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April 6, 2017

Senate Committee on Environment and Natural Resources  
State Capitol  
900 Court Street NE  
Salem, OR 97301

RE: Testimony on SB 432, 602, SB 608, SB 612, SB 618

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Chair Dembrow and Committee members:

Thank you for the opportunity to provide testimony on SB 432, 602, SB 608, SB 612, and SB 618. 1000 Friends of Oregon is a nonprofit, membership organization that works with Oregonians to support livable urban and rural communities; protect family farms, forests and natural areas; and provide transportation and housing choice.

1000 Friends of Oregon opposes these bills. They will be detrimental to Oregon's agricultural industry, particularly in Eastern Oregon, and undermine the land use base and system on which that industry depends.

There are parts of Oregon, especially rural Oregon, which have not experienced the economic recovery and growth that the Willamette Valley and some cities around the state have. However, these bills offer a false promise that if only more raw land were available, economic development would occur. Not only is raw land very expensive to serve with infrastructure, but true economic development is more complex.

Agriculture is the economic engine of much of rural Oregon. Land is the most critical asset for farmers and ranchers, supporting an industry that has been increasing in value steadily for decades, including through the recession.

As an example, in southeastern Oregon, there are almost 3,000 farms, producing a market value of over \$715 million, and generating many times that amount in related local jobs and businesses. Over half of eastern Oregon's agricultural sales are produced in Malheur County, and the county is #4 out of the state's 36 counties in agricultural production. It is also the state's fifth largest dairy maker, and currently leads the Pacific Northwest as the United States' seventh largest beef producer.<sup>1</sup> Agriculture is also Malheur County's largest jobs provider,<sup>2</sup> employing 21 percent of working men and six percent of working women as farm owners, managers, or pickers. The second

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<sup>1</sup> Malheur County Agriculture, OSU Extension Service, accessed September 8, 2013, <http://www.cropinfo.net/Brochureforweb/Brochure.php>.

<sup>2</sup> Malheur County's seasonally adjusted unemployment rate in February 2017 (4.6%) was a tad below the national average (4.7%) and a bit above the state average (4.0%). [http://oregonemployment.blogspot.com/2017/03/twenty-three-counties-were-at-their.html?utm\\_source=feedburner&utm\\_medium=email&utm\\_campaign=Feed%3A+blogspot%2FaYrmO+%28Oregon+Workforce+and+Economic+Information%29](http://oregonemployment.blogspot.com/2017/03/twenty-three-counties-were-at-their.html?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+blogspot%2FaYrmO+%28Oregon+Workforce+and+Economic+Information%29)

largest jobs provider, construction, does not provide even half as many jobs.<sup>3</sup> However, according to the latest Census of Agriculture (2012), the amount of land in agricultural production in Oregon declined one million acres from a decade earlier.

Another example is Morrow and Umatilla counties, where agriculture is playing an ever larger role in the state's economy, thanks in part to irrigation infrastructure that yields onions, watermelons, and much more. The agricultural value from Morrow and Umatilla counties has also increased because the Port of Morrow supports facilities and businesses that process locally-grown products. The Port is an industrial facility that provides space, utility, and transportation services to various regional businesses. It houses industries involved in frozen dehydrated vegetable and food processing; ethanol and biofuels production; dairy products processing and distribution; and vegetable and hay products. Morrow County was Oregon's third most productive agricultural economy in 2012 with \$482 million in sales.<sup>4, 5</sup>

Oregon's rural communities cannot afford to lose this industrial land base, yet these bills threaten to do that by allowing more land to be divided and/or converted from farm to nonfarm use, increasing the cost of farmland and increasing conflicts between farm and nonfarm uses.

According to DLCD's *2014-2015 Farm and Forest Report*, the continuing break-up of large ranch properties through land divisions can make it increasingly difficult to generate reasonable economic returns from agriculture on these properties. These bills will give way to further division and development of ranchland as these counties are exempted from the land use system.

Instead of opening Eastern Oregon's farm and ranchlands to development, we recommend that the state invest in growing existing agriculture-related businesses, improving transportation needs of agriculture, incentivizing value-added production and helping new farms get access to affordable farmland.

Eastern Oregon's cities and towns can grow and thrive in collaboration with the agricultural land base and farm economies. Compact urban development is cheaper and more efficient. These bills disincentivize smart planning efforts for Eastern Oregon cities and towns because instead of promoting smart growth, they will promote uninhibited sprawl across iconic and valuable farming and ranching landscapes.

The following are more specific comments related to the individual bills:

- SB 602/612: These bills are unnecessary. The legislature passed SB 766 in 2011, which authorized local governments to nominate regionally significant industrial *areas*, a process to ensure such sites are development-ready and protected for industrial job-creation. Seven sites have been so designated, only one in the Willamette Valley. In 2013, the legislature authorized the designation of regionally significant industrial *sites*, 1 of which has been designated. Business Oregon also has a process to fast-track specific industrial development of statewide significance. Although all these programs are aimed at

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<sup>3</sup> City-Data.com, "Malheur County, Oregon (OR)", accessed September 10, 2013, [http://www.city-data.com/county/Malheur\\_County-OR.html](http://www.city-data.com/county/Malheur_County-OR.html)

<sup>4</sup> Oregon Department of Agriculture, June 2013, *Agriculture remains a key player in all 36 Oregon counties*.

<sup>5</sup> Morrow County hit a record unemployment rate in February 2017, at 4.3%. [http://oregonemployment.blogspot.com/2017/03/twenty-three-counties-were-at-their.html?utm\\_source=feedburner&utm\\_medium=email&utm\\_campaign=Feed%3A+blogspot%2FaYrmO+%28Oregon+Workforce+and+Economic+Information%29](http://oregonemployment.blogspot.com/2017/03/twenty-three-counties-were-at-their.html?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+blogspot%2FaYrmO+%28Oregon+Workforce+and+Economic+Information%29)

designating and protecting industrial lands in rural counties, and fast-tracking employment opportunities in rural Oregon, they all remain under-utilized.<sup>6</sup> Supporting economic development in rural Oregon requires monetary investment in the products, people, and businesses already there, with infrastructure, work force training, value-added production, etc.... The ready-to-go land and streamlined approval process is there.

- SB 608: This bill allows expansion of urban growth boundaries (UGBs) without following the land use laws for "needed" housing. However, the definition of "needed housing" is basically all housing, so this is a bill that would simply allow development of residential subdivisions in the countryside.

In conclusion, we strongly oppose these bills, which will substantially weaken Oregon's agriculture economy and the land use program that supports it.

Respectfully submitted,

Meriel L. Darzen  
Circuit Rider Staff Attorney

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<sup>6</sup> Business Oregon, <http://www.orinfrastructure.org/Infrastructure-Programs/Industrial-Development/>