

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Action: West Eugene Enterprise Zone Boundary Amendment

Meeting Date: October 22, 2012
Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Denny Braud
Contact Telephone Number: 541-682-5536

ISSUE STATEMENT

The council is asked to consider a resolution that would expand the boundary of the West Eugene Enterprise Zone.

BACKGROUND

The Oregon Enterprise Zone program is a state program established by the legislature in 1985 for the primary purposes of job creation, encouraging new investment, diversification, and competitiveness. The existing West Eugene Enterprise Zone (WEEZ) was designated in 2005 and is jointly sponsored by the City of Eugene and Lane County. The program offers a three-year property tax exemption for new buildings, renovation and expansion of buildings, and equipment investments made by qualified businesses located within a designated area defined by the zone sponsor. The exemption is designed to encourage new investment via a short-term exemption, with the long-term goal of job creation and increasing tax revenue for taxing districts following the exemption period. A qualified business is basically a (non-retail) manufacturing, processing, call-center, headquarters, distribution, or warehousing business that will increase its base employment by at least 10 percent. The WEEZ designation expires in 2015.

Two major brewery investments by Oakshire Brewing (207-225 Madison St.) and Hop Valley Brewing Co. (990 W. 1st Avenue) are being proposed just north of the existing WEEZ boundary. Both companies have requested consideration of a minor WEEZ boundary amendment that would allow their projects to utilize the WEEZ program. The combined new investments are expected to reach approximately \$10 million with 20 new jobs created initially. The proposed new investments will help advance the Regional Prosperity Economic Development Plan goals regarding job creation and reduced unemployment. Additionally, continued growth of the region's brewing industry strongly supports the economic "regional identity" goals expressed in the Economic Development Plan.

The proposed boundary amendment includes the Oakshire site, Hop Valley site, adjacent properties that could be used for their future expansions, and other adjacent properties currently being used for eligible business activities defined in the enterprise zone program. The Hop Valley property and adjacent parcels proposed in the expansion are zoned I-2 (Light-Medium Industrial). The Oakshire property and a majority of the adjacent properties are zoned S-W (Whiteaker Special Area Zone). The property immediately to the north of the Oakshire property is zoned I-2. The proposed expansion area was included in the former West Eugene Enterprise Zone which expired in 1997.

WEEZ boundary amendments must be approved jointly by the Eugene City Council and the Lane County Board of Commissioners. The Lane County Board is scheduled to consider the proposed boundary amendment on October 24th.

Enterprise zone boundary amendments must be consistent with state statutes and are reviewed and authorized by the State of Oregon. The existing West Eugene Enterprise Zone boundary includes approximately 7.5 square miles. The proposed expansion area consists of approximately 14.4 acres, which represents a less than one percent increase in the boundary size to approximately 7.52 square miles. The maximum enterprise zone size allowed by state statute is 12 square miles.

State statute requires that all taxing districts with boundaries that overlap the enterprise zone boundary are provided notice at least 21 days prior to adoption of a resolution approving a boundary amendment. All of the impacted taxing districts have received the required notice.

RELATED CITY POLICIES

The enterprise zone program is enabled by state statute. Encouraging economic development activity in the targeted core area is consistent with numerous adopted planning and policy documents. Examples include:

Envision Eugene Pillars

Provide ample economic opportunities for all community members

1(a). Plan for an employment growth rate of 1.4%. This growth rate translates into an increase of 35,800 jobs over 20 years.

1(c). Work with property owners of current vacant or developed industrial lands, especially those larger than 25 acres, to reduce the financial and regulatory obstacles to development, with a goal of making these sites ready for development.

Regional Prosperity Economic Development Plan

Strengthen Key Industries

- . Identify strategies to address unique and logistical needs of existing and emerging industries
- . Develop associations or networks among targeted cluster businesses for innovative networking, information-sharing and provide opportunities for business growth
- . Pursue opportunities to expand and recruit businesses, ideas, and entrepreneurs into our region that can enhance our existing business and community

Growth Management Policies

Policy 1 Support the existing Eugene Urban Growth Boundary by taking actions to increase density and use on existing vacant land and under-used land within the boundary more efficiently.

Policy 2 Encourage in-fill, mixed-use, redevelopment, and higher density development.

COUNCIL OPTIONS

1. Approve Resolution No. ____ authorizing application to the State of Oregon for a WEEZ boundary amendment as proposed in Attachment A.
2. Consider an alternative WEEZ boundary expansion area proposal, and adopt Resolution No. ____ authorizing application to the State of Oregon for a WEEZ boundary amendment for the alternative boundary area.
3. Do not approve the resolution.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends adoption of the resolution authorizing application to the State of Oregon for a WEEZ boundary amendment as proposed in Attachment B.

SUGGESTED MOTION

Move to adopt Resolution 5072, authorizing application to the State of Oregon for a West Eugene Enterprise Zone boundary amendment.

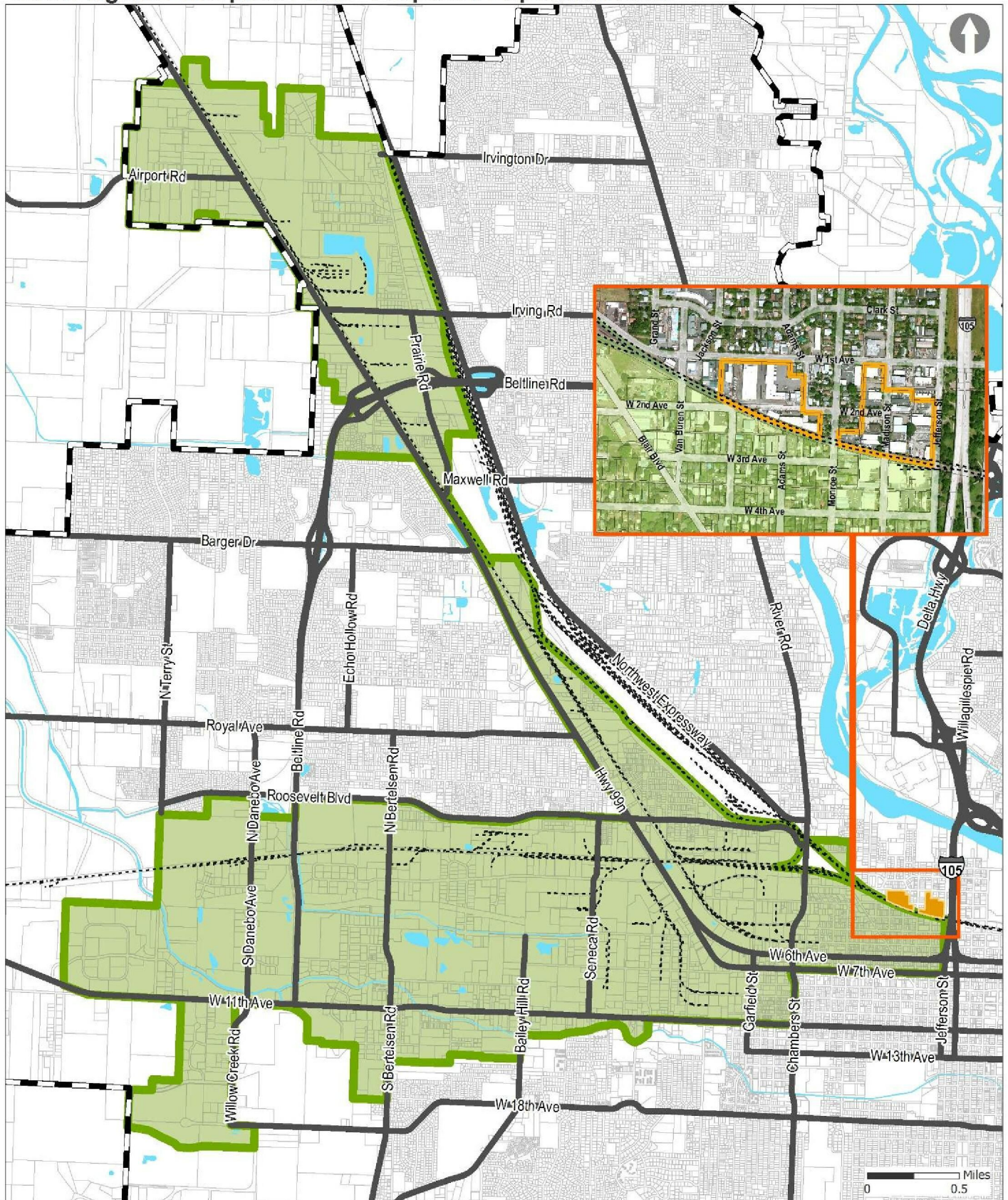
ATTACHMENTS

- A. Map – Existing West Eugene Enterprise Zone Boundary with Proposed Amendment
- B. Map – Proposed Boundary Amendment Area
- C. Resolution No. _____

FOR MORE INFORMATION

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West Eugene Enterprise Zone - Proposed Expansion Area



- Eugene UGB
- West Eugene Enterprise Zone
- Railroads
- Proposed Expansion Area

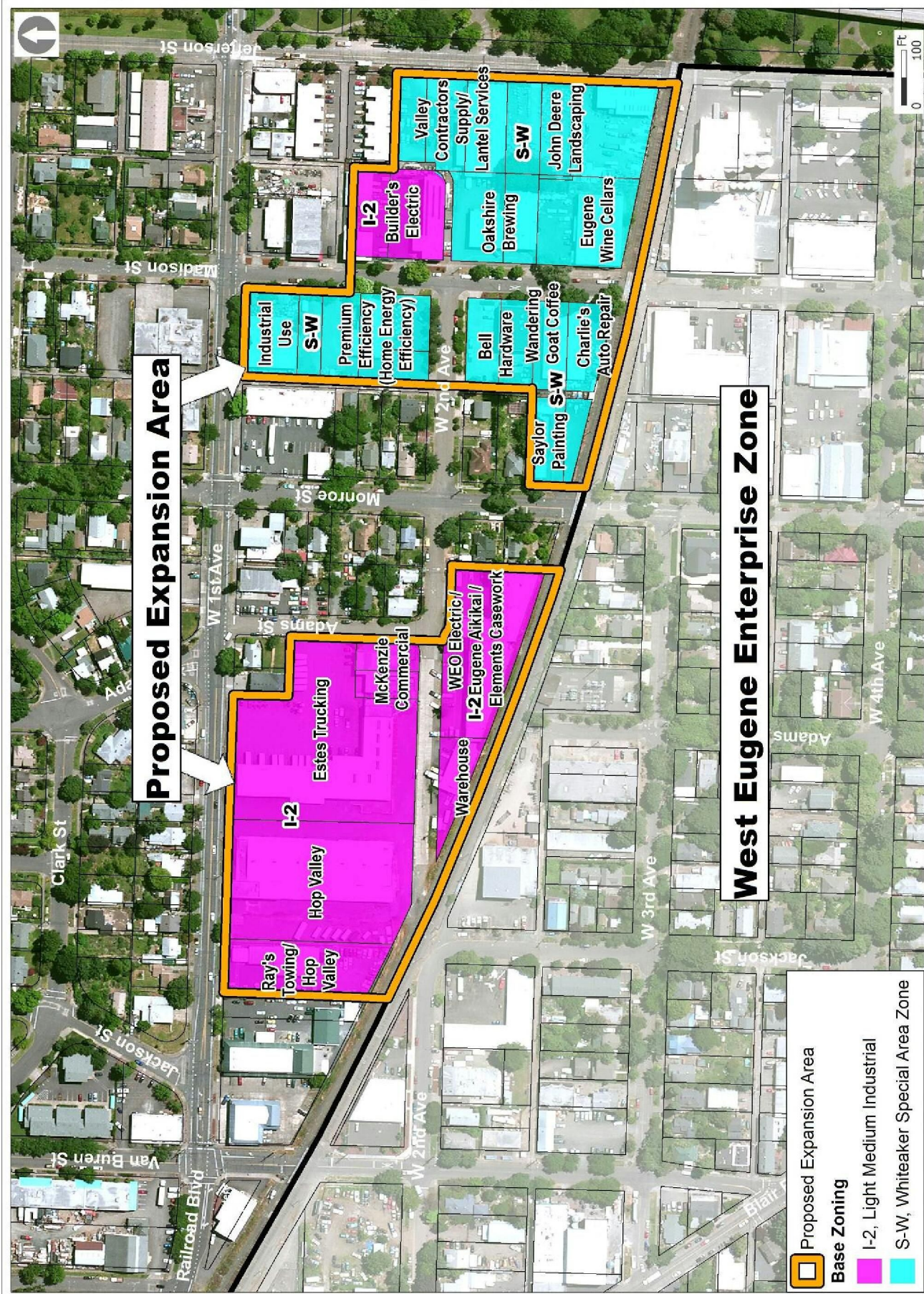
Orthophotography 2011

City of Eugene
 Planning and Development
 October 15, 2012



Caution: This map is based on imprecise source data, subject to change, and for general reference only.

West Eugene Enterprise Zone - Proposed Expansion Area



Orthophotography 2011

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A RESOLUTION AUTHORIZING THE CITY MANAGER TO MAKE APPLICATION TO THE STATE OF OREGON TO AMEND THE BOUNDARIES OF THE WEST EUGENE ENTERPRISE ZONE.

The City Council of the City of Eugene finds that:

A. On April 20, 2005, the City Council adopted Resolution No. 4832 authorizing the City Manager to make application to the State of Oregon for designation of a West Eugene Enterprise Zone.

B. On June 28, 2005, by Director's Order No. DO-05-130, the Oregon Economic and Community Development Department approved the application and designated the West Eugene Enterprise Zone, effective July 1, 2005.

C. On August 2, 2005, the Board of Commissioners adopted Order #05-8-2-5, and on August 8, 2005, the City Council adopted Resolution 4851, in which the Board and Council adopted interim local criteria.

D. On May 22, 2006, the City Council adopted Ordinance No. 20368 establishing local criteria applicable in the West Eugene Enterprise Zone and adopting a public benefit scoring system.

E. The designation of an enterprise zone does not grant or imply permission to develop land within the Zone without complying with all prevailing zoning, regulatory and permitting processes and restrictions of any and all local jurisdictions; nor does it indicate any public intent to modify those processes or restrictions, unless otherwise in agreement with applicable comprehensive land use plans.

F. The West Eugene Enterprise Zone and the three to five-year property tax exemption that it offers for new investments in plant and equipment by eligible business firms are critical elements of local efforts to increase employment opportunities, to raise local incomes, to attract investments by new and existing businesses and to secure and diversify the local economic base.

G. The City of Eugene and Lane County are sponsoring governments of the West Eugene Enterprise Zone. The City of Eugene is requesting a change in boundary that would add the areas indicated on the map attached as Exhibit A such that the amended Enterprise Zone would be configured according to the map attached as Exhibit B. Lane County is expected to take action on October 24, 2012 to support this request.

H. All of the municipal corporations and special service districts, 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 have been informed and asked to comment on this proposal.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

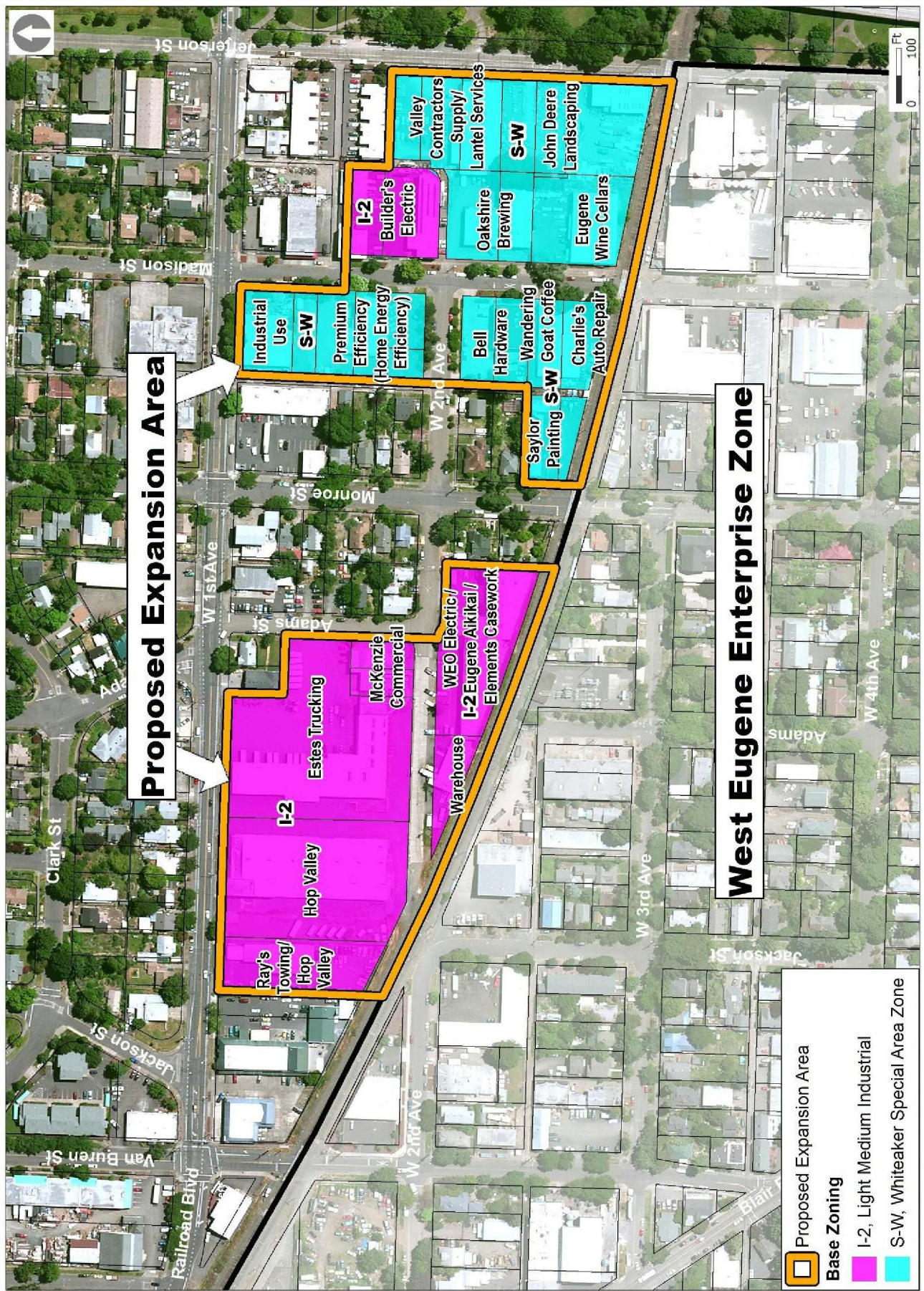
Section 1. Based upon the above findings which are adopted, the City Manager, in cooperation with Lane County, is authorized to submit an application to the Oregon Economic and Community Development Department under the Oregon Enterprise Zone Act, requesting amendment to the West Eugene Enterprise Zone boundary as shown in the attached maps attached as Exhibits A and B.

Section 2. This Resolution shall become effective immediately upon its adoption.

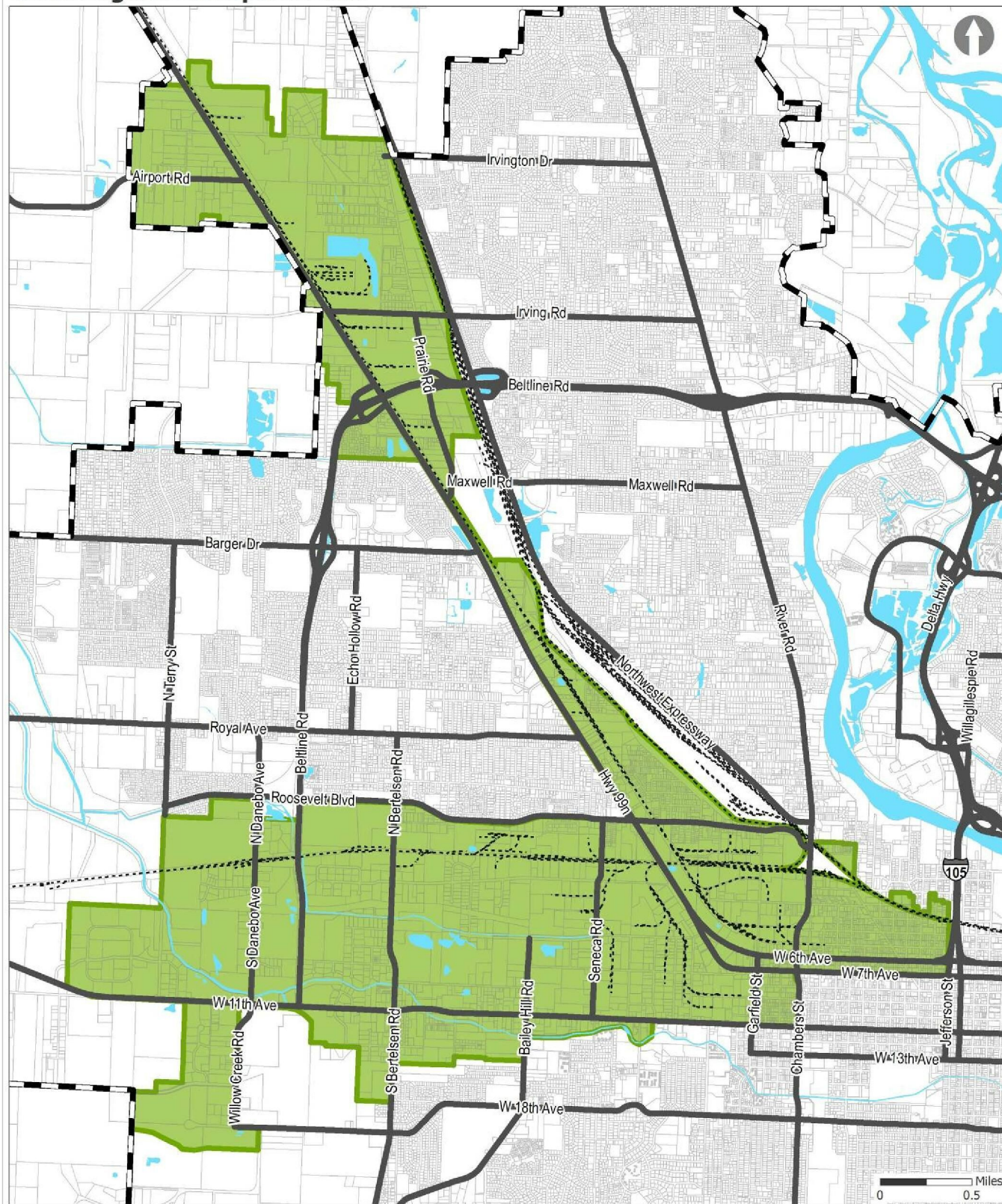
The foregoing Resolution adopted the _____ day of October 2012.

City Recorder

West Eugene Enterprise Zone - Proposed Expansion Area



West Eugene Enterprise Zone



Eugene UGB West Eugene Enterprise Zone
--- Railroads

City of Eugene
Planning and Development
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