

February 27, 2023

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

Chair Meek, Vice-Chair Boquist, and Members of the Committee:

I am writing to express testimony in support of Senate Bill 537 to extend the sunset date for Shared Services Distribution such as Gain Share.

OEDA is a statewide non-profit organization dedicated to the service and support of Oregon's economic development practitioners on the front lines of diversifying and expanding Oregon's economy. Our association represents members and stakeholders from more than 180 public and private entities from economic development corporations, cities, counties, ports, utilities, tribes, and many other organizations interested in attracting and retaining investment here in Oregon.

OEDA Members and Partners rely on the Gain Share program as a vital tool in Oregon's economic development toolbox, working in tandem with the Strategic Investment Program (SIP) to enable cities and counties to attract large-scale, private investment – along with the resulting jobs and tax revenue for their communities. Urban and rural communities across our state compete nationally for private sector investments from a wide range of desirable industries such as high-tech, telecommunications, biotechnology, and renewable energy – the Gain Share program has been a key part of their success.

In Oregon's urban areas, Gain Share enables cities and counties to attract and retain large, traded sector industries, creating thousands of well-paid direct jobs. It's also been estimated that for a sizeable employer such as Intel, approximately 25 indirect jobs are created across the state for every direct job. Gain Share has helped enable Oregon's rural counties to attract investments in wind energy, natural resource, and manufacturing projects, capitalizing on their unique geographic characteristics to drive new economic growth.

In highly sought-after industries, such as the semiconductor industry, state's need to offer, maintain and expand their incentive programs in order to establish a competitive standing amongst the market. Already, with the few tools we do have, we are seeing companies overlook Oregon as a viable development option due to the subpar incentives and inadequate state support on CHIPS applications. These facilities create thousands of jobs and revitalize communities—yet we are losing them to states like Illinois, who have built robust incentive packages.

In addition, the unprecedented strain of the COVID-19 pandemic makes the Gain Share program even more critical, affording local governments and community partners the financial security to provide incentives and the resources needed to upgrade their infrastructure to keep pace with a growing local workforce. These funds have also been used to provide our communities with needed facilities such as event centers, courthouses, security projects, training centers, and public technology expansion.

In recognition of the value that Shared Services Distributions like the Gain Share program can offer Oregon's communities, OEDA supports the passage of SB 537 to extend the sunset.

Thank you for your time and consideration.

Sincerely,



Caitlyn Quwenikov

Executive Director, Oregon Economic Development Association (OEDA)