



Schools get no share of most SIP revenue received from Intel and Genentech

Intel's SIP properties pay local taxes in two forms. "Actual Levied Tax" is the property tax on \$100 m of equipment and is distributed to all taxing districts; schools get their share. They also make "SIP Fee Payments" based on four different fees. Hillsboro and Washington County don't share this "SIP Payment" fee revenue with the K-12 schools, the ESD or community colleges. In the 1994 agreements, SIP Fee payments were shared. Not so more recently. Below is the breakdown for tax year 2013-2014 provided by the Washington County Assessor for the SIP properties. It should be noted that both Intel and Genentech have non-SIP properties as well. Intel has seven Genentech one. **The total payments for all the properties of the two companies were \$41.3 m.**

	Actual Levied Tax	SIP Fee Payments	Total Paid	Tax Abated
Intel 1999 SIP	\$2,288,638.85	\$8,265,840.33	\$10,554,479.18	\$14,933,969.85
Intel 2005 SIP	\$1,767,939.09	\$10,592,555.13	\$12,360,494.22	\$107,634,881.02
Genentech SIP	\$449,664.03	\$895,659.00	\$1,345,323.03	\$2,124,536.44
TOTALS	\$4,506,241.97	\$19,754,054.46	\$24,260,296.43	\$124,693,387.31

The "Actual Levied Tax" is the portion of SIP Payments shared according to voter's decisions about the distribution of property taxes. The "SIP Fee Payments" go to Washington County and the City of Hillsboro, to use or distribute as they choose. "SIP Fee Payments" include the Community Service Fee, Guaranteed Annual Payment, and Fee-in-Lieu of Taxes on Land & Buildings. **Genentech's Community Service Fees are shared with the Port of Portland and Metro. Intel's 2005 agreement distributes Community Service Fees to Metro, the Port, TVF&R, Enhanced Sheriff and Urban Road taxing districts. Education districts are left out of all fee revenue.**

In the 2013-14 tax year, only 19% of the money received from the SIP businesses was distributed using the property tax distribution formula used for receipts from other taxpayers in Washington County. All education districts were left out of 81% of SIP receipts. Education districts are left out of decision making about Gain Share revenue as well.

In the early days of SIPs, Superintendents were invited to the distribution discussions, and the "SIP Fee Payment" revenue was shared with K-12 schools, based on the percentage of Intel students in each Washington County school district. The 1994 Ronler Acres agreement which lasted until 2010-11 says:

The County may distribute the Community Service Fee made pursuant to Paragraph 2.4 of this Agreement to any unit of local government, including but not limited to the City, service districts and educational districts, that the County determines, in consultation with such governments, are affected by the development and operation of the project. The amounts to be distributed shall be determined by the County in consultation with the City and such districts. Notwithstanding the above, **it is the desire of the County and Intel that the majority of the Community Service Fee funds be used for the support of K-12 and/or higher education.**

Intel's 1999 agreement shared \$500,000 a year with the ESD until 2009-10. Since then, it seems that only through coercion is anything shared with schools. On the threat of losing Gain Share entirely, some Gain Share money has been shared. How have our community college and ESDs been served? It is our understanding that education distributions have always been outside the school funding formula, hurting not only schools in SIP counties, but throughout the state.