



Memorandum Date: March 2, 2023

Order Date: March 21, 2023

TO: Board of County Commissioners

DEPARTMENT: County Administration – Community & Economic Development

PRESENTED BY: Jenna Cusimano, Interim Community & Economic Development Manager

Faye Stewart, Public Works & Development Director, City of Cottage Grove

AGENDA ITEM TITLE: ORDER/In the Matter of Applying for Redesignation of the Cottage Grove, Creswell, and South Lane County Enterprise Zone

I. MOTION

Move to approve the redesignation application for the Cottage Grove, Creswell, and South Lane County Enterprise Zone.

II. AGENDA ITEM SUMMARY

The Board is being asked to approve the application for redesignation of the Cottage Grove, Creswell, and South Lane County Enterprise Zone which is set to terminate June 30, 2023.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Enterprise zones are local programs which must be formally sponsored by a city, county, tribe, or port and provide temporary property tax exemptions on eligible investments in new or expanded facilities and equipment. The enterprise zone program was enacted in Oregon in 1985 and is one of the few incentives local entities are able to offer to attract businesses.

Currently, there are 76 enterprise zones across Oregon which sunset after 10

years unless renewed by the sponsor entities. There are 7 enterprise zones within Lane County including Cottage Grove/Creswell, Florence, Junction City/Harrisburg, Oakridge/Westfir, Springfield, Veneta, and West Eugene. Lane County serves as a co-sponsor for three of the zones: Cottage Grove/Creswell, Junction City/Harrisburg, and West Eugene.

The Cottage Grove Enterprise Zone was first designated in 2002 with Lane County as a co-sponsor. In 2012, when the zone was first up for renewal, the City of Creswell joined as a third sponsor and expanded the zone to its current boundaries as indicated in the Cottage Grove, Creswell & South Lane Enterprise Zone map (Attachment A).

Within the Cottage Grove Urban Growth Boundary (UGB) there are two industrial parks, smaller industrial land, airport-related industrial land, and one parcel that is over 100 acres in size presently owned by Weyerhaeuser. Outside the UGB of Cottage Grove, there are two areas of land in Lane County that are zoned for industrial use, located at Saginaw, north of Cottage Grove and at the northwest corner of Hwy 99 & North River Road. The current Enterprise Zone takes in all land within the Creswell UGB which includes the former 42 acre Bald Knob Mill site that burnt in 2008.

B. Policy Issues

Lane County has agreed to be a co-sponsor alongside the cities of Cottage Grove and Creswell, and the Board's support is required to renew the existing enterprise zone as it contains land from unincorporated Lane County.

C. Board Goals

The Board of Commissioners adopted four strategic priorities in the Strategic Plan. The priorities of Robust Infrastructure and Vibrant Communities both apply to this item.

D. Financial and/or Resource Considerations

Enterprise Zone applications are for tax exemptions on *new* qualified investment for a specified amount of time. All property taxes currently assessed on-site will remain in effect. Once the exemption expires, all investment made into the properties will then be eligible for assessment.

For the standard three year enterprise zone exemption period, the business must:

- Increase the full-time, permanent employment of the firm by one new job or 10 percent, whichever is greater;
- Generally have no concurrent job losses outside the zone boundary;
- Maintain the minimum employment level during the exemption period; and
- Enter into a first-source agreement with local job training providers.

E. Health Implications

The enterprise zone is an important tool for increased economic activity and high-quality jobs for the rural south Lane County communities. High quality employment opportunities for local community members are key to a high-quality of life in Lane County.

F. Analysis

Over the past 10 years, five companies utilized the Cottage Grove, Creswell, and South Lane County Enterprise Zone incentive to invest or expand their operations within the zone, resulting in over \$115,000 in new property taxes to the taxing districts and over 100 new local jobs.

G. Alternatives/Options

1. Approve sponsorship of the redesignation application for the Cottage Grove, Creswell, and South Lane County Enterprise Zone.
2. Decline to approve sponsorship of the redesignation application which would require the exclusion of any unincorporated Lane County land from the enterprise zone.

IV. RECOMMENDATION

Staff recommends approval of the redesignation application for the Cottage Grove, Creswell & South Lane County Enterprise Zone as depicted in Attachment A.

V. TIMING/IMPLEMENTATION

Redesignation of the Cottage Grove, Creswell, and South Lane County Enterprise Zone would take effect July 1, 2023.

VI. FOLLOW-UP

Additional follow up can be provided at any point the Board requests.

VII. ATTACHMENTS

- A. Cottage Grove, Creswell, and South Lane County Enterprise Zone Map

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 23-03-21-07

IN THE MATTER OF APPLYING FOR
REDESIGNATION OF THE COTTAGE
GROVE, CRESWELL, AND SOUTH LANE
COUNTY ENTERPRISE ZONE

WHEREAS, the City of Cottage Grove and Lane County sponsored an Enterprise Zone which was designated by the State of Oregon on January 28, 2002 known as the Cottage Grove/South Lane County Enterprise Zone; and

WHEREAS, in 2012, the Zone was redesignated and the City of Creswell joined as an additional sponsor to the application thereby expanding the enterprise zone to include the City of Creswell and additional land in Lane County around the City of Creswell and City of Cottage Grove; and

WHEREAS, the Cottage Grove, Creswell, and South Lane County Enterprise Zone expires on June 30, 2023; and

WHEREAS, the City of Cottage Grove, the City of Creswell, and Lane County are sponsoring an application to designation of the Enterprise Zone for another 10 years; and

WHEREAS, the City of Cottage Grove, City of Creswell, and Lane County are interested in an enterprise zone to encourage new business investment, job creation, higher incomes for local residents, greater diversity of economic activity; and

WHEREAS, the enterprise zone has a total area of 6.4 miles square miles on the map attached as Exhibit A. The boundary includes all of the land within the Urban Growth Boundaries of the City of Cottage Grove and the City of Creswell; and appropriately zoned land in Lane County; and

WHEREAS, the proposed enterprise zone contains significant land that is reserved for industrial use, as indicated by the land use zoning maps with the application, consistent with Comprehensive Plan(s) acknowledged by the Land Conservation and Development Commission, such industrial sites are accessible, serviced or serviceable, and otherwise ready for use and further development; and

WHEREAS, there is commercial land that can be used for eligible industrial uses, as indicated by the land use zoning maps with the application, consistent with Comprehensive Plans acknowledged by the Land Conservation and Development Commission, such commercial sites are accessible, serviced or serviceable, and otherwise ready for use and further development; and

WHEREAS, the designation of an enterprise zone does not grant or imply permission to develop land within the Zone without complying with prevailing zoning, regulatory aid permitting processes and restrictions for applicable jurisdictions; nor does it indicate any intent to modify those processes or restrictions, except as otherwise in accordance with Comprehensive Plans; and

WHEREAS, the City of Cottage Grove, the City of Creswell, and Lane County appreciate the impacts that a designated enterprise zone would have and the property tax exemptions that eligible business firms might receive therein, as governed by Oregon Revised Statutes (ORS) Chapter 285C and other provisions of Oregon Law; and

WHEREAS, all of the other municipal corporations, school districts, special service districts, etc, other than the sponsoring governments, that receive operating revenue through the levying of ad valorem taxes on real and personal property in any area of the proposed enterprise zone were sent notice and invited to a public meeting regarding this proposal, in order for these sponsoring Governments to effectively consult with these other local taxing districts; and

WHEREAS, the availability of enterprise zone exemptions to business firms that operate hotels, motels or destination resorts would help diversity local economic activity, provided useful employment for certain segments of the labor force, and facilitate the expansion of accommodations for visitors which in turn will spend time and money in the area for business, recreation or other purposes.

NOW, THEREFORE, BE IT RESOLVED that the City of Cottage Grove together with the City of Creswell and Lane County hereby proposes and applies for redesignation of the Cottage Grove, Creswell, and South Lane County Enterprise Zone and requests that the director of Business Oregon order the designation of this Enterprise Zone; and

BE IT FURTHER RESOLVED that Faye Stewart, Public Works & Development Director, City of Cottage Grove is authorized to submit the application of the City of Cottage Grove, the City of Creswell, and Lane County and to make any and all substantive or technical changes to the application materials, as necessary, after adoption of this resolution; and

BE IT FURTHER RESOLVED that the City of Cottage Grove, the City of Creswell, and Lane County will give priority to the use in the proposed Enterprise Zone, if designated, of targeted economic development or job training funds received from the federal government, consistent with ORS 285C.050; and

BE IT FURTHER RESOLVED that Faye Stewart, Public Works & Development Director, City of Cottage Grove will continue as the local Enterprise Zone Manager; and

BE IT FURTHER RESOLVED that the City of Cottage Grove, City of Creswell, and Lane County will jointly comply with the requirements and provisions of ORS285C.105 and otherwise fulfill its duties under ORS 285C.050 to 285C.250; and

BE IT FURTHER RESOLVED the City of Cottage Grove, the City of Creswell, and Lane County jointly commits, within six months of designation, to implement and to confirm for the department its fulfillment of such duties, as specified in OAR 123-668 but not limited to preparation of a list or map of local lands and buildings owned by the state or by municipal corporations within the enterprise zone that are not being used or designated for a public purpose and that have appropriate land use zoning, and to efforts for making such real property available for lease or purchase by authorized business firms under ORS 285C.110.

BE IT FURTHER RESOLVED that the City of Cottage Grove, City of Creswell, and Lane County as sponsors of the proposed Enterprise Zone exercises its option herewith under ORS 285C.070 that qualified property of and operated by a qualified business as a hotel, motel, or destination resort may receive a property tax exemption in the Zone, and that such business firms are eligible for purposes of authorization upon the effective designation of the Zone.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

ADOPTED this 21st day of March, 2023.

Pat Farr, Chair
Lane County Board of Commissioners

COTTAGE GROVE, CRESWELL & SOUTH LANE ENTERPRISE ZONE



ENTERPRISE ZONE



CITY LIMITS



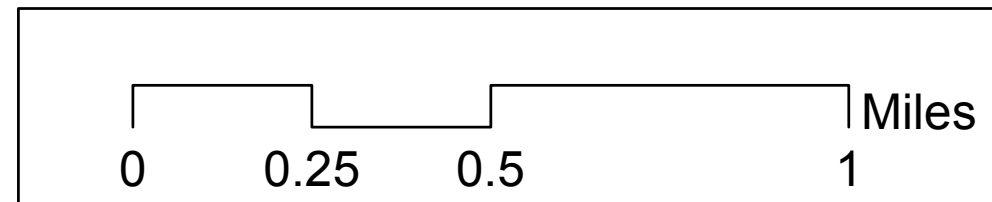
URBAN GROWTH BOUNDARY



TAX LOTS

South Lane
County Fire &
Rescue Station
(Carnas Swale)

South Lane County
Fire & Rescue
Station 2 (Saghnaw)



MAP CREATED BY LANE COUNCIL OF GOVERNMENTS
859 WILLAMETTE STREET, SUITE 500
EUGENE, OREGON 97401
PRINTING DATE: JUNE, 2012