

HOUSE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 17, 2003 Hearing Room D
1:00 PM Tapes 27 - 29

MEMBERS PRESENT: Rep. Patti Smith, Chair
Rep. Vicki Berger, Vice-Chair
Rep. Mary Gallegos, Vice-Chair
Rep. Mark Hass
Rep. Dave Hunt
Rep. Steve March
Rep. Dennis Richardson

STAFF PRESENT: Kimberly A. Medford, Committee Administrator
Linda K. Gatto, Committee Assistant

MEASURE HEARD: HB 2689 Public Hearing and Work Session
HB 2300 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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 27, A		
011	Chair Smith	Calls the meeting to order and opens the public hearing on HB 2689.
<u>HB 2689 PUBLIC HEARING</u>		
014	Kimberly A. Medford	Committee Administrator. Summarizes HB 2689.
020	Harlan Levy	Staff Attorney, Oregon Association of Realtors. Submits and reads testimony in support of HB 2689, (EXHIBIT A) . Explains that the largest impediment to economic growth in rural Oregon is Statewide Planning Goal 14, the urbanization goal.
088	Levy	States that HB 2689 is a responsible and necessary land use reform.
117	Levy	Refers to the attachments included in (EXHIBIT A) .
152	Rep. March	Asks whether changes in land uses can be appealed through LCDC.
166	Levy	Responds that this bill does not change that. Explains that HB 2689 states that Land Conservation and Development Commission (LCDC) is not permitted to adopt rules regarding rural development zones.
178	Rep. Hunt	Asks what impact HB 2689 would have on counties that do not want to participate.
181	Levy	Responds that counties are not required to participate.
185	Rep. Gallegos	Asks how the Urban Growth Boundary (UGB) in Metro counties would be affected.
190	Levy	Responds that the Metro counties would be allowed to participate if they wanted to, they are not forced to.
195	Rep. March	Asks how many rural development zones a county could adopt.
197	Levy	Responds that the bill does not put a limitation on this but there

220	Rep. Richardson	has to be a findings of fact, an economic analysis; it needs to be shown that it would be an economic benefit to the county. Summarizes that HB 2689 would allow counties to participate without being subject to statewide zoning that controls local options.
230	Levy	Answers affirmatively.
231	Chair Smith	Asks how long the exception process takes.
232	Levy	Responds that in many cases it can take years.
232	John Chandler	Legislative Advocate for the Urban Developers Coalition and Oregon Building Industry Association. Testifies in support of HB 2689. States that current policies were adopted at a time when the perspective was different than the outcome.
290	Chandler	Discusses HB 2691, HB 2961, and HB 2689.
304	John Lindsey	Linn County Commissioner. Discusses the unemployment problem in the rural areas. Refers to Section 38 and provides examples of restrictions on the size of buildings.
415	Lindsey	Summarizes in support of HB 2689.
TAPE 28, A		
010	Lindsey	Explains the Comprehensive Plan process issue.
040	Dale A. Saari	Central Oregon Coast Board of Realtors, Florence OR. Reads submitted testimony in support of HB 2689, (EXHIBIT B) .
117	Saari	Continues to read (EXHIBIT B) , Economic Ramifications. Summarizes in support of legislation that allows rural Oregonians the tax base for rural needs. Requests passage of HB 2689.
150	Rep. Gallegos	Asks what is the dollar figure to maneuver around the restrictions.
170	Saari	Responds that according to ODOT the exception process takes about three years and approximately \$100,000.
187	Ranelle Morris	Former Mayor of Myrtle Point. Testifies that the permit process takes six months to a year and supports passage of HB 2689.
209	Chair Smith	Asks why the permit process is so long.
213	Morris	Answers because these are old mill sites and by the time the permit process is complete the business has gone elsewhere.
268	Bob Rindy	Department of Land Conservation and Development. Summarizes prepared testimony in opposition to HB 2689, (EXHIBIT C) . Explains that one of the reasons there are not industrial sites is because when the sewer, water and road infrastructure is built the site tends to convert to commercial use.
385	Rindy	Suggests, if the bill moves forward, working with Legislative Counsel on some of the terms that are confusing.
389	Chair Smith	Asks what is the source for the 750,000 acres of 2 – 5 acre parcels.
393	Rindy	Responds these areas are exception areas in rural Oregon outside the UGB zoned for residential use.
439	Rep. Richardson	Refers to his comments about how HB 2689 will rework a plan that has been worked for thirty years. Asks for his response to the testimony claiming that the process in place is not working.
TAPE 27, B		
025	Rindy	Responds that resources for water, sewer and roads are limited.
030	Rep. Richardson	Asks why is the state in a better position to make decisions that affect the counties rather than the counties making the decisions for themselves.
035	Rindy	Responds that this bill is not including the recommendations

044	Rep. Hunt	made from the local economic development officials.
047	Rindy	Asks would the members of that group oppose this legislation.
		Responds that the conclusion was that there are plenty of commercial sites available but not industrial sites.
067	Rep. Gallegos	Refers to his prior testimony regarding “shovel ready” sites and a 20-year supply of buildable land. Asks how much “shovel ready” land is there.
096	Rindy	Responds that the effort is on a supply of shovel ready industrial sites.
101	Chair Smith	Asks that he comment on the Morrow County situation.
114	Rindy	Responds that LCDC advised the county that they needed better justification; offers to provide details at a later date.
146	Randy Tucker	Legislative Affairs Director, 1000 Friends of Oregon. Submits prepared testimony in opposition to HB 2689, (EXHIBIT D) . Refers to the map on page two, (EXHIBIT D) . States this is a question of scale and service outside the UGB.
200	Tucker	States that HB 2689 in its current form is very broad.
206	Rep. Hunt	Asks if this bill passed in its current form, how many counties would come forward to avail themselves of this.
230	Tucker	Responds he does not know.
248	Stephen Kafoury	Oregon American Planners Association. Testifies in support of the concept but notes that there is concern about the broadness of the bill. Comments on particular sections of concern and explains.
300	Chair Smith	Asks does he acknowledge that there is a need for economic development in the rural communities.
308	Kafoury	Responds there is support for rural development but believes there needs to be planning.
335	Rep. Berger	States that her interpretation of this bill is that it would ease the process not eliminate the planning process.
345	Kafoury	Responds that in 1973 state-wide guidelines were put in place and explains the purpose UGB’s were put in place.
354	Rep. Berger	Refers to page two of (EXHIBIT D) and asks who pays.
400	Kafoury	Responds that the people in the contiguous areas are paying for the rural area developments.
430	Rep. Gallegos	Comments on how technology has changed the economy and the need to get people back to work.

TAPE 28, B

016	Chair Smith	Inquires that if each county can have goals that are more restrictive, how is the state implementing land use consistently.
018	Kafoury	Responds that counties must do their planning by state rules.
039	Art Schlack	Association of Oregon Counties. Testifies in support of HB 2689 and notes that this bill is permissive but does not require counties to participate. Discusses the classifications of lands. States that this bill would provide a mix of uses in rural areas.
090	Schlack	States that the problems and issues of rural Oregon are due to the decline in agriculture and forest activities, this is an opportunity for local counties to plan.
116	Judge Mike McArthur	Chair of the Community Development Committee, County Judge of Sherman County. Testifies in support of HB 2689. States that Sherman county would take advantage of this opportunity.
139	Rep. Richardson	Refers to previous testimony that believes HB 2689, if passed, would give local authority the power to destroy land use planning. Asks for his position on local authorities making these

150 Judge McArthur decisions.
 Responds that elected officials listen carefully to the public when making comprehensive land use plans. Explains that this would build on what is in place.

156 Rep. Hunt Asks what initiated support for this bill.

165 Judge McArthur Responds that this bill allows local empowerment.

180 Burton Weast Special Districts Association of Oregon. Testifies in support of HB 2689. Comments that zoning everything for housing is a legitimate concern, notes that the bill states; in an amount sufficient to support the economic development on the land. Explains that this is not an invitation to create residential areas but rather has a direct relationship to the industrial activity planned for the area.

239 Chair Smith Closes the public hearing on HB 2689 and opens the work session on HB 2689.

(EXHIBIT E) Submitted for the record by Oregon Coastal Zone Management Association

HB 2689 WORK SESSION

244 Rep. Gallegos **MOTION: Moves HB 2689 to the floor with a DO PASS recommendation.**

224 Rep. Hass Recommends amending the bill before sending it out of committee.

256 Rep. March States that the bill as currently written is too broad and he cannot support it at this time. Explains that there are no limitations on the number of these areas and excluding the LCDC review process has potential problems.

269 Chair Smith Notes the need for the creation of jobs in rural Oregon.

280 **VOTE: 5-2**
AYE: 5 - Berger, Gallegos, Hunt, Richardson, Smith P.
NAY: 2 - Hass, March
The motion CARRIES.
REP. T. SMITH will lead discussion on the floor.

290 Chair Smith Closes the work session on HB 2689 and opens the public hearing on HB 2300.

HB 2300 PUBLIC HEARING

299 Edward (Sandy) Cutler State Director for Oregon Small Business Development Network. Submits testimony in support of HB 2300-4 amendments, (EXHIBIT F). Discusses Section 15 regarding community colleges.

323 Cam Preus-Braly Commission of the Department of Community College and Workforce Development. Adds that community colleges have reduced their budgets for small business development centers by \$400,000 in the last 12 – 15 months due to budget constraints.

343 Rep. Richardson Refers to the broad nature of the language and suggests that the language as written is appropriate and explains why.

366 Judge Mike McArthur Explains the intention of HB 2300-4 amendments.

TAPE 29, A

011 Chair Smith States that the public hearing on HB 2300 will continue Wednesday.

024 Rep. Richardson Asks what is meant by leveraging.

034 Judge McArthur Explains that using these funds to leverage other funds is one of their best strategies.

039	Mike Burton	Assistant Director, Economic and Community Development Department. Explains the leverage requirements.
052	Rep. Hunt	Ask if there is a reason why the number of jobs and wage levels of those jobs are referenced only in the section on short-term jobs.
056	Burton	Responds it relates to both short-term and long-term jobs.
078	Schlack	Explains further.
092	Chair Smith	Closes the public hearing on HB 2300, announces the agenda plans for Wednesday and adjourns the meeting at 3:00 p.m.

EXHIBIT SUMMARY

- A – HB 2689, prepared testimony, Harlan E. Levy, 13 pp pp.**
- B – HB 2689, prepared testimony, Dale A. Saari, 4 pp.**
- C – HB 2689, prepared testimony, Bob Rindy, 1 p**
- D – HB 2689, prepared testimony, Randy Tucker, 2 pp.**
- E – HB 2689, prepared testimony, Onno Husing OCZMA, 2 pp.**
- F – HB 2300-4 amendments dated 3/17/03, staff, 13 pp**