



February 28, 2011

TO: HOUSE COMMITTEE ON REVENUE – HEARING ROOM A

FROM: RAYMOND BURSTEDT, ZONE MANAGER, SALEM ENTERPRISE ZONE

SUBJECT: HB 3017 – EXTENTION OF ENTERPRISE ZONE PROGRAM

CO-CHAIR BARNHART, CO-CHAIR BERGER, COMMITTEE MEMBERS

THANK YOU FOR ALLOWING ME TO SUBMIT MY TESTIMONY CONCERNING HB 3017 IN WRITING. I AM IN JAPAN WITH TEAM OREGON THIS WEEK WORKING ON NEW OPPORTUNITIES FOR OREGONS ECONOMY.

THE ENTERPRISE ZONE PROGRAM, IN MOST CASES, IS THE ONLY INCENTIVE WE HAVE TO OFFER COMPANIES WISHING TO EXPAND AND COMPANIES WHO MAY BE DESIRING TO COME TO OUR STATE. VIRTUALLY EVERY STATE HAS THESE INCENTIVES AND FOR US TO NOT HAVE THEM WOULD BE DEVASTATING TO OUR EFFORTS TO ATTRACT NEW PROJECTS AND TO SERVE ADEQUATELY OUR EXISTING LOCAL INDUSTRIES. THE PROGRAM IS FOCUSED AND VERY WELL ADMINISTERED BY OUR COUNTY, CITY, AND STATE GOVERNMENTS. ANNUAL REPORTS OF ACTIVITIES WITHIN THE ZONES ARE PREPARED AND MADE AVAILABLE TO THE PUBLIC AND TO THIS BODY. AS TIME IS OF THE ESSENCE, I WILL STATE THE EFFECTS THAT ENTERPRISE ZONES HAVE HAD ON MARION COUNTY IN JUST THE PAST TWO YEARS. WE HAVE HAD 6 COMPANIES EXPAND WITHIN OUR EXISTING ENTERPRISE ZONE DURING THE PERIOD. THOSE 6 COMPANIES INVESTED IN EXCESS OF \$16.8 MILLION FOR NEW CAPITAL EXPENDITURES AND CREATED OR WILL SOON CREATE A TOTAL OF 281 NEW JOBS IN OUR REGION. DURING THE SAME TIME PERIOD, WE HAVE ATTRACTED 2 NEW COMPANIES TO OUR ECONOMY AND THOSE 2 NEW COMPANIES HAVE INVESTED IN EXCESS OF \$114 MILLION FOR NEW CAPITAL EXPENDITURES AND CREATED 430 FULL TIME JOBS AND 70 PART TIME JOBS. ONE OF THOSE NEW PROJECTS QUALIFIED FOR A 5 YEAR EXEMPTION AS THE JOBS CREATED WERE IN EXCESS OF 150% OF THE AVERAGE MARION COUNTY MANUFACTURING WAGE, PUTTING THE AVERAGE WAGE PAID TO THEIR 200 WORKERS OVER \$51,000 ANNUALLY. WITHOUT THE ENTERPRISE ZONE, I AM CONFIDENT THAT WE WOULD NOT HAVE LANDED THESE PROJECTS AS WE COMPETED WITH OTHER STATES FOR TWO OF THE LARGER EXPANSION PROJECTS AND BOTH THE NEW PROJECTS IN OUR ENTERPRISE ZONE. THE ENTERPRISE ZONE BENEFIT TO THE COMPANY WAS ONE OF THE DETERMINING FACTORS IN ALLOWING THEM TO MAKE THE DECISION TO EXPAND HERE AND NOT IN ANOTHER STATE. AS MANAGER OF THE SALEM ENTERPRISE ZONE I WOULD ASK YOU TO PLEASE CONSIDER EXTENDING THE ENTERPRISE ZONE PROGRAM SO THAT WE CAN CONTINUE TO BE COMPETITIVE.

THANK YOU FOR YOUR TIME AND CONSIDERATION

RAYMOND BURSTEDT/ZONE MANAGER

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HOUSE REVENUE COMMITTEE
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