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Senate Finance and Revenue Committee
Oregon Legislative Assembly
900 Court Street NE
Salem, OR 97301

Subject: SIP/Gain Share program (SB 129)

Dear Members of the Senate Finance and Revenue Committee:

Associated Oregon Industries (AOI) supports **Senate Bill 129**. The bill ensures the continued economic prosperity of our state by protecting Oregon's best economic development tool. At the same time, proposed changes will enhance benefits for Oregonians in communities statewide.

Oregon has long leaned on cities and counties for economic development, relying on them to assume risks and pay some upfront costs for projects that ultimately deliver jobs needed to support the state's general fund. This is done primarily through the **Strategic Investment Program (SIP)**, of which Gain Share plays a critical role. The SIP wouldn't enjoy its current success without Gain Share, which provides communities with the certainty needed to encourage their participation and an incentive to share in some of the income tax revenue these investments produce.

The program has attracted and retained companies in Oregon that could have located anywhere in the world, including some of the state's biggest employers – Intel and Genentech in the Portland metro area, along with wind farms in rural Eastern Oregon and the Wauna paper mill near the coast – providing well-paying jobs that benefit these local communities.

Attracting investment is critical to our ability to do business. Growth at the companies participating in the program spawns additional businesses and investments in existing companies, such as the cluster of high-tech businesses that work with Intel, and manufacturers of products related to wind energy facilities elsewhere in the state. A study by ECONorthwest recently found that, for every job created by an investment at Intel, three more jobs are created elsewhere in our state.

The program's economic impact also supports funding for K-12 schools statewide. Intel's investment in Oregon generates \$650 million in tax revenue. Changes proposed under **SB 129** would funnel even more money to public schools in Oregon. They would also increase resources available for economic development in rural Oregon.

We respectfully request that you support **SB 129**.

Sincerely,

Jay M. Clemens
President & CEO

JMC:jkh