Background
On July 7, 2017, Vadata, Inc., part of Amazon.com, Inc., applied to Business Oregon for OBDC approval of its proposed data center facilities in Umatilla County, some of which will be inside the city of Umatilla, to receive the 15-year period of SIP tax treatment. Submissions were completed on September 21, 2017.

Amazon currently receives enterprise zone benefits for data centers, distribution centers, and other investments of diverse sizes across Oregon, including five-year property tax exemptions in Morrow and Umatilla counties. This is the first use of SIP by Amazon or, in fact, by any data center. SIP, however, may be a particularly useful tool for the company and community in this case of proposed developments estimated potentially to reach $2.75 billion.

SIP is a multilayered partial exemption from property taxes, currently used by several major investments across northern Oregon. Attached is a table that Business Oregon maintains online showing all current users, for which future iterations will also include another PGE natural gas plant, parts of Intel's 2014-approved $100-billion investments, and the Montague wind energy project that you approved on January 27, 2017. Oregon Law for SIP prescribes:

- A 15-year period, beginning with the tax year once sufficient property is placed in service.
- Exemption on real market value of project property in excess of a taxable portion, which grows three percent per year, starting from $25,000,000 in rural areas ($100,000,000 for urban).
- Community service fee—lesser of 25 percent of tax savings or $500,000 (rural) annually¹.
- That the requisite local-government agreement may contain additional conditions on the business firm, which typically involve other local payments.
- No employment criteria, although state statutes—
  - Require a first-source agreement by the business with publicly funded job training providers, like with lottery-benefitting projects and enterprise zones.
  - Exhort the employer to hire from within the surrounding region.

¹ For OBDC determinations of an eligible SIP project on or after October 6, 2017, the community service fee cap is $2,500,000, and the taxable portion also rises to $50,000,000 and $100,000,000 for projects in a rural area that have a total cost of first $500,000,000 and then $1 billion, pursuant to chapter 610, Oregon Laws 2017 (Enrolled Senate Bill 936).
Program Criteria and Tax Impact

To receive the benefit of property tax assessment under SIP, a determination is required from the OBDC upon finding that the project is eligible under the law. Umatilla County and the city of Umatilla have fulfilled the necessary procedural requirements:

- Public hearing by the Board of County Commissioners (August 29, 2017),
- Entering into a written agreement with Vadata, and
- County board’s voting to request OBDC approval (adopted resolution).

Moreover, as required by law: (1) the proposed project and business are in a traded-sector industry, in that Vadata will use the proposed data centers as part of Amazon’s own worldwide operations, as well as to provide web services to customers across the country and around the world, and (2) the investment will exceed the $25,000,000 minimum for such a rural project.

In the application, in accordance with previously established OBDC criteria, Vadata also affirmatively addressed the potential for unfavorable changes or transfers within its overall Oregon employment, indicating that nothing as such is anticipated.

At full buildout as currently expected (which might not be achieved or could be exceeded)—but assuming some additional reinvestments to subsequently replace servers and related personal property at intervals during the 15 years—local property tax revenue would approximate $24,000,000 over 17 years, with a very general, rough estimate of $244,000,000 in gross tax savings, out of which is subtracted the following for a net benefit to Vadata of $176,000,000:

- Maximum community service fee payments of $7,500,000 (subject to distribution by separate agreement among the county, city and local taxing districts) over the 15 years, and
- Agreed-to payments totaling $60,000,000 (based on five buildings).

Project & Company

According to the submitted application:

- The project will consist ultimately of at least five data center buildings of approximately $500,000,000 in real property improvements and equipment, housing upwards of $2 billion in personal property at any one time.
- Construction began in July 2017, with initial phases to be completed by spring 2019.
- In addition to mandatory elements and administrative considerations, the written agreement with the city and county obligates Vadata to make annual improvement payments of $4,000,000 that—
  - Include early years when only one to three buildings will likely be in operation.
  - Increase by $750,000 with each data center building that is in use and occupancy in addition to the five.
- When operational, 100 new full-time employees with average wages of $75,000 would be added to Vadata’s existing workforce in Northeastern Oregon.

Besides construction activities and related employment, further analysis of economic impacts would also need to incorporate the expenditure of revenues received by local governments.

Vadata is a data center development arm of Amazon.com, Inc. It already employs 230 people directly in Oregon, including 130 at existing data centers in Umatilla County. Headquartered in Seattle, Washington, Amazon is, of course, one of the current generation’s foremost technology
companies and one of the very largest firms in the world by certain measures at present. In addition to sellers, authors, developers, vendors, contractors and so forth, it has an approximately 1,000-job, year-round workforce in Oregon, which is growing in other ways and in other communities.

**Requested Action:**

☐ Informational only  ☐ For commission input/discussion  ☑ For commission action

Determination that VaData’s project is subject to tax treatment under Oregon Revised Statutes 307.123, by approving the resolution SIP-17-04 included here. It contains further details on the eligibility of the project and other findings.
RESOLUTION (SIP–17–04)

OREGON BUSINESS DEVELOPMENT COMMISSION

DETERMINATION OF APPROVAL FOR STRATEGIC INVESTMENT PROGRAM

Vadata Data Centers

WHEREAS, the State of Oregon Legislature created the Strategic Investment Program ("SIP") under ORS 285C.600 to 285C.635 (2015), so that enormous capital investments in taxable property by traded-sector industries might be subject to more appropriate taxation, in order to foster economic growth and to improve employment opportunities in this state and in the areas where such a project is located.

WHEREAS, the Oregon Business Development ("OBD") Commission is charged by law with determining eligibility and establishing the description of the proposed project and the property constituting it for purposes of assessment and ad valorem taxation ("SIP exemption") as provided under ORS 307.123.

WHEREAS, Vadata, Inc., part of Amazon.com, Inc., an electronic commerce and internet technology company based in Seattle, Washington, proposes to construct new data center facilities in Umatilla County, including but not limited to locations within the City of Umatilla, with a total investment cost currently estimated at $2.75 billion in real and personal property at locations meeting the definition of a "rural area" under ORS 285C.600.

WHEREAS, by resolution adopted on August 29, 2017 (#BCC2017–057), the Board of Commissioners for Umatilla County has formally requested that the OBD Commission approve this project under SIP.

WHEREAS, Vadata has made application for its data center developments to Business Oregon (the Oregon Business Development Department), which has reviewed and found it to be complete and in order as described in OAR chapter 123, division 23.

WHEREAS, the county and special taxing districts (comprising at least 75 percent of such districts’ taxing authority where the exempt property is located) shall agree on the distribution of the community service fee within three months, providing the department with a copy of the agreement; otherwise, the OBD Commission shall establish the distribution formula after such time.

WHEREAS, pursuant to documentation of the proposed project by department staff, the OBD Commission also makes the following FINDINGS:

1. The project is an “eligible project” under ORS 285C.600 and 285C.606.

2. The project will directly benefit a “traded sector industry” under ORS 285B.280, in that the proposed property will provide web services and support business operations that serve national and international markets.
3. The project's total cost will exceed $25 million.

4. Property/property value that will constitute the project is not:
   a. Previously owned or leased by the applicant prior to its application,
   b. Previously exempt under SIP or under ORS 285C.175 (enterprise zones), in that these represent distinct new improvements and investments from those currently subject to enterprise zone exemptions in the vicinity, or
   c. Part of any investment for which the applicant is also authorized in an enterprise zone.

5. On August 29, 2017, the governing body of Umatilla County held a public hearing regarding the project.

6. The county government and City of Umatilla have entered into a written agreement with the applicant, consistent with the provisions of ORS 285C.609(4) and (5), including provisions for the payment of the community service fee.

7. By official action, the county's governing body has requested the OBD Commission's determination that the project shall receive the SIP exemption.

8. The applicant has executed a first-source hiring agreement with publicly funded job-training providers covering the term of the exemption through the State Employment Department office in Hermiston.

9. The applicant has made payment to the department under ORS 285C.612 for the required application fee and will pay the administrative fee of $10,000 in total as due after approval by the OBD Commission.

10. The applicant has committed to the following:
    a. To respond in a timely manner to the requests and needs of the county assessor for Umatilla County and the Oregon Department of Revenue in their administering the project's SIP exemption, including but not limited to OAR 150-307-0100, and
    b. To ensure for any leased property constituting the project that the ultimate lessee is responsible for the payment of taxes on property as assessed and levied under ORS 307.123.

11. The OBD Commission has not imposed any additional condition on Vadata related to this SIP project.

12. OBD Commission's consideration of the SIP application is included on the agenda for the public meeting scheduled on September 29, 2017, in Portland, Oregon.

NOW, THEREFORE, THE OREGON BUSINESS DEVELOPMENT COMMISSION DOES HEREBY RESOLVE THAT:

A. The data center project that Vadata proposes to own and operate is approved under ORS 285C.600 to 285C.635 for the SIP exemption, such that real and personal property of the company in Umatilla County comprising the project, shall be assessed and taxed as provided under ORS 307.123.
B. This approved project is further defined by the project description prepared by the department and appended to this resolution.

C. The Commission Chair may execute this resolution.

D. The department shall furnish executed copies of this resolution to the applicant/Vadata, Umatilla County Assessor and the Department of Revenue.

ADOPTED BY OFFICIAL ACTION OF THE BUSINESS DEVELOPMENT COMMISSION FOR THE STATE OF OREGON, ON THE TWENTY-NINTH DAY OF SEPTEMBER, TWO THOUSAND SEVENTEEN.

__________________________________________________________
Kanth Gopalpur, Chair, OBD Commission

Attached Appendix
PROJECT DESCRIPTION

The proposed project as approved shall comprise data center facilities constructed, outfitted or placed in service by Vadata, Inc. in phases or stages, beginning on or after July 7, 2017, that are located within the following tax lots or directly contiguous tax lots in Umatilla County, inclusive but not limited to the City of Umatilla: #1100 Sec. 30 T4N, #2400 Sec. 14 T5N and #100 & #200 Sec. 21 T5N … of R28E of the Willamette Meridian.

The project further consists of property related to and developed in close association with the Vadata facilities, including without limitation, land, infrastructure, support structures, real property machinery & equipment, computer networking gear, computer services equipment, and similar or other related personal property, unless acquired by Vadata, Inc. or any commonly controlled business firm before July 7, 2017.

The applicant estimates total cost of project investments at $2.75 billion, but the actual investment may in reality be more or less.

The project further includes repairs, replacements, repowering, modernization, renovations and remodeling of such property made during the period of assessment and exemption under ORS 307.123.
Commission Agenda Item Cover Sheet

September 21, 2017

TO: Chair Gopalpur and members of the Oregon Business Development Commission (OBDC)
FROM: Art Fish, Business Incentives Coordinator
SUBJ: Determination of Strategic Investment Program (SIP) Eligibility for Wheatridge Wind Energy Facility Projects

Background
On September 18, 2017, Wheatridge Wind Energy, LLC, part of NextEra Energy, Inc. (NextEra) applied to Business Oregon for Commission approval of its proposed Wheatridge wind farm to receive the 15-year period of SIP tax treatment on two projects located respectively in Morrow and Umatilla counties (see attached map). Submissions were completed September 21, 2017.

SIP is a multilayered partial exemption from property taxes, currently used by several major investments across northern Oregon. Attached is a table that Business Oregon maintains online showing all current users, for which future iterations will also include another PGE natural gas plant, parts of Intel's 2014-approved $100-billion investments, and the Montague wind energy project that you approved on January 27, 2017. Oregon Law for SIP prescribes:

- A 15-year period, beginning with the tax year once sufficient property is placed in service.
- Exemption on real market value of project property in excess of a taxable portion, which grows three percent per year, starting from $25,000,000 in rural areas ($100,000,000 for urban).
- Community service fee—lesser of 25 percent of tax savings or $500,000 (rural) annually¹.
- That the requisite local-government agreement may contain additional conditions on the business firm, which typically involve other local payments.
- No employment criteria, although state statutes—
  - Require a first-source agreement by the business with publicly funded job training providers, like with lottery-benefitting projects and enterprise zones.
  - Exhort the employer to hire from within the surrounding region.

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¹ For OBDC determinations of an eligible SIP project on or after October 6, 2017, the community service fee cap is $2,500,000, and the taxable portion also rises to $50,000,000 and $100,000,000 for projects in a rural area that have a total cost of first $500,000,000 and then $1 billion, pursuant to chapter 610, Oregon Laws 2017 (Enrolled Senate Bill 936).
Program Criteria and Tax Impact

To receive the benefit of property tax assessment under SIP, a determination is required by the OBDC upon finding that the project is eligible under the law. Morrow and Umatilla counties have fulfilled the necessary procedural requirements:

- Public hearings (September 6, 2017),
- Entering into written agreements with Wheatridge, and
- Voting to request OBDC approval (adopted resolutions).

Moreover, as required by law: (1) the proposed project and business are in a traded-sector industry, in that Wheatridge/NextEra will sell electrical power competitively to utilities and similar customers, and (2) the investment will exceed the $25,000,000 minimum for such a rural project. In the application, in accordance with previously established OBDC criteria, Wheatridge also affirmatively addressed the potential for changes or transfers within its overall Oregon employment, indicating that nothing as such is anticipated.

Over 16 years, local property tax revenue is estimated to exceed $14,000,000 in two counties, including during construction, with gross tax savings under SIP of around $77,000,000 from which is subtracted the following for a net benefit to Wheatridge of approximately $28,000,000:

- Two mandatory community service fees, estimated at nearly $10,000,000 (subject to distribution by separate agreement among the county and local taxing districts), and
- Agreed-to payments of about $39,000,000 in total (based on full build out).

Project & Company

According to the submitted application:

- The wind farm is permitted for up to 500 megawatts (MW) of nameplate electrical capacity, although under SIP up to 450 MW are allowed in Morrow County and 100 MW in Umatilla.
- The $795,000,000 project will take a little more than a year in order to construct and install a vast and varied set of improvements, equipment, and systems, beginning by fall 2018.
- In addition to obligatory elements and administrative considerations, the written agreements with Morrow and Umatilla counties entail payments from Wheatridge:
  - Annually per megawatt after crediting taxes and the community service fee of—
    - $8,000/MW in Morrow County, and
    - $7,000/MW in Umatilla County.
  - To Umatilla County for local improvements of $150,000 per year over 15 years.
- When operational, 20 to 25 new full-time employees with average wages of $60,000 would be added to the approximately 20 jobs in northeast Oregon at existing projects of NextEra affiliates.

Construction jobs are expected to number 250 to 300 and to generate substantial economic benefits to local communities. Further analysis of economic impacts would also need to incorporate the expenditure of revenues received by local governments.
Wheatridge Wind Energy, LLC, is a wholly-owned subsidiary of Wheatridge Wind Holdings, LLC, which is an indirect subsidiary of NextEra Energy Resources, LLC. Headquartered in Juno Beach, Florida, NextEra Energy Resources has about 20 employees in Oregon and is evidently North America's largest owner–operator of wind and solar electricity generating assets. Like Florida Power & Light, it is owned by NextEra Energy, Inc., which as of year-end 2016 had approximately: $16.2 billion in consolidated revenue, 14,700 employees in 30 states and Canada, and 45,900 MW of generating capacity (including non-controlling interests of NextEra Energy Partners, LP).

**Requested Action:**

☐ Informational only  ☐ For commission input/discussion  ☒ For commission action

Determination that Wheatridge's projects in each county are subject to tax treatment under Oregon Revised Statutes 307.123, by approving resolutions SIP-17-02 and SIP-17-03, included here. They contain further details on the eligibility of the project and other findings.
RESOLUTION (SIP–17–02)
OREGON BUSINESS DEVELOPMENT COMMISSION

DETERMINATION OF APPROVAL FOR STRATEGIC INVESTMENT PROGRAM

Morrow County Wheatridge Wind Energy Facility

WHEREAS, the State of Oregon Legislature created the Strategic Investment Program ("SIP") under ORS 285C.600 to 285C.635 (2015), so that enormous capital investments in taxable property by traded-sector industries might be subject to more appropriate taxation, in order to foster economic growth and to improve employment opportunities in this state and in the areas where such a project is located.

WHEREAS, the Oregon Business Development ("OBD") Commission is charged by law with determining eligibility and establishing the description of the proposed project and the property constituting it for purposes of assessment and ad valorem taxation ("SIP exemption") as provided in ORS 307.123.

WHEREAS, Wheatridge Wind Energy, LLC ("Wheatridge"), part of NextEra Energy Resources, LLC, a renewable energy developer based in Juno Beach, Florida, proposes to construct a new wind farm in Morrow and Umatilla counties with a total investment cost of about $800 million in real and personal property at a location meeting the definition of a "rural area" under ORS 285C.600.

WHEREAS, by resolution adopted on September 6, 2017 (#R-2017-24), the Board of County Commissioners for Morrow County has formally requested that the OBD Commission approve this project under SIP.

WHEREAS, Wheatridge has made application for the part of its wind farm in Morrow County to Business Oregon (the Oregon Business Development Department), which has reviewed and found it to be complete and in order as described in OAR chapter 123, division 23.

WHEREAS, the county and special taxing districts (comprising at least 75 percent of such districts’ taxing authority where the exempt property is located) shall agree on the distribution of the community service fee within three months, providing the department with a copy of the agreement; otherwise, the OBD Commission shall establish the distribution formula after such time.

WHEREAS, pursuant to documentation of the proposed project by department staff, the OBD Commission also makes the following FINDINGS:

1. The project is an “eligible project” under ORS 285C.600 and 285C.606.

2. The project will directly benefit a “traded sector industry” under ORS 285B.280, in that the proposed property will generate electricity that is used for wholesale through interstate power markets or interchangeable with such electricity.
3. The project’s total cost will exceed $25 million.

4. Property/property value that will constitute the project is not:
   a. Previously owned or leased by the applicant,
   b. Previously exempt under SIP or under ORS 285C.175 (enterprise zones), or
   c. Part of any investment for which the applicant is authorized in an enterprise zone.

5. On September 6, 2017, the governing body of Morrow County held a public hearing regarding the project.

6. The county government has entered into a written agreement with the applicant, consistent with the provisions of ORS 285C.609(4) and (5), including provisions for the payment of the community service fee.

7. By official action, the county’s governing body has requested the OBD Commission’s determination that the project shall receive the SIP exemption.

8. The applicant has obtained first-source hiring agreements with publicly funded job-training providers covering the term of the exemption through the State Employment Department office in Hermiston.

9. The applicant has made payment to the department under ORS 285C.612 for the required application fee and will pay the administrative fee of $10,000 in total as due after approval by the OBD Commission.

10. The applicant has committed to the following:
    a. To respond in a timely manner to the requests and needs of the county assessor for Morrow County and the Oregon Department of Revenue in their administering the project’s SIP exemption, including but not limited to OAR 150-307-0100, and
    b. To ensure for any leased property constituting the project that the ultimate lessee is responsible for the payment of taxes on property as assessed and levied under ORS 307.123.

11. The OBD Commission has not imposed any additional condition on Wheatridge related to this SIP project.

12. OBD Commission’s consideration of the SIP application was included on the agenda for the public meeting scheduled on September 29, 2017, in Portland, Oregon.

NOW, THEREFORE, THE OREGON BUSINESS DEVELOPMENT COMMISSION DOES HEREBY RESOLVE THAT:

A. The project that Wheatridge Wind Energy, LLC proposes to own and operate is approved under ORS 285C.600 to 285C.635 for the SIP exemption, such that real and personal property of the company in Morrow County, as used for this wind farm project, shall be assessed and taxed as provided under ORS 307.123.

B. This approved project is further defined by the project description prepared by the department and appended to this resolution.
C. The Commission Chair may execute this resolution.

D. The department shall furnish executed copies of this resolution to the applicant/Wheatridge, Morrow County Assessor, and the Department of Revenue.

ADOPTED BY OFFICIAL ACTION OF THE BUSINESS DEVELOPMENT COMMISSION FOR THE STATE OF OREGON, ON THE TWENTY-NINTH DAY OF SEPTEMBER, TWO THOUSAND SEVENTEEN.

Kanth Gopalpur, Chair, OBD Commission

Attached Appendix
PROJECT DESCRIPTION

The proposed project as approved shall comprise wind turbine generators installed or placed in service by Wheatridge Wind Energy, LLC in phases or stages at the Wheatridge Wind Energy Facility project site area in Morrow County beginning on or after September 18, 2017.

The project further consists of associated property, as located at or developed in close association with the Wheatridge site area in Morrow County, including without limitation, roads & civil construction work, underground & overhead electrical lines, wind turbine steel towers & foundations, high-voltage transmission lines & pole structures, transformers, communication systems, meteorological monitoring towers, FAA lighting equipment, operations & maintenance facilities, grid interconnection facilities, and one or more substations, as well as the land directly beneath these facilities and the associated supporting infrastructure, unless acquired by Wheatridge Wind Energy Facility, LLC, NextEra Energy Resources, LLC, or any commonly controlled business firm before September 18, 2017.

The applicant estimates the total cost of project investments (including those in Umatilla County) at $800 million, but it may in reality be more or less.

The project is restricted to such property investments as described above, for which the aggregate nameplate generating capacity is not more than 450 megawatts (MW) of electricity at locations inside Morrow County (in addition to up to 100 MW in Umatilla County).

The project further includes repairs, replacements, re-powering, modernization, renovations and remodeling of such property made during the period of assessment and exemption under ORS 307.123.

Subject to its site certificate issued by the Oregon Energy Facility Siting Council (EFSC), Wheatridge may add to or subtract from the property that constitutes the project (including but not limited to the aforementioned repairs, replacements, re-powering, modernization, renovations or remodeling) and shall notify Morrow County of any such additional or subtracted property. Such changes allow affected project property neither to exceed the maximum of 450 MW nor to substitute later property for operating, unretired property already existing under this cap.

For purposes here, “property” has the meaning assigned to that term in ORS 308.505 through 308.691.
RESOLUTION (SIP–17–03)
OREGON BUSINESS DEVELOPMENT COMMISSION

DETERMINATION OF APPROVAL FOR STRATEGIC INVESTMENT PROGRAM

Umatilla County Wheatridge Wind Energy Facility

WHEREAS, the State of Oregon Legislature created the Strategic Investment Program (“SIP”) under ORS 285C.600 to 285C.635 (2015), so that enormous capital investments in taxable property by traded-sector industries might be subject to more appropriate taxation, in order to foster economic growth and to improve employment opportunities in this state and in the areas where such a project is located.

WHEREAS, the Oregon Business Development (“OBD”) Commission is charged by law with determining eligibility and establishing the description of the proposed project and the property constituting it for purposes of assessment and ad valorem taxation (“SIP exemption”) as provided in ORS 307.123.

WHEREAS, Wheatridge Wind Energy, LLC (“Wheatridge”), part of NextEra Energy Resources, LLC, a renewable energy developer based in Juno Beach, Florida, proposes to construct a new wind farm in Morrow and Umatilla counties with a total investment cost of about $800 million in real and personal property at a location meeting the definition of a “rural area” under ORS 285C.600.

WHEREAS, by resolution adopted on September 6, 2017 (#BCC2017–059), the Board of County Commissioners for Umatilla County has formally requested that the OBD Commission approve this project under SIP.

WHEREAS, Wheatridge has made application for the part of its wind farm in Umatilla County to Business Oregon (the Oregon Business Development Department), which has reviewed and found it to be complete and in order as described in OAR chapter 123, division 23.

WHEREAS, the county and special taxing districts (comprising at least 75 percent of such districts’ taxing authority where the exempt property is located) shall agree on the distribution of the community service fee within three months, providing the department with a copy of the agreement; otherwise, the OBD Commission shall establish the distribution formula after such time.

WHEREAS, pursuant to documentation of the proposed project by department staff, the OBD Commission also makes the following FINDINGS:

1. The project is an “eligible project” under ORS 285C.600 and 285C.606.

2. The project will directly benefit a “traded sector industry” under ORS 285B.280, in that the proposed property will generate electricity that is used for wholesale through interstate power markets or interchangeable with such electricity.
3. The project’s total cost will exceed $25 million.

4. Property/property value that will constitute the project is not:
   a. Previously owned or leased by the applicant,
   b. Previously exempt under SIP or under ORS 285C.175 (enterprise zones), or
   c. Part of any investment for which the applicant is authorized in an enterprise zone.

5. On September 6, 2017, the governing body of Umatilla County held a public hearing regarding the project.

6. The county government has entered into a written agreement with the applicant, consistent with the provisions of ORS 285C.609(4) and (5), including provisions for the payment of the community service fee.

7. By official action, the county’s governing body has requested the OBD Commission’s determination that the project shall receive the SIP exemption.

8. The applicant has obtained first-source hiring agreements with publicly funded job-training providers covering the term of the exemption through the State Employment Department office in Hermiston.

9. The applicant has made payment to the department under ORS 285C.612 for the required application fee and will pay the administrative fee of $10,000 in total as due after approval by the OBD Commission.

10. The applicant has committed to the following:
   a. To respond in a timely manner to the requests and needs of the county assessor for Umatilla County and the Oregon Department of Revenue in their administering the project’s SIP exemption, including but not limited to OAR 150-307-0100, and
   b. To ensure for any leased property constituting the project that the ultimate lessee is responsible for the payment of taxes on property as assessed and levied under ORS 307.123.

11. The OBD Commission has not imposed any additional condition on Wheatridge related to this SIP project.

12. OBD Commission’s consideration of the SIP application was included on the agenda for the public meeting scheduled on September 29, 2017, in Portland, Oregon.

NOW, THEREFORE, THE OREGON BUSINESS DEVELOPMENT COMMISSION DOES HEREBY RESOLVE THAT:

A. The project that Wheatridge Wind Energy, LLC proposes to own and operate is approved under ORS 285C.600 to 285C.635 for the SIP exemption, such that real and personal property of the company in Umatilla County, as used for this wind farm project, shall be assessed and taxed as provided under ORS 307.123.

B. This approved project is further defined by the project description prepared by the department and appended to this resolution.
C. The Commission Chair may execute this resolution.

D. The department shall furnish executed copies of this resolution to the applicant/Wheatridge, Umatilla County Assessor, and the Department of Revenue.

ADOPTED BY OFFICIAL ACTION OF THE BUSINESS DEVELOPMENT COMMISSION FOR THE STATE OF OREGON, ON THE TWENTY-NINTH DAY OF SEPTEMBER, TWO THOUSAND SEVENTEEN.

Kanth Gopalpur, Chair, OBD Commission

Attached Appendix
PROJECT DESCRIPTION

The proposed project as approved shall comprise wind turbine generators installed or placed in service by Wheatridge Wind Energy, LLC in phases or stages at the Wheatridge Wind Energy Facility project site area in Umatilla County beginning on or after September 18, 2017.

The project further consists of associated property, as located at or developed in close association with the Wheatridge site area in Umatilla County, including without limitation, roads & civil construction work, underground & overhead electrical lines, wind turbine steel towers & foundations, high-voltage transmission lines & pole structures, transformers, communication systems, meteorological monitoring towers, FAA lighting equipment, operations & maintenance facilities, grid interconnection facilities, and one or more substations, as well as the land directly beneath these facilities and the associated supporting infrastructure, unless acquired by Wheatridge Wind Energy Facility, LLC, NextEra Energy Resources, LLC, or any commonly controlled business firm before September 18, 2017.

The applicant estimates the total cost of project investments (including those in Morrow County) at $800 million, but it may in reality be more or less.

The project is restricted to such property investments as described above, for which the aggregate nameplate generating capacity is not more than 100 megawatts (MW) of electricity at locations inside Umatilla County (in addition to up to 450 MW in Morrow County).

The project further includes repairs, replacements, re-powering, modernization, renovations and remodeling of such property made during the period of assessment and exemption under ORS 307.123.

Subject to its site certificate issued by the Oregon Energy Facility Siting Council (EFSC), Wheatridge may add to or subtract from the property that constitutes the project (including but not limited to the aforementioned repairs, replacements, re-powering, modernization, renovations or remodeling) and shall notify Umatilla County of any such additional or subtracted property. Such changes allow affected project property neither to exceed the maximum of 100 MW nor to substitute later property for operating, unretired property already existing under this cap.

For purposes here, “property” has the meaning assigned to that term in ORS 308.505 through 308.691.
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<th>Business—Project name</th>
<th>(In order of determination by the Oregon Business Development Commission, following county process)</th>
<th>2015–16 property taxes, 15-year exemption and Investment Costs</th>
<th>Employment and average annual payroll in 2016</th>
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<td>$2,364,000</td>
</tr>
<tr>
<td>Sherman</td>
<td>$477,000</td>
<td>$10,915,000</td>
<td>$6,397,000</td>
</tr>
<tr>
<td>Gilliam–Morrow</td>
<td>$380,000</td>
<td>$803,000</td>
<td>$202,000</td>
</tr>
<tr>
<td>Sherman</td>
<td>$477,000</td>
<td>$2,220,000</td>
<td>$1,246,000</td>
</tr>
<tr>
<td>Gilliam</td>
<td>$325,000</td>
<td>$3,082,000</td>
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<tr>
<td>Morrow–Umatilla</td>
<td>$395,000</td>
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</tr>
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<td>Umatilla</td>
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<td>$401,000</td>
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<tr>
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<tr>
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<td>$3,104,000</td>
<td>$1,393,000</td>
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</tbody>
</table>

**T O T A L | A V E R A G E** | $12,000,000 | $223,000,000 | $52,000,000 | $134,000,000 | $22.2 billion | $6 billion | 4,953 | 7,477 | $121,730 | $150,748 | $96,030,864 |

* Exemption began too long ago to be part of "gain-share" distributions to local governments under 2007 law, which is the purpose of these reports, rather than verification of a statutory hiring requirement.
† Latest property tax year ending on prior June 30; 15-year exemption is on project property in excess of taxable portion, which begins at $25 or $100 million and rises 3% per year; taxes paid are on taxable portion and possibly other associated property. Foregone taxes adjusted using standard factor of revenue loss versus approximately one-sixth (17%) that is shifted to other taxpayers under local levies, and reduced by special payments that consist of statutory community service fee and locally negotiated amounts.
‡ Newly created and retained jobs (full-time equivalent—2,080 hours/year) associated directly with project, excluding (indirect) jobs with or for construction, vendors, suppliers, tangential company operations, or even on-site contractors, other than a general project operator. State tax revenues based on wage data and latest average tax rates by income level from Department of Revenue statistics; does not include revenue associated with indirect employment or any induced/multiplier effect due to employee spending.

Source: Business Oregon
May 11, 2017