

ENTERPRISE ZONE

-Continued from PAGE ONE

The CREZ will take the fees collected under the agreements and distribute these funds to special taxing districts, such as rural fire, to compensate them for the effects of having new businesses and increased population using their services.

Money collected so far, however, has only been \$100,000 in fees from the zone's first company, Rack-space, and those funds are being held by County Treasurer Gayle Gutierrez. The board voted Monday to notify Gutierrez to release the funds to the new fiscal agent for disbursement. Fifteen thousand of the money goes to the new Morrow Education Foundation and the balance goes to the Port of Morrow for partial reimbursement on \$100,000 the Port fronted to a Boardman housing fund, designed to provide housing for the new workers the Enterprise Zone development is expected to attract.

The \$15,000 to the Education Foundation was spelled out in the agreement negotiated last year with Rackspace, a data center planning on building a server farm at the Port, and will be used to help fund education in Morrow County. The Morrow County Education Foundation was modeled after a similar foundation established in Ione, to aid schools in that district by awarding grants collected from outside funding sources.

The CREZ has been around since 2009 but recently reorganized under a new IGA (intergovernmental agreement) signed between its three "sponsors," or government entities of the City of Boardman, Port of Morrow and Morrow

County. Last week all three of these entities voted to approve the new IGA, one provision of which was to appoint the fiscal agent.

There are two CREZ board members appointed from each entity; they currently are: Morrow County: Commissioner Leann Rea and Assessor Greg Sweek; City of Boardman: Mayor Sandy Toms and Manager Karen Pettigrew; Port of Morrow: Commissioner Don Russell and General Manager Gary Neal.

The IGA agreement does not spell out exactly which districts will be eligible to receive funding, but does say that "recommendations and requests from affected special districts of potential impacts involving the service provided by said districts, including but not limited to fire protection and public safety, may be considered."

Once funds begin coming into the CREZ, the board will distribute the money only during a meeting that the full board is represented, and at least one affirmative vote from each entity shall be required to pass a motion on distribution of funds.

The last provision was added after some board members felt two of the entities may dominate one other when deciding which taxing district would receive funding.

On the subject of which districts should receive funding, the board has already received some criticism for not including overlapping and adjacent taxing districts in the formulation of the IGA. At its May 6 meeting, the board received a letter from Cyde Estes, chairman of the Morrow County Unified Recreation

District, asking the Enterprise Board to "invite all taxing districts in the Columbia Enterprise Zone II boundary, to an informational meeting prior to ratification of the IGA. It is our sincerest hope that you will allow us an opportunity to be heard," Estes said in her letter. All Enterprise Zone meetings are open to the public and so far the board has followed open meetings laws governing public bodies.

When new businesses negotiate deals with the Enterprise Zone to pay "fees" instead of county property taxes on new manufacturing and service facilities, these fees are based on the amount of new development the company does within the Enterprise Zone and new jobs the companies are bringing into the county. The zone is a 12-square-mile area encompassing mainly the Port of Morrow Industrial park near Boardman, which has for many years provided virtually all of the new development and job growth in Morrow County.

The companies locate in the zone, and pay negotiated fees up to 15 years to avoid paying higher property taxes directly to the county, thus giving the zone an economic advantage in attracting new business and jobs. The money, however will not go through the county to be divided up among county taxing districts as with "normal" collected property taxes.

The IGA says the fees collected in lieu of taxes will instead be awarded to special districts on which the new businesses and jobs have a direct impact by locating here.

"Every special district can say 'we are impacted because we don't get the taxes,'" Board Member Gary Neal said. "However, if they (the new businesses) weren't here, you would not be getting the taxes either," Neal pointed out. Both Neal and board member Don Russell said the CREZ should make an effort to reach out to special districts.

In other business at Monday's meeting, the board:

- Learned that Marc Rogelstad of the Boardman Rural Fire District was appointed as an alternate board member for the City of Boardman, and that Terry Tallman and Ken Grieb had both been appointed alternates for the county. The board also asked each entity to vote to name County Planning Director Carla McLane as the CREZ manager. She had already been serving in that capacity.
- Discussed that previous agreements negotiated with companies would have to be amended to instruct that future fees be paid to the new CREZ fiscal agent rather than Morrow County as had been spelled out in the agreements.

- Discussed rules for future negotiations with businesses, including the need to put a deadline on board action of 90 days. Some agreements also spell out "buy backs," where companies can receive reduced fees if they perform certain actions such as donating to the Greater Eastern Oregon Development housing fund, or giving to the education fund, and Neal said those buy-back stipulations should be better defined in future negotiations.

~ Op/Ed ~

Should other taxing districts have say in Enterprise Zone?

By Gerald Breazeale

The subject of the Columbia River Enterprise Zone and the "in lieu of taxes" fees being received is a complicated issue and deserves a great deal of scrutiny. First, to be clear, an "Enterprise Zone" is an area created to help entice industry to locate within that area by providing property tax concessions. It is an economic development tool specifically designed to appeal to businesses that wish to maximize their profits and limit their property tax liability.

Under Oregon tax law, businesses that locate within one of the enterprise zones are able to have the value of the property "frozen" at the present value before the company invests in major construction activities. The value of the new construction is not placed on the tax rolls until three years after the date of the agreement. After the initial three years, the property is valued at its present state and then is liable for current property taxes. Businesses that agree to additional concessions, like the number of jobs created above 150 percent of the average county wage, may qualify for additional property tax abatement for up to 15 years. This makes a lot of sense to lure profit-hungry businesses to the communities offering the enterprise zone designation.

In the case of the Columbia River Enterprise Zone at the Port of Morrow, there are 13 taxing entities affected by the enterprise zone. When the enterprise zone incentives are applied to new businesses, all of these agencies share in the loss of property taxes that would have been paid if the enterprise zone were not applied. The affected agencies are, according to taxing rate, City of Boardman, Morrow County, Boardman Rural Fire District, Blue Mountain Community College, Intermountain ESD, Morrow County Health District, Morrow County Unified Recreation District, Boardman Park District, Oregon Trail Library District, North Vector Control District, Umatilla Morrow Radio Data District, the Port of Morrow and the Boardman Cemetery District.

The Columbia River Enterprise Zone is being overseen by a board representing the City of Boardman, the Port of Morrow and Morrow County. Yet, all their decisions have an effect on all of the above-mentioned taxing districts. The total of the combined tax rates for all the agencies is \$12.4451 per \$1,000 of assessed valuation. This is complicated by the fact that Measure 5 limited the maximum tax for local governments to \$10 per \$1,000 value, which puts the taxing entities into "compression" where each is limited to a proportionate share of the \$10 per \$1,000 tax limit. In other words, each entity is subject to about a 20 percent reduction in realized taxes to stay within the \$10/\$1,000. Confusing, yes, but not really important to the issue of representation on the Columbia River Enterprise Zone board or to how the board distributes fees in lieu of taxes.

The entities managing the enterprise zones may grant the additional extension of time subject to the property tax abatement if the company will do certain things that are set by statute, and by agreeing to additional local requests. The tax abatement may be extended from the initial three years to a maximum of 15 years if the company agrees to hire a certain number of employees at 150 percent of the county average annual wage within five years and maintain that average for the rest of the term.

In the case of the Columbia River Enterprise Zone, the board has approved several long-term property tax abatement projects. One that I am familiar with is the abatement awarded to Con Agra for an expansion of their potato processing facility at the Port of Morrow. With that agreement, Con Agra will invest approximately \$211,400,000 in construction costs. Without the tax abatement of the Columbia River Enterprise Zone (CREZ), Con Agra would face a tax liability of approximately \$2,494,350 per year between all of the taxing entities before factoring in compression of approximately 20 percent. The after-compression figure would be approximately \$2,114,000 per year. To qualify for this abatement, Con Agra agreed to hire 35 workers at an average wage of 150 percent of the Morrow County Average. Of the 35 workers that will be hired, some will make more than the 150 percent of the Morrow County average to make the average of those reported to be at 150 percent of the Morrow County average wage. There is no requirement that the payroll records are audited, but the company must file an annual report.

In the example above, leaving out compression, Morrow County and the City of Boardman would receive about 67 percent of the property taxes or \$1,416,380 per year. The Port of Morrow would be entitled to 0.0067 percent or \$14,164. The remaining taxing entities would be entitled to approximately 32 percent of the tax revenue or \$676,480. The enterprise zone removes that tax liability for 15 years. In exchange for the tax abatement, the CREZ has required Con Agra to pay the CREZ \$950,000 per year. The Columbia River Enterprise Zone would be responsible to decide what to do with the funds received.

After factoring in compression, and after considering the in-lieu-of payments to the CREZ, the loss of (not captured) tax revenue to all the taxing entities is \$1,164,000 or \$33,257 per year per employee hired. That loss of revenue will be shared between the 13 taxing entities according to the tax rate for each of the respective agencies.

Other than the question of whether the cost to the entities is worth the creation of the jobs, there is the question of who should have a voice in the Columbia River Enterprise Zone. The present board members have suggested that the revenue from the in-lieu-of taxes payments be distributed similarly to that used in the "needs and issues" process that Morrow County previously used to distribute a portion of the fees collected for dumping at Finley Buttes, referred to as "Tippage Fees." Should three entities that make up 68 percent of the taxing value for the CREZ make decisions for how the money given up by 13 entities is spent? Should the remaining 10 taxing entities have a say in the enterprise zone tax abatement and fee distribution? That, to me, is the real question.

TELESTROKE SUCCESS

-Continued from PAGE ONE

Jean Bennett is having a stroke."

A full crew was already assembled in the Emergency Department (ED) tending a person who had just arrived in the ambulance. Jean was quickly put onto a gurney, and the entire team swung into action. Jean arrived at the hospital at 11:45 a.m., and labs were reported out as she was started through the CT at 11:54.

As Jean was being wheeled back into the ER, a nurse was calling the Providence Telestroke Network. Within minutes Jean was being examined by Dr. Lisa Yanase, a stroke neurologist in Portland, via the Telemedicine robot, which is possible only with a secure high-speed internet

connection. Jean was the first person in Heppner to benefit from the new Telestroke system, which the Morrow County Health District acquired last year.

Dr. Betsy Anderson was covering the ED that Monday morning in April. She and Dr. Yanase determined that Jean had an ischemic stroke—a clot that was blocking oxygen from getting to her brain. Under the physicians' guidance, the RN administered the only FDA-approved drug treatment for ischemic strokes, the clot-busting drug known as tPA.

There is a very short window of time in which tPA can be used, which is why Don's immediate action was so important. Jean was lucky; only two percent

of people whose lives could be saved by tPA receive treatment in time.

Shortly after the tPA was administered, Jean was LifeFlighted to Portland Providence, where she was treated by Dr. Yanase in person. Jean was discharged from Providence after only two days, thrilled to be able to come home with minimal after-effects from her stroke.

Yes, Jean was fortunate. She owes that good fortune to her husband Don, who immediately recognized symptoms of a stroke and quickly brought her to Pioneer Memorial, where she was able to receive the lifesaving treatment she needed.

Awareness saves lives

May is Stroke Awareness Month. Stroke is one of the leading causes of death among Americans. Although Don Bennett was certainly aware of what was happening to his wife, more than 90 percent of Americans don't know the signs of a stroke. And, every minute a stroke is left untreated, millions of brain cells are killed. With a stroke, that could mean the difference between life and death or living with a major disability.

Health care professionals use the "FAST" test to teach people to recognize the signs of a stroke:

F - FACE: Ask the person to smile. Does one side of the mouth or face droop?

A - ARMS: Ask the person to raise both arms. Does one arm drift downward? Can one arm not be raised?

S - SPEECH: Ask the person to repeat a sentence. Can he or she repeat it correctly without slurring the words?

T - TIME: If the person exhibits any problems with these, it's time to call for emergency help.

Some additional information about stroke:

- 80 percent of strokes can be prevented by changes in lifestyle

- The leading cause of stroke, high blood pressure, affects one in four adults—some 50 million people in the U.S.

- Stroke is the third leading killer among women and the fourth among men

Another local hero
Another, silent partner also played a role in Bennett's recovery. Inland Development is a non-profit, locally-owned fiber-optic communications company.

Inland's investment in next generation technologies enables rural hospitals, health clinics, schools and government agencies to use cutting edge technology such as the Telestroke.

Sandy Matthews, office manager at Inland Development since 2005, is certainly grateful that the company played a role in Bennett's safe recovery... Matthews is Jean Bennett's daughter.

If you or someone you know has a gambling problem, help is available and that help is FREE of charge.

If YOU have a family member who suffers from gambling addiction, YOU can also receive FREE treatment even if the gambler is not receiving treatment. If you are a resident of Morrow County and you wish to take advantage of the services above or desire more information, Please call any of the following numbers to set up a LOCAL appointment or just to talk: Bobby Harris @ 541-678-9925 or 541-256-0175 Community Counseling Solutions (CCS) @ 541-678-9161 OR 1-877-895-4648 (1-888-MYLIMIT)

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