



ECONOMIC DEVELOPMENT FOR CENTRAL OREGON

March 15, 2013

To: Senate Committee on Business and Transportation

Sen. Lee Beyer, Chair
Sen. Bruce Starr, Vice-Chair
Sen. Chris Edwards
Sen. Chuck Thomsen
Sen. Rod Monroe
Sen. Fred Girod

Dear Senators:

Economic Development for Central Oregon (EDCO) has been the tri-county region's (Crook, Deschutes and Jefferson) lead economic development organization for the past 30 years. As the largest non-profit economic development organization in Oregon, we have had success in recruiting new jobs and industry over that period, facilitating the successful relocation or expansion of more than 155 companies that created 4,200 new, well-paying jobs in the past ten years alone.

Long before the start of the 2013 legislative session, EDCO approved a legislative agenda that included development-ready large lot industrial site readiness to support higher wage traded-sector job growth as a top priority. We are pleased to be a part of the Industrial Site Readiness Coalition that is comprised of leading advocates for business and job growth in the state including the Oregon Business Plan, Oregon Economic Development Association, Portland Business Alliance, Port of Portland, and others – supporting two bills supporting industrial site readiness (SB 253 and SB 246).

For the vast majority of companies considering job-creation projects, nailing down where new facilities could or should be built is a first and very crucial part of the decision-making process. States and communities that make this process less onerous tend to win the ultra-competitive race for jobs. Local cities and counties are on the hook for laying the required groundwork for expanding the inventory of employment land in our state. While Oregon has added to our tool chest for local jurisdictions through initiatives like the statewide industrial land inventory database and certified industrial site program, we still have a serious gap in securing necessary development entitlements, extension of required utilities and other issues that will enable us to compete better. These two House bills provide a mechanism for the state to share in the front-end costs of site preparation and fill critical funding gaps not currently available for site readiness.

Timing in passage of this legislation could be optimal for several reasons. More than three years ago, the Central Oregon region embarked upon a bold initiative to create a regional (multi-county, multi-city) inventory of large-acreage industrial lots that has been funded and supported by DLCDC. The Metro Regional Industrial Lands Study also concluded this year

and is now ready to implement recommendations on specific sites identified from that work. Funding for both due diligence and site readiness loans could launch into action the investments made in these and other statewide planning efforts.

SB 253 (also HB 2285) would provide **industrial site due diligence grants** to conduct necessary investigations to better understand constraints on large industrial sites and reduce risk and uncertainty about site preparation costs needed to attract private capital. Due diligence grants could help identify a strategy/plan for moving nine large industrial sites in Central Oregon to development readiness.

SB 246 (also HB 2284) would provide industrial **site readiness loans** to local governments and property owners to underwrite a portion of the costs of site preparation. Site readiness loans would provide funding assistance to:

- making development-ready the 465 acre parcel in Redmond that was approved for rezone by the 2012 legislature (SB 1544);
- making improvements to industrial land in Prineville, which on a per-capita basis has had the largest absorption of large industrial parcel of any community in Oregon;
- the potential to bring online as much as 900 acres in Redmond for industrial use that is owned by DSL for the sole benefit of the Common Schools Fund to help K-12 schools across Oregon.

We hope you will support passage of these bills, which at a very critical time, are the first steps to paving the way for creation of thousands of new jobs that are the backbone of Oregon's general fund revenues.

I regret that I am unable to attend the committee hearing to present this testimony in person, but thank you for the opportunity to provide EDCO's perspective on this proposed legislation.

Respectfully,



Roger J. Lee
Executive Director

Cc: Senator Tim Knopp
Senator Doug Whitsett
Senator Ted Ferrioli

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