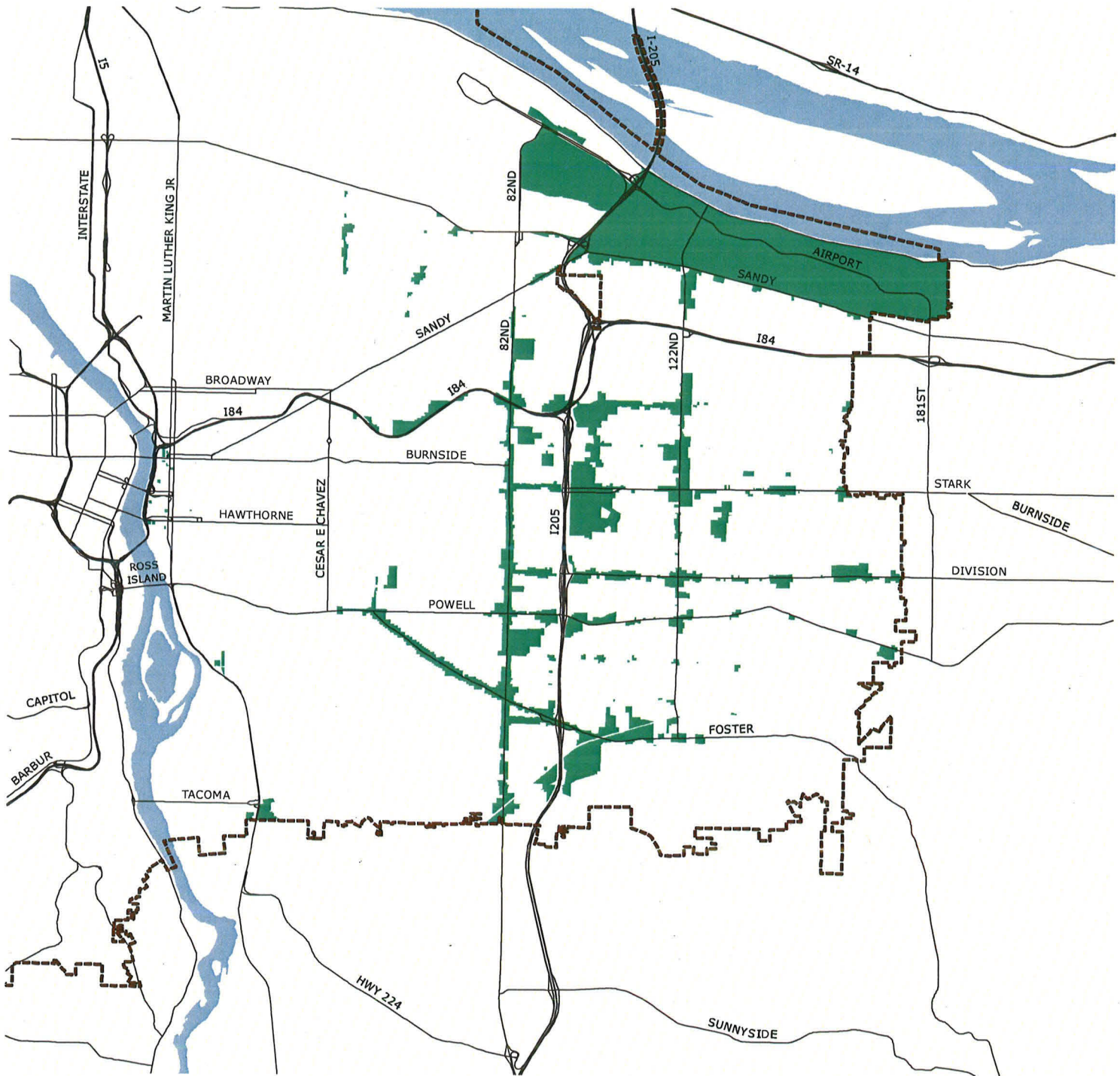


Proposed East Portland Enterprise Zone



June 1st, 2012

 * Proposed East Portland Enterprise Zone

 City of Portland

* The East Portland Enterprise Zone is comprised of areas created from industrial, employment, and commercial zoning in East Portland [pending state qualification].



Information Sources: Portland Development Commission Geographic Information System (GIS), CGIS

Care was taken in the creation of this map, but it is provided "as is." The Portland Development Commission cannot accept any responsibility for errors, omissions, or positional accuracy, and therefore, there are no warranties that accompany this product.

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***CITY OF PORTLAND
EAST PORTLAND ENTERPRISE ZONE
POLICY***

June 14, 2012



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Exhibit B

1. The first part of the document is a list of the names of the persons who were present at the meeting on the 1st of January, 1900.

2. The second part of the document is a list of the names of the persons who were present at the meeting on the 2nd of January, 1900.

3. The third part of the document is a list of the names of the persons who were present at the meeting on the 3rd of January, 1900.

Table of Contents

1. Definitions	1
2. Overview of East Portland Enterprise Zone Policy	3
2.1. Introduction.....	3
2.2. Primary Goals of the East Portland E-Zone	3
2.3. Operating Principles and Guidelines of the East Portland E-Zone	3
3. Written Agreement	5
4. Employment Level and Hiring Requirements.....	6
4.1. Employment Qualifications	6
4.2. First Source Hiring Agreement	6
5. Local Conditions Required For Tax Exemption.....	7
5.1. Minimum Employment Goal	7
5.2. New Hire Job Retention	7
5.3. Job Quality Commitments.....	7
5.4. City of Portland Business License	7
5.5. Workforce Training and Business Development Fund.....	8
5.6. Workforce Training and Business Development Fund Disbursement	8
5.7. Enterprise Zone Business Procurement Plan	10
5.8. East Portland E-Zone Business and Workforce Equity Requirements	12
5.9. City's Basic Service Costs.....	12
5.10. Additional Local Conditions; Projects Receiving \$2 Million or Greater in Total Tax Exemptions.....	13
6. E-Zone Advisory Committee	17
7. Technical Advisory Committee ("TAC").....	18
8. Annual Compliance.....	18

9.	Reporting.....	18
10.	Remedies for Non-Compliance	19
10.1.	General Remedy Guidelines	19
10.2.	Remedy for Non-Performance of New Hire Retention	19
10.3.	Remedy for Non-Performance of Job Quality Requirements	19
10.4.	Remedy for Non-Performance of First Source Hiring Agreement	19
10.5.	Remedy for Non-Performance of Workforce Training and Business Development Fund	20
10.6.	Remedy for Non-Performance of the East Portland E-Zone Business Procurement Plan	20
10.7.	Remedy for non-performance of the East Portland E-Zone Business and Workforce Equity	20
10.8.	Remedy for Non-Performance of City Basic Service Costs.....	20

1. DEFINITIONS

In addition to the defined terms of the Act and the Administrative Rules, the following definitions apply to this Policy and the East Portland E-Zone. Should there be any conflict between the definitions given to terms in this Policy and definitions given those terms in the Act or the Administrative Rules, the Act or Administrative Rules shall control.

- 1.1 **Act** means the Oregon Enterprise Zone Act codified at ORS 285C.050 to 285C.250, as may be amended from time to time.
- 1.2 **Administrative Rules** means the Oregon Administrative Rules (OARs) of the Oregon Economic and Community Development Department applicable to the Act filed with the Oregon Secretary of State, Oregon State Archives, as may be updated from time to time.
- 1.3 **City** means the City of Portland, a municipal corporation of the State of Oregon, acting as the Sponsor of the East Portland E-Zone as provided under the Act.
- 1.4 **City's Basic Service Costs** means thirty percent (30%) of the property taxes abated annually during the period of abatement for a Company's Qualified Facility.
- 1.5 **Company** or **Companies** means the participating eligible business firm(s) authorized to have property exempt from property taxation under the Act.
- 1.6 **Covered Position** means all of the Company's jobs at its Qualified Facility as described under the Company's First Source Agreement.
- 1.7 **Eligible business firm** means a firm engaged in an activity described under ORS 285C.135 that may file an application for authorization under ORS 285C.140
- 1.8 **E-Zone Manager** means the staff position at PDC established by PDC to manage the East Portland E-Zone.
- 1.9 **E-Zone Policy** means this policy duly adopted by the City, which is intended to comply with the Act.
- 1.10 **First Source Hiring Agreement ("FSA")** means the agreement, as required by the Act, between a Company and WorkSource Portland – Employment Department (WSED) whereby WSED refers qualified candidates to the Company for new jobs and job openings in the Company.
- 1.11 **Non-governmentally mandated benefit** means employment benefits offered to all regular full-time employees at the Qualified Facility after one year of employment that are not mandated by any government, as of the date of entering into the Written Agreement.
- 1.12 **PDC** means the Portland Development Commission, the urban renewal and economic development agency of the City of Portland.

- 1.13 **Pre-Authorization Consultation** is the meeting required by the Act (ORS 285C.140(4)) that takes place around the time of the Authorization Application between the E-Zone Manager, the Company, and the M/W/ESB Compliance Coordinator. The Multnomah County Tax Assessor's office shall be timely notified by the E-Zone Manager and a representative may attend the consultation.
- 1.14 **Procurement Plan** is a City requirement with the goal of increasing ancillary business opportunities for local businesses in supportive services.
- 1.15 **Workforce Training and Business Development Fund** means a monetary contribution made to PDC that is earmarked towards work force and business development related projects as described in Section 8 of this Policy.
- 1.16 **WorkSystems, Inc. ("WSI")** is the administrator of all federal Workforce Investment Act funds for Multnomah County and the City.
- 1.17 **WorkSource Portland - Employment Department ("WSED")** is the publicly funded job-training provider designated by the State of Oregon as the labor exchange agency for the Portland Metro Area.
- 1.18 **WorkSource System** is a partnership comprised of mandated public and private partners as defined under the Federal Workforce Force Investment Act.
- 1.19 **Written Agreement** means the agreement that will be entered into between PDC and the Company as required by ORS 285C.160.
- 1.20 **Qualified Facility** means the location within the East Portland E-Zone where the participating firm intends to make the proposed investment as listed on the State of Oregon Enterprise Zone Authorization Application.
- 1.21 **Regular Full-time Job** means a non-seasonal or non-temporary job directly with Company exceeding an annual average of 32 hours per week.
- 1.22 **Total compensation costs** means the total amount of company costs for direct compensation of employees as defined by the U.S. Bureau of Labor Statistics Employment Cost Trends, U.S. Department of Commerce (<http://stats.bls.gov/news.release/ecec.t14.htm>).

2. OVERVIEW OF EAST PORTLAND ENTERPRISE ZONE POLICY

2.1. Introduction

The Oregon Enterprise Zone program is a State of Oregon economic development program, as provided by the Act, which allows for property tax exemptions designed to encourage existing and new firms to invest in new capital outlays in certain designated areas. In exchange for receiving the property tax exemptions, participating firms are required to meet certain program requirements as described in the Act and any additional requirements as set by local jurisdictions.

The purpose of the East Portland Enterprise Zone program ("East Portland E-Zone") is to facilitate investment by predominantly industrial-based businesses in East Portland in order to create or retain quality jobs while maximizing the economic benefits for residents of East Portland who are currently earning at or below 80% Median Family Income ("MFI").

This E-Zone Policy will act as the over-arching guide for the City's local East Portland E-Zone requirements and the use and distribution of the Community Contributions collected under the East Portland E-Zone (defined below).

2.2. Primary Goals of the East Portland E-Zone

2.2.1. Attract new industrial investments through expansion or the attraction of operations to East Portland.

2.2.2. Link East Portland residents earning at or below 80% MFI with quality jobs created by participating East Portland E-Zone firms.

2.2.3. Increase local business-to-business procurement opportunities between participating East Portland E-Zone firms and existing firms located within the City of Portland in order to increase local purchasing.

2.2.4. Ensure that the jobs being created meet basic job quality and retention requirements per the E-Zone Policy and State requirements.

2.2.5. Ensure that participating firms are increasing overall employment by at least ten percent (10%) during the first year the firm receives abatement.

2.3. Operating Principles and Guidelines of the East Portland E-Zone

2.3.1. The City and the E-Zone Manager shall operate the East Portland E-Zone in accordance with the Act, the Administrative Rules and this E-Zone Policy.

2.3.2. All participating firms shall comply with all applicable requirements of the Act, the Administrative Rules, and this E-Zone Policy.

- 2.3.3. As a condition of authorization for the property tax abatement granted pursuant to the Act, the Company shall agree to perform the obligations set forth in this Policy and the Written Agreement.
- 2.3.4. The primary tool of the East Portland E-Zone is an exemption of certain property from ad valorem property taxation. The duration of the tax exemption period will be five (5) years.
- 2.3.5. Ensure the East Portland E-Zone supports new investments and aids in establishing new and emerging small businesses without over burdensome regulations.
- 2.3.6. Enhance the Oregon Enterprise Zone program with additional City requirements that create an appropriate balance between achievement of City objectives and property tax exemption benefit to the participating firm while not diminishing the overall Economic Development incentive of the program.
- 2.3.7. Encourage participating firms to hire East Portland residents that are at or below 80% MFI when filling positions.
- 2.3.8. Market and manage the East Portland E-Zone such that it serves as an effective incentive for businesses to invest in East Portland's industrially-zoned areas within the East Portland E-Zone boundary.
- 2.3.9. Manage the East Portland E-Zone in coordination with the E-Zone Advisory Committee to monitor the overall program performance and make programmatic recommendations as needed to the E-Zone manager.
- 2.3.10. Ensure that the Workforce Training and Business Development Fund maximize the public benefit through leveraging funds with other job training programs.
- 2.3.11. The E-Zone Manager will create a Written Agreement that will ensure all aspects of the East Portland E-Zone requirements are met and enforced per the Act and this E-Zone Policy.
- 2.3.12. Ensure that the monitoring and reporting systems provide the E-Zone Manager, the E-Zone Advisory Committee and City Council with the data needed to assess participating firm compliance, program cost-effectiveness and overall success.
- 2.3.13. Ensure that the E-Zone Manager and the E-Zone Advisory Committee examine the program's overall effectiveness and make programmatic recommendations to the PDC and City Council as needed.
- 2.3.14. PDC shall identify a position that will act as the E-Zone Manager, among other duties.
- 2.3.15. An application filing fee will be required at the time a company files an application for authorization with the E-Zone Manager. The amount of the filing fee shall be the greater of \$200 or 0.1 % of the total estimated cost of the firm's proposed investment in qualified

property. Failure of a company to pay the filing fee at the time of submitting the application may result in the denial of the application for authorization. If the application is denied under ORS 285C.140, any payment of a filing fee shall be refunded in full to the company. PDC may establish written guidelines regarding the fee structure and how it is applied.

2.3.16. Ensure that the City and its designated E-Zone Manager timely meet the reporting requirements of the Act.

2.4. This E-Zone Policy is intended to comply with the requirements of the Act (specifically ORS 285C.150(4)) for an adopted policy establishing standards for the imposition of local conditions. This E-Zone Policy also provides guidance from City Council to the E-Zone Manager regarding the provisions in the Act and for additional requirements by E-Zone Sponsors for exemptions of five years' duration. Companies may not qualify for authorization for participation in the East Portland E-Zone if companies do not meet the requirements of the Act and this E-Zone Policy.

3. WRITTEN AGREEMENT

3.1. Each company will enter into a Written Agreement with PDC.

The Written Agreement will describe the additional city requirements consistent with this E-Zone Policy and ORS 250C.160.

3.2. As limited by the administrative rules (123-065-2540), the economic costs of the additional local requirements may not exceed one-third of the tax savings associated with the tax abatement.

3.3. If the Company incurs economic costs associated with the additional local requirements in excess of one-third of the tax savings associated with the tax abatement, then the E-Zone Manager will proportionally reduce the applicable additional local requirements such that the costs associated with the additional local requirements are less than one-third of the tax savings resulting from the property tax abatement as.

3.4. Primary Point of Contact

The Company will designate a primary contact person at the Company who is readily accessible by the PDC during normal hours of operation. The primary contact shall be informed about the nature of the Written Agreement between the PDC and the Company and is prepared to be responsible for representing the Company during Annual Compliance. Because the primary contact is the person the E-Zone Manager contacts for general information requests and invoicing the Company will notify the PDC within 60 days if this person is replaced or changed.

4. EMPLOYMENT LEVEL AND HIRING REQUIREMENTS

4.1. Employment Qualifications

Company will comply with all requirements stated in ORS 285C.200, which states, among other things;

4.1.1. that the employment level of the Company, no later than the date the exemption is claimed under ORS 285C.220 or April 1 following the year in which the investment is made, whichever is earlier, is not less than the greater of: 1) 110 percent of the annual average employment of the Company; or 2) the annual average employment of the Company plus one.

4.1.2. that the firm does not diminish employment outside the enterprise zone as described in 285C.200 (4) and (5)

4.2. First Source Hiring Agreement

As required by section 285C.215 of the Act, all companies utilizing the Enterprise Zone program must execute a First Source Hiring Agreement. In order to satisfy this requirement, all Companies in the East Portland E-Zone will be required to enter into a FSA with WorkSource Portland – Employment Department (“WESD”) for all employees hired at the Qualified Facility throughout the project’s construction and tax exemption period.

4.2.1. The FSA will detail performance standards for hiring and recruitment activities such as, but not limited to, identification of the growth occupations, skills required to perform opened positions, number of positions being hired, and the timeline for filling positions. WSED will use this information to refer qualified candidates to the Company and WSI may use this information to create training opportunities for individuals in the WorkSource System.

4.2.2. The Company shall report on a quarterly basis to WSED and PDC all hires made based on referrals through the WorkSource System.

5. LOCAL CONDITIONS REQUIRED FOR TAX EXEMPTION

5.1. Minimum Employment Goal

The Company will endeavor in good faith to hire no fewer than the estimated total number of new employees specified in the Oregon Enterprise Zone Authorization Application.

5.2. New Hire Job Retention

Fifty percent (50%) of all employees that have made it through the Company's probation period must continue to be employed for a minimum period of two (2) years following, and inclusive of the Company's probationary period.

5.3. Job Quality Commitments

All full-time jobs at the Company's Qualified Facility must meet a minimum quality level during the period of exemption as described below:

5.3.1. Eighty-five percent (85%) of jobs' basic wages must exceed one hundred fifty percent (150%) of Oregon minimum wage after one year of employment.

5.3.2. Employee benefits must meet the national average of non-governmentally mandated benefits for the size and type of company based on information supplied by the U.S. Department of Labor (www.bls.gov/news.release/ecec.t06.htm).

5.3.3. "Non-governmentally mandated benefits" for purposes of the Written Agreement exclude: (1) social security contributions, (2) worker's compensation insurance, (3) unemployment insurance, (4) shift pay, and (5) premium pay. All other documented non-governmentally mandated employee benefits are included, such as health care.

5.3.4. In cases where the benefit contribution by the Company is determined by employee participation, the calculation of benefit costs to the Company 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.

5.3.5. The Company shall not materially diminish the training support and advancement opportunities for its regular full-time workers at the Qualified Facility from those that exist as of the date of the Written Agreement or as made in representations to PDC for during the Pre-Authorization Consultation.

5.4. 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.

5.5. Workforce Training and Business Development Fund

5.5.1. The purpose of Workforce Training and Business Development Fund is to enhance the ability of the City and community stakeholders to provide work force and basic skill training to East Portland residents who earn at or below 80% MFI, as determined by the US Census Bureau, and move them into family wage jobs that are being created as a direct result of the E-Zone program. Additionally, the Workforce Training and Business Development Fund is designed to create a funding mechanism to stimulate employment opportunities through the development and growth of local firms and community based businesses.

5.5.2. Each Company in the East Portland E-Zone shall be required to pay an amount equal to 15% of their total abatement into the Workforce Training and Business Development Fund.

5.5.3. At the time of application, using the investment numbers listed on the Oregon Enterprise Zone Authorization Application, PDC will calculate the Company's estimated total amount the Company will be required to pay into the Workforce Training and Business Development Fund during the five-year abatement. This estimated amount will be used only for budgeting purposes by the Company and E-Zone Manager.

5.5.4. On an annual basis, PDC shall invoice the Company for 15% of the Company's previous year's annual abatement as determined by the Multnomah County Assessor's Office ("County"). This information will be provided to PDC by the County annually on or before June 01 of each fiscal year.

5.5.5. The Workforce Training and Business Development Fund payments will be due and payable to PDC within 60 days of receiving an invoice.

5.6. Workforce Training and Business Development Fund Disbursement

PDC shall divide the Workforce Training and Business Development Fund and the Community Contribution revenue as follows: 60% to a Workforce Training Fund ("WTF") and 40% to a Business Development Fund ("BDF").

5.6.1. Workforce Training Fund

WSI will administer the Workforce Training Fund with the goal of supplying a trained workforce to the Companies participating in the East Portland E-Zone program.

5.6.1.1. These funds can be used for WTF related activities as stated in this Policy, as well as basic skill upgrade training, and support services for individuals participating in WTF programs.

- 5.6.1.2. WSI will serve as the liaison with Companies to identify workforce training and hiring needs based on the Companies' projected pipelines, per the FSA, and the supply of ready workers available in the WorkSource System.
- 5.6.1.3. WSI, will coordinate through the WorkSource System in conjunction with the Companies to screen the current WorkSource System candidate pool for qualified candidates to fill positions at the Companies.
- 5.6.1.4. If there is not a supply of qualified workers from the WorkSource System, WSI will serve as a liaison with Companies to identify the training needs. To the extent possible, WTF will be leveraged towards existing training programs where funds can be accessed by job seekers that have been pre-screened by the Company and the WorkSource System.
- 5.6.1.5. If no existing training programs exists that meet the needs of the Company, WTF will be used through the issuance of a Request for Proposal ("RFP") process to develop customized training to meet the need. The RFP will be developed and managed by WSI in conjunction with the Company and reviewed by the E-Zone Advisory Committee.
- 5.6.1.6. The Company and WSI will screen potential candidates that would be hired but for the specified training needs. In order to participate, the Company will be required to agree to hire candidates upon successful completion of training. The definition of "successful completion" shall be negotiated between the Company and WSI before training begins. Participants who are at or below eighty percent (80%) MFI will receive first opportunity to participate in the customized training program.
- 5.6.1.7. PDC will notify WSI of the availability of WTF on a quarterly basis. Upon written request and the approval of the E-Zone Manager, PDC will make disbursements of the WTF to WSI. The written request shall state how the WTF will be used to meet the goals of the E-Zone policy
- 5.6.1.8. WSI will act as the administrative agent over the WTF allocation and management.
- 5.6.1.9. WSI may use up to fifteen percent (15%) of the WTF to cover administrative costs.
- 5.6.1.10. WSI will create reports and track program outcomes in order to successfully illustrate program trends. At a minimum, the reports will include; addresses of participating job seekers, their Median Family Income, and employment and training placement figures.

5.6.2. Business Development Fund

PDC will administer the Business Development Fund ("BDF") to create employment opportunities through the development and growth of local firms and community-based businesses.

5.6.2.1. The BDF will be disbursed by the E-Zone Manager based on criteria established by the PDC Executive Director consistent with the East Portland E-Zone Policy, recommendations by the E-Zone Advisory Committee, and the strategies and goals of PDC's Business and Industry Division. Firms or organizations receiving BDF disbursements shall be required to show the creation of employment opportunities as a result of receiving the funds. All contracts shall be performance based with the understanding that some financial support may be needed up front.

5.6.2.2. Examples of proposed services and or possible uses of BDF disbursements include, but are not limited to:

5.6.2.2.1. Vendor fairs co-sponsored by E-Zone companies and/or community-based organizations;

5.6.2.2.2. Web based clearinghouse database identifying business that have or could acquire the ability to supply E-Zone companies;

5.6.2.2.3. Funding to create or augment revolving loan fund for receivables, equipment acquisitions, etc.;

5.6.2.2.4. Funding for or to augment direct technical assistance, including manufacturing improvements, marketing, accounting systems, etc.;

5.6.2.2.5. Funding to assist with specialized infrastructure needs, such as additional water capacity, power, gas, etc.; and

5.6.2.2.6. Financial assistance to meet regulatory requirements.

5.7. Enterprise Zone Business Procurement Plan

5.7.1. The goal of the Procurement Plan is to generate ancillary investment and employment opportunities in supportive services located within the City of Portland. Companies will be required to create and execute a Procurement Plan with the goal of increasing local purchases by a minimum of five percent (5%) per year from businesses located within Portland, with exceptions for periods of slow growth and/or recessions. The Procurement Plan is not intended to require a company to replace key regional suppliers of products and/or services.

- 5.7.2. It is recognized that the Procurement Plan should provide flexibility that can address the specific Company needs and operating conditions and as such, the Company is in the best position to determine how to achieve the Procurement Plan objectives.
- 5.7.3. The Company shall submit to PDC its Business Procurement Plan within 60 days after the Company has been authorized into the East Portland E-Zone program and will be effective thereafter throughout the period of the tax abatement.
- 5.7.4. The plan will include goals, numeric or percentage, as a means of providing benchmarks to evaluate the plan's effectiveness. At a minimum, the Procurement Plan should contain or address the following:
- 5.7.4.1. A list of the products and services that the Company currently purchases or anticipates purchasing, which have the potential for being purchased from enterprise zone companies. To the extent possible PDC, in conjunction with local Community-Based Organizations, will work with the Company to identify firms located within the City of Portland that may be able to provide said products and/or services. However, PDC should not be the only resource used by the Company to identify potential suppliers.
 - 5.7.4.2. Companies with existing operations in the East Portland E-Zone shall also provide a breakdown of products and services currently purchased from companies located in the City of Portland, and an estimated dollar amount of those purchases.
 - 5.7.4.3. A description of how the Company will increase the dollar value of goods and services purchased from businesses within the City of Portland.
 - 5.7.4.4. The Plan should include specific actions that the Company will undertake such as outreach strategies, vendor open house or other methods, which will provide increased ability for local firms to capture increased sales while fulfilling Company procurement needs.
 - 5.7.4.5. The Company shall reach out to industry associations, including the Oregon Association of Minority Entrepreneurs, Columbia Corridor Association, purchasing agents or other organizations that represent or are associated with small businesses in the East Portland E-Zone and if available participate in at least one vendor related fair a year.
- 5.7.5. PDC will assess the Company's Procurement Plan annually to ensure that the Company is meeting the goals spelled out in the Procurement Plan. The Company will make sufficient information available to PDC to perform this monitoring and analysis.

5.8. East Portland E-Zone Business and Workforce Equity Requirements

5.8.1. Minority, Women, and Emerging Small Businesses ("M/W/ESB"): Under the terms of the Written Agreement, the Company shall be obligated to comply with the PDC M/W/ESB Program in effect at the time of submitting the Oregon Enterprise Zone Authorization Application to the E-Zone Manager.

5.8.2. Workforce Training and Hiring Program ("WTHP"): Under the terms of the Written Agreement, the Company shall be obligated to comply with the PDC WTHP Program in effect at the time of submitting the Oregon Enterprise Zone Authorization Application to the E-Zone Manager.

5.8.3. Equal Employment Opportunity ("EEO"): Under the terms of the Written Agreement, the Company shall be obligated to provide documentation that the Company and its general or prime contractor associated with the Project at the Qualified Property was certified within 30 days of the Project's start date. City of Portland EEO certification can be obtained online or by contacting the City of Portland Bureau of Purchases.

Bureau of Purchases can be contacted at the following:

Website: www.portlandonline.com/omf/

Phone: 503-823-5047

Bureau of Purchases

1120 SW Fifth Avenue, Room 750

Portland, OR 97204

5.9. City's Basic Service Costs

5.9.1. It is acknowledged that any new investment could impose additional requirements on the City's basic services such as police and fire. Companies will be required to provide City general fund revenues sufficient to cover the City's direct costs of serving the Qualified Facility during the tax exemption period. This requirement insures that the City is able to supply basic services to a Company even though the Company's new investment is exempted from taxation.

5.9.2. The City's basic service costs of serving the Qualified Facility is estimated to be thirty percent (30%) of the property taxes abated annually during the period of abatement. If the Qualified Facility's other City revenues will not cover the City's Basic Service costs, the Company will be required to contribute a sufficient amount of funds to the City during the exemption period to achieve cost-recovery for each year that the City's basic service costs are not covered. Other City revenues to be considered include:

5.9.2.1. City Business License Fees attributable to the Qualified Facility and paid during the City's fiscal year;

5.9.2.2. City Utility Franchise Fees resulting from the Company's Qualified Facility activity during the City's fiscal year (calculated as utility charges multiplied by the City utility franchise fee rate); and

5.9.2.3. Any other City General Fund revenues documented as generated by the Company's Qualified E-Zone Property.

5.9.3. During the first 90 days of the year following a tax abatement year, PDC and the Company will calculate the City's Basic Service Costs for the Company's Qualified Facility and the City's General Fund revenues generated by Company's Qualified Facility. Upon Company's receipt of the calculation statement from PDC, Company will pay to the City of Portland a fee equivalent to the shortfall between the City's Basic Service Costs for the Qualified Facility and the General Fund revenues generated by the Qualified Facility.

5.10. Additional Local Conditions; Projects Receiving \$2 Million or Greater in Total Tax Exemptions

5.10.1. Childcare Support for Company's Employees

5.10.1.1. Company will make childcare support available to all regular full-time employees upon their first day of work beginning with the first year of tax exemption at the minimum levels described in this Policy.

5.10.1.2. For employees earning less than 30% MFI as defined by the federal government, Company shall make available childcare support in an amount equal to or greater than

5.10.1.2.1. \$375/month per employee with a child 0-5 years old

5.10.1.2.2. \$475/month per employee with two (2) or more children age 0-5 years old

5.10.1.2.3. \$225/month per employee with a child 6-12 years old

5.10.1.2.4. \$325/month per employee with two (2) or more children age 6-12 years old

5.10.1.3. For employees earning less than 50% MFI as defined by the federal government, company shall make available childcare support in an amount equal to or greater than

5.10.1.3.1. \$275/month per employee with a child 0-5 years old

5.10.1.3.2. \$375/month per employee with two (2) or more children in this age group

5.10.1.3.3. \$175/month per employee with a child 6-12 years old

- 5.10.1.3.4. \$275/month per employee with two (2) or more children in this age group
- 5.10.1.4. For employees earning less than 30% MFI as defined by the federal government, and working shifts where more than 50% of the hours worked are between 6PM and 7AM or on weekends or holidays, Company shall make available childcare support in an amount equal to or greater than
 - 5.10.1.4.1. \$375/month per employee with one child 0-12 years
 - 5.10.1.4.2. \$525/month per employee with two (2) or more children in this age group
- 5.10.1.5. For employees earning less than 50% MFI as defined by the federal government and working shifts where more than 50% of the hours worked are between 6PM and 7AM or on weekends or holidays, Company shall make available childcare support in an amount equal to or greater than
 - 5.10.1.5.1. \$275/month per employee with a one child 0-12 years old
 - 5.10.1.5.2. \$375/month per employee with two (2) or more children in this age group
- 5.10.1.6. Employees will be reimbursed by company within 10 business days after receipts are submitted. Employees must utilize licensed childcare provider services. Childcare support will be available beginning with the first day of work. PDC will increase this amount each year of exemption based upon the Consumer Price Index. However, the childcare support payment shall not exceed the actual costs to the employee.
- 5.10.1.7. Licensed childcare providers who offer care during swing shifts are extremely rare. PDC recommends that the Company work with the Portland Childcare Improvement Project to develop care appropriate to your company and employees. The Childcare Improvement Project can be contacted at (503) 524.3245.

5.10.1.8. Summary Table Percentage of MFI versus Child Age and Number

Monthly payment per employee earning less than:	Employees earning less than 30% MFI	Employees earning less than 50% MFI
<i>Full-time shift</i>		
1 child 0-5 years old	\$375/month	\$275/month
2 or more children 0-5 years old*	\$475/month	\$375/month
1 child 6-12 years old	\$225/month	\$175/month
2 or more children 6-12 years old	\$325/month	\$275/month
<i>Shifts with more than 50% work hours between 6-7AM or on weekends or holidays</i>		
1 child 0-12 years old	\$375/month	\$275
2 or more children 0-12 years old	\$525/month	\$375
Note all amounts increase each yr of exemption based upon the Consumer Price Index		

5.10.1.9. Comparable company investments in a childcare facility which qualifies for federal/Oregon dependent care assistance tax credits and is available to Company's employees may be substituted on a dollar for dollar basis for the direct support requirements listed above. However, the childcare support payment shall not exceed the actual costs to the employee.

5.10.1.10. A "comparable investment" is an annual donation to a day care center of the maximum employee contribution listed above for each employee and child meeting the description of those sections.

5.10.1.11. Childcare support costs shall not exceed 15% of Company's Enterprise Zone tax abatement in any given tax year. If childcare costs are estimated to be above this 15% threshold on any given exemption year, the lowest income employees will receive childcare subsidies prior to those with higher incomes (i.e. – employees earning \$17,000 and \$21,000 per year may receive subsidies, while an employee earning \$25,000 might not).

5.10.1.12. Upon request by Company, PDC may provide written authorization for adjustment of the requirements of this section to insure that Company does not

annually expend more than 15% of annual Enterprise Zone tax exemption to fulfill the requirements of this contract.

5.10.2. Transit Support

- 5.10.2.1. Transit support will be available beginning the first day of work for all employees earning 80% MFI or below (based on single household).
- 5.10.2.2. Company will make public transit support available for all regular full-time and part-time workers no matter their annual earnings who have passed the Company's probationary period at the qualifying facility throughout the exemption period.
- 5.10.2.3. In either case, the minimum transit support required is company payment of at least 75% of the monthly transit pass costs for all employees who choose to utilize public transit for transportation to and/or from the Company's Zone facility.
- 5.10.2.4. Transit support costs shall not exceed 10% of Company's Enterprise Zone tax abatement in any given tax year. If transit support costs are estimated to be above this 10% threshold on any given exemption year, the lowest income employees will receive transit support prior to those with higher incomes (i.e. – employees earning \$17,000 and \$21,000 per year may receive subsidies, while an employee earning \$25,000 might not).
- 5.10.2.5. Companies will be encouraged to develop efforts and programs to breakdown transit related barriers to employment, such as rideshare and vanpool programs. By encouraging use of public transportation, the Company will be assisting in the creation of job opportunities for Portland residents lacking personal transportation, while at the same time contributing to the reduction of air pollution.

6. E-ZONE ADVISORY COMMITTEE

6.1. The E-Zone Advisory Committee shall be comprised of eleven (11) members appointed by the PDC Executive Director. The E-Zone Advisory Committee will have the following representation:

6.1.1. Three (3) representatives from Companies currently participating in the East Portland E-Zone;

6.1.2. Two (2) small businesses that are not E-Zone participating companies;

6.1.3. Four (4) representatives from community-based workforce training providers that work with a population earning at or below 80% MFI; and

6.1.4. Two (2) representatives from community-based organizations that advocate for businesses that the Business Development Fund is attempting to assist in the East Portland E-Zone.

6.2. The E-Zone Advisory Committee will meet quarterly, or more often as needed. Voting may be by e-mail for convenience. Full quorum voting can be fulfilled via email; however no member shall miss more than two meetings/votes during their 3 year term.

6.3. E-Zone Advisory Committee members may not vote on items for which they have a monetary interest or where they are on the governing board of an entity being considered for financial assistance.

6.4. The E-Zone Advisory Committee will make recommendations to the PDC Executive Director regarding criteria and distribution of the Business Development Fund, as well as review WTBDP recipients on a quarterly basis.

6.5. Committee member terms will be three years and committee members may serve up to two consecutive terms.

6.6. Committee shall meet quarterly to provide programmatic recommendations within the E-Zone Policy framework to the PDC Executive Director. This will include, but not be limited to: reviewing the Annual Compliance Report, the WTF fund recipients, and making recommendations regarding criteria and distribution of the BDF funds. PDC's Executive Director will rely strongly on the recommendation of the E-Zone Advisory Committee.

7. TECHNICAL ADVISORY COMMITTEE ("TAC")

Representatives from public agencies that have oversight and/or program responsibilities such as, but not limited to, WorkSystems Inc, PDC, Multnomah County, and WorkSource Portland Metro, will meet on a regular basis to facilitate operational aspects of the East Portland E-Zone program based on the E-Zone policy and State law.

8. ANNUAL COMPLIANCE

- 8.1. On an annual basis, PDC shall meet with each Company to ensure that the Company is meeting all requirements of the East Portland E-Zone as described in the E-Zone Policy and further detailed in the Written Agreement.
- 8.2. PDC will use the remedies stated in the Act and those described in the E-Zone Policy to enforce these requirements.
- 8.3. The County Assessor's Office, representatives from the WorkSource Portland Employment Department, and WorkSource System will be invited to participate in these annual compliance meetings.

9. REPORTING

- 9.1. PDC will develop an annual reporting method that details the activities of the East Portland E-Zone, including but not limited to, an accounting of every company in the East Portland E-Zone program and their ability to meet the programmatic goals as well as their annual compliance status.
- 9.2. This written report will be shared with the E-Zone Advisory Committee, the City Council, and the PDC Board of Commissioners annually on or before December 31 of each year the East Portland E-Zone is in existence.

10. REMEDIES FOR NON-COMPLIANCE**10.1. General Remedy Guidelines**

10.1.1. All penalties that incur monetary value will be paid in full to the PDC and deposited to the Workforce Training and Business Development Fund and divided according to section 5.6.

10.1.2. If Company fails to perform its obligations under this Policy and the Written Agreement, PDC may, pursue one or more of the remedies described in this Policy.

10.1.3. Under no circumstances will the total of monetary remedies, application fees, and the costs associated with any additional City requirements exceed the total property tax savings resulting from the property tax exemption granted to the Company's Qualified Facility.

10.1.4. Notwithstanding the remedies described below, the Company may be subject to the penalties described in ORS 285C.240 as prescribed by the Act.

10.2. Remedy for Non-Performance of New Hire Retention

10.2.1. If the Company has not retained fifty percent (50%) of all New Hires exclusive of the Company's probationary period for two consecutive years of employment, the Company shall pay to PDC a fee in the amount of ten thousand dollars (\$10,000) multiplied by the number of hires the Company is short of the 50% requirement.

For example, if the Company has 100 new hired positions but only 45 were retained for two consecutive years, the Company's fee would be $5 \times \$10,000 = \$50,000$.

10.2.2. The maximum fee in this section shall be fifty percent (50%) of the Company's property tax exemption during the fiscal year in which the Company fails to perform.

10.3. Remedy for Non-Performance of Job Quality Requirements

If the Company does not perform the requirements related to the Job Quality provisions of this Policy, the Company shall be disqualified from obtaining a tax exemption for the fiscal year in which it fails to perform.

10.4. Remedy for Non-Performance of First Source Hiring Agreement

Non-performance of the First Source Hiring Agreement shall result in PDC notifying the County Assessor that the Company is disqualified to receive any further tax exemption on the Qualified Facility in accordance with the Act.

10.5. Remedy for Non-Performance of Workforce Training and Business Development Fund

10.5.1. Late Workforce Training and Business Development Fund payments will be subject to a one percent (1%) per month late fee.

10.5.2. If Workforce Training and Business Development Fund are not paid to PDC within six months of receiving an invoice, PDC will notify the Multnomah County Assessor Office that the Company is disqualified from receiving a tax exemption for the tax year following the tax year in which the failure to perform occurred.

10.5.3. If the final payment of Workforce Training and Business Development Fund due is not paid to PDC in accordance with this Policy, the Company shall pay to PDC a fee equivalent to the amount of tax exemption in the fifth (5th) year of the tax exemption period. The payment shall be due to PDC by December 31 of the tax year following the fifth year of the tax exemption.

10.6. Remedy for Non-Performance of the East Portland E-Zone Business Procurement Plan

If the Company does develop and submit an Enterprise Zone Business Procurement Plan to PDC per this Policy, the Company shall pay to PDC a fee equivalent to five (5%) of the estimated tax exemption for the year in which the failure to perform occurred. The payment shall be due to PDC by December 31 of the tax year following the tax year in which the failure to perform occurred.

10.7. Remedy for non-performance of the East Portland E-Zone Business and Workforce Equity

If the Company fails to perform the Business and Workforce Equity obligations, the Company will be subject to the remedies provided for in the Business Equity and Workforce Policy applicable to the Project.

10.8. Remedy for Non-Performance of City Basic Service Costs

10.8.1. If the Company does not perform the obligations relating to City Basic Service Costs contained in this Policy, the Company shall pay to PDC a fee equivalent to the amount of City of Portland taxes exempted during the tax year in which the failure to perform occurred.

10.8.2. The payment shall be due to PDC by December 31 of the tax year following the tax year in which the failure to perform occurred.

Attachment A

**Jeff Cogen, Multnomah County Chair**

501 SE Hawthorne Blvd., Suite 600
Portland, Oregon 97214
Phone: (503) 988-3308
Email: mult.chair@co.multnomah.or.us

June 01, 2012

Tim McCabe, Director
Business Oregon
775 Summer Street NE, Suite 200
Salem, OR 97301-1280

Dear Director McCabe,

Multnomah County supports the Portland Development Commission's East Portland Enterprise Zone application to the State of Oregon.

Multnomah County views the property tax abatement of this proposed zone as a prudent investment for the purpose of encouraging business development that will enhance the overall economic health of the region. With an Enterprise Zone program that I expect to be up and running quickly, east Portland will benefit from the Portland Development Commission's valuable experience administering the existing program that has served businesses and residents in north and northeast Portland.

East Portland is a place where this type of assistance is much needed and can have a tremendous impact of promoting business growth. Successful economic growth creates valuable employment opportunities for local residents and helps drive significant improvements in the overall community. Further, I am pleased that the Portland Development Commission is seeking an "e-commerce" designation that will help promote the creation of the kinds of jobs in east Portland that will have long-term relevance in a 21st century economy and that can support economic development efforts throughout east County.

I very much appreciate that the Portland Development Commission engaged Multnomah County in the development of this Enterprise Zone Program and worked with Multnomah County in the decision to focus the program on under-served areas in east Portland. I look forward to Multnomah County's continued participation through the zone's technical advisory group and working with partners to maximize the impact of the zone's workforce training and business development funds to support the residents of east Portland and businesses of all size within the community.

Sincerely,


Jeff Cogen
Multnomah County Chair



Software Association of Oregon
Connect to Innovate

June 1, 2012

Tim McCabe, Director
Business Oregon
State Lands Building Suite 200
775 Summer Street NE
Salem, Oregon 97301-1280

Subject: Enterprise Zone and Electronic Commerce Designations for East Portland

Dear Mr. McCabe:

On behalf of the Board of Directors and statewide membership of the Software Association of Oregon, I am writing to convey the SAO's strong support for the proposed East Portland Enterprise Zone (E-Zone) and Electronic Commerce (E-Commerce) overlay.

As Oregon and the Portland Metro region look for solutions to our current economic and employment issues, creation of this E-Zone in East Portland, with the combined E-Commerce overlay, will provide a strong and effective system of business development programs and opportunities that will result in long-term investment and job growth for this area of the city.

We applaud the broad economic development benefits and opportunities the E-Zone Programs will offer to the East Portland business community. Businesses will find that this zone offers development and investment benefits through a combination of tax credits and exemptions, while the local community will benefit from requirements to increase and maintain hiring within the E-Zone, creating a path to long-term, sustainable development for the community as a whole.

As the trade association for Oregon's high tech industry, we are particularly pleased to support the inclusion of an Electronic Commerce overlay. We know that our industry has a record of providing historically higher than average wages, consistent job creation, and business growth in Oregon, thereby substantially increasing economic and community development benefits to the entire area.

It is worth noting that many of these jobs and opportunities created by growth in software and technology are not limited to software and technology companies. To be sure, software and technology-related jobs are becoming ubiquitous in a variety of industries, ranging from manufacturing, to healthcare, to athletic and outdoor gear, and many of these non-technology companies will find opportunity in the newly created E-Zone.

The Software Association of Oregon fully recognizes the value of creating and promoting opportunities for business investment and job growth in our state. Our mission to foster and promote Oregon's technology industry is often best served by supporting economic development initiatives and proposals like this one which are designed to enhance business expansion, retention, and recruitment efforts across multiple industries.

Sincerely,



Skip Newberry
President
Software Association of Oregon
222 NW 5th Avenue – 3rd Floor
Portland Oregon 97204

Attachment A



GREATER PORTLAND INC
1211 SW 5TH AVE #540, PORTLAND, OR 97204
GREATERPORTLANDINC.COM
503-445-8065

June 1, 2012

Tim McCabe, Director
Business Oregon
State Lands Building Suite 200
775 Summer Street NE
Salem, Oregon 97301-1280

Subject: Enterprise Zone and Electronic Commerce Designations for East Portland

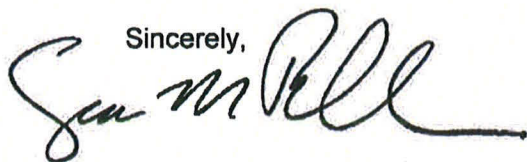
Dear Mr. McCabe:

Greater Portland Inc. is supportive of the City of Portland's East Portland Enterprise Zone and Electronic Commerce applications to the State of Oregon. The Enterprise Zone (E-Zone) Program is an effective mechanism that encourages business development opportunities in the region. Together with the Electronic Commerce (E-Commerce) designation, the City will have access to proven tools to promote business investment and job growth in our area.

As the region's public/private economic development partnership, Greater Portland Inc. is focused on collaboratively driving quality economic expansion and job creation. The E-Zone Program with an E-Commerce overlay will advance our coordinated regional economic development strategy to promote business retention, expansion and targeted recruitment. We believe the associated return on these tax abatements will lead to job growth with local investment to provide long term economic stability to the entire region.

Greater Portland Inc. views this proposal as a way to support business growth, create jobs and generate other community benefits in east Portland. We appreciate the opportunity to support these valuable incentives.

Sincerely,



Sean Robbins
President and CEO

Attachment A
COLUMBIA CORRIDOR 25
ASSOCIATION years

5 June 2012

Tim McCabe, Director
Business Oregon
775 Summer Street NE, Suite 200
Salem, OR 97301-1280

Dear Tim,

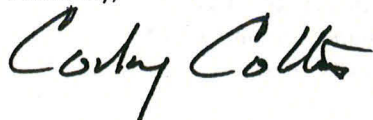
The Columbia Corridor Association understands that PDC, the Port of Portland and the Portland City Council will be considering establishing a new East Portland Enterprise Zone (E-Zone), along with an Electronic-Commerce (E-Commerce) overlay. This new Zone would include all of the industrially-zoned property east of 39th Avenue (Cesar Chavez Blvd.), much of which is also in the Columbia Corridor.

We strongly support this proposal. The Airport Way district, in particular, has many properties that would benefit from having the E-Zone incentives in place. As we creep out of the recession, many companies are debating whether to sit tight or make new capital investments which would position them well during recovery. The E-Zone program offers them an excellent incentive to do the latter. Additionally, the E-Commerce overlay could also provide the difference in some companies staying and expanding their facilities in Portland, or leaving for greener pastures. This was the case a year or two ago when we were able to retain Rentrak, along with their 230 employees, here in Portland due, in large part, to the E-Zone/E-Commerce incentives.

Providing incentives to support our existing and prospective businesses keeps our region strong. It helps businesses feel more confident to expand during recovery.

Therefore, we support PDC, the Port and the City Council in the establishment of the Enterprise Zone and E-Commerce programs as proposed.

Sincerely,



Corky Collier
Executive Director



June 4, 2012

Tim McCabe, Director
Business Oregon
State Lands Building Suite 200
775 Summer Street NE
Salem, Oregon 97301-1280

Subject: Enterprise Zone and Electronic Commerce Designations for East Portland

Dear Mr. McCabe:

Beam Development is highly supportive of the City of Portland's East Portland Enterprise Zone and Electronic Commerce applications to the State of Oregon. The Enterprise Zone (E-Zone) Program is an effective mechanism that encourages business development opportunities in the region. Together with the Electronic Commerce (E-Commerce) designation, the City will have access to proven tools to promote business investment and job growth in our area.

As a developer of creative office space in the Central Eastside of Portland, Beam Development, is focused on working closely with high-growth early stage companies that are creating quality jobs and are driving economic growth. The E-Zone Program with an E-Commerce overlay will provide our growing tenants with an important resource that will allow them to realize their businesses' full potential with more productive workspace and more efficient infrastructure. These benefits are in direct alignment with the regional economic development strategy to promote business retention, expansion and targeted recruitment. We believe the associated return on these tax abatements will lead to immediate job growth with local investment to provide long term economic stability to the entire region.

Beam Development views this proposal as a way to support business growth, create jobs and generate other community benefits. We look forward to educating our tenants on the benefits of this program. We appreciate the opportunity to support these valuable incentives.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Malsin".

Jonathan Malsin | Director of Operations

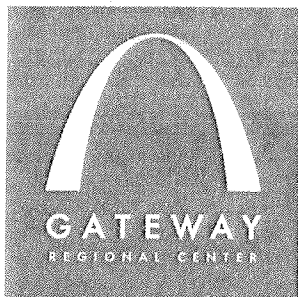
Beam Development

1001 SE Water Ave, Suite 120

Portland, OR 97214

direct: 503.542.8422 | main: 503.595.0140

www.beamdevelopment.com



**Program Advisory
Committee**

Bob Earnest
Co-Chair, Hazelwood at Large
Jackie Putnam
Co-Chair, Gateway Resident
Shawn Kilnkner
Adventist Medical Center
Susan Brady
Mt. Hood Community College
Tim Brunner
East Portland Chamber of
Commerce
Frieda Christopher
Business Owner at Large
Ted Gilbert
Housing Developer
Jeff MacDonald
IRCO
Arlene Kimura
Hazelwood Nbhd. Assoc.
Jerry Kolke
Gateway Resident
Lynn Powell
Gateway Elks
Sarah Zahn
Non-Profit Housing
Linda Robinson
Hazelwood at Large
Fred Sanchez
Gateway Business
Lee Powell
Gateway Area Business Assn.
Colleen Gifford
Gateway Resident

Attachment A

36934

June 4, 2012

Tim McCabe, Director
Business Oregon
775 Summer Street NE, Suite 200
Salem, Oregon 97301-1280

Subject: Enterprise Zone and Electronic Commerce Designations for East Portland

Dear Director McCabe:

As Co-Chairs of the Gateway Regional Center Program Advisory Committee (PAC), we strongly support the City of Portland's East Portland Enterprise Zone and Electronic Commerce applications to the State of Oregon. The Enterprise Zone (E-Zone) Program is an effective mechanism that encourages business development opportunities in the city. Together with the Electronic Commerce (E-Commerce) designation, the City will have access to proven tools to promote business investment and job growth throughout east Portland. We feel that the Gateway area is particularly well-poised to take advantage of these designations, as the district enjoys excellent freeway access, proximity to Portland International Airport, and flexible zoning that encourages commercial uses.

By providing incentives to encourage existing or new companies to undertake capital investments and increase employment within east Portland, we are directly impacting the outcomes of the City's Neighborhood Economic Development Strategy, the East Portland Action Plan and the recently adopted Portland Plan. Further, the Workforce Training and Business Development Funds from the program will support the ongoing needs of the Gateway Regional Center and surrounding areas.

The Gateway PAC appreciates being involved in the development of this new enterprise zone and urges the State to approve this application.

Sincerely,

Bob Earnest
Gateway PAC Co-Chair
1119 NE 107th Place
Portland, OR 97220

Jackie Putnam
Gateway PAC Co-Chair
10246 SE Mill Ct
Portland, OR 97216



Urban Renewal
Advisory Committee

John Notis
Chair, Resident At-large #1

Adam Simmons
Vice Chair, Business #1

Tom Barnes
Powellhurst-Gilbert NA.

Michael Cummings
Resident At-large #4

Rachel Lent Cunningham
Taxing Jurisdiction - Multnomah

Vacant
Foster-Powell NA

David Hyde
Lents NA

Roberta Krogman
Powellhurst-Gilbert NA

Dan Jung
Taxing Jurisdiction - PPS

Annette Mattson
Resident At-large #3

Steve Messinetti
Community Organization #2

Cora Potter
Resident At-large #2

Roger Rees
Community Organization #1

Seth Richardson
Foster Area Business Assoc.

Gary Sargent
82nd Ave. Business Association

Sia Sellu
Lents NA

Vacant
Business At-large #2

Vacant
Mt. Scott-Arleta N.A.

Vacant
Business At-large #3

Send Correspondence to:
LTC URAC
Portland Development Commission
Attention: Juanita Swartwood
222 NW 5th Avenue
Portland, OR 97209

503.823.3209
www.pdc.us

June 04, 2012

Tim McCabe, Director
Business Oregon
775 Summer Street NE, Suite 200
Salem, Oregon 97301-1280

Subject: Enterprise Zone and Electronic Commerce Designations for East Portland

Dear Director McCabe:

As chair of the Lents Town Center Urban Renewal Advisory Committee (URAC), I strongly support the City of Portland's East Portland Enterprise Zone and Electronic Commerce applications to the State of Oregon. The Enterprise Zone (E-Zone) Program is an effective mechanism that encourages business development opportunities in the city. Together with the Electronic Commerce (E-Commerce) designation, the City will have access to proven tools to promote business investment and job growth throughout east Portland, including the Foster Corridor, where we have many underutilized employment lands.

By providing incentives to encourage existing or new companies to undertake capital investments and increase employment within east Portland, we are directly impacting the outcomes of the City's Neighborhood Economic Development Strategy, the East Portland Action Plan and the recently adopted Portland Plan. Further, the Workforce Training and Business Development Funds from the program will support the ongoing needs of the Lents Town Center and surrounding neighborhoods. These new tools would work in synergy with our existing urban renewal programs to further our urban renewal goals.

We appreciate being involved in the development of this new enterprise zone and urge the State to approve this application.

Sincerely,

John Notis, Chair



4707 SE 17th Avenue
PO Box 82189
Portland, OR 97282
Tel (503) 233-6401 / Fax (503) 233-6407

May 31, 2012

Tim McCabe, Director
Business Oregon
775 Summer Street NE, Suite 200
Salem, Oregon 97301-1280

Subject: Application for Designation of the East Portland Enterprise Zone

Dear Mr. McCabe:

We are highly supportive of the proposal to establish the East Portland Enterprise Zone. With this Zone in place, including our business location and other industrial business locations in our general vicinity, it will give the City of Portland a new tool to promote business investment and job growth in our area. Additionally, the new Portland-Milwaukie light rail transit line will provide transportation for workers traveling into the industrial area. As our business expands, having both the E-Zone and the new TriMet line will be advantageous.

PECO is considering significant investments in our holdings in the near future involving new capital improvements of around \$4 million. The benefits of potentially allowing a temporary abatement of the property taxes could provide an attractive incentive to proceed with the project and, possibly even increase our investment. These improvements would allow us to increase our workforce – potentially more than 30 personnel within the next two years - and take on more contracts in the future.

Please feel free to contact me if there you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stephen M. Scheidler", written over a horizontal line.

Stephen M. Scheidler
President/CEO PECO Manufacturing