

ZONES OF SILENCE

Local officials still won't discuss poor oversight of enterprise zones

Money talks, or so the saying goes. But when asked about the lack of oversight in Lane County's economic development incentive known as an enterprise zone, Lane County, Springfield and Eugene officials still have little to say.

In September, *Eugene Weekly* published a cover feature investigating enterprise zones across the county. The program, which gives private companies property tax breaks in exchange for creating jobs, has cost Lane County taxpayers almost \$15 million over the past 15 years.

Despite the stated intent of the program, local and county officials exert little oversight over the programs' participants.

EW reached out to members of Eugene and Springfield city councils as well as county officials asking for comments on the article and the lack of oversight. The emails went mostly without response.

So we tried again.

Lane County assessor Michael Cowles, who did not respond to requests for comment in the initial story, did not respond to emails asking about strengthening the program's oversight.

EW also reached out to Kelli Weese and Erin Reynolds, the city of Florence's economic development coordinator and city manager, respectively. ACS Cable, an Alaskan cable company located in Florence, received a \$79,000 tax break in 2009 and created only one job in return.

Weese and Reynolds did not respond to *EW*'s latest request for comment.

For the most part, officials in Eugene didn't respond to questions about the program. *EW* contacted Eugene city councilors as well as Amanda D'Souza, the city's business development analyst.

Of Eugene's city councilors, Greg Evans and Emily Semple replied, saying that they would look into the issue and get back to *EW*. They haven't gotten back, so far. Claire Syrett responded via email after deadline, mentioning clawbacks and referring *EW* to the "local criteria that the council has developed for that tax break program," and to city staff and the city website.

EW tried to follow up with Springfield's mayor Christine Lundberg, economic development coordinator Courtney Griesel, City Manager Gino Grimaldi and all the members of the Springfield City Council. None of Springfield's officials responded to *EW*'s request for comment.

Springfield has given away millions in tax breaks to companies such as International Paper. In International Paper's case, the company does not need to create any new jobs but rather pledges to maintain a certain number of jobs because they invested \$101.6 million to update old mill equipment.

Under the agreement, International Paper must maintain at least 208 employees. The company currently has 272 employees, and although there are no plans to do so, International Paper could lay off 64 workers and still walk away with an \$8.5-million tax break.

Only two officials involved with county politics responded to *EW*'s request for comment: Joe Berney, who will be Springfield's Commissioner after beating incumbent commissioner Sid Leiken in May's primary, and Commissioner Pete Sorenson.

Berney says he recognizes the value of enterprise zones and wants to be sure that the public's money is being used effectively and for the right purposes.

"I want Springfield to benefit from any and all economic development resources it can," Berney says, "and I want them to be used properly which requires accountability."

Sorenson offered a similar view, saying that governments need to ensure that the companies are complying with the terms they agreed upon.

"I think that whenever the government offers incentives, whether it's the federal, state, county, city or local government, the incentives need to be fair, non-discriminatory and monitored for whether they have measured up to the promise at the beginning of the incentive."

Berney says Springfield is experiencing economic growth and that economic development incentives like enterprise zones should be aimed at providing living-wage jobs for local residents.

"I really think that we're seeing a shift to Springfield as a dynamic center of where Lane County's economy is growing, which is an exciting transition that we need to do correctly. We're not just creating jobs but creating jobs that address the public good," he says.

Sorenson has ideas for how to provide these jobs — training workers in vocational schools and investing in education. Sorenson referred to this as having "a variety of tools in a toolbox," that deal with the community's needs.

"I would like to see us move to what I call the 'basics' of the economy — investments the government could make in people," Sorenson says, "We're talking about raising the skill level of workers so that we can attract business who will want to hire those workers. Adopting a high skill level economy will do us better in the long run."

Sorenson says that a skilled-worker base will allow workers to "matriculate into high paying jobs."

Berney adds that there should be nothing to stop the use of economic development incentives, so long as they're used for improving the lives of local workers.

"There should be nothing stopping us from using the money to create those jobs for local residents and the public good," Berney added, "as opposed to using the money simply to increase private profit without creating new and needed jobs, which is the intent of the enterprise zone program."

Berney and Sorenson, together with newly elected commissioner Heather Buch, will make up a progressive-leaning majority on the Lane County Commission when Berney and Buch take office in January. ■

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