



TESTIMONY
SENATE COMMITTEE ON FINANCE AND REVENUE

BY
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PORTLAND DEVELOPMENT COMMISSION

May, 18, 2011

House Bill 3017 A

Chair Burdick, members of the Committee. I am Bruce Allen, Senior Development Manager with the Portland Development Commission. In addition to managing PDC's work with Portland's Advanced Manufacturing industry, I, along with Andy Reed (our E-Zone Manager), run the Portland Enterprise Zone Program on behalf of the City of Portland. I've come here today to let you know how important we believe this Bill is to the City of Portland, as well as the many other participating cities and towns in Oregon, to be able to attract hundreds of millions of dollars in new capital investments and jobs to our communities. And when I say jobs, I mean quality, high paying, traded sector jobs, with benefits.

I don't want to repeat what you all have already heard here from others, so, let me summarize first, Portland's experience with the program, and secondly, some of the additional benefits that we are receiving in addition to the new jobs and investment.

First - The impact in Portland from more than 15 years of investments resulting from the Enterprise Zone program has been immense. Since 1996, Portland's E-Zone program has leveraged over one billion dollars in private investments and has created and retained over five thousand full-time, quality jobs. It is, without a doubt, the best tool that we have for incenting major new investment by a wide range of businesses, and is often the only

tool we have that is significant enough to allow us compete with other regions in other states.

Second, given an uptick in the economy, we are now working with firms that want to enter the program representing more than \$500 million in additional new investment, the largest of which is one you've recently heard about – SoloPower.

And third – I just wanted to point out what I believe to be one of the most important features of the program is, and that is the fact that the E-Zone Program is pre-established by the Legislature, with clear rules and requirements, over an extended period of time (in this case, the Bill is proposing through 2025) which provides the one thing that businesses considering expansions love – and that is CERTAINTY about the rules! And this leads to quick decisions. Such is the case with many, if not most, of the companies who have decided to locate in Portland. This would not have happened if the program was re-instated annually as it takes 2 – 5 years for large companies to complete a major new investment or expansion.

Regarding the additional benefits we see in the Portland experience - In Portland, as in many other participating cities and towns, we require the E-Zone companies to “give back”, if you will, to the surrounding neighborhoods by FIRST, passing 15% of their tax savings BACK INTO the local community in what we call “Community Contributions”, and SECOND, by encouraging them to buy their goods and services locally through a “local procurement plan”, which must be approved by PDC. Over the next six years, we anticipate receiving more than \$5 million in Community Contributions that will be dedicated to training the local workforce, the very folks that will be taking these new jobs, and to support small businesses in and near the E-Zone.

And, in addition to the Community Contributions, each participating company is required to sign a written contract with PDC outlining all of their obligations. Oversight

of their compliance with those requirements is ongoing and is performed by Multnomah County, the Oregon Business & Development Department and PDC. Only companies that meet all requirements, such as the required number of new hires, the wage and benefits standards, the payment of community contributions and meeting their local procurement numbers, receive their abatement.

So, just to wrap up my comments here, we urge your support of the extension of the Enterprise Program as it is one of the most, if not THE most effective economic development tool we have at our disposal to compete with other states in other regions.

Thank You.