



ENTERPRISE ZONE

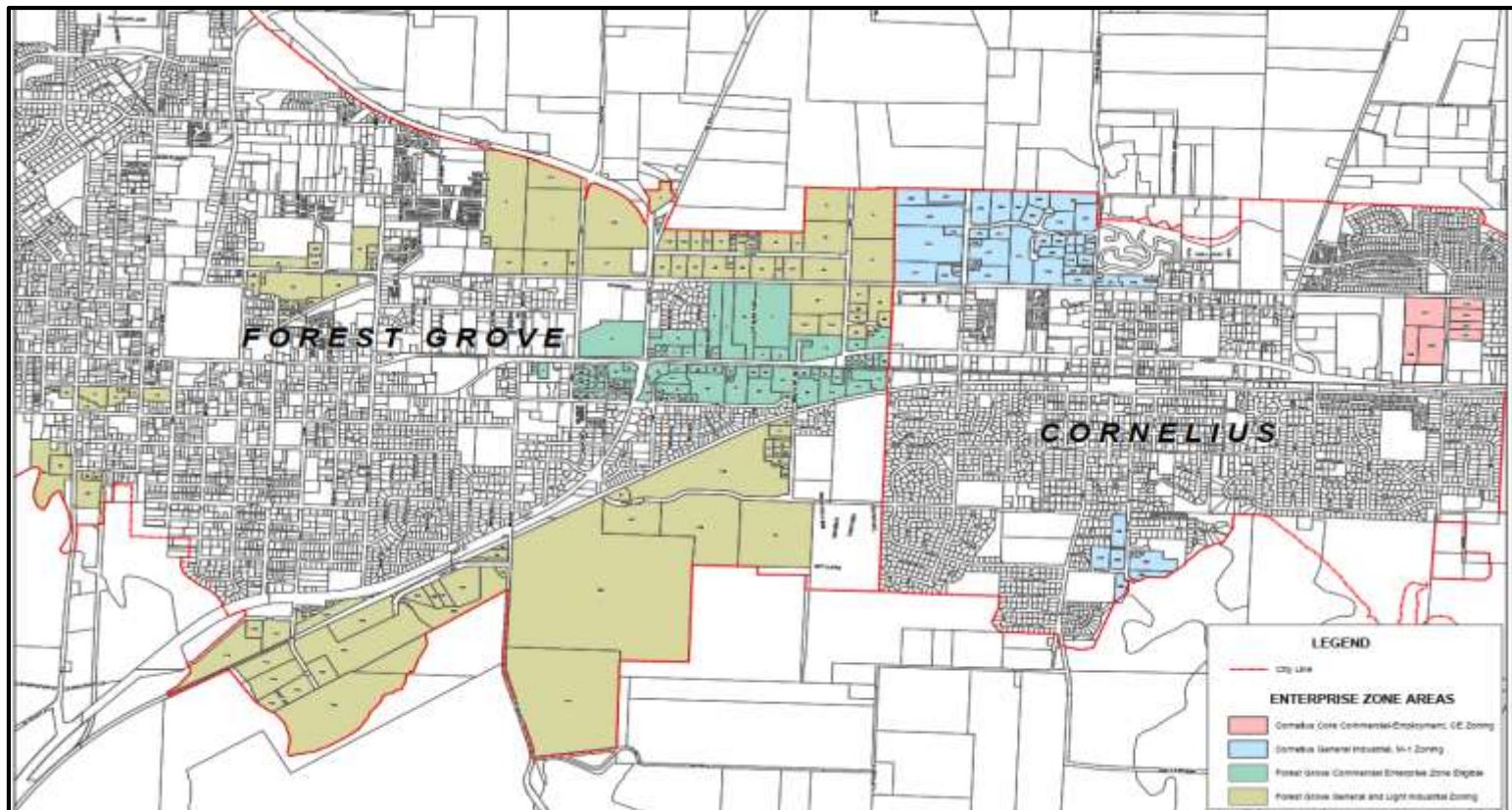
APPLICATION FEE

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Enterprise Zone

- A State of Oregon authorized program
- A 3 or 5 year tax abatement program to incentivize industrial development
- All of Forest Grove's industrial land is within the Enterprise Zone.
- In place since 2006. Extended 10 years in 2016 thru June 30, 2026.



Requirements

- Business must be located within the Enterprise Zone.
- Business must make a minimum new investment of \$50,000 in real property or heavy/affixed machinery.
- Business must increase their job count be at least 10%. The jobs must remain in place for the duration of the tax exemption period.
- Business must sign a first source hiring agreement.
- Minimum Average Wage Level:
 - 3-Year Program: 150% of minimum wage
 - 5-year Program: 100% of Washington County average household median income

Application Fee

Applicable to the three-year program

- City can set its application fee
- Current fee is a flat \$200

	Application Fee	Cap
Forest Grove	\$200	NA
Tigard	.1%	\$50K
Beaverton	.1%	\$50K
Hillsboro	.1%	\$50K
Gresham	.1%	\$50K
Clackamas	.1%	No Cap
Lake Oswego	.1%	\$50K
Oregon City	.1%	No Cap
Sandy	.1%	No Cap

Recommendation

The Economic Development Commission passed a motion recommending the city adjust the Enterprise Zone fee schedule from the current flat rate to a rate of .1% of project investment with a cap of \$50,000.

Rational

- Cost recovery: The application process for Enterprise Zones often involves administrative costs, such as reviewing applications, conducting assessments, and issuing permits. The current fee does not capture the true costs of administration.
- Revenue generation: One primary reason for increasing the application fee could be to generate additional revenue for the city.
- Quality control: A higher application fee can be used as a mechanism to attract more established and financially stable businesses to the Enterprise Zone.
- Competitive Advantage: The fee adjustment would keep the city in-line with neighboring jurisdictions' fees.

Questions?