

**Oregon State
Building and Construction
Trades Council
AFL-CIO**



March 3, 2015

House Revenue Committee
c/o Representative Phil Barnhart, Chair

900 Court Street Northeast
Salem, OR 97301

Chair Barnhart and Members of the Committee,

Over the past several decades, there has been an exodus of our domestic manufacturing industry. Jobs that were once a foundation of the American middle class have been relocated to other parts of the world that do not require the same wage or workplace safety standards as we do here in Oregon and the United States. Nevertheless, Oregon has developed a model for economic growth that has proven to be successful in building a robust manufacturing industry.

Oregon's model of economic growth, including the Strategic Investment Program (SIP) and Gain Share, has proven to be the one of the most effective tools for the state in attracting business expansion. By empowering local governments to serve as the economic development engine of the state, cities and counties are able to offer property tax relief as part of these agreements to create thousands of family wage jobs in their communities. These jobs add significant revenues to the General Fund and the programs it supports, such as public education and workforce development opportunities for the next generation.

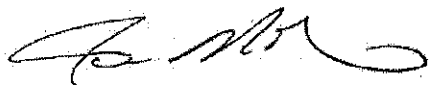
We are concerned that HB 2084, HB 2098 and HB 2672 could undermine Oregon's economic growth model by complicating the terms of the agreement among private businesses considering an expansion, local governments and the state. HB 2084 and HB 2098 could create additional uncertainty in an already complicated process and deter businesses from considering Oregon for their next project. Additionally, HB 2672 would penalize counties for pursuing economic growth in the private sector. Regardless of one's position on property tax abatement programs, penalizing local governments for trying to create employment opportunities is counterproductive to our state's goals.

During the Great Recession, thousands of our members were left without work due to declining private sector growth. However, ongoing expansions throughout the state—driven primarily by the SIP and projects in Washington County—kept the construction industry alive, providing living wage opportunities for our members and their families. This is the proven success of the SIP and other economic development initiatives the state offers to the private sector.

Working Oregonians, whether in the construction industry or elsewhere, depend on the family wage opportunities created by Oregon's model of economic growth. On the behalf of the 25,000 members of the Oregon State Building and Construction Trades Council, I urge you to consider

the consequences to our workers and the economic health of the state before taking action on these bills.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Mohlis', with a stylized flourish at the end.

John Mohlis
Executive Secretary, Oregon State Building and Construction Trades Council