

**A RESOLUTION TO APPROVE OREGON ) Resolution No. 1**  
**ENTERPRISE ZONE EXEMPTION )**  
**APPLICATION ENTEK MEMBRANES LLC ) for 2004**

WHEREAS, The City of Lebanon offers Enterprise Zone property tax exemptions in accordance with LMC 5.04 and ORS Chapter 285; and

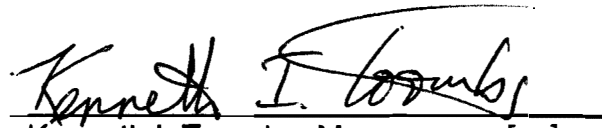
WHEREAS, Entek Membranes LLC is a qualified business as defined in ORS Chapter 285; and

WHEREAS, Entek Membranes LLC has timely completed the required application to request Enterprise Zone benefits; and

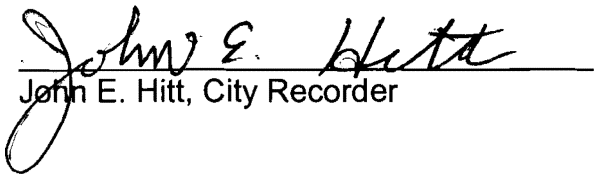
WHEREAS, The attached Enterprise Zone Agreement fulfills the requirements of ORS 285B, as a written agreement authorizing an additional two years of Enterprise Zone exemptions.

17<sup>th</sup> NOW, THEREFORE, BE IT RESOLVED that the Lebanon City Council, on the day of February, 2004 approves the Enterprise Zone Exemption Application of Entek Membranes LLC, dated January 28, 2004 and authorizes the Lebanon Zone Manager to grant his approval and enter into the Enterprise Zone Agreement, dated February 17, 2004, on behalf of the City.

The Lebanon City Council passed this resolution by a vote of 6 for and 0 against on this 17 day of February 2004.

  
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Kenneth I. Toombs, Mayor [ ]  
Ron Miller, Jr., Council President [ ]

ATTESTED BY:

  
\_\_\_\_\_  
John E. Hitt, City Recorder

**EXHIBIT "A"**  
**AGREEMENT FOR ENTERPRISE ZONE EXTENDED ABATEMENT**

**WRITTEN AGREEMENT WITH THE SOUTH SANTIAM ENTERPRISE ZONE SPONSORS  
TO EXTEND PROPERTY TAX EXEMPTION TO FIVE CONSECUTIVE YEARS IN TOTAL  
FOR CAPITAL INVESTMENT BY ENTEK MEMBRANES, LLC.**

The sponsors of the South Santiam Enterprise Zone comprised of the governing bodies of the Cities of Lebanon, Albany, Millersburg and Linn County (hereinafter "The Zone Sponsors") and Entek Membranes, LLC (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 investments in qualified property in the South Santiam Enterprise Zone contingent on certain special requirements.

The Zone Sponsors and The Firm jointly acknowledge that subject to the satisfaction of requirements under ORS 285B.650 to 285B.728, 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 or ceases to qualify for these three years of the exemption.

The Zone Sponsors extend The Firm's property tax exemption an additional two years on all property that initially qualifies in the South Santiam Enterprise Zone in or before the assessment year beginning on January 1, 2004, or as soon thereafter as it is placed in service, for a total period of exemption of five consecutive years during which statutory requirements for the standard three-year enterprise zone 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 pursuant to ORS 285B.710(6)(a)(1999) that for each year of the exemption, 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 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 approval according to the Linn County average annual payroll rate of \$30,098 for which 150 percent equals \$45,147;
3. Only employees working at jobs filled for the first time after the application for approval but prior to July 1 following the first full year of the initial exemption year and performed within the current boundaries of the South Santiam Enterprise Zone are counted; and
4. Only full-time, year-round and non-temporary employees engaged a majority of their time in The Firm's eligible operations under ORS 285B.707 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 Sponsors and The Firm agree that The Firm shall meet the following additional requirements as reasonably requested by The Zone Sponsors and the City of Lebanon under ORS 285B.710(6)(b) (1999):

**Name and Business Characteristics:**

Entek Membranes, currently a Lebanon business, employs 16 people and is expanding at its current location.

**Job Creation, Pay and Benefits:**

Entek Membranes expects to hire 2 FTE or more regular staff with an average total compensation greater than \$45,147 per year by June 30, 2005.

**Impact on City Services:**

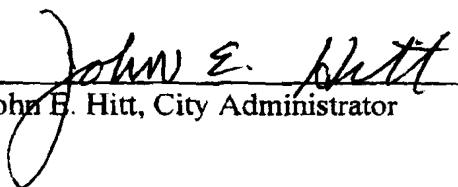
Construction is in compliance with all municipal, county, state and federal agencies with appropriate approvals and permitting, and will have no foreseen untoward impact on city services.

**Satisfaction of State Requirements for Extended Benefits:**

- Each new qualifying job is equal to at least \$100,000 of new private investment: Total investment is in excess of \$4 million (\$933k per new position).
- There are no outstanding environmental, land use, city infrastructure, or permit violation issues that will no be resolved by the time of occupancy or mutually agreed upon deadline. There are outstanding or unresolved issues.
- The City Council finds that approval of the extension of benefits will not cause irreparable harm to the City's financial condition.

ACCEPTING FOR THE CITY OF LEBANON

ACCEPTING FOR ENTEK MEMBRANES, LLC

  
 \_\_\_\_\_  
 John E. Hitt, City Administrator

  
 \_\_\_\_\_  
 Dan Powell, Chief Financial Officer

APPROVED AS TO FORM

  
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 Tom McHill, City Attorney