

W8d

Memorandum Date: May 9, 2007
Board Order Date: May 23, 2007

TO: Board of County Commissioners
DEPARTMENT: CAO/Community & Economic Development
PRESENTED BY: Mike McKenzie-Bahr, Community and Economic
Development Coordinator

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF IN THE MATTER OF ISSUANCE
OF INDUSTRIAL DEVELOPMENT REVENUE BONDS BY THE STATE OF OREGON TO
SWANSON GROUP, INC., AND SWANSON GROUP MFG LLC

I. MOTION

Move to send a letter to the state in support of issuance of industrial development revenue bonds to support the expansion of Swanson group and find that the project the project complies with local zoning and land use planning requirements.

II. AGENDA ITEM SUMMARY

Swanson Group, Inc. is requesting that the State of Oregon issue Industrial Development Revenue Bonds (IDB) in an amount not to exceed \$6.5 million for the acquisition and installation of equipment and construction of an addition to their Swanson-Superior, LLC sawmill in Noti. This mill produces dimension lumber – green Douglas Fir in 2 x4, 2x6, 2x8, & 2x10, in lengths of six to 24 feet. The company proposes to create five new jobs with this expansion.

The Lane Metro Partnership is assisting the State of Oregon with Swanson Group's request for financing through the industrial development revenue bond program (express bond).

G E Capital Public Finance is the private lender. They are hoping to close this bond prior to June 30, 2007, which is a pretty quick turn-around time.

The State's Finance Committee has given approval for the Resolution for Project Eligibility and Declaration of Intent, but it is contingent upon a resolution from Lane County and receipt of evidence that the project is consistent with local land use planning.

This agenda item includes a resolution of support from Lane County and a letter from the County stating that the project complies with local zoning and land use planning requirements and / or that it is permitted under the Lane County Community and Economic Development Plan.

This agenda item does not require any financial commitment by Lane County.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Swanson Group, Inc. is seeking the issuance of Industrial Development Revenue Bonds (IDB) in an amount not to exceed \$6.5 million to expand their operations in Noti.

The project includes the construction of a 12,000 sq.ft. building addition, and the purchase and installation of production equipment:

- 1) A vertical twin resaw system;
- 2) A combination gang, flitch edger;
- 3) An overhead conveyance system;
- 4) A new trimmer scanner and lug transfer system;
- 5) Electrical power system upgrade;
- 6) Filing (saw file room) room addition and equipment; and.
- 7) Modification to the chip-n-saw.

Industrial Development Revenue Bonds are tax-exempt bonds issued by the State of Oregon on behalf of qualified businesses. The bonds finance job creation and business growth of Oregon traded-sector, value-added manufacturers and processors, by providing long-term debt financing for land, buildings and other fixed assets at a rate below prime. The bonds, through affordable interest rates and tax-exempt status, lower capital expenses to help manufacturers grow. The bonds are available to manufacturers, processors, exempt facilities (e.g., docks or solid waste facilities) and non-profits. All projects financed by the program must provide economic benefits for the state.

B. Policy Issues

Does the Board of Commissioner want to support efforts of a local company to expand through the use of state public financing?

C. Board Goals

The approval of the Revenue Bonds by the State will enable this project to meet the following board goals:

- Work for a strong regional economy to expand the number of family-wage jobs available in Lane County.
- Contribute to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development.

D. Financial and/or Resource Considerations

This agenda item does not require any financial commitment by Lane County.

E. Analysis

The project meets several local goals – job creation in rural areas of the County and expansion of the natural resources cluster. It also meets perfectly the criteria for the issuance of the bonds, as determined by the State's Finance Committee.

Since the site is already an operating mill, expansion of the businesses also seems to comply with local zoning and land use planning requirements. (The Board will be presented with a definitive answer regarding zoning and land use compliance during this agenda item).

F. Alternatives/Options

1. The Board of Commissioners can adopt the order.
2. The Board of Commissioners could request more information and delay action until that information is provided.
3. The Board of Commissioners can reject the request to adopt the attached order.

IV. TIMING/IMPLEMENTATION

Upon Board action, the attached resolution would be sent to the State so they can act on Swanson's request by the June 30 bond closing timeline.

V. RECOMMENDATION

Lane Metro Partnership and the County Community Development Coordinator recommend adoption of the resolution and the sending of a letter in support of the project.

VI. FOLLOW-UP

The County Community Development Coordinator will work with the Lane Metro Partnership to ensure that all documents are supplied to the state in a timely manner. The outcome of the bond procedure will be reported back to Board members.

VII. ATTACHMENTS

Board Order
Letter of Support
Aireal photograph of project area
RLID Detailed Property Report
Land Use Compatibility Statement

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) ORDER/IN THE MATTER OF IN THE MATTER OF
) ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE
) BONDS BY THE STATE OF OREGON TO SWANSON
) GROUP, INC. AND SWANSON GROUP MFG. LLC.

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WHEREAS, the Lane County Board of Commissioners finds that an addition to the existing sawmill within Noti in Lane County, the construction of such and the acquisition and installation of equipment by Swanson Group, Inc. and Swanson Group Mfg LLC would foster the economic growth and legislative policy as set forth in ORS 285B.320, and

WHEREAS, the board finds that the Swanson Group, Inc., and Swanson Group Mfg LLC or a Related Entity project is consistent with the comprehensive plan acknowledged by the Land Conservation and Development Commission pursuant to ORS chapter 197, and

WHEREAS, the Board finds that the project complies with the provisions of the Lane County Community and Economic Development Plan, and

WHEREAS, ORS 285B.332 requires, before the issuance of revenue bonds by the State of Oregon, that the governing body of the County endorse the project, and

WHEREAS, the Board finds that the an addition to the existing sawmill within Noti in Lane County, the construction of such and the acquisition and installation of equipment by Swanson Group, Inc., and Swanson Group Mfg LLC of Lane County would be in the best interests of the citizens of Lane County,

IT IS HEREBY RESOLVED:

1. That Lane County requests the Oregon Economic & Community Development Commission and the State of Oregon to assist in the financing of the project within Noti in Lane County, through the issuance of revenue bonds as provided by ORS 285B.320 to ORS 285B.371.
2. That the Chairman of the Lane County Board of Commissioners be authorized to sign and act for the Board in any future action necessary by Lane County to promote the project.

Signed this 23rd day of May, 2007.

Faye Stewart, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM
Date 5/16/07 Lane County
Terese A. [Signature]
OFFICE OF LEGAL COUNSEL

May 23, 2007

Finance Committee for the Oregon Economic and
Community Development Commission
c/o Gary Ross, Business Finance Officer
Oregon Economic and Community Development Dept
775 Summer Street NE, Suite 200
Salem, OR 97301-1280

RE: Swanson Group, Inc. and Swanson Group MFG LLC

Dear Mr. Ross:

We are writing in regard to the Swanson project which is proposed to be funded with Industrial Development Bonds issued by the State of Oregon.

This is an important project for Lane County which was born of timber and agriculture. Today, lumber, wood and paper products remain the largest manufacturing cluster in Lane County. The benefits to be derived from the "Swanson" project go beyond support of a major employer and industry cluster; it includes higher property tax valuation, increased efficiency and productivity that will retain the current workforce during a down turn in market conditions and provide for an increase in the current workforce by five employees.

The Lane County Board of Commissioners supports the "Swanson" request for the State of Oregon to issue Industrial Development Revenue Bonds in an amount not to exceed \$6.5 million for the acquisition and installation of equipment and construction of an addition to their Swanson-Superior sawmill in Noti, Lane County, Oregon.

Sincerely,

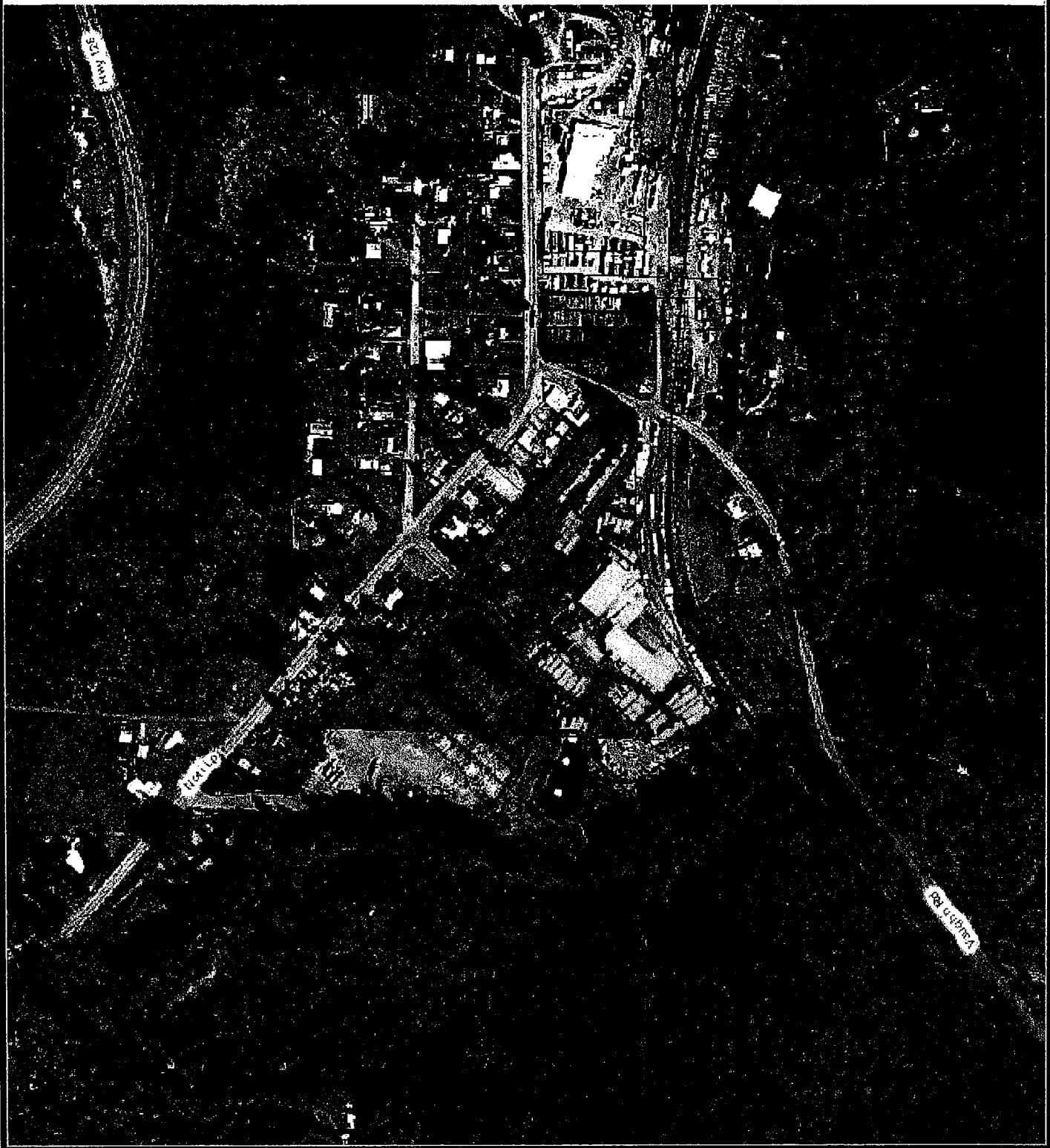
Faye Stewart, Chair
Lane County Board of Commissioners



Swanson-Superior LLC
17-06-29-00-04400

Legend

Scale 1:5,605
1 in = 467 ft



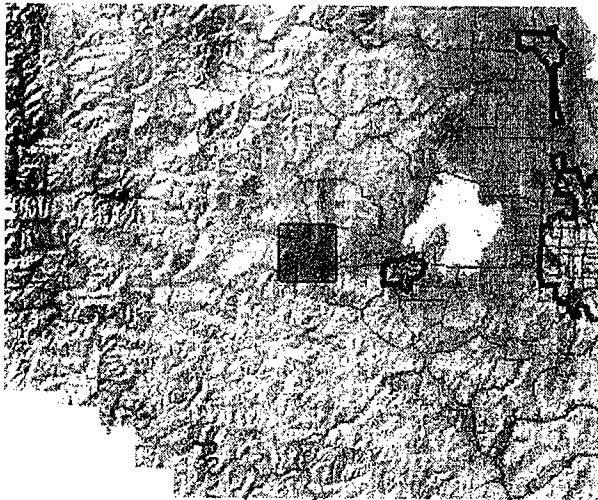
LANE COUNTY REGIONAL LAND INFORMATION DATABASE

Site Address: **22476 FIR ST**Map & Tax Lot #: **17-06-29-30-04400**A & T Account #: **0517498**

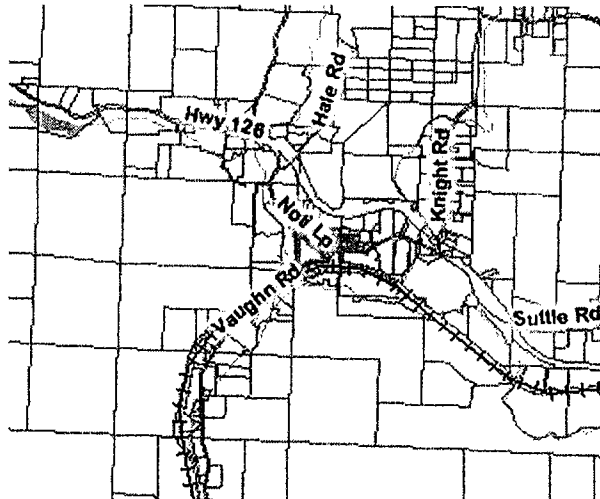
Special Interest Code:

[Convert to PDF Document](#)[Tax Map](#)[View Tax Map](#)

Vicinity Map



Detail Map



Site Address State Plane Coordinates

X-Coord: **4145697**Y-Coord: **885201**

Site Address Information

House	Suffix	Predir.	Street Name	PostDir.	Street Type	Unit Type	Unit
22476			FIR		ST		
	Mailing City		State	Zip Code	Zip+4	Carrier Route	
NOTI			OR	97461			
Create Date: 1986-07-02				Update Date:			

Land Use

Land use information has not been field verified.

Land Use Code and Description:

Code:

Description:

Use Code and Description:

2421**SAWMILLS & PLANNING MILLS, GENERAL / MFG INDUSTRIAL**

Zoning

Please verify zoning information with local jurisdiction. Lane County overlay zones are not currently shown in RLID.

Code:

Description:

Zoning Jurisdiction:

LC**LANE COUNTY**

Parent Zone 1:

RI**RURAL INDUSTRIAL**

Boundary Information

Please verify boundary information with local jurisdiction.

General

Incorporated City Limits:

Urban Growth Boundary:

Fire Protection Providers:

Node:

LDF**LANE COUNTY FD #1**

Plan Designation:

N

2000 Census Tract:

[Display Current Metro Plan Map](#)

2000 Block Group:

0902

Year Annexed:

1

Annexation #:

Approximate Acreage:

13.16

Approximate Square Footage:

573,250

Environmental Findings

Please verify environmental information with local jurisdiction.

Metro Flood Hazards:

Metro Wetlands:

FEMA Flood Hazard Zones

Note: Some parcels may extend onto adjacent FIRM maps. Registration between parcel boundaries and flood hazard zones is approximate. Community numbers are based on the current city limits and may not reflect boundaries at the date of map publication. Consult FIRM maps or appropriate authority.

FIRM Map Number:

41039C1075F

Community Number:

415591

Post - FIRM Date:

1985-12-18

Panel Printed? (Y/N):

Y

Code:

Description:

A**Areas of 100-year flood, no base flood elevations determined.****X****Areas determined to be outside of 500-year flood.**

Soils

Soil Map Unit Number:

128B

Soil Type Description:

VENETA LOAM, 0 TO 7 PERCENT SLOPES**96****NEWBERG LOAM**Percentage
of Tax Lot:**93****7**

Schools

District:

Code:

28J

Name:

FERN RIDGE

Elementary School:

Middle School:

High School:

Service Districts

LTD Service Area:

LTD Ride Source:

Ambulance District:

WC Area: WEST/CENTRALProvider: **EUGENE FIRE & EMS**

Soil Water Conservation District:

EAST LANESoil Water Conservation District
Zone:**0**

Political Districts

Election Precinct:

100080

County Commissioner District:

1**WEST**

County Commissioner:

WILLIAM FLEENOR

State Representative District:

10

State Representative Name:

JEAN COWAN

City Council Ward:

City Councilor Name:

State Senate District:

5

State Senator:

JOANNE VERGER

LCC Board Zones:

1

EWEB Commissioner District:

Lane County Assessor's Office | Account Number: 0517498 | Map & Tax Lot: 17-06-29-30-04400

Property Owner

Owner1 Name: **SWANSON-SUPERIOR LLC**Owner Address: **PO BOX 459**

City

State

Country

Zip Code

NOTI**OREGON****UNITED STATES****97461**

Taxpayer

Taxpayer Name: **SWANSON-SUPERIOR LLC**Taxpayer Address: **PO BOX 459**

City

State

Country

Zip Code

NOTI**OREGON****UNITED STATES****97461**

Property Legal Description

Township: **17**Range: **06**Section: **29**Quarter: **30**

Subdivision Type: Subdivision Name:

Division/Phase:

Lot/Tract/Unit Number: **TL 04400**

Subdivision Number:

Recording Number:

Property Value and Taxes

	Land Value	Improvement Value	Total Value	
	<u>Real Market</u>	<u>Real Market</u>	<u>Real Market</u>	<u>Assessed</u>
2006	413,750	9,675,070	10,088,820	10,088,820
2005	306,480	8,072,380	8,378,860	8,378,860
2004	268,840	6,433,760	6,702,600	6,702,600
2003	289,070	5,267,760	5,556,830	5,556,830
2002	270,790	5,188,960	5,459,750	5,459,750
2001	291,170	2,847,710	3,138,880	3,138,880
2000	259,970	4,754,130	5,014,100	5,014,100
1999	262,600	4,672,000	4,934,600	4,934,600
1998	262,600	4,244,380	4,506,980	4,506,980
1997	238,730	4,200,000	4,438,730	4,438,730
1996	186,510	2,610,720	2,797,230	2,797,230
1995	166,530	2,692,680	2,859,210	2,859,210

10,088,820	0	0
<u>Taxable Value</u>	Exemption Amount Regular (EAR)	Frozen Assessed Value (FZNPU)
	Tax Year	Tax (See Explanation of Tax)

2006	115,938.70
2005	97,969.82
2004	77,844.00
2003	65,644.50
2002	64,285.83
2001	36,781.71
2000	58,790.33
1999	57,538.92
1998	50,964.93
1997	40,333.41
1996	25,251.16
1995	25,696.29

Explanation of Tax

The tax shown is the amount certified in October, unless a value change has been processed on the property. Value changes typically occur as a result of appeals, clerical errors and omitted property. The owner either initiates the change, as in the case of appeals, or is notified by the department, in the case of clerical errors and omitted property. The amount shown is the full amount of tax for the year indicated and does not include any discounts offered, payments made, interest owing, or previous years owing.

Account Status

- ☒ Active for the 2006 Tax Year
- ☐ New Account Scheduled to be Active for the 2007 Tax Year
- ☒ Locally Assessed
- ☐ Pending Seg/Merge
- ☐ Pending Value Change
- ☐ Delinquency
- ☐ Delayed Foreclosure
- ☐ Bankruptcy
- ☐ Code Split Indicator

Remarks:**Special Assessment Program (if applicable)**

Code:

Description:

General Information

Property Class: 301 INDUSTRIAL, IMPROVED
Statistical Class: 721 SAWMILL AND CHIPPING PLANTS
Neighborhood Code: 90501
Property Use Type:
Account Type: RP
Category: DOR INDUSTRIAL - LAND & IMPROVEMENTS
Mortgage Company Name:
Total Acreage for this Account: 12.94
Fire Acres:

Tax Code Area (Levy Code): 02817 Lane County Assessment and Taxation 2006-2007 Billing Rates

EMERALD PEOPLES UTILITY DISTRICT**FERN RIDGE LIBRARY DISTRICT****FERN RIDGE SCHOOL DISTRICT 28J****LANE COMMUNITY COLLEGE****LANE COUNTY****LANE COUNTY FIRE DISTRICT #1****LANE EDUCATION SERVICE DISTRICT****Sales Information**

Sales Date:	Sales Price:	Grantor:	Grantee:	Instrument #:	Analysis Code:	Mult Acct?:
09-27-2002		SWANSON GROUP INC	SWANSON-SUPERIOR LLC	2002- 75414	8	Y

Manufactured Structures[Search Results](#) | [New Property Search](#) | [Applications Menu](#)



Lane County

LAND MANAGEMENT DIVISION
125 EAST 8TH AVENUE
EUGENE, OREGON 97401

PHONE: 541-682-3823
FAX: 541-682-3947

DATE: 15 May 2007

TO: Michael McKenzie-Bahr
Community and Economic Development Coordinator

FROM: Kent Howe, Planning Director

RE: Land Use Compatibility for Proposed Saw Mill on Swanson-Superior Property
Map 17-06-29-30 tax lot 4400

The referenced 13 acre property is zoned (RI) Rural Industrial. In the Rural Industrial zone, use of the property as a sawmill is allowed pursuant to Lane Code 16.292(3)(a). Uses that are allowed in the applicable zones pursuant to Lane Code Chapter 16 are consistent with the Lane County Rural Comprehensive Plan which has been acknowledged by the Land Conservation and Development Commission.