

Strategic Investment Program Policy Update

Multnomah County
Board of County Commissioners
April 18, 2013

Purpose and Plan

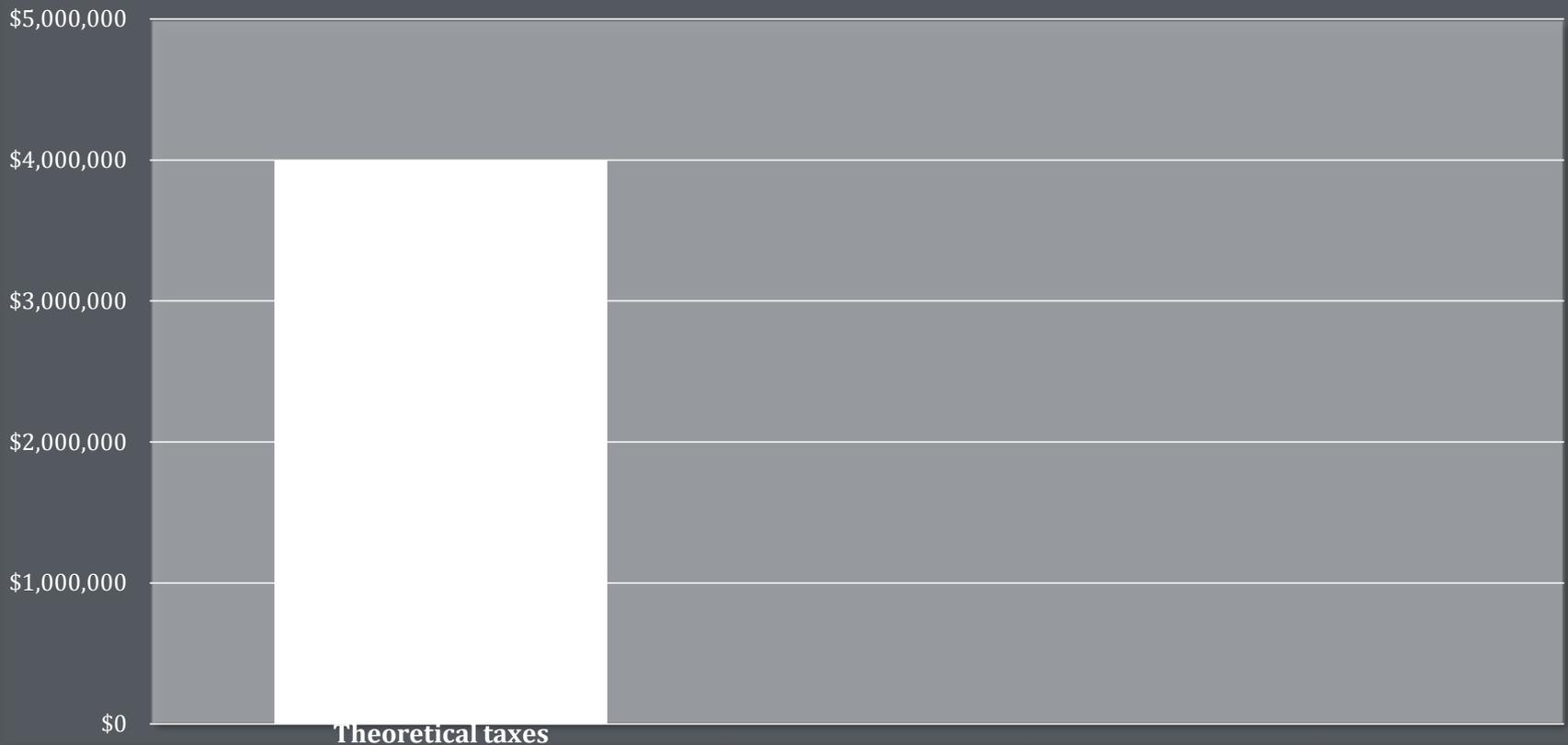
- Overview of Strategic Investment Program
- 2004 SIP Policy
- Reason for Policy Update
- Changes in the Policy

What is SIP?

- 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

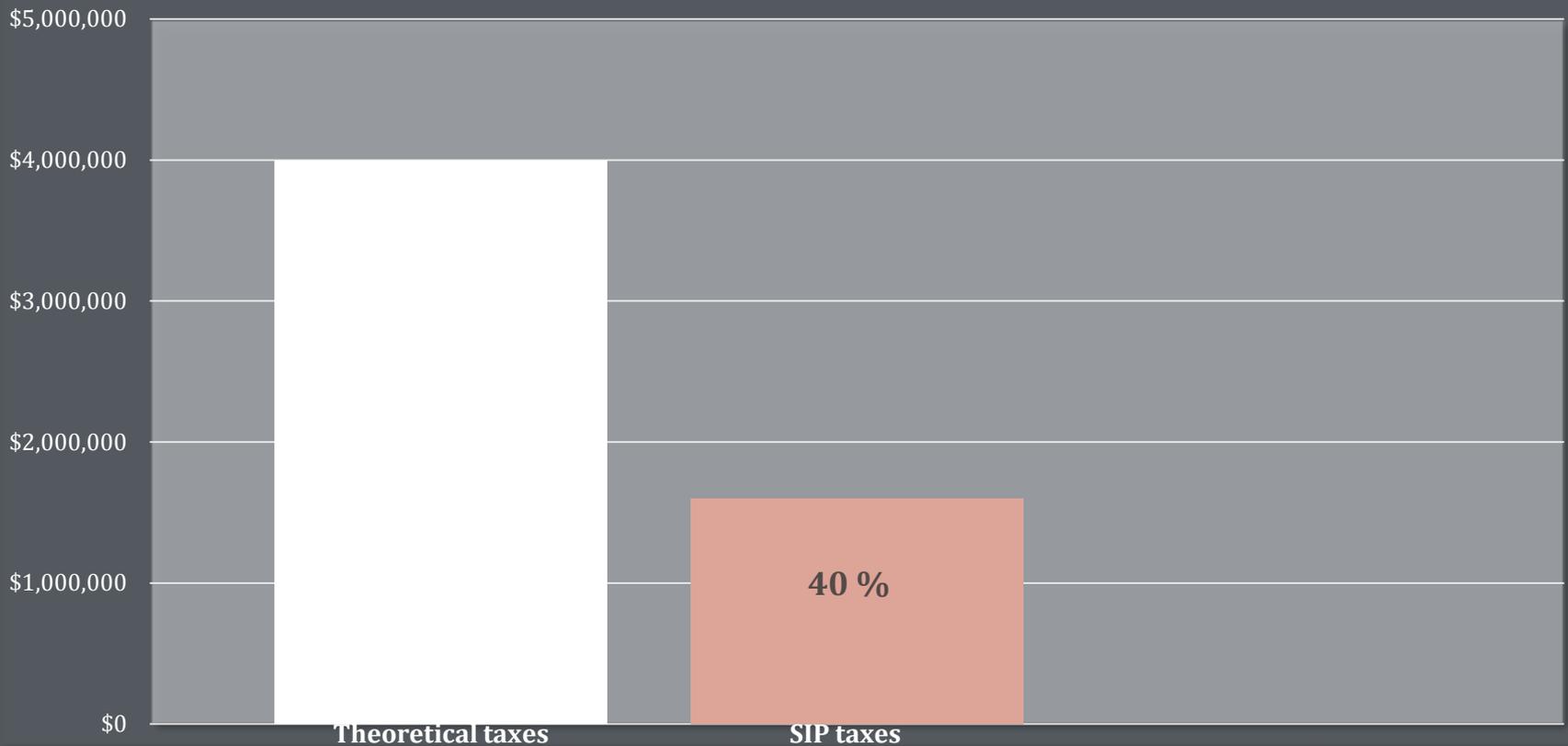
Theoretical and SIP Payments

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



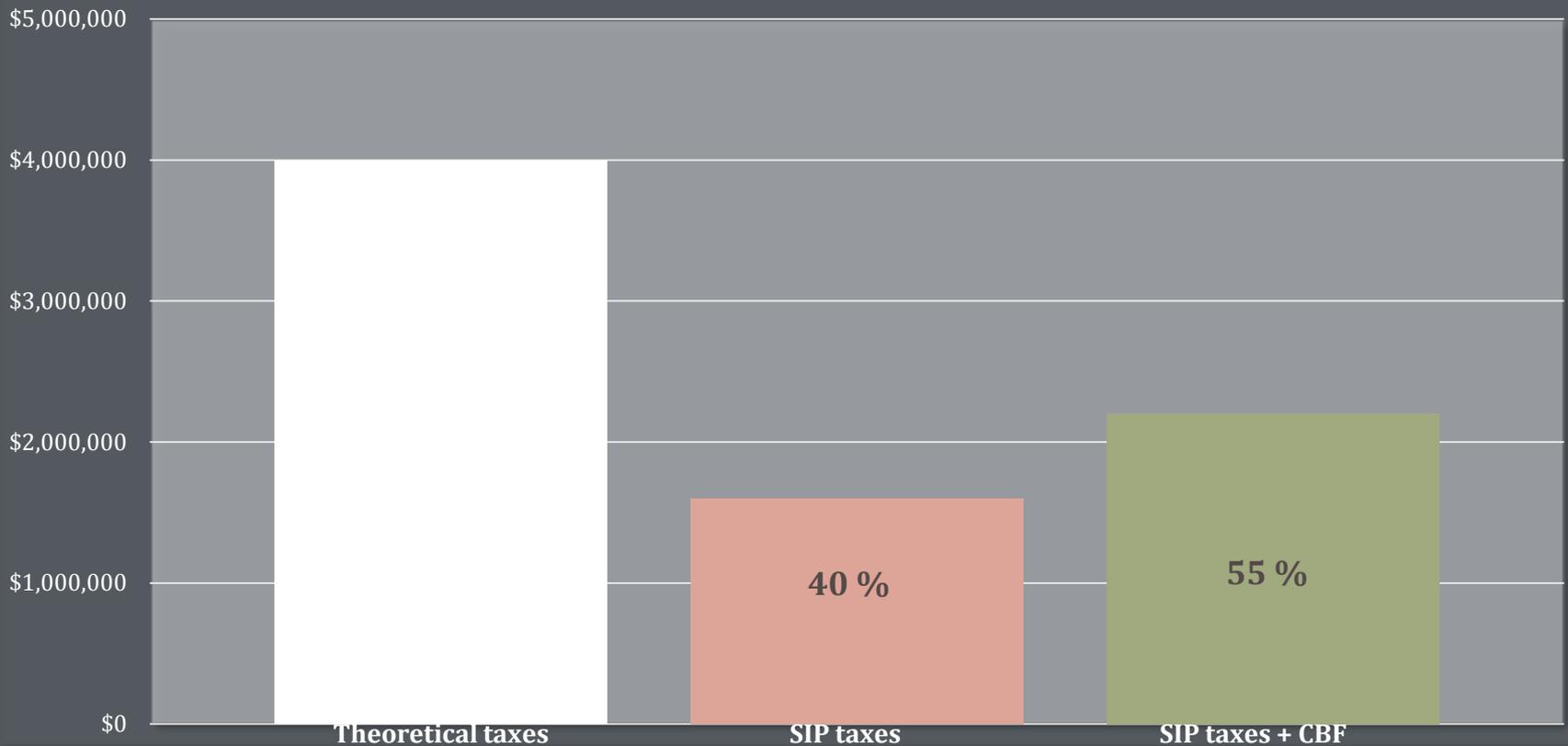
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2004 Multnomah County Policy

- 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?

○ Gain Share

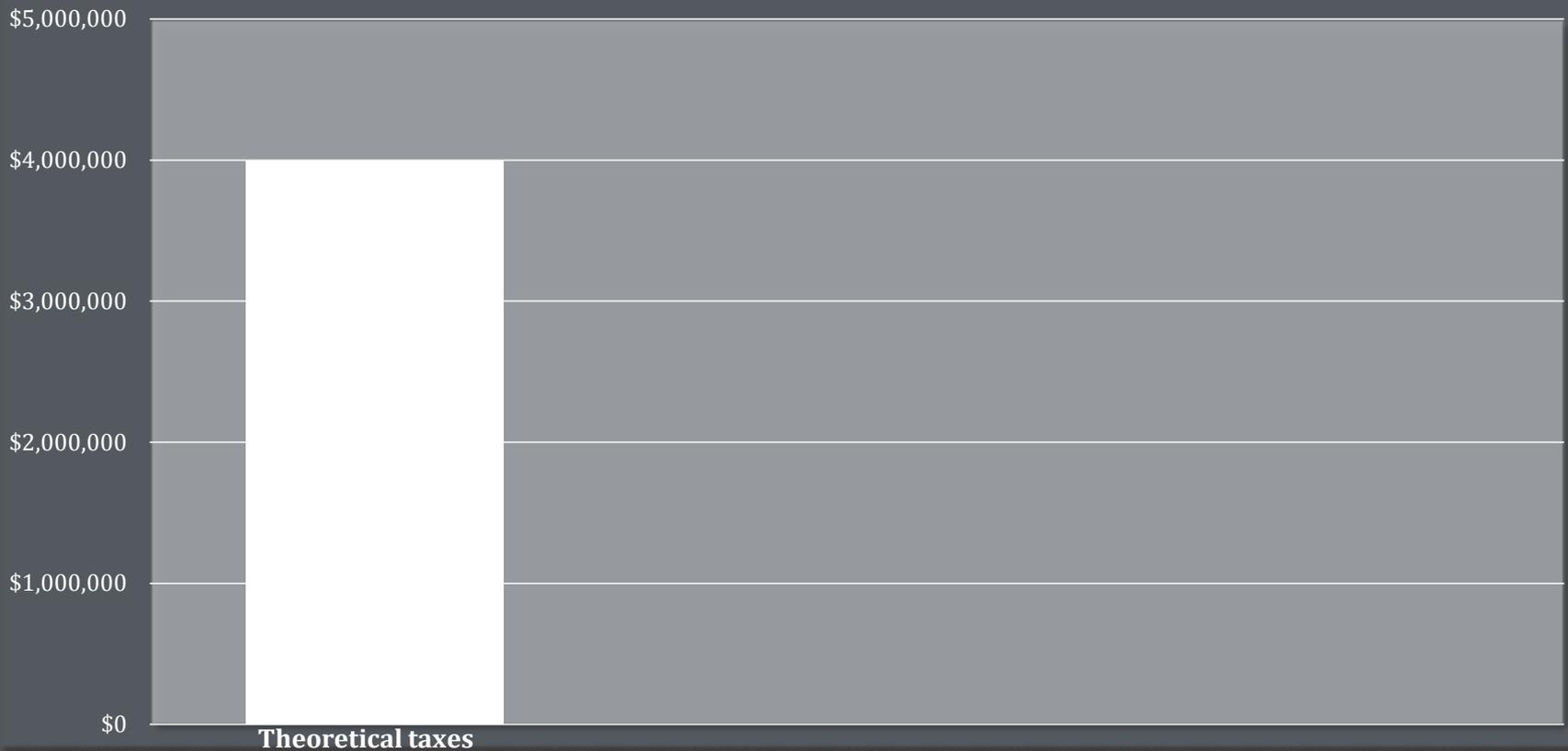
- 50/50 split of income tax revenue
- Duration of SIP
- State is distributing funds

○ Backfills lost revenue

○ Property depreciates but wages increase

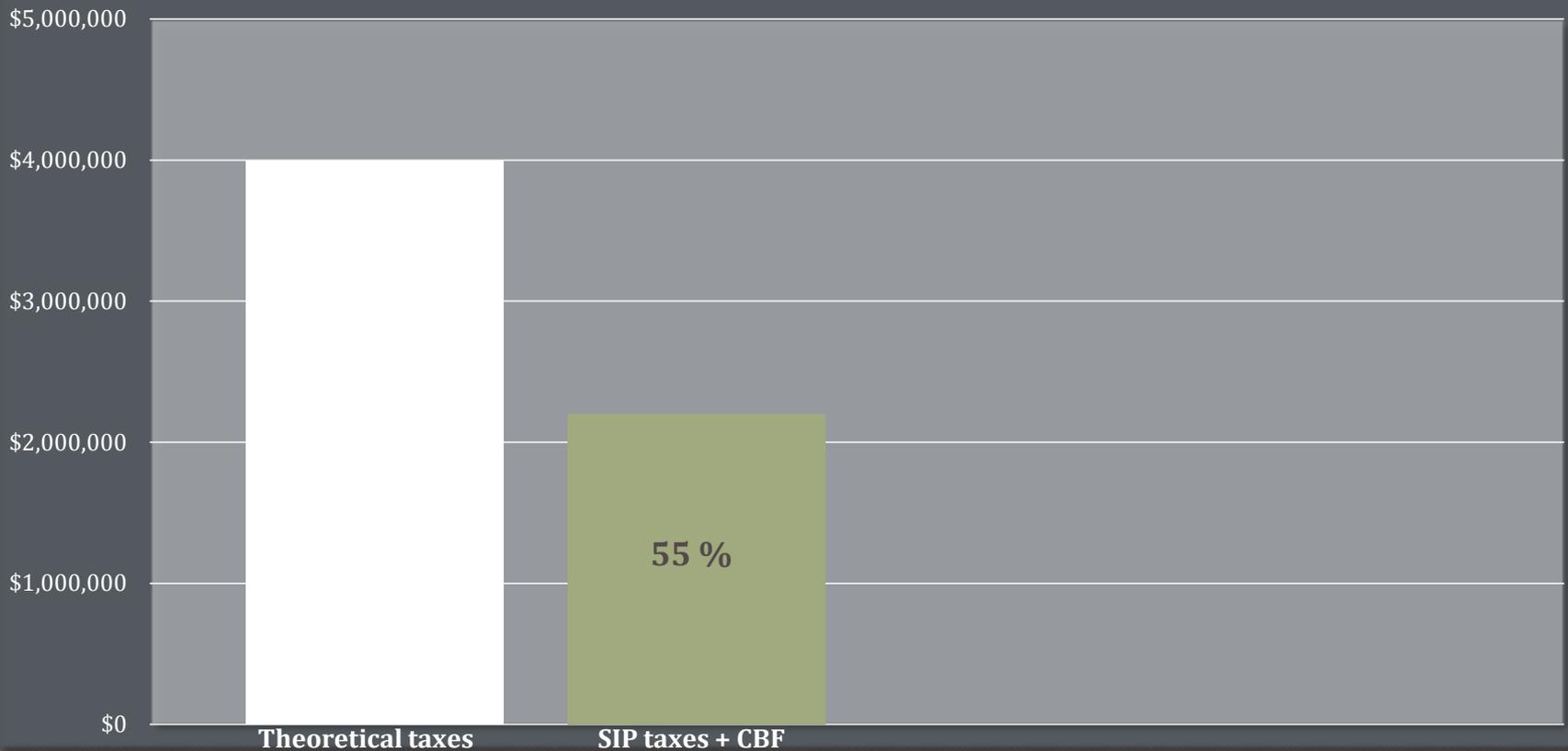
Effect of Gain Share on SIP

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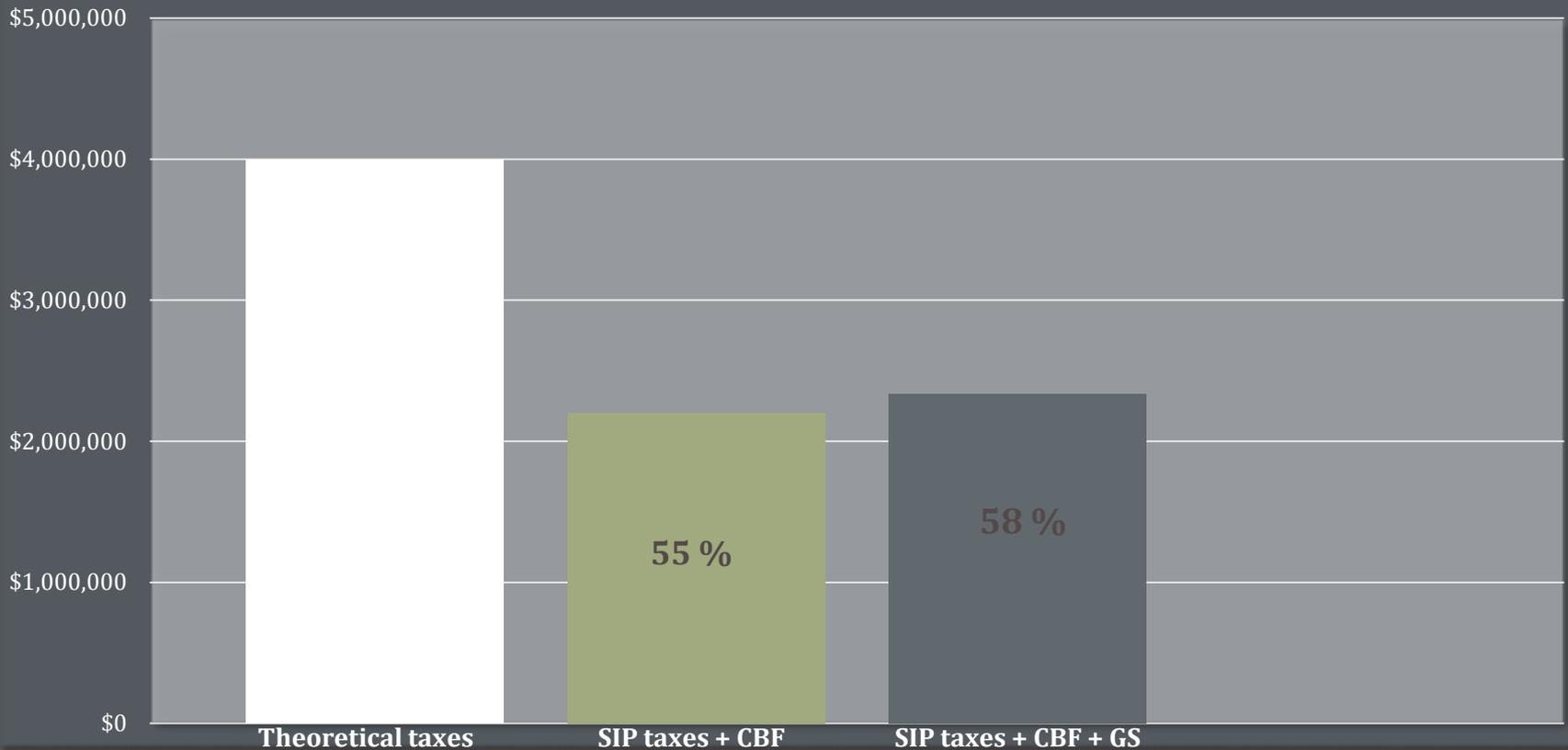
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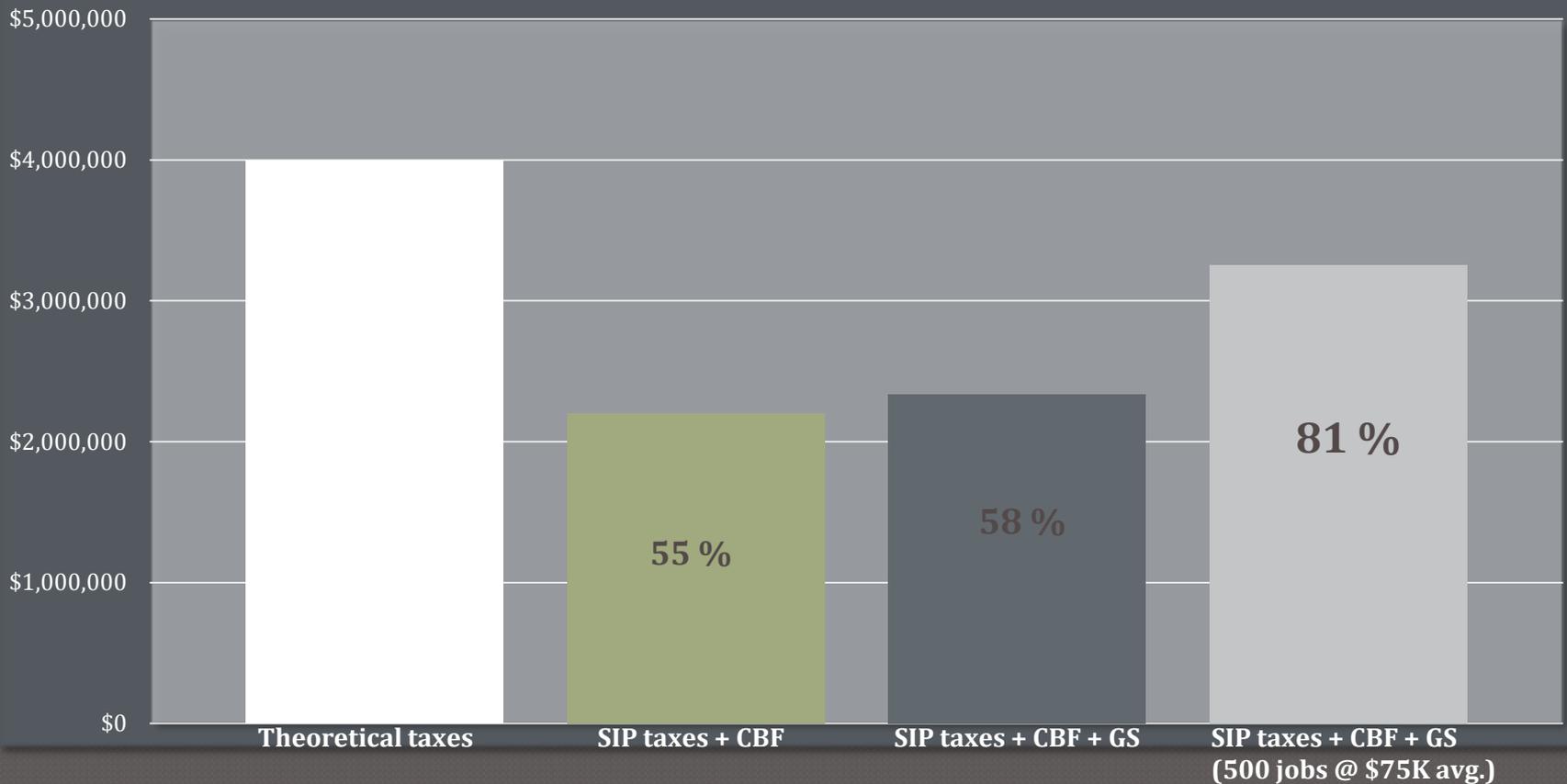
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How does new policy differ?

- 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?

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