

Business Incentive Information for Beaverton, Oregon - 2010

Business Loan Programs available in Beaverton:

Oregon Business Development Fund (OBDF)

The OBDF is a revolving loan fund that provides long-term fixed-rate financing for land, buildings, equipment, machinery and permanent working capital. The program will provide up to 40% of a project's cost and subordinates to a local commercial lender which must be involved. The maximum OBDF loan is \$700,000 per project. Participants must create or retain jobs; must be a traded-sector business in manufacturing, processing or a regionally significant tourist facility. Standard commercial lending criteria apply. Rates are fixed at 1% more than comparable Treasury rates. The maximum term is 20 years.

Oregon Credit Enhancement Fund (CEF)

This fund provides guarantees for working capital or fixed asset bank loans. It is available for manufacturing, production and processing companies with less than 200 employees. The program assists businesses by providing a guarantee to a commercial lender up to 90% of the loan value. Funds can be used for real property, buildings, machinery and equipment, working capital and export financing.

State Energy Loan Program (SELP)

The Oregon Department of Energy (ODOE) provides key loan support for manufacturers of solar photovoltaic modules with their State Energy Loan Program (SELP). SELP was established in 1979 as a means of extending state financing to small scale utility energy generation facilities. Since that time it has been expanded to include a wide range of energy conservation, generation and renewable energy facilities. The program operates by issuing state bonds (double-A rated) to the general public and then using these funds for loans. Program costs are covered by adding 1.5% to the bond rating. The State Energy Loan Program can provide loans up to \$25 million. The loan rate is determined the rate paid for the state general obligation bonds. All loans must be fully secured by assets or establish revenue streams. The program can provide some flexibility of repayment schedules, providing risk is not shifted to the state.

Industrial Development Bonds

Industrial Development Bonds finance job creation and business growth of Oregon traded-sector, value-added manufacturers by providing long-term debt financing for land, buildings and other fixed assets at attractive rates.

Taxable Industrial Development Bonds are issued through the state Oregon on behalf of qualified businesses. They provide long-term financing for land, buildings and equipment at favorable interest rates. Most of the bond proceeds must finance capital expenditures (i.e. land, new equipment or new construction). Working capital and debt refinancing are not permitted uses under the program.

Advantages of Industrial Development Bonds are low interest rates, Flexible terms and customized financing; choice of variable or fixed interest rates and long term financing.

BOOST Loan Program

The BOOST loan program is a revolving loan fund that provides term fixed-rate financing for businesses in need of operating capital. Loan proceeds may be used to support daily operations (i.e., rent or mortgage payments, utilities, marketing expenses, employee expenses, accounts receivable/payable, small equipment purchases, etc).

Loans are:

- A maximum amount of \$150,000,
- A maximum term and amortization of 4 years and
- A minimum fixed interest rate of Prime plus 5% APR.

Applications must show the business:

- Has the ability to create or retain jobs as a result of the loan,
- Provides comparable wages to their employees,
- Is a traded-sector business,
- Has 100 or fewer employees,
- Can provide good and sufficient collateral for the loan,
- Possesses a reasonable capacity to repay the loan and
- Meets other criteria outlined in the OBDF Application and Oregon Administrative Rule.

BOOST Grant Program

The BOOST grant program will award and make grants as an incentive to Oregon businesses that create new, full-time jobs in Oregon.

To be eligible, applicants must:

- Be a business with 100 or fewer employees,
- Create and retain new full-time jobs for a period of at least 6 months,
- Be a traded-sector business in manufacturing, processing or distribution and
- Demonstrate that comparable wages are provided to their employees.

Up to \$2,500 may be awarded to an applicant for each full-time job created and retained with an annual maximum of \$50,000 per applicant in a calendar year. Applications will be processed on a first-come, first-served basis.

Business Tax Credit Programs available in Beaverton:

About Tax Credits

A tax credit is generally more valuable than an equivalent tax deduction because a tax credit reduces tax dollar-for-dollar, while a deduction only removes a percentage of the tax that is owed.

Fuel-efficient vehicles and energy-efficient appliances and products provide many benefits such as better gas mileage –meaning lower gasoline costs, fewer emissions, lower energy bills, increased indoor comfort, and reduced air pollution.

In addition to federal tax incentives, some consumers will also be eligible for utility or state rebates, as well as state tax incentives for energy-efficient buildings, vehicles and equipment. Oregon's energy office web site has more information on specific state tax information.

Automobile Tax Credits

Hybrid Gas-Electric and Alternative Fuel Vehicles

Individuals and businesses who buy or lease a new hybrid gas-electric car or truck are eligible for an income tax credit for vehicles "placed in service" starting January 1, 2006, and purchased on or before December 31, 2010. The amount of the credit depends on the fuel economy, the weight of the vehicle, and whether the tax credit has been or is being phased out. Hybrid vehicles that use less gasoline than the average vehicle of similar weight and that meet an emissions standard qualify for the credit.

This tax credit will be phased out for each manufacturer once that company has sold 60,000 eligible vehicles. At that point, the tax credit for each company's vehicles will be gradually reduced over the course fifteen months.

Alternative-fuel vehicles, diesel vehicles with advanced lean-burn technologies, and fuel-cell vehicles are also eligible for tax credits. See the IRS summary of credits available for [Alternative Motor Vehicles](#).

Plug-In Electric Vehicles

Plug-in electric vehicles also qualify for a tax credit starting January 1, 2010. The credit for passenger vehicles and light trucks ranges from \$2,500 to \$7,500, depending on battery capacity. The first 200,000 vehicles sold by each manufacturer are eligible for the full tax credit; the credit will then phase out over a year.

Plug-In Hybrid Conversion Kits

Hybrid vehicle owners who purchase a qualified plug-in hybrid conversion kit are eligible for a 10% credit, capped at \$4,000, through 2011.

Energy Conservation and Efficiency

these incentives provide financing and incentives for state and local governments to reduce greenhouse emissions, for builders and developers to build efficient buildings or to improve existing buildings, and for manufacturers to produce efficient appliances. In addition, these incentives allow for swifter recovery of the cost of smart electric meters and grid equipment.

Tax Deductions for Commercial Buildings:

A tax deduction of up to \$1.80 per square foot is available to owners or designers of new or existing commercial buildings that save at least 50% of the heating and cooling energy of a building that meets ASHRAE Standard 90.1-2001. Partial deductions of up

to \$.60 per square foot can be taken for measures affecting any one of three building systems: the building envelope, lighting, or heating and cooling systems. These tax deductions are available for systems “[placed in service](#)” from January 1, 2006 through December 31, 2013. The bill provides accelerated depreciation for smart electric meters and smart electric grid equipment. The bill allows taxpayers to recover the cost of this property over a 10-year period, unless the property already qualifies pursuant to a shorter recovery schedule.

Business Energy Tax Credit (BETC)

The state Business Energy Tax Credit (BETC) program currently offers tax incentives of up to 35% of qualifying energy efficiency and/or renewable energy investments and facilities may be offset against owed Oregon income and corporation excise taxes.

Tax credit amounts vary by the type of project completed.

In general, the BETC credit, 35% of eligible project costs, (the incremental cost of the system or equipment that is beyond standard practice) is taken over 5 years with 10% claimed in the first 2 years and 5% each of the following 3 years. A tax credit can either be taken by the project owner, or it can be exchanged through a third party using the “Pass-through Option.” The Pass-through Option allows a project owner to transfer the Business Energy Tax Credit project eligibility to a “pass-through partner” for a lump-sum cash payment.

This is a negotiated incentive that is also subject to meeting program criteria and standards determined by the Director of the Oregon Department of Energy and his determination of the merits of the tax credit applications.

Application for the tax credit must be completed **BEFORE** starting the project or making a financial commitment (e.g. sign a contract, make a down payment, purchase materials, etc.).

Energy Trust of Oregon

Energy Trust of Oregon, Inc., is a nonprofit organization dedicated to changing how Oregonians use energy by promoting energy efficiency and clean renewable energy for Oregon customers of Pacific Power, Portland General Electric and NW Natural. Energy Trust offers Oregonians cash incentives for energy-efficient improvements by new and existing businesses.

Construction-in-Process (C-I-P)

This program exempts new commercial facilities from property taxes for a period of time anywhere in Oregon. For up to two years, all structures and heavy equipment are exempt from taxation. This exemption is available for each year, in which on January 1 the facility has been neither placed in service nor used or occupied for intended, commercial operations.

Strategic Investment Program (SIP)

The Strategic Investment Program (SIP) was authorized by the 1993 Legislature to increase Oregon's ability to attract and retain capital-intensive industry and jobs, particularly in high-technology industry. Under the SIP, traded-sector companies making large investments in new real and personal property are subject to fewer taxes, with the aim of fostering economic growth and improving employment opportunities in the state. Projects approved for the SIP must pay full property taxes on **the first \$25 million or \$100 million invested** a threshold that increases 3 percent each year; all value above this threshold is exempt from taxation. An annual Community Service Fee equal to 25 percent of abated taxes, up to **\$500,000 or \$2 million**, must also be paid. Additional fees can be negotiated, as part of the local approval process with the county and city government.

Research Tax Credit

The credit applies to research activity or investments during the tax year. It equals 5 percent of the increase in research expenses over a base amount for the taxable year. Alternatively, the credit is 5 percent of qualified research expenses that exceed 10 percent of Oregon sales for the year (capped at \$10,000 for each percentage point in excess). The annual maximum credit allowed per taxpayer is \$2 million. This credit is based on the federal R&D credit and available only to corporate taxpayers.

Dependent Care Tax Credits

Oregon provides corporate tax credits for dependent care assistance, dependent care facilities, and the costs of dependent care information and referral services for employees, through 2016. The Tax Credit equals 50 percent of direct assistance costs, up to \$2,500 per employee. A credit also is generated based on 50 percent of the cost for information and referral services.

Pollution Control Tax Credits

Oregon provides corporate tax credits to companies employing pollution control technologies or facilities that exceed regulatory requirements or that satisfy other criteria. The credit is 35 percent of the certified cost of the qualifying investment in the facility and equipment, after allocating proportional costs for pollution control. The annual credit that may be claimed is spread out over the useful life of the facility, up to 10 years. There is no limit on the amount of certifiable investment costs. Under current law, a project must be completed and application for certification made by December 31, 2007, to qualify for this credit.

Food Processor Exemption property tax abatement:

New machinery & equipment may be exempt from property taxes for five years anywhere in the state, if used in primary food processing of raw or fresh fruits, vegetables, legumes, nuts or seafood.

Infrastructure Improvement Programs Available in Beaverton

Oregon has several grant and loan programs available for public infrastructure improvements that support job creation.

Special Public Works Fund (SPWF)

The Special Public Works Fund program provides funding for municipally-owned facilities that support economic and community development in Oregon. Established by the Legislature in 1985, the Special Public Works Fund has grown into a revolving loan fund currently valued at about \$145,000,000. Loans are available to municipalities for planning, designing, purchasing, improving and constructing infrastructure needed to support industrial, manufacturing and certain types of commercial development. Examples of eligible projects include Mitigation of environmental conditions on industrial lands; Purchase of land, rights of way and easements necessary for a public facility; Telecommunications facilities, Roadways; Storm drainage systems; Water; and Wastewater systems.

Immediate Opportunity Fund (IOF)

The Oregon Transportation Commission established the Immediate Opportunity Fund (IOF) in 1988 as a tool to support specific economic and community development projects in Oregon through the construction or improvement of highways. This is a discretionary grant program that is provided to municipalities to 1) Provide needed street or road improvements to influence the location, relocation or retention of a firm in Oregon; 2) Respond quickly to economic development opportunities; and 3) Provide road improvements needed to ensure specific job development opportunities for Oregon or to revitalize business or industrial centers.

The improvements must be on a public right of way acquired before project completion and must serve general transportation needs and meet access management policies. Projects must be consistent with eligibility required for gas-tax road improvement projects. Project proposals normally are expected to have a match of 50 percent or more of the total funds used for public roadway improvements. Either public or private sources may provide the match. Project proponents' work with the Oregon Economic & Community Development Department's Business Development Officer, and are submitted to the Oregon Transportation Commission for final approval.

Workforce Recruitment and Training Services Available in Beaverton

Recruiting, Screening & Referral

The Oregon Employment Department has an award-winning candidate tracking database called iMatch, which they can use to identify and screen candidates based on minimum qualifications, such as years of experience, type of industries worked in, specific skills (clean room, ISO9000, quality control) and much more.

The Oregon Employment Department will also dedicate an Account Representative who is well versed with the industry and will manage job postings, identify potential candidates, and use face-to-face interviews to screen them to the company's specifications. The Account Representative will also work with you to develop customized screening tools (e.g., behavioral interviewing, skills testing), if needed. This screening will occur throughout the process, from the initial iMatch data runs to face-to-face interviews, ensuring a steady stream of qualified referrals.

All the workforce partners will ensure that positions are actively marketed. This can occur through advertisements, Internet, one-on-one contacts and presentations. For larger (50+ hires), job fairs can be organized to create a pool of interested candidates. Partners will organize the job fair, handle logistics, market it, and assist your staff with candidate screening on site. Partners can also offer space for interviews, if needed.

These services are provided through our publicly-funded workforce system (i.e. prepaid through taxes) and there is no direct cost to the company.

Workforce Training Funds

The Employer Workforce Training Fund (EWTF) provides a resource for training Oregon's private sector workforce. The emphasis of the funds is to upgrade skills of the workforce in order to increase productivity, keep Oregon businesses viable and competitive, and to offer new skills and opportunities to Oregon's workers. Particular emphasis will be placed on investments that assist labor, businesses and industries with cost effective training projects that retain and expand jobs in traded-sector clusters that are economically important to the state's regional economies and the state as a whole.

After the company has been in operation in Oregon for at least 120 days, it can be eligible for workforce training assistance. Application must be made for such grants and issuance of the grants cannot be guaranteed by the State. However, the State and the local partners shall make best efforts to secure grants for training to meet the company's needs and in accordance with state laws and regulations.

Technical Assistance and Other Business Services Available in Beaverton:

Beaverton Economic Gardening Program

The City of Beaverton, in partnership with the Beaverton Area Chamber of Commerce, offers a business assistance program that uses sophisticated tools to help make local and relocating businesses more competitive. The City's Economic Gardening services are available to any business within the Beaverton city limits or considering relocation to Beaverton, regardless of size, at no charge.

The benefit to local companies is enormous. Sophisticated information tools, normally available only to large corporations, are now accessible to local businesses. The Economic Gardening program can help target customers and get a business's message directly to people known to have an interest in a company's product or service, who have the money to buy it, and the motivation to buy it. This kind of information has the potential to make Beaverton based business more competitive by helping them work smarter.

The Services available include:

- Industry specific research
- Business-to-business targeted mailing lists
- Business-to-residential targeted mailing lists
- Locating buildings and sites for a new or expanding business
- Information on sources of financing
- Community information, demographic and expenditure data
- Custom Business Research i.e., competitors, industry trends, new market analysis.
- Referrals for technical assistance such as business plan development or worker training
- Assistance with City procedures
- Fast-Track Permitting for new construction or tenant improvements

The City of Beaverton Business Resource Team (BRT) will work closely with clients to carefully coordinate and facilitate access to State Incentive Programs applicable to the specific project. The BRT also provides the one-on-one services that are included in the Economic Gardening Program. All details of a project are considered proprietary and confidential until such time as the client notifies the City otherwise.

Beaverton Downtown Storefront Improvement Program

The City of Beaverton's Downtown Storefront Improvement Program offers locally owned businesses in our downtown area up to \$20,000 in matching grants for façade improvement projects. In addition to the grant is a \$3,700 design credit for architectural services. Direct assistance is provided to businesses through the design, permitting and construction phases of the project.

Energy Audits

Portland General Electric (PGE) offers complete energy use audits for local businesses. This program provides information on current use as well as offering energy options to conserve and reduce energy costs. The State BETC program, the Energy Trust of Oregon programs, and the SELP program are available to offset the costs of any eligible energy upgrades implemented.

Oregon Manufacturing Extension Partnership (OMEP)

The primary focus of OMEP is training and implementation of what is increasingly referred to as Lean Enterprise. Lean has moved beyond the shop floor to encompass every aspect of business with its relentless drive to eliminate waste and non-value added activity. This program has helped companies in the following areas:

Strategic Planning	Lean Accounting
Lean Leadership	Lean Office (Administrative Processes)
Marketing Strategy	Manufacturing Processes
Sales Processes	Facility Layouts
New Product Development	Quality Systems
Order Processing	

Oregon Business Retention Service

This program provides consulting services to assist Oregon companies facing difficult changes. A consultant is matched to a company based on specific needs and industry requirements. An Interest-free loan is available to assist with payment of consultant's services.

The Oregon Business Retention Service has served Oregon businesses for more than a decade. The program, which is administered by the Oregon Economic and Community Development Department, offers companies consulting services that are delivered by some of the best and most experienced private sector consultants in the state. A consultant is matched with a company based on specific needs and industry requirements. The maximum benefits are \$5,000 for consulting services and \$30,000 for feasibility studies. In addition, to qualify for a feasibility study, the applicant must contribute 25 percent of the feasibility cost in cash. Consultant fees are handled as an interest-free loan. Companies are allowed up to two years to repay their loan.

Eligibility:

Businesses must meet the following criteria to be eligible for Oregon Business Retention Services:

- Be an Oregon company
- Be a company facing a period of difficult change, such as a financial or organizational distress
- Be willing to fully disclose its financial status to the consultant.
- Fill out an application form
- Participate in a brief qualification review process
- Sign a service contract when approved for the program