

HOUSE BILL 3188, February 28, 2011

Good Morning. I am Mayor Jim Kight of Troutdale and I am in support of HB 3188.

The story begins at the AOC conference where I attended an Economic Development seminar. The presenter was from Lincoln County. I was riveted by the information shared in part because of the accomplishments they made with such a paucity of funds. They were able to create a revolving loan fund for small businesses and provide support for the Newport Aquarium, which is a major tourist attraction. What really captured my attention was that the funding came from the Oregon Lottery. Unbeknownst to me the State Legislature by constitutional amendment dedicates funds for economic development for each Oregon county.

However, when I did some research for my own county and asked how the resources were being spent, I was told that the funding dedicated to economic development was being deposited in the general fund.

I believe that the legislature had it right. It is critical now more than ever that our counties and cities invest in economic development. Our very lifeblood is dependent upon the revenue receipts and income taxes that we receive from our business community. Currently, small businesses are having a very difficult time acquiring capital to expand and hire additional employees. Many struggle just to stay in business. How much different would our economic picture be if each county had supported their business community? I believe there is a demonstrative reason that Seattle enjoys a 20% higher income than Portland Metropolitan area. What that differential means in dollars is that the schools in Multnomah County would have an additional \$86.8 million for education if we had parity with the Seattle area.

If we fail to hold local governments accountable for providing the critical resources and driving force needed for our economic vitality, we will continue to decline as economic indicators predict. This legislative body needs to have a mechanism to make sure your intentions and the law is being followed.