



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: June 16, 2025

SUBJECT: Consideration of agreement with the Greater Redmond Area Enterprise Zone sponsors to extend the property tax exemption for capital investment by i3D Manufacturing to five total consecutive years

RECOMMENDED MOTION:

Move approval of Document No. 2025-620, an agreement with the Greater Redmond Area Enterprise Zone sponsors to extend the property tax exemption for capital investment by i3D Manufacturing to five total consecutive years.

BACKGROUND AND POLICY IMPLICATIONS:

This item requests Board approval of a two-year extension for the i3D Enterprise Zone (EZone) Extended Abatement Agreement.

At 26 full-time employees, i3D has been among Redmond's faster growing firms and is located at 1263 SW Lake Rd. i3D Manufacturing manufactures a wide range of 3-D metal printed products that serve the aviation/aerospace sector.

All employment lands in the city of Redmond are part of the state's EZone program. This program allows qualifying businesses and investments to receive a 100% abatement of property taxes associated with the assessed value of new qualifying capital improvements. Companies continue to pay taxes on the value of the land and any capital investments that are not eligible for the abatement.

Depending upon the nature of the program, EZone abatements can range from three (3) years; to five (5) years (known as the Extended program). The duration of the abatement is connected to the number of jobs created and wage level.

The three-year abatement does not have an average wage requirement; however, the Extended abatement requires wages that are certified at 150% of Deschutes County average annual compensation (\$93,654).

Compensation under the criteria includes salary, overtime, bonuses, medical and retirement benefits. Not all jobs created need to exceed the 150% average annual compensation criteria, but rather an average of the overall compensation for all net new jobs needs to exceed the 150% average annual compensation criteria. If less than half of the jobs meet the compensation criteria, then that qualifies for a one-year extension. If more than half of the jobs meet the compensation criteria, then that qualifies for a two-year extension.

Extended abatements need to be approved by the sponsor(s) of the EZone. It is the prerogative of the sponsor agency whether the approval is made by the governing body or administratively. The Greater Redmond Area EZone has three co-sponsors: the City of Redmond; Deschutes County; and the City of Sisters. The City of Redmond's policy is that the Redmond City Council approves all extended EZone agreements.

Additionally, the City of Redmond waives or reduces, depending upon specific set criteria, land-use, building and permitting fees.

i3D has used the Enterprise Zone program two previous times beginning in 2020. At that time they were a move project coming from the Columbia Gorge area and projected to add 15 jobs to the region with a projected \$6.5 million investment. The current project is projected to be \$26 million including a partial remodel and new equipment. The requirement is to add 20 jobs to the current total of 26 full-time positions. i3D is growing rapidly and is committed to being a strong community partner.

In July 2024, i3D submitted an application requesting an extended abatement. The project being undertaken is modification of two buildings totaling 32,500 square feet across the street from the current facility, plus equipment. Total project cost is \$26,000,000 (\$9,000,000 capital construction and remodeling and \$17,000,000 in equipment). The firm has committed to create 20 new full-time jobs in Redmond by the first year of exemption (estimated to be 2025). Over half of the new jobs' compensation exceed 150% of Deschutes County average wage. The application and wage documentation have been validated by City staff and REDI staff. This EZone Extended Abatement Agreement is for two additional years.

The City of Redmond approved the EZone extension on May 27, 2025. The City of Sisters will consider the Ezone extension on June 11, 2025.

BUDGET IMPACTS:

Foregone property tax revenue.

ATTENDANCE:

Steve Curley, REDI Director