

## Testimony by City of Wilsonville Mayor Julie Fitzgerald Supporting HB 4042:

Legislation Provides State Funding Support of Industrial Infrastructure that Assists Local Governments to Produce High-Wage Jobs Benefiting the State

Scheduled for public hearing on Feb. 6, 2024, before the House Committee on Economic Development and Small Business

Chair Bynum, Vice-Chairs Diehl and Nguyen, and Members of the Committee:

I am testifying in support of HB 4042, which reauthorizes and funds the Business Oregon Regionally Significant Industrial Sites (RSIS) Program.

Local governments in Oregon have few tools to fund the key infrastructure that is required to produce "shovel-ready" industrial development sites. Additionally, cities have little incentive to zone land as industrial as it produces the lowest assessed value per acre compared to residential and commercially zoned land.

The State of Oregon, however, is the greatest beneficiary of industrial occupations in manufacturing and wholesale distribution that produce family-wage income. As a state that relies on income tax as the principal source of state revenue, encouraging highwage industrial jobs directly benefits the State.

Just expanding Urban Growth Boundaries (UGB) does nothing to produce "shovel-ready" industrial lands — the challenge of serving those lands with infrastructure to make them truly shovel-ready development sites remains. Additionally, the state has hundreds of acres of contaminated "brownfield" industrial sites already served by urban infrastructure but are unable to be utilized until cleaned-up for productive use.

The private sector has demonstrated a lack of ability or desire to "sink" money in the ground to fund site-preparation infrastructure. Increasingly, the public sector is called on to be the source of patient capital that funds key infrastructure, which has a longer pay-back time as development occurs.

The City of Wilsonville is one of a dozen local governments that has pre-qualified for the RSIS program for development of the regionally significant Coffee Creek Industrial Area. Due to a lack of competitive funding options from the State, the City has had to borrow funds from a commercial lender to start installing infrastructure to develop this area.

The City appreciates your consideration and urges a Do-Pass vote on HB 4042. Thank you.

Sincerely,

Julie Fitzgerald, Mayor City of Wilsonville