

**4-12-2017**

Judge Shaffer called a special session of the Gilliam County Court to order at 6 p.m. The meeting was held at the Arlington City Hall in Arlington, Oregon. The purpose of the meeting was to discuss an intergovernmental agreement concerning the distribution of Strategic Investment Program (SIP) Community Service Fee for the Montague Wind Project with representatives of Code 4 Taxing Districts: North Gilliam County Cemetery District, North Gilliam County Health District, North Gilliam County Rural Fire Protection District and Port of Arlington.

Present were Judge Steve Shaffer, Commissioner Michael Weimar, Commissioner Leslie Wetherell, Court Administrator Leanne Durfey, Gilliam County Assessor Chet Wilkins and Recorder Mary Dyer. Commissioner Wetherell declared a potential conflict of interest noting she is the bookkeeper for North Gilliam County Cemetery District but does not think that will prevent her from making a good decision. Code 4 Taxing District representatives in attendance included Ruben Wetherell, North Gilliam County Cemetery District; Julius Courtney and David Anderson, North Gilliam County Health District; Joe Claughton, Jim Rucker, Jodi Claughton, Skye Krebs and Larry Eubanks, North Gilliam County Rural Fire Protection District; and Ron Wilson, Dewey Kennedy and Peter Mitchell, Port of Arlington. Also present in the audience were Arlington City Mayor Jeff Bufton and Arlington resident Mary Sallee and for a portion of the meeting Marta Mikkalo was present

#### **IN THE MATTER OF SIP INFORMATION AND BACKGROUND**

Via a Powerpoint presentation, Judge Shaffer outlined details of the Avangrid Wind Project SIP Agreement and Community Service Fee (CSF). He explained that the Oregon Strategic Investment Program (SIP), was created to encourage large projects to locate in the State of Oregon. In rural counties, the program offers companies a 15 year property tax exemption on real market value greater than \$25 million. Companies must pay a Community Service Fee to counties in which a project is located. The fee, at 25 percent of the company's tax savings, is capped at \$500,000 per year. Payments are distributed based on an agreement between local taxing districts listed in ORS 198.010 or 198.180 that constitute at least 75 percent of the property tax authority in the code area where the project is located.

Judge Shaffer explained that the County benefits from the program because the fee is spread out with an annual payment every year for 15 years instead of immediate payment resulting in rapidly depreciated property tax value. It also provides the County with an opportunity to create a rainy day savings fund to continue benefits to the County beyond the 15-year period. He also noted that this is likely the last wind project to be sited in Gilliam County in the foreseeable future.

This is the fourth time Gilliam County has received Community Service Fees from SIP funds, Judge Shaffer explained. The first three include Willow Creek, Pebble Springs Iberdrola and Shepherd's Flat, expiring in 2023, 2026 and 2033 respectively. The first project was split among all taxing districts. Because 75 percent of local taxing authorities were unable to agree on a method of distribution, decision on the Pebble Springs and Shepherd's Flat projects were sent back to Business Oregon, which based distribution on a percentage of permanent tax rates in Code 4 taxing districts.

#### **IN THE MATTER OF COMMUNITY SERVICE FEE DISTRIBUTION SCENARIOS**

Port of Arlington Economic Development Officer Peter Mitchell presented five possible scenarios for distribution of the funds based on the current tax rate. After discussion, those present agreed to select between Scenarios 1 and 4, based on percentages as follows:

Gilliam County: Scenario 1 - 68.30%; Scenario 4 – 50%  
North Gilliam County Cemetery: Scenario 1 – 2.90%; Scenario 4 – 12.50%  
Port of Arlington: Scenario 1 – 2.60%; Scenario 4 – 12.50%  
NGC Fire Protection District: Scenario 1 – 9.40%; Scenario 4 – 12.50%  
NGC Health District: Scenario 1 – 16.80%; Scenario 4 – 12.50%  
(If no alternative agreement is reached, permanent rate distribution applies.)

David Anderson proposed acceptance of Scenario 4, but representatives of North Gilliam County Rural Fire Protection District indicated they probably wouldn't vote to approve that option, but would likely vote for Scenario 1, although the matter is still under discussion.

It was also noted that the County would lose approximately \$90,000 if Scenario 4 is approved. Judge Shaffer noted that the County has historically given half its share of the funds to the Cities of Arlington and Condon, to be divided equally; however, the County has the authority to distribute the funds any way it determines. The Court agreed to address the matter at the next Court meeting on Wednesday, April 19.

Taxing districts representatives also agreed to discuss the matter with their respective boards in the interim and notify the Court of their determinations by April 19, as a decision must be made before April 27 to prevent the matter from reverting back to the State for final decision. Districts will inform the Court via letter or phone call, or by attending the April 19 Court meeting in person.

### **IN THE MATTER OF THE NEXT COURT MEETING**

The next Gilliam County Court meeting will be held on Wednesday, April 19, 2017 beginning at 10:00 a.m. at Gilliam County Courthouse in Condon, Oregon.

It appearing to the Court that there was no further business to be conducted at this time and no additional matters to be considered, Judge Shaffer adjourned the special meeting at 7:30 p.m.

### GILLIAM COUNTY COURT

By \_\_\_\_\_

Steve Shaffer, Judge

By \_\_\_\_\_

Michael Weimar, Commissioner

By \_\_\_\_\_

Leslie Wetherell, Commissioner

Mary H. Dyer/Recorder