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By electronic submission

Senate Committee on Finance and Revenue

Chair Anthony Broadman, D-27

Vice-Chair Mike McLane, D-30

Dick Anderson, D-5

Deb Patterson, D-10

Kathleen Taylor, D-21

Founded in 1974 with a big tent of supporters, 1000 Friends of Oregon's mission has been, and continues to be, focused on improving the quality of life for all Oregonians through land conservation and development policies, programs, and investments. For over 50 years, 1000 Friends of Oregon has been partnering with Oregonians and Oregon business leaders—farmers, ranchers, forest land managers, developers, restaurants, health and fitness providers, and more—on major land conservation and development issues.

We oppose Senate Bill 1586 as well as the -4 and -7 amendments, viewing the approach contrary to the earnest, hard-working efforts to reshape Oregon's economy to help more Oregonians secure opportunity, financial security, and a higher quality of life.

We offer four specific reasons why the approach offered in SB 1586 should not move forward:

- 1. SB 1586 proponents do not demonstrate a need to expand the urban growth boundary; the Portland metro region has a sizable surplus of vacant land and buildings. Instead, SB 1586 and the -4 and -7 amendments uses outdated, incomplete information about Oregon's land base available for industrial lands, particularly for the greater Portland metro region.**

Ahead of the 2023 regular long legislative session, certain lobbyists claimed that the state of Oregon was out of industrial land.

Thanks to the hard work led by the Joint Committee on Semiconductors during that regular 2023 session and an independent survey administered by the Oregon Economic Development Association, Oregon Business Council, and Oregon League of Cities, we now know those claims are incorrect. Here are the major takeaways:



- We have over 10,000 acres of available industrial land inside our existing urban growth boundaries across the state¹.
- We have sites of all sizes across the state, including multiple 500+ acre sites: from Wilsonville and Hillsboro to McMinnville to Corvallis to Redmond to the Rogue Valley.
- In the Portland metro region, we have over 5,300 acres of industrial land within the urban growth boundary according to a summer 2024 Metro staff analysis. The Portland Metro region is also reporting record-breaking vacancy rates in commercial and industrial lands and buildings (neither are fully accounted for in the vacant land analysis prepared by Metro²).
 - As of December 31, 2025, there is approximately 40% vacancy in commercial buildings in Portland's central city alone and 27% vacancy across the Portland metro region³.
 - As of December 31, 2025, there is approximately 7.4% vacancy in industrial buildings in the Portland metro region (a new high in the last 15 years⁴).
- Oregon cities and towns that responded to the survey noted that the main barrier for industrial lands is not the available supply of raw land but readying the land they do have inside their urban growth boundary for development/redevelopment (e.g., infrastructure funding and financing support for readiness efforts like installing sewer, water, lighting, roads). 1000 Friends of Oregon urges this Committee, all of our elected officials, and business leaders to return to joining collective efforts to address this funding and financing challenge at all levels of government, especially at the federal level.
- Multiple Oregon semiconductor companies have shared that they intended to retrofit existing buildings or redevelop existing campuses and that technology is getting smaller and more powerful, therefore requiring less square footage (undoubtedly, a more cost-effective and speedier approach to vying for CHIPS and Science Act funding). And the reality? Oregon semiconductor companies have been successful in competing for

¹ Oregon Economic Development Association, Oregon Business Council, League of Oregon Cities. Industrial Lands Survey. February - March 2023.

https://www.opb.org/pdf/Statewide%20Industrial%20Land%20Survey%20Breakdown_1675899718106.pdf

² Metro. Urban Growth Report. December 2024. P. 55.

<https://www.oregonmetro.gov/sites/default/files/2025-11/2024-ugr-summary-final.pdf>

³ Colliers. Portland Metro Q4 | 2025 Report. Commercial.

<https://www.colliers.com/download-article?itemId=a822c2fa-f25c-408e-b3b5-0f57825e8e07>

⁴ Colliers. Portland Metro Q4 | 2025 Report. Industrial.

<https://www.colliers.com/download-article?itemId=8c7dc181-6c5a-482b-b1fc-6fcdb372e1af>



CHIPS and Science Act funding throughout the state without any urban growth boundary expansions.⁵

- Business Oregon reports: “Oregon has leveraged \$195 million in state funding to drive over \$3.18 billion in private capital investment...and secur[ing] nearly \$2 billion in federal CHIPS and Science Act awards, including \$1.86 billion for Intel.”

SB 1586 and the -4 and -7 amendments pave over some of the best soils for agriculture in the world, knocking out hundreds of local jobs and way of life: farmers, farmworkers, community-supported agriculture-owners and operators, and agricultural-supporting businesses (e.g., equipment, sorting, processing, distribution). It also sends a dangerous, chilling signal to the stewards of our lands going forward.

SB 1586 proposes to clear the path to pave over 30 active farming operations in a 1700-acre that is home to some of the world’s best soils for agriculture in a temperate and supportive climate. SB 1586 fails to account for the negative cumulative impacts to the agricultural community and economy in the area: the associated agricultural suppliers (e.g., equipment, mechanic, processing, shipping), farmer’s markets, CSA programs, local restaurants who use local, seasonal food and wine, and more. Oregon’s agricultural communities have long delivered economic benefits to our state, totaling over \$30 billion in wages and creating over 618,341 local jobs (about 20% of all jobs in the state⁶). SB 1586 is not only silent about the hard work, value, and talent of our agricultural communities; it includes a direct attack against Oregonians’ livelihoods that are tied to agriculture.

SB 1586 highlights a simple, important truth about land use planning decisions. Strong urban growth boundaries are a critical ingredient to ensure a diversified economy of the future, protecting the land base for soil-dependent industries like timber and agriculture and focusing infrastructure investments for non-soil-dependent industries inside our existing urban growth boundaries. Advanced manufacturing facilities do not need the best soils in the world to operate; choosing to pave over these lands disregards the best available science, common-sense stewardship practices, and basic principles of strategic economic development (e.g., leveraging local, natural environmental/comparative advantages).

⁵Business Oregon. Executive Summary: Oregon CHIPS Biannual Report #2. Submitted to the record for SB 1586, 2026 session on Sunday, February 22, 2026. Access here:

<https://olis.oregonlegislature.gov/liz/2026R1/Downloads/PublicTestimonyDocument/252201>

⁶ Oregon State Board of Agriculture. 2025 Report. Submitted to record for SB 1586, 2026 session on Sunday, February 22, 2026. Access here:

<https://olis.oregonlegislature.gov/liz/2026R1/Downloads/PublicTestimonyDocument/252199>



SB 1586 also increases the risk for Oregon farmers, farmworkers, ranchers, and forest land managers to do business here in the state. Instead of being able to rely on government agencies' long-range land use planning decisions like designating rural reserves on some of the world's best farmland, Oregon farmers have another challenge they must overcome: ensuring that government agencies do not rezone their land or land next to them out from under them. SB 1586 fails to consider the adverse impacts put on the over 30 active farming operations in the 1700 acres. If the land is zoned and paved over, what happens to the employees? Are multi-year contracts with vendors and buyers able to be fulfilled? What happens to any loans the farmers have taken out to run the farm like equipment, staffing, seeds?

1000 Friends urges you to honor the contributions from our farmers, farmworkers, ranchers, and agricultural community by rejecting this approach to unilaterally pave over 1700 acres with over 30 active farming operations.

SB 1586 is causing fear, division, and frustration in the local communities and across the region. SB 1586, particularly the -4 and -7 amendments, ignore the thousands of Oregonians who have objected to this unilateral approach to local land use planning.

SB 1586 proposes to unilaterally upend promises made to Oregonians as part of a Grand Bargain dating back to 2014. This Grand Bargain signed and pledged by elected officials and community representatives represented what was a good faith effort to compromise. As then State Representative Ann Lininger reflected, "the bill also doesn't break the precedent of the Legislature leaving land-use decisions to local governments...This is not an example of the state Legislature coming in and making a decision for a community that disagrees⁷."

In contrast, SB 1586 has drawn significant opposition on the record and in this Committee process from a wide range of perspectives of local, regional, and statewide organizations and current and former elected officials serving this area⁸. SB 1586 is dividing Hillsboro City Council, Washington County Commission, Metro Council, and Representatives and Senators whose constituents live in this area. We urge you to recognize the importance of our public institutions upholding a compromise made in good faith and pausing action in recognition for when significant community opposition is raising reasonable questions and concerns.

⁷ Gaston, Christian. *Oregon house passes land use bargain in unanimous vote*. The Oregonian. February 28, 2014.

https://www.oregonlive.com/politics/2014/02/oregon_house_passes_land_use_g.html

⁸ Over 40 organizations serving Oregonians joining to oppose SB 1586 and support a better approach to building shared prosperity, stewarding our environment, and improving the quality of life for all Oregonians. Submitted to the record on Sunday, February 22, 2026.

<https://olis.oregonlegislature.gov/liz/2026R1/Downloads/PublicTestimonyDocument/252309>



SB 1586 and the -4 and -7 amendments benefit the financial interests of a few at the expense of Oregon's statewide economy and Oregonians' affordability of basic services, especially the greater Portland area.

One question keeps coming up in conversations about SB 1586...why this land? There are so many vacant acres of industrial land and so many vacant and underutilized buildings inside our existing urban growth boundaries. Why push for this urban growth boundary expansion? And, if someone is pushing for the urban growth boundary expansion, why this specific 1700 acres?

SB 1586 represents the latest version of trying to remove rural reserves protection on this farmland and rezone and urbanize this land from farming. For over a decade, certain lobbyists for specific development interests and certain landowners in these 1700 acres have sought to earn a windfall profit (estimated to be hundreds of millions of dollars). How does this windfall profit come about? The current price for land zoned for farming sells for about \$10,000 - \$15,000 per acre. The current price for land zoned industrial sells for over \$600,000 (conservative price point). The name of the behavior when people or companies buy land outside the urban growth boundary hoping or actively pushing to bring that land into an urban growth boundary is called land speculation.

Land speculation is not economic development. Land speculation can be extremely harmful to the fiscal health, the opportunities for Oregon businesses inside and outside the urban growth boundaries, and the integrity and trust of public institutions. There is also an opportunity cost; the amount of time and resources that have had to respond to this threat to people's livelihoods and quality of life could have been directed to building an economy of the future. We could have been partnering together to:

- Creating a bold, ambitious, collaborative initiative to develop a statewide economic development strategy to identify near-term, mid-term, and long-term actions to take back control of our economy.
- Direct Department of Land Conservation and Development and Business Oregon to create an up-to-date statewide inventory of available industrial lands and lease opportunities to speed up and improve business recruitment across the state.
- Adopt pilot projects to speed up and improve local jurisdictions' economic opportunity analyses to account for the rise of automation and remote work/outsourcing.
- Join national efforts to restore funding and financing to our local governments, businesses, and community economic development organizations to develop and



redevelop our existing industrial lands: brownfields revitalization funds, core infrastructure funding for sewer, water, roads, lighting, fiber-optic cable.

- Expand eligibility and encourage schools and school districts to apply for land readiness grants to build STEAM centers and hands-only early-learning centers on existing school district properties.
- Restore main street revitalization planning and infrastructure grants to support Oregon businesses in communities all across the state.
- Support the next generation of Oregon farmers, ranchers, and forest land managers by restoring the funding for critical, early training programs like FFA and 4-H in the Oregon Department of Education.
- Support our traded sectors' companies - like our nurseries - currently at risk and facing significant, unanticipated costs by restoring funding at the Oregon Department of Agriculture because of invasive species like Japanese beetles.

We ask all elected officials to reject land speculation as a driving force behind land use decisions and, instead, use locally driven expansion processes with data, best-available science, and transparent, public engagement to determine the supply and demand for land inside an urban growth boundary. Oregon cities and towns show that this is more than possible; it is happening across our state⁹.

We ask you to not pass SB 1586 and the -4 and -7 amendments out of your committee. We hope to work with you to take control of our economy again and bring opportunity and stability to all Oregonians for generations to come.

We are happy to answer any questions you may have.

Sincerely,
Samuel Diaz
Executive Director

⁹ Oregon Department of Land Conservation and Development. UGB Adjustments, 2016 - 2025. <https://olis.oregonlegislature.gov/liz/2026R1/Downloads/PublicTestimonyDocument/252200>