

RESOLUTION NO. 2020-28

A RESOLUTION RELATED TO RE-DESIGNATION OF THE SALEM ENTERPRISE ZONE AND THE SALEM ELECTRONIC COMMERCE ZONE

Whereas, the City of Salem (“City”) gained enterprise zone designation through the State of Oregon in 1987, 1998, and 2009; and

Whereas, Oregon Revised Statutes (ORS) 285C.245 limits enterprise zone duration to 10 years; and

Whereas, the Salem Enterprise Zone designation expires on July 1, 2020; and

Whereas, ORS 285C.250 permits the City to apply to the Oregon Business Development Department (Business Oregon) to re-designate the Salem Enterprise Zone; and

Whereas, Salem Enterprise Zone also carries the Oregon electronic commerce zone limited tax credit against qualifying firms annual state income or excise tax liability; and

Whereas, the property tax exemption provided through the enterprise zone for new building and equipment investments by eligible business firms is critical to local efforts to increase employment opportunities, raise local incomes, attract investments by new and existing businesses and diversify the local economic base; and

Whereas, applications for the standard three-year limited property tax exemption benefit shall be approved, administratively, by the local enterprise zone manager and applications for the extended four to five-year benefit shall be approved by the Salem City Council; and

Whereas, ORS 285C.150 and Oregon Administrative Rules (OAR) 123-668-2500 delineate the approach for local sponsors to seek additional conditions to aid with job creation, workforce training and economic development and provide a written report every four years to the Legislative Assembly.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SALEM RESOLVES AS FOLLOWS:

Section 1. The City designates the Salem Enterprise Zone and the Salem Electronic Commerce Zone as legally described on “Exhibit A” and shown on “Exhibit B”.

Section 2. There will be an application fee of 0.001 of the investment in qualified property that is proposed in the application for authorization, limited to a maximum of \$50,000, payable to the City to be used for business development and data analysis resources.

Section 3. There will be a community service fee for companies applying for the extended enterprise zone benefit of one to two years beyond the standard enterprise zone benefit of three years calculated at a rate of 25 percent of the abated taxes for each year of the abatement period

payable to the City annually. The payment for each year of abatement will be due by January 31 of the following year and will be based on the certified tax roll. The City will determine the use of the funds based to aid with job creation, workforce training, and economic development.

Section 4. The City Manager is hereby authorized to submit an application for enterprise zone and electronic commerce zone designation for the City of Salem and to make any and all substantive or technical changes to the submittal materials as necessary.

ADOPTED by the City of Salem this 22nd day of June 2020.

ATTEST:

CITY RECORDER

Approved by City Attorney _____

Exhibit A – Legal Description of Subject Property

Exhibit B– Map of Subject Property

Checked by: T.Banford