

## Overview

Originally approved in April 2008 and designated again in 2018, the Deschutes County Rural Enterprise Zone (E-Zone) encompasses the Bend Airport, the City of La Pine, and parts of Tumalo and Sunriver. The Rural E-zone offers traded-sector employers (companies that sell most of their goods or services outside of the local area)

and other eligible companies three (3) to five (5) year property tax exemptions on certain new capital investments that create jobs in the designated areas.

The zone is sponsored by Deschutes County and the City of La Pine and is managed by Economic Development for Central Oregon (EDCO). Only new facilities or equipment improvements not yet on the tax roll are eligible for this tax incentive.



City of La Pine from the south



New heliport at the Bend Airport

## Eligibility

Eligible employers include headquarter operations, manufacturing, warehouse & distribution, fabrication, R & D, manufacturing suppliers, and other employers engaging in business-to-business commerce. New companies to the Central Oregon area that are eligible for the program must create at least one new job. Existing companies must expand employment by at least 10% in the first year to be eligible. Businesses not eligible for the program include retail, commercial, health care/medical, construction, most services, and other non-business-to-business operations. The total minimum investment required is \$50,000.

Eligible investments include new real property improvements (including new, renovated buildings), major site improvements, large or immobile machinery and equipment. Non-qualifying investments include land, existing buildings, existing equipment, most rolling stock (forklifts, delivery trucks, etc.), and most personal property. There are no limits to the number of times a company may use the enterprise zone.

Five year exemptions (extended abatement), an extension of the standard three-year program and Long Term Rural (7-15 years), must be approved by the E-Zone sponsors. To qualify, companies must pay an average of 150% of the average wage (covered employment payroll for all employers) in total compensation, which can include non-mandatory benefits such as vacation pay, medical insurance, bonuses, overtime, profit sharing, and retirement contributions.

Minimum Qualifying Criteria	Minimum Qualifying Criteria	5 Years (Extended)	7-15 Years
Investment	\$50,000	\$50,000	\$12.5 million
New employment for existing company	10% increase in first year	10% increase in first year	50 new jobs in first three years
Average compensation per employee	No minimum	150% of Deschutes County average annual wage*	150% of Deschutes County average annual wage

\*may include non-mandatory benefits, see above

## E-Zone Incentive Savings

Property tax savings resulting from both a \$100,000 or a \$1 million investment are shown below; savings are based on the Bend Airport's property tax mileage rate of \$13.2826 per \$1,000 of assessed valuation. Based on the property millage rate in La Pine, an investment in this part of the zone would yield a slightly greater savings.

Original Investment	3 Years (Standard)	5 Years (Extended)
\$100,000	\$4,000	\$6,600
\$1,000,000	\$40,000	\$66,000

## Application Process

To receive incentives, businesses must file an Enterprise Zone Authorization Application with the local Zone Manager and be approved prior to any eligible investments. For information about E-Zone use in Bend, contact Don Myll, Bend Area Director. For information about E-Zone in all other areas, contact Patricia Lucas, Sunriver/La Pine Director.

# DESCHUTES COUNTY - RURAL ENTERPRISE ZONE

## Frequently Asked Questions

### Must my facility be located at the Bend Airport, within the City of La Pine or parts of Tumalo and Sunriver?

Yes. Operations not located on the premises of the Bend Airport, within the city limits of La Pine or parts of Tumalo and Sunriver do not qualify.

### How difficult is the approval process?

Most companies find the application process quick, non-bureaucratic, and easy to administer. The process normally consists of a short consultation meeting with the Zone Manager and a representative from the Assessor's Office, completion by the company of a two-page application and attachments, and approval by the Zone Manager and County Assessor. Complete applications are usually processed within one week. Following approval, an investment can commence immediately. Annual reports are required for employment and property exemptions claims, which are one or two page forms submitted directly to the Oregon Department of Revenue.

### My company is eligible for the E-Zone, but I've already started construction. Can my facilities be exempted?

Typically not. Companies wishing to access the program need to complete the two-page pre-certification application prior to breaking ground on new or expanded facilities. It is strongly recommended that pre-certification occur prior to obtaining building permits.

### Does the Enterprise Zone take away from the existing tax base?

No. The Legislature, in coordination with cities and counties across Oregon, has structured the Enterprise Zone to ensure that no property (land, buildings, equipment) previously on the tax rolls can be removed through an exemption process. Only new investment qualified by an application process with the local Enterprise Zone Manager, and coordinated with the local tax assessor, can be exempted.

### Are commercial developments eligible for Enterprise Zone exemptions?

No. Only traded-sectors employers are eligible. The general test for commercial versus primary or industrial is that 75% of a company's products or services must be sold or delivered outside the region. However, zone benefits may apply to business-to-business operations.

### When the exemption period expires, does my property come back on the tax roll?

Yes. Property (buildings and equipment) are assessed throughout the exemption period, but come back on the tax rolls at a depreciated or appreciated value. During the period that a company participates in the Enterprise Zone, property taxes on real and some personal property are exempted, not deferred.

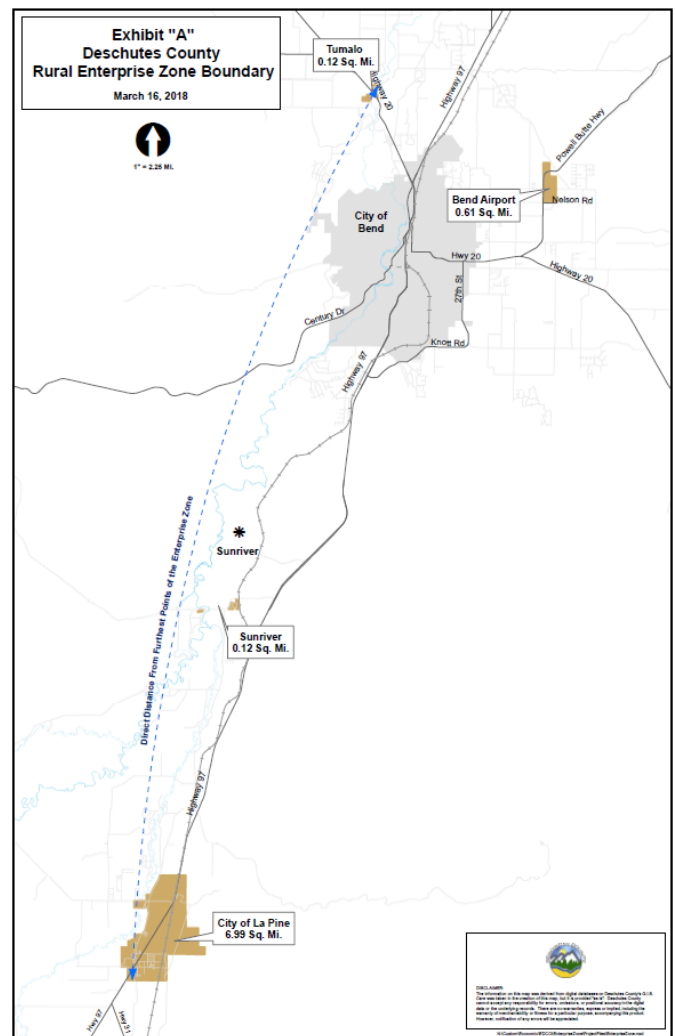
### May my company use the Enterprise Zone multiple times for future expansions?

Yes. Expansion projects for qualifying employers are eligible as long as the employer adds at least 10% to their existing workforce each time the program is used.

### Can eligible employers who rent their facilities qualify?

Yes. If a facility has not been previously occupied or is a build-to-suit for an eligible company, landlords are required to pass on savings resulting from property tax exemptions to their tenants.

## Rural Deschutes E-Zone Map



### Zone Manager: EDCO

Patricia Lucas  
Sunriver/La Pine Director  
248-693-3049  
sledexecutivedirector@gmail.com  
[edcoinfo.com](http://edcoinfo.com)

### Zone Manager: EDCO

Don Myll  
Bend Area Director  
541-388-3236 ext. 4  
don@edcoinfo.com  
[edcoinfo.com](http://edcoinfo.com)