



CITY OF REDMOND

716 SW Evergreen Ave
Redmond, OR 97756

(541) 923-7710
Fax: (541) 548-0706
info@ci.redmond.or.us
www.ci.redmond.or.us

To: Members of the House Committee on Revenue -- Rep. Phil Barnhart, Co-Chair; Rep. Vicki Berger, Co-Chair; Rep. Jules Bailey, Co-Vice Chair; Rep. Katie Eyre Brewer, Co-Vice Chair; Rep. Cliff Bentz; Rep. Sara Gelser; Rep. Tobias Read; Rep. Matt Wand

Re: Support of SB 1558 – modifies scope of cost for certain economic development projects that Oregon Business Development Department may finance with proceeds of certain revenue bonds

Dear Representatives:

The City of Redmond is writing to encourage your **support of SB 1558** which would allow Oregon companies to use the proceeds from the sale of Industrial Development Revenue Bonds (IDRB's) issued by the State to be used for operating expenses associated with a capital asset and/or research and development.

IDRB's are an economic development tool available to incent industrial development without a direct taxpayer subsidy and without the State or local issuer required to take a significant financial risk. IDRB's have historically been a very popular way that large industrial companies finance relocations and expansions and are available in virtually every state in the nation including Oregon. However, a number of states, including Texas, Arizona and Washington, allow companies to use IDRB's to finance research and development and operating capital as well as the traditional uses for equipment and construction costs. In these States, IDRB's have also become an effective tool to help recruit new high tech business where research and development is a significant start up expense.

The City of Redmond has been in discussions with a California high-tech company that could potentially bring up to 6,000 jobs to the City. A new business with this level of expansion potential would be a "game changer" for this community which is currently one of the most distressed cities in the State. However, this new business will need to be able to finance its research and development activities with IDRB's and will relocate to one of our competitor states if it cannot secure IDRB financing in Oregon.

We strongly encourage the members of the Committee on Revenue to support strengthening this effective economic development tool in order for the State to effectively compete for these growing high-tech companies. Thank you.

David Brandt
City Manager