



*Where Life is Sweet*

# Hermiston Enterprise Zone

Incentives at a glance

## Incentive

The Hermiston Enterprise Zone is largely contiguous to Hermiston's city limits, and is one of several Oregon Enterprise Zones. The zone allows eligible (generally non-retail) businesses that expand into the area, to receive total exemption from the property taxes normally assessed on new plant and equipment for three years.

## Qualified Property

A new building/structure, structural modifications or additions, or newly installed machinery and equipment qualify for exemption, but not land, previously used property value and miscellaneous personal items.

## Business Eligibility

Eligible businesses include shippers, manufacturers, processors and a variety of operations that serve other organizations, as well as call-centers and headquarter-type facilities. Retail, construction, financial and certain other activities are not eligible.

## Criteria for Qualifying Projects

For the basic three-year property tax exemption, the business needs to:

- Increase full-time, permanent employment of the firm inside of Hermiston by one new job, or 10%, whichever is greater.
- Have no concurrent job losses outside of Hermiston, but inside of Oregon.
- Maintain employment level during the exemption period.

## Criteria for Extended Tax Abatement

Some projects which meet the basic three-year exemption, may also qualify for an additional one to two years of tax exemption if they meet the following:

- Compensation of new workers must be at or above 150% of Umatilla County's average wage. The threshold to meet is \$55,203 in total compensation. For the purposes of calculating total compensation, companies can include the cost of all voluntary benefits; not just wages. Additionally, this figure is an average; so if a company which qualifies for the basic exemption adds 10 employees, and the total compensation for eight line-employees is \$51,000 each, and the compensation for two new supervisors is \$75,000 each, then the average would be high enough to meet the compensation threshold.
- There must be approval by written agreement with the City of Hermiston.

## Hermiston Enterprise Zone

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