

Council Business Meeting

May 2, 2017

Title: Resolution Consenting to Redesignation of the Jackson County Enterprise Zone

From: Adam Hanks
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Summary:

The Jackson County enterprise zone, of which the E-1 zoned lands within Ashland are a part, expires June 30, 2017. To maintain the enterprise zone property tax incentive benefits for these employment lands within Ashland, Jackson County is required to apply to the State of Oregon for a redesignation. In order to do so, all jurisdictions with lands included in the Jackson County enterprise zone must approve via resolution a consent to be redesignated.

Actions, Options, or Potential Motions:

I move approval of a resolution titled, "A resolution consenting to the redesignation of the Jackson County Enterprise Zone with Jackson County serving as the enterprise zone sponsor."

Staff Recommendation:

Staff recommends that Council approves the attached resolution to maintain the property tax incentives available to traded sector businesses within the E-1 zoned lands in Ashland.

Resource Requirements:

No resources are required for this action. City Administration staff work with Jackson County and Southern Oregon Regional Economic Development Inc. (SORED) to assist businesses who qualify for this property tax incentive program. Approved business expansion projects receive three to five year property tax abatements for the qualifying improvements.

Policies, Plans and Goals Supported:

Including E-1 lands within the Jackson County enterprise zone was a specific action in the Council adopted Economic Development Strategy. (#6.4)

Background and Additional Information:

The enterprise zone is an economic development tool to provide property tax incentives for eligible businesses that are growing and creating new jobs. Eligible business activities are generally described as traded sector businesses such as manufacturing, assembly, shipping, storage, call centers, processing, fabrication, and headquarters facilities. These businesses must also be located within the enterprise zone, which in Ashland is consistent with the Employment zoning designation (E-1).

Qualifying businesses and projects are eligible for a property tax waiver, called an abatement, if the business commits to an increase in their employment of at least 10 percent. These jobs must be maintained for the duration of the minimum three year tax abatement period.

The tax abatement applies to any new construction, addition or significant tenant improvement on the property and is valid for three tax years and up to five years if the jobs created meet certain wage requirements for the region.

Several projects in Ashland have qualified for the property tax abatement since Ashland's inclusion in 2012, resulting in business expansion and job growth in the traded sector of Ashland's local economy.

Attachments:

Draft Redesignation Resolution

Ashland Enterprise Zone informational flyer

RESOLUTION NO. 2017-_____

A RESOLUTION CONSENTING TO THE REDESIGNATION OF THE JACKSON COUNTY ENTERPRISE ZONE WITH JACKSON COUNTY SERVING AS THE ENTERPRISE ZONE SPONSOR

RECITALS:

- A. The Oregon Legislature has created the Enterprise Zone program as a means of allowing local governments to provide property tax incentives for traded-sector business expansion
- B. By request of City Council via resolution 2012-26, the Jackson County Board of Commissioners approved the inclusion of certain taxlots within Ashland into the Jackson County Enterprise Zone
- C. The State of Oregon provides Enterprise Zone designations for a ten year period. Prior to expiration, Jackson County must request a redesignation of the zone to retain the property tax incentives available to the lands within the zone boundaries.
- D. The Jackson County Enterprise Zone expires on June 30, 2017.

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to ORS 285C.065/285C.245, The City of Ashland consents to the redesignation of an Oregon enterprise zone to be named: The Jackson County Enterprise Zone.

SECTION 2. The redesignation includes the same Ashland taxlots previously included in the enterprise zone scheduled to expire June 30, 2017 referenced in resolution 2012-26

SECTION 3. Jackson County will serve as the sponsor of the enterprise zone

SECTION 4. Redesignation of this enterprise zone takes effect on the date that the latest resolution of a sponsoring or consenting government is adopted, or later as so stipulated by the Oregon Business Development Department in its determination pursuant to any revision and resubmission of documentation.

This resolution was duly PASSED and ADOPTED this _____ day of _____, 2017, and takes effect upon signing by the Mayor.

Barbara Christensen, City Recorder

SIGNED and APPROVED this ____ day of _____, 2015.

John Stromberg, Mayor

Reviewed as to form:

David H. Lohman, City Attorney



Enterprise Zone

What is it?

The Enterprise Zone is an economic development tool approved by the State of Oregon to provide property tax incentives for eligible businesses that are growing and creating new jobs.

What are the benefits?

Qualifying businesses receive a minimum of three years of property tax exemption associated with new construction, additions, or significant tenant improvements on the property. The exemption can extend to five years if certain compensation requirements are met.

How does it work?

In exchange for the property tax waiver, called an abatement, qualifying businesses commit to a minimum of a 10 percent increase in employment where the expansion occurs. The jobs created must be maintained for the duration of the tax benefit (and must meet specific compensation levels to qualify during years four and five).

Who's eligible?

Business or property owners located in the Jackson County Enterprise Zone may be eligible. Eligible business activities are generally described as traded sector businesses such as manufacturing, assembly, shipping, storage, call centers, processing, fabrication, and headquarter facilities.

Review the Jackson County Enterprise zone maps on the reverse side to determine if your business is located in one of the three Ashland zone areas.



E-Commerce Zone

What is it?

The E-Commerce Zone offers income tax exemptions for investments made in computer equipment, network servers, data storage, communications and other hardware and software systems that facilitate and expand conducting business over the internet.

What are the benefits?

Qualifying businesses receive income tax exemptions on certain e-commerce related investments.

How does it work?

Qualifying internet based businesses located within one of Ashland's three Jackson County Enterprise Zones receive income tax exemptions on qualifying hardware and software investments.

Who's eligible?

Eligible businesses have more than 50% of business sales activities generated or processed using the internet. Primary activities include technical support, claims processing, client evaluation, shipping, warehousing or other similar operations.

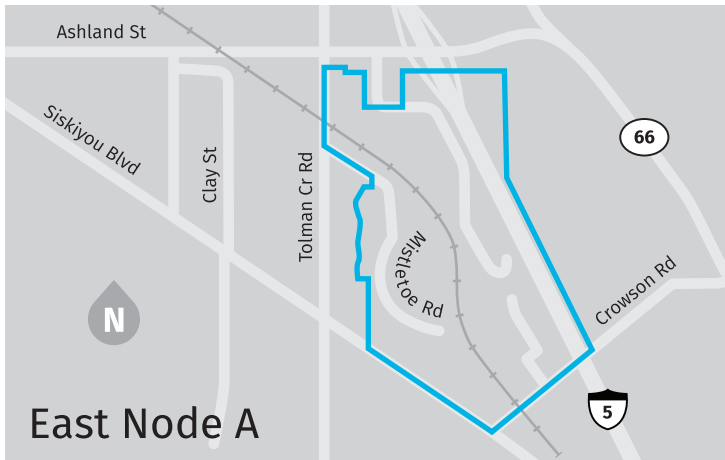
Review the Jackson County Enterprise zone maps on the reverse side to determine if your business is located in one of the three Ashland zone areas.

Find out if you're in an Enterprise Zone. See reverse side.

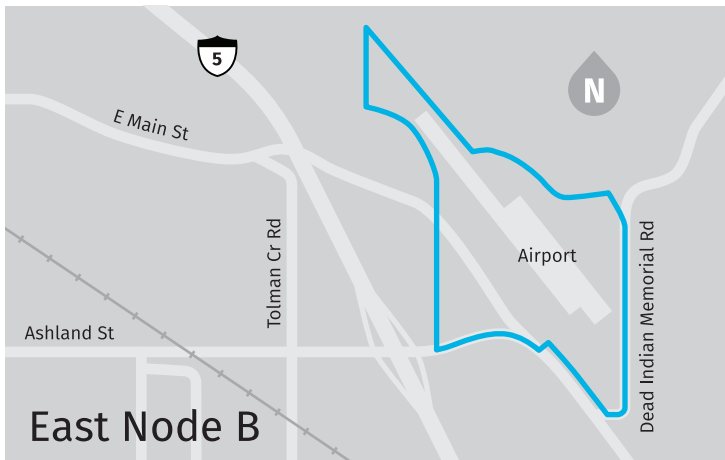




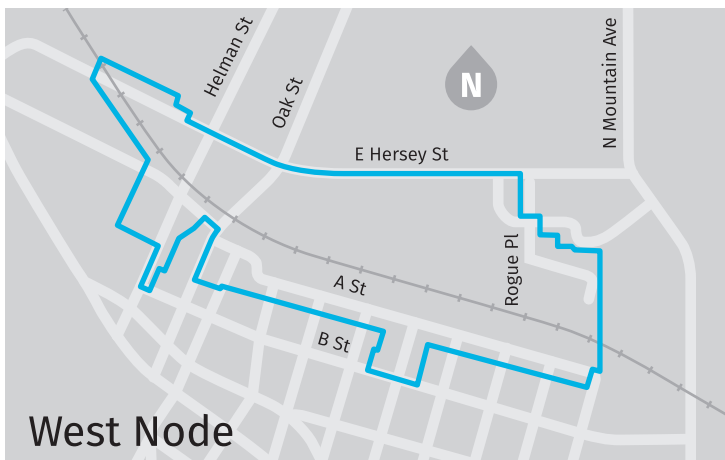
Enterprise Zones



East Node A



East Node B



West Node

Give Us A Call to Learn More

Contact Adam Hanks at the City of Ashland to find out more about how your business may be able to take advantages of these programs.

Business Resources

Business owners in Ashland benefit from a strong support system of community partners focused on helping businesses succeed and grow in Ashland.

Below are a few key resources for local businesses:

Ashland Fiber Network

AFN is the city-owned telecommunications service that features speeds of up to 1 Gigabit. AFN fiber services are locally supported and 99.9% “always on”.

ashlandfiber.net — for service details

The Ashland Business Resource Portal

Led by the Ashland Chamber of Commerce and supported by the City, SOU, US Bank, Ashland Fiber Network and others, the portal is a dynamic website created as a one-stop site for business news, economic data, educational workshops and business assistance for starting, growing and developing business in Ashland.

ashlandbusinessresource.com — for more information

SOREDI

Southern Oregon Regional Economic Development, Inc. is the Rogue Valley’s business development resource made up of private and public sector partners with a mission of helping businesses prosper and grow throughout the region.

soredi.org — for more information

Ashland Innovators Conference

Created by the Ashland Chamber of Commerce in collaboration with Southern Oregon University, the annual conference showcases innovative companies, organizations and students in Ashland.

Enterprise Zones

ashland.or.us/enterprisezones — for more information

Contact Information

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