
MEMORANDUM

Legislative Fiscal Office
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To: Transportation and Economic Development Subcommittee

From: Steve Bender, Legislative Fiscal Office
(503) 986-1836

Date: June 24, 2013

Subject: SB 253-A – Oregon Industrial Site Readiness Assessment Program
Work Session Recommendations

SB 253-A establishes Oregon Industrial Site Readiness Assessment Program Fund and continuously appropriates moneys in the Fund to Oregon Business Development Department (OBDD). The bill also establishes the Oregon Industrial Site Readiness Assessment Program in OBDD. The new program authorizes the Department to establish two competitive grant programs. The first grant program, which receives 80% of the funds available to the Oregon Industrial Site Readiness Assessment Program, provides funds to public entities to perform due diligence assessments and to create detailed development plans for regionally significant industrial sites that are publically or privately owned. The second grant program, which receives 20% of available funds, provides funds to public entities to develop industrial land inventories and to prioritize sites for due diligence assessment and site preparation assistance.

The measure and the original staff measure summary are available on the Oregon Legislative Information System (OLIS) and are attached to the memorandum. Also attached to this memorandum are the SB 253-A5 amendments, discussed below, and the draft staff measure summary and the fiscal impact statement for the bill with the –A5 amendments.

The Transportation and Economic Development Subcommittee held a public hearings on SB 253-A on 5/13/13 and 5/14/13.

Amendment

The Legislative Fiscal Office recommends adoption of the SB 253-A5 amendments. These amendments remove language that would establish funding for the program, and clarify that OBDD may only operate the program with monies specifically designated for that purpose by the Legislative Assembly. The amendments also remove the emergency clause.

The bill, with the SB 253-A5 amendments, has no fiscal impact. The Department may request funding for this program in a policy option package in its 2015-17 biennium budget request. The fiscal impact of the bill in that event would be the amount of funding that is requested. Previously, the Subcommittee approved SB 246 to establish the Oregon Industrial Site Readiness Program. If that bill becomes law, one full-time

Program Analyst 4 position will be added to the OBDD budget. With this position in place, OBDD can assume administration of the Oregon Industrial Site Readiness Assessment Program without additional administrative costs. If SB 246 does not become law, the Department may include a request for funds to administer SB 246 if it submits a policy option package to fund the program.

Motion #1: Move the –A5 amendments to SB 253-A.

Measure as Modified

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

Motion #2: Move SB 253-A to the full committee with a “do pass” recommendation, as amended.

Assignment of Carriers

Full: _____

Senate Floor: _____

House Floor: _____

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 253**

1 On page 1 of the printed A-engrossed bill, line 2, after “sites;” delete the
2 rest of the line and insert “and appropriating money.”.

3 On page 3, line 14, after “basis” delete the rest of the line and insert
4 “from funds that are available in the Oregon Industrial Site Readiness As-
5 sessment Program Fund established in section 4 of this 2013 Act, to:”.

6 On page 4, line 15, after “of” delete the rest of the line and insert “moneys
7 appropriated, allocated, deposited or transferred to the fund by the Legisla-
8 tive Assembly and interest earned on moneys in the fund.”.

9 In line 16, delete “and other moneys transferred to the fund.”.

10 Delete lines 24 through 26.

11 In line 27, delete “7” and insert “6”.

12 Delete lines 31 through 33.

13

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue:

Fiscal:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Steve Bender, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

WHAT THE MEASURE DOES: Establishes Oregon Industrial Site Readiness Assessment Program Fund and continuously appropriates moneys in the Fund to Oregon Business Development Department (OBDD). The bill also establishes the Oregon Industrial Site Readiness Assessment Program in OBDD. The new program authorizes the Department to establish two competitive grant programs. The first grant program, which receives 80% of the funds available to the Oregon Industrial Site Readiness Assessment Program, provides funds to public entities to perform due diligence assessments and to create detailed development plans for regionally significant industrial sites that are publically or privately owned. The second grant program, which receives 20% of available funds, provides funds to public entities to develop industrial land inventories and to prioritize sites for due diligence assessment and site preparation assistance.

ISSUES DISCUSSED:

- Availability of industrial lands
- Purposes of the bill
- Fiscal impact of the bill

EFFECT OF COMMITTEE AMENDMENT: Remove language that would establish funding for the program, clarify that the Oregon Business Development Department may only operate the program with monies specifically designated for that purpose by the Legislative Assembly, and remove the emergency clause.

BACKGROUND: Currently, there is a shortage of large sites available for industrial development in Oregon. Such sites are considered an integral part of efforts to expand and improve the state's economy and to attracting and retaining large employers to the state. SB 253 establishes a program that would provide funds, if funds are made available in another bill, to finance development plans for regionally significant industrial sites, and finance development of industrial site inventories.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 253 - A5

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Krista McDowell
Reviewed by: Steve Bender
Date: 6/24/2013

Measure Description:

Requires Oregon Business Development Department to establish and administer Oregon Industrial Site Readiness Assessment Program providing grants to perform due diligence assessments of regionally significant industrial sites, to create detailed development plans to move sites to state of market-readiness and to conduct regional industrial land inventories.

Government Unit(s) Affected:

Business Development Department (Business Oregon)

Summary of Expenditure Impact:

See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: The measure, as amended, has no fiscal impact. The bill establishes the Oregon Industrial Site Readiness Assessment Program Fund and directs the Oregon Business Development Department (OBDD) to establish and administer the Fund. The bill also establishes the Oregon Industrial Site Readiness Assessment Program in OBDD. The new program authorizes to Department to establish two competitive grant programs. The first grant program, which receives 80% of the funds available to the Oregon Industrial Site Readiness Assessment Program, provides funds to public entities to perform due diligence assessments and to create detailed development plans for regionally significant industrial sites that are publically or privately owned. The second grant program, which receives 20% of available funds, provides funds to public entities to develop industrial land inventories and to prioritize sites for due diligence assessment and site preparation assistance.

The bill, as amended, restricts OBDD to operating the Oregon Industrial Site Readiness Assessment Program solely from monies specifically designated for that purpose by the Legislative Assembly. Therefore, because the bill does not specifically provide or designate monies for the program, it will not operate unless funding is authorized for it in another bill.

Furthermore, if Senate Bill 246, which establishes the Oregon Industrial Site Readiness Program becomes law, OBDD will be able to also administer the Oregon Industrial Site Readiness Assessment Program without additional administrative cost.

A-Engrossed
Senate Bill 253

Ordered by the Senate April 22
Including Senate Amendments dated April 22

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Business, Transportation and Economic Development)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires Oregon Business Development Department to establish and administer Oregon Industrial Site Readiness **Assessment** Program providing grants to perform due diligence assessments of [*large*] **regionally significant** industrial sites, to create detailed development plans to [*make large industrial sites market-ready*] **move sites to state of market-readiness** and to conduct regional industrial [*site*] **land** inventories.

Establishes Oregon Industrial Site Readiness **Assessment** Program Fund. Continuously appropriates moneys in fund to Oregon Business Development Department. **Allocates moneys from Administrative Services Economic Development Fund to department.**

Directs department to report to Legislative Assembly during 2015 regular session.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to development of large industrial sites; appropriating money; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. The Legislative Assembly finds that:**

5 (1) **A competitive supply of market-ready regionally significant industrial sites is critical**
6 **to the expansion and recruitment of traded sector industries in this state.**

7 (2) **Traded sector industries are the foundation of state and regional economic develop-**
8 **ment strategies for long-term prosperity and job creation.**

9 (3) **There is a shortage of market-ready regionally significant industrial sites in this state**
10 **and limited financial tools and developers available to facilitate the development of regionally**
11 **significant industrial sites in this state.**

12 (4) **Financial assistance is required to facilitate the determination of necessary actions,**
13 **costs and development-related constraints involved in ensuring the availability of a compet-**
14 **itive supply of market-ready regionally significant industrial sites suitable for industrial use**
15 **and development in this state.**

16 **SECTION 2. As used in sections 1 to 4 of this 2013 Act:**

17 (1) **"Due diligence assessment" means an assessment of the actions, costs and time**
18 **frames involved in bringing regionally significant industrial sites to market-ready status,**
19 **including but not limited to wetland delineation, geotechnical investigation, environmental**
20 **assessment and traffic analysis.**

21 (2) **"Economic development district" means one of the following:**

22 (a) **The Affiliated Tribes of Northwest Indians Economic Development Corporation,**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 serving tribal members of the Burns-Paiute Tribe, the Confederated Tribes of Coos, Lower
2 Umpqua and Siuslaw Indians, the Confederated Tribes of Grand Ronde, the Confederated
3 Tribes of Siletz Indians, the Confederated Tribes of the Umatilla Indian Reservation, the
4 Confederated Tribes of the Warm Springs Reservation of Oregon, the Coquille Indian Tribe,
5 the Cow Creek Band of Umpqua Tribe of Indians and the Klamath Tribes.

6 (b) The Cascades West Economic Development District, serving Benton, Lane, Lincoln
7 and Linn Counties.

8 (c) The Columbia-Pacific Economic Development District, serving Clatsop, Columbia and
9 Tillamook Counties and western Washington County.

10 (d) The CCD Business Development Corporation, serving Coos, Curry and Douglas Coun-
11 ties.

12 (e) The Greater Eastern Oregon Development Corporation, serving Gilliam, Grant,
13 Morrow, Umatilla, Wheeler, Harney and Malheur Counties.

14 (f) The Central Oregon Intergovernmental Council, serving Crook, Deschutes and
15 Jefferson Counties.

16 (g) The Mid-Columbia Economic Development District, serving Hood River, Wasco and
17 Sherman Counties.

18 (h) The Mid-Willamette Valley Council of Governments, serving Marion, Polk and Yamhill
19 Counties.

20 (i) The South Central Oregon Economic Development District, serving Lake and Klamath
21 Counties.

22 (j) The Northeast Oregon Economic Development District serving Baker, Union and
23 Wallowa Counties.

24 (k) Southern Oregon Regional Economic Development, Inc., serving Jackson and
25 Josephine Counties.

26 (L) Greater Portland, Inc.—Portland-Vancouver Economic Development District, serving
27 Multnomah, Clackamas and Washington Counties.

28 (3) “Industrial use” means employment activities, including but not limited to manufac-
29 turing, assembly, fabrication, processing, storage, logistics, warehousing, importation, dis-
30 tribution, transshipment and research and development, that generate income from the
31 production, handling or distribution of goods or services, including goods or services in the
32 traded sector.

33 (4) “Local government” has the meaning given that term in ORS 197.015.

34 (5) “Market-ready” means that a regionally significant industrial site has been issued all
35 appropriate and necessary building permits.

36 (6) “Region” means an economic development district, a port district as defined in ORS
37 285A.666 or an area within the jurisdiction of a local government.

38 (7) “Regional industrial land inventory” means an inventory of regionally significant in-
39 dustrial sites in a region that identifies development-related constraints and opportunities
40 to develop regionally significant industrial sites and that rates the sites based on market-
41 ready status.

42 (8) “Regionally significant industrial site” means an area planned and zoned for industrial
43 use that:

44 (a)(A) Contains a site or sites, including brownfields, that are suitable for the location
45 of new industrial uses or the expansion of existing industrial uses and that can provide sig-

1 **nificant additional employment in the region;**

2 **(B) Has site characteristics that give the area significant competitive advantages that**
3 **are difficult or impossible to replicate in the region; and**

4 **(C) Has superior access to transportation and freight infrastructure, including but not**
5 **limited to rail, port, airport, multimodal freight or transshipment facilities and other major**
6 **transportation facilities or routes; or**

7 **(b) Is land designated by Metro, as defined in ORS 197.015, as a regionally significant in-**
8 **dustrial area.**

9 **(9) “Willing property owner” means a public or private property owner that is committed**
10 **to bringing a regionally significant industrial site to a state of market-readiness and pursuing**
11 **development of the site for industrial use.**

12 **SECTION 3. (1) The Oregon Business Development Department shall establish and ad-**
13 **minister the Oregon Industrial Site Readiness Assessment Program. The purpose of the**
14 **program is to provide grants on a competitive basis, as funds are available, to:**

15 **(a) Public owners of regionally significant industrial sites or public entities that have**
16 **entered into development agreements or other agreements with private owners with respect**
17 **to regionally significant industrial sites, to perform due diligence assessments, define**
18 **development-related constraints and create detailed development plans to move the site to-**
19 **ward a state of market-readiness; and**

20 **(b) Public owners of regionally significant industrial sites or public entities that have**
21 **entered into development agreements or other agreements with private owners with respect**
22 **to regionally significant industrial sites, acting on behalf of regions for the purposes of per-**
23 **forming regional industrial land inventories and prioritizing sites for due diligence assess-**
24 **ment and site preparation assistance.**

25 **(2) In each fiscal year of a biennium:**

26 **(a) Eighty percent of all moneys available for making grants under this section is re-**
27 **served for grants to be made pursuant to subsection (1)(a) of this section; and**

28 **(b) Twenty percent of all moneys available for making grants under this section is re-**
29 **served for grants to be made pursuant to subsection (1)(b) of this section.**

30 **(3) The department may prioritize grants to be made under this section based on estab-**
31 **lished targets for regional allocations.**

32 **(4) Public owners of regionally significant industrial sites or public entities that have**
33 **entered into development agreements or other agreements with private owners with respect**
34 **to regionally significant industrial sites may apply to participate in the program by submit-**
35 **ting an application in writing in a form prescribed by the department by rule.**

36 **(5) The department shall establish by rule criteria and standards for successful applicants**
37 **under the program. At a minimum, the applicant must demonstrate that:**

38 **(a) For grants made under subsection (1)(a) of this section:**

39 **(A) The applicant has obtained a willing property owner;**

40 **(B) The applicant has received the support of the region in which the regionally signif-**
41 **icant industrial site is located, or the regionally significant industrial site is located in an**
42 **area that has been designated a regionally significant industrial area as defined in ORS**
43 **197.722;**

44 **(C) The regionally significant industrial site is not currently market-ready and has not**
45 **been certified by the department as ready for development within six months or less as of**

1 the date on which the application is submitted; and

2 (D) The applicant can provide matching funds in an amount to be determined by the de-
3 partment.

4 (b) For grants made under subsection (1)(b) of this section:

5 (A) The applicant is committed and has the ability to perform regional industrial land
6 inventories for a specific region;

7 (B) The applicant is committed and has the ability to prioritize regionally significant in-
8 dustrial sites in a region for due diligence assessment and site preparation funding; and

9 (C) The applicant can provide matching funds in an amount to be determined by the de-
10 partment.

11 (6) Grants made under subsection (1)(a) of this section may not exceed \$100,000 per site.

12 Grants made under subsection (1)(b) of this section may not exceed \$50,000 per region.

13 **SECTION 4.** The Oregon Industrial Site Readiness Assessment Program Fund is estab-
14 lished in the State Treasury, separate and distinct from the General Fund. The Oregon In-
15 dustrial Site Readiness Assessment Program Fund consists of amounts deposited in the fund
16 and other moneys transferred to the fund. Amounts in the fund are continuously appropri-
17 ated to the Oregon Business Development Department for the purposes of making grants
18 under section 3 of this 2013 Act and to implement and administer sections 1 to 4 of this 2013
19 Act. Interest earned on the fund shall be deposited into the fund.

20 **SECTION 5.** The Legislative Assembly finds that the implementation and administration
21 of the Oregon Industrial Site Readiness Assessment Program under sections 1 to 4 of this
22 2013 Act will further economic development by facilitating the development of regionally
23 significant industrial sites that are market-ready in this state.

24 **SECTION 6.** There is allocated for the biennium beginning July 1, 2013, from the Admin-
25 istrative Services Economic Development Fund, to the Oregon Business Development De-
26 partment, the amount of \$_____ for the purposes of section 3 of this 2013 Act.

27 **SECTION 7.** The Oregon Business Development Department shall report on the Oregon
28 Industrial Site Readiness Assessment Program to the committees of the Seventy-eighth
29 Legislative Assembly with authority over the subject area of economic development during
30 the 2015 regular session.

31 **SECTION 8.** This 2013 Act being necessary for the immediate preservation of the public
32 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
33 on its passage.

34

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	6 - 0 - 0
Yeas:	Edwards, Girod, Monroe, Starr, Thomsen, Beyer
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	3/18, 4/15

WHAT THE MEASURE DOES: Establishes Oregon Industrial Site Readiness Program Fund and continuously appropriates money to Oregon Business Development Department. Requires Oregon Business Development Department establish and administer Oregon Industrial Site Readiness Program to provide grants to fund the performance of due diligence assessments of regionally significant industrial sites, to create detailed development plans to make regionally significant industrial sites market-ready, and to conduct regional industrial site inventories. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Impact of limited supply of large industrial sites
- Findings of study of site readiness in Portland metro area and statewide
- Potential economic and job growth of improved industrial site availability
- Potential environmental impacts

EFFECT OF COMMITTEE AMENDMENT: Revises references in measure to “large industrial sites” with “regionally significant industrial sites.” Adds definition of “regionally significant industrial site.” Revises qualifications for receiving grants from Industrial Site Readiness Program. Deletes requirement that site be suitable for traded sector development.

BACKGROUND: Currently, there is a lack of large sites available for industrial development in Oregon. Such sites are considered an integral part of efforts to expand and improve the state’s economy and to attracting and retaining large employers to the state. There has been a consistent interest in potential sites for industrial development of 50 acres and up, even through the recent recession. Senate Bill 766 (2011) sought to address this by providing a process for expediting the review and permitting process for significant industrial sites.

Senate Bill 253-A establishes the Industrial Site Readiness Program, which includes a fund through which the Oregon Business Development Department would be able to make loans to assist in the funding of identifying regionally significant industrial sites and making them market-ready, as well as to conduct industrial site inventory assessments at the regional level.