

RESOLUTION NO. 2377

A RESOLUTION AUTHORIZING AN ENTERPRISE ZONE APPLICATION WITH EXTENDED TAX ABATEMENT BENEFITS FOR A \$178.4 MILLION INVESTMENT BY AMAZON.COM IN THE TROUTDALE COLUMBIA CASCADE ENTERPRISE ZONE

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. That the Oregon Enterprise Zone Act established under Oregon Revised Statutes ("ORS") 285C.045 to 285C.250 ("Act") provides abatement of property taxes on new qualified improvements in real property and equipment made by eligible business firms within the zone area that leads to long term economic sustainability and job creation in the local community.
2. That pursuant to the Act the City has the authority to establish, and has established, and sponsors, the Columbia Cascade Enterprise Zone in the area located north of Interstate 84 in the Troutdale Reynolds Industrial Park.
3. That pursuant to the Act, the Columbia Cascade Enterprise Zone ("Zone") was designated an urban enterprise zone by the Oregon Economic and Community Development Department on September 28, 2007.
4. That pursuant to the Act, and the City's Enterprise Zone Policies adopted by Resolution No. 2366, the City has the authority to establish, and has established, conditions under which a company may qualify for a three to five-year property tax abatement as authorized by the Act.
5. That pursuant to the Act and the City's Enterprise Zone Policies Amazon.com Incorporated through its affiliate Amazon.com.dedc, LLC ("Amazon" or "Company") has applied for an extended five year enterprise zone tax abatement, as attached to the staff report as Exhibit A.
6. That the Seattle headquartered Amazon.com, Inc. was established in 1994 and has grown to a leading worldwide ecommerce firm. The Company serves customers through websites focusing on selection, price, and convenience. The Company has more than a 100 processing facilities across the U.S. with announced plans to add many more, and creating 100,000 new full time jobs over the next year.
7. That the Company desires to participate in the enterprise zone extended tax abatement program in exchange for contributions to certain program goals of the Act and policies of the City which include making significant real property improvements, job creation requirements, making a financial community service fee contribution, and

meeting the additional reasonable requirements of the City's adopted Enterprise Zone Policies as Zone sponsor.

8. That the Company has a pending application for authorization submitted pursuant to ORS 285C.140, and plans to invest in a new approximately 855,000 square foot fulfillment center within the Zone located at approximately 1250 NW Swigert Way and plans to invest \$178.4 million in new facilities, equipment and improvements, and to create more than 1,050 new regular full-time jobs at the facility.

9. That the Company has paid \$178,460 to the City as the application fee, calculated pursuant to ORS 285C.140(1)(c) at 0.001 of the value of the investment in new qualified property proposed in the application for authorization.

10. That the Company is an eligible firm proposing to engage in business within an enterprise zone pursuant to ORS 285C.135 and OAR 123-674-1100(3)(k), and that the size of the proposed investment and the employment at the facility of the Company will significantly enhance the local economy and promote increased employment within the Zone.

11. That all regular full-time jobs at the Company's project site will meet minimum quality levels providing total compensation of at least 125% of the minimum wage rate for the Portland Metro urban growth boundary (as per ORS 653.025(2)), at the rate established upon approval.

12. That the Company will utilize the Oregon Employment Department's WorkSource Oregon program for employee hiring at Zone operations through a First Source Hiring Agreement which determines performance standards for recruitment activities, and where WorkSource Oregon will focus its initial recruitment efforts on East Multnomah County residents.

13. That the Company is a an Equal Opportunity-Affirmative Action Employer including gender, race, age, national origin, sexual orientation, disability, culture, education, as well as professional and life experience. And that the Company has an active and companywide range of programs and affinity groups which support diversity among its more than 180,000 U.S. based employees.

14. That the Company will pay a Community Service Fee calculated as 25% of the total taxes which would have been imposed on the exempt qualified property, pursuant to the County Assessor's calculations of ORS 285C.175(7), due for each and every year of the five (5) years of the extended tax abatement period.

15. That the Company will implement a procurement plan intended to reach potential suppliers to increase purchases from East Multnomah County vendors to help generate employment opportunities for Troutdale area residents.

16. That the Company has agreed to meet all the required criteria as set forth in the City adopted Enterprise Zone Policies as evidenced by signing the attached Enterprise Zone Tax Abatement Contract within 30 days from the date this Resolution is adopted, as attached to the staff report as Exhibit B.

17. That pursuant to ORS 285C.175(2)(b) OAR 123-674-0700 the Troutdale City Council, as sponsor of the Zone is required to approve property tax abatement extended beyond the standard three year enterprise zone tax abatement period.

18. That the Company has met all applicable Act and City Enterprise Zone Policy criteria to be eligible for extended enterprise zone tax abatement benefits.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1. The enterprise zone property tax abatement benefits should be extended to Amazon for an additional two years, in addition the standard three year period, for a total of five consecutive years pursuant to ORS 285C.175(2)(b).

Section 2. The Oregon Enterprise Zone Authorization Application of Amazon.com.dedc, LLC is hereby approved for a five year exemption from property taxation under ORS 285C.175, as attached to the staff report as Exhibit A, provided that Amazon executes the Enterprise Zone Tax Abatement Contract, in substantial conformity as attached to the staff report as Exhibit B, within 30 days from the date this Resolution is adopted.


Section 3. The City Council as Zone sponsor has, authorized the City Manager, Ray Young, and Finance Director and Zone Manager, Erich Mueller, (each a "City Official") are hereby authorized empowered and directed to execute the Enterprise Zone Tax Abatement Contract with Amazon in substantial conformity with Exhibit B of the staff report, provided that Amazon satisfies the terms and conditions contained in ORS 285C.155 to 285C.165, and particularly ORS 285.160(3)(b), to grant Amazon a five year property tax exemption, as requested, for its proposed facility.

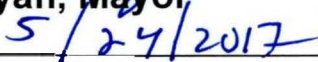
Section 4. Further, to comply with Enterprise Zone statutes, administrative rules or local ordinances, and in the best interest of the City, and without further action by the City Council, the City Officials are hereby authorized, to determine, negotiate and execute any and all other required and necessary supporting documents to implement the of the terms of the Amazon application and tax abatement contract, and to take any other action as may be advisable, convenient, necessary, or appropriate to give full force and effect to the terms and intent of the resolution, application and contract, and deliver any subsequent addendums, extensions, revisions, modifications, or successor documents, and the execution thereof by any such City Official shall be conclusive as to such determination.

Section 5. That the City Council, pursuant to the requirements of the Act provisions ORS 285C.105 and OAR 123-668-1000, has designated, empowered and authorized Erich Mueller, Finance Director, as the Enterprise Zone Manager to act in the best interest of the City as Zone sponsor, being responsible for fulfilling the ministerial, intergovernmental, technical, compliance, procedural or promotional functions as required for the effective administration of the Zone.

Section 6. That this Resolution shall take effect immediately upon adoption.

YEAS: 7
NAYS: 0
ABSTAINED: 0



Casey Ryan, Mayor


Date



Sarah Skroch, City Recorder
Adopted: May 23, 2017