

May 17, 2018

Governor Kate Brown
Oregon State Capitol
900 Court Street, Suite 254
Salem, OR 97301-4047

Dear Governor Brown:

Since 2013, a broad coalition of interests in the public, private and nonprofit sectors has been advocating for legislation and funding to help build a competitive supply of market-ready industrial sites statewide. The availability of such industrial sites is a key asset for areas hoping to expand or attract traded-sector businesses that create family wage jobs and provide critical tax base for public services.

However, many regions of the state lack an adequate supply of such sites. Even when land is zoned, planned and designated for future industrial jobs, significant capital investments (e.g., infrastructure, brownfield cleanup, wetland mitigation and site aggregation) may be required to make it market ready. Many local jurisdictions are unable to afford these investments or are not in a position to incur significant up-front costs by themselves.

The Legislature addressed this problem in 2013 by creating the Oregon Industrial Site Readiness Program. Senate Bill 246 authorized Business Oregon to offer partially forgivable loans or reimbursement of project costs to help public sector sponsors remove constraints to market readiness on regionally significant industrial sites in exchange for job creation commitments. These loans and reimbursements would be funded by a portion of the income taxes generated by new employment made possible by the project. Unfortunately, the program has not been fully implemented, primarily due to a lack of startup funding for the loan program.

It is our understanding that Business Oregon is requesting \$5 million to capitalize the Oregon Industrial Site Readiness Program loan fund in the 2019 legislative session. The department has also proposed three narrow statutory changes to increase access to the program in all parts of Oregon, but most notably in rural communities. Taken together, these proposals can help build a competitive supply of market-ready industrial lands needed to drive Oregon's economic growth over the next 20 years.

We urge you to include Business Oregon's funding request for the Oregon Industrial Site Readiness Program in your recommended budget and to support the proposed statutory refinements to the program.

The potential economic benefit from successful traded-sector development (direct and indirect jobs, income and property tax revenues) that remains unrealized due to site constraints is significant. Growth in income tax revenues would make the state's general fund the largest beneficiary from an increase in traded-sector industrial jobs. By helping to reduce barriers to traded-sector industrial development, the Oregon Industrial Site Readiness Program should provide significant return on investment to both the state and local governments.

Thank you very much for your consideration of this request.

Sincerely,

