

TED WHEELER
STATE TREASURER



PHONE 503-378-4329
FAX 503-373-7051

STATE OF OREGON
OREGON STATE TREASURY
159 STATE CAPITOL, 900 COURT ST NE
SALEM, OREGON 97301-4043

February 20, 2012

Senator Ginny Burdick
Chair, Senate Committee on Finance and Revenue

Re: SB 1586 – The Oregon Investment Act

Senator Burdick:

To accompany the hearing on SB 1586 (the Oregon Investment Act), I've attached some written testimony regarding HB 4040. As you know, the two bills are meant to be kept identical and although HB 4040 has adopted technical amendments in the House, we expect to do the same with SB 1586 once amendments are prepared.

A number of groups have already expressed support for the Oregon Investment Act. The attached testimonies include words of support from:

- The Association of Counties (urges amendments)
- The League of Oregon Cities (urges amendments)
- The Northwest Credit Union Association
- The Portland Development Commission
- The Oregon Bioscience Association
- Oregon Entrepreneurs Network
- Oregon Business Technology Center
- Software Association of Oregon
- TiE Oregon

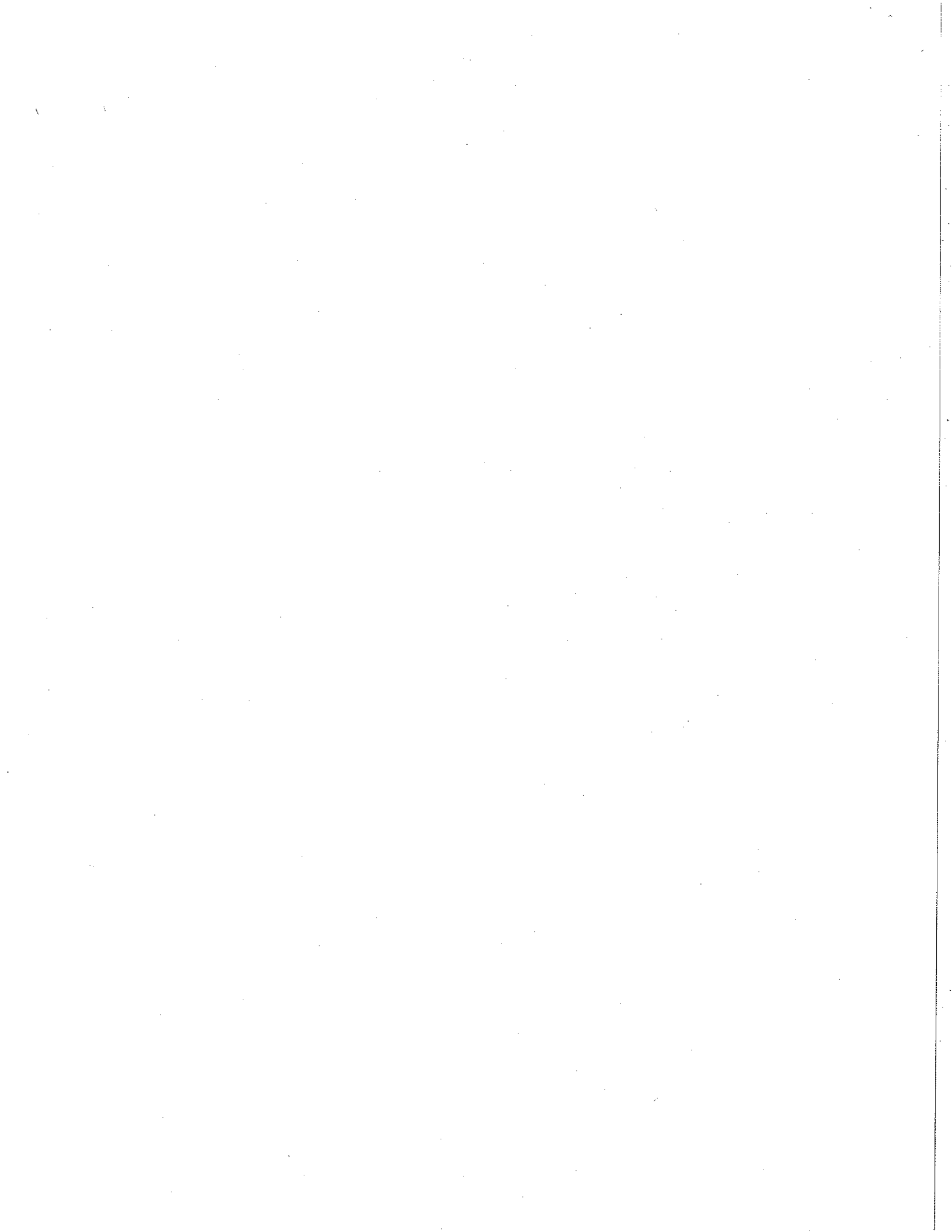
I will be available to describe the amendments to the Senate Finance and Revenue Committee if necessary.

Thank you.

A handwritten signature in black ink, appearing to read "Michael Selvaggio".

Michael Selvaggio
Oregon State Treasury

Cc: Members of the Senate Committee on Finance and Revenue
LRO Staff





February 6, 2012

**HB 4040
Oregon Investment Act
February 6, 2012**

The Association of Oregon Counties and the League of Oregon Cities support the overall purpose of HB 4040: encouraging business investment and increasing resources to local governments and state agencies to advance economic development efforts.

A high priority for counties and cities is the need for additional resources, tools, and flexibility to encourage economic growth and jobs. We support a coordinated and collaborative partnership for economic development and recognize the need for adequate resources.

Local governments play an important role in economic development by providing tax incentives and local resources for businesses, building infrastructure, giving technical assistance, and permitting projects.

Since partnerships among the state, local governments, businesses and economic development entities are critical for successful economic development, we recognize the need to be flexible and work in concert. We urge that when the Governor and Legislature make appointments to the Oregon Growth Board, at least one of the appointees should have local government experience and economic development expertise.

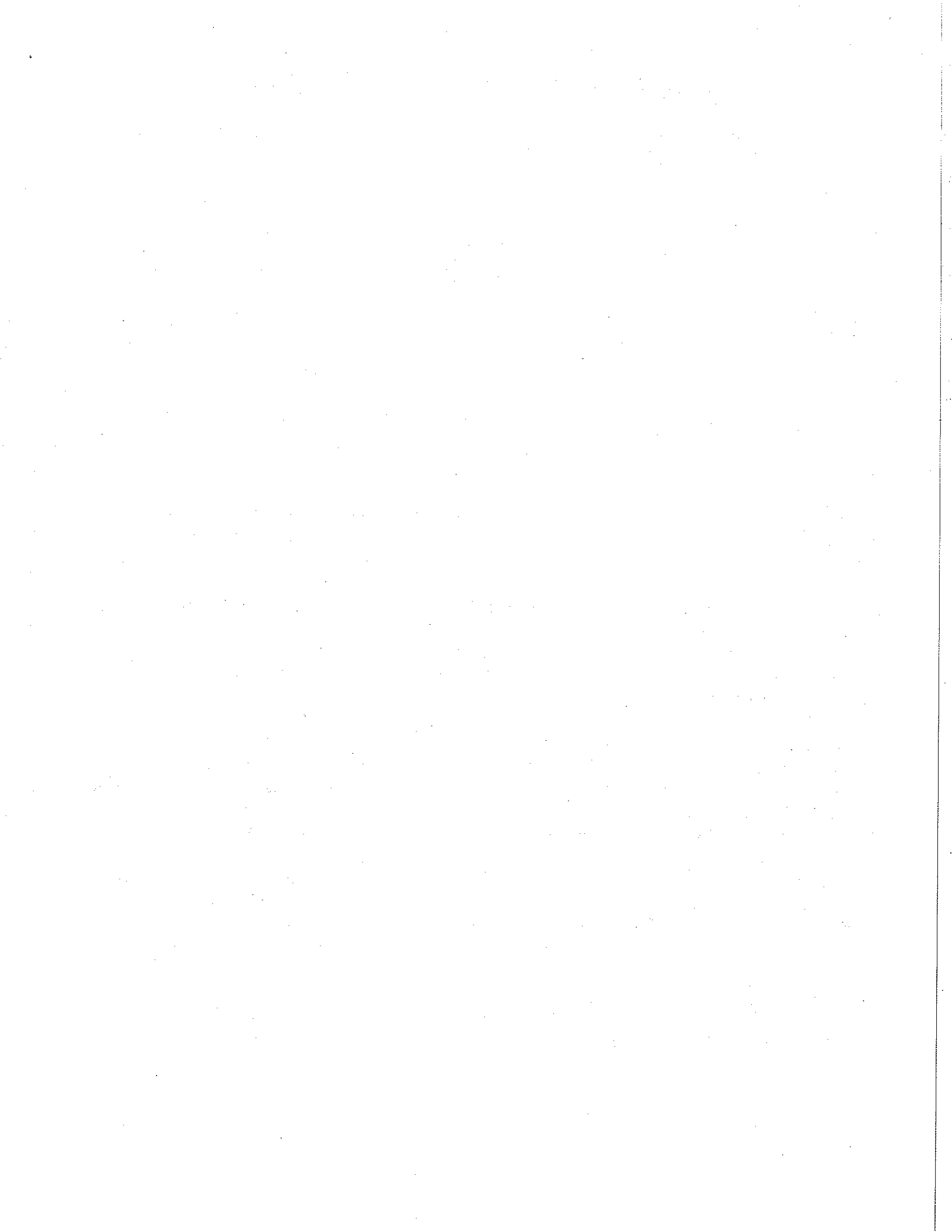
We also would like to place in the record that it is the intent of the Legislature that HB 4040 allows the Oregon Growth Board, through a written agreement, to contract with local governments and local economic development entities to manage resources to achieve the goals of this bill. This would enable, for example, economic development districts and local governments working with Regional Solutions Boards to provide funding to encourage business investment and job creation/retention.

We recognize that this bill is written broadly to allow for flexibility by the Oregon Growth Board. We encourage the Treasurer's Office and the Oregon Business Development Department, together with stakeholders, to outline clearly the roles and responsibilities of each agency, the Oregon Growth Board, and the Oregon Business Development Commission, in order to minimize conflicts and emphasize cooperation and collaboration.

Thank you for the opportunity to testify and we look forward to strengthening our efforts to encourage economic growth and jobs in Oregon through HB 4040.

Contacts:

Ann Hanus, Association of Oregon Counties (503) 871-9764
Chris Fick, League of Oregon Cities (443) 564-3402





Testimony in Support of HB 4040
Submitted by: Northwest Credit Union Association
February 6, 2012

Good morning Co-Chairs and Members of the Committee, my name is Jean Wheat-Palm and I am the President of Valley Credit Union in Salem and Chair of the Northwest Credit Union Association's Governmental Affairs Committee. I am here representing Oregon's 85 state and federally chartered credit unions.

Background on Oregon's Credit Unions

In this time of a changing financial services industry, it is important to truly understand how credit unions are unique and different and why we remain extremely popular financial alternative for 93 million Americans. Credit unions are not-for-profit financial cooperatives, democratically controlled by our members and operated for the purpose of promoting thrift, credit at competitive rate and providing financial services to our members. Many credit unions also provide services intended to support community development.

Over 38 percent of Oregonians are member-owners of their credit unions, and you will find them in every walk of life – from cattle ranchers in Central Oregon, to mill workers in the Willamette Valley, to fishermen on the Oregon Coast, to high-tech workers around the state. With more than 1.4 million members, Oregon credit unions strive to preserve a legislative climate that recognizes their unique structure and mission.

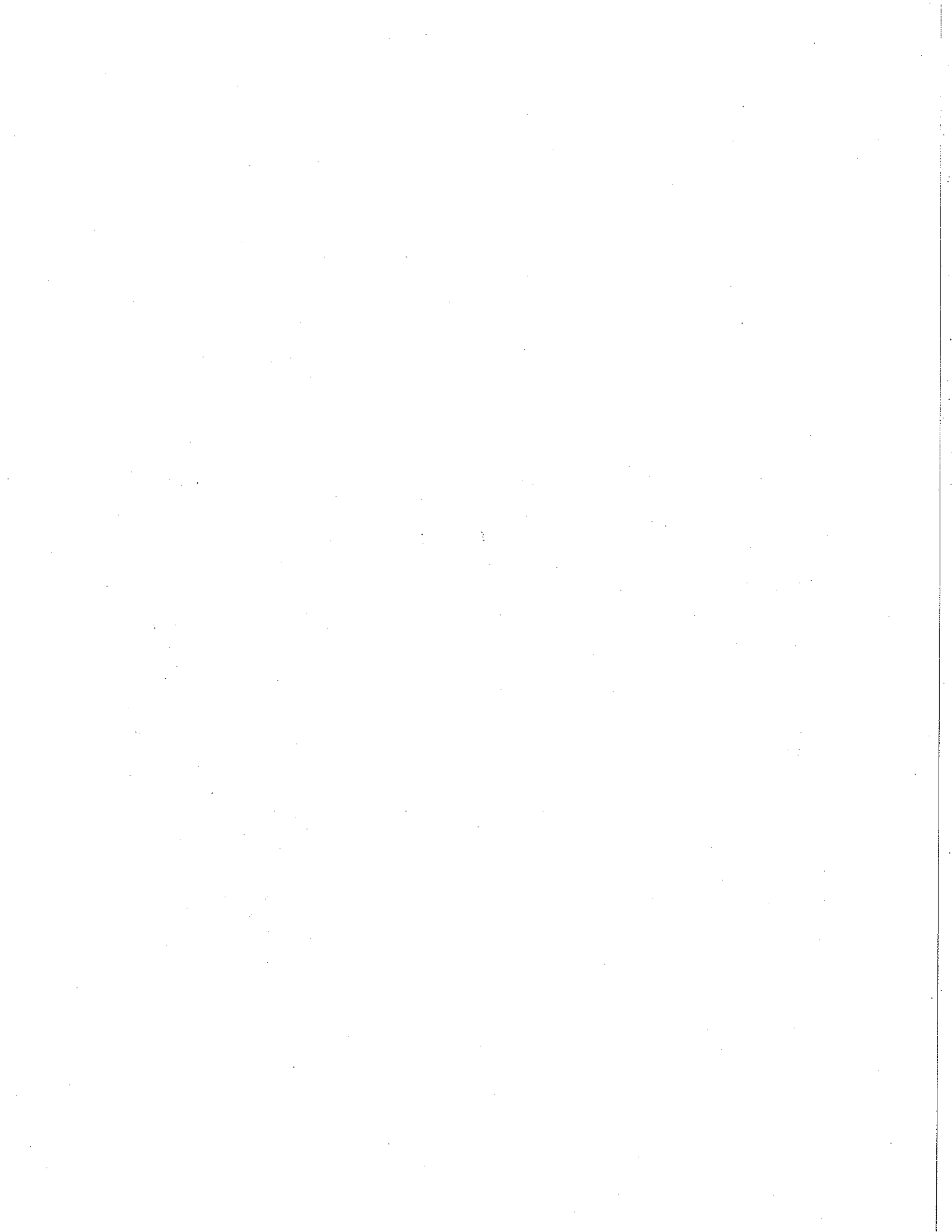
HB4040

With our background in local communities in Oregon, credit Unions have first-hand experience in deploying capital locally. We continue to see how our members are affected by the local economy. We believe the Oregon Investment Act can build on the public-private partnerships that are currently working and improve them by adding leverage from the private sector so we can expand and diversify efforts to grow and improve all our communities.

We believe in coordinating these efforts so that the financial community can better address capital gaps in types of investment and across sectors. This will help financial institutions meet the needs of their communities and will also be beneficial for institutions looking to engage in such partnerships (due to increased leverage and coordination).

The Oregon Investment Act builds on that success and adds some sanity to the existing economic development infrastructure (coordination, leverage, flexibility). We look forward to participating on the Oregon Growth Board and we urge your support of HB 4040.

For more information, contact: Pam Leavitt, pleavitt@nwcu.org.





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February 6, 2012

Representative Cliff Bentz, Co-Chair
Representative Dave Hunt, Co-Chair
Oregon House of Representatives
Oregon State Capital
900 Court Street NE, Room 453
Salem, Oregon 97301

RE: Oregon House Bill 4040/The Oregon Investment Act

Co-Chair Bentz, Co-Chair Hunt, and Members of the Committee:

The Portland Development Commission (PDC) extends its support for the Oregon Investment Act.

The Act and its components will allow a unique variety of important investment tools to continue in Oregon. One such tool, the Oregon Growth Account (OGA) has helped launch and expand young Oregon companies with seed capital. The OGA compliments many of the investments that Portland has been making in supporting entrepreneurs, including the \$750,000 investment the OGA made that led to the reality of the Portland Seed Fund.

PDC research has shown there is a lack of start-up capital throughout the state and the tools within the Oregon Investment Act help address this gap by leveraging additional funds from independent investment firms and bringing assistance to Oregon's fastest growing companies.

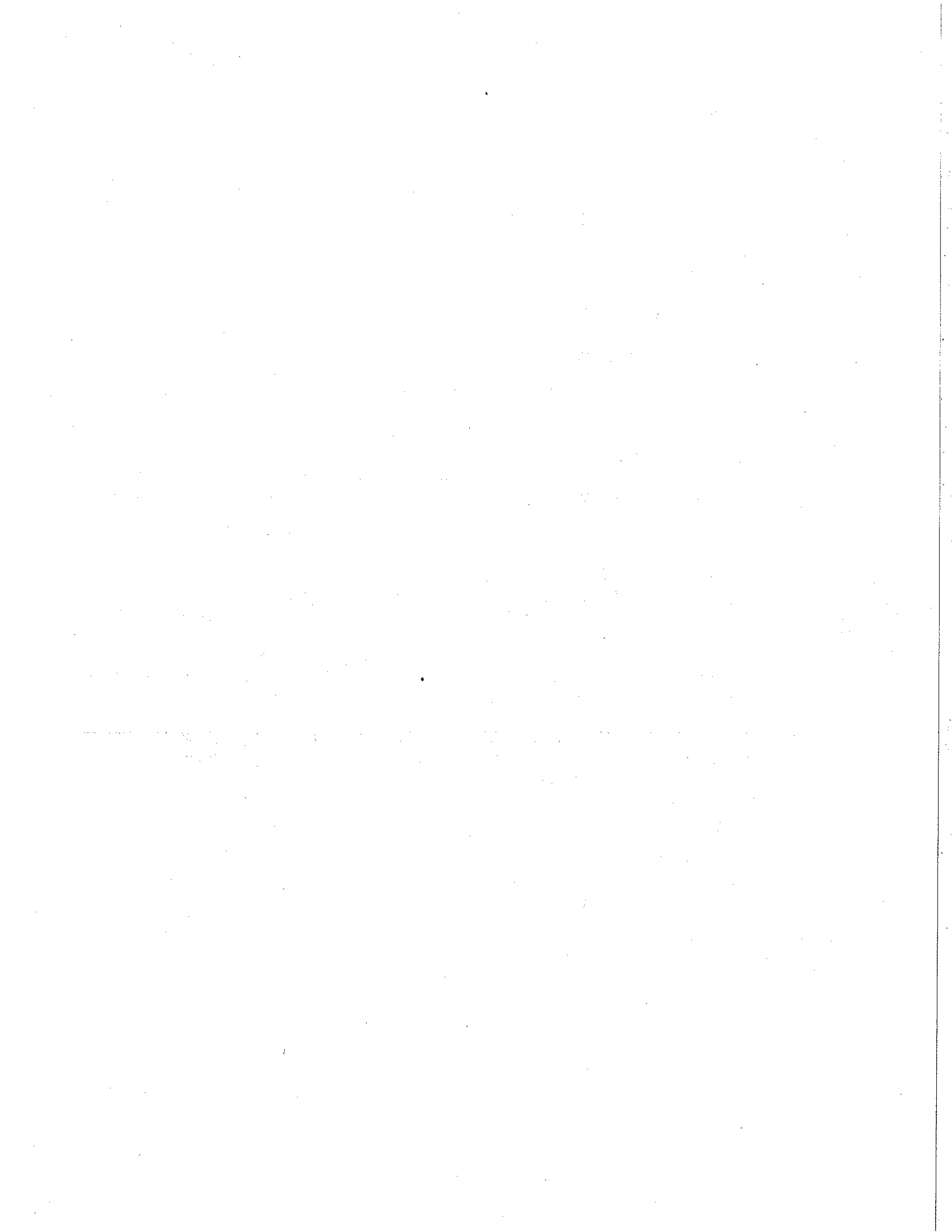
The Act and the OGA is good for all of Oregon as well by stipulating a preference for Oregon-based managers. Without the OGA there would be less capital available to support the type of companies that are generating most of the jobs for Oregon's economy.

We urge the House Transportation and Economic Development Committee to pass the Oregon Investment Act and continue to fund OGA which supplies critical funding necessary to support Oregon's entrepreneurs.

Sincerely,

Patrick Quinton
Executive Director







February 5, 2012

Rep. Cliff Bentz and Rep. Dave Hunt
Co-Chairs, House Transportation & Economic Development Committee
Oregon State Capitol
900 Court Street, NE
Salem, OR 97301

Dear Co-Chairs and Members of the Committee:

I am writing to express the support of the Oregon Bioscience Association ("Oregon Bio") for the passage of House Bill 4040—the Oregon Investment Act. In his first campaign for State Treasurer, Ted Wheeler visited with our Board. At that time our board members made it abundantly clear to Candidate Wheeler that the progress of Oregon's bioscience industry was being unnecessarily inhibited due to insufficient access to capital. After his election, working with our partners at the Oregon Cluster Network, Oregon Bio co-hosted our first Access to Capital Day in the Capitol last May. Representatives from both State Treasurer Wheeler's and Governor Kitzhaber's offices, together with Rep. Tobias Read, Rep. Vicki Berger and others, promised legislative action that addresses the access to capital chokehold, which has been impeding rapid commercialization of technology and start-up company survival in Oregon for decades. The Oregon Investment Act is the first response of these leaders to this longstanding need. We welcome this action.

The potential the Oregon Investment Act offers for flexibility in deploying scarce economic development dollars and leveraging private investment capital are changes that Oregon Bio has long championed. Within our industry we are aware of several technologies, existing companies and yet-to-be created companies that are likely to catalyze into expansion, and ultimately real job creation, through the types of investments contemplated by the Oregon Investment Act.

We hope as a Committee you will join Oregon Bio in recognizing the importance of this bill. It will benefit Oregon entrepreneurs today and into the future. It will support the emergence of new life science business opportunities from technology developed throughout Oregon. As we shared with you last session, according to ECONorthwest, the bioscience sector contributed over \$4.1 billion in direct impact to state in 2009, including over \$800 million in revenues from wages of bioscience industry workers. The Oregon Investment Act will help us grow.

Thank you for your support of the Oregon Investment Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis McNamee".

Executive Director,
Oregon Bioscience Association

oregonbio.org

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Software Association of Oregon



HB 4040 - Oregon Investment Act

February 3, 2012

Rep. Cliff Bentz, Co-Chair

Rep. Dave Hunt, Co-Chair

House Committee on Transportation and Economic Development

State Capitol, HR D

900 Court Street NE

Salem, Oregon 97301

Dear Representative Bentz and Representative Hunt,

On behalf of our respective organizations, and the over 600 Oregon software/technology companies and 22,000 industry professionals and entrepreneurs we serve, we are writing to respectfully request your support for **HB 4040 - The Oregon Investment Act**.

As you prepare for the release of the March revenue forecast later this week, we ask you to consider the critical importance of this bill to our state's economic health and future:

Oregon is known both nationally, and internationally, as a hub for innovation and entrepreneurship – and a great place to **start** a business. This reputation is critical to the sustainability of our state's economic health.

According to data collected by PricewaterhouseCoopers, between 2008 and 2011 an average of over \$172 million per year in venture capital was invested in Oregon businesses, including a \$238.6 million in 2011 - a 25% increase over 2010 and the highest total reported for Oregon since 2007.

This is also critical for Oregon's software and technology sector, which contributes significantly to the state's economic base and creates thousands of Oregon jobs every year – employing highly skilled, well paid professionals in **every region of the state**.

For Oregon entrepreneurs and business owners, HB 4040 encourages investment, increases the availability of capital for new and existing business, and provides a streamlined, coordinated resource for economic development resources in our state.

For Oregon workers, HB 4040 ensures that that our state's job-creation tools will be more nimble and more responsive to changing economic opportunities - through collaboration

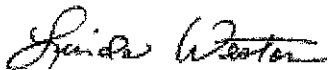
with local governments, and improved support for companies that want to grow and **bring** jobs to Oregon.

For Oregon taxpayers, HB 4040 creates the Oregon Growth Board, which will be responsible for ensuring accountability to statutory goals and benchmarks. Additionally, allowance for the OGB to seek additional funding from the private sector will multiply the impact of our state's economic development resources and efforts while reducing the risk of the State's direct investment.

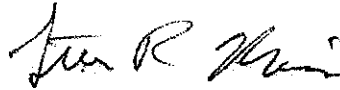
We are proud to support Oregon's exciting and thriving community of innovative entrepreneurs and industry professionals, and the significant contributions they make to the economic health and quality of life for our state.

We believe strongly that passage of HB 4040 is an important step to ensuring their long term success and the sustained economic growth of our state, and urge your Yes vote.

Sincerely,



Linda Weston
President & Executive Director
Oregon Entrepreneurs Network (OEN)



Steve Morris
Executive Director
Oregon Technology Business Center (OTBC)



Skip Newberry
President
Software Association of Oregon (SAO)



Nitin Rai
President, TiE Oregon
CEO, First Insight Corporation.

Lakshmi Jagannathan
Executive Director
TiE Oregon