



Hermiston Enterprise Zone

Incentives at a glance

Incentive

The Hermiston Enterprise Zone is largely contiguous to Hermiston's city limits, and is one of several Oregon Enterprise Zones. The zone allows eligible (generally non-retail) businesses that expand into the area, to receive total exemption from the property taxes normally assessed on new plant and equipment for three years.

Qualified Property

A new building/structure, structural modifications or additions, or newly installed machinery and equipment qualify for exemption, but not land, previously used property value and miscellaneous personal items.

Business Eligibility

Eligible businesses include shippers, manufacturers, processors and a variety of operations that serve other organizations, as well as call-centers and headquarter-type facilities. Retail, construction, financial and certain other activities are not eligible.

Criteria for Qualifying Projects

For the basic three-year property tax exemption, the business needs to:

- Increase full-time, permanent employment of the firm inside of Hermiston by one new job, or 10%, whichever is greater.
- Have no concurrent job losses outside of Hermiston, but inside of Oregon.
- Maintain employment level during the exemption period.

Criteria for Extended Tax Abatement

Some projects which meet the basic three-year exemption, may also qualify for an additional one to two years of tax exemption if they meet the following:

- Compensation of new workers must be at or above 150% of Umatilla County's average wage. The threshold to meet is \$55,203 in total compensation. For the purposes of calculating total compensation, companies can include the cost of all voluntary benefits; not just wages. Additionally, this figure is an average; so if a company which qualifies for the basic exemption adds 10 employees, and the total compensation for eight line-employees is \$51,000 each, and the compensation for two new supervisors is \$75,000 each, then the average would be high enough to meet the compensation threshold.
- There must be approval by written agreement with the City of Hermiston.

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