



HILLSBORO ENTERPRISE ZONE PROGRAM

OVERVIEW

The Hillsboro Enterprise Zone program allows a 100% property tax abatement for eligible businesses on new qualified capital assets (not currently on the tax rolls) within the designated enterprise zone for a three-to-five-year period.

ELIGIBLE BUSINESS

Eligible businesses are primarily firms that provide goods, products, or services to businesses or other organizations through, but not limited to, manufacturing, processing, shipping, assembly, and fabrication. In addition, businesses engaged in retail or financial services are eligible if (1) the activity serves customers by responding to orders or requests received only by telephone, computer, the Internet or similar means of telecommunications; and (2) not less than 90 percent of the customers or orders are located and originate in an area from which long distance phone charges would apply if the order were placed by phone.

The business use must meet the current zoning regulations for the property, be within the enterprise zone boundary, and the site must be annexed to the City of Hillsboro.

PROGRAM REQUIREMENTS

State

- Increase full time, permanent employment of the firm within the enterprise zone by the greater of one new job (new businesses to Hillsboro) or 10 percent (expansion of existing Hillsboro businesses)
- No concurrent job losses more than 30 miles from the zone
- Maintain employment levels during exemption period
- Enter into a First-Source Agreement with the local jobtraining provider, Worksource Oregon.
- Do not retire, sell, or transfer exempt assets until the end of the exemption period.
- Satisfy additional local conditions (See below.)

Hillsboro

- **Minimum Investment** of \$1 million is required in the North Industrial Enterprise Zone Area or a minimum of \$250,000 investment in the Downtown and South Industrial Enterprise Zone Areas.
- **Procurement Plan** that increases purchases from Hillsboro-based companies by 10% annually.
- **Job Quality/Wages:** (1) average of all hourly wages must be at least 102% of Oregon minimum wage (2023 = \$15.45/hr) for a 3 year tax abatement (2) Years 4 and 5 of the tax abatement period, the average wage for all employees will be 125% of Oregon minimum wage; (3) benefits are provided at a value equal or greater than the national average for all years of exemption and (4) training and advancement opportunities will be offered to all employees.

Application Fee will be paid to the City of Hillsboro in the amount equal to 0.1% of the total estimated value of investment; fee capped at \$50,000.

Community Service Fee is applied each year based on the annual abated taxes relative to employment (jobs) created and retained at the site. Those who provide more employment relative to the amount of tax abatement received would qualify for a lower Community Service Fee in that year. The maximum Community Service Fees are 33% in years 1-3 and 50% in years 4-5 of the tax abatement program.

E-Zone Community Service Fee (CSF)	Criteria	Annual CSF (% of total Abated Taxes in that Year)				
		Year 1	Year 2	Year 3	Year 4	Year 5
Tier 1 CSF	< \$20,000 abatement per job created	0%	0%	0%	25%	25%
Tier 2 CSF	≥ \$20,000 abatement per job created	33%	33%	33%	50%	50%

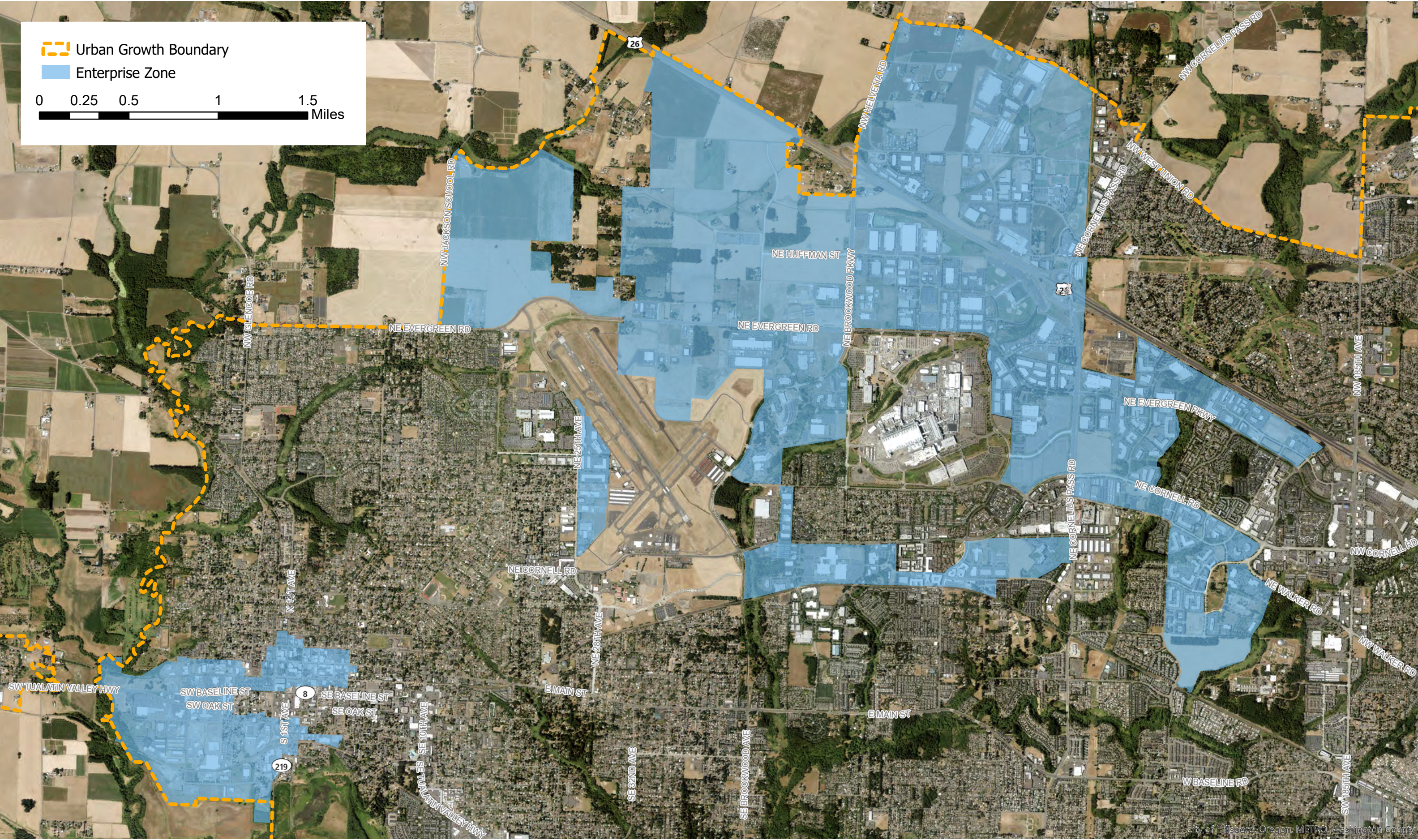
Total Annual Exempt Value			Relevant Tax Rate		Annual Tax Abatement		Average Annual Jobs	Annual Abatement Per Job
\$	/	1,000	\$17.0000*	=	\$	/	#	\$

*Tax rate-example only

School Support Fee is applied in years four and five of the exemption period in the amount of 15% of the abated tax. The applicant will be invoiced by the applicable school district in November. This fee is separate from the E-Zone Community Service Fee.

Questions?

Please contact Val Okada, Economic Development, at val.okada@hillsboro-oregon.gov or 503-681-6112.



City of Hillsboro, Oregon, METRO, Washington County