



March 11, 2013

Senate Finance and Revenue Committee  
Oregon State Capitol Building  
900 Court St, NE, Room 143  
Salem, Oregon 97301

**RE: Support of SB 223 and SB 314 – Relating to the Strategic Investment Program and Shared Services Fund**

Hon. Chair Burdick and Committee Members:

The City of Hillsboro strongly supports passage of SB 223 as it would clarify provisions relating to payment of tax revenues to a Shared Services Fund under ORS 285C.639 (the "Gain Share" statute) and extend that Program to 2029.

The Strategic Investment Program (SIP) is one of only very few business-investment incentive programs the State has to attract/expand traded sector companies and their jobs to Oregon. It continues to do that effectively as demonstrated by billions of dollars of Intel investment in massive expansions of their flagship operation in Oregon at Intel Ronler Acres complex that capitalize on the SIP investment incentives.

In 2007, the Legislature added the *Gain Share* component to the SIP Program established by ORS 285C: an important recognition of a SIP-based, state-local government partnership to attract and keep major business investments to Oregon. In Washington County, that partnership continues to be productive in large part because our tax payers abate property taxes per SIP agreements and invest millions of dollars over time in supporting local infrastructure and specialized public safety equipment/personnel to attract and keep businesses that provide desirable high-skill, high-wage direct – and indirect/induced - jobs to Oregon.

The certainty of Gain Share revenues provides assurance to our taxpayers that there will be a modest financial return on its tax abatements and investments in infrastructure and services to support new and expanding businesses that will help mitigate community and environment impacts (i.e., traffic, schools, livability, etc.) of the jobs produced by those businesses. Removing that certainty provided by the statutory Gain Share formula and procedures could undermine the tax payers – and, thus, their elected representatives' – collective will to continue these abatements and investments.

Our City supports enactment of SB 223. We look forward to maintaining our continued partnership with the state to grow the state's economic base and create jobs that benefit all of us.

Thank you for considering this testimony.

Respectfully submitted:

CITY OF HILLSBORO

A handwritten signature in black ink, appearing to be 'Jerry W. Willey', written over a horizontal line.

Jerry W. Willey  
Mayor

# CITY OF HILLSBORO



## **City of Hillsboro SB 954 (2007) (GainShare) Remarks (Updated: 3/13/2013) Before the Oregon Senate Interim Committee on Finance & Revenue** Aron Carleson, Hillsboro City Council President & Michael Brown, City Manager

### **Why SB 954 Is Financially Vital to Hillsboro:**

- **City Capital investments** help keep/attract traded sector companies in Oregon Silicon Forest (see Attached Silicon Forest Maps):
  - **Specially-trained police and firefighters & specialized fire protection equipment** & stations (i.e., 12 City on-site inspectors for Intel D1X (\$3B) Project):
    - **Two (2) Fire Stations (@ \$4M per station)**
    - **One fire tiller (w/ extended ladder) (@ \$1.2M)**
  - **Specialized City Building/Public Works Engineering/Planning Team** (10 personnel) advises new companies)
  - Municipal capital investments:
    - **Pending \$300-500M (non-GainShare) City water supply source/delivery systems investment** (increases daily water delivery by 30M GPD or 21M gals/min.)
      - **\$15.8M Crandall Water Reservoir** (construction under way)
    - **City and County supporting TDT roadway investments** (Cornelius Pass Road, Ronler Acres Drive, Brookwood Avenue/253<sup>rd</sup> Avenue, Evergreen Road Expansion) for Silicon Forest freight and workers movement.
    - **Six (6) ft. City Water Supply Line specifically for Silicon Forest Companies.** (\$25.7M City cost share from 1999-2004)
    - **New Industrial Area Sewage Transmission Pump Stations** w/in Silicon Forest.
  - **City high tech workforce training investments** in reliance (in part) on GainShare revenues:
    - Considering PCC (Rock Creek) and high school STEM programs (to encourage matching industry training investments).
    - Annually, **City provides in-kind staff resources/services directly to Hillsboro School District (\$1.4M value in 2011).**