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March 17, 2015

Representative Brian Clem, Chair
Committee Members
House Committee on Rural Communities, Land Use and Water
State Capitol
900 Court St. NE
Salem Oregon 97301

Re: HB 3147

Dear Chair Clem and Committee Members:

1000 Friends of Oregon is a 40-year old, non-profit, statewide organization. We advocate for livable urban and rural communities, protecting family farms and forests, and conserving natural areas, largely through the implementation and improvement of Oregon's land use planning program.

HB 3147 directs DLCD to study why it allegedly takes time to site and develop industrial uses. 1000 Friends of Oregon finds the direction of the bill to be a distraction, by focusing on raw land as a significant issue in industrial siting, when experience throughout the state shows that it is not. Over 75% of new jobs are grown in ones, twos, and threes by existing businesses; most new employment comes from small businesses occupying small amounts of land; there are industrial lands of all sizes inside UGBs throughout the state, to the degree they are not used is due to needing infrastructure and other policy and financial investments; a review of why new businesses have not located in Oregon reveals that land is rarely the reason.

If this bill were to pass, it should provide funding for DLCD to conduct a complete and thorough study which would examine, among things, the following topics.

- Studies in communities across the state, including a thorough one in the Metro area, have shown that the most significant impediment to industrial siting is public infrastructure such as streets, sewer, and utilities. Evaluate how the state and local governments, through existing tools such as the Regional Solutions program, can focus funds to address these types of concerns for industrial lands already inside UGBs.
- The capacity of brownfields to meet industrial needs and funding their clean-up.
- The number of industrial employees, size of sites, and building types on which industrial users are located currently in Oregon.
- The sizes and types of industrial employers from which new jobs have been produced in the last 10 years and are projected to be produced in the next 20 years.
- Conversion of existing industrial lands to non-industrial purposes. This is a widespread problem. A recent example is the conversion of a 70-acre parcel in the midst of Hillsboro's industrial cluster to a mix of commercial, retail, and some industrial buildings and uses – including an indoor golf facility. A 90-acre industrial parcel inside the

McMinnville UGB and located on a state highway has been proposed for conversion to a shopping center. These examples, and others, indicate the “need” for at least *large* lot industrial sites is more myth than reality.

- Higher education and work force training needs.
- The impact of competing financial incentives between states and metropolitan regions.
- The actual reasons why out-of-state business location opportunities were supposedly missed - how much was due to competition from other areas due to cheaper labor or taxes, decisions to stay in their home state, lack of necessary utilities or workforce, tax breaks or financial incentives elsewhere, etc....

Sincerely,

A handwritten signature in black ink that reads "Mary Kyle McCurdy". The signature is written in a cursive, flowing style.

Mary Kyle McCurdy
Policy Director and Staff Attorney