

## Enterprise Zone Tax Abatement - Program Overview



New construction in  
Four Corners  
Industrial Park.

**T**he Molalla Enterprise Zone provides tax abatement as a financial incentive for industrial businesses to expand their existing facilities, construct a new building, invest in machinery, and hire new employees at higher wages.

Tax abatement is available to companies expanding or relocating on industrially zoned land in the city limits of Molalla.

Eligible firms include manufacturing, assembly, fabrication, processing, distribution, maintenance, warehousing, or other industrial firms that meet the criteria listed on the right.



### Highlights of the three-year tax abatement program

A qualifying company may be eligible for tax abatement on its new investment if it meets the following criteria:

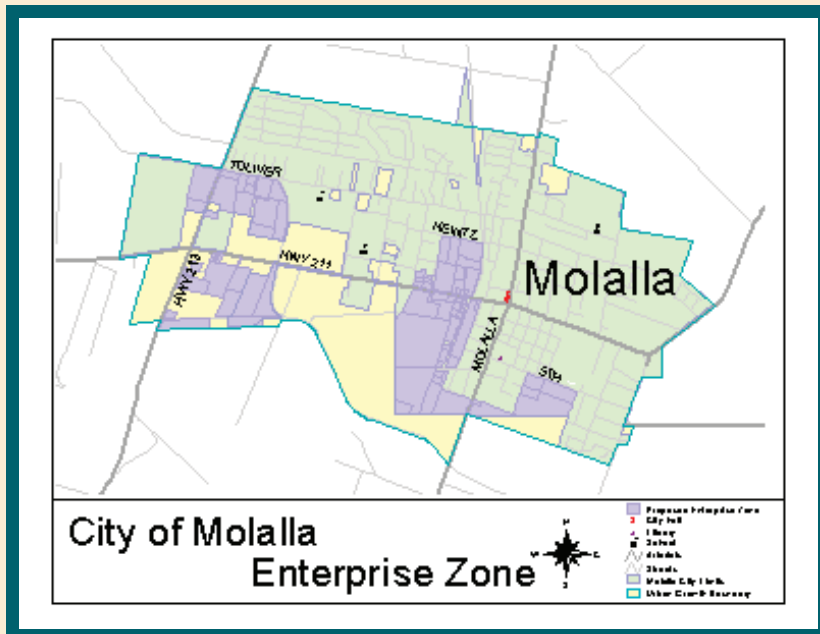
- Increase its permanent, full time employment by 10% and maintain it annually on average for three consecutive years.
- Pay new employees at least 150% of the state minimum wage (\$11.25 per hour). Benefits can be used to reach this pay level.
- Sign a First Source Hiring Agreement with the Oregon Employment Department committing the company to consider local applicants for new jobs being created.
- Pay an application fee of 0.1% of the proposed total investment made.

### Additional requirements for a five-year tax abatement

To qualify for an additional two-year tax abatement, a company must meet all of the requirements of the three-year program as well as the following:

- Pay 150 % of the average county wage (\$27.15 per hour) for the new jobs created. Benefits can be used to achieve this pay level.
- Maintain the higher wages and employment levels for five consecutive years.

# Molalla, Oregon Enterprise Zone



## Application Process

- 1) Please contact Renate Mengelberg (503) 353-4327 or at [renatem@co.clackamas.or.us](mailto:renatem@co.clackamas.or.us) to discuss the project and to determine eligibility.
- 2) Once it is determined that a company meets the job creation, investment and location requirements, they are encouraged to fill out the Oregon Enterprise Zone Authorization Application. The form can be found at: <http://www.oregon.gov/DOR/PTD/docs/303-029.pdf>
- 3) The company should submit the application form, a list of eligible investments, and a check for the application fee (0.1% of the total investment) payable to "Clackamas County".
- 4) The company will be invited to a meeting with representatives from the Clackamas County Tax Assessors Office, Oregon Employment Department, Clackamas County, and the City of Molalla to discuss the project and address any concerns.
- 5) If all parties agree that the application meets the criteria of the program, the Zone Manager and Assessor officially approve and sign the Oregon Enterprise Zone Authorization Application. The First Source Hiring Agreement should be signed at this time as well.
- 6) The company proceeds to expand its existing facility, construct a new facility or install eligible equipment.
- 7) In January the following year, all pre-certified companies that have completed construction by the end of December will receive a reminder notice and Oregon Enterprise Zone Tax Exemption Application Form. Or see: <http://www.oregon.gov/DOR/PTD/docs/310-075.pdf>
- 8) The pre-certified company files the Oregon Enterprise Zone Tax Exemption Application Form paperwork with the County Assessor by April 1 following each year of the tax abatement period.
- 9) The business receives the tax exemption from the County Assessor for the tax year beginning the following July 1st.

### For More Information or Questions Contact:

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