

HOUSE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 30, 2003 Hearing Room D
1:00 PM Tapes 51 - 52

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 2011 – 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 51, A		
005	Chair Smith	Calls the meeting to order at 1:19 p.m. and opens the public hearing on HB 2011.
<u>HB 2011 PUBLIC HEARING</u>		
014	Jim Zupancic	Partner of the Law Firm, Davis, Wright, Truman. Testifies as the Chair of the Speaker's Job Creation Workgroup. Expresses that the business community favors the idea of a state agency primarily responsible for focusing on economic development in the state.
054	Zupancic	Describes the impact and the role of the Economic and Community Development Department, (OECDD). States that businesses interested in locating to Oregon are looking for certainty and speed to get through the processes.
092	Bruce Anderson	Speaker's Office. Explains how this idea came about, refers to the Oregon Business Plan and the objectives to refocus economic development.
146	Anderson	States the need for emphasis on businesses retention, expansion, and recruitment.
189	Rep. Greg Smith	House District 57. Reviews his experience as a project development specialist. Outlines the programs that the OECDD has for economic development.
292	Rep. G. Smith	Comments that the HB 2011-1 amendments, (EXHIBIT A) provide a tool to sharpen current programs.
323	Rep. G. Smith	Describes the process of incorporating a new business and the importance of having the decision making authority for the state being present at the table.
438	Rep. Hass	Asks if in Section 5 the governor could issue an Executive Order that is not subject to the listed ORS chapters.

454	Anderson	Responds that these projects would be vital to the economic wellbeing of the state. Explains that the project would need to meet job requirements and coordinate with economic priorities identified in the region, (EXHIBIT B) .
TAPE 52, A		
032	Anderson	Adds that there is a comment period addressed in the bill. Explains that the governor could impose additional conditions on the project.
051	Rep. Hass	Comments on the extent of the power being given to the governor.
060	Zupancic	Responds that the competitive environment that Oregon faces includes competition with other states. Relates a situation that took place in Newberg where the approval process took over a year and resulted in the business establishing in Arizona.
094	Rep. G. Smith	Adds that the intent is to have a board for each region.
106	Anderson	Refers to Section 6 and notes the appeal process to the Supreme Court where the governor's order could be invalidated.
121	Rep. Richardson	Comments on the 21 days to file and notice requirements. Questions provisions to function in its current state.
133	Anderson	Begins review of statements made in the bill: <ul style="list-style-type: none"> • States the mission of the department • Makes recommendations to the 73rd legislature • Consolidates the efforts of the Economic Development Commission
171	Rep. March	Suggests including the community college's community and workforce development programs.
174	Rep. Hass	Suggest including someone from the International Trade Commission.
195	Rep. Richardson	Suggests that those successful in the private sector be included.
173	Anderson	<ul style="list-style-type: none"> • Decentralizes the central office and strengthens the regional offices.
184	Rep. March	Suggests placing a cap on the number of regional offices.
193	Rep. G. Smith	Responds that in economic development there are natural communities that develop.
200	Rep. March	Expresses concern about the central office "assume responsibility for building permits, building enforcement, land use issues and other regulatory requirements".
230	Rep. G. Smith	Responds that the focus is to bring those directly involved into the decision process.
250	Anderson	Clarifies that it is coordinating with regional offices but not doing the processes of building permits or code enforcement and refers only to those projects that are vital to the economic well being of the state.
252	Rep. March	Reads the language "by assuming responsibility for building permits".
256	Rep. Richardson	Comments that there will be hurdles between regulatory jurisdictions.
265	Rep. G. Smith	Responds that this effort is to get the decision makers into the region to make a decision.
288	Zupancic	Reiterates that businesses want certainty and speed. The intent is to have someone from the department available to expedite the process.

358	Rep. Hass	Asks about using community solution teams.
362	Rep. G. Smith	Responds that the community solution teams do not have the authority to get the job done and businesses are not willing to work with that.
378	Anderson	Speaking as Chairman of the City of Keizer's Planning Commission states that there is frustration with the community solutions team. Comments on SB 467.
428	Rep. G. Smith	Comments on the importance of having the ability and authority to get things done.
441	Shelly Parini	City of Gresham, Economic Development Manager. Testifies in support of HB 2011-1 amendments. States that the key to an industry's survival is innovation, new product development and support. Comments on global competition and the importance of collaboration between universities, industries and government.
TAPE 51, B		
040	Parini	States that she is currently doing the job of economic ambassador for the East Metro communities. Explains how and why this works.
093	Anderson	Comments on the notion of economic ambassador. Notes that the Strategic Investment Program (SIP) threshold level will help to qualify more companies.
130	Anderson	Concludes that businesses would be encouraged to hire locally.
138	Rep. March	Refers to Section 8 which requires businesses to develop workforce training programs and suggests utilizing the community colleges' workforce development programs.
148	Anderson	Responds on addressing a SIP program to be coordinated with what is happening in the workforce development training.
173	Rep. G. Smith	Suggests requesting the Ways and Means committee to fund the positions in the regions.
172	Ken Armstrong	Oregon Ports Group. Recognizes that this is a work in progress, notes potential problem areas with the -1 amendments: <ul style="list-style-type: none"> • Suggest including a new subsection in line 29, to have investment in industrial and commercial infrastructure • Suggests adding a subsection on page 4, line 25, for ports as part of the central office • Clarify what is of vital importance on page 9, section 7
258	Armstrong	Agrees with the comment regarding the need for certainty and speed.
300	Doris Penwell	OECD. Comments in support of the testimony received and would like to work with the proponents of the proposal. Submits (EXHIBIT B) . States that this proposal deals with about one-third of what OECD does.
366	Rep. March	Comments that there are other duties like creating housing that is not addressed.
374	Penwell	Refers to (EXHIBIT C) and states that there are some concerns with the regulatory area. Explains that OECD is an advocate for business and cannot be an advocate and regulator at the same time.
399	Rep. March	Confirms that OECD can reorganize themselves.
438	Joe Schweinhart	Associated Oregon Industries, (AOI) Testifies in support of HB 2011. Comments on the need to strengthen regional offices and expedite the permitting processes.

TAPE 52, B

010	Schweinhart	Notes business disincentives such as capital gains taxes, minimum wage requirements, high energy costs, and high health care costs. Supports HB 2011.
029	John Watt	Representing a group of Southern Oregon's Businesses. Testifies in support of tools that create family wage jobs. Comments on his legislative experience in 1993 and recalls that the department expressed that in each legislative session they are asked to do more or do it a different way. Cautions the committee to watch for unintended consequences.
067	Watt	Refers to page 3 line 22 "using existing resources available" and expresses that the return on investment is directly related to the type of investment.
083	John Chandler	Legislative Advocates. Submits SB 467-6 (EXHIBIT D). Explains that this is the industrial lands issue. Highlights potential policy conflicts.
103	Chandler	Supports the direction of HB 2011 and suggests that the bill continue to be worked on. States for the record that the bill encompasses too much; supersiting, ambassadors program, agency restructure, reallocating building codes and land use approvals.
162	Chair Smith	Closes the public hearing and adjourns the meeting at 2:50 p.m.

EXHIBIT SUMMARY

- A. HB 2011-1 amendments dated 4/29/03, Rep. Greg Smith, 17 pp**
- B. HB 2011, Organizational chart, Rep. Greg Smith, 1 p**
- C. HB 2011-1, Bill Analysis, Doris Penwell, 3 pp**
- D. SB 467-6 amendments dated 4/17/03, Jon Chandler, 16 pp.**