

March 31, 2015

**SB 129-1 Supports Economic Development, Career and Technical Education, and Rural Communities**

Dear Chair Hass, Vice-Chair Boquist, and Members of the Senate Committee on Finance and Revenue,

The Oregon Business Plan supports the improvements to Gain Share provided by Senate Bill 129-1. This proposal preserves a critical economic development tool while making important investments in career and technical education, rural communities and the State School Fund.

Oregon leans heavily on local communities for economic development, primarily through the Strategic Investment Program (SIP) which relies on cities and counties to assume risks and up-front costs. Gain Share 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, bringing some of the state's biggest employers – including 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 all Oregonians.

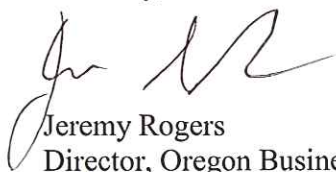
Attracting investment is critical to our ability to do business. Growth at the companies participating in the program spawns additional businesses and investments in existing companies, such as the cluster of high-tech businesses that work with Intel, and manufacturers of products related to wind energy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

The program's benefits apply to all Oregonians. For example, Intel's investment in Oregon generates \$650 million in tax revenue – enough to supply half of the education funding increase proposed in the co-chairs' budget for the biennium.

Under Senate Bill SB 129-1, changes have been proposed that will increase benefits for all of Oregon while protecting this crucial economic development tool. Funding from the local share will be reallocated from local governments to the State School Fund, Career and Technical Education and Oregon State University statewide service programs, which offer particular benefits for rural communities.

I respectfully request that you support SB 129-1. We need it to continue economic development efforts that provide benefits for all Oregonians.

Sincerely,

  
Jeremy Rogers  
Director, Oregon Business Plan