

HOUSE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 14, 2003 Hearing Room D
1:00 PM Tapes 43 - 44

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/ISSUES HEARD: **HB 2296 Public Hearing**
 HB 2302 Public Hearing and Work Session

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 43, A		
004	Chair Smith	Calls the meeting to order at 1:10 pm and opens the public hearing on HB 2296.
HB 2296 PUBLIC HEARING		
009	Rep. Allen Brown	House District 10. Explains that bills similar to HB 2296 have been presented in past sessions. Provides a brief explanation of what Enterprise Zones are.
027	Chris Chandler DiTorrice	Head of the Central Coast Economic Development Alliance. Submits (EXHIBIT A) in favor of HB 2296. States that there is only one Enterprise Zone in the Depoe Bay area. Supports HB 2296 and explains that the cost of doing business in rural areas is usually high and provides examples.
090	Rep. March	Clarifies that they would compete for an additional Enterprise Zone.
094	Rep. Hass	Expresses concern about diluting the existing Enterprise Zones.
101	Rep. Brown	Responds that each area can craft the Enterprise Zone to the type of industry that is acceptable for that area.
111	Rep. Hass	Asks if there are Enterprise Zones on the coast.
113	Rep. Brown	Responds there are Enterprise Zones in the southern part of Lincoln county but not in the Lincoln City area.
131	Rep. March	Asks can an existing Enterprise Zone boundary's be changed.
134	Tetores	Answers yes to a point. The existing zones are 30 miles apart. Adds that the current zone allows a property tax exemption for new hotels and motels noting that Lincoln City already has over 2,000 rooms.
144	Chair Smith	Ask Rep. Brown if he has any comments about the -1 amendments.

146	Rep. Brown	Responds that he does not oppose or advocate the amendments. Special Districts. Explains why Special Districts have presented the -1 amendments. Explains it would allow taxing districts listed in ORS 198 to opt out of the five new zones, (EXHIBIT B) .
143	Hasina Squires	
192	John Pascone	President of Albany/Millersburg Economic Development Corporation. Supports HB 2296 because it incentivizes businesses to invest and create jobs.
206	Pascone	Proposes the -2 amendments, (EXHIBIT C) . Explains that Pacific Cast Technology invested \$11 million in an Enterprise Zone, now the company's numbers have dropped due to national events and the company risks meeting their first year requirements.
258	Rep. Hunt	Asks what successes have there been to date and what the potential of adding five more is.
265	Mike Burton	Assistant Director, Economic and Community Development Department. Responds that (EXHIBIT D) details the transactions over the last tax-year. Reviews the pros and cons of Enterprise Zone incentives.
325	Rep. Hass	Refers to charts 5 and 6. Reiterates a concern about removing strategic advantages from existing sites.
341	Burton	Responds there is an eligibility criterion of distress.
354	Rep. March	Notes there are multiple zones in Josephine County.
363	Burton	Responds that Josephine County, except for Grants Pass, is an Enterprise Community, (a federal status).
375	Burton	Discusses other counties with multiple Enterprise Zones.
385	Rep. March	Asks if there are counties without Enterprise Zones
390	Burton	Responds affirmatively.
395	Rep. March	Asks how are the applicants selected.
396	Burton	Answers the applicant need to be experiencing some level of distress to meet the criteria. Discusses HB 2299 that allows for different determination across a zone.
436	Chair Smith	Closes the public hearing on HB 2296 and opens the public hearing on HB 2302.

HB 2302 PUBLIC HEARING

TAPE 44, A

001	Kimberly Medford	Administrator. Explains that the amendments (EXHIBIT E) affect how HB 2302 is administered and funded.
010	Jess Carreon	President Portland Community College. Reads prepared testimony in support of community colleges being the provider of workforce training, (EXHIBIT F) .
072	Rep. Berger	Clarifies the testimony is in support of the -2 amendments.
078	Carreon	Responds affirmatively.
091	Matt Hennessee	Co-Chair, Work Force Training and Development Task Force. Seeks support for the Strategic Workforce Training Fund. The task force is recommending a timely system that anticipates the economic needs for communities and meets the changing needs of business and labor including skill gaps
186	Tim Nesbitt	President, AFL-CIO. Co-chair Work Force Training and Development Task Force. States that the primary conclusion was that programs have not been focused on economic development and lack coordination.
211	Nesbitt	Refers to the report, (EXHIBIT D) page 9 regarding regional teams.

220	Nesbitt	Notes for the record that the recommendation for enhancing coordination at the state level is not intended to imply himself but rather is intended to have a representative of statewide labor.
232	Nesbitt	Discusses the Strategic Training Fund, (EXHIBIT G) .
254	Rep. Gallegos	Refers to page 2 Section 3, asks what moneys from the community colleges would go into this separate fund.
243	Hennessee	Defers the answer to the next witness.
267	Rep. Hunt	Clarifies that the base bill was a place holder and the -2 amendment is the bill.
321	Rep. March	Clarifies that this uses the existing Education and Work Force Policy Committee.
333	Nesbitt	Notes that the intention is to get more flexibility in the work group; refers to page 9 of (EXHIBIT D) .
344	Eric Johnson	State Workforce Investment Board speaking on behalf of himself. Supports HB 2302 and expresses his personal commitment that the program is implemented prudently.
360	Julie Branois	Associated Oregon Industries, (AOI). Comments in support of HB 2302 noting the need to be able to quickly tap into funds.
438	Rep. March	Confirms that AOI, the community colleges and AFL-CIO are in agreement with this bill.
TAPE 43, B		
005	Margaret Hallock	Office of the Governor, Policy Advisor on Workforce, Revenue and Labor issues. Notes that the state has not developed a leadership role. Employers need to have access to flexible funds for upgrading the current workforce.
037	Hallock	Explains Workforce Integrated Network Teams, a first-response team for businesses.
067	Cam Proisbrauling	Commissioner of Department of Community Colleges and Workforce Development. Explains that the fund is necessary to provide for more training needs. Discusses the public/private partnership.
113	Rep. Berger	Asks how the funding fits together.
121	Hallock	Responds by recommending that Oregon direct more federal funds to these programs, \$5 million rather than \$2 million. Notes the key is to create the vehicle to redirect and add funds.
154	Rep. Gallegos	Asks will this create a greater need of general fund dollars for community colleges.
161	Proisbrauling	Answers no because the resource is federal workforce dollars and community colleges have had access to the \$2 million set aside. It is not anticipated that the community college support fund will be added to this fund.
178	Rep. Gallegos	Refers to page 1, Section 2, item #4 "to reduce the needs of public assistance". Asks for clarification.
182	Hallock	Responds that these are the intent statements. Education and training is one way to enhance the ability of attaining a family wage job.
191	Rep. Gallegos	Asks what are the incentives for existing businesses.
194	Hallock	Answers the hope is that the fund will be available for businesses that are expanding.
218	Chair Smith	Closes the public hearing on HB 2302 and opens the work session on HB 2302.

HB 2302 WORK SESSION

221	Rep. March	MOTION: Moves to ADOPT HB 2302-2 amendments dated 04/14/03.
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