



# City of Gresham

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## Testimony in Support of SB 19 Strategic Investment Program Urban/Rural Area Definition

### Problem

State statute treats different properties with similar attributes differently for purposes of the Strategic Investment Program (SIP), creating inequities within urban areas and diminishing the program's value to rural areas of the State.

### Background

The SIP provides a 15-year property tax abatement to qualifying traded-sector development by capping a project's assessed value at \$100 million (\$25 million for a "rural area"). Rural area is defined as lands outside a UGB as of December 2002. Such definition means that land inside a UGB prior to 2002 is considered "urban" with assessed value capped at \$100 million, while lands added to a UGB after 2002 are considered "rural" for SIP purposes with assessed value capped at \$25 million. This creates situations where similarly situated lands within a region can have significantly different incentives for industrial development and puts lands within an urban area and inside a UGB on equal footing with truly rural lands in the rest of the State.

### Issues

- Creates disparities among jurisdictions within the same region for economic development competitiveness
- Pushes industrial development to the edge of a region (most recent UGB expansion areas)
- Makes it harder to attract economic development to brownfield and other industrial lands inside the UGB
- Expands scope of SIP in urban areas to smaller project sizes
- Truly rural parts of the state have to compete directly with urban areas for economic development

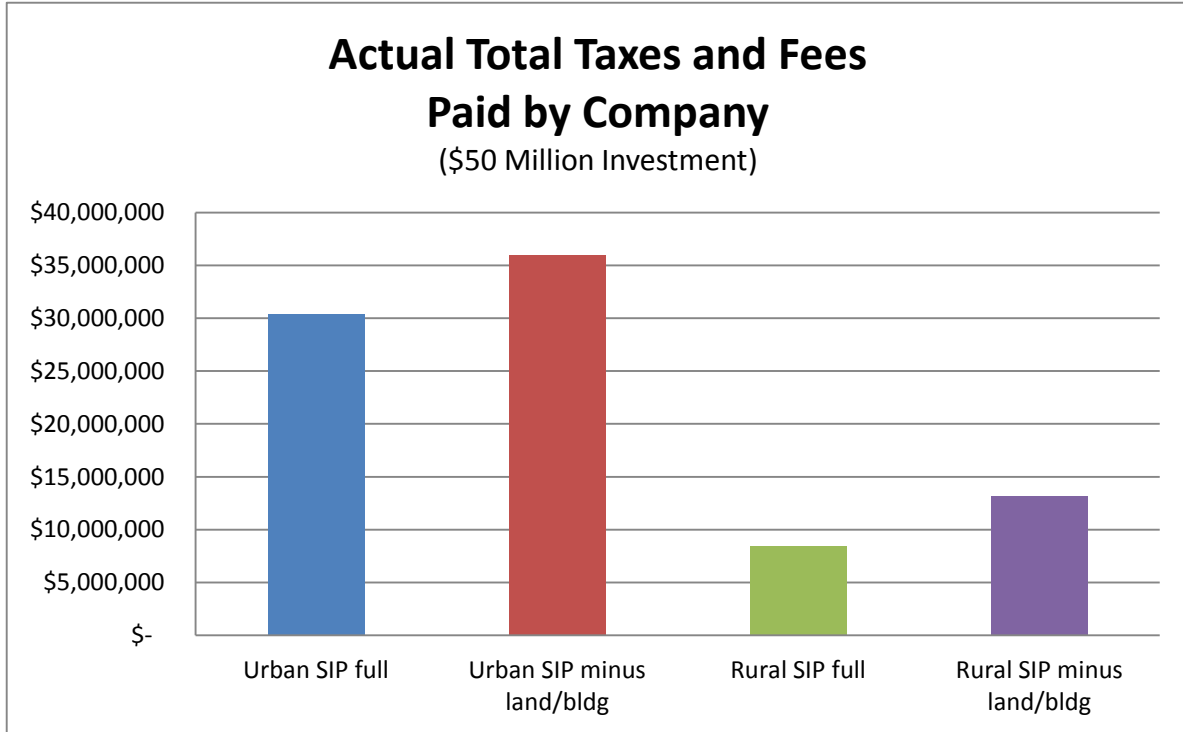
### Proposed Solution

Define "rural area" to mean area outside urban growth boundary as boundary is acknowledged on date on which application is submitted for strategic investment program. This definition mirrors the rural area definition in the Enterprise Zone statute. Grandfather current definition for current strategic investment zones and parcels of land on which eligible projects are currently located.

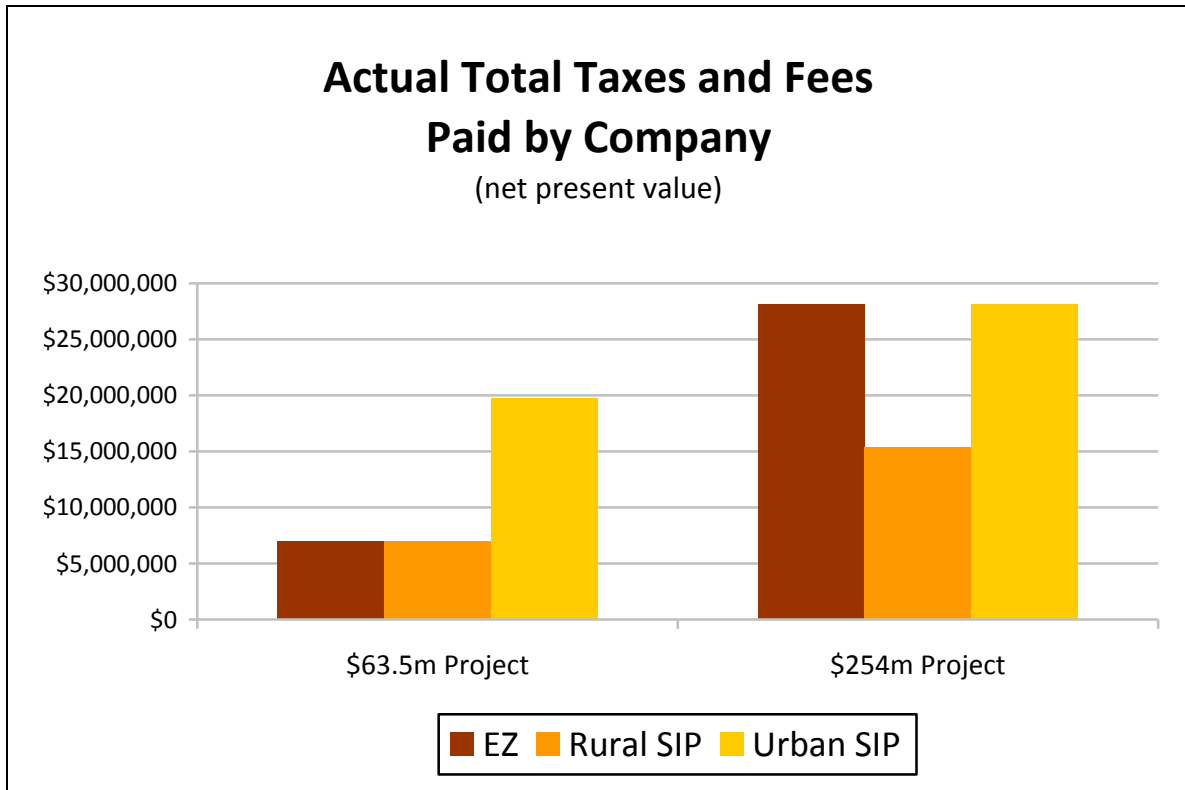
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SB 19 Testimony  
City of Gresham

February 14, 2013



*Comparison of Urban vs. Rural SIP Benefit - \$50 million investment.*



*Comparison of Enterprise Zone vs. Rural vs. Urban SIP Benefit.*