



CCD Business Development Corporation
"A Certified Development Company"

MEASURE: HB 3494
EXHIBIT: AA
HOUSE REVENUE COMMITTEE
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SUBMITTED BY: WAYNE LUZIER

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(emailed to lro.exhibits@state.or.us, Ann Hanus and Art Fish)

Please accept this testimony supporting the extension of Enterprise Zones in the State of Oregon in HB 3017 or HB 3493. I represent CCD Business Development Corporation and we are the Enterprise Zone manager for six zones in Coos and Douglas Counties:

- Bay Area Enterprise Zone – Coos County
- Coquille Valley Enterprise Zone – Coos County
- Roberts Creek Enterprise Zone & eCommerce Zone – Douglas County
- Lower Umpqua Enterprise Zone – Douglas County
- South Douglas County Enterprise Zone – Douglas County
- Sutherlin Oakland Enterprise Zone – Douglas County

We all need to remember that the Enterprise Zone program is designed to encourage businesses of all sizes to make new OR additional investments that will:

1. Improve employment opportunities
2. Spur economic growth
3. Diversify business activity within the communities each zone encompasses

We need this incentive in our tool box! Not only does this incentive assist in attracting new businesses/companies, but it assists our local businesses with their expansion plans.

A real success story in Coos County in the Bay Area Enterprise Zone is the Southport Forest Products projects. They are a local company and in 2004 they applied for their first Enterprise Zone tax abatement with a three-year authorization application. Their investment at that time was \$13,767,995 to build a small log sawmill utilizing state of the art equipment out on the North Spit in North Bend. The site provided them with access to rail and barge facilities that they did not have at the time. They created 52 new jobs, good family wage jobs. They have completed that project/application.

However, in October 2010 they submitted a new authorization application with an estimated investment of \$5,747,000 to build two 68' double track dry kilns, two cooling sheds and one rough/finished dry lumber storage shed. There will be a waste wood fired boiler complete with a fuel handling system. They will install a sticker placing stacker system in the sawmill and lumber handling machinery for the planer. They will also build a 2,000 square foot metal building which will include a 7.5 ton bridge crane. A 50hp air compressor will also be installed.

This is a local company, investing in local businesses and local people. They will create at least 5 new family wage jobs with this investment. They are pleased with this opportunity!

Oregon Resources Corporation (ORC) submitted a three-year application in July 2006 for a Pilot Plant for their chromite mining project. In 2010 they submitted a five-year extended abatement application for the entire plant. It was granted and their investment is estimated at \$43,700,000 and a creation of 50 jobs at 150% of the Coos County average annual wage (\$45,440). They agreed to a Community Service Fee of \$600,000 in the form of an annual payment for each of the five-year exemptions. This will assist in funding a Coos County Road Deputy, to be paid each April 1 in the amount of \$60,000. ORC has stated that they will make future investments also. A successful agreement that will enhance the lives of many Coos County businesses and certainly those who are fortunate enough to be employed there.

Douglas County has 4 zones and many businesses are and have taken advantage of the Enterprise Zone abatement. A perfect example is the Murphy Company in Sutherlin. The Murphy Company was destroyed by fire in July 2005.

It took many partners to rebuild but John Murphy stated:

“It’s been a long time since a new wood products plant has been built anywhere in the Northwest. I couldn’t have even considered rebuilding without the support and encouragement that came from local and state economic development officials, including CCD Business Development Corporation. There were simply no hurdles that these folks would not help us tackle.”

CCD worked with Murphy and they received a 15-year Enterprise Zone Tax Abatement. They invested \$61,000,000 to rebuild the mill. This was an investment in the community of Sutherlin and they were to create at least 90 jobs at \$46,134! A great investment in the people and in the business!

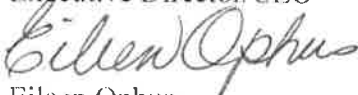
This incentive provides abatement of taxes but the cities, counties and districts will eventually get those taxes. They are NEW taxes that have never been assessed before.....

This is so important to our region and all of the regions in Oregon, for job creation/retention. Please approve HB 3017 or 3493 and let Oregon continue to have an Enterprise Zone incentive program.

Respectfully,



Wayne Luzier
Executive Director/CEO



Eileen Ophus
Community Development Director