

RESOLUTION NO. 958

Introduced by Commissioner Dyer

**IN THE MATTER OF EXTENDING THE PROPERTY TAX EXEMPTION OF THE ASTORIA
AREA ENTERPRISE ZONE UP TO FIVE YEARS FOR CRYSTAL OCEAN SEAFOOD, INC.**

WHEREAS, Crystal Ocean Seafood, Inc. is eligible to receive a property tax exemption on qualified property in the Astoria Area Enterprise Zone for a least three years under ORS 285.560 to 285.617 (1995); and

WHEREAS, Crystal Ocean Seafood, Inc. agrees in writing with the Sponsor of the Enterprise Zone as provided in ORS 285.60(6) (1995);

(a) To compensate all new employees hired to comply with ORS 285.600(1)(e) within any year for which a property tax exemption is claimed at an average annual rate of not less than 150 percent of Clatsop County's 1995 average annual wage (which calculates to be \$32,075) throughout the tax exemption period, in accordance with the definitions and guidelines in Oregon Administrative Rules, Chapter 123, Division 065; and

(b) To meet the following additional requirement:

(1) Relinquishes all rights to the local incentive package in years four and five of the exemption.

WHEREAS, Crystal Ocean Seafood, Inc., has applied for precertification with the local manager of the Astoria Area Enterprise Zone and the Clatsop County Assessor on February 28, 1997, pursuant to ORS 285.613 (1995); and

WHEREAS, Crystal Ocean Seafood, Inc., has concluded a First Source Hiring Agreement with State of Oregon Employment Department which serves as the contact agency for job referrals from publicly funded job training providers in the local region; and

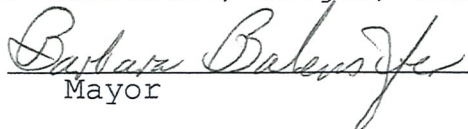
WHEREAS, Crystal Ocean Seafood, Inc., expects to complete installation of its surimi equipment and machinery by August 31, 1997; and

WHEREAS, the Commission of the City of Warrenton would like to encourage new investment in facilities that increases the compensation earned by local residents, expands the available number of "family wage" jobs in the local area, contributes to the diversification and stability of the local economy, ensures the competitiveness of future area businesses, and supports long-term operation of are facilities,

NOW, THEREFORE, BE IT RESOLVED that the property tax benefits of the Astoria Area Enterprise Zone are extended an additional two years for a total enterprise zone exemption of five consecutive years for Crystal Ocean Seafood, Inc.'s \$3,000,000 investment and that the agreement attached hereto as Exhibit A is approved.

PASSED by the City Commission of the City of Warrenton, Oregon, this 26th day of August, 1997.

APPROVED by the Mayor of the City of Warrenton, Oregon, this 26th day of August, 1997.



Mayor

ATTEST:



City Manager/Auditor

SAMPLE AGREEMENT FOR ENTERPRISE ZONE EXTENDED ABATEMENT

AGREEMENT WITH THE ASTORIA AREA ENTERPRISE ZONE SPONSORS TO EXTEND PROPERTY TAX EXEMPTION TO FIVE CONSECUTIVE YEARS IN TOTAL FOR CAPITAL INVESTMENT BY CRYSTAL OCEAN SEAFOOD, INC.

The sponsors of the Astoria Area Enterprise Zone, comprised of the governing bodies of the cities of Astoria and Warrenton, and Clatsop County (hereinafter "The Zone Sponsor"), and Crystal Ocean Seafood, Inc. (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 investment in qualified property in the Astoria Area Enterprise Zone contingent on certain special requirements.

The Zone Sponsor and The Firm jointly acknowledge: that subject to timely submission and approval of an application for precertification and the satisfaction of other requirements under ORS 285.560 to 285.617 (1995), 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 receive these three years of exemption.

The Zone Sponsor extends The Firm's property tax exemption an additional two years on all property that initially qualifies in the Astoria Area Enterprise Zone on or before the 1997 - 1998 tax year and, thus, sets 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.

In order to receive the additional two years of enterprise zone exemption granted herein, The Firm agrees herewith pursuant to ORS 285.605[(6)(a)(1995)] 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, 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 precertification. According to the Oregon Employment Department, the 1995 Clatsop County average annual payroll rate was \$21,383, for which 150 percent equals \$32,075.

3. Only employees working at jobs filled for the first time after the application for precertification and performed within the current boundaries of the Astoria Area Enterprise Zone are counted; and

4. Only full-time, year-around and non-temporary employees engaged a majority of their time in The Firm's eligible operations are counted, regardless if such employees are leased, contracted for or otherwise obtained through an external agency or are employed directly by The Firm.

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 requirement requested by The Zone Sponsor under ORS 285.605(6)(b)(1995):

1. Relinquishes all rights to the local incentive package during the extended abatement period.

ACCEPTING FOR THE SPONSOR OF
THE ASTORIA AREA ENTERPRISE
ZONE

By



ACCEPTING FOR CRYSTAL OCEAN
SEAFOOD, INC.

By

