

**RESOLUTION 1392
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION AMENDING AN INTERGOVERNMENTAL AGREEMENT WITH
CROOK COUNTY REGARDING APPLE INC. PROJECT FEES**

Whereas, on or about April 10, 2012, the City of Prineville (“City”), Crook County (“County”), and Apple Inc. (“Apple”) entered into an agreement (“2012 Apple Agreement”) to exempt certain property owned by Apple Inc. and located within the Enterprise Zone from real property taxes as provided for by Oregon law; and

Whereas, on or about August 26, 2014, County and City, as sponsors of the Prineville/Crook County Enterprise Zone, entered into an Intergovernmental Agreement regarding Apple’s Project Fees (“IGA”); and

Whereas, pursuant to the terms of the 2012 Apple Agreement, a project fee in the amount of \$150,000.00 per year was to be deposited within the County and divided equally between the County and City pursuant to the terms of the IGA; and

Whereas, the IGA provides that unless the Parties agree in writing otherwise, the project fees shall be divided equally between County and City; and

Whereas, on or about February 10, 2016, City County, and Apple entered into an agreement to exempt additional property owned by Apple and located within the Enterprise Zone from real property taxes as provided for by Oregon law (“2016 Apple Agreement”); and

Whereas, pursuant to the terms of the 2016 Apple Agreement, Apple agreed to pay a “tiered” annual project fee to County and City as sponsors of the Prineville/Crook County Enterprise Zone. This “tiered” structure begins with an annual payment of \$100,000.00 in 2016 and progressively increases to \$750,000.00 in 2028; and

Whereas, the project fees paid by Apple Inc. to City and County under the 2012 Apple Agreement and the 2016 Apple Agreement are hereinafter referred to as the “Combined Project Fee;” and

Whereas, pursuant to Amendment No. 1 of the 2014 IGA, executed by the City pursuant to Resolution 1299, County and City agreed that beginning with the combined project fee due in 2016 and continuing thereafter through 2027, the first \$150,000.00 of each annual combined project fee shall be split equally between County and City. All combined project fees between 2016 and 2027 in excess of \$150,000.00, and all project fees after 2027 under the 2016 Apple Agreement shall be distributed eighty percent (80%) to County and twenty percent (20%) to City; and

Whereas, Crook County Fire and Rescue (CCFR) is a special district existing in Crook County, Oregon. Although CCFR is not a sponsor of the Rural Oregon Enterprise Zone located within Crook County, CCFR has experienced rising costs and is financially burdened by the

construction, operation, and placement in service of facilities receiving Long Term Rural Oregon Enterprise Zone exemption on taxable property in Prineville, Crook County, Oregon; and

Whereas, to assist CCFR in meeting these additional costs, County and City desire to contribute a portion of the combined project fees paid by Apple to City and County; and

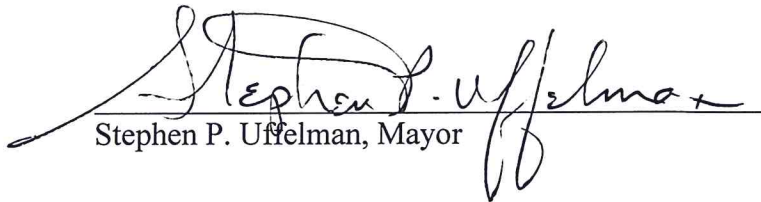
Whereas, Amendment No. 2 to Intergovernmental Agreement Regarding Apple Inc. Project Fees has been prepared to memorialize the agreement between the City and County and a copy of that document is attached to this Resolution; and

Whereas, City staff recommends that the attached Amendment No. 2 to Intergovernmental Agreement Regarding Apple Inc. Project Fees be approved by the City Council.

Now, Therefore, the City of Prineville resolves as follows:

1. Amendment No. 2 to Intergovernmental Agreement Regarding Apple Inc. Project Fees is approved.
2. The Mayor and City Manager are authorized and instructed to execute on behalf of the City the Amendment No. 2 to Intergovernmental Agreement Regarding Apple Inc. Project Fees.

Approved by the City Council this 14th day of May, 2019


Stephen P. Uffelman, Mayor

ATTEST:


Lisa Morgan, City Recorder

**AMENDMENT NO. 2
TO INTERGOVERNMENTAL AGREEMENT
REGARDING APPLE INC. PROJECT FEES**

This Amendment No. 2 (hereinafter "Amendment 2") is made and entered into between Crook County, a political subdivision of the State of Oregon (hereinafter "County") and the City of Prineville, a municipal corporation of the State of Oregon (hereinafter "City"), and Crook County Fire and Rescue, an Oregon Special District (hereinafter "CCFR").

County, City, and CCFR are sometimes referred to hereinafter individually as "Party" or collectively as "Parties."

RECITALS

A. On or about April 10, 2012, City, County, and Apple Inc. entered into an agreement (the "2012 Apple Agreement") to exempt certain property owned by Apple Inc. and located within the Enterprise Zone from real property taxes as provided for by Oregon law; and

B. On or about August 26, 2014, County and City, as sponsors of the Prineville/Crook County Enterprise Zone, entered into an Intergovernmental Agreement regarding Apple Inc. Project Fees (the "2014 IGA"); and

C. Pursuant to the terms of the 2012 Apple Agreement, a project fee in the amount of **ONE HUNDRED FIFTY THOUSAND DOLLARS AND NO/100 (\$150,000.00)** per year is to be deposited with the County and divided equally between County and City pursuant to the terms of the 2014 IGA; and

D. The 2014 IGA provides that unless the Parties agree in writing otherwise, the Project Fees shall be divided equally between County and City; and

E. On or about February 10, 2016, City, County, and Apple Inc. entered into an agreement to exempt additional property owned by Apple Inc., and located within the Enterprise Zone from real property taxes as provided for by Oregon law (the "2016 Apple Agreement"); and

F. Pursuant to the terms of the 2016 Apple Agreement, Apple Inc. agreed to pay a "tiered" annual project fee to County and City as sponsors of the Prineville/Crook County Enterprise Zone. This "tiered" structure begins with an annual payment of **ONE HUNDRED THOUSAND DOLLARS (\$100,000)** in 2016 and progressively increases to **SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000)** in 2028; and

G. The Project Fees paid by Apple Inc. to City and County under the 2012 Apple Agreement and the 2016 Apple Agreement are hereinafter referred to as the "Combined Project Fee"; and

H. Pursuant to Amendment No. 1 of the 2014 IGA, County and City agreed that beginning with the combined project fee due in 2016 and continuing thereafter through 2027, the first **ONE HUNDRED FIFTY THOUSAND DOLLARS AND NO/100 (\$150,000.00)** of each annual combined project fee shall be split equally between County and City. All combined project fees between 2016 and 2027 in excess of **ONE HUNDRED FIFTY THOUSAND DOLLARS AND NO/100 (\$150,000.00)**, and all project fees after 2027 under the 2016 Apple Agreement shall be distributed eighty percent (80%) to County and twenty percent (20%) to City; and

I. CCFR is a special district existing in Crook County, Oregon. Although CCFR is not a sponsor of the Rural Oregon Enterprise Zone located within Crook County, CCFR has experienced rising costs and is financially burdened by the construction, operation, and placement in service of facilities receiving Long Term Rural Oregon Enterprise Zone exemption on taxable property in Prineville, Crook County, Oregon; and

J. To assist CCFR in meeting these additional costs, County and City desire to contribute a portion of the project fees paid by Apple, Inc. to City and County under the 2012 Apple Agreement and the 2016 Apple Agreement.

AGREEMENT

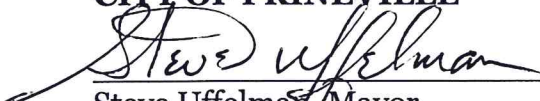
1. The above Recitals are hereby incorporated by reference.
2. Distribution of Combined Project Fee. County and City hereby agree that beginning with the Combined Project Fee due in 2019 and continuing thereafter until expiration or earlier termination of the combined Project Fee, such fee shall be split between City, County, and CCFR according to Exhibit "A" attached hereto and incorporated herein by reference.
3. Franchise Fees. The parties further agree that if changes in the law make it unlawful for City to collect Franchise fees, the parties will renegotiate the distribution of the Combined Project Fee becoming due after the law takes effect.
4. Modification of Agreement. Any alterations, variations, modifications, or waivers of any provision of this Amendment 2 shall be valid only when such has been submitted in writing and approved by signature of both County and City.
5. Counterparts. This Amendment 2 may be executed simultaneously or in counterparts, each of which will be deemed an original, but all of which together will constitute one in the same contract.
6. Reservation of Rights. This Amendment 2 shall only apply to the Combined Project Fee. Nothing herein shall be construed to grant to CCFR status as a sponsor of the Prineville/Crook County Enterprise Zone and Economic Development Program, or entitle CCFR to participate in any negotiations with eligible companies for future project fees.


7. Future Apple Agreements. Although this Amendment 2 shall apply only to the Combined Project Fee as that term is defined herein, the Parties acknowledge their intent to distribute all future project fees from Apple Inc. according to the same formula contained herein. Therefore, if Apple Inc. becomes obligated to pay new project fees to City and County, the Parties will use their best efforts to negotiate a further amendment to this Agreement so that the new project fees are distributed between City, County, and CCRF in the same manner and in the same percentages as found in this Amendment 2.

8. All Other Terms Unchanged. Except as otherwise provided herein, all terms and conditions of the 2014 IGA and any previous amendments thereto remain in full force and effect.


IN WITNESS WHEREOF, the Parties have read this Amendment 2 to the 2014 IGA in its entirety, agree to it, and hereby assert that they have the authority to bind their respective Parties to it.

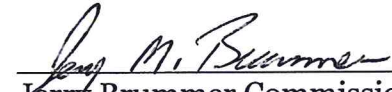
CITY OF PRINEVILLE

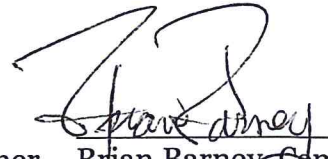

 Steve Uffelmann, Mayor
 Date: 05/14/2019


 Steve Forrester, City Manager
 Date: 5-14-19

CROOK COUNTY COURT


 Seth Crawford, Judge
 Date: 4-17-19


 Jerry Brummer Commissioner
 Date: 4-17-19


 Brian Barney, Commissioner
 Date: 4-17-19

CROOK COUNTY FIRE AND RESCUE

By: 
Signature
Matt Smith
Printed Name
 Title: Fire Chief
 Date: 4/17/19

county%	50%		50%		100%		100%		100%		50%		80%	
	Fiscal Year	Facebook Agreement #1 PRN 1, 2, 3	Facebook Agreement #2 PRN 4	Facebook Agreement #3 PRN 5, 6	Facebook Agreement #4 CCO 1-2 (*estimate)	Facebook Agreement #5 CCO 3-4 (*estimate)	Facebook Agreement #6 CCO 5 (*estimate)	Apple Agreement #1 2012-13	Apple Agreement #2 2016	Combined Total				
2012	\$110,000													\$110,000
2013	\$110,000							\$150,000						\$260,000
2014	\$110,000							\$150,000						\$260,000
2015	\$110,000							\$150,000						\$260,000
2016	\$110,000							\$150,000	\$100,000					\$360,000
2017	\$110,000							\$150,000	\$150,000					\$410,000
2018	\$110,000	\$190,000						\$150,000	\$200,000					\$650,000
2019	\$110,000	\$190,000						\$150,000	\$250,000					\$700,000

2020	\$110,000	\$190,000	\$750,000					\$150,000	\$300,000					\$1,500,000
2021	\$110,000	\$190,000	\$750,000	\$750,000				\$150,000	\$350,000					\$2,300,000
2022	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000			\$150,000	\$400,000					\$3,100,000
2023	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000			\$150,000	\$450,000					\$3,150,000
2024	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000			\$150,000	\$500,000					\$3,200,000
2025	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000			\$150,000	\$550,000					\$3,250,000
2026	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000			\$150,000	\$600,000					\$3,300,000
2027		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000		\$150,000	\$600,000					\$3,640,000
2028		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000		\$150,000	\$750,000					\$3,640,000
2029		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000			\$750,000					\$3,640,000
2030		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000			\$750,000					\$3,640,000
2031		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000			\$750,000					\$2,890,000
2032		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000								\$2,890,000
2033			\$750,000	\$750,000	\$750,000	\$450,000								\$2,700,000
2034			\$750,000	\$750,000	\$750,000	\$450,000								\$2,700,000
2035														\$0
Total	\$1,650,000	\$2,850,000	\$11,250,000	\$10,500,000	\$9,750,000	\$3,600,000	\$2,250,000	\$6,700,000	\$48,550,000					

Fiscal Year	DRAFT Proposal by County				Total
	County - PILOT Fees	City - PILOT Fees	CCFR	CCFR	
2012	\$ 55,000	\$ 55,000			\$ 110,000
2013	\$ 130,000	\$ 130,000			\$ 260,000
2014	\$ 130,000	\$ 130,000			\$ 260,000
2015	\$ 130,000	\$ 130,000			\$ 260,000
2016	\$ 210,000	\$ 150,000			\$ 360,000
2017	\$ 250,000	\$ 160,000			\$ 410,000
2018	\$ 385,000	\$ 265,000			\$ 650,000
2019	\$ 425,000	\$ 275,000			\$ 700,000
subtotal	\$ 1,715,000	\$ 1,295,000	\$ -	\$ -	\$ 3,010,000

2020	\$ 944,055	\$ 285,000	\$ 270,945		\$ 1,500,000
2021	\$ 1,557,885	\$ 295,000	\$ 447,115		\$ 2,300,000
2022	\$ 2,171,715	\$ 305,000	\$ 623,285		\$ 3,100,000
2023	\$ 2,202,795	\$ 315,000	\$ 632,205		\$ 3,150,000
2024	\$ 2,233,875	\$ 325,000	\$ 641,125		\$ 3,200,000
2025	\$ 2,264,955	\$ 335,000	\$ 650,045		\$ 3,250,000
2026	\$ 2,296,035	\$ 345,000	\$ 658,965		\$ 3,300,000
2027	\$ 2,602,950	\$ 290,000	\$ 747,050		\$ 3,640,000
2028	\$ 2,637,915	\$ 245,000	\$ 757,085		\$ 3,640,000
2029	\$ 2,637,915	\$ 245,000	\$ 757,085		\$ 3,640,000
2030	\$ 2,637,915	\$ 245,000	\$ 757,085		\$ 3,640,000
2031	\$ 2,171,715	\$ 95,000	\$ 623,285		\$ 2,890,000
2032	\$ 2,171,715	\$ 95,000	\$ 623,285		\$ 2,890,000
2033	\$ 2,097,900	\$ -	\$ 602,100		\$ 2,700,000
2034	\$ 2,097,900	\$ -	\$ 602,100		\$ 2,700,000
2035	\$ -	\$ -	\$ -		\$ -
total	\$ 34,442,240	\$ 4,715,000	\$ 9,392,760		\$ 48,550,000
PCT.	70.9%	9.7%	19.3%		100.0%

Exhibit A