



# City of Umatilla

700 6<sup>th</sup> Street, PO Box 130, Umatilla, OR 97882  
City Hall (541) 922-3226 Fax (541) 922-5758

May 22, 2019

Senate Committee on Workforce  
Oregon State Capitol  
900 Court Se. NE  
Salem, OR 97301

RE: HB 2408

Chair Taylor and Members of the Senate Workforce Committee:

The City of Umatilla is firmly opposed to HB 2408 which would apply prevailing wage rate requirements to private construction. Cities have few economic development tools available to attract private investment. Enterprise zone incentives is one the most important program cities rely on to recruit private investment, essential to revitalize communities, create jobs, generate additional state income tax and local property tax revenues, and encourage investment in economically distressed and underserved areas.

Enterprise zones allow cities to be competitive for private investments especially when companies are choosing between Oregon and other states. HB 2408 would create additional costs, influencing companies to locate in states that do not have the proposed prevailing wage requirement. As a result, cities will see a significant decline in new businesses, essential for employment in construction trades and permanent long-term jobs created through the enterprise zone.

For cities located near the border these additional requirements will be especially detrimental to business recruitment. Umatilla already competes with cities in nearby Washington State and to have the prevailing wage requirement would have a devastating impact, almost certainly forcing businesses to choose Washington over Oregon.

An alternative to the prevailing wage mandate would be to encourage cities to offer incentives for companies paying prevailing wage. Incentives appeal to investors and often generate positive and unexpected outcomes suited to a local community.

Prevailing wage is but one metric for measuring the value of new development. Long term employment, access to career tracks, flexible work packages, hiring preferences, civic and school involvement, sustainability programs are equally important to a community. So, rather than mandating, the legislature could encourage jurisdictions to adopt prevailing wage or to develop other standards that are tailored to the local community.

Sincerely,

A handwritten signature in blue ink that reads "Tamra Mabbott". The signature is fluid and cursive, with the first name "Tamra" being more prominent than the last name "Mabbott".

Tamra Mabbott  
Community Development Director