

Testimony of Julia Brim-Edwards, Nike, Inc
Joint Special Committee on Economic Development
Oregon State Legislature

Co-Chair Burdick, Co-Chair Barnhart, Co-Chair Berger, and Members of the Committee,

My name is Julia Brim-Edwards, Sr. Director for Government and Public Affairs at Nike. Accompanying me today is William Gary of Harrang, Long, Gary and Rudnick, who serves as our advisor on this project.

Thank you for the opportunity to appear before you to provide our strong support for LC1, the *Economic Impact Investment Act*. Nike appreciates the willingness of the Legislature to meet in Special Session to consider authorizing this new economic development tool that should bolster investment and growth in Oregon.

We support the proposed legislation and appreciate the leadership of Gov. Kitzhaber and legislative leaders ...both Republican and Democrats, from across the state.

The Legislature has an opportunity at hand. You have a chance to not only boost Oregon's economy, but also to provide the State with another tool to attract and retain businesses.

Nike's roots run deep here. The company was founded on a handshake, \$500 and mutual trust between legendary University of Oregon track coach Bill Bowerman and Phil Knight, a talented runner for Bowerman's track program in Eugene. Their shared passion for running and competitive instincts fueled a vision for creating lighter, better running shoes. From that vision Nike has grown into the world's leading innovator in athletic footwear, apparel, equipment and accessories.

Today, Nike employs more than 44,000 people globally. The company employs more than 24,000 people in all 50 United States, and indirectly creates hundreds of thousands of jobs through its business partners and sports relationships. Nike's employment in Oregon has grown 60 percent since 2007 with an average wage of more than \$100,000 -- about double the state and regional averages.

Oregon is home to Nike's World Headquarters with more than 8,000 jobs in Washington County. Our jobs in Oregon include: research, design, marketing, development, logistics, retail, merchandising, finance, and manufacturing.

ECONorthwest, an independent economic consulting firm, estimates that Nike adds nearly \$2.5 billion annually to the Oregon economy.

Our presence in Oregon helps grow and bring world-class athletes to train in the state and positions Oregon to land events like the U.S. Olympic Track & Field Trials. Hayward Field in Eugene has hosted the last two Olympic Track and Fields Trials. Along with another homegrown company, Columbia Sportswear, we anchor a diverse and growing Athletic &

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Outdoor Industry cluster here in Oregon with many small and medium sized companies growing with us.

The proposed *Economic Impact Investment Act* would allow the Governor to enter into qualifying investment contracts with any company committing to a minimum of 500 jobs and \$150 million in capital investment over five years. The Act enables the Governor to provide certainty – for a set period of time – to companies willing to make a major investment to grow and invest in Oregon.

Nike is ready to commit to sign an agreement to invest a minimum of \$150 million, add at least 500 new jobs, and expand its presence in Oregon if the state can provide assurance that we can continue to count on our current tax structure. Yes, we are advocating for the status quo.

To a degree, the state's current tax structure keeps Oregon in the game nationally on economic development and business climate issues. Oregon was an early adopter of this method of taxation and it has had its desired impact of creating competitive separation from other states that have more robust economic development incentives.

Other states have noticed. States generally want to encourage businesses that make investments in payroll and property because those two factors drive economic growth.

The move to single sales factor several years ago had broad support in the legislature and was signed into law by the Governor. This legislation would not give companies who enter into Agreements something new or different from current law. Rather, this legislation would provide companies with a degree of certainty that they can rely on. In essence, if a company meets the minimum threshold of \$150 million and 500 new jobs, the state will not change the rules mid-stream.

Nike supports the focus of this session. We are proud of our longstanding relationship with the State of Oregon. With the current growth in our employee base, we are reaching capacity at our World Headquarters campus and neighboring office locations and facilities in Washington County.

The decision of where to expand involves strategic, human resources, and financial considerations that must be aligned with Nike's long-term growth and business objectives. Nike is a growth company and would like to continue creating high-quality jobs and economic benefits in Oregon for years to come. If this legislation is passed as it is currently structured, and an agreement with Governor Kitzhaber is signed, Nike will commit to expanding its presence in Oregon to accommodate our on-going headquarters expansion needs.

We support the proposed legislation and strongly urge the Committee to pass this bill so that the full legislature can consider it in Special Session.

Again, thank you for the allowing Nike to present our views in favor of the *Economic Impact Investment Act*. We urge your support.