450 E. Main Street
John Day, OR 97845
www.cityofjohnday.com
Tel: (541) 575-0028
Fax: (541) 575-3668

November 7, 2019

Cross Keys, LLC
Attn: Richard and Sandra Priday
8611 NE Ochoco Highway
Prineville, Oregon 97754

Re: Letter of Intent – Hotel Development – Oregon Pine Property

Dear Mr. and Mrs. Priday:

This letter is written to summarize the general terms and conditions under which City of John Day ("City"), an Oregon municipal corporation, is interested in selling the Land (as defined below) to Cross Keys, LLC ("Company"), an Oregon limited liability company, for the Project (as defined below) (collectively, the "Transaction"). The terms and conditions contained in this letter are based upon the parties' current intentions and information known to the parties as of the date of this letter; the parties acknowledge that Project planning is ongoing with many details (including scope and costs) yet to be determined. Except for the provisions contained in Part Two of this letter, this letter is nonbinding and does not grant or impose any legal rights and/or obligations on City or Company.

Part One – Nonbinding Provisions

Based upon information known to the parties as of the date of this letter, City proposes that the Definitive Agreements (as defined below) be consistent with the nonbinding provisions set forth in this Part One (Sections 1-4; collectively, the "Non-Binding Provisions"):

1.0 Transaction.

1.1 General. City will sell the Land to Company for Company's development, construction, ownership, and operation of a 60-room hotel (the "Hotel") on the Land (the "Project"). Company will construct all Project improvements within Land boundaries and in compliance with the Laws (as defined below). For purposes of this letter, the term "Land" means that certain City-owned real property consisting of approximately 1.7 acres commonly known as the "Oregon Pine Property", 791 West Main Street, John Day, Oregon 97845 and depicted on the attached Exhibit A.

1.2 Land Use Applications, Permits, and Approvals. Company's development, construction, ownership, and operation of the Project requires certain approvals, permits, and/or licenses, including, without limitation, land use approvals. Except as otherwise provided under Section 3.1 concerning the SDR (as defined below) application, Company will timely prepare, file, and pay all fees, costs, expenses, and charges related to or concerning Project land use and other approvals, permits, and/or licenses, including, without limitation, permitting and design. If Company does not obtain all land use and other approvals necessary for the development and construction of the Project, Company may terminate this letter in

accordance with Section 5.0. Prior to closing the Transaction, City will submit a letter of map removal (change) or amendment to the Department of Homeland Security, Federal Emergency Management Agency ("FEMA") requesting that FEMA remove that portion of the Land shaded in green and depicted on the attached Exhibit A (the "Hazard Area") from the Special Flood Hazard Area. Nothing contained in this letter will be deemed a promise, guaranty, and/or commitment from City (and/or any other governing agency) that Company will receive all Project approvals, permits, and/or licenses and/or that FEMA will consent or approve the Hazard Area's removal from the Special Flood Hazard Area.

2.0 Transaction Documentation.

Subject to the terms and conditions contained in this letter, City and Company will pursue the negotiation of a mutually acceptable purchase and sale agreement (the "Sale Agreement") pursuant to which City will sell the Land to Company, and Company will purchase the Land from City, for the Project. In addition to the Sale Agreement, contemporaneously with closing of the Transaction (the "Closing"), the parties will enter into such other agreements necessary or appropriate for the Transaction, including, without limitation, the following (the Sale Agreement along with the aforementioned other agreements are individually and collectively referred to herein as the "Definitive Agreement(s)"):

2.1 Sale Agreement.

2.1.1 Pursuant to the terms of the Sale Agreement, City will sell the Land to Company for a total purchase price of $74,052.00 (the "Purchase Price"), which Purchase Price is based upon a purchase price of $1.00 per square foot. Company will deposit earnest money in the amount of $10,000.00 (the "Earnest Money") with Title Company (as defined below) within 10 days after the parties' mutual execution of the Sale Agreement. At the Closing, Company will pay the Purchase Price to City as follows: (a) the Earnest Money will be credit against the Purchase Price; and (b) Company will pay City the unpaid balance of the Purchase Price ($64,052.00) by cash, cashier's check, or wire transfer to an account specified by City in writing. The parties intend that the Closing will occur on or before December 31, 2019. For purposes of this letter, the term "Title Company" means Land Title Company of Grant County, 145 NE Dayton Street, John Day, Oregon 97845 or such other title company selected by City.

2.1.2 Company will obtain, at Company's cost and expense, all permits, licenses, reviews, studies, and approvals required under the Laws concerning or related to the Project. Company's development and construction of the Project is subject to the Laws. Company will own and operate the Project subject to, and in accordance with, the Laws. For purposes of this letter, the term "Law(s)" means all policies, rules, regulations, leases, covenants, conditions, restrictions, easements, declarations, laws, statutes, liens, ordinances, orders, codes, and/or regulations directly or indirectly affecting the Land and/or Project, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder).

2.1.3 Company will commence construction of the Hotel within 90 days after all applicable permits, studies, and approvals are obtained, including, without limitation, Site Design Review ("SDR") approval. Company will complete construction of the Hotel within two years after commencement of Hotel construction, subject to reasonable delays due to force majeure. Except as otherwise provided herein, Company will timely pay all costs, charges, expenses, and fees related to or concerning the Project, including, without limitation, all applicable system development charges and utility connection fees.

2.1.4 City makes no representations, warranties, and/or covenants related to or concerning the Project and/or Land's condition, suitability, and/or defects. Company will purchase the Land "AS-IS" and "With ALL FAULTS." City has no obligation to correct and/or repair any facts, circumstances, conditions, and/or defects related to or concerning the Land. Without otherwise limiting anything contained

in this Section 2.1.4, the Sale Agreement will contain representations, warranties, covenants, indemnification provisions, limitation of liability provisions, and other standard terms and conditions for an AS-IS, WITH ALL FAULTS real estate transaction, all of which will be in form and substance reasonably satisfactory to Company and City.

2.2 Option Agreement. Subject to the terms and conditions contained in an option agreement between City and Company (the "Option Agreement"), City will provide Company an option to purchase a second parcel of land located adjacent and contiguous to the Land for Hotel expansion purposes (the "Expanded Land"). City and Company will identify the location, size, and configuration of the Expanded Land during the Sale Agreement negotiation process; provided, however, the Expanded Land will (a) not exceed one acre in size (at a purchase price of $1.00 per square foot), (b) only include land reasonably necessary for Hotel expansion purposes, and (c) remain subject to City's review and approval. City will make no representations, warranties, and/or covenants related to or concerning the Expanded Land's condition, suitability, and/or defects. Company will purchase the Expanded Land "AS-IS" and "With ALL FAULTS." City has no obligation to correct and/or repair any facts, circumstances, conditions, and/or defects related to or concerning the Expanded Land. Without otherwise limiting anything contained in this Section 2.2, the Option Agreement will contain representations, warranties, covenants, indemnification provisions, limitation of liability provisions, and other standard terms and conditions for an AS-IS, WITH ALL FAULTS real estate transaction, all of which will be in form and substance reasonably satisfactory to Company and City. City and Company will enter into the Option Agreement at the Closing.

2.3 Parking Area Agreement. Subject to the terms and conditions contained in a shared parking area agreement between City and Company (the "Parking Agreement"), City and Company will have joint use of certain parking area(s) and/or grounds (the "Parking Area") located outside the Land between the west highway approach and sawmill and/or Convention Center (as defined below). City and Company will identify the location, size, and configuration of the Parking Area during the Sale Agreement negotiation process; provided, however, the Parking Area remains subject to City's review and approval. The Parking Agreement will contain terms and conditions concerning the Parking Area's construction, financing, and other standard representations, warranties, covenants, indemnification provisions, and limitation of liability provisions for a shared parking area agreement (which concerns an Oregon municipality). City and Company will enter into the Parking Agreement at the Closing or such other time the parties mutually agree in writing.

2.4 Definitive Agreements. City's attorney will prepare initial drafts of the Sale Agreement, Option Agreement, Parking Agreement, and all necessary ancillary Transaction documents or instruments consistent with the terms and conditions of this letter. Each party will be responsible for its own costs and expenses incurred in connection with this letter, the Definitive Agreements, and the Transaction.

3.0 Project Incentives; Utilities.

3.1 SDR Application; Utilities. City will manage the SDR application process and will be responsible for all associated planning costs for SDR approval. At City's cost and expense, City will provide water, sewer, reclaimed water, power, and fiber optic infrastructure to the Land's property line from which the Hotel may connect to utilities. City will identify the location of the utility connection site during the SDR process. Subject to and in accordance with the Laws, Company will use reclaimed water for all non-potable Hotel water uses.

3.2 Property Tax Abatement; Oregon Enterprise Zone. City will reasonably cooperate with Company's application for property tax abatement for commercial facilities under construction in accordance with ORS 307.330 and 307.340. Company intends to pursue economic development incentives through the Oregon Enterprise Zone program under ORS Chapter 285C. At no cost and expense to City, City will

reasonably cooperate with Company's efforts to secure either a standard enterprise zone property tax exemption under ORS 285C.175 or a long-term rural enterprise zone property tax exemption under ORS 285C.400 to ORS 285C.420; provided, however, the total property tax abatement period granted under ORS Chapters 307 and/or 285C will not exceed 10 years. At Company's cost and expense, Company will timely file the Oregon Enterprise Zone Authorization Application (Form OR-EZ-AUTH) attached hereto as Exhibit B with Allison Field, Grant County Economic Development Director, 530 East Main Street, John Day, Oregon 97845; 541-575-1555 allison.field@grantcountyoregon.net.

4.0 SDCs; Convention Center.

4.1 System Development Charges. Company will timely pay all system development charges ("SDCs") applicable to the Project. City will determine the Project's SDCs based on rates currently in effect under City Resolution No. 19-826-27, which equals $1,104.50 per room for water and $2,529.00 per room for sewer. Per Ordinance No. 09-140-06, City will reduce total SDCs by 1% for each full-time position created by the Hotel within 12 months after occupancy. Company will pay all applicable SDCs upon the earlier of (a) issuance of a structural permit, or (b) connection to City's water and/or sewer system; provided, however, subject to applicable laws and regulations, City will consider permitting Company to pay applicable SDCs over an installment period (for a period not exceeding seven years, commencing from the earlier of the Hotel's certificate of occupancy or commencement of Hotel operations).

4.2 Transient Room Tax. City intends to adopt a 4.5% local transient room tax, which will be in addition to Grant County's 8% transient room tax. Company will timely pay all applicable transient room taxes, including City's to-be-adopted transient room tax.

4.3 Convention Center. City is pursuing funding to convert the approximately 5,600 square foot sawmill located east of the Land into a convention center and conference room (the "Convention Center"). The Convention Center will be available for public and private conventions and events, including events associated with Hotel operations. Company and City will work collaboratively and cooperatively to develop an operations and management strategy for the Convention Center.

Part Two – Binding Provisions

The binding provisions set forth in this Part Two (Sections 5-6; collectively, the "Binding Provisions") are legally binding and enforceable against City and Company.

5.0 Term; Termination. This letter will terminate upon the earliest to occur of the following: (a) upon the written agreement of City and Company; (b) upon the parties' execution of the Sale Agreement; and/or (c) upon notice by a party to the other party that the party desires to terminate negotiation of the Sale Agreement and/or pursuit of the Project. Upon termination of this letter, the parties will have no further rights and/or obligations hereunder except that Company will, at Company's cost and expense, immediately terminate all pending applications, permits, licenses, and/or approvals concerning the Land and/or Project (and, related thereto, complete and file all documentation City deems necessary or appropriate to terminate such pending applications, permits, licenses, and/or approvals).

6.0 Miscellaneous.

6.1 Provisions; Third-Party Beneficiaries; Costs and Expenses. The Nonbinding Provisions are not legally binding or enforceable against City or Company. No binding obligation will exist with respect to the subject matter of the Nonbinding Provisions unless and until the parties sign the Definitive Agreements, and then only to the extent such obligations are set forth in the Definitive Agreements. The Binding Provisions are binding on the parties and their respective heirs, personal representatives, successors, and permitted

assigns, and will inure to their benefit. The parties do not intend to confer any right or remedy on any third party. Notwithstanding anything contained in this letter to the contrary, City's obligations under this letter and the Definitive Agreements (including, without limitation, City's sale of the Land and all other City obligations) remain subject to the City council's review and approval and all applicable Laws.

6.2 Severability; Assignment; Binding Effect. Each provision contained in this letter will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Company will not assign this letter to any person without City's prior written consent. Subject to the immediately preceding sentence, this letter will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit. This letter may be amended only by a written agreement signed by each party.

6.3 Attorney Fees; Governing Law. With respect to any dispute relating to this letter, or if a suit, action, arbitration, or other proceeding of any nature whatsoever is instituted to interpret or enforce the provisions of this letter, including, without limitation, any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action, suit, arbitration, or proceeding seeking a declaration of rights or rescission, the prevailing party will be entitled to recover from the losing party its reasonable attorney fees, paralegal fees, expert fees, and all other fees, costs, and expenses incurred in connection therewith, as determined by the judge or arbitrator at trial, arbitration, or other proceeding, or on any appeal or review, in addition to all other amounts provided by law. This letter is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing the agreement contained in this letter. Any action or proceeding arising out of this letter will be litigated in courts located in Grant County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Grant County, Oregon.

6.4 Attachments; Notices. Any exhibits, schedules, instruments, documents, and other attachments referenced in this letter are part of this letter; provided, however, if any exhibits, schedules, instruments, documents, and/or other attachments conflict with the terms of this letter, the terms of this letter will control. All notices or other communications required or permitted by this letter must be in writing, must be delivered to the parties at the addresses first set forth above, or any other address that a party may designate by notice to the other party, and are considered delivered upon actual receipt if delivered personally, by fax or email (with electronic confirmation of delivery), or a nationally recognized overnight delivery service, or at the end of the third business day after the date of deposit if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

6.5 Waiver; Entire Agreement. No provision of this letter may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by Company and City. No waiver of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this letter will be deemed a waiver of other provisions or conditions hereof. This letter contains the entire agreement and understanding between the parties with respect to the subject matter of this letter and contains all the terms and conditions of the parties' agreement and supersedes all other oral or written negotiations, discussions, representations, and/or agreements. The parties may execute this letter in separate counterparts, each of which when executed and delivered will be an original, but all of which together will constitute one and the same instrument.

With the exception of the Binding Provisions (Part Two), this letter does not constitute a binding agreement between the parties. This letter is an expression of the mutual intent and desires of the parties as to certain aspects of the Definitive Agreements and Project. However, the parties agree that there are material terms

as to which agreement has not been reached and this letter is not to be construed as a definitive contract. This letter is subject to the parties' execution of the Definitive Agreements. It is expressly understood and agreed that (a) no liability or binding obligation is intended to be created between or among the parties to this letter, except with respect to the Binding Provisions, and (b) other than with respect to the Binding Provisions, any legal rights and obligations between or among the parties to this letter will come into existence only upon the parties' execution and delivery of the Definitive Agreements, and then only in accordance with the terms and conditions of the Definitive Agreements.

If the above general terms and conditions are acceptable to you, kindly sign both copies of this letter. Retain one copy for your files and return the second signed copy to me. I look forward to a successful relationship with you and await your early response. This letter will be deemed null and void if not signed by you (where indicated below) and received by me on or before 5:00 p.m. on November 8, 2019.

Sincerely,

Nicholas Green, City Manager
cc: Jeremy M. Green, Bryant, Lovlien & Jarvis, P.C.
Enclosure

Acknowledgement and Agreement

The undersigned (a) have read and understand the terms of this letter, and (b) agree that the general Project terms and conditions contained in this letter are acceptable.

Company:
Cross Keys, LLC

_____	_____
By: Richard Priday, Member	By: Sandra Priday, Member
Dated: _____, 2019	Dated: _____, 2019

as to which agreement has not been reached and this letter is not to be construed as a definitive contract. This letter is subject to the parties' execution of the Definitive Agreements. It is expressly understood and agreed that (a) no liability or binding obligation is intended to be created between or among the parties to this letter, except with respect to the Binding Provisions, and (b) other than with respect to the Binding Provisions, any legal rights and obligations between or among the parties to this letter will come into existence only upon the parties' execution and delivery of the Definitive Agreements, and then only in accordance with the terms and conditions of the Definitive Agreements.

If the above general terms and conditions are acceptable to you, kindly sign both copies of this letter. Retain one copy for your files and return the second signed copy to me. I look forward to a successful relationship with you and await your early response. This letter will be deemed null and void if not signed by you (where indicated below) and received by me on or before 5:00 p.m. on November 8, 2019.

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Nicholas Green, City Manager
cc: Jeremy M. Green, Bryant, Lovlien & Jarvis, P.C.
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Acknowledgement and Agreement

The undersigned (a) have read and understand the terms of this letter, and (b) agree that the general Project terms and conditions contained in this letter are acceptable.

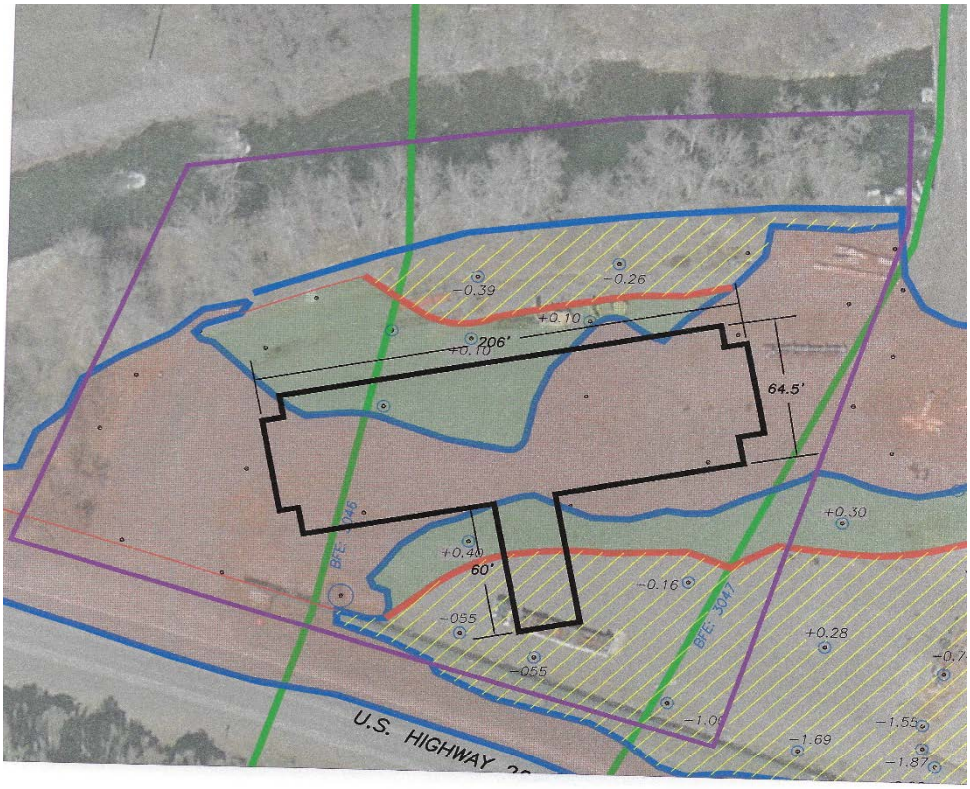
Company:
Cross Keys, LLC

By: Richard Priday, Member
Dated: 11/12, 2019

By: Sandra Priday, Member
Dated: _____, 2019

Exhibit A
Land Depiction

[attached]



PURPLE LINE REPRESENTS A PROPOSED PARCEL BOUNDARY LINE. INCLUDES ABOUT 1.7 AC. AS DRAWN, IT WOULD GO TO THE CENTER OF THE RIVER, WEST TO INCLUDE THE CURRENT ENTRANCE. IT WOULD FALL SHORT OF THE CURRENT BRIDGE.

FOR REVIEW

OREGON PINE SITE

Exhibit B
Oregon Enterprise Zone Authorization Application

[attached]

Clear Form

Form OR-EZ-AUTH

Oregon Enterprise Zone Authorization Application*

Complete form and submit to the local enterprise zone manager **before** breaking ground or beginning work at the site.

Applicant

Enterprise zone or rural renewable energy development zone (where business firm **and** property will be located)		Email	
Name of business firm		Phone ( )	
Mailing address	City	State	ZIP code
Location of property (street address if different from above)	City	State	ZIP code
County, TRS map ID number, and Tax lot number of site	Contact person	Title	

My firm expects to first claim standard property tax exemption in (up to three consecutive) year(s): _____

☐ Check here if your firm has or has had another exemption in this enterprise zone.

☐ Check here that your firm commits to renew this authorization application. Renew this application on or before April 1 every two calendar years, until the tax exemption on qualified property is claimed.

☐ Check here if requesting an **extended abatement** of one or two additional years of exemption. Extended abatement is subject to written agreement with local zone sponsor before this application is approved and to additional state or local requirements.

Zone manager use only (after written agreement but before authorizing firm):
County average annual wage: $ _____ Year_____ Total exemption period: 4☐ or 5☐ Consecutive years (check one)

Business eligibility

Eligible activity—Check all activities that apply to proposed investment within the enterprise zone:

☐ Manufacturing ☐ Fabrication ☐ Bulk printing ☐ Shipping ☐ Agricultural production ☐ Energy generation
☐ Assembly ☐ Processing ☐ Software publishing ☐ Storage ☐ Back-office systems

☐ Other—describe the activities that provide goods, products, or services to other businesses (or to other operations of your firm):

_____

☐ Check here if your business firm does or will engage in **ineligible activities** within the enterprise zone (such as retail sales, health care, professional services, or construction). Describe below (or in an attachment) these activities and their physical separation from "eligible activities":

_____

Special cases—Check all that apply:

☐ Check here if a **hotel, motel, or destination resort** in an applicable enterprise zone.

☐ Check here if a **retail/financial call center.** Indicate expected percent of customers in local calling area: _____%.

☐ Check here if a **"headquarters" facility.** (Zone sponsor must find that operations are statewide–regional in scope and locally significant)

☐ Check here if an **electronic commerce investment** in an e-commerce enterprise zone.

Employment in the enterprise zone (see worksheets on last page)

Don't count FTEs, temporary, seasonal, construction, part-time jobs (32 hours or less per week), or employees working at ineligible operations.

Existing Employment—My business firm's average number of full-time employees **inside the zone** over the past 12 months is _____

New Employees—
- Hiring is expected to begin on (date or month and year): _____
- Hiring is expected to be completed by (month and year): _____
- Estimated total number of new employees to be hired with this investment is:_____

Commitments—By checking all boxes below, you agree to the following commitments as required by law for authorization:

☐ By April 1 of the first year of exemption on the proposed investment in qualified property, I will have increased existing employment within the zone by one new employee or by 10%, whichever is greater.

☐ My firm will maintain at least the above minimum level as an annual average employment during the exemption period.

☐ When the exemption claim is filed by April 1 following each calendar year of exemption, total employment in the zone will also not have shrunk by more than 85% at one time or by more than 50% twice in a row, compared to the highest such figure with any previous claim.

☐ My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended abatement, (2) zone sponsor resolution(s) waiving required employment increase inside zone, or (3) an **urban** enterprise zone's adopted policy, if applicable.

☐ My firm will verify compliance with these commitments, as requested by the local zone sponsor, the county assessor or their representative, or as directed by state forms or administrative rules.

☐ My firm will enter into a **first-source hiring agreement** before hiring new eligible employees. (This **mandatory** agreement entails an obligation to consider referrals from local job training providers for eligible job openings within the zone during at least the exemption period.)

*Also for Rural Renewable Energy Development Zones.

Oregon employment outside the enterprise zone

Check only those that apply:

☐ Check here if yours or any commonly controlled firm will curtail operations in the state **beyond 30 miles of the zone boundary and move them into the zone.** Indicate timing, location, number of any job losses, and relationship to the proposed enterprise zone investment:

_____

☐ Check here if you are transferring operations into the zone from site(s) in the state **within 30 miles of zone boundary:**
My firm's average employment at the site(s) outside the enterprise zone boundary over the past 12 months is _____ jobs.

☐ Check here, if applicable, that your firm commits to increase the combined employment at the site(s) (outside but within 30 miles of zone boundary) and in the zone to 110% of the existing combined level by April 1 and on average during the first year of exemption.

Proposed investment in qualified property

Anticipated timing—Enter dates or months/years (non-binding)

	Site and building and structures			Machinery and equipment		
Action	**Preparation**	**Construction***	**Placed in service****	**Procurement*****	**Installation**	**Placed in service****
To commence or begin on						
To be completed on						

* Including new reconstruction, additions to, or modifications of existing building(s) or structure(s).
** This is in the calendar year directly before the very first year of exemption, so on page 1, please indicate the year following as the very first year expected for claiming this exemption.
***May precede application by up to three months (includes personal property).

Special issues:

☐ Check here for building/structure acquired/leased for which construction, reconstruction, additions, or modifications began prior to this application (attach executed lease or closing documents, and don't take up occupancy until this application is approved).

☐ Check here if anticipating using **Construction in process** tax exemption for qualified property that is still being constructed/installed and isn't yet placed in service and is located on site as of January 1. If so, file *Application for Construction-in-Process Enterprise Zone Exemption,* 150-310-021, by April 1 with the county assessor's office.

Qualifying property: Estimates of cost and details about property are not binding, but in order for property to be exempted, its basic type and any major building/structure needs to be at least represented below.

Type of property		Number of each/item	Estimated value	Check if any Item will be leased
Real property	Building or structure to be newly constructed		$	☐
	New addition to or modification of an existing building or structure		$	☐
	Heavy or affixed machinery and equipment		$	☐
Personal property item(s) costing:	$50,000 or more		$	☐
	$1,000 or more (E-commerce zone or used exclusively for production of tangible goods)		$	☐
	Total estimated value of investment		$	

In addition, describe below (or in an attachment) the overall nature and potential extent of your investment, including preliminary building plans and lists of property items, as appropriate and recommended by zone manager or county assessor (may be kept confidential).

Declaration

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge, they are true, correct, and complete. If any information changes, I will notify the zone manager and the county assessor and submit appropriate written amendments. I understand that my business firm will receive the tax exemption for property in the enterprise zone, only if my firm satisfies statutory requirements (ORS Chapter 285C) and complies with all local, Oregon, and federal laws that are applicable to my business.

Must be signed by an owner, company executive, or authorized representative of the business firm

Signature	Date
X	

Title (if not an owner or executive, attach letter attesting to appropriate contractual authority)

Local enterprise zone manager and county assessor must approve this application (with *Enterprise Zone Authorization Approval,* Form 150-303-082)

Oregon Enterprise Zone Authorization Application Instructions

For more information

Visit **www.oregon4biz.com**. Search "Enterprise zones eligibility."

Applicant

This application form serves to authorize your business firm to receive a standard three-year exemption on qualified property that you will own or lease at the specified location in the enterprise zone or rural renewable energy development zone. The local zone manager and the county assessor's office authorize your firm (not the proposed property).

Another authorization application is necessary for qualified property at a different location in the same or another zone. See "Additional property and future projects" below.

Mandatory timing in being authorized:

- Complete and submit this form to the local zone manager before beginning physical project work (construction, installations, etc., including site preparation) or hiring new employees.
- Work may proceed after submission and before approval.
- No exemption is allowed on property for which work began prior to the **effective date** of the zone's designation or amendment to include site, or for any property already assessed in the county by that date.
- After submitting this application but before being authorized, you and the zone manager will hold a **pre-authorization conference,** at which the assessor's office might participate, to formally address special issues or contingencies for qualification.
- If seeking an **extended abatement** of four or five years in total, the written agreement with the zone sponsor may set additional reasonable requirements. In most zones, state law also requires for all of the business firm's employees, who are working in newly created jobs: (a) in the fourth and fifth year, their average wage (taxable income) is at least 100 percent of the most recently available county average wage, and (b) in all four or five years, their average compensation (including benefits) equals or exceeds 130 percent or 150 percent of the county average wage from the time of authorization.

First year claiming exemption from property taxes:

- The first year of exemption is the year following the year in which the qualified property is "placed in service" as anticipated on page 2, which means when the property is first used or occupied, or is physically ready for use or occupancy, for specifically intended commercial purposes.
- To claim the exemption, you must file with the county assessor after January 1, but on or before April 1, of that first year, using Form OR-EZ-EXCLM, *Oregon Enterprise Zone Exemption Claim*, 150-310-075, and attaching Form OR-EZ-PS, *Oregon Enterprise Zone Property Schedule*, 150-310-076 for the property to be exempted.
- Submit the exemption claim (without property schedule) after each year of exemption, in order to confirm ongoing compliance.

Keeping authorization active:

- This application needs to be renewed after two full years between January 1 and April 1, if your firm isn't ready to claim an exemption. Submit a letter with the zone manager and assessor stating your continuing interest and intent.
- Failure to submit such a statement every two years (while the zone exists) classifies your authorization as "inactive." A fee is then required in order to claim the exemption.
- County wage for the extended abatement's average employee compensation standard, see (b) above, resets with renewal or inactive claim.

Business eligibility

A key function of authorization is to ascertain and assure a business firm's eligibility for exemption.

- The program is primarily directed at for-profit organizations that provide goods or services to other business operations.
- **Ineligible operations** include: tourism, retail food service, entertainment, childcare, financial services, property management, housing or construction, retail sales of goods or services, health care, or professional services.
- An eligible **call center** may receive customer requests and orders by various means, but at least 90 percent must originate from areas that would entail a long-distance charge if performed by telephone.
- **E-commerce** investments receive special treatment in certain enterprise zones and in the city of North Plains.
- **Central facilities** for management, marketing, design, etc. For example, a "headquarters" facility is eligible if serving statewide or wider operations of a company. (Investment needs to conform to authorized description.)
- More than 60 percent of the enterprise zones have elected to make **hotels, motels, and destination resorts** eligible. The choice may differ among a zone's sponsoring city/county jurisdictions.

Employment in the enterprise zone

To be authorized, the eligible business firm must commit to satisfy job-creation requirements:

- The number of full-time jobs in the zone must rise and be maintained during the exemption at a minimum of 110 percent of the average level from the time of the authorization application.
- Failure to reach this level precludes the exemption.
- Failure to maintain this level represents "substantial curtailment," as would a big drop in total employment.
- Your firm must enter into a **first-source hiring agreement** before hiring new employees. The local zone manager will direct you to the contact with the local Oregon Employment Department office.
- Your firm and the zone sponsor are solely responsible for compliance/verification of local additional requirements.
- Also see "Special Issues Worksheet" on the last page.

Employment outside the enterprise zone

The business firm is disqualified if:

- The transfer of operations into the enterprise zone results in Oregon job losses more than 30 miles from the zone boundary.
- The movement of employees into zone from outside but within 30 miles results in less than a 10 percent increase of the combined employment level in the zone and from where they are transferred.

Proposed investment in qualified property

To assist eligible business firms in understanding the property tax benefit they may receive for investing in an enterprise zone, the authorization application asks for the best available information on the cost, extent, and timing of planned investments. It is critical for communication among the firm, the local zone manager, and the county assessor.

Pre-application activity at site:

In general, any work on new property or to prepare land must begin **only** after this application is submitted. Exceptions include, but are not limited to:

- A project started and abandoned at least six months earlier and still not assessed.
- Demolition, hazard removal, or environmental cleanup.
- Property acquired from another authorized business firm.
- Purchase or lease from a third party of a newly constructed or newly improved building or structure. In this case, work may already be underway or completed, but approval of this application must include a copy of the sale/lease agreement and must happen before use or occupancy of the building or structure.

Construction in Process: Property on-site as of January 1 may be exempt for up to two years before being placed in service. Once authorized, file the Form OR-AP-CIPEZ, *Application for Construction-in-Process Enterprise Zone Exemption*, 150-310-021, with the county assessor on or before each April 1, for any qualified property for which work is still underway on January 1. (Not available for centrally assessed/utility or hotel/resort property)

Property criteria:

- All property needs to be new, meaning it wasn't used or occupied in the zone more than one calendar year before exemption is claimed.
- Machinery and equipment also must be newly acquired or newly transferred from outside of the county (except for major retrofit or refurbishment of real property idle for 18 months).
- Any or all property may be leased from any party, provided that your firm (the lessee) is obligated to pay the property taxes.
- All real property—buildings, structures, and heavy/affixed machinery and equipment—listed on the exemption claim property schedule must **cost** $50,000 or more in total.
- Personal property machinery and equipment is readily movable and qualifies subject to a **per-item cost** minimum. An integrated system consisting of various components may be treated as a single item for these purposes.
- Land, vehicles, motorized/self-propelled devices, rolling stock, non-inventory supplies, and idle or ineligibly used property **don't** qualify.
- The investment in property needs to be for the furtherance of income. For example, it may not be for personal use.
- For a significant building or structure to be exempt, the authorization must include some indication of it. In addition, for example, if no machinery and equipment is indicated, then no such property qualifies, so that the applicant is advised to account for every basic type of property that could possibly be part of the final, overall project.

Additional property and future projects:

- With an ongoing investment, subsequent property that isn't placed in service until the first or second year of exemption on the initial property may be exempted as well.
- In other words, property schedules may be filed with up to three consecutive claims, pursuant to a single authorization.
- Any major change of plans should be amended into the application, in writing to both the zone manager and the county assessor, before January 1 of the first year of an initial exemption, especially to account for any unrepresented building or type of basic property.

Applicable property tax returns must still be filed annually

Complete the following worksheets either before or during the pre-authorization consultation with the local zone manager

Employment worksheet

Use this worksheet to determine your business firm's annual average employment over the 12 months preceding the date on which you submit the authorization application, and as required during the period of the enterprise zone exemption:

1. Identify those employees or positions within the zone that are: (a) working a majority of their time in "eligible" activities or in support of those activities; (b) paid on average for more than 32 hours per week; (c) **not** employed solely to construct property; (d) **not** seasonal; and (e) **not** temporary—not hired, leased, or contracted for less than one year or on an as-needed/ad hoc basis. **Don't** use "full-time equivalents" (FTE).
2. Determine the number of the above employees at the end of each pay period, calendar month, or quarter over the prior 12 months.
3. Total the number of employees from each period and divide this sum by the number of periods. If not using **months,** include a suitable attachment in place of the following with your application:

_____(1) + _____(2) + _____(3) + _____(4) +

_____(5) + _____(6) + _____(7) + _____(8) +

_____(9) + _____(10) + _____(11) + _____(12)=

_____ ÷ 12 = _____ ***Average annual existing jobs**

4. If your average annual existing jobs* (from number 3, above) is:
   a) Five or more, multiply by 1.1, as follows:

      *_____ × 1.1 = _____ , **or**

   b) Less than five, add one, as follows:

      *_____ + 1 = _____.
5. Round the total from 4a or 4b to the nearest whole number (for example, 25.49 becomes 25 and 25.50 becomes 26). Your rounded figure is the level of employment required by April 1 of the first year of exemption.

For purposes of compliance, repeat steps 1–3 and 5 above for each calendar year that qualified property is exempt.

Special issues worksheet

This worksheet is simply a checklist to guide you through certain issues that may need to be addressed as soon as possible. Check if the answer is "yes" or "maybe."

☐ Will the requisite increase of enterprise zone employment be difficult to achieve, even with the new investment? Or could it be somewhat unapparent? In any case, work out verification options with local zone manager. Copies of unemployment insurance reports or other records should be kept on file to assure manager and assessor.

☐ If the number of jobs will likely not grow by 10 percent, do you want a local waiver by resolution(s) adopted by zone sponsor with authorization, which may impose additional conditions? Waiver allowed if the overall investment costs $25 million or more, or with a 10 percent rise in productivity combined with dedicated expenses for workforce training. In a rural renewable energy development zone, a waiver is allowed for $5-million investments with no added conditions. (Waiver does not affect requirements related to any transfer of jobs into the zone.)

☐ Would you like your enterprise zone employment to be combined with the jobs at any 100 percent commonly owned firm/corporation(s)? If so, attach a statement with the name of the other company(s). Without such election, even subsidiaries of the same parent corporation in the zone are treated as distinct business firms.

☐ Are you interested in publicly owned and otherwise available real estate that might exist in the zone, and that an authorized business firm generally has a right to buy or lease if promptly developed for authorized use?

☐ Would you like to know about local incentives that some local sponsoring governments offer to authorized businesses as part of the enterprise zone package, such as fee waiver, regulatory expedition, and so forth?

☐ Will a qualified building be partially occupied by another business/tenant or used for ineligible operations? In such cases, work with the local zone manager to determine the units or proportion of space for the assessor to exempt.

☐ Is investment pending the site's inclusion in the zone? This application may be approved under such conditions, but make arrangements with the local zone manager to ensure that any construction or installation work doesn't begin until on or after the effective date of the boundary change. (Same applies to designation of a new enterprise zone.)

☐ Is the enterprise zone terminated? This normally precludes authorization or qualification, but an already authorized/qualified firm can "grandfather" and may be authorized up to 10 years after the termination of the zone.

Sample Agreement for Oregon Enterprise Zone Extended Abatement

[Business Oregon offers this sample only to facilitate local processes and discussions among independent parties, who are advised to work with legal counsel. The department assumes no liability for legal enforceability or consequences associated with any agreement based on this sample]

{Applicable for rural enterprise zones and urban enterprise zones outside the Salem and Portland metropolitan urban growth boundaries}

Written agreement with the _____ enterprise zone sponsor to extend property tax exemption to [four/five] consecutive years in total for investment by _____ [, inc.]

The sponsor of the _____ Enterprise Zone comprising the governing bodies of [the City of _____, and _____ County] (hereinafter "The Zone Sponsor") and _____ [, Inc.] (hereinafter "The Firm") do hereby enter into an agreement for extending the period during which The Firm shall receive an exemption from ad valorem taxes on its proposed investment in qualified property in the Enterprise Zone, contingent on certain requirements, under ORS 285C.160.

The Zone Sponsor and The Firm jointly acknowledge that: subject to [timely submission of and] approval of [an/the] application for authorization, as well as satisfaction of requirements under ORS 285C.050 to 285C.250, The Firm is eligible for three years of full exemption on its qualified property under ORS 285C.175(2)(a); nothing in this agreement shall modify or infringe on that three-year exemption or the requirements thereof; and, this agreement is null and void if The Firm does not qualify for the three years of exemption on some such property.

The Zone Sponsor does hereby grant to The Firm an extension to that property tax abatement, as allowed under ORS 285C.175(2)(b), of an additional [one/two] year[s] on property that initially qualifies in the _____ Enterprise Zone {[before/after] the assessment year beginning on January 1, 20___,} and, thusly, sets the period of exemption at [four/five] consecutive years in total, during which statutory requirements for the standard three-year enterprise zone exemption must also continue to be satisfied.

{Qualified property [items] [described/identified/listed in] ____[Exhibit]__ shall not receive the extended tax abatement granted herein but only the regular three years of exemption, relieving such property of its needing to satisfy applicable statutory requirements in the enterprise zone after that third year, at which time The Firm may promptly and formally notify the county assessor and local zone manager of other property to be treated as such.}

Confirmation of Statutory Provisions
In order for qualified property to be exempt from ad valorem taxes for the additional [one/two] year[s] of enterprise zone exemption as granted herein, The Firm agrees herewith that under ORS 285C.160(3)(a)(A)(i) or (ii) and (b), in accordance with OAR 123-674-0600:

1. For each year of the entire exemption period, The Firm's new employees shall receive an average level of compensation equal to or greater than [150/130] percent of the county average annual wage, such that:
   a. Compensation includes benefits such as employer-provided insurance that can be monetized and do not arise from a payroll tax or similar government mandate, and
   b. Except as revised under ORS 285C.160(4), the county wage is set at the time of authorization, and accordingly, the 20___ average wage for _____ County [one with higher wage in two-county zone] is $_____, for which [150/130] percent equals $_____.
2. During the additional [year/two years], the average annual wage (taxable income) received by The Firm's new employees shall also be equal to or greater than the current county average wage based on the most recent, final figure at that time.
3. The Firm's 'new employees' for purposes of these requirements comprise only employees hired for and working at full-time, year-round, non-temporary jobs that are created and filled for the first time after the date of application for authorization but on or before December 31 of the first full year of the initial exemption, and that are performed within the current boundaries of the _____ Enterprise Zone and engaged a majority of their time in The Firm's eligible operations according to ORS 285C.135 and 285C.200(7), regardless if any such employee is leased, contracted for or otherwise obtained through an external agent, provided that they are hired by and employed directly by The Firm.

Local Additional Requirements
[The Zone Sponsor does not impose any additional requirement on The Firm, relinquishing the right to make the extension of property tax abatement granted herein contingent on such requirements that might otherwise be reasonably requested under ORS 285C.160(a)(B).]
[/]
{For The Firm to receive the additional [one/two] year[s] of enterprise zone abatement granted herein, The Zone Sponsor and The Firm agree that The Firm shall [meet the following additional requirement[s]/do the following in addition to statutory requirements] as reasonably requested by The Zone Sponsor under ORS 285C.160(a)(B):

{1...

{2....}

Accepting for the Sponsor of the _____ Enterprise Zone:

[By X] _____

[Include printed name(s), title(s), and date(s); as needed, cite and attach source of authority from sponsoring jurisdiction(s) (e.g., executed copies of adopted resolutions), and possibly endorsement of municipal legal counsel]

Accepting for _____, [Inc.]:

[By X] _____

[Include printed name, title, date, and cite legal authorization as needed (e.g., attached letter from the owner or an appropriate executive officer, if agreement is accepted by an attorney or other indirect representative)]

Extended Abatement of Standard Enterprise Zone Exemption on Qualified Business Property

Introduction

As a generally as-of-right tax benefit, new property is exempt in an Oregon enterprise zone for three years from 100 percent of the local property taxes that would otherwise be due on qualified plant & equipment newly invested by an eligible business that: applies for authorization before physically starting work on its investments; sufficiently increases its workforce inside the zone, and files timely exemption claims once property is in service and in all property tax years while its exempt.

This abatement is frequently extended two more years (although a single extra year is allowed) for a total exemption period of five consecutive years, subject to approval by the local governments that (co)sponsor the enterprise zone. Begun in 1993, the extended abatement allows for an enhanced business development incentive that emphasizes local control and the creation of well-paying, quality jobs.

To receive an extended abatement, the business and its property must nevertheless satisfy and remain in compliance with the authorization application, employment and other obligations of the basic three-year exemption throughout the four- or five-year period. In addition, the qualified firm must achieve the following, which are specific to an extended abatement:

1. Written agreement executed with the local enterprise zone sponsor before the application for authorization is fully approved.
2. Potentially, local additional requirements that the sponsor may reasonably request through the written agreement.
3. Compensation and wage standards for new employees established under state statutes—except in an urban enterprise zone inside the Salem or Portland metropolitan area.

The above items, as further explained below, do not affect or jeopardize the first three years of the enterprise zone exemption—only the final year or two—such that if an otherwise qualified business fails to adhere to them, then the exemption period simply reverts to the regular length of three years.

Compensation & Wage Standards

These criteria are satisfied based on all **new employees** of the business:

- As normally counted for enterprise zone purposes, in terms of persons working in year-round, full-time jobs (>32 hours/week, not equivalents) directly for the firm in eligible operations located inside the zone …, but only those who are …

- Hired, contracted for or leased to fill only those jobs that are newly created after submission of the application for authorization, through until the end of the first (calendar) year of initial exemption, even if an individual filling the job had worked previously for the business in another position.

Pursuant to written agreements executed since October 6, 2017, (annual wages):

- Total taxable income paid to new employees during the calendar year, divided by (÷) the number of new employees, must equal or exceed (≥) the county wage.
- This average wage standard needs to be satisfied with the two exemption claims filed (by April 1, primarily with the county assessor) after the final, extra two years of any five-year extended abatement (or one year if four in length).
- The county wage is the most recent average annual wage for all ownerships and industries of the county, in which the qualified property is located, as finalized by the Oregon Employment Department at the time of the claim.

Pursuant to any written agreement (annual compensation):

- Total compensation received by new employees during the calendar year, divided by (÷) the number of new employees, must be at least 30% or 50% higher than the applicable county average wage (≥1.3 … or ≥1.5 × county wage).
- Compensation consists of not only the new employees' wages, salaries, etc., but also their fringe or financial benefits that can be monetized and are not government–mandated comparable to a payroll tax.
- This average compensation standard needs to be satisfied with **all four or five** exemption claims after each year of the extended abatement.
- The minimum compensation average of new employees is only 130% of the county average wage if on the date when the written agreement is executed (on or after October 6, 2017), some part of the zone is inside a county (both)—
    - that is not part of any federally established metropolitan statistical area, and
    - for which the proportion of total taxes imposed (excluding urban renewal) to total assessed value in the county's latest assessment roll is 1.3% or greater.
- The county wage applicable in this case is the same as above, except it is—
    - that of the county with the highest wage among counties that contain any part of the enterprise zone.
    - established based on the most recent, final figure available at authorization (following execution of the written agreement), which will change only if the authorization is renewed or becomes inactive after two full calendar years without beginning the 3–5-year exemption, in which case the county wage changes to what is most recent at the time, either of renewal to maintain the authorization's active status, or of filing the initial exemption claim.

Written agreement

An eligible business seeking an extended abatement must have a written agreement (see sample above) between it and the local enterprise zone sponsor that:

1. Confirms the compensation and wage standards above, if applicable,
2. Clearly grants either 'one' or 'two' additional years of exemption on (some) qualified property consecutively following the basic three years, and
3. Stipulates all additional requirements, if any, as requested by the sponsor.

Each city, port, or county government that sponsors the zone must in some manner ratify this agreement, usually separately, but potentially through common meeting and approval. By virtue of circumstance, custom or local law, a (co)sponsor's governing body might prefer or need to adopt a resolution allowing, validating, or containing the agreement, but state statutes do not demand as much.

Cosponsors or enterprise zones may by formal policy already have or choose to suitably empower an official or an inter-jurisdictional board (zone association) to enter into such agreements, under at least certain conditions. Zone sponsors have also provided by official intergovernmental accord that the jurisdiction, in which exempt property will be located, simply acts on behalf of the other cosponsors.

This written agreement is valid only if concluded and fully executed before the business firm is actually approved for authorization. An authorization application must be submitted prior to the commencement of any physical work on qualified property proposed for exemption in the enterprise zone. Authorization is not required for such work to proceed and often entails little more than a technical determination by the local zone manager and the county assessor following a preauthorization conference. Formal authorization, however, might need to be delayed to accommodate official endorsement of an extended–abatement written agreement.

Local additional requirements

The sponsoring jurisdictions may make the extended abatement contingent on further actions or efforts by the business—as jointly requested by the cosponsors and spelled out in the agreement, and advisably including clear provisions for verification and the consequences of noncompliance. The zone sponsor is entirely responsible for monitoring and enforcing such requirements during the exemption period.

These requirements could have very broad reach and special consequences, although state statutes insist on reasonableness, which may entail that once a track record has been established, local governments would need to be deliberate in (re)setting policies that deviate substantially from requirements previously requested in a given zone, as well as the pattern, if any, in approving the extended abatement or not.

Moreover, these requirements must be completely in addition to—steering well clear of—any statutory criteria for property costs, hiring, compensation, etc., including not effectively raising the stringency of such criteria. They are also not enforceable for hiring, etc., if explicitly defined in terms of geography or residency, according to an opinion of the Oregon Attorney General (No. 8236).

In the case of an urban enterprise zone, which may establish policies and standards for imposing additional conditions on an enterprise zone exemption of any length, the urban zone sponsor will have to maintain those conditions on top of any requirement that it attaches to an extended abatement.

Likewise to be coordinated with an extended abatement are the resolution(s) adopted by a local zone sponsor in waiving the normal 110 percent employment requirement, which may also establish other conditions, along with setting an alternative minimum number of jobs. Such a waiver is allowed at authorization for total investments of $25 million or more, or in the case where: measured productivity is slated to increase by 10 percent; 25 percent of tax savings are dedicated to workforce training, and annual average employment remains at least at its existing level.

Local zone sponsors might consider the following examples of additional requirements for extended abatements (or in other relevant cases):

- Availability of childcare or other specific types of benefits for workers
- Community involvement or financial/in-kind donations to charities
- Compensation of temporary/part-time employees or for construction labor
- Contributions to public infrastructure/services or to local education or workforce training programs
- Mandatory hiring of/from certain groups or sources, or employee retention
- Nonproprietary reporting or transparency regarding company practices
- Onsite training or certification for employees
- Safety or environmental assurances with new facility operations or general policies (sustainability), as well as facility's physical appearance
- Transit plan or subsidy for workers
- Using local-area contractors, suppliers and so forth, based on a clearinghouse or other method that is not explicitly restricted in terms of geography.

Summary of Requirements for Exemption

<table>
<tr><th colspan="4">Type of Enterprise Zone</th></tr>
<tr><th>Exemption Period</th><th>Urban—in MSA ≥ 400,000 in population</th><th>Other Urban</th><th>Rural</th></tr>
<tr><td rowspan="3">Any length</td><td colspan="3">Basic requirements see memorandum below</td></tr>
<tr><td colspan="2">ORS 285C.150—required to satisfy additional conditions reasonably related to employment opportunities, as defined and imposed by local zone sponsor pursuant to policy that establishes standards, for subsequent applications*</td><td>None</td></tr>
<tr><td colspan="3">ORS 285C.155 and 285C.200(2)/285C.205—in waiving the normally required increase of a business firm's in-zone employment at authorization, sponsor resolutions must set minimum job level and may include other conditions with which the firm must also comply</td></tr>
<tr><td>Four or five consecutive years in total</td><td>ORS 285C.160(3)(c)—written agreement for requirements that the zone sponsor may reasonably request*</td><td colspan="2">ORS 285C.160(3)(a) & (b)—written agreement for:
• Compensation and wage standards for newly created jobs,** and
• Requirements that the zone sponsor may reasonably request*</td></tr>
<tr><td colspan="4">MSA—federally established metropolitan statistical area
*To be enforced by the sponsoring jurisdictions pursuant to ORS 285C.230(2), 285C.235(2), and 285C.240(7)
**As defined under ORS 285C.050</td></tr>
</table>

Memorandum—enterprise zone requirements for at least three-year exemption:

- Engaged in eligible operations and activities (generally traded-sector/non-retail)
- Increase full-time, permanent employment of the firm inside the enterprise zone by the greater of one new job or 10 percent (or special-case local waiver as noted above)
- Generally, no concurrent job losses outside/beyond the zone boundary
- Maintain minimum employment levels during exemption period
- Enter into first-source agreement with local job training providers.

Statutes and Rules

The laws passed by the Oregon Legislature to create the enterprise zone program are contained in ORS 285C.050 to 285C.250. The principal section for the extended abatement is ORS 285C.160. These statutes are elaborated, clarified and implemented through Oregon Administrative Rules of OAR chapter 123, divisions 668 and 674.

Average Wage by County

2018

As relevant until November 2020 for two-year extension of standard enterprise zone exemption*

Oregon County	Annual Wage	Average Annual Compensation Standard† (130%‡ or 150%)
Baker	$36,778	$47,811
Benton	$52,187	$78,281
Clackamas	$53,236	$79,854
Clatsop	$37,878	$49,241
Columbia	$39,706	$59,559
Coos	$39,542	$59,313
Crook	$45,661	$59,359
Curry	$35,700	$53,550
Deschutes	$45,571	$68,357
Douglas	$40,745	$61,118
Gilliam	$42,728	$64,092
Grant	$39,649	$51,544
Harney	$37,077	$48,200
Hood River	$40,282	$52,367
Jackson	$42,267	$63,401
Jefferson	$39,818	$51,763
Josephine	$37,163	$55,745
Klamath	$39,316	$58,974
Lake	$40,068	$52,088
Lane	$43,784	$65,676
Lincoln	$38,608	$50,190
Linn	$43,882	$65,823
Malheur	$36,149	$46,994
Marion	$46,412	$69,618
Morrow	$53,078	$69,001
Multnomah	$59,954	n/a*
Polk	$37,902	$56,853
Sherman	$46,697	$60,706
Tillamook	$39,244	$58,866
Umatilla	$40,238	$52,309
Union	$40,829	$53,078
Wallowa	$36,392	$54,588
Wasco	$40,678	$52,881
Washington	$70,305	n/a*
Wheeler	$29,967	$38,957
Yamhill	$42,309	$63,464
MEMO: Oregon	$53,053	not applicable

* Not applicable in any urban enterprise zone within Portland or Salem metropolitan areas. For zones located in two counties, the higher county annual wage is used throughout the zone as basis of compensation standard.

† Wage base for compensation standard established at time of local authorization.

‡ In many rural counties, if local written agreement executed on or after October 6, 2017.

Source: Employment and Wages by Industry (QCEW), Oregon Employment Department, 2019.

Annual Average Wage by County by Year

County	2010	2011	2012	2013	2014	2015	2016	2017	2018
Baker	$29,594	$30,276	$31,191	$32,063	$32,973	$34,166	$35,001	$35,760	$36,778
Benton	$43,055	$43,687	$44,875	$45,479	$46,281	$46,941	$48,792	$50,076	$52,187
Clackamas	$42,160	$43,379	$44,338	$45,277	$46,397	$48,868	$49,501	$51,724	$53,236
Clatsop	$31,342	$32,429	$32,842	$33,702	$34,181	$35,100	$35,582	$36,799	$37,878
Columbia	$32,322	$32,743	$33,557	$34,595	$35,691	$36,886	$37,475	$38,808	$39,706
Coos	$31,259	$31,847	$32,494	$33,333	$34,807	$35,942	$37,048	$38,032	$39,542
Crook	$35,513	$36,996	$40,275	$40,154	$41,574	$42,716	$44,776	$47,029	$45,661
Curry	$29,926	$30,784	$31,545	$31,826	$32,717	$34,196	$34,104	$34,697	$35,700
Deschutes	$35,227	$36,133	$36,780	$37,742	$39,115	$40,701	$41,952	$44,206	$45,571
Douglas	$33,322	$34,053	$34,822	$35,400	$36,757	$37,950	$38,731	$39,763	$40,745
Gilliam	$39,814	$41,290	$37,473	$36,123	$36,356	$38,799	$39,349	$39,398	$42,728
Grant	$31,232	$31,923	$33,619	$33,503	$35,467	$36,990	$36,967	$38,056	$39,649
Harney	$30,773	$31,181	$32,148	$32,786	$33,669	$34,375	$34,655	$36,661	$37,077
Hood River	$28,404	$29,336	$30,690	$31,222	$32,455	$34,913	$36,467	$38,090	$40,282
Jackson	$34,371	$35,150	$36,011	$36,875	$38,013	$39,276	$40,323	$41,419	$42,267
Jefferson	$33,130	$33,220	$33,852	$34,194	$34,949	$35,796	$36,561	$38,002	$39,818
Josephine	$30,975	$31,237	$31,662	$31,831	$32,846	$34,208	$34,960	$35,907	$37,163
Klamath	$33,163	$33,415	$34,044	$34,548	$35,507	$36,531	$36,852	$38,231	$39,316
Lake	$32,190	$33,905	$34,412	$34,628	$35,539	$37,010	$37,623	$39,059	$40,068
Lane	$35,885	$36,789	$37,616	$38,351	$39,371	$40,829	$41,534	$42,644	$43,784
Lincoln	$30,012	$30,954	$31,802	$32,416	$33,309	$34,634	$35,511	$36,730	$38,608
Linn	$35,126	$36,223	$36,906	$37,382	$38,315	$39,420	$40,970	$41,556	$43,882
Malheur	$29,209	$30,226	$31,142	$32,155	$32,972	$33,653	$33,851	$35,473	$36,149
Marion	$36,680	$37,375	$38,047	$38,844	$40,182	$41,565	$42,939	$44,756	$46,412
Morrow	$38,026	$39,401	$40,568	$41,354	$44,164	$49,900	$51,342	$50,354	$53,078
Multnomah	$47,216	$48,667	$49,639	$50,530	$51,741	$53,447	$55,442	$57,173	$59,954
Polk	$30,383	$31,290	$31,286	$32,093	$33,047	$33,894	$35,249	$36,282	$37,902
Sherman	$36,017	$37,591	$39,654	$38,699	$41,509	$43,739	$45,375	$45,632	$46,697
Tillamook	$31,065	$31,799	$32,302	$32,691	$33,942	$35,326	$36,911	$38,444	$39,244
Umatilla	$34,072	$34,548	$35,389	$35,588	$36,785	$36,834	$37,457	$38,641	$40,238
Union	$30,631	$31,756	$33,019	$33,840	$34,927	$36,222	$36,446	$38,095	$40,829
Wallowa	$28,154	$28,684	$29,862	$30,015	$30,919	$32,231	$33,692	$34,884	$36,392
Wasco	$31,312	$32,498	$33,004	$32,960	$34,522	$36,548	$38,025	$38,572	$40,678
Washington	$54,013	$56,585	$58,929	$59,462	$62,682	$65,623	$65,908	$68,168	$70,305
Wheeler	$24,050	$25,497	$24,619	$25,871	$26,954	$28,483	$29,479	$29,013	$29,967
Yamhill	$34,488	$35,184	$35,586	$36,459	$37,828	$38,999	$39,445	$40,552	$42,309

Source: Employment and Wages by Industry (QCEW), Oregon Employment Department.