

House Committee on Rural Communities, Land Use and Water
Oregon State Capitol
900 Court St NE, Room 347
Salem OR 97301

April 28, 2015

RE: *Support of SB 534*, public hearing Tuesday, May 12, 2015

Chair Clem, Vice-Chairs Helm and Post, Representatives Gilliam, Gomberg, McLane and Witt,

As the EDCO Economic Development and Enterprise Zone Manager for Jefferson County, I urge you to please pass SB534 that “authorizes a city and airport to enter into an agreement to which city provides sewer and water services to an airport without requiring annexation, or consent to eventual annexation, to city of territory on which the airport is situated”.

Passage of SB534 is critical in helping the economic health of the City of Madras which lies in Jefferson County, a *state designated distressed county*. The necessity of SB534 is driven by an immediate business need, Project MPG, an international traded-sector company that will bring 45 to 60 **new** jobs to the Madras area. We’ve been working with the company for several months as they searched nationwide and in Europe. They’ve narrowed their search to Madras and will enter into a long-term lease with the city for their new development. *Signing the lease is dependent on sewer service* and enterprise zone boundary expansion approval. Along with 45 to 60 new jobs, their investment in phase one alone is \$18,000,000 with phase two in the not too distant future. If we are not able to extend sewer, they will likely build elsewhere. We need to keep the jobs in Oregon and Madras is the site.

The City of Madras owns the Madras Airport and can only lease the land by FAA restrictions in the deed as war surplus property. Although the land lease proposed is just outside the City limits and Madras Urban Growth Boundary, part of the airport is inside the City limits/UGB, this land is adjacent to the City limits/UGB, wholly owned by the City of Madras, has been zoned Airport Management for many years, includes the runways and hangars and *ironically* the city’s sewer lagoons. The sewer lagoon is a very short distance (feet) from the project site and lines will not cross any resource or farmland. The property lies within the Deschutes Valley Water District so extending water is allowed and not a city function.

We have been working with the Regional Solutions Team, particularly Dept. of Land Conservation and Development and Dept. of Environmental Quality. To date, we have not found a process that will allow us to extend sewer in the time needed for Project MPG to develop. We have also been working with Business Oregon and Dept. of Transportation on other state incentives. We are in the final stages of expanding our Rural Enterprise Zone boundary with Business Oregon, so the only piece left is delivering sewer service to the new company.

We cannot afford to miss this opportunity. An additional 45 to 60 jobs in Madras is huge. SB534 is simple, eloquently written, is strictly between a city and an airport and gives the option to extend sewer using the words “*may* enter into an agreement” not “*shall*”. For Madras, Project MPG increases the tax base and quality of jobs in a distressed county, has a positive economic ripple effect locally and increases income tax revenue for Oregon. Madras and Jefferson County have historically protected airport and EFU-A1 lands and always will. They are both strong factors of our economic base. I respectfully ask you to please pass SB534 and send to the House floor for final passage. Please let me know if you have questions or I may be of further help.

My best,

Janet Brown

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