement Plan. Zoning of the site is also LMI. Surrounding properties are all designated and zoned for industrial use.



The entire site is currently undeveloped. Clean fill from construction sites covers approximately one-third of the site. The applicant has been issued a land and drainage alteration permit (LDAP Permit No. LDP2005-00039) for the removal of this fill.

The Flood Insurance Rate Map identifies the subject site as being in Zone X-Areas of 500-year flood, areas of 100-year flood with average depths of less than one-foot or with drainage areas less than one square mile, and areas protected by levees from 100-year flood. The site is not located within a wellhead area, nor does it contain jurisdictional wetlands.