

**RESOLUTION 1393  
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION AMENDING AN INTERGOVERNMENTAL AGREEMENT WITH  
CROOK COUNTY REGARDING VITESSE, LLC PROJECT FEES**

**Whereas**, on or about December 7, 2009, the City of Prineville (“City”), Crook County (“County”), and Vitesse LLC (“Vitesse”) entered into an agreement for Long-Term Rural Oregon Enterprise Zone Exemption on taxable property in Prineville, Crook County, Oregon (“2009 Vitesse Agreement”); and

**Whereas**, on or about January 1, 2015, City, County, and Vitesse entered into an agreement for Long-Term Rural Oregon Enterprise Zone Exemption on taxable property in Prineville, Crook County, Oregon (“2015 Vitesse Agreement”); and

**Whereas**, on or about December 1, 2017, City, County, and Vitesse entered into an agreement for Long-Term Rural Oregon Enterprise Zone Exemption on taxable property in Prineville, Crook County, Oregon (“2017 Vitesse Agreement”);

**Whereas**, on or about December 14, 2017, City and County, as sponsors of the Prineville/Crook County Enterprise Zone, entered into an Intergovernmental Agreement regarding Vitesse project fees (“IGA”); and

**Whereas**, on or about August 10, 2018, City, County, and Vitesse amended the 2017 Vitesse Agreement (“2018 Amendment no. 1”); and

**Whereas**, pursuant to the 2009 Vitesse Agreement, Vitesse agreed to pay the sponsors an annual project fee in the amount of \$110,000.00, which the sponsors agreed to split equally between City and County; and

**Whereas**, pursuant to the 2015 Vitesse Agreement, Vitesse agreed to pay an annual project fee in the amount of \$190,000.00, which the sponsors agreed to split equally between City and County; and

**Whereas**, pursuant to the 2017 Vitesse Agreement, Vitesse agreed to pay an annual project fee in the amount of \$250,000.00, which the sponsors agreed that 100% would be paid to the County and that pursuant to the 2017 Vitesse Agreement, the sponsors agreed that all future agreements for Long-Term Rural Oregon Enterprise Exemptions with Vitesse should be paid 100% to the County; 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 project fees paid by Vitesse to City and County under the 2009, 2015, and 2017 Vitesse Agreements (“combined fee”); and


**Whereas**, Amendment No. 1 to Intergovernmental Agreement Regarding Vitesse LLC 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. 1 to Intergovernmental Agreement Regarding Vitesse LLC Project Fees be approved by the City Council.

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

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

Approved by the City Council this 14<sup>th</sup> day of May, 2019

  
Stephen P. Uffelman, Mayor

ATTEST:

  
Lisa Morgan, City Recorder



**AMENDMENT NO. 1  
TO INTERGOVERNMENTAL AGREEMENT  
REGARDING VITESSE LLC PROJECT FEES**

This Amendment No. 1 (hereinafter "Amendment 1") 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 December 7, 2009, City, County, and Vitesse LLC, a Delaware limited liability company (hereinafter "Vitesse") entered into an agreement for Long-Term Rural Oregon Enterprise Zone Exemption on taxable property in Prineville, Oregon, (the "2009 Vitesse Agreement"); and

B. On or about January 1, 2015, City, County, and Vitesse entered into an agreement for Long-Term Rural Oregon Enterprise Zone Exemption on taxable property in Prineville, Oregon, (the "2015 Vitesse Agreement"); and

C. C. On or about December 1, 2017, City, County, and Vitesse entered into an agreement for Long-Term Rural Oregon Enterprise Zone Exemption on taxable property in Prineville, Oregon, (the "2017 Vitesse Agreement"); and

D. On or about December 14, 2017, City and County, as sponsors of the Prineville/Crook County Enterprise Zone, entered into an Intergovernmental Agreement regarding Vitesse project fees (the "2017 IGA"); and

E. On or about August 10, 2018, City and County and Vitesse amended the 2017 Vitesse Agreement (the "2018 Amendment No. 1"); and

F. Pursuant to the 2009 Vitesse Agreement, Vitesse agreed to pay the sponsors an annual project fee in the amount of **ONE HUNDRED TEN THOUSAND AND NO/100 DOLLARS (\$110,000.00)** which the sponsors agreed to split equally between City and County; and

G. Pursuant to the 2015 Vitesse Agreement, Vitesse agreed to pay an annual project fee in the amount of **ONE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$190,000.00)**, which the sponsors agreed to split equally between City and County; and

H. Pursuant to the 2017 Vitesse Agreement, Vitesse agreed to pay an annual project fee in the amount of **TWO HUNDRED FIFTY THOUSAND AND**

**NO/100 DOLLARS (\$250,000.00)**, of which the sponsors agreed that **ONE HUNDRED PERCENT (100%)** shall be paid to the County. In addition, pursuant to the 2017 Vitesse Agreement, the sponsors agreed that all future agreements for Long-Term Rural Oregon Enterprise Exemptions with Vitesse shall be paid **ONE HUNDRED PERCENT (100%)** to County; 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 Vitesse to City and County under the 2009, 2015, 2017 Vitesse Agreements, and the 2018 Amendment No. 1 (hereinafter the "Combined fee.")

### **AGREEMENT**


1. The above Recitals are hereby incorporated by reference.
2. Distribution of Project Fees. County and City hereby agree that beginning with the project fees 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 Fee. 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 1 shall be valid only when such has been submitted in writing and approved by signature of both County and City.
5. Counterparts. This Amendment 1 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 1 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 Vitesse Agreements. Although this Amendment 1 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 Vitesse according to the same formula contained herein. Therefore, if Vitesse 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 CCFR in the same manner and in the same percentages as found in this Amendment 1.
  
8. All Other Terms Unchanged. Except as otherwise provided herein, all terms and conditions of the 2017 IGA and 2018 Amendment No. 1 and any previous amendments thereto remain in full force and effect.

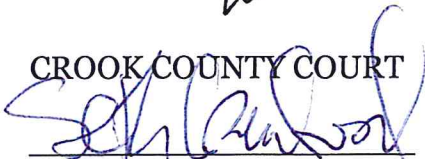
IN WITNESS WHEREOF, the Parties have read this Amendment 1 to the 2017 IGA and 2018 Amendment 1 in their entirety, agree to their content, and hereby assert that they have the authority to bind their respective Parties to both documents.


CITY OF PRINEVILLE

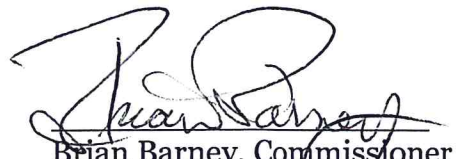
  
 Steve Uffelman, Mayor  
 Date: 05/14/2019

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

CROOK COUNTY COURT

  
 Seth Crawford, Judge  
 Date: April 17, 2019

  
 Jerry Brummer, Commissioner  
 Date: April 17, 2019

  
 Brian Barney, Commissioner  
 Date: April 17, 2019

CROOK COUNTY FIRE AND RESCUE

By:   
Signature  
Matt Smith  
Printed Name  
 Title: 4/17/19 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	Apple Agreement #2	Apple Agreement #3	Apple Agreement #4	Apple Agreement #5	Apple Agreement #6	Apple Agreement #7	Apple Agreement #8
2012	\$110,000														
2013	\$110,000														
2014	\$110,000														
2015	\$110,000														
2016	\$110,000														
2017	\$110,000														
2018	\$110,000	\$190,000													
2019	\$110,000	\$190,000													
<b>Total</b>	<b>\$1,650,000</b>	<b>\$2,850,000</b>	<b>\$11,250,000</b>	<b>\$10,500,000</b>	<b>\$9,750,000</b>	<b>\$3,600,000</b>	<b>\$2,250,000</b>	<b>\$6,700,000</b>	<b>\$48,550,000</b>						

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	Apple Agreement #2	Apple Agreement #3	Apple Agreement #4	Apple Agreement #5	Apple Agreement #6	Apple Agreement #7	Apple Agreement #8	Combined Total
2020	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000	\$750,000	\$150,000	\$300,000	\$1,500,000						\$1,500,000
2021	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000	\$750,000	\$150,000	\$350,000	\$2,300,000						\$2,300,000
2022	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000	\$750,000	\$150,000	\$400,000	\$3,100,000						\$3,100,000
2023	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000	\$750,000	\$150,000	\$450,000	\$3,150,000						\$3,150,000
2024	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000	\$750,000	\$150,000	\$500,000	\$3,200,000						\$3,200,000
2025	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000	\$750,000	\$150,000	\$550,000	\$3,250,000						\$3,250,000
2026	\$110,000	\$190,000	\$750,000	\$750,000	\$750,000	\$750,000	\$150,000	\$600,000	\$3,300,000						\$3,300,000
2027		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000	\$150,000	\$600,000	\$3,640,000						\$3,640,000
2028		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000	\$150,000	\$750,000	\$3,640,000						\$3,640,000
2029		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000	\$150,000	\$750,000	\$3,640,000						\$3,640,000
2030		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000	\$150,000	\$750,000	\$3,640,000						\$3,640,000
2031		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000	\$150,000	\$750,000	\$2,890,000						\$2,890,000
2032		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000	\$150,000	\$750,000	\$2,890,000						\$2,890,000
2033		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000	\$150,000	\$750,000	\$2,700,000						\$2,700,000
2034		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000	\$150,000	\$750,000	\$2,700,000						\$2,700,000
2035		\$190,000	\$750,000	\$750,000	\$750,000	\$450,000	\$150,000	\$750,000	\$0						\$0
<b>Total</b>	<b>\$1,650,000</b>	<b>\$2,850,000</b>	<b>\$11,250,000</b>	<b>\$10,500,000</b>	<b>\$9,750,000</b>	<b>\$3,600,000</b>	<b>\$2,250,000</b>	<b>\$6,700,000</b>	<b>\$48,550,000</b>						

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
<b>subtotal</b>	<b>\$ 1,715,000</b>	<b>\$ 1,295,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,010,000</b>

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	\$ -	\$ -	\$ -		\$ -
<b>total</b>	<b>\$ 34,442,240</b>	<b>\$ 4,715,000</b>	<b>\$ 9,392,760</b>		<b>\$ 48,550,000</b>
<b>PCT.</b>	<b>70.9%</b>	<b>9.7%</b>	<b>19.3%</b>		<b>100.0%</b>

Exhibit A