

To request translation or disability-related accommodations, please contact us at **bcc@clackamas.us | 503-655-8581**.

Si quiere solicitar servicios de traducción o adaptaciones para la discapacidad, contáctenos en/al **bcc@clackamas.us | 503-655-8581**.

Чтобы запросить перевод или приспособления, связанные с инвалидностью, пожалуйста, свяжитесь с нами по: **bcc@clackamas.us | 503-655-8581**.

Щоб попросити переклад або спеціальні послуги для осіб з особливими потребами, зверніться до нас, скориставшись такими контактними даними: **bcc@clackamas.us | 503-655-8581**.

如需翻译服务或残障相关的协助，请与我们联系：**bcc@clackamas.us | 503-655-8581**

。

Để yêu cầu dịch vụ dịch thuật hoặc điều chỉnh liên quan đến tình trạng khuyết tật, vui lòng liên hệ với chúng tôi qua **bcc@clackamas.us | 503-655-8581**.



Clackamas County
www.clackamas.us

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: April 7, 2026 **Approx. Start Time:** 11:00 AM **Approx. Length:** 60 Minutes

Presentation Title: Economic Development Incentives & Funding Tools

Department: Transportation & Development / Office of Economic Development

Presenters: Dan Johnson, Director

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Board direction on two new funding tools to support business development and expansion.

EXECUTIVE SUMMARY:

The Office of Economic Development manages a number of programs and funding strategies to support business development and expansion opportunities throughout Clackamas County. These include direct investment grants, workforce education support and tax abatement programs.

On 10/21/2025, staff outlined the wide variety of business assistance programs utilized currently and in other jurisdictions (Exhibit A). The Board directed staff to research additional incentive tools and bring back recommendations for consideration and implementation in Clackamas County.

Programs for Consideration

After evaluating a wider group of incentive and business assistance programs summarized in Exhibit A, staff is taking a measured approach based on staff capacity and available funding and recommending advancing the following two programs for further consideration:

Small Business Grant Program: Building on the success of the existing business development grant program, this new program would focus on businesses in different sectors like agriculture, retail, and micro-businesses. It introduces grants for capital projects, workforce development, and professional consulting (e.g., business management), providing immediate and targeted expertise to help local companies' scale.

Strategic Land Bank: This incentive addresses the scarcity of developable employment land. The county would acquire, consolidate, or remediate strategic parcels (including brownfields) to overcome development hurdles. Once "shovel-ready," the county sells these sites to developers who align with the County's economic development goals.

In 2019, the Board considered the concept of a Land Bank Authority. The Authority would be an independent legal entity from the County able to acquire, bond, hold and borrow that focused on brownfield clean up. The General Fund was included in discussions of possible Authority funding sources. The COVID-19 pandemic put a hold on these discussions. In 2022, the Board chose not to advance the concept and prioritize more pressing needs instead.

Staff proposes at this session a program within DTD Office of Economic Development, not a separate authority. The program would be seeded with properties acquired by other County programs and advance economic development by placing these properties into the marketplace.

If approved, staff will advance program development for future consideration at a Policy Session.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$75,000 +

What is the funding source?

Lottery Funds

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals? Vibrant Economy
- How does this item align with the County’s Performance Clackamas goals? Vibrant Economy

LEGAL/POLICY REQUIREMENTS:

County Counsel review will be required for any new incentive programs.

PUBLIC/GOVERNMENTAL PARTICIPATION:

To Be Determined

OPTIONS:

Option 1: Direct staff to further develop the Expanded Business Development Grant and Strategic Land Bank programs for future consideration.

Option 2: Direct staff to further develop the Board preferred list of incentive programs for future consideration.

Option 3: Pause advancing additional incentive programs at this time.

RECOMMENDATION:

Staff respectively recommends Option 1: Direct staff to further develop the Expanded Business Development Grant and Strategic Land Bank programs for future consideration.

ATTACHMENTS:

Attachment A: Incentive Matrix – Full List

Attachment B: Business Incentive Program Assessment Matrix

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval *Dan Johnson*

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Laura Edmonds 503-742-4366

Attachment A

ATTACHMENT A

	Tool/Incentive Name	Primary Type	Abatement/Funding Period	Key Thresholds/Requirements	Abatement/Funding Details	Administered by Who?	Examples (Clackamas County or Model)
EXISTING							
1	Enterprise Zones	Property Tax Abatement	Limited Term (3-5 years typically)	Meet investment and employment thresholds within designated zones.	Property tax abatement on qualified new investment (real property improvements, machinery, equipment)	OED-Busienss Oregon Program that expires in 2030	Zones in Estacada, Molalla, Oregon City, Sandy, and North Urban Clackamas County.
2	Workforce Development Grants	Grants/Scholarships	Annual	Support Accredited CTE programs	None	OED / Clackamas Community College	FY 23/24 \$100k funded 58 students in 22 CTE Program areas; FY24/25 \$100 funded 63 students in 16 CTE Program areas;
3	Business Development Grants	Grants	Annual	Support economic development, targeting traded-sector businesses.	Grants support capital improvement and workforce projects	OED	\$600K/YR Program \$100K Limit, Matching requirement, In second year w/10-15 grantees each year. \$4M+ in impact so far.
4	Strategic Investment Zones (SIZ - Urban/Rural)	Property Tax Abatement	15 years	Traded-sector business. Minimum capital investment: ~\$40M (Rural), ~\$150M (Urban).	15-year property tax abatements on facilities and equipment. Requires Community Service Fee (25% of tax savings, capped).	State of Oregon-Business Oregon	Rural SIZ participant: Columbia Distributing (Canby), invested ~\$60M since 2020.
5	State Rural Renewable Energy Development Zone	Property Tax Deferral	Currently offering 3 year	Renewable energy/biofuels Enterprise Zone Property Tax Incentives for Job Creation.	Offers Property tax incentives on qualified new investments in renewable energy/biofuels w/ job requirements. Job Requirements may be waived by County if more than \$5M Invested.	State of Oregon-Business Oregon	Fielded inquiries, no currently approved projects.
PREVIOUSLY CONSIDERED / USED (NO LONGER IN USE)							
6	Brownfield Land Bank	Real Estate/Redevelopment	N/A	Cleaning up and reselling environmentally contaminated properties.	Local governments purchase, clean up, and resell for redevelopment.	OED	Model: Cuyahoga County Ohio. Clackamas efforts paused due to COVID.
NEW TOOLS FOR CONSIDERATION							

7	CPACE Financing (Commercial Property Assessed Clean Energy)	Financing/Loan	Long-term (Repaid via property tax bill)	Commercial properties seeking energy-efficient upgrades.	Long-term financing for energy-efficient upgrades.		Model: Multnomah and Washington County have active programs.
8	Expedited Permit Review and Approval	Process/Administrative	N/A	Targeted industries (e.g., microchips, aerospace) or projects requiring fast-track.	Streamlining the permitting process to reduce delays.		Model: Spokane WA "rapid response team." Clackamas has a standing "Business Response Team."
9	System Development Charge (SDC) Adjustments	Fee/Charge Adjustment	Varies	Incentivize specific types of development (e.g., affordable housing).	SDCs can be financed, capped, deferred, or waived.		Model: Estacada offers SDC financing at 3% interest over 10 years. Eugene exempts low-income housing projects.
10	Tax Increment Financing (TIF)/Urban Renewal	Funding/Financing	Varies (TIF revenue captured for a period)	Redevelopment projects in designated Urban Renewal areas.	Captures future tax revenue increase ("increment") to fund current improvements, including infrastructure, land banking, grants, etc.		Model: Albany, Oregon (CARA). Oregon City has an active program.
11	County Loans, Loan Guarantees, and Forgivable Loans	Financing/Debt	Varies	Developers or businesses that meet specific criteria (e.g., supporting small business).	Provides low-interest or forgivable loans, reducing risk and cost.		Model: Harris County Texas has a \$17M revolving loan fund for small businesses.
12	Specialized Federal Tax Incentives (Local eligibility)	Federal Tax Credit/Abatement	Varies (e.g., Opportunity Zones)	Investment in properties within federally designated geographic areas.	Investors reduce/eliminate federal capital gains tax through Opportunity Zones, New Market Tax Credits.		Main Street courthouse redeveloper cited Opportunity Zone tax credits.
13	Strategic Land Acquisition and Development	Real Estate/Land Bank	N/A	Need to prepare strategic sites for development by targeted industries.	County buys, prepares land, and selects developers competitively.		Model: Gresham Vista Business Park, Troutdale Reynolds Industrial Park (Port of Portland).
14	Incubators/Hubs/Accelerators	Business Support	Varies	Early-stage companies needing workspace, business assistance, and resources.	Provides workspace, business assistance, and financial resources. Focus on programming over just physical facilities.		Model: Oregon State University's Advantage Accelerator.

15	State of Oregon Food Processors Property Tax Exemption	State Property Tax Exemption	Varies	Oregon Traded sector food processors.	Tax exemption on qualified property: machinery, equipment, and personal property (not real estate).		N/A (Statewide program targeting food processors).
16	Business-Specific Tax Credits	Local Tax Credit	Varies	Tied to a particular industry or business activity (e.g., R&D).	Targeted credit waiving or rebating property taxes.		Example: Clackamas County could create a tax credit for Research and Development (R&D).

Attachment B

CLACKAMAS COUNTY OFFICE OF ECONOMIC DEVELOPMENT BUSINESS INCENTIVE PROGRAM ASSESSMENT

ATTACHMENT B

	Program Name	Incentive Type	Funding Period	Requirements	Details	Implementation
EXISTING						
1	Traded Sector Business Development Grants	Grant (funded via Lottery dollars)	1-3 years	Traded-sector businesses.	\$600K/YR Program, Traded sector focus, \$100K Limit, Matching requirement, In second year w/10-15 grantees each year. \$4M+ in impact so far.	Initiated in 2023, over 20 grantee Clackamas businesses to date.
2	Workforce Development Funding	Scholarship Fund (funded via Lottery dollars)	Annual	Enrollment in CTE programs.	Office of Economic Development provides \$100k of funding annually to Clackamas Community College to administer scholarships to students enrolled or enrolling in Career and Technical Education programs.	FY 23/24 \$100k funded 58 students in 22 CTE Program areas; FY24/25 \$100 funded 63 students in 16 CTE Program areas; FY25/26 results not in
3	State Enterprise Zones	Property Tax Deferral	Currently offering 3 year	Meet investment and employment thresholds within designated zones.	Property tax incentive on qualified new investment in real property improvements, machinery, capital equipment. Zones have expiration dates. Program may be revised in 2027 legislative session. Office of Economic Development administers all but one of 5 zones in county.	Currently 22 active companies participating in the program.
4	State Strategic Investment Zones	Property Tax Deferral	15 years	Traded-sector business. Minimum capital investment: ~\$40M (Rural), ~\$150M (Urban).	15-year property tax incentives on facilities and equipment. Requires Community Service Fee (25% of tax savings, capped).	Currently one active company participating in the program.
5	State Rural Renewable Energy Development Zone	Property Tax Deferral	Currently offering 3 year	Renewable energy/biofuels Enterprise Zone Property Tax Incentives for Job Creation.	State Program offering Property tax incentives on qualified new investments in renewable energy/biofuels. Has job requirements. Job Requirements may be waived by County if more than \$5M Invested.	Fielded inquiries, no currently approved projects.
RECCOMENDED ASSISTANCE PROGRAMS						
1	CSPACE Financing (Commercial Property Assessed Clean Energy)	Ordinance-authorized private loan program. Program administered by County Staff, admin fee collected by County, loans between private sector entities.	Typical 10-30 Year Loan term	County enforces CSPACE Lien as if a Local Improvement District, reducing lender risk. Consent from all Mortgage holders, 1% fee.	Long-term financing for energy, water, and seismic improvements. Incentivizes energy efficiency while providing additional external lending opportunities for capitalization. County processes applications and enforces liens, does not bill or collect payments.	Scehduled for mid-2026 Program Launch
2	Small Business Grant programs	Grant (funded via Lottery dollars)	Annually	Two Grants; Small Business & Entrepreneur Acceleration Grants and a Small Business Technical & Professional Services Grant	Pilot program being administered currently using Tourism dollars; will create funding opportunities for small business for capital improvement and workforce projects; expanding to more industries.	Could establish for 2026-27 program cycle.
3	Strategic Land Bank	Land Bank (funded via Lotter dollars)	N/A	County buys or invests in employment land to remove constraints, add value, and return to market.	County buys, prepares land, addresses constraints (I.E. environmental, infrastructure) and selects developers competitively. Could be used for brownfields, parcel consolidation, public/private investment. Proceeds from sales--likely exceeding investment--go back into land bank fund.	Significant research and program development required if directed to pursue.