

City of St. Helens
RESOLUTION NO. 1805

A RESOLUTION OF THE CITY OF ST. HELENS AUTHORIZING EXTENDED
ENTERPRISE ZONE BENEFITS FOR A FOURTH AND FIFTH YEAR TO
PREMIER JETS LOCATED IN THE SOUTH COLUMBIA COUNTY
ENTERPRISE ZONE

WHEREAS, the South Columbia County Enterprise Zone has six (6) 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, Premier Jets, PO Box 91430, Portland, Oregon 97219, has made an application to extend the three year property tax abatement by two years for a total of five years; and

WHEREAS, Premier Jets proposes to invest \$4,600,000 in enterprise zone qualified property at their manufacturing operations located in Scappoose, Oregon resulting in the creation of a minimum of seventeen (17) new jobs within the South Columbia County Enterprise Zone; and

WHEREAS, Premier Jets is required to pay employee wages and benefits at a rate of not less than 150% of the Average Annual Covered Payroll which is \$36,892, and that Average Annual Compensation Standard of 150% is \$55,338; and

WHEREAS, the co-sponsors and the zone manager of the South Columbia County Enterprise Zone 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 City of St. Helens authorizes the two year extension request for a total of five years exemption subject to the terms and conditions set forth in the Extended Enterprise Zone Exemption Agreement, hereto attached and incorporated herein by this reference; and

BE IT FURTHER RESOLVED, that the South Columbia County Enterprise Zone Manager, upon concurrence of all the other sub-zone sponsors, is authorized to execute the Extended Enterprise Zone Exemption Agreement with Premier Jets.

Approved and adopted by the City Council on December 6, 2017, by the following vote:

Ayes: Carlson, Conn, Morten, Scholl

Nays: None


Rick Scholl, Mayor

ATTEST:


Kathy Payne, City Recorder

Form OR-EZ-AUTH

Oregon Enterprise Zone Authorization Application*

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

APPLICANT

Enterprise Zone or Rural Renewable Energy Development Zone (where business firm and property will be located) South Columbi County Enterprise Zone		Email ed@columbiacountyoregon.com	
Name of Business Firm Premier Jets		Telephone Number (503) 640-2927	
Mailing Address PO Box 91430	City Portland	State OR	ZIP Code 97291-0430
Location of Property (street address if different from above)	City Scappoose	State OR	ZIP Code 97058
County, TRS Map ID#, and Tax Lot Number of Site Columbia 432562 3N1W6C0700	Contact Person Roger Kelsay	Title President, Owner	

- My firm expects to first claim standard property tax exemption in the following (up to three) year(s): _____
- 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 you are requesting an extended abatement of one or two additional years of exemption. This is subject to minimum average annual "compensation" for employees and written agreement with local zone sponsor. Sponsor may request additional 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):
Provides support to other organizations on a contract or wholesale-like basis.

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 or regional in scope and locally significant.)
- Check here if an electronic commerce investment in an e-commerce enterprise zone. (This also provides for an income tax credit.)

EMPLOYMENT IN THE ENTERPRISE ZONE (see worksheets on last page)

Do not 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 employee in the zone over the past 12 months is 1525

New Employees—

- Hiring is expected to begin on (date or month and year): 1/1/2018
- Hiring is expected to be completed by (month and year): 3/1/2018
- Estimated total number of new employees to be hired with this investment is: 2

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 percent, 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 85 percent at one time or by 50 percent twice in a row, compared to any previous year's figure.
- My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended agreement, (2) zone sponsor resolution(s) waiving required employment increase,* 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.)

*Also for Rural Renewable Energy Development Zones.

OREGON EMPLOYMENT OUTSIDE THE ENTERPRISE ZONE

Check only those that apply:

Check here if yours or a commonly controlled firm is or will curtail operations in the state beyond 30 miles of the zone's 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 any operations into the zone from site(s) in the state within 30 miles of the zone boundary. My firm's average employment at the site(s) over the past 12 months is 15,25 jobs.

Check here, if applicable, that your firm commits to increase the combined employment at the site(s) (within 30 miles) and in the zone to 110 percent 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 & Structures			Machinery and Equipment		
	Preparation	Construction*	Placed in Service**	Procurement***	Installation	Placed in Service
To commence or begin on	9/2017	10/2017	10/2018			
To be completed on	10/2017	10/2018				

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

** This is in the year directly before the very first year of 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 do not 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 is not 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 any property to qualify, its basic type needs to be at least represented below.

Type of Property		Number of Each/Item	Expected Estimated Value	Check if any Item will be Leased
Real Property	Building or structure to be newly constructed	1	\$ 4.5 Mill	<input type="checkbox"/>
	New addition to or modification of an existing building/structure		\$	<input type="checkbox"/>
	Heavy or affixed machinery and equipment		\$	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more		\$ 100,000	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)		\$	<input type="checkbox"/>
Total Estimated Value of Investment			\$ 4.6 million	

In addition to what is indicated above, please 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 or if recommended by the local zone manager or county assessor (which may be kept confidential).

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: Cegan B. Kelso Date: 26 June 2017
 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)

Oregon Enterprise Zone Authorization Application Instructions

For More Information

Visit www.oregon4biz.com.

Applicant

This application form serves to authorize your business firm to receive a standard three-year exemption on qualified property that you will own or lease at the specified location in the enterprise zone or rural renewable energy development zone. The local zone manager and the county assessor's office authorize your firm (not the proposed property) using an *Oregon Enterprise Zone Authorization Approval form* (150-303-082).

Mandatory Timing in Being Authorized:

- Complete and submit this form to the local zone manager before beginning physical project work (construction, installations, etc.) or hiring new employees. Work may then proceed even before approval.
- See "Proposed Investment in Qualified Property" for exceptions—work that might precede application.
- No exemption is allowed on property for which work began prior to the effective date of the zone's designation or amendment to include site, or for any property already assessed in the county by that date.
- After submitting this application but before being authorized, you and the zone manager will hold a pre-authorization conference, at which the assessor's office might participate, to formally address special issues or contingencies for qualification.
- If seeking an extended abatement of four or five years in total, a written agreement with the local zone sponsor must be executed before your firm is approved for authorization. This agreement may set additional reasonable requirements, and in most zones, the law requires new employees to receive compensation (including benefits) in all four or five years that is on average 150% or more of the county average annual wage at authorization.

First Year Claiming Exemption from Property Taxes:

- The first year of exemption is the year following the year in which the qualified property is "placed in service." This means when the property is first used or occupied, or is physically ready for use or occupancy, for specifically intended commercial purposes.
- To claim the exemption, you must file with the county assessor after January 1, but on or before April 1, of that first year. Attach a schedule of the property to be exempted.
- Submit the exemption claim (without property schedule) after each year of exemption, in order to confirm ongoing compliance.

Keeping Authorization Active:

- This application needs to be renewed after two full years between January 1 and April 1, if your firm is not ready to claim an exemption. Submit a letter with the zone manager and assessor stating your continuing interest and intent.
- Failure to submit such a statement every two years (while the zone exists) classifies your authorization as "inactive." A fee is then required in order to claim the exemption.

Business Eligibility

A key function of authorization is to ascertain and assure a business firm's eligibility for exemption.

- The program is primarily directed at for-profit organizations that provide goods or services to other business operations.
- Ineligible operations include: tourism, retail food service, entertainment, childcare, financial services, property management, housing or construction, retail sales or goods or services, health care, or professional services.

- An eligible call center may receive customer requests and orders by various means, but at least 90 percent must originate from areas that would entail a long-distance charge if performed by telephone.
- E-commerce investments receive special treatment in certain enterprise zones and in the city of North Plains.
- Central facilities for management, marketing, design, etc., are eligible if serving statewide or wider operations of a company. (Investment needs to conform to authorized description.)
- More than 60 percent of the enterprise zones have elected to make hotels, motels, and destination resorts eligible. The choice may differ among a zone's sponsoring city/county jurisdictions.

Employment in the Enterprise Zone

To be authorized, the eligible business firm must commit to satisfy job-creation requirements:

- The number of full-time jobs in the zone must rise and be maintained during the exemption at a minimum of 110 percent of the average level from the time of the authorization application.
- Failure to reach this level precludes the exemption.
- Failure to maintain this level represents "substantial curtailment," as would a big drop in total employment.
- Your firm must enter into a first-source hiring agreement before hiring new employees. The local zone manager will direct you to the contact agency.
- Your firm and the zone sponsor are solely responsible for compliance/verification of local additional requirements.
- Also see "Special Issues Worksheet" on the last page.

Employment Outside the Enterprise Zone

The business firm is disqualified if:

- The transfer of operations into the enterprise zone results in Oregon job losses more than 30 miles from the zone boundary.
- The movement of employees into the zone from within 30 miles of its boundary results in less than a 10 percent increase of the combined employment level in the zone and from where they are transferred.

Proposed Investment in Qualified Property

To assist eligible business firms in understanding the property tax benefit they may receive for investing in an enterprise zone, the authorization application asks for the best available information on the cost, extent, and timing of planned investments. It is critical for communication among the firm, the local zone manager, and the county assessor.

Pre-application Activity at Site:

In general, physical investment including site preparation must begin after this application is submitted. Exceptions include, but are not limited to, the following:

- A project started and abandoned at least six months earlier.
- Demolition, hazard removal, or environmental cleanup.
- Property acquired from another authorized business firm.
- Purchase or lease from a third party of a newly constructed or newly improved building or structure. In this case, work may already be underway or completed, but approval of this application must include a copy of the sale/lease agreement and must happen before use or occupancy of the building or structure.

Construction in Process: Property on-site as of January 1 may be exempt for up to two years before being placed in service. Once authorized, file the *Application for Construction-in-Process Enterprise Zone Exemption* (150-310-021) with the county assessor on or before each April 1, for any qualified property for which work is still underway on January 1. (Not available for centrally assessed/utility or hotel/resort property)

Property Criteria:

- For a significant building or structure to be exempt, the authorization must include some indication of it. In addition, for example, if no machinery and equipment is indicated, then no such property qualifies, so that the applicant is advised to account for every basic type of property that could possibly be part of the final, overall project.
- All property needs to be new, meaning it was not used or occupied in the zone more than one year before exemption begins.
- Machinery and equipment also must be newly acquired or newly transferred from outside of the county (except for major retrofit or refurbishment of real property idle for 18 months).
- Any or all property may be leased from any party, provided that your firm (the lessee) is obligated to pay the property taxes.
- All real property—buildings, structures, and heavy/affixed machinery and equipment—listed on the exemption claim property schedule must cost \$50,000 or more in total.
- Personal property machinery and equipment is readily movable and qualifies subject to a per-item cost minimum. An integrated system

consisting of various components may be treated as a single item for these purposes.

- Land, vehicles, motorized/self-propelled devices, rolling stock, non-inventory supplies, and idle or ineligibly used property do not qualify.
- The investment in property needs to be for the furtherance of income. For example, it may not be for personal use.

Additional Property and Future Projects:

- With an ongoing investment, subsequent property that is not placed in service until the first or second year of exemption on the initial property may be exempted as well.
- In other words, property schedules may be filed with up to three consecutive claims, pursuant to a single authorization.
- Any major change of plans should be amended into the application, in writing to both the zone manager and the county assessor, before January 1 of the first year of an initial exemption, especially to account for any unrepresented type of basic property.
- Another authorization application is necessary for qualified property at a different location in the same or another zone.

Applicable Property Tax Returns Must Still Be Filed Annually

Please complete the following worksheets either before or during the pre-authorization consultation with the local zone manager

Employment Worksheet

Use this worksheet to determine your business firm's annual average employment over the 12 months preceding the date on which you submit the authorization application, and as required during the period of the enterprise zone exemption:

$$\begin{array}{r}
 16 \text{ (1)} + \text{ (2)} + \text{ (3)} + \text{ (4)} + \\
 15 \text{ (5)} + \text{ (6)} + \text{ (7)} + \text{ (8)} + \\
 15 \text{ (9)} + \text{ (10)} + \text{ (11)} + 15 \text{ (12)} = \\
 61 + 12 = 15.25 \text{ Average Annual Existing Jobs}
 \end{array}$$

1. Identify those employees or positions within the zone that are: (a) working a majority of their time in "eligible" activities or in support of those activities; (b) paid on average for more than 32 hours per week; (c) not employed solely to construct property; (d) not seasonal; and (e) not temporary—not hired, leased, or contracted for less than one year or on an as-needed/ad hoc basis. Don't use "full-time equivalents" (FTE).
2. Determine the number of the above employees at the end of each pay period, calendar month, or quarter over the prior 12 months.
3. Total the number of employees from each period and divide this sum by the number of periods. If not using months, include a suitable attachment in place of the following with your application:

4. If your Average Annual Existing Jobs* (from number 3, above) is:
 - a) Five or more, multiply by 1.1, as follows:
 $15.25 \times 1.1 = 16.725$ or
 - b) Less than five, add one, as follows:
 $\text{ } + 1 = 17$
5. Round the total from 4a or 4b to the nearest whole number (for example, 25.49 becomes 25 and 25.50 becomes 26). Your rounded figure is the level of employment required by April 1 of the first year of exemption.

For purposes of compliance, repeat steps 1-3 and 5 above for each calendar year that qualified property is exempt.

Special Issues Worksheet

This worksheet is simply a checklist to guide you through certain issues that may need to be addressed as soon as possible. Check if the answer is "yes" or "maybe."

- Will the requisite increase of enterprise zone employment be difficult to achieve, even with the new investment? Or could it be somewhat unapparent? In any case, work out verification options with local zone manager. Copies of unemployment insurance reports or other records should be kept on file to assure manager and assessor.
- If the number of jobs will likely not grow by 10 percent, do you want a local waiver by resolution(s) adopted by zone sponsor with authorization, which may impose additional conditions? Waiver allowed if the overall investment costs \$25 million or more, or with a 10 percent rise in productivity combined with dedicated expenses for workforce training. In a rural renewable energy development zone, a waiver is allowed for \$5-million investments but with no additional local requirements.
- Are you interested in publicly owned and otherwise available real estate that might exist in the zone and that an authorized business firm generally has a right to buy or lease if promptly developed for authorized use?
- Would you like to know about local incentives that some local sponsoring governments offer to authorized businesses as part of the

enterprise zone package, such as fee waiver, regulatory expedition, and so forth?

- Will a qualified building be partially occupied by another business/tenant or used for ineligible operations? In such cases, work with the local zone manager to determine the units or proportion of space for the assessor to exempt.
- Would you like your enterprise zone employment to be combined with the job figure for any (100 percent) commonly owned firm/corporation(s)? If so, attach a statement with the name of the other company(s). Without such election, even subsidiaries of the same parent corporation are treated as distinct business firms within an enterprise zone.
- Is investment pending the site's inclusion in the zone? This application may be approved under such conditions, but make arrangements with the local zone manager to ensure that any construction or installation work does not begin until on or after the effective date of the boundary change. (Same applies to designation of a new enterprise zone.)
- Is the enterprise zone terminated? This normally precludes authorization or qualification, but an already authorized/qualified firm can "grandfather" and may be authorized up to 10 years after the termination of the zone.

EXTENDED ENTERPRISE ZONE EXEMPTION AGREEMENT

This Extended Enterprise Zone Exemption Agreement (this “Agreement”) is made and entered into by and among the City of St. Helens, Oregon (“St. Helens”), the City of Columbia City, Oregon (“Columbia City”), the City of Scappoose, Oregon (“Scappoose”) Port of St. Helens (“Port”), the City of Vernonia (“Vernonia”) and Columbia County, Oregon (“Columbia”), as zone sponsors of the South Columbia County Enterprise Zone, and PREMIER JETS (“the Firm”). St. Helens, Scappoose, Port, Columbia City, Vernonia and Columbia County are sometimes referred to collectively as the “Zone Sponsor,” and the “Zone Sponsor” and the “Firm” are sometimes referred to individually as the “Party” and/or collectively as the “Parties.”

RECITALS

WHEREAS, the Oregon Legislative Assembly has adopted ORS Chapter 285C creating provisions for the establishment and operation of Enterprise Zones. ORS 285C.175 provides that the qualified property of a qualified Firm shall be exempt from ad valorem property taxation under certain circumstances. ORS 285C.180 describes what kinds of property are qualified for the tax exemption provided under ORS 285C.175. ORS 285C.135 describes what kind of Firm is qualified to receive a property tax exemption under ORS 285C.175 for its qualified property; and

WHEREAS, pursuant to ORS 285C.175, the tax exemption shall apply to the first tax year for which, as of January 1 preceding the tax year, the qualified Property is in service. The exemption shall continue for the two succeeding assessment years if the property continues to be owned or leased by the qualified Firm and located in the Enterprise Zone; and

WHEREAS, pursuant to ORS 285C.160, the tax exemption, may be extended up total of five consecutive assessment years, i.e. an additional two years, if the qualified Firm agrees with the Zone Sponsor of the Enterprise Zone in writing at the time of pre-certification:

- (a) To annually compensate all new employees hired by the firm at an average rate of not less than 150 percent of the county’s average annual wage until the end of the tax exemption period, as determined at the time of authorization. If the Zone is in more than one county, the county with the highest average annual wage shall be used; and
- (b) To meet any additional requirements which the Zone Sponsor may reasonably request; and

WHEREAS, the Firm has agreed that the Firm’s property, which is located within the Enterprise Zone, will be developed as a specialty medical transportation and aircraft maintenance and that the Firm’s proposed investment is expected to provide new full-time jobs within the Enterprise Zone. The commitment made by the Firm under term (a) above, and in Section 2.3, below, is given to assure that the average annual compensation paid to all New Employees, as defined in Section 2.3 below, who work at the new facility during the exemption period shall not be less than 150 percent of the most recent average annual wage paid in Columbia County

available from the Oregon Employment Department at the time that the Firm's application for precertification is approved under the Oregon Revised Statutes; and

WHEREAS, the Oregon Business Development Department has adopted Chapter 123, Division 674 of the Oregon Administrative Rules (OAR), to administer the statutory provisions regarding Enterprise Zones; and

WHEREAS, the South Columbia County Enterprise Zone is a non-urban Enterprise Zone and pursuant to ORS Chapter 285C, the Zone Sponsor wishes to offer the Firm the extended tax exemption provided by ORS 285C.175(2)(b) in exchange for the Firm's location of qualified property within the Enterprise Zone.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, the Parties agree as follows:

1. ZONE SPONSOR'S AGREEMENTS.

1.1 Approval of Authorization Application. Upon timely submission of the Firm's claim for authorization as provided by ORS 285C.220 and paragraph 2.1 below, the Zone Sponsor agrees to approve the application if the Zone Sponsor determines that the Firm is eligible under ORS 285C.135 and that the Firm has committed to meet the requirements of ORS 285C.200.

1.2 Approval of Tax Exemption Claim. Upon timely submission of the Firm's claim for tax exemption as provided by ORS 285C.220, and paragraph 2.2, below, the Columbia County Assessor shall determine whether the property for which the tax exemption is sought satisfies the requirements of ORS Chapter 285C. That determination is beyond the authority of the Zone Sponsor. However, the Zone Sponsor agrees that the three year tax exemption provided for by ORS 285C.175 shall remain in effect if the Firm remains in compliance with the other requirements for Enterprise Zones under ORS Chapter 285C and OAR Chapter 123, Division 674. Nothing in this Agreement shall modify or infringe on the regular three-year exemption or the requirements thereof.

1.3 Extended Tax Abatement. Notwithstanding ORS 285C.175, the Zone Sponsor agrees to extend the period of property tax abatement or exemption by two additional years to a total of five consecutive assessment years, subject to compliance with paragraph 2.4 below and the other requirements for Enterprise Zones under ORS Chapter 285C and OAR Chapter 123, Division 674. The Firm may separately apply for the extended five-year exemption for different portions of qualified property in the Zone that are covered by a single authorization as such portion becomes eligible for exemption pursuant to OAR 123-674-6200, and 123-674-6300.

1.4 Additional Requirements. The Zone Sponsor requires the following additional community benefit investments to qualify for the additional two years of property tax abatement:

- \$7,777.86 per year for five consecutive years payable to the Columbia County Economic Team beginning on January 1, 2018. The amount is Betterment Contribution based upon 10% of annual property tax of \$77,778.56.

2. THE FIRM'S AGREEMENTS.

2.1 Application for Authorization. The Firm agrees to file an application for authorization pursuant to ORS 285C.140 following adoption of this Agreement.

2.2 Notices. The Firm agrees to provide and, if necessary, file applicable notices, statements, claims or reports required by ORS Chapter 285C or OAR Chapter 123, Division 674 and shall file all claims or reports as required by ORS 285C.220.

2.3 County Average Annual Wage. As required by ORS 285C.160, the Firm agrees to annually compensate all new employees, as that term is used in ORS 285C.050(13), hired by the Firm at an average rate of not less than 150 Percent (150%) of the County Average Annual Wage until the end of the tax exemption period.

2.3.1 Pursuant to OAR 123-574-0600, to qualify for the additional one or two years of an enterprise zone exemption, all of the eligible Firm's Affected Employees, as that term is defined by OAR 123-674-0600(4), must on average receive Compensation, as that term is defined by OAR 123-674-0600(1), of not less than 150 percent of the County Average Annual Wage, as that term is defined by OAR 123-674-0100(5) during each year throughout the exemption's first three years and the additional one or two years. The firm agrees to maintain an average wage and benefits package of \$ 55,338 per year for the five years of exemption.

2.3.2 "County Average Annual Wage" is defined by OAR 123-674-0100(5) and OAR 123-674-0600 and is based on the time the application is approved, and is fixed during the entire exemption period and is defined in paragraph 2.3.1 of this Agreement.

2.3.3 "New Employees" include only employees working at jobs filled for the first time after the application for precertification is filed but prior to December 31 following the first full year of the initial exemption year and performed primarily within the current boundaries of the Zone. "New Employees" include only full-time, year-round, and non-temporary employees engaged a majority of their time in the Firm's eligible operations pursuant to ORS 285C.050(13), whether such employees are leased, contracted for, or otherwise obtained through an external agency or are employed directly by the Firm.

2.4 Election to Forego. The Firm shall have the right to elect to forego the extension of the term for two additional years by delivery of written notice of such election to the Zone Sponsor and Columbia County Assessor prior to expiration of the initial three year term, and upon delivery of said notice, this Agreement and the Firm's rights and obligations hereunder shall terminate, except that nothing in this Agreement shall modify or infringe on the regular three-year exemption or of the requirements thereof.

3. AUTHORIZATION. The Zone Sponsors have authorized and directed the Executive Director of CCET as Zone Manager to execute this Agreement pursuant to OAR 123-674-0700.

4. COUNTERPARTS. This Agreement may be executed in counterparts, each of which, when taken together, shall constitute fully executed originals. A signature sent and received by facsimile or a scanned signature sent by e-mail shall have the same effect as an original signature.

5. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding and agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, written or oral, between the Parties with respect to such subject matters.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the _____, day of _____, 201__, which shall be known as the "effective date" of the Agreement.

SOUTH COLUMBIA COUNTY
ENTERPRISE ZONE ENTERPRISE ZONE

PREMIER JETS

By:

Chuck Daughtry, Zone Manager

By:

Roger Kelsay, President

Average Wage by County—2015

As Relevant until November 2017 for Special Enterprise Zone Benefits*

Oregon County	Annual Wage	Average Annual Compensation Standard** (130%*** or 150%)
Baker	\$34,171	\$44,422
Benton	\$46,937	\$70,406
Clackamas	\$48,859	\$73,289
Clatsop****	\$35,109	\$52,664
Columbia	\$36,892	\$55,338
Coos	\$35,949	\$53,924
Crook	\$42,726	\$55,544
Curry	\$34,201	\$51,302
Deschutes	\$40,704	\$61,056
Douglas	\$37,954	\$56,931
Gilliam	\$38,850	\$58,275
Grant	\$36,990	\$48,087
Harney	\$34,389	\$44,706
Hood River	\$34,927	\$45,405
Jackson	\$39,274	\$58,911
Jefferson	\$35,801	\$46,541
Josephine	\$34,195	\$51,293
Klamath	\$36,528	\$54,792
Lake	\$37,010	\$48,113
Lane	\$40,824	\$61,236
Lincoln	\$34,611	\$44,994
Linn****	\$39,414	\$59,121
Malheur	\$33,646	\$43,740
Marion	\$41,565	\$62,348
Morrow	\$49,827	\$64,775
Multnomah	\$53,444	\$80,166
Polk	\$33,897	\$50,846
Sherman	\$43,791	\$56,928
Tillamook	\$35,334	\$53,001
Umatilla	\$36,852	\$47,908
Union	\$36,222	\$47,089
Wallowa	\$32,243	\$48,365
Wasco	\$36,514	\$47,468
Washington	\$65,618	\$98,427
Wheeler	\$28,580	\$37,154
Yamhill	\$39,001	\$58,502
Statewide	\$48,322	not applicable

* Not applicable in any urban enterprise zone within Portland or Salem metropolitan areas.

** Wage base for compensation standard established at time of local authorization.

*** In certain rural counties, if local written agreement executed on or after October 6, 2017.

Source: Employment and Wages by Industry (QCEW), State of Oregon, Employment Department (2016)