



**DATE:** February 27, 2023

**TO:** House Committee on Economic Development and Small Business  
Oregon State Legislature

**FROM:** Rural Economic Alliance (REAL)

**RE:** **Support for HB 2199, HB2258 and HB2663**

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The Rural Economic Alliance (REAL) supports extending the sunsets of the enterprise zone, and Regionally Significant Industrial Site program (RSIS) programs, along with significant capitalization of RSIS.

REAL is a group of rural communities in Linn and Benton Counties that includes the cities of Adair Village, Sweet Home, Lebanon, Brownsville, Monroe, Halsey, Philomath, and Harrisburg. Formed in 2018, REAL recognized that economic vitality for rural communities depends on a regional approach and coordination. The purpose of the group is to provide better support for small businesses and entrepreneurs in our region, to pool resources to attract new businesses, and to advocate for businesses in rural communities.

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 industrial-zoned 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 alliance members highlight the need for funding to help local governments develop shovel ready industrial lands to support advanced manufacturing.

REAL 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.

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