

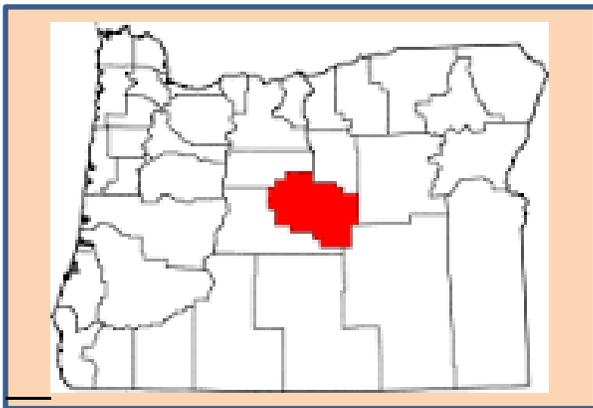
Crook County Rural Renewable Energy Development (RRED) Zone

Purpose

In April 2008, Crook County was awarded a Rural Renewable Energy Development (RRED) Zone designation from the State of Oregon, which is encouraging investments for renewable energy projects. In 2007, Oregon passed the Renewable Portfolio Standard, which requires the state's large utilities to generate 25% of their electricity from renewable sources by 2025. Smaller utility companies must meet a standard of 5-10% from renewable sources by 2025. The purpose of the RRED Zone is to provide a meaningful incentive for renewable energy production. Encompassing the entire county, the Crook County RRED zone is designed to encourage investments that harness wind, geothermal, solar, biomass, and other alternative and renewable energy production projects.



RRED Zone Map



Application Process

To receive investment incentives, eligible businesses must file a RRED Zone Pre-certification Form with the local zone manager prior to any eligible investments. For more information about the Rural Renewable Energy Development Zone, contact EDCO's office in Prineville at 541- 233-2015.

Eligibility

Employers that are new to Oregon or to the Central Oregon region are eligible as well as existing primary employers. Existing companies must add at least 10% to their workforce to qualify. Minimum investment for both new and existing companies is \$5 million. Four or five year exemptions require a company to pay an average of 150% of the average county wage (covered employment payroll for all employers in Crook County) in total compensation, which may include non-mandatory benefits such as vacation pay, medical insurance, and retirement contributions.

Qualifying Criteria	Crook County RRED Zone
Minimum Project Investment	\$5 Million
Maximum Company Investment ¹	\$250,000,000
Minimum New Employment- New Project ²	1
Minimum New Employment- Existing Facilities	10% Increase 1 st Year
Minimum Average Compensation Per Employee	\$60,231 ³

¹ Also the maximum total investment for the zone.
² This may be waived upon Sponsor approval
³ 150% of the 2013 Crook County average annual wage (for 4 or five year abatements only)

Relationship with Enterprise Zone

The RRED zone operates nearly identically to the standard enterprise zone program, except that the amount of initial market value (among one or more projects that may benefit) is capped at \$250 million and eligible projects must involve the generation of electricity from a "renewable energy resource" or the manufacture, storage or distribution of biodiesel, ethanol, or similar fuels made from applicable inputs. The RRED zone offers 100% property exemptions for qualified investments for a period of 3-5 years. Eligible zone projects must meet business firm and property qualifications for the standard enterprise zone exemption

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Frequently Asked Questions

What technologies qualify for RRED Zone tax incentives?

An eligible RRED Zone project must involve generation of electricity from a “renewable energy resource” or the manufacture, storage, or distribution of biodiesel, ethanol, or similar fuels. Not all technologies are covered. For example, new clean coal technology is not eligible as the energy source is not renewable.

Is the RRED Zone different than the Prineville/Crook County Enterprise Zone?

The two programs are designed to spur different capital investment projects but offer similar benefits. Tax exemption under the RRED Zone is exactly the same as the standard, 3-5 year exemption in an Enterprise Zone except that the initial market value for a RRED Zone project is capped at \$250 million. Also, the Crook County RRED Zone encompasses the entire county while the Enterprise Zone designates specific geographic areas. Please note that an eligible RRED Zone project must also meet qualifications for the standard enterprise zone application.

Does the RRED Zone take away from the existing tax base?

No, the Legislature, in coordination with cities and counties across Oregon, has structured the RRED Zone to ensure that no property (land, buildings, equipment) previously on the tax rolls can be removed through an exemption process. Only new investment qualified by an application process with the local RRED Zone manager, and coordinated with local tax assessor, can be exempted.

Can eligible employers who rent their facilities qualify?

Yes. If a facility has not been previously occupied or is a build-to-suit for an eligible company, landlords are required to pass on savings resulting from property tax exemptions to their tenants.

My company is eligible for the RRED Zone, but I've already started construction. Can my facilities be exempted?

Typically not. Companies wishing to access the program need to complete a simple, two page pre-certification application prior to breaking ground on new or expanded facilities. It is strongly recommended that pre-certification occur prior to obtaining building permits.

When the exemption period expires, does my property (building and equipment) come back on the tax roll?

Yes. Buildings and equipment are assessed throughout the exemption period, but come back on the tax rolls at a depreciated or appreciated value. During the period that a company participates in the RRED Zone, property taxes on real and some personal property are exempted, not deferred.

May my company use the RRED Zone multiple times for future expansions?

Yes. Expansion projects for qualifying employers are eligible as long as the employer adds at least 10% to their existing workforce each time the program is used, and the total investment within the zone does not exceed the maximum \$250 million cap for all projects.

Economic Development for Central Oregon (EDCO) is a private, non-profit organization, dedicated to the region's economic diversity by focusing on traded sector companies. EDCO attracts permanent family wage jobs by recruiting new companies and helping existing companies expand.

Prineville/Crook County Economic Development
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