



April 5, 2019

Representative Jeff Barker, Chair  
House Committee on Business and Labor  
Oregon State Capitol  
900 Court St. NE, HR E  
Salem, OR 97301

**RE: Opposition to HB 2408 -4 Amendments**

Dear Chair Barker and Members of the Committee:

When most people think of city services they think about the police officers who protect their safety, the firefighters that come to their aid in their most difficult moments, the clean water they use every day, the library they take their kids to for educational opportunities, the parks they recreate in, and the people who maintain the transportation system they rely on to get where they need to go. They don't necessarily think of the economic development professionals who help create an economy that includes the companies, jobs and salaries that they live on and which produces revenue to fund these critical public services.

Economic development professionals have only a few mechanisms to incentivize private investment, to create wealth and support well-paying jobs, and to use local resources generated to invest in underserved and economically distressed communities. Enterprise zones allow local governments to offer temporary (3 – 5 year) property tax abatements to court and retain private investment. In return for the foregone revenue, public benefit is extracted through community service fees and job creation.

The City of Hillsboro has an enterprise zone that covers three distinct areas of the City: the North Hillsboro Industrial Area, Downtown's Central Business District and Downtown's Southwest Industrial Area. Last year the City received \$871,471 in community service fees through eligible projects. Those dollars, as directed by City policy, are reinvested in programs focused on workforce development, small business and entrepreneurial support and other economic development initiatives, with specific attention to underserved and economically distressed communities. This is done in the pursuit of providing job training and skills to those who need it most and having reciprocal benefits for individuals who need good jobs to support their families and for private industry that needs a skilled workforce to be successful.

For example, the City invested in the Portland Community College Future Connect program that provides scholarships and services to a new cohort of 50 first-generation high school students enrolled at PCC Rock Creek and also funded paid internships at the City for those same Future Connect students to further build their job skills. The City also provides funding to support the Prosperidad Economic Empowerment Center, which is a partnership with Centro Cultural de

Washington County that assists low income residents with workforce development, skills training, and connections to employment. Finally, the City invests in Cocinemos, a food entrepreneur program in partnership with Adelante Mujeres. These are just a few examples of many investments we are able to make in the community that flow from private investments in enterprise zones.

HB 2408 with the -4 amendments threatens the viability of and potential for investments in enterprise zones by applying prevailing wage requirements to private projects. This will effectively weaken the incentive by increasing costs, posing compliance challenges for private companies that do not have experience with complex prevailing wage regulations, and superseding wage requirements determined by state and local law. This will not only negatively impact the local benefits described above, but will also have a negative impact on the state by reducing income tax revenue generated through private investment and job growth.

One of the City of Hillsboro's top priorities is protecting critical economic development programs. Enterprise zones are one of the very few programs used to incentivize private investment and job growth. It is an effective tool that benefits our community and the state. HB 2408 with the -4 amendments at best weakens and at worst risks the viability of this important program.

For those reasons we strongly oppose HB 2408 with the -4 amendments and respectfully request the committee decline to move forward the bill and the amendments..

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel L. Dias". The signature is fluid and cursive, with the first name "Daniel" being the most prominent part.

Daniel L. Dias  
Economic and Community Development Director