

## RESOLUTION NO. 1299

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

WHEREAS, City of the Prineville ("City"), Crook County ("County"), and Apple Inc. ("Apple") entered into an Agreement in April 2012 to exempt from real property taxes certain real property owned by Apple located within the Prineville/Crook County Enterprise Zone ("Enterprise Zone"); and

WHEREAS, pursuant to that April 2012 Agreement, Apple agreed to pay to City and County an annual project fee in the amount of \$150,000 per year; and

WHEREAS, pursuant to an August 26, 2014, Intergovernmental Agreement City and County agreed that the \$150,000 annual project fee would be divided equally between the City and County; and

WHEREAS, on or about February 10, 2016, City, County, and Apple entered into another Agreement to exempt from real property taxes additional real property owned by Apple and located within the Enterprise Zone; and

WHEREAS, pursuant to the terms of the 2016 Agreement, Apple agreed to pay an additional annual project fee to the City and the County; and

WHEREAS, City and County staff negotiated an agreement that provided the additional project fee under the 2016 Agreement would be distributed 80% to County and 20% to City; and

WHEREAS, Amendment No. 1 to Intergovernmental Agreement Regarding Apple Inc. Project Fees has been prepared to memorialize the agreement regarding distribution of the additional project fee 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 Apple Inc. 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 Apple Inc. Project Fees is approved.
2. The Mayor and Manager of the City are authorized and instructed to execute on behalf of the City the Amendment No. 1 to Intergovernmental Agreement Regarding Apple Inc. Project Fees.

Passed by the City Council this 9th day of August, 2016.

  
Betty J. Roppe, Mayor

ATTEST:

  
Lisa Morgan, City Recorder

**AMENDMENT NO.1  
TO INTERGOVERNMENTAL AGREEMENT  
REGARDING APPLE INC. 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").

County and City 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 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, the Parties, 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 Agreement with Apple Inc., 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 ICA 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 Agreement").

F. Pursuant to the terms of the 2016 Agreement, Apple Inc. agreed to pay an annual project fee to the Parties as sponsors of the Prineville/Crook County Enterprise Zone; and

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

**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 2016 and continuing thereafter through 2027, the first **ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$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 AND NO/100 DOLLARS (\$150,000.00)**, and all Project Fees received after 2027 under the 2016 Agreement shall be distributed **EIGHTY PERCENT (80%)** to County and **TWENTY PERCENT (20%)** to City.

3. 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.

4. 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.

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

IN WITNESS WHEREOF, the Parties have read this Amendment 1 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.

CROOK COUNTY COURT

CITY OF PRINEVILLE

\_\_\_\_\_  
Mike McCabe, County Judge

\_\_\_\_\_  
Betty J. Roppe, Mayor

\_\_\_\_\_  
Ken Fahlgren, County Commissioner

\_\_\_\_\_  
Steve Forrester, City Manager

\_\_\_\_\_  
Seth Crawford, County Commissioner