



February 28, 2013

**Representative Paul Holvey, Chair
House Consumer Protection and Government Efficiency Committee**

Testimony of the City of Salem In Opposition to HB 2402

The City of Salem opposes HB 2402 to require US iron, steel or manufactured goods used in projects in which as much as \$750,000 in public funding is made available. Our primary concern with HB 2402 is that the taxpayer will effectively pay a premium of up to 25% for the materials on projects receiving as much as \$750,000 or more in public funding – be it in the form of a loan, tax credit or other incentive. For the taxpayer, however, there will likely be no appreciative value in the form of increased product value as a result of requiring these products.

While the City does not often participate in projects at this level on its own, the City does work in collaboration with its economic development partners to create jobs and recruit companies to Oregon, and to facilitate growth and expansion of Oregon companies with a combination of incentives and low interest loans. If HB 2402 is enacted into law, Oregon will be less competitive on the national and international stage.

On a local level, the City of Salem is actively engaged in supporting private redevelopment of buildings in its historic downtown. The cost of seismic upgrades, which many of these buildings require, is prohibitive for many property owners and public assistance through low interest loans backed by urban renewal is critical. For many property owners, the added cost associated with HB 2402 would put redevelopment out of reach and jeopardize the investment made by others who have come before.

Thank you.

Douglas R. Rux
Assistant Director
Urban Development Department

URBAN DEVELOPMENT DEPARTMENT

350 Commercial St. NE □ Salem, OR 97301 □ 503 588-6178 FAX 503 589-2054

www.cityofsalem.net