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March 8, 2013

To: House Committee on Transportation and Economic Development
State Capitol, 900 Court Street NE
Salem, OR 97301

Re: HB 2284

Chair Read and members of the committee:

Thank you for this opportunity to present testimony on HB 2284. 1000 Friends of Oregon is a nonprofit, membership organization that works with Oregonians to support livable urban and rural communities, protect family farms and forests, and provide transportation and housing choice. This bill would establish the Oregon Industrial Site Readiness Program to make loans to qualified project sponsors to develop regionally significant industrial sites. 1000 Friends of Oregon supports HB 2284.

Oregon's land use planning program is comprehensive. Inside urban growth boundaries, it requires cities to engage with their citizens to determine appropriate locations for housing, stores, industrial uses, parks, schools, natural area preservation, and other urban needs and amenities. Once those determinations are made, it should be relatively easy to develop consistent with a community's land use plan, including for industrial users looking to locate or expand their facilities. Of course, that is not always the case – often, sufficient land is zoned for industrial use, but it lacks one or more key elements to make it development-ready, such as transportation or other infrastructure.

HB 2284 would help bring industrial land to a development-ready state, by establishing a state program to provide forgivable and/or low or no interest loans to local governments and property owners to cover a portion of the costs of site preparation, subject to certain eligibility criteria. Successful development of these sites will benefit the state's general fund through the income taxes eventually generated.

We recommend tightening up the language in one portion of the bill. Because limited funds will be available for this program, we believe those funds should be limited to higher wage employment for which certain site characteristics and readiness are important. As drafted, the loan program would be available to "a large industrial site that is zoned and planned for industrial *or* traded sector use." (Section 3, p. 2, line 24, our emphasis) "Traded sector" is already defined in statute (ORS 285A.010(17)) to mean "industries in which member firms sell their goods or services into markets for which national or international competition exists." We recommend focusing the industrial uses eligible for these loans to those that manufacture goods, which are either traded nationally or internationally or are component parts of locally manufactured goods that are so traded. The terms "services" and "goods" are too broad; these can include employment that often occurs in office buildings, which can locate in many more types of places than manufacturing, and which generally pay lower wages. Thank you for consideration of our testimony.

Sincerely,

A handwritten signature in cursive script that reads "Mary Kyle McCurdy".

Mary Kyle McCurdy
Policy Director