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# INDEPENDENCE

*Oregon's Story Begins Here*

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February 21, 2023

Representative Janelle Bynum  
House Committee on Economic Development & Small Business

Dear Representative Bynum & Committee Members,

I am writing you in support of HB 2199, which extends the sunset of the Enterprise Zone program. This program is an important tool for economic development statewide, and Independence has benefitted significantly from it.

As you are aware, an Enterprise Zone creates a 3-5 year property tax exemption for traded sector projects, depending on the number of jobs and wages paid. While a City must defer collection of tax revenue for a short time after construction of a new facility, we collect the full amount every year after the Zone's benefit expires. In 2000, Independence used our shared Enterprise Zone to secure development of a new 200,000 sq. ft. manufacturing facility for Medallion Cabinetry with an initial employment around 100. While ownership has changed hands, the company still employs over 200 people in Independence and the City has collected property taxes on the facility for almost two decades. It is important to note that while the company secured additional Enterprise Zone exemptions for large equipment installations in subsequent years, those additional exemptions did NOT extend the original exemption on the facility. After five years, the company started paying property taxes on the building, site improvements, and any equipment that was originally exempted.

Independence and many other communities have had success using Enterprise Zone designations to incentivize large traded sector developments. As can be seen with the Medallion Cabinetry project, these developments can continue to bring financial and economic benefits to a community long after the tax exemption has lapsed. Independence is the vibrant place it is today in part because of the Medallion Cabinetry project. I ask that you recognize the value of this important tool for economic development and vote to approve HB 2199, extending the sunset of the Enterprise Zone program.

Sincerely,

Shawn Irvine, Economic Development Director  
City of Independence