

## Overview

Designated in July 2016, the Jefferson County Enterprise Zone (E-Zone) encompasses the employment areas of Madras, Metolius, and Culver. The Zone offers traded-sector employers (those that sell most of their goods or services outside of the local area) and other eligible businesses three (3) to five (5) year property tax exemptions on certain new capital investments that create jobs in the designated areas.



City of Madras

The zone is sponsored by Jefferson County, the City of Madras, the City of Metolius, and the City of Culver, 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.



Keith Manufacturing, Madras Oregon

## Eligibility

Eligible employers include headquarter operations, manufacturing, warehouse & distribution, fabrication, R&D, manufacturing suppliers, and other employers engaging in business-to-business commerce. Companies new 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. The total minimum investment required is \$50,000. Businesses not eligible for the program include retail, commercial, health care/medical, construction, most services, and other non-business-to-business operations.

Eligible investments include new real property improvements (new or 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, businesses must pay an average of 130% 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	35 new jobs in first three years
Average compensation per employee	No minimum	130% of Jefferson County average annual wage*	130% of Jefferson County average annual wage*

\*may include non-mandatory benefits; 130% of annual average wage of \$44,127 is \$57,365 (until November 2022)

## 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 The City of Madras property tax millage rate of \$20.0799 per \$1,000 of assessed valuation. Based on the property millage rate in Madras, an investment in this part of the zone would yield a slightly greater savings.

In addition to the above savings, the City of Madras also offers a reduction in System Development Charges (SDC's) of 1% per net new job created, not to exceed 25% of the total SDC's for water, wastewater, stormwater, transportation, and parks. Water SDC reductions are only applicable within City of Madras water utility service areas. These savings are not included in the calculations below.

Original Investment	3 Years (Standard)*	5 Years (Extended)*
\$100,000	\$6,024	\$10,040
\$1,000,000	\$60,240	\$100,400

\*this does not account for appreciation or depreciation of property

## 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 Jefferson County, contact Jon Stark (below).

# JEFFERSON COUNTY - ENTERPRISE ZONE

## Frequently Asked Questions

### **Must my facility be located in Madras, Metolius, or Culver?**

Yes. Operations not located within the zone boundary do not qualify. (see map)

### **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-sector 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.



## **Zone Manager: EDCO**

Jon Stark

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# ENTERPRISE ZONES

JEFFERSON COUNTY, OREGON



**Madras**  
2677 acres approx.

**Metolius**  
380 acres approx.






**Culver**  
439 acres approx.

HWY 26

HWY 97



Jefferson County uses GIS data in support of its internal business functions and the public services it provides. These GIS data, which Jefferson County distributes, may not be suitable for other purposes or uses. It is the requestor's responsibility to verify any information derived from the GIS data before making any decisions or taking any actions based on the information. Jefferson County shall not be held liable for any errors in the GIS data. This includes errors of omission, commission, errors concerning the content of the data, and relative and positional accuracy of the data. Jefferson County assumes no legal responsibility for this information.

-  Highway
-  Street
-  Enterprise Zone
-  Urban Growth Boundary
-  Taxlot