



CITY OF

PORTLAND, OREGON

Ted Wheeler, Mayor
Amanda Fritz, Commissioner
Nick Fish, Commissioner
Jo Ann Hardesty, Commissioner
Chloe Eudaly, Commissioner

May 21, 2019

Senator Taylor, Chair
Senate Committee on Workforce
900 Court Street NE, HR D
Salem, OR 97301

RE: HB 2408-A

Dear Chair Taylor and Members of the Committee,

The City of Portland opposes HB 2408-A, which deteriorates the value of Enterprise Zone incentives for projects with costs exceeding \$20 million. The Enterprise Zone program is the City's best economic development tool for attracting industrial sector businesses to establish and grow in Portland.

Portland currently has 53 active projects that use the Enterprise Zone program. Since 1996, the City's programs have leveraged nearly two billion dollars in private investments and have created and retained between five and ten thousand full-time, quality jobs. In the last four years, Enterprise Zone projects created 2,800 jobs paying an average of \$30.86 with benefits. The City estimates that Oregon income tax revenue in 2017 alone to be \$12.7 million from the new workforce at these projects.

Requiring prevailing wage for projects with costs exceeding \$20 million effectively eliminates the incentive for larger projects to use the program. Projects that do not locate in Oregon or choose to grow elsewhere due to escalating costs from prevailing wage requirements create a situation where the City of Portland would lose numerous other public benefits.

The potential loss in public benefits outweighs the limited benefit of attaching prevailing wage to new Enterprise Zone projects. The City of Portland respectfully urges your opposition to HB 2408-A.

Sincerely,

Ted Wheeler
Mayor

Amanda Fritz
Commissioner

Nick Fish
Commissioner

Jo Ann Hardesty
Commissioner

Chloe Eudaly
Commissioner