

February 8, 2021

House Committee on Business and Labor - Remote E

RE: HB 2343 – Support for temporary authority to local governments to suspend Enterprise Zone employment requirements in situations where employers can demonstrate that workforce curtailments are a result of the COVID-19 public health crisis and related economic impacts.

Chair Holvey, Vice Chairs Bonham and Grayber and members of the Committee,

Thank you for the opportunity to provide written testimony in support of HB 2343. The Enterprise Zone program allows local governments to offer 1-5 year property tax abatements to companies who invest in or expand within the designated area. Eligibility for the property tax abatement includes certain thresholds for hiring and retaining new workers.

The Gresham Enterprise Zone program has and continues to be a critical economic development tool and has facilitated the attraction and expansion of traded sector companies to the City. The program has resulted in over \$1.1 billion in new investment. Eighteen companies participate in Gresham's Enterprise Zone program, collectively employing 4,200 people at an average wage of \$33/hour. Over 1,300 new jobs have been created in Gresham as a direct result of the Enterprise Zone program.

The COVID-19 pandemic and the resulting Executive orders and restrictions have caused unforeseeable challenges for Gresham employers receiving these Enterprise Zone abatements, including supply chain disruption, decreases in sales, new facility protocols and reduction in output.

In light of these challenges, Gresham employers have been forced to lay off employees, in some cases dropping them below the employment thresholds required for them to maintain the tax abatements provided by Gresham's Enterprise Zone program.

In order to avoid further threats to Gresham businesses and their workforces, Gresham asks the House Business and Labor Committee to support HB 2343 to provide temporary authority to local governments to suspend Enterprise Zone employment requirements in situations where employers can demonstrate that workforce curtailments are a result of the COVID-19 public health crisis and related economic impacts. Without this temporary suspension, Gresham businesses falling below the threshold will be subject to penalties and back taxes that will further jeopardize their ability to retain their workforces.

Thank you again for the opportunity to provide written testimony. I would be happy to answer any questions.

Sincerely,



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