

## **Cascades West Regional Consortium**

Addressing economic development opportunities or barriers Working for environmental & social good

Oregon Cascades West Council of Governments 1400 Queen Avenue SE, Suite 205 Albany, OR 97322

DATE: February 23, 2023

- TO: House Committee on Economic Development and Small Business Oregon State Legislature
- FROM: Cascades West Regional Consortium (CWRC)

RE: Support for HB 2199, HB2258 and HB2663

The Cascades West Regional Consortium (CWRC) supports extending the sunsets of the enterprise zone, and Regionally Significant Industrial Site program (RSIS) programs, along with significant capitalization of RSIS.

The CWRC is organized as an Oregon nonprofit corporation. The mission is to address community and economic development opportunities and barriers, while concurrently working for environmental, and social good. The CWRC has been working on wetland issues for over a decade and currently has 11 municipal members from the Linn, Benton, and Lincoln region. The CWRC advocates for solutions to regulatory issues involving wetlands that allows cities to develop inside their urban growth boundaries, protecting wetland resources, and enabling advanced planning efforts.

Extending the Enterprise program will allow the cities in our region to continue to leverage this powerful economic development tool to draw new investments to our region and help retain and expand existing operations. Enterprise zones are sponsored by the local government and serve as one of the only tools we have to attract economic growth and high paying jobs.

The RSIS program allows local governments apply for tax reimbursements for costs to make industrialzoned land ready for development. Eligible expenses for reimbursement can be planning, engineering, construction, bringing utilities to the site, wetland mitigation and other site readiness costs. This program has been severely under-utilized due to a lack of funding. Our consortium members highlight the need for funding to help local governments develop shovel ready industrial lands to support advanced manufacturing.

Based on a recent study commissioned by the CWRC, as of April 2022, 62.69 credits are available from the listed Mid-Willamette service area banks. In the longer term, 156.31 credits are likely to be released, generating a total short and long-term aggregate supply of 219 mitigation credits. To reach the estimated 20-year demand of 468 to 636 credits, an additional 249 to 417 additional credits will need to be added to the supply. The 2016 average credit cost of wetland credits was \$97,340. The combined cost of mitigation and regulatory uncertainty regularly turns economic development prospects



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away from the region. A well-capitalized RSIS program would empower local governments the ability to address wetland impacts and mitigation needs associated with need to support impactful jobs throughout the state.

The consortium further recommends that the inclusion of RSIS extensions and funding be included in the first Semiconductor package, a legislative package that will set the framework for Oregon to stay competitive in the national semiconductor industry and help companies who want to locate or expand in Oregon get funding from the federal CHIPs Act. The use of RSIS can benefit semiconductor site readiness, as well as all other advanced manufacturing growth in our communities.