

EAST PORTLAND/PORTLAND ENTERPRISE ZONE WRITTEN AGREEMENT
BETWEEN
PROSPER PORTLAND
AND
COMPANY NAME

This **East Portland/Portland Enterprise Zone** Written Agreement (“Written Agreement”) is entered into this ____ day of January, 2019 (the “Effective Date”) by and between **Company Name**, its affiliates and subsidiaries (the “Company”), and the City of Portland (“City”), a municipal corporation of the State of Oregon, acting by and through **Prosper Portland**, the assumed business name of the Portland Development Commission.

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 October 11, 2017 (“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 Prosper Portland 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:

Real Property Investment:	\$0,000,000
Machinery and Equipment Investment:	\$0,000,000
Personal Property Investment:	\$0,000,000
TOTAL INVESTMENT:	\$0,000,000

- B. **Project Definition:** Company is investing in _____.
- C. **Project Site:** the real property the Company has **leased/purchased** is located at: 1) _____, also identified by R#: **R**_____.
- D. **Point-of-Contact:** The Company’s designated Point-of-Contact’s information:

NAME: _____
TITLE: _____
ADDRESS: _____
CITY: Portland **STATE:** OR **ZIP:** _____
EMAIL: _____
PHONE: _____

The Company shall immediately notify Prosper Portland 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 Enterprise Zone Manager signing the Authorization Approval form, the Company shall pay its Application Fee of \$ _____. In all events, the Application Fee shall be paid in full by or before _____, 2019.
- 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:
 - One hundred percent (100%) of basic wages must exceed:
 1. \$15.00 per hour after one year of employment, or;
 2. Combined total compensation (wages and benefits) must exceed a combined \$20.00 per hour. Employee benefits shall be calculated using 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). 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 Prosper Portland with a plan that documents their efforts.
- D. **Prosper Portland Business and Workforce Equity Policy:** Prosper Portland's Business and Workforce Equity Policy is an important requirement of all construction projects where State or City financial resources and/or tax abatements are made available to Companies. As such, the Company will be required to comply with the applicable provisions of the Prosper Portland Equity Policy in effect at the time they submit a formal 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 Prosper Portland an E-Zone Business Procurement Plan ("Plan") within six months of receiving authorization from Prosper Portland. 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 and specifically from businesses owned by people of color and businesses in priority neighborhoods designated by Prosper Portland. The Plan is not intended to require a business to replace key regional suppliers of products and/or services. The Company will consider, in good faith, input from Prosper Portland in the creation of the Plan and upon request, Prosper Portland will provide the Company with an acceptable template that it can use to develop its 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, Prosper Portland 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 Prosper Portland estimates that such payments will not be sufficient to cover such costs, the participating company shall make additional payments to Prosper Portland 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.
- 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.** Prosper Portland 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 Prosper Portland designates how contributions made to these Funds shall be used, Prosper Portland shall first discuss with the Company how Prosper Portland might allocate a portion of the funds for workforce training, 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 Prosper Portland, and Prosper Portland 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:** Prosper Portland 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.

Some businesses may wish to accelerate its required payments based on estimated, rather than actual, tax abatements received, in order to take advantage of employee

training opportunities/resources. Prosper Portland 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.

H. Additional Public Benefits:

Prosper Portland and the Company shall negotiate additional public benefits on a project to project basis with the focus on creating an equitable economy through four areas: Jobs, Partnerships, Neighborhood, and Prosperity. The additional public benefits negotiated will be scaled to the size of the tax abatement anticipated to be received. The additional public benefits to be provided by the Company are attached hereto as Addendum A, and further detailed below as:

Prosper Portland and Company agrees the Company's estimated tax savings to be between \$00,000 and \$000,000 and Company shall comply with at least (X) activities from any of the Public Benefit Agreement categories (in addition to the Equity requirement).

Company will take actions during the entirety of the tax abatement period starting from inception dates as described below, which are intended to give the Company time to implement new programming as needed.

Jobs:

Partnerships:

Neighborhoods:

Equity:

COMPLIANCE

On at least an annual basis, Prosper Portland 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 the Act and this Agreement. The Company shall also provide Prosper Portland with any and all records or reports reasonably requested by Prosper Portland. 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 Prosper Portland 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 this E-Zone Policy and the Written Agreement, Prosper Portland may pursue one or more of the following remedies: 1) Prosper Portland may notify Multnomah County that the business is disqualified from receiving a tax exemption (ORS 285C.240); 2) Prosper Portland may take all legal means to collect funds that are due to be paid to it; and 3) Prosper Portland may require the Company to i) take corrective

action to correct the default and/or increase the level of their public benefits provided, or ii) if the Company is not in compliance with any of the obligations in the Agreement or Addendum A in any year it receives a tax exemption, Prosper Portland may assess liquidated damages in the amount of 33% of the tax savings in that year, less cash payments received by Prosper Portland under section G above. In the case where a Company is egregiously in violation of its obligations, Prosper Portland may pursue a full disqualification of the Company.

The Company recognizes that it shall not be entitled to any refund of funds paid into the WTADF and/or ESF Funds, in the event any or all of the tax abatements are not received or if the Company is required by law to refund tax abatements previously received.

SIGNATURES

The City of Portland acting by and through **Prosper Portland**

By: _____
Kimberly Branam, Executive Director

By: _____

Attached: Addendum A, Public Benefit Agreement