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**AGENDA COVER MEMO**

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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 the Symantec Corporation and Delegating Authority to the County Administrator to Execute the Agreements in Conformance

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I. MOTION: I MOVE TO APPROVE THE ORDER IN THE MATTER OF APPROVING AN EXTENSION OF PROPERTY TAX EXEMPTION UNDER ORS 285C.175 TO THE SYMANTEC CORPORATION AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO EXECUTE THE 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 Symantec Corporation.

III. DISCUSSION:

A. Background. On August 1, 2005 the City of Springfield approved extending Enterprise Zone benefits Symantec Corporation's new technical service facility in the Gateway area for an additional two years. The investment is briefly described in the City of Springfield Staff Report & Decision (pages 1-2) August 1, 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 for the August 1, 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 Symantec Corporation 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 \$20,000 (\$100,000 total) would be based on 25% of the \$315,000 paid to the City plus the \$85,000 total payments for the Willamalane Parks District, Wildish Theatre, and conference center studies. If the exemption is not granted the County would receive property tax revenues of \$89,551 total for years four and five based on the General Fund Rate (\$1.2793/\$1000AV) and the \$35 million new investment. 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, Wildish Theatre, and conference center studies) 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 Symantec Corporation.

V. **ATTACHMENTS:**

City of Springfield Letter Requesting Consideration of Symantec Application to Board of Commissioners-August 9, 2005

City of Springfield Agenda Item Summary-August 1, 2005 Meeting

City of Springfield Resolution No. 05-47

City of Springfield Expedited Type II Tentative Plan Review, Staff Report & Decision (pages 1-2) August 1, 2005 DRC2005-000047

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  
 ) THE SYMANTEC CORPORATION 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**, the Symantec Corporation (Symantec) 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 build a \$35 million technical support 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 Symantec to certain additional requirements that the co-sponsors may reasonably request, and

**WHEREAS** by Resolution 05-47, the City of Springfield has required Symantec to pay to the City the amount of \$157,500 for each of the two-year extended tax-exemption period on a payment schedule to be later negotiated, and,

**WHEREAS**, Symantec will further 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 Symantec's paying Lane County \$50,000 for each of the last two years of extended Enterprise Zone benefits, on a payment schedule to be later negotiated; and

**WHEREAS**, Symantec anticipates it will complete construction of its technical support call

center in 2006, and

**WHEREAS**, Symantec has filed a preauthorization application form with the Springfield Enterprise Zone Manager, and

**WHEREAS**, Symantec will negotiate a First Source agreement with the Oregon Employment Division referring qualified candidates to the Symantec Corporation 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

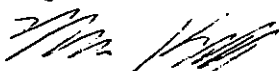
**WHEREAS**, Lane County would like to encourage investment in new high technology facilities, increase family wage jobs and wages paid in new economic sectors, and assist in the diversification of the County's economy, now, therefore, it is hereby

**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 285C.175 to the Symantec Corporation, as requested in Exhibit "A" and incorporated herein by reference, for its intended \$35 million project to construct a technical support center 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 Symantec Corporation in substantial conformance with the terms described herein and provided that the Symantec Corporation meets the applicable requirements of ORS 285C.050 et seq.

**DATED** this \_\_\_\_\_ day of August, 2005.

\_\_\_\_\_  
Chair, Lane County Board of  
Commissioners

8-16-05  


## **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 SYMANTEC CORPORATION**

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 Symantec Corporation (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 \$157,500 for each of the two years of Enterprise Zone extended abatement, a total of \$315,000 to be paid in five annual installments of \$63,000 and due on July 1 annually beginning 2006 and continuing until the last payment 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 32<sup>nd</sup> 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 to help complete the Wildish Theatre;
- [4. Payment of \$25,000 by December 31, 2005 to the City of Springfield for conference center studies; and
- [5. Payment to Lane County totaling \$100,000 to be paid in five annual installments of \$20,000 due on July 1 annually beginning 2006 and continuing until the last payment on July 1, 2010.

**ACCEPTING FOR THE SPONSORS  
OF THE SPRINGFIELD ENTERPRISE  
ZONE II:**

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

**ACCEPTING FOR  
SYMANTEC CORPORATION**

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



225 FIFTH STREET  
SPRINGFIELD, OR 97477  
(541) 726-3700  
FAX (541) 726-2363

August 9, 2005

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

Subject: Springfield Enterprise Zone Preauthorization 2005-02:  
Symantec Corporation 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 Symantec'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 Symantec'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 \$35 million and to employ about 761 local residents--at least a 10% increase over the 691 employees at application. Symantec also intends to extend its existing first source agreement with the Oregon Employment Division.

On August 1, 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 Symantec requests. Among the conditions Symantec 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 Symantec to have

the full five-year benefit (two years beyond the three-year basic exemption period), Symantec 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:

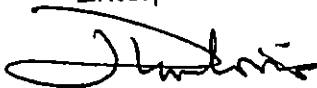
1. Describes the conditions of approval for extending the benefits:
  - a. The equivalent of two payments of \$157,500 to the City for the fourth year and fifth year of the exemption period;
  - b. \$30,000 payment before December 30, 2005 to TEAMSpringfield member Willamalane Parks and Recreation District for lighting its soccer facilities on South 32<sup>nd</sup> 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;
  - d. And a \$25,000 payment before December 31, 2005 to the City of Springfield for conference center studies;
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 Symantec representatives 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



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**AGENDA ITEM SUMMARY**

**Meeting Date:** August 1, 2005  
**Meeting Type:** Regular Session  
**Department:** Development Services  
**Staff Contact:** John Tamulonis *JST*  
**Staff Phone No:** X3656  
**Estimated Time:** 15 Minutes

**SPRINGFIELD  
CITY COUNCIL**

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**ITEM TITLE:** SYMANTEC CORPORATION REQUEST REGARDING ENTERPRISE ZONE EXTENSION IN GATEWAY

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**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 Symantec Corporation for its proposed \$35 million technical support center facility:

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENTS WITH LANE COUNTY AND THE SYMANTEC CORPORATION TO EXTEND THE PROPERTY TAX EXEMPTION TWO YEARS FOR A TECHNICAL SUPPORT CUSTOMER SERVICE CENTER IN THE GATEWAY AREA.

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**ISSUE STATEMENT:** Symantec 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 \$35 million technical support facility in the Gateway area of Springfield, Symantec 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 150% of Lane County's average wage of \$30,316 or above \$45,474 throughout the five-year exemption.

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**ATTACHMENTS:** I. Council Briefing Memo  
II. Enterprise Zone Request from Symantec Corporation  
III. Resolution

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

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# 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) <b>SPRINGFIELD ENTERPRISE ZONE II</b>		County <b>LANE</b>	
Name of Business Firm <b>SYMANTEC CORPORATION</b>		Telephone Number <b>(650) 377-5806</b>	
Mailing Address <b>C/O SALES REGIS 901 MARINERS</b>	City <b>STAR MATEO</b>	State <b>CA</b>	ZIP Code <b>94404</b>
Location of Property (street address if different from above) <b>INTERNATIONAL WAY ISLAND BLVD #70</b>	City <b>SPRINGFIELD</b>	State <b>OR</b>	ZIP Code <b>97477</b>
Map and Tax Lot Number of Site <b>17-03-15-3 LOTS 500, 600, 800</b>	Contact Person <b>ALISON FORELICK</b>	Title <b>VICE PRESIDENT</b>	

My firm expects to apply for this property tax exemption in the following year(s): \_\_\_\_\_

- Check here if your firm has or has had another exemption in this enterprise zone. Note the first year of such exemption: 2002
- 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.

<b>Zone Manager Use Only (after written agreement but before authorizing firm):</b>	
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):  
CALL CENTER - SOFTWARE + TECHNICAL SUPPORT
  - 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 691 jobs.

New Employees—

- Hiring is expected to begin on (date or month and year): MAY 2005
- Hiring is expected to be completed by (month and year): ONGOING → Completed prior to 4/1/07 *8/1/05*
- Estimated total number of new employees to be hired with this investment is: 70

- 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 \_\_\_\_\_ 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	AUG '05	SEP '05	JUL '05			
To be completed on	JUL '06	JUL '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		\$ 35,000,000	<input type="checkbox"/>
	New addition to or modification of an existing building/structure		\$	<input type="checkbox"/>
	Heavy or affixed machinery and equipment		\$	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more		\$	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)		\$	<input type="checkbox"/>
<b>Total Estimated Cost of Investment</b>			<b>\$35,000,000</b>	

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.

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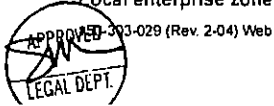
**DECLARATION**

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 X Greg Myers Date 6/10/05  
 Title (if not an owner or executive, attach letter attesting to appropriate contractual authority)  
Greg Myers, SVP & CFO

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



**ATTACHMENT III**

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENTS WITH LANE COUNTY AND THE SYMANTEC CORPORATION TO EXTEND THE PROPERTY TAX EXEMPTION TWO YEARS FOR A TECHNICAL SUPPORT CUSTOMER SERVICE CENTER IN THE GATEWAY AREA.

WHEREAS, the Symantec Corporation could receive a property tax exemption under ORS 285 because it is an eligible business firm, and

WHEREAS, the Symantec Corporation 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 Symantec Corporation anticipates it will complete construction of its technical support customer service center in 2006;

WHEREAS, the Symantec Corporation has filed an authorization application form with the Springfield Enterprise Zone Manager;

WHEREAS the Symantec Corporation will negotiate a First Source agreement with the Oregon Employment Division for referring qualified candidates to the Symantec Corporation 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 Symantec Corporation'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 Symantec Corporation, as requested in Exhibit A and incorporated herein by reference, for a possible \$35 million project;
2. The City Manager is authorized to sign agreements with Lane County, the co-sponsor of the Springfield Enterprise Zone II, and the Symantec Corporation to the terms described herein and provided that the Symantec Corporation meets the terms of ORS 285;
3. In return for the extension, the City will require Symantec Corporation to pay the City the equivalent of providing essential public services during the two-year tax-exemption period in the amount of \$157,500 for each additional year of exemption. The City and Symantec Corporation will negotiate the payment schedule; and
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

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July 26, 2005

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

SUBJECT: Symantec Corporation Request for Extended Enterprise Zone Exemption

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**ISSUE:**

Symantec Corporation 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 \$35 million technical support customer service center in the Gateway area of Springfield, Symantec Corporation 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 Symantec Corporation 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 Symantec Corporation has begun planning for construction of a technical support customer service center costing about \$35 million. The firm expects to finish constructing the facility in summer 2006 and employ at least 70 additional full-time employees in its operations above the 691 full-time employees at the time of the application. 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 firms operations in the zone must increase by at least 10% the number full-time employees to receive Enterprise Zone benefits. Symantec expects to exceed this minimum increase, since the new facility mirrors the existing one in size and would have an employment capacity of about 1,000 new employees. In addition, Symantec must extend its negotiated first source agreement with the Oregon Employment Division. In effect until the end of the tax exemption period, the agreement requires that Symantec's Springfield operations to 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 Symantec Corporation 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 \$35 million would require a payment of about \$157,500 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.

In addition, similar to the recent request from Williams Bakery, two other TEAM Springfield partners have asked that the City Council negotiate on their behalf for payment in-lieu-of taxes. Both the Willamalane Park and Recreation District and School District #19 have asked that the City seek \$30,000 on behalf of each agency to assist with providing lighting at the Regional Sports Facility and completion of the Wildish Theatre. If the Council agrees, the City's request will be packaged along with the request from Willamalane and the School District to form a TEAM Springfield request.

**Financial Impacts:**

The financial impacts of extending Symantec Corporation's property tax exemption on the City is essentially offset by the payments in years 4 and 5.

**REQUESTED ACTION:**

Approve the resolution extending the property tax exemption period an additional two

years beyond the initial three years for the Symantec Corporation and authorize the City Manager to sign agreements with its co-sponsor Lane County and Symantec Corporation effective throughout the extended Enterprise Zone tax exemption period.



### ATTACHMENT III

RESOLUTION NO. 05-47

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENTS WITH LANE COUNTY AND THE SYMANTEC CORPORATION TO EXTEND THE PROPERTY TAX EXEMPTION TWO YEARS FOR A TECHNICAL SUPPORT CUSTOMER SERVICE CENTER IN THE GATEWAY AREA.

WHEREAS, the Symantec Corporation could receive a property tax exemption under ORS 285 because it is an eligible business firm, and

WHEREAS, the Symantec Corporation 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 Symantec Corporation anticipates it will complete construction of its technical support customer service center in 2006;

WHEREAS, the Symantec Corporation has filed an authorization application form with the Springfield Enterprise Zone Manager;

WHEREAS the Symantec Corporation will negotiate a First Source agreement with the Oregon Employment Division for referring qualified candidates to the Symantec Corporation 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 Symantec Corporation's Springfield facilities.

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

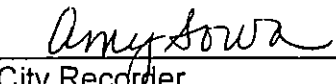
1. The Springfield City Council, as the governing body of one of the sponsors of the Springfield Enterprise Zone II, approves extending the property tax benefits of the Springfield Enterprise Zone for two years to the Symantec Corporation, as requested in Exhibit A and incorporated herein by reference, for a possible \$35 million project;
2. The City Manager is authorized to sign agreements with Lane County, the co-sponsor of the Springfield Enterprise Zone II, and the Symantec Corporation to the terms described herein and provided that the Symantec Corporation meets the terms of ORS 285;
3. In return for the extension, the City will require Symantec Corporation to pay the City the equivalent of providing essential public services during the two-year tax-exemption period in the amount of \$157,500 for each additional year of exemption. The City and Symantec Corporation will negotiate the payment schedule; and
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 1st day of August, 2005.

Adopted by a vote of 6 for and 0 against.

  
\_\_\_\_\_  
Mayor  
Council President

ATTEST:

  
\_\_\_\_\_  
City Recorder

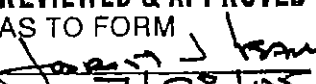
**REVIEWED & APPROVED**  
AS TO FORM  
  
DATE: 7/28/05  
OFFICE OF CITY ATTORNEY

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 ENTERPRISE ZONE II</u>		County <u>LANE</u>	
Name of Business Firm <u>SYMANTEC CORPORATION</u>		Telephone Number <u>(650) 377-5806</u>	
Mailing Address <u>C/O SARES REGIS 901 MARINERS</u>	City <u>SAN MATEO</u>	State <u>CA</u>	ZIP Code <u>94404</u>
Location of Property (street address if different from above) <u>INTERNATIONAL WAY</u>	City <u>SPRINGFIELD</u>	State <u>OR</u>	ZIP Code <u>97477</u>
Map and Tax Lot Number of Site <u>17-03-15-3 LOTS 500,600,800</u>	Contact Person <u>ALISON FORELICK</u>	Title <u>VICE PRESIDENT</u>	

My firm expects to apply for this property tax exemption in the following year(s): \_\_\_\_\_

- Check here if your firm has or has had another exemption in this enterprise zone. Note the first year of such exemption: 2002
- 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):  
CALL CENTER - SOFTWARE + TECHNICAL SUPPORT
  - 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 691 jobs.

New Employees—

- Hiring is expected to begin on (date or month and year): MAY 2005
- Hiring is expected to be completed by (month and year): ONGOING
- Estimated total number of new employees to be hired with this investment is: 70

- 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 \_\_\_\_\_ 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	AUG '05	SEP '05	JUL '05			
To be completed on	JUL '06	JUL '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		\$35,000,000	<input type="checkbox"/>
	New addition to or modification of an existing building/structure		\$	<input type="checkbox"/>
	Heavy or affixed machinery and equipment		\$	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more		\$	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)		\$	<input type="checkbox"/>
Total Estimated Cost of Investment			\$35,000,000	

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.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

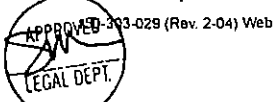
**DECLARATION**

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: X Greg Myers Date: 6/10/05  
 Title (if not an owner or executive, attach letter attesting to appropriate contractual authority):  
Greg Myers, Sup & CFO

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



# TYPE II TENTATIVE SITE PLAN REVIEW, STAFF REPORT & DECISION



**Project Name:** Symantec Campus Expansion

**Project Proposal:** Construct and connect 200,000 square feet of additional office, research and development space to the existing Symantec building located at 555 International Way, in the Gateway area of Springfield.

**Case Number:** DRC2005-00047

**Related Files:** Drinking Water Protection Permit (DRC2005-00048), Floodplain Development Permit (SHR2005-00006), and Tree Felling Permit (DRC2005-00049)

**Project Location:** 555 International Way, in Springfield. (LC Tax Assessor's Map 17-03-15-30, TLs 500, 600 & 800).

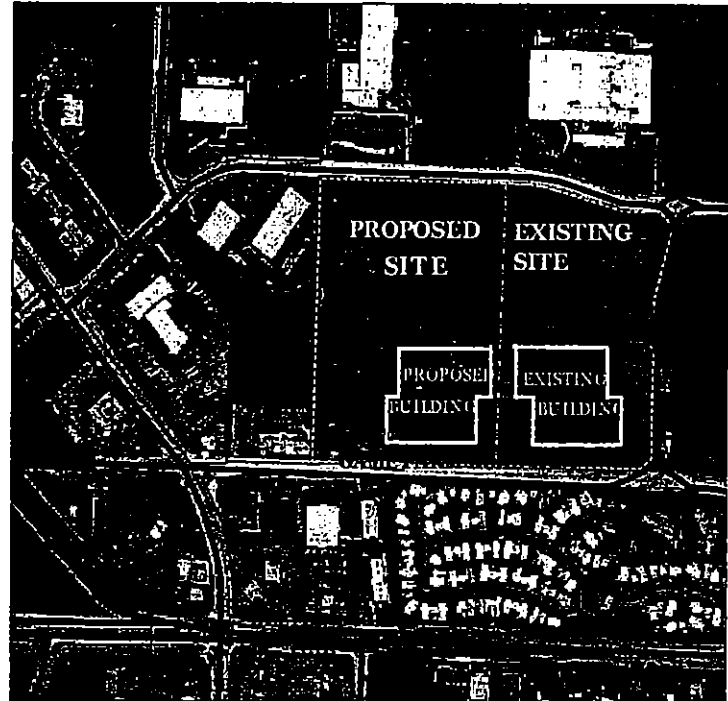
**Zoning:** Campus Industrial (CI)

**Refinement Plan Designation:** (CI)

**Application Date:** 6/27/05

**Decision Issued Date:** 8/1/05

**Appeal Deadline Date:** 8/15/05



**Site Information:** The 14 acre development area is located immediately west of the existing Symantec site, in the north Gateway area of Springfield. Properties to the north and west of the expansion area are zoned and designated Campus Industrial (CI); properties south of the site are zoned and designated Community Commercial (CC) and Low Density Residential (LDR). The site is vacant, bisected by a shallow natural drainage swale and mostly covered by remnants of filbert orchards. The site is partially within the FEMA 100 year flood plain and is within a Time of Travel Zone from the Sports Way Drinking Water Wellhead. The subject site has street frontage on International Way, Game Farm Road East and Maple Island Road.

**DECISION:** This decision grants Tentative Site Plan Approval. The standards of the Springfield Development Code applicable to each criterion of Site Plan Approval are listed herein and are satisfied by the tentative plans unless specifically noted with findings and conditions necessary for compliance. Final Site Plans must conform to the submitted plans as conditioned herein. This is a limited land use decision made according to city code and state statutes. Unless appealed, the decision is final. Please read this document carefully.

**OTHER USES AUTHORIZED BY THE DECISION:** None. Future development will be in accordance with the provisions of the Springfield Development Code, Overlay District decisions, and all applicable local, state and federal regulations.

**APPLICANT'S DEVELOPMENT REVIEW TEAM**

<u>Owner:</u>	<u>Architect</u>
<b>Symantec Corporation</b> Contact: Gary Robak 555 International Way Springfield, OR 97477 (541) 335-5535	<b>Burgess Weaver Design Group</b> Contact: Hank Weaver AIA 1326 5 <sup>th</sup> Ave Ste. 500 Seattle WA 98101 206-587-7120
<u>Applicants:</u>	<u>Landscape Architect</u>
<b>SARES REGIS Group of Northern California L.P.</b> Contact: Zach Wilson, Project Manager 901 Mariners Island Boulevard, Suite 700 San Mateo, CA 94404 650-377-5821	<b>Cameron, McCarthy, Gilbert &amp; Scheibe</b> Contact: Brian McCarthy ASLA 160 East Broadway Eugene, Oregon 97401 541-485-7385
<u>Civil Engineering Consultants</u>	<u>Transportation Consultants</u>
<b>Balzhiser &amp; Hubbard Engineers</b> Contact: Monica Anderson PE PO Box 10347 Eugene, Oregon 97440 541-686-8478	<b>Group MacKenzie</b> Contact: Chris Clemow PE PO Box 69039 690 SW Bancroft Street Portland, Oregon 97239-0039 503-224-9560

**CITY OF SPRINGFIELD DEVELOPMENT REVIEW TEAM**

**Mailing Address: 225 5<sup>th</sup> Street, Springfield OR 97477**

<b>POSITION</b>	<b>REVIEW OF</b>	<b>NAME</b>	<b>PHONE (541)</b>
Project Planner	Development Permits	Jim Donovan	726-3660
Transportation Planning Engineer	Transportation	Gary McKenney	726-4585
Public Works Civil Engineer	Utilities	Steve Barnes	736-1036
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 Designs	Dave Puent	726-3668