

**COUNCIL ORDINANCE NUMBER 20368**

**COUNCIL BILL NUMBER 4923**

**AN ORDINANCE ESTABLISHING LOCAL  
CRITERIA APPLICABLE IN THE WEST EUGENE  
ENTERPRISE ZONE AND ADOPTING A PUBLIC  
BENEFIT SCORING SYSTEM; REPEALING  
RESOLUTION 4851; AND PROVIDING AN  
EFFECTIVE DATE.**

**ADOPTED: May 22, 2006**

**PASSED: 6:2**

**REJECTED:**

**OPPOSED: Bettman, Taylor**

**ABSENT:**

**EFFECTIVE: June 23, 2006**

**ORDINANCE NO. 20368**

**AN ORDINANCE ESTABLISHING LOCAL CRITERIA APPLICABLE IN THE WEST EUGENE ENTERPRISE ZONE AND ADOPTING A PUBLIC BENEFIT SCORING SYSTEM; REPEALING RESOLUTION 4851; AND PROVIDING AN EFFECTIVE DATE.**

**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 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.

C. 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.

D. As provided by Resolution 4851, the City of Eugene and Lane County undertook a process to develop and adopt permanent standards and public benefit criteria for the West Eugene Enterprise Zone. The process began with the convening of a joint City/County committee composed of two elected officials from each governing body and a total of four community representatives, two of whom were appointed by each governing body. The committee met through January, 2006, providing opportunities for stakeholder participation and community involvement, including public hearings, and developed a proposal for permanent standards and public benefit criteria, which is attached as Exhibit A.

E. In developing its recommendation the Committee gave consideration to the support of existing businesses and retention of existing jobs as important elements of the West Eugene Enterprise Zone.

**NOW, THEREFORE,**

**THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:**

**Section 1.** Based on the above findings, which are hereby adopted, the City Council hereby establishes the Local Public Benefit Criteria and Scoring System for the West Eugene Enterprise Zone, as set forth in Exhibit A attached hereto.

**Section 2.** Public benefit contributions shall be distributed on an annual basis to the following entities:

- 20% to Lane County;
- 20% to the City of Eugene; and
- 60% to support local education. The amount shall be distributed proportionally (based on permanent tax rates) to K-12 education, Lane ESD, and Lane Community College. The K-12 contribution shall be distributed to the 4-J and Bethel school districts in amounts proportional to the districts' enrollments.

**Section 3.** Enterprise Zone data will be reported to the Eugene City Council and the Lane County Board of Commissioners on an annual basis and will include information on new investments, tax exemptions granted, job creation, and public benefit criteria.

**Section 4.** Resolution 4851 is repealed upon the effective date of this Ordinance.

**Section 5.** Notwithstanding the effective date of Ordinances as provided in the Eugene Charter of 2002, this Ordinance shall become effective 30 days from the date of its adoption by the Council and approval by the Mayor or upon the adoption of a Resolution or Order of the Lane County Board of Commissioners containing substantially similar provisions, whichever date is later.

**Passed by the City Council this**

**22nd day of May, 2006**

  
\_\_\_\_\_  
City Recorder

**Approved by the Mayor this**

**24 day of May, 2006**

  
\_\_\_\_\_  
Mayor

# Public Benefit Criteria

## West Eugene Enterprise Zone (est. 2005)

<b>1.</b>	<b>Small Business</b>	<b>9 points maximum</b>
<p>Number of permanent, full-time employees after project completion, at submission of the Oregon Enterprise Zone Claim.</p> <p style="margin-left: 40px;">Less than 25 employees = 9 points            Between 25 and 49 employees = 7 points            Between 50 and 99 employees = 5 points            Between 100 and 499 employees = 2 points</p>		

<b>2.</b>	<b>Health Insurance</b>	<b>7 points maximum</b>
<p>. Medical benefits for all eligible employees * = 4 points          (Employer pays not less than 70% of the premium)</p> <p>. Medical benefits for family = 3 points          (Employer pays not less than 50% of the premium)</p> <p style="margin-left: 40px;">* An eligible employee works 32 hours or more per week in a permanent position and has completed all necessary probation period.</p>		

<b>3.</b>	<b>Training &amp; Advancement Opportunities</b>	<b>7 points maximum</b>
<p>. Annual training expenditure <b>greater than or equal to</b> the U.S. average (as a percentage of total payroll).</p> <p style="margin-left: 40px;">Annual training expenditure <math>\geq 2.34\%</math> = 4 points  <i>(Benchmark source: American Society for Training and Development)</i></p> <p>. Company has a comprehensive written policy for wage or position advancement.</p> <p style="margin-left: 40px;">Written advancement policy = 3 points  <i>(Shall include details such as job descriptions, position classifications, regular performance evaluations, step advancement, progression pay schedule)</i></p>		

<b>4. Wages</b>	<b>7 points</b>
<p>. For companies with 25 or more employees, median wage for ALL employees is <b>equal to or greater than</b> the median wage for the traded sector industries* within Lane County.</p> <p style="text-align: center;">2005 Median wage = \$ 14.95 per hour</p> <p>. For companies with less than 25 employees, median wage for ALL employees is <b>equal to or greater than</b> 85% of the median wage for the traded sector industries within Lane County.</p> <p style="text-align: center;">85% of 2005 Median wage = \$ 12.70 per hour</p> <p><i>* Traded sector industries include manufacturing, wholesale trade, and transportation / warehousing as defined by the Oregon Employment Department.</i></p>	

<b>5. Employee Benefits</b>	<b>6 points maximum</b>
<p>Company provides non-mandated employee benefit(s) to all employees.</p> <p style="margin-left: 40px;">Childcare = 1 point  Life Insurance = 1 point  Employer Paid Time Off * = 1 point  Profit Sharing = 1 point  Retirement Plan = 1 point  Transportation = 1 point</p> <p><i>* Includes holiday, vacation, sick leave, undesignated leave (minimum of 10 days)</i></p>	

<b>6. Redevelopment</b>	<b>5 points</b>
<p>New investment is an expansion of the current site or a redevelopment of a brownfield or vacant building(s).</p>	

<b>7. Referral Agency Hiring</b>	<b>3 points maximum</b>
<p>Percentage of new jobs hired through local, training/referral agencies.</p> <p style="margin-left: 40px;">Greater than 10% = 1 point  Greater than 30% = 2 points  Greater than 50% = 3 points</p> <p><i>Examples: Department of Human Services, Catholic Community Services, Goodwill Industries, Lane Workforce Partnership, Lane Community College, local unions, Oregon Employment Department,</i></p>	

*Private Rehabilitation Agencies, St. Vincent de Paul, Salvation Army, Vocational Rehabilitation, other.*

<b>8.</b>	<b>Construction</b>	<b>3 points maximum</b>
<p>Company takes steps to ensure a positive work environment during construction of a qualified enterprise zone investment.</p>		
<p>. Utilization of State approved (Oregon Apprenticeship and Training Division) apprenticeship programs for construction trades during construction.</p>		2 points
<p>. Qualified firm signs a "Build Oregon Responsibly" agreement.</p>		1 point

<b>9.</b>	<b>Investment Size</b>	<b>2 points maximum</b>
<p>Size of new investment.</p>		
<p>Assessed value equal to or greater than \$2,500,000</p>		1 point
<p>Assessed value equal to or greater than \$5,000,000</p>		2 points

The criteria above will determine if a company is required to make a Public Benefit Contribution. Companies scoring below 25 points will be required to make a Public Benefit Contribution. The formula for calculating the Public Benefit Contribution is described below.

### ***Calculating the Public Benefit Contribution***

Companies that score below 25 points will make a public benefit contribution based on the following formula:

<b>25 - Criteria Points Earned</b>	x Tax Exemption	=	<b>Public Benefit Contribution</b>
100			

### ***Example***

If a company scores 20 points and has a tax exemption of \$100,000, the company will make a \$5,000 Public Benefit Contribution (5% of the tax exemption).

<b>25 - 20</b>	x Tax Exemption	=	<b>Public Benefit Contribution</b>
100			

$$\frac{25 - 20}{100} \times \$ 100,000 = \$ 5,000$$

***Job Creation Cap – Additional Public Benefit Criteria***

The three-year tax exemption benefit shall be limited to a maximum of \$96,000 per job created or \$32,000 per job created per year, whichever is less. Tax exemption benefits in excess of that amount shall be paid as a public benefit contribution. Public benefit contribution payments made with the criteria points formula (above) will be credited towards the payment required by the job creation cap. The maximum public benefit payment shall be one-third of the tax exemption benefit.

