



SPECIAL RESOLUTION

DISTRIBUTION OF LOCAL COMMUNITY SERVICE FEE UNDER STRATEGIC INVESTMENT PROGRAM (PURSUANT TO RESOLUTION NO. SIP-17-04)

WHEREAS, the Oregon Business Development Commission determined on September 29, 2017, that the Vadata Data Centers were an eligible project for the Strategic Investment Program (SIP), to be assessed and taxed as provided in ORS 307.123.

WHEREAS, SIP tax treatment requires annual payment of a *community service fee* to Umatilla County of up to \$500,000 per year.

WHEREAS, the county, City of Umatilla, and special service taxing districts (comprising at least 75 percent of such districts' taxing authority where the exempt property is located) did not enter into an agreement on how to distribute the *community service fee* under ORS 285C.609(6)(a) within three months after the determination.

WHEREAS, the OBD Commission shall after such time establish the distribution formula at its discretion under ORS 285C.609(6)(b).

WHEREAS, in the second half of June, pursuant to Umatilla County Board of Commissioner resolutions BCC2018-049 and BCC2018-050, the county and several special service districts entered into one-on-one agreements. The City of Umatilla also adopted resolution #01-2019 on July 3rd, in support of the community service fee distribution formula approved by Umatilla County. Umatilla Hospital District, West Umatilla Mosquito Control District, and the Port of Umatilla have not formally approved such an agreement, though it appears to have the informal support of all parties and is certainly a reasonable way to resolve the matter, such that the effect of the county's proposal is captured below.

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

Each year's community service fee respective to the Vadata project in Umatilla County shall be apportioned evenly between property tax code areas 06-01 and 08-03—that is, 50 percent for each.

Then, for code area 06-01 the portion of fee money shall be allocated among the City of Umatilla and the taxing districts under ORS 198.010 and 198.180 that have taxing authority in the tax code, based on the following fixed percentages, which are proportional to the current permanent tax rates of the city and the districts after adjusting each district's rate by the addition of a proportionate share of the tax rate for the county (which is excluded from the allocation):

Special Resolution pursuant to No. SIP-17-04 for community service fee distribution formulas

Taxing District, Code Area 06-01	Tax Rate	Adjusted Rate	Pro Rata
City of Umatilla	2.9191	2.9191	36.51111%
Umatilla County Government	2.8487	-	0%
Rural Fire Protection #5, Umatilla	0.8511	1.9397	24.26049%
Umatilla Hospital	0.4820	1.0985	13.73935%
Umatilla Special Library	0.3682	0.8391	10.49549%
West Umatilla Mosquito Control	0.2021	0.4606	5.76083%
Umatilla-Morrow Radio & Data	0.1700	0.3874	4.84583%
Port of Umatilla	0.1539	0.3507	4.38690%
	7.9951	7.9951	100%

Then, for code area 08-03 the portion of fee money shall be allocated among the taxing districts under ORS 198.010 and 198.180 that have taxing authority in the tax code, based on the following fixed percentages, which are proportional to the district's current permanent tax rates (excluding the county):

Taxing District, Code Area 08-03	Tax Rate	Without County	Pro Rata
Umatilla County Government	2.8487	-	0%
Rural Fire Protection #1	1.7500	1.7500	63.95030%
Umatilla Special Library	0.3682	0.3682	13.45514%
West Umatilla Mosquito Control	0.2021	0.2021	7.38535%
Umatilla-Morrow Radio & Data	0.1700	0.1700	6.21232%
Port of Umatilla	0.1539	0.1539	5.62397%
Cemetery #8, Hermiston	0.0923	0.0923	3.37292%
	5.5852	2.7365	100%

ADOPTED BY OFFICIAL ACTION OF THE BUSINESS DEVELOPMENT COMMISSION FOR THE STATE OF OREGON, ON THIS THIRTEENTH DAY OF JULY, TWO THOUSAND EIGHTEEN

Kanth Gopalpur, Chair, OBD Commission.