



BOARD OF COMMISSIONERS
Agenda Item Summary

Agenda Category:	Agreements	Item No.
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Meeting Date: 6/20/23

Department: Tax/ Property Sales

Issue: In the matter of approving an MOU between Klamath County Board of Commissioners and Jon, Kelli, Adam and Courtney Zbinden for Industrial Site Readiness Improvements.

Background: Klamath County wishes to enter into an MOU with Jon, Kelli, Adam and Courtney Zbinden for Industrial Site Readiness Improvements designating Zbinden lot #500 to be a Regionally Significant Industrial Site. Potential fiscal impact of \$3,787,500 but not until funds are expended by Klamath County and the City of Klamath Falls then requested for reimbursement from Business Oregon.

Recommended Motion: Authorize Klamath County Property Manager to complete and sign MOU with Jon, Kelli, Adam and Courtney Zbinden for Industrial Site Readiness Improvements designating Zbinden lot #500 to be a Regionally Significant Industrial Site. Potential fiscal impact of \$3,787,500 but not until funds are expended by Klamath County and the City of Klamath Falls then requested for reimbursement from Business Oregon.

DONE AND DATED this 20th day of June, 2023.

 Chair
 Approved
 Denied

 Vice-Chair
 Approved
 Denied

 Commissioner
 Approved
 Denied

MEMORANDUM OF UNDERSTANDING
NONBINDING MOU
FOR INDUSTRIAL SITE READINESS IMPROVEMENTS

This Memorandum of Understanding ("MOU") is by and between Klamath County Board of Commissioners and Jon, Kelli, Adam, and Courtney Zbinden (the "Owner's"), and is effective as of June 20, 2023.

RECITALS

- A. Per Oregon Revised Statutes 285B.625, the Oregon Industrial Site Readiness Program (Program) was created because the State of Oregon has a significant interest in the success of regional economic development strategies and is the primary beneficiary of such economic development through increased income tax revenues. These revenues should be shared and invested in facilitating significant site development for traded sector industrial use in this state.
- B. The Owner and the Local Government ("Parties") have a common interest in the Owner's site defined as Zbinden Property Lot #500, to be developed for industrial or traded sector businesses as they are defined in state law ORS 285A.010.
- C. Local Government is entering into this agreement in adherence with County economic development goals involving land readiness cited in Klamath County Economic Development Associations (KCEDA) 2019-2022 Strategic Plan.
- D. The Owner intends to market the site for lease or sale or to develop the site.
- E. The Owner and the Local Government acknowledge that additional binding documents (plans, funding, resolutions, etc.) may be necessary to implement some terms of this MOU, and that such additional documents will be subject to substantive review and approval by the Owner and the Local Government.
- F. The Local Government has applied to the Program for the subject property to be designated by the State as a Regionally Significant Industrial Site.
- G. The State designated the site as a Regionally Significant Industrial Site on 1/27/2021.
- H. In order for the Local Government to be eligible for the benefits of the Program, it must enter into a tax reimbursement agreement with the State.
- I. This Memorandum of Understanding is intended as an "other" agreement for the purposes of the Program (ORS 285B.626 (4)(b)).

AGREEMENT

1. The Local Government will work with the State to enter into a tax reimbursement agreement which details the list of site readiness improvements that will be paid for by Local Government.
2. The Owner intends to develop or market for sale or lease the subject property for development.
3. The Local Government plan for revenues to support planned and proposed capital investments is: \$3,787,500.00
4. The Local Owner's plan for revenues to support planned and proposed capital investments is: \$0.00

5. The Parties will work with future businesses that may locate on the Owner's site to obtain needed employment and wage reporting if needed for the Program.
6. Termination. This Memorandum of Understanding may be terminated in writing jointly, or by either party after providing thirty days' prior written notice to the other.
7. Notices. Any notices to be delivered on matters pertaining to this MOU shall be addressed as follows:

If to the Owner: Jon A. Zbinden
 P.O. Box 12169
 Portland, OR 97212

If to the Local Government: Klamath County
 Attn: Rick Vaughn
 305 Main St.
 Klamath Falls, OR 97601

8. Amendments; Waivers. This MOU may be amended by a written instrument. A unilateral waiver or consent is effective if in writing and executed by the party granting such waiver or consent, and will be effective only in the specific instance and for the specific purpose given.
9. Dispute Resolution. In the event of any dispute not otherwise resolved, the parties may agree to use mediation. The parties will cooperate with one another in selecting a mediator and in scheduling the mediation proceedings, and will participate in the mediation in good faith, and agree that they will share equally in the costs of such mediation.
10. Venue. Any action or proceeding seeking to enforce any provision of this agreement or based on any right arising out of this agreement must be brought against any of the parties in Klamath County Circuit Court of the State of Oregon, or subject to applicable jurisdictional requirements, in the United States District Court for the District of Oregon, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to such venue.
- 11.

Klamath County

By: _____ Date: _____

Jon, Kelli, Adam and Courtney Zbinden

By: [Signature] Date June 16, 2023
 Jon Zbinden, managing partner