

City of Grants Pass



May 17, 2011

Representative Jules Bailey
Representative Vicki Berger
Co-Chairs, Tax Credit Committee
Oregon Legislature
Oregon Capitol
Salem, Oregon 97301

Subject: Senate Bill 317a

Honorable Representatives Bailey and Berger,

The City of Grants Pass supports SB 317 the extension of the sunset date for tax credit for electronic commerce in enterprise zone or city designated for electronic commerce.

One Quick Example of Why Grants Pass Needs SB317

In the spring of 2009 First Call Resolution wanted to expand their operations

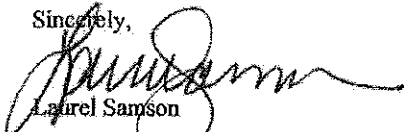
- Compared two areas - Grants Pass which has an E-Commerce overlay to their Enterprise Zone and a city which did not have similar benefits
- First Call Resolution decided to move to Grants Pass, citing the Enterprise Zone along with the E-Commerce overlay as a reason
- Since July of 2009 First Call has hired 173 employees
- First Call generated \$3,598,400 in new annual payroll in Grants Pass along with \$250,000 in new property investment
- First Call's annual payroll generates new Personal Income Tax to State Of Oregon per year in the amount of \$179,200
- Cost to State Business Taxes (E-Commerce Zone) one time cost \$62,500
- Net "profit" for State because of Enterprise Zone over 3 years of exemption \$463,850

First Call Resolution is located in Downtown Grants Pass. This means that the employees from First Call will shop downtown and eat out at local restaurants in the area. These activities provide more jobs in the downtown core and have already had a visible positive impact on Downtown Grants Pass.

Our local traded sector companies have the ability to locate anywhere in the world and are routinely contacted by other states to relocate. Having effective programs like the Enterprise Zone E-Commerce overlay keeps them here in Oregon and as illustrated above brings in new tax revenue to the state.

That's why the City of Grants Pass urges the passing of SB 317a

Sincerely,


Laurel Samson
Grants Pass City Manager