



ECONOMIC DEVELOPMENT FOR CENTRAL OREGON

Press Release

For Release April 30, 2008

TWO NEW INCENTIVE ZONES IN CENTRAL OREGON APPROVED *Renewable energy projects in Crook County, Bend Airport and City of La Pine in Deschutes County to benefit*

(Bend, OR) - The Oregon Economic & Community Development Department (OECDD) signed into existence two new zones – an enterprise zone for the Bend Airport and City of La Pine and Rural Renewable Energy Development Zone (RREDZ) for Crook County - today that will help qualifying companies with temporary property tax relief.

“Economic development is an increasingly competitive field with thousands of communities in the U.S. and abroad contending for a limited number of expansion and relocation projects. These tools help our state better compete in the national and global marketplace,” said OECDD Director Bob Repine.

The Deschutes County Rural Enterprise zone, which encompasses the Bend Airport and the City of La Pine, offers traded-sector employers and other eligible companies three to five year property tax exemptions on certain new capital investments that create jobs. The zone is sponsored by Deschutes County and the City of La Pine and will be managed by Economic Development for Central Oregon (EDCO), which prepared the application. The zone is one of three zones OECDD had not yet designated of the 59 authorized by state law and is effective April 29, 2008. Zones have a set termination or sunset date, typically 10 years from designation.

The Enterprise Zone program is among Oregon’s oldest and frequently used economic development tools to attract new manufacturers, high technology and other traded-sector employers that sell goods or services outside the local area and expand its economic base. The program is also available for existing local companies; however most retail, commercial, and professional services businesses would not be eligible. All land and property already on the tax rolls is typically also ineligible from being exempted through the program.

“Both new zones clearly give us more tools in our economic development toolkit while building a stronger tax base for Central Oregon communities,” noted Roger Lee, EDCO’s Executive Director. “These zones help us grow existing traded sector companies as well as attract new, well-paying jobs from a diverse set of companies.”

The Redmond Enterprise Zone, one of the most active rural zones in Oregon, has had 111 projects qualify for property tax exemptions over the past 18 years, according to City of Redmond records. Those projects resulted in 1,677 new jobs and \$111 million in capital investment – most of which is now on the local property tax rolls. Each of Oregon’s enterprise zones has a specifically defined area, and investments made by eligible companies must be within those boundaries. Last year Redmond had 11 projects qualify for the incentive that produced 88 new jobs and resulted in \$16 million new capital investment.

While offering similar benefits as the enterprise zone, a Rural Renewable Energy Development Zone encompasses an entire county for the purpose of attracting new biomass, wind, geothermal, solar and other alternative or renewable energy production projects. RRED Zones were allowed by state statute in 2003 to avoid "gerrymandered" enterprise zones for wind farms.

Crook County initiated the process, with assistance from EDCO Manager Jason Carr, two months ago in order to provide a meaningful incentive for renewable energy production. Possible projects include a wind farm being considered along the southern border of the county and two biomass power production plants near Prineville. The combined investment of these projects could attract capital investments exceeding \$150 million.

In addition to Crook, only seven of Oregon's 36 counties (Union, Harney, Wasco, Sherman, Malheur, Polk and Linn) have been designated as a RREDZ. According to Art Fish, Business Incentives Coordinator for OECD, the most active of these zones has been Sherman and Wasco, which have each seen approximately \$15 million in new capital investments since designation in summer 2006.

About Economic Development for Central Oregon

Economic Development for Central Oregon (EDCO) is a private non-profit corporation founded 26 years ago and dedicated to building a vibrant and thriving regional economy by attracting new investment and traded-sector jobs (manufacturing, professional, headquarters and high technology businesses) through marketing, recruitment and substantive assistance to existing companies. Learn more about EDCO at www.edcoinfo.com.

About Oregon Economic and Community Development Department

The Oregon Economic and Community Development Department (OECD) provides economic, community and cultural enhancement throughout the state. The Department administers programs that assist businesses, communities and people. Oregon's economic development system is designed to meet the state's changing economy, provide flexibility in funding statewide and regional needs, and focus on funding economic and community development services for rural and distressed communities. Visit www.oregon4biz.com for more information on doing business in Oregon.

Press Contact:

Roger Lee

Executive Director

Economic Development for Central Oregon (EDCO)

541.388.3236; roger@edcoinfo.com