

RESOLUTION NO. 5764

A RESOLUTION APPROVING AN EXTENDED PROPERTY TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF MILLERSBURG, A COSPONSOR OF THE SOUTH SANTIAM ENTERPRISE ZONE, AND MEI, LLC

WHEREAS, MEI, LLC is expanding and investing in plant construction and equipment; and

WHEREAS, MEI, LLC intends to add ten new employees; and

WHEREAS, MEI, LLC anticipates providing average pay and benefits to these employees equal to or greater than 150 percent of the Linn County average, as required under ORS 285C.160; and

WHEREAS, MEI, LLC which is located in the city of Millersburg, has applied to extend the property tax abatement for which it qualifies through its inclusion in the South Santiam Enterprise Zone; and

WHEREAS, the City of Millersburg has requested support of this agreement from the other cosponsors of the South Santiam Enterprise Zone; and

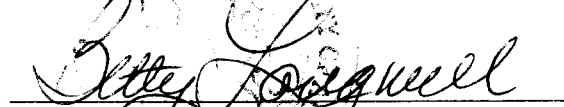
WHEREAS, the City of Albany is a cosponsor of the South Santiam Enterprise Zone.

NOW, THEREFORE, BE IT RESOLVED that the attached Extended Abatement Agreement is hereby approved by the Albany City Council.

DATED AND EFFECTIVE THIS 8TH DAY OF APRIL 2009.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk



## Memo

Date: March 30, 2009

To: South Santiam Enterprise Zone Co-Sponsors  
Linn County, City of Albany, City of Lebanon, City of Millersburg

From: John Pascone, President

Subject: Request for Approval: MEI, LLC  
Agreement for Extended Enterprise Zone Benefits

### Reason for Request

MEI has submitted an Enterprise Zone Authorization Application and has requested Extended Benefits beyond the regular three year tax exemption. Regulations require that the company enter into an Agreement with the city and other enterprise zone sponsors. In order to qualify for the additional two years, the company must pay 150% of Linn County's Average Annual Wage to the new employees.

### Description of Project

The project is \$2.1 million which includes \$2 million for a new building and \$100,000 for new equipment. The investment is designed to increase efficiency, production and productivity by consolidating their operation from 4 buildings into one. The company will be locating in Millersburg.

MEI does rigging, crating and machinery moving for companies like H-P and manufactures wet process and chemical delivery systems for the solar and semiconductor industries using robotics. They have been in business for 19 years.

The company's average employment over the past 12 months is 54 jobs. The projected number of new jobs created with this new investment is 10 jobs. This is in excess of the required 10% increase.

The approval of all co-sponsors is needed; the City of Millersburg will sign the Agreement.

Thank you for your support.

## Agreement for Oregon Enterprise Zone Extended Abatement

### AGREEMENT WITH THE SOUTH SANTIAM ENTERPRISE ZONE SPONSORS TO EXTEND PROPERTY TAX EXEMPTION TO FIVE CONSECUTIVE YEARS IN TOTAL FOR CAPITAL INVESTMENT BY MEI, LLC.

The sponsors of the South Santiam Enterprise Zone comprising the governing bodies of the Cities of Albany, Lebanon, Millersburg and Linn County (hereinafter "The Zone Sponsor") and MEI, LLC (hereinafter "The Firm") do hereby enter into an agreement for extending the period of time in which The Firm shall receive an exemption on its investment in qualified property in the South Santiam Enterprise Zone contingent on certain special requirements, under ORS 285C.160 (2003).

The Zone Sponsor and The Firm jointly acknowledge: that subject to submission and approval of an application for authorization and the satisfaction of other requirements under ORS 285C.050 to 285C.250, The Firm is eligible for three years of complete exemption on its qualified property; that nothing in this agreement shall modify or infringe on this three-year exemption or the requirements thereof, and that this agreement becomes null and void if The Firm does not qualify for these three years of the exemption.

The Zone Sponsor extends The Firm's property tax exemption an additional two years on all property that initially qualifies in the South Santiam Enterprise Zone in the assessment year beginning on January 1, 2010 and, thus, sets a total period of exemption of five consecutive years during which statutory requirements for the standard three-year enterprise zone exemption must also be satisfied and maintained.

#### CONFIRMATION OF STATUTORY PROVISIONS

In order to receive the additional two years of enterprise zone exemption granted herein, The Firm agrees herewith under 285C.160(3)(a)(A) that for each year of the entire exemption period, all of The Firm's new employees shall receive an average level of compensation equal to or greater than 150 percent of the county average annual wage, in accordance with the specific definitions and guidelines in Oregon Administrative Rules (OAR), Chapter 123, Division 65 (123-065-41##), which provides that:

1. Such compensation may include non-mandatory benefits that can be monetized;
2. The county average annual wage is set at the time of authorization, except as pursuant to ORS 285C.160(4), according to the 2007 Linn County average annual wage rate of \$ 34,704 for which 150 percent equals \$ 52,055.

3. Only employees working at jobs filled for the first time after the application for authorization but by December 31 of the first full year of the initial exemption and performed within the current boundaries of the South Santiam Enterprise Zone are counted; and
4. Only full-time, year-round and non-temporary employees engaged a majority of their time in The Firm's eligible operations consistent with ORS 285C.135 & 285C.200(3) are counted, regardless if such employees are leased, contracted for or otherwise obtained through an external agency or are employed directly by The Firm.

#### LOCAL ADDITIONAL REQUIREMENTS

For The Firm to receive the additional two years of enterprise zone exemption granted herein, The City of Millersburg, a Zone Sponsor and The Firm agree that there are no additional requirements, in addition to statutory requirements under ORS 285C.160(a)(B).

ACCEPTING FOR THE CITY OF MILLERSBURG, A ZONE SPONSOR OF THE SOUTH SANTIAM ENTERPRISE ZONE:

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ACCEPTING FOR MEI, LLC:

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The other Zone Sponsors; City of Albany, City of Lebanon and Linn County approve this Agreement by passing separate Resolutions. Copies of which are attached.