March 3, 2015

House Committee on Revenue
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97301

TO: Representative Barnhart and Committee Members

RE: Opposition to HB 2672, 2084, and 2098: Relating to changes to the Strategic Investment Program

The City of Hillsboro would like to express opposition to House Bills 2672, 2084, and 2098, all reduce economic development tools for our communities. As currently written, these bills significantly diminish the effectiveness of the State's valuable Strategic Investment Program (SIP) and harm future recruitment of traded sector businesses. The City supports efforts to improve funding for school districts, but changes to the SIP proposed by these bills will cause more harm than benefit.

The SIP is a valuable State economic development tool which provides great opportunity for high tech firms, high tech suppliers, and other capital intensive industries to invest in Oregon. Competition to recruit and retain these types of firms is at a national and international level. By modifying the current application of the SIP, Oregon's ability to compete globally and nationally would be damaged.

The SIP has helped recruit and grow companies across Oregon resulting tens of thousands of good jobs over the last two decades. Here in Hillsboro the benefits of the SIP can easily be seen. The two SIP recipients in the city employ over 17,000 employees. In 2012 alone, Intel provided $327.7 million in state income tax and local property taxes, about 40% of which went to K-12 education in every part of the state.

The changes, to the SIP, sought in House Bills 2672, 2084, and 2098 will hurt the Oregon's ability to recruit and retain businesses which in turn will negatively impact funding for schools. If the desire of these bills is to have a conversation about tax incentives and funding for schools, this should be done in a holistic manner and not through a piecemeal approach targeted at one or two successful programs.

Sincerely,

CITY OF HILLSBORO

Jerry W. Willey
Mayor