

RESOLUTION NO. 1 FOR 2008

A RESOLUTION APPROVING AN EXTENDED PROPERTY TAX ABATEMENT AGREEMENT AND WAIVING EMPLOYMENT REQUIREMENT ON SHORT-TERM EXEMPTION FOR INVESTMENT OF AT LEAST \$25 MILLION IN AN OREGON ENTERPRISE ZONE BETWEEN THE CITY OF SWEET HOME, A COSPONSOR OF THE SWEET HOME ENTERPRISE ZONE AND GEORGIA-PACIFIC CONSUMER PRODUCTS LP.

WHEREAS, GEORGIA-PACIFIC CONSUMER PRODUCTS LP is expanding and investing plant construction and equipment; and

WHEREAS, GEORGIA-PACIFIC CONSUMER PRODUCTS LP intends to add 15 new employees; and

WHEREAS, GEORGIA-PACIFIC CONSUMER PRODUCTS LP anticipates providing average pay and benefits to these employees equal to or greater than 150% of the Linn County average, as required under ORS 285C.160; and

WHEREAS, GEORGIA-PACIFIC CONSUMER PRODUCTS LP, which is located in the Halsey area of Linn County, has applied to extend the property tax abatement for which it qualifies through its inclusion in the Sweet Home Enterprise Zone; and

WHEREAS, GEORGIA-PACIFIC CONSUMER PRODUCTS LP intends to invest an estimated \$ 47 million in capital improvements for the GP plant in Halsey area of Linn County, starting in October 2007; and

WHEREAS, GEORGIA-PACIFIC CONSUMER PRODUCTS LP has applied for authorization in the Enterprise Zone for the aforementioned investment; and

WHEREAS, ORS 285C.155 and 285C.200(2) the enterprise zone sponsor may provide by resolution for authorization of an eligible business firm, such that it may qualify for the exemption on qualified property in the zone without increasing zone employment as normally required, if the firm's total investment in qualified property costs \$25 million or more, and it maintains a minimum number of full-time employees in the zone (as established by the zone sponsor), and it satisfies other reasonable requirements as the zone sponsor also may establish; and

WHEREAS, GEORGIA-PACIFIC CONSUMER PRODUCTS LP has 466 full-time employees throughout the South Santiam Enterprise Zone as averaged over the past 12 months.


WHEREAS, the City of Sweet Home has requested support of this agreement from the other cosponsor of the Sweet Home Enterprise Zone; and

WHEREAS, the City of Sweet Home is a cosponsor of the Sweet Home Enterprise Zone.

NOW, THEREFORE BE IT RESOLVED that the attached Extended Abatement and Employment Waiver Agreement is hereby approved by the Sweet Home City Council and that GEORGIA-PACIFIC CONSUMER PRODUCTS LP is hereby authorized to qualify in accordance with ORS 285C.200 for purposes of the exemption on qualified property under ORS 285C.175, provided that:

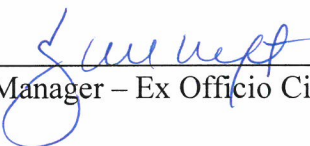
1. the investment at the GP Halsey plant in qualified property, for which the exemption is claimed over one to five years, costs \$25 million or more in total; and
2. the number of full-time, year-round employees of GP Halsey in the Sweet Home Enterprise Zone is maintained at or above 400, on average, for each calendar year of the exemption period.

Passed by the City Council and approved by the Mayor this 22nd day of January, 2008.



Mayor

ATTEST:



City Manager – Ex Officio City Recorder