



April 8, 2019

Dear Chair Barker, Vice-Chairs Barreto and Bynum, and Members of the Committee,

The City of Springfield is firmly opposed to HB 2408 and the -4 amendments, which would apply prevailing wage rate requirements to private construction.

The City of Springfield Economic Development program operates with the goal to improve the lives of Springfield's community members by increasing the per capita income and the number of family wage jobs in Springfield. Economic Development program initiatives address three main areas of work citywide: enhancement of city competitiveness, development of high-value Springfield assets important to traded-sector businesses, and proactive business outreach to intentionally drive economic growth in the community.

Our ability to offer local tax abatements to attract private investment and spur job creation is a critical tool to drive economic growth in our community. With \$9 million in enterprise zone abatements, the City of Springfield has gained:

- \$81 million, on average, of direct investment per Springfield enterprise zone company
- \$310 million in wages/benefits
- \$180 million in new property investment
- 1,420 jobs

HB 2408 would significantly weaken this tool by imposing public procurement requirements on private projects by requiring the payment of prevailing wage rates. This would offset the local economic development incentives we are able to offer through the enterprise zone program, placing the significant value the program brings to our community at risk. Additionally, this assumes that public procurement and contracting processes and requirements are the most effective, efficient, and competitive, which is often challenged as being untrue by local contractors and service providers attempting to provide services to the City of Springfield.

We appreciate your consideration of our concerns and would ask that you carefully consider the impacts of HB 2408 on local economic development and the resulting income tax benefit to the state.

Please vote no on HB 2408 and any amendments that apply public contracting requirements on private investment.

Sincerely,

Christine L. Lundberg
Mayor