

**Deal reached to form new enterprise zone**

*‘Good outcome...important tool for the county,’ says Commission Chair Lindsay*

**By David Sykes**

After months of negotiations, the Port of Morrow and Morrow County Commission has arrived at an agreement to seek renewal of the Columbia River Enterprise Zone, paving the way to continue what has been a highly successful business development tool.

After intense negotiations over the past 10 weeks, the two ironed out their differences and will now co-sponsor the new zone to be called CREZ 3. It will be an extension of the current CREZ 2.

There are some major changes in structure and decision making for the new zone, however. There will now only be two sponsors of the zone, the port and the county. Boardman will no longer be a permanent member. Now the port and county will each appoint three members to serve on the CREZ board.

All cities in the county, however, could have the opportunity to join the board for decision making. If a new business or project considers locating near them, they would then become part of the decision making CREZ board. If a city is allowed to join, the board will be determined if the new business venture or project falls within designated influence zones around each city in the county. Those zones are laid out a map which is part of the agreement. If a city does join the CREZ board, then the members will be the port, county and city, with two voting members each.

As with the current zone, new businesses locating in the enterprise zone receive property tax breaks as incentive to locate here, and that money goes directly to the CREZ. How the money is spent will also be decided by the assembled six-member board. If a development comes into an area not covered by a city influence zone, it will be then just be the port and county making all board decisions. This is a major change over the current process where the city of Boardman is a permanent member involved with zone decisions throughout the county. The area of the actual enterprise zone does not change however, consisting of 13 square miles, mainly at Port of Morrow near Boardman where so far, all new development and money has been coming from.

The county and port had been hung up on the size and location of the

influence zone maps determining what areas will be represented by which cities, however they worked out their differences to arrive at the new CREZ 3 deal. Each of the five cities in the county will have an influence zone of approximately 32,000 acres (see map).

Coming to the agreement was not easy and took quite a bit of time, requiring a unique bill passed at the State of Oregon’s recent legislature special session. The bill was required because state-wide the deadline for submitting enterprise zone applications to the Oregon Business Development Department (OBDD) for renewal was June 30, however with the extended negotiations in Morrow County it was necessary to have the legislature grant a special six-month extension for the extra time.

At a special Monday session, the county commissioners approved the new zone agreement by a three to zero unanimous vote. The Port of Morrow had earlier approved the same resolution last week, sealing the agreement between the two. Following the meeting, Commission Chair Melissa Lindsay, who has been handling the majority of the zone

processes and transparency and came to a good middle ground decision. I think we came to a good outcome for the county as a whole and I look forward to working with our partners at the Port to keep Morrow County growing with strong conversations and good planning in mind. It is a relief to be near the finish line on this,” she said.

Other changes in the new zone, if approved by the state, would allow tax deferred zone areas to be set up around the entire county, waiving the current 25-mile distance between zone areas. This could open areas all across the county for tax abatement opportunities for new businesses and development. Specifically mentioned in the zone resolution is that hotel, motels and destination resorts be able to receive property tax exemptions in the zone.

A change in how the money may be spent was also made, with the county and port agreeing to add infrastructure to the approved list of uses for the money. The five uses of zone funds will now be: infrastructure, education, public safety, housing and community enhancement. Final decisions on how the funds will be used and disbursed will eventually be decided by an intergovernmental agreement between the port, county and cities, however the resolution does call for Portland State University population numbers as a means for disbursement of specific funds to taxing districts.

The current enterprise zone CREZ 2 has done very well generating money over its 10-year life and has been successful in attracting businesses, generating over \$20 million in revenue in lieu of taxes. In the coming 15 years CREZ 2 is expected, with current contracts in place, to take in over \$165 million more, much of this coming from the Amazon data centers being constructed there. The income to be generated from a CREZ 3 is at this time unknown, however, there is still prime industrial land to be developed at the port which could be included and generate money in the new zone.

The board also made an agreement with current zone administrator Greg Sweek to move forward with the application for the new zone. Sweek is very knowledgeable about enterprise zone applications and operations.



**Commission Chair Melissa Lindsay**

renewal negotiations with the Port told the Heppner Gazette-Times, “I am very pleased that the EZ 3 application for Morrow County is on its way down the path toward the state. This is an important tool, along with others, to have in the toolbox for Morrow County to attract business. The recent hard work and diligent effort has gotten us to a partnership with the Port of Morrow. We still need to work through conversations with the impacted taxing districts and I look forward to a collaborative discussion with them. It isn’t easy to have the difficult conversations in the transparent public eye but it is the right thing to do and by doing so we learned, got to better

**Amazon plans smaller data centers**

*‘Shoehorn’ in around the bigger ones*

**By David Sykes**

In a departure from their current model of building big 200,000 square foot data centers around the Boardman area, Amazon recently said they are planning to build some smaller 10 to 15 thousand square foot centers on vacant land in between the big buildings.

The large cement data buildings have become a common sight around the Boardman area with new centers under construction most of the time. The structures house the computer equipment powering Amazon’s web services arm of its business, a division which is growing and accounted for about 13.5 percent of Amazon’s total reported first quarter revenue of \$75.5 billion this year. The web services or cloud computing division showed a 33 percent increase this first quarter. Amazon is also the cloud computing market leader, ahead of both Microsoft and Google.

Construction of the new data farms has brought change to Morrow County. The company has cut deals with the Columbia River Enterprise Zone (CREZ) that is currently, and will for many years, be pouring millions in payments in lieu of taxes into the CREZ coffers, which in turn is distributed throughout the county. The data centers also add good paying high tech jobs mixing in with the food processing jobs already available in the



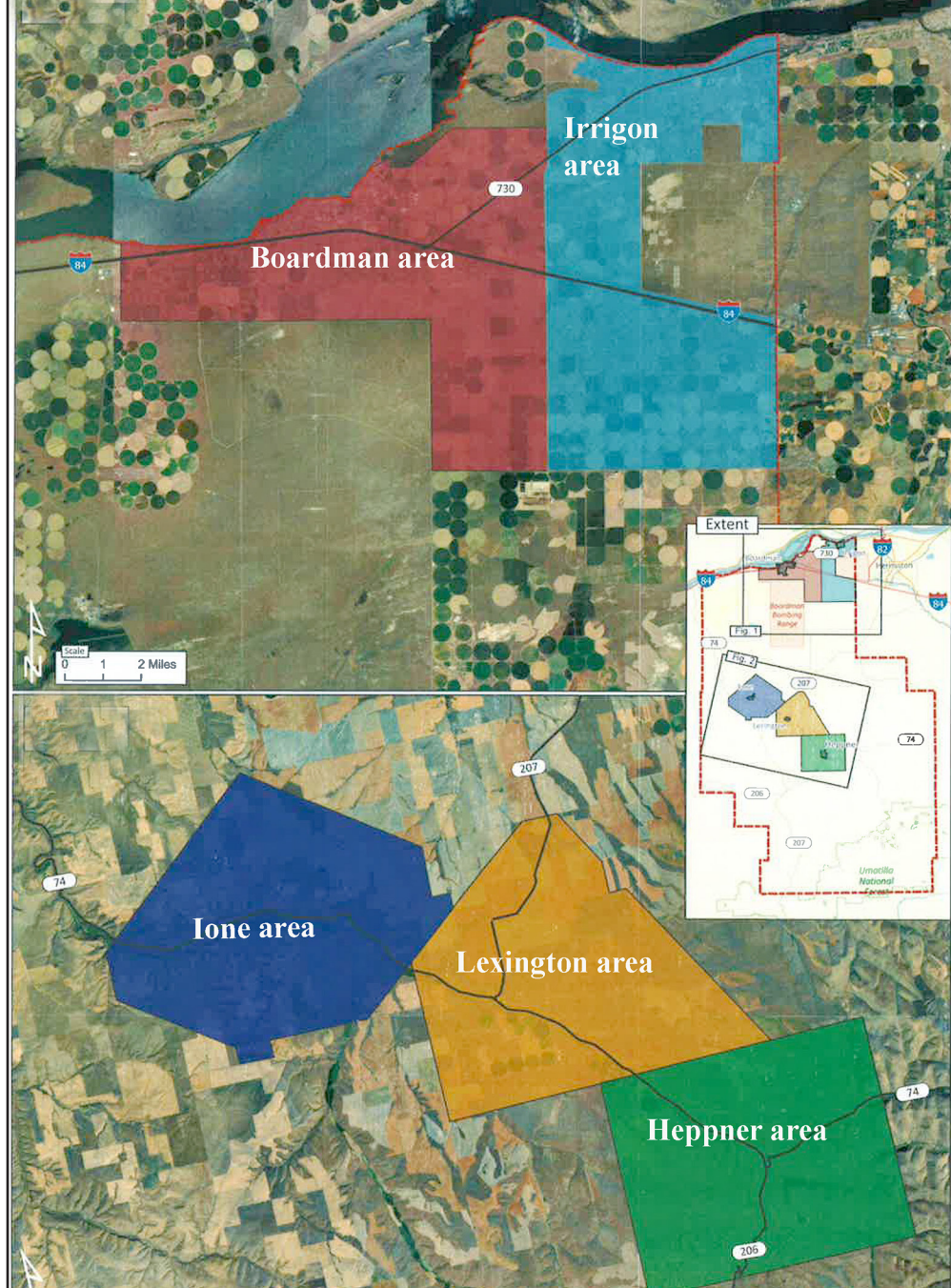
**Aerial shot of a typical Amazon data center built on Hwy 84 near Boardman.**

Boardman area. Typically, the new data centers are 200,000 square feet, from which the CREZ receives \$1 million per year on each one. Recently Amazon representatives came to the CREZ and asked to amend all four of their previous long-term tax break agreements dating back to 2017, which would allow the smaller buildings to be built in between the larger already existing buildings.

Using the same tax on square footage formula used on the larger buildings, the CREZ agreed to charge Amazon \$5 per square foot for any new data centers it constructs under 200,000 square feet. During discussion with Amazon officials, CREZ board member and county commissioner Don Russell declared he had a possible conflict of interest and recused himself from any discussions and voting on the Amazon agreements. CREZ alternate board member Jim

Doherty voted in Russell’s place. Later at a commissioner meeting ratifying the Amazon agreements Russell recused himself again from discussion and voting. Likewise, at a later Port of Morrow meeting, both Jerry Healy and Marvin Padberg recused themselves from participating in the Amazon deliberations and voting. All three are owners of a Boardman based internet service provider business called Windwave Communications, which sells internet services through business contracts with Amazon.

Amazon officials said the purpose of the smaller buildings was not a method to pay less in lieu of taxes to the CREZ, it was just a new business opportunity they have found for a certain type of customer that wants the smaller buildings. They gave no indication of how many of the new smaller buildings were being planned.



**Each of Morrow County’s five cities will have an “influence zone” of approximately 32,000 acres, allowing them to join the enterprise zone board if development happens there.**

REBATES UP TO **\$1000** AND FINANCING AS LOW AS **3.99%** FOR 36 MONTHS\*

THERE'S NO BETTER PLACE TO BE AND NO BETTER WAY TO GET THERE.

**POLARIS SUMMER SALES EVENT**

**GOING ON NOW!**

**MORROW COUNTY GRAIN GROWERS**  
 350 MAIN STREET LEXINGTON OR 97839  
 CONTACT JUSTIN BALLEW 541-256-0229, 541-989-8221 EXT. 204

\*Offer only by model. Rebates and financing offers valid on select 2020 new and unregistered Polaris® UTVs. Financing offers available on select 2020 new and unregistered Polaris® UTVs. Examples of monthly payments required over a 36 month term at a 3.99% APR rate. \$200 down, \$1,000 financed, with 10-month term at a 3.99% APR rate. \$120 per month. \$12,000 financed. Example of monthly payment with 30 down, no rebate, at an APR of 3.99% APR for 36 months at an MSRP of \$12,000 is \$12,000. Interest and financing of \$12,000. Other qualifications and restrictions may apply. Financing premises used where prohibited. Tax, title, license and registration are separate and may not be financed. Payment may be made in advance or at month end or any time in between. Payment of all tax and vehicle use fees, license to operate, and all insurance is the responsibility of the buyer. All vehicles are sold as-is. Dealer's license to operate. Payment, if financed, must be at least 12 years old. All riders should always wear helmets, use proper seat belt and buckle, and avoid excessive drinks and drugs. All riders should always wear seat belts, and avoid excessive drinks and drugs. Helmets and alcohol/drugs don't mix. All riders should take a safety training course. Call 800-345-3747 for additional information. Check local laws before riding in trails. ©2020 Polaris Inc.