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Date: November 27, 2020

To: John Walsh, City Administrator

From: Paul Vogel, Executive Director, CCET/Zone Manager

Subject: Request for Enterprise Zone Application Approval, Two-year extended

John, attached is a DRAFT resolution for the St. Helens City Council consideration, as a sponsor of the South Columbia County Enterprise Zone.

The application:

- Represents investment by an existing business, Cascades Tissue, at its Scappoose location, adding new product lines to existing operations
- Meets the new job-creation requirements for a five-year exemption
- Has been completed and signed by Cascades Tissue (attached)
- Has been reviewed and discussed with Business Oregon
- Has been reviewed and discussed with the Assessor's Office of Columbia County
- Has been reviewed in a Pre-Authorization Conference, per state Enterprise Zone Guidelines
- Requires authorization by all six Zone sponsors, after which an agreement will be drafted and signed, committing the applicant to meeting all appropriate and required conditions.

As Zone Manager, CCET respectfully requests a vote for authorization by the City Council. I will attend the City Council meeting scheduled for December 2nd and will be pleased to provide additional information in advance, if requested.

Staff

Paul Vogel,

Executive Director

Wela Negelspach,

Office Manager

City of St. Helens
RESOLUTION NO. 1906

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENS,
OREGON, AUTHORIZING EXTENDED ENTERPRISE ZONE BENEFITS FOR A
FOURTH AND FIFTH YEAR TO CASCADES TISSUE GROUP-OREGON
CONVERTING, A DIVISION OF CASCADES HOLDING U.S. INC (CASCADES),
LOCATED IN THE SOUTH COLUMBIA COUNTY ENTERPRISE ZONE

WHEREAS, the South Columbia County Enterprise Zone has six (6) sub-area co-sponsors, the City of Scappoose, the City of St. Helens, the City of Columbia City, the City of Vernonia, the Port of St. Helens, and Columbia County offering economic incentives through property tax relief to businesses and industries providing capital investments resulting in job growth; and

WHEREAS, Cascades is located at 52960 West Lane Road, Scappoose, Oregon 97056 and has made an application to extend the three-year property tax abatement by two years for a total of five years; and

WHEREAS, the Cascades proposes to invest \$14,050,00.00 in enterprise zone qualified property at their manufacturing operations located in Scappoose, Oregon and St. Helens, Oregon resulting in the creation of a minimum of twenty-one (21) new jobs within the South Columbia County Enterprise Zone; and

WHEREAS, Cascades is required to pay employee wages and benefits at a rate of not less than 150% of the Average Annual Covered Payroll which is \$41,860, and that Average Annual Compensation Standard of 150% is \$62,790; and

WHEREAS, the co-sponsors and the zone manager of the South Columbia County Enterprise have reviewed the application and agree that the proposed investment is consistent with the Enterprise Zone Purpose; and

NOW, THEREFORE, BE IT RESOLVED, that the St. Helens City Council authorizes the two-year extension request for a total of five years exemption subject to the terms and conditions set forth in an Extended Enterprise Zone Exemption Agreement that will confirm the Firm's commitment to all state and Zone requirements and conditions.

RESOLVED, the South Columbia County Enterprise Zone, upon concurrence of all the other sub-zone sponsors, is authorized to execute an Extended Enterprise Zone Exemption Agreement with Cascades.

Approved and adopted by the City Council on December 2, 2020, by the following vote:

Ayes:

Nays:

Rick Scholl, Mayor

ATTEST:

Kathy Payne, City Recorder

Oregon Enterprise Zone Authorization Application*

Complete form and submit to the local enterprise zone manager **before** breaking ground or beginning work at the site.

Applicant

Enterprise zone or rural renewable energy development zone (where business firm and property will be located) South Columbia County Enterprise Zone		Email stacy_eaker@cascades.com	
Name of business firm Cascades Holding US Inc.		Phone (716) 285-3681 ext. 72255	
Mailing address 4001 Packard Road	City Niagara Falls	State NY	ZIP code 14303
Location of property (street address if different from above) 52960 West Lane Road	City Scappoose	State OR	ZIP code 97056
County, TRS map ID number, and Tax lot number of site Account # / Map ID	Contact person Stacy Eaker	Title Director of US Taxation	

My firm expects to first claim standard property tax exemption in (up to three consecutive) year(s): 2020

- Check here if your firm has or has had another exemption in this enterprise zone.
- Check here that your firm commits to renew this authorization application. Renew this application on or before April 1 every two calendar years, until the tax exemption on qualified property is claimed.
- Check here if requesting an **extended abatement** of one or two additional years of exemption. Extended abatement is subject to written agreement with local zone sponsor before this application is approved and to additional state or local requirements.

Zone manager use only (after written agreement but before authorizing firm):County average annual wage: \$ _____ Year _____ Total exemption period: 4 or 5 Consecutive years (check one)

Business eligibility

Eligible activity—Check all activities that apply to proposed investment within the enterprise zone:

- Manufacturing Fabrication Bulk printing Shipping Agricultural production Energy generation
- Assembly Processing Software publishing Storage Back-office systems
- Other—describe the activities that provide goods, products, or services to other businesses (or to other operations of your firm):

Check here if your business firm does or will engage in **ineligible activities** within the enterprise zone (such as retail sales, health care, professional services, or construction). Describe below (or in an attachment) these activities and their physical separation from “eligible activities”:

Special cases—Check all that apply:

- Check here if a **hotel, motel, or destination resort** in an applicable enterprise zone.
- Check here if a **retail/financial call center**. Indicate expected percent of customers in local calling area: _____ %.
- Check here if a **“headquarters” facility**. (Zone sponsor must find that operations are statewide–regional in scope and locally significant)
- Check here if an **electronic commerce investment** in an e-commerce enterprise zone.

Employment in the enterprise zone (see worksheets on last page)

Don't count FTEs, temporary, seasonal, construction, part-time jobs (32 hours or less per week), or employees working at ineligible operations.

Existing Employment—My business firm's average number of full-time employees **inside the zone** over the past 12 months is 191

- New Employees— • Hiring is expected to begin on (date or month and year): January 1, 2021
- Hiring is expected to be completed by (month and year): January 1, 2023
- Estimated total number of new employees to be hired with this investment is: 21

Commitments—By checking all boxes below, you agree to the following commitments as required by law for authorization:

- By April 1 of the first year of exemption on the proposed investment in qualified property, I will have increased existing employment within the zone by one new employee or by 10%, whichever is greater.
- My firm will maintain at least the above minimum level as an annual average employment during the exemption period.
- When the exemption claim is filed by April 1 following each calendar year of exemption, total employment in the zone will also not have shrunk by more than 85% at one time or by more than 50% twice in a row, compared to the highest such figure with any previous claim.
- My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended abatement, (2) zone sponsor resolution(s) waiving required employment increase inside zone, or (3) an **urban** enterprise zone's adopted policy, if applicable.
- My firm will verify compliance with these commitments, as requested by the local zone sponsor, the county assessor or their representative, or as directed by state forms or administrative rules.
- My firm will enter into a **first-source hiring agreement** before hiring new eligible employees. (This **mandatory** agreement entails an obligation to consider referrals from local job training providers for eligible job openings within the zone during at least the exemption period.)

Oregon employment outside the enterprise zone

Check only those that apply:

Check here if yours or any commonly controlled firm will curtail operations in the state **beyond 30 miles of the zone boundary and move them into the zone**. Indicate timing, location, number of any job losses, and relationship to the proposed enterprise zone investment:

Check here if you are transferring operations into the zone from site(s) in the state **within 30 miles of zone boundary**:
My firm's average employment at the site(s) outside the enterprise zone boundary over the past 12 months is _____ jobs.

Check here, if applicable, that your firm commits to increase the combined employment at the site(s) (outside but within 30 miles of zone boundary) and in the zone to 110% of the existing combined level by April 1 and on average during the first year of exemption.

Proposed investment in qualified property

Anticipated timing—Enter dates or months/years (non-binding)

Action	Site and building and structures			Machinery and equipment		
	Preparation	Construction*	Placed in service**	Procurement***	Installation	Placed in service**
To commence or begin on				07/2020	11/2020	12/2020
To be completed on				07/2020	12/2020	

* Including new reconstruction, additions to, or modifications of existing building(s) or structure(s).

** This is in the calendar year directly before the very first year of exemption, so on page 1, please indicate the year following as the very first year expected for claiming this exemption.

***May precede application by up to three months (includes personal property).

Special issues:

Check here for building/structure acquired/leased for which construction, reconstruction, additions, or modifications began prior to this application (attach executed lease or closing documents, and don't take up occupancy until this application is approved).

Check here if anticipating using **Construction in process** tax exemption for qualified property that is still being constructed/installed and isn't yet placed in service and is located on site as of January 1. If so, file *Application for Construction-in-Process Enterprise Zone Exemption*, 150-310-021, by April 1 with the county assessor's office.

Qualifying property: Estimates of cost and details about property are not binding, but in order for property to be exempted, its basic type and any major building/structure needs to be at least represented below.

Type of property		Number of each/item	Estimated value	Check if any item will be leased
Real property	Building or structure to be newly constructed		\$	<input type="checkbox"/>
	New addition to or modification of an existing building or structure	1	\$ 100,000.00	<input type="checkbox"/>
	Heavy or affixed machinery and equipment	2	\$ 13,950,000.00	<input type="checkbox"/>
Personal property item(s) costing:	\$50,000 or more		\$	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for production of tangible goods)		\$	<input type="checkbox"/>
Total estimated value of investment			\$ 14,050,000.00	

In addition, describe below (or in an attachment) the overall nature and potential extent of your investment, including preliminary building plans and lists of property items, as appropriate and recommended by zone manager or county assessor (may be kept confidential).

Phase 1 of this investment is the addition of a new Andromeda towel line. It is anticipated that Phase 1 will involve the creation of 16 jobs. Phase 2 of this investment is the relocation and installation of existing equipment from Pennsylvania to the Scappoose facility. It is anticipated that Phase 2 will involve the creation of 5 jobs.

Declaration

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge, they are true, correct, and complete. If any information changes, I will notify the zone manager and the county assessor and submit appropriate written amendments. I understand that my business firm will receive the tax exemption for property in the enterprise zone, only if my firm satisfies statutory requirements (ORS Chapter 285C) and complies with all local, Oregon, and federal laws that are applicable to my business.

Must be signed by an owner, company executive, or authorized representative of the business firm

Signature X Stacy Caku Date 11/12/2020
Title (if not an owner or executive, attach letter attesting to appropriate contractual authority)
President

Local enterprise zone manager and county assessor must approve this application (with Enterprise Zone Authorization Approval, Form 150-303-082)