Enterprise Zone

Enterprise Zone Overview

Enterprise Zones are a development tool to incent industrial development which creates higher wage jobs and makes higher capital investments within the zone boundary. Eligible businesses meeting the required criteria receive a property tax abatement on any new, qualified investment within the zone boundary for three to five years.

State Requirements

An eligible business must meet the following requirements in order to receive Enterprise Zone benefits:

- Job creation: existing companies located in the Metro area must increase permanent full-time employment by 10%; companies outside the Metro area must create at least one new full-time job to qualify (except for special-case local sponsor waivers for investments over $25M or 10% productivity increase for existing companies located in the Gresham zone)
- No concurrent job losses more than 30 miles from the zone
- Maintain employment levels during exemption period
- Enter into first-source agreement with local job training providers
- Satisfy any additional local conditions

Gresham Enterprise Zone Requirements/Criteria

In addition to State requirements, the City of Gresham has elected to add the following requirements to its Enterprise Zone program:

- **Minimum Investment**: a minimum $1M investment is required to be eligible for the Enterprise Zone Program.
  - For companies requesting an extended abatement of five years, an additional 5% community service fee will be assessed if the minimum $1M investment is not met after three years.
- **Procurement Plan**: a procurement plan to increase purchasing with Gresham companies is required.
- **Job Quality**: 1) total compensation for 75% of zone facility jobs (wages plus benefits) must exceed 200% of Oregon minimum wage after one year of employment (Oregon minimum wage is currently $9.25 per hour as of 1/2015); 2) must provide benefits to employees that meet or exceed the national average of non-mandated benefits for the size of the company, and 3) must offer sufficient training and advancement opportunities for all employees.
- **Application Fee**: there is an application fee of one tenth of one percent (.001) of the value of the investment for qualified property that is proposed in the application, capped at $50,000. If actual investment after three years is more than double the estimated investment, additional application fees will apply.
- **Community Service Fee**:
  - Companies applying for an extended abatement of two additional years shall pay a Community Service Fee in years four and five.
  - Companies applying for the extended abatement and investing more than $25 Million shall pay an extended community service fee in each year of the abatement period.
    - If the initial estimated investment is under $25 million and the actual investment is greater than $25 million after three years, the extended Community Service Fee will apply to all abatement years.
    - The Community Service Fee is calculated at a rate of 25% of the abated taxes and is paid by the eligible business to the City of Gresham for economic development and job creation activities in the City.
- **Gresham Business Identity Clause**: Companies shall make a good faith effort to communicate its business identity as a company located in the City of Gresham.