

HOUSE COMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

January 26, 2005 Hearing Room 343

8:30 A.M. Tapes 13 - 14

(Corrected 8/10/05)

MEMBERS PRESENT: **Rep. John Lim, Chair**

Rep. Scott Bruun, Vice-Chair

Rep. Peter Buckley

Rep. John Dallum

Rep. Donna Nelson

Rep. Chuck Riley

MEMBER EXCUSED: **Rep. Jeff Merkley, Vice-Chair**

STAFF PRESENT: **Jim Stembridge, Committee Administrator**

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

Local Economic Development Efforts - Informational Meeting

HB 2176 – 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 13, A

003 Vice-Chair Bruun Opens the meeting at 8:36 a.m. Opens an informational meeting on Local Economic Development Efforts.

LOCAL ECONOMIC DEVELOPMENT EFFORTS - INFORMATIONAL MEETING

018 Mike McArthur Executive Director, Association of Oregon Counties (AOC). Introduces Judge Laura Pryor and Larry Glassock. Submits copies of Economic Development in Oregon Counties PowerPoint presentation **(EXHIBIT A)**.

039 Laura Pryor Judge, Gilliam County. Reviews the organizational structure of AOC. Explains the governmental role of counties, the services provided, and the diversity that exists amongst Oregon counties **(EXHIBIT A, Page 1)**.

045 Pryor Addresses the diversity in the size, population, and economic representation. Speaks to the shared services and integrated system of state and county responsibilities **(EXHIBIT A, Pages 1 – 2)**.

059 Pryor Summarizes ongoing economic development and recovery efforts in Gilliam County.

154 McArthur Comments on why the state and county need to balance economic development effort and service delivery.

303 Pryor Explains the integral role that video lottery revenues plays in economic development in Oregon counties **(EXHIBIT A, Pages 2 – 3)**. Cites examples of county projects funded with lottery revenue.

337 Pryor Discusses the importance of regional and rural investment programs run through Oregon Economic and Community Development Department (OECDD) **(EXHIBIT A, Page 4)**. Speaks to the success of these programs, with regards to the creation of investment, retention of jobs, and increase revenues in the general fund.

351 Pryor Cites the East County One Stop plan in East Multnomah County as an example of a successful regional and rural investment project.

- 375 McArthur Submits information packet on local economic development efforts which includes Principles for Shared Systems Services report, Shared States-County Services chart, Regional and Rural Investment Programs report, Shared Revenue Agreements and State Stewardship report, and AOC information pamphlet **(EXHIBIT B)**.
- 377 Larry Glassock President, Strategic Economic Development Corporation (SEDCOR). Submits written testimony on the mission and programs of action for SEDCOR **(EXHIBIT C)**. Submits copy of *Enterprise*, the quarterly magazine published by SEDCOR **(EXHIBIT D)**.
- 380 Glassock Explains who is SEDCOR and reviews the history, structure, membership, and budget of the organization.

TAPE 14, A

- 034 Glassock Discusses the mission of SEDCOR and the role of the organization in facilitating economic development in Marion and Polk counties.
- 098 Glassock Describes the program of action and goals of SEDCOR 7 programs **(EXHIBIT C)**.
- 177 Rep. Nelson Expresses concern over the administrative costs of OECDD. Asks if there is a more efficient way for OECDD to spend money.
- 204 McArthur Explains the connection between administrative costs and origin of service delivery.
- 266 McArthur Identifies the programs run by OECDD that balance state and local program control.
- 307 Rep. Nelson Questions the necessity for OECDD to have a \$100 million dollar budget and 125 employees.
- 315 McArthur Comments on the necessity of OECDD.
- 319 Pryor Affirms the value of OECDD.
- 328 Glassock States that OECDD is necessary, noting that the administrative process could be improved.

- 343 Rep. Nelson Confirms that the AOC is producing a report on how OECDD could operate more efficiently and effectively.
- 351 Rep. Nelson Asks if AOC is working to resolve transportation problems in Dundee.
- 376 Pryor Speaks to personal experience traveling through Dundee and agrees to meet with Rep. Nelson to discuss the situation.
- 400 Rep. Dallum Questions the availability of shovel-ready sites in Eastern Oregon and if not what can be done to facilitate the development of sites.
- 409 McArthur Identifies that there are 2 shovel-ready sites available and a number of sites under consideration for certification.

TAPE 13, B

- 012 Pryor States that it is not enough to have certified sites, sites needs to be zoned so as not to limit the type of company that can use them.
- 045 Chair Lim Closes the informational meeting on Local Economic Development Efforts. Opens a public hearing on HB 2176.

HB 2176 - PUBLIC HEARING

- 056 Jim Stembridge Committee Administrator. Explains HB 2176, which eliminates position of Brownfield's Redevelopment Coordinator.
- 084 Mike Salsgiver Legislative Affairs Manager, Oregon Economic and Community Development Department (OECDD). Submits and summarizes written testimony in support of HB 2176 (**EXHIBIT E**).
- 132 Rep. Bruun Asks if losing the position of a Brownfield's Coordinator will reduce the timeliness or effectiveness of Brownfield redevelopment on commercial or industrial sites.
- 137 Sarah Garrison Capital Projects Division Manager, OECDD. States that efficiency or effectiveness will not be compromised. Explains that OECDD has numerous staff who administer the Brownfield's program within their geographic area.

159	Rep. Buckley	Asks if the OECDD has rules regarding priority funding for Brownfield sites and if OECDD has considered placing a 40 percent cap on funds going to individuals liable for the contamination of sites.
164	Salsgiver	Responds that additional information will be provided.
165	Rep. Buckley	Asks why the state is providing fund to individuals responsible for contaminating the environment and can OECDD require the responsible party to pay the entire clean up costs.
174	Salsgiver	Explains that responsible parties are required to clean up contamination, noting that the purpose of the Brownfield's program is to effectuate the action without respect to liable.
182	Rep. Buckley	Asks where does the issue of liability come in to play and what process is in place to determine who caused the contamination.
190	Garrison	Summarizes the various causes of contamination and how changes in contamination regulations necessity OECDD to provide financial assistance to companies.
204	Garrison	Explains how the Brownfield's program is a loan program and administration of the loans.
226	Chair Lim	Asks if the funds are a loan or a grant.
230	Garrison	Explains that it is a grant from the federal government to the OECDD and other coalition partners: City of Portland, Tri-Met, and City of Coos Bay.
236	Garrison	Summarizes the role of OECDD in the management of the program funds.
242	Garrison	Speaks to why separate federal and state funds were created.
247	Chair Lim	Asks who is responsible for dispensing the money
249	Garrison	Explains how clean up funds are awarded to a project.
268	Rep. Nelson	

Asks who can receive grants and loans from the Oregon Coalition Brownfield Fund.

- 273 Garrison Comments that intergovernmental agreements require a portion to be set aside for each coalition partner for a specified period of time and then after that it will be open to anyone.
- 319 Chair Lim Asks what the difference is between the Superfund and Brownfield Redevelopment Fund.
- 322 Garrison Explains that the Superfund is a federal program and the Brownfield Redevelopment Fund is a state program.
- 333 Chair Lim Asks what is the criteria is for determining a Brownfield clean-up site.
- 340 Garrison States that OECDD wants to focus on industrial and commercial land development and the reuse of sites that will add to the job base.
- 401 Tom Gallagher Representative, Portland Business Alliance. Testifies in support of HB 2176. Discussing the need to development more innovative means of funding clean up programs.

TAPE 14, B

- 121 Chair Lim Asks if there has been a comprehensive study on Brownfield's.
- 128 Gallagher Summarizes the 3 attempts to conduct comprehensive studies.
- 204 Chair Lim Asks OECDD to research how other states are dealing with Brownfield's and what could be the best answer for our state.
- 247 Chair Lim States the need to create a statewide task force to study Brownfield's.
- 255 Chair Lim Closes the public hearing on HB 2176. Adjourns the meeting at 10:13 a.m.

EXHIBIT SUMMARY

- **A. Local Economic Development Efforts, Economic Development in Oregon Counties PowerPoint Presentation, Mike McArthur, 14 pp**
- **B. Local Economic Development Efforts, information packet, Mike McArthur, 35 pp**
- **C. Local Economic Development Efforts, SEDCOR Mission and Program Mission Statement, Larry Glassock, 1 p**
- **D. Local Economic Development Efforts, Enterprise Magazine, Larry Glassock, 28 pp**
- **E. HB 2176, written testimony, Mike Salsgiver, 2 pp**