



**Canby Urban Renewal Agency
Economic Development Department**

April 27, 2015

The Honorable Phil Barnhart, Chair
Members of the House Revenue Committee
900 Court Street NE, H279
Salem, OR 97301

Dear Chair Barnhart and Members of the Committee:

I strongly support the minor but important changes to Oregon's Strategic Investment Plan/Zone program detailed in **House Bill 2652**. It is a logical and equitable clarification of the boundary between Urban and Rural Strategic Investment Program and Zone. This bill will prevent urban areas from taking unfair advantage of an incentive targeted toward rural areas. The bill has no or very minor revenue impacts, and restores the integrity of the rural incentive. This change makes sense for the City of Canby for the following reasons;

- Canby has had a Strategic Investment Zone in place for about 4 years. We feel it is a powerful incentive to attract the types of businesses our community needs to thrive. It demonstrates concrete community commitment to being business friendly; that we are in the business recruitment game; and that we are serious about wanting to attract large investments.
- Our community is very unlikely to attract an over \$100 million dollar investment required in the Urban Zone. Attracting an investment over \$25 million to our community would be a game changer. The job creation and investment and ongoing community service fee would be invaluable to our local economy and ability to provide services and resources to the company and community.
- Unfortunately, if our clearly urban counterparts are able to offer the same \$25 million "rural" valuation, our playing field would cease to be competitive, and the tool would no longer be of great use and benefit to Canby, and other clearly rural areas like it.
- Canby is a small rural community of approximately 16,000 about 25 miles from Portland. We have a large supply of vacant, actively on the market and well served sites. Our community is eager to attract new industrial businesses, significant investment and jobs. We work hard to position Canby for success through infrastructure investments, industrial site certification and ongoing promotion.

- Canby is located within 8 miles of I-5. Even in a regional market with a tight large lot industrial site supply we struggle to compete. It is hard to compete with closer in Portland Metro communities because of a perception that we are too far away from the urban area.
- The Rural Strategic Investment Program and Zone helps to level the playing field with more urban communities. It is important that this separation is maintained or else we will not have a shot at large projects that otherwise might come our way.
- The only other incentive Canby can offer is a modest System Development Charge Reimbursement based on job creation funded with our Urban Renewal District. We do not offer an enterprise zone because most of our sites are in our Urban Renewal District that competes for tax increment revenue.

We urge your support for house Bill 2652. Please contact me if you have questions at 503-266-0701 or mengelbergr@ci.canby.or.us.

Sincerely,

A handwritten signature in cursive script that reads "Renate Mengelberg".

Canby Economic Development Director