



March 27, 2023

Chair Nathanson
House Committee on Revenue
900 Court Se. NE
Salem, OR 97301

RE: Hillsboro Support for HB 2199

Chair Nathanson, Vice Chairs Reschke and Walters, and members of the Committee,

This testimony, on behalf of the City of Hillsboro, is in support of extending the Enterprise Zone Program to 2035. The extension of the Enterprise Zone program is a critical component of a comprehensive semiconductor package and effective business recruitment and retention within our community and state.

Hillsboro utilizes the enterprise zone program to great economic benefit to our community and the State of Oregon. Hillsboro's Enterprise Zone was created in 2006 and to date, we approved 80 applications (in 16 years) representing over \$7.5 billion in investment.

The program is a key tool in recruitment of new companies and industries and is just as important in encouraging growth and retention of existing Oregon companies.

As of 2022, over 4,000 jobs have been created and retained from our 25 active applications with an average annual compensation of about \$103,000 per job. Eleven of these applications are semiconductor companies utilizing the enterprise zone program representing millions in new capital investment and approximately 2,000 jobs.

An example is Jireh Semiconductor. They've had 4 enterprise zone applications because of their continued investment in their Hillsboro operation over 10 years. TOK America and Edwards Vacuum, local semi supplier companies, are both on their second application for additional expansion investment.

As the local zone sponsor of the Enterprise Zone, the City implemented additional program requirements, as allowed by state law, such as local procurement reporting, a community service fee, and employee training programs to encourage advancement opportunities.

To date, companies have averaged \$18 million annually in local goods and services purchased. This includes retail purchases, contactor services, and equipment and services from local companies.

In addition, the City uses the funds collected from the community service fee paid by the companies to support workforce development programs. We've been able to maintain a full-time workforce manager position and support programs focused on local workforce development.

The Enterprise Zone program makes Oregon competitive with other states and countries in capturing new investment and jobs. It also provides a means to reinforce the well-being and growth of our

industries as well as advancing our community benefits and priorities for equitable economic development. For these reasons we support extending the Enterprise Zone.

Please support the extension of the Enterprise Zone for local governments.

Thank you,

A handwritten signature in blue ink, appearing to read 'D. L. Dias', with a stylized flourish at the end.

Daniel L. Dias
Economic and Community Development Director