

RESOLUTION NO. 2172

A RESOLUTION AUTHORIZING TROUTDALE ENERGY CENTER, LLC EXTENDED ENTERPRISE ZONE BENEFITS FOR A FOURTH AND FIFTH YEAR IN THE TROUTDALE COLUMBIA CASCADE ENTERPRISE ZONE

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. That the Troutdale City Council desires to encourage investment in new industrial facilities in Troutdale and the Columbia Cascade Enterprise Zone (CCEZ) in order to 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 in the local economy, ensure competitiveness of future Troutdale businesses, and provide support for the long term operation of Troutdale facilities.
2. The CCEZ was adopted by the City Council on September 11, 2007 by Resolution No. 1901, and was approved by the Oregon Economic & Community Development Department September 28, 2007.
3. Troutdale Energy Center, LLC, a Delaware Limited Liability Company ("TEC") has proposed to construct and operate a thermal combustion gas-powered electric generating facility ("Facility") in the CCEZ.
4. TEC intends to locate more than 95% of the assets of the Facility on property referred to as the Troutdale Reynolds Industrial Park owned by the Port of Portland on industrial property located within the City of Troutdale.
5. TEC will file an Enterprise Zone Authorization Application Form, which may be done in two phases, with the CCEZ Zone Manager, seeking an exemption from property taxation as provided by ORS 285C.175.
6. TEC has committed to apply for permits, contracts and permissions necessary to invest a total of more than \$680 million in new plant and equipment in the Facility.
7. Based on receipt of such permits, contracts and permissions and construction of the Facility TEC would add approximately 25 new jobs in the City of Troutdale.
8. The City Council acknowledges that based on the receipt of and nature of such permits, permissions and contracts, TEC may be required to limit the size, capital investment and ultimately the number of new jobs in the City of Troutdale.
8. TEC will file its application no later than September 4, 2012 in order to be eligible for the Enterprise Zone benefits.

9. TEC will pay the first of three installment payments toward the Authorization Application fee pursuant to 285C.140 (1) (c).
10. TEC has made the commitments and provided the information required under ORS 285C.140 (2).
11. It appears that TEC is an "eligible business firm," as defined by ORS 285C.050 (6) and potentially eligible to receive property tax exemption under ORS Chapter 285C.175.
12. The proposed operations of TEC in the CCEZ would appear to result in the firm being eligible for enterprise zone property tax exemption status under ORS 285C.135; 285C.200(2) and OAR 123.674-1100 (3)(B).
13. TEC has requested extended property tax abatement, pursuant to ORS 285C.175(2)(b) and 285C.160, an additional two year exemption from property taxation, for a total five year property tax exemption under the CCEZ.
14. TEC has agreed to comply with ORS 285C.200 (1) (c)-(f) in every year for which the property tax exemption is claimed.
15. TEC has agreed during the exemption period to compensate all new employees, as defined in OAR 123-674-0200, at an average wage of not less than one hundred and fifty percent (150 %) of the Multnomah County average wage at the time of the first year of exemption under ORS 285C.175, which is currently a figure of \$70,821 (Multnomah County Average 2010 wage \$47,214 X 150% = \$70,821) which shall be then be adjusted pursuant to ORS 285C.160(4) through the end of the extended tax exemption period.
16. TEC is negotiating a First Source Hiring Agreement with the WorkSource Oregon to refer qualified candidates to TEC for new job openings from within the East Multnomah County area.
17. TEC has agreed pursuant to ORS 285C.160 (3) (b) to meet the additional requirement that the City, as sponsor of the CCEZ has reasonably requested, i.e. a Community Service Fee as specified in the Enterprise Zone Extended Tax Abatement Agreement during each year of the two year extended period.
18. TEC anticipates it will complete all phases of construction and testing of its thermal combustion gas-powered electric generating facility and that it will be commercially operational by December, 2016.
19. TEC has agreed to meet all the required criteria set forth in the Enterprise Zone program as evidenced by signing the Enterprise Zone Extended Tax Abatement Agreement, attached to the staff report as Exhibit E

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

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 TEC for an additional two years, after the standard three year period.

Section 2. The application of TEC for a five year exemption from property taxation under ORS 285C.175 is hereby approved, provided that TEC executes the Enterprise Zone Extended Tax Abatement Agreement within 30 days from the date this Resolution is adopted.

Section 3. The City Manager is hereby authorized to execute the Enterprise Zone Extended Tax Abatement Agreement with TEC in substantial conformity with Exhibit E of the Staff Report, provided that TEC satisfies the terms and conditions contained in ORS 285C.155 to 285C.165, and particularly ORS 285.160(3)(b) to grant TEC a five year property tax exemption, as requested, for its proposed Facility.

Section 4. To comply with Enterprise Zone statutes, administrative rules or local ordinances, the designated Enterprise Zone Manager, Rich Faith, and the City Manager, Craig Ward, are hereby authorized to negotiate on behalf of the City any further documents that may be needed as necessary, or appropriate to give full force and effect to the terms and intent of this resolution, and the execution thereof by either shall be conclusive as to such determination.

Section 5. This Resolution shall take effect upon adoption.

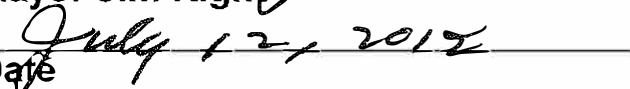
YEAS: 4

NAYS: 3 Mayor Kight, Councilor White, Councilor Allen


ABSTAINED: 0



Mayor Jim Kight



Date



Debbie Stickney, City Recorder
Adopted: July 10, 2012