



Dear House Business & Labor Committee Members,

While I am unable to attend your hearing on Wednesday Feb. 27<sup>th</sup> on HB 2675 and HB 2677 in person, I have asked that my testimony be submitted for your consideration.

As the Executive Director for Southern Oregon Regional Economic Development, Inc., on a regular basis I discuss with prospective new businesses, as well as existing businesses, the creation of new jobs the benefits and application process for our three locally created enterprise zones. In Jackson and Josephine Counties we have three enterprise zones – one covering all industrial areas of Josephine County and two separate zones covering the City of Medford and a zone covering the industrial areas of the other communities in Jackson County.

It is important for your review of HB 2675 and HB 2677 to remember that the traded sector businesses receiving short-term property tax exemption benefits must create new jobs as well as make new capital investments in eligible real and personal property assets. For their commitment to create good jobs, these businesses are granted short-term tax benefits by the local jurisdictions that sponsored the formation of these enterprise zones. The property tax exemption benefits are secured by the business' obligation to create and retain the number of jobs pledged to secure their exemption from property taxes for at least three years and for a total of five years if the businesses is seeking the extended property tax benefit.

HB 2675 and HB 2677 would effectively negate the incentive benefits of our locally created enterprise zones by imposing significantly higher wages for those workers involved in only the construction of the new property investments – in effect killing the prospect of any new permanent jobs as the higher construction costs will more than exceed the short-term property tax benefits received from their approved enterprise zone applications.

The existing enterprise zone statutes in ORS already provide for the local sponsoring jurisdiction(s) to require additional obligations beyond the investment in eligible real or personal property assets and the creation of sustained new jobs. Our local jurisdictions considered fully the option for additional requirements for eligible businesses seeking enterprise zone benefits and have determined their current requirements are sufficient.

We respectfully ask that you not move HB 2675 and HB 2677 forward in the legislative process.

Thank you for your time and consideration,

Ron Fox

Executive Director, SOREDI

City of Medford, City of Grants Pass, City of Cave Junction, City of Rogue River, City of Butte Falls, City of  
Seaside, City of Talent, Jackson County and Josephine County