



**Testimony by City of Wilsonville Economic Development Manager
Matt Lorenzen in Support of HB 4042:**

***Legislation Provides State Funding Infrastructure Support that Helps
Local Governments to Produce High-Wage Industrial 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:

The City of Wilsonville supports HB 4042, which extends the sunset and appropriates up-front funds for the Business Oregon Regionally Significant Industrial Sites (RSIS) Program to help local governments advance infrastructure to serve industrial sites.

Cities have only one principal financing tool to advance infrastructure to create “shovel-ready” industrial sites: urban renewal, also known as tax increment financing or “TIF.” However, urban renewal is politicized in some communities, and its ability to make investments today is limited due to the time it takes to generate increased tax-increment to pay bonds that fund infrastructure for new development. And while \$40 million may sound like a lot of money, in reality it is not much to fund industrial infrastructure on a statewide basis; nearly any city could use that amount.

RSIS is a much needed program to support the investments cities make to bring more employment land online. But the program’s potential is not yet realized. While there have been a dozen or so applications approved, the RSIS program has not been funded and is unable to provide cities with development funds up-front. Funds are only available to cities on a reimbursement basis, tied to job creation, which may not occur for years after an infrastructure project is completed. This puts the burdens and risks of speculative debt and carrying costs squarely on the shoulders of cities.

Wilsonville is one of 12 local governments approved by Business Oregon to participate in the RSIS program. Wilsonville has ripe opportunities in our Coffee Creek Regionally Significant Industrial Area (RSIA) and Basalt Creek and West Railroad UGB industrial areas, in addition to several infill sites when costly infrastructure projects are completed to support them.

Thank you for your consideration of this testimony in support of HB 4042.

Sincerely,

Matt Lorenzen, Economic Development Manager
City of Wilsonville