



February 6, 2024

Representative Bynum, Chair  
House Committee on Economic Development and Small Business  
900 Court St. NE  
Salem, OR 97301

**RE: Support for HB 4042**

Dear Chair Bynum and Members of the House Committee on Economic Development and Small Business:

Often when we talk about issues like industrial land availability and readiness in the legislative process, we focus on the technical aspects of a particular piece of legislation. We investigate the revenue and fiscal impacts, we make sure appropriate transparency and accountability are in place, and we spend time making sure that the expenditure of state resources will produce a return on investment and that no loopholes exist that may result in unintended benefits to any particular company or industry. All of that is important. Yet we should spend an equal amount of time focusing on why it is so important that we make these significant investments when the benefits will not be realized in all likelihood until all of us are no longer in these positions.

I've heard Chair Bynum speak to the importance of growing our traded sector economy through programs like the Regionally Significant Industrial Sites (RSIS) program as a way to ensure our children have a pathway to prosperity as Oregonians, and so cities can afford to invest in the type of amenities that create community and provide our children productive learning and recreational opportunities where they live. That is exactly how we view economic development. It is the enabling work for creating complete communities and serving them sustainably. We thank Chair Bynum for leading with this vision, and we thank all of you for your commitment to this work.

It is important to remember that capitalizing and reauthorizing RSIS is a recommendation from the Semiconductor Competitiveness Task Force. We made some progress on those recommendations last session, but we still have a lot of work left to do, like making sure we also move forward on workforce and talent investments through HB 4154. We are sensitive to the fact that \$40 million is a big ask in a short session, and in recognition of that fact, we nonetheless urge your support for making a downpayment this session towards a need for industrial land readiness that far exceeds the proposed appropriation in HB 4042. We need to get the work started.

It is also important to remember that Oregon's largest traded sector industry is semiconductors. Due to the foresight of past generations, we are fortunate to host the most advanced research and development manufacturing campus in the United States and top three in the world. No matter how much money we invest in industrial land readiness, it will not matter if we do not create the land capacity to secure our future leadership in an industry that society literally cannot function without, and where the federal government is spending tens of billions of dollars right now to partner with states who are willing to put their best foot forward in support of national security and economic

priorities. That work, which came out of the Semiconductor Competitiveness Task Force, is not yet complete.

Finally, a word about an important technical change needed to ensure the reimbursement component of the RSIS program can function going forward. Although not contained in HB 4042, we are working with Senator Meek to include language in the Senate tax omnibus bill that will allow Business Oregon to access the right data which will allow the agency to accurately calculate the income tax reimbursement to local sponsors who make up front investments in regionally significant industrial areas. We encourage this committee to make sure this important technical change makes it over the finish line this session.

Thank you, Chair Bynum, and members of the committee, for your focus and attention on investing in the future prosperity of Oregonians. We strongly support HB 4042.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Smith".

Andy Smith  
Government Relations Manager