



February 6, 2023

Senate Committee on Finance and Revenue
Oregon State Legislature
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97301

RE: Letter of Support – Extending Sunsets (Senate Bills 133, 134 and 135) for Oregon Enterprise Zone Tax Abatement Program

Dear Senate Committee on Finance and Revenue,

Economic Development for Central Oregon (EDCO) strongly supports Senate Bills 133, 134 and 135, which collectively, extend the sunsets for the Oregon Enterprise Zone program. This program is the most effective economic development incentive we have that promotes traded-sector business growth in Oregon. EDCO has helped hundreds of companies in Central Oregon leverage this program to create well-paying jobs by providing a temporary tax abatement during critical operational growth periods.

EDCO is a private, non-profit organization serving the tri-county region of Crook, Deschutes and Jefferson Counties whose mission is to promote sustained job growth and prosperous communities. EDCO manages, on behalf of the cities and counties that are the zone sponsors, all five Enterprise Zones (four rural, one urban) in the region via our local offices.

A 2022 study commissioned by Business Oregon measured the return on investment (ROI) from 287 companies who have participated in the Enterprise Zone program by looking at:

- Total output through direct jobs at participating firms,
- Indirect jobs from suppliers, and
- Induced jobs from employee household spending in the community.

Remarkably, the study found that the economic benefit was 29 times the initial investment (temporary exempted tax value) for the standard 3–5-year Enterprise Zone program. As zone managers, EDCO has 74 companies with active authorizations who have projected the creation of 1,049 jobs and over \$1.6 billion in capital investment. The calculations of the potential ROI from these investments are staggering.

Proof of the ROI is evidenced by Crook County’s climb from worst to first when considering employment recovery in Oregon. During the Great Recession, prior to the designation of their Enterprise Zone, Crook County was the last of all 36 counties to recover job losses. Contrast that to their recovery from the Global Pandemic, following creation of the Enterprise Zone, and Crook County had the largest net gains after losses (February 2020 through August 2022) as a percentage of employment. There may be no better example of how a community has effectively utilized the Enterprise Zone program as a primary tool to stimulate investment and create resilience.

**Economic Development
for Central Oregon**

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The bills presented in both the Senate and the House this session, which propose to extend the Oregon Enterprise Zone program, are a top priority for EDCO, the companies we support and the communities we serve.

In a state like Oregon, which is inordinately dependent upon income tax as a primary source of revenue, there must be tools to create jobs. The Enterprise Zone program has a proven record of doing just that. We hope you will join us in supporting the extension of this important economic development tool.

If you have any questions regarding my comments, please feel free to reach out to me directly. We appreciate the opportunity to share our perspectives.

Sincerely,

A handwritten signature in black ink that reads "Jon Stark". The signature is written in a cursive style with a prominent loop at the end.

Jon Stark, CEO
Economic Development for Central Oregon

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