

HOUSE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 05, 2003 Hearing Room D
1:00 PM Tapes 21 - 23

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

MEASURES HEARD: **HB 2691 Public Hearing**
 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 21, A		
004	Chair Smith	Calls the meeting the order at 1:15 p.m. and opens the public hearing on HB 2691.
<u>HB 2691 PUBLIC HEARING</u>		
008	Kimberly Medford	Committee Administrator. Explains HB 2691.
019	Rep. Patti Smith	HD 52. Co-sponsor of HB 2691 submits (EXHIBIT A) and states the purpose of the bill. Explains the importance of increasing the supply of industrial land in Oregon. Introduces (EXHIBIT B), a map and list of closed mill sites in Oregon, provided by Paul F. Ehinger and Associates.
059	Sen. Rick Metsger	SD 26. Comments on SB 2, the unemployment benefits extension and states that the long term element needed is putting people back to work and providing for economic stability in Oregon.
071	Sen. Metsger	Continues to testify in support of HB 2691 and states that this bill will provide market ready sites for industrial land.
122	Rep. March	Notes for the record that a number of mills were not closed because of the Spotted owl, but because of the expense to bring the mill in line with standards of today.
145	David Harlan	Executive Director, Port of Hood River. Submits written testimony in favor of HB 2691, (EXHIBIT C). Discusses the high unemployment and low average wage, in contrast to the high real estate market and that Hood River is adjacent to the largest population center in the state and approximately one hour from an international airport.
227	Harlan	States that moving the UGB does not solve the lack of industrial land. Examples the dilemma with Cardinal Glass's sewer being 2300 feet away.

293	Rep. Berger	Asks what the site was previously and what type of glass is manufactured.
295	Harlan	Answers that the site was a saw mill. The plant assembles insulated glass panels that have argon gas injected between the panels and there is a particular sea level requirement.
305	Bill Fashing	Economic Development Coordinator. Explains why the elevation is critical to the window seal.
314	Rep. March	Asks if the agricultural community has expressed concerns.
323	Fashing	Answers that he is not aware of any.
331	Fashing	Begins testimony, submits (EXHIBIT D) . Supports the need to open lands for industrial development.
366	Mike Benedict	Senior Planner, Hood River County. Explains the -3 amendments and the primary reasons for the proposed change, (EXHIBIT E) .
409	Rep. March	Asks does the county have plans to change the zoning.
415	Benedict	Answers no.
435	Harlan Levy	Staff Attorney, Oregon Association of Realtors. Testifies in support of HB 2691.
TAPE 22, A		
033	Levy	Concludes testimony and states this bill will help to create jobs.
046	Rep. Berger	Asks if there is interest in mill sites in other parts of the state.
057	Levy	Answers affirmatively and will look into providing specific examples.
058	Jessica Harris	Associated General Contractors. Testifies in support of HB 2691. States that this is good land use planning and economic development.
079	Bob Rindy	Department of Land Conservation and Development, (LCDC). Refers to the report that was submitted to the legislature at the beginning of session from the Commercial/Industrial Land Supply Committee.
117	Rindy	Testifies in support of HB 2691 and notes that there will be an emergency rule making meeting.
128	Rindy	Suggests having a work group that can look at all the legislation being proposed.
153	Rep. Gallegos	Asks for clarification on the 20-year supply provision.
171	Rindy	Responds that LCDC goals require local governments to plan for industrial land. Notes that the term shovel-ready is a relatively new term.
192	Rep. March	Asks for the list of bills that he referred to and what those recommendations are.
201	Rindy	Responds and notes a work group has been trying to resolve this issue.
212	Rep. March	Asks are there specific problems in this legislation that could surface later.
221	Rindy	Responds that the problem of most concern is that of public facilities because these sites are remote. Notes that the Forestry department has noted a minor concern with the definition of "mill site".
230	Rep. Richardson	States there are a number of bills that appear to micro-manage the department. Asks are there attempts within the department to anticipate where some of these questions and resulting bills are coming from.
282	Rindy	Responds that LCDC finds that achieving general consensus is hard to do.
301	Rep. Gallegos	Asks who makes up the work group.

328 Rindy Responds by listing those who represent the workgroup.
349 Ron Fox Manager of Business and Industry Programs for OECDD.
Comments on the efforts made with regard to the Cardinal Glass project. Discusses site evaluations.

TAPE 21, B

026 Chair Smith Asks of the 13 that have been evaluated how many were re-developed.

031 Fox Answers the Astoria Plywood facility site was a brown-field which has been redeveloped for commercial and residential housing.

038 Mike Burton Assistant Director, Oregon Economic and Community Development Department, (OECDD). Adds that he is aware of four sites currently in use or being built on.

053 Randy Tucker Legislative Director, 1000 Friends of Oregon. States the goals of 1000 Friends regarding industrial lands.

078 Carrie Maclaren Staff Attorney, Farm, Forest, and Rangeland. Expresses there are some concerns about definitions and scope. Suggests proximity restrictions and consideration of neighboring lands.

114 Rep. March Asks what definitions need work.
120 Maclaren Answers a definition of what is an abandon mill site; and permitted uses.

164 Burton Weast Special Districts Association of Oregon. Testifies in support of HB 2691 and explains that current land use rules do not address sanitary sewage sites outside the UGB.

194 Ken Armstrong Oregon Ports Group. Testifies in support of HB 2691. Emphasizes that this bill addresses a critical need in rural Oregon.

235 Jon Chandler Legislative Advocates on behalf of the Urban Developers Coalition. Testifies in support of HB 2691.

266 Chandler Refers to Rep. Gallego's earlier question regarding the 20-year land supply and states that the issue was not about how many years but rather the having the tools available to local governments to supply enough land within their boundary.

302 Chandler Comments on bills regarding the transportation and infrastructure package and how economic development is dependent on that package.

345 Art Schlack Association of Oregon Counties. Testifies in support of HB 2691.
410 Schlack Notes that the rules adopted by LCDC limit the extension of services and on site package treatment plants.

435 Rep. March Discusses fire suppression services and emergency services. Asks would it be within the county prerogatives to require have on site fire or ambulance equipment.

412 Schlack Answers that the state Fire Marshall has the ability to address fire safety issues.

TAPE 22, B

025 Steven Kafoury Oregon Chapter, American Planning Association. States that he does not have a particular position on this bill. Refers to Rep. Richardson's question regarding LCDC and responds LCDC's funding has been constrained.

060 Chair Smith Closes the public hearing on HB 2691. Opens the public hearing on HB 2300.

HB 2300 PUBLIC HEARING

070 Mike Burton Assistant Director, OECDD. Submits and briefly explains the OECDD Annual Report and prepared testimony, **(EXHIBIT F)**.

109	Burton	Discusses telecommunication issues explaining that telecommunications should be formally recognized as a critical component of infrastructure.
123	Rep. Richardson	Refers to Section 1 and asks what type of technical assistance would be provided.
130	Burton	Responds that the Qwest money was provided to enhance communications throughout the state. Notes that rural communities do not have the same market access that metropolitan areas have. Relates personal experience that while in Lakeview he was unable to remain logged-on long enough to get connected to e-mail.
170	Rep. Richardson	Asks if OECDD advisors would compete directly with private enterprise if assistance to set up telecommunications was requested.
173	Burton	Responds it is not the intention of OECDD to compete with for-profit service providers. Notes that in many areas of the state there is not enough market demand to drive a competitive investment.
235	Vice-Chair Gallegos	Asks were the people who provided the training already on staff.
244	Burton	Responds that the department hired four people and notes the funding will be ending. Explains that it is his expectation that one of the regional coordinators will continue to provide this role but that it will be funded by lottery resources.
273	Burton	Continues on to Section 4, relating to OECDD's Business Retention Service.
333	Burton	Reviews Section 6 and Section 7, page 6.
392	Rep. Richardson	Asks why take the independent evaluation and report to the legislature should be taken out.
400	Burton	Responds there is a blanket assessment and the overriding biannual reporting requirement that the department already does. Explains there is a tendency almost every session to put additional performance requirements on the department.
TAPE 23, A		
003	Patrick Allen	Small Business Manager, OECDD. Explains the circumstances in 1995 under which the requirement was put in. Summarizes that they are not trying to eliminate the accountability but rather to address the disconnect of measuring different things in different places.
011	Chair Smith	Announces that there will be another hearing on this Wednesday. Closes the public hearing on HB 2300 and adjourns the meeting at 2:55 p.m.

EXHIBIT SUMMARY

- A. HB 2691, Written testimony, Rep. Patti Smith, 2 pp**
- B. HB 2691, Mill Site Map by Paul F. Ehinger and Associates, Rep. Patti Smith, 10 pp**
- C. HB 2691, Written testimony, David Harlan, 6 pp**
- D. HB 2691, Written testimony, Bill Fashing, 2 pp**
- E. HB 2691-3 amendments dated 3/4/03, Mike Benedict, 1**
- F. HB 2300, written testimony and Annual Report, Michael Burton, 43 pp**