



THE CITY OF **MADRAS**

125 SW "E" Street, Madras, OR 97741 541-475-2344 www.ci.madras.or.us

May 11, 2015

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

Subject: **Support of Senate Bill 534**, Authorizing a City and an Airport to enter into an agreement for a City to provide sewer service to airport property outside the urban growth boundary.

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

The City of Madras is the owner of the Madras Municipal Airport, and owns and operates a wastewater treatment plant located on the Airport that has 1,773 acres of airport management zoned property outside the urban growth boundary (UGB). Senate Bill 534 will allow the City to serve a current major development opportunity on the Airport property adjacent to the City's treatment plant (see attached visual aid).

Passage of this bill will benefit Oregon and the Madras community as follows:

- 1) It will provide an opportunity for economic development (i.e. creation of 45 to 60 new jobs and \$18 million phase 1 private investment) within a State designated distressed County;
- 2) It will protect the Airport property by authorizing industrial use waste to be processed at a DEQ permitted treatment plant versus going into a septic drain field; and
- 3) It will provide a more financially sustainable user base for the City as it has gone into significant debt to create wastewater treatment system capacity in good faith of serving each new development in the City and at its Airport.

This bill provides immediate assistance needed to allow business expansion to occur at the Airport until the City can ultimately annex its airport property. Please let us know if we can answer any further questions in relation to this legislation or the City's current economic development efforts.

Sincerely,

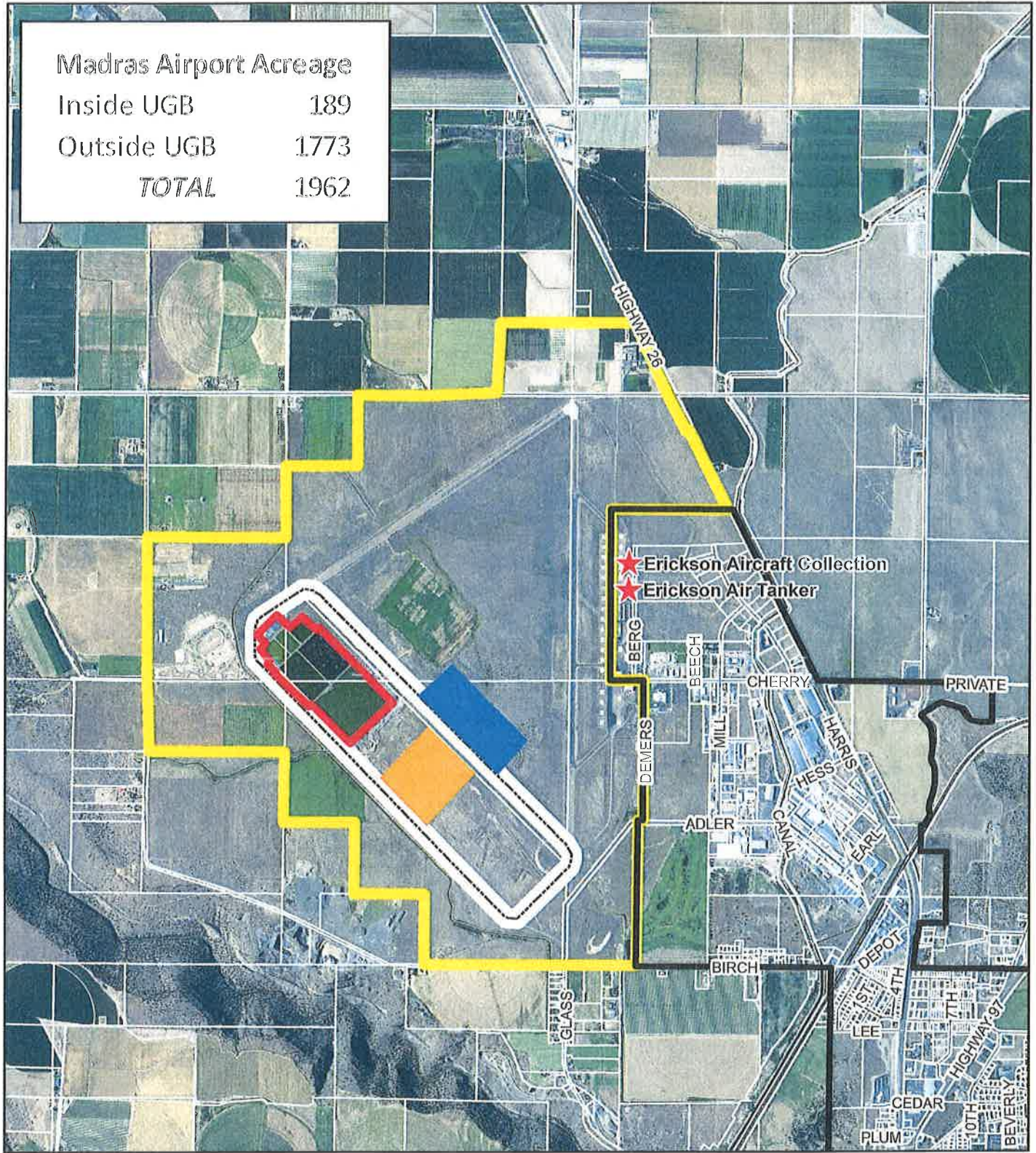
Royce Embanks
Mayor

Encl. Madras Municipal Airport Visual Aid Exhibit

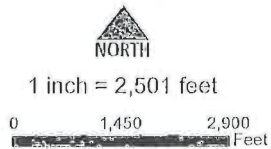
Madras Municipal Airport

Madras Airport Acreage

Inside UGB	189
Outside UGB	1773
TOTAL	1962



The City of Madras uses GIS data in support of internal business functions and the public services it provides. GIS data may not be suitable for other purposes or uses. The requestor shall verify information derived from GIS data before making any decisions or taking any actions based on this information. The City of Madras shall not be liable for errors in the GIS data. This includes errors of omission, commission, errors concerning the content of the data, and relative and relational accuracy of the data. The City of Madras assumes no legal responsibility for this information.



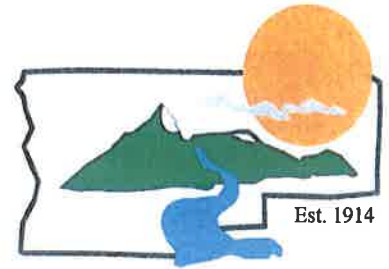
- Madras Airport Property (County Zoned AM)
- Madras Urban Growth Boundary
- Madras North Wastewater Treatment Plant
- Taxlots
- Existing Test Facility
- Proposed Project Phase 2
- Proposed Project Phase 1

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JEFFERSON COUNTY

COUNTY ADMINISTRATIVE OFFICER

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April 28, 2015

Chair Brian Clem
Oregon House Committee on rural Communities, Land Use, and Water
900 Court Street #347
Salem, OR 97301

RE: Senate Bill 534 (Water/sewer services to airport)

Dear Chair Clem,

I am writing this letter on behalf of Jefferson County to express full support of SB 534.

The City of Madras has entered into a confidentiality agreement for a development expansion at the Madras Municipal Airport encompassing approximately 100 acres. Jefferson County supports the City of Madras' efforts to develop their property outside of the UGB in the Airport Management (AM) zone.

Senate Bill 534 provides a solution for the City's need at this point and time. It will aid the City to streamline the permitting process and not require the development to build an unnecessary septic system by utilizing the City's existing wastewater treatment plant.

This bill provides immediate assistance needed to allow an immediate business expansion to occur at the airport until the City can ultimately annex its airport property. Jefferson County looks forward to working with the City to complete the annexation.

Sincerely,



Jeff Rasmussen,
County Administrative Officer

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



May 10, 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

Economic Development for Central Oregon
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MADRAS-JEFFERSON COUNTY

CHAMBER OF COMMERCE & Economic Development

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May 7, 2015

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

RE: **SB534 Support** option of a city extending sewer services to its airport

Chair Clem and Committee Representatives,

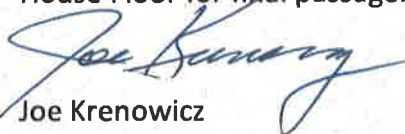
Madras-Jefferson County Chamber of Commerce, representing members and non-members of the business community, request your passage of SB534. This action would allow the City of Madras to meet an urgent need for an expansion of a long term international business tenant resulting in an employment increase of approximately 50 jobs.

The Madras location is their primary choice and the alternative will be locating at their European headquarters, resulting in a loss to our economically challenged community as well to Oregon. The opportunity to serve this company, which will be built right next to the city wastewater plant, follows strong common sense and meets the long established planning of this industrial and aviation property owned by the City of Madras.

City of Madras, Jefferson County and Oregon residents have public dollars that have been expended over decades in the infrastructure of this site for the purpose of potential economic growth, which in this case factors into high paying positions we have been pursuing. This development will have no environmental impact if served by sewer. The surrounding land is very well protected by Oregon Land Use regulations supported by the City of Madras and Jefferson County.

Rural Communities are typically hit hard in a downturn and very challenged with slow recovery. An increase in well paying full time jobs, an increase in the tax base and the potential to increase roof tops will enhance the financial health and potential expansions of our downtown businesses. This permeates into supporting local services, events and community organizations.

The Chamber in Madras respectfully requests your passage of SB534 and the bill be sent to the House Floor for final passage.



Joe Krenowicz
Executive Director for the Chamber
Director@MadrasChamber.com