

March 28, 2017

Representative Ann Lininger, Chair
House Committee on Economic Development and Trade
900 Court St, NE, Room 453, Salem OR 97301

RE: Support of HB 2743: Directs Land Conservation and Development Commission to establish and implement master plan for economic development on land adjacent to airport in rural area.

Chair Lininger, Vice-Chairs Marsh and Brock-Smith, Representatives Clem, Gomberg, Helm, Lewis, Post and Reschke,

As EDCO (Economic Development for Central Oregon) Managing Director in Madras/Jefferson County, please accept my letter of support for HB 2743. With a few simple clarifications in the bill, the City of Madras will meet the strict criteria required by this pilot program. The City solely owns the Madras Airport *and adjacent* County zoned Airport Management lands. The criteria in this bill will allow the City to expand their Urban Growth Boundary (UGB) to include their entire airport *by bringing in their adjacent Airport Management zoned lands*. Although all one land mass and properly zoned Airport Management, right now the City's airport is split between two jurisdictions making planning and economic development very costly and difficult.

We need to be able to plan and develop these important airport-industrial lands in order to create new traded-sector, family wage jobs in our small, relatively poor and rural area of Oregon.

It is important to note that **no** EFU farmland or Rangeland are in any way crossed, affected or compromised by following the strict criteria in this pilot program. *These lands are already zoned Airport Management*. In fact, our agricultural community supports HB 2743. OSU's Central Oregon Ag Research Center and North Unit Irrigation District have written letters of support as have Jefferson County, Central Oregon Cities Organization, Bend Airport and others. The bill has wide support because it is a good and necessary bill for a small, rural City and County to help prepare their airport-industrial lands for development.

In order to be competitive with economic development, in rural Oregon we must be prepared and ready with properly zoned, master-planned, vacant airport-industrial land under *one* government jurisdiction, planned and permitted by *one* government. Right now we are forced into a hodge-podge way of doing business where County standards are not consistent with City standards on the City's own lands. It is not efficient or customer friendly. HB 2743 resolves this.

Let's face it, when companies are searching for a site for developing projects, dealing with one government entity is plenty. Having to deal with two *and then add a lengthy, expensive State process on top* is totally unnecessary when there is a simple fix with HB 2743. Businesses do not wait for lengthy, costly government land use processes in order to develop. Nor does this bill open the door in any way to negatively affect ag lands, as the criteria clearly states.

We were fortunate with Daimler as they already had a small presence in Madras. We are now working with Daimler's next phases of development, above and beyond their current lease. I am also working with a new manufacturing company that would create new jobs. They prefer to be in Madras near the material source and utilize our local utility co-op for lower energy costs, as they have high power needs. The *only* industrial land available with co-op power is located in the City's lands adjacent to the current City limit/UGB that this bill would bring in. Additional development on these Airport Management lands will increase our tax base and create new family wage jobs in our rural area. Companies are always in a time crunch, so when our land isn't ready to roll by being in the UGB, they will look at other options.

Under DLCDC rules, the City would have to be in continual UGB expansion process for the next 10 to 15 years. Not only is this unreasonable timewise, it is also cost prohibitive with approximately seven expansions needed to bring in their own land at a cost, in today's dollars, upwards of \$50,000 each. Not only can this small rural City not afford \$350,000 to \$400,000, it can't afford the missed opportunities for development and new jobs.

DLCDC has also suggested the City annex the other half of their airport lands without bringing it into the UGB. While we appreciate the suggestion, it simply will not work. The City must have their own land within their UGB in order to masterplan their infrastructure, wastewater, transportation, etc.

Yet another important fact is the City's responsibility as property owner to comply with FAA rules and regulations. With split zoning and standards for their own land, it complicates the development process when there is no need to do so with the passage of HB 2743.

If there were another viable alternative, we would do it. Our local and state partners have worked together well and completed several steps to prepare these lands for development. We have gone as far as we can without HB 2743. As Enterprise Zone Manager, I led the State process to bring all these adjacent Airport Management lands into the Enterprise Zone to offer incentives in order to be competitive. The expanded Enterprise Zone was approved by the State in 2015. We worked closely with the Governor's Office, Business Oregon, ODOT and the Central Oregon Regional Solutions Team to successfully secure Immediate Opportunity Funds and Infrastructure Finance Authority funding to begin initial infrastructure to these lands with the Daimler project. Without SB 2743 we are dead in the water for planning future infrastructure and growth.

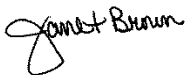
Not only can the City not afford continual lengthy land use processes, neither can our tax payers. The City of Madras shares just eight percent of County property taxes with two other cities and an urban renewal district. The City must increase its tax base in order to pay for future infrastructure. We, collectively, cannot afford to give up any potential increase to the tax base.

We, jointly, also support the City's five points of clarification to the bill, which actually make the bill more restrictive so that it only allows lands that are adjacent, have an approved airport masterplan, are designated **non**-resource land (Madras land is Airport Management) and are aviation compatible would be allowed to be part of the pilot program.

As it now stands, the Madras Municipal Airport is solely owned by the City, is split zoned, split planned, permitted and regulated with an additional State land use process on top. In order for the city to properly master plan, all of the airport land they own must be inside their UGB.

I urge you, along with many others, to please pass HB 2743 to the House floor with a do pass recommendation with the clarification amendments stated in the City's letter of support. I would be happy to answer any questions you may have. Thank you for your time, thank you for all you do for our great State.

My best,



Janet Brown
EDCO Director for Jefferson County

