

58

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**COUNCIL RESOLUTION NO. 5309**

**A RESOLUTION APPROVING A TWO-YEAR EXTENSION  
REQUEST FOR A PROPERTY TAX EXEMPTION TO  
UNITED PARCEL SERVICE, INC./BT OH, LLC FOR ITS  
OPERATIONS IN THE WEST EUGENE ENTERPRISE ZONE.**

**PASSED: 7:1**

**REJECTED:**

**OPPOSED: Taylor**

**ABSENT:**

**CONSIDERED: October 12, 2020**



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**A RESOLUTION APPROVING A TWO-YEAR EXTENSION REQUEST FOR A PROPERTY TAX EXEMPTION TO UNITED PARCEL SERVICE, INC./BT OH, LLC FOR ITS OPERATIONS IN THE WEST EUGENE ENTERPRISE ZONE.**

**The City Council of the City of Eugene finds as follows:**

**A.** The City of Eugene and Lane County are co-sponsors of the West Eugene Enterprise Zone, which became effective on July 1, 2016.

**B.** United Parcel Service, Inc. / BT OH, LLC (“UPS”) is an eligible business firm as provided in ORS 285C.135 and has the right under ORS 285C.175 to seek property tax exemptions in the enterprise zone.

**C.** UPS has filed an authorization application with the West Eugene Enterprise Zone Manager seeking a three-year property tax exemption for its operations in the West Eugene Enterprise Zone under ORS 285C.175. That application will be approved, if at all, by the West Eugene Enterprise Zone Manager and the Lane County Assessor.

**D.** UPS also seeks a two-year extension to the tax exemption, for a total five-year exemption.

**E.** If the Council approves the two-year extension, the request would then be considered by the Lane County Board of Commissioners.

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:**

**Section 1.** Pursuant to ORS 285C.160, the City Council approves UPS’s request for an additional two-year tax exemption at the end of any tax exemption period authorized by the West Eugene Enterprise Zone Manager and the Lane County Assessor pursuant to ORS 285C.140, provided that UPS complies with the following conditions for each year of the entire exemption period:

**(a)** UPS will annually compensate all new employees hired by UPS at a rate of at least 150 percent of the county average annual wage for each assessment year during the tax exemption period, in accordance with the specific definitions and guidelines in Oregon Administrative Rules (OAR), Chapter 123, Division 674 (OAR 123-674-0600).

(1) The county average annual wage is set at the time of authorization, except as provided in ORS 285C.160(4). According to the “Annual Average Wage by County by Year” created by Business Oregon using data collected by the Oregon Employment Department, the 2018 Lane County average annual wage was \$43,784; 150 percent of which equals \$65,676;

(2) Average level of compensation is calculated for new jobs, which is defined as jobs filled for the first time between the date of November 11, 2019, which was the date of submission of the authorization application, and December 31 of the first year for which an exemption is claimed and whose duties are performed within the current boundaries of the West Eugene Enterprise Zone; and

(3) Only full-time, year-round and non-temporary employees engaged in a majority of their time in UPS’s eligible operations consistent with ORS 285C.135 and 285C.200(3) are counted, regardless of whether such employees are leased, contracted for or otherwise obtained through an external agency or are employed directly by UPS.

(b) UPS shall meet the following additional requirements as reasonably requested by the Zone Sponsors under ORS 285C.160(a)(B):

(1) UPS shall pay \$10,000 per year to Lane Community College’s Diesel Technology program, on or before July 1 in each of the five years of the enterprise zone exemption to support the program and enrolled students.

(2) UPS shall donate a minimum of 2 vehicles to the Diesel Technology program for educational purposes.

**Section 2.** The City Manager is authorized to sign agreements with Lane County, the co-sponsor of the West Eugene Enterprise Zone, and UPS incorporating the terms described in this Resolution only if the following conditions are met:

(a) The West Eugene Enterprise Zone Manager and the Lane County Assessor approve the application for authorization for the initial three-year property tax exemption;

(b) UPS accepts the conditions outlined in this Resolution; and

(c) For the duration of the 5-year property tax exemption, UPS shall maintain at least 110 percent of the average employment of the firm, as calculated over the 12 months preceding the date of application for the initial 3-year property tax exemption.

**Section 3.** The City Manager is authorized to take appropriate action to facilitate the extension of the property tax exemption as described in this Resolution.

**Section 4.** In the event that UPS fails to comply with any of the conditions in Sections 1 and 2 of this Resolution, the City Manager shall notify the Lane County Assessor that UPS has become unqualified for the exemption.

**Section 5.** This Resolution is effective immediately upon its passage by the City Council.

**The foregoing Resolution adopted the 12<sup>th</sup> day of October, 2020.**

*Beth Louest*  
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City Recorder