



City of Gresham

Office of Governance & Management
Government Relations

Ron Papsdorf
Government Relations Director

City Council

Shane Bemis, Mayor

Karylinn Echols,
Council President

Josh Fuhrer

Jerry Hinton

Michael McCormick

Mario Palmero

Lori Stegmann

Erik Kvarsten
City Manager

Testimony of Shannon Stadey in Oppositon of HB 2675 Prevailing Wage for Private Projects

I've been the Co-Enterprise Zone manager since our zone was adopted in March of 2006. I'd like to share with you a brief history of our zone's successes, as well as some critical reasons why this bill would do grave harm to the Enterprise Zone program and the expansions it's helped Gresham realize over the past 7 years.

We currently have 9 projects approved through our Enterprise Zone program. The two most recent approvals came just last week when our City Council approved a \$4 million dollar application for ON Semiconductor and a \$300 million dollar application for the Boeing Gresham plant. To date, the Enterprise Zone program has encouraged over \$280 million in new capital investment and the creation of 600 new family wage jobs.

The Enterprise Zone was a key tool in helping Gresham companies expand – many during the recession. Companies like Teeny Foods and Portland Specialty Baking expanded their manufacturing operations during a time when many companies were curtailing employment and/or shuttering their facilities all together.

All of our Enterprise Zone companies compete globally. It is important to note that many of our EZ companies also compete internally, vying for investment dollars with other facilities within their own corporate structure. Anecdotally, we know that without the Enterprise Zone program, at least one of our investments would have been given to a different facility in a different state. The Enterprise Zone program has been and continues to be a critical tool in helping Gresham companies secure investment and create jobs at their Gresham plants.

Many of these companies are small to middle sized, and don't have the resources – staff or otherwise – to comply with additional regulations and requirements like prevailing wage. Aside from a pure labor cost standpoint, asking them to track and report BOLI standards would be more than they could bear.

In many instances, the expansions these companies are making are very specialized, high tech investments which require specialized skills. Often,

City of Gresham
1333 NW Eastman
Parkway
Gresham, Oregon
97030
www.greshamoregon.gov

HB 2675 Testimony
City of Gresham

February 27, 2013

the companies are required to select vendors and contractors who have technical certifications and experience based on the specialized needs of each project. Having some control of that selection process – without additional regulatory control – is essential for these companies.

Adding a prevailing wage requirement to any Enterprise Zone project, in my opinion, would be a sure deal killer in every instance. These companies have choices when investing in facilities and this proposed expansion of Prevailing Wage law gives them a reason to check Oregon off their list.