

PORTLAND ENTERPRISE ZONE WRITTEN AGREEMENT  
BETWEEN THE  
PORTLAND DEVELOPMENT COMMISSION  
AND  
COMPANY NAME

This Portland Enterprise Zone Written Agreement (“Written Agreement”) is entered into this 3<sup>rd</sup> day of March, 2015 (the “Effective Date”) by and between the **COMPANY**, its affiliates and subsidiaries (the “Company”), and the City of Portland (“City”), acting by and through the **Portland Development Commission** (“PDC”).

**RECITALS**

- A. Pursuant to the Oregon Enterprise Zone Act established under Oregon Revised Statutes 285C.050 to 285C.250 (“Act”) and the City’s *Portland Enterprise Zone and Electronic Commerce Policy* adopted on February 25, 2015 (“the City E-Zone Policy”), the City has the authority to establish, and has established, conditions under which it will certify qualified companies for an extended four or five-year property tax abatement as authorized by the Act.
- B. The City has designated PDC as the manager of the Portland E-Zone and the City E-Zone Policy.
- C. This agreement is intended to implement the City E-Zone Policy.

**PROJECT OVERVIEW**

- A. **Investment Details:** Company’s intended investment as stated in the Authorization Application in the following amounts:

Equipment Investment: \$ \_\_\_\_\_

**TOTAL INVESTMENT:** \$ \_\_\_\_\_

- B. **Project Definition:** \_\_\_\_\_.
- C. **Project Site:** the real property the Company has leased is located at: 1) \_\_\_\_\_ also identified by R#: \_\_\_\_\_
- D. **Point-of-Contact:** The Company’s designated Point-of-Contact’s information:
  - NAME:**
  - TITLE:**
  - ADDRESS:**
  - CITY:**      **STATE:**      **ZIP:**
  - EMAIL:**
  - PHONE:**

The Company shall immediately notify PDC of any change in the Company’s Point of Contact or his/her contact information.

## COMPANY OBLIGATIONS

In consideration for the property tax abatement granted pursuant to the Act, the Company shall perform the obligations set forth in this Written Agreement.

- A. **Application Fee:** Prior to the PDC entering into the Written Agreement and the Enterprise Zone Manager signing the Authorization Approval form. The Company has paid its Application Fee of \$\_\_\_\_ in full on \_\_\_\_.
- B. **City of Portland Business License:** The Company must maintain a current and active City of Portland Business License as of the date of the Written Agreement and during the entire tax abatement period.
- C. **Job Quality Commitments:** All full-time jobs at the company's project site must meet the following minimum quality levels during the period of exemption:
  - Eighty-five percent (85%) of basic wages must exceed one hundred fifty percent (150%) of Oregon minimum wage after one year of employment, or;
  - Employee benefits must meet the national average of non-governmentally mandated benefits for the size and type of business based on information supplied by the U.S. Department of Labor ([www.bls.gov/news.release/ecec.t06.htm](http://www.bls.gov/news.release/ecec.t06.htm)). In cases where the benefit contribution by the business is determined by employee participation, the calculation of benefit costs to the business will include its maximum liability for benefits payments in the calculation of the level of benefits provided to employees. In cases where the employee benefits offered increase with length of employment, the benefit level used for calculations in this contract are the benefits as of three (3) years of employment greater than 32 hours per week.
  - Employers must demonstrate a good faith effort to create career ladder opportunities for their employees by providing PDC with a plan that documents their efforts.
- D. **PDC Equity Policy:** The Company will be required to comply with the applicable provisions of the PDC Equity Policy in effect at the time they submit their Oregon E-Zone Authorization Application to the E-Zone Manager.
- E. **Procurement Plan:** All businesses participating in the E-Zone program will be required to submit to PDC an E-Zone Business Procurement Plan ("Plan") at the time of submitting an E-Zone application. The Plan will outline how good faith efforts will be made to increase the amount of goods and services purchased from businesses located within Portland, The Plan is not intended to require a business to replace key regional suppliers of products and/or services. Upon request, PDC will provide the Company with an acceptable template that it can use to develop its Plan.

PDC shall review and approve of the Plan, and may require reasonable changes to the Plan. In reviewing a proposed Plan, it is understood that the Plan can provide flexibility to address specific business needs and operating conditions of the participating company.

F. **City Cost of Service:** It is anticipated that each participating business will annually provide tax or fee revenues to the City, from sources other than property tax payments, in excess of the estimated costs of the City's basic services provided to the business, such as police and fire. Prior to submitting its E-Zone Application and signing the Written Agreement, PDC shall analyze the anticipated payments to be made to the City from other sources, such as City Business and Utility License fees, and determine if the anticipated costs of City services will be fully covered by such other payments. If PDC estimates that such payments will not be sufficient to cover such costs, the participating company shall make additional payments to PDC to fully cover such anticipated costs.

G. **Workforce Training and Business Development Fund ("WTBDF") and Employee Support Fund ("ESF"):**

- a. **WTBDF:** Each participating company shall contribute 15% of its tax savings into the WTBDF, (including savings under the Oregon Electronic Commerce ("E-Commerce") income tax credit available to E-Zone businesses).
- b. **ESF:** Any participating company that will receive more than \$1 million in aggregate tax savings shall contribute an additional 5% of their savings into the Employee Support Fund.
- c. **Use of Funds.** PDC shall manage and use the funds contributed into the WTBDF and ESF in conformance with the requirements of the City E-Zone Policy, as it may change from time to time.

Before PDC designates how contributions made to these Funds shall be used, PDC shall first discuss with the Company how PDC might allocate a portion of the funds for workforce training, and employee transit and child support needs, of the Company. Notwithstanding the above, the decision as to how WTBDF and ESF funds shall be used is within the sole discretion of PDC, and PDC has the right to use any collected funds to meet other needs of the City, consistent with the City E-Zone Policy needs.

- d. **WTBDF and ESF Payment Timing:** PDC may negotiate with participating businesses the timing of when the funds shall be contributed to the WTBDF and the ESF, but in no event shall payments be made later than 9 months after the participating business has made a claim for its E-Zone tax abatement or credit.

Some businesses may wish to accelerate its required payments based on estimated, rather than actual, tax abatements/credits received, in order to take advantage of employee training opportunities/resources. PDC may permit such accelerated payments so long as in no event shall a participating business be entitled to a refund in the event the actual tax benefits received are less than estimated.

If an E-Commerce tax credit extends beyond the final tax abatement completion and property is reinstated on the tax rolls, the Company will continue to make payments to the WTBDF. The Company will not need to continue compliance with other terms and conditions in the Written Agreement.

A Company using the E-Commerce tax credit will report the amount of actual tax

credit during the same year that the Company submits the E-Zone Exemption Claim form. In signing the Written Agreement the Company also gives PDC permission to request and obtain tax records from the Oregon State Department of Revenue if the Company does not provide them directly to PDC within 30 days of a request by PDC to do so.

### **COMPLIANCE**

On at least an annual basis, PDC shall review each participating company's compliance with all statutory and contractual requirements of the Portland E-Zone as described in the E-Zone Policy and the Act, and as further detailed in this Written Agreement. The Company shall also provide PDC with any and all records or reports reasonably requested by PDC. Company shall keep proper books of account and records on all activities associated with the requirements of this Written Agreement, including but not limited to records related to the requirements of Section D above. Company will permit PDC and/or its duly authorized representatives to inspect, review and make excerpts and transcripts of such records.

If a business fails to perform its obligations under the City E-Zone Policy or this Written Agreement, 1) PDC may notify Multnomah County that the business is disqualified from receiving a tax exemption; and 2) PDC may take all legal or equitable actions to enforce this Written Agreement or to collect funds that are due to be paid to it. PDC shall be entitled to collect from the Company all costs, including internal or external legal costs, incurred in enforcing this Written Agreement.

### **SIGNATURES**

The City of Portland acting by and through the **PORTLAND DEVELOPMENT COMMISSION**

By: \_\_\_\_\_  
Patrick Quinton, Executive Director

By: \_\_\_\_\_  
Name, Title