

**CITY OF GRESHAM
ENTERPRISE ZONE
TAX EXEMPTION CONTRACT NO. 313512**

This Enterprise Zone Tax Exemption Contract (“Contract”) is entered into this ___ day of _____, 2026 (the “Effective Date”), between [REDACTED] and its affiliates and subsidiaries (“Company”) and the City of Gresham, a municipal corporation of the State of Oregon (“City”).

RECITALS

- A. Pursuant to the Oregon Enterprise Zone Act established under Oregon Revised Statutes 285C.045 to 285C.250 (“Act”) and the City’s Enterprise Zone Policies adopted by Resolution No. 3310, the City has the authority to establish, and has established, conditions under which a company may qualify for a three to five-year property tax exemption as authorized by the Act;
- B. The City sponsors the Gresham Enterprise Zone which is located in six (6) designated areas within the City of Gresham, Oregon (“Zone”);
- C. The City has designated Erika Fitzgerald as the manager of the Zone. The City Manager is authorized to enter into Enterprise Zone Tax Exemption Contracts;
- D. The Company is making building improvements and adding machinery and equipment to their new distribution and warehousing facility located at [REDACTED]. The investments are estimated to be [REDACTED]. The approved investment period for this enterprise zone application begins February 27, 2026.
- E. Company desires to participate in the Enterprise Zone Tax Abatement program and agrees to comply with certain program goals of the Act and of the City which may include making real property improvements and making a financial community service fee contribution;
- F. Company has requested, and the City has approved a 3-year tax exemption.

AGREEMENT

In consideration of the mutual benefits accorded each party under this Contract, the Company and the City of Gresham agree as follows.

1. DEFINITIONS.

- 1.1. Covered Position.** A Covered Position is defined as all of the Company’s jobs at its location within the Zone and as otherwise negotiated under the Company’s First

Source Agreement.

- 1.2. First Source Agreement.** The mandatory contract that Company will enter into with WorkSource Oregon (or other local service provider) concurrently with this Agreement that must remain in effect during the period of the tax exemption. WorkSource Oregon (or other local service provider) will generally serve as a resource to Company for recruitment, referral and placement of personnel in Covered Positions.
- 1.3. Non-governmentally mandated benefit.** Employment benefits offered to all regular full-time employees at the qualified facility after one year of Company employment that are not mandated by any government as of the date of this contract. “Non-governmentally mandated benefits” for purposes of this contract exclude (1) social security contributions, (2) worker’s compensation insurance, (3) unemployment insurance, (4) shift pay, and (5) premium pay. All other documented non-governmentally mandated employee benefits are included.

In cases where the benefit contribution by the Company is determined by employee participation, the calculation of benefit costs to the Company will include its maximum liability for benefits payments in the calculation of the level of benefits provided to employees. In cases where the employee benefits offered increase with length of employment, the benefit level used for calculations in this contract are the benefits as of three years of employment greater than 32 hours per week.

- 1.4. Recruited Position.** A Recruited Position is a job that the Company creates in fulfillment of the First Source Agreement.
- 1.5. Regular Full-time Job.** A non-seasonal or non-temporary job directly with Company exceeding an annual average of 32 hours per week.
- 1.6. Total compensation costs.** The total amount of company costs for direct compensation of employees as defined by the U.S. Bureau of Labor Statistics Employment Cost Trends, U.S. Department of Commerce (<http://stats.bls.gov/news.release/ecec.toc.htm>).

2. CITY OF GRESHAM OBLIGATIONS.

- 2.1.** City of Gresham will work with the Company for the duration of the period of the tax exemption and beyond in order to foster the success of all parties in this undertaking.
- 2.2.** City of Gresham shall file the Enterprise Zone Application form in a timely manner with Business Oregon.
- 2.3.** City of Gresham will exercise its best efforts in promoting and advancing Company’s recommended job training and employment support programs.

2.4. City of Gresham will coordinate all parties necessary to achieve real property tax exemption on the Company's qualified property for an exemption estimated to commence in fiscal year 2027, provided that the Company discharges its obligations under this Contract.

3. **COMPANY OBLIGATIONS.** In consideration for the property tax exemption granted pursuant to the Act, the Company shall perform the obligations set forth in this Section.

3.1. **Application Fee.** The Company has paid [REDACTED] to the City; the application fee was calculated at .001 percent of the value of the investment in qualified property proposed in the application for authorization. The application fee is capped at \$50,000. At the end of the investment period, the City will reassess the application fee based on the total amount invested. If the total investment exceeds the initial estimate by more than 100%, an additional fee (up to the \$50,000 cap) will be required based on the formula above. Should Company invest less than the initial estimate, no refunds will be issued. Application fees paid to the City of Gresham are non-refundable.

3.2. **Asset Contribution.** The Company intends to invest [REDACTED] in assets including building improvements and machinery and equipment.

3.3. **Minimum Investment Level.** The Gresham Enterprise Zone program requires a minimum \$1 million investment for eligibility. This agreement represents an estimated investment of [REDACTED] within the investment period.

3.4. **Minimum Employment Level.** In accordance with ORS 285C.200(1)(c)(A) and (7)(a) the "annual average employment" of Company within the Zone must, unless waived, increase by 10 percent of the average for the 12 month period preceding the date in which pre-certification takes place. In the event Company is newly established and cannot generate the 12 month average information, Company shall retain at least 15% of its peak employment during the entire period of tax exemption; or employment will not fall below 50% of its peak employment for more than one year as measured at the end of each tax year.

3.4.1. In accordance with ORS 285C.200, Company shall create one (1) new Regular Full-Time job by the date the first exemption is claimed or April 1 following the year in which the investment in qualified property is made, whichever is earlier.

3.5. **Job Quality Commitments** – Zone facility jobs will be required to meet a minimum quality level during the period of tax exemption defined as the following:

3.5.1. Wage requirements:

Average annual compensation (wages plus benefits) for all facility occupations must exceed 200% of the Portland Metro minimum wage at the time of application.

Portland Metro minimum wage at the time of application, February 27, 2026, was \$16.30 per hour. Company shall exclude annual compensation of the following position at the facility from average wage calculations:

- Top management position

3.5.2. Non-mandated benefits must be provided at an hourly value equal to or greater than 20% of average annual salary for all years of exemption.

3.6. Workforce Development. All companies participating in the Gresham Enterprise Zone program will be required to demonstrate compliance with the following workforce development activities to the zone manager on an annual basis:

3.6.1. Because the Company's average annual employment is under 99, Company will be required to participate in one (1) workforce development activities in each of the following categories per year:

- Growth opportunities for existing employees
- Local youth engagement
- Business to business support
- Local hiring activities

3.6.2. If Company fails to demonstrate compliance with the required workforce development policies on an annual basis, the company shall pay a penalty of \$5,000 to the City. Penalty fees paid to the City of Gresham are non-refundable.

3.7. Gresham Enterprise Zone Business Procurement Plan Requirements. Company will perform the following activities throughout the period of tax exemption to generate employment opportunities throughout Gresham for target area residents:

3.7.1. Company will develop and make a good faith effort to implement a procurement plan intended to increasingly expand the Company's procurement from Gresham businesses. The procurement plan must be approved by City of Gresham Enterprise Zone Manager by April 1st of the first exemption year and will thereafter be effective throughout the period of tax exemption. The plan will include goals against which to evaluate the Company's performance and will generally follow the outline attached as Exhibit A.

3.7.2. On an annual basis, Company shall submit its local procurement data which will be reviewed by the City of Gresham Enterprise Zone Manager to determine what improvements are warranted, if any. Company will make sufficient information available to City of Gresham to perform this monitoring and analysis.

3.8. Obligations Pursuant To a First Source Agreement. The Company will utilize WorkSource Oregon's (or other local service provider's) program for employee

hiring at Zone operations throughout the project commencement and tax exemption period. A “First Source Agreement” is executed with WorkSource Oregon (or other local service provider), which determines performance standards for recruitment activities. Positions to be hired through WorkSource Oregon (or other local service provider) are negotiated.

- 3.9. City of Gresham Business Location.** The Company will make a good faith effort throughout the period of tax exemption to communicate its location within the City of Gresham whenever and wherever possible to emphasize their commitment to the City of Gresham business community. Platforms used to communicate the company’s location in Gresham may include, but are not limited to, messaging through marketing materials, social media and press releases.
- 3.10. City of Gresham Business License.** The Company must maintain a current and active City of Gresham Business License as of the contract execution date and during the entire tax exemption period.
- 3.11. Compliance with City of Gresham Codes and Policies.** The Company must maintain compliance with all applicable city codes and policies as of the contract execution date and during the entire tax exemption period.
- 3.12. Equal Opportunity.** The Company shall not discriminate on the basis of race, religion, color, sex, marital status, national origin, age, mental or physical disability, sexual orientation, gender identity, source of income, or other protected characteristic.

4. REMEDIES.

- 4.1.** If Company fails to perform its obligations under this contract, City of Gresham may, at its discretion, pursue one or more of the following remedies. The City of Gresham’s failure to exercise its remedies does not waive City of Gresham’s claim(s) for breach of contract or Company’s duty to fulfill its obligations under the contract.
- 4.2.** Remedy for non-performance of Employment and Job Quality related obligations.
 - 4.2.1.** If employment levels and job quality obligations are not met in accordance with Sections 3.4 and 3.5 of this Contract, the property shall be subject to the penalties described in ORS 285C.240. Company will notify the tax assessor and City of Gresham that they are disqualified from tax exemption for the tax year in which failure occurred, as specified under ORS 285C.240(1), (2) and (3). Company may avoid disqualification from the enterprise zone program by paying City of Gresham one year’s worth of the exemption. See OAR 123-674-6600 to 123-674-6630.
- 4.3.** Remedy for non- performance of Obligations pursuant to a First Source Agreement
 - 4.3.1.** Non-performance of Section 3.9 shall result in the City of Gresham notifying the Assessor that the Company is no longer qualified to receive a tax exemption

THE CITY OF GRESHAM

By: Erika Fitzgerald
Its: Enterprise Zone Manager

Date

By: Eric Schmidt
Its: City Manager

Date

COMPANY

By: _____
Its: _____

Date

APPROVED AS TO FORM

City Attorney

Date

EXHIBIT A

GRESHAM BUSINESS PROCUREMENT PLAN OUTLINE

It is the intent of the Gresham business contracting element of this agreement to increase the dollar amount of products and services purchased by the Company from Gresham businesses.

This agreement specifies that the Company develops a procurement plan that demonstrates a best effort to increase purchases from companies located within the City of Gresham. This recognizes that the Company is in the best position to determine how to achieve these results.

A Company developed procurement plan provides flexibility that can address the specific company needs and operating conditions. While this agreement does not specify how the Company is to meet the business contracting requirements, the Gresham Business Procurement Plan should contain or address the following elements:

- A list of the products and services which the Company currently purchases or anticipates purchasing, which have the potential for being purchased from Gresham companies.

Companies with existing operations in the Zone should also provide a breakdown of products and services currently purchased from companies located in Gresham, and the dollar amount of those purchases.

- A description of how the Company will increase the dollar value of goods and services purchased from businesses within the City of Gresham. This plan should include specific actions that the Company will undertake such as outreach strategies, seminars, technical assistance, mentorships, etc., which will provide increased availability to and support for companies to capture increased sales. The Company's implementation of the actions and outreach strategies will be the basis for evaluation of the Company's best effort in compliance with the plan.
- The Company should contact sources such as industry associations, purchasing agents, Columbia Corridor Association, or other organizations that represent or are associated with small businesses in Gresham.
- A statement of numeric or percentage goals that reflect an increasing level of local purchases over the period of the exemption and would provide annual benchmarks to evaluate the plans effectiveness.