

HOUSE COMMITTEE ON LAND USE

April 18, 2005 Hearing Room 50

1:30 P.M. Tapes 67 - 68

MEMBERS PRESENT: Rep. Bill Garrard, Chair

Rep. Gordon Anderson, Vice-Chair

Rep. Mitch Greenlick, Vice-Chair

Rep. Robert Ackerman

Rep. Mary Nolan

Rep. Patti Smith

Rep. Mac Sumner

STAFF PRESENT: Sam Litke, Committee Administrator

Lindsay Luckey, Committee Assistant

MEASURES/ISSUES HEARD:

HB 3301 – Work Session

HB 2162 – Public Hearing and Work Session

HB 2956 – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 67, A		
002	Chair Garrard	Calls the meeting to order at 1:41 p.m. and opens a work session on HB 3301. Notes the bill has a subsequent referral to the House Committee on General Government. Mentions there are -1 amendment (EXHIBIT A).

HB 3301 – WORK SESSION

	Jason Heuser	Intergovernmental Relations Manager, City of Eugene. Submits a letter indicating a change in the city's position from opposition to support of HB 3301 with the -1 amendments.
023	Rep. P. Smith	MOTION: Moves to ADOPT HB 3301-1 amendments dated 4/7/05.
		VOTE: 7-0-0
	Chair Garrard	Hearing no objection, declares the motion CARRIED.
028	Rep. P. Smith	MOTION: Moves HB 3301A to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on House General Government by prior reference.
		VOTE: 7-0-0
		AYE: In a roll call vote, all members present vote Aye.
	Chair Garrard	The motion CARRIES.
	Chair Garrard	Closes the work session on HB 3301 and opens a public hearing on HB 2162.

HB 2162 – PUBLIC HEARING

045	Chair Garrard	References -1 amendments (EXHIBIT C) and -2 amendments (EXHIBIT D).
-----	---------------	---

	Rep. Nolan	Notes her sponsorship of the -1 amendments (EXHIBIT C).
	Rep. P. Smith	Reports that the -2 amendments may not be for the correct bill.
	Chair Garrard	Announces the HB 2162 -2 amendments will not be considered.
	Rep. Nolan	Discusses the purpose of the -1 amendment which will extend the sunset for 4 years rather than removing the sunset altogether.
074	Bob Rindy	Department of Land Conservation and Development (DLCD). Discusses an appointed work group to deal with the issue and supports the extension of the sunset. Submits written testimony on behalf of Lane Shetterly and a letter from Hanley Jenkins, the Chair of the LCDC work group (EXHIBIT E).
089	Rep. Nolan	Notes that Director Shetterly letter suggests a sunset until January 1, 2008, while the amendment extends the provision until 2010 and asks if this changes the Department's willingness to support HB 2162.
	Rindy	Responds hesitantly because a longer sunset may delay whatever the appointed work group comes up with for several years.
	Chair Garrard	Recommends to the director that committees should be urged to get their opinions to the legislature before the session begins.
111	Elon Hasson	1000 Friends of Oregon. Submits and summarizes written testimony in opposition to HB 2162 (EXHIBIT F).
	Chair Garrard	Disagrees with Hasson's point that HB 2162 "Hurts Businesses" and cites that it may hurt cities but not businesses.
	Art Schlack	Association of Oregon Counties. Testifies in support of HB 2162. Reviews that the bill relates to land planned and zoned industrial outside the Willamette Valley at the time the bill passes. Notes the possible change due to the passage of Ballot Measure 37 (2004). Reports that while he would rather the sunset not be extended, he does not object to the -1 amendment. Urges support of HB 2162.
185	Rep. Krummel	HD 26. Reports that there the -2 amendments were supposed to be drafted for HB 2956, also being heard by the committee today. Outlines his concerns with both HB 2162 and HB 2956 as damaging to farm land.

24	Chair Garrard	Asks if the committee should entertain the -2 amendments into HB 2956.
	Rep. Krummel	Responds that the would like this amendment to be taken into HB 2956 but notes possible problems with their being drafted for HB 2162.
271	Rep. Greenlick	Suggest that by not deleting lines 23-24 of HB 2956 Rep. Krummel intent would be achieved, requiring that the bill not address the Willamette Valley.
	Rep. Nolan	Suggests opening a work session on HB 2956.
287	Harlan Levy	Senior Staff Attorney, Oregon Association of Realtors. Speaks in support of HB 2162 as it is written. Discusses a more comprehensive bill, HB 2458, which was passed out of the committee and the house floor. Discusses the need to remove inhibitors of economic development. Describes a work group on which he serves in a member and their divergent interests.
348	Rep. Nolan	Asks Levy if he would oppose HB 2162, if the -1 amendments are adopted.
	Levy	Responds affirmatively.
	Rep. Nolan	Verifies that he would rather have a sunset in 2006, which is what current law states, than 2010 which is what the -1 amendments would allow for.
	Levy	Responds that is not necessarily true because of the passage of HB 2458 and reiterates his position in support of removing the sunset. Points out the possibility of creating new Measure 37 claims if there is a sunset.
	Rep. Greenlick	Asks if it is Levy's testimony that because HB 2458 was passed to the Senate, that HB 2162 is redundant and the committee should not bother with it.
	Levy	Responds he is not saying that, but in many ways it is redundant. Reviews provisions for Umatilla County and states that bill is a smaller version of bill already passed.

Rep. Greenlick Gives a hypothetical situation in which HB 2458 is having trouble in the Senate and HB 2162 would have trouble in the Senate without the extension of the sunset, and asks if he would still rather not have the HB 2162 with an extension of the sunset.

Levy Responds he would need to think about that and reports he is still optimistic for action on HB 2458.

Rep. Greenlick Suggests that the committee sit on HB 2612 in anticipation of action from the senate.

Art Schlack Reports that HB 2162 was submitted to the legislature on behalf of the Association of Oregon Counties and they do not object to the sunset and urge the committee to send HB 2162 to the floor with the -1 amendments.

TAPE 68, A

018 Chair Garrard Closes the public hearing on HB 2162 and opens a work session on HB 2162.

HB 2162 – WORK SESSION

Rep. Nolan **MOTION: Moves to ADOPT HB 2162-1 amendments dated 4/18/05.**

VOTE: 7-0-0

Chair Garrard **Hearing no objection, declares the motion CARRIED.**

026 Rep. Nolan **MOTION: Moves HB 2162A to the floor with a DO PASS AS AMENDED recommendation.**

VOTE: 3-4-0

AYE: 3 - Ackerman, Greenlick, Nolan

NAY: 4 - Anderson, Smith P., Sumner, Garrard

Chair Garrard **The motion FAILS.**

Chair Garrard Closes the work session on HB 2162 and opens a public hearing on HB 2956.

HB 2956 – PUBLIC HEARING

Sam Litke Committee Administrator. Introduces the provisions of HB 2956.

Rep. Greenlick Asks Litke if he can point out the language dealing with “abandoned mill sites”.

Litke Responds that the words “abandoned mill sites” are not used, but it authorizes industrial development in buildings and is structurally similar but without the abandoned mill site clause.

Rep. Greenlick Verifies that it could be essentially anywhere.

Litke Confirms that it can be anywhere statewide.

Rep. Mike Schaufler HD 48. Addresses Rep. Greenlick’s point that the development could be anywhere, but asserts that the industrial development, not commercial or residential, will likely be located near a work force and infrastructure. Discusses past inflexibility in the land use system and raising revenue through attracting and retaining industry in Oregon.

100 Rep. Dave Hunt HD 40. Reviews the legislative history of the concept and notes the addition of industrial development within the Willamette Valley. Submits and summarizes written testimony in support of HB 2956 **(EXHIBIT G)**. Announces openness to possible amendments.

167 Rep. Greenlick Discusses UGB expansion in the Metro area and asks if they can provide examples of possible industrial sites.

Rep. Schaufler Responds that the Mayor of Wilsonville will point out Langden Farms and the Stafford Triangle. Adds this is where the people and infrastructure are located.

Rep. Greenlick Discusses the political issues Metro faced in decisions regarding the Stafford Triangle and asks if Schaufler is suggesting that because certain sites were not included that the legislature should throw out Metro’s work.

	Rep. Schaufler	Responds that is what he is suggesting.
	Rep. Hunt	References the Governor's Industrial Lands Task Force and its finding that there is not an adequate land supply. Discusses industrial land in Clackamas County.
	Rep. Anderson	Reports that he leans toward the concept suggested, but raises the concern that they have been trying to spread industry out to Pendleton, Bend, Medford and Roseburg to encourage more business to site in those areas and asks for comment on this issue.
	Rep. Hunt	Responds that some of that will come through the enterprise zones established. Remarks on where the population exists currently, is settling and where industry is needed.
200	Rep. Schaufler	Discusses other issue involved including power siting and resources. Comments on frustration with rigid philosophy and believes it has caused economic damage and reiterates raising revenue through bringing industry to Oregon.
	Rep. Nolan	References Rep. Hunt's earlier statement that there are 200 industrial sites in Clackamas County outside the UGB and asks how many are served by adequate transportation infrastructure for industrial uses.
	Rep. Hunt	Discusses the variety of sites and notes that sites most likely to be developed that are closer to that type of infrastructure and adds that he can get more information on the sites.
	Rep. Schaufler	Responds that two he mentioned are near to services and reiterates that HB 2956 would help.
	Rep. Nolan	Asks Rep. Hunt how many industrial parcels exist within the UGB.
	Rep. Hunt	Responds that in Clackamas County there are very few within the UGB, and part of the challenge is the limited acreage of the parcels. Notes the exception of Damascus.
	Rep. Nolan	Remarks that local planning commissions know more about what is needed and available in their areas and raises her concern about this type of legislation substituting for locally elected planning commissions.

Rep. Hunt Responds that her issue is largely addressed in line 8, Page 1 of HB 2956. Describes the bill as a tool for local governments.

366 Rep. Jerry Krummel HD 26. Reports that the -2 amendment (**EXHIBIT D**) drafted for HB 2162 were in error and were supposed to have been drafted for HB 2956, but adds that as Rep. Greenlick pointed out, if line 23 and 24 were reinserted in HB 2162, his objections would be removed and explains his reasoning. Discusses the unintended consequence of UGB and its artificial inflation on land prices. Adds the concern about placing a mandate on cities and local governments to provide services for land outside of the UGB. Discusses differences between Langdon Farms and the Stafford triangle.

TAPE 67, B

025 Rep. Krummel Suggests that if the goal is to maintain management of growth, then HB 2956 or HB 2162 are not needed.

029 Charlotte Lehan Mayor, Wilsonville. Submits and summarizes written testimony in opposition to HB 2956 (**EXHIBIT H**). Discusses investments in infrastructure and its limits.

111 Linda Ludwig League of Oregon Cities (LOC). Reviews deliberation on this issue and consideration of political implications within the Willamette Valley. States LOC is opposed to HB 2956 as written. Relays two issues that hinder siting industrial sites as: inadequate infrastructure dollars and the difficulty in expanding UGBs.

147 Chair Garrard Comments that there are numerous grants available to communities for infrastructure. Asks where communities go if they want to get money for infrastructure.

Lehan Responds that they go to Washington DC, Metropolitan Transportation Improvement Program (MTIP) and Metro for mostly transportation funding. Discusses shortage of funds. Adds that by moving out of UGB the cost burden is shifting into the future.

187 Rep. Nolan References Lehan's quote of \$4 billion deficit in transportation funding and asks at the current rate of investment, how many years it would take to meet.

Lehan Responds she doesn't know.

	Rep. Nolan	Speculates that they would not be able to finish it within the next five years.
	Lehan	Agrees.
	Chair Garrard	References written testimony of John Hartsock from the Damascus City Council in opposition to HB 2956 (EXHIBIT I) and written testimony of Elon Hasson, 1000 Friends of Oregon, in opposition to HB 2956 (EXHIBIT J).
228	Randy Tucker	Legislative Affairs Manager, Metro. Testifies in opposition to HB 2956. Discusses provisions of the bill and reviews the work Metro has done to provide 20 year supply of industrial land. Describes effects of development outside of UGBs and makes distinction between urban and rural scale industrial development. Reiterates point that the biggest problem is not a shortage of industrial land rather a shortage of infrastructure to serve that land. Strongly urges opposition to HB 2956 unless lines 23 and 24 were removed.
305	Joe Gilliam	Oregon Grocery Association. Discusses the WINCO distribution center in Woodburn as an example of the kind of industry desired and how inflexibility of local jurisdictions caused WINCO to site their second distribution center in California rather than in Oregon.
376	Rep. Greenlick	Asks if when Gilliam states “an hour south of Woodburn”, he is referring to Albany or Eugene.
	Gilliam	Responds the Eugene area .
	Rep. Greenlick	Asks if neither Albany or Eugene had industrial land available.
	Gilliam	Responds they did not have enough within their UGB and were unable to site.
	Rep. Greenlick	Asks if the problem was raw land or permitting infrastructure.
	Gilliam	Responds that there was a land use issue of using farmland that would have been turned into industrial land.

010	Chair Garrard	Notes the two important North-South arterials as I-5 and 97 and infers that Gilliam believes that having the Willamette Valley a portion of the bill is vitally important.
	Gilliam	Discusses realities of where infrastructure is located, primarily I-5 and I-84.
035	Bob Rindy	Department of Land Conservation and Development (DLCD). Points out that the bill will only effect lands that are already zoned industrial. Adds that “mill sites” are not a part of this bill. Submits written testimony on behalf of Lane Shetterly describing actions of the work group (EXHIBIT K).
062	Rep. Greenlick	Asks for an explanation of why a county could not zone something industrial three years from now and then use this.
	Rindy	Refers to Line 12 of HB 2956, which states that it is applicable to lands planned and zoned industrial as of January 1, 2004.
	Chair Garrard	Discusses problems waiting for work groups and limited opportunity to take action.
087	Harlan Levy	Senior Staff Attorney, Oregon Association of Realtors. Testifies in support of HB 2956 and reviews the background resulting in this and similar bills. Reiterates provisions of the bill.
	Chair Garrard	Closes the public hearing on HB 2956 and adjourns the meeting at 3:15 p.m.

EXHIBIT SUMMARY

- A. **HB 3301, -1 amendments, Staff, 1 p**
- B. **HB 3301, written testimony, Jason Heuser, 1 p**
- C. **HB 2162, -1 amendments, Rep. Nolan, 1 p**
- D. **HB 2162, -2 amendments, Rep. Krummel, 3 pp**
- E. **HB 2162, written testimony of Lane Shetterly, letter from Hanley Jenkins, Bob Rindy, 2 pp**
- F. **HB 2162, written testimony, Elon Hasson, 1 p**
- G. **HB 2956, written testimony, Rep. Dave Hunt, 2 pp**
- H. **HB 2956, written testimony, Charlotte Lehan, 1 p**

- I. **HB 2956, written testimony, John Hartsock, 2 pp**
- J. **HB 2956, written testimony, Elon Hasson, 1 p**
- K. **HB 2956, written testimony, Bob Rindy, 2 pp**