

SENATE COMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

April 11, 1995 Hearing Room 343
8:00 a.m. Tapes 60-63

MEMBERS PRESENT: Sen. John Lim, Chair
Sen. Gene Derfler
Sen. Joan Dukes

MEMBERS EXCUSED: Sen. Bill Kenemer, Vice-Chair
Sen. Bill Bradbury

STAFF PRESENT: Joseph Cortright, Executive Officer
Jeri Chase, Office Manager
Bobby Sullinger, Committee Assistant

WITNESSES: Tony Federici, Representative, District 1
Mike Lehman, Representative, District 47
Terry Thompson, Representative, District 4
Tony Corcoran, Representative, District 44
Chris Dearth, Legislative Director, Governor's Office
Lynn Youngbar, Rural Development
Rod Johnson, Senator, District 23
Bill Scott, Director, Oregon Economic Development Department
Nikki Whitty, Coos Curry Douglas Business Development
George Cress, Clatsop, Columbia, Tillamook
Joan Silver, North Central Oregon Regional Strategies
Dave Fiskum, Jobs Coalition
Trey Senn, Klamath City Economic Development Association
Roger Lee, Baker City Economic Development Department
Nick Harville, FlexNet Development Corporation
Chris Shonnard
Melinda Anderson, South Umpqua Valley Economic Development
Gary Jurden, North Santian Canyon Economic Development
Max Thompson, Sweet Home Economic Development
Ken Wells, City of Depoe Bay
Lisa Naito, Representative, District 15
Lucile Sheets, Jason Lee Elementary School, Portland
Sara Fisher, Jason Lee Elementary School, Portland
Michael McMurphy, Jason Lee Elementary School, Portland
Phil Whin, Jason Lee Elementary School, Portland
Katie Schellanie, Jason Lee Elementary School, Portland
Colleen Hassell, Jason Lee Elementary School, Portland
Tammie Whiteman, Jason Lee Elementary School, Portland
Zach Woodruff, Jason Lee Elementary School, Portland
Lydia Churchhill, Jason Lee Elementary School, Portland
Adam Cunard, Jason Lee Elementary School, Portland
Lauran Rice, Jason Lee Elementary School, Portland
Katie Nala, Jason Lee Elementary School, Portland
Kevin Smith, Oregon Economic Development Department
Cindy Wheeldreyer, Lane County
Stephanie Schultz, Lane County
Bob Larison, Eastern Oregon State College
Alice Linker
Laura Fryer, Association of Counties
Bob Jacobson
Deborah Boone
Gary Oxley, United Grocers
Gene Wizer, Wizer Groceries, Lake Oswego

MEASURES HEARD: SB 697 -- Creates Rural Investment Fund -- PH & PWS

SB 836 -- Requires Economic Development Department to conduct study relating to Portland World's Fair in 2005 -- PH & PWS fea
SB 1095 -- Allows lottery game retailer to avoid termination of lottery game retail contract for failure to meet weekly sales average by making specified payment to state lottery -- PH

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 60, SIDE A

001 CHAIR LIM: Brings the committee to order at 8:16 a.m.

SB 697 -- Creates Rural Investment Fund -- Public Hearing

007 CHAIR LIM: Opens PUBLIC HEARING on SB 697.

008 CORTRIGHT: Overviews Staff Measure Summary For SB 697 [EXHIBIT A].

030 REP. TONY FEDERICI: Presents written testimony in favor of SB 697 [EXHIBIT B].

098 REP. FEDERICI: Continues to present [EXHIBIT B].

106 SEN. DERFLER: What is your definition of rural?

107 REP. FEDERICI: Outside the urban growth boundaries of Portland, Salem, and Eugene.

112 SEN. DUKES: Has the Rural Investment Fund received any regional strategies money?

113 REP. FEDERICI: No.

122 REP. MIKE LEHMAN: Presents written testimony in favor of SB 697 [EXHIBIT C].

151 SEN. DERFLER: How would you describe corporate welfare?

155 REP. LEHMAN: I define corporate welfare as any money that goes to programming in a district other than mine. It is economic development when the funding comes to my district.

161 REP. TERRY THOMPSON: Presents testimony in favor of SB 697.

173 REP. THOMPSON: Overviews Depot Bay's need for day care facility and how it relates to economic development.

208 REP. TONY CORCORAN: Presents testimony in favor of SB 697.

292 CHRIS DEARTH: Presents written testimony in favor of SB 697 [EXHIBIT D].

338 LYNN YOUNGBAR: Presents Progress Report on Governor John Kitzhaber's Rural Strategy [EXHIBIT E].

TAPE 61, SIDE A

030 YOUNGBAR: Continues to present [EXHIBIT E].

039 SEN. ROD JOHNSON: Presents testimony in favor of SB 697.

068 BILL SCOTT: Presents written testimony in favor of SB 697 [EXHIBIT F].

095 SCOTT: Continues to present [EXHIBIT F] (Flexible use of funds).

120 SCOTT: Continues to present [EXHIBIT F] (Definition of "Rural").

143 SCOTT: Continues to present [EXHIBIT F] (Administration expenses and backfill relating to rural projects and intended use of Rural Investment Fund).

169 SCOTT: Continues to present [EXHIBIT F] (OEDD intention if SB 697 is approved)

216 SCOTT: Continues to present [EXHIBIT F] (East vs. West Economic Development issues).

222 SCOTT: Overviews Proposed Amendments To SB 697 [EXHIBIT G].

276 SEN. DERFLER: Could you make a rule to not include Rural Investment Fund money as "backfill" for local budgets rather than proposing an amendment?

277 SCOTT: Yes.

284 SEN. LIM: What is the difference between Rural Investment Fund and Rural Development Initiatives programs?

291 SCOTT: Responds to committee discussion.

321 SEN. DUKES: Does every area in the state have a rural development component?

323 SCOTT: Responds to committee discussion relating to rural development programs.

353 SEN. DUKES: Are we giving the rural communities another mission to develop a plan in order to spend the rural investment funding?

376 SCOTT: Responds to committee discussion relating to focus of regional strategies development plans.

421 SEN. DUKES: If the rural communities provide a rural action plan that is exactly like the regional strategies plan would it be acceptable?

425 SCOTT: The Economic Development Commission and the Governor would review the plans and they would be looking for some evidence that serious attention had been given to the needs of the rural communities.

445 CHAIR LIM: Could you explain the structure of the program?

457 SCOTT: Responds to committee discussion relating to the administration of the Rural Investment Fund.

TAPE 60, SIDE B

025 SCOTT: Continues to overview structure of the Rural Investment Fund program.

048 CHAIR LIM: How long will it take to put the funding to use?

050 SCOTT: We did not put deadlines in the bill in order to provide flexibility for the rural communities.

064 CHAIR LIM: The bill refers to a specific time lines for communities to

submit plans. Can you explain why?

071 SCOTT: That language has been amended and no longer applies.
086 NIKKI WHITTY: Presents testimony in favor of SB 697.
100 WHITTY: Overviews letters of support for SB 697 [EXHIBIT H].
151 WHITTY: Continues to present testimony relating to the Ad-Hoc Rural
Advisory Committee.
158 GEORGE CRESS: Presents testimony in favor of SB 697.
219 JOAN SILVER: Presents written testimony in favor of SB 697 [EXHIBIT I].
280 DAVE FISKUM: Presents written testimony in favor of SB 697 [EXHIBIT J].
314 TREY SENN: Presents testimony in favor of SB 697.
357 ROGER LEE: Presents testimony in favor of SB 697.
401 NICK HARVILLE: Presents testimony in favor of SB 697.
439 CHRIS SHONNARD: Presents testimony in favor of SB 697.

TAPE 61, SIDE B

030 SHONNARD: Continues to present testimony relating to plans which are
awaiting funding.
059 MELINDA ANDERSON: Presents testimony in favor of SB 697.
093 CHAIR LIM: What kind of small businesses have been opening in your
area?
094 ANDERSON: Responds to committee discussion outlining the various small
business in her area.
104 GARY JURDEN: Presents testimony in favor of SB 697.
158 MAX THOMPSON: Presents testimony in favor of SB 697.
206 KEN WELLS: Presents testimony in favor of SB 697.
267 CHAIR LIM: Closed PUBLIC HEARING on SB 697.

SB 836 -- Requires Economic Development Department to conduct feasibility
study relating to Portland World's Fair in 2005 -- Public Hearing

314 CHAIR LIM: Opens PUBLIC HEARING on SB 836.
341 REP. LISA NAITO: Presents testimony in favor of SB 836.
362 LUCILE SHEETS: Presents testimony in favor of SB 836.
412 SARA FISHER: Presents testimony in favor of SB 836.

TAPE 62, SIDE A

034 CHAIR LIM: Presents a letter from Sara Fisher in support of SB 836
[EXHIBIT K].
050 MICHAEL MCMURPHY: Presents testimony in favor of SB 836.
075 PHIL WHIN: Presents testimony in favor of SB 836.
088 KATIE SCHELLANIE: Presents testimony in favor of SB 836.
108 COLLEEN HASSELL: Presents testimony in favor of SB 836.
135 TAMMIE WHITEMAN: Presents testimony in favor of SB 836.
166 ZACH WOODRUFF: Presents testimony in favor of SB 836.
176 WOODRUFF: Overviews a map of possible fair sites [EXHIBIT L].
189 WOODRUFF: Overviews a map of a facade covering the highway [EXHIBIT M].
214 SHEETS: Continues to present testimony relating to possible fair
projects.
254 LYDIA CHURCHHILL: Presents testimony in favor of SB 836.
282 ADAM CUNARD: Presents testimony in favor of SB 836.
314 SHEETS: Continues to present testimony relating to the possibility the
whole state involvement in the fair.
326 WHIN: Overviews letters in support of SB 836 [EXHIBIT N].
405 CHAIR LIM: Representative Frank Shields asked me to announce his
support of SB 836.
413 LAURAN RICE: Presents testimony in favor of SB 836.
436 KATIE NALA: Presents testimony in favor of SB 836.

TAPE 63, SIDE A

042 SEN. DERFLER: Who will decide where the fair will be held?

043 SHEETS: Responds to committee discussion relating to where the fair will be held.

082 KEVIN SMITH: Presents testimony relating to SB 836.

105 SEN. DUKES: If we directed OEDD to promote the 2005 Worlds Fair, could it be done without a feasibility study?

110 SMITH: Responds to committee discussion relating to feasibility study.

126 CHAIR LIM: Closed PUBLIC HEARING on SB 836.

127 CHAIR LIM: Opens WORK SESSION on SB 836.

128 SEN. DUKES: I propose that we amend SB 836. I would like language such as: "The Economic Development Department shall work with appropriate individuals and organizations in Oregon including the fifth grade class of Jason Lee Elementary School in Portland the rest of the Pacific Northwest and other nations to promote plans for a Portland Worlds Fair to be held if practicable in Portland, Oregon not later than 2005". This amendment would delete the requirement for a feasibility study which may cause the bill to have problems in the Joint Committee on Ways and Means.

154 CHAIR LIM: You want to eliminate the subsequent referral to the Joint Committee on Ways and Means?

160 SEN. DUKES: Yes. I believe with this amendment we could ask the president to rescind the subsequent referral.

161 CHAIR LIM: I am concerned the subsequent referral will not be rescinded by leadership.

164 Committee discussion relating to the subsequent referral of the bill.

167 MOTION: SEN. DUKES: MOVES to AMEND SB 836 to delete lines 4 through 6, On line 7, before "Economic" insert "SECTION 1. The", and on line 8, after the comma insert "including the 5th grade class at Jason Lee Elementary School in Portland,".

180 VOTE: CHAIR LIM: Hearing no objections the amendments are ADOPTED. SEN. BRADBURY and KENNEMER are EXCUSED.

185 MOTION: SEN. DUKES: MOVE SB 836 be returned to the President's desk pursuant to SR8.50, that a letter be attached recommending that the subsequent referral to the Joint Committee on Ways and Means be rescinded, and the SB 836 be sent to the Senate Floor with a DO PASS AS AMENDED recommendation.

192 VOTE: PASSES: In a roll call vote all members present vote AYE. SEN. BRADBURY and KENNEMER are EXCUSED.

202 CHAIR LIM: Closed WORK SESSION on SB 836.

SB 697 -- Creates Rural Investment Fund -- Public Hearing

207 CHAIR LIM: Open PUBLIC HEARING on SB 697.

227 CINDY WHEELDREYER: Presents written testimony in favor of SB 697 [EXHIBIT O].

278 STEPHANIE SCHULTZ: Presents testimony in favor of SB 697.

318 WHEELDREYER: Continues to present testimony relating to SB 697.

332 BOB LARISON: Presents testimony in favor of SB 697.

379 LARISON: Continues to present testimony relating to telecommunications and rural Oregon.

439 LARISON: Continues to present testimony relating to the need for rural telecommunications.

TAPE 62, SIDE B

037 ALICE LINKER: Presents testimony in favor of SB 697.

094 LAURA PRYER: Presents testimony in favor of SB 697.

167 PRYER: Continues to present testimony relating to the need for rural investment funding.

142 BOB JACOBSON: Presents testimony in favor of SB 697.

178 DEBORAH BOONE: Presents testimony in favor of SB 697.

214 CHAIR LIM: Closed PUBLIC HEARING on SB 697.

215 CHAIR LIM: Opens WORK SESSION on SB 697.

218 CORTRIGHT: Continues to overview [EXHIBIT G].

230 CORTRIGHT: Overviews conceptual amendment "Monies in the fund shall not

be used to substitute for local government expenditures for ongoing public services. The department shall adopt rules to give effect to this provision."

235 SMITH: The proposed amendments are acceptable. We would like to add "Priority for use of these funds shall be given to programs and projects other than local government operations."

259 CHAIR LIM: I think your proposed amendment is too broad.

264 PRYER: I support the amendment not to use this money for backfill.

269 Committee discussion relating to which language to use for an amendment keeping communities from using the rural investment funds for backfill.

281 CHAIR LIM: Joseph Cortright's sentence is more specific. Is this all right with you?

282 SMITH: Yes.

284 MOTION: CHAIR LIM: MOVES to ADOPT the conceptual amendments on page 1,

line 27: after the words "used to" insert "retire any debt or", on page 2,

line 21, after the word "interests." insert "including local government. Monies in the fund shall not be used to substitute for local government expenditures for ongoing public services. The department shall adopt rules to give effect to this provision."

292 Committee discussion relating to [EXHIBIT G].

299 VOTE: CHAIR LIM: Hearing no objection the amendments are ADOPTED. SEN. BRADBURY and KENNEMER are EXCUSED.

301 SEN. DUKES: I have concerns about the action plan described on page 3.

I am questioning why the Governor has to approve the action plan in additional to OEDD.

318 CORTRIGHT: That language applies to the Regional Strategies Program. I do not think it applies to the rural action plans. The rural action plans are approved by the Economic Development Commission.

325 CHAIR LIM: Is the rural action plan approved by EDC and not the OEDD Director?

328 CORTRIGHT: Yes.

331 CHAIR LIM: Are you comfortable with this language?

333 SMITH: YES.

334 MOTION: SEN. DERFLER: MOVES SB 697 to the Joint Committee on Ways and Means in accordance with its prior referral with a DO PASS AS AMENDED recommendation.

336 VOTE: PASSES: In a roll call vote, all member vote AYE. SEN. BRADBURY and KENNEMER are EXCUSED.

352 CHAIR LIM: Closed WORK SESSION on SB 697.

SB 1095 -- Allows lottery game retailer to avoid termination of lottery game retail contract for failure to meet weekly sales average by making specified payment to state lottery -- Public Hearing

356 CHAIR LIM: Opens PUBLIC HEARING on SB 1095.

357 GARY OXLEY: Presents testimony in favor of SB 1095.

372 GENE WIZER: Presents testimony in favor of SB 1095.

412 WIZER: Continues to present testimony relating to minimum sales requirements.

441 WIZER: Continues to present testimony relating to the need for intervention by the legislature.

TAPE 63, SIDE B

025 WIZER: Continues to present testimony relating to being competitive.

030 CHAIR LIM: Where is your store located?

031 WIZER: Lake Oswego.

032 CHAIR LIM: When did you lose your lottery machine?

033 WIZER: July 16, 1994.

034 CHAIR LIM: Is there any chance you will get it back?

035 WIZER: The lottery said no because we did not meet minimum sales requirements.

037 CHAIR LIM: Closed PUBLIC HEARING on SB 1095.

039 CHAIR LIM: Adjourns committee meeting at 11:31 a.m.

Submitted by

Bobby Sullinger
EXHIBIT LOG

EXHIBIT A - Staff Measure Summary For SB 697, Presented by Joseph Cortright,
1 page.

EXHIBIT B - Written testimony in favor of SB 697, Presented by
Representative Tony Federici, 2 pages.

EXHIBIT C - Written testimony in favor of SB 697, Presented by
Representative Mike Lehman, 2 pages.

EXHIBIT D - Written testimony in favor of SB 697, Presented by Chris Dearth,
2 pages.

EXHIBIT E - Progress Report on Governor John Kitzhaber's Rural Strategy,
Presented by Lynn Youngbar, 4 pages.

EXHIBIT F - Written testimony in favor of SB 697, Presented by Bill Scott, 2
pages.

EXHIBIT G - Proposed Amendments To SB 697, Presented by Bill Scott, 1 page.

EXHIBIT H - Letters of support for SB 697, Presented by Nikki Whitty, 16
pages.

EXHIBIT I - Written testimony in favor of SB 697, Presented by Joan Silver,
1 page.

EXHIBIT J - Written testimony in favor of SB 697, Presented by Dave Fiskum,
2 pages.

EXHIBIT K - A letter from Sara Fisher in support of SB 836, Presented by
Senator John Lim, 5 pages.

EXHIBIT L - A map of possible fair sites, Presented by Zach Woodruff, 1
page.

EXHIBIT M - A map of a facade covering the highway, Presented by Zach
Woodruff, 1 page.

EXHIBIT N - Letters in support of SB 836, Presented by Phil Whin, 28 pages.

EXHIBIT O - Written testimony in favor of SB 697, Presented by Cindy
Wheeldreyer, 2 pages.

EXHIBIT P - Letters in support of SB 697, Presented by Oregon Jobs
Coalition, 7 pages.

EXHIBIT Q - A letter in support of SB 697, Presented by David Timme, 1 page.

EXHIBIT R - A letter in support of SB 697, Presented by Representative Tony
Federici, 1 page.

EXHIBIT S - A letter in support of SB 697, Presented by Representative Tony
Federici, 1 page.

EXHIBIT T - A letter in support of SB 697, Presented by Representative Tony
Federici, 1 page.

EXHIBIT U - A letter in support of SB 697, Presented by Committee Staff, 1
page.