

March 19, 2015

The Honorable Betsy Johnson and David Gomberg
Joint Ways and Means Subcommittee on
Transportation and Economic Development
State Capitol
900 Court St NE
Salem, OR 97301

Dear Co-Chair Johnson and Co-Chair Gomberg:

Availability of development-ready industrial sites is critical to traded-sector development – the centerpiece of state and regional economic development efforts. Traded-sector industries bring new money to the state, pay higher wages, and provide tax base for schools and other public services. But Oregon currently lacks a robust inventory of development-ready industrial sites that can attract these industries and their jobs to our state and its communities.

To address the shortfall of industrial sites that are ready for development, public and private entities throughout Oregon have joined together to identify potential industrial sites and develop financing tools that can attract investment in new industrial facilities. We work frequently with Business Oregon and appreciate the agency's focus on industrial site readiness. We support Business Oregon's budget request and ask the Ways and Means Subcommittee on Transportation and Economic Development to also consider funding current statutory programs designed to address industrial site readiness in Oregon.

Identifying constraints to development readiness and investing in site preparation are critical to ensuring a competitive supply of industrial lands for business expansion and recruitment of traded-sector companies to Oregon as the economy rebounds. The unrealized state economic benefit from successful traded-sector development (direct and indirect jobs, income and property tax revenues) is significant. In fact, growth in income tax revenues would make the state's general fund the largest beneficiary from an increase in traded-sector industrial jobs.

The 2013 Legislature recognized the need for industrial site readiness and passed two new programs sponsored by Senator Beyer and Representative Read:

- **ORS 285B.637 (SB 253) - Due diligence grants:** Assist regions in conducting an inventory and readiness assessment of large industrial sites in their area. Make available a limited pool of grants to conduct necessary investigations to better understand constraints on large industrial sites, reduce uncertainty about mitigation costs, and help prioritize investments.
- **ORS 285B.627 (SB 246) - Direct site preparation assistance:** Provide forgivable loans and/or state tax sharing to underwrite a portion of the

Industrial Land Coalition

Oregon Economic
Development Association

Associated Oregon
Industries

Oregon Business Council

Oregon Business
Association

Oregon Public Ports
Association

Association of Oregon
Counties

League of Oregon Cities

1000 Friends of Oregon

Oregon State Building and
Construction Trades
Council

International Brotherhood
of Electrical Workers Local
48

NAIOP, Oregon Chapter –
The Commercial Real
Estate Development
Association

Oregon Association of
Realtors

Oregon Homebuilders
Association

Port of Portland

Metro

Portland Business Alliance

Clackamas County

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costs of site preparation for strategic industrial sites identified by regions across the state. Investments would lay the foundation for site certification by Business Oregon, new jobs, state and local revenues, and economic prosperity for Oregon.

These two programs remain unfunded. The 2015 Oregon Business Plan identified funding for industrial site readiness as one of the state's key priorities. Regional Solutions Teams across Oregon have also identified site readiness as an important issue.

While supporting Business Oregon's recommended budget, our coalition urges your committee to consider an allocation of lottery funding for these two programs under the agency's Lands Program.

Industrial Land Coalition

c: Steve Bender
Eric Sorenson