

# Strategic Investment Program Policy Update

Multnomah County  
Board of County Commissioners  
April 18, 2013

# Purpose and Plan

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- ◉ Overview of Strategic Investment Program
- ◉ 2004 SIP Policy
- ◉ Reason for Policy Update
- ◉ Changes in the Policy

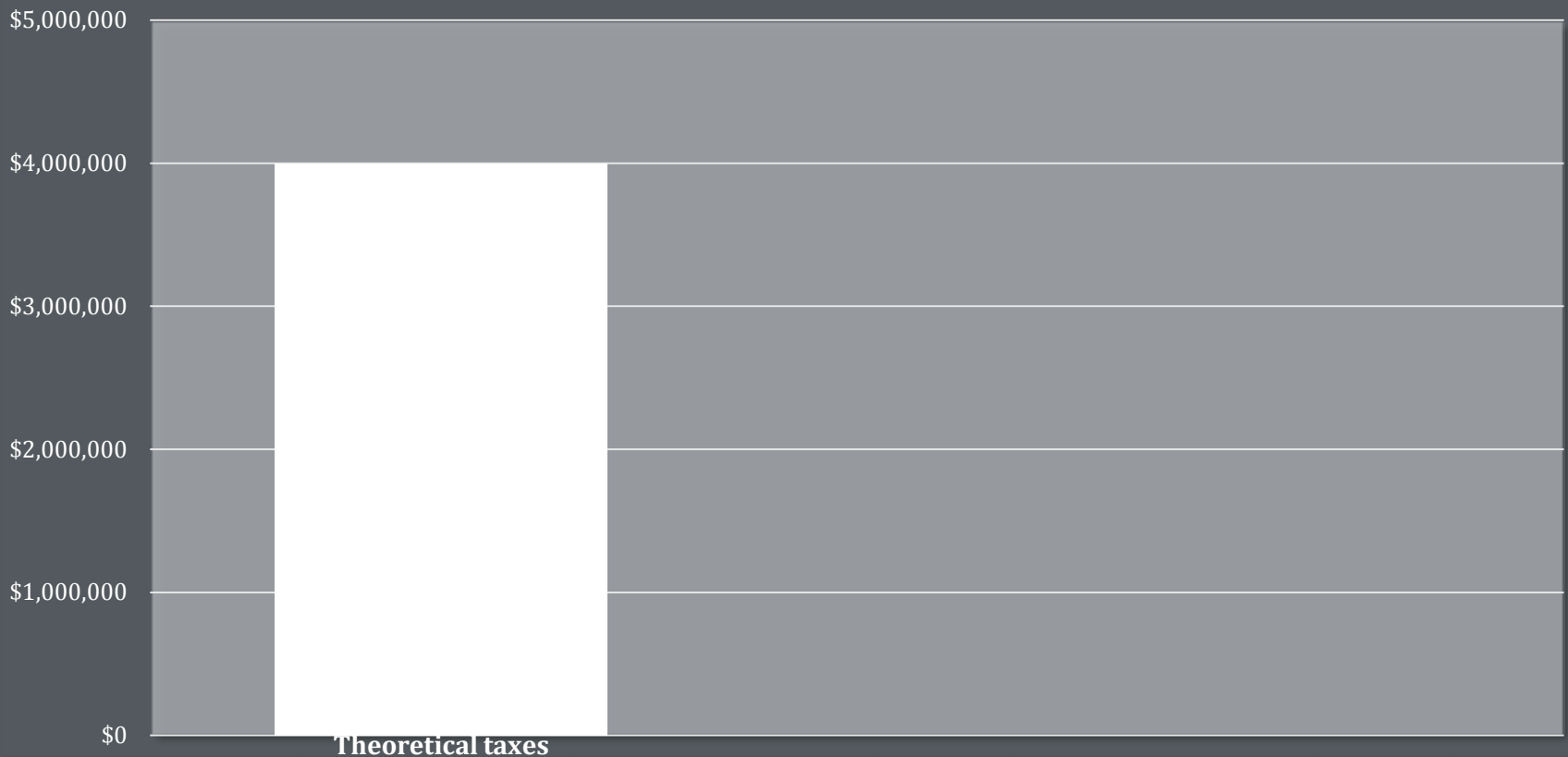
# What is SIP?

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- ◉ 15-year property tax abatement
- ◉ Qualifying Investments > \$100M
- ◉ Community Benefits Fee (25%, \$2M cap)
- ◉ County is the sole path to approval
- ◉ Three contracts
  - County, city, company – CBF payment
  - County, city, 75% special districts – CBF distribution
  - Company and publicly funded job training provider
- ◉ Relationship with E-Zone and URA's

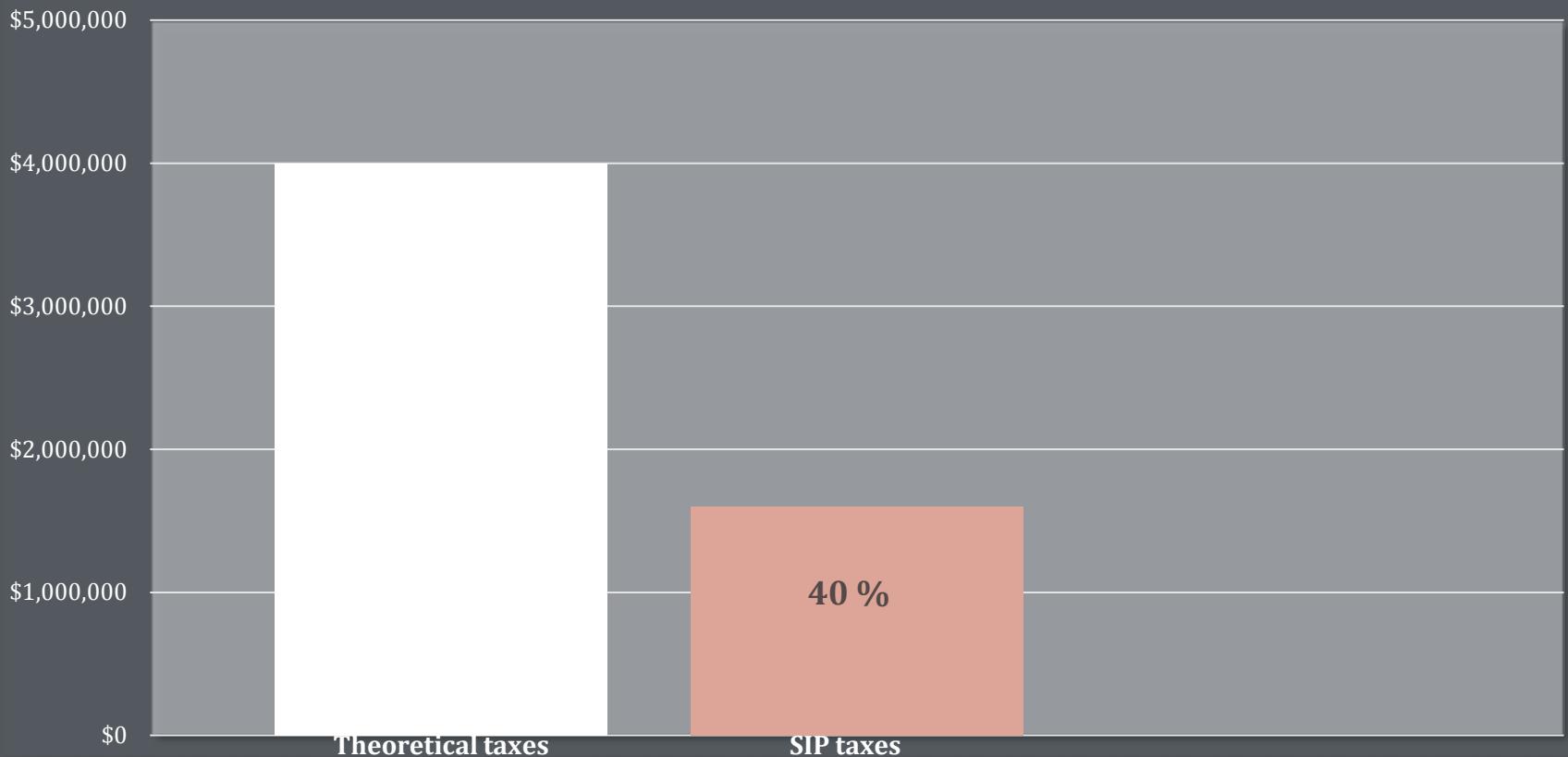
# Theoretical and SIP Payments

**\$250,000,000 Investment**  
(with 100 jobs @ \$45,000 avg.)



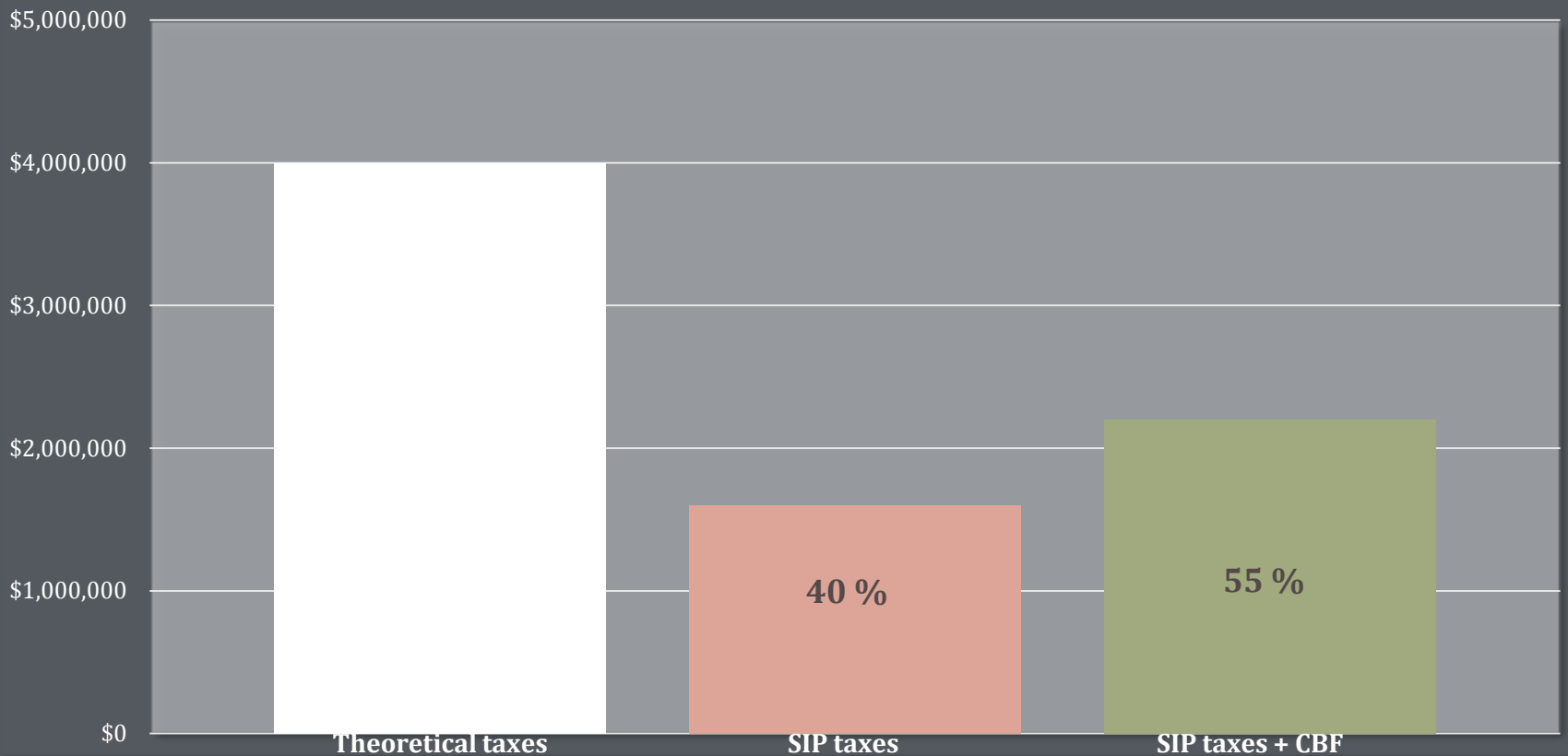
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# 2004 Multnomah County Policy

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- ◉ Response to a known impact on services
- ◉ Applications had to address impacts
  - Identify impacts
  - Develop mitigation plan
  - Agency sign off on mitigation plan
- ◉ Weakened the SIP as a job creation tool because reduced value to companies
- ◉ Meanwhile the State gets income taxes

# What changed?

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## ◉ Gain Share

- 50/50 split of income tax revenue
- Duration of SIP
- State is distributing funds

## ◉ Backfills lost revenue

## ◉ Property depreciates but wages increase



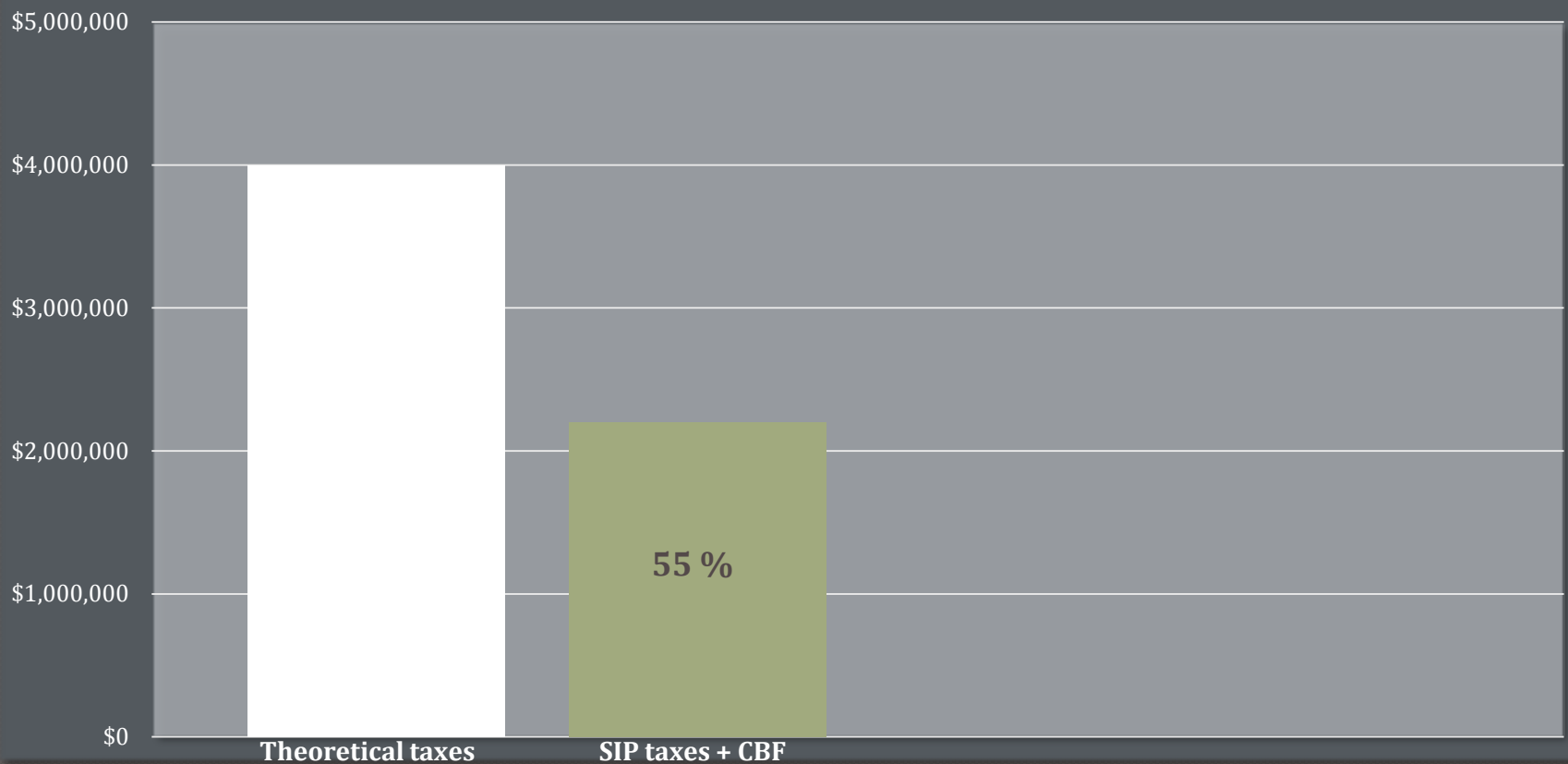
# Effect of Gain Share on SIP

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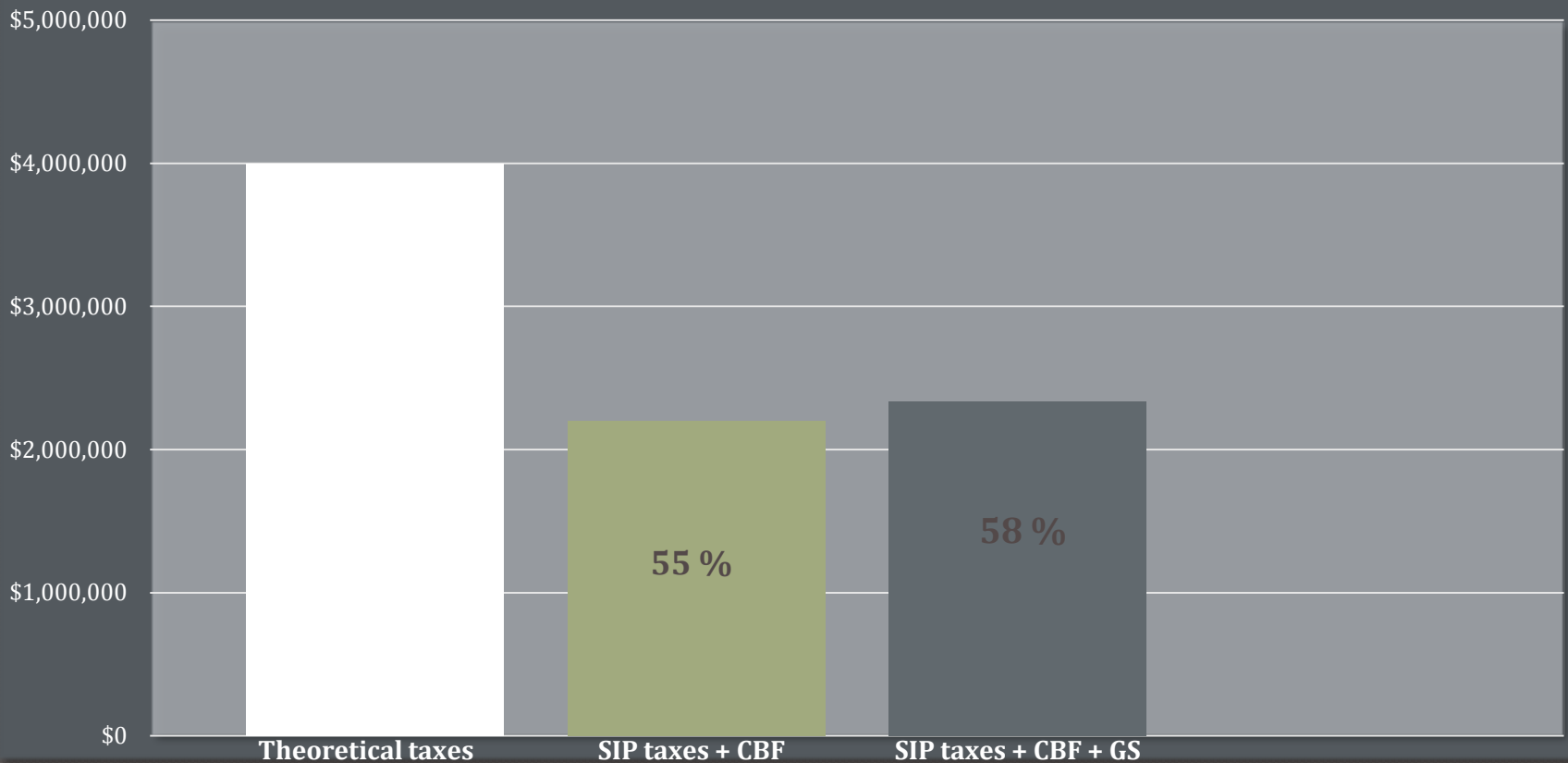
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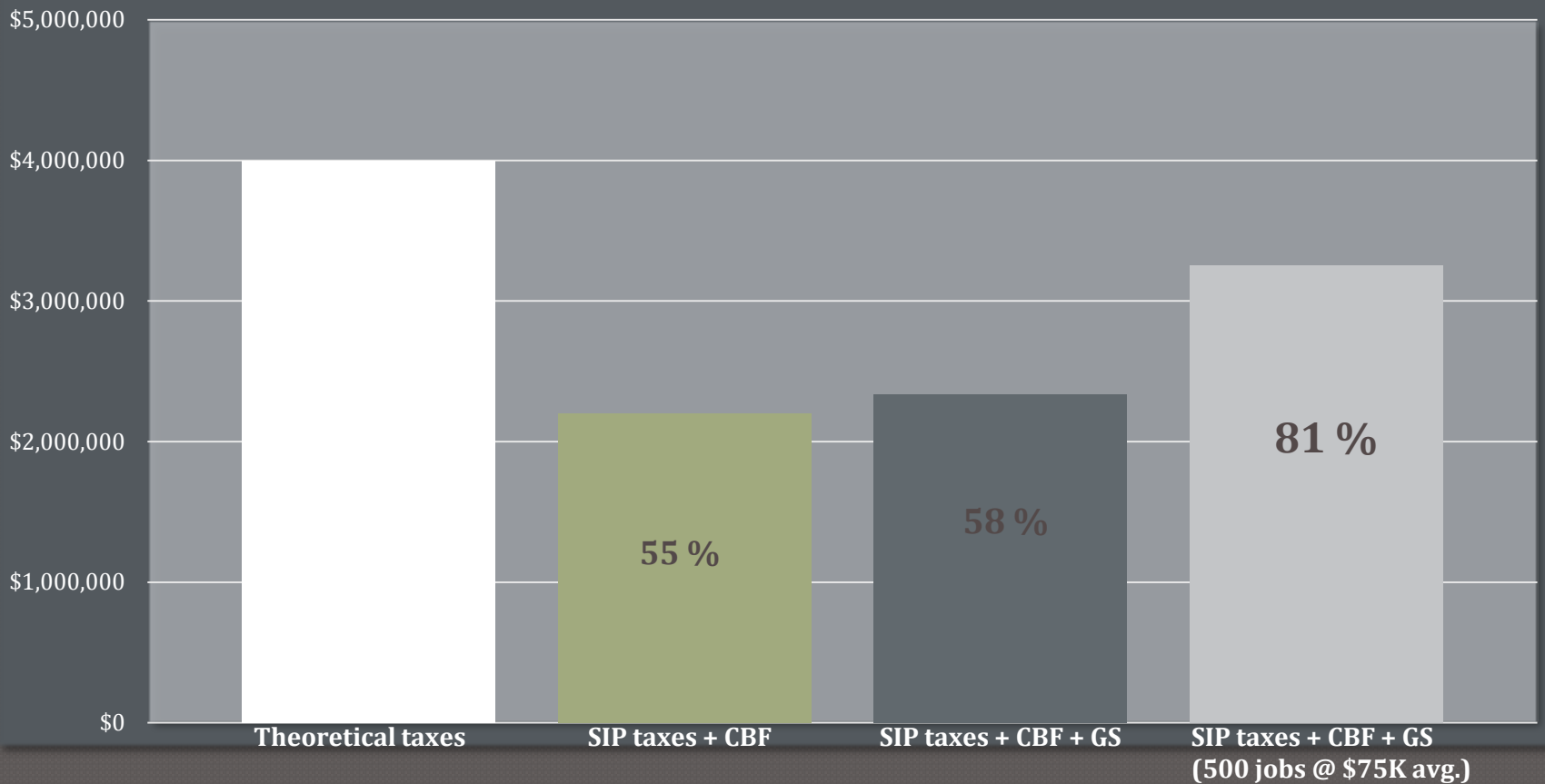
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# How does new policy differ?

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- ◉ Aligns application requirements with State
  - Multnomah County wants to talk with businesses
- ◉ Allows flexibility for tailored approaches
- ◉ Application and confidentiality clarity
- ◉ Establishes cost recovery for County



Questions, comments or concerns?

John Tydlaska  
Economic Development Director