

## HOUSE COMMITTEE ON COMMERCE

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January 15, 1999 Hearing Room E

3:30 p.m. Tapes 3 - 4

**MEMBERS PRESENT: Rep. Jim Hill, Chair**

**Rep. Ryan Deckert, Vice-Chair**

**Rep. Al King**

**Rep. Jerry Krummel**

**Rep. Bob Montgomery**

**Rep. Anitra Rasmussen**

**Rep. Diane Rosenbaum**

**Rep. Mark Simmons**

**Rep. Bill Witt**

**STAFF PRESENT: Jason Cody, Administrator**

**Annetta Mullins, Administrative Support**

**MEASURE/ISSUES HEARD:**

**Overview of Oregon Economic Development Department**

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
<b>TAPE 3, A</b>		
005	Chair Hill	Calls meeting to order at 3:30 p.m. and announces that the Friday meetings will be moved to 1:00 p.m. in Hearing Room C.
	Rep. Witt	Comments he would have a conflict because Judiciary Committee meets at that time.

023	Chair Hill	Responds he will work with Rep. Witt to try to accommodate him and allow him to participate. Announces that the subcommittees have been announced and that the subcommittee chairs have been appointed. Informs members that he will talk with them about assignments and will probably make committee appointments on Monday. Also announces the committee will adopt rules on Monday. Also announces that the subcommittees will start to meet in February. States that the subcommittees will work on Mondays and Wednesdays and the full committee will work on Fridays.
039	Chair Hill	Opens informational meeting on the overview of the Economic Development Department.
<b><u>OVERVIEW OF ECONOMIC DEVELOPMENT DEPARTMENT</u></b>		
040	Bill Scott	Director, Oregon Economic Development Department (OEDD), submits packet of information and reviews materials in packet. Comments that the final version of their Oregon Economic Development Commission biennial report will be printed next week and that they have given the committee an draft copy of the report and will replace it with a final copy next week ( <b>EXHIBIT A</b> ). Also included is the Final Report of the Interim Work Group on Economic and Community Development ( <b>EXHIBIT B</b> ). An overview of this presentation ( <b>EXHIBIT C</b> ), and a copy of the overheads ( <b>EXHIBIT D</b> ), and a summary of the department's bills ( <b>EXHIBIT E</b> ) are also enclosed.
070	Bill Scott	Shows overheads explaining history of the department ( <b>EXHIBIT D, pages 1-4</b> ).
120	Scott	Continues presentation on history of the department.
180	Scott	Continues presentation on history of the department.
190	Scott	Presents overheads on community development ( <b>EXHIBIT D, pages 4-5</b> ) and refers members to the work group report ( <b>EXHIBIT B</b> ).
240	Scott	Continues presentation on "New Directions" ( <b>EXHIBIT D, page 2</b> ) and recommendations of the work group.
244	Chair Hill	Comments that the task force created last session came from Ways and Means rather than a substantive committee. Adds that he intends to have discussion in committee to look at the work product of the task force.
258	Scott	Continues presentation on "New Directions" ( <b>EXHIBIT D, page 2</b> ).
303	Scott	Continues presentations of "Recommendations of the Interim Work Group" ( <b>EXHIBIT D, page 3</b> ).
358	Rep. Deckert	Asks how the programs might manifest themselves.

360	Scott	Reviews locations of the pilot programs, and comments the idea is to simplify and make more efficient the process of infrastructure investments, transportation improvements, changes in comprehensive plans or solving land use problemsójust to make the whole process more efficient.
400	Chair Hill	Asks if OEDD is actively seeking companies to come to Oregon.
403	Scott	Responds the department has no state-level program of on-going recruitment; the department does work with a number of local communities to provide them assistance in figuring out what they have to sell, developing marketing materials, and getting professional help to identify leads. Department is working with a group called the Oregon Economic Development Association, a consortium of local or regional recruiting agencies. Adds that OEDD does not do advertising.
431	Scott	Comments further on working relationships between OEDD and companies or their suppliers who might want to invest in Oregon.
<b>TAPE 4, A</b>		
028	Rep. Deckert	Asks if there is an example of something tangible in Wasco or rural Washington County that the committee can see.
031	Scott	Gives example of the Jackson-Josephine partnership when the Boise Cascade mill burned in September.
059	Scott	Continues presentation of recommendations of the work group.
060	Chair Hill	Asks what the status is of the pilot projects.
062	Scott	Responds they would expect to be able to have reports from a couple of the pilot projects by the middle of session.
070	Scott	Reviews the department structure ( <b>EXHIBIT D, page 3</b> ).
104	Scott	Reviews Economic Development Regional Teams ( <b>EXHIBIT D, page 3</b> ).
122	Scott	Reviews affiliated boards and commissions ( <b>EXHIBIT D, page 3-4</b> ).
	Scott	Gives overview of the Governorís Recommended Budget for OEDD ( <b>EXHIBIT D, page 4</b> ).
150	Scott	Continues presentation on "Community Development Fund" ( <b>EXHIBIT D, pages 4-5</b> ).

200	Scott	Reviews " Summary of Recent Financial Investments ( <b>EXHIBIT D, page 5</b> ).
242	Scott	Reviews overhead on "Investments by Customer" ( <b>EXHIBIT D, page 5</b> ).
257	Rep. Witt	Asks if OEDD can identify how the grants were distributed by region.
260	Scott	Responds they have the geographic information available by county and believes they can identify what the grants were for.
227	Chair Hill	Requests that attempt be made to identify the grants by community, region and program. Adds that the committee can invite Yvonne Addington to do a presentation so that the committee can understand the rules associated with the program and understand who is and is not eligible.
294	Rep. Simmons	Asks if the department knows what percentage of funds was spent in the rural areas.
296	Scott	Responds the department treats everything that is not in the urban growth boundary (UGB) of Portland, Salem, Eugene, Medford, and Albany or Bend as rural. The department believes about 70 percent of the money was spent in rural areas during last biennium. Adds that since last session Senator Ferrioli has sponsored legislation to require OEDD to develop a uniform definition of a distressed community based on a formula involving income, employment, etc.
321	Rep. Montgomery	Asks if the federal funds are from HUD and whether they are included in the 16 percent.
325	Scott	Responds most of the 16 percent are HUD funds.
326	Rep. Montgomery	Suggests they should not include the HUD funds because some areas are independent.
328	Scott	Reviews overhead on "Grants by Distressed and Other" ( <b>EXHIBIT D, page 5</b> ).
384	Scott	Reviews overhead "Customer Survey 1997" ( <b>EXHIBIT D, page 6</b> ).
493	Rep. Deckert	Asks if OEDD has sufficient staff and resources available to make a difference in the reduction of tape.
<b>TAPE 3, B</b>		
060	Scott	Responds they feel the only way they can be responsive is to cut red tape.

080		Discussion continues on staffing levels and the ability to provide services.
130		Discussion continues on staffing levels and the ability to provide services.
152	Scott	Presents overhead on "Jobs and Earnings Benefit Oregon" ( <b>EXHIBIT D, page 6</b> ).
186	Rep. Montgomery	Asks whether OEDD would count three jobs paying \$6 per hour and 3 jobs paying \$20 per hour as a total of six jobs.
191	Scott	Responds they would. Explains that OEDD counts jobs and makes an estimate for every job counted. Adds that all jobs may not be family wage jobs.
215	Chair Hill	Suggests OEDD could produce a chart showing the number of jobs by salary range.
229	Scott	Responds they will attempt to produce information in a different format.
232	Rep. Witt	Asks what degree of confidence they have in the numbers in the graphs ( <b>EXHIBIT D, pages 6-7</b> ).
246	Scott	Responds OEDD feels there should be some level of confidence that a positive relationship exists, and that is as far as he would go.
260	Rep. Rosenbaum	Asks if OEDD looks at factors contributing to community costs in creating jobs.
266	Scott	Responds they give a lot of attention to the impact on communities and work with other state agency partners. Adds they have, on occasion, performed some elaborate analysis at the request of a communities when the communities are trying to make decisions about whether they wanted to use the strategic investment program.
300	Scott	Comments OEDD keeps an eye on the Oregon Benchmarks. Presents overheads on job-related data ( <b>EXHIBIT D, pages 6-7</b> ).
365	Rep. Witt	Comments a factor is the growth in the valley and that does not indicate a loss of employment in the non-valley areas. Asks if there has been a loss in the non-valley area.
379	Scott	Responds that Rep. Witt is correct. Believes the downturn in forest products employment in Eastern Oregon has slowed the growth of employment outside the valley, but it is growing faster than in the previous decade.
387	Rep. Simmons	Comments on loss of jobs in his district.

400	Chair Hill	Comments it would be interesting to see some overlays of the information presented to help understand who is unemployed.
<b>TAPE 4, B</b>		
029	Scott	Presents overhead on "Per Capita Personal Income 1996" and "Average Annual Payroll per Worker" ( <b>EXHIBIT D, page 7</b> ).
045	Scott	Presents overhead on " Financial Investments" ( <b>EXHIBIT D, page 7</b> )
057	Scott	Presents overhead on "Department Sponsored Legislation" ( <b>EXHIBIT D, page 7</b> ).
095	Rep. Montgomery	Asks how many employees OEDD had five years ago.
096	Scott	Responds that on a comparable basis, there were 158 employees.
099	Rep. Rosenbaum	Asks if OEDD plays a roll in employee buyouts.
105	Scott	Explains that OEDD has a "business retention service" to help solve business problems. The consultants in the service have frequently examined employee buyouts. OEDD can respond to requests from employees to look into buyouts.
121	Chair Hill	Adjourns meeting at 4:52 p.m.

Submitted By, Reviewed By,

Annetta Mullins, Jason Cody,

Administrative Support Administrator

#### **EXHIBIT SUMMARY**

**A - Economic Development Department, draft report, "The Oregon Economic Development Department, 1997-99 Biennial Report", Bill Scott, 41 pp**

**B - Economic Development Department, "Final Report of the Interim Work Group on Economic and Community Development, September 1998", Bill Scott, 44 pp**

**C ñ Economic Development Department, outline of presentation, Bill Scott, 3 pp**

**D ñ Economic Development Department, list of department-sponsored bills, Bill Scott, 2 pp**

**E ñ Economic Development Department, copy of overheads, Bill Scott, 7 pp**