

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER AND RESOLUTION
NO: 17-06-13-09

IN THE MATTER OF APPROVING A TWO-YEAR EXTENSION REQUEST FOR A PROPERTY TAX EXEMPTION TO EAST WEST TEA COMPANY, LLC FOR ITS OPERATIONS IN THE WEST EUGENE ENTERPRISE ZONE.

WHEREAS, the Board of Commissioners and the Eugene City Council are co-sponsors of the West Eugene Enterprise Zone which became effective on July 1, 2016; and

WHEREAS, East West Tea Company, LLC ("East West Tea") is an eligible business firm as provided in ORS 285C.135 and has the right under ORS 285C.175 to seek property tax exemptions in the enterprise zone; and

WHEREAS, East West Tea has filed an authorization application with the West Eugene Enterprise Zone Manager seeking a three-year property tax exemption for its operations in the West Eugene Enterprise Zone under ORS 285C.200(1). That application will be approved, if at all, by the West Eugene Enterprise Zone Manager and the Lane County Assessor; and

WHEREAS, East West Tea also seeks a two-year extension to the tax exemption, for a total five-year exemption.

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS and RESOLVES** as follows:

Section 1. Pursuant to ORS 285C.160, the Board of Commissioners approves East West Tea's request for an additional two-year tax exemption at the end of any tax exemption period authorized by the West Eugene Enterprise Zone Manager and the Lane County Assessor pursuant to ORS 285C.140, provided that East West Tea complies with the following conditions for each year of the entire exemption period:

(a) All of East West Tea's new employees shall receive an average level of compensation equal to or greater than 150 percent of the county average annual wage, in accordance with the specific definitions and guidelines in Oregon Administrative Rules (OAR), Chapter 123, Division 674 (OAR 123-674-0600).

(1) Such compensation may include non-mandatory benefits that can be monetized;

(2) The county average annual wage is set at the time of authorization, except as pursuant to ORS 285C.160(4), according to the 2015 Lane County average annual payroll rate of \$40,824, for which 150 percent equals \$61,236;

(3) Average level of compensation is calculated for new jobs, which is defined as jobs filled for the first time between the date of May 23, 2016, which was the date of submission of the authorization application, and December 31 of the first year for which an exemption is claimed and whose duties are performed within the current boundaries of the West Eugene Enterprise Zone; and

(4) Only full-time, year-round and non-temporary employees engaged in a majority of their time in East West Tea's eligible operations consistent with ORS 285C.135 and 285C.200(3) are counted, regardless if such employees are leased, contracted for or otherwise obtained through an external agency or are employed directly by East West Tea.

(b) East West Tea shall meet the following additional requirements as reasonably requested by the Zone Managers under ORS 285C.160(a)(B):

(1) East West Tea shall pay \$5,000 per year to Bethel School District and \$5,000 per year to 4-J School District, on or before July 1 in each of the five years of the enterprise zone exemption to contribute to programs that offer youth employment opportunities.

(2) East West Tea shall offer four internships each year to local high school students.

Section 2. The County Administrator is authorized to sign agreements with City of Eugene, the co-sponsor of the West Eugene Enterprise Zone, and East West Tea incorporating the terms described in this Resolution only if the following two conditions are met:

(a) The West Eugene Enterprise Zone Manager and the Lane County Assessor approve the application for authorization for the initial three-year property tax exemption; and

(b) East West Tea accepts the conditions outlined in this Resolution.

Section 3. The County Administrator is authorized to take appropriate action to facilitate the extension of the property tax exemption as described in this Resolution.

Section 4. In the event that East West Tea fails to comply with any of the conditions in Sections 1 and 2 of this Resolution, the City Manager shall notify the Lane County Assessor that East West Tea has become unqualified for the exemption.

Section 5. This Resolution is effective immediately upon its passage by the Board of Commissioners.

ADOPTED this 13th day of June, 2017.



Pat Farr, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM
Date 6/13
LANE COUNTY OFFICE OF LEGAL COUNSEL