



April 29, 2019

Senator Laurie Monnes Anderson  
900 Court St. NE, S-211  
Salem, OR 97301

Re: Bill HB2408-A

Dear Senator Laurie Monnes Anderson,

On behalf of Eclair Farm, LLC, we strongly urge you to oppose HB 2408-A.

Our small business located in Gresham, Oregon would not have been possible without the help of the Enterprise Zone established in Gresham.

As a startup, generating enough revenue to cover Oregon's taxes in our early years would have made our investment impossible. As an Oregon resident and homeowner, I understand the burdens that the state tax system places on the people and businesses of Oregon, as well as the state's need for these revenues.

However, if additional burdens are placed on new companies, such as "prevailing wage" restrictions, they will be left to struggle with increasing costs in their most vulnerable startup phase. Small local companies with deep roots in the Pacific NW do not have the option or choice to relocate like larger established companies.

This bill will stunt Oregon economic development in the following ways:

- 1) Requiring the payment of prevailing wage rates on private construction projects cancels out the economic development incentives as a result of tax abatements. The tax incentives designed to reduce the initial cost of investment will in effect be offset entirely by mandated prevailing wages. This will encourage companies to expand or build outside of Oregon.
- 2) Oregon already has local government controls and statutes in place to protect the workforce and to pay them a living wage.
- 3) The Enterprise Zone program is designed to attract additional private investment, not public projects. Prevailing wages will dissuade private projects from moving forward.
- 4) This bill will result in reduced availability of contractors experienced in public contracting and will further drive up project costs. Reduced availability of bids and higher prices will in turn reduce economic growth and development.
- 5) Local tax abatements by the Enterprise Zone program work because they temporarily reduce local tax revenues to allow for job growth and expansion. HB2408-A would work against this as companies move away from these areas for the reasons stated above.





Please do not eliminate or change the Enterprise Zone program- it successfully creates jobs, supports local businesses, and makes investment in Oregon feasible for small businesses.

Sincerely,

A handwritten signature in black ink that reads "Daniel Gerber". The signature is written in a cursive, slightly slanted style.

Dan Gerber  
Business Development Manager  
ECLAIRE Farm, LLC

Cc: Erika Fitzgerald

